

# FUNDING STREAMS AND OPPORTUNITIES

World Habitat Day

01 October 2012

Annex 3

# Funding for services and housing

## Grant instruments:

- Set out annually by National Treasury in the Division of Revenue Act (DORA)
- Conditional allocations are made taking into account past financial performance.

## The main grants to support the provision of services and housing are:

- Human Settlement Development Grant (HSDG) – allocation to provinces which includes:
  - Upgrading Informal Settlements Programme (UISP)
  - Integrated Residential Development Programme (IRDP)
- Urban Settlement Development Grant (USDG) – allocated to larger municipalities (metros) who then manage their own budgets
- Municipal Infrastructure Grant (MIG) – a capital allocation to local and district municipalities for infrastructure

# Human Settlement Grant (HSDG)

Breakdown of the allocation to the different provinces showed that:

- Gauteng received the largest share (R3,8 billion), followed by:
- Kwazulu-Natal (R2,77 billion)
- Eastern Cape (R2,18 billion).
- The Northern Cape received the smallest share of R322,6 million.

The allocations were further broken down by province for the:

- Upgrading of informal settlements
- Rental and social housing, and
- Land acquisition.

# Human Settlement Grant (HSDG) targets

During the current year nationally:

- 104 962 sites in informal settlements are planned to be upgraded.
- 39 112 housing units would be created in rural areas.
- 17 425 poorly built houses would have their defects rectified.
- 70% of the country's informal settlements are located in the 8 main metropolitan areas.
- In KZN, 78% of households informal settlements are located in eThekweni, followed by 4% in Msunduzi.

# Municipal Infrastructure Grant (MIG)

- A key inhibitor in the provision of housing has been the lack of bulk and connector services -- the main roads, water and sewer pipes that connect communities to the city infrastructure.
- MIG is provided from the Department of Cooperative Governance and Traditional Affairs (CoGTA) to non-metro municipalities to provide services, including bulk, connector, and internal infrastructure.
- HSDG can provide a limited amount of funding for internal infrastructure “as a last resort” – where projects are blocked because of a lack of infrastructure.
- Outputs (performance measures) for MIG include the number of poor households receiving basic water and sanitation, and number of work opportunities created under the Expanded Public Works Programme (EPWP).
- Total allocation for 2012/13 is R13.9bn

# How communities can engage in development processes

Become an active citizen and get involved:

- Local municipalities are obliged to engage with the public in their annual review of IDPs and capital and operating budgets. Be there, be informed, and be heard.
- Attend public meetings in your Ward. If they do not happen, ask your Councillor, or if that fails, the Office of the Speaker.
- If your area is an informal settlement, the community should be involved in intensive consultations about how and where services are provided, and how the construction of those services may affect the settlement – e.g., if shacks are too close together to allow for roads for emergency services vehicles.
- If you are part of a planned housing project, the community can decide how much it wants to be involved. It can either opt for:
  - Conventional contractor-driven housing with minimal involvement, or
  - Enhanced People's Housing Process (EPHP), where the community decides how much it wants to be involved, with appropriate technical support.

# THANK YOU



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