

Renewed Commitment
to Upgrading of
Informal Settlements



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Government is renewing its commitment to the upgrading of informal settlements. In his [budget vote speech on 20 February 2019](#), the Minister of Finance, Tito Mboweni stated that

“(f)unding totalling R14.7 billion over the two outer years [202/21 and 2021/22] has been reprioritised to two new conditional grants for informal settlements upgrading which will enable these households [living in informal settlements] to have access to basic amenities.”

In preparation for introducing these two new conditional grants (according to the [Division of Revenue Bill 2019](#)), government will, in the 2019/20 period be introducing two new ‘windows’ within the Human Settlement Development Grant (HSDG) and the within the Urban Settlement Development Grant (USDG) where funds from these grants will be ring fenced for the upgrading of informal settlements. The HSDG is administered by provincial Departments of Human Settlements, while the USDG is a grant that is allocated by Treasury directly to metropolitan municipalities for metros to administer. These windows set a minimum amount each province, working with municipalities (for the HSDG), and each metropolitan municipality (for the USDG) must spend on informal settlement upgrading, and requires these provinces, municipalities and metros to work in partnership with communities. (Division of Revenue Bill 2019, page 90 for HSDG and page 106 for USDG). Depending on the success of these two ‘windows’, two new Informal Settlements Upgrading Partnership Grants will be introduced in subsequent years, ‘skimming’ funds off the HSDG and USDG allocations up to a total of R14.7 billion for the 2020/21 and 2021/22 period.

The upgrading of informal settlements has been a priority of government for a number of years now - since the introduction of the Breaking New Ground policy in 2004 ([A Comprehensive Plan for](#)

[the Development of Sustainable Human Settlements](#)) - but in many instances government appears to be claiming many projects as upgrading of informal settlements projects, but on closer inspection these projects could better be described as conventional RDP housing projects making use of the Integrated Residential Development Programme grant. These projects may benefit some people living in informal settlements in that they move these people from their informal shack into a new RDP house. However, these projects do not actually follow the phases for upgrading as described in the [Upgrading of Informal Settlements Programme \(UISP\)](#) of the 2009 housing code.

A 'true' UISP project involves a four phase process

PHASE 1

Phase 1 involves motivating and applying for UISP funding.

PHASE 2

Phase 2 involves the provision of basic services, conducting the necessary geotech and environmental impact studies, socio economic surveys and the acquisition of the land.

PHASE 3

Phase 3 involves the creation of registered 'townships', the formalisation of title deeds and the provision of internal services to plots.

PHASE 4

Phase 4 involves the provision of top structures using the Peoples' Housing Process or other housing programmes.

The new Informal Settlements Upgrading Partnership Grant, that is being tested in the 2019/20 financial year and will be formally introduced in 2020/21, seems to be an attempt by government (through Treasury) to ensure that in future government counts true upgrading of informal settlements projects within its statistics for upgrading and does not claim conventional RDP housing projects as upgrading.

It needs to also be remembered that government in its [2014 - 2019 medium term strategic framework for human settlements](#), set itself a target to provide 750 000 households by 2019, through the Informal Settlements Upgrading Programme, with access to basic services and security of tenure. This new informal settlement upgrading grant introduced in the 2019 budget vote speech will go a long way to helping government achieve any new target it sets itself for the next 2019 - 2024 Medium Term Strategic Framework period.