



**MINISTRY
HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA**

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NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 6076 (NW6804E)

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QUESTION:

6076. Mr S L Dithebe (ANC) to ask the Minister of Human Settlements:

Whether, given the financial constraints that her department faces in relation to the Informal Settlements Upgrading Partnership Grant (ISUPG), she will consider merging ISUPG with the Human Settlements Development Grant to extract greater benefit for those in need of housing; if not, why not; if so, what are the relevant details? NW6804E

REPLY:

1. Separation of Grants for Focused Delivery

The upgrading of informal settlements was historically funded through the Human Settlements Development Grant. However, during the 2021/22 financial year, the Informal Settlements Upgrading Partnership Grant was introduced as a separate and independent conditional grant.

The decision to separate the two grants arose from the recognition that the persistent growth of informal settlements had not abated when the upgrading programme was funded under the HSDG. Establishing a distinct grant has provided clearer focus, accountability, and dedicated funding to address the unique and evolving challenges of informal settlements.

The necessity to upgrade informal settlements, an ever-shifting target due to ongoing urbanisation, necessitated a deliberate separation to ensure dedicated attention to in situ upgrading. This allows each grant to pursue specific outcomes and interventions more effectively.

Furthermore, the increasing number of informal settlements, particularly in major cities and economic hubs such as mining areas, has underscored the need for a separate funding model to address this growing housing challenge.

A distinct grant structure enables the Department to set defined goals, purposes, outputs, and measurable outcomes over a given period. It also ensures that funds are ring-fenced and allocated in accordance with agreed-upon plans and the defined responsibilities of provinces and metropolitan municipalities as receiving officers.

2. Purpose and Outputs of the ISUPG

The Informal Settlements Upgrading Partnership Grant (ISUPG) is not designed for the direct construction of housing units. Instead, it plays a foundational role by ensuring that sites are fully serviced and ready for future housing development. This includes the installation of critical municipal infrastructure such as water, sanitation, roads, and stormwater systems.

The primary outcome of the ISUPG is the delivery of a serviced site, which provides the necessary platform for subsequent housing interventions.

The ISUPG also aims to intensify efforts to upgrade informal settlements in partnership with affected communities. Its objectives include:

- a. Increasing investment in the upgrading of existing informal settlements;
- b. Identifying settlements suitable for upgrading;
- c. Providing secure tenure to qualifying households; and
- d. Delivering essential municipal engineering services to improve living conditions and enable further development.

Through this approach, the Department ensures that both the HSDG and ISUPG remain purpose-driven, complementary instruments that collectively advance the goal of creating sustainable, integrated human settlements.