



FROM PRECARIOUS SETTLEMENTS TO DIGNIFIED COMMUNITIES

Western Cape Informal Settlement Strategic Framework (ISSF)

Final
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in partnership with



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Acronyms and abbreviations

BNG	Breaking New Ground
DM	District Municipality
EPHP	Enhanced People's Housing Process
EPWP	Expanded Public Works Programme
FLISP	Finance-linked individual subsidy programme
HDA	Housing Development Agency
HSDG	Human Settlements Development Grant
IDA	Incremental Development Area
IDP	Integrated Development Plan
IRDP	Integrated Residential Development Programme
ISDM	Informal Settlement Development Matrix
ISSF	Informal Settlement Strategic Framework
ISSP	Informal Settlement Support Plan
GIS	Geographic Information System
LUPA	Land Use Planning Act
MIG	Municipal Infrastructure Grant
MTEF	Medium Term Expenditure Framework
Metro	Metropolitan Municipality
NDHS	National Department of Human Settlements
NGO	Non-governmental organisation
NUSP	National Upgrading Support Programme
PERO	Provincial Economic Review and Outlook
PSP	Provincial Strategic Plan
RAP	Rapid Appraisal Project
RDP	Reconstruction and Development Programme
SPLUMA	Spatial Planning and Land Use Management Act
TRA	Temporary Relocation Area
USDG	Urban Settlement Development Grant
WCHSF	Western Cape Human Settlements Framework
UISP	Upgrading of Informal settlements programme

1 INTRODUCTION

The provincial population of the Western Cape continues to grow, as a result of natural population growth and in-migration from other provinces. Within the province, migration and household splitting contribute to the ongoing shifts and changes in demands for public services and shelter. A growing number of people in the Western Cape, unable to afford formal housing opportunities and for whom adequate public sector alternatives do not exist, live in informal settlements and/or informal housing arrangements. In 2001, one in seven households in the Western Cape lived in informal settlements or backyard shacks; by 2011, this had increased to one in six. Their living conditions are precarious, with limited or no access to security of tenure, services, environmental safety and legal security.

Informal settlements present particular challenges and opportunities for planning, land use management and the provision of public services and infrastructure, which require a different strategic response to the challenges related to backyarders. In non-metro municipalities in the Western Cape, over 40% of informal settlements have existed for over 15 years and almost 3 out of 4 informal settlements have existed for ten years or more.¹ This shows that informal settlements are not a new phenomenon, and that government has not been effective in responding to the growing demand for services and shelter. In fact, despite policy provisions for informal settlement upgrading in the National Housing Code of 2009, the official response has been dominated by housing delivery, which has been slow, unable to respond to existing and growing demand, costly and often subject to poor planning decisions.

In 2016, the Western Cape Government commissioned a rapid appraisal of informal settlements in the Western Cape to inform an evidence-based strategic response to informal settlements. The purpose of the rapid appraisal was to assess, categorise and rank informal settlements across the province, based on agreed criteria. The rapid appraisal used surveys, interviews and focus groups to develop settlement profiles and identify development priorities for each settlement. The rapid appraisal found that in 98 informal settlements surveyed, basic services (water, sanitation, electricity) make up close to half of the top three priorities identified, followed by shelter and employment (see box 1).

These findings echo the Western Cape Government's assessment that a different approach to informal settlement upgrading is needed, one that places people living in informal settlements at the heart of interventions to improve the physical environment and the quality of life of informal settlement residents.

Box 1. What do people living in informal settlements in the Western Cape identify as priorities?

A 2016 rapid appraisal of informal settlements in the Western Cape asked residents to identify a list of priorities. Across 98 settlements surveyed, almost 31% of settlements identified water as the first priority, followed by electricity (24%), shelter (16%) and employment (7%), with sanitation and tenure both scoring 6%.

However, when combining the top three priorities identified per community, the picture changes somewhat, with electricity, sanitation and water making up 49% of the priorities identified and employment increasing to 12%. Shelter remains similar, at 15%. The detailed breakdown of basic services is electricity (18%), sanitation (16%) and water (15%).

1.1 Why a provincial strategy on informal settlement upgrading

Since 1994, informal housing and shelter arrangements have been on the increase, with a growing share of the Western Cape population living in informal settlements or backyard shacks. In recent years, the growth in the number of people living in backyard shacks has outpaced the growth rate of people living in informal settlements. Municipalities undoubtedly need to address the needs of backyarders as part of their urban management and human settlements strategies. As the issue of backyarding has particular defining elements², a specific policy and programmatic approach that is distinct from informal settlement upgrading is warranted. The Western Cape Human Settlements Framework (WCHSF) will provide further guidance on the issue of backyarding.

The Western Cape Government has identified the need for a strategy for informal settlements for the following reasons:

1. Informal settlements are a more enduring feature of the provincial landscape than generally appreciated;
2. There is a lack of a clear and coherent understanding and response from the sector (including all actors involved in human settlements) with regards to planning for informal settlements;
3. Informal settlement communities are inadequately involved in planning and decision making processes;
4. Non-state actors (the private sector and NGOs) are inadequately utilised in responding more effectively to informality.

1.2 Starting points for a provincial Informal Settlement Strategic Framework

The Western Cape Government recognises that a paradigm shift on informal settlements is needed, to inform a robust programmatic approach that guides the actions and relationships of multiple actors and stakeholders in the sector. This approach needs to be grounded in an appreciation that:

- Informal settlements in the Western Cape are the outcome of urbanisation, migration, failure of the housing market (especially in the context of widespread poverty), labour market dynamics and historical exclusionary practices (which manifest spatially, socially and economically);
- Informal settlements are associated with specific risks and vulnerabilities, most notably climate change, HIV, xenophobia, crime, gender-based violence and joblessness;
- There is a significant trust deficit between informal settlement communities and municipalities in relation to governance and service provision;
- The challenge is both complex and urgent – poor and hazardous living conditions and tenure insecurity in informal settlements stand in stark contrast to the rights enshrined in the Constitution and impede people’s ability to thrive and take control of their own development;
- Housing is but one component of the upgrading process – public sector investment can be most strategic and beneficial in relation to the public realm, including public services, infrastructure and space.

This Strategic Framework provides guidance to provincial departments and municipalities – as the primary implementers of settlement upgrading initiatives – in the Western Cape in developing a coherent programmatic, sector-wide approach to informal settlements and informal settlement formation. It is the outcome of an intensive process of research, analysis and consultation with different stakeholders. The Strategic Framework draws on the findings of the rapid appraisal of informal settlements in the Western Cape, which was conducted in 2016, as well as desktop research, review of government policy and programmes, focus group consultations, provincial meetings and stakeholder workshops.

Based on these various strands of work, the Informal Settlement Strategic Framework (ISSF) offers an evidence-based, progressive approach to informal settlements. It has five key sections. The next section presents an assessment of trends and patterns pertaining to informal settlements in the Western Cape. This is followed by an assessment of the sector, distilled in four high level summaries in terms of modus operandi, governance, capability and resourcing in section 3. Based on the contextual analysis presented in sections 2 and 3, section 4 outlines a new orientation in responding to informal settlements. Section 5 presents the vision, mission, guiding principles, strategic objectives and strategies to direct the strategic approach for the next 15 years.

Four important products accompany the ISSF:

- I. An **Implementation Plan**, outlining key provincial and municipal actions to achieve the strategies, strategic objectives and envisaged outcomes outlined in the ISSF (included as Annex I).
- II. The **Informal Settlement Support Plan (ISSP)**, outlining design, tenure and services options municipalities (in consultation with communities) can consider for incremental and participatory upgrading in relation to different settlement categories.
- III. The **Informal Settlements Prioritisation Model**, which is a tool for municipalities in prioritising which settlement(s) to upgrade and what type of interventions to pursue. A guiding concept note on how to use the tool accompanies the Prioritisation Model.
- IV. A **Monitoring and Evaluation Framework**, with indicators to measure success, monitor, review and refine the implementation of the ISSF.

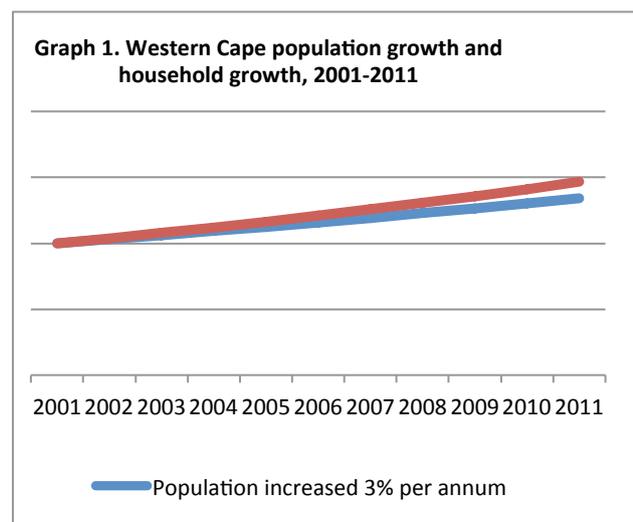
2 INFORMAL SETTLEMENTS IN THE WESTERN CAPE: TRENDS AND PATTERNS

Informal settlements pose a particular challenge to government in terms of all aspects of development planning and governance. A strategic and programmatic response to informal settlements and informal settlement formation needs to be grounded in evidence and lived experiences. The complex realities relating to informal settlements in the Western Cape are summarised into four key conclusions.

Informal settlements make visible the inability of cities and towns to cope with urbanisation, demographic changes and economic exclusion.

Between 2001 and 2011, the population of the Western Cape increased from 4 524 335 people to 5 822 734 people. This represents an average increase of 3% per year. Natural population growth accounts for the lion share of the total population increase in the Western Cape, namely 77%, followed by net in-migration from other provinces (15%, or 192 401 people) and foreign in-migration (8%). A significant proportion of people moving into informal settlements are from the Western Cape (41%), slightly below the proportion of people coming in from the Eastern Cape (45%).

Average household size declined from 3.9 in 2001 to 3.6 in 2011. One of the main factors underlying the decline in household size is the rapid increase of one-person households – from 16% of all households in the province in 2001 to 21% of all households in the province in 2011. In fact, the number of households in the province grew at an average rate of 3.9% per annum – a faster growth rate than the average population growth rate (see graph 1). This puts particular pressure on government to provide basic services, manage land use and enable a decent quality of life for all.



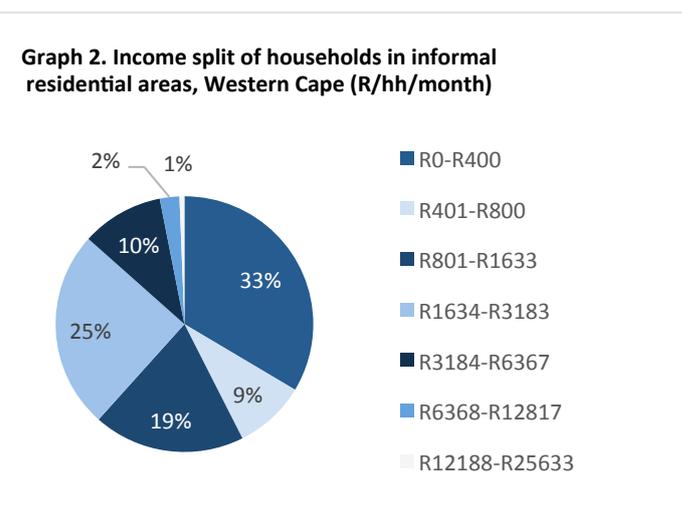
The Western Cape anticipates sustained population growth, albeit at a slower rate. According to the 2014 Provincial Economic Review and Outlook (PERO)³, the Western Cape population is predicted to grow by 10.5% between 2014 and 2024. Although this suggests that the population growth rate is slowing down significantly to an average of just over 1% per annum, it still reflects an absolute increase of 636 366 people.

A significant proportion of this increase will concern households that are unable to afford housing opportunities in the formal market. As Table 1 shows, it is envisaged that by 2030 over 1 million new households will be formed in the Western Cape, either as a result of family formation or in-migration. Almost half (49%) of these households will earn less than R6 400 per month – the current threshold to be eligible for some form of housing assistance from the state.

Table 1. Expected number of new households through family formation / migration by 2030 by income, Western Cape

R0-R3200	R3200-R6400	R6400-R13000	R13000-R26000	R26000+	Unspecified	Total
328 577	183 615	163 659	133 462	228 141	4 355	1 041 809
31,5%	17,6%	15,7%	12,8%	21,9%	0,4%	

Source: Input Paper 1: Housing Intervention Options, prepared by Shisaka Development Management Services for the Western Cape Department of Human Settlements, 2015.



In fact, Census data shows that 96% of households in informal settlements in the Western Cape earn monthly incomes of less than R6 367 and 86% earn below R3 183 per month (see graph 2). This shows the concentration of poverty in informal settlements and the critical importance of government support for adequate shelter provision for informal settlement dwellers.

Source: Census 2011

Another important issue to consider is the age profile of the provincial population, as the current demographic profile and demographic trends have implications for provincial and local development. The majority of the Western Cape's population is younger than 30 years old, and 36.7% is between the ages of 15-34 years old. The median age of the provincial population is 28.7 years, which is slightly older than the national average of 25.3 years. By 2024 the median age is expected to increase to 32.4 years, suggesting an aging population.

Unemployment is one of the key challenges facing youth, nationally and provincially. As the future generation of experienced workers, taxpayers, leaders and providers, youth employment prospects are vital to the local and provincial economy and tax base. The unemployment rate (between 19.4% and 22%, based on the narrow and expanded definition of employment respectively⁴) in the Western Cape is the lowest in the country, with important job gains made in recent years. Yet, with one in five of the provincial labour force jobless, unemployment remains a challenge. As provincial economic prospects remain relatively weak, core economic sectors will not drive large employment opportunities for the lower end of the labour market, with the possible exception of agriculture.⁵

Despite the growth in employment, unemployment has continued to grow, especially among women and among 25-34 year olds. Within each of these demographic groups, one in four persons are unemployed. Of particular concern is the extent of youth unemployment in the province, which is more than double the unemployment rate for non-youths. Youth unemployment rates have been recorded as 35.5% in terms of narrow unemployment and 44.4% for expanded unemployment. Youth aged 15 to 34 years account for nearly two thirds (66.2%) of the unemployed population in the Western Cape.⁶

Unemployment is also concentrated in informal settlements. In the province, the proportion of the working-age population willing and able to work is higher in informal settlements than in formal settlements and unemployment rates are almost double the provincial unemployment rate (see table 2). The expanded unemployment rate in informal settlements is 44%.

Table 2. Labour force participation rates and unemployment rates by settlement in the Western Cape (2011)

	Labour force participation rate	Unemployment rate (narrow)
Total Western Cape	59%	22%
Informal residential	70%	41%
Formal residential	58%	21%
Farms	65%	5%

Source: HDA 2013, p24.

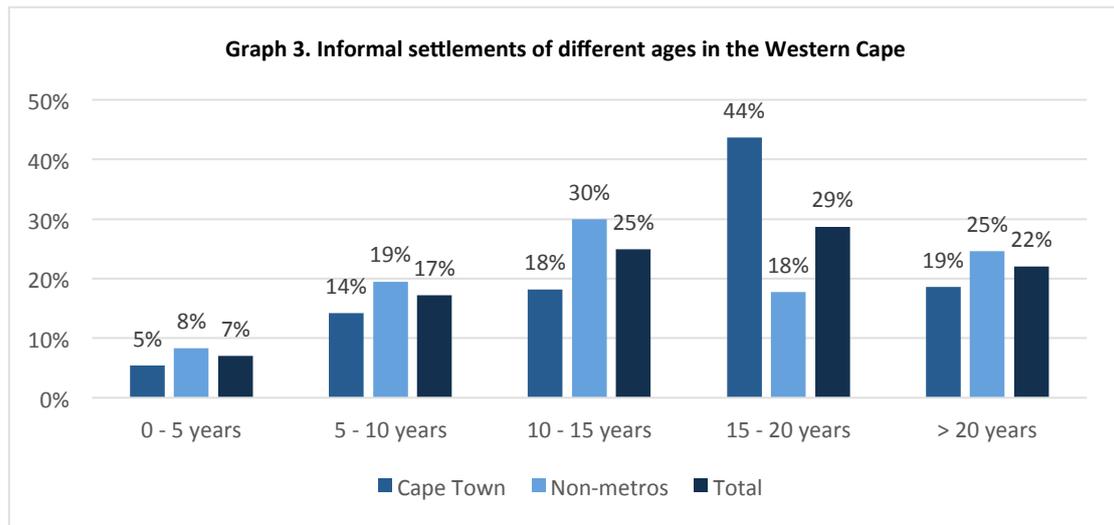
In essence, the provincial labour market, like the national labour market, is characterised by persistent historical patterns of labour market disadvantage, which reflect race, gender and age disparities⁷ – and which manifests spatially in the concentration of unemployment in informal settlements.

In the absence of functional housing, land and labour markets, informal settlements provide critical opportunities for the poor and are not transient.

In the Western Cape, the housing market for households earning above R15 000 per month is generally functioning. However, the housing market for households earning below R15 000 is dysfunctional for a number of reasons, including sales of properties not being registered in the Deeds Registry and poor quality of service providers. The sale restriction on subsidised housing, high cost and complexity of transactions and the lack of deeds transfers to new occupants are key reasons why sales of properties are not being registered on the Deeds Register.⁸ While households earning less than R 6 400 per month are eligible to receive some form of housing assistance by the state, government has simply not been able to provide suitable support for shelter provision in accordance with demand. The vast majority of informal settlement dwellers live in households that earn below R 6 400 per month (see graph 2 – it concerns 96% of households).

Unemployment and/or insecure employment, low wages, lack of affordable housing opportunities and exclusionary urban land markets are key drivers of informal settlement formation. Between 2001 and 2011 the number of households in informal settlements in the Western Cape increased from about 116 000 households to just over 149 000 households – an average of 2,8% per annum.⁹ These households are currently residing in 235 informal areas in City of Cape Town and an estimated 205 informal settlements in non-metro municipalities.

As graph 3 shows, over 40% of informal settlements in non-metropolitan municipalities have been in existence for over 15 years. In Cape Town, 63% of informal settlements were established more than 15 years ago. Similarly, in Cape Town almost 7 out of 10 dwellings in informal settlements are in settlements that are more than 15 years old. This suggests that for a significant number of residents at least, informal settlements offer long-lasting, rather than temporary solutions. This is echoed by Census 2011, which found that only 30% of people living in informal settlements in the Western Cape moved between 2001-2011.¹⁰



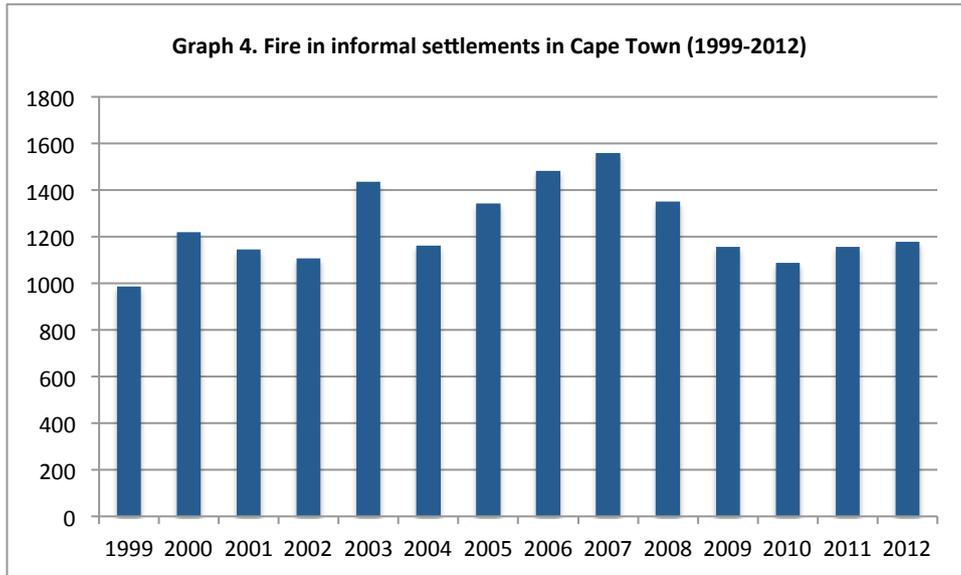
Sources: 2014/15 Provincial database for informal settlements & City of Cape Town informal settlement database

Informal settlements do not only offer alternative and affordable shelter solutions to the poor, but also important economic opportunities, because of their location in relation to the local labour market (for example, through proximity to jobs and work opportunities) or by virtue of the entrepreneurial livelihood strategies adopted by residents.

The informal sector plays a significant role in livelihood strategies of informal settlement dwellers. The informal sector accounts for 10.5% of total employment in the Western Cape. The provincial informal sector comprises close to 240 000 individuals. The majority of informal sector workers in the province are African, male and between the ages of 25-44 years.¹¹ In the Western Cape, the informal sector provides an important point of entry to the formal sector; in 2014, one in five individuals who worked in the informal sector found a job in the formal sector. However, the informal sector does not provide for stable employment and a large part of this concerns survivalist activities.

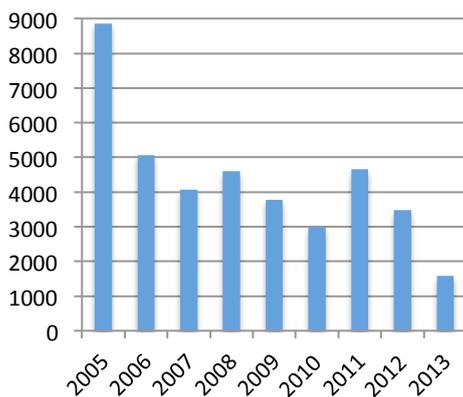
Informal settlements also create a particular context of environmental and social risk and vulnerability, which is exacerbated by climate change.

A critical issue within informal settlements relates to risk of fire and flooding. The higher the density of the settlements and the poorer the quality of building materials, the greater the risk. In the case of fire, lack of electricity resulting in the use of various fuel types for cooking, lighting and heating is also a key factor. Graph 4 illustrates the number of fires responded to by the City of Cape Town between 1999 and 2012. Graph 5 and 6 show the number of structures affected by fires and the number of deaths caused by fires in informal settlements. In 2012, the City of Cape Town reported 1 177 fires and 3 480 structures affected through fires in informal settlements.¹²



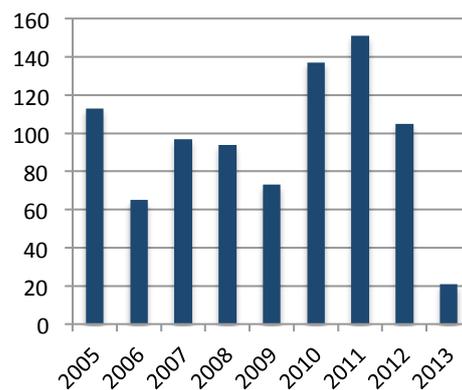
Source: Data from City of Cape Town 2013

Graph 5. Number of structures affected by fire in informal settlements, Cape Town



Source: Data from City of Cape Town 2013

Graph 6. Deaths as a result of fires in informal settlements, Cape Town



Source: Data from City of Cape Town 2013

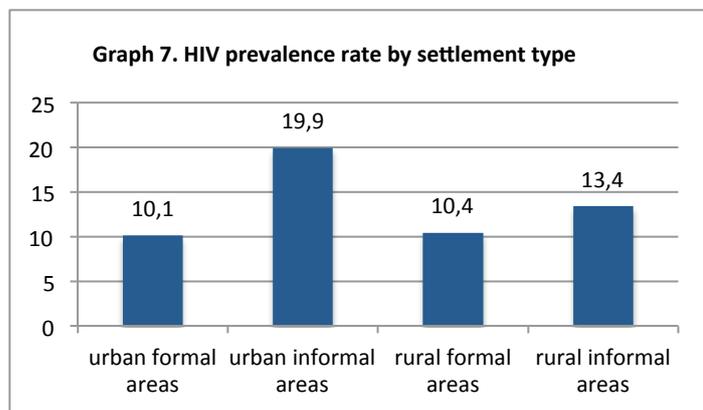
Similarly, close to 70 informal settlements, affecting 7 500 structures and 30 000 people, are affected by flooding each year in the metro.¹³ Lack of adequate stormwater infrastructure and proper maintenance of stormwater infrastructure, together with the poor location of informal settlements on unsuitable land and poor housing quality all lead to the increased risk of flooding. Flooding in informal settlements compromises public health and safety, destroys personal property and adversely affects livelihoods. Significant state resources are spent to provide flooding disaster relief each year. Importantly, this disaster relief is going to become scarcer as it is split between an increasing overload of disasters across the metro and the province, as climate change impacts become more prevalent.

All these risks and vulnerabilities for informal settlement dwellers are further exacerbated by the impacts of climate change. For a province that is characterised by a resource-based and service-based economy, much economic activity and thus livelihoods may be at risk

depending on the climate change responses across sectors. For example, coastal vulnerability poses a significant risk to tourism, coastal properties and infrastructure, and fisheries-based livelihoods. Drought in particular is a major threat to agriculture, and to water dependent industry and municipal services. The agricultural sector in the Western Cape is a key economic sector, as it is responsible for approximately 20% of agriculture production in South Africa and between 55% and 60% of the country's agricultural exports valued at more than R7 billion per annum.¹⁴ The sector is also a relatively large contributor to provincial formal sector employment, providing employment for 7.5% of those employed in the formal sector.¹⁵ Climate change poses a significant threat to this climate dependent sector, which in turn raises food security and employment concerns. Recent droughts in the province have demonstrated the catastrophic impacts on the poor and food insecure households.

The urban areas of the Western Cape are spatially vulnerable to impacts of climate change and multiple natural threats. As human settlements continue to expand rapidly in ecologically fragile areas, including coastal and low lying regions, the probability of loss is expected to increase. In addition, the growth of underserved and vulnerable informal settlements is already reflected in significant seasonal losses triggered by fire events, strong winds and heavy rainfall. For instance, most informal settlements located on the Cape Flats have reported annual flooding, which restricts the serviceability of these settlements.

Poor living and housing conditions, poverty and unemployment also create an HIV-risk environment. The HIV prevalence among the reproductive age population (15 to 49 years) in the Western Cape increased from 5.3 per cent in 2008 to 7.8 per cent in 2012 (PERO 2015). Nationally, the HIV prevalence rate in informal settlements (both urban and rural) is significantly higher compared to formal settlements (see graph 7). The incidence rate, which indicates the rate of infection, in urban informal settlements is more than double the incidence rate in urban formal settlements (namely 2.5% and 1.1% respectively).¹⁶ Yet, the same study also showed that condom usage is significantly higher among people living in informal settlements, suggesting that the living environment is critical in determining risk and vulnerability.



Source: Shisaka et al (2014), p.xxvii.

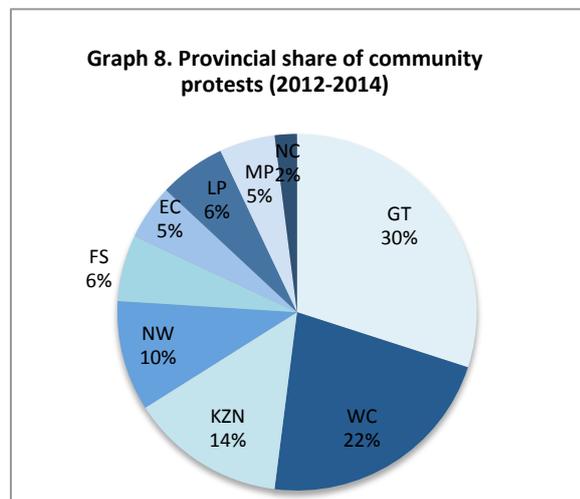
Xenophobia has been rampant across South Africa with many perceptions that foreign shop owners in informal settlements are stealing local jobs or undercutting prices of local shop owners. Despite local authorities dispelling the attacks, xenophobia continues to threaten stability within informal settlements. According to the Consortium for Refugees and Migrants in South Africa, attacks on foreigners have continued, with national statistics showing that in 2011 on average one person a week was killed, while 100 were seriously

injured and over 1,000 were displaced. Crucially, it was found that foreigners were particularly targeted during community-based protests.¹⁷

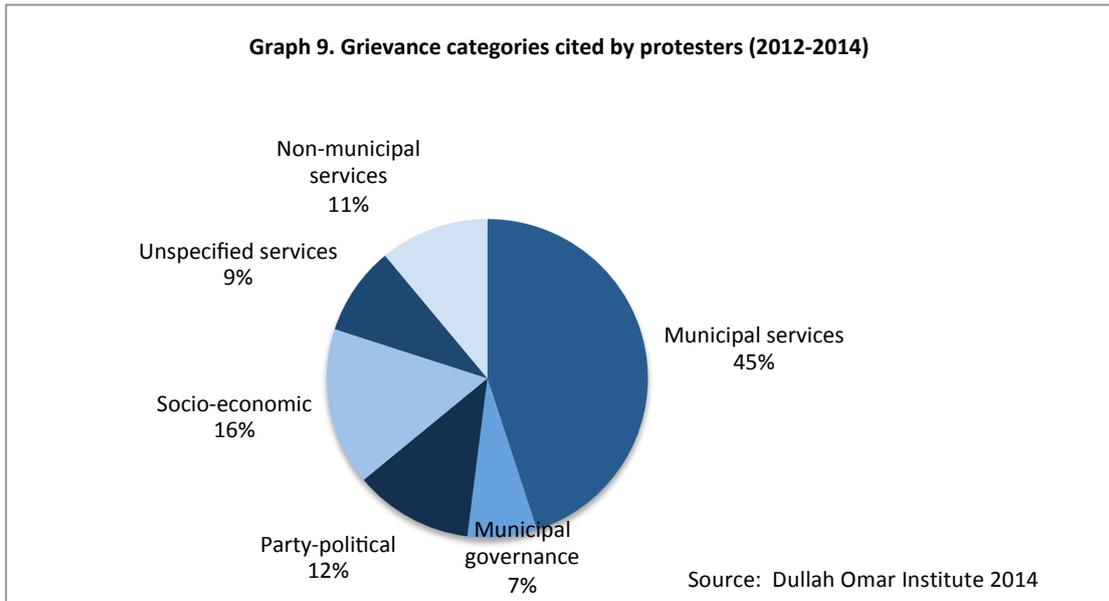
Underserved and impoverished communities tend to be at a higher risk of crime compared to people living in wealthier suburbs. Murder, sexual violence, common assault, theft and robbery are disproportionately occurring in police precincts that incorporate (often large) informal settlements. In its 2014 report the Khayelitsha Commission of Inquiry noted that there is a correlation between high crime and low allocation of police resources. As a result, informal settlement residents are exposed to an insecure and unsafe living environment on a daily basis.

Relationships between informal settlement communities and municipalities are strained.

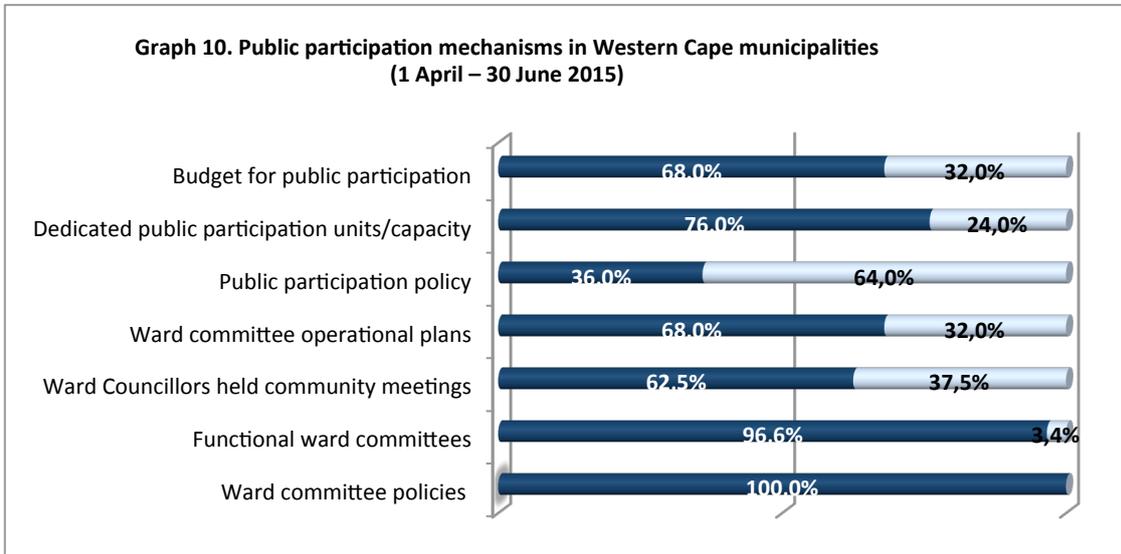
Community-based protests are one of the many indicators of strained relationships between communities and municipalities. As graph 8 shows, in the period 2012-2014 almost a quarter of community-based protests (usually staged by community members against a municipality) recorded in South Africa took place in the Western Cape, placing the province second after Gauteng (30%). At the origin of such protests are often issues related to service provision and governance that are the responsibility or perceived responsibility of local government (such as councillor accountability, quality and pace of basic service delivery and, in the metro areas, housing) (see graph 9).



Source: Dullah Omar Institute 2014



Provincial data confirms that existing mechanisms and forums for public participation in the Western Cape are underperforming (see graph 10). Significant proportions of ward councillors are failing in their duties to engage local communities and be accountable. Also, one third of ward committees have not adopted operational plans and it has become unclear whether ward committees are truly representative, effective and legitimate in the eyes of the community.



Source: Western Cape Department of Local Government, presentation to Provincial Public Participation Conference, 14-15 September 2015

Box 2. The policy and regulatory environment for in situ and incremental informal settlement upgrading

Various policies, legislation, plans and programmes guide government responses to in-situ incremental upgrading of informal settlements.

National policy

The **National Development Plan (NDP) 2030** supports in situ settlement upgrading, wherever possible. It further observes that there is ambivalence across government towards informal settlement upgrading, noting that many provinces and local municipalities still revert to conventional approaches to land development, i.e. predominantly greenfield developments. The NDP adds that government has not yet developed clear mechanisms for in situ upgrading. The NDP acknowledges that informal settlements are highly differentiated in terms of history, location, levels of vulnerability and social structures, and recommends that “one-size-fits-all”, generalised approaches need to be traded in for contextually relevant responses.

The 2016 **Integrated Urban Development Framework (IUDF)** aims to leverage the urbanisation process for increased development gains and sustainability, specifically the strategic goals of spatial integration, inclusion and access, growth, and governance. The overall outcome of the IUDF relates to spatial transformation by steering urban growth towards a sustainable growth model for compact, connected and coordinated cities and towns, and as such has a close relation to informal settlements. The document outlines that by 2030, more than 70% of the country’s population will be in urban areas, with a large portion of the urban population finding themselves in informality due to a lack of affordable housing opportunities. In the IUDF’s *Policy Lever 3: Integrated Sustainable Human Settlements*, the prioritisation of informal settlement upgrading is highlighted, and emphasis is placed on the identification of safe land, tenure provision, provision of social and infrastructure services, spaces for economic activities and alternative delivery models.

The **Upgrading of Informal Settlement Programme (UISP)** in the National Housing Code (2000, revised in 2009) – designed specifically to cater for the special development requirements of informal settlements – is very clear in its focus on in-situ upgrading (with relocation as a last resort) to ensure tenure security, improved health and security through the provision of municipal services, and social and economic inclusion. The UISP makes it clear that the programme finances the development of serviced stands, while housing consolidation occurs through accessing one of government’s housing subsidy programmes.

The **Spatial Planning and Land Use Management Act (SPLUMA)** of 2013 strongly promotes incrementalism in relation to informal settlement upgrading, describing it as “the progressive introduction of administration, management, engineering services and land tenure rights to an area that is established outside existing planning legislation...” SPLUMA further outlines that land use management systems need to include provisions that are flexible and appropriate for the management of informal settlements, which points to the acknowledgement of the complex nature of informality in formal planning legislation. Settlement upgrading needs to be guided by the principles of spatial justice, spatial sustainability, efficiency, spatial resilience and good administration (as outlined in the Act).

In 2015, the National Department of Human Settlements initiated a process of **human settlements policy reform**, which is expected to result in a new White Paper and associated legislation and regulations (including a revision of the ‘Red Book’, i.e. the guidelines for human settlement planning and design) by 2016/17. The discussion document titled *Towards a policy foundation for the development of human settlements legislation* suggests that more resources will be directed towards informal settlement upgrading with an emphasis on tenure security and the provision of infrastructure services (following an area-based approach).

The **National Upgrading Support Programme** (NUSP) was designed to (1) promote incremental upgrading as a major complementary housing programme, (2) improve the programmatic approach to upgrading, strengthening co-ordination with other sectors and partners, and (3) strengthen the capacity of government and professional practitioners to implement community-based incremental upgrading. NUSP has a number of areas of support that it offers to municipalities, provinces, practitioners, councillors and community members which includes technical assistance (for the development and implementation of upgrading programmes and projects), capacity building and information dissemination, but has, according to the NDP 2030 “made slow progress due to rigid local regulations, ambivalent attitudes towards informal settlements in parts of government, and a lack of capacity to upgrade such settlements”.

The Western Cape provincial approach

The Western Cape **Land Use Planning Act (LUPA)** of 2014 (and the associated Regulations of 2015) echoes the importance of incremental settlement upgrading and the land use management implications in addressing informal settlements outlined by SPLUMA. Moreover, LUPA outlines the close relationship between sound land management, environmental protection and climate change resilience, which has clear implications for the way in which local municipalities approach land use management.

The Western Cape government has, against a backdrop of various interrelated challenges, put in place five **Provincial Strategic Goals** (PSG) with associated **Game Changers** (catalytic priority projects to give effect to the provincial goals) which seeks to address the challenges associated with low economic growth, high and increasing unemployment, increasing population pressures, constraints related to natural resources, energy, climate change, infrastructure and skills shortages. The **Better Living Challenge** is particularly relevant for informal settlement upgrading and the ISSP. It places emphasis on innovative, alternative approaches to meet a demand (i.e. improved living conditions) through a partnership approach. The Better Living Challenge places an emphasis on self-improvement and self-responsibility with government playing an enabling role (which relates closely to the shifting role of the state as explained in the ISSP).^{**}

Given the realities of poverty and the accompanying social ills such as crime, substance abuse and violence in the Western Cape, the **Regional Socio-Economic Programme (RSEP)** and the **Violence Prevention through Urban Upgrading (VPUU)** focussing on spatial reconstruction of previously disadvantaged communities and social upliftment in local urban contexts have been launched by the Western Cape government. These programmes ensure financial support and allow for a number of practical implementation projects, provide a platform for line departments to work together at the local level, and create an opportunity for learning and innovation. The programme endeavours to deal with communities holistically and integrating physical and social approaches.

The City of Cape Town approach

The **City of Cape Town’s Integrated Human Settlements Plan 2012-2017** is aimed at ensuring that the City plans and manages the consequences of urbanisation in a proactive and sustainable manner. It outlines its three core responses in addressing informal settlements. These include:

- **Basic services to informal settlements:** Continued roll-out of shared services in informal settlements as conditions permit, focussing on cooperation between local communities and officials in rolling out basic services, and innovative and alternative long-term development options for servicing settlements.
- **Incremental upgrade of informal settlements:** Predominantly focussing on reblocking, the aim of this intervention is to get some sense of formality in the settlements and to clear access tracks, giving the City an opportunity to improve service delivery in these settlements.
- **Temporary relocation areas (TRAs) and incremental development areas (IDAs):** the City of Cape Town has embarked upon these temporary housing opportunities, specifically to focus on developing parcels of land for families who find themselves in emergency housing need.

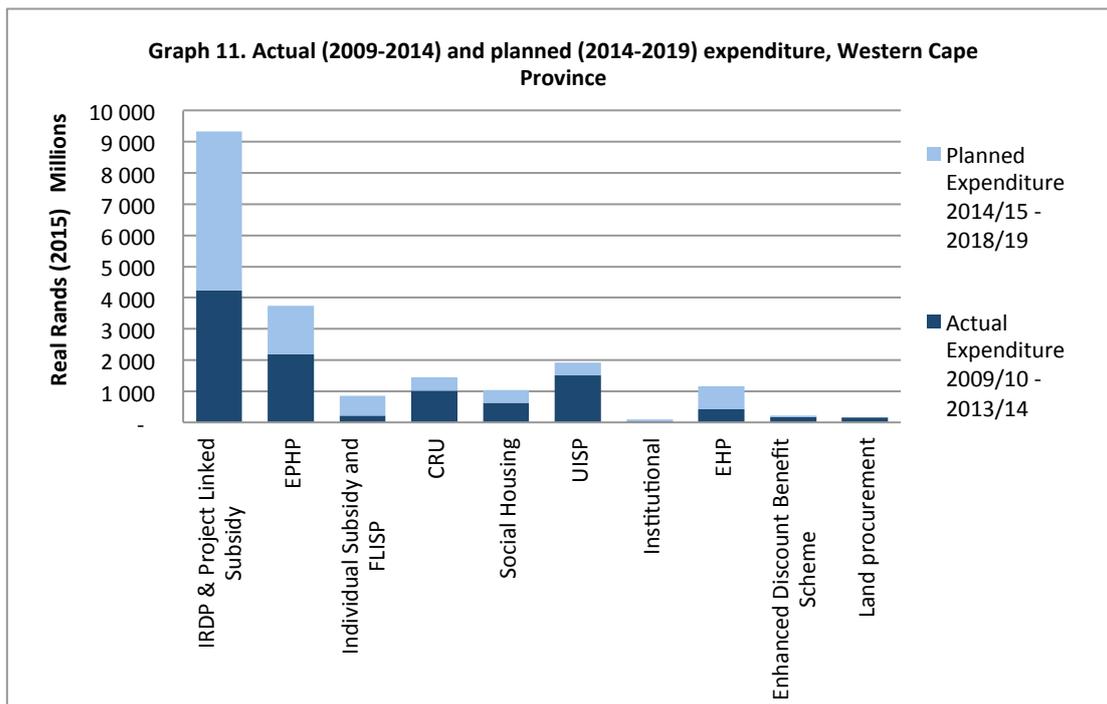
3 SECTOR ASSESSMENT

The actors involved in and/or responsible for human settlements, and more especially for informal settlement upgrading, includes the Western Cape government, municipalities, the private sector, civil society and local communities – jointly referred to as the sector here. Municipalities have primary responsibility for planning, land use management and the provision of basic services and infrastructure, as well as for the development and management of housing stock. Municipalities are also mandated to engage, work with and consult local communities in municipal planning and development initiatives. Provincial government is, amongst others, responsible for providing policy guidance to municipalities, for support and oversight, and for strengthening the capacity of municipalities. The province is also directly involved in housing projects and signs off on municipal applications for human settlement development funds. Private developers and contractors tend to act as project implementers of government-approved housing projects, whereas civil society organisations (most notably NGOs) often have supportive relationships with informal settlement communities. The extent to which informal settlement communities are organised and actively involved in collective efforts to improve their living environments varies significantly across the province, and between and within municipalities.

There is a significant amount of policy and legislation that guides the sector in relation to informal settlement upgrading and housing provision (see box 2). At the same time, South Africa is in a moment of policy flux as the 2004 human settlement policy (Breaking New Ground) is in the process of being replaced, with little clarity as of yet about the key tenets of the new policy. Similarly, a new Western Cape Human Settlements Framework (WCHSF) is under development, which will be finalised in 2017. In both instances, the emphasis is on evidence-based policy development to ensure that the policy gives suitable guidance to the sector in navigating complex human settlement issues.

Despite large policy focus on, and programmatic support for, incremental in-situ upgrading, municipal delivery is still predominantly focused on isolated turnkey greenfield projects, often with associated relocations to land on the periphery of cities and towns.

The Upgrading of Informal Settlement Programme (UISP) is very clear in its focus on in-situ upgrading with relocation as a last resort. This is echoed in the National Development Plan (NDP) which states that “wherever possible, upgrades should happen in-situ, or at least with minimum disruption to existing communities”.¹⁸ While the concepts of in situ incremental settlement upgrading are embraced in a multitude of policies, programmes and plans (see box 2), the NDP notes that many provinces and local municipalities still revert to conventional approaches to land development (predominantly greenfields development). Despite the Province’s prioritisation of informal settlement upgrading, there is limited use of the UISP (only 9% of expenditure in 2015/16) and there are clear indications that the Western Cape Province is not implementing the UISP to its fullest potential or in line with the intent of the policy. The problem partially lies at the local municipal level, where municipalities find it challenging to adopt an alternative programmatic approach in dealing with informal settlements as they are geared to produce housing at scale (project approach).

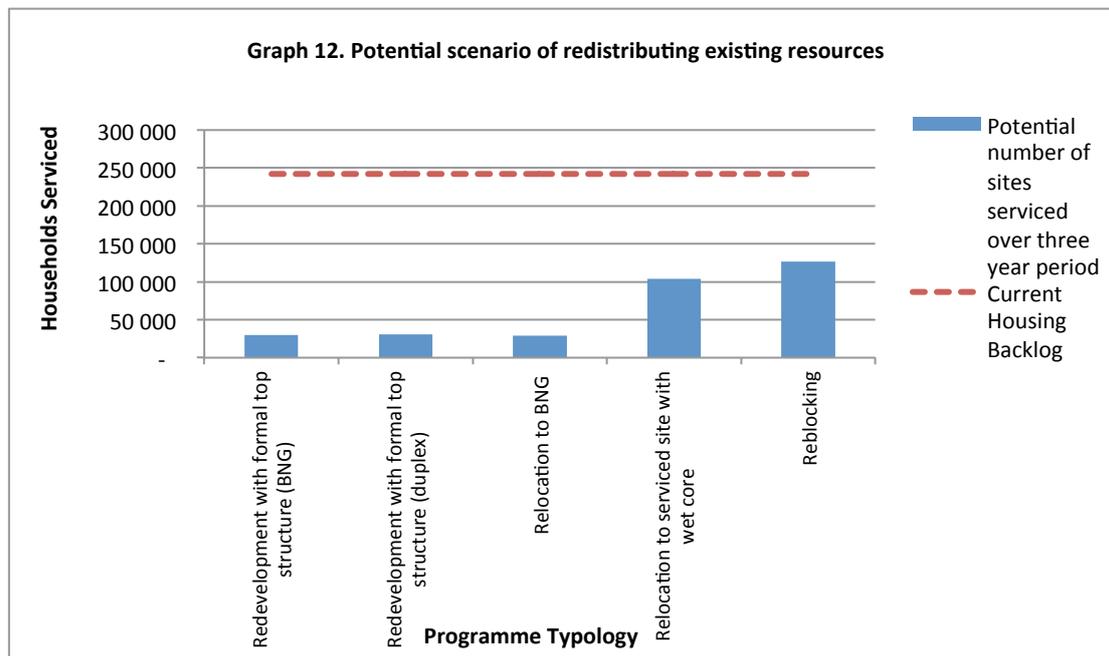


Source: Data provided by WCDHS

Graph 11 shows that actual expenditure between 2009-2014 was disproportionately allocated towards greenfield projects through the IRDP, Project Linked Subsidy and EPHP, with very low utilisation of the UISP. While planned expenditure on IRDP projects remains equivalent to historical allocations, the planned expenditure on UISP is greatly reduced. Yet as shown in Graph 12, approximately four times more households can be serviced through in-situ upgrading than is possible through public housing projects, resulting in halving the current housing backlog over 3 years. The current and planned expenditure represents only an incremental shift from the policies of mass provision of top structures initiated in 1994 through the Reconstruction and Development Programme (RDP) and continued to date despite various subsequent policy manifestations to try and diversify the housing response.¹⁹ The outcomes of this singular approach are well documented and have largely lead to an entrenchment of stratified urban settlements, poor place making, an unachievable backlog in servicing the indigent, as well as a financially unsustainable housing subsidy model.

According to research commissioned by the Western Cape government to inform the provincial Human Settlements Framework²⁰ (2015) the current rate of delivery, per annum, of new housing opportunities in the Western Cape is only 60% of the required rate in order to meet the projected need in informal settlements by 2030. However, this delivery rate is to a large extent driven by the current housing programme typologies and delivery models and the consequent costs of these. Using costing data from the WCHS (2015) framework input paper for the four current delivery models, it is clearly evident the impact that typology prioritisation has on the ability to deliver at scale. This is demonstrated clearly in Graph 12, indicating the number of households that could be serviced by differing typologies over a three year period, if various housing programme planned expenditure, in real terms,

were reprioritised to a specific delivery model. These costs are representative of delivery only and do not include the related costs of departmental management and related costs in scaling up delivery to such an extent.



Source: WCHDS (for budget); Shisaka WCHSF Research Paper No.1 (for unit costs) and authors own calculations.

Public participation in its current form is ineffective and not necessarily at the right scale.

Municipalities are legally mandated with the responsibility to involve local communities in planning, budgeting, performance monitoring and strategic decision-making regarding service provision. Municipalities tend to use ward committees as the primary mechanism to facilitate community involvement. In the Western Cape, over 95% of ward committees are reportedly up and running.²¹ However, municipalities are still faced with major challenges in making ward committees function well and be effective in fulfilling their role to enhance participatory democracy.²² This echoes a national review of ward committees conducted in 2011, which found that having functioning ward committees does not necessarily mean that these are effective mechanisms for public engagement that will better secure the express needs of residents and affirm their democratic agency.²³ The national review found that public opinion of ward committees differs significantly from the opinion held by municipal officials and ward committee representatives. For the public, ward committees do not deliver and performance is rated poorly – this is even more so by those that have engaged ward committees, as opposed to those that have not had direct experience with them. Lack of representivity, partisan politics and partisan conflicts between the ward councillor and local communities can render ward committees dysfunctional and lacking legitimacy. The review concluded that ward committees are not securing democratic outcomes sufficiently, and that communities are becoming increasingly frustrated with ward committees. Informal settlement residents consulted during the research and consultation process for the

Strategic Framework echo these findings, noting that partisan politics often become a stumbling block in achieving developmental objectives.

The Integrated Development Plan (IDP) enables communities to input into strategic planning processes at municipal level. Municipalities are legally obliged to enable community participation in the IDP process on an annual basis. The ward committee system is central to this process, as ward committees are used to inform municipal wide planning. The 2011 national review of ward committees found that, while ward committees use the IDP process as the foremost avenue to influence municipal governance, their impact in this regard is limited. Again, this brings to the fore the functionality and effectiveness of ward committees – and the position and role of the ward councillor – in bringing about democratic outcomes.

The Review of Urban Sanitation in the Western Cape completed in March 2016 describes the discontent that communities express with municipal processes of ‘participation’. At the heart of it lies a fundamental difference between government and civil society’s perspectives on the meaning of participation. Government continues to conflate participation with consultation (sharing ready-made plans, or merely disseminating information), while civil society organisations advocate for processes grounded in co-production where communities have real decision-making power.

Opportunities for co-production present themselves most compellingly at project level. After all, “it is in the ‘nitty-gritty’ of informal settlement upgrading and bottom-up participatory planning where a programme [such as the UISP] or project is won or lost.”²⁴ Despite political will at national level – and the formal buy-in of provinces and municipalities – to involve local communities in decisions concerning informal settlements, actual project implementation realities of informal settlement upgrading are often very different. This is starkly highlighted by the pressures to deliver on targets, which force municipalities to compromise on process. In their operative paradigm, what is measured counts; this is often at odds with an approach that values developmental processes and works towards outcomes, rather than outputs. Of course, community involvement should not be limited to project level participation; rather, “municipal upgrading programmes and plans need to be developed and implemented with as much participation as possible from communities and other stakeholders.”²⁵

Sector capability for programmatic or project level delivery of incremental and sustainable informal settlement upgrading is limited (at present).

Current practices and often-innovative solutions involving civil society organisations, municipalities, provincial government and private sector are unable to scale up project level delivery. However, institutional and sectoral capacity is difficult to assess rigorously and objectively, with appraisals often based on anecdotal evidence and opinions. Recent research conducted for the Western Cape Human Settlements Framework found that “the governmental and non-governmental actor capacity to execute informal settlement upgrading in the Western Cape is coming off a very low base and expectations for a rapid scale up of capacity should be avoided.”²⁶ Stakeholder interviews confirmed that the lack of capacity at municipal, and in some cases provincial, level is a major blockage to delivery. They also corroborated the capacity constraints in the non-governmental intermediary

sector to offer support to informal settlement upgrading at scale – and outside the metro area where many of these organisations have a footprint.

Municipalities have the mandate to address issues relating to informal settlements, with the exception of housing, health and education, which are provincial responsibilities. The internal institutional arrangements to govern informal settlement interventions from a municipal perspective vary greatly from municipality to municipality. For instance, most municipalities make a distinction between housing, engineering services, community services and planning directorates. Only the City of Cape Town and Stellenbosch Municipality have informal settlement management units that are dedicated to respond to the needs of informal settlements. There are benefits of having a single unit driving informal settlement upgrading while coordinating with multiple departments in the municipality. Without a strong institutional model, oftentimes there is uncoordinated action with regards to informal settlements, leading to mixed messages and conflicts between municipalities and communities. The evidence from municipalities also indicates that significant time is spent on project level or reactive responses (i.e. to community protests, fire and flooding mitigation, amongst others), rather than proactive programmatic planning.

Regarding intermediaries in the Western Cape, three key challenges hinder the effective response to informal settlement upgrading. These include:

- An inability on the part of the state (particularly municipalities) to recognise the value of intermediation.
- A lack of readiness on the part of NGOs in the Western Cape to perform intermediary functions at scale.
- A lack of appropriate institutional and financial arrangements to adequately enable and support the involvement of intermediaries.

A study conducted by Isandla Institute in 2012/13 found that the intermediary sector is more capacitated to undertake the “functions of community mobilisation and support, participatory planning, capacity building and training in communities and research, knowledge management and advocacy”... but that gaps existed, particularly in technical skills and content knowledge of governmental policies and practices.²⁷ The assessment also found that NGOs were keen to develop their own capacity where it was lacking.

At the settlement level, community leadership structures have also struggled to engage meaningfully with municipal officials and councillors. Lack of understanding of the legislative framework and delivery backlogs often leads to communities demanding services, rather than co-creating solutions with government. For these reasons, the National Upgrading Support Programme (NUSP) invested heavily in community capacity building programmes, particularly community designers in order to prepare action plans. This has been done to varying degrees of success, and as such has not been able to fully address the huge gap in sector capability to deliver at scale.

The role of the private sector and professional service providers in informal settlement upgrading tends to be limited compared to their involvement in housing development projects. Research conducted for the Western Cape Human Settlements Framework suggests that these actors could be involved in processes such as settlement planning or

urban services infrastructure installation, although it did not review the extent and quality of their involvement.²⁸ International best practice shows that the private sector and professional service providers can play a vital role in informal settlement upgrading through, amongst others, the provision of materials, the provision of community financing and credit, and the installation of physical infrastructure.²⁹

Grant frameworks inhibit innovation, incrementalism and partnerships.

Table 3 summarises the national grants applicable to informal settlement upgrading. The primary instrument for informal settlement intervention has been the Human Settlements Development Grant (HSDG), which is used to fund a range of programmes (e.g. IRDP, UISP, EPHP, FLISP, Social Housing, etc.). For informal settlements, the HSDG, which funds internal service provision, is supplemented by municipal funding for land and services, usually in the form of MIG for bulk service provision outside of the metro and the USDG in the case of Cape Town. Existing instruments using the HSDG in terms of the housing code are not flexible enough for incremental upgrading.³⁰ Most subsidy instruments are targeted at households earning less than R3 500 per month. Households earning more than this amount may be eligible for the Finance-Linked Subsidy Programme (FLISP)³¹ or social rental housing, neither of which are applicable to informal settlement upgrading. The result of applying full subsidies to the lowest income bracket, with a lack of subsidy and housing supply just above this, results in the much publicised 'gap' market³² and the unintended consequences of downward raiding and continued informal settlement. A further consequence of this is the lack of provision for non-qualifiers in the planning processes for in-situ upgrading, particularly in cases where there is a deficit of formalised housing opportunities relative informal households in a particular settlement. The outcome of this is the expectation of relocation for subsidised housing non-qualifiers with resultant protestation and delays in the upgrading process.

Given that informal settlements comprise many households that may not be eligible for the same, or any, grant assistance, the subsidy instrument should be geographically based rather than linked to individual beneficiaries. However, even the UISP, which is designed for this purpose, assumes other programmes will be used for the housing top structure, with the accompanying limitations on beneficiary qualification and norms and standards. The result has been that the UISP is not being used as intended.³³ The focus on the IRDP and the use of UISP for greenfield development is driven by expediency and the need to deliver housing opportunities at scale to hit targets. This is a result of the monitoring and evaluation framework for grant performance focussing on outputs rather than outcomes.

With regards to partnerships with intermediary organisations, inadequate protocols and procurement processes inhibit intermediaries attempting to upscale their efforts at provincial level. Funding for such non-technical aspects, such as facilitation, is relatively opaque. Research undertaken for the Review of Urban Sanitation in the Western Cape indicated that the 3% allocation of the UISP for social facilitation is aligned with current national benchmarks and may be adequate for a range of pre-implementation activities, but it is not clear how this money is being used at present as there is no clear reporting and monitoring system in place. It is also not clear what/if additional funding is required to sustain intermediary organisations that fulfil this role.

Table 3: National grants applicable to informal settlement upgrading³⁴

Grant	Metro allocation (2015/16)	Non-metro allocation (2015/16)	Relevance for informal settlement upgrading
General			
Human Settlement Development Grant (HSDG)	R1.4 billion	R 587 million	Approximately 9% has been allocated to UISP, 52% to IRDP and 15% to EPHP for 2015/1-2017/18
Metropolitan			
Urban Settlement Development Grant (USDG)	R1.38 billion		This is a supplementary grant for land acquisition, bulk infrastructure, community infrastructure and internal services specifically aimed at providing services for informal settlements, it tends to be captured for large infrastructure projects, often unrelated to informal settlement (PDG, 2015).
Integrated City Development Grant	R50 million		Could possibly be used for place-making around communal facilities if these are located in integration zones, but this is not the primary intent of the grant.
Municipal Human Settlements Capacity Grant	R14 million		Intended to improve readiness for assignment. Could be used for engagement capacity building.
Neighbourhood Development Partnership Grant	R60 million		Intended for leveraging private fixed investment to improve the quality of life of people living in marginalised communities via the delivery of economic and social facilities and infrastructure.
Non-metropolitan			
Integrated National Electrification Programme Grant	R140 million (municipal and Eskom)	R152 million (municipal and Eskom)	Can be used to provide connections in informal settlements
Municipal Infrastructure Grant (MIG)		R483 million	Primarily aimed at bulk infrastructure, but also allows for internal services although it is reportedly not used in this way. This is the primary source of capital infrastructure funding for most non-metro municipalities in the Western Cape.
Regional Bulk Infrastructure Grant (RBIG)		R174 million	Targeted at bulk water services infrastructure only. Requires counter-funding.
Total	R3.0 billion	R1.4 billion	Only a portion of this is used in informal settlements

Research for the Review of Urban Sanitation in the Western Cape sought to determine the cost for non-technical components of a community-driven approach to sanitation provision (e.g. employing intermediaries, community facilitation, enumeration, surveys, capacity building, knowledge sharing, etc.). It came to a rough estimate of between R20-R55 million (excluding human resources³⁵), based on an average calculation of R80-R216 per household (excluding municipal and intermediary staffing costs).³⁶ The research concluded that this was likely to be a low estimate due to the complexity of running processes in multiple settlements and the inevitability of the processes taking longer in some settlements.

4 TOWARDS A NEW ORIENTATION

Current informal settlement upgrading initiatives, whether undertaken by municipalities, civil society organisations, communities or the private sector, are small in relation to need. All interventions, especially those by government, need to be scaled up to ensure the progressive realisation of the rights of people living in informal settlements, in accordance with the South African Bill of Rights. In fact, a major reshaping of government's approach to informal settlements – and in particular the housing programme – is needed. Future upgrading initiatives need to take to heart lessons from past experiences, and need to put people first – as users of public services and co-creators of local neighbourhoods. This requires government to make a fundamental paradigm shift – from a service provider acting *for* local communities, to a facilitator and enabler of development *with* local communities – and to develop the necessary systems and capabilities to make this shift happen.

This reorientation has the following underpinnings:

- 1. Acknowledge that informal settlements play a critical role in responding to people's shelter and livelihood needs** – informal settlements offer people an important foothold into towns and cities, and in many instances this is a medium- to long-term reality, rather than a temporary solution.
- 2. People matter** – informal settlement communities must be decision makers and co-creators in development.
- 3. Devolve decision making** – decision making needs to take place as closely as possible to, and jointly with, informal settlement communities.
- 4. Embed project delivery within a programmatic (municipal wide) approach** – informal settlement upgrading needs to be pursued in a coordinated and coherent manner with an eye on integrating these settlements into the spatial fabric of the municipality, and in a manner that enables municipalities to plan for land development in advance.
- 5. Shift the role of government from service provider to broker and enabler** – government has a critical role to play in enabling local development and good governance, which includes facilitating the involvement of other stakeholders and affected communities and households.
- 6. Pursue development through public-private-civic partnerships** – as non-state actors can bring critical values, skills, expertise and resources to bear, collaboration can drive innovation and scale up delivery.
- 7. Spend public funds wisely and invest in neighbourhood development** – public funds should be directed towards the creation of integrated communities and in the public interest, i.e. to advance safety, dignity, social cohesion and economic empowerment.
- 8. Incentivize pooling of resources** – public funds should be used to leverage further investment from the private sector, donors/bilateral agencies, civil society organisations and households towards neighbourhood development.

- 9. Allow for incremental housing opportunities** – with the right incentives and support, communities and households can be assisted to invest and innovate based on their own shelter needs.
- 10. Plan for the future** – this implies both proactive planning with an eye on future informal settlement formation while being cognisant that natural resources are not just for current development needs, but also for the needs of future generations.

5 WESTERN CAPE INFORMAL SETTLEMENT STRATEGIC FRAMEWORK

The contextual analysis presented in sections 2 and 3, which in turn were based on consultations with different stakeholders, including organisations representing informal settlement communities, provincial departments, municipalities and NGOs, provides the basis for the new orientation (outlined in section 4) that needs to underpin a strategic provincial approach to informal settlements. The vision, mission, guiding principles, strategies and actions presented here have been discussed and agreed with relevant stakeholders during meetings and consultations.

The 2030 timeframe aligns the ISSF with the National Development Plan. It also reinforces the sense of urgency required in responding to the poor, insecure and undignified living conditions in informal settlements and in being proactive with regard to new settlement formation.

5.1 Vision

By 2030, informal settlements in the Western Cape Province are transformed into liveable, integrated, vibrant and resilient neighbourhoods.

Informal settlements offer poor people an important foothold into towns and cities, i.e. a place where they can live relatively cheaply and access economic and/or social opportunities. While they want to have better living conditions for themselves and their families, there are very few, if any, viable alternatives. The goal is to ensure that poor people will have a better and secure place of residence by 2030:

- in *liveable* neighbourhoods that offer basic conditions that allow people to inhabit the settlement with dignity and security;
- in *integrated* neighbourhoods that offer a wide variety of public services to people from different social, cultural and economic backgrounds, who see themselves and their neighbours as part of the same neighbourhood;
- in *vibrant* neighbourhoods that have a thriving socio-economic environment, underpinned by good quality urban infrastructure, public space and services;
- in *resilient* neighbourhoods that are able to withstand natural shocks and stresses, such as flooding and climate change.

5.2 Mission

To improve the quality of life of people in informal settlements by enabling access to public infrastructure, finance, land, tenure, economic opportunities and incremental housing opportunities through an innovative, people-centred and partnership-based approach.

To achieve the vision requires a significant commitment to improving the lives and living conditions of people in informal settlements. This includes tenure security, improved infrastructure and social services, adequate shelter, and greater access to jobs, transport, finance and livelihood opportunities. People in informal settlements must drive the process

and direction of neighbourhood development, with non-state actors being enabled to support these processes.

5.3 Guiding principles

In pursuing the vision and mission, a set of guiding principles has been developed. These guiding principles characterise the new orientation, as concluded from the context analysis and sector assessment, and direct the objectives, strategies and actions as outlined in this Strategic Framework.

1. **Advance health, safety and dignity** -Support and enable communities in improving their quality of life in a manner that instils self-respect and pride.
2. **Encourage in situ incremental development** -In as much as possible, improve living conditions and tenure security where people reside and use a participatory neighbourhood development planning process to guide phased development.
3. **Scale up current interventions** -Current programmes must benefit a larger number of informal settlements and rapidly improve living conditions.
4. **Minimise relocations** -Avoid disruptions to existing community networks and relocate only those households located in high risk and hazardous areas.
5. **Accept that land has social value** -Look beyond the economic value of land in ways to benefit the land investments for the whole society and in the public interest.
6. **Involve and invest in people** -Support community agency and improve socio-economic and political rights.
7. **Adopt a systems- and municipal-wide perspective on informal settlements** – Planning must be undertaken with a long-term strategic perspective linked to integrating settlements into the spatial fabric of the municipality, in a manner that enables municipalities to plan in advance for land development, and in a manner which does not compromise the principles of spatial justice, spatial sustainability, efficiency, resilience and good administration.
8. **Plan for climate change, sustainability and resource efficiency** -Reduce strain on natural resources and incorporate climate change adaptation and resilience in all upgrading interventions
9. **Implement and act through partnerships** –Enable community groups, civil society organisations and private sector institutions to co-create and support neighbourhood development initiatives.
10. **Incentivise good practice and build on lessons learnt** -Develop a robust monitoring and evaluation framework and learn from mistakes of the past, while recognising and replicating successful interventions.
11. **Safeguard the rights of vulnerable groups** -Ensure that the rights of all, and in particular socially marginalised groups, are respected and protected.
12. **Utilise progressive instruments** –Use rights-based instruments to secure tenure and improve the quality of life in informal settlements.

13. Encourage co-financing -Use public funds wisely and encourage further investment from the private sector, civil society and households living in informal settlements.

14. Recognise the contextual realities -Recognise that all settlements have unique characteristics and potential and require a contextually specific approach.

5.4 Strategic objectives

The strategic objectives address three critical dimensions of informal settlement upgrading. The first objective relates to improving the poor physical environment and insecure legal status of informal settlements. This implies an explicit shift away from the current bias towards turnkey developments and housing provision. The second objective addresses the inadequate involvement of people living in informal settlement in determining the shape and form of their communities and houses and recognises that informal settlement upgrading and neighbourhood development transcends the provision of public infrastructure and services. The third objective relates to the weak sector capability for a robust, programmatic and partnership-based approach to informal settlement upgrading.

The ISSF strategic objectives are as follows:

Strategic objective 1: Upgrade settlements through access to land, services, public infrastructure and incremental housing opportunities

Strategic objective 2: Enhanced quality of life and active citizenship

Strategic objective 3: Strengthened sector capability, governance and resources

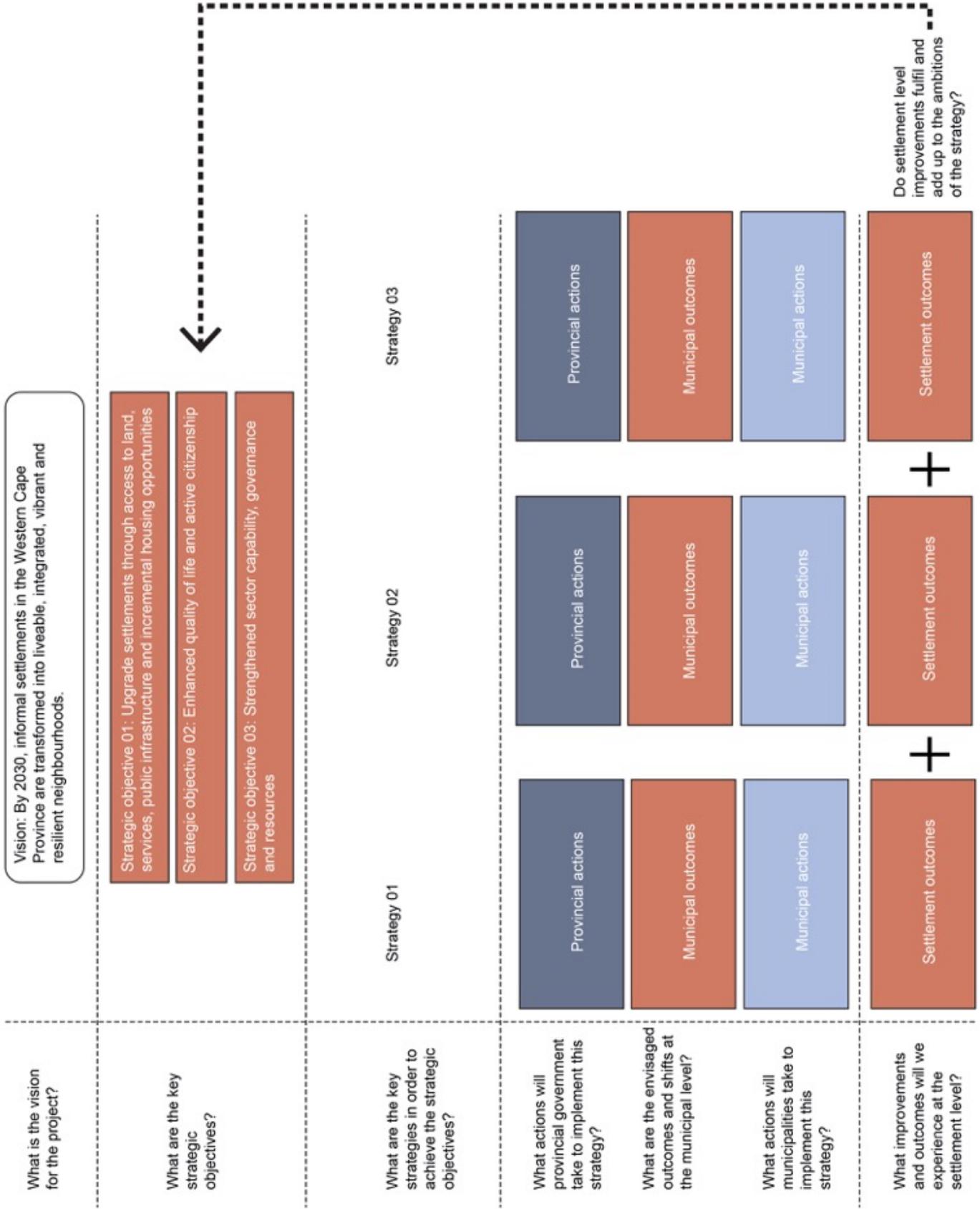
5.5 Strategies and actions

Each strategic objective is supported by a number of strategies, which point to specific aspects of the programmatic and sector-wide approach underpinning the ISSF. In turn, each strategy includes a set of actions to operationalise the ISSF. If the strategies are pathways to achieve the desired outcomes, the actions are the steps that take us there. The actions are outlined in the implementation plan, with assigned roles and responsibilities and indicative timeframes for implementation.

Each strategy has defined outcomes at two levels: for municipalities, and at settlement level. These outcomes are highlighted in the diagrams that summarise the strategies underpinning each strategic objective.

Diagram 1 outlines the logic model underpinning the ISSF.

Diagram 1



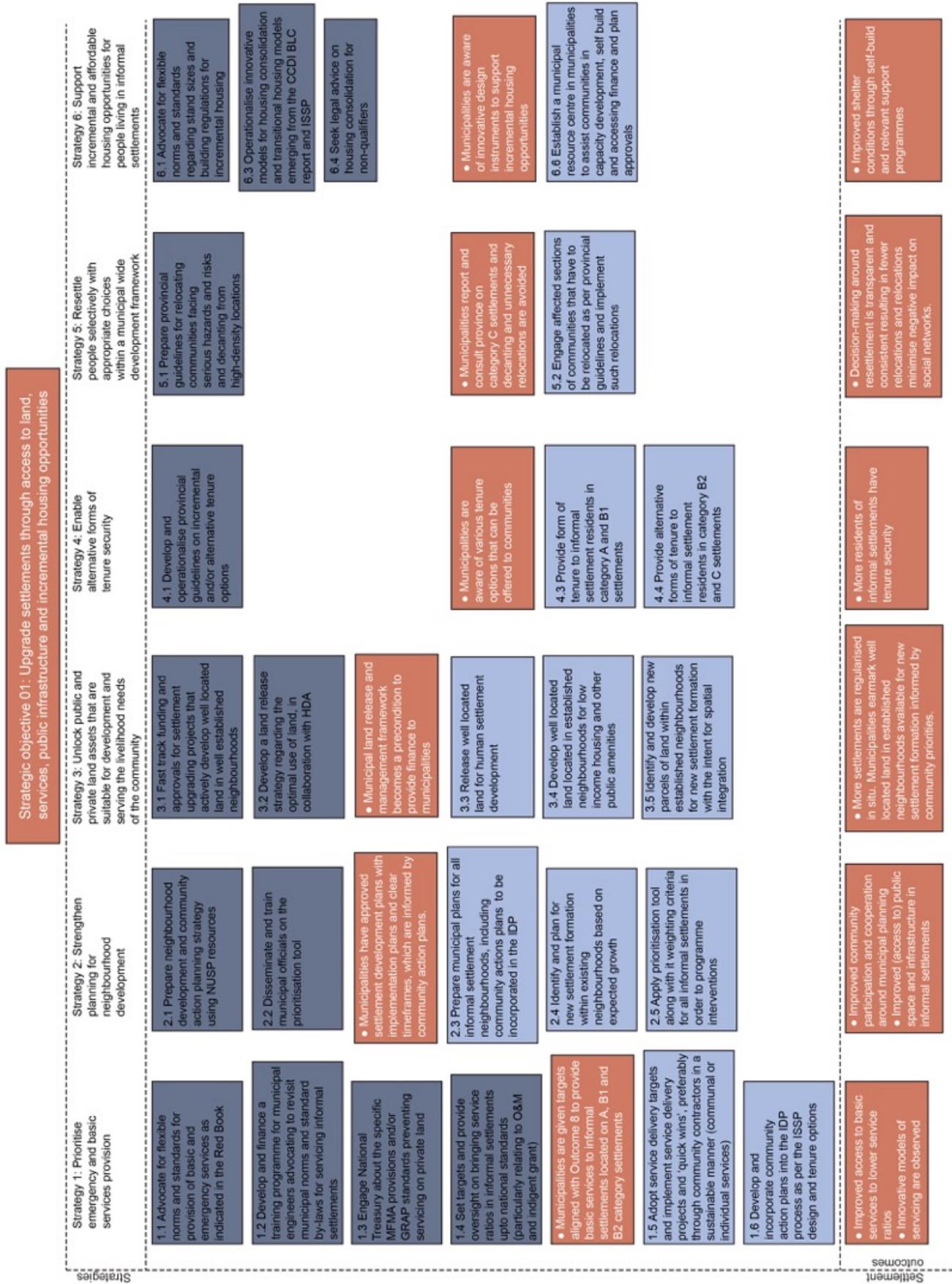
Strategic objective 1: Upgrade settlements through access to land, services, public infrastructure and incremental housing opportunities

Seven strategies have been identified to achieve the strategic objective of upgrading settlements through access to land, services, public infrastructure and incremental housing opportunities. This strategy is underpinned by the logic that communities understand their needs and priorities best. Addressing these needs and priorities, linked to a long-term programmatic approach, is at the core of transforming informal settlements into vibrant neighbourhoods. The physical improvements include investing in infrastructure on land that is suitable for development and serves the livelihood needs of communities by improving basic services in communities, providing incremental tenure security, improving the public realm and enabling incremental housing opportunities. Government policies, projects and programmes must put people and community needs first, so as to advance these physical improvements. All this relies on the guiding principle that relocations should be seen as a last resort. Relocation and resettlement must be done selectively and only through a strong process of consultation. In situ development should be prioritised to reduce disruption to the lives of people and further fragmentation in society.

Strategies supporting strategic objective 1

- 1 Prioritise emergency and basic service provision**
- 2 Strengthen planning for neighbourhood development**
- 3 Unlock public and private land assets that are suitable for development and serving the livelihood needs of the community**
- 4 Enable alternative forms of tenure security**
- 5 Resettle people selectively with appropriate choices within a municipal wide development framework**
- 6 Support incremental and affordable housing opportunities for people living in informal settlements**

Diagram 2



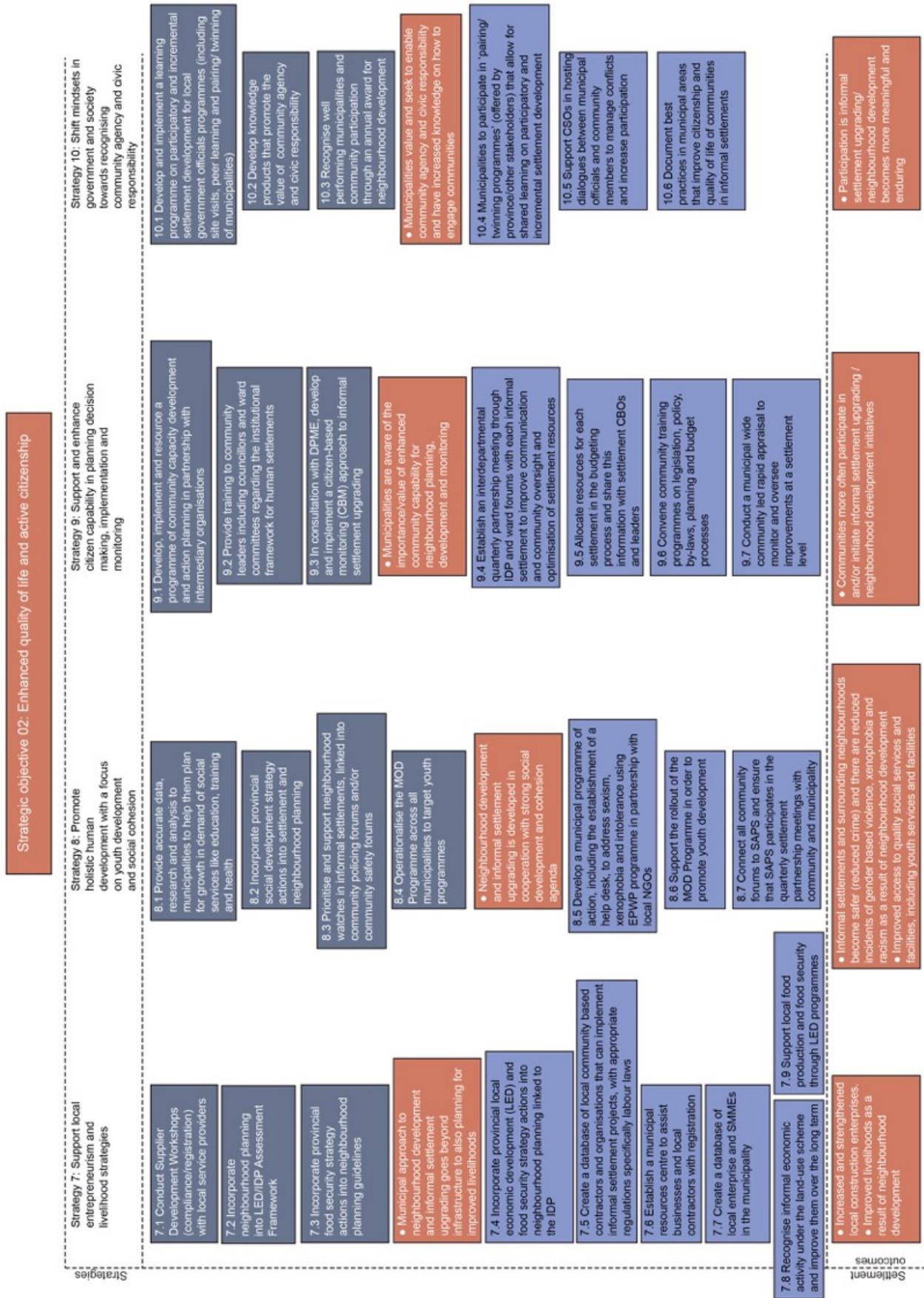
Strategic objective 2: Enhanced quality of life and active citizenship

Four strategies have been identified to achieve the strategic objective of improving quality of life and active citizenship. Bringing about vibrant, lively and inclusive neighbourhoods means adopting a holistic perspective that addresses socio-economic dimensions of community life. This requires the involvement and coordination of multiple sectors. While physical improvements are vital to bring about better living conditions, these do not necessarily change the socio-political status of the poor, unless they are able to influence decisions as partners in development. This strategy is underpinned by participation and sustained engagement with communities. Government programmes must acknowledge the needs of the communities and enable prioritising these needs within a programmatic approach. Capacity for community based planning and savings is weak within most settlements and should be advanced using intermediary organisations and academic institutions. In particular, government has an obligation to safeguard the rights of the most vulnerable. This will require a reorientation on the part of government, from benefactor to poor communities and deliverer of services to co-creators and partners in development.

Strategies supporting strategic objective 2

- 7 Support local entrepreneurship and livelihood strategies**
- 8 Promote holistic human development with a focus on youth development and social cohesion**
- 9 Support and enhance citizen capability in planning, decision making, implementation and monitoring**
- 10 Shift mindsets in government and society towards recognising community agency and civic responsibility**

Diagram 3



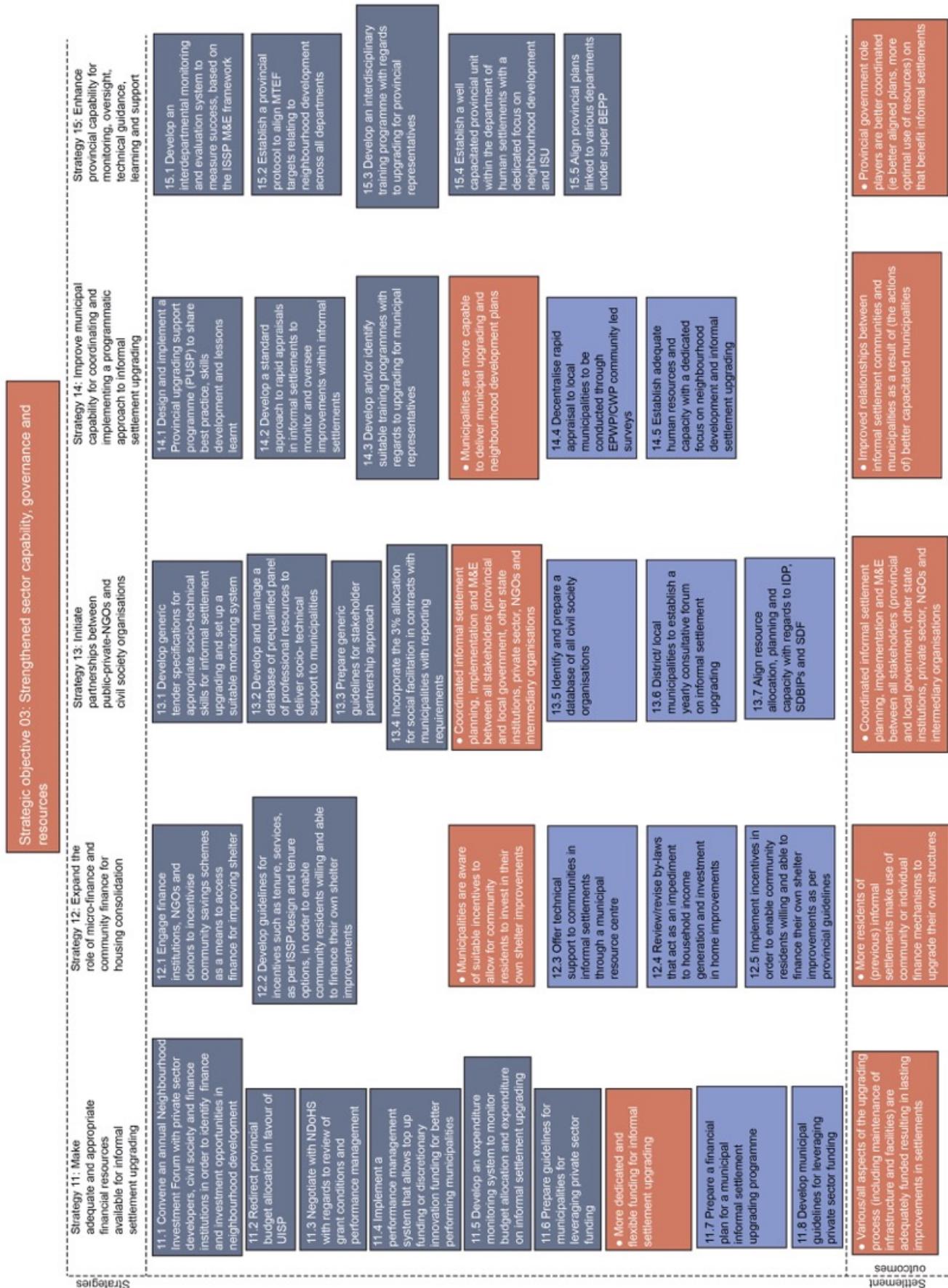
Strategic objective 3: Strengthened sector capability, governance and resources

The final five strategies support the development of improved capacity and resource allocation for sector governance at the local and provincial levels. Capacity within municipalities remains weak, and is compounded by chasing targets relating to housing delivery. Much of the problem lies at the local level where municipal planning lacks an integrated strategic dimension, with limited response to informal settlement upgrading and neighbourhood development. Spatial integration and investment planning are seldom linked effectively. Capacity development for local municipalities needs to focus on strategic municipal planning, implementation and informal settlement upgrading. This needs to be informed by innovations and good practice in informal settlements upgrading, and on improved project identification, feasibility, packaging and structuring. Similarly, provincial capacity to provide the necessary support, oversight and coordination of integrated neighbourhood development initiatives needs to be enhanced. In terms of finance, there is the need to review the application of grants (at national and provincial level) in an effort to target neighbourhood development. It is equally important to offer progressive support to local households who want to invest in housing solutions that suit their needs and conditions. To enable this, a strong ethos of participation, community engagement, partnership and, where necessary, intermediation is required.

Strategies supporting strategic objective 3

- 11 Make adequate and appropriate financial resources available for informal settlement upgrading**
- 12 Expand the role of micro-finance and community finance for housing consolidation**
- 13 Initiate partnerships between public-private-NGOs-community organisations**
- 14 Improve municipal capability for coordinating and implementing a programmatic approach to informal settlement upgrading**
- 15 Enhance provincial capability for monitoring, oversight, technical guidance, learning and support**

Diagram 4



6 CONCLUSION

As the Province and municipalities in the Western Cape are struggling to come to terms with urbanisation, demographic changes and economic realities, people are creating their own solutions to address their shelter and livelihoods needs. These solutions show resilience and agency on the part of the poor, yet are in many respects inadequate to ensure that they live in healthy, dignified and enabling conditions.

To date, government's response to improve these living conditions and transform informal settlements into liveable, integrated, vibrant and resilient neighbourhoods has been woefully inadequate. The institutional bias has been to respond to this reality through housing delivery, yet evidence has shown that this has been slow, costly, unable to respond to existing and growing demand, and often subject to poor planning decisions.

Hence, a different approach is needed. For one, informal settlement upgrading needs to be prioritised as a critical human settlement strategy to respond to the tenure, services, shelter and livelihood needs of a large part of the Western Cape population. This goes beyond providing sites and services (which may be a critical step in the process of upgrading), to envision, plan for, co-create and maintain settlements that are fully serviced (inclusive of public amenities) and integrated into the municipal fabric. Secondly, people living in informal settlements need to be placed at the heart of interventions to improve the physical environment of their settlements and their quality of life.

The complex, costly and potentially contested nature of informal settlement upgrading and neighbourhood development requires social compacts with communities and partnerships with other actors, including government, civil society organisations, local communities, financial institutions and the private sector.

The Western Cape ISSF seeks to shift the practice towards a people-centred, partnership-based and incremental approach to informal settlement upgrading and neighbourhood development. Its primary focus is on provincial departments and municipalities, but it is strongly grounded in an appreciation of the role and contribution of other, non-state, actors.

Four other documents have been produced to support the strategic and institutional shifts outlined in the ISSF:

- I. The **Implementation Plan** (see Annex I) outlines key provincial and municipal actions to achieve the strategies, strategic objectives and envisaged outcomes outlined in the ISSF.
- II. The **Informal Settlement Support Plan (ISSP)** outlines design, tenure and services options municipalities (in consultation with communities) can consider for incremental and participatory upgrading in relation to different settlement categories.
- III. The **Informal Settlements Prioritisation Model** is a tool for municipalities in prioritising which settlement(s) to upgrade and what type of interventions to pursue. A guiding concept note on how to use the tool accompanies the Prioritisation Model.
- IV. The **Monitoring and Evaluation Framework** proposes indicators to measure success, monitor, review and refine the implementation of the ISSF.

Notes

** In 2015, Western Cape Provincial government announced sanitation as one of the eight game changers. However in February 2016, the Sanitation Game Changer switched its status to a provincial strategic priority. In 2015, Western Cape Provincial government announced sanitation as one of the eight game changers. However in February 2016, the Sanitation Game Changer switched its status to a provincial strategic priority, based on a recognition that sanitation provision is best pursued at municipal level. Some of the background work conducted for the Sanitation Game Changer, which focused specifically on informal settlements, is specifically relevant to the ISSP project. Like the Better Living Challenge, the Sanitation Game Changer placed emphasis on innovative, alternative approaches to meet local demand (in this case, for sanitation). It also referred explicitly to community-based approaches to sanitation.

¹ Provincial data of 2014 shows that 115 settlements out of 277 non-metro settlements have existed for over 15 years.

² In 2014, SALGA adopted a Local Government Position on Municipal Responses to Backyarders and Backyard Dwellings, which identifies the following core elements of backyarding: it is generally a) a small-scale activity; b) produced on privately owned and privately held or controlled land; c), where stock is procured and managed by private individuals; d) generally occupied by separate households or extended family members; and, e) predominantly utilized for residential habitation.

Generally occupied by separate households, or extended family members and kin-networks through private rental treaty, according to conditions set out in a formal (written) or informal (verbal) agreement.

Predominantly utilised for residential habitation, but a proportion are also utilised for retail and commercial activities such as stores, small service activities or manufacturing.

³ PERO 2015 is available at the time of this study but does not present any population projections for 2015.

⁴ <https://www.westerncape.gov.za/news/western-cape-records-sas-highest-job-creation-numbers>

⁵ The labour market will be at further risk if climate change responses are not rapidly and effectively taken up as per SmartAgri Implementation Plan.

⁶ Provincial unemployment data, including youth unemployment data, is from PERO 2015.

⁷ Provincial Economic Review and Outlook (PERO) 2015.

⁸ Input Paper 1: Housing Intervention Options, prepared by Shisaka Development Management Services for the Western Cape Department of Human Settlements, October 2015, p27.

⁹ The number of households living in backyard shacks has grown at a very high rate, from 47 000 households in 2001 to 105 000 households in 2011.

¹⁰ The Housing Development Agency (HDA) (2013). Western Cape: Informal Settlements Status (2013). Johannesburg: HDA.

¹¹ Data on the provincial informal sector is from PERO 2014.

¹² Data on fires in informal settlements taken from a City of Cape Town presentation at the Fire Safety Symposium, Goodwood, on 28 February 2013 (available on <https://www.westerncape.gov.za/text/2013/March/fires-in-informal-settlements.pdf>).

¹³ <http://www.gondwanaalive.org/enviromental-management/climate-change-exacerbates-flooding/>

¹⁴ Rapid Capacity Audit of the Western Cape Natural Resource Departments (available on http://www.footprintservices.co.za/email_resources/bep/7.pdf).

¹⁵ Provincial Economic Review and Outlook (PERO) 2014, p94.

¹⁶ Shisana O, Rehle T, Simbayi LC, Zuma K, Jooste S, Zungu N, Labadarios D, Onoya D et al. (2014) South African National HIV Prevalence, Incidence and Behaviour Survey, 2012. Cape Town: HSRC Press, p.xxxii.

¹⁷ http://www.dailymaverick.co.za/article/2013-05-28-analysis-the-ugly-truth-behind-sas-xenophobic-violence/#.Vxzx_mOuzdk

¹⁸ The Presidency 2012. National Development Plan 2030. p273.

¹⁹ These include the Breaking New Ground (2004) policy, The National Development Plan (2014) , and the Draft White Paper for the Development of Human Settlements Legislation (2015)

²⁰ In 2015, the Western Cape Department of Human Settlements commissioned 5 research papers: on housing interventions options, the decision making framework, innovation test beds, delivery levers and partnerships & sector capability.

²¹ 2015 data from Western Cape Department of Local Government. See also graph 11.

²² Terms of reference to conduct an impact assessment of the functioning and effectiveness of the current ward participatory system (ward committees) as well as public participation processes, issued by the Western Cape Department of Local Government, September 2015. The assessment will be conducted in 2016.

²³ Final Research Report on the Evaluation of the Ward Committee System in South Africa, 10 February 2011.

²⁴ Socio-Economic Rights Institute of South Africa (SERI) 2012. "Informal Settlement Upgrading in South Africa: Linkages to Livelihood Creation, Informal Sector Development and Economic Opportunity Generation. Working Paper No. 2. November 2012. p10.

²⁵ Ibid, p11.

²⁶ Input Paper 5: Partnerships, Housing Sector Stakeholder Capacity and Relationships, prepared by Shisaka Development Management Services for the Western Cape Department of Human Settlements, November 2015, p.48.

²⁷ Isandla Institute, 2013. Assessment of the current state of practice, capacity and potential of civil society organisations to perform intermediary functions in informal settlement upgrading. p6.

²⁸ Input Paper 5: Partnerships, Housing Sector Stakeholder Capacity and Relationships, prepared by Shisaka Development Management Services for the Western Cape Department of Human Settlements, November 2015.

²⁹ United Nations Human Settlements Programme, 2014. A Practical Guide to Designing, Planning, and Executing Citywide Slum Upgrading Programmes.

³⁰ Fiscal and Finance Commission (FFC) 2012. Building an Inclusionary Housing Market: Shifting the Paradigm for Housing Delivery in South Africa.

³¹ The FLISP has been remarkably unsuccessful, with zero subsidies allocated between 2011/12 and 2013/14 and only 100 estimated for 2014/15 (Western Cape DHS, 2015).

³² See Rust, K. 2012. Perspectives on South Africa's Affordable Housing Market: Current trends & issues, Centre for Affordable Housing Finance in Africa.

³³ Input Paper 1: Housing Intervention Options, prepared by Shisaka Development Management Services for the Western Cape Department of Human Settlements, October 2015.

³⁴ Other national grants aimed at providing services, namely the Bucket Eradication Grant, Rural Households Infrastructure Grant, and Municipal Water Infrastructure Grant have not been allocated to the Western Cape.

³⁵ The NGO involved was unable to provide human resources costs as these are funded through donor funding and are not included in the project costing.

³⁶ Review of urban sanitation in the Western Cape, Phase 2 Report, research conducted by PDG for the Water Research Commission in partnership with the Western Cape Department of Human Settlements, February 2016, p.8-9.