

Annex 3: Briefing Document

4 SEPTEMBER 2001

(1) Project Background

Many people in the cities of developing countries live in housing and urban settlements which disregard official planning regulations, standards and administrative procedures. Clearly, there are many factors to consider in attempting to understand why. However, one major factor is likely to be the high social and economic cost of conforming to official requirements. Where these costs are greater than households can afford, they have little choice but to seek alternative options. An extreme example of this is squatting, though there are now many other processes of varying degrees of legality or illegality operating in most cities. For example, households may construct a house on land they own, and in an area officially designated for residential development, but not in conformity with administrative procedures which provides the essential documentation required by the authorities. Under such conditions, the ability of urban authorities to impose official norms is restricted to developments under their direct control. Elsewhere, the proportion of people unable to conform has reached a critical mass which enables people to act with relative impunity in undertaking further unauthorised actions.

A major proportion of all urban housing in developing countries, and also in some European countries such as Greece and Portugal, is now developed outside officially sanctioned processes. This is less a reflection of a global desire to break the law, than the existence of inappropriate planning regulations, standards and administrative procedures. Many countries have inherited or imported their regulatory frameworks from outside, and these were designed to meet very different conditions to those currently facing countries in the South. By attempting to impose such approaches on populations which are invariably too poor to be able to conform to them, there is a danger that respect for the law and official institutions in general will be undermined.

For urban development to be socially, economically and institutionally sustainable, it is therefore vital to review existing regulatory frameworks to assess the extent to which changes are necessary to meet the needs, resources and priorities of the majority of urban populations.

This is the background⁶⁶ for an international research project evaluating the social and economic costs of regulatory frameworks for new urban development. The project is evaluating the literature and includes detailed case studies in India, Lesotho, South Africa, Tanzania and Turkey. It is being funded by the UK Department for International Development under the direction of Geoffrey Payne.

The research proposal posits that it is only by lowering the bottom rung of the legal housing ladder that the urban poor will be able to get onto it. The research hypothesis is that it is difficult to reduce the scale of poverty by increasing incomes. However, considerable improvements can be achieved by reducing committed expenditure on major household

⁶⁶ Take from "Lowering the Ladder: Regulatory frameworks for sustainable development" by Geoffrey Payne, Principal Geoffrey Payne and Associates, position paper for DFID funded project on regulatory frameworks for Affordable Shelter

items such as access to land, shelter and essential services. The costs of access to legal shelter are significantly influenced by official planning standards, regulations and administrative procedures. These frequently impose costs which the poor cannot afford, forcing many into unauthorised settlements which reduce security, inhibit access to credit and expose them to additional social, financial and environmental costs. Many of these standards, regulations and procedures are inherited or copied from other countries, outdated, or just inappropriate and lead to neither equity nor efficiency. Inappropriate planning standards, regulations and procedures 1) raise the costs of legal shelter; 2) inhibit social cohesion and economic activity; 3) waste land; 4) discourage private sector participation; 5) encourage unauthorised settlements and; 6) encourage corruption.

(2) Project Purpose

- (a) To increase access by low-income groups to adequate, secure and affordable shelter.
- (b) To improve knowledge among all stakeholders responsible for providing the urban poor with land, shelter and services, on regulatory frameworks which can reduce entry costs to legal and appropriate shelter.

The project will review the actual or imputed costs of key variables in formal and informal settlements in the selected countries and identify changes which have, or could, reduce costs of access for low-income groups to new housing, enabling them to retain a larger proportion of existing incomes. Options for further cost reductions will then be tested in local projects and disseminated widely for consideration in other countries. The project will focus on planning aspects of regulatory frameworks and complement other ongoing and proposed projects (eg by ITDG) funded by DFID.

(3) Project Phasing:

The research has three main phases. Phase 1 began with a workshop with the national research co-ordinators and other DFID funded teams undertaking related research, to agree on options for maximising collaboration and 'added value' for project outputs and to prepare and agree a framework for carrying out detailed country studies. It also reviewed existing planning regulations, standards and administrative procedures. Phase 2 will use field surveys and interviews to assess actual or imputed costs of key components in informal and formal settlements to identify which specific elements inhibit access to legal shelter. A local workshop will identify options for change which will be presented by the research co-ordinator and other DFID teams at an international workshop in the UK. Phase 3 will test and monitor the application of proposals in projects in the selected countries. All dissemination media and the DFID final report will also be prepared at this stage. The project aims to disseminate a manual containing a methodology for assessing the costs of specific planning standards regulations and procedures and options for reducing entry costs to officially sanctioned developments. The manual will be illustrated by examples of innovations from case study and other countries. Training materials for use in urban development agencies, training institutes and NGOs, etc on simple methods of assessing the cost of existing regulatory frameworks and ways of improving them are also envisaged. It is proposed that key findings and recommendations will be communicated through a range of possible means including postings on relevant websites, articles in local papers and professional journals and local radio broadcasts.

Phase 1 is complete. In addition to the regulatory framework record, phase 1 also identified processes of change in this framework, thus making the review dynamic as well as enabling a preliminary identification of possible areas for test cases and commencing the process of

setting up relationships required for the test cases.⁶⁷ The first phase also entailed a short review of secondary literature on the subject to identify academic and other commentaries and analyses on the hypothesis of lowering the ladder, the variables influencing access and on cost assessments. This exercise is assisting in framing the South African debate on the hypothesis, as well as providing methodological and substantive insight.

Phase 2 began with a broad-brush investigation of the perceptions of a range of stakeholders on how planning regulations, standards and administrative procedures relevant to housing, impact upon shelter options for the poor.⁶⁸ A series of interviews with key stakeholders was undertaken. This method was complemented by desk-top research, which drew on the work of the National Housing Forum and the National Development and Planning Commission whose own investigations represent a substantial body of inquiry into and understanding of the questions phrased by the research.

(4) Phase 2 Activities:

- (a) **Assess actual or imputed social, economic and environmental costs of key variables in planning regulations, standards and administrative procedures in formal and informal settlements.**
- (b) Undertake stakeholder surveys to assess local priorities and preferences for changes which have, or could, reduce costs of access or entry costs for low-income groups to new housing in officially sanctioned developments, enabling them to retain a larger proportion of existing incomes
- (c) Document a methodology for assessing the costs of specific planning standards regulations and procedures and options for reducing entry costs to officially sanctioned developments.
- (d) Hold local workshop of key stakeholders to discuss the findings of the fieldwork and options for change to be tested in pilot projects.
- (e) Present proceedings of local workshop at the international workshop to be held in February 2002, which will identify key factors applicable in different countries and the lessons these offer for revisions.
- (f) Negotiate with local 'gate-keepers' on initial changes to be introduced and monitored during Phase Three.

Phase 2 research (a-c) will be undertaken primarily through two case studies - one formally planned and the other non-formally developed. These should be fairly recently developed settlements for roughly similar social groups with one developed in accordance with official regulations, standards and administrative procedures and the other reflecting social needs and/or economic realities. The case studies are to identify critical constraints imposed by the regulatory framework in each type of settlement.

⁶⁷ see Phase 1 report by Development Works entitled "Regulatory Guidelines for Affordable Shelter: South African Case Study: Phase one draft report: Review of planning regulations, administrative procedures and standards" and working document entitled "Research Findings so far" by Development Works.

⁶⁸ See South Africa country visit report compiled by Development Works and Geoffrey Payne.

Annex 4: Summary Sheet Template

Name of respondent:

Date of interview:

General Project Information

Project name	
Municipality	
Location description*	
Size	
Age	
Subsidy type	
# subsidies approved	
Income profile of residents	

*attach map

Project Chronology

Nb: this must tell us about implementation status (origins / initiation of settlement, what has been delivered, how far, phasing, how far to go still)

Project Costs

Item	In R	% of total
Land		
Infrastructure		
Top structure		
Finance		

Maintenance		
Total		100%

Infrastructure Costs

Item	In R	% of total
Water		
Sanitation		
Waste		
Roads		
Electricity		
Total		100%

Subsidy / Utshani Loan Breakdown per subsidy/loan

Item	In R	% of total
Total		100%

Service Levels

Service	Prescribed Level	Record any deviation from prescription? If possible

Town planning procedures

Development application/s*	
Legislation used	
Zoning	
Approving authorities involved	

*township establishment, re-zoning, consent use etc applications

Role player information

Name	Role / Function

Annex 5: Role Player Research Questionnaire

1. REGULATIONS

Township establishment:

Has the site been the subject of a township establishment procedure?

If so, which legislation was used?

Record reasons for the choice of legislation. Who was party to the decision? Did different parties have a different view on this and what were their reasons?

If no township establishment, why not? (NB: unpack with an ear out for costs and for how important costs are relative to other factors).

Is there an intention to do so?

Why or why not?

(a) Zoning (land use change):

What zoning/s applies to the site? (Record all the applicable zonings)

Was a rezoning (or other like consent use...) application necessary?

Why / why not? (Again probe for costs and costs relative to other factors in responses)

Town planning scheme (land use management):

Is a town planning scheme applicable to the area?

If so, in terms of the Ordinance or Annexure F of the BCDA?

If not, how is land use being managed? (Some areas may have instituted new LUM instruments. If so, this is likely to apply to the local government area and information can be ascertained from the town planning / development control council interview).

Identify what uses are legally permissible in terms of the LUM instrument in place. If applicable, ask about what uses are "legally" permissible in terms of any other management system.

(b) Housing subsidy:

Has an application for housing subsidy been submitted?

If so, what kind of subsidy and how far have things progressed? Preparation / submission / approval / allocation / receipt?

Who is responsible for preparing? How do they do this? How long has it taken? What were the consequences of the wait?

If not, why not?

Is there an intention to do so?

Why or why not?

(c) Strategic Planning:

Has the local authority completed LDO's / IDP's (first round)?

Did they do interim IDPs?

Have they commenced the full IDP process?

What bearing, if any, did these strategic planning instruments have on the procedure (especially how the land and / or the project were identified)?

What relationship, if any, between the spatial dimensions of the strategic plan and the land use management instrument identified previously?

2. PROCEDURES

Outline the steps that were taken to develop the land.

- a) Once the steps have been recorded identify how long each took (or start to finish or a series of steps, depending on what is possible)

List Steps	How long	By who?	Who else was involved
1			
2			
3			
4			
5			
6			
7			
8			
9			

Get the respondent to now highlight his or her role: What activities did you undertake in the project? (Open ended for focus on role for both interviewer and respondent – will help you look for measures later if you have a clear picture of activities)

Identify the bottlenecks in the procedure i.e. where things get stuck (circle the step/s in the above table).

What are the top 3 bottlenecks? List them in the table below. Describe the top 3 bottlenecks. Why do you think delays are happening here?

#1: _____

Describe:

Why are delays happening here?

#2: _____

Describe:

Why are delays happening here?

#3: _____

Describe:

Why are delays happening here?

How did things get unstuck? (This would presumably be an add-on cost)

	How did things get unstuck?
#1	
#2	
#3	

Who is affected by the delays and how? (Think developer, contractor, self-builder, and professionals)

Bottleneck	Who	How / describe impact
#1		
#2		
#3		

If beneficiaries have not been identified in the who column then:

Do any of the impacts described previously have any impact on beneficiaries?

Bottleneck	Describe impact on beneficiaries
#1	
#2	
#3	

Having established the role-players perception of how everyone is affected, you can now emphasize the impact on the role player you are interviewing wrt costing and quantifying. Exception Is impact on beneficiaries. Try and get all role-players to reflect on that.

Identify where the respondent has indicated himself or herself in the who column (circle in the above table) and then:

Can you cost this impact on you as a % of total project costs? Or as a % of total of a component of project costs? (E.g. % of infrastructure costs?)

For impacts on the respondent:

Can you quantify this impact in other ways (think de-spec-ing on process or product - and relate to role or activities of actor e.g. time and fees for professionals and infrastructure and top structure for others). Look for measures to express the impact quantitatively. E.g. monthly meetings, increased period for loan repayment, m².

Process or product (e.g. time or top structure)	Specification that you started with (e.g. monthly meetings or top structure m ²)	Specification that you ended up delivering (e.g. meetings every second month and less m ²)	Column c as a % of column b

What impact did de-spec-ing have on beneficiaries? In general or particular (e.g. women, community labour)

Process or product	Impact on beneficiaries

If you think it's necessary then ask:

Are there other problems in the procedure outlined above that you, or others you are aware of, experienced? Probe for costs.

How rigidly or flexibly have procedural requirements been applied? Identify whether there was deviation / relaxation / discretion / or a blind eye. Identify where and why, (and especially whether it was because the system allows for discretion or because of a particularly "progressive" individual?).

Check that you have covered both town planning process and subsidy administration process in the above.

How could procedures be improved in a way that is ultimately less costly for beneficiaries? (I.e. maximising quality process and product) Probe for options for change.

Bottle neck	Options for change
#1	
#2	
#3	

3. STANDARDS

Planning standards

What standards are prescribed? (Formal and informal systems).

Are they being conformed with? Do prescribed standards apply?

Why/ why not? (Are there degrees of conformity? And what factors lead to greater or lesser degrees of conformity?)

Planning standard – site	Applicable standard	Conform? /Apply?	Explain
Stand size			

Planning standard – site	Applicable standard	Conform? /Apply?	Explain
Restrictions on the size of the building line			
The side and rear spaces required			
The coverage of the building on the site			
Parking requirements			
Land use			
Other (environmental standards for orientation of the house on the site...)			
Other			

Land use planning standards	Prescribed standard	Conform?	Explain
Education facilities			
Health facilities			
Public open space			

Where are these standards prescribed?

Is there room for flexibility in applying these standards? Explain how.

Why or why not?

What impact do these standards have on overall project costs? Can you express this quantitatively, e.g. as a % of overall project costs?

Standard	Describe impact on overall project costs	Expressed quantitatively

Standard	Describe impact on overall project costs	Expressed quantitatively

Would it make access to housing more affordable if any of these standards were lower? Explain your response i.e. how would it reduce access and ongoing costs to beneficiary? (For access costs keep subsidy in mind i.e. lowering costs in one place means more of the subsidy for something else)

What would a more appropriate standard be and why?

Standard	Impact of lower standard on costs of access (express quantitatively if possible)	Impact of lower standard on ongoing cost i.e. maintaining access (express quantitatively if possible)	A more appropriate standard

What constraints could you envisage to implementing the more appropriate standard/s?

(a) Service levels:

What service levels are prescribed? (Formally or informally).

Are they being conformed with?

Why/ why not? If not what is in their place? Who decided on the alternative? Who installed them? How were they financed and by whom?

Component	Level	Conform or not?	Explain (unpack the alternative)
Water			

Sanitation			
Waste			
Roads			
Electricity			

Where are the service levels prescribed? / What are the service levels regulated by?

Is there room for flexibility in applying these standards? Explain how.

Why or why not?

What impact do these standards have on overall project costs? Can you express this quantitatively, e.g. as a % of overall project costs?

Component	Describe impact on overall project costs	Expressed quantitatively
Water		
Sanitation		
Waste		
Roads		
Electricity		

Would it make access to housing more affordable if any of these levels were lower? Explain your response i.e. how would it reduce access and ongoing costs to beneficiary? (For access costs keep subsidy in mind i.e. lowering costs in one place means more of the subsidy for something else)

What would a more appropriate level be and why?

Component	Impact of lower level on costs of access (express quantitatively if possible)	Impact of lower level on ongoing cost i.e. maintaining access (express quantitatively if possible)	A more appropriate standard
Water			
Sanitation			
Waste			
Roads			

Electricity			

What constraints could you envisage to implementing the more appropriate standard/s?

(b) Building standards:

What house size standard is prescribed? Formal and informal systems).

Is it being conformed with? Do prescribed standards apply?

Why/ why not?

Prescribed building size	Conform or not?	Explain

Where is this standard prescribed?

Is there room for flexibility in applying this standard? Explain how.

Why or why not?

What impact does this standards have on overall project cost? Can you express this quantitatively, e.g. as a % of overall project costs?

	Describe impact on overall project costs	Expressed quantitatively
Building size		

Would it make access to housing more affordable if this standards was lower? Explain your response i.e. how would it reduce access and ongoing costs to beneficiary? (For access costs keep subsidy in mind i.e. lowering costs in one place means more of the subsidy for something else)

What would a more appropriate standard be and why?

	Impact of lower standard on costs of access (express quantitatively if possible)	Impact of lower standard on ongoing cost i.e. maintaining access (express quantitatively if possible)	A more appropriate standard
Building size			

What constraints could you envisage to implementing the more appropriate standard/s?

4. AFTER THE INTERVIEW

(a) Analysis

Spend a few minutes recording your impressions of the key 4 or 5 substantive issues that this interview raised for you. Things that you would be listening out for in other interviews, that you would suggest as “threads” for the analysis, that stand out without much deep thought!.

(b) Methodology

How easy is it to cost planning variables?

How did this questionnaire work? (Think: length, structure and order of questions, open ended questions and focused ones)

Reflect on the ability of the respondent to engage with the subject matter – costs of planning variables. (Consider familiarity / skill etc, memory of process...)

Reflect on contribution of respondent (think: informative, why/ why not, interest / stake, well selected or waste of time)

Does it seem that the case study is well selected? (Consider progress in implementation – how far down the road, size, location, age (for memory), and level of community participation)

Reflect on the skill required of the interviewer (consider extent of prompting and interpretation required, degree of expertise in housing and planning areas in relation to one another, other skills...)

Based on the experience of this interview would you advocate any changes to the method for assessing the costs and getting perceptions about changes (conceptual and methodological)?