ADVANCING A CO-PRODUCTION APPROACH TO UPGRADING INFORMAL SETTLEMENTS IN SOUTH AFRICA

A GUIDE FOR MUNICIPALITIES

ISANDLA institute

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Isandla Institute works towards the realisation and enactment of urban citizenship, for current and future generations. We seek to promote and contribute to systems and practices of urban governance that are democratic, inclusive, equitable, accountable and sustainable. Since 2014, we have facilitated a community of practice on informal settlement upgrading in Cape Town.

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LIST OF ACRONYMS

BEPP	Built Environment Performance Plan
CAP	Community Action Plan
CBO	Community-Based Organisation
CDC	Community Development Committee
CSC	Community Score Cards
CSP	Cities Support Programme
DAG	Development Action Group
ECD	Early Childhood Development
EIA	Environmental Impact Assessments
EPHP	Enhanced People's Housing Process
FEDUP	Federation of the Urban and Rural Poor
GIS	Geographic Information System
HSP	Human Settlement Plan
IDP	Integrated Development Plan
ISSP	Informal Settlements Support Plan
M&E	Monitoring and Evaluation
MFMA	Municipal Finance Management Act
MLS	Managed Land Settlement
MTEF	Medium-Term Expenditure Framework
NGO	Non-Governmental Organisations
NHBRC	National Home Building Registration Council
NHC	National Housing Code
NUSP	National Upgrading Support Programme
QLC	Quick, Light and Cheap
RAC	Rapid Assessment and Categorisation
RPA	Rapid Participatory Appraisal
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
TRA	Temporary Relocation Area
TRSA	Transitional Residential Settlements Areas
UISP	Upgrading Informal Settlements Programme
VIP	Ventilated Improved Pit Toilets
VPUU	Violence Prevention through Urban Upgrading

The role of communities in upgrading processes is of vital importance. Yet, evidence shows that a top-down, technocratic approach tends to characterise informal settlement upgrading.

FOREWORD

The need for a broad integrated human settlements strategy that addresses the various housing needs in municipalities was identified and expressed in the Breaking New Ground (BNG) policy document of 2004. This led to the prioritisation of informal settlement upgrading.

However, in reality informal settlement upgrading has been on the backburner, with the delivery of RDP/BNG houses remaining on the forefront. It seems that only recently, due to the limitations and challenges associated with large-scale public housing delivery, government is taking upgrading of informal settlements more seriously. Turnkey projects are failing to meet the housing demand that is increasing annually due to population/household growth, urbanisation, migration and the exclusionary housing market. This is resulting in both the proliferation and permanence of informal settlements, which were once deemed temporary. More than ever before, there is a need to transform these settlements into livable, vibrant neighbourhoods through incremental upgrading.

The role of communities in upgrading processes is of vital importance. Yet, evidence shows that a top-down, technocratic approach tends to characterise informal settlement upgrading. The role of communities cannot be understated. After all, they have the best contextual knowledge of what is required to develop their settlement, which facilities their community needs and how those facilities would best be used, and what the local priorities are.

National policy and provincial frameworks, such as BNG, the Upgrading of Informal Settlements Programme (UISP) of the 2009 National Housing Code and the Western Cape Informal Settlements Strategic Framework (ISSF), provide guidance on how to approach informal settlement upgrading. These documents also emphasise the importance of community involvement in upgrading and clarify what is required, particularly of municipalities, to embed a participatory approach in upgrading processes. Furthermore, significant research on coproduction in informal settlement upgrading has been done, resulting in clear conclusions on what works, what does not work and how best to work with local communities, depending on local conditions and realities.

Municipalities are primarily responsible for informal settlement upgrading, and for doing this in an incremental, inclusive and participatory manner. The critical issue is to ensure that they have the resolve, knowhow, capacity, resources, relationships/networks and institutional arrangements to do so, in accordance with national and provincial policy and guidelines, and informed by good practice examples. This Municipal Guide seeks to give practical guidance in this regard.

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INTRODUCING THE GUIDE

TOWARDS A NEW PRACTICE

INTRODUCTION

Informal settlements create a particular challenge and responsibility for municipalities. The living conditions in informal settlements are undignified and threaten the health of residents and the sustainability of livelihoods; yet informal settlements perform a valuable – and often neglected – social, economic and cultural function.

Well-located informal settlements provide poor and low-income households with a foothold in cities and improved access to economic and other urban opportunities. Informal settlement communities reflect a distinct economic and social fabric where housing tenure is flexible and self-regulated, and social networks develop over time.[1]

Informal settlements offer a glimpse of both the ingenuity and obstacles facing communities. Like other communities, the residents of informal settlements want to be involved in improving their living conditions and to demand accountability from government.

Municipalities need to understand the logic of informality. Instead of concentrating only on technical upgrading, which often disrupts the complex social networks and livelihood strategies of residents, municipalities have to adopt a more holistic approach to upgrading informal settlements that looks at more than just the physical aspects and vulnerabilities.[2]

In 2004, national government moved towards upgrading informal settlements, but several barriers remain. These include institutional challenges, the lack of alignment between municipal goals and community needs, and a lack of transparency and inclusion in decision-making during the upgrading process. These barriers can be addressed by recognising informal settlement residents as potential co-producers of an upgraded settlement and by capacitating municipal officials, so that they have the skills and orientation to work with communities as co-producers.

1: Misselhorn, M. 2008. Position Paper on Informal Settlement Upgrading (draft), Part of a Strategy for the Second Economy for the Office of the South African Presidency. Available at: http://www.pptrust.org.za/wp-content/uploads/delightful-downloads/informal-settlement-paper.pdf

2: Ehebrecht, D. 2014. The Challenge of Informal Settlement Upgrading: Breaking New Ground in Hangberg, Cape Town? *Potsdamer Geographische Praxis* 7. p. 35. Available at: https://publishup.uni-potsdam.de/opus4-ubp/frontdoor/deliver/index/docId/6981/file/pgp07.pdf

Effective upgrading requires municipalities to build trust with communities and engage with representative community structures. Municipal officials need to subscribe to participatory processes and be equipped to engage meaningfully with residents of informal settlements. And municipalities have to understand that meaningful engagement processes are demanding and resource-intensive, and that upgrading has to balance the financial, technical and process constraints of municipalities with the social needs and structures of communities. Notwithstanding these complexities, ultimately the benefits of engagement will outweigh the challenges.

WHO SHOULD READ THIS GUIDE?

This Municipal Guide is primarily targeted at municipal officials, such as planners, engineers, project managers, and other built environment professionals with some experience of informal settlement upgrading in South Africa. They include:

- Those who are proponents of participatory informal settlement upgrading. The guide supports their efforts to pursue co-production and offers practical ways of strengthening and/or mainstreaming co-production approaches at city-level scale.
- Those who are unconvinced of the merits of participatory informal settlement upgrading or uncertain of what it entails. The guide contains persuasive arguments for co-production and guidance on how to transform their approach.

A secondary target group is municipal councillors, who can use this guide to support them in fulfilling their mandate in the context of informal settlement upgrading. Councillors may find useful information and techniques that supports them in representing their communities in decision-making, harnessing the skills and knowledge of informal settlement residents, and aligning co-production approaches to municipal plans and activities.

WHY THIS GUIDE?

Several guides on informal settlement upgrading are available.[3] They detail the tools, methodologies and institutional arrangements necessary for a more effective upgrading process, from the view of the state. Yet one of the many challenges facing municipalities is facilitating meaningful community participation when upgrading informal settlements. Participation is often at best limited to consulting the community on the location of social facilities and, occasionally, settlement layout. Interviews with municipal officials revealed the following reasons for this limited participation:

- A lack of skills or capacity to fully engage communities during upgrading.
- Insufficient financial and human resources allocated to the project.
- Constraining technical regulations, institutional arrangements and audit requirements.
- Deep mistrust that informal settlement communities have for the state.
- Existing tensions between centres of power within communities.

3: These include National Treasury's Cities Support Programme toolkit *Preparing to Scale Up Informal Settlement Upgrading in South Africa: A City Wide Approach* (2017), the NUSP toolkit, and the UN-Habitat Slum Upgrading guide and the DHS Housing Process Guide.

These challenges mean that participatory informal settlement upgrading, using co-production tools and methodologies, is often viewed as a "nice to have", rather than core to the process.

This guide tries to re-frame seemingly intractable issues and constraints, and assist municipal officials in creating and holding a space for greater participation and co-production with communities in informal settlement upgrading processes. It responds to the realities and constraints facing municipalities, and seeks to assist officials in creating the space and shifting the mind-set across all three spheres of government towards co-production in informal settlement upgrading.

The guide navigates the various moments in the upgrading process that present opportunities for greater participation and co-productions. It identifies possibilities for co-production and the relationships between all actors in an upgrading project, within the context that the extent of participation and co-production will vary depending on the settlement category. Overall, the guide's aim is to enable municipalities to engage in upgrading processes that meaningfully respond to communities needs and aspirations, and sustain social networks, livelihoods and a better quality of life.

The guide appreciates that municipal officials operate in a complex and demanding institutional and socio-political environment. Managing challenges, expectations and conflict is an inherent part of informal settlement upgrading processes, and is further discussion in Section 12.

OUTLINE OF THE GUIDE

This guide is structured in three parts: the first part presents an argument for co-production as an effective way for municipalities to work with communities, emphasising its socio-technical underpinnings and contextualising it within the policy and legal context. It also examines what is needed to create an institutional environment that supports co-production. The second part gets in to the various components of an informal settlement upgrading project: planning, essential services provision, land and tenure decisions, settlement design and spatial layout, and incremental housing consolidation. It offers practical suggestions for working with communities on these aspects of upgrading, using co-production techniques and methodologies. The third part recognises some of the challenges of pursuing co-production in upgrading and focuses on managing conflicts and expectations.

OBJECTIVES OF THE GUIDE

- To provide municipalities with guidelines, tools and methodologies to instil and drive co-production in participatory informal settlement upgrading.
- To support the development of institutional capacities to direct internal conversations, strategy formulation and change processes towards true participatory informal settlement upgrading.
- To clarify the roles and responsibilities of municipalities, local communities, civil society organisations, human settlements officials and other actors in informal settlement upgrading.

INFORMAL SETTLEMENTS AND CO-PRODUCTION

MAKING COMMUNITY KNOWLEDGE COUNT

1. CO-PRODUCTION AND COMMUNITY PARTICIPATION

Participation is at the heart of developmental local government and has been shown to be the foundation for building sustainable neighbourhoods. And South Africa's policies are clear: community participation is essential for successful upgrading of informal settlements.

The national Upgrading Informal Settlements Programme (UISP) recognises that communities have a "deep rooted knowledge" of their settlements that must be harnessed. Communities should be the drivers of development in their settlements, and their knowledge, skills and needs should be at the forefront of decision-making. Communities should be seen as strategic partners in the development process, as they often have the ability to identify and solve governance and service delivery problems that government cannot.[4]

1.1 A SOCIO-TECHNICAL APPROACH

The National Upgrading Support Programme (NUSP) advocates for upgrading projects to adopt a socio-technical approach. In such an approach, social aspects (participatory, consultative, co-production, community-based planning) and technical skills (layout and design, services and infrastructure) are placed on an equal footing. Neither of the approaches can address both the scale and complexity of informal settlement upgrading; both are necessary.

A socio-technical approach acknowledges the intersection of working *with* people and working *on* the built environment in the upgrading process, and the complexity of facilitating the two.

- Social aspects may determine the technical component in a particular process. e.g. the community identifies the need

4: Swilling, M., Tavener-Smith, L., Keller, A., von der Heyde, V., Wessels, B. 2013. *Rethinking Incremental Urbanism: co-production of incremental informal settlement upgrading strategies.*

5: HDA (Housing Development Agency). 2015. Participatory Action Planning for Informal Settlement Upgrading. Johannesburg: HDA, p. 4.

Figure 1:

A socio-technical approach

for a safe pathway across a central area of the settlement, which the skilled informal settlement-upgrading practitioner then incorporates in the layout design of the settlement.

- The technical component may determine the social aspect of the upgrading process. e.g. an informal settlement-upgrading practitioner identifies geotechnical conditions (soil types, slopes and water bodies) during a site visit, which is led by a community member who knows areas of the settlement.

A combination of social aspects and technical components is needed to reach a viable solution. It may require equipping informal settlements residents with the technical knowledge about the conditions and requirements of a liveable neighbourhood.[6] For example, about installing interim or permanent services, the type of technology, the costs and, most importantly, maintenance. Residents need to be actively involved in both the installation and interim service arrangements. This also implies that co-production establishes different relations between stakeholders, which municipal officials must facilitate at different decision-making moments.

1.2 WHAT IS CO-PRODUCTION?

Co-production is about giving citizens greater influence in planning, implementing and monitoring informal settlement upgrading

6: South African Cities Network. 2014. *From Housing to Human Settlements: A Perspective.* South African Cities Network. p. 167

7: The extent to which informal settlement communities are organised to become actively involved improving their living environments varies. An organised community is necessary in order for co-production to be effectively realised. A Community Development Committee can play a role in organizing a community for collective action (National Treasury. 2017. *Preparing to Scale Up Informal Settlement Upgrading in South Africa: A City Wide Approach.* p146-147)

8: Isandla Institute. 2014. Participatory Informal Upgrading in SA: Moving from Theory to Practice. Cape Town: Isandla Institute

9: National Upgrading Support Programme. 2015. Introduction to Informal Settlement Upgrading, Section 4: Participatory Approaches. p 7. Available: http://upgradingsupport.org/uploads/resource_documents/participants-combined/Chapter-4-Participatory-Approaches-May-2016.pdf [2018, July 30]

WHAT POLICIES SAY ABOUT COMMUNITY PARTICIPATION

Municipal Structures Act (1998): municipal decisions must be based on the needs of the people, and municipalities need to develop community consultation mechanisms

White Paper on Local Government (1998): municipalities must develop structures and manage administration, budgeting and planning processes that give voice to and facilitate involvement of communities.

Municipal Planning and Performance Regulations (2001): local communities should be included in planning, monitoring and reviewing the municipality's performance.

Municipal Systems Act (2002): a system of participatory governance where citizens have a right to contribute in the decision-making processes of the municipality.

Breaking New Ground (2005): upgrading interventions should respond to local needs and be a community-driven project.

National Development Plan (2010): local governments must build relationships of trust with communities to establish lasting partnership for the creation of sustainable human settlements.

Outcome 8 (2010): the full participation of residents is required so that they view the upgrading project as their own and thus feel obliged to maintain it.

Integrated Urban Development Framework (2016): communities have the capacity to shape the development of their spaces and should be empowered to transform their quality of urban life.

projects. It is distinct from "community participation", which is how community involvement in informal settlement upgrading has typically been interpreted, i.e. consultation, information sharing and collaboration between the municipality and the community. While this interpretation is well intended, it effectively minimises the active role of communities, who are reduced to being customers/consumers of government provisions, unable to express their experiences, aspirations and priorities in the upgrading process.[7] What sets co-production apart from other forms of community involvement is its scale and depth, which makes it a more effective approach to building sustainable and dignified neighbourhoods.

Co-production is about a continuing, functional and sustained partnership with communities that goes beyond participation aimed at meeting compliance requirements or ensuring community support. Community members and municipal structures "work together to create plans and interventions aimed at addressing pertinent issues".[8]

1.3 BENEFITS AND CHALLENGES OF CO-PRODUCTION

Meaningful community participation opens up opportunities for greater transparency and accountability, which builds trust. Municipalities can only claim to be accountable if they regularly consult with the people and report back on key council decisions.[9] Municipalities demonstrate their willingness to work collaboratively with the

community when they share information on budgetary commitments, timeframes, progress, set-backs etc. in an open dialogue. This has practical implications.

When both parties have access to the same information, decision-making and implementation are more efficient – the community and municipality are on the same page and understand how decisions are made (inter-governmental guidelines and standards), resource flows, constraints (technical, social and economic) and their roles/responsibilities. The municipality also has a more nuanced view of residents' needs and can provide solutions that are more appropriate and responsive, resulting in more cost-effective service delivery. Transparent planning and monitoring processes lead to greater accountability, as communities can track the implementation, which leads to improved municipal performance.

Authentic community participation does not discount the possibility of differences of opinion or conflicts arising, but does present opportunities to deal with disputes as they emerge rather than later, when frustration and resentments may have built up. When all parties operate in an open and transparent manner, any obstacles or conflicts can be negotiated – solutions can be found to upgrading technicalities and limiting bureaucracies (see section 12). Meaningful participation does not presume that the community is always right, nor does it subvert the norms and standards of upgrading projects. Rather, it actively engages community structures and municipal competencies to determine the best-suited response. The key to facilitating these engagements is municipal capabilities and capacities (see section 3).

Table 1:

Benefits and challenges of co-production

Benefits [10]	**Challenges**
• Greater acceptability and legitimacy of the process by local communities. • Effective use of existing skills and resources. • Improved quality of information and more comprehensive than local authorities or communities can gather alone. • Fewer disputes among local residents and between communities and authorities. • Effective responses to local conditions and priorities. • Better trust and confidence between all parties. • Opportunities for further engagement between communities and authorities.	• Possible manipulation by outside interests. [11] • Undermining of the process by certain stakeholders, e.g. professionals with technical expertise and experience may view community participation as jeopardising their professional judgements, and norms and standards. • Reluctant communities unwilling to engage in participation because of past experiences (e.g. lack of faith in decision-making processes, broken promises, intimidation) or because they do not know how to engage. • Time-consuming participation processes that informal settlements residents do not have time to engage in.

1.4 GUIDING PRINCIPLES FOR COMMUNITY PARTICIPATION

Co-production techniques and tools make the principles that guide informal settlements upgrading tangible and real. Based on policy intent and good practices, the following principles reinforce the knowledge capabilities of urban poor communities. [12]

DIGNITY

Meaningful participation in the informal settlement upgrading process restores and supports the dignity of individuals. Dignity comes from treating the experiences, aspirations and priorities of residents on a par with professional knowledge to inform the upgrading process. Here dignity is a quality of self-actualisation.

EMPOWERMENT AND AGENCY

Community participation recognises that residents have the capacity to actively improve their living conditions, and upgrading projects should empower and strengthen this capacity. Empowerment and agency comes from communities being able to influence the process, and to develop skills and build capacity through their involvement in the technical aspects of the upgrading process.

VOICE AND INFLUENCE

Empowering citizens through participation can strengthen the community's voice and influence in the upgrading process. Voice is about informal settlement residents being able to express their experiences, aspirations and priorities in relation to the upgrading process. This allows not only the municipality to gain a more nuanced understanding of residents' views, but also community members to influence decision-making, planning, prioritisation and budget allocation.

ACCOUNTABILITY

Participation can allow communities and civil society organisations to monitor the implementation of upgrading projects and programmes, and raise concerns and queries through grievance redress mechanisms. Accountability means being open and transparent about possibilities, constraints and trade-offs, and results in improved municipal performance and responsiveness in the upgrading process.

RESPONSIVENESS

Municipalities that listen to and engage with their citizens can improve the success of upgrading processes. Responsiveness requires municipalities to acknowledge and respond to local realities and demands. As a result, more locally appropriate solutions can be found and assessed based on the inputs given by residents.

TRANSPARENCY

Accessible and relevant information enables residents, community-based organisations (CBOs) and non-governmental organisations (NGOs) to participate fully in the planning and monitoring processes. Transparency means that the municipality provides pro-active and timely disclosure of information, which forms the basis for further participation and accountability.

Meaningful participation in the informal settlement upgrading process restores and supports the dignity of individuals.

10: Ibid.

11: National Upgrading Support Programme. 2015. Training Manual: Introduction to Informal Settlement Upgrading Section 4: Participatory Approaches.

12: Swilling, M., Tavener-Smith, L., Keller, A., von der Heyde, V., Wessels, B. 2013. *Rethinking Incremental Urbanism: co-production of incremental informal settlement upgrading strategies.* Available: http://markswilling.co.za/wp-content/uploads/2015/10/Swilling-et-al-2013-Isandla-paper-first-draft.pdf

TRUST

Participation, when effective and meaningful, can build trust. If communities believe that their needs and views are taken into account, and that the municipality is acting reliably and consistently, they are more likely to have trust in the municipality and the upgrading process. Trust in the municipality and the process results in a mutually beneficial and constructive relationship, and true democratic engagement,[13] whereas a lack of trust can lead to higher costs of both engagement and service delivery. [14]

13: Wang, X. & Van Wart, M. 2007. *When Public Participation in Administration Leads to Trust: An Empirical Assessment of Managers' Perceptions.* Public Administration Review. 67:265 - 278

14: Ibid.

Figure 2:

Municipal organisational capability

2. INSTITUTIONAL CAPABILITY IN THE MUNICIPALITY

A capable and functional municipal institution that embraces the principles of co-production is a fundamental prerequisite for effective community engagement. Yet municipalities are ill-equipped to engage in (and process) robust forms of social accountability and engagement. The challenge for local government is growing its capacity to be able to effectively respond to civil society and community-based initiatives, which are increasingly more organised and robust in nature. [15]

Municipal officials are trained to manage the technical aspects of informal settlement upgrading, but they often lack the skills needed to engage effectively with communities. While training these officials is an obvious response, the capacity challenge facing municipalities goes well beyond that of increasing the skills of technical practitioners.

To make a genuine shift towards co-production, a change in *capability* has to happen at an organisational level. Figure 2 shows a useful framework for understanding municipal capability that comprises leadership and values, capability of individuals, organisational structure and systems, and organisational culture. [16]

In the context of informal settlement upgrading, municipalities need to consider the following:

2.1 LEADERSHIP AND VALUES

In democratic South Africa, strong municipal leadership emphasises professional competence, and values associated with public service and representivity.[17] For co-production, strong leadership entails putting into practice the principles associated with meaningful community engagement in upgrading (see section 2.3). The leadership sets the tone of the organisation, and so senior managers need to embrace community involvement and put institutional measures in place to support and improve the municipality's capability to work alongside communities and support organisations during the upgrading process. This practice aligns strongly with the values of public service that include: integrity, accountability, transparency, openness and ethical conduct.[18]

For co-production, strong leadership entails putting into practice the principles associated with meaningful community engagement in upgrading.

2.2 ORGANISATIONAL STRUCTURE AND SYSTEMS

To be able to fully embrace and implement a community-centred, partnership-based approach to upgrading, municipalities may need to revisit their structures and systems. For instance, they need to consider if sufficient allocations have been made for the types and extent of human resources required to work differently with communities and facilitation partners, and if existing systems are adequate to initiate, receive and respond to opportunities for engagement and exchange. If not, then improvements must be introduced, to ensure that both officials and communities are supported to engage effectively, through:

15: Palmer, I, Moodley, N, Parnell, S. 2018. Building a capable state. London: Zed Books. p. 102 and p. 127.

16: Ibid p. 11 (adapted).

17: Ibid. p. 118

18: Ibid.

- Clear process guidelines for how communities will be engaged.
- Accessible points of contact.
- A set of co-production measures and tools that the municipality will apply throughout the upgrading process.
- Changes to procurement requirements, to emphasise both social and technical competencies.
- Changes to contract management, to monitor the contracted party's performance in relation to the required mix of socio-technical competencies and approaches.

2.3 CAPABILITY OF INDIVIDUALS

Facilitating meaningful engagement and co-production approaches is not an easy undertaking, and so municipal officials need to build their capacity to support participatory processes. Beyond facilitation skills, officials have to be excellent coordinators of processes, capable of assembling partnerships, and effective in managing stakeholder engagement activities. Alternatively, they would have to be able to insource these skills, and manage external stakeholders tasked with those responsibilities. The importance of allocating sufficient resources, to recruit or upskill existing personnel, cannot be understated. The types of skills and training that would be of most value include: stakeholder management; facilitation of community engagements; community-based planning, research and data collection; conflict management and resolution; enabling, assembling and coordinating partnerships; management of contracted parties, co-ordination of processes; and monitoring and reporting.

Municipalities may need to conduct a gap analysis, to identify which skills are needed to effectively engage informal settlement communities, which skills exist within the institution, and which skills are absent. A process should then be put in place to address the gaps, which may mean having to adapt the organisational structure and recruit additional capacity. Where recruitment is not possible or too costly, the municipality could consider bringing in capacity, such as NGOs, to provide support in engaging with communities (going beyond what is provided for in the UISP)(see section 4.7).

2.4 ORGANISATIONAL CULTURE

Co-production requires an organisational process to re-focus municipal officials' attention and activities away from a supply/target-driven approach towards community-centred development. This stands in stark contrast to the compliance culture that dominates in municipalities. To change the culture of the organisation and the behaviour of municipal officials, a process is needed to deepen the understanding of the value of co-production and how to apply it in the local context. Municipalities can *learn by doing* and use the lessons that emerge to strengthen practice. This experience may reveal the challenges and opportunities that are presented by co-production. Making this shift is not a once-off activity but a process, which begins with a commitment by the organisation's leaders and managers to advance co-production and support their teams throughout the process.

3. AN ENVIRONMENT TO ENABLE CO-PRODUCTION

To create an environment that is conducive to participation and co-production requires investing in communication and relationships with the community. To achieve this, municipalities can do the following:

- Recognise and support existing organised community structures.
- Communicate clearly the policy and strategic context.
- Clarify participatory processes and timelines.
- Demystify housing allocation processes.
- Share settlement-specific information early on in the process.
- Establish community-based monitoring measures linked to organisational monitoring and evaluation.

Moreover, an external organisation may act as a social facilitator between the municipality and the community and/or offer specific technical expertise in informal settlement upgrading processes.

3.1 SUPPORT SELF-ORGANISED COMMUNITIES

Self-organisation within informal settlement communities has been shown to be a success factor in upgrading projects. Organised communities that operate in a systematic, inclusive way are more likely to succeed in negotiating with local government.[19] For the municipality, the benefit is that an organised community represents a functional platform for collaborative engagement.

Where communities are not self-organised, the municipality may need to consider supporting the establishment of a Community Development Committee (CDC). This committee would need to be a legitimate, inclusive and representative structure for community engagement with the municipality. The process comprises five steps: [20]

i. A scoping exercise of local structures within the settlement community.
ii. Confirmation of legitimacy and representivity of local structure(s) that may exist and can serve as the local development committee.
iii. Where structures are absent, establishment of a representative CDC by working with the local councillor and community members.
iv. Confirmation of roles and responsibility of CDC and forms of engagement with municipality.
v. Identification of capacity gaps and contribution towards capacity of CDC.

3.2 COMMUNICATE POLICY AND STRATEGIC CONTEXT

National, provincial and even local government processes often operate at a distance, and insufficient time and energy are spent on engaging communities. Explaining the broader frameworks and policies – why and how decisions that affect settlements are made – can go a long way in facilitating

To create an environment that is conducive to participation requires investing in communication and relationships with the community.

19: Lande, K and Zimmermann, M. 2018. Ingredients for a Successful Area-wide Informal Settlement Upgrading. Community Organisation Resource Centre. *CORC News.* January 25. Available: https://www.sasdialliance.org.za/ingredients-for-successful-area-wide-informal-settlement-upgrading/

20: The five key steps are based on a draft toolkit developed by the Cities Support Programme: National Treasury. 2017. *Preparing to Scale Up Informal Settlement Upgrading in South Africa: A City Wide Approach.* pp 155–156.

transparency, building trust and managing expectations. The following should be explained:

- **National Housing Code:** objectives, differences between the various housing programmes, and the qualification criteria and subsidy options available to individuals, and how government caters for people who are "non-qualifiers".
- **UISP:** how it is implemented in municipalities, and how decisions are made regarding implementation.
- **Integrated Development Plan (IDP):** how it charts a way forward for human settlements development, in the context of the broader municipal budget.
- **Municipal Human Settlement Plan (HSP)** and associated upgrading strategy: the housing opportunity targets and upgrading targets over the next five years, and (if included) lists of projects according to wards. [21]
- **Municipal Spatial Development Framework (SDF):** spatial vision and development priorities aimed at achieving a reconfigured spatial form (in the context of human settlements).
- **Built Environment Performance Plan (BEPP)** – metro municipalities only: outcomes-led plan for transforming and spatially integrating the built environment of cities to ensure greater socio-economic inclusion.

Communities should be engaged on human settlements-related policy and practice as early as possible during the preparatory stage of an upgrade project. Clearly communicating *upfront* the municipality's policies, strategies and plans will assist in addressing concerns or misunderstandings of what informal settlement upgrading means. It will also provide a sense of clarity and help communities identify their role in the upgrading process.

3.3 CLARIFY PARTICIPATORY PROCESSES AND TIMELINES

Communities need to be informed of the participation process that happens prior to the drafting of key documents such as the IDP and the HSP. This means providing information about the timeframe for IDP consultations, compilation of the IDP, identification of projects, securing and allocating funds (annual budget) and development activity (when the upgrading project will begin).

Informing communities of the probable timelines helps them better understand the process and, importantly, manages expectations. The messaging should make communities aware of the following:

- How the informal settlement upgrading links into the broader cycle of municipal infrastructure delivery and associated participatory processes. This will mitigate negative perceptions that may arise when nothing appears to be happening in the community, yet internal municipal processes are at play to secure funds, additional capacity and resources.
- The annual budget cycles, with an emphasis on how public consultations help to identify necessary changes and may lead to the plans and allocations being adjusted – and that community inputs on other sectors are expected because the annual budget consultations cover more than housing.
- The platforms available for communities to make submissions on the IDP and the associated budget.

3.4 DEMYSTIFY HOUSING ALLOCATION PROCESSES

There is merit in engaging informal settlement communities on how housing allocation is implemented, even if a settlement is unlikely to be fully consolidated. Housing allocation processes need to be unambiguous, and information on allocation must be clearly communicated:

- How the allocation process works for those registered on the waiting list and for those not on the waiting list.
- The difference between the primary "waiting list" and an informal settlement list, which municipalities may establish.

- Housing beneficiaries may not be selected only from the municipal waiting list but may also rely on an area-based approach, as for example in the City of Cape Town. [22]

Each municipality will have its own allocation policy which needs to be communicated, including clear guidance on how community members can register and update their contact information.

3.5 SHARE SETTLEMENT-SPECIFIC INFORMATION

Communities must be informed of settlement- and project-specific information that will directly affect their living environment. Municipalities usually rely on existing information to make decisions on timing and the type of upgrading to be implemented. Sharing and testing this information upfront with communities will ensure a more inclusive approach and allow for improved planning and the correcting of information. Where further settlement-level information is absent and needs to be collected, communities should be involved in the information-gathering process.

Ideally, communities should be given space to share their vision for the settlement and identify their needs, both of which then guide the work of technical officials in an upgrading process. It is an opportunity to bring the social and technical aspects together, and emphasising the exchange of information can be empowering for both parties. Where the needs and vision of the community cannot be met, the reasons must be given and, where possible, plans should be made to address these needs in the future.

3.6 INVEST IN COMMUNITY-BASED MONITORING AND EVALUATION

Monitoring and evaluation (M&E) frameworks serve a dual purpose: to comply with government requirements, such as the Service Delivery and Budget Implementation Plan (SDBIP) as per MFMA requirements; and to promote organisational learning, accountability and transparency. Most municipalities have already developed reporting mechanisms for the SDBIP, such as performance management frameworks, balanced scorecards and combined checklists. These mechanisms can be used as a monitoring framework. This institutional capacity to report on service delivery should be extended to track the indicators associated with implementing the upgrading strategy and to include communities.

Involving communities in monitoring the upgrading process brings benefits that go beyond meeting technical objectives associated with reporting. Benefits include better accountability, detailed insight into the local context, and improved programmes, as a result of the community identifying areas of weakness or concern. To enable community participation in M&E activities, a structured and systematic approach is needed early on in the process. Monitoring instruments available to municipalities include:

- Citizen satisfaction surveys, which assist the municipality to engage with citizens and address their service delivery concerns.
- Community Score Cards (CSC), which help

Involving communities in monitoring the upgrading process brings benefits that go beyond meeting technical objectives associated with reporting.

21: City of Cape Town. 2016. Integrated Human Settlements Five-Year Plan July 2012 – June 2017, 2016/17 Review. Available: https://tdacontenthubfunctions.azurewebsites.net/Document/395 [2019, March 7]

22: City of Cape Town, 2015. Allocation Policy: Housing Opportunities (Policy Number 11969). Available: http://resource.capetown.gov.za/documentcentre/Documents/Bylaws%20and%20policies/Allocation%20Policy%20-%20Housing%20Opportunities%20%20(Policy%20number%2011969)%20approved%20on%2025%20March%202015.pdf [2019, March 6]

to support monitoring and improvement of the quality of services, facilities or projects. CSC can also track inputs and expenditures (e.g. availability of medicine at a medical centre) and improve feedback and accountability loops between providers and users. [23]

- The CSC findings can be linked with the municipality's internal management and incentive systems, as well as those of external service providers. When an upfront commitment to value-based service delivery cannot be achieved, incentives are powerful ways of influencing the behaviour of stakeholders.

Initiating a community-based M&E framework early on sets the scene for a co-operative and inclusive approach to upgrading, and creates a pathway for assessing delivery. [24]

3.7 DRAW IN EXTERNAL SUPPORT

Municipalities (and communities) benefit from the support of an external organisation, to act as a social facilitator between the municipality and the community, and/or to offer specific technical expertise in informal settlement upgrading processes. This support may come from an NGO, an academic organisation, or a for-profit facilitation service provider. Such support organisations should supplement, not substitute, efforts on the part of the municipality, and present an important learning opportunity for officials.

For municipalities, support organisations bring their extensive specialist skills and experiences in a range of different areas that are vital to successful upgrading. These include participation and participative planning, community training and capacity building, social compacts, re-blocking, mobilising community investments and contributions, and owner-driven housing consolidation. These organisations play an important role in assisting municipalities to move towards greater participation and co-production with residents in the informal settlement upgrading process.

Yet, it is important that the knowledge, skills and networks that are developed and deepened in these processes are institutionalised in the municipality, to ensure that municipal capacity is enhanced and that relationships between the municipality and residents are built. This will support the sustainability of the action and of relationships established during the upgrading process, even after the external stakeholder's role has been concluded.

4. INFORMAL SETTLEMENTS CATEGORIES AND DEVELOPMENTAL PATHWAYS

In 2014, the housing backlog was 2.3 million and growing at around 178 000 units per year.[25] The existing backlogs in housing delivery, coupled with frustrations over delays that result in protests, demonstrate the urgency of informal settlement upgrading across the country. To improve a municipality's ability to respond to the unique service needs of each informal settlement, Rapid Assessment and Categorisation (RAC) is used to identify and better understand informal settlements within a particular municipality. Undertaken at a programmatic level, RAC categorises informal settlements based on the type of developmental responses that are appropriate and achievable.

RAC is different from the pre-feasibility, feasibility and project-level planning that comes next, such as planning related to the delivery of interim services, because it uses readily available information sources and does not require specialist studies. RAC is a key input and pre-requisite for the formulation of a city-wide upgrading plan,[26] and should inform municipal and provincial MTEF budget allocations (and BEPPs, where applicable) for infrastructure, housing and land acquisition. RAC should also help to inform municipal (and provincial) budgets for related key social services, such as education and health care.

The four main categories of a developmental response (see figure 3) are informed largely by whether or not the settlement is regarded as permanent (either through eventual formalisation or other permanent, "less formal", settlement solution). Site suitability and possibility for development are key determining factors, although it should also be recognised that, even though some sites are not ideal, there may be no better alternative available.

Currently, categorisation is a closed process within municipalities, with little transparency for settlement residents to know their settlement's category and what this means for its development. As categorisation is a highly contentious process and may lead to 'queue-jumping', it is understandable that the municipality would not want to reveal information, but the process can be managed in a more transparent and democratic manner. Communicating with residents on how the categorisation process works will assist in building trust in the municipality. Each of the informal settlements categories provides specific opportunities for co-production (see figure 3).

Communicating with residents on how the categorisation process works will assist in building trust in the municipality.

4.1 CATEGORY A SETTLEMENT

Category A refers to a site that is viable for development ("developable"),[27] and where a full in-situ upgrade is possible. The end result of the upgrading will be formalisation: full and permanent municipal services, formal housing and formal tenure. Usually, funds

23: CSC is a community-based monitoring instrument picked up in the Back to Basics programme initiated by the Department of Co-operative Governance.

24: The DPME Community-based Monitoring Toolkit is a community-based M&E innovation that has been applied to the IDP process since 2017. For more information see: https://www.dpme.gov.za/keyfocusareas/cbmSite/CBM%20Documents/CBM%20Toolkit%20V1.pdf

25: Latest figures available from Africa Check. 2014. *Factsheet: The housing situation in South Africa.* May 9. Available: https://africacheck.org/factsheets/factsheet-the-housing-situation-in-south-africa/

26: National Treasury. 2017. *Preparing to Scale Up Informal Settlement Upgrading in South Africa: A City Wide Approach.* p. 184

27: Ibid.

Figure 3:

Categorisation of informal settlements

are available for upgrading to commence immediately. The beneficiary community participates in making decisions about human settlements development relating to essential municipal and social services, tenure and housing consolidation.

Co-production involves the participation of the beneficiary community in initiating, planning, designing, implementing and monitoring the upgrading process for their settlement.[28]

4.2 CATEGORY B1 AND B2

A Category B1 settlement site is viable for full upgrading but is not ready for implementation – land, funding or community buy-in are still required. The end result of the upgrading will be formalisation, after the provision of essential services and incremental upgrading arrangements (inclusive of interim essential services) over time, or another permanent less formal settlement solution.[29] In such a settlement, the community and municipality need to reach a consensus on:

- Which essential services are required and at what level.
- The hindrances (and solutions) to immediate full upgrade. Each solution needs to be explained and include the roles and responsibilities of the community and the municipality.

A Category B2 settlement site is unsuitable for formalisation or permanent settlement, but there is no urgent need for relocation. The end result is most likely to be relocation, and emergency services will be provided.

Figure 4:

Rapid Appraisal Categorisation of Informal Settlements in upgrading. *Source: National Treasury (2017)* [30]

The reality is that the settlement will see minimal development.

- Emergency services available to them. If options are available, they can be presented to the community to choose, for instance between portable toilets and chemical toilets.
- Settlement growth will need to be managed and the need to constrain settlement growth explained to the community. With the help of the municipality, the community will have to decide how to manage settlement growth.
- A suitable site for relocation needs to be presented to the community together and decisions made on who will be relocated, why and when.

28: NUSP. 2015. Introduction to Informal Introduction to Settlement Upgrading: Section 4: Participatory Approaches.

29: National Treasury. 2017. *Preparing to Scale Up Informal Settlement Upgrading in South Africa: A City Wide Approach*.

30: Ibid.

4.3 CATEGORY C SETTLEMENT

A Category C settlement site is unsuitable for settlement, let alone formalisation or permanent settlement. Relocation is urgently needed due to serious health and safety threats, which cannot be adequately mitigated in the short-term by providing basic services. However, immediate relocation is only possible if and when an appropriate relocation destination is currently or imminently available and ready. As such the municipality should have an appropriate land release strategy.

Communication is key for this settlement category:

- The circumstances around the relocation of residents need to be clearly communicated with an explanation of the negative impacts of staying there and the benefits of the new location.
- Where the community suggests a piece of land that is found to be unsuitable, the reasons (such as environmental or ownership-related) should be explained.
- If the relocation site already has residents, the receiving community must be prepared. Failing to prepare the receiving community leads to the victimisation of the newcomers, as they are seen as threats depleting scant housing resources.

Any new relocation area should disrupt as little as possible people's livelihoods. If anything, access to socio-economic opportunities should be enhanced.[31] If the relocation site is for permanent development, a managed land settlement process (see section 9.1) can be undertaken that allows for an incremental approach to site, service and housing delivery. The emphasis is on providing planned, secure land with access to basic services, as a first step towards longer-term housing and settlement upgrade. [32]

Any new relocation area should disrupt as little as possible people's livelihoods. If anything, access to socio-economic opportunities should be enhanced.

4.4 PRIORITISATION

The need for prioritisation stems from the limited resources and capacity available to address all informal settlements at once. The purpose of prioritisation is to apply a set of explicit, rather than arbitrary or implicit, criteria to decide which settlements should receive state intervention first. This decision then guides provincial and municipal planning, budgeting and implementation.

Prioritisation should be done by whichever sphere of government is planning the informal settlement interventions. In most cases, the municipality sequences community engagement, planning and prefeasibility and budgeting, as part of informal settlement upgrading plans. However, the provincial government may also use prioritisation to identify priority settlements across a province.

WESTERN CAPE INFORMAL SETTLEMENTS PRIORITISATION MODEL [33]

This model allows municipalities to prioritise informal settlement interventions and the province to track progress, particularly in the most vulnerable settlements. It was developed as part of the Informal Settlements Support Plan (ISSP) that the Western Cape Department of Human Settlements produced in 2016.[34] The ISSP outlines design, tenure and services options that municipalities (in

consultation with communities) can consider for incremental and participatory upgrading in relation to different settlement categories.

The tool prioritises settlements, not interventions, and does not specify what needs to be done in each settlement – this will be guided by the design and tenure options identified in the ISSP and by settlement-level planning and negotiation. However, it does produce a list of settlement-resident priorities and potential "quick-win" interventions.

Prioritisation follows categorisation and determines which settlement within a particular category, or group of categories, is addressed first. The two possible development trajectories of a settlement – whether it is to be relocated or upgraded in situ – means that two types of prioritisation need to be done. As such:

- Upgrading relates to the prioritisation of Category A, B1 and B2 settlements for in-situ upgrading based on impact, risk and readiness criteria.
- Relocation relates to the prioritisation of Category C settlements based only on risk criteria.

Upgrading prioritisation

There are three main drivers of prioritisation:

- Impact – quantifies the return on investment of upgrading a settlement in terms of absolute population that would benefit and their current relative deprivation in terms of basic service provision.
- Risks – quantifies the inherent locational risk characteristics of a settlement, including both environmental risks to a settlement, and manmade settlement risks to the environment. Settlement density also affects risks to a settlement and its impact on the surrounding environment.
- Readiness – measures the current capacity for settlement engagement in the upgrading process, which is important in identifying settlement-level priorities and effective planning. The three criteria for readiness are: presence of community leadership and representation structures in a settlement; current relationship of the structure with its respective local municipality; and community participation, which is assessed through frequency of meetings. While municipalities may tend to focus more on risks, the emphasis should be on readiness, which is a more substantial determining factor of a participatory and smoother upgrade.

The result of this prioritisation is a list of settlements ranked by urgency for intervention.

Interventions can and should happen concurrently in multiple settlements according to capacity and budget, starting with the most urgent intervention in each settlement. Because the prioritisation is repeated annually, if a settlement received a service in the previous year, its prioritisation score will be affected and it will move lower down the list.

Relocation prioritisation

Category C settlements are prioritised according to a settlements' risk profile based on three main criteria:

31: Western Cape Department of Human Settlements 2005, Informal settlements Handbook. Available: https://www.westerncape.gov.za/sites/www.westerncape.gov.za/files/documents/2005/1/informal_settlements_handbook_compressed.pdf [2019, February 22]

32: Afesis Corplan. 2010. Towards managed land settlement: A Review of 5 South African Case Studies Available online at http://www.urbanlandmark.org.za/downloads/towards_managed_land_settlement.pdf [2019, February 22].

33: Western Cape Government Department of Human Settlements. 2016. Western Cape Informal Settlements Prioritisation Model. Available: https://www.westerncape.gov.za/general-publication/informal-settlement-support-programme-issp-2016-western-cape?toc_page=1

34: The Support Plan forms part of a broader provincial Informal Settlements Support Programme, which includes a Strategic Framework and a Monitoring & Evaluation Plan.

- Risk to settlement – measures the risks faced by a community, as a result of the site's characteristics that are inherent to its location.
- Impact of risks – is a proxy for the extent to which settlement (not site) characteristics either enhance or minimise the risks to the community or environment.
- Risk to environment – measures the man-made impacts that a settlement may have on the surrounding environment and the critical sensitivity of that environment.

The importance of working with communities that will be relocated must be highlighted, and in particular the need to be clear about these risk assessment factors. The municipality needs to have a level of openness in terms of alternative perspectives on the relocation prioritisation process.

The Western Cape Informal Settlements Prioritisation Model is a useful tool for prioritising settlement interventions in relation to the limited resources and capacity of municipalities to address all informal settlements simultaneously. Like categorisation, settlement prioritisation tends to be a nominally closed process but has even greater potential for transparency and accountability in the way that it is managed and communicated with settlement residents. Moreover, the community readiness indicator provides a useful measure of the potential for co-production in a particular settlement, which can lead to the settlement being prioritised for upgrading.

The municipality needs to have a level of openness in terms of alternative perspectives on the relocation prioritisation process.

CO-PRODUCTION OPPORTUNITIES IN THE UPGRADING PROCESS

IMPROVING NEIGHBOURHOODS TOGETHER

5. THE UPGRADING PROCESS

The UISP (Part 3 of the National Housing Code) outlines a steady and rapid progression to formalisation. There is a logic to the current UISP phasing, which supports an incremental upgrading intervention in informal settlements.

Figure 5 (on the following page) shows the proposed optimised phasing of the UISP suggested by the Cities Support Programme of National Treasury.[35] While the phasing approach is intent on guiding grant allocations and aligning funds to components of an upgrade, it has reinforced a linear approach to upgrading. Incidentally, municipalities tend to see the upgrading process as a sequence. The process needs to be understood in a more dynamic way that is more flexible and non-linear, where elements of Phase 2 can begin even when elements of Phase 1 are still in progress.

The UISP phases are associated with the component parts of the upgrading process, although these components can be seen as clustered together within these broad phases and not necessarily sequential. By thinking of the upgrading process in this way, it becomes possible to instil a more creative, integrated and forward-looking approach to upgrading. Longer-term possibilities, potential, creativity and flexibility are kept in mind.

The reality is that municipalities face significant challenges and delays with formalisation, such as land acquisition, township establishment, planning and environmental approvals. Other constraints are related to insufficient funding, high settlement densities, site constraints, land scarcity, and other difficulties experienced are around partial relocations.[36] The housing subsidy instrument also acts as a barrier to in-situ upgrading.

5.1 QUICK-WIN INTERVENTIONS TO AVOID LOSING MOMENTUM AND MAINTAIN PUBLIC TRUST

A conventional upgrading approach (via the UISP) can take up to eight years to complete, during which time the planning process risks losing momentum. Therefore, the process should include short-, medium- and long-term objectives. By implementing shorter-term projects, municipalities can maintain the interest and trust of communities, demonstrate what is achievable over time,

35: National Treasury. 2017. *Preparing to Scale Up Informal Settlement Upgrading in South Africa: A City Wide Approach.* p. 35.

36: Ibid.

37: Department of Human Settlements (DHS). 2009. Upgrading Informal Settlements Programme (UISP), Part 3, National Housing Code

PHASE 1

Initiation with interim services

- Survey
- Registration, participation and facilitation
- Dispute resolution,
- Partnerships (CBOs, NGOs etc.)
- Geotechnical investigation
- Zoning for incremental development (with regulatory flexibility)
- Land acquisition
- Pre-Planning
- Re-blocking where necessary/appropriate
- Interim engineering services and other essential social services (substantial essential services package)

PHASE 2

Implementation with with interim services

- Housing advice
- Housing Plan
- Contour survey
- Civil engineer's fee
- Site supervision fees
- Project management
- Incremental tenure solutions (minimum of administrative recognition)
- Owner-driven housing consolidation
- Ongoing operating and maintenance

PHASE 3

Implementation with permanent services and formalisation

- Permanent engineering services
- Relocations and related social support
- Alternative tenure options, Managed Land Settlement
- Land surveying and pegging
- Basic tenure rights to site
- Detailed town planning
- Township proclamation
- Civil engineer's fee
- Site supervision fees
- Project management

PHASE 4

Housing consolidation

- Housing consolidation via other housing programmes (e.g. IRDP or PHP)
- Registered tenure
- Subsidised top structure
- Private expansion and improvement
- Consolidation can occur if and when budgets permit and can build on any other owner-built initiatives

Figure 5:

The UISP Phases
Adapted from National Treasury (2017)

Legend

1	UISP Phasing
ABC	Elements of each phase
ABC	Opportunities for participation and co-production

and build momentum towards formal upgrading and service provision.

Quick-win interventions, implemented with or without external support, give rapid results from local resources and efforts. Even small early successes keep stakeholders active and committed. Across the world, tactical/ bottom-up/pop-up urbanism is gaining traction, as a way of delivering quick-win projects that either test how residents interact with new facilities and infrastructure, or make immediate improvements. In many cases, volunteers undertake tactical urbanism or "quick, light and cheap" (QLC) projects, as the Project for Public Spaces, a global leader in place-making, calls it. Examples of quick-win interventions are as follows.

- Transform underused spaces into test-beds that citizens can start using right away and see evidence that change can happen.
- Present an "action planning process", which builds a shared understanding of a place that goes far beyond the short-term changes that are made.
- Leverage local partnerships that have greater involvement by a community and result in places that are more authentic.
- Encourage an iterative approach and an opportunity to experiment, assess, and evolve a community's vision before launching into major construction and long-term processes.
- Employ a place-by-place strategy that, over time, can transform an entire city. The QLC approach can be implemented across multiple scales to transform under-performing spaces throughout an entire city.

5.2 COMPONENTS OF THE UPGRADING PROCESS

Recognising that the upgrading of informal settlements is not a linear process, this guide examines the key components involved in the process: planning, essential services, land and tenure decisions, settlement design and spatial layout, and incremental housing consolidation (Figure 6). It must be noted that the components shown in Figure 6 are not the same as the UISP phases shown in Figure 5. In this guide, there is a different interpretation of these components, as well as an emphasis on incremental housing consolidation.

Sections 7 to 11 look at the key components of an upgrading process, highlighting co-production tools that municipalities can use to ensure meaningful participation by communities that result in

Figure 6:

Components of the upgrading process

sustainable and liveable neighbourhoods. Each section includes suggestions for embedding co-production in municipal practices and what this implies for the different categories of informal settlements. For all categories, municipalities must be transparent about available resources, timeframes and political commitments to manage community expectations. This will require ongoing engagements with community leaders and community forums. Moreover, a participatory approach requires the mobilisation and integration of inputs from all stakeholders, and so the roles and responsibilities of the various stakeholders are identified for each component. The various roles, responsibilities, participation limits and rights, as well as the process, must be understood and agreed upon upfront.

For all categories, municipalities must be transparent about available resources, timeframes and political commitments to manage community expectations.

Figure 7:

Levels of municipal planning

6. PLANNING

KEY MESSAGES

- Municipalities can create platforms/forums for informal settlement communities to participate in planning at various levels and implement these in a manner that incrementally builds the capability of communities and government officials.
- Capacity for active citizenship is built through disseminating relevant information and applying inclusive processes. In so doing, everyone involves learns and improves their skills.
- Community-based planning is an illustration of communities' willingness and capacity to partner with government.
- Participatory planning processes can be implemented through the support of social facilitation partners / external support organisations.
- Residents of informal settlements need to be involved in the monitoring and holding to account of those responsible for implementing the plans.
- Municipalities should enable and sustain community initiatives by implementing shorter term projects to keep communities fully engaged and to demonstrate what is achievable over time.

Planning is a core function of local government that directly impacts the social, spatial and economic landscape of municipal spaces. Municipal planning, as it relates to informal settlements upgrading, happens at various levels. [38]

The imperative of municipalities to bring planning closer to the ground, cannot be understated.[39]

Communities have local knowledge and insight, and their involvement in planning, at settlement level in particular, strengthens the relevance of plans. Genuinely participatory approaches to planning have the potential to shift power towards the households involved in the upgrading intervention.[40] This is especially important in the context of informality, as informal settlement communities are disproportionally unable to access institutions and make their voices heard in the formal spaces that influence decision-making.

6.1 WHAT A MUNICIPALITY CAN DO

Municipalities can strengthen their current systems of planning to include communities through:

- Investing in facilitators to improve the engagement process around plans.
- Encouraging communities to negotiate and prioritise their needs and visions.
- Implementing locally recognised democratic processes for planning.
- Involving external organisations at an early stage to assist in building partnerships between municipalities and communities.

The extent of inclusion in planning processes is a key determinant for the viability of an upgrading project. The co-production of plans with communities fundamentally shifts their role, from one of beneficiary to one of partner. Similarly, it's a notable shift in the role of the municipality - instead of developing plans and providing services *for* communities, the municipality is working *with* communities.

The sequencing of activities related to planning is important. Typically, municipalities develop settlement plans and then proceed to consult communities. This approach is ineffective and inefficient, as if the communities disagree with the planning proposal, the municipal resources used to develop those plans are wasted. It also does not build trust nor give communities the opportunity to exercise agency.

Co-production offers a very different approach to planning. It focuses on engaging communities in the visioning and planning process from the start, and suggests an iterative process. Various options and tools are available to municipalities that wish to promote co-production in planning.

ESTABLISHING FORUMS TARGETING DIFFERENT PLANNING LEVELS

Municipalities can create platforms/forums that allow informal settlement communities to participate in planning. Such platforms should be implemented in a manner that incrementally builds the capability of communities and government officials. Three forums are proposed, each aligning with a different level of planning (see Figure 8) [41]

38: Isandla Institute. 2012. Planning for Informality: Exploring the potential for collaborative planning forums. Cape Town: Isandla Institute.

39: ibid.

40: Eglin, R. 2016. How participatory planning and monitoring drives meaningful participation in democratic spaces: experiences from the upgrading of informal settlements in the Buffalo City Metropolitan Municipality. In State of Local Governance 2016. Good Governance Learning Network. Available: https://ggln.org.za/media/k2/attachments/SoLG.2016-Afesis-corplan.pdf

41: Isandla Institute. 2012. Planning for Informality: Exploring the potential for collaborative planning forums. Cape Town: Isandla Institute.

42: Community Organisation Resource Centre. 2018. Community based Planning. Available: https://www.sasdialliance.org.za/what-we-do/community-based-planning/

43: Western Cape Department of Human Settlements. 2016. From Precarious Settlements to Dignified Communities – Western Cape Informal Settlement Strategic Framework (ISSF): Implementation Plan 2016-2030. Available: https://www.westerncape.gov.za/assets/departments/human-settlements/docs/issp/western_cape_issp_implementation_plan_2016.pdf

Success tips for effective forums:

- The municipality recognises the value of community contribution.
- Communities are organised and informed.

Figure 8:

Network of collaborative informal settlement upgrading planning spaces

PLANNING FOR INFORMALITY FORUM

Integrated Development Plan

Spatial Development Framework

Built Environment Performance Plan

LEARNING FORUM

Area-based Plan / District-level Spatial Development Framework

NEIGHBOURHOOD-LEVEL PROJECT COMMITTEES

Project / Settlements Plans

Success tips for community-based planning:

- The municipality facilitates participation.
- Community knowledge informs the upgrading plan.

COMMUNITY-BASED PLANNING

Community-based planning harnesses local knowledge and builds on the agency of informal settlement communities. The process generates Community Action Plans (CAPs), which have the potential to bring together key stakeholders and role-players to negotiate and broker solutions to meet the needs of the settlement.[42] Community-initiated plans empower residents and set the scene for co-producing solutions during the informal settlement upgrading process. Community-based planning occurs alongside municipal planning processes and generates information that strengthens settlement-level planning. It illustrates communities' willingness and capacity to partner with government.

External support organisations can play a meaningful role in supporting local communities in collecting and analysing settlement-level data, on which the CAP process hinges. When implementing community-based planning, the fundamental components are consistent and are described below.[43] For all components, the extent of support will depend on the existence of local capacity in terms of available resources and local support organisations (see section 9.1).

Strengthens community buy-in and ownership of the planning and upgrading process.

Empowers and enables communities to take part in a participatory planning and upgrading intervention.

a) Community mobilisation and facilitating participation

This is required when the community capacity and leadership are insufficient to drive and inform the upgrading development process. The municipality engages with localised leadership structures, councillors and/or CBOs already present in the settlement. Engagements focus on:

- Creating awareness of the forthcoming development.
- Building capacity within the community, to enable it to work alongside technical project partners (municipal officials and private sector consultants).
- Training a community technical team (task team/steering committee) responsible for informing planning and layout design from a community perspective.

Enables informed planning decisions to be made, based on accurate community-level information.

Produces an up-to-date community profile, which should be maintained and updated ongoingly, to ensure future interventions are relevant.

b) Gathering accurate household-level data

This is required when there is insufficient settlement-level information to confidently make planning decisions, or when an enumeration exercise has not been done for a considerable period of time. If the municipality's database is up to date, the information must be tested with the community, to confirm its status and accuracy. Communities should be involved in updating and correcting data, as well as collecting data if there is a major lack of information.

Communities should be involved in designing a survey tool (such as a questionnaire), participating in fieldwork and processing the data. The socio-economic and demographic data to be collected should include tenure security status, level of services, access to facilities, household structures and history, immediate needs per household, and aspirations of residents (to inform the visioning process).[44] All data collected must be shared with the community and used as the basis for further engagement.

Ensures community planners understand the spatial distribution of service and facilities informing participatory planning exercises.

Produces settlement-level maps that guide community-based planning and inform decision-making.

c) Settlement profiling and mapping

This process is required where there is insufficient GIS information on settlement-level services and facilities, i.e. fine-grained information such as access points, beyond the municipal reticulation network/bulk distribution lines. Accurate settlement-level data is needed to inform participatory planning and infrastructure delivery, and other interventions such as social assistance measures.

The exact spatial location of municipal services (communal taps, sanitation facilities, etc.) and social facilities (community amenities, schools, health facilities, transport, etc.) are captured using GIS technology. Community members are trained to plot all services and facilities in their respective settlements on a GPS-enabled device. These

44: Community Organisation Resource Centre. 2018. Enumeration. Available: https://www.asdialliance.org.za/what-we-do/enumeration/

Gives a holistic perspective of the potential within the settlement.

Identifies asset gaps and community needs, as well as existing assets and capitals (human, social, natural, physical and financial) that can be unlocked/leveraged to support community-driven upgrading and development.

coordinates are then fed into the GIS system, creating a spatial overview of the various points of interest.

d) Asset identification

This is required when there is insufficient knowledge and understanding of existing assets in a community. Informal settlements may have assets that go beyond the physical and infrastructure elements, i.e. non-physical assets, such as informal entities and social networks or groups. This process is closely related to the livelihoods analysis and is an important step in understanding how to build on current assets to improve the overall well-being of a community.

Support organisation(s) work alongside the community to identify all existing assets in the community, beyond what was captured through settlement profiling and mapping. The various community strengths and resources are inventoried and depicted spatially (where possible), and the interconnections between the various assets are identified to ensure an in-depth understanding of the various interdependencies. Once identified, assets and their interdependencies/interconnections need to be updated ongoingly, to ensure a contextual understanding of the settlement.

Is a method applied throughout the upgrading process that builds social capital and trust between stakeholders.

Produces an upgrading plan that guides the municipality in allocating resources for infrastructure spending and service delivery, tenure security, provision of social facilities and other socio-economic development interventions.

e) Visioning and planning

A culmination of steps (a) to (d), this is required when a visioning and planning process has not been done in the last 12 months. The process involves working alongside residents, using enumeration information, profiling data and existing assets of a particular settlement, to come up with a detailed and accurate picture of the household and settlement profile. This feeds into an upgrading layout plan and long-term development vision for the settlement that reflect and address community needs and development aspirations.

In essence, participatory planning is a community-driven, government-supported process that is inclusive and grounded in the belief that blending local knowledge with expert knowledge leads to strong outcomes.[45] The quality of the visioning and planning process depends on the capacity, willingness and commitment of the community in question, as well as the support available from external organisations.

Is a guide for both community and municipality on the short-, medium- and long-term development priorities.

Gives communities insight into government processes and a realistic view of what services are possible and the timeframes involved.

f) Producing the Community Action Plan

The output of (a) to (e) is a Community Action Plan (CAP), which is a compilation of strategies and actions to be undertaken in the geographical focus area that guides (and is a reference point for) the upgrading process.[46]

The development of a CAP is usually facilitated and is typically developed through a series of workshops. It is essential that monitoring and evaluation are embedded in the planning process. The community needs to

45: Montréal Urban Ecology Centre (MUEC). 2015. *Participatory Urban Planning: Planning the city with and for its citizens.* Available: https://participatoryplanning.ca/sites/default/files/upload/document/participatory_urban_planning_brochure_2016.pdf

46: VPUU. 2015. Violence Prevention Through Urban Upgrading: A manual for safety as a public good. Available: http://vpuu.org.za/wp-content/uploads/2017/05/VPUU_a-manual-for-safety-as-a-public-good.pdf

The challenge for municipalities is to ensure that co-production is a consistent practice, not an option.

be part and parcel of deciding how monitoring will be done and which indicators will be used. They need to understand their role and responsibilities in monitoring the upgrading process, and the tasks allocated to individuals in the community, with clear reporting timeframes. A reporting chain of command would need to be established, so that the feedback report goes to the appropriate department for meaningful change to happen. The CAP is not a static document but is reviewed at regular intervals, and adapted as required.

6.2 EMBEDDING CO-PRODUCTION IN MUNICIPAL PLANNING

The challenge for municipalities is to ensure that co-production is a consistent practice, not an option. The following high-level guidelines for mapping out participatory processes are suggested, with the understanding that collaborative processes need to be suited to the context: [47]

- **Determine stakeholders and their roles:** An imperative first step is to know who is involved, the nature of their contribution and the level of information they need. It should be noted that not all stakeholders will be involved in all components of the upgrading project.
- **Build consensus:** The upgrading strategy needs to be negotiated with all stakeholders – the community, municipal officials, and built environment professionals. There should be a single vision based on mutually agreed upon conditions to encourage co-operation.
- **Make shared decisions:** A deliberate effort to include the citizen voice in decision-making will take careful thought. This does not mean that all decisions should appease every individual involved in the upgrading project, but rather that solutions are sought using contributions from every stakeholder to ensure quality planning and implementation.
- **Develop a CAP:** A detailed action plan should be designed to suit the context of the community. This may require negotiated outcomes and municipal capacity to manage expectations.
- **Implement:** The proper logistical and social arrangements must be in place to successfully carry out the plan. The community plays a role during implementation, and it is important to keep track of the progress made.
- **Provide feedback:** All stakeholders should receive feedback about the outcome of the process and remain informed of challenges as they arise. In some cases, the feedback will require some stakeholders to adjust their own contributions. All stakeholders should be flexible in this regard, but the municipal officer has the responsibility to facilitate any changes.
- **Evaluate:** Effective instruments (surveys, indicators, audits, direct observations etc.) are used to review the success of the intervention. Valid inputs are derived from user experience (community), but other technical standards may also be subject to review.

47: Adapted from the Public Service Commission's Template for Developing Guidelines of Public Participation (2010)

6.3 IMPLICATIONS FOR SETTLEMENT CATEGORIES

Category A	• Establish forums targeting different planning levels. • Implement community-based planning, i.e. mobilise the community, facilitate participation; gather accurate household-level data; profile and map the settlement; identify assets; do a visioning and planning process; and produce a CAP.
Category B1	• Establish forums and implement community-based planning (as per Category A). • Ensure municipal officials and settlement residents are equally aware of land acquisition processes and timing, as the municipality will eventually need to acquire land.
Category B2	• Have a transparent relocation strategy that explains clearly why relocation is necessary and provides information on the relocation site. • Ensure municipal officials and settlement residents are equally aware of land acquisition processes and implications for timing of relocation, although the municipality may not need to acquire land.
Category C	• Establish a forum to develop a suitable relocation strategy in collaboration with the community. • Be transparent about why urgent relocation from the site is needed, and provide information on relocation site (including joint site visits) and timeframes.

6.4 ROLES AND RESPONSIBILITIES

Community members and CBOs *Organise and mobilise*	**Municipalities** *Drive and manage*	**NGOs** *Support and facilitate*	**Private sector** *Support and contribute*
• Organise and mobilise. • Set up community structure/committee. • Participate in upgrading process. • Inform the CAPs. • Monitor the upgrading process.	• Provide technical advice to communities (can be via private or NGO). • Resource upgrading staff, especially for community planning and monitoring. • Welcome and assimilate community feedback. • Project manage the informal settlement upgrading process. • Approve and adopt CAPs into department plans and IDPs.	• Support municipality with appropriate capacity building. • Build capacity of community for planning and monitoring of upgrading process. • Contribute to transfer of technical know-how to communities. • Facilitate social and conflict resolution.	• Provide capacity building where needed to municipality and communities. • Contribute to transfer of technical know-how to communities. • Implement the CAPs. • Facilitate planning and monitoring training, and conflict resolution.

7. ESSENTIAL SERVICES

KEY MESSAGES

- Municipalities should coordinate service provision beyond a minimum level of basic services. Bearing in mind the holistic approach of an upgrading project, essential services should be provided as a package of quality infrastructural, operational and social services.
- Decisions about essential services should take into account community rights and priorities, and therefore the community's direct involvement is imperative.
- The municipality must ensure that the community is able to articulate their needs and priorities meaningfully. An external support organisation can facilitate this process between the municipality and community.
- A co-production approach distorts the traditional client-service provider relationship between community and the municipality. The distinct roles and responsibilities of each stakeholder result in a relationship in which community members are empowered to contribute their skills and knowledge in the provision of essential services.
- The municipality has a responsibility to mobilise community expertise, commitment, and resources for joint action in service provision.

The provision of essential services is a key component of an incremental, in-situ upgrading project, as informal settlement dwellers are vulnerable to social, environmental and health threats.

Providing essential services mitigates these threats and offers infrastructural, operational and social support to a community at risk. It addresses people's basic needs according to the Constitution, promotes human dignity and is one substantial step towards the development of a sustainable neighbourhood.

Since 2016, the rhetoric has shifted from basic interim services to essential services,[48] highlighting the critical need and urgency of the proposed interventions for residents' quality of life. The shift also addresses the sustainability and durability of "basic" interim services, which were a low-quality feature of informal settlements for many years. Essential services refer to improved access to a package of quality services as opposed to provisional basic services according to a minimum level (noting that a one-size-fits-all approach does not suit the provision of essential services).

7.1 WHAT A MUNICIPALITY CAN DO

Municipalities can use a participatory approach to prioritise the provision of services according to the needs of the community. A participatory approach recognises that communities should have a role in planning for and implementing strategic decisions related to the provision of services, such as water, sanitation, refuse removal, roads and footpaths, electricity, education, health care, early childhood development (ECD), fire protection and safety:

- The provision of essential services in an informal settlement are negotiated around relevant norms and standards that are set at municipal scale.
- The emerging needs of communities dictate which services are prioritised.
- The prevailing relevant norms and standards determine the extent of the community's involvement.

Power relations in the community and the position of elected representatives in municipalities can result in community participation being neglected by the administrative structure.[49] Co-production creates opportunities for service providers/experts to work alongside the community, to find innovative ways of designing and delivering services that are best suited to the needs of the community. Municipalities have several options for promoting co-production in the provision of essential services.

RAPID PARTICIPATORY APPRAISAL

The rapid participatory appraisal (RPA) methodology can be used to assess community needs and promote development interventions. It is a qualitative approach aimed at learning and understanding behaviours, opinions and attitudes, that enables people to "share, enhance, and analyse their knowledge of life and condition, to plan and act and to monitor and evaluate".[50] Although mostly used in rural contexts, RPA is adaptable to the urban informal settlement context. It is flexible

48: National Treasury. 2017. *Preparing to Scale Up Informal Settlement Upgrading in South Africa: A City Wide Approach.*

49: Rahman, A. U. et al, 2016. Operationalizing community-led housing in practice: Lessons from Bangkok, Thailand and Mumbai, India, International Journal of Sustainable Built Environment, 5(2):564-578.

50: https://www.slideshare.net/ronelcana/participatory-rapid-appraisal

TOOLS AND TECHNIQUES

Used to assess local needs, identify priorities, implement actions, and monitor or evaluate interventions.

DIRECT OBSERVATIONS:

A checklist is used to systematically record observations, within the parameters of the project objective. E.g. community members observe which pathways are frequently used or which households are the most vulnerable (elderly, child-headed, sickly etc.)

DIAGRAMS:

A diagram is constructed to present information in a simplified way, facilitate communication and discussion, stimulate consensus and creatively involve community members. E.g. seasonal calendars, time trends, historical profiles, daily routine profile, flow diagrams etc.

RANKING:

Needs and preference are placed in order of priority. Innovation assessment: After a group discussion, this is used to help assess the proposed intervention options.

INNOVATION ASSESSMENT:

After a group discussion, this is used to help assess the proposed intervention options.

SECONDARY DATA SOURCES:

Sources of information relevant to the planned intervention are reviewed.

MAPS AND PHOTOGRAPHS:

Participatory mapping of the area produces spatial information and can be animated using pictures covering a range of topics – demography, social and residential stratification, land use, mobility etc.

ANALYSIS GROUP DISCUSSION:

Participants conduct a focus group around a related topic in response to an identified need.

SUSTAINABILITY ANALYSIS:

Questions are asked around the objectives, indicators, strengths and weaknesses of the project, with the aim of assessing which actions/activities to sustain, incorporate or discontinue.

Reveals community needs and how the community uses and manages its resources.

Enables people to learn and understand behaviours, opinions and attitudes, before planning, implementing and monitoring.

(draws on a variety of tools and techniques), uses triangulation to revise and examine the data, and is based on learning from the local community.[51] (See previous page)

The results of the analysis and corresponding recommendations are then shared between the various stakeholders through visualisation, public presentations and discussions during meetings. The emerging information is useful for those who wish to understand how the community uses and manages its resources and for the community itself.

Facilitates participation through the involvement of local community members, technical experts and municipal officials in a forum.

Produces an agreement on what actions to be taken, including timeframes and roles and responsibilities of people/structures.

RESIDENTS' FORUMS

Like the neighbourhood-level project committees described in section 7.1, residents' forums facilitate participation in the process of service delivery, with the aim of improving how the government responds to the socio-economic needs of citizens. The Public Service Commission of South Africa has developed a toolkit with step-by-step recommendations on how to organise and conduct a Residents' Forum, which can be adapted for establishing similar forums in an informal settlement upgrading project. (See right)

Offers an opportunity for community up-skilling and involvement.

Organises and empowers community members, without shifting the municipality's responsibility to the community.

COMMUNITY-BASED MANAGEMENT AND MAINTENANCE GROUPS

Municipalities can use community-based maintenance groups to manage minor service infrastructure, such as roads or footpaths or storm water drains, in an informal settlement. Communities thereby become part of the solution for maintaining access to basic services.

RESIDENTS' FORUMS

All participants contribute towards compiling a report, which is then taken up to higher political structures.

The forum is animated by panel discussions, on-site visits, small-group discussions and recommended actions.

The committee consults with relevant political structures and establishes a brief to ensure a common understanding of the process.

The project steering committee organises a forum meeting, which typically take place over a number of days and may be facilitated in partnership with an external roleplayer such as a community development NGO.[52]

51: International Union for the Conservation of Nature. 2009. Participatory Rapid Appraisal.

52: Public Service Commission. 2005. Step-by-Step Guide to Holding Citizens' Forums. Pretoria: Public Service Commission.

These groups are not intended to shift municipality's responsibility to community members. To ensure fairness, maintenance group workers should be selected based on non-discriminatory criteria and receive basic training and tools, to ensure the quality of their work. The community can choose to establish formal or informal groups, although a formalised group established on a contractual basis with remuneration arrangements is encouraged, to ensure that communities and the municipality are clear about expectations.[53]

Establishing local maintenance groups enables community members to generate income, which contributes to poverty reduction and general development of the community. In addition:

- The work (e.g. maintaining roads/foot-paths) can be carried out by unskilled people after receiving some basic training.
- Training and upskilling are provided to community members.
- Community members as end-users of a service are organised and empowered.

7.2 EMBEDDING CO-PRODUCTION IN ESSENTIAL SERVICES PROVISION

The challenge for municipalities is managing the tension between technical norms and standards, and local realities. These tensions should be viewed as opportunities to find alternative ways of imagining services.

- Municipal officials should seek to align co-production approaches with existing essential service provision and management policy and practice.
- Settlement residents should be assisted in articulating their needs and priorities, and sharing their knowledge. This depends on the quality of technical assistance and the extent to which the community has been organised.[54] An external organisation can provide this support to the community and facilitate knowledge-sharing processes.
- Relevant political representatives must be involved, as they carry much of the power in decision-making structures.
- Government's role is to be a facilitator and to ensure that capacity is developed in communities, and that resources are spread across stakeholders.[55]

Another challenge is that it is extremely difficult to develop and operate an organisational system that reaches the majority of citizens. It requires a decentralised process, as described above, which effectively slows down the pace of essential service delivery. Therefore, municipal officials should bear in mind that the commitment to co-production is not time-bound, and success is not measured according to short-term gains and deliverables. Rather, the value of co-production comes from investing in social capital and building sustainable living environments.

53: Asian Development Bank. 2011. Community-based routine maintenance of roads by women's groups: Guide for Communications bureaus

54: Arnstein, S. R. 1969. A Ladder of Citizen Participation. Journal of the American Planning Association. 35(4):216 - 224

55: CSIR. 2000. Guidelines for Human Settlement Planning and Design (The Red Book). Chapter 4, p.3. Available: https://www.csir.co.za/sites/default/files/Documents/Red_bookvol1.pdf

7.3 IMPLICATIONS FOR SETTLEMENT CATEGORIES

Category A	• Provide more permanent services, with the installation of services appropriate to economic and environmental conditions, including: (new or transport to existing) schools, primary healthcare facilities, recreational facilities (e.g. sports-fields/community halls), basic water supply (e.g. standpipes), sanitation (e.g. VIPs, communal waterborne), emergency vehicle access, drainage controls, electricity, street/high-mast lighting. • Give residents a holistic picture of services to be provided, including estimated timeframes, expected costs, and range of options. • Ensure community understands that long-term permanent services require ongoing operational support services, so residents can make informed decisions and have realistic expectations. • Requires good co-ordination between relevant directorates, as various directorates may convey different information or lack capacity for effective social facilitation.
Category B1 **Category B2**	• Prioritise essential or emergency services that support the incremental development of informal settlement into integrated neighbourhood. • Package infrastructural, operational and social services, with delivery during UISP Phase 1 and 2. • Develop infrastructure incrementally – communal and temporary/short term, requiring minimal changes to settlement layout. • Services may include: mobile clinics, care facilities for sick/old, support to ECD centres and vulnerable children; improved services where applicable (e.g. additional roads & footpaths, flush toilets and water supply); short to medium term water supply (e.g. standpipes), sanitation services (e.g. VIPs, communal waterborne) and drainage controls; emergency vehicle access; electricity and street/high-mast lighting. • Include residents in decision-making with municipal officials who decide on best-suited level of services, and prioritise services based on the daily needs and experiences of residents.
Category C	• Develop a suitable relocation strategy in collaboration with the community, including agreed level of emergency service provision at the current site and at relocation site. • If residents are not willing to relocate, provide non-waterborne services where land is not developable (e.g. areas that are low-lying or under electricity lines) and waterborne services cannot be installed.

7.4 ROLES AND RESPONSIBILITIES

Community members and CBOs *Take ownership*	**Municipalities** *Develop and manage*	**NGOs and private sector** *Facilitate and support*
• Understand the local context and needs. • Identify priority services in settlements. • Take ownership, promote responsible use and prevent misuse of services. • Participate in monitoring services and reporting faults. • Measure improvements (quantitively and qualitatively).	• Do a rapid assessment of settlements. • Determine appropriate service levels and align essential service provision with municipal targets. • Develop and coordinate implementation and participation guidelines. • Design infrastructure and develop technical plans for services, abiding by national norms and standards. • Procure building contractors and monitor the construction of infrastructure. • Provide engineering services and resources, including personnel and financial, and allocate budgets. • Implement the infrastructure plan according to agreements • Encourage and improve the participation of other stakeholders. • Monitor and report on the technical process. • Build capacity to improve and expand service provision.	• Work with the municipality to facilitate the participation of the community in service provision. • Have in place a memorandum of understanding with the municipality that determines the external support provided. • Facilitate co-operation between the municipality and community in planning for essential services. • Remain in close contact with both the municipality and the community.

PROVINCIAL AND NATIONAL GOVERNMENT

Human Settlements *Support and approve*	**Environmental Affairs; Water & Sanitation** *Support and approve*	**Health, Education and Social Development** *Support and collaborate*
• Support incremental upgrading and settlement design and planning, through the coordination of grants and other relevant departments in both spheres of government • Support flexible regulations that allow for the provision of essential services and monitor. • Approve business plans for HSDG/ USDG and support a flexible approach to essential service provision.	• Ensure regulatory approval of Environmental Impact Assessments (EIAs) and Water Use License • Grant environmental exemptions or authorisations for infrastructure associated with essential services • Support flexible regulations that allow for the provision of essential services.	• Work with the municipality to improve existing social services. • Work with the municipality to improve social services. • Work with local CBOs to provide social services • Support, improve and include local CBOS and other social service providers in a registration system.

8. TENURE AND LAND

KEY MESSAGES

- A range of tenure options is important to allow for progressive strengthening of tenure security, from basic functional tenure to full title.
- Norms and standards applicable to land-related decisions in upgrading processes should be acknowledged, but there can be room for negotiation around specific outcomes – greater transparency in decision-making will assist settlement residents in understanding the reasons for decisions.
- Legislation (e.g. SPLUMA) allows for the integration of informal settlements into city-wide plans and the innovative use of land use regulations to improve tenure security.
- Local land and tenure arrangements should form the basis for functional tenure, in conjunction with administrative recognition
- Co-production approaches allow for more contextually-sensitive incremental settlement upgrading plans that respond better to the needs of residents. These approaches also improve trust in the municipality, strengthen community commitment to the upgrading process, and empower residents.

The threat of arbitrary eviction exacerbates the existing vulnerability of informal settlements residents, while the lack of tenure security hinders public investment in infrastructure. Security of tenure brings the following benefits:

- Helps address the lack of dignity experienced by the residents.
- Makes it easier for residents to access basic services and finance.
- Encourages residents to invest in their own housing (also known as consolidation) and in their neighbourhood.

Conventional, formal tenure options (e.g. title deeds), are not scale-able to city-wide upgrading because of the time and costs involved with up-front land acquisition and formal planning processes. There is also the possibility that title deeds go back to informal tenure through unregistered transfers.

Although the UISP recognises incremental strengthening of tenure security, a deeply ingrained view remains – that individual tenure is the only legitimate form of tenure. This thinking dominated the RDP and BNG processes that delivered housing units on a large scale according to an inflexible master plan, which left little opportunity for alternative and incremental forms of tenure.

Although the UISP recognises incremental strengthening of tenure security, a deeply ingrained view remains – that individual tenure is the only legitimate form of tenure.

As mentioned in Section 6, many settlements do not progress beyond Phase 1 (interim services) of the UISP. This is because of blockages, which are due to land and tenure-related issues, such as land scarcity and acquisition, the need for partial or full re-location, and the lack of functional alternatives to full tenure in the current upgrading process. Co-production approaches can assist in navigating these blockages to enable progression to further stages of the incremental upgrading process. Interviews with authorities also reveal an appetite for convincing communities of the need for denser housing typologies in order to make greater progress in terms of the housing backlog.

8.1 WHAT A MUNICIPALITY CAN DO

Municipalities do not need to overturn the tenure system in order to provide tenure security. Each type of settlement and settlement resident may have different tenure needs, and this range must be accommodated. Tenure (particularly incremental forms of tenure) is vital in the settlement design and planning phase, and tenure options should respond to the logic of informality.

Engaging ongoingly with settlement residents through co-production approaches focused on land and tenure results in:

- More effective and contextually-sensitive upgrading processes in individual settlements that also assist city-wide programmatic settlement upgrading plans.
- Upgrading plans that respond better to the needs of residents and improve trust in the municipality.
- Stronger community commitment to the upgrading process
- Empowered residents.

Currently, informal settlement upgrading does not necessarily result in a top structure.

Therefore, if the upgrading process ends at the settlement design and planning phase and does not proceed to the consolidation phase, the community needs to be provided with the tools and capacity for consolidation and community development. In particular, the provision of a level of tenure security, as this can be used as an asset.

While acknowledging relevant norms and standards, alternatives to full formal tenure are available and provide the opportunity for negotiated solutions to be found to the complex land and tenure issues that can affect the progress and success of upgrading settlements.

Highlights existing local and tenure arrangements.

Enables administrative recognition of a basic form of functional tenure and provision of essential services on land not owned by the municipality.

USING COMMUNITY GIS MAPPING

Community mapping enables the settlement priorities to be rapidly identified and mapped, and a greater degree of participation in the upgrading process.[56] The use of local knowledge means that comprehensive and quality information is gathered that complements the municipality's information (see section 7.1). Settlement residents use aerial photographs and GIS technology to map important settlement information, such as toilet and standpipe locations, crèches, churches, shops, shebeens, movement routes, public open spaces and high risk flood areas. This forms the basis for settlement-level plans, locations for improved services, or future land use and layouts and allows for residents and officials to identify settlement priorities.[57] Participatory enumeration can also be used to understand a settlement and its inhabitants, by developing both community- and household-level profiles.[58]

Community mapping can also be used for the special incremental development zoning of a settlement, enabling tenure security at settlement level or the development of a register (administered by the community or the municipality) that allows for individual tenure security. Both of these can eventually lead to tenure certificates or full title deeds. Importantly, community mapping also empowers and builds the capacity of residents.

SUBDIVISION AND MUNICIPAL CERTIFICATE OF OCCUPATION

Where appropriate, a municipal certificate of occupation should be the preferred form of individual tenure.

- It is decentralised and so more accessible and locally responsive.
- It does not require township establishment and erf subdivisions – a GPS point can be used.
- It can be optimised over time, including providing possible access to bond/bank finance.
- It can be upgraded to a more formal type of tenure when and if formalisation occurs.[59]

Alternatives to full formal tenure are available and provide the opportunity for negotiated solutions to be found to the complex land and tenure issues that can affect the progress and success of upgrading settlements.

56: NUSP. 2015. Introduction to Informal Introduction to Settlement Upgrading: Section 4 Participatory Approaches. p 26.

57: Ibid.

58: Isandla Institute. 2017. Securing Tenure in Informal Settlements: Exploring an Emerging Approach. p 11.

59: National Treasury. 2017. Preparing to Scale Up Informal Settlement Upgrading in South Africa: A City Wide Approach. p. 190

NEGOTIATED ALTERNATIVE TENURE OPTIONS

When a settlement needs to be relocated urgently, the municipality should engage and consult with the residents on the details of the relocation. Tenure security should be enabled at the new site on an interim, incremental or full basis, depending on the type of development approach.[60]

- For Category A and Category B1 settlements, understanding existing local tenure arrangements, and building awareness of the available tenure options and the possibilities of strengthening tenure security during the upgrading process, can assist in building trust in the municipality and achieving negotiated tenure arrangements.
- For Category B2 and Category C settlements, negotiation around current and future alternative tenure options is a crucial part of the broader participative and consultative relocation processes.

Allows for investment and upgrading to occur.

Provides residents with secure occupation rights.

TRANSITIONAL FORMS OF ZONING

Municipalities can use transitional forms of zoning to provide informal settlements with an appropriate town planning status while incremental upgrading occurs.

Administrative recognition

This is the minimum – and essential – tenure intervention for informal settlements. It is based on settlement categorisation and preferably contained in an approved city-wide upgrading plan and linked to the BEPP and MTEF budgets. Administrative recognition should be rapidly conferred on all informal settlements. Settlement residents need to know their settlement's categorisation and development path. For example, incremental upgrading with provision of essential services or deferred relocation with provision of only emergency services. Knowing their category affords significant tenure security in that residents are free from the uncertainty of possible unexpected eviction.

A special zone (in the land use scheme) for informal settlements

The establishment of an appropriate special, incremental development zone for all permanent informal settlements (Category B1) should be regarded as an essential second step after categorisation and recognition. It is highly desirable because it means that the settlement is legal and included in municipal planning schemes. It also facilitates state investment in essential services and paves the way for a formal type of zoning when/if the settlement is formalised. Although formal township establishment, town planning and zoning/land use processes are anticipated for most conventional upgrades, a special zone provides greater flexibility, including tenure flexibility. Examples of special zones include the SR2 in Cape Town and the Transitional Residential Settlements Areas (TRSA) in Johannesburg.[61] The TRSA, which the City of Johannesburg has piloted under their Town Planning Scheme, gives settlements a legal status, which enables investment and upgrading to occur and provides residents with secure occupation rights. It also means that improvement can continue during the period between settlement and township establishment.

60: National Treasury. 2017. *Preparing to Scale Up Informal Settlement Upgrading in South Africa: A City Wide Approach.* p. 61

61: National Treasury. 2017. *Preparing to Scale Up Informal Settlement Upgrading in South Africa: A City Wide Approach.* p. 186.

Municipalities should consider special zones, in close consultation with the beneficiary community, for various reasons, including:

- Over time, many low-income housing projects are "consolidated" through less formal building methods, including extensions or outbuildings with no building plans, backyard rental accommodation, and encroachment on building lines.
- Many residents sell their properties through unregistered transactions, and so a more local, flexible type of zone with a decentralised, locally administered form of tenure, could have significant merits.

Allows for a more interactive and adaptive development approach.

Enables stakeholders to evaluate and refine continually interventions through a "plan-implement-plan" process.

MANAGED LAND SETTLEMENT

Land identification and a land release strategy are important aspects of a pro-active response to a growing need for land for settlement, either as a result of household-splitting, or to accommodate new entrants into the city, or when there is a need for decanting of residents. There is not the same possibility for co-production in terms of land identification and release, but there should be a level of transparency and accountability, as these are important for a city-wide upgrading plan.

Managed land settlement (MLS) is a form of incremental upgrading of settlements on undeveloped ("greenfields") land – the area is prepared for future settlement and upgraded over time.[62] Unlike RDP housing developments, MLS assumes that housing development operates within complex environments, where the level of agreement on housing development goals is low,[63] and that housing needs will change over time. The MLS approach relies on extensive consultation and consensus building, and is a valuable co-production approach.

A broad framework plan, which designates roads and local facilities, is developed, while the detail of the neighbourhood and individual houses is determined in consultation with residents.[64] It is an iterative planning and implementation process: first, the neighbourhood framework infrastructure is planned and implemented, and then households plan what their local superblock will look like. Each household participates in the design of their own house, which is built incrementally according to finances and resources.

8.2 EMBEDDING CO-PRODUCTION IN TENURE AND LAND

Few of the co-production approaches detailed above are institutionalised in the land and tenure processes that form part of settlement upgrading. Community mapping is used to a degree in some upgrading processes but has not been adopted as a standard methodology.

Social compacts are used when having to negotiate the relocation of a settlement but could be used to institutionalise co-production in land and tenure processes. The aim of a social compact is to create a functional working relationship between the municipality and a community, and any other key stakeholders in the upgrading process. A social compact:

62: Afesis-corplan, 2017. Creating Quality Environments: Managed Land Settlement, Learning Brief no. 11. p. 5. East London: Afesis-corplan.

63: Ibid.
64: Ibid.

To increase transparency, some of the information contained in land registers could be made available to communities, bearing in mind the politically sensitive nature of this information.

- Specifies the roles and responsibilities of the municipality (including the provision of essential services) and of the community. Of importance are those relevant to safety and tenure security (e.g. densities, access routes, and building materials etc.).
- Identifies the manner of communication and collaboration, for example via a steering committee.
- Details the categorisation of a settlement and includes a description of its associated developmental pathway.
- Specifies achievable development priorities and deliverables for the relevant three-year MTEF period.

Various institutional arrangements are in place to enable a degree of participatory planning in informal settlement upgrading, and may be formalised via a Memorandum of Understanding or other formal agreement. Currently, structures such as working groups or project steering committees are in place, to guide the upgrading process and update stakeholders on progress. However, to ensure the accountability, development and success of these structures, capacity needs to be built.

Lastly, land registers are an important basis for making decisions about settlement upgrading and land release/development. To increase transparency, some of the information contained in land registers could be made available to communities, bearing in mind the politically sensitive nature of this information. In general, transparency and accountability could be improved through following co-production approaches. Such approaches can be enhanced by incorporating alternative tenure option negotiations, MLS planning processes, and community mapping more deeply into existing institutional arrangements. Eventually these could be institutionalised into land and tenure processes in the upgrading of informal settlements.

8.3 IMPLICATIONS FOR SETTLEMENT CATEGORIES

Category A	• Improve from administrative planning and tenure security level to incremental zoning (via land use management scheme). • Consider special land-use zoning that provides greater flexibility (including tenure flexibility), in close consultation with settlement residents. This enables houses to be "consolidated" through less formal building methods including extensions or outbuildings. • Require temporary relocations, formal planning and environmental approvals, township establishment; and recognition of individual and formal tenure (either title deed or locally administered alternative, which is transferable and upgradeable to full title). • Remember that settlements represent "bankable" land access for residents, and so land use management and essential services may still be required.
Category B1 **Category B2**	• Build tenure security on existing local settlement-level recognition. • Strengthen tenure security incrementally: include municipal recognition via a list of categorised settlements, basic servicing or basic layout planning, a municipal register of occupants, locally administered government tenure certificates, special incremental development zoning, and legal declaration at a settlement or block level. • For B1 settlements, create incremental development zones (via land use scheme) after categorisation and recognition. • For Category B2 settlements, recognise existing occupation and limited form of tenure security at current site, as well as the right to future relocation. Consider interim zone for these settlements, especially where long delays are expected due to lack of viable and readily available relocation destinations, and negotiate current and future alternative tenure options, as a part of broader participative and consultative relocation processes. MLS is useful for Category B2 settlements, where planned relocation is inevitable
Category C	• Engage and consult with residents on details of the relocation. Depending on type of development approach followed, tenure security should be enabled at new site on interim, incremental or full basis, depending on type of development approach that is followed. • Negotiate current and future alternative tenure options, as a part of broader participative and consultative relocation processes. • If the new site follows a site and service approach, then tenure security will be similar to the initial stages of a Category A settlement, or alternative tenure solutions can be found. • If greenfield or MLS option is followed, tenure security will be similar to Category A. If temporary relocation area (TRA) is created, then temporary and functional tenure should be recognised.

8.4 ROLES AND RESPONSIBILITIES

Community members and CBOs *Engage and participate*	**Municipalities** *Develop and drive*	**NGOs** *Facilitate and partner*
• Represent and steer community in land and tenure negotiations and planning of upgrading, including MLS. • Be involved in tenure agreements and community mapping. • Participate in land and tenure co-production processes	• •Assess, categorise and prioritise incremental settlement upgrading, and integrate settlements into municipal planning. • Develop incremental upgrading plans to enable strengthening and recognition of tenure security. • Coordinate city-wide upgrading process, provide basic essential and social services, carry out land audits, acquire land to facilitate upgrading or MLS. • Approve incremental development zones to enable functional tenure security.	• Perform the role of social facilitator between the municipality and the community in the settlement design and planning process. • Assist in alternative tenure option negotiations, MLS planning processes and community mapping exercises.

PROVINCIAL AND NATIONAL GOVERNMENT

Human Settlements *Support and approve*	**Environmental Affairs; Water & Sanitation** *Support and approve*	**Private sector** *Plan and implement*
• Support flexible, incremental upgrading, with an emphasis on functional tenure as basic level via administrative recognition and an incremental development zone	• Ensure regulatory approval • Allow for the provision of essential services and flexible regulations	• Plan and implement project-level framework plans to enable basic functional tenure security and settlement layout design. • Develop settlement framework plans in conjunction with community

9. SETTLEMENT DESIGN AND SPATIAL LAYOUT

KEY MESSAGES

- Settlement design and spatial layout affect the number of residents that can be accommodated and thus how many may need to be relocated. It is a highly sensitive process that needs to fully involve residents of the community in understanding the trade-offs of different layouts.
- Good design principles should be used, to develop spaces that are able to evolve over time to meet the needs of communities, while being informed by the longer term vision for the settlement.
- Co-production approaches, such as CAPs focused on settlement design, reblocking and superblocking, and community involvement in social facilities and infrastructure planning can allow for more contextually-sensitive incremental settlement upgrading plans that respond better to the needs of residents.
- The municipality should explain to the community the regulations that affect settlement design and spatial layout, and be more open about the financial, technical and process constraints, balancing transparency with risk.
- Settlement design and spatial layout need to be socio-technical, balancing the financial, technical and process constraints of municipalities with the social needs and structures of communities. This will not only effectively upgrade an informal settlement, but also respond to the agency of its residents, transfer skills (via a social facilitation) to aid empowerment, and ultimately build community trust in the municipality.

Settlement design and spatial layout are important in the in-situ upgrading process, and affect the type of tenure planned for the settlement.

An in-situ layout involves creating spaces between existing top structures for access and installing pipes and cables for infrastructure services. How these spaces are created depends on various factors:

- Access – for vehicles and/or pedestrians.
- Infrastructure – interim or permanent, to be introduced incrementally or simultaneously (e.g. pipes and water supply).
- Level of service.
- Precarity of the land – requiring immediate attention or not.
- Community priorities regarding the approach and sequence of interventions.
- Budget constraints.
- Technical constraints, such as geotechnical, bulk infrastructure or human capacity.

Developing the layout for an informal settlement upgrading project is a relatively complex socio-technical design process aimed at making the best use of space, reducing relocations and meeting the diverse needs of communities.

9.1 WHAT A MUNICIPALITY CAN DO

The layout of the settlement affects the number of residents that can be accommodated and thus the number of residents that may need to be relocated. In negotiating an agreement on the layout and infrastructure design, the aim should be to minimise the number of residents who have to be relocated. As this is a highly sensitive process, the municipality needs to fully involve residents of the community, so that they understand the trade-offs of different layouts. These trade-offs include plot sizes/densities; plot orientation vs. house design, and pedestrian vs. vehicular access.

- Plot sizes should emerge through a process of dialogue between the municipality and residents, and take into account the existing buildings, spaces, roads and pathways in the settlement.
- The provision of services should be consistent with the settlement categorisation.
- The community need to agree on stand sizes, densities, service levels and project phasing.

In designing the spatial layout, the municipality should allow for spaces that are able to evolve, as the needs of the community change, and for public/community facilities and public space within settlements.

A technical rationality dominates the current mode of settlement design and spatial layout in municipalities, whereas a socio-technical approach to upgrading is needed to respond meaningfully respond to a community's needs and aspirations, and sustain and promote social networks, livelihoods and a better quality of life (see Section 2.2). Despite this, meaningful community involvement in settlement design is possible within the technical constraints of urban planning and engineering requirements. The case of the upgrading of Sweet Home Farm informal settlement in the

Is a guide for both community and municipality on the short-, medium- and long-term development priorities.

Gives communities insight into government processes and a realistic view of what services are possible and the timeframes involved.

Philippi area of Cape Town is a good example of the creative possibilities when community needs and desires are balanced with technical requirements.[65]

DEVELOPING COMMUNITY ACTION PLANS (CAPS) FOCUSED ON SETTLEMENT DESIGN

A CAP identifies and specifies *what* will be done, *who* will do it and *how* it will be done. Community members must be the main actors in preparing the CAP, which can serve as a framework for implementing a sustainable informal settlement upgrading process (see section 7.1). CAPs have been successfully used in upgrading initiatives facilitated by NGOs and other social facilitators, such as DAG (Development Action Group) and VPUU (Violence Prevention through Urban Upgrading).

Reblocking allows a municipality to respond inclusively to the need to alter a settlement's layout.

Superblocking enables residents to be recognised administratively and legally.

REBLOCKING AND SUPERBLOCKING

Reblocking is a systematic way of improving the infrastructure and physical conditions in existing communities by adjusting the layout of houses and roads, so that sewers, drains, walkways and roads can be installed. Communities can then develop their housing gradually, at their own pace. When communities opt for reblocking, some houses usually have to be moved and partially (or entirely) reconstructed to improve access. Some lanes may also have to be re-aligned to enable drainage lines, water supply systems or sewers to be constructed. Reblocking is often undertaken in cases where communities have negotiated to buy or obtain long-term leases for the land they already occupy.[66]

The process of reblocking is an important step towards land and tenure security, and improved housing. It also allows a municipality to respond inclusively to the need to alter the layout of a settlement in order to aid vehicular access or after fire or flood damage.

Superblocking is a method of upgrading an expansive informal settlement that enables the installation of shared and individual service infrastructure. It involves increasing access by sectioning the settlement into blocks, taking into account the existing movement routes, pathways and desire lines through the informal settlement. The street layout enables new addresses and street names, and residents acquire a form of collective and incremental tenure arrangement i.e. administrative and legal recognition. At a later stage, these blocks can be further sub-divided or reblocked, and individual title can be provided.[67]

Designs facilities and infrastructure that meet residents' needs.

Promotes community ownership of facilities.

COMMUNITY INVOLVEMENT IN SOCIAL FACILITIES AND INFRASTRUCTURE PLANNING

Community facilities are important for sustaining and promoting social networks, livelihoods and a better quality of life. Therefore, they need to be designed according to community needs and priorities.

65: Story: Successful participatory informal settlement upgrading in Philippi.

66: Bolnick, A. 2012. Chapter 5: *Transforming Minds and Setting Precedents: Blocking-out at Ruimsig Informal Settlement.* State of Local Government. Community Organisation Resource Centre and Ikhayalami. Available: http://www.ggln.org.za/media/k2/attachments/SoLG.2012-CORC-and-Ikhayalami.pdf

67: National Upgrading Support Programme. 2015. Training Manual: Introduction to Informal Settlement Upgrading Section 8: Layout and Infrastructure.

Municipalities need to be more open about the financial, technical, and process constraints, balancing transparency with risk.

This means that communities must be key stakeholders in the conception, design, development, maintenance and operations of facilities. There is room for a greater level of community participation on deciding the nature and location of social facilities in the upgraded settlement. This negotiated agreement can be linked to the CAP for the settlement.

Communities can – and should – be involved in discussions about the form and positioning of the water, sanitation, or shared services infrastructure that will be installed in their settlement. As housing consolidation may happen later in the upgrading process, it is important that there is a negotiated agreement on this infrastructure at an early stage.

9.2 EMBEDDING CO-PRODUCTION IN SETTLEMENT DESIGN AND SPATIAL LAYOUT

Ingredients needed for greater participation of communities – and even co-production – in settlement design and spatial layout process include the following:

- A champion within the municipality who can drive greater levels of social facilitation and community participation. In the absence of a champion, an organisational vision of meaningful community participation is necessary.
- A social facilitation organisation, to explain processes and constraints to community members and assist with the participation of the community members in these processes.
- A stable community and leadership structure, which can be assisted by a social facilitation organisation. This should occur as early as possible in the upgrading process, to enable a smoother and more effective upgrade from the municipality's perspective.

Possibilities for innovation and flexibility exist, despite technical and financial constraints, such as the National Housing Code, the structure and nature of grant funding, auditing requirements and the different capabilities of cities versus municipalities. According to provincial housing officials, currently only small-scale participation and negotiation are possible in upgrading processes – anything beyond this, such as detailed settlement layout and infrastructure design, is difficult for municipalities or provinces to achieve. However, this view originates from a lack of sufficient in-house or external facilitation skills and resources, and is a product of the risk-averse mindset in provinces and municipalities that is promoted by current national auditing imperatives. Fortunately, some officials are of the view that "the product is set, but the journey to the product is open to influence".[68]

Municipalities need to be able to explain to the community the regulations that affect settlement design and spatial layout, and be more open about the financial, technical and process constraints, balancing transparency with risk. This communication may be outsourced to an external support organisation, but the end goal should be to build these social facilitation skills internally. However, based on interviews with municipal officials, current budget and staffing constraints (unfilled or unfunded positions) mean that some municipalities struggle to provide effective social facilitation.

68: Nelson Mandela Bay Metropolitan Municipality officials. Focus group. 27 November 2018.

9.3 IMPLICATIONS FOR SETTLEMENT CATEGORIES

Category A	• Use either superblocking or reblocking. • Ensure a greater level of community participation in the form and location of social facilities in the upgraded settlement, linked to a CAP.
Category B1 **Category B2**	• Superblocking and reblocking can be implemented for Category B1 settlements, but not in B2 settlements.
Category C	• No settlement design and spatial layout occurs in this category of settlement

9.4 ROLES AND RESPONSIBILITIES

Community members and CBOs *Participate and engage*	**Municipalities** *Plan, develop and drive*	**NGOs** *Facilitate and assist*
• Represent the community in steering settlement design and layout negotiations. • Participate in settlement design and layout co-production processes. • Actively engaging with municipality.	• Develop incremental settlement upgrading plans. • Negotiate CAPs and plan the design of settlements with residents. • Implement reblocking and superblocking initiatives. • Coordinate planning of social facilities. • Issue municipal certificates of occupation. • Coordinate city-wide upgrading process, provide basic essential and social services, coordinate planning of social facilities between relevant departments and in conjunction with community. • Integrate settlements into municipal planning.	• Partner in co-production processes of settlement design and layout, and upgrading. • Facilitate/assist in settlement design and layout negotiations.

PROVINCIAL AND NATIONAL GOVERNMENT

Human Settlements *Support and coordinate*	**Environmental Affairs; Water & Sanitation** *Support and approve*	**Private sector** *Support and collaborate*
• Support incremental upgrading and settlement design and spatial layout through the coordination of grants and other relevant departments in both spheres of government.	• Ensure regulatory approval. • Allow for the provision of essential services, settlement design and spatial layout, permanent services, and full upgrade according to norms and standards.	• Plan and implement project-level framework plans to enable settlement layout design. • Develop settlement framework plans in conjunction with community.

10. INCREMENTAL HOUSING

KEY MESSAGES

- The capacity of municipalities needs to be strengthened, to support incremental consolidation, incorporating community needs in decision-making, and negotiating during planning and implementation.
- Municipalities can tap into the latent willingness and agency of communities for incremental consolidation.
- Building partnerships with stakeholders and role-players involved in the construction process is key.
- Municipal leadership needs to make a strategic commitment to support incremental housing consolidation and allocate sufficient resources to ensure sustainable, on-going support to households and communities.
- Providing consolidation support in the long term may require advocating for more resources and innovative policy frameworks from national and provincial government.

Household consolidation refers to the improvement of a household's living conditions and circumstances over time.[69]

Here, it refers to incremental consolidation of the top structures, once community members have received a serviced site, and should be informed by the principles of co-production.[70] [71]

State-supported incremental consolidation, as provided for in the National Housing Code (NHC) of 2009, has not materialised as envisaged, partly because government has prioritised the "house on a plot" typology. Government's primary focus is on delivering subsidised housing in greenfield projects, not incremental housing. Some municipalities refer to consolidation support as an unfunded mandate, suggesting that it is not high on the priority list.[72]

Yet incremental housing consolidation brings benefits for households and communities.

- For low-income families, home ownership is the basis for asset creation, and the house has value far beyond its monetary worth, providing safety, health and well-being benefits, as well as creating a sense of belonging.
- Social cohesion is enhanced through the housing construction process, which creates opportunities for partnerships. For example, the establishment of CDCs and trusts, or seeking a community resource organisation to assist in transferring skills, engaging with the local municipality or actually constructing the housing units.[73]
- Beneficiaries become aware of their housing rights and responsibilities.
- The houses built are more sustainable, inclusive and responsive to the needs of the community because co-production is sensitive to the affordability question and community cultures and preferences, and communities invest directly in the process.
- Communities that emerge are resilient and stable, with a direct stake in the future of their neighbourhoods, as the process builds on existing livelihood strategies and creates a range of associated poverty alleviation opportunities.[74]

Housing consolidation falls within the last phase of the UISP process but is not covered by UISP funding, which only includes up to Phase 3: the creation of serviced stands.[75] Residents have two main subsidies that they can use for consolidating their unit, according to the National Housing Code (NHC) – see box. The limitations of these subsidies necessitate complementary approaches and interventions to support self-build incremental housing.

Community members who receive a serviced site usually require further assistance from the state to build the top structure, but the household should play an instrumental role in the incremental consolidation process. Challenges facing state-assisted, self-build construction stem both from municipalities and communities because of constraints associated with informality, some of which are explained below:

69: Built Environment Support Group. 2000. A Study of Post-Housing Subsidy Housing Consolidation in the Durban Metropolitan Area. Available: https://www.besg.co.za/images/Housing_consolidation_Nov_2000.pdf

70: Mtantato, S. and Churr, N. 2015. Understanding Housing Demand in South Africa. Johannesburg: Finance and Fiscal Commission. Available: http://www.ffc.co.za/docman-menu-item/commission-submissions/2015-2016-technical-report/828-2015-2016-tr-chapter-4-understanding-housing-demand-in-south-africa

71: Western Cape Government Department of Human Settlements. 2016. Informal Settlement Support Plan (ISSP): Towards Incremental Informal Settlement Upgrading - supporting municipalities in identifying contextually appropriate options. Available: https://www.westerncape.gov.za/assets/departments/human-settlements/docs/issp/western_cape_issp_design_and_tenure_options_2016.pdf

72: Adebayo, P. W. 2008. Preconditions for Housing Consolidation – Towards A Suitable Package of Support for Incremental Housing in South Africa: A Case Study of eThekwini Municipality. Doctorate thesis for Doctor of Philosophy: Housing. University of KwaZulu-Natal. Available: https://researchspace.ukzn.ac.za/handle/10413/4982

73: Masiteng, 2012. In-situ upgrading of informal settlements: A case study of Barcelona 1 - Lamontville, Durban. Master's Thesis for Masters in Housing. University of KwaZulu-Natal. Available: https://researchspace.ukzn.ac.za/bitstream/handle/10413/9914/Masiteng_Sindisiwe_2012.pdf

74: National Housing Commission. ePHP, 2009. p. 9. Available: http://www.dhs.gov.za/sites/default/files/documents/national_housing_2009/4_Incremental_Interventions/4%20Volume%204%20Enhanced%20People%20Housing%20Process.pdf

75: Ibid. p. 13
76: NHC: Consolidation Subsidy, p. 11
77: Ibid. p. 13
78: Ibid. p. 15
79: Ibid.

80: Nell, M., Bertoldi, A., Taljaard, R., Gordon, R., Holmes, T., Pretorius, R., and Di Lollo, A. 2011. Housing Subsidy Assets: Exploring the Performance of Government Subsidised Housing in South Africa. Johannesburg: Centre for Affordable Housing Finance in Africa (CAHF). Available: https://housingfinanceafrica.org/app/uploads/RDP-Assets-Timeline-Analysis_Final_April11.pdf

HOUSING CONSOLIDATION FUNDING

ENHANCED PEOPLE'S HOUSING PROCESS (EPHP)

The EPHP housing programme provides dedicated support and funding for community initiatives, community empowerment and community partnerships.[76] It is an inclusive process that enables participating households (beneficiaries) to be empowered individually and collectively, and the community to influence the housing delivery process. This includes identifying the land, planning the settlement, getting approvals and resources to begin the development, contracting out or building the houses and providing the services, living in and upgrading homes and continually improving the community. The principles guiding EPHP are:

- Community decision-making/choice.
- Community contributions, which are defined in the section listing the funding contributions.
- Partnerships and leveraging additional resources.

The policy intentions of the EPHP reflect the importance of partnerships and community participation in the building process.[77] In some cases, Housing Support Centres are set up to coordinate the EPHP process, and grants are available to pay the costs associated with these centres. However, the programme's current implementation is often referred to as "Managed PHP", referring to the common scenario of a service provider (implementation agent) managing the construction process, with little empowerment of the community through self-building. The community's role in managing the EPHP process needs to be strengthened. In addition, despite the importance of self-built and incremental housing in the context of informal settlement upgrading, the EPHP represents but a small component of overall housing budgets.

CONSOLIDATION SUBSIDIES

The consolidation subsidies programme gives households access to government's housing subsidy for the building of top structures on serviced stands where ownership has been transferred. It provides for individual and project-based subsidies – project-based consolidation subsidies require the establishment of a CBO representing the beneficiaries. The subsidy funding provided through this programme may only be used to acquire housing goods and services:

- To upgrade/replace municipal engineering services where required.
- To construct a new dwelling.
- To upgrade an existing dwelling.
- To complete an incomplete house.[78]

All dwellings constructed under this programme must conform to the National Norms and standards as found in the Technical Guidelines.[79]

Establishing the relationship between the developer and the community needs to be undertaken in an inclusive and democratic manner, so that the interests of the majority of beneficiaries are truly represented.[80] Furthermore, the consolidation process requires the beneficiaries to be offered sufficient choice of various housing options, including using the subsidy for purchasing building materials, constructing starter house units, purchasing completed top structures or extending top structures.

- **Bureaucratic procedures.** These make it difficult for communities to control the incremental consolidation process.[81] Example include delays in completing the transfer of serviced sites and slow delivery of the earlier phases of the UISP. Limited land supply. This is evident from the significantly low number of serviced sites provided by government to date.[82]
- **Lack of appropriate structures and networks.** For the most part, municipalities and provinces are neither equipped nor organisationally structured to support incremental consolidation in communities. They also do not have networks or arrangements in place with stakeholders, such as financiers and suppliers of building materials, who assist communities to build. This makes facilitating partnerships between municipalities and external funders such as the uTshani Fund that much harder.[83]
- **Lack of household resources.** Informal settlement households are low-income earners or unemployed, and many are not in a position to access the resources needed for incremental consolidation.[84]
- **Difficulty of obtaining finance.** Most households are likely to be highly indebted, which makes securing funding in the form of loans difficult. Obtaining microfinance to construct the house is particularly difficult and is compounded by the slow pace of construction.
- **Building regulations and standards.** All stand-alone houses constructed through national housing programmes must at least comply with the National Norms and Standards and be regulated by the National Home Building Registration Council (NHBRC). Standards set by the NHBRC are relatively high and are often unachievable, due to the costs. This can result in inferior self-built top structures.
- **Lack of specific skills.** The use of alternative materials could require specific installation skills that may not be found in the community.

10.1 WHAT A MUNICIPALITY CAN DO

Incremental housing cannot be ignored, given that South Africa's housing subsidy programme is financially and economically unsustainable, demand for housing in informal settlements is growing, and government is failing to make a significant dent in the long-standing housing backlog. A change of direction towards incremental housing consolidation is inevitable. Municipalities will have no choice but to ready themselves to partner with communities and other stakeholders to construct housing incrementally.

Realising the potential benefits of incremental consolidation depends in large part on the municipality's capacity to support households and to negotiate with communities on how housing will be supplied. Therefore, municipalities need to enhance their

operational systems to support communities throughout incremental consolidation, including linking to a network of fair and affordable suppliers of construction materials and services. This will be new terrain for many municipalities,

81: Huchzermeyer, M. 2001. Housing for the poor? Negotiated housing policy in South Africa. *Habitat International.* 25(3):303-331

82: Africa Check. 2015. Minister Sisulu is right – SA's housing delivery has almost halved since 2006/07. *Africa Check.* September 7. Available: https://africacheck.org/reports/minister-sisulu-is-right-sas-housing-delivery-has-almost-halved-since-200607/

83: Baumann, T. Undated. Consolidation Development Examples – SAHPF: For Department of Housing Best Practise Database. Available at http://sasdialliance.org.za/wp-content/uploads/docs/archive/n.d_Baumann_Best%20Practice%20Consolidation.pdf

84: Landman, K. & Napier, M. 2010. Waiting for a house or building your own? Reconsidering state provision, aided and unaided self-help in South Africa. *Habitat International* 34 (3):299–305

requiring creativity beyond the Housing Code provisions. A shift is needed, from *state-led* to *state-supported* incremental consolidation that allows for a variety of actors to play a role in the housing delivery process and be a voice in decision-making throughout the development.[85]

Laying down the foundation for incremental consolidation is the responsibility of all three spheres of government, as policy and institutional amendments are needed for local government to become a supporter of communities. Going forward, the ideal approach would be a "demand-driven and supply-negotiated model", implying that community demands and needs should influence decision-making, and that municipal officials need to navigate the available supply-side instruments, challenges and trade-offs in trying to respond to local demands. This would entail a socio-technical approach (see Section 2.2).

In this context, intergovernmental co-ordination becomes critical. Municipalities can play a key role in advocating for policy change, institutional reform and resource allocations to enable them to invest in co-producing housing incrementally, working with communities and other stakeholders.

The following are measures that could begin to move municipalities closer towards the co-production of housing.

CREATE AWARENESS AND NEGOTIATE WITH COMMUNITIES

The municipality will need to create awareness of incremental consolidation as an alternative to a fully built house and explain to communities:

- What the building process entails, from planning consolidation to monitoring of the contractors.
- How to access funds from private sources, e.g. the Federation of the Urban and Rural Poor (FEDUP) that promotes incremental consolidation and has empowered hundreds of communities to start savings schemes, develop their own knowledge and capacities, build houses, and acquire land;[86] the uTshani Fund that may be used to supplement the housing subsidies.[87]
- How to access funds from public sources, e.g. EPHP and consolidation subsidies.
- How to manage financial resources.
- Where and how to acquire building skills.
- How to monitor the building process.
- Which stakeholders are able to support the community.
- Where to obtain and how to build with alternative building materials.[88]

Beyond creating awareness and providing information, the municipality will need to create a space where communities and municipal officials can exchange technical insights and local knowledge and needs. This process of exchange may work best if facilitated by an external organisation.

Ensures needs of the community are served.

Encourages socio-technical exchange between municipality and the community.

ESTABLISH A MUNICIPAL RESOURCE CENTRE [89]

Municipalities may also be able to share ongoing information by establishing a resource centre that will serve as an information hub for communities or households considering incremental consolidation. The municipal resource centre may also provide support for community-based small-scale contractors.[90]

Serves as an information hub for the community.

Potentially can expand to serve all stakeholders.

85: Western Cape Government Department of Human Settlements. 2013. Incremental Housing Research Paper. Available: https://www.westerncape.gov.za/sites/www.westerncape.gov.za/files/hs-incremental-housing-research-paper-march2013.pdf

86: Federation of the Urban and Rural Poor (FEDUP). 2018. FEDUP. Available: http://sasdialliance.org.za/about/fedup/

87: uTshani Fund. 2018. Available: https://www.sasdialliance.org.za/about/utshani-fund/

88: NHBRC. Undated. Eric Molobi Housing Innovation Hub. Available: https://www.nhbrc.org.za/innovative-building-systems/

89: Western Cape Government Department of Human Settlements. 2016. Informal Settlement Support Plan (ISSP): Towards Incremental Informal Settlement Upgrading - supporting municipalities in identifying contextually appropriate options.

90: For more on support for community-based small-scale contractors, see Development Action Group's Contractor and Developer Academy (CDA) at http://www.dag.org.za/wp-content/uploads/2019/03/DAG-CDA-A5-Booklet-LR.pdf

Government needs to establish frameworks and tools that enable municipalities to assist communities.

To cut costs, it could be housed at the municipal offices with dedicated staff to assist communities or households instead of having a satellite office. Where funds are available, regional satellite offices could be established within the municipality for easy access. Over time, the resource centre could expand to be a central point of contact where all stakeholders (not just communities) can access information, networks and other resources.

STRIVE FOR INNOVATION AND EXPERIMENT

As noted earlier, the provision of consolidation support to communities is not widely practiced in municipalities. Therefore, government needs to establish frameworks and tools that enable municipalities to assist communities. Four main types of innovations could be considered to foster a more inclusive, state-supported consolidation process.[91]

Demand-side instruments

These are subsidy instruments that improve the capacity of households to purchase construction goods and services. To give households access to funds needed to construct their homes, government could support or facilitate savings schemes and microfinance.

Assisted self-build measures

These include establishing building support centres and mobilising building materials suppliers to provide affordable and accessible goods and services. In recent practice, the training of small-scale contractors has emerged as another support for self-build at community-level. Facilitating these measures may require the involvement of other spheres of government or entities, and effective stakeholder engagement and co-ordination skills are essential.

PROVISION OF MORE THAN A SERVICED SITE

To catalyse the incremental construction of houses, some municipalities are committing to providing wet cores on serviced stands (the Western Cape government has explored this option). This value-added offering not only reduces the costs to the household but also ensures a level of quality for at least the wet core.

Builds capacity and develops skills of the community.

Provides households with access to resources.

THE PROMOTION OF DENSIFICATION

Informal settlements are typically dense, and municipalities should adapt practice to promote vertical densification in a manner that is safe and affordable for households. Research suggests that densification beyond two storeys is not feasible without government assistance.[92]

Although these measures are neither quick nor easy to develop, the municipality should aim to move in the direction of innovation and experimentation, which may require further research and engagement with other spheres to advocate for change.

91: National Treasury. 2016. Innovation in Upgrading Practice: A Scoping Study - South African Practices and the Potential to Scale Up Delivery. Available: https://csp.treasury.gov.za/Resource%20_Centre/Conferences/Documents/Informal%20Settlement%20Upgrading/Scoping%20report%20ISU%20innovation%20and%20scaling%20up%20Draft%201%20for%20team%20comments%20060416.pdf

92: Sustainable Energy Africa. 2014. Joe Slovo Phase 3: Sustainable densification in well located areas (case study) [online] Available: https://www.sustainable.org.za/uploads/files/file79.pdf

10.2 EMBEDDING CO-PRODUCTION IN INCREMENTAL HOUSING CONSOLIDATION

Municipalities support and empower communities through incremental consolidation, which also capitalises on the will and capabilities of the communities who want to build for themselves. While the community may be the primary stakeholder and beneficiary, the municipality's core responsibility is to be a facilitator and aid. Municipalities have to work towards creating an environment that is conducive for incremental consolidation. This includes:

- Clearly communicating any intentions to consolidate early on.
- Improving municipal capacity to support households throughout the construction process.
- Understanding the construction skills and resources that could be made available to the community and engaging the relevant networks and partners.
- Bringing together suppliers, service providers and communities.

A critical piece of the puzzle is funding, which is available from several sources, including but not limited to EPHP and consolidation subsidy programmes. Other sources should be explored. For instance, savings of the individual households or the collective funding of a community, as is the case with FEDUP, or the uTshani Fund (see Section 11.1). The municipality could also engage with finance institutions, NGOs and donors to incentivise community savings schemes as a means to access finance for improving shelter.

The shift towards a state-supported consolidation process is a major departure from how most municipalities are operating. To successfully steer municipalities in a new direction will require strong leadership, strategic decisions, a willingness to experiment and learn by doing, problem-solving with stakeholders and a collaborative approach with communities from the onset.

10.3 IMPLICATIONS FOR SETTLEMENT CATEGORIES

Category A	• Initiate engagement with communities and other stakeholders early on, and inform residents of potential for housing consolidation. • Ensure that consolidation process offers spaces for communities to play a meaningful role in meeting need for adequate shelter. • Provide support for incremental self-building. • Engage with stakeholders, such as building materials suppliers, local contractors, support organisations and financing institutions. • Determine community's needs, affordability and contribution to construction process. • Allocate financial and human resources towards supporting incremental construction. • Have leadership committed to achieving shift from current practices and strategic change in delivery mode.
Category B1 **Category B2**	• Housing consolidation does not occur in these settlement categories, but support can be provided for incremental self-building.
Category C	• Housing consolidation does not occur in this settlement category.

10.4 ROLES AND RESPONSIBILITIES

Community members and CBOs *Take ownership at household and community levels*	**Municipalities** *Facilitate and monitor*	**NGOs** *Support and facilitate*
• Enact / implement incremental consolidation. • Influence housing plans and construction methodologies. • Set up a community leadership structure or a project steering committee. • Support the building process • Set up the appropriate community groupings to accommodate individuals and leadership structure / CBO to facilitate dealing with the project complexities. • Access, mobilise and adhere to the required community contributions. [93]	• Promote, plan and project manage incremental housing consolidation in a community • Support community and resolve conflicts. • Provide necessary technical advice to communities (can be through a private or NGO). • Resource community capacity building through knowledge and access to finances. • Ensure upgrading staff are well resourced, knowledgeable and equipped to assist communities • Realign monitoring system with the community's monitoring system, to ensure easy assimilation of community feedback. • Monitor incremental consolidation projects and assist with any blockages that may arise. • Facilitate partnerships with potential finance institutions. • Engage local suppliers of building materials.	• Build capacity and facilitate learning processes. • Support and mediate between the community and the municipality. • Facilitate incremental consolidation within communities. • Oversee building projects and financial management including transfers. • Inform individuals/communities of choices available, assist them to make appropriate choices, and give regular communication and feedback. • Facilitate access to, mobilise and adhere to the required community contributions . • In conjunction with Community Resource Centres, set up and manage a Housing Support Centre if required. • Build the appropriate capacity to support EPHP implementation and project delivery at community level, including capacitating the CBO with skills in management (financial, project and general) and payment processes. • Provide technical, contractual and accountability support.

93: National Housing Commission. ePHP, 2009. p.35

PROVINCIAL AND NATIONAL GOVERNMENT

Human Settlements *Support and coordinate*	**Environmental Affairs; Water & Sanitation** *Support and approve*	**Private sector** *Support and collaborate*
• Support incremental upgrading through the coordination of grants and other relevant departments in both spheres of government.	• Ensure regulatory approval. • Allow for the provision of essential services, settlement design and spatial layout, permanent services, and progression to full upgrade according to norms and standards.	• Plan and implement project-level framework plans to enable settlement layout design. • Develop settlement framework plans in conjunction with community.

NAVIGATING THE COMPLEXITIES OF CO-PRODUCTION

MEDIATING CONTESTATION AND BUILDING TRUST

11. MANAGING CHALLENGES, EXPECTATIONS AND CONFLICT

Co-production presumes a democratic context and active citizenry, where residents and communities are able to engage collectively with local government to improve living and political conditions.[94] Partnership, joint deliberation, consultation and information sharing are key elements,[95] but are difficult to achieve. This is because of the power balances and dynamics of stakeholders involved, the resources, and the political – at times autocratic – nature of state-led processes. In addition, very diverse stakeholders – local government, property developers, local communities etc. – are involved at different stages of an upgrading projects, and their efforts have to be coordinated. With such diverse stakeholders, contestations are sure to follow, especially at decision-making moments. These factors could significantly influence the effectiveness of any institutional structure established for participatory informal settlement upgrading. To deal with these dynamics, municipal officials need to be able to manage different interests and (micro) socio-political tensions, to manage relationships and to overcome challenges that inevitably arise during an informal settlement upgrading process.

Working with communities is a particularly complex process. Conflicts arise, contestations emerge and residents expectations may become unrealistic. In several instances, the social challenges of working with a community have derailed the technical processes of an upgrading project. As enablers of the upgrading process, municipal officials have the responsibility to respond in a way that does not destabilise the relations of trust established between the community and the municipality. There may be occasions when diffusing or resolving tensions requires the expertise of a social facilitator or external mediator. In other cases, deliberate interventions and conflict management strategies are a way of avoiding escalating conflicts.

Municipal officials can determine strategies to curb the destructive effects of challenges that arise when pursuing a co-production approach to upgrading projects. This section

94: Watson, V. 2014. Co-production and collaboration in planning – The difference. *Planning Theory & Practice.* 15(1):62-76.

95: Mangai, M.S. & De Vries, M. S. 2018. Co-production as deep engagement: Improving and sustaining access to clean water in Ghana and Nigeria. *International Journal of Public Sector Management* 31(1):81-96.

encourages officials to look beyond these challenges, to manage the complexities in a sustainable, efficient and effective way, and to see the potential for change through innovative alternatives. Conflict is expressed in multiple ways, but this section does not address violent expressions of conflict. Rather, it deals with the soft expressions of conflict that affect informal settlement upgrading practices. These can be characterised as the social tensions, antagonisms and "low-level" instability, which tend to emerge when a municipality works with a community.[96]

Co-production means transforming the way in which municipalities work when upgrading informal settlements, which may cause tensions and confrontation.

11.1 CHALLENGES OF MAINSTREAMING CO-PRODUCTION APPROACHES

Co-production means transforming the way in which municipalities work when upgrading informal settlements, which may cause tensions and confrontation.

Delivery targets, norms and standards tend to drive conventional upgrading processes, whereas a co-production approach places these factors alongside community needs and localised realities. This transformation in approaching upgrading processes may manifest as a tension, where the technical specifications compete against innovative responses to community needs.[97] Municipalities may also need to allocate additional resources to innovative co-production approaches to cover, for example, more frequent site visits or community meetings, the commissioning of an external social facilitator.[98]

To mitigate these challenges, it is essential that all technical and social factors are included in the project planning and resources are managed effectively.

Local realities may also block co-production efforts, hindering progress and delaying certain processes:

- Internal conflicts within the community that are the result of individuals in the community being reluctant to work together or the leadership acting as gatekeepers.
- Political interference may detract from the objective of informal settlement upgrading and focus energy on organised political/personal power struggles.
- Violence and intimidation may pose safety threats and, in some cases, contractors, security guards and even police services may be fearful of entering the settlements.[99]

Confrontational relations make it difficult to build consensus and reach agreements that are implementable, particularly when projects are restricted within a specified time frame.[100]

To mitigate these challenges, it is essential for all stakeholders to commit to exploring alternative approaches that share decision-making with community members, and to bolster and support strong champions of community participation.

Co-production is a broad ambition that requires a shift in mindset, which some stakeholders may find difficult. However it is worth bearing in mind that when co-production brings forth tensions, it is an indication of overarching mismatches, between upgrading as envisioned in policy and the reality on the ground.

96: Beall, J., Goodfellow, T., Rogers, D. 2011. "Cities, Conflict and State Fragility", Working Paper no. 85, *Cities and Fragile States,* Crisis States Research Centre.

97: Boyle, D. and Harris, M. 2009. The Challenge of Co-production: How equal partnerships betweenprofessionals and the public are crucial to improving public services. Discussion Paper. London: National Endowment for Science, Technology and the Arts (NESTA). p.23.

98: Ibid.

99: Nelson Mandela Bay Metropolitan Municipality officials, focus group, 27 November 2018.

100: Barry, M. and Rüther, H. 2005. Data Collection Techniques for Informal Settlement Upgrades in Cape Town, South Africa. *URISA Journal.* 17(1):43-52.

11.2 DEALING WITH STAKEHOLDER EXPECTATIONS

The Human Settlements sector is target-driven with high expectations from all spheres of government (local, provinical and national) and local communities. Commitments to upgrading projects form part of a municipal-wide project pipeline and are linked to MTEF budget allocations, while community readiness implies that a momentum has been set (to varying degrees) in anticipation of the intervention. The resulting pressure on municipal officials is tremendous and affects the roll-out of an upgrading project.

Nevertheless, there are ways for officials to manage the various expectations placed on them.

Indeed, managing stakeholder expectations is a valuable strategy for mitigating some of the challenges that arise when using a co-production approach to informal settlement upgrading. Some advice for municipal officials:

- Ensure that expectations from stakeholders are realistic and achievable.
- Remember that community expectations are central because community members are the drivers and beneficiaries of an informal settlement upgrading project.
- Be honest and open with the community about the broader institutional arrangements and existing resource constraints that affect the project implementation. This will ensure that the community understands the possibilities and limitations of the project, particularly the timeline between planning, resource allocation, implementation and decision-making.
- Understand that informal settlement upgrading is not just about housing delivery (and meeting targets) but about dynamic integrated settlements, fraught with changing social, environmental and political realities that take time to address. The social structures at play determine how technical processes unfold, which has pragmatic implications for expectations around housing targets/outputs.
- Work with all stakeholders through ongoing communication that clarifies respective roles and responsibilities, and promotes a coherent approach whereby all stakeholders are aware of what each stakeholder contributes towards the upgrade. Referring to an initial stakeholder mapping exercise can facilitate this at various stages of the project.

11.3 MITIGATING AND MANAGING CONFLICT

Mitigating conflict requires pro-active, not reactionary, approaches. This means face-to-face interactions between municipal representatives and community members, even when an external support organisation or social facilitator is involved. Relations of trust are established when the municipality is de-institutionalised and becomes visible to the community on a personal level.

As a community's expectations can be diverse and divergent, co-production approaches seek to build consensus around key decisions, which is invaluable when

Mitigating conflict requires pro-active, not reactionary, approaches.

As a community's expectations can be diverse and divergent, co-production approaches seek to build consensus around key decisions.

conflicting ideas lead to a deadlock in an upgrading project. Consensus may not always be guaranteed, but joint planning is necessary, with a general acceptance of the trade-offs implied by certain decisions.

Decisions are made through negotiation that aims to reduce the harmful effects of conflict as much as possible. This relies in part on the ability of the individual mediating or leading negotiations, and in part on the operating procedures in the negotiating space, which should facilitate equal contributions from all stakeholders.[101]

When setting up meetings with the community or the project steering committee, officials need to be aware of the possible outcomes from the meeting. Some outcomes may give rise to conflict if stakeholders are dissatisfied with certain decisions. To mitigate escalating tensions or dissatisfactions, officials should consider the following questions when preparing a decision-making meeting:

- If the issue to be agreed on at a meeting is sensitive, have the options been presented to stakeholders individually to test responses/reactions to the various possible outcomes? [102]
- Are the facts and data provided as a basis for making the decision? [103]
- Are the implementing stakeholders prepared and ready to take on the outcome from the meeting?
- What realistic commitments do decision-makers need to make once possible decisions are made? [104]
- Will there be equal representation from all stakeholders at the meeting?

If tensions have heightened and given rise to disputes, then municipal officials may need to resort to conflict management strategies. Before engaging with the parties who are in conflict, it is advisable to analyse a conflict situation. Conflict analysis activities include:

- Mapping the magnitude and connectivity of the conflict(s). [105]
- Determining the geographical distribution of the conflict(s).
- Prioritising the conflict(s) as urgent and significant.
- For prioritised conflict(s):
- Identifying the main actors and their prospective representatives.
- Identifying the motivating objectives and underlying needs and fears of those involved.

Municipal officials should first use desktop research to analyse the conflict, drawing upon existing or readily accessed information, and then involve the relevant stakeholders. Conflict analysis with other stakeholders serves to build that rapport that underpins successful conflict management strategies.[106] It may also be useful to consult external support organisations that are skilled in conflict mediation and resolution .

101: NUSP. 2016. Training Manuals: Chapter 12: Institutional Arrangements. Available: http://upgradingsupport.org/uploads/resource_documents/participants-combined/Chapter-12-Instiutional-Arrangments-May-2016.pdf [2018, 30 October].

102: Ibid.
103: Ibid.

104: National Treasury. 2017. *Preparing to Scale Up Informal Settlement Upgrading in South Africa: A City Wide Approach.* p. 139.

105: Warner, M. & Jones, P. 1998. Assessing the Need to Manage Conflict in Community-Based Natural Resource Projects. *Natural Resource perspectives.* 35(1): 9

106: Ibid.

11.4 MOVING FORWARD TOGETHER

The foundation for managing challenges, expectations and conflict is a trusting partnership between the municipality and the community. Municipal officials deal with complex environments that are influenced by multiple factors, and so challenges of working with communities are inevitable. There is no silver-bullet solution to overcoming these challenges, but challenges, expectations and conflicts can be managed in line with the principles of community participation, and negotiated outcomes reached
The requirements are communication, transparency and preparation (see box below).'

The effectiveness and efficiency of an upgrading project rests on the municipality and the community working together in a partnership of trust.

REQUIREMENTS FOR MANAGING CHALLENGES, EXPECTATIONS AND CONFLICTS

COMMUNICATIONS
Communicate with stakeholders around their expectations.

TRANSPARENCY
Be open about the realities of the project, including timeframes and resource constraints.

PREPARATION
Mitigate potential disputes by preparing ahead for a host of possible outcomes.

CONCLUSION

Co-production sees communities as strategic partners with deep-rooted knowledge of their settlements that must be harnessed. It is a broad ambition that requires a shift in mindset.

Policy dictates that South African cities undertake the upgrading of informal settlements with the participation of communities. However, there is a mismatch between what is envisioned in policy and the reality on the ground. In reality, municipal officials have to deal with changes that are not within their control, yet manage within institutional constraints, while bringing together diverse stakeholders who have different skills, knowledge and perspectives.

This guide recognises the complexities of informal settlement upgrading and the challenges of working with communities in environments that are affected by multiple factors. It argues that co-production offers an approach that gives communities greater influence and culminates in liveable neighbourhoods that best respond to the needs and preferences of the communities involved.

Co-production sees communities as strategic partners with deep-rooted knowledge of their settlements that must be harnessed. It is a broad ambition that requires a shift in mindset, which may be difficult for some stakeholders. Indeed, co-production approaches may seem to go against established processes. Ideally, a municipality has the leadership, capacity and support to create an enabling environment for co-production, which is flexible enough to address the realities of stakeholder participation and community dynamics, and structured enough to maintain focus on incremental upgrading. The reality is very different – participation is often seen as a purely administrative process, where government presents plans to communities, without any meaningful collaboration between government and communities.

Co-production – the municipality and community working together in a trusting partnership – results in more effective upgrading processes that benefit politicians, officials and communities. We believe that this guide will assist officials to promote co-production and change what can be changed and work with what cannot be changed. We hope that this guide will empower municipalities to transform their way of working with communities and co-produce dignified, vibrant, inclusive and safe neighbourhoods.

FAQS ABOUT UPGRADING AND CO-PRODUCTION

Informal settlement communities in my municipality do not want upgrading; they want houses.

Contrary to what many municipal representatives believe, housing is not necessarily the first priority for many informal settlement residents. Most residents want to live in safe conditions and have access to basic services, such as water, sanitation, electricity and storm water. What is missing for many informal settlement residents is access to information about housing allocation processes. If communities have a full picture of the upgrading process and its location with municipal human settlements plans, they are more willing to embrace upgrading. This guide shows how municipal officials can create opportunities for residents to be informed about human settlements policies and be open about resource constraints in housing delivery. *See Section 4.*

Informal settlement upgrading is already such a long process, and adding community participation delays the delivery of services and complicates my job. Why should I want to increase community participation, other than because the policy says I must?

Meaningful community participation not only has real long-term benefits for the delivery of projects but also strengthens active citizenry. The co-production approach highlighted in this guide contributes to the effectiveness and efficiency of a municipal official's work. If municipal officials see community participation as a tick-boxing exercise, they diminish the value of participatory processes and miss the potential of communities to contribute their skills and knowledge to upgrading projects. *See Section 2.*

I would like to involve communities more in elements of the upgrading process, but doesn't this I have to restructure my department and budgets?

There are opportunities to involve communities within existing policy frameworks and funding alignments. This guide shows that with innovation and willingness municipal officials can find ways to work more closely with communities. See Section 6 to 11. Furthermore, it may be necessary to invest in organisational capacity and capability to ensure that the municipality has the right skills, orientation and people to pursue a co-production approach to upgrading. *See Section 3.*

Communities build housing structures before a layout plan is drafted and approved, and so when upgrading begins, we find that these structures are located on streets and bulk pipelines for municipal services. How do we deal with this type of issue?

Land occupations occur all across the country and can complicate or derail municipal plans.

Sometimes, a sequential interpretation of the UISP limits the municipality from responding to these unforeseen incidents innovatively. This guide suggests that methodologies such as re-blocking can be used initially, and that essential service provision is prioritised. *See Sections 6, 8, and 10.*

There is pressure to upgrade informal settlements as quickly as possible, but the obstacles to upgrading lead to delays, frustration and anger from communities, with some settlements stuck in the early upgrading phases for years. How can we overcome this situation?

According to national government, informal settlement conditions need an urgent response, which clearly places expectations and pressures on local and provincial government. Community expectations and frustrations further weigh upon municipal officials. Throughout this guide, this reality is acknowledged – it exists because of a combination of reasons: limited resources, lack of capacity, broken-down relations of trust and diverse community needs. Co-production is an approach that gives the municipality and the community an opportunity to work together and share in the burdens, successes and shortcomings of informal settlement upgrading. This establishes a working partnership, which builds trust and produces a more integrated neighbourhood. *See Sections 2, 6 and 12.*

We want to work with communities, but they are reluctant to take responsibility and ownership in informal settlement upgrading.

There could be various reasons why a community appears to be reluctant to work with a municipality. This guide recognises the role of community readiness in pursuing co-production, as well as the need for municipalities to create an enabling environment before working with communities. What is important is to clarify the distinct roles and responsibilities of the community from the beginning. *See Sections 4, 7–11.*

Civil society organisations in our municipality are anti-government. They focus on what they think we are doing wrong and mobilise local communities against the municipality.

There are bound to be groups who disagree with the municipality and may even oppose developments in informal settlements. The challenge for municipal officials is to find actors and organisations willing and able to work with them, on an even footing. This guide refers to external support organisations that can offer assistance

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