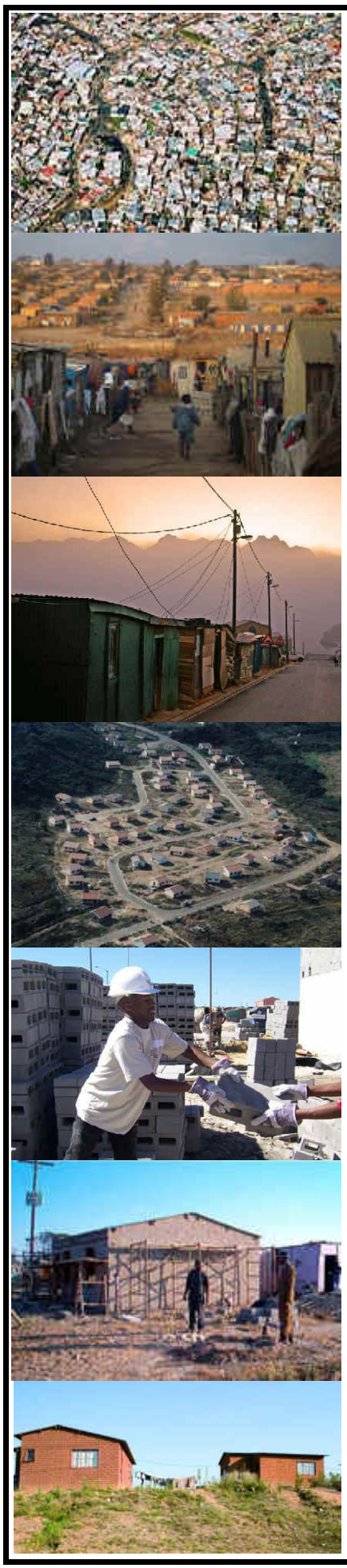

# Towards managed land settlement

## A Review of 5 South African Case Studies

landfirst

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# CONTENTS

**EXECUTIVE SUMMARY .....1**

**LIST OF ACRONYMS.....1**

**1 INTRODUCTION .....1**

1 Objectives of MLS and This Review.....1

2 Case Studies Reviewed.....1

3 Research Methodology.....2

**2 INCREMENTAL HOUSING CLUSTER .....4**

1 Programme Scale.....4

2 Definitions.....4

3 Review Parameters.....5

4 Programme Background.....5

4.1 Context.....5

4.1.1 Socio-Economic-Political Context.....5

4.1.2 Vision And Values.....6

4.2 Description.....8

4.2.1 Implementation.....8

4.2.2 Role-Players.....9

4.2.3 Access To Bulk Land.....10

4.2.4 Ownership Of Land .....10

4.2.5 Bulk Services.....10

4.2.6 Environmental Approval .....10

4.2.7 Town Planning And Survey.....10

4.3 Basic product .....11

4.3.1 Basic Services.....11

4.3.2 Basic Facilities .....11

4.3.3 Basic Tenure.....11

4.3.4 Basic Demarcation.....11

4.3.5 Basic Finance.....11

4.3.6 Basic Organisation.....11

4.3.7 Basic Skills.....11

4.3.8 Self Build (Starter Houses).....12

4.4 Long-Term Upgrading Plans.....12

4.4.1 Upgrade Bulk Services.....12

4.4.2 Upgrade Internal Services.....12

4.4.3 Upgrade House .....12

4.4.4 Maintenance And Improvement .....13

4.4.5 Neighbourhood Creation.....14

4.4.6 Local Economic Development.....14

4.5 Programme Status.....14

5 Lessons Learnt.....15

5.1 Socio-Economic-Political.....15

5.2 Institutional Arrangements.....15

5.3 Access to Bulk Land.....16

5.4 Definition of Basic Services.....16

5.5 Defining Features.....16

5.6 Systems to Facilitate Incremental Upgrade.....17

5.7 Conclusion....17
6 Towards MLS....17
7 List of References....19
**3 4-PEG POLICY ....20**
1 Programme Scale....20
2 Definitions....20
3 Review Parameters....20
4 Programme Background....21
4.1 Context....21
4.1.1 Socio-Economic-Political Context....21
4.1.2 Vision and Values....21
4.2 Description....22
4.3 Role-Players....24
4.4 Access to Bulk Land....24
4.4.1 Ownership Of Land ....25
4.4.2 Bulk Services....25
4.4.3 Environmental Approval ....25
4.4.4 Town Planning And Survey....26
4.5 Basic Product....26
4.5.1 Basic Services....26
4.5.2 Basic Facilities....27
4.5.3 Basic Tenure....27
4.5.4 Basic Demarcation....27
4.5.5 Basic Finance....27
4.5.6 Basic Organisation....28
4.5.6.1 Basic Skills....28
4.5.7 Self Build (Starter Houses)....28
4.6 Long-Term Upgrading Plans....28
4.6.1 Upgrade Bulk Services....28
4.6.2 Upgrade Internal Services....29
4.6.3 Upgrade House ....29
4.6.4 Maintenance And Improvement ....29
4.6.5 Neighbourhood Creation....29
4.6.6 Local Economic Development....29
4.7 Programme Status....30
5 Lessons Learnt....30
5.1 Socio-Economic-Political....30
5.2 Institutional Arrangements....30
5.3 Access to Bulk Land....30
5.4 Definition of Basic Services....31
5.5 Defining Features....31
5.6 Systems to Facilitate Incremental Upgrade....31
5.7 Conclusion....32
6 Towards MLS....32
7 List of References....33
**4 ACCELERATED MANAGED LAND SETTLEMENT ....34**
1 Programme Scale....34

2 Definitions.....34
3 Review Parameters.....35
4 Programme Background.....35
4.1 Context.....35
4.2 Socio-Economic-Political Context.....35
4.2.1 Vision And Values.....35
4.3 Description.....36
4.3.1 Implementation.....36
4.3.2 Role-Players.....38
4.3.3 Access To Bulk Land.....39
4.3.4 Ownership Of Land.....39
4.3.5 Bulk Services.....40
4.3.6 Environmental Approval .....40
4.3.7 Town Planning And Survey.....40
4.4 Basic Product.....40
4.4.1 Basic Services.....40
4.4.2 Basic Facilities.....41
4.4.3 Basic Tenure.....41
4.4.4 Basic Demarcation.....42
4.4.5 Basic Finance .....42
4.4.6 Basic Organisation.....42
4.4.7 Basic Skills.....42
4.4.8 Self Build (Starter Houses) .....42
4.5 Long-Term Upgrading Plans.....42
4.5.1 Upgrade Bulk Services.....42
4.5.2 Upgrade Internal Services.....43
4.5.3 Upgrade House .....43
4.5.4 Maintenance And Improvement .....43
4.5.5 Neighbourhood Creation.....44
4.5.6 Local Economic Development.....44
4.6 Programme Status.....44
5 Lessons Learnt.....44
5.1 Socio-Economic-Political.....44
5.2 Institutional Arrangements.....45
5.3 Access to Bulk Land.....45
5.4 Definition of Basic Services.....45
5.5 Defining Features.....45
5.6 Systems to Facilitate Incremental Upgrade.....46
5.7 Conclusion.....46
6 Towards MLS.....46
7 List of References.....47
**5 EASTERN CAPE RURAL HOUSING .....49**
1 Programme Scale.....49
2 Definitions.....49
3 Review Parameters.....50
4 Programme Background.....50
4.1 Context.....50

4.1.1 Socio-Economic-Political Context.....50
4.1.2 Vision And Values.....51
4.2 Description.....52
4.2.1 Implementation of Greenfields Projects.....52
4.2.2 Role-Players.....54
4.2.3 Access To Bulk Land.....56
4.2.4 Ownership Of Land .....57
4.2.5 Bulk Services.....57
4.2.6 Environmental Approval .....57
4.2.7 Town Planning And Survey.....58
4.3 Basic Product.....58
4.3.1 Basic Services.....59
4.3.2 Basic Facilities.....59
4.3.3 Basic Tenure.....60
4.3.4 Basic Demarcation.....60
4.3.5 Basic Finance.....60
4.3.6 Basic Organisation.....60
4.3.7 Basic Skills.....60
4.3.8 Self Build (Starter Houses).....60
4.4 Long-Term Upgrading Plans.....61
4.4.1 Upgrade Bulk Services.....61
4.4.2 Upgrade Internal Services.....61
4.4.3 Upgrade House.....61
4.4.4 Maintenance And Improvement .....61
4.4.5 Neighbourhood Creation.....62
4.4.6 Local Economic Development.....62
4.5 Programme status.....62
5 Lessons Learnt.....63
5.1 Socio-Economic-Political.....63
5.2 Institutional Arrangements.....64
5.3 Bulk Land.....65
5.4 Basic development product.....65
5.4.1 Basic Services And Facilities.....65
5.4.2 Basic Tenure And Demarcation.....65
5.5 Defining Features.....66
5.6 Systems to Facilitate Incremental Upgrade and improvement .....66
5.7 Conclusion.....66
6 Towards MLS.....67
7 List of References.....69
**6 BARDALE HOUSING PROJECT .....70**
1 Programme Scale.....70
2 Review Parameters.....70
3 Programme Background.....70
3.1 Context.....70
3.1.1 Socio-Economic-Political Context.....70
3.1.2 Vision And Values.....71
3.2 Description.....71
3.2.1 Implementation.....71
3.2.2 Role-Players.....72

3.2.3 Access To Bulk Land....73
3.2.4 Ownership Of Land ....73
3.2.5 Bulk Services....73
3.2.6 Environmental Approval ....73
3.2.7 Town Planning And Survey....74
3.3 Basic Product....74
3.3.1 Basic Services....74
3.3.2 Basic Facilities....74
3.3.3 Basic Tenure....74
3.3.4 Basic Demarcation ....74
3.3.5 Basic Finance....74
3.3.6 Basic Organisation....75
3.3.7 Basic Skills....75
3.3.8 Self Build (Starter Houses)....75
3.4 Long-Term Upgrading Plans....75
3.4.1 Upgrade Bulk Services....75
3.4.2 Upgrade Internal Services....75
3.4.3 Maintenance And Improvement ....75
3.4.4 Neighbourhood Creation....75
3.4.5 Local Economic Development....76
3.5 Programme Status....76
4 Lessons Learnt....76
4.1 Socio-Economic-Political....76
4.2 Institutional Arrangements....77
4.3 Access to Bulk Land....77
4.4 Definition of Basic Services....77
4.5 Defining Features....77
4.6 Systems to Facilitate Incremental Upgrade....78
4.7 Conclusion....78
5 Towards MLS....78
6 List of References....79
**7 LESSONS FOR MANAGED LAND SETTLEMENT ....80**
1 Lessons Towards MLS....80
1.1 Socio-Political Environment....80
1.2 Inter- and Intra-Governmental Co-Ordination ....80
1.3 Tenure and Demarcation....81
1.4 Access to Bulk Land....82
1.5 Financing Models....82
1.6 Role-Players....83
2 Challenges for MLS....83
2.1 Socio-Political Environment....83
2.2 Inter and Intra-Governmental Co-Ordination....84
2.3 Tenure and Demarcation....84
2.4 Access to Bulk Land....84
2.5 Financing Models....84
2.6 Role-Players....84
3 Recommendations for Further Research....85

4 Conclusion.....85
**ANNEXURE A COMPARISON TABLE .....1**
**ANNEXURE B: COPY OF PRESENTATION TO MLS WORKSHOP.....1**
Presentation - 5 Case Studies: Lessons for LANDfirst.....1

# EXECUTIVE SUMMARY

Recognising that the Managed Land Settlement (MLS) approach is not new to the South African housing and service-delivery environment, the purpose of this report is to explore the lessons which can be learnt from programmes and projects which have adopted an MLS-like approach to greenfields development. The report contains five case studies from across South Africa, focussing on programmes which have been successfully implemented over the past 15 years.

The report is divided into Seven Sections:

Section 1 is the Introduction, which outlines the MLS concept, the case studies undertaken and the research methodology. MLS is an incremental approach to site, service and housing delivery, which emphasises the provision of planned, secure land with access to basic services as a first step towards longer-term housing and settlement upgrade.

Section 2 is the first case study: Incremental Housing Cluster. This programme was implemented by the Gauteng Department of Housing over a period of approximately 9 years. The programme under review was a cluster of 3 programmes: the Mayibuye Programme, which aimed to release serviced sites for settlement purposes; the Essential Services Programme, which provided upgraded services to Mayibuye sites, and in some instances also provided top structures; and the People's Housing Process which was intended as the programme through which top structures would be provided to beneficiaries of the Mayibuye Programme. The Incremental Housing Cluster programmes were run from 3 different directorates within the Gauteng Department of Housing. Although this was one of the major challenges faced by the programme, the fact that there was excellent inter-departmental co-ordination and cooperation, built upon meaningful political commitment meant that the Incremental Housing Cluster was successful in meeting its mandate to fast-track site, service and housing delivery in the early years of the new democracy. As the political will changed and individuals moved out of critical positions, this programme fell away.

Section 3 reviews the 4-Peg Policy which was implemented by the Port Elizabeth Municipality, over a period of approximately 9 years from the early 1990's. It is interesting to note that although this policy was withdrawn some 9 years ago, the principles upon which it was based are still used in both the emergency housing and the informal settlement upgrading programmes of the now Nelson Mandela Metropolitan Municipality. The review therefore looks back at how the actual policy was implemented and also provides a picture of how these principles are being used today to address emergency

housing in the Nelson Mandela Metro. The implementation of the 4-Peg policy, through which people were quickly settled onto sites with very rudimentary services whilst waiting for the full township establishment and servicing processes to be finalised, was made possible by funding received from the Swedish government. A key success factor of the 4-Peg policy was the ability of the Port Elizabeth Municipality to undertake multiple processes simultaneously (due to good forward planning) which resulted in a faster delivery time.

Section 4 reviews the Accelerated Managed Land Settlement Programme which was implemented by the Cape Metropolitan Administration over a period of approximately 6 years. This programme was a response to Emergency Housing needs within the Cape Metro area. The programme used Regional Services Council levies as bridging finance for the provision of land and basic services, that were repaid once housing subsidies were obtained from the provincial Department of Housing. The programme came to an end once these levies were phased out. A key to the success of this programme was the good inter-governmental cooperation which was evident. This ensured that projects were prioritised and implemented efficiently.

Section 5 reviews the Rural Housing Policy as it is currently being implemented in the Eastern Cape. It is notable that the Policy and the Implementation of Rural Housing differ quite significantly. The Rural Housing Policy provides a wide range of options for the use of the subsidy, although the implementation thereof is often very similar to that of any other housing subsidy. The review of the Rural Housing Policy is important as it provides an insight into alternative (often MLS-like) methods which can be used to provide land, services and housing. A critical lesson for MLS comes from the dis-juncture between the policy and the implementation thereof. It is vital that any new and fundamentally different programme be clearly understood by the people who are expected to implement it. This will mitigate against the implementers falling back into familiar and comfortable patterns, which are not necessarily appropriate for the 'new' or 'different' programme.

Section 6 reviews the Bardale Housing Project currently being undertaken by the City of Cape Town. Although this project is a one-off project, and not a programme like the other four case studies, it is an important element to this body of research, as it uses the existing financial mechanisms of the Emergency Housing Programme and the Upgrading of Informal Settlements Programme to implement an incremental solution to emergency housing and informal settlement upgrades in Cape Town. Although the Bardale project is slightly different to the greenfields MLS which has been the focus of this report, it is worthwhile to note that there is current precedent, based on existing financial mechanisms, for the implementation of MLS projects. Therefore, in the case of either emergency housing or

informal settlement upgrade - where there is a need to have a greenfields development - the MLS approach can easily be implemented through the use of the Emergency Housing and Upgrading of Informal Settlements Programmes.

Section 7 draws out the common lessons and makes recommendations for further research. These lessons include:

1. **Socio-Political Environment**

    - Wide and deep political support
    - Simplicity and wide acceptance
    - Independent, out-of-the-box thinking and creativity
    - A common lens for the measurement of the success of a programme (which is not necessarily the number of top structures which have been delivered)

2. **Inter- and Intra-Governmental Co-Ordination**

    - Clear communication with the beneficiaries and other stakeholders
    - Inter and intra-governmental co-ordination to facilitate the full basket of service delivery
    - Strong project management which undertakes processes simultaneously wherever possible
    - Review of the EIA requirements and how these can be better structured to facilitate service delivery rather than hindering it

3. **Tenure and Demarcation**

    - Where interim forms of tenure (not freehold) are provided, it is important to address the need for the local land market to still be able to operate without prejudicing those involved
    - It may be possible to make use of some of the principles and practices found in the Rural Housing Policy at an urban or peri-urban level

4. **Access to Bulk Land**

    - Politically acceptable and innovative strategies are required for accessing suitable land for development

- A current land audit is useful in assisting decision-makers in identifying suitable land and appropriate methods of accessing it.

**5. Financing Models**

- Where it is possible to establish a bridging finance fund, it becomes possible to use the existing housing subsidy mechanism to implement MLS
- The EHP and UISP caqn be used in some instances, although these are limited and not the focus of MLS.

**6. Role-Players**

- Focussed capacity-building and committed role-players are key
- Pivotal role-players must be included in the project team to facilitate efficient delivery, including the often-overlooked project driver and social facilitator
- The MLS programme needs to identify elements or features which support community-driven approaches

A comparison table is attached as Annexure A for easy reference between the case studies and the MLS model.

# LIST OF ACRONYMS

| | |
|---|---|
| AMLSP | Accelerated Managed Land Settlement Programme |
| CMA | Cape Metropolitan Administration |
| CoCT | City of Cape Town |
| DEDEA | Department of Economic Development and Environmental Affairs |
| DLA | Department of Land Affairs |
| EHP | Emergency Housing Programme |
| EIA | Environmental Impact Assessment |
| EXCO | Executive Council |
| IDP | Integrated Development Plan |
| IPILRA | Interim Protection of Informal Land Rights Act, 31 of 1996 |
| LED | Local Economic Development Act |
| MIG | Municipal Infrastructure Grant |
| NEMA | National Environmental Management Act |
| NHBRC | National Home Builders Regulatory Council |
| NMBMM | Nelson Mandela Bay Metropolitan Municipality |
| PHP | People's Housing Process |
| RDP | Reconstruction and Development Programme |
| RSC | Regional Services Council |
| SANRAL | South African National Roads Agency Ltd |
| USIP | Upgrading of Informal Settlements Programme |
| VIP | Ventilated Pit Latrine |

Some updates on terminology used in this report:

- Cape Metropolitan Municipality is now the City of Cape Town
- Port Elizabeth Municipality is now the Nelson Mandela Bay Metropolitan Municipality
- Department of Land Affairs is now the Department of Rural Development and Land Reform
- Department of Housing is now Department of Human Settlements

# 1 INTRODUCTION

## 1 Objectives of MLS and This Review

The Managed Land Settlement review is located within a broader LANDfirst campaign being implemented by Afesis-corplan, Urban LandMark and others civil society organisation in the country.

The LANDfirst campaign seeks to promote an incremental approach to site, service and housing delivery, which emphasises the provision of planned, secure land with access to basic services as a first step towards longer-term housing and settlement upgrade[1].

LANDfirst includes both the incremental development of land that people have already occupied (in situ upgrading), as well as the incremental development of new land (greenfield development). The in-situ version of LANDfirst is well covered through the Upgrading of Informal Settlements Programme found in the housing code. There is however no dedicated subsidy programme for the greenfield LANDfirst version. This type of an approach may be called a number of things. For the purposes of this report we will refer to it a Managed Land Settlement (MLS).

In initiating the thinking around the MLS concept, the case study initiators were well aware that this approach is not a new concept and numerous examples exist where such an incremental approach has been adopted in various parts of South Africa.

This report seeks, therefore, to draw key lessons from some of the examples of MLS-like incremental service delivery which have been implemented within the past 15 years in South Africa.

It should be noted at the outset, that incremental service delivery models have been used in a variety of situations. The reader should therefore be clear that MLS is not first and foremost a solution to emergency housing, and nor is it about transit camps or relocation.

What MLS is about, primarily, is coming up with a pro-active approach to land release and accommodating the incremental development of this land.

## 2 Case Studies Reviewed

5 case studies have been reviewed, all of which differ in geographic location, size and scope, primary objective and methodology. However, the commonality is that each of

1 Source: "Understanding LANDfirst", Afesis-Corplan 2009

these has made use of an incremental approach to site, service and/or housing delivery.

The 5 cases under review are:

1. The Incremental Cluster of Programmes (Mayibuye, Essential Services Programme and People's Housing Process), implemented by the Gauteng Department of Housing;
2. The 4-Peg Policy, implemented by the Port Elizabeth Municipality;
3. The Accelerated Managed Land Settlement Programme, implemented by the Cape Metropolitan Administration;
4. The Rural Housing Programme, as it is being implemented by the Provincial Department of Housing in the Eastern Cape; and
5. The Bardale Project which is being undertaken by the City of Cape Town.

## 3 Research Methodology

The researcher made use of both primary and secondary sources of information in undertaking this research, which was conducted over a period of 3 months (January - March 2010).

The literature review relied primarily on the original policy documents where these were available. In addition, other reports, assessments or memorandums were reviewed.

Interviews were primarily telephonic and e-mail based. Interviews with people residing in East London were undertaken face-to-face.

A list of documentation reviewed and interviews held is provided at the end of each case study section.

This was supplemented by a conference held on 10 March 2010 in Johannesburg. This meeting brought together some of the key thinkers within the LANDfirst network, as well as some people involved in the implementation of various types of housing projects. National Treasury was also represented. This workshop was useful in drawing out lessons from the research which had been done to date, as well as highlighting areas for further research.

Given the tight timeframes, the research was subject to a number of constraints. The key constraint was around availability:

- Key people were often not available for interviews - either because they were occupied with other activities or because they had moved on and were not contactable;
- Key documents were not always available - given that we were relying on the archives of a number of different organisations, the accessibility of documented information varied greatly from one project to the next; and
- Assessments of past programmes were not usually available. In the Incremental Cluster case such an assessment was available and formed the basis for the research.

# 2 INCREMENTAL HOUSING CLUSTER

**Implementing Agent:** Gauteng Department of Housing

**Dates of Implementation:** 1994 – about 2003

## 1 Programme Scale

In 2002, at the time of the Evaluation of the Incremental Housing Programme (Rust, K), there were 48 Mayibuye projects underway, which were to deliver 93,487 stands. There were another 4 projects which had been initiated and 6 or 7 which were in the pipeline. The number of sites in each project is unknown. The research was unable to verify whether these additional 10 or so projects were ever implemented.

In the same report, 24 Essential Services projects were under-way, aimed at delivering services to 60,809 stands. There had also been 10,289 houses provided under this programme by June 2001.

With regards to the People's Housing Programme, the same report states that only 2 Housing Support Centres had been established and were functioning by February 2001. One of these was approved for 250 subsidies and had begun (or completed) construction on 162 erven. The second project had been approved for 277 subsidies in 1998. By February 2001, 202 houses had been constructed and a further 64 were under construction.

The establishment of a further 10 Housing Support Centres had been approved for 2001/02, with a total of 3,150 subsidies having been approved.

## 2 Definitions

**Mayibuye** – A rapid land release response to the landlessness experienced by households in Gauteng. This initiative saw planned but un-serviced land (with emergency services) being transferred to beneficiaries. It is Phase 1 of the Incremental Housing Cluster.

**Essential Services Programme** – The objective was to provide a serviced stand (land, water, sanitation, roads and storm water drainage) with a toilet to beneficiaries who qualified in terms of the national Housing Subsidy. The priority was to service settlements which had been established through the Mayibuye programme, and was therefore Phase 2 of the Incremental Housing Cluster.

**People's Housing Process (PHP)**– The incremental housing cluster process saw people building their homes themselves, or having them built. Through the PHP, beneficiaries accessed housing subsidies, technical, financial, logistical and administrative support. This was generally the programme which was indicated as the third phase of the Incremental Housing Cluster.

**Incremental Housing Cluster** – The clustering of the above three programmes, with the effect of providing a serviced, consolidated site to the beneficiaries in an incremental manner. By 2001 this cluster had its own home in the Incremental Housing Directorate.

# 3 Review Parameters

This case study has benefited from the research and assessment of the programme undertaken by Kecia Rust (January 2002). This report was used as the foundation for our investigation, which was supplemented by select interviews with people who were directly involved in the programme implementation.

# 4 Programme Background

## *4.1 Context*

### 4.1.1 Socio-Economic-Political Context

1994 saw massive change for the Gauteng region – not least of all in the huge numbers of people choosing to move into the urban centres. These mass movements of landless people gave rise to massive land invasions, which the fledgling government did not have the mechanisms to deal with (other than through draconian methods of control which were both socially and politically unacceptable). There was an emerging Housing programme which was getting off the ground, however this did not have the capacity to deal with the enormous challenge it was facing. The ANC therefore called for a drastic response to the situation. As a result, a site-and-service type of programme was implemented: the Rapid Land Development Programme. It is out of this programme that the Mayibuye programme was born, in an attempt to reduce the time it took to get a community onto land in an orderly manner which would not result in further upheavals. The Mayibuye programme was the result of an intensive review of both local and international literature, and stakeholder positions (including the NGO sector). The draft policy was then tested with local municipalities and the Department of Land Affairs (who initially funded Mayibuye).

Mayibuye was eventually Phase 1 of a 3-phase process aimed at housing delivery. The overall programme is known as the Incremental Housing Cluster, which includes Mayibuye, involving the release of un-serviced land; Essential Services Programme, being the provision of essential services to the Mayibuye sites; and People's Housing Process, being the consolidation of the Mayibuye site.

The Essential Services Programme was developed as a follow up to the land release phase of Mayibuye and in response to the danger of water-borne diseases. It seems that its initial design was based on a specific case in the Brakpan Municipality, a Municipality with a strong capacity for response from the civil engineering department.

The People's Housing Process was initially a full housing programme, largely based on national policy and grassroots activity – there were already 2 trust-managed projects designed around beneficiary contributions.

It is important to note that the three phases operated independently of one another, from within different directorates of the Department of Housing, until 2001. In April 2001 these were merged under the Incremental Housing Directorate. The move of key officials out of the new Directorate, as well as the shift in policy towards "normal RDP" housing saw the Incremental Housing approach being modified and by 2003 was rather looking at the provision of a completed house on a serviced stand with individual ownership and not necessarily with an incremental approach to projects.

### 4.1.2 Vision And Values

In broad terms, the Incremental Housing Cluster recognised that the nurturing of strong relationships with communities over a period of time should have a beneficial impact – resulting in reduced conflict and therefore fewer obstacles to delivery. It was on this basis that the 3 phases of housing delivery were eventually moved under the umbrella of the Incremental Housing Directorate.

The overall objectives of the incremental housing cluster were:

1 To provide for the release of land and land tenure to ensure communities were able to take advantage of the available housing opportunities to gain access to adequate housing through an incremental process.

2 To provide for partnerships which were able to provide opportunities for adequate housing, by communities and individuals.

3 To provide communities with the ability to gain access to the necessary resources to

provide for adequate housing.

As individual parts of the collective, having been born out of different circumstances, each phase had its own objectives:

- Mayibuye – to provide security of tenure in a planned framework which would enable further development – this included the provision of a toilet and communal standpipe.
- Essential Services – to provide a serviced stand (water, sanitation, roads and stormwater) to the beneficiaries who qualified in terms of the national subsidy scheme, with the priority being on the provision of these services to beneficiaries of the Mayibuye programme.
- People's Housing Process – was the chosen delivery mechanism for the top structure for sites accessed through Mayibuye and serviced through Essential Services. PHP saw top structures being built either by the beneficiary households themselves, by local builders or by the community concerned.

Again, each phase was underpinned by a different set of principles:

1 ***Mayibuye:***

- The urgent need for land exceeds government capacity to deliver formal housing
- Local authorities have a critical role to play in addressing landlessness
- Local communities are important players in the process

***2 Essential Services:***

- Developer-driven approach which did not have a community involvement component.

***3 People's Housing Process:***

- People-centred development
- Labour / sweat-equity contributions
- Beneficiary savings
- Capacity building through the construction processes

## *4.2 Description*

### 4.2.1 Implementation

From a financial and administrative perspective, a key element of the Incremental Housing Programme was the re-organisation of the project-linked subsidy payments:

- Mayibuye involved payments 2 and 4 – paid on (2) approval of the general plan and (4) transfer of the property to the beneficiary
- Essential services involved payments 1 and 3 – paid on (1) municipal approval of engineering services and (3) the issuing of a services completion certificate
- PHP involved payment 5, which was paid out over 3 stages for the top-structure

It was felt that by rearranging the payments as above, more money would be available initially to access land than would have been if the entire allocation (payments 1 -5) was required at once.

From an implementation perspective, the Incremental Housing cluster approach allowed the often time-consuming element of accessing the land, obtaining approvals from the municipalities and other government departments to be included in the first phase of the project, whilst not having to wait for the even lengthier process of bulk service installation at this point. The net effect would have been that communities would see tangible benefits – access to "safe" land and the transfer of sites into their own possession - slightly earlier in the process, thus hopefully reducing frustrations. It is notable that the process of obtaining approvals was much shorter when Mayibuye was first implemented than it is today, as it was only ±2 years into the implementation of Mayibuye that the current rigorous environmental legislation came into play. Environmental procurements had the effect of drastically increasing the time which it took to get the necessary approvals for the final general plan approval, thus reducing the effectiveness of the programme as an accelerated delivery tool.

The installation of services was a developer-driven process, as the land was already secured, planned and occupied, and the level of services was subject to national norms and standards. The intention was that Mayibuye would occur in year 1 and by year 2 the services would be installed. In principle, the final phase (PHP) was to be undertaken within 2 years after the completion of phases 1 and 2, although in reality this could be delayed for longer if the budget was unavailable. It was noted that the Essential Services Programme was also applied to some other projects, which did not have the Mayibuye

component.

However, it was the internal and external co-ordination which was possibly the most challenging aspect. Whilst it was possible to fast track the delivery of a site to some degree, the implementation of services was still a lengthy process, requiring funding. It was therefore critical that the internal team was able to co-ordinate their activities in such a manner as to ensure that the land secured and planned through Mayibuye could also be serviced within a short space of time and ultimately consolidated. Mayibuye was initially housed in the Land Tenure Directorate, and Essential Services in the Formal Housing Directorate. This caused some frustration as there was often a grey area with regards to where the programmes began and ended in practice, and many external role-players saw the two programmes as one, which resulted in more frustrations.

Coordination with external stakeholders – such as government departments providing social services – was also a challenging task, as new, structured settlements were being established at a rate which sometimes exceeded the rate of social services delivery.

### 4.2.2 Role-Players

The three primary role-players were:

**Government**

- Provincial Department Housing – the custodian and driver of the programme; source of funding through the national housing subsidies
- Local Authorities – land valuations, site selection, enter into Funding Agreement with Department Housing, facilitate and/or undertake project implementation, monitoring and evaluation; development of bulk infrastrucutre
- National Department of Land Affairs – was the initial funder of the Mayibuye programme, but this responsibility was later transferred to the Department of Housing, as the provision of sites was now seen as being the Department of Housing's responsibility, as part of the housing delivery process

**Contractors**

- The installation of services.

**Community**

- Local Communities – higher level of participation: site allocation, beneficiary and

adjacent community consultation, establishment of a social compact or involvement in the project steering committee

### 4.2.3 Access To Bulk Land

Initially, the Mayibuye Programme did not have a challenge in accessing large tracts of vacant land as the Department of Land Affairs, who were the custodians of the Rapid Land Release Programme (the precursor to Mayibuye) had significant land reserves. However, by 1999 this had changed – land was scarce and the comment was that there was, effectively, "no more Mayibuye". Around this time the Informal Settlement Upgrade Programme was added to the Mayibuye fold. As a result, the focus was possibly more on Upgrade than Greenfields developments. However, the Mayibuye programme was known to have expropriated suitable land for greenfields developments.

The choice of land was generally influenced by the spatial planning of the local municipality. However, the "Not-In-My-Back-Yard (NIMBY) syndrome was very strong. It has been suggested that this was exacerbated by the fact that although the sites were formalised and serviced, they still looked like an informal settlement for a long time.

### 4.2.4 Ownership Of Land

The land was generally state-owned land, although in some cases the Department of Housing did expropriate land for the Mayibuye programme, although this was a last resort.

The individual sites were transferred to beneficiaries under full title.

### 4.2.5 Bulk Services

Bulk services were not a challenge in this programme, as the land used was generally within easy access of bulk infrastructure which could easily be extended.

### 4.2.6 Environmental Approval

Initially, the National Environmental Management Act (107 of 1998) was not a consideration. This allowed the settlement of beneficiaries onto site before the final planning approvals were obtained. However, post 1998 the efficiency of Mayibuye was drastically reduced due to the lengthy environmental process, and full Environmental Impact Assessments were required.

### 4.2.7 Town Planning And Survey

The Mayibuye programme made use of the relevant town planning legislation (primarily

the Less Formal Township Establishment Act 113 of 1991). Sites would be planned and surveyed in the same way as any other settlement, with engineering input regarding the serviceability of the sites being included in the planning phase.

## *4.3 Basic product*

### 4.3.1 Basic Services

In order to facilitate the move of beneficiaries onto this land as soon as possible, communal standpipes and toilets were provided. In Ekurhuleni Metro they are still using the Essential Service programme. Funding for the preliminary services is being sourced through the Municipal Infrastructure Grant (MIG).

### 4.3.2 Basic Facilities

No basic facilities were provided under the Incremental Cluster, although provision for these was made in the layout plans.

### 4.3.3 Basic Tenure

The Mayibuye programme provided beneficiaries with individual title deeds, for sites in planned and surveyed settlements.

### 4.3.4 Basic Demarcation

Sites were planned and surveyed in accordance with the relevant legislation and General Plans were approved by the Surveyor General. Individual beneficiaries therefore received full tenure to their own site.

### 4.3.5 Basic Finance

There is no record of people accessing basic financing.

### 4.3.6 Basic Organisation

There was a high level of community participation during the Mayibuye Phase of the Incremental Cluster. This included site allocation, beneficiary and adjacent community consultation, establishment of a social compact or involvement in the project steering committee. There does not seem to have been much support provided to the committee members, other than a basic outline of their roles and responsibilities.

### 4.3.7 Basic Skills

There does not appear to have been a focus on skills transfer at a community level. Within

the Department of Housing in the Province, there would have been some capacity building around the Incremental Cluster as those who were implementing it understood the principles and methodologies well.

#### 4.3.8 Self Build (Starter Houses)

Initially, people lived in self-erected 'shacks'. PHP was meant to provide the housing. However, this took a long time to get off the ground and it is unclear whether the capacity existed at a Provincial or Local level for the proper implementation of PHP. As a result, the Essential Services programme sometimes extended itself to the provision of top structures.

### *4.4 Long-Term Upgrading Plans*

The intention was that each phase of the Incremental Cluster should follow on soon after each other. However, in practice this did not always occur. As a result there were a number of examples of vandalism which occurred in the projects.

#### 4.4.1 Upgrade Bulk Services

No mention is made of the need to upgrade bulk services at a later stage, as these were in place at the outset.

#### 4.4.2 Upgrade Internal Services

The Essential Services then provided each site with water, sewerage, roads and stormwater. However, it is noted here that in some instances, when it came to developing the detailed Engineering Services Plan, the site was not always suitable for the density which had been planned, or the provision of services was going to cost a lot more than the standard budget, due to difficult environmental conditions

#### 4.4.3 Upgrade House

The subsidised provision of top structures was sometimes put on hold for a number of years whilst waiting for funding, as it was deemed more important to establish people on formal, serviced sites than to provide top structures. In many instances this led to the vandalism of the infrastructure which had been provided.

A further limitation to the project was the manner in which PHP was conceived for this programme. Ideally PHP should not impose ridged time frames and should allow the consolidation of property over a longer timeframe at a pace consistent with community processes. In this case PHP was expected to deliver quick results that may have been

unrealistic.

### 4.4.4 Maintenance And Improvement

In some projects, people were either involved in the PHP or they took it upon themselves to consolidate their properties, sometimes resulting in impressive homes. This was particularly true of settlements in well located areas. However, it would seem that in the bulk of cases the houses which remained were still informal. There may be a number of interpretations of this:

1. People may have been waiting to get formal houses, in the same way that beneficiaries of turn-key RDP projects were receiving houses; or
2. The level of support may simply have been inadequate to enable the PHP to be an effective delivery mechanism; or
3. People may have preferred to extend their informal dwellings initially, rather than having a smaller formal dwelling; or
4. People may have found it more important to allocate their resources to building their rural homes whilst living in an informal house.

It is interesting to note that there is the perception that in the event that a person does upgrade his/her house, they are likely to no longer qualify for the housing subsidy[2]. This is a very pertinent and problematic condition, as people obviously do not want to lose out on their subsidy.

In a number of instances, the Provincial Department of Housing facilitated the delivery of full houses to beneficiaries of the Incremental Programme. A former official noted that as a result of the incremental process there were some increased costs, as people wanted their toilets inside (where they already had an outside structure) which effectively meant installing two toilets per property.

It was also noted that the beneficiaries of these incremental housing projects continued with the consolidation of their homes after the project was completed. This increased consolidation can possibly be attributed largely to the Essential Service provision, as increased levels of consolidation were also noted in settlements such as the Winnie Mandela project, which did not have secure tenure.

2 Interview with Keica Rust

### 4.4.5 Neighbourhood Creation

The types of neighbourhood created seem to vary across the projects. The provision of facilities was primarily outside the scope of the Incremental Cluster, therefore little information has been made available in this regard.

### 4.4.6 Local Economic Development

There was no direct job creation or Local Economic Development (LED) policy/strategy for the Incremental Housing Development Cluster. There could have been greater focus on LED through the PHP. However, the emphasis was on training individuals to build their own houses. This seems to present a lost opportunity to develop the local construction sector.

The time series study suggests that the benefit of having secure tenure and serviced sites encouraged economic activity which was not possible whilst people were living in informal settlements. This has been attributed primarily to the availability of electricity, roads and secure tenure.

## *4.5 Programme Status*

The Incremental Housing cluster and subsequent directorate were established at a time when the political will to make some (almost any) difference to the lives of the poor was very strong. This was fuelled by the recognition that the immense landlessness, as a result of massive urbanisation post the apartheid area, was resulting in political and social instability. The implementation of the Incremental Housing Cluster was therefore strongly politically driven. Added to this, within the Department, the individuals heading up the programmes were committed to working together to make the solution work. However, as the respective individuals left the Department or the Directorate, the passion also was dissipated. In addition to this, the political landscape had changed somewhat – the instability of the early democracy had settled somewhat and the RDP programme was in full swing. Politicians and beneficiaries were now expecting programmes which would deliver turnkey solutions – a house on a fully serviced site. The final element to the shift in focus came about due to the massive shortage of suitable land for greenfields development. As a result, the focus of the Mayibuye programme shifted towards in-situ upgrades of existing settlements.

It would appear that the Ekurhuleni Metro has continued with a form of the Essential Services Programme. They are currently implementing a policy which sees the proclamation of a township – but with the sites not being transferred to individuals as yet. They then service the site and the beneficiary families move onto site and build their own

structures. This is encouraging to note, as it suggests that the concept of the Incremental Housing Cluster is both useful and implementable within the current socio-political and legislative environment.

# 5 Lessons Learnt

## *5.1 Socio-Economic-Political*

The Mayibuye programme was born out of a direct mandate from the ANC to find a solution to the massive landlessness and the huge influx of people into the urban centres. The programme therefore had a lot of social and political support in its initial stages. This seems to have diminished as the pressure for sites became less intense and the situation less volatile. The RDP turnkey solution also seems to have given people something to compare their project with and this has, in some instances, led to people feeling that they are being short changed as all they are getting is a serviced stand, whereas their neighbours are getting 'whole' houses[3].

However, the fact that the Ekurhuleni Metro has continued with the programme suggests that there is still a place for this approach in today's socio-economic-political environment.

## *5.2 Institutional Arrangements*

The programme was influenced by some key institutional issues:

1. Changes in the local municipal environment – through the consolidation of municipalities, local government elections, etc. - resulted in some instability and therefore decreased delivery;

2. Funding (for Mayibuye) was initially from the Department of Land Affairs and later through the Department of Housing. Even today, funding for settlement development is not under one roof (funds for land purchase from Department of Rural Development and Land Reform; services from Department of Cooperative Governance and Traditional Affairs through the Municipal Infrastructure Grant; and top structure from Department of Human Settlements) – this naturally requires high levels of cooperation, which is not always possible across Departments;

3. Implementation occurred from within different Directorates – in a sense the Gauteng Department of Housing was lucky in that the individuals worked well together and there were no significant power plays. The Department did address

3 Observation made by Carien Engelbrecht and others

this issue through the creation of the Incremental Housing Directorate. It is noted that high levels of cooperation are required in an incremental development situation, as one phase must follow the other closely in order to mitigate against unnecessary obstacles.

### *5.3 Access to Bulk Land*

The Mayibuye programme began with adequate land resources to begin settling people. However, the demand was such that it soon ran out of land under its control. It is interesting to note that the Mayibuye programme did expropriate land where necessary. The current needs would suggest that this is a route to explore, albeit an unpopular one in many circles.

The developments were planned within the spatial framework of the local municipalities. However, there was a significant NIMBY attitude, therefore it is possible that the "best" land parcels would have been overlooked and allocated to turn-key projects in an attempt to mitigate against protests from neighbouring residents.

### *5.4 Definition of Basic Services*

The Incremental Cluster did not review the standard of basic service provision. Mayibuye installed very elementary services – communal standpipe and toilet. The Essential Services provided the same level of services as the RDP programme. A concern that is raised throughout the Evaluation Study is the impact of providing services which may simply be too expensive for the beneficiaries they are intended to serve. The essential services component of the incremental housing programme was designed to stay within the parameters set by the national housing subsidy framework, and thus did not challenge the service levels which were required.

The provision of social facilities did not fall within the ambit of the Incremental Cluster and it often took a long time for these services to be provided.

### *5.5 Defining Features*

The key element of the Incremental Upgrading programme was the re-organisation of the subsidy. It revolved around increasing the speed at which it was possible to settle a group of people, rather than the speed of full, turnkey delivery. As a result it was possible to settle people onto a piece of land relatively quickly. However, it often took a long time before the top structure was formalised.

### *5.6 Systems to Facilitate Incremental Upgrade*

The key to the success of the programme (at least the Mayibuye and Essential Services components) was the ability of the individuals in the Department of Housing to work together. The 3 programme phases were designed to work together, but the fact that they were individual elements also allowed for some flexibility in the rate of implementation.

### *5.7 Conclusion*

Interviews with role-players who were directly involved in the implementation of the Incremental Housing Programme cluster have yielded different responses.

From a land acquisition / tenure perspective, the process was seen as being very beneficial – the insecurity and overcrowding of informal settlements was quickly overcome by providing people with security of tenure and sites which could be serviced. The comparison was against the informal settlements – and a Mayibuye site was far better, had more potential, than an informal settlement site. The Mayibuye programme was seen as a major accomplishment in the light of the massive housing challenge facing the Province at the time.

From an Essential Services perspective, the programme, although successful in (more than) meeting its mandate, was seen as bulky and slow. It is true that the provision of services became a clean, relatively easy process as all the community participation and beneficiary registration had been handled ahead of time. However, the beginning of the Essential Services programme and the end of the Mayibuye programme was often a grey area. This, along with the fact that external role-players often saw them as a single programme, was cause for frustration. Finally, it was mentioned by one commentator that the additional elementary infrastructure, provided to make the site live-able as soon as possible (under Mayibuye), increased the final service costs of the sites.

The general consensus is that the approach is certainly a viable one, especially with the necessary political support. However, this must be weighed against the fact that the current legislative environment results in such an approach not always being much faster, as well as the increased costs of service provision by installing rudimentary services at the outset and having to upgrade them later.

## 6 Towards MLS

The following key issues are raised by this review of the Incremental Housing cluster

programme, and can be applied to the development of an MLS programme:

- The programme must have wide and deep political support if it is to succeed in the long-term.
- The programme must be socially acceptable to the beneficiaries and should attempt to mitigate against the NIMBY syndrome which is still prevalent.
- The programme should be simple and widely acceptable, so as to transcend the political instabilities (such as local government elections).
- Implementation of the various phases needs to be well co-ordinated – this reduces the frustration and the failure rate of projects. Ideally, all elements of the programme should fall under one authority. If this is totally impossible, some way must be found to ensure inter-governmental coordination and cooperation. It is essential, however, that this does not rest on the goodwill of the individuals present at the inception of the programme – such structures need to be well established and receive political support.
- Having a single point of coordination at a Municipal level is a useful strategy in helping to coordinate and manage the inter-governmental relations.
- The policy guiding the programme must be reviewed regularly in order to ensure that it remains within the political agenda for the country, whilst also meeting the beneficiaries' greatest needs.
- The policy must cover all elements of the programme in a holistic manner – e.g. in the case of Mayibuye there was insufficient policy guiding community interaction and conflict resolution.
- The question of affordability of services is raised and should be addressed. Poor households were not always able to afford the costs of the services which they were given as part of the essential services phase of the incremental housing cluster.
- The biggest stumbling block listed by all those interviewed was the availability of suitable land within the urban edge. LANDfirst will need to be very creative in coming up with ways to mitigate against this.
- Not providing top structures at the outset was seen as a significant element in enabling Province to address the basic elements of security of tenure and essential services for the maximum number of people. However, the flip side is that the

neighbouring residents still saw the area as an informal settlement, which may have increased the NIMBY attitude.

- The current legislative environment – with specific reference to the environmental legislation – is not conducive to a rapid process, as significant delays are experienced.
- Inter-governmental coordination is essential to a Mayibuye-type process, as it is noteworthy that the provision of social services lagged far behind the provision of serviced sites. Although it was possible to do rapid land release it was not possible for other departments (such as Health and Education) to act as quickly in providing social facilities.

# 7 List of References

The following documents pertaining directly to this programme were reviewed:

Rust, K. (2002): Evaluation: Incremental Housing Programme Cluster & New Wave Consolidation Programme. HSRC

Department of Housing, Annual Reports

City of Johannesburg, Integrated Development Plans

The following people were interviewed:

Carien Engelbrecht – former employee of Department of Housing

Monty Narsoo – independent consultant, former employee of Department of Housing

Willem Odendaal – former Director Incremental Housing Directorate, Department of Housing

Kecia Rust, consultant

Rico Reyneke – Ekurhuleni Metro: Director - Project Implementation

# 3 4-PEG POLICY

**Implementing Agent**: Port Elizabeth Municipality (now the Nelson Mandela Bay Metropolitan Municipality)

**Dates of Implementation**: 1992 - 2001 (and beyond)

## 1 Programme Scale

The following gives an indication of some of the projects carried out between 1999 and 2006. This therefore does not include the projects which were undertaken in the early 1990's and extends beyond the formal timeframe of the 4-peg policy. The implementation dates are not available.

| | |
|---|---|
| Kleinskool Area K, Bethelsdorp | approx 400 erven |
| Chatty ext 3 & 4, Bloemendal | approx 4000 erven |
| Various infil areas in Ibhayi | approx 500 erven |
| Malabar Ext 6 (Ph 1) | approx 200 erven |
| Greater Tjoksville, Motherwell | approx 4000 erven |
| Walmer Area X & J | approx 500 erven |
| Walmer Areas P & Q | approx 600 erven |
| Wells Estate phases 1 & 2 | approx 3000 erven |

A total of 7,500 erven with services are to be provided in 4 new destination areas and 16 in-situ areas during the 2009/2010 financial year. A total of 2,421 households were relocated from stressed areas in 2008/09.

## 2 Definitions

Legitimate occupation - being the right to occupy land although full tenure has not been issued; in this case such a right to occupy is issued by the Municipality

## 3 Review Parameters

In undertaking this review, the researcher has primarily reviewed the limited policy and background information which is available in written format. As a supplement, some interviews were held with officials who are still at Nelson Mandela Metropolitan Municipality. Amongst those interviewed, only one was involved at the start of the implementation of the 4-peg policy, one arrived during the latter years of the policy

implementation and one was not involved at all in the original policy implementation.

The review presented here is in two parts. The main body of the text presents the case study review of the policy as it was implemented (or as the available literature suggests it should have been implemented). The grey boxes highlight how the policy principles are being applied today.

# 4 Programme Background

## *4.1 Context*

### 4.1.1 Socio-Economic-Political Context

The Nelson Mandela Bay Metropolitan Municipality (NMBMM) acknowledged that their many policies relating to land and housing delivery were not effective in meeting the increasing demand for land. As a result, the departmental heads and a representative from the Urban Foundation met to workshop an alternative in 1992. It was out of this workshop and the supportive political atmosphere which enabled the out-of-the-box thinking that the 4-Peg Policy was born. Both politicians and officials recognised that a mechanism for speedy delivery of essential land and services was going to be required if the landlessness issues were to be managed in a pro-active manner.

Today, although the policy is no longer in force, the principles of the 4-Peg Policy are still being applied in situations where people have settled in areas which expose them to risk, such as on floodplains and tip sites. This is primarily because at a political level, the national Emergency Housing Programme has not been well received, as transitional areas are often not transitional and it has been deemed that the associated establishment and maintenance costs of transitional camps is inappropriate. Furthermore, the likelihood of maintenance slipping is high, which poses a significant threat of poor living conditions and the associated negative press is to be avoided.

### *4.1.2 Vision and Values*

The vision was the effective and efficient delivery of land in response to the increasing demand for access to land, primarily for housing, in order to create an environment which would enhance the social and economic well being of inhabitants of the municipality.

The following principles underpinned the 4-Peg Policy:

- the securing of legitimate occupation, but not necessarily ownership of land;

- speedy delivery of land, especially for housing purposes;
- must compliment the overall Mission of the Municipality;
- ratepayers have no financial obligation to provide housing as this obligation rests at the door of the State;
- the development of balanced infrastructure;
- the impact of land delivery on the capital and operating budgets of the Municipality must be taken into account;
- hidden subsidies must be avoided at all costs;
- basic health and safety standards should be kept to a minimum in all developments;
- land delivery should stimulate private enterprise involvement and encourage the free market system in land delivery;
- promotion of economic development of the City must receive the same priority as that of meeting land demands of the urban poor, as wealth creation is fundamental to the long-term solution to the housing problem; and
- Council should actively facilitate the delivery of land outside of its own portfolio (which would include other State-owned land and privately owned land).

### *4.2 Description*

Land suitable for informal settlement and owned by the Port Elizabeth Municipality was identified.

A layout was developed to the satisfaction of the City Engineer, to ensure that the sites would be fully serviceable in future. The bush was cleared and the sites demarcated (pegged). The Port Elizabeth Municipality would provide communal standpipes, a bucket latrine system, scraped roads and refuse removal. Other basic services may have been provided if deemed necessary to ensure minimum health and safety standards.

Once the sites had been pegged, people were allowed to move onto site. The site allocation and administration of the settlement was controlled by the Director of Housing (Municipality). People were issued with cards (a form of Right to Occupy Certificate) which was linked to a register administered by the Municipality. In some instances, sites were pegged prior to township establishment (in accordance with the relevant legislation, such

as the Less Formal Townships Establishment Act 113 of 1991) being finalised. Today there is still at least one area (NU29) which was a 4-Peg project where people have never received transfer of their sites. The transfer of sites was usually only undertaken once the subsidies for a Housing Project had been approved, in order to ensure that the recipients of title deeds did qualify for the subsidy. Areas developed under the 4-Peg Policy were prioritised for the receipt of Housing Subsidies. In these cases the Port Elizabeth Municipality acted as the developer and used either a contractor to build houses or People's Housing Process (PHP).

Today some of the 4-peg policy principles (specifically the incremental approach) are still applied in the Emergency Housing programme at Nelson Mandela Metropolitan Municipality (NMBMM).

Environmental impact assessment (EIA) and township establishment processes are undertaken prior to the allocation of sites, as it is necessary to conduct the EIA prior to any bush clearing or settlement occuring. Therefore the area is identified, the EIA conducted and the township is established prior to moving people on to the land. Once this has been accomplished the site is cleared and pegged and people are allocated sites. At this point there is no formal title issued – the head of the household is issued with a card which stipulates who they are and the site to which they have been allocated. This provides a certain security of tenure in the sense that they will not be evicted from their site. However, it is a temporary measure which is not transferable or saleable.

The beneficiary verification process must be completed prior to full title being issued to the valid beneficiaries (in terms of the national housing subsidy). This is clearly a messy process as there are many instances in which people who have been moved onto sites do not actually qualify for subsidies and must therefore be moved elsewhere.

Houses are built using the national housing subsidy allocations. NMBMM acts as the developer and contractors build the houses. The Expanded Public Works Programme is used to provide local labour for the construction phase. PHP is not used any longer as the NMBMM had numerous bad experiences with materials disappearing and projects simply coming to a halt. In order to still provide for maximum community involvement NMBMM tries to ensure that the planning and decision-making phase is a very participatory process. For example, people are allowed a choice between house designs and position of the houses on the site

## *4.3 Role-Players*

**Government Departments**

The Port Elizabeth Municipality acted as the programme driver and the developer of the original 4 peg policy.

The Provincial Department of Housing validates the beneficiaries and provides the housing subsidies.

Other departments are involved in the projects via the Inter-Governmental Relations committee. Most government departments play an active role and engage with the project in terms of providing facilities. However, the Departments of Education and Public Works do not generally engage well through this structure. For example, in one case the Department of Education is providing a temporary school in a community 8 years after the initial request was lodged by NMBMM.

NMBMM acts as the driver of the programme and as the developer.

**Community**

It is not clear to what level the community was involved in the implementation of the 4-Peg policy.

The community is involved through Housing Committees. In addition, the beneficiaries are given the opportunity to make input into the house design, etc.

**Other Role-Players**

The Swedish government provided funding to the Port Elizabeth Municipality to enable the provision of a basic site and rudimentary services.

## *4.4 Access to Bulk Land*

In the early 1990's the Port Elizabeth Municipality conducted a land audit in order to identify land which was suitable for development and for occupation by the end user. The identification of land was an ongoing process. When the 4-Peg Policy came into being, the Port Elizabeth Municipality had large land reserves of their own (approximately 11,000 Ha – although not all of this was suitable for housing) which they were using for development. Additional land was also available from other organs of State.

However, the reality that land earmarked for informal or low-income settlements was likely to lead to conflict with neighbouring landowners was also recognised. As a result, a

conflict management procedure was adopted.

A challenge facing the Port Elizabeth Municipality at the outset was the directive issued by the Minister of Local Government, which stipulated that all land owned by the Municipality had to be sold by public auction. This was resolved for the purposes of informal and low-cost housing by proposing that:

- where such sites are offered for sale, these be sold by private treaty; and
- a system similar to lay-bye be implemented, provided that no rights other than the right of temporary occupation be given to the purchaser until the full amount had been paid.

The community is involved through Housing Committees. In addition, the beneficiaries are given the opportunity to make input into the house design, etc. The extent to which the community is able to participate in the identification of bulk land is not clear, although it does not seem that there is much participation at this point.

### 4.4.1 Ownership Of Land

The land used for the implementation of the 4-Peg Policy was all Municipal-owned land.

The bulk land is owned by the NMBMM. The beneficiaries all receive full freehold title, once they have been approved by the MEC for Housing. There is therefore a period of time during which a person resides on a site but has only a Right to Occupy, rather than full title.

There is currently no clear policy at NMBMM to deal with those who have been relocated but do not qualify for a subsidy.

### 4.4.2 Bulk Services

Very little infrastructure was provided initially, therefore bulk services were not an issue.

Today, although the services provided may be rudimentary, the planning of the Nelson Mandela Metro is such that bulk services are (or will be) available in areas which have been designated for housing developments.

### 4.4.3 Environmental Approval

No environmental approval was sought initially. This was to do with the fact that the National Environmental Management Act (107 of 1998) (NEMA) had not yet come into effect. Furthermore, there was no attempt to undertake township establishment prior to

settling people on the land.

Today, given NEMA, and the sensitive environment within which most housing developments in Nelson Mandela Metro are taking place, it is imperative to undertake an EIA prior to any bush clearing or settlement occurring. NMBMM has established a close working relationship with the Department of Economic Development and Environmental Affairs (DEDEA) in an attempt to facilitate the EIA process.

#### 4.4.4 Town Planning And Survey

A basic (preliinary) layout of the site was created, in consultation with the City engineers. This was then surveyed and the individual sites pegged (demarcated). At this point there was no diagram or general plan produced for submission to the Surveyor General. At a later stage the full township establishment process was followed and then a general plan was produced for submission to the Surveyor General.

Today, a full township establishment procedure is undertaken at the outset, in parallel to the EIA procedures. Therefore, prior to any settlement occurring, a General Plan has been approved by the Surveyor General and a township register is ready to be opened by the Deeds Office. The planning process is largely participatory – including both the potential occupants and other government departments.

A key to the success of these projects has been a focus on careful planning in order to mitigate against time wasted by necessary but long application processes.

### *4.5 Basic Product*

#### 4.5.1 Basic Services

The basic services provided were a surveyed site, cleared of bush, with communal standpipes and bucket latrines. The roads were scraped and a refuse removal system operated in the area.

The water installation relied on full reticulation of the settlement. The provision of bucket toilets (or a VIP toilet) was done once the occupant of the site had erected a suitable structure to serve as a toilet shelter.

The situation is currently the same. The challenge with this approach is the increased cost of service provision, as subsequent full infrastructure installation is typically more complicated and costly when installing services in a situation where people have moved onto the land

### 4.5.2 Basic Facilities

No basic facilities were or are provided, however the layout plan would have provided for future facilities to be developed.

NMBMM works closely with the other government departments in an attempt to ensure that basic facilities are available as soon as possible.

### 4.5.3 Basic Tenure

No permanent rights were granted to occupants of the land, until such time as the establishment of the township had been approved. This was only done once the housing project was initiated and a list of verified beneficiaries was available.

Prior to full transfer, the head of the household was issued with the right to occupy. Occupants contributed financially to the costs of servicing the sites in the form of a small rental payable to the municipality. The actual amounts paid by beneficiaries are not known.

Today, the initial tenure is informal – and is secured by NMBMM by the issuing of a card with the relevant details shown on it. However, once the beneficiaries have been approved by the Department of Housing, full title is handed over to the qualifying heads of households.

### 4.5.4 Basic Demarcation

The settlement was situated on an identified land parcel – an erf or farm. The individual sites were surveyed and demarcated, although the General Plan was not approved by the Surveyor General nor a Township Register opened by the Deeds Office. Sites were demarcated using 4 pegs: one at each corner of the plot.

Today, the full township establishment process is followed at the outset, which provides for the approval of a General Plan by the Surveyor-General. Sites are pegged on this basis.

### 4.5.5 Basic Finance

Port Elizabeth Municipality did not assist people in accessing basic finance. No information around this has been forthcoming.

Financing for the implementation of the 4-Peg Policy came from funding received from the Swedish government. This enabled the Municipality to develop rudimentary services on

the land and later top up the Swedish funding once the housing project subsidy was available.

### 4.5.6 Basic Organisation

There was no organisation of the community. In some cases the community was a group of informal settlers who had invaded a piece of land. It is not clear to what extent the beneficiaries were involved in the process of site allocation or any other part of this process.

Today, the community is represented through the Housing committee. This is made up of the Ward Councillor, community representatives and municipal officials.

#### 4.5.6.1 Basic Skills

No basic skills were intentionally developed within the beneficiary group. It was assumed that a person would build an informal dwelling in the same way as s/he would have if they had invaded a piece of land.

Today the Expanded Public Works Programme is used to source local labour, which provides some skills development. However this is only for the duration of the housing delivery project and there does not seem to be any follow through to build on this for Local Economic Development purposes.

### 4.5.7 Self Build (Starter Houses)

No starter houses were provided. The site was simply cleared and pegged. After that it was up to the occupant to establish his/her own house. Thee were no regulations governing how these houses had to be built.

Today a similar approach is followed. Occupants are expected to erect their own informal structures until such time as the housing subsidies become available and RDP-type 40m$^2$ houses are built. No building approval is required for the informal structures, but building plans do need to be approved for RDP type houses.

## *4.6 Long-Term Upgrading Plans*

### 4.6.1 Upgrade Bulk Services

The upgrade of bulk services is currently pre-empting the housing delivery process so that by the time a development requires bulk services these are already in place.

### 4.6.2 Upgrade Internal Services

Initially the internal services provided were rudimentary – a communal standpipe and a VIP (or similar), graded roads and access to refuse removal. This was upgraded to a fully serviced site with water per site and flush toilets at the time of building the houses.

The upgrade of services will occur in the event of a settlement receiving top structures, or it could be undertaken under the Upgrade of Informal Settlements Programme. To date there has been no upgrading of internal infrastructure

### 4.6.3 Upgrade House

Initially the dwellings were informal dwellings erected by the residents. This was later upgraded by the Port Elizabeth Municipality to 40m$^2$ houses, once the necessary subsidies had been made available.

### 4.6.4 Maintenance And Improvement

Individuals undertook the maintenance and improvement of their properties as they wished. The extent to which maintenance and improvement occurred over time is not known.

### 4.6.5 Neighbourhood Creation

The 4-Peg policy was used in both large-scale greenfields developments and smaller infill developments. In the smaller infill developments, neighbourhood creation relied on the integration of the community with the surrounding communities. In the larger areas, neighbourhood creation occurred over time as other government departments provided the requisite community service infrastructure (such as clinics, schools and community halls) on sites set aside for this.

The initial neighbourhood has the look and feel of an informal settlement, although somewhat more structured. Once the housing development begins, the NMBMM attempts to integrate low-cost housing with higher-income, bondable properties and social facilities. The higher income properties are generally planned around facilities such as schools. One of the key challenges experienced is how to provide people access to the services and facilities they had access to prior to being relocated, as the destination areas do not generally have the necessary social facilities.

### 4.6.6 Local Economic Development

There is no information around the application of LED principles during the time of the

implementation of the 4-Peg Policy.

Intentional LED interventions do not seem to follow on closely from the housing developments at NMBMM in general. Some LED is promoted through the use of EPWP and the requirements that 30% of labour on large contracts is sourced locally.

### *4.7 Programme Status*

The 4-Peg policy was ended due to political pressure to provide a full housing solution, rather than an incremental solution. In particular, the politicians did not like the fact that people were being moved from a shack to a shack, as the people who were being moved complained that they were losing some of their building materials in transit.

The Emergency Housing and Informal Settlement Upgrading Programmes are still being implemented.

## 5 Lessons Learnt

### *5.1 Socio-Economic-Political*

The Port Elizabeth Municipality benefited from forward-thinking officials and politicians who did not sit back and wait for massive land invasions to overwhelm them but rather began with the implementation of a policy to meet the needs which they anticipated.

One challenge which has been identified, especially in the lead up to local elections, is the push from the politicians to prioritise "their" area for development. Therefore, although there is a fair process which has been followed through which developments are listed in order of priority, the politicians and community cannot always understand this. Such pressure adds complexity to an already complex process.

### *5.2 Institutional Arrangements*

By being the driver of the 4 peg policy and now the emergency housing programme and assuming the role of developer, the Port Elizabeth Municipality/ NMBMM has ensured that delivery is possible as there is accountability.

### *5.3 Access to Bulk Land*

Initially the access to bulk land was not a challenge, as the Council owned vast amounts of land. However, access to suitable bulk land is increasingly difficult, especially when one adds the requirements from DEDEA to protect the natural vegetation, which is especially a

challenge in coastal areas which have a diverse natural environment, such as Port Elizabeth.

One tool which assisted the Port ElizabethMunicipality in identifying potentially available land was the land audit undertaken in 1992.

### *5.4 Definition of Basic Services*

Basic services were defined in incremental phases: initially the basic services were very rudimentary – communal standpipes and VIPs, with graded roads and access to refuse removal. Over time, and with the construction of full houses, the definition of basic services was supplanted with an emphasis on the provision of an RDP level of services. (e.g. standpipe per house, inside toilet, etc.).

### *5.5 Defining Features*

There are three key defining features of the 4-Peg Policy as it was initially formulated:

- The ability to settle people onto sites before any formal applications for township establishment had occurred. With the passing of the Environmental Management Act this is no longer deemed possible. Township establishment and the EIA procedures are usually undertaken concurrently, prior to the settlement of occupants. In some cases people may be moved onto site where the full township establishment process is not yet complete but where the EIA Record of Decison has been received.
- The provision of rudimentary services at the outset, in an attempt to fast-track the settlement of people. This is a practice which is still used today.
- The provision of interim tenure, which was informal but still provided the occupant with the right to occupy the allocated site. This is still enforced today, whereby occupants are provided with a registration card proving the validity of the site allocation until such time as the final beneficiary approval process by the Department of Housing has been completed. At this point full ownership is transferred to the successful beneficiaries.

### *5.6 Systems to Facilitate Incremental Upgrade*

Incremental upgrade occurred in both the physical development of the site and the tenure arrangements.

The Port ElizabethMunicipality was prepared and able to put in financial resources to provide rudimentary services to occupants whilst waiting for housing subsidies, due to funding being made available by the Swedish government.

The NMBMM administers the interim tenure arrangements until such time as full ownership can be handed to the beneficiaries. This is done by way of issuing a card to each beneficiary, which is linked to a land register.

### *5.7 Conclusion*

The principles contained in the 4-Peg policy still have relevance today. The key is good forward planning and strong inter-governmental relations, in order to provide a basket of services and facilities which respond the community's needs.

## 6 Towards MLS

The following lessons are drawn out of the 4-Peg Policy for Managed Land Settlement:

- Focus on getting the basics in place – conduct the essential applications: EIA and township establishment; clear the site and allow people to move on. This reduces the load on the Municipalities and makes people feel like something is happening. Communities do not understand (or buy into) the lengthy processes related to housing delivery.
- Try to align the critical application processes in order to reduce the amount of time spent waiting for approvals to come through. Good inter-governmental relations are also essential to fast-tracking delivery.
- The rudimentary services provided are insufficient for the medium to long term. Furthermore, given the current housing delivery environment, people expect to receive full serviced houses. Also, once the housing subsidies are approved there is a need to comply with national standards. A strong forward planning element is essential.
- It is possible to provide people with a form of permission to occupy land which belongs to the Municipality. However, this is subject the Municipality (or a recognised authority) being in a position to manage the land register. The challenge comes in when an occupant wants to vacate a premises. What is not clear is for how long such an informal tenure arrangement can continue.
- Good inter-governmental cooperation is required to ensure that social facilities are

provided within appropriate timeframes. This is a critical element which was identified as one of the main challenges in the implementation of the 4-Peg Policy[4].

- A current or very recent land audit is a useful tool in addressing the issue of where one could possibly begin to find land for development. Many municipalities have undertaken this process in the recent past. In cases where this information is not available, civil society organisations and others may wish to encourage municipalities to undertake an audit which identifies the land ownership within their area of jurisdiction.

## 7 List of References

The following documents pertaining directly to this programme were reviewed:

Port Elizabeth Municipality, 1992: Towards a New Land Policy – Workshop Report

Port Elizabeth Municipality, 1999: Prescribed Charge: Occupational Renal in Terms of the Four Peg Policy (223/001)

Port Elizabeth Municipality, 2001: Report by Executive Mayor (Item 36) – Future of 4-Peg Policy Developments (159/01/01)

Port Elizabeth Municipality, (no date) : 4 Peg Policy

The following people were interviewed:

Calvin Brummer – Director: Development and Support, Nelson Mandela Metropolitan Municipality

Tim Roestof – Assistant Director: Survey, Nelson Mandela Metropolitan Municipality

Schalk Potgieter – Assistant Director: Strategic Planning and Policy Formulation, Nelson Mandela Metropolitan Municipality

Lex Conradie - retired Assistant Director and Acting Director: Development Directorate, Port ElizabethMunicipality

Eugene Greef - Department of Social Housing: Nelson Mandela Metropolitan Municipality

4 Interview with Mr S. Potgieter

# 4 ACCELERATED MANAGED LAND SETTLEMENT

**Implementing Agent**: Cape Metropolitan Area (now the City of Cape Town)

**Dates of Implementation**: 1999 - 2005

## 1 Programme Scale

The following projects were undertaken under the ambit of AMLSP:

| TOWN | SUBURB | ERF NO'S | NO. OF UNITS/ SITES/ HH |
|---|---|---|---|
| Strand | Chris Hani Park | 4371, 4365, 4374 | 201 |
| Mfuleni | Mfuleni Ext 4 | Rem of Erf 1 | 334 |
| Khayelithsha | Nonqubela Station Precint | 13440, 13436-13438, 13728 | 500 |
| Elsies River | Elsies River Phase 1 | Numerous | 275 |
| Atlantis | Witsand | | 800 |
| **Total** | | | **2 110** |

## 2 Definitions

Crisis situation – unanticipated housing demand due to circumstances such as flooding; illegal occupation of strategic or privately held land or invasion of a project in progress.

Basic system of services - a higher order network of services, which can be further developed into feeder systems and a finer scale of services over time.

Initial ownership (as contemplated in the Development Facilitation Act, 67 of 1995): To be registered in accordance with the Deeds Registry Act, 1937. This form of ownership provides the holder of such ownership with the right to:

- occupy and use the erf as if s/he were the owner thereof
- acquire ownership of the said erf
- encumber the property by means of a mortgage or personal servitude, but may not encumber the property in any other manner
- sell his/her initial ownership

# 3 Review Parameters

This case study was primarily based on primary research - policy documents and internal memorandums, etc. This was supplemented by interviews and e-mail correspondence with Mr Jens Kuhn.

# 4 Programme Background

## *4.1 Context*

## 4.2 Socio-Economic-Political Context

In understanding where the Accelerated Managed Land Settlement Programme (AMLSP) was initiated, it is important to remember that at the time the Cape Metropolitan Area was a two tier system of local government – although it was a Metro, there were also local municipalities who were independent of the Metro, although they occupied the same physical space on the ground. As a result, the Cape Metropolitan Council was receiving RSC levies but did not have the opportunity to carry out housing projects, as the land on which projects fell was under the jurisdiction of the local municipalities. The AMLSP was therefore initially conceived of as an institutional coping mechanism to address the dire housing shortage, which was practical and acceptable to all parties.

At the time, all housing subsidies were taking time to be approved, and as there were only a limited number of subsidies available, the local municipalities within the Cape Metro area were in effect competing for subsidies. The Cape Metropolitan Council therefore decided to create bridging finance which would allow for the local municipalities to access funding for emergency or crisis situations.

It would seem that the legal cases such as the Government of the Republic of South Africa and Others v Irene Grootboom and Others as well as the City of Cape Town vs Rudolph and Others gave the Cape Metropolitan Council the political push necessary to have the AMLSP adopted. This was most likely necessary as the Metro and the local municipalities were led by different political parties at the time, which seems to have led to some delays in the implementation of the AMLSP.

### 4.2.1 Vision And Values

The Accelerated Managed Land Settlement Programme (AMLSP) is defined as

the rapid identification, preparation and release of land for settlement by households in

crisis situations.

The AMLSP aimed to provide relief to families who were the victims of crisis situations such as outlined under Section 1: Definitions. It further aimed to address the circumstances which would otherwise block progress on national housing projects in the Cape Metro Area.

Whilst the project was not a temporary housing solution – it provided a permanent solution – it was also not intended to replace any of the national housing programmes. Rather, the AMLSP aimed to provide a quick solution to crises by immediately providing beneficiaries with a site and elementary services which could be upgraded at a later stage.

The following principles underpin the AMLSP:

- Facilitation of permanent settlement.
- Incremental approach - On completion, an AMLSP project was eligible for *in-situ* upgrading. This means upgrading both of its services and the building of its top-structure. Thus a beneficiary's full package of state assistance was received, albeit over a much longer time period.
- Fast resolution of crises through the provision of a lesser product, in order to expedite settlement and to prevent queue jumping.

## *4.3 Description*

### 4.3.1 Implementation

The AMLSP was an emergency relief programme aimed to rapidly alleviate the crisis which families found themselves in, or rapidly address obstacles to other housing/development projects. However, as it was closely linked to the national housing subsidy process, and effectively seen as part of the subsidy allocation, once a beneficiary received a site under the AMLSP they were not entitled to another subsidy – although they could later receive the funding for the building of a top structure.

The following families could be accommodated under the AMLSP (in order of priority):

- Families which had been evicted from their current place of residence;
- Families which found themselves in dangerous conditions (flood-prone areas; slopes, etc.);
- Families living in a residence as the second or third family (overcrowding); or

- Families in informal areas residing in backyard shacks;

It should be noted that families that did not qualify for a Housing subsidy, but that were in crisis, would not be accommodated under the AMLSP.

The AMLSP sought only to provide beneficiaries with sites and elementary services which could be upgraded over time. The project cycle is outlined below:

An application was made to access AMLSP funding, as follows:

- The relevant local administration would submit a project to the AMLSP program managers for consideration.
- AMLSP program managers would assess the project in detail, and adjudicate whether the proposal in fact qualified as a "crisis" case.
- In view of the urgency of these cases a motivating report presenting the assessment, with a recommendation, was prepared and submitted directly to the Metro's executive committee (EXCO) for approval.
- Once the project had in-principle support from EXCO, it was immediately submitted to the Provincial Department of Housing for its support.
- The outcome of the Provincial Department of Housing's decision was communicated to the relevant Local Administration. The agreement / contract between the Local Administration, City of Cape Town and the Provincial Department of Housing was then signed and project implementation proceeded as outlined below. It is noted that the time-frame for the above was only 8 weeks. This is attributed to a high level of cooperation between all role-players, a thorough understanding of the programme by officials and a commitment to fast-tracking these projects.

Project implementation was undertaken in the following cycle:

- the identification and purchase of land,
- layout planning,
- identification of beneficiaries,
- township approval,
- pegging of erven,

- installation of basic services,
- resettlement and
- the transfer of sites to beneficiaries.

Given that the programme was likely to involve the relocation of beneficiaries, a relocation grant was available. This was intended for relocation as well as the provision of communal facilities, where the subsidy allocation could not cover this.

In order to facilitate the fast-tracking of the settlement of people onto sites, the Cape Metropolitan Council approved an AMLSP fund which could be used as bridging finance for AMLSP projects. This fund allowed beneficiaries approved by the Provincial Department of Housing to access up to 33% of their subsidy for the purposes of an AMLSP project. The agreement was that the Provincial Department of Housing would re-imburse the AMLSP fund within 3 years or less, as funds became available.

In addition, a special AMLSP Fund was created which would facilitate the re-location of families out of the area of crisis and into the new settlement, as well as the provision of communal facilities. This amount was capped at 10% of the project's total budget.

Throughout the duration of the AMLSP only 5 projects were implemented – all of which were reasonably small (between 200 and 500 erven).

### 4.3.2 Role-Players

**Government Departments**

Local Government – as the implementers of the AMLSP – would also be involved in:

- Area Management: a team representative of all Local Government line functions
- Project Trust

The Cape Metropolitan Council undertook to provide bridging finance in order to facilitate the implementation of the AMLSP.

Provincial Housing Board – the beneficiaries of the AMLSP had to be verified as being entitled to a national housing subsidy. The PHDB also committed to providing the requisite funding to the Cape Metropolitan Council within 3 years of the request being lodged.

**Community**

Although there was supposed to be a Project Trust established, there was little community

participation in the projects. The people in crisis and available land were identified, the planning undertaken and the beneficiaries moved onto site. .

**Other Role-Players**

A Project Trust, comprising both community representatives and local authority representatives was meant to be established, which would (1) facilitate community consultation and participation; (2) lobby for funds; and (3) monitor progress.

### 4.3.3 Access To Bulk Land

The AMLSP notes that ownership, price and location of land have an important bearing on the speed at which settlement can occur, as well as project viability. Land which was identified should be in keeping with the principles and guidelines in the CMA's IDP and spatial development frameworks.

In accessing land for AMLSP the policy makes reference to prioritising land which is held by the state or parastatal organisations. Private land would also be considered, providing the costs of acquiring such land are not out of line with the funds available through the housing subsidy. As a last resort expropriation may have been considered.

In all the cases in which AMLSP was used, the bulk land was land which was owned by the relevant local municipality.

### 4.3.4 Ownership Of Land

The AMSLP sought to provide formal tenure to the beneficiaries of the programme. However, it would accept any of the following as acceptable forms of tenure:

- Freehold title;
- "initial tenure" as outlined in the Development Facilitation Act, 67 of 1995; and
- communal property as contemplated in the Communal Property Associations Act 1996,

However, given the need to have rapid settlement onto the identified site, it may have been necessary to compensate for the slow legal and administrative processes by leasing out the sites, or providing "initial tenure". The policy contemplates the initial leasing of sites either on an individual or communal basis at a nominal fee, until such time as the transfer of sites is possible. A register showing beneficiaries and their allocated erf numbers was therefore maintained.

In all implemented cases, the beneficiaries received full title soon after being settled onto the land.

#### 4.3.5 Bulk Services

The provision of bulk services was external to the AMLSP, however it was imperative that an initial engineering assessment be undertaken which assessed the bulk services available and required. In all cases of implementation, it was necessary to build bulk services for the AMLSP project. However, these could be linked into the bulk services which serviced the adjoining areas and was therefore not a significant issue.

#### 4.3.6 Environmental Approval

An environmental scoping report would have been undertaken. Although the National Environmental Management Act (107 of 1998) was already in force, the Regulations only came through some years later. As a result, the EIA requirements were a lot less onerous than they are today.

#### 4.3.7 Town Planning And Survey

The AMLSP approach was to have small projects which could be well integrated with adjoining settlements.

The AMSLP sought flexible and creative solutions to the lengthy planning approval processes. However, it was still subject to the standard planning approvals process. Given that these were crisis situations, the planning departments in the local municipalities prioritised the AMLSP projects for approval.

At the end of the AMLSP, the following would be available:

- a General Plan,
- a township proclamation, and
- a townships register.

### *4.4 Basic Product*

#### 4.4.1 Basic Services

The provision of services within the AMLSP was devised as a 2-stage process. Phase 1 would be the provision of elementary services as part of the AMLSP and Phase 2 would upgrade these services to the full basket of services during an in-situ upgrade.

The basic system of services allowed all beneficiaries access to elementary services whilst providing for progressive upgrading or improvement. The layout and engineering design plans therefore planned for the installation of the Final System of services, but made provision for the Basic System of services in the interim.

The following basic product was delivered:

- **Sanitation**: either in the form of a Ventilated Improved Pit (VIP) or water borne. If waterborne sewerage was provided, this could be either communal or individual to the household. Such a communal facility – with appropriate Operations & Management systems in place – was the preferred solution. The building could then be converted for another use over time.
- **Roads & Stormwater**: the priority was to ensure that there was access to a public transport point. Based on a two-tier hierarchy of roads, the highest order roads would be surfaced first – with a carrying capacity of approximately 75 vehicles per day. This would provide for fully functional movement. Lower order streets (wide paths) should be provided for in the layout.
- **Water**: In line with the National water guidelines which require that a minimum of 25L /capita/day of potable water is available, each erf had a communal waterpoint no more than 250m away. Alternative and creative options of water supply such as communal water kiosks were also identified as possible solutions to water provision.

### 4.4.2 Basic Facilities

The AMLSP required that smaller projects be designed in such a way as to integrate with neighbouring areas so as to facilitate the usage of the existing facilities. Where the development was too large or isolated, the planning was to make provision for basic facilities.

### 4.4.3 Basic Tenure

In order to compensate for the delays experienced in the formal land registration process, AMLSP allowed for the initial leasing of land to beneficiaries. This was done either on a communal or individual basis and would be at a nominal rate.

Whilst full freehold title was the preferred final form of tenure, the AMLSP also recognised that communal tenure and initial ownership (as defined in the Development Facilitation Act, 67 of 1995) were acceptable forms of tenure at the close of the AMLSP project.

#### 4.4.4 Basic Demarcation

Sites were surveyed and demarcated as per the layout plan. Ultimately the AMLSP required that a General Plan of the settlement be generated and approved by the Surveyor General. It is noted that although the sites were laid out, the demarcation was not very clear to the untrained eye. People therefore erected their shacks on their site, and have since continued to develop their sites, seemingly over boundary lines.

#### 4.4.5 Basic Finance

No assistance was provided to people who wanted to look at financing options, therefore there is no information in this regard.

#### 4.4.6 Basic Organisation

There was little or no community participation in the AMLSP, therefore there was no attempt to organise the community.

#### 4.4.7 Basic Skills

Basic building skills would have been transferred to people participating in the People's Housing Process at a later stage. However, this was outside of the AMSLP and no skills training was given.

#### 4.4.8 Self Build (Starter Houses)

The AMLSP did not provide housing – only serviced sites. The beneficiaries therefore had to erect their own structures on the site. These were informal in nature. At a later date people were given the opportunity (in some projects) to participate in the People's Housing Process. Only about 25% of beneficiaries participated, although the reasons behind this are not clear. For the remainder, people have simply upgraded and extended their shacks. The result is that the structures which are there at present still look like shacks but are more solid than they were when they arrived.

### *4.5 Long-Term Upgrading Plans*

Upgrades of services and the provision of housing would be undertaken as an in-situ upgrade programme, using the remaining national housing subsidy allocation. This has not been the case in all the projects, although there has been some housing provision.

#### 4.5.1 Upgrade Bulk Services

The provision of bulk services was external to the AMLSP projects. However, the AMLSP

planning required that a review on the availability of bulk services would be undertaken. This would inform the relevant municipal department of the requisite bulk infrastructure, which would then add this to their IDP and medium-term expenditure framework.

### 4.5.2 Upgrade Internal Services

The intention was that full service provision would be provided to the sites, as a second phase, outside of the AMLSP process. In many instances this has still not happened.

**Sewerage:** A water borne system would be implemented, giving each household private access to a toilet.

**Roads & Stormwater:** Each erf would have individual access to a public road – given the nature of the soils in the area it was proposed that all roads – including the network of streets/ wide paths be surfaced over time, although this could be done using local material and labour.

**Water:** Each erf would have individual reticulation.

### 4.5.3 Upgrade House

As the AMSLP was closely aligned with the national housing subsidy, the intention was that projects which had been undertaken within the AMLSP would receive full housing within the subsidy framework.

It is noted that the policy mentions that the AMLSP would be suited to housing development using the People's Housing Process. In some cases PHP was used, and people built solid houses. In other cases people are still living in shacks, although these are much more stable than they were at the outset.

### 4.5.4 Maintenance And Improvement

People have developed and upgraded their properties over time. However, as the sites were never fenced, it is not easy to define the boundaries. It would seem that there has been some encroachment over boundaries since the original establishment of these settlements.

To illustrate the improvements over time, Mr Jens Kuhn of the City of Cape Town recollects that one man built two rural thatch rondavels, touching at one point which was the inter-leading door. One side was for wife one and the other for wife two. He used flat window frames in circular walls, so there was much leaking... "We laughed, he was proud."[5] Perhaps

5 Email correspondence between the researcher and Jens Kuhn

this points to a question which needs to be asked in housing delivery: whose standards are we using, or what is the yardstick? In this instance the man was proud of his work, but the trained eye immediately saw the defects.

#### 4.5.5 Neighbourhood Creation

The AMLSP proposed to create small settlements which were easily integrated into the adjoining residential areas. There was therefore little attention paid to neighbourhood creation and provision for social facilities would have only been done in the event that the location or size of the project required this. Today, some ten years later, the neighbourhoods look and feel like (slightly more organised) informal settlements and are not visually integrated with the surrounding areas. This results in the neighbouring residents still referring to them as "slum fields".

#### 4.5.6 Local Economic Development

The AMLSP did not have a particular LED slant. There is no indication of the impact of this programme on LED, although it did provide desperate people with a place to call home – which is a basic need prior to any economic development being possible.

### *4.6 Programme Status*

After the Cape Metro Area Local Authorities were all merged into one, and the RSC levies were scrapped, the AMLSP process became impossible. The primary factor was that there were no longer any local municipalities, and therefore the bilateral agreements between the Cape Metropolitan Council, the local municipalities and the Province became redundant. It was therefore scrapped in about 2005.

## 5 Lessons Learnt

### *5.1 Socio-Economic-Political*

There was no Emergency Housing Programme at the time of the AMSLP, therefore there was no other way to accommodate the desperate people in crisis situations. The AMLSP provided a mechanism through which the needs of those in crisis could be addressed whilst still working within the structure of the national housing subsidy.

The political environment made the AMLSP difficult to implement as there were two different political parties involved at local and metro level, which meant that political support was never certain from one moment to the next.

### *5.2 Institutional Arrangements*

The AMSLP called for the local municipalities to adopt suitable delegations and internal review and adoption procedures. Municipal decisions relating to AMLSP projects were to receive top priority. This is a necessary element if the intention is to speed up service delivery. On more than one occasion the local municipal approval process has been one of the processes accused of slowing down service delivery[6].

A good working relationship with the Provincial Department of Housing allowed for the approval of beneficiaries within only 8 weeks from the time that the project was submitted to Council until beneficiary approval by the Department of Housing.

### *5.3 Access to Bulk Land*

At the time of AMLSP, the local municipalities owned suitable land for development, therefore all AMLSP developments happened on Municipal-owned land.

### *5.4 Definition of Basic Services*

In order to implement a faster response to the crisis situations for which the AMLSP was designed, a very basic, albeit interim definition of basic services was defined. However, the intention was always that the full set of services, to national norms and standards, would be delivered. Therefore the design of services was done in such a manner as to accommodate the lower-order services and then be able to upgrade these over time to provide a more complete set of services. This is an interesting approach which may reduce the costs often associated with the provision of interim lower-order services.

### *5.5 Defining Features*

The AMLSP was a response to crisis situations. Its key defining features are that:

- It called for a creative response to the situation and to service delivery – the implementing agents were expected to think outside the box.
- Local councils prioritised these projects and created specific structures and systems which would fast-track the process.
- It was essentially a bridging finance programme – the project beneficiaries would have to be approved by the Provincial Department of Housing. Based on this, the Cape Metropolitan Council would forward the funds necessary to acquire the site,

6 See for example, Provincial Administration: Western Cape, Chief Directorate: Housing (2003): Provincial Housing Plan: Situational Analysis Reference Modules, Volume 6 Module D: Capacity & Constraints - Institutional

plan and survey the site and transfer the properties to the beneficiaries.

- Services were provided on a two-tier basis – which allowed the most basic infrastructure to later be further developed to provide fully serviced stands.

### *5.6 Systems to Facilitate Incremental Upgrade*

The AMLSP was designed to bridge the long waiting period for new housing projects, in the event of a crisis. As a result, the following systems were in place to facilitate incremental upgrade:

- Bridging finance was made available by the Cape Metropolitan Council, on the basis that the identified beneficiaries and the project were approved by the PHDB.
- This policy allowed for the acquisition of land, planning and survey of the site and elementary servicing thereof prior to settlement. After the settlement of beneficiaries, the upgrade of services and the provision of top structures would be done in-situ, using the remaining housing subsidies as already approved by the Provincial Department of Housing.
- There was a good working relationship between the Provincial Department of Housing and the Cape Metropolitan Council, which facilitated speedy decision-making.

### *5.7 Conclusion*

It would seem that the Cape Metropolitan Council undertook their responsibility with a certain amount of creativity and willingness to take a risk (by providing bridging finance), which makes the AMLSP stand out. What was quite unfortunate was the inability of the programme to either anticipate the scrapping of the RSC levies or find an alternative source of funding for the bridging finance. However, it has been argued that what has been done here can be done using the Emergency Housing Programme[7].

## 6 Towards MLS

The following key issues for MLS are raised by this case study:

- The decision-makers need to be willing to think outside the box and allow for people on the ground (implementers of the policy) to be creative in their approach to a project. How one can create this environment is difficult to establish. In the

7 Refer to e-mail from Jens Khun, dd 30 June 2009

AMLSP context it would seem that the very imminent threat of legal action and an early realisation that the existing housing programme did not adequately address the needs of people in crisis created an environment conducive to out-of-the-box thinking.

- By working within the existing parameters of the national housing subsidy, and by making bridging finance available, the Council took some calculated and fairly limited risks which allowed the process to move ahead quite quickly. For MLS, one needs to establish the willingness and/or ability of local government to take calculated risks such as these.
- A similar model might be created using the Emergency Housing Programme and following this up with the Upgrading of Informal Settlements Programme. However, one would question the ability of such a programme to fast-track delivery in a meaningful way and to really address landlessness which is not linked to a crisis situation.
- A key element in the speed at which delivery was able to occur in the AMLSP was the good relationship between the Cape Metropolitan Council, Local Municipalities and the Provincial Department of Housing. It would seem that everyone understood the programme and their roles in making it happen, whilst also being committed to ensuring that they fast-tracked their internal processes.
- There is value in providing visible boundary markers, which assist in ensuring that people know where they can erect their structure without concern that they have encroached into a servitude or roadway. However, this also has additional costs associated with it.

# 7 List of References

The following documents pertaining directly to this programme were reviewed:

Afesis-corplan (2009): The Right to Land and Housing: Implications of the Grootboom Judgment for LANDfirst

Bridging Finance Agreement between the Cape Metropolitan Council, Helderberg Municipality and the Western Cape Provincial Housing and Development Board

Cape Metropolitan Administration (n.d.): Protocols for the Management and Administration of the Accelerated Managed Land Settlement Programme

Cape Metropolitan Administration (2000): Accelerated Managed Land Settlement Programme in the Cape Metro Area

Cape Metropolitan Council (2000): Memorandum to Executive Director: Planning, Environment and Housing - "Ensuring Smooth and Ongoing Housing Service Delivery During the 'Holding Structure" Period

City of Cape Town vs Rudolph and Others 2004 (5) SA 39 (C)

Department Local Government and Housing (n.d.): Western Cape Sustainable Human Settlements Strategy – The Roadmap to Dignified Communities

Government of the Republic of South Africa and Others vs Irene Grootboom and Others 2001 (1) SA 46 (CC))

Parliamentary Monitoring Group (2005): Report of the Select Committee on Public Services on a Fact-Finding Mission to the Wallacedene Informal Settlement, Kraaifontein, in the Western Cape

Provincial Administration: Western Cape, Chief Directorate: Housing (2001) Western Cape Provincial Housing Plan: Consultation Report

Provincial Administration: Western Cape, Chief Directorate: Housing (2003) Western Cape Provincial Housing Plan Volume 6: Situational Analysis, Module A (Policy Environment); Module D (Capacity and Constraints: Institutional); Module E (Capacity and Constraints: Land/Financial)

Western Cape Provincial Administration (1999): Western Cape Planning and Development Act, 7 of 1999

Women's Budget Initiative (2002): Rights, Roles and Resources: An Analysis of Women's Housing Rights – Implications of the Grootboom Case

e-mail correspondence between Jens Kuhn and Ronald Eglin

The following people were interviewed:

Jens Kuhn, City of Cape Town: Department of Housing: Head of Housing Development

# 5 EASTERN CAPE RURAL HOUSING

**Implementing Agent:** Eastern Cape Department of Housing

**Dates of Implementation:** ±2000 to current

## 1 Programme Scale

It has not been possible to get an indication of the total scale of implementation of the Rural Housing Programme in the Eastern Cape. However, the following projects have been undertaken by some of the respondents interviewed:

- Port St Johns 1 200 units (500 greenfields)
- Berlin Tshabo 1 2 947 units
- Bulembu 500 (mix of greenfields and in-situ)
- St Marks 500 (all greenfields)
- Alfred Nzo 9 villages with a total of 3 000 units - in progress with building to take place from June 2010 (in situ)
- There are also other projects in OR Tambo District, but have not been able to establish the size or number of these projects.

## 2 Definitions

Rural Area – this term has no national definition, but is, for the sake of this paper, taken to mean land on which a rural housing subsidy would apply, as defined in the Interim Protection of Informal Land Rights Act, 31 of 1996:

- land which is State land and is used, occupied or accessed in terms of customary or indigenous law or practice;
- land which is held by virtue of registered or unregistered quitrent tenure rights or registered rights/permissions to occupy;
- was vested in the former Republics of Ciskei or Transkei (i.e. homelands) or the South African Development Trust;
- land which a beneficiary/community has access to but does not occupy (such as communal grazing areas)

Functional tenure - the African tenure system as it operates (in the former homelands), which is largely based on oral agreements, and includes Permissions to Occupy (PtO's) [8]

# 3 Review Parameters

The Rural Housing Policy was the base document for this case study. This was further supplemented by interviews with an official and other role-players currently operating in the Rural Housing environment. NPM Geomatics has been involved in a number of Rural Housing projects, which has provided additional insight into the findings of this section.

# 4 Programme Background

## *4.1 Context*

### 4.1.1 Socio-Economic-Political Context

The rural housing policy is strongly aimed at providing infrastructure, with or without housing, rather than being a turnkey housing product.

The Eastern Cape MEC for Housing commissioned a study by the Fort Hare Institute of Socio Economic Research, ALCARI and Khanya Africa Institute for Community Based Development, which examined the nature and extent of housing demand and supply within rural areas. The MEC highlighted that:

- Rural households largely remain poor and dependent on social grants, therefore qualifying for housing subsidies.
- People see the inadequacy of rural housing, not in terms of the physical performance of traditional dwellings, but in the absence of basic services to make life complete.
- Land-use management in rural areas remains the prerogative of traditional leaders and clear and smooth cooperation between traditional institutions and rural municipalities on land use, determination of housing needs, beneficiary management, project planning, implementation and monitoring' is lacking.

In addition to the above, there is political pressure to ensure that delivery is shown to be happening quickly and providing a valuable product – meaning that the reality is that the Department of Housing is under significant pressure to provide quality houses to people.

8 Based on excerpt from Hornby, D, (2004) p 11

The national Housing Code states that rural subsidies are "to be regarded as subsidies of last resort" – meaning that where at all possible, formal land rights should be created (the Rural Housing Policy does not provide for the creation of formal title due to the nature of the land rights in the rural areas). Clearly, in the rural areas of the Eastern Cape such formal land rights are neither possible nor appropriate because of existing legislation and institutional arrangements. The Rural Subsidies are therefore the means by which development can take place. There are two Rural Housing subsidies: a project-linked subsidy and an individual subsidy. However, it is noted that the project-linked subsidy is the preferred vehicle and the individual subsidy will only be approved in cases where no other subsidy instrument of the National Housing Programmes can be applied, including the project-based Rural Housing Subsidy. To date the Individual Subsidy does not seem to have been rolled out.

### 4.1.2 Vision And Values

The Rural Housing subsidies have been created to facilitate the provision of housing subsidies to people who would otherwise not qualify for them – based on the fact that they do not have formal tenure rights (they have functional tenure).

Two formats of the subsidy are now available: a project-linked subsidy, which may be used for any housing-related development and is not limited to the provision of a top structure; and an individual subsidy – where an owner-builder intends building his/her own home.

The values underpinning these subsidies are:

1 Poverty alleviation – through the provision of services and/or housing to rural beneficiaries, who are amongst the poorest of South Africa's poor

2 Local Economic Development and Skills Development – through the promotion of locally sourced skills and products

3 Indigenous Knowledge – through the recognition of traditional building forms and processes as being able to provide a valid end product (especially where this relates to housing)

4 People-centred development – as the projects are usually initiated at the request of the community and there is a wide scope for community participation and decision-making

5 Redressing of the apartheid-driven rural-urban imbalance – through the intentional use of the funds to deliver in accordance with the expressed needs of the beneficiaries

It is worthwhile noting that the implementation of the policy seems to be underpinned by a different set of values:

- Fast and efficient housing delivery – using the most cost effective and least cumbersome means.
- Uniformity – so as to avoid conflicts when one community has a seemingly better product than another.
- Department-centred development – as the Department of Housing seems to be providing one option which a community can accept or not (there does not seem to be scope for variation)

This dichotomy is important to understand, as it points to the need to ensure that the officials who are implementing a policy understand it fully and are equipped to implement it in the manner in which it was conceived.

## *4.2 Description*

### 4.2.1 Implementation of Greenfields Projects

The following is an example of how a greenfield expansion of an existing rural settlement would occur (using the project-linked rural subsidy) - as undertaken by NPM Geomatics and their partners:

The community approaches the local municipality – this is usually done through the Ward Councillor – to expand their settlement, for example due to a number of adults not having their own sites/houses.

Land for expansion is then identified through the local provincial department of Housing and department of Rural Development & Land Reform (RDLR). In terms of Interim Protection of Informal Land Rights, Act 31 of 1996 (IPILRA), there is a thorough community consultation process which is required at this point – this is driven by RDLR.

The size of the individual sites are then agreed upon (which are generally larger than urban sites, but smaller than traditional rural allotments, in keeping with the rural nature of the development).

Initial environmental and geo-technical Phase 1 investigations are undertaken to ensure suitability of the site. Based upon this information, the Department of Economic Development and Environmental Affairs (DEDEA) will decide on the way forward:

exemption; basic assessment or full scoping and Environmental Impact Assessment. At this stage, the geo-technical investigation is a preliminary investigation which confirms the suitability of the identified site for development and which areas of the site are suited to housing development.

A topographic survey of the site is undertaken, and the town-planner prepares a basic layout in terms of basic town planning principles of access, flooding, damp/wet, powerlines, future facilities etc. The planning component is largely informed by the community, as community members will advise the planner on the preferred size of erven (if they are being given this choice) and possibly the location of social amenities. The planner will then use the information generated by the above environmental, geo-technical, topographical survey and community processes to formulate a proposed layout. This is taken back to the community for acceptance.

Although it is not a requirement, the planners have taken the lead in the past with regards to obtaining input from the key government departments and other service providers (e.g. Telkom and ESKOM). A similar process is followed as outlined in the Less Formal Township Establishment Act 113 of 1991, whereby the departments are sent a copy of the proposed layout plan and given a certain time within which to respond. It should be noted at this point that this process of obtaining the input from other role-players needs to have a driver who is committed to ensuring that comments are received. It is unusual for the local municipality to have the necessary sense of urgency to ensure that the comments are received timeously. This is a useful step in the process as it allows other role-players to highlight possible problems with the layout with regards to their service installation (such as ESKOM pointing out that certain sites would be unserviceable from an electrical perspective).

Once the final layout plan has been accepted by all the relevant role-players, the land surveyor prepares a dimension plan and finally pegs the sites. Survey is done according to existing survey legislation to provide for tenure upgrading in the future if required. Sites are then handed over to the beneficiaries by the Local Municipality.

The building of houses may be handled in two different ways – either the Department of Housing will build full houses for the beneficiaries (which is the current methodology being used) or the beneficiaries will build their own houses. Beneficiaries may access two types of subsidies for the building of their own homes: the Rural Housing Subsidy is a project-linked subsidy which is currently the favoured model. However, the Department of Housing has also introduced the Individual Housing Subsidy, which operates on a voucher system,

in order to facilitate the provision of housing outside of a communal venture. It is noted that this Individual Housing Subsidy is only available to owner builders who are not making use of NHBRC accredited contractors. In the experience of the Department of Housing, the People's Housing Process (PHP) leads to problems with the quality of the final product. In addition, the use of local contractors is seen as problematic and time-consuming, as small contractors often do not have the necessary plant and require some form of hand-holding. Therefore, although their policy states that they will make use of emerging contractors, the reality is that they are tending towards established contractors who have their own plant and have some experience. The Department of Housing is currently tending towards the provision of a standardised house with a VIP or urine-diversion toilet and a rainwater tank.

In some of the earliest rural housing projects, people were building their own homes, or using local contractors to build their homes. Whilst it is true that some of the finishes may not have appeared perfect, an Implementing Agent[9] commented that there was benefit in having local builders involved. She has found that local builders tend to take more care when building houses for people in their own community. However, the necessary support (technical and administrative) for PHP was not always forthcoming, which negatively impacted on the contractors' performances.

When it comes to the building of houses, Phase 2- Geo-Tech – comes into play. Once the foundations have been opened up, each erf/lot is inspected and signed off. This process allows for the correct foundation method to be assigned to the individual house. It is noted that given the high variance in the nature of the geology of the Transkei, this is an important phase as the sub-surface conditions may vary greatly from site to site. The foundations should be inspected by an NHBRC inspector, although given the lack of personnel the project often ends up having to employ the services of a professional engineer to check the foundations.

### 4.2.2 Role-Players

**Government Departments**

Provincial Department of Housing – as the institutional drivers of the projects and often the provision of full houses

Rural Housing Loan Fund – administration of the individual rural housing subsidies, although this has not been rolled out in most of the Eastern Cape's rural areas

9 Interview with Michelle Schreiber of MS Projects

Department of Rural Development and Land Reform (national) – State land is nominally vested in the Minister of Rural Development and Land Reform

Department of Rural Development and Land Reform (provincial offices) – the powers, authority and responsibilities of the Minister, in terms of the interim procedures governing land development decisions in respect of State land (the Interim Procedures in terms of IPILRA ), have been devolved to the MEC. Therefore, any development on land to which the beneficiary community has access (but does not occupy) is subject to the Interim procedures, in order to obtain consent from the MEC for the proposed development. All communal land identified for the purposes of expansion of a settlement are likely to fall in this category. IPILRA requires intensive community involvement and consultation.

Local Municipality – usually acts as the Implementing Agent or Developer. The Municipality is also required to approve the requisite building plans.

**Community**

The beneficiary community is usually the driver of the project. The community will appoint the Implementing Agent, based on a list of accredited Implementing Agents supplied by the Provincial Department of Housing. In practice the Department of Housing often proposes that it be the local municipality who would also act as a developer.

**Other Role-Players**

Given that the Provincial Department of Housing has insufficient capacity, organisations/people may be accredited as the Implementing Agent. Any of the following (with the requisite skills set as outlined in the National Housing Code) may be accredited: developers; local and provincial authorities; rural NGOs; the Utshani Fund, the Rural Housing Loan Fund and support organisations in terms of the People's Housing Process; community groupings, including church groups; private sector agents including, for example, project managers, attorneys, land surveyors, town planners, engineers and building contractors.

The Implementing Agent is responsible for:

- education of the general public with regards to the availability of the Rural Housing Subsidy and how it can be utilised;
- planning of projects and the submission of these plans to the Housing Board, and (if applicable) to Land Affairs;

- project implementation; and
- where applicable, assisting beneficiary communities to access credit.

As noted above, the local municipality is usually the implementing agent, although there have been instances where the implementing agent has been a private project manager.

Other professional/technical expertise as listed below is required for the Rural Housing process:

- land surveyor
- town planner
- environmentalist
- geo-technical engineer
- foundation design engineer

The community will need to interact with the Municipality and other role players, to follow up on the process on a regular basis (without relying on the Local Municipality or Provincial Department of Housing to do so). It would therefore be in the community's interests to have an NGO or other facilitator involved in the project – who has the expertise to deal with the often bureaucratic and sometimes confusing processes which are supposed to lead to service delivery.

### 4.2.3 Access To Bulk Land

Prior to any decision being taken with regards to the final site of the expansion of the settlement or the proposed new settlement, the necessary IPILRA processes must be followed. This requires that there are no conflicting land claims on the site, that a community resolution be concluded and that the MEC Land Affairs (on behalf of the Minister) provides approval of the site.

Once the site has been identified and secured through the IPILRA process, it must be identified by a land surveyor. In terms of policy, the land parcel should ideally (whole project area) should be identified on a General Plan, showing the allotment numbers. However, as this is not often practical there are two other options: (a) if the project area falls entirely within a registered farm or portion thereof the land may be identified with reference to the diagram of the said farm; or (b) where there is no diagram for the land parcel, a land surveyor would prepare a diagram of the outer boundary of the project

area.

### 4.2.4 Ownership Of Land

Land in rural areas is not privately owned (individual title deeds are not issued), therefore the conventional urban housing delivery model does not fit. Land is most often owned by the State, with communities having functional tenure such as Permission to Occupy (PtO) and quitrent. The remaining land – commonage area – is under the authority of the traditional leader and is communal land. Such land is subject to Interim Protection of Informal Land Rights Act, 1996 (IPILRA).

Given the current Land Restitution programme, it is possible that some people may lose their land rights. This is a critical factor in the Rural Housing programme, therefore no Rural Housing project will be implemented on land which has a yet to conclude land claim lodged against it. Additionally, individual beneficiaries' land rights must be uncontested in order for them to qualify for a subsidy.

In addition to the above, the issues around polygamous relationships are heightened in the rural areas. As a result, the Rural Housing Subsidy makes special provision for a beneficiary to receive as many subsidies as s/he has spouses (with provisions attached).

### 4.2.5 Bulk Services

One of the key challenges to service delivery in the rural areas is the inaccessibility of many of the settlements. Many settlements are located in areas which have topographies that make access and the provision of bulk services a difficult and expensive exercise. Since bulk services are often not available, the current manner of rolling out rural housing excludes the need for bulk services.

### 4.2.6 Environmental Approval

In terms of the environmental legislation (National Environmental Management Act 107 of 1998 and Government Notices 386 and 387), the environmentalist would conduct a preliminary investigation, which would identify the key environmental issues and the scale of the project. This would be submitted to the provincial Department of Economic Development and Environmental Affairs, who would then determine the way forward. In cases of a project which is deemed small scale and less sensitive, it may be possible to obtain an exemption from having to undertake an Environmental Impact Assessment (EIA) or the environmentalist may be required to undertake a basic assessment. On large-scale projects which are more sensitive the decision is likely to be that the

environmentalist is required to conduct a full scoping and EIA.

It is noted that in terms of the Rural Housing programme, there is an understanding between the departments of Housing and Environmental Affairs (national) that wherever possible the Department of Environmental Affairs would give exemptions from the EIA process. This seems to be based upon the premise that most of the projects in these areas would be undertaken on land which has already been settled or degraded in some way. However, if the project is in a sensitive area – such as along the coastline – there is little chance of obtaining an exemption.

### 4.2.7 Town Planning And Survey

Town planning is limited to creating a layout of the settlement. It is not possible to create a formal township on land which is held under functional and communal tenure. There are therefore no planning approvals which must be sought. However, given the intention of providing the full range of basic services to the rural areas in the future, it is prudent to obtain inputs from relevant departments and service providers. This has the following benefits:

- If any department has already approved a budget, or is about to submit a proposed budget, to undertake service delivery into an area they will be aware of the extension and can therefore plan accordingly; and
- The service delivery agents can ensure that the layout takes into account the critical issues in the rendering of services at a future date.

In terms of the National Housing Code, the outer boundary of the project must be defined. There may be an existing diagram, or the outer boundary must be surveyed and a diagram created for lodgement with the Surveyor General.

## *4.3 Basic Product*

The Rural Housing Subsidy may be used for any purposes which amount to housing purposes (at the discretion of the MEC for Housing ). This may include the provision of:

- sanitation
- roads and stormwater drains within the boundaries of the settlement
- water
- construction or upgrading of buildings

- purchase of building materials so that the beneficiary can build his/her own house

It is also possible for the Rural Housing Subsidy to be pooled so that services with a communal benefit can be developed. The Rural Housing Subsidy is therefore allocated on project basis, and not to individuals. However, at present, the Rural Subsidy is being used primarily to create extensions to or infill of existing settlements and is providing the beneficiary with a site, top structure and on site water (e.g. roof water tanks) and sanitation (e.g. pit latrine).

The Individual Housing Subsidy may be accessed by individuals who are not part of a project. In this case the aim would be for the individual to build their own home using a voucher system – a branded debit card with the money loaded onto it for purchase of pre-approved building materials. In this case the basic product would be at the discretion of the owner/builder.

### 4.3.1 Basic Services

The Rural Housing Subsidy allows for the pooling of subsidies in order to develop basic infrastructure which would be of communal benefit. It is important, however that the decision to develop service infrastructure is made in close consultation with the relevant government organs, in order to mitigate against the potential to spend the subsidy on a service which already had a budget allocated to it. At present, the basic services being provided are a VIP or urine-separator toilet and a rainwater tank.

As above, in the case of an individual subsidy, this would be at the owner's discretion, based on the availability of bulk services or the suitability of the site for the installation of services such as VIP.

### 4.3.2 Basic Facilities

The Rural Housing Subsidy allows for the pooling of subsidies in order to develop basic facilities which would be of communal benefit. It is important, however, that the decision to develop facilities is made in close consultation with the relevant government organs or other institutions who may also be able to provide such facilities. This will mitigate against the potential to spend the subsidy on a facility which already had a budget allocated to it elsewhere. Currently the Department of Housing does not consider the need for a social facility as falling within their mandate, therefore this is left to the relevant department to address.

### 4.3.3 Basic Tenure

As discussed elsewhere in this document, tenure in the rural areas is of a functional nature. Tenure is currently in the form of Permission to Occupy or quitrent.

### 4.3.4 Basic Demarcation

Since freehold title is not being issued, it is only necessary to create a diagram of the outer boundary of the site, in terms of the Rural Housing Policy. In practice, the whole area of the project is clearly defined on a plan. The individual plots are demarcated and pegged in order to enable easy identification. The pegs are marked with wooden droppers painted white, and the sites pointed out to local members of the community.

Local labour is used to assist with the pegging. This has the dual benefit of providing income to the local community and ensuring that locals develop a knowledge of where the pegs have been placed.

### 4.3.5 Basic Finance

The Rural Housing Subsidy is not credit-linked. As a result, beneficiaries are able to seek additional finance. However no support is provided in this regard.

### 4.3.6 Basic Organisation

Community organisation is facilitated through the efforts of the Traditional Authority, Ward Councillor, Housing and Municipal officials and appointed social facilitators. The community is expected to play a role in the project, and as such a project steering committee is formulated, with representation from the committee. However, no training or education is provided to the community in this regard.

### 4.3.7 Basic Skills

Where on-site construction of building materials occurs, there is some skills development. Where small, local contractors are used to build the houses, there is some skills development. However, the reality is that this is very little, as there is little support for the emerging contractors and the Department of Housing generally uses established contractors.

### 4.3.8 Self Build (Starter Houses)

Both the project-linked and individual subsidies provide the opportunity for individuals to self-build. However, the project-linked subsidy tends towards a developer-driven building

approach, whilst the individual subsidy may only be used for self-building.

The first few rural housing projects made use of PHP. However there were challenges with the quality of the end product and the time which the process took. Another challenge highlighted was that of "communal memory loss": whereby a community would agree to a particular product – for example a slightly smaller house so that an access road could be built – but once their project was completed and the neighbouring project was seen to have delivered a larger house, the contractor or Implementing Agent would be accused of having short-changed them.

## *4.4 Long-Term Upgrading Plans*

### 4.4.1 Upgrade Bulk Services

The upgrading of bulk services in the rural areas is complex and can be costly. Since the Department of Housing does not see this as falling within their mandate, the issue of raising capital for bulk services is left to the Municipalities. The Implementing Agent may facilitate an application for funding from the Municipal Infrastructure grant (MIG), however this requires the input of an engineer – which is costly. In order to secure MIG funding, it is also necessary that the bulk infrastructure required is in the IDP of both the Local and District Municipalities – which are 5-year strategic plans. Therefore, unless the bulk infrastructure was identified prior to the start of the Rural Housing project, funding for any bulk services which are required may take up to five years to secure. Upgrading of bulk services is likely to be limited to the provision of water reservoirs and access roads. In certain areas, ESKOM would provide electrification.

### 4.4.2 Upgrade Internal Services

The Rural Housing subsidies are meant to include upgrade of internal services. However, as the current model is providing a full house, this is not necessary. Internal services are unlikely to be upgraded beyond the provision of standpipes, VIP's and graded roads (with storm water).

### 4.4.3 Upgrade House

The current implementation of the rural subsidy is geared to provide a new house for the beneficiary. Any upgrading would be done by the beneficiary over time as money allowed.

### 4.4.4 Maintenance And Improvement

Maintenance and improvement would result from the initiative and financial resources of

the beneficiary. Given that the subsidy is being implemented as a once-off, there is no information around how people choose to maintain and improve their homes.

### 4.4.5 Neighbourhood Creation

The current implementation of the project-linked Rural Housing subsidy is creating extensions to villages (or infill within villages) that look quite different from the "normal" rural settlement. Layouts are planned – often in a grid-pattern – and the houses are uniform. Whilst there is space allocated in the layout for social services, these are not brought in during the housing process. If social facilities are to be developed, the community would likely approach the relevant department through their ward councillor, in much the same way as they did to obtain housing. However, it is noted that the project-linked subsidy can be used to improve the overall quality of life for the community and it is not necessary to ignore the need for social facilities.

### 4.4.6 Local Economic Development

Local economic development is promoted through the use of local materials wherever possible. However, it is clear that in the implementation of Rural Housing, LED is not the top priority. The local economic development which does occur, therefore, tends to be a by-product rather than an intentional element of the project.

## *4.5 Programme status*

The Rural Housing programme is currently being implemented and seems to be receiving increased political support. It is unfortunate that the Department of Housing is ceasing to use the PHP approach and is now providing developer-built housing. It would seem that the Department of Housing has not managed to implement the policy as it has been written, and are rather attempting to use the same principles and processes as they are using in the urban areas.

The question of whether or not this programme has reached its objectives, depends largely on the frame of reference one is using. From a Housing Department perspective, where the yardstick is the number of houses built, this programme does seem to have met its objectives. However, when one reads the Rural Housing Policy through an MLS lens, then perhaps the implementation of the Policy has failed to most appropriately make the impact which the beneficiaries most require. For example, the Policy makes room for the provision of communal services (such as access roads), which are often sorely needed in the rural context. However, the current implementation is focussed on the provision of top structures.

# 5 Lessons Learnt

## *5.1 Socio-Economic-Political*

Given that the rural areas of the Eastern Cape are home to many of the country's poorest people, there is strong motivation to improve the current situation. However, even though this may be the case, Rural Housing projects are not easy. Some of the common problems arise out of existing tensions between the local authority and traditional leaders.

The Provincial Department of Housing sees the Municipality as an obstacle, as they often do not have the necessary human resources to carry out housing projects and few have established housing directorates. As a result, the Department of Housing tends to "do it all". The Local Municipality is required to assist where necessary with facilitation and community communications, as well as being responsible for the approval of building plans. Added to this, it has been perceived that the Local Municipality may not really want a rural housing project in their area, as there is no likelihood of rates and taxes being applied to these areas, yet they require services which require a budget[10].

The experience of an Implementing Agent suggests that the multi-faceted relationship: Provincial Department of Housing – Local Authority (plus Ward Councillor) – Implementing Agent - Community is a difficult one. On one hand the contract to deliver on the subsidy is between the Implementing Agent and the Department of Housing. However, the Local Authority and the Ward Councillor are also involved and may have their opinions and agendas. Finally, the Community has their needs and desires. This has led to some difficult situations in the past – such as where the needs of the community and the expectations of the Department of Housing are not aligned. The current method of implementation sees the Department of Housing dictating what they are prepared to do (provide house with basic services), rather than allowing the beneficiaries to decide on what they need. This is possibly their way of mitigating against the complexities of a rural project.

Another challenge is the low density nature of rural settlements and their relative inaccessibility – this increases the costs of the professional expertise, sometimes making small projects non-viable. This is especially the case in infill situations, where one house may be as much as two kilometres from the next. In greenfields developments the problem of obtaining materials is primarily related to accessibility – the roads used are not meant for large trucks, but rather for pedestrians and the odd car. As a result, suppliers tend to add a surcharge for deliveries to rural areas, making the materials more

10 Interview with M. Schreiber

expensive.

Storing materials is also a challenge. The local community is often apprehensive about a foreigner arriving on site as a security guard, and would rather a local person be appointed. However, in the case of another community member stealing materials the local security guard is often reluctant to name the perpetrator.

In one case, the project agreed to make materials available to beneficiaries of the PHP process on an incremental basis. However, materials went missing. This meant that people could not complete their houses, which was bad for the project. There is a general perception, both from the side of the housing officials and the Implementing Agent, that the rural people do not want to take responsibility for materials. This is of concern when one considers the voucher system as proposed by the individual rural housing subsidy.

An Implementing Agent also noted that the rural areas do not receive the same benefits as the urban areas – for example, in an urban development which is within 50km of the sea, an additional amount is made available in the subsidy to make provision for the extreme weather conditions which houses must stand up to. This is not made available to rural developments.

Finally, it was noted that the PHP's which worked reasonably well were the ones which had access to cashflow. Initially, the Provincial Department of Housing allocated funds in tranches to the project account, which was available to the builders as soon as they had completed a house and had it approved. This process has now been changed, to allow greater accountability from the Department of Housing's side. However, the impact has been that funds do not flow as smoothly as before and small contractors are being put under financial pressure which reduces their ability to deliver a quality product.

## *5.2 Institutional Arrangements*

In order for a community to access their local government, it is imperative that they have someone (usually the Ward Councillor) through whom they can work.

The Implementing Agent can also be a key person/organisation through whom the community can work. If the Implementing Agent has the community's needs at heart they will be able to make the best use of the funds. However, if this is not the case then the community will simply get what they are offered.

PHP seems not to have worked, because the officials responsible for implementing rural housing projects from the Department of Housing do not appear to fully understand it.

Furthermore, the necessary support has not been in place to ensure that the PHP can operate effectively. It would seem that the Provincial Department of Housing has a capacity challenge and need to deliver houses – they are therefore using the methods which seem easiest (i.e. do not require a huge amount of hand-holding and are likely to deliver an acceptable product) to them at the moment.

The Department of Housing is currently using developers to build houses, which are subject to the NHBRC. It is noted that each housing project is registered with the NHBRC (at a cost of 1,2% of the project). This means that NHBRC inspectors should be inspecting each foundation. However, this does not happen. Instead, the projects are employing professional engineers to undertake the inspections, which amounts to double expenditure.

## *5.3 Bulk Land*

Since all the land in question is communal land, access to bulk land becomes a question of agreement between the community, traditional leaders and the local municipality. The Department of Rural Development and Land Reform facilitates the identification of this land.

## *5.4 Basic development product*

### 5.4.1 Basic Services And Facilities

Basic services are defined as a house, a VIP toilet and a water tank. In some cases a graded road may be included, simply because there is no way of getting materials to site. It is important to involve other departments early so they can start planning for facilities. At the moment there is insufficient attention given to the provision of community halls etc. The involvement of other departments seems to be ad hoc and not linked to the investment into housing which is being made.

### 5.4.2 Basic Tenure And Demarcation

Sites are demarcated and pegged. Wooden droppers or stones are used to mark the position of the pegs. Ideally, fencing standards should be used to prevent any confusion over the position of the sites.

The current rural context makes it impossible for an individual to have freehold ownership of his/her site, which in turn means that they are unable to access a mortgage. This clearly has an impact on the ability of people to consolidate their sites and upgrade their

homes. This research has not established the extent to which people access basic finance, such as micro-finance, in order to develop their property. However, the anecdotal input which we have received from a number of sources suggests that some people living in the cities use their income to develop their rural home, rather than putting money into developing their urban home. This has been attributed to the perception that the rural home is the long-term family homestead to which an individual will return, whereas the urban home is a place to stay whilst earning an income.

## *5.5 Defining Features*

The key defining features of Rural Housing are:

- The areas in question are rural in nature and only functional tenure is available to the residents.
- The subsidies therefore do not require the transfer of formal ownership to the beneficiary.
- Under the rural project-linked subsidy it is possible to develop communal services, such as water reticulation or roads. As long as the end product is seen as being housing related the project is likely to be approved under this subsidy.
- In practice the existing mechanisms of housing delivery seem to find it easier to simply build full top structures – it is not clear whether this is because this is really what the community wants or whether this is what they have been led to expect.
- With the introduction of the Individual Rural Subsidy, it is possible for individuals who fall outside of projects to also obtain a subsidy to self-build their homes or extensions/improvements to their homes.

## *5.6 Systems to Facilitate Incremental Upgrade and improvement*

The incremental upgrade process in rural areas is a long term process as there is currently no enabling legislation which provides for individual title to be issued. Improvements to create better housing would be undertaken by the residents themselves.

## *5.7 Conclusion*

As it is currently being implemented, the Department of Housing seems to have missed the point of Rural Housing. Instead of adopting an incremental approach, they have taken a developer driven approach. It would seem that this is largely due to the fact that an

incremental approach requires a lot more supervision and hand-holding. Especially given the massive negative media that the Eastern Cape Department of Housing has received recently, there is a very real need for the Department to ensure that the quality of the top structures is good. In the eyes of the officials on the ground, it is easier to verify this if the process is being run by a group who have the expertise and the tools. In addition, it is easier to monitor delivery which is uniform, rather than ad hoc.

# 6 Towards MLS

The following key issues for MLS are raised by the rural housing programme:

- The rural approach has application to urban / high density areas, with minor modifications.
- Need a 'driver' / implementing agent who keeps process moving. This driver can be a range of parties (NGO's municipalities etc). This accommodates a variety of approaches to suit the context. Not one size fits all
- Need a good social facilitator to keep communication going between the various parties. This needs to be funded otherwise it does not happen.
- Once land is identified, a basic geotech and environmental assessment must be undertaken to identify any fatal flaws in proceeding with a potential residential settlement. Based on the initial scoping exercise, it is possible to obtain an exemption from having to undertake a full EIA (generally because the areas in question are already degraded), although it is not generally possible to obtain an exemption in coastal areas. This does, however, present a precedent for MLS.
- A functional (as opposed to statutory) layout plan can be produced by a town planner and comments / input invited from key stakeholders – Local Municipality, ESKOM, TELKOM, Water Authority.
- One size fits all layouts and house plans do not lead to 'good' environments – e.g. township character of layouts in rural villages spoils rural village character. For MLS, need to promote local participation to build on local character.
- The layout plan can be demarcated and pegged to provide a functional land management tool for the settlement. The survey would be carried out in accordance with survey legislation to enable the future framing of a General Plan (GP).

- Beneficiaries would move onto the site and begin building their own houses – with our without external assistance. If the project is in a peri-urban area, it might be possible to access the rural housing subsidy for the building of houses if land is owned communally - otherwise would need to access PHP etc.

- Option to group funds for services etc. This opens up a number of questions, such as whether people are likely to use "their" subsidy allocation for the common good, or whether they are more likely to want to use it all for their own structure. Answers to such questions have not been found through this research, although the lesson may be that some form of guiding principle needs to be in place to promote the interests of the community as a whole. This may take the form of clearly specifying what can be used for a top structure and what should go towards group services.

- Once the layout plan has been approved, final amendments can be made to the General Plan which will be sent to the Surveyor General for approval. Once a General Plan is available, title deeds can be issued if necessary.

- Temptation to revert to a developer driven approach – therefore MLS will have to identify specific elements/ features that support community driven development approaches.

- It is imperative that the policy which is created is firmly entrenched in the reality faced by the officials who will implement it. We are seeing the impact in the rural housing programme of a policy which was designed outside of the reality on the ground. It would seem that the necessary support structures to implement a very community based process are not available. The officials implementing the policy do not seem to truly understand it – they seem to have the need to provide a house foremost in their minds, which is not necessarily in keeping with the spirit of the policy. Furthermore, the necessary human resources are not available at either the Department of Housing or the Local Municipalities to implement a policy which requires intensive facilitation and hand-holding. It is therefore critical that the officials who will be responsible for the implementation of a programme are well trained.

- Community facilities etc. are not adequately accommodated in rural areas. This is an area of concern, which needs to be addressed in the MLS methodology.

# 7 List of References

The following documents pertaining directly to this programme were reviewed:

Department of Housing, Eastern Cape : Conditional Grant Expenditure 2007/8 Financial Year and 2008/9 Housing Delivery Plan

Department of Housing, Eastern Cape (2007):Towards a Social Contract for Accelerating Rural Housing Delivery to Create Sustainable Human Settlements in South Africa – A Discussion Document

Department of Housing : Housing Code Chapter 11

Department of Housing : Rural Housing Policy

Department of Housing, Eastern Cape : MEC Speech (2009) – Eastern Cape Poor Rural Communities, a Top Priority for Human Settlements

Hornby, D (2004): Securing Tenure at Ekuthuleni

Nzelenzele, Preston & Medcalf Geomatics (2003) : Holistic Land Reform and Resource Allocation in Rural Villages in Support of IDP Delivery and Local Economic Development

Parliamentary Mointoring Group (2009) : Presentation on the National Housing Code 2009

Unknown, Scopes of Work: Preparation of a Rural Housing Project

The following people were interviewed:

Colin Davies: Land Surveyor, NPM Inc Geomatics

Sakumzi Mgugudo: NPM Planning

Cawe Dlulane: Department Housing: Project Manager (Ulkhahlamba and Alfred Nzo)

Michelle Schreiber: MS Projects (Implementing Agent)

# 6 BARDALE HOUSING PROJECT

Implementing Agent: City of Cape Town

Dates of Implementation: 2007 - current

## 1 Programme Scale

The Bardale Project is a single project which will have delivered 5,947 serviced sites once complete.

## 2 Review Parameters

The research on this case study has relied almost entirely on interviews, supplemented by two newspaper articles.

The reader should also be aware that in contrast to the other 4 case studies which make up this body of research, the Bardale case is a project, and not a programme. However, it is a large-scale project which the research team felt would add an important dimension to the research. Furthermore, it is a current project (having begun in 2007).

## 3 Programme Background

### *3.1 Context*

#### 3.1.1 Socio-Economic-Political Context

A community of some 1,410 families was living on MetroRail land between two railway lines, in an informal settlement which had mushroomed in 2001. Clearly the situation was unacceptable to MetroRail and the people living in a dangerous environment - there were a number of child deaths as a result of people crossing the train tracks, and fires were a common problem. MetroRail attempted to get all three spheres of government involved in relocating these people, however they received no response. As a result, MetroRail eventually took to the legal route and instituted court proceedings. Prior to the hearing an out-of-court settlement was arranged between the City of Cape Town (CoCT), Provincial Government and MetroRail[11].

The City of Cape Town sourced alternative land for the relocation of the families living on the MetroRail land. The first land parcel identified was unsuitable for environmental

11 In the opinion of S. Kahanovitz (LRC) the costs for this process would have amounted to at least R100,000.

reasons. The Bardale Farm, owned by Communicare, was then identified and purchased. It is noted that this farm already had some 900 households living on it, who were to be accommodated in the Bardale settlement.

Using Emergency Housing Programme (EHP) funding, by March 2007 the Bardale land had developed to a point suitable for the relocation of the MetroRail community. This included the planning and township approval of a 4-phase settlement plan; and the installation of communal water and sanitation infrastructure and tarred key roads in Phase 1. The households located on MetroRail land were relocated to Phase 1, whilst the households located on the Bardale Farm at the outset were accommodated in Phase 4.

The first attempt to relocate people from the MetroRail land to the Bardale Farm (December 2007) was unsuccessful as residents from the Mfeleni community (in which the Bardale Farm is located) were violently opposed to the relocation of outsiders onto land which they believed should be used for the housing needs of people within their own community. In April 2008 it was finally possible to move the people off MetroRail land and onto the Bardale Farm. At the time of writing, Bardale has developed into a housing development of some 5,947 serviced sites, accommodating some 3,787 households from 8 different informal settlements, from all over Cape Town, including some from Mfeleni. This has been a significant project in the history of CoCT, as it is the first time that a formal housing programme has delivered housing to beneficiaries from outside the host area.

### 3.1.2 Vision And Values

The initiation of the project was driven simply by an urgent need to relocate some 1,410 households, fuelled by the imminent threat of legal action. Subsequently, the core value seems to have been the creation of a relocation environment for people in a desperate situation, which would provide people with elementary services which could later be upgraded to a full housing project. The intention from the outset was to create a settlement which would be permanent in nature and could be upgraded over time.

## *3.2 Description*

### 3.2.1 Implementation

Initially, there was a challenge sourcing land. The first land parcel identified was unsuitable for environmental reasons. However, once land was found and purchased from Communicare, an Emergency Housing Programme (EHP) was put in place.

The Bardale farm had some 900 households living on it. The Bardale settlement was therefore planned into four phases and the existing 900 families relocated to Phase 4. Prior to the MetroRail informal dwellers being moved onto the site, elementary (communal) services and key tar roads were put in place. Application for township establishment was made, and sites were surveyed and pegged.

There was no distinction made when it came to deciding who would and who would not move from the MetroRail site, as their situation was too dangerous to allow anyone to remain. Therefore all the residents – those who would qualify for a housing subsidy, and those who would not; those who were locals and those who were foreigners (there was a large Taliban community living on the MetroRail land) – were moved from the MetroRail site to Bardale under heavy security presence. This was largely due to the negative reception which they were to receive on arriving at the Bardale site. (The initial attempt to relocate the families resulted in the stoning of the first vehicles. It took another six months of community consultation to get to the point where the MetroRail families could finally be relocated.)

Although Bardale was started as an EHP, it was clear that the site could accommodate far more people. To date some 5,947 sites have been planned. At the time of writing, the Bardale farm accommodates households from eight different informal settlements around Cape Town, including those removed from the MetroRail land and some from the Mfeleni area.

### 3.2.2 Role-Players

**Government Departments**

City of Cape Town – developer, responsible for community engagement and project implementation

Provincial government (Dept Human Settlements) – funding under the EHP and then UISP

Provincial Housing & Development Board – subsidy approval

**Community**

From the outset there was strong community leadership within the MetroRail group of informal dwellers, which was augmented by the presence of the Legal Resource Centre who represented the community living on the MetroRail land during the legal proceedings and the land negotiations which took place subsequently.

The structures involved included Sanco, the Mfuleni Joint Committee and specific beneficiary groupings, from the various other informal settlements around Cape Town, earmarked for relocation onto Bardale.

**Other Role-Players**

MetroRail as the owners of the land on which the 1,410 families were first settled, and the initiators of the legal proceedings which eventually forced Provincial government and CoCT into action.

Communicare - an NGO which focuses on providing affordable housing to economically disadvantaged people living in the Western Cape - sold land to CoCT.

Legal Resources Centre was involved as they acted on behalf of the community who were living on the MetroRail land.

Arcus GIBB (project managers), Umtha Consultancy (social facilitation), and other service providers who were appointed by the CoCT.

### 3.2.3 Access To Bulk Land

Land which was owned by SANRAL was initially identified by the City of Cape Town. However, preliminary investigations suggested that the land was unsuitable from an environmental perspective, and also too small to accommodate the 1,400 households. Land owned by Communicare was then identified – Bardale Farm. This was purchased by CoCT.

### 3.2.4 Ownership Of Land

The ownership of the land vests in CoCT. Full ownership of sites will be transferred to beneficiaries who are approved by the PHBD. At the moment beneficiaries pay a basic rental to CoCT.

### 3.2.5 Bulk Services

CoCT installed the required bulk services prior to servicing the sites. This led to a higher order of services being possible.

### 3.2.6 Environmental Approval

An EIA was undertaken, in line with the National Environmental Management Act, 107 of 1998. This was the first step in the planning process, and a Record of Decision was received from the Department of Economic Affairs and Development Planning in October

2005.

### 3.2.7 Town Planning And Survey

The site was planned and surveyed prior to any resettlement occurring. This was undertaken using the relevant planning legislation – the Less Formal Township Establishment Act 113 of 1991.

## *3.3 Basic Product*

### 3.3.1 Basic Services

Recognising that the Bardale site was going to be upgraded on an incremental basis, CoCT installed a slightly higher level of basic services than is required in an Emergency Housing Programme. Beneficiaries in Phase 1 therefore received a site which shared sanitation facilities with four other sites. The key roads in the settlement (bus and taxi routes) were tarred at the outset.

### 3.3.2 Basic Facilities

Initially there were no basic facilities provided. However, the Western Cape Education Department built a primary school in Phase 1, in 2008. A secondary school is planned for Phase 2 and CoCT is planning a multi-purpose centre for Phase 1.

The layout plan has made provision for clinics, schools and crèches.

### 3.3.3 Basic Tenure

The intention is that the beneficiaries will receive full tenure. However, as the beneficiary registration and approval process is still under-way, beneficiaries initially received confirmation of their right to occupy the said site, as opposed to full title. Beneficiaries who are not qualified to receive a subsidy will possibly continue to rent their site from CoCT.

### 3.3.4 Basic Demarcation

The site was cleared, surveyed and erven demarcated.

### 3.3.5 Basic Finance

Capital finance was initially sourced through the Emergency Housing Programme, and later through the Upgrade of Informal Settlements Programme. No end user micro-finance is involved at this stage.

### 3.3.6 Basic Organisation

Initially, the community which vacated the MetroRail site had strong leadership. This leadership was given some capacity building with regards to their roles and responsibilities in the Bardale Housing project. Since then, the community representation structures have not been given much in the form of capacity building.

With the hope that housing delivery will commence in the near future, people are beginning to register Housing Associations, in order to enable the use of People's Housing Process in the area.

### 3.3.7 Basic Skills

No basic skills have been developed in the community. The contractors have made use of local labour, from Mfeleni – the area within which Bardale is located.

### 3.3.8 Self Build (Starter Houses)

People's shacks were moved onto their designated sites. No starter houses were provided. There is currently no plan for the development of formal housing from CoCT's side. This is based on the fact that these people have already benefited in part from the housing subsidy programme, and there are another 220 informal settlements in Cape Town who also need to be addressed.

## *3.4 Long-Term Upgrading Plans*

### 3.4.1 Upgrade Bulk Services

The necessary bulk services were in place at the outset.

### 3.4.2 Upgrade Internal Services

Phase 1 will be upgraded to full UISP standards – which is a standpipe and a VIP toilet per site, as well as tarred roads. The other phases are already at this standard.

### 3.4.3 Maintenance And Improvement

People are generally looking after their shacks and upgrading/extending them as much as they can within their means, although there has been no consolidation of the shacks into brick and mortar houses. Vegetable gardens are also a common occurrence.

### 3.4.4 Neighbourhood Creation

There is gradually the sense of a neighbourhood developing. This is facilitated by the

establishment of the primary school and soon-to-be-built secondary school. The multi-purpose centre will also contribute to neighbourhood creation as it will provide a venue from which additional services can be offered.

#### 3.4.5 Local Economic Development

There has been little intentional focus on economic development, and as such little information is available in this regard. The vegetable gardens may point to some increased economic activity or simply to the fact that people are attempting to be more self-sufficient now that they have land on which to grow food.

### *3.5 Programme Status*

The Bardale project is still under-way.

## 4 Lessons Learnt

### *4.1 Socio-Economic-Political*

The legal pressure applied by MetroRail was the catalyst needed to get this project off the ground. In response to the legal action which had been taken, the Western Cape Provincial Deportment of Housing and CoCT acted together to address the situation of the informal settlement on MetroRail land. Whilst CoCT was the driver and implementing arm, the Department of Housing financed the project through the EHP and later the UISP.

At a political level, the Bardale project was well supported. However, CoCT had to deal with a number of community organisations in an attempt to facilitate the relocation of beneficiaries from outside the Mfeleni area onto the Bardale site. At the outset, the Mfeleni residents were hostile towards the proposed relocation and intensive facilitation was required to remedy this situation.

The key to enabling the project to go ahead was thorough community facilitation with both the community who was already in the area (Mfeleni), as well as the incoming community. The Bardale project is host to beneficiaries from 8 different informal settlements, which has required extra effort in facilitating integration. The facilitation was undertaken by a CoCT-appointed facilitator (Ms Rosemary Jacobs) and the politicians also interacted with the relevant parties at a grassroots level.

At the time of writing, the CoCT does not seem to have any immediate plans for the provision of top structures to the sites in Bardale. This has been attributed to the fact that

people have already received something, and there are 220 other informal settlements in and around Cape Town who require some intervention.

### *4.2 Institutional Arrangements*

There were no special institutional arrangements made, as the project has been conducted under the EHP and UISP and run by the existing structures within CoCT.

The current challenge has been in administering the project in the face of the enormous need. For example, the City Council's resolution regarding the relocation of people from Lwandle allows for the relocation of 400 of the 1,400 families who are in need of land to Bardale. Choosing who will go and who will stay is clearly a massive challenge. Such difficult situations require a significant amount of facilitation and discussion in order to attempt to make a fair and transparent decision.

### *4.3 Access to Bulk Land*

Access to bulk land did result in a delay initially, as the first land parcel identified was environmentally sensitive and also too small. Communicare owns a fair amount of land in Cape Town and was willing to sell to CoCT at a fair price.

### *4.4 Definition of Basic Services*

The definition of basic services was based on the guidelines provided in the EHP and UISP. Phase 1 was developed under EHP, and therefore required a lower level of basic services. However, as the intention at the outset was to apply for UISP to improve the basic services in Phase 1, as well as to develop Phases 2 - 4, the definition of basic services for Phase 1 was somewhere in between EHP and UISP. People were provided with communal sanitation and water facilities to share between 5 stands (sites), which is a higher level of service than EHP but not as high as is required under UISP.

### *4.5 Defining Features*

The Bardale project is an interesting combination of the EHP and the UISP, which has enabled CoCT to adopt an incremental approach to the development. Although EHP was used for the first phase, with subsequent phases being developed under UISP. With regards to Managed Land Settlement, it would seem that it is possible to make use of the UISP mechanism to finance an incremental upgrade, where this starts as a grenfield project and then becomes an in situ informal settlement upgrade programme. How this was done is outlined below.

### *4.6 Systems to Facilitate Incremental Upgrade*

Using EHP, CoCT was able to quickly develop elementary services and place people onto safe sites. The EHP phase of the project enabled the acquisition of the site, the planning thereof and the settlement of the first 1,410 families onto site. Using the UISP, beneficiaries from around Cape Town were then accommodated on the remainder of Bardale Farm. The development of Bardale Farm was incremental in the following ways:

- Tenure: Sites will only be transferred to beneficiaries once they have been approved by the PHDB, therefore there is an interim mechanism to provide for potential beneficiaries to rent the land at a nominal value.
- Services: Services in Phase 1 were developed to a slightly higher order than required by the EHP and have since been upgraded to be in line with the national norms, as per the UISP. The upgrade of services will be and has been undertaken with residents in-situ.
- Top structure: There has not been any top structure delivery to date. CoCT assisted those being relocated to move their entire shacks and re-erect them on their new sites. Upgrade of the quality of the shacks is being done by the residents. It is hoped that there will be a PHP in Bardale in the near future, although CoCT has not committed to this as yet.

### *4.7 Conclusion*

Using EHP and UISP seems to provide the opportunity for managed land settlement as contemplated by MLS, when one has an emergency situation and/or an informal settlement upgrade process.

## 5 Towards MLS

In the case of Bardale, access to bulk land was due to the willingness of Communicare to sell land at a reasonable land and the ability of CoCT to purchase this land. However, even this was not without hiccups, as the land eventually identified was located in another area, and the host community was not a willing participant – in fact they were openly hostile to this development. This points to the fact that although acquisition of bulk land is the primary issue, the social and political issues are equally important. There is no doubt that without intensive facilitation, Bardale may never have got off the ground.

At this point it is important to be reminded of the statement made by the Development

Action Group (DAG) that "focusing on an eradicating informality, either through evictions or highly technocratic and often market-driven infrastructure development upgrading programmes[12]" is not going to solve the problem. Using the EHP and UISP should therefore be done in such a way as to promote the strengthening of the existing communities, rather than simply relocating them, wherever possible. Clearly it is not always possible or desirable to upgrade in-situ, but we should be aware of the dynamic and make sure that MLS is not seen to be promoting massive relocations when this is not the case.

It would seem that the Western Cape government is taking the incremental development option seriously. In speaking of their 5-Year Housing Plan, the City of Cape Town has stated that they have adopted the incremental approach towards formal housing.[13] The Durban Declaration[14] is also strongly in favour of an incremental approach to slum eradication. This may well signal that the time is ripe, both within the political sphere, and based on the limited resources available to address a massive problem, for a more focussed effort towards developing appropriate incremental housing methodologies.

## 6 List of References

The following documents pertaining directly to this programme were reviewed:

Department of Housing, 2008: Durban Declaration: "Partnerships between Governments and Slum-dwellers, building a just society that ensures a better life for all"

Development Action Group, 2007: Informal Settlement Upgrading Programmes

Die Burger (2 May 2008): Gesinne verskuif van tuiste langs spoorlyn

www.internafrica.org/2008/04/police-protect-taliban-settlers.html

The following people were interviewed:

Ian Quintus Welman: City of Cape Town, New Housing Unit

Stephen Kahanovitz: Legal Resource Centre, Cape Town

Rosemary Jacobs: Umtha Consulting (social facilitators)

Erika Espach: Arcus GIBB, Cape Town (project managers)

12 Development Action Group, 2007
13 Source: www.capegateway.gov.za/eng/pubs/news/2009/aug/185243
14Dept Houisng (2008) Partnerships between Governments and Slum-dwellers, building a just society that ensures a better life for all

# 7 LESSONS FOR MANAGED LAND SETTLEMENT

## 1 Lessons Towards MLS

The five case studies reviewed have pointed to a number of common lessons which can be drawn and applied to MLS.

### *1.1 Socio-Political Environment*

In order for any programme to succeed, it requires wide and deep political support. It therefore needs to reflect the political agenda of the country and may need to be reviewed at appropriate intervals to ensure that this is the case. This will ensure that the necessary political will is present to overcome the obstacles which will inevitably arise, whilst also assisting in ensuring that the product is acceptable to the beneficiaries.

The programme should be simple and widely acceptable, so as to transcend the political instabilities (such as local government elections). The simplicity of the programme would also assist in ensuring that the officials implementing the programme fully understand it and are able to implement it in the manner in which it was intended. Clearly this also relates to the need for a high level of capacity building with the officials and politicians.

The measurement of the success of a programme is largely determined by the lens through which we perceive a situation. It therefore becomes important that the MLS initiative creates a common lens through which a programme can be seen, a lens which can be accepted by the politicians, officials, beneficiaries and community at large. This may require de-linking the delivery of a site and basic services from the delivery of housing, in an attempt to help people understand that the programme may still be successful, in spite of not delivering top structures. The case studies suggest that the measurement of success is still often linked to the provision of top structures.

### *1.2 Inter- and Intra-Governmental Co-Ordination*

Co-ordination is a key to success. Given the fact that an incremental approach to site, service and housing delivery may span a number of years, it is important that the beneficiaries understand how the various phases will be rolled out and that the time-frames are suited to the environment.

Where different role-players are to be involved in a project, their involvement should be well co-ordinated. This speaks to both inter-governmental and intra-governmental co-ordination. Inter-governmental co-ordination is pivotal in the creation of a functioning

neighbourhood with access to key social amenities (community halls, schools, clinics, etc.). Inter government coordination is also crucial when it comes to different departments being responsible for land access (Department of Rural Development and Land Reform), infrastructure service delivery (Department of Cooperative Governance and Traditional Affairs) and housing (Department of Human Settlements). Intra-governmental co-ordination is pivotal in the case where numerous departments from one government structure (such as a municipality) are involved in programme delivery. Having a single point of co-ordination is a useful strategy in helping to coordinate and manage the inter-governmental relations, as well as the overall project implementation.

The alignment of the various processes which must be followed (for example EIA requirements, planning, etc.) will assist in speeding up service delivery to some extent. This requires good forward planning to ensure that there are as few delays as possible.

### *1.3 Tenure and Demarcation*

In both the Bardale and 4-Peg case studies we have seen that beneficiaries are receiving sites with basic services, but do not necessarily receive freehold title to their site at the outset. Whilst this may provide an opportunity for a new way of thinking, there are certain challenges which must be addressed- these are reviewed in Section 2 below.

The Rural Housing approach outlined in the Policy offers an alternative, which may have application in urban / high density areas, with minor modifications. Some of the ideas which could be used with modification are around:

- The possibility of obtaining a commitment from the Department of Economic Development and Environmental Affairs with regards to fast-tracking the EIA processes - this is linked to the proposal that further research be undertaken in this regard.
- The formulation of an interim plan which could be used to settle people in an acceptable manner - however this may require comments / input invited from key stakeholders – Local Municipality, ESKOM, TELKOM, Water Authority, etc. in order to mitigate against problems at a later stage.
- The site should be visibly demarcated using fencing standards - this carries a cost but would be worthwhile in reducing conflict at later.
- The survey of the sites in accordance with the Surveyor General requirements at the outset in order to facilitate the creation of a General Plan at a later stage.

- Beneficiaries would move onto the site and begin building their own houses – with or without external assistance. If the project is in a peri-urban area, it might be possible to access the rural housing subsidy for the building of houses if land is owned communally - otherwise beneficiaries would need to access PHP etc.
- In an urban setting, in order for the sites to be transferable to the beneficiaries, it is currently necessary to make use of the relevant planning legislation (Less Formal Township Establishment Act,113/1991; Development Facilitation Act, 67/1995 etc.)

### *1.4 Access to Bulk Land*

Access to land is a major stumbling block to any land delivery programme in South Africa at present. MLS will need to come up with politically acceptable, innovative strategies for accessing suitable land. At the same time, it is necessary to attempt to mitigate against the "not-in-my-backyard" (NIMBY) syndrome which is still prevalent and which would seek to limit the availability of otherwise ideally situated land.

A current land audit is a useful tool in identifying land which may be available for settlement. Many municipalities have undertaken such audits in the recent past. Those who have not done so should be encouraged to do so. The audits should also be updated on a regular basis.

### *1.5 Financing Models*

By working within the existing parameters of the national housing subsidy, and by making bridging finance available, a Municipality can take some calculated and fairly limited risks which would reduce the waiting period where national or provincial subsidies are being used. For MLS, one needs to establish the willingness and/or ability of local government, in general, to take calculated risks such as these.

An MLS-like model might be created using the Emergency Housing Programme and following this up with the Upgrading of Informal Settlements Programme. However, the MLS initiative is not primarily about emergency housing or informal settlement upgrade, therefore these two programmes may be limiting in their reach, and may also skew the perception of what MLS is hoping to achieve. MLS is not just about the provision of emergency relief to people in emergency situations, nor is it just a relocation option targeting people from informal settlements but it is about the provision of basic development products to all people in need of land for settlement development purposes no matter where they come from.

### *1.6 Role-Players*

The role-players in the implementation of the proposed programme are key to ensuring that service delivery happens in the way it has been anticipated. This requires good capacity building of both officials and politicians around the MLS programme.

In addition, there are some key roles which tend to be overlooked, but which are key to the successful implementation of MLS projects:

- A project or programme driver who will keep the process moving.
- A good social facilitator to keep communication going between the various parties.

Finally, there is a very real temptation to revert to a developer driven approach – as it is easier for officials to manage the output of experienced and well resourced developers than it is to manage emerging contractors or community members with little experience and/or few resources. Therefore MLS will have to identify specific elements/ features that support community driven development approaches.

## 2 Challenges for MLS

As with the lessons, there are also a number of challenges which the MLS programme will need to address if it is to be successful. Some of these are identified below, although there are probably a number of others which have not been raised directly through these case studies.

### *2.1 Socio-Political Environment*

A major constraint in the current environment is the culture of dependence and the red-tape which exacerbates this. Somehow the proposed programme needs to enable and encourage decision-makers and implementers to think outside the box and to be creative in their approach to a project. How one can create this environment is difficult to establish. It should be remembered that one size does not fit all, therefore the concept developed through MLS needs to be flexible and allow for creative responses to the unique challenges faced by each project.

The need to be politically acceptable and viable requires a constant review of the programme so as to attempt to remain a palatable option in the face of a dynamic political landscape.

The current expectation that a successful project is one which delivers "x" number of good

quality top structures is a barrier which must be overcome if MLS is to gain standing in the site, service and housing delivery environment.

### *2.2 Inter and Intra-Governmental Co-Ordination*

Currently, the single most time-consuming aspect of the development cycle (as reviewed in this document) has been attributed to the EIA processes. It may be necessary to review the EIA requirements and establish whether there is a mechanism which could be introduced to fast-track MLS. Precedent from the rural housing experience may be informative.

### *2.3 Tenure and Demarcation*

In cases where the administration of the Rights to Occupation is being undertaken by the municipality there are inherent problems associated with the systems in place, as there is no room for the land market to function, as the rights are generally non-transferable. This presents a problem when people die or move away. The MLS concept needs to address this very real issue where full freehold title is not the most desirable solution or where it is not possible to provide full title.

### *2.4 Access to Bulk Land*

Access to land is a major stumbling block to any land delivery programme in South Africa at present. MLS will need to come up with politically acceptable, innovative strategies for accessing suitable land. At the same time, it is necessary to attempt to mitigate against the "not-in-my-backyard" (NIMBY) syndrome which is still prevalent and which would seek to limit the availability of otherwise ideally situated land.

### *2.5 Financing Models*

It is important that the decision-makers recognise that MLS is not primarily about emergency housing or upgrading of informal settlements. Rather it is about addressing the gap between "a shack and an RDP house". This poses the question of what the funding mechanism should look like and how financial issues such as bridging finance could be addressed. These in turn lead to the need for further research before a definitive answer can be given.

### *2.6 Role-Players*

In order for a programme such as the MLS programme to really work well on the ground it

requires that the people who will implement it are well trained in the philosophy and policy. In addition, it requires that those implementing the programme must be in a position to make some decisions within the local context as a community-driven programme, such as MLS, is a lot more dynamic and flexible than a contractor-driven approach.

It is important that not only the officials are well versed in the policy, but also the professionals /services providers and officials from other departments.

## 3 Recommendations for Further Research

There are some key questions which were raised during the course of this research, but which have remained unanswered. Amongst these are some which require additional research:

- The establishment of the level (type) of consolidation (e.g. self build and home improvement using own resources) of sites in all the projects and how this differs from informal settlements which have had no intervention. This could include research around whether beneficiaries of MLS-like programmes have sourced the necessary finances to consolidate or improve their sites, if indeed they have.
- A review of the environmental legislation and exemptions from having to conduct a full EIA in special contexts
- How basic tenure (e.g. recognition of occupation certificates) can be transferred between households, and how basic tenure can stimulate self build
- Examples of where community facilities are provided early on in the process need to be identified and research done to determine how this was achieved. This should also look at how to ensure that community-scale facilities are included in projects as soon as possible.
- The most appropriate financing vehicle for MLS - could it be a modification of existing financing models (e.g. EHP, UISP, etc.)? Linked to this, what are the opportunities for establishing some form of bridging finance mechanism that municipalities can access to start to undertake their own MLS-like projects?

## 4 Conclusion

This set of case studies has sought to bring to light some of the lessons which South Africa

has already learnt in respect of MLS. The hope is that these will be useful in the LANDfirst initiative which seeks to promote a pro-active approach to land release and accommodating the incremental development of this land. A number of additional research topics are outlined in the final section, which will assist in further developing the work done to date.

# ANNEXURE B: COPY OF PRESENTATION TO MLS WORKSHOP

## Presentation - 5 Case Studies: Lessons for LANDfirst

Presented by Anne-Lise Bollaert-Davies (NPM Geomatics)
10 March 2010

## Slide 1 - Introduction

The aim of this presentation is to provide an overview of the case studies currently being undertaken and the lessons which can already be drawn for MLS. It is not our intention to attempt to provide you with a detailed presentation on each case study - if you would like this information I am sure that Ronald and Lauren will be willing to share it with you when it becomes available.

By the end of the presentation we hope that you would have an overview of what we have uncovered to date, and an understanding of what past and present programmes have to teach us about the MLS approach - both the pitfalls and the positives. Through this we would like to give you the opportunity to share your knowledge and thoughts with regards to other lessons which need to be brought into our collective thinking.

## Slide 2 - The Case Studies

5 case studies are being undertaken -

1. the Incremental Cluster, including Mayibuye, Essential Services Programme and People's Housing Process, undertaken by the Gauteng Department of Housing between 1993 and 2004
2. the 4-Peg Policy of Nelson Mandela Metro, which was in force between 1992 and 2001, and whose principles continue to be applied today
3. the Accelerated Managed Land Settlement Programme which was implemented by the Cape Metro between 1999 and 2005
4. the Rural Housing Programme, as it is currently being rolled out in the Eastern Cape
5. the Bardale project, which is a large project currently being undertaken by the City of Cape Town

Our research methodology has made use of both literature review and interviews (with people who worked on the programme or who knew a lot about it). The literature reviewed included policy, reports prepared at the time of the programme and post-programme literature.

In undertaking this research, the key constraints have revolved around availability:

- availability of people within our very narrow timeframes (and at a difficult time of the year, having been appointed to begin mid-December)
- availability of people with hands-on experience - as some of these programmes date back to the early 90's and key people have moved on. We have tried to speak to a number of different people per case study, so as to reduce the amount of bias in the feedback, however this has not always been possible
- availability of data - in some cases, such as Mayibuye, there is a lot of literature which one can make use of for a case study such as this. In other cases there is no literature at all - such as Bardale project

In looking at the case studies we will do so chronologically.

## Slide 3 - The Incremental Cluster: An Overview

This was a policy intervention which came about due to a directive from the ANC for Gauteng to address the

massive landlessness (resulting from people finally being allowed access to the cities) in as quick a timeframe as possible. The Incremental Cluster was made up of 3 programmes:

1. Mayibuye - which followed on from the Rapid Land Release Programme, and aimed to provide sites with full title and elementary services;
2. Essential Services Programme - which upgraded the services to full RDP-standard services and sometimes provided a top structure; and
3. People's Housing Process - which was seen to be the ideal housing delivery tool, but which was ineffective in its implementation - hence the Essential Services Programme sometimes also providing top structures

The key differentiating factor of the Incremental Cluster was that it used the standard housing subsidy, but re-arranged it in order to more quickly settle people onto land, rather than having to wait for full housing delivery.

The Mayibuye and Essential Services were both seen as being very successful, in that they more than met their delivery targets. Today, the Ekhuruleni Metro is implementing an Essential Services Programme which is not dissimilar to the one implemented by the Gauteng Dept Housing.

## Slide 4 - Incremental Cluster: Lessons

- Political Support

Having been initiated on the back of an ANC directive, the Mayibuye Porgramme and the rest of the Incremental Cluster received wide & deep political support

- Co-Operation & Co-Ordination

The Incremental Cluster was initially run through 3 different directorates - making coordination a critical component to the programme. Good inter-directorate cooperation and the commitment of individuals made the programme work. Once the key officials moved on from the relevant directorate, the programme suffered

In a similar light, inter-governmental coordination is critical in ensuring the provision of community services such as schools, clinics and community halls.

- Access to land

Access to land was initially easy, as there was much State land which was suitable for low-cost housing delivery. However, as these reserves dried up, the impact was "no more Mayibuye"

- Red-tape

Once the EIA requirements were enforced, the process was no longer able to significantly fast-track development

- Local government instability

Local government instabilities at the time had a negative effect on the projects on the ground, thus delaying delivery

- Additional costs

The process required the installation of elementary services (communal toilets and standpipes) at the outset, which added an extra cost to the overall projects

- NIMBY syndrome

Not providing houses at the outset enabled a larger number of people to access secure tenure and basic services. However, the other side of the coin was that these areas were still perceived as informal by onlookers, hence exacerbating the NIMBY syndrome.

- Location & Tenure

The areas which were well located were more likely to be consolidated by the beneficiaries, without State assistance than those areas in less well located areas - irrespective of whether or not they had formal tenure.

- ? Affordability

The affordability of the full basket of services is also an issue which was raised by some of the respondents in the interviews

## Slide 5 - The 4-Peg Policy: Overview

The NMBMM implemented the 4-Peg policy in 1992, to address the massive landlessness in the PE region. Although the 4-Peg Policy is no longer in place, the principles are being applied to Emergency Housing situations in the PE Metro, largely due to the fact that the politicians perceive the Emergency Housing Programme as being about the establishment of transitional areas, which they do not agree with.

When the 4-Peg Policy was implemented, the process was simple:

1 a site would be identified (usually Metro-owned land),

2 a layout developed to the satisfaction of the City Engineer

3 bush would be cleared and the sites surveyed and pegged

4 Rudimentary services - communal standpipes, bucket latrines and scraped roads were installed

5 people would be moved onto site

The relevant township establishment process would happen in parallel, but was not a pre-requisite for moving people onto site. People therefore were granted a form of permission to occupy an identified site, a process administered by the NMBMM.

4-Peg projects were then prioritised for housing subsidy allocations. Once the funding became available for top structures, the housing delivery was either through a contractor or using PHP.

Implementing the principles of the 4-Peg Policy today is a little more tricky, as:

- the EIA process must be followed prior to any development occurring
- beneficiaries need to be validated by the PHB prior to being allowed to move onto site

## Slide 6 - The 4-Peg Policy: Lessons Learnt

- Environmental constraints

Accessing bulk land has become increasingly difficult, especially in this area which is home to 5 biomes and hence has large areas of natural vegetation which is seen as needing to be protected - this has been exacerbated by NEMA

- Align processes

The success of the 4-Peg Policy was the ability of the officials to align the processes so as to fast-track the delivery processes

- Forward planning

The rudimentary services are only viable in the short term and add extra costs to the project. Strong forward planning is necessary to ensure the availability of bulk services

- Interim ownership

Beneficiaries were provided with an interim form of ownership - which amounts to permission to occupy a particular site. The Municipality administered this process. This practice is still in force today

- Inter-governmental relations

Good inter-governmental relationships are vital to the overall neighbourhood development. Currently NMBMM is facing a massive challenge in getting the Dept Public Works and Education on board - resulting in necessary community services being provided only years later - in one case it took the Dept Education 8 years to provide a school!

## Slide 7 - Accelerated Managed Land Settlement Programme: Overview

- The AMLSP was initiated because the Cape Metro had access to RSC levies, but - due to the 2-tier system in place at the time - had no physical space on which to implement their own housing projects. Recognising that the local municipalities were struggling to address the needs of people in desperate situations, the Cape Metro established the AMLSP fund, which effectively provided bridging finance for LMs to use in addressing crisis situations. The Cape Metro, LM and Dept Housing then entered into a bilateral agreement under which the Dept Housing would re-pay the money lent by the Metro within 3 years

- The project therefore enabled local municipalities to proceed with a housing programme, without having to wait for the funding to be made available through Dept Housing.
- The township establishment process was the same as that for any other housing project. The difference was that once the township approvals had been received, basic services would be installed and beneficiaries were moved onto sites with full title. Houses would be built at a later stage, using the remaining subsidy monies.
- Service provision was undertaken in two tiers - the first tier was to provide the main reticulation, allowing for communal services and only the primary roads. Once the full housing subsidy was available, this network could easily be further developed (the second tier) to provide the full package of services
- What the AMLSP did also do was to make every attempt to fast-track the township establishment process, by developing strong relationships with the key role-players. For example, the maximum amount of time it took for the approval of a beneficiary under AMLSP was 8 weeks, which was considered very good.

## Slide 8 - Accelerated Managed Land Settlement Programme: Lessons

- Capacity-building

Although only 5 projects were implemented, everyone seemed to understand the process and their roles and responsibilities.

- Inter-governmental relations

Strong I-G relationships were created which allowed the township establishment process to proceed as quickly as possible with no unnecessary delays. It also allowed the PHB to quickly approve beneficiaries.

- Calculated risk

The AMLSP required "out-of-the-box" thinking and good inter-governmental coordination

The Cape Metro took a calculated risk in creating the bridging finance

## Slide 9 - Rural Housing: Overview

- The Rural Housing subsidy is applicable to land which is held in under communal tenure, where full title is not currently possible
- Access to bulk land in the rural areas is subject to IPILRA, which requires intensive community consultation and a check that no conflicting claims are made for the land
- Rural Housing programmes are different from urban-based projects in that they do not require formal township establishment, therefore the lengthy planning approval process is side-stepped. However, it is good practice to still get comments from the key government departments and parastatals, in order to ensure that (a) they can plan for the installation of their particular service/facility; and (b) they can provide input into the layout plan, with regards to the further serviceability of the settlement
- The EIA process is, however still required, although in the environmentally degraded regions of the former Transkei and Ciskei exemptions from a full EIA report are the norm.
- However, the exemption RoD does impose environmental “good practice” for the construction component of the project.
- Geotech Phase 1 and a basic 20mx20m topo survey of the ground where the structure will be built is undertaken. This information is used to provide the necessary documentation for the project to be enrolled with NHBRC.
- Given the vast areas covered by rural settlements, and the distance from bulk services, the services being provided are only VIP toilets (or urine separator toilets) and water tanks.
- The Rural Housing programme as it is being implemented is quite different from the policy in that:
    - The policy allows for the use of the subsidy for housing-related infrastructure as well as housing
    - The implementation of the policy is generally being undertaken in a similar fashion to the RDP

housing programme, and beneficiaries are basically being offered a house or nothing

## Slide 10 - Rural Housing Programme: Lessons

- Inter-governmental relations

The interplay of the Dept Housing, Local Municipalities and Communities is vital to the success of the project

- LMs are not generally supportive of Rural Housing, as there is no likelihood of rates being generated
- The Dept Housing tends to see the LMs as part of the delivery problem and therefore assume most of the responsibilities
- Where there is not alignment between the needs and desires of these 3 role-players tensions arise

It is important to find ways of engaging other government departments early on to facilitate the development of community facilities

- Cash-flow & Driver

The programme needs a driver who will keep it moving and draw in other roleplayers as necessary - this is especially important as the Dept Housing is often the driver/ implementing agent, and additional support may help speed the process up.

Housing delivery has been undertaken using PHP in the past - the most successful projects were those in which the Implementing Agent was given some control over the cashflow, allowing for money to be released without delay - the current model where the Dept Housing manages the money leads to time delays which have a negative impact on the viability of the projects

- Capacity-building

PHP has generally not worked as there is little understanding of the programme and almost no support - as a result, a contractor-driven process is being rolled out. This is not necessarily in keeping with the spirit of the RH policy

The dis-juncture between what the policy allows and the manner in which RH is being implemented on the ground strongly suggests that there has not been sufficient skills development and capacity building of the officials who are expected to implement RH. Clearly the RH process does have its unique set of challenges and working in the rural context is not easy - it is easier to adopt a top-down approach - especially when you have neither the support nor the ability to do anything else.

- Yardstick

The need to measure the success of a housing project in terms of the number of top structures being created is having a negative impact on the RH programme in particular - the policy sees RH as much more than houses, yet the yardstick for delivery is the number of top structures which can be counted. This calls for a re-think as to where LANDfirst should be positioned - or at least how the success of a LANDfirst project should be measured - if it is housed under the Dept Housing it might well encounter the same type of challenge

- One-size does not fit all

The current trend is to develop a one-size fits all product, which is not in keeping with the character of the rural areas

- Planning process

For existing villages, the existing layout can be pegged and a dimension plan, similar to a GP, is produced.

For “greenfields” projects, the layout is pegged and a dimension plan, similar to a GP, is produced.

This dimension plan provides a functional land management tool for TA, LM or DM, as well as an audit reporting tool for the DoH to confirm where subsidies have been spent.

- Subsidy Flexibility

Given the option for the subsidy to be used either for communal infrastructure - such as roads - or for individual infrastructure - such as a house - one wonders whether people would naturally opt for the individual benefit over the communal one. Perhaps it is necessary to define the amount available for each.

There seems to be a large discrepancy between what the policy says and what is happening on the ground - capacity building of the officials is a key to successful policy implementation

## Slide 11 - Bardale Project: Overview

The Bardale Project came about in response to a crisis which arose when a group of people were occupying dangerous MetroRail land and MetroRail eventually initiated legal proceedings to have them evicted.

It is a project which is interesting to LANDfirst, as it began as an Emergency Housing Project and then became an Upgrading of Informal Settlements Project. Furthermore, it is the first project in Cape Town which seeks to house beneficiaries from 8 areas within the City in one location.

Under the EHP, land for the relocation of the families on the MetroRail was purchased, planned, surveyed and serviced with elementary services (shared water and sanitation and key roads tarred). Families were then relocated from the MetroRail land to the Bardale farm.

The Bardale Farm was large and could accommodate many more families than there were on the MetroRail land. Furthermore, there were some 900 families already resident on Bardale. CoCT therefore applied for funding under the UISP.

In the first phase (EHP), the planning was divided into 4 phases. Phase 1 accommodated the families from the MetroRail land and the families already on the Bardale Farm were moved to Phase 4. Using the USIP funding, Phases 2-4 were developed to full USIP standards and Phase 1 was upgraded.

Tenure in the Bardale project is incremental. The initial ownership was a form of permission to occupy a said site, which was administered by CoCT. A nominal rental is payable. Once the beneficiaries have been approved by the PHB it will be possible to transfer full title to the beneficiaries. To date there have been no applications for housing subsidies made.

## Slide 12 - Bardale Project: Lessons Learnt

- Strong facilitation was required on the Bardale project, as people were being relocated to an area which the host community was not happy about. Added to this was that Bardale was ultimately the destination area for 8 different communities from around Cape Town.
- It is possible to administer a Permission to Occupy system, whilst waiting for formal tenure to become a reality.
- The fact that this programme is a current one highlights the fact that an incremental approach to housing and service delivery is becoming acceptable again.

## Slide 13 - Overview of the Lessons Learnt

## Challenges to Delivery

- IGR

Inter and Intra governmental coordination is essential in ensuring that projects happen and that all the necessary services and facilities are provided in reasonable timeframes

- Red-tape

Red-tape has increasingly become a hindrance to rapid land release - this is particularly so with NEMA, but the housing subsidy process is also slow

- Access to land

Access to suitable land is one of the over-arching challenges faced by the programmes under review. Creative mechanisms to address this will need to be thought of

The location of land is a primary consideration for successful MLS projects

- Culture of dependency

There is anecdotal evidence to suggest that the current housing delivery frameworks are stifling the creative and self-sufficient spirit within people – rather creating and instilling a culture of dependency based on the hope for something for free.

- Additional costs

Site and service type of projects have two primary challenges:

  - The preliminary services installed add an extra cost to projects

- NIMBY
  - Onlookers still see these sites as informal settlements, which results in a NIMBY attitude
- HR capacity

Whether good policy and enabling frameworks exist or not, the key issue is having the right people, with the right attitude and passion, equipped with the right leadership and administrative abilities, in the right places – all the time.

The people involved in implementing a programme such as those under review must:

  - be able to think creatively
  - be willing and able to take calculated risks
  - be educated on the values and principles of the policy, as well as the policy itself
- Incremental tenure

It is possible to provide incremental tenure. In peri-urban areas under communal tenure it may even be possible to make use of the rural housing subsidy to implement LANDfirst

## Slide 14 - Overview of the Lessons Learnt (2)

## MLS Approach Gaining Favour

- Gap in the market

The absence of viable rapid delivery “best practice” housing projects in the country suggests that there is a massive “gap in the market” to develop more effective policy and legislative frameworks for project implementation.

- Current examples

There seems to be a strong indication that an incremental approach to site, service and housing delivery is a favourable approach – which can address the very evident gap within the housing delivery sector.