

# **INTEGRATED RURAL HOUSING MANUAL**

**Funded by the**



**Prepared by  
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## SECTION 1:

The purposes of this section are to outline the:

- Origin, purpose and methodology of the manual.
- Key municipal legislative requirements for integrated rural development, from the Constitution's objectives for municipal development through to the Municipal Systems Act of 2000's requirement for IDP's.
- Development of the Rural Housing policy, from the Bill of Rights through to the current policy for rural housing development in KwaZulu Natal.

### 1. INTRODUCTION

#### 1.1 Summary content

The manual has been divided into five main sections, the broad purposes of which are summarised below:

**The first section** outlines the municipal and housing policy framework in relation to rural development and rural housing delivery.

**The second section** provides further information on integrated rural development, including the need for integrated development, the policy and IDP framework, and the need for integration at the project level.

**The third section** demonstrates by means of the KwaShangase pilot project how an integrated approach to rural housing can be practically undertaken in order to promote more holistic and sustainable development. The section also illustrates how the new rural housing policy can be applied in practice.

**The fourth section** highlights challenges and possible solutions to both the practical delivery of rural housing and the implementation of integrated development.

**The fifth section** provides a step-by-step guide to the delivery of integrated housing development in rural areas.

#### 1.2 Purpose

The primary purpose of this manual is to empower municipal and Department of Housing officials as well as service providers with the information, knowledge and practical skills necessary to successfully undertake rural housing projects and to ensure that this is achieved in an integrated and therefore sustainable manner. It must therefore be stressed that this manual has a utility rather than an academic focus.

It must be stressed, that, irrespective of what contract or procurement routes are utilised for the delivery of development such as housing, municipal officials require the necessary capacity to *manage or oversee* the outsourced agents or service providers concerned. A “hands off” approach is not only contrary to the mandate and responsibility of municipalities but also typically gives rise to unsatisfactory delivery on the ground. The development of the necessary skill and capacity at the local level is therefore of paramount importance.

More specific purposes of the manual include the following:

1. To provide a practical step-by-step guide for undertaking integrated rural housing development based on best practice.
2. To promote sustainable development through facilitating a more integrated development approach.
3. To reinforce and disseminate key integrated development planning principles.
4. To disseminate the KZN Department of Housing’s new rural housing guidelines (2004) (**Appendices 3,4,5 &6**).
5. To promote greater inter-sectoral co-operation through the delivery of rural housing.
6. To bridge the gap between IDP’s on one hand and delivery of integrated and therefore sustainable development at the local, project level (refer also to section 2.3 below)<sup>1</sup>.

It is noted that this manual does not attempt to replace the existing Department of Housing guidelines and documentation, nor does it attempt to outline the overall integrated development planning process, as there are already a number of detailed documents and guidelines that do so (refer to **Appendix 12**). The manual will however identify these documents and direct the reader to them when required.

The manual will also make the important distinction between integration at a planning level (i.e.: IDP’s, sector plans etc) as opposed to integration at the project level (i.e.: ensuring that housing is accompanied by development from other sectors such as agricultural and economic development, HIV AIDS relief etc). The distinction is important because much prominence is given to the first type of integration but very little to the second type, which is the level, which directly benefits communities at the grassroots level.

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<sup>1</sup> *It being noted that the enabling local level spatial plans are typically not yet in place nor is an integrated, multi-sectoral approach at the local, project level.*

### **1.3 Origin**

In June 2004, funding became available from the Development Bank of Southern Africa (DBSA) for the compilation of a practical manual in support of rural housing and related integrated development<sup>2</sup>. The funding was made available to Ndwedwe Municipality following discussions involving Ilembe District Municipality, Ndwedwe Municipality, the DBSA, the KZN Department of Housing and Project Preparation Trust of KwaZulu Natal (PPT).

The project was linked to a proposed housing project in at KwaShangase and it was agreed that this project would be used as a pilot project which would utilize best practice and from which feedback would be made into the manual. PPT, who were already providing technical assistance and funding to Ndwedwe Municipality in respect of the preparation of housing and related development projects at KwaShangase, assisted in conceptualizing the project and were appointed by Ndwedwe Municipality to assist them in managing the DBSA-funded initiative.

The funding made available by the DBSA was allocated to four main elements:

- a) Production of an integrated spatial plan for KwaShangase,
- b) Research into rural housing and integrated rural development,
- c) Workshops,
- d) Compilation of a practical guide / manual for rural housing and integrated rural development.

Central to the project from its inception was an acknowledgement by all involved of the following key factors:

- The need to promote a more integrated and therefore sustainable approach for rural housing;
- The need to build capacity and skills at local municipal level.

### **1.4 Methodology**

A primary objective of the project is to ensure that the resultant manual has a utility focus (i.e.: practical in nature and useful to municipal and departmental officials on the ground). This objective has informed the methodology which has consisted of the following main elements:

- Feedback from the preparation of the KwaShangase rural housing and integrated development pilot project including the scopes of work for preparing the project as well as the process and outputs relating to the integrated spatial development plan for the project;

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<sup>2</sup> Funding approved in October 2003 with the agreement between the DBSA and Ndwedwe signed in June 2004.

- Establishment of a Project Steering Committee to guide the project and ensure key stakeholder involvement. The Steering Committee includes representatives of the KZN Department of Housing, the planning Department of Local Government and Traditional Affairs (Development Planning, Land Utilisation and Development Administration sections), Ndwedwe Municipality, Project Preparation Trust of KZN, and key consultants.
- Reference to the KZN Department of Housings rural housing guidelines and related standard documentation of 2004 (refer to **Appendices 3, 4, 5 & 6**);
- Research into and reference to other key documentation and guidelines (**Appendix 12**)
- Research into experience and lessons relating to other rural development projects including interviews with professionals involved in such projects.
- Feedback from several workshops with the Project Steering Committee.
- Compilation of a draft Manual based on the above inputs;
- Presentation of the draft Manual at a high profile stakeholder Workshop to disseminate information and obtain any additional inputs;
- Provision of a training workshop to Ndwedwe Municipality officials and acquisition of feedback;
- Production and distribution of a final manual.

It is noted that additional funding is still required to complete the project in the following two respects:

- The Manual should ideally be put into a website format both to make it more freely available and because it is more suited to a website rather than document format;
- Follow up training workshops are required for other rural municipalities (further to the initial training workshop at Ndwedwe).

## 1.5 Rural development context

More than half of the population of KwaZulu Natal resides in rural areas, which are typically characterized by poverty and underdevelopment. Although the South African government has made firm commitments to the eradication of poverty throughout the country, rural areas have generally lagged behind the urban areas in terms of the delivery of development. As early as the 25 of June 1999 President Thabo Mbeki drew particular attention to the issue of rural poverty, stating:

*“The rural areas of our country represent the worst concentrations of poverty. No progress can be made towards a life of human dignity for our people as a whole unless we ensure the development of these areas.”*



It is estimated that 70 percent of rural African households exist in conditions which could be described as inadequate or intolerable in terms of their access to shelter, energy, water and sanitation<sup>3</sup>). This situation has been further compounded by the fact that emerging rural municipalities, struggling with a lack of capacity and resources, have been unable to adequately address infrastructural and other development backlogs left behind by apartheid or to address rural poverty significantly. Furthermore rural development has been characterised by severe fragmentation and inequalities in terms of project selection and allocation of scarce resources.

In this context, the importance of effective planning and co-ordination is essential in order to optimize the development funding and other resources that are available and in order to ensure that development is sustainable and integrated:

*“The crucial bottleneck for delivery is not finance but proper planning...the scarcer the resources the more relevant is planning as planning means thinking systematically about how to make the best use of scarce resources in the most beneficial manner”<sup>4</sup>.*

Several factors strengthen the case for integrated development processes and practices to be implemented in rural areas. These include:

- High levels of poverty and underdevelopment (including malnutrition and HIV AIDS).
- An urban bias in the allocation of development resources.
- A legacy of the fragmented systems of administration (e.g.: sector focused government departments overlain on emerging and under-resourced rural municipalities with limited effective co-ordination between different spheres of government and sectors).

## **1.6 Rural development policy framework**

There have been numerous changes in policies and legislation relating to rural development over the past 10 years, which have resulted in a policy environment, which is currently more conducive to effective and integrated rural development. The main policy frameworks, relating to the role of Local Government in the provision of services to communities, are outlined below. More information can be obtained from the Government's website ([www.gov.za](http://www.gov.za)). In particular the creation of “wall-to-wall” municipalities and the introduction of the IDP process are significant. Together they have the potential to create the environment for a more integrated and needs-based-approach to rural development based on equity, institutional transformation and

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<sup>3</sup> Integrated development planning and rural local government in South Africa, Pycroft, 2000, P87-88

<sup>4</sup> Information Package on Integrated Development Planning, DPLG, 2001, pg12

greater participation by civil society. They also have the potential to support more efficient financial and resource allocation by ensuring that budgets are linked to strategic objectives of a municipality, and that expenditure is carefully prioritized. In reality however, there are still significant challenges in implementing the new system, not least of all being insufficient capacity at the local level to manage the new policy including the budgetary and project processes that are required. *(For more information refer to item 3 of this manual.)*

## **2. MUNICIPAL LEGISLATIVE AND POLICY FRAMEWORK**

### **2.1 The Constitution 1996**

According to the Constitution of the Republic of South Africa, adopted on the 8<sup>th</sup> of May 1996 (sections 152 and 153), local government is responsible for the development process in Municipalities and for municipal planning. The constitution further states that municipalities are responsible for integrated development planning in order to meet the following objectives:

- to ensure sustainable provision of services,
- to promote social and economic development,
- to promote a safe and healthy environment,
- to give priority to the basic needs of communities,
- to encourage involvement of communities.

### **2.2 Local Government Transition Act 1995**

While the Local Government Transition Act of 1993, provided for revised interim measures with a view to promoting the restructuring of local government and the establishment of appointed transitional councils, amendments to that act introduced in June 1995, made provision for the establishment and management of Transitional Rural Local Government structures.

Since then a number of further and positive changes have been introduced in the broader rural policy environment, and are outlined below.

### **2.3 Rural Development Framework 1997**

In 1997, the Rural Development Task Team as part of the old RDP office prepared the Rural Development Framework for the National Department of Land Affairs. This framework advocated a holistic approach to rural development and poverty

alleviation, focusing on local democracy, rural local economic development and development of rural infrastructure.

## **2.4 White Paper on Local Government 1998**

In March 1998, the White Paper on Local Government was published advocating the developmental role of local government. Amongst the responsibilities and obligations defined for “Developmental Local Government” as defined in the White Paper were the following:

- to take responsibility for countering the racial divisions of the local space imposed by apartheid;
- to create unified urban and rural areas, where all community members have equal access to municipal services;
- to promote the active participation of local communities in decision-making through community participation in the budgeting process;
- to assemble municipal developmental priorities through the Integrated Development Planning (IDP) process;
- to monitor municipal performance through the Performance Management System.<sup>5</sup>

## **2.5 Municipal Demarcation Act 1998**

The re-demarcation of municipal boundaries was effected through the Municipal Demarcation Act of 1998, the Municipal Structures Act of 1998 and the Municipal Systems Act of 2000. This re-demarcation has allowed for wall-to-wall local government throughout the country, removing historic confusion over responsibilities for areas, which fell outside of local municipalities, and creating the platform for more equitable development.

## **2.6 Municipal Systems Act 2000**

The Municipal Systems Act of 2000 formally introduced Integrated Development Plans (IDP's), as the form of planning to be adopted by all metropolitan, district and local municipalities throughout the country.

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<sup>5</sup> Integrated Development Planning and rural local government in South Africa, Pycroft, C, 2000, P90

### **3. RURAL HOUSING POLICY FRAMEWORK**

#### **3.1 Context**

It is in the above context that a rural housing policy framework has recently been put in place, both at the National and KwaZulu Natal levels, resulting in the packaging of a significant number of rural housing projects and the conditional approval of many of these projects. Although no projects have yet been implemented under the new KZN policy, the much awaited delivery of rural housing is now finally possible. With the delivery of significant numbers of rural housing projects now in pipeline, it is vital that such projects do not take place in a development vacuum and that other development takes place simultaneously to ensure rural development sustainability and viability. This is also necessary in order to ensure that the end result of the rural housing program is the creation of improved living environments and improved socio-economic conditions, not only the provision of housing and infrastructure in isolation, as has occurred in many housing projects under the existing urban housing program. The planning and co-ordination of such support projects and interventions needs to take place in parallel with the initiation and preparation of rural housing projects so as to ensure that sound integrated development practices both at the project and planning levels are effectively implemented.

#### **3.2 Bill of Rights**

The Bill of Rights contained in the Constitution of the Republic of South Africa entrenches certain basic rights for all citizens of South Africa including: "The right to have access to adequate housing" (Article 26), where "adequate housing" is defined in the RDP White Paper of November 1994, in the following terms: "As a minimum, all housing must provide protection from weather, a durable structure, and reasonable living space and privacy. A house must include sanitary facilities, stormwater drainage, a household energy supply, and convenient access to clean water. Moreover, it must provide for secure tenure in a variety of forms."

#### **3.3 National Housing Code**

The purpose of the National Housing Code is to set out clearly, in one comprehensive document, the National Housing Policy of South Africa. National Housing Policy comprises an overall vision for housing of South Africa and the way in which this vision should be implemented. The requirements to develop the National Housing Code is set out in section 4 of the Housing Act, 1997 (Act No. 107 of 1997). This act requires the Minister of Housing to publish a code to be called the National Housing Code. The code must contain National Housing Policy and administrative

guidelines, in order to facilitate the effective implementation of the National Housing Policy. The code does not replace the key legislation and laws relating to National Housing Policy. Rather it is a statement of present policy, providing an overview and confirmation of the existing policy that is in place. As National Housing Policy is continually changing and evolving, so will the code continually change.<sup>6</sup>

Besides outlining the National Housing Policy, the code also provides guidelines and suggestions as to how this policy should be implemented.

The code comprises the following parts:

1. A user-friendly guide which is a summary of the code and an overview of the information available
2. Part 1, is an overview of the National Housing Policy
3. Part 2, is an overview of the Housing Act, No. 107 of 1997
4. Part 3, details the National Housing Program including the Housing Subsidies Scheme, the Discount Benefits Scheme and Hostel re-development program.
5. Part 4, covers new developments such as current policy relating to Social Housing and the Rental Act.

The National Housing Policy is implemented primary by three spheres of government namely the National Government, Provincial Government and Municipalities, each of which have clear roles and responsibilities.

The Constitution of South Africa broadly outlines the roles of the different spheres of government where:

1. **National Government** has the power to develop laws and policies that deal with matters that apply at a national level. Therefore at a national level Housing Policy is developed to facilitate an effective and equitable housing sector.
2. **Provincial Government** has the power to make specific laws and policies for the province in terms of all functional areas including housing.
3. **Municipalities** have the power to administer matters such as housing and all others relating to implementation of development projects in their areas.

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<sup>6</sup> National Housing Code, 2000, National Department of Housing, P1-3.



Fig 1: Roles of spheres of Government

### 3.4 National policy for rural housing 2000

The National Department of Housing developed guidelines for housing in rural areas in January 2000. Chapter 11 of the National Housing Code deals with the rules for accessing rural subsidies. The main elements of this policy include the following:

1. The Rural Subsidy is a subsidy of last resort (i.e. If there is another alternative subsidy route available, it should be used)
2. The benefits of the housing subsidy scheme would be extended persons who enjoyed 'functional' security of tenure (i.e. by virtue of the laws and customs of a tribe)
3. Acknowledgment that the rigid system of Township Establishment within normal greenfield projects could not be applied to the rural context.

The policy outlined in Chapter 11 provided an innovative way for dealing with tenure issues on Traditional lands by recognizing 'functional tenure' as a suitable form of tenure in rural areas. The policy recognized that the rigid system of Township establishments normally associated with greenfield developments could not be applied in rural areas. However only broad planning principles were suggested in the National Policy, leaving the Provincial Housing Department with the difficult task of developing planning requirements for rural housing projects in KwaZulu Natal.

### 3.5 KwaZulu Natal's initial approach to rural housing, 2000

In recognizing the need for rural housing development and in response to the National Housing Policy outlined in Chapter 11 of the National Code, the Provincial

Housing Department developed their own Provincial policy for rural development. The rural housing policy for KwaZulu Natal was presented in the Housing Policy communiqué No. 3/2000 on the 26 of May 2000.

The main elements of this provincial policy include the following:

1. An interim or working definition of a 'rural area'
2. Reiteration of the point that the rural subsidy is a subsidy of last resort
3. Promotion of the use of institutional subsidy route and section 21 companies to manage this institution in rural developments
4. Promotion of the use of long-term leases to provide more formal security of tenure to beneficiaries of rural developments
5. Identifying the requirements of chapter 1 of the DFA, and Environmental Conservation Act 73 of 1989 to provide environmental scoping reports for all rural developments
6. The use of settlement plans guided by the requirements of chapter 6 of the DFA (date)

This provincial policy response indicated that the Provincial Department of Housing would not be comfortable implementing the National Housing Policy based on 'functional tenure' as a suitably secure form of tenure for rural developments. The provincial department attempted to reinforce the requirements of the National Housing Act (No. 107 of 1997) item (V1) a's, requirement of security of tenure, through the issuing of long-term leases.

The Provincial policy furthermore attempted to formalise Chapter 11's broad planning requirements, through the use of chapter 6 of the DFA. The provincial policy was therefore based on the position that the rural subsidy was still a subsidy of last resort, proposing that the alternative of the Institutional Subsidy route be implemented through the establishment of the section 21 company with long-term leases.

The use of the Institutional Subsidy Mechanism allowed for the following:

1. The establishment of an institution, the applicant, which in most instances was a Section 21 company established on a project specific basis.
2. The "Institution" was generally represented by various groupings including but not limited to the Traditional Authority having jurisdiction over the area, Development consultants, regional or district municipalities, NGO'S and representatives of the community.
3. The utilisation of long-term common law leases in the deeds office in order to resolve the tenure issue and avoid the need for land to be alienated from the Ingonyama Trust.
4. The use of Chapter 6 of the DFA as a mechanism to establish a form of planning control. This was done by compiling a settlement plan, surveying

individual sites, registering a leasehold general plan and issuing long term common law leases off this general plan to the beneficiaries

These leases were issued off a parent or mother lease, which was issued by the landowner, the Ingonyama Trust, to the Traditional Authority or the section 21 companies.

A number of projects have been successfully implemented or are in the process of being implemented utilizing the abovementioned methodology. These projects have however occurred mostly in areas on the urban fringe of towns. Typical examples of approved projects are Jozini (Umkhanyakude), the Kathide projects (Newcastle), Kwangwanase (Umhlabuyalingana), eMdlebeni (Kwadukuza).

### **3.6 KwaZulu Natal guidelines for rural housing 2003**

The KwaZulu Natal Provincial housing departments initial policy based on the three pillars of the Institutional subsidy, section 21 co's and the issuing of long term leases was however ineffective in enabling the delivery of housing in the 'deeper' rural projects as a result of concerns by traditional leaders with respect to their authority in these areas. Typical concerns were the alienation of land, ownership of the project and the role of the Traditional authority, roles of Section 21 companies and confusion regarding the purpose of leases. In addition a major cause for concern amongst Traditional Leaders was the DFA process and the perception that "townships" would be created.

In the light of the above constraints in implementing KwaZulu Natal initial policy, the Provincial Housing Department amended its initial policy guidelines for rural housing through the, "Additional Rural Guidelines", in 2003. The main elements of the amended policy were:

1. Acknowledgment of 'functional tenure' as an acceptable form of tenure for rural developments
2. That the Norms and Standards do not apply to levels of services in rural developments, however they do apply to top-structures
3. Introduced the Global Positioning System (GPS) as an acceptable methodology for positioning beneficiary sites.
4. That National Home Builders Registration Council's (NHBRC) registrations do not apply to rural developments.
5. Outlined the roles and responsibilities of the key stakeholders in the rural development process

Whilst this policy represented a significant step forward for rural housing in KwaZulu Natal, the policy was in the form of a broad framework and did not adequately deal



with all the specific requirements for the effective and sustainable delivery of rural housing. One of the key issues not yet clarified was how the planning approvals and processes for rural housing were to be dealt with. Another issue was that large numbers of applications were being received and there was no system or set of criteria for how projects could be screened and evaluated.

### **3.7 Implementation of the KwaZulu Natal rural housing policy, 2004**

In recognition of the unique difficulties associated with the implementation of the rural housing policy within KwaZulu Natal. The Department of Housing and the Department of Local Government and Traditional Affairs have produced a number of guideline documents to assist municipalities and development practitioners in this process.

#### Development rights agreement:

The development rights agreement drawn up between the Municipality and the Ingonyama Trust Board establishes the terms and conditions for the implementation of rural housing projects on Ingonyama trust land.

The Development rights agreement allows the relevant local Municipality to apply for funding, and to use the approved funding received in order to provide bulk and internal services and to construct top structures for the beneficiaries in rural areas. Furthermore the agreement allows the Municipality to confirm the existing tenure rights of the beneficiary to the extent required in the subsidy scheme (functional tenure). The agreement also confirms the support of the Traditional Authority in the area through the Traditional Authorities consent document, which is attached to the agreement.

#### Assessment of in-situ housing projects on Ingonyama Trust Land, Information document, July 2004:

In July 2004 the Department of Local Government and Traditional Affairs after a number of workshops with key stakeholders, produced a guideline document for the assessment of housing projects on Ingonyama Trust land.

The Department of Local Government and Traditional Affairs is required to give planning consent for rural housing projects on Ingonyama Trust Land. The chief directorate Development Planning is *inter alia*, responsible for the promotion of orderly development on land in urban and rural areas in the province and the Chief Directorate Traditional Land Administration is responsible for the management of land tenure processes in Traditional Authority areas in the province.

This guideline document proposed the establishment of a Technical Committee (TC) to evaluate development proposals, similar to the Development Tribunal outlined in

the DFA. The guideline established that the implementing agent is required to submit an 'information package' to the Department of Housing in order to obtain planning consent. The Department of Housing was then responsible for forwarding this 'information pack' to Development Planning and Traditional Land Administration while simultaneously scheduling a date for the TC to meet. This meeting would then result in a 'planning decision' with attached conditions that would be provided to the Department of Housing.

The guideline also provides details of the required documents needed in order to compile the 'information pack'. It is interesting to note that the TC aims to assess applications by adhering to the general principles outlined in the DFA. One of the central principles outlined in this act is item 1(c) (i) 'Policy, administrative practice and laws should promote efficient and integrated land development in that they-

(i) Promote the integration of the social, economic, institutional and physical aspect of land development.'<sup>7</sup>

Part 1: Pre-feasibility approval of rural (Ingonyama Land) housing projects, Version 1:  
This application pack document provided by the Department of Housing in September 2004 provided a guideline for the pre-feasibility packaging of rural housing projects on Ingonyama Trust land. The details and requirements of this document are fully covered in the step-by-step process outlined in section 5 and the document is attached an **Appendix 3**.

Part 2: Tranche 1/2 application for rural subsidies, Version 1:  
These application packs provided by the Department of Housing in September 2004 provided guidelines for the feasibility packaging of rural housing projects on Ingonyama Trust land. The details and requirements of this document are fully covered in the step-by-step process outlined in section 5 and the document is attached an **Appendix 4 & 6**.

This document seeks to provide alternatives and additional guidelines in order to cater for the main concerns of some traditional authorities with respect to:

1. The use of the section 21 company as a development vehicle for traditional land
2. The registration in the deeds office of long term common law leases

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<sup>7</sup> Development Facilitation Act, No 67 of 1995, Item 3(1)c (i), P5

## SECTION 2:

The purpose of this section is to provide further information on integrated rural development, including the need for integrated development, the policy and IDP framework, and the need for integration at the project level.

Furthermore the section highlights the requirement for and the importance of implementing integrated rural housing projects.

## 4. INTEGRATED RURAL DEVELOPMENT

### 4.1 Definitions

**Integrated development** can be defined as development which:

1. is receptive and responsive to specific local needs (and is therefore participative),
2. is multifaceted (a range of reinforcing interventions and support),
3. involves multiple funders and support agents working together.<sup>8</sup>

Integrated development is thus a participatory development process, which focuses on a range of supports related to different powers, functions and legislative requirements including better education, health care, economic development, food security, housing and infrastructure. It entails identifying and meeting the needs of the community as a whole, rather than looking at different aspects of development separately and in isolation from each other.

In 1995 the Forum for Effective Planning and Development (FEPD), an intergovernmental committee established by the RDP office, defined **integrated development planning** as:

“A participatory approach to integrate economic, sectoral, spatial, social, institutional, environmental and fiscal strategies in order to support the optimal allocation of scarce resources between sectors and geographical areas and across the population in the manner that provides sustainable growth, equity and the empowerment of the poor and marginalised.”<sup>9</sup>

Robinson defines **integration** in a number of complimentary senses<sup>10</sup>:

<sup>8</sup> Project Preparation Trust of KwaZulu Natal 1993-2003”, Project Preparation Trust , 2003, pg16

<sup>9</sup> FEPD, 1995, Vol 1

<sup>10</sup> Robinson, P, Methods of achieving integration independent planning: Early experiences from South African municipalities, P3

1. A key concern of integrated development planning is to move beyond fragmented projects that do not link to one another, and that do little to address causal issues. Integration, in this sense, refers to the development of plans, programmes and projects that are mutually reinforcing and that combine to address the real strategic issues in an area. This may be called the **strategic framework** dimension of integration.
2. Achievement of this in practice will require good internal linkages and consistencies within a plan, well-coordinated actions within a local authority, and between local government plans and the actions of other spheres of government. This is often referred to as **vertical integration**, while **horizontal integration** refers to co-ordination between various line function agencies.
3. In another sense, integrated development also refers to understanding **cross-cutting** issues, such as environment, gender, poverty, etc., which inform the social, economic, biophysical and spatial dimensions of development problems. These cross-cutting issues are fundamental in formulating strategies, programmes and projects.
4. Similarly, **spatial integration** emphasises networks and linkages between places and areas, the respective role that each plays in the space economy, and relative investment needs.
5. In another sense, integrated development involves explicit attention to the **links between planning and implementation**.
6. A sixth dimension of integration involves achievement of a sense of **consensus** among role players about the issues to be addressed, the strategies and priorities.

There is an important link between integrated development and sustainable development where **sustainable development** can be defined as development which:

1. cannot be achieved without integrated development,
2. must bring about decreased dependency on outside support agents,
3. must have as its core objective the development of people.

In the context of integrated development planning, to achieve sustainability two key aspects have to be considered throughout the planning process:

1. The use of resources to meet the needs of present generations in such a way as to ensure that the needs of future generations can also be met; and
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2. To achieve sustainability as an outcome of the planning process, all dimensions of development (social and economic) as well as the natural environment within which it occurs needs to be considered when planning.<sup>11</sup>

## **4.2 The need for integrated development**

Integrated development is necessary for many reasons including the following:

- The need to optimize scarce development resources,
- The need to ensure projects are adapted to local needs, conditions, assets,
- The need to ensure a multi-sectoral approach to development,
- The need to ensure community participation.

The concept of integrated development has been the topic of many policy documents and publications prepared by National, Provincial and Local spheres of Government as well as the private sector since 1994. Due to the severe development backlogs in rural areas, these areas have become the target of special focus for integrated development strategies and initiatives. There are however numerous challenges in achieving integrated rural development (as outlined in section 4 below) which have a significant and negative impact on the implementation of integrated rural development.

In South Africa we have many examples of where integrated development planning has not been implemented and where projects have been undertaken without adequate reference to the spatial planning context. In many instances the resultant projects have been ineffective or unsuccessful.

Many of these initiatives have failed due to a lack of effective participation of local communities or a lack of basic situational analysis, primary ingredients in all integrated development planning processes.

One of the greatest challenges for rural municipalities therefore lies in translating IDP strategies into projects for implementation and the subsequent management of the integrated implementation process.

While effective integrative development is still finding its feet in this country and experiencing many teething problems it is hoped that the historical process of scattered, un-coordinated and ad-hoc development which has often had limited effectiveness in rural areas, will soon become a thing of the past.

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<sup>11</sup> DPLG, IDP Guide pack, Section v, 2004, P13

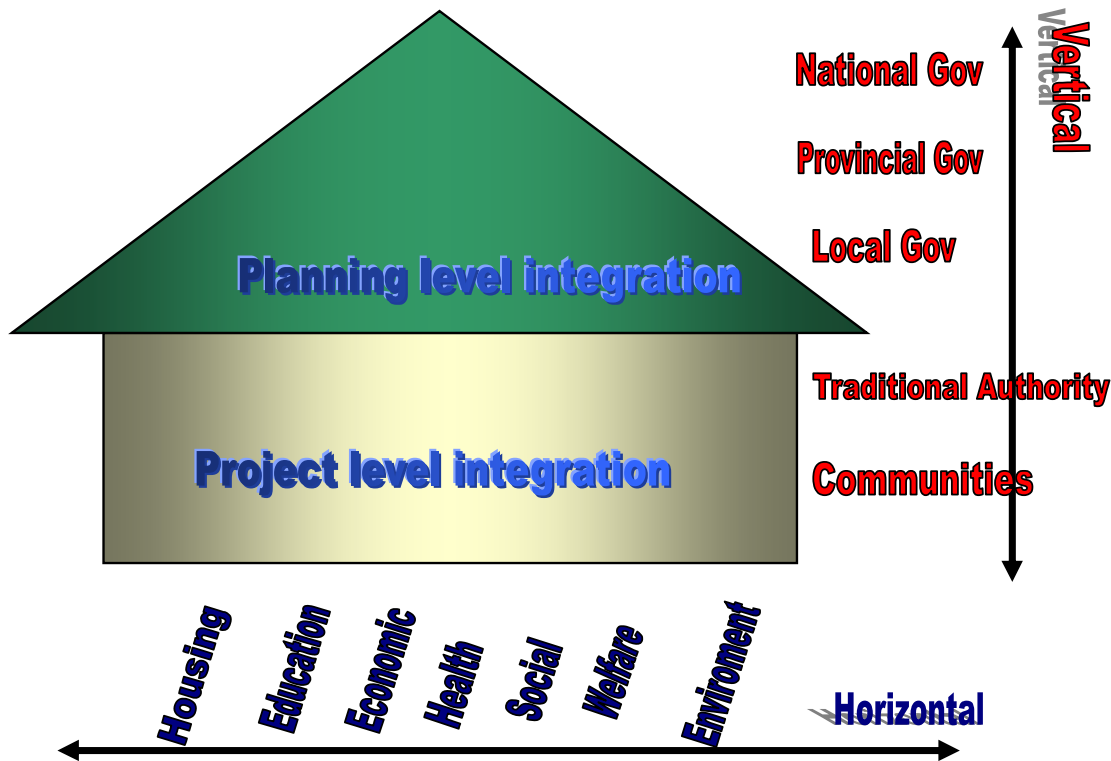


Fig 2: Vertical and Horizontal integration

### 4.3 The need for project level integration

Often when the concept of integrated development is discussed, sole reference is made to IDP's and their role in the development. In reality however, IDP's although extensive, have not been effectively focused to a project or community level. Whilst IDP's play an important role in co-ordinating and enabling development, additional work is required to ensure that they translate into meaningful integration at the project level. This would facilitate development that is multi-faceted or multi-sectoral and therefore truly answers to the specific needs and circumstances of communities on the ground.

It is thus critical that the distinction is clearly understood between integration at the broad IDP level and integration at the project level. It is also critical that integration is enforced at both of these levels, and not only at the broader IDP level. There is a need for government and others involved in development to work both from the top down (i.e.: utilizing IDP frameworks) as well as from the bottom up (i.e.: consulting with communities on the ground, understanding needs and community assets, identifying appropriate projects, and then feeding these back into the IDP and budgeting processes).

Integrated development planning should therefore include all levels from IDP level down to project level integration, but usually it fails at the project level where the proverbial developmental “rubber hits the road”.

Project level integration is concerned mainly with ensuring that development at the community or project occurs in a manner that is holistic, multi-sectoral, appropriate and sustainable. In the context of rural housing, this means ensuring that housing is accompanied, not only by the necessary water road, water and sanitation infrastructure, but also by other forms of development such as:

- agricultural and economic development (e.g.: support to de-facto micro enterprises),
- the provision of appropriate social facilities such as those relating to education and primary health care,
- assistance to special needs groups (e.g.: those infected or affected by HIV / AIDS, orphans and vulnerable children, the aged etc).

Referred to above as cross-cutting integration, there are three main elements that are necessary to support such project level integration:

- The existence of adequate spatial plans at the local level (e.g.: at the level of a Traditional Authority);
- Co-operation and partnership between different sector departments;
- Appropriate participation of and consultation with communities on the ground to ensure that development projects and other support respond to local needs and optimize community assets.

It is evident that some of the activities outlined under 4.4 below which are designed to supplement IDP’s (e.g.: sector plans and LUMS) can assist in delivering the above elements, but more work is required before these activities are in place. Unfortunately as IDP’s struggle with issues such as limited municipal level understanding, a lack of participation and poor sector alignment most areas still experience a relative vacuum at the community level in terms of the enabling instruments for integrated development. It goes without saying that, given the inevitable constraints on public sector and other resources, development projects need to be prioritized at the local level. An integrated approach should ensure the appropriate prioritization of projects or supports that will have the most impact and will most effectively gear up local community initiative and energy, thereby reducing dependency in the long run. Again it should be stated that IDP’s do allow for this process but are still lacking this the implementation of this final level in most areas.

#### **4.4 The need for project preparation**

IDP’s need to go hand in hand with systematic project feasibility and preparation work. There is a serious risk where funding is allocated to projects prior to adequate preparation and feasibility work having been done. Municipalities are under pressure

in terms of the Municipal Finance Act to allocate and spend their development budgets, but they typically do not have the funding nor the technical capacity to undertake the necessary preparation and feasibility work required. Budgets are therefore usually allocated on the basis of insufficient project and community information. This seriously undermines both the implementation of IDP's as well as the delivery of viable and appropriate projects at grassroots level.

Municipalities need to make efforts to source the necessary funding and capacity to undertake project preparation. Furthermore there needs to be an awareness from higher spheres of government, including National Treasury, of the need to allocate the necessary funding and other resources to ensure that such preparation takes place. Project preparation should preferably take place prior to funding allocations or else, there should be some flexibility and process by which Municipalities can re-allocate funding "sideways" to other projects where projects to which funding was initially allocated turn out to be unviable, inappropriate, or cannot be implemented within reasonable timeframes due to specific constraints.

#### **4.5 International experience**

There are however a number of international examples of the success of effective integrated development and the lessons from these successes can be utilized locally.

This approach of supporting democratic and developmental local government is an international trend of *'thinking globally and acting locally'* which has been successfully implemented in many countries.

- In *India* a constitutional amendment, in 1992 provided for the devolution of urban planning functions to a local level.
- All local authorities in *Germany* are required to prepared local plans and these plans need to be consistencies with the plans off other spheres of government.
- In *Malaysia* local authorities prepare plans and projects that address local needs and complement national proposals.
- *Indonesia* has an annual bottom-up regional development planning process, which starts at the vintage level.

These initiatives further support the Local agenda 21 action plan for sustainable development which tasks local municipalities to undertake consultative planning process with their populations and to achieve consensus on the development agendas of their local communities.

Sustainable development best practices, which promote integrated development are not isolated to first world countries like Canada, Australia and New Zealand.



- The city of *Curitiba in Southern Brazil* has been widely lauded as a model of sustainable planning and as a “third world city that really works”
- The city of *Greater Montigo Bay in West Indies* developed a community driven integrated development plan and is regarded as a model for the sustainable development of both the urban and rural towns in Jamaica<sup>12</sup>

#### **4.6 Policy and legislative context in relation to integrated development**

*(Refer also to items 2 and 3 above)*

The advent of integrated development planning in South Africa has changed the operating environment for development, linking plans more closely to budgets and giving far greater emphasis to delivery and implementation than was previously the case.

##### **4.6.1 Spheres of government**

Section 41 of the Constitution requires that the three Spheres of Government co-operate with one another to further the well being of the people of South Africa. In the context of KZN it means that Municipalities and Service Providers must co-operate with one another in mutual trust and good faith for effective and efficient service delivery through the integrated development planning process.

The Constitution determines that Local Government is a sphere of government in its own right, and not a function of National and Provincial Government. However, Provincial Government is obliged and mandated to support Municipalities to enable them to fulfill their own functions.

Therefore, according to the legislation, Municipalities are the point of integration and co-ordination, vertically and horizontally, for the implementation of national and provincial development programmes.

##### **4.6.2 Municipal Systems Act**

Chapter 5 of the Municipal Systems Act aims to assist in clarifying municipal planning in cooperative governance. Section 24(1) of the Act specifies that the planning undertaken by a municipality must be aligned with and complement the development plans and strategies of other affected municipalities and other state organs / government departments (i.e. Service Providers).

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<sup>12</sup> Information package of integrated development planning, DTLGA, Aug, 2001

Section 24(3)(a) puts the onus on service providers to align their actions with that of the municipal IDP: “If municipalities are required to comply with planning requirements in terms of national or provincial legislation, the responsible organs of state must ... align the implementation of that legislation with the provisions of Chapter 5 of the MSA dealing with integrated development planning.” It is clear that alignment is the responsibility of all Spheres of Government<sup>13</sup>.

#### **4.7 Integrated Development Plans (IDP’s)**

Integrated development planning is a process through which municipalities prepare a strategic development plan, for a five-year period. The Integrated Development Plan (IDP) is a product of the integrated development planning process. The IDP is a principal strategic planning instrument, which guides and informs all planning, budgeting, management and decision making in a municipality (refer to section 2.8.3 below for more information on IDP’s). IDP’s also serve as a “basis for engagement between local government and citizens at local level”<sup>14</sup>.

According to the Municipal Systems Act of 2000 all municipalities (i.e. Metro’s, District Municipalities, and Local Municipalities) must undertake an integrated development planning process to produce integrated development plans (IDP’s). As the IDP is a legislative requirement it has a legal status and it supersedes all other plans that guide development at local government.

The IDP is made up of the following five core components:

- The analysis
  - an assessment of existing level of development, which includes identification of communities with no access to basic services
  - development strategies
  - the municipalities vision (including internal transformation needs)
  - the council's development priorities and objectives
- The council's development strategies
- Projects
- Integration
  - a spatial development framework
  - disaster management plan
  - integrated financial plan (both capital and operational budget)
  - other integrated programs

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<sup>13</sup> Draft guideline document for Service providers and Municipalities on how to engage in The IDP process of the 2005/06 IDP Review

<sup>14</sup> DPLG, IDP Guideline Pack, 2004

- key performance indicators and performance targets,
- Approval<sup>15</sup>

The IDP should guide where national and provincial sector departments allocate their resources at the local government level. Therefore it is important that the municipality take into consideration the sector departments policies and programs when developing its own policies and strategies. Furthermore it is in the interests of the sector departments to participate in the integrated development planning process to ensure that there is alignment between its programs and that of the municipalities.

Ideally, IDP's should ensure the vertical and horizontal integration of various spheres of government and co-ordination between functional agencies, (outlined in section 2.8) but in reality additional work is required to ensure that this actually occurs at the level of grassroots delivery.

It particular it is noted that there are various activities that need to accompany IDP's in order to ensure their effective implementation but which do not form part of the IDP process itself. The most important of these are sector plans (e.g.: Housing plans), sector forums and Land Use Management Systems (LUMS) or equivalent local level integrated development plans. It is further noted however, that the implementation of these activities in most areas is still not complete which in turn compromises the effectiveness of IDP's in delivering integrated and sustainable development at the local, community level.

IDP's are therefore designed primarily to create an enabling environment for integrated development, especially at the broad planning level. Additional activities are required to ensure that IDP's deliver at grassroots, project level and that sustainable needs based development at a local level is therefore achieved.

As a municipality implements an IDP, it is important that it checks that project delivery is happening in a planned integrated manner, that resources are being employed efficiently, that the quality of delivery is acceptable and that overall delivery has the planned effect on the lives of the communities in the municipality. This is achieved through the implementation of a performance management system and undertaking an annual review of the IDP. This performance management system is framed by the 'Best practice guide for municipal organisational performance management in KwaZulu Natal', and is a requirement of the Municipal Systems Act.

The IDP sector planning process is clearly outlined in Guide 3 of the IDP guideline pack, while this complicated planning process is still in its teething stage the process for cross-cutting sector integration at a project level is virtually non existent. While service provider forums are the medium for sectoral integration at a planning level

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<sup>15</sup> Information Package on Integrated Development Planning, DPLG, Aug 2001, pg 43

the lack of effective sectoral plans which link to the IDP's often hampers this integration process.

The IDP guidelines propose that project level integration should be based on inter-sectoral, multidisciplinary project task teams to input into the design of projects. However the pressure to deliver, expend finances and the lack of incentive for integration usually ensure that these task teams are non-existent.

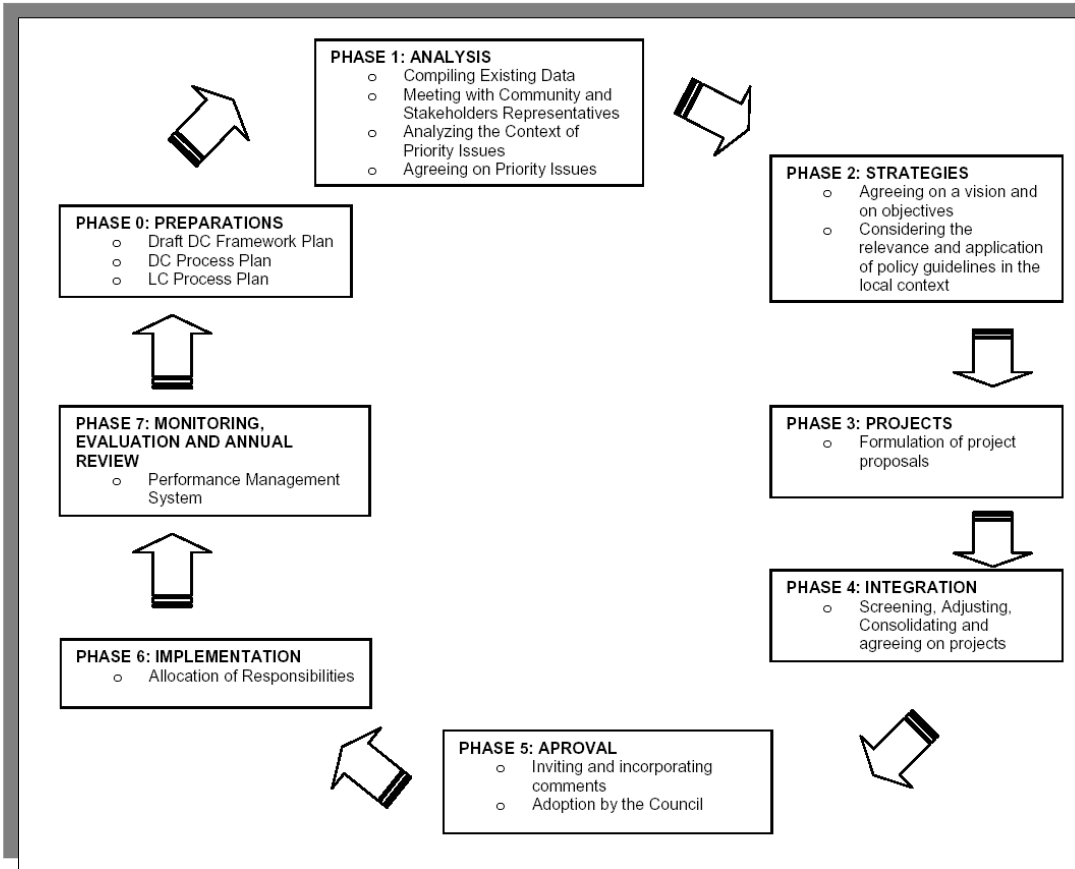


Fig 3: Phases of the IDP process<sup>16</sup>

In addition to what is outlined above, the following important points relating to IDP's are noted:

- IDP's should not be considered as rigid roadmaps for development but as living documents. They need to be flexible and adapted over time in response to feedback and changes in their operating environment (including changes in: conditions on the ground, available funding, and government policy).

<sup>16</sup> Adapted from: Draft guideline document for service providers and Municipalities on how to engage in the IDP process of the 2005/2006 IDP review.

- Inputs from sector forums and sector plans as well as local spatial development plans such as LUMS need to be considered as extensions of IDP processes.
- Most IDP's were based on only very preliminary community consultation (due to time and resource constraints) and additional community participation is desirable at the local level.
- It should be recognised that original, consultant lead IDP's will not contain a comprehensive project list (although some projects may be identified). Ideally IDP's should therefore have project priority lists attached to them or incorporated in them (drawn from sector plans such as housing and local spatial planning inputs). Such lists / sector plans would need to be updated from time to time and approved by Council.
- IDP's require an appropriate process for prioritising projects based on credible developmental criteria and not only political imperatives.
- IDP's cannot solve development challenges or backlogs although they can assist in creating an enabling environment to do so. Ultimately these challenges need to be solved at the community or project level.
- It should be recognised that these points are generally covered in the IDP process but have not as yet been implemented in most cases.

#### **4.8 Cross-sectoral alignment**

Development sectors such as water and sanitation, housing, health and education have traditionally been institutionalised and addressed through separate government line functions. For operational purposes, each department has been allocated separate budgets and has been given responsibility for developing and implementing different legislation, policy and programmes.

To date, planning and delivery has relied extensively on these sectors. The outcome of this approach has been one where delivery has occurred without adequate co-ordination and integration leading to disintegrated, dysfunctional and fragmented outcomes, with unsustainable investment. Some examples of this approach are the construction of schools without teachers, houses without water, and settlements without employment.

Municipalities must play a role in ensuring integration and co-ordination between the various sectors and cross-sectoral dimensions of development, to achieve social, economic and ecological sustainability.

The IDP guide (Cross sector: Guide v) provides a comprehensive although complicated description of how the various sectors should be aligned. The guide proposes the following principles and methodologies to achieve cross-sectoral integration.

1. Planning at national and provincial level is primarily sectoral and based on existing government department programmes. These have specific sectoral requirements that need to be met by municipalities. This requires that municipal planning processes takes into account the legislative, policy, and strategy approaches of the line departments of national and provincial government.
2. Local development is multi-sectoral and multi-dimensional. It is not only about sectors such as water, housing, or employment creation, but also about the three key dimensions of economic, social, institutional and environmental development. These dimensions have an all-pervading nature and need to be mainstreamed into every stage of the IDP process
3. Sector planning requirements contained in national sectoral legislation in respect of municipal functions such as water and environment should be dealt with as part of the IDP process, where they are relevant to the local priority issues. Additional aspects of sector planning requirements not fully covered in the IDP process would then require a parallel planning process to the IDP where a need has been identified.
4. A 'sector specialist' or competent resource person should assist the process of localising sectoral policy principles within the Strategies Phase of the IDP process, on the basis of their working knowledge of national and provincial guidelines and policies. This sector specialist should also form part of the multidisciplinary Project Task Teams to ensure integration at a project level.

Some provincial and national sector departments have set up municipal sector-driven planning requirements, to inform their strategic planning, budgetary and implementation processes. For example the Department of Water Affairs and Forestry requires municipalities that are Water Services Authorities to formulate Water Services Development Plans, and the Department of Housing requires municipalities to formulate a housing strategy and targets as part of their IDP process. These planning requirements are meant to assist in the process of alignment.

While the IDP guide is a comprehensive document, many of the useful guidelines aimed at ensuring cross-sectoral alignment are not being followed in practice. While this manual does not attempt to discard the detailed planning process set out in the guide it does suggest that strategies should be developed to ensure that the proposed methodologies of this guide be effectively implemented.

The Government has recognised the need to improved cross-sectoral alignment through the introduction of the new **Intergovernmental Relations Framework Bill**

(section 75, Nov 2004). This bill seeks to facilitate and promote improved intergovernmental relations. It focuses primarily on the outcomes of the system and not on the manner in which these improved relations must be implemented. However one of the primary objects of the bill is to create a coherent government, which provides for the effective provision of services.

The primary vehicles, identified by the bill in order to achieve this integration are called intergovernmental forums (IGFs). These forums consist of bodies starting at the level of the President, through to the, National Cabinet, Premier, District and finally to the Municipal level. Any of these IGF can then establish Technical Support Structures (TSS) in order to undertake any technical tasks that may be required.

#### **4.9 Service provider forums**

In order to improve cross-sectoral integration service provider forums (SPF's) were established in the mid-1990s. Initially these forums were established at a provincial level and later in the regions and districts. This initiative represented a breakthrough in translating the principles of integrated development into a workable form. The aim of SPF's was to improve coordination among major service provider departments and to find synergies by working co-operatively. These were non-statutory arrangements intended to promote co-ordination in the delivery of services in the KZN regions (later called districts). But by time the IDP process was fully underway in 2001, the district SPF's had all experienced teething problems, some weathering these better than others. Many had degenerated into little more than "talk-shops" characterized by inconsistent attendance.<sup>17</sup>

#### **4.10 Local spatial development plans and LUM's**

An important part of any IDP is the Spatial Development Framework, which is a plan that shows how the municipality wants to develop its area. A Spatial Development Framework should also contain a broad Land Use Management System, which should outline all the actions a municipality needs to take, to manage the use and development of land at the local level. Land Use Schemes are a statutory requirement of a municipality's Land Use Management System (LUMS).

It is however noted that the process of LUMS is not yet implemented in most areas. Furthermore IDP's are usually lacking housing and other sector plans, which enable the practical implementation of the development principles and initiatives outlined in the IDP. The ideal integrated development process would involve the identification of

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<sup>17</sup> Robinson, P, Methods of achieving integration in development planning: Early experiences from South African municipalities, P12

specific projects for implementation through a housing sector plan, which would then inform the development of LUMS.

Many municipal housing officials find themselves under pressure to package an identified rural housing project in an area which is broadly identified in the IDP or an attached priority list, but where typically there is no local spatial development plan or LUMS yet in place. There is thus typically an “integrated development-planning vacuum” in which officials must operate.

In this context, a local spatial development plan can be used to link the community needs and requirements of the development project with the broader planning objectives of the IDP and thereby ensure IDP alignment. It is likely that this plan would share many similar elements with LUMS and could be used as an input to LUMS once the LUMS process comes on line for a particular area. The main difference is that the local spatial development plan would probably be a more basic plan and would probably cost less. The purposes of such a local spatial development plan are twofold, to identify and map current conditions in the area as well as to broadly identify key development priorities. More specifically the plan therefore needs to identify and map:

- physical and topographical characteristics and constraints (e.g.: slope and environmentally sensitive areas);
- existing land use
- existing dwellings / settlement pattern
- existing infrastructure such as roads, water supply, electricity, education, and health care
- land ownership and key boundaries
- key linkages with the existing IDP
- developmental priorities and needs (preferably based a process of community consultation and participation) (Refer to **Appendix 1** for detailed scope of works)

It is noted that much of the physical and infrastructural information outlined above is readily available off various information management systems and seldom has to be generated from first principles. This radically reduces the costs of local spatial development plans whilst at the same time enhancing their usefulness and accuracy.

#### **4.11 Role and importance of information management systems**

A key requirement of development projects including local spatial plans is access to relevant and up to date information. Fortunately, a significant amount of information is currently available to many municipalities in a digital format, usually off databases either held by the relevant district municipality or provincial departments.



The information management system is a system that acquires, stores and maintains information in an easily accessible database. For a number of years development practitioners working with local government have not been aware of the existence of these information management systems or databases.

It is therefore vital that each local municipality has an official who is knowledgeable about the information management system. Local municipal knowledge of this system will save both time and money throughout the development process by preventing the regeneration of existing information.

Development information can be accessed through Development Information Services (DIS), which is a component of the Chief Directorate: Development Planning, falling under the Local Government Branch of DTLGA. To eliminate the recapturing of existing data the Department obtains and shares data with other provincial departments and consultants who undertake work for the province. DIS's role is therefore to be a 1-stop shop in the provision of development information for the province.

The need for an integrated approach to the management of information at the District level resulted in the development of District Information Management System (DIMS). DIMS will go a long way in assisting with the coordination of developmental information at a district and local level. A pilot DIMS process has been implemented in the uThungulu District with a roll out planned for all the Districts Municipalities in KZN.

A Geographic Information System (GIS) is a computer-based tool for mapping and analysing things that exist and events that happen on earth. Only a GIS has the data management tools to help local government digest the huge amount of information required to perform their duties. GIS technology makes data sharing among departments easy so that the government can work as an efficient, single enterprise.

Presently the Internet Mapping Server provides interactive maps, which can be created, from a number of different types of spatial data, which can be easily published on the Web. The features available through this updated technology allow users greater flexibility to view the spatial features they need. In addition to this, the data can be stored securely in a relational database providing greater functionality and reduced response times.

The web page <http://devplan.kzntl.gov.za> also maintains the metadata (data about data) for the data stored in the database. Data that can be provided freely include most datasets from provincial departments such as roads, rivers, schools, clinics and hospitals, and local and district municipal boundaries.

#### **4.12 Roles and responsibilities**

Currently National Government aims to promote the 'Developmental Local Government' concept. Where Local Government acts as the developmental and coordinating arm for the delivery of services to communities. If this concept is to work in South Africa it is clear that all of the development stakeholders need to contribute toward building capacity at a local municipal level.

However successful capacitation at a local municipal level and sustainable integrated development, can only be achieved where all role-players are fully aware of their own and of other role-players responsibilities in the development process. A detailed summary of the roles and responsibilities of the key stakeholders is provided in **Appendix 9**.

## SECTION 3:

The purpose of this section is to demonstrate by means of the KwaShangase pilot project how an integrated approach to rural housing can be practically undertaken in order to promote more holistic and sustainable development. The section also illustrates how the new rural housing policy can be applied in practice.

### 5 KWASHANGASE PILOT RURAL HOUSING PROJECT

#### 5.1 Project Profile

<i>Project name:</i>	KwaShangase Rural Housing Project
<i>Proposed project type:</i>	Rural project linked subsidies (in-situ upgrade using the people's housing process) supported by economic development and food security projects (funding for micro-enterprise and HIV / AIDS relief projects still being sought)
<i>Total funding value:</i>	R57,444,364
<i>Funding sources:</i>	PPT-USAID, KZN Dept. Housing, KZN Dept. Social Welfare, Dept. Housing Human Settlement Redevelopment Programme, CMIP.
<i>Estimated subsidy value:</i>	R 29,670,000
<i>Locality:</i>	Ndwedwe (Wards 17 & 18)
<i>Local authority:</i>	Ndwedwe Local Municipality
<i>Housing yield:</i>	1000 households
<i>Project initiator</i>	Ndwedwe Local Municipality
<i>Preparation manager:</i>	Project Preparation Trust KZN (PPT)

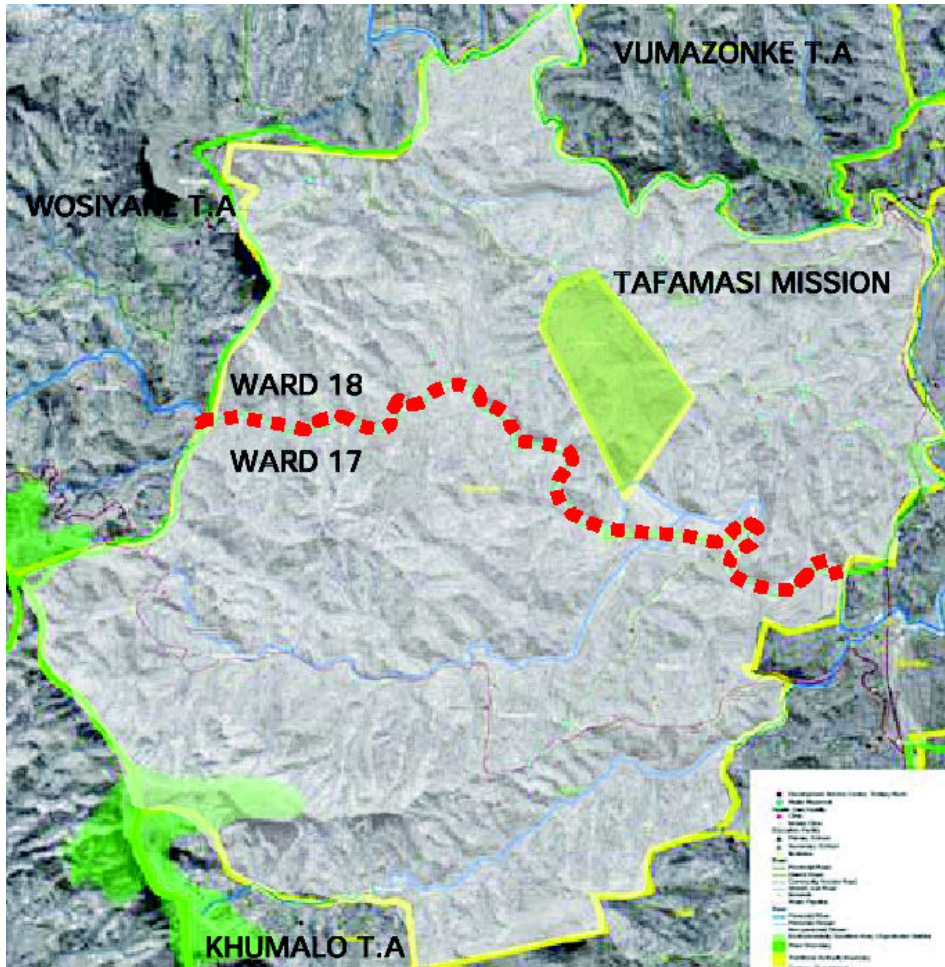


Fig 4: KwaShangase project area (extract from Spatial Plan)

## 5.2 History

The KwaShangase community approached PPT in the mid nineties to assist them with development initiatives in their area. PPT responded by providing funding and technical support for the compilation of a preliminary spatial investment plan for the area in order to assist the community in obtaining development funding for various initiatives. The plan and associated report assessed the existing situation in the area identified potential projects for implementation. It was based on a process of community participation and consultation. It is noted that this process took place prior to the election of democratic local governments, the finalization of the re-demarcation process and the existence of IDP's. Co-funding was obtained from Kagiso Trust.

This initial spatial investment plan and the subsequent IDP for the area identified a need to assist the community both with the provision of housing to improve the inadequate shelter conditions and to support the economic upliftment of the area.

In 2003, PPT obtained additional preparation funding from USAID and was able to revisit the community and offer additional support. The USAID-funded program was based on an integrated development approach with a housing focus, supported by grassroots economic development, food security and HIV / AIDS relief. Discussions with Ndwedwe Municipality indicated that KwaShangase was already selected as an “A” priority for housing and Ndwedwe accepted PPT’s offer of assistance for the area. Ndwedwe was therefore selected by PPT along with four other municipal areas, which would benefit from the PPT- USAID program.

Two formal agreements were entered into between PPT and Ndwedwe Municipality. One is a broad agreement which defines the working relationship between PPT and Ndwedwe Municipality and in terms of which PPT makes funding available for specific projects and provides Ndwedwe with project management support. The other is a project level loan agreement in terms of which PPT has made available to Ndwedwe an interest free and unsecured loan to assist them with the preparation of housing and related economic development projects for KwaShangase. The loan will be repaid only when and if implementation funding such as housing subsidies is approved.

In parallel with the above process, funding from the DBSA was approved in 2003 for the preparation of this manual and to disseminate the knowledge gained in the preparation of the KwaShangase pilot project.

### **5.3 Overview and purpose**

The KwaShangase Rural Housing Project is a pilot project, which is one of the first of its kind to be prepared utilising the recently formulated KZN Department of Housing’s rural housing guidelines (Tranche 1: Rural PLS Application Pack). It is also a project, which promotes integrated development in a number of respects as outlined below.

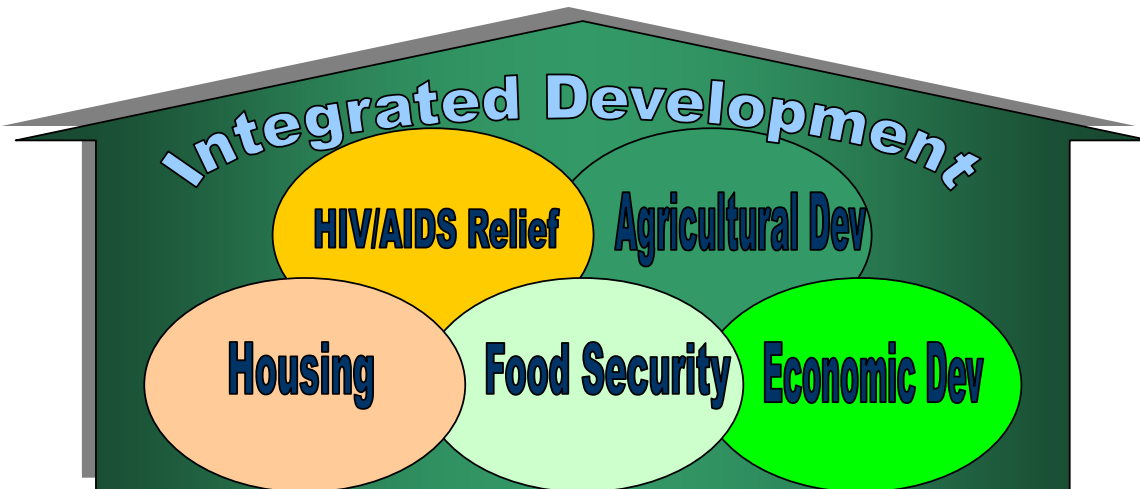
The project seeks to promote and establish best practice with respect to the preparation of rural housing projects in the following respects:

- through the preparation of a local spatial development plan to provide an adequate planning framework both for the housing project as well as for support projects;
- through the preparation and implementation of economic development, food security and HIV / AIDS relief projects and initiatives in order to

support the housing project and promote greater integration and sustainability.

It is hoped that this pilot project will assist in establishing and mainstreaming an integrated development methodology, which can be replicated in other rural areas. This methodology has already successfully utilized in a PPT pilot project at Esidweni CC in Umlazi (south of Durban) where housing development was supported by a range of support projects including: a) training for and establishment of 30 homestead gardens; b) training and support of 20 micro enterprises; c) improved shelter for orphans and vulnerable children; d) a organic vegetable production enterprise; e) fruit tree establishment. A similar methodology is now about to be implemented in a number of other rural housing projects in which PPT is involved including Dududu Ward 6 in Vulamehlo Municipality (Ugu District) where a rural housing project is also underway and where the National Development Agency has made funding available to support the above integrated development model.

It is hoped that the approach taken in the KwaShangase Pilot project will assist municipalities and others involved in rural housing to ensure that rural housing and related infrastructure does indeed act as a lead sector for other development, it being acknowledged that this does not usually occur automatically and that active steps need to be taken to ensure a more holistic and sustainable development approach.



*Fig 5: Integrated development approach taken at KwaShangase*

## 5.4 Integrated Development

The integrated development approach taken aims to concentrate a significant number of complimentary development initiatives to ensure that integrated, area-based development occurs in the KwaShangase area. The project also seeks to ensure that local economic development and food security programs are linked to the influx of finance associated with the housing project thereby maximizing the direct value added to the community and ensuring that a wider, needs-based approach is implemented which has greater potential for sustainability.

The project's sub-regional location creates some advantages in that it is situated in close proximity of the Ethekewini Municipality in the south, the Inanda Dam region and dramatic and scenic landscapes in the west. In terms of future development potential the P100 road, located in the east of the study area, is envisaged to be developed into a primary access and activity corridor, linking the remainder of the Municipality and the Ndwedwe Village to the Durban Metro region.

It is important to note that when implementing an integrated development project such as the one at KwaShangase that multiple sources of funding are required. This is highlighted through the integrated development source-funding table represented below.

Development initiative	Source of Funding
Preparation and packaging of rural housing project	PPT-USAID preparation funding
Spatial plan and rural manual	PPT-USAID preparation funding +Development Bank Southern Africa (DBSA)
Water provision	MIG/CMIP (24.8 mill)
Rural housing	Department of Housing (DoH)
Homestead Gardening	PPT-USAID preparation funding +Human Settlement and re-development program (DoH)
Fruit tree establishment	PPT-USAID preparation funding +Human Settlement and re-development program (DoH)
Micro enterprise development	Source funding still to be identified
HIV / AIDS and special needs relief including home based care (improved shelter and care)	Preparation funding still to be identified (implementation funding to be provided by the KZN DoH and the KZN Dept. Social Welfare)

*Fig 6: KwaShangase integrated development project funding sources*

## 5.5 Integrated Spatial Development Plan component

<i>Purpose:</i>	Production of a preliminary spatial development plan and associated report in order to: a) create a meaningful framework for development projects and other development support in the area; b) facilitate a more integrated approach to the rural housing project in the area; c) assist sector departments and other funders to identify potential projects and co-ordinate their efforts; d) promote more participative development.
<i>Cost:</i>	R25,000 (including disbursements but excluding VAT).
<i>Funding sources:</i>	PPT-USAID loan funding to be repaid utilizing DBSA funding.
<i>Scope:</i>	Identification and mapping of: a) physical and topographical characteristics and constraints (e.g.: slope and environmentally sensitive areas); b) existing land use and key activities; c) infrastructure such as roads, water supply, electricity, education, and health care; d) land ownership and key boundaries; e) key linkages with the existing IDP; f) development priorities and needs (based a process of community consultation and participation); g) existing or planned development projects. Production of a report relating to the above (refer to <b>Appendix 1</b> for more detail on scopes of work).
<i>Status:</i>	Complete.

The Ndwedwe IDP has identified the need to upgrade the living conditions of the residents of Ndwedwe. However, as in the case of most municipalities, there is not yet a sectoral housing plan nor a LUMS (land use management system) for the KwaShangase area. A spatial development plan has therefore been used as a bridge between the existing IDP and the identified housing project on the ground and especially to create an enabling environment for integrated development.

The main aim of the spatial development plan is to provide broad guidance for future development initiatives within the KwaShangase area, balancing local development initiatives within the regional and sub-regional context. It is hoped that the plan will be utilized by sector forums and will be utilized as an input in the production of a LUMS when funding is available to prepare one for the area.

The first aspect of the spatial development plan involved the analysis and establishment of the **local development status quo** in the area. The scope for this is outlined above as well as in **Appendix 1**. This status quo plan identifies all major natural, topographical, infrastructural, settlement and developmental features. Workshops involving the key development stakeholders (specifically the local community, Traditional Authority and local municipality) were then carried out to confirm this local development status quo analysis and to identify key community needs and activities / initiatives. It must be noted that there were some difficulties



experienced in organizing these workshops. Care should be taken when interacting with Traditional Authorities and rural communities to ensure that the correct procedures are followed to avoid unnecessary delays.

Thereafter a **preliminary spatial development plan** was compiled which identified the individual development components, and established suggested priorities and development actions required. This included aspects such as the proposed future land use “zonation”, IDP nodes and potential areas for housing as well as priority areas for other development, especially economic development, health care, education, and other key social facilities. This spatial development plan was based on the IDP, the planner’s development experience and on the results of workshops with the key stakeholders including: the municipality, Traditional Authority, community structures, Ingonyama Trust, Dept. Traditional & Local Govt. Affairs, Dept. Housing, other funders and key government departments.

The main **findings and results** of the spatial planning process were as follows:

- The major development opportunities for KwaShangase are in the field of agricultural and tourism-related development and associated activities.
- Additional built development, such as the formalisation and growth of residential accommodation and the establishment of additional facilities should take account of the rural character and the envisaged nodal development should create an appropriate rural attractive and functional village character.

Arising from the planning process, the following **development priorities** for KwaShangase were identified:

- improved water supply
- improved sanitation
- the upgrading of access roads
- the improvement of health services,
- the improvement of education amenities, in particular education facilities covering adult and tertiary education, as well as skills and entrepreneurial training
- the establishment of basic recreation facilities
- the provision of a community hall and administration offices.

Notwithstanding the budgetary constraints of the plan, a **participatory process** was followed and three workshops were held with the community including participation from the Ndwedwe Municipality, KwaShangase Traditional Authority and community structures.

The above plans are supported by a **spatial development framework report**, which outlines and explains the main issues presented in the plans described above, and covers additional aspects such as the adequacy of existing social facilities, infrastructure and top structures. It also provides some development direction in

terms of the current planning approval and subsidy application requirements. The report summarizes the community needs and development priorities identified in the workshopping process.

It is vital that the community, Traditional Authority and local municipality participate actively in the establishment of these development priorities as this strengthens grassroots participation which otherwise tends to be lacking. The spatial development plan adds real value to the integrated development process, as realistic participation is far easier when stakeholders are dealing with specific projects as opposed to broad plans and intentions which might not appear directly or immediately relevant to them.

For more information refer to **Appendix 1** for the scope of work for a spatial plan.

## **5.6 Homestead Gardening component**

<i>Purpose:</i>	Training and other support to de-facto homestead gardens in order to: a) build the agricultural skills base within the community; b) create the platform for future more commercially orientated agricultural projects and agricultural micro-enterprise development; c) promote enhanced food security.
<i>Cost:</i>	R70,914 (including disbursements but excluding VAT).
<i>Funding sources:</i>	PPT-USAID and KZN Dept. Housing Human Settlement Redevelopment Program (PPT-USAID loan funding in the amount of R70,914 with prospects for recovery of R48,890 (including disbursements and VAT) from the HSRDP).
<i>Scope:</i>	Training and other support to 30 de-facto homestead gardens including: a) training in permaculture and organic vegetable production; b) on-site mentorship; c) provision of seed and establishment materials; d) monitoring and support for 8 months after establishment; e) support in establishment of a seed nursery; f) support in marketing and distribution.
<i>Status:</i>	Implementation underway.

The homestead gardening project will initially provide food security to 30 participating families in the KwaShangase area. Thereafter it is hoped that the project will result in the identification and development of opportunities to market organic produce both within and outside the area as well as enabling skills transfer from the newly trained gardeners to others in the area with the gardens acting as models which can be followed by others. This aspect of the integrated development program is being implemented by the KwaMashu Newlands Permaculture Center as the contracted service provider.

The project will result in the development of an agricultural skills base in the community through home-based gardens and the establishment of seedling nurseries in the area. The project was introduced through community workshops on organic homestead gardens and fruit tree establishment. These workshops were used to identify existing grassroots organizations and growing clubs and to develop a consultative process through the traditional leadership to identify the main project participants. Through this process the product and training were tailored to the local communities and their existing conditions. This ensured that the existing skills base in the community was identified, supported and developed.

At the commencement of this project links were made with the department of Agriculture who assisted the Newlands Permaculture center with agricultural information for the area. The Department has assisted in the provision of some transport during the training process. These vital links will be developed throughout the development of the agricultural project to ensure the Departments ongoing support.

## **5.7 Fruit Tree Establishment component**

<i>Purpose:</i>	Establishment of 1500 fruit trees on 500 selected homesteads / household sites with associated training in order to: a) build the agricultural skills base within the community; b) create the platform for future more commercially orientated agricultural projects and agricultural micro-enterprise development; c) promote enhanced food security; d) promote settlement “greening” both to enhance the aesthetic quality of the environment and to assist in addressing global climate change.
<i>Cost:</i>	R48,450 (including disbursements but excluding VAT).
<i>Funding sources:</i>	PPT-USAID and KZN Dept. Housing Human Settlement Redevelopment Program (PPT-USAID loan funding in the amount of R42,447 is recoverable from the HSRDP).
<i>Scope:</i>	This project goes hand in hand with the above-mentioned homestead garden project and includes: a) the identification of suitable households / sites; b) capacity building and community workshops / training in care of trees; c) provision of seedlings and establishment materials; d) establishment / planting of seedlings.
<i>Status:</i>	Implementation underway.

This project goes hand in hand with the above-mentioned homestead gardens project and meets similar objectives, namely to initially provide food security to the participating families and to build the capacity and agricultural skills of residents (in this case in the establishment and care of fruit trees). Thereafter it is hoped that it

will assist in the identification and development of opportunities to market surplus produce both within and outside the area as well as enabling skills transfer from those directly benefiting to others in the community. This aspect of the integrated development project is also being implemented by the KwaMashu Newlands Permaculture Center as the contracted service provider. The project will use the existing trained homestead gardeners to assist in training the 500 participants and to distribute the trees and assist with monitoring and aftercare.

## **5.8 Micro Enterprise Economic Development component**

- Purpose:* Business training and other support to 40 selected de-facto micro-enterprises in order to: a) build the productive skills base within the community; b) assist micro-enterprises to become more effective and profitable (and if appropriate to expand and formalize themselves); c) create the platform for future, larger scale economic development projects in the area; d) assist existing micro enterprises in obtaining contracts on the coming housing project.
- Cost:* Based on other PPT-prepared projects and the number of micro enterprises benefiting costs will be between 180,000 and R270,000 (including disbursements and VAT).
- Funding sources:* Funding for this aspect of the project has not yet been obtained. Possible sources include the KZN Dept. of Economic Affairs or PPT-USAID funding once existing loans are repaid.
- Scope:* a) selection of 40 suitable micro-enterprises; b) provision of initial business training to the selected enterprises and compilation of initial business plans; c) selection of top 10 business plans and enterprises for more detailed business training including the provision of a small amount of seed capital, support in accessing markets and business finance, and follow up monitoring and mentorship. It is noted that homestead garden operators and agribusinesses can be included in those benefiting from the project.
- Status:* Funding for this aspect has not yet been obtained but will be sought closer to the timing of the implementation of the housing project in the area.

The micro enterprise project aims to build and support existing enterprises to ensure that local initiative is enhanced and supported. It should be noted that housing projects are short lived and the finance injected into the community through the process will not remain there indefinitely, however these projects do provide an enabling environment to generate economic growth.

In order to optimize this potential, the project aims to capacitate local economic initiatives with skills and knowledge to build their business during this beneficial stage. Thereafter once momentum has been created and with the skills to seek new markets there will be a greater chance of success and sustainability for these initiatives.

Therefore this economic component of the project will commence with the assessment of existing micro-enterprises and identification of 40 micro enterprises with potential for development based on a detailed needs assessment which will also be informed by the spatial development plan.

Thereafter first phase business development training for the selected micro-enterprises will be implemented. Evaluation and assessment of these enterprises will enable the selection of a smaller group of 10 enterprises for a more intensive business-training program.

The 10 selected enterprises will be developed and capacitated to produce comprehensive business plans. These business plans will then form the basis for the provision of seed capital to the enterprises to implement the identified initiatives. Enterprises will also be assisted in applying for and accessing micro-finance where necessary. The enterprises will also be assisted in marketing their services or products and especially in establishing linkages with more lucrative markets in the “first economy”. Distribution and marketing networks will be analysed.

Ongoing support, on-the-job mentorship and review for the 10 enterprises for a period of at least one year will be provided. This will include the identification of potential links to the planned housing project in terms of materials supply and contracting and or any other potential economic opportunities.

Review of the project during and post implementation will be carried out to:

- Determine quantitative and qualitative effectiveness in relation to specified indicators;
- Determine potential for further micro enterprise development (or other) programs and support in the area;
- Extract lessons including the potential for replication elsewhere.

It is envisaged that Khuphuka Trust will implement the micro-enterprise aspect of the integrated development program due to their established track record and effective provision of similar support on similar projects.

## 5.9 HIV/ AIDS relief and special needs component

<i>Purpose:</i>	Provision of improved care and shelter to those in special need (including those infected or affected by HIV / AIDS and orphans and vulnerable children).
<i>Cost:</i>	Variable depending on the nature of the support provided. However it is assumed that a rural home based care model will be utilized, making use of home extensions or improvements. Assuming 20 families with 2 beneficiaries in each home and assuming foster care grants as the benchmark welfare grant, the housing subsidy value would be R0.25 million (40xR6,400) and the welfare grant value would be R22,800 per month (40xR570pm).
<i>Funding sources:</i>	Funding for the preparation of this aspect of the project has not yet been obtained. Possible sources of preparation funding include the KZN Dept. Housing. Implementation funding will be obtained mainly in the form of KZN Dept. Housing subsidies for the shelter component and KZN Dept. Social Welfare grants (e.g.: foster care grants) for the operating and sustainability component.
<i>Scope:</i>	a) Selection of suitable beneficiaries and homes with the assistance of the KZN Dept. Social Welfare and grassroots organizations to be identified; b) selection of a suitable grassroots monitoring organization approved by KZN departments of Social Welfare and Housing; c) application for housing subsidies and foster care grants; d) construction of home extensions in parallel with housing project; e) monitoring of home care by approved grassroots organisation.
<i>Status:</i>	Funding for this aspect has not yet been obtained.

Over and above the establishment of the need for health care initiatives through the spatial development plan and the establishment of economic opportunities based on food security programs, the integrated housing project aims to have a significant HIV Aids relief component.

The project will involve partnership with the departments of Social Welfare and Health as well as grassroots welfare and health organizations and networks. De-facto caregivers will be identified and additional support provided by means of improved shelter (via housing subsidies for special needs) and welfare (or health) grants (e.g.: foster care grants). Existing grassroots welfare and health organizations in the area will play a monitoring and support role.

## 5.10 Housing component

<i>Purpose:</i>	Provision of improved housing and related infrastructure to 1000 rural households. Simultaneous provision of local employment opportunities which will be enhanced by utilising community based contractor and delivery methods.
<i>Cost:</i>	R 29,670,000
<i>Funding sources:</i>	KZN Dept. Housing with provision of preparation funding by PPT-USAID.
<i>Scope:</i>	<p>Preparation and implementation of a rural housing project utilizing PPT's preparation methodology as well as the KZN Department of Housing's 2005 amended guidelines for rural housing (for more details see below as well as <b>Appendices 3,4,6</b>). The work done in getting the project to its current Tranche 1 application stage has included the following elements:</p> <ul style="list-style-type: none"><li>• preliminary development spatial plan</li><li>• preliminary geotechnical assessment</li><li>• assessment of bulk service availability</li><li>• land legal assessment</li><li>• preliminary environmental assessment</li><li>• socio-economic survey</li><li>• community and stakeholder participation</li></ul> <p>Once Tranche 1 funding is approved by the KZN Department of Housing, then this next phase will be undertaken, the end result of which will be planning approval for the project.</p>
<i>Status:</i>	All investigations, reports, plans and other documentation for the Tranche 1 application are complete. Submission of the subsidy application is pending signature by Municipality.

The housing process to be followed will be modeled on a people's housing process development approach. This approach will be based on the understanding that rural communities who have been residing in the area for a number of years are best suited to make decisions about their own homes. The approach will maximise the beneficiary's choice concerning the housing construction process from the selection of the local contractor to the placement of the housing unit. The approach will also ensure that as much of the finances on the project as possible are paid directly into the community. These choices will however be informed through well trained community based housing advisors who are knowledgeable about house construction and design with specific attention to geotechnical founding conditions, the requirements for on site geotechnical analysis and the optimal positioning of housing units.

The housing process will also be informed by the latest research on an environmentally friendly approach to construction to ensure that houses are correctly oriented, ventilated and built from environmentally friendly construction materials wherever possible. Specific attention will be paid to the effective use of water as a scarce resource through maximising the use of rainwater for food production and limiting the loss of brown water. This will be linked to the above-mentioned homestead gardens and fruit tree establishment projects.

#### 5.10.1 Preliminary assessment stage

Prior to undertaking the preparation of the project, an initial lightweight assessment was undertaken which involved a site visit and a number of meetings with the community, Traditional Authority and Ndwedwe Municipality. As this project was one of the first projects to be packaged utilising the KZN Dept. Housing's new amended rural guidelines, numerous meetings were held with development professionals and the KZN Department of Housing to establish the correct procedures to be followed. At the time of packaging this project, the new policy guidelines were still under formulation as stakeholders such as the Dept. of Traditional and Local Government Affairs, Traditional Authorities and Local Municipalities provided inputs.

The main findings of the preliminary assessment were as follows:

- there were no material barriers to undertaking a rural housing and integrated development project in the area;
- the proposed project was supported by all the key stakeholders including the community, Traditional Authority and Ndwedwe Municipality;
- the compilation of a preliminary spatial plan for the area was desirable given that there was neither a housing plan nor land use management plan for the area.

#### 5.10.2 Pre-feasibility (Tranche 1 approval) stage

Based on the development initiatives identified in the spatial plan and informed by the requirements of the department of housing's new amended rural guidelines tranche application process, a number of professionals were appointed to compile reports / assessment on the area in their fields of expertise. Professionals were appointed based on their relevant scope of work for rural development Tranche 1 (**Appendix 4**).

These reports included:

- Land audit
- Preliminary environmental report



- Socio economic survey
- Preliminary desktop geotechnical survey

(Scopes of work attached in **Appendix 1**).

In addition, the following aspects were confirmed by the project manager:

- Availability of bulk services (specifically the provision of water)
- Traditional Authority consent and support
- Local Authority executive support and summary
- Constitution of Injoboyesizwe Community Developers (CBP)

The submission of the subsidy application for tranche 1 approval is ready for submission pending signature by Ndwedwe Municipality. Once funding is approved then the work for the tranche 1 stage as outlined in the **Appendix 4** will be undertaken.

### 5.10.3 Stakeholder participation

The KwaShangase Rural Housing Project, emanated from a process of consultations with the community, Ndwedwe Municipality and other key stakeholders during the formulation of the IDP for the area. Several meetings and workshops were held with all the stakeholders, including the KwaShangase Traditional Authority, Ward 17 and 18 Councillors, community members, and officials of Ndwedwe Municipality. All the stakeholders including the community and the traditional authority fully support this development initiative.

### **5.11 Effectiveness of the integrated project model**

Key characteristics of the integrated project model outlined above, which are central to its effectiveness and replicability, are outlined below:

- 1 The model builds on and strengthens existing initiatives and activities as opposed to imposing new initiatives from the outside.
- 2 The model can easily be scaled up or down according to funding availability.
- 3 The model is cost effective. With the exception of the housing component, limited amounts of funding are utilised to achieve significant impacts due to the utilisation of a community partnership approach.
- 4 The model facilitates collaboration and co-operation between a range of stakeholders including, the community, grassroots organisations, government departments, municipalities, NGO's, donor funders and others.

- 5 The model focuses on building the skills and human capital within the community, rather than focussing exclusively on infrastructure.
- 6 The model seeks to optimise public sector investment by combining a number of parallel sector initiatives based on housing as the lead sector.
- 7 The model assists the community to organise themselves better and interact more meaningfully with outside support agents, government departments and funders.
- 8 The model ensures that the building of skills and human capital is practical and relevant to community needs, aspirations and activities. It further ensures that the skills and capacity, which are developed, are utilised in practice after the project is implemented. It thereby avoids a scenario where the skills, which are developed, cannot be applied and utilised on the ground.
- 9 The project builds in review and thereby enhances the opportunity and prospects for further, follow up funding and secondary projects as outlined above.
- 10 With respect to the economic development component, the model:
  - Creates a platform from which additional and more ambitious economic development projects can typically emerge and can then be supported in the future. This is because of its initial focus on grassroots projects, which build the skills and human capital within the community, rather than seeking to promote larger scale economic development projects from the outset. It is noted that a key factor that has emerged in the historical failure of many economic development projects is the lack of skill and capacity of the participants. Once this capacity has been developed and strengthened, the prospects for additional, viable economic development projects are significantly enhanced.
  - Recognises that the primary economic unit is that of the individual or household and that this is the basic building block of economic development: Whilst the model does not preclude collective economic activities and indeed supports these grassroots organisations and community structures where they exist, it does not make such collective activities a project requirement.
  - Ensures the identification of viable beneficiaries and participants within the community: A key risk of many development projects is that they introduce financial resources into a community without an effective mechanism of beneficiary identification. Consequently, those with access to power frequently ensure their involvement irrespective of their bona fides or long-term commitment. By focussing mainly on participants who already exhibit the energy, commitment and entrepreneurship to proactively help themselves and their families, the PPT model builds in an effective selection process and eliminates or greatly reduces the incidence and risk of “free-loaders” taking advantage of the project.

- Does not rely on, or restrict itself exclusively to, communities where grassroots organisations or NGO's are already involved, but rather enables new communities who might not yet have NGO support, to also benefit from development programmes. The project model therefore facilitates the identification and involvement of new communities who would otherwise be unable to benefit. It is therefore potentially replicable at scale since it does not limit itself only to the relatively few communities who are already benefiting from limited NGO support and results in the proliferation of development according to sustainable and integrated principles.

## SECTION 4:

The purpose of this section is to highlight challenges and possible solutions to both the practical delivery of rural housing and the implementation of integrated development.

### 6 CHALLENGES AND POSSIBLE SOLUTIONS

*It is noted that the challenges and possible solutions outlined below were identified by the project team and by the project steering committee, which included representatives of the KZN Department of Housing and the KZN Department of Local Government and Traditional Affairs (DTLGA) Land Utilization Section and Development Administration Section. The constraints identified are based on people's experience and perceptions and have not been empirically verified.*

#### 6.1 Rural Housing Delivery

Challenge	Possible solutions
<p>1. <u>Selection of appropriate contracting strategy</u>: Lack of understanding of the distinction, and implications between the different contract strategies and their pro's and con's (especially turnkey vs. traditional pre-planned).</p>	<ul style="list-style-type: none"> <li>• Build capacity at municipal level to enable greater understanding of contracting strategies and their implications. More prescriptive approach by the DOH with respect to strategies and proforma documentation.</li> </ul>
<p>2. <u>Turnkey developer approach</u>: In terms of this contract option, an agent is generally appointed to the project at the outset (i.e.: at the commencement of the preparation / packaging stage). Specific problems that arise from this approach include:</p> <ul style="list-style-type: none"> <li>• Agents appointed without proper consideration with respect to procurement procedures (e.g.: MFMA, PFMA), their competence and also prior to subsidy funding availability (i.e.: prior to reservation of subsidies).</li> <li>• The initial appointment of the implementing agent is not adequately defined to meet the requirements of a turnkey contract and its implications (might not even specify that it is turnkey).</li> <li>• The above two factors result in decisions on IA's being reviewed or queried once Tranche 1 subsidies are approved either by the KZN Department of Housing or the Municipality.</li> <li>• The Municipality is not sufficiently aware of what the packaging of a rural housing project entails (including timeframes and outputs) when appointing a turnkey agent and is therefore unable to correctly define the scope of work and monitor the quality and progress of the packaging phase.</li> <li>• Poor quality of project packaging by implementing agents, typically due to it</li> </ul>	<ul style="list-style-type: none"> <li>• Provide municipalities with technical support to assist them in managing IA's.</li> <li>• Dispense with Turnkey approach altogether, or alternatively accredit and evaluate Turnkey agents.</li> <li>• Promote the use of the Traditional Pre-planned or Development contracting strategies, where capacity exists or can be provided / in-sourced, as alternatives to the Turnkey Strategy.</li> <li>• Make preparation funding available thereby reducing the dependency on turnkey agents who are prepared to do the up-front work at risk in order to secure exclusive rights to a project.</li> <li>• Introduce milestone, performance and termination clauses into Turnkey contracts and improve management of such contracts (note that there is a need to distinguish this contract which is between Municipality and IA from the DoH-Municipal contract). Ensure IA is contracted to meet all necessary procurement requirements.</li> <li>• Consider possibility of a "cost plus" contract with IA's, which would put a ceiling on IA's profit, with all other budget allocated on an actual costs basis.</li> </ul>

<p>being done at risk and without funding (it being noted that often the release of preparation funding is slow, and often with no guarantee of the agent being finally appointed)</p> <ul style="list-style-type: none"> <li>• No accreditation of service providers / agents exists in order to screen them and ensure that only competent service providers with the necessary capacity are appointed.</li> <li>• No clearly defined basis for how and what profits turnkey IA's make (e.g.: variation in profits due to changes required in specification or subsidy increments or inflationary devaluation of which the IA has no control).</li> <li>• Possible incompatibility between 'low cost' rural housing and developer/profit driven approach (no effective risk and reward and no fixed standard spec's).</li> </ul>	
<p>3. <u>Payment processes and project finances:</u></p> <ul style="list-style-type: none"> <li>• Too many payment tiers effectively requiring double approval by DoH (i.e. DoH pays municipalities lump sum against tranche, then individual service providers invoice municipality, then municipality forwards these invoices to DoH to certify).</li> <li>• Municipalities are uncertain as to whether the utilisation of joint bank accounts between themselves and IA's is permissible in terms of the MFMA.</li> <li>• Most municipalities do not appreciate that even though the subsidy is zero VAT rated, service providers and IA's who are VAT registered still need to be paid including VAT. There is therefore a need for bridging finance for VAT. Furthermore most municipalities do not have the capacity or systems to deal with the VAT administration.</li> <li>• EPWP is designed for projects where the state agency contracts with the contractor (end of line contractor) directly. These principles are being applied direct to the housing sector, but they need to be re-designed to suit the specifics of this sector.</li> <li>• There are occasions where services budgeted from the housing subsidy are in fact being covered by other sector funders (e.g.: on site sanitation funded by DWAF). The difference (cost saving) should either be declared or ploughed back into the project to benefit the community.</li> </ul>	<ul style="list-style-type: none"> <li>• Build municipal capacity to handle the payment processing and approvals, in order to streamline this process. Make a decision on whether or not the tranche system will continue to be utilised (or revert to the old milestone system). Eliminate the duplication of functions between Municipality and DoH. Look at the possibility of accrediting certain municipalities or transferring administration staff across to municipalities to deal with these issues.</li> <li>• DoH / Municipalities to decide permissibility of joint bank accounts and MFMA. Legal opinion on the interpretation of MFMA required.</li> <li>• Build municipal capacity to handle VAT. Provide bridging funding for VAT.</li> <li>• Design and produce standard documentation relating to the application of EPWP for rural housing. Specific attention to be paid to the needs of the housing sector.</li> <li>• Improve sector co-ordination at the budgeting level for support infrastructure. Where there is co-funding, ensure declaration to Municipality and DoH with decision on how the saving is to be allocated. Specific attention to the breaking new ground policy whereby services are not to be paid for from the proceeds of the subsidy.</li> </ul>

<p>4. <u>Logistics</u>: The logistical complexities of rural housing projects must not be underestimated or misunderstood. This relates specifically to on site logistics, such as the large distances between homesteads, lack of suitable vehicular access and long distances to and from building suppliers.</p>	<p>Careful planning at the tranche 1 planning stage as well as the tranche 2-application stage. Ensure that all potential expenses are included and that costs are not underestimated.</p>
<p>5. <u>Capacity constraints</u>: both at the local government level, within sector departments and within the industry as a whole.</p>	<p>These can only be resolved through extensive training and the retention of skilled personnel. The private sector should be attracted into the market through various incentive schemes and accreditation processes.</p>
<p>6. <u>Absence of clearly defined standards, process and specifications</u>: for rural housing, however it may possibly not be appropriate to define these standards to extent as for urban housing due to variations in rural conditions.</p>	<p>DOH to possibly be more prescriptive and define the minimum product required. Specific attention to be paid to the question of equity and not to repeat the mistakes of the urban model between 1994 – 1999,</p>
<p>7. <u>Unrealistic expectations</u>:</p> <ul style="list-style-type: none"> <li>• These expectations are often created by premature project launches or announcements on the delivery of housing before project feasibilities have been completed.</li> <li>• There is also confusion between ‘deep rural’ projects and ‘rural townships’ requiring DFA approval.</li> <li>• Unrealistic or conflicting expectation on the levels of services to be delivered in the project.</li> </ul>	<ul style="list-style-type: none"> <li>• Require better alignment between political announcements and technical project processes.</li> <li>• Require political clarity on and community awareness of the required planning and implementation processes.</li> <li>• Planning routes should be established early (early contact with planning department) to ensure confusion in communities is reduced. Levels of services should be clarified as early as possible.</li> </ul>

## 6.2 Integrated Rural Development

Challenges	Possible solutions
<p>1. <u>Spatial planning and IDP's</u>: do not automatically ensure integration and therefore sustainability at the project / community level (despite a general mis-perception that this is the case). Additional actions are required to ensure that such project level integration occurs.</p>	<ul style="list-style-type: none"> <li>• Ensure sector plans are completed for each IDP (especially Housing Development Plans)</li> <li>• Where sector plans do not exist use local spatial plans to create the link between IDP's and projects</li> <li>• Improve the effectiveness of Service Provider Forums.</li> <li>• Co-ordinate the implementation of the LUMS program with the implementation of developmental sector projects.</li> <li>• Municipalities to pro actively engage a range of sectors to ensure integration at project level.</li> </ul>
<p>2. <u>Pre-occupation with expenditure as the key measure of success</u>: as opposed to looking at qualitative development "returns" (i.e. social returns, sustainability, co-funding from other govt. departments, community satisfaction etc).</p>	<ul style="list-style-type: none"> <li>• Introduce monitoring and review against qualitative indicators relevant to delivery (over and above expenditure and crude quantitative indicators such as "number of housing units built").</li> <li>• Make municipal managers, department heads and others "at the top" accountable for performance against these qualitative indicators (incentives and disincentives).</li> <li>• Training and capacity building within local government and sector departments operating at the local, delivery level.</li> <li>• SETQA Standard Governing Bodies develop unit standards relevant to building the capacity of government in respect of the delivery of development projects (currently there is a lack of such unit standards).</li> <li>• Ensure that the reservation of housing subsidies is implemented. This will facilitate better alignment of scarce resources.</li> </ul>
<p>3. <u>Lack of interdepartmental / inter-sectoral co-operation</u>: In spite of stringent IDP requirements for cross-sectoral alignment this is still lacking in most developmental projects.</p>	<p>Promote improved inter-sectoral co-operation by:</p> <ul style="list-style-type: none"> <li>• Ensuring that sector plans are completed for each IDP.</li> <li>• Utilising local spatial plans to create the link between IDP's and projects on the ground.</li> <li>• Improving the effectiveness of Service Provider Forums (ensure that they function to plan and co-ordinate resources rather than merely as a report back forum).</li> <li>• Introduce incentives and monitoring for cross-sector integration.</li> </ul>
<p>4. <u>Limited participative development processes</u>: which would otherwise facilitate: a) utilisation and empowerment of inherent community capacities and initiatives; b) adaptation or moulding of sector projects to specific local needs and conditions.</p>	<ul style="list-style-type: none"> <li>• Implement improved participative processes (e.g.: via local spatial planning processes and via the implementation of specific sector projects).</li> <li>• Ensure participation at the planning stage is reinforced and confirmed before project implementation.</li> <li>• Ensure that economic opportunities are optimised. This includes providing support to de-facto micro-enterprises and survivalist activities.</li> <li>• With respect to EPWP, ensure more flexible and user-friendly contract documentation for emerging contractors.</li> </ul>

<p>5. <u>Finance issues:</u> Budgeting is undertaken on an annual basis. There is often only 9 months available after money has been allocated to projects for implementation (often insufficient time). This is also related to the 3 month gap between the financial year ends for national government vs. municipalities (May vs. June). In addition there is limited coordination of sector budgets.</p>	<ul style="list-style-type: none"> <li>• Increase sector budgeting cycles (multi year expenditure).</li> <li>• Improve the alignment of budgeting cycles with the actual implementation timeframes required for projects.</li> <li>• Create incentives for co-funding / gearing / co-operation between sector departments as well as NGO's, donor funders etc.</li> <li>• Improve inter-sectoral budgeting processes, with possible incentives for co-funding / gearing.</li> <li>• Base budgets and cashflows on the type of delivery model to be used and introduce user-friendly contracts and procedures without compromising the end product. For example, improved cash-flows for emerging contractors.</li> </ul>
<p>6. <u>Roles and responsibilities:</u> Strained relationships between some Municipalities and some Traditional Authorities sometimes hamper the implementation of projects. Problematic relationship between some officials and some councillors, where councillors are held responsible for delivery that is implemented by officials.</p>	<ul style="list-style-type: none"> <li>• Introduce training to improve trust and understanding between TA's and Municipalities, especially in terms of roles and responsibilities.</li> <li>• Ensure that officials are held accountable for delivery targets set in the IDP's.</li> <li>• The housing program and phasing of projects should be led by the sector plan and not by councillors.</li> </ul>
<p>7. <u>Lack of incentive:</u> for IA's and housing and municipal officials involved in housing projects to pursue related sector projects and a lack of preparation funding for these projects in order to promote integrated and sustainable development (e.g.: health, education, economic development).</p>	<ul style="list-style-type: none"> <li>• Introduce incentives for implementing related sector projects (i.e. Health component within housing lead project).</li> <li>• Introduce preparation funding for related sector projects.</li> </ul>
<p>8. <u>Lack of project preparation:</u> There is usually limited funding and technical support for the preparation of projects. Funding is typically allocated to development projects prior to sufficient preparation / feasibility work. This jeopardises the potential to create synergies with other development projects and also compromises the effectiveness and sustainability of the individual projects themselves.</p>	<ul style="list-style-type: none"> <li>• Ensure systematic preparation of all development projects with sufficient "lead in" time relative to budgeting processes.</li> <li>• Ensure preparation funding and technical support to municipalities to enable appropriate project preparation and feasibility work to be undertaken prior to the allocation of funds.</li> <li>• Project Consolidate and MIG's project management units (PMU's) might assist in this regard.</li> </ul>



### 6.3 Comprehensive list of challenges

*Note: This is a complete list of challenges identified during the course of the project and have been drawn from a range of different sources. They are based on people's perceptions and have not been empirically verified.*

CHALLENGES TO INTEGRATED RURAL DEVELOPMENT
<b>COMMUNITY AND LEADERSHIP</b>
<ul style="list-style-type: none"> <li>• <u>Limited participative development processes</u> or poorly constructed participatory process. This tends to undermine spatial and project planning activities and at times results in development, which has not been sufficiently adapted to specific local needs. It also results in planning processes, which are typically “top-down”. This is exacerbated by relatively weak civil society structures in many areas as well as the emerging status of democratic institutions at the local government level.</li> <li>• <u>Ward committees</u> are in some cases not functioning correctly and/or need strengthening. Sometimes there are weak links between councillors and communities on the ground.</li> <li>• <u>There is no single information point</u> or person who understands the community development situation on the ground. This is exacerbated by there being different facilitators for different sectors. However it is important to note the risks of over consultation and the need to avoid creating unrealistic community expectations.</li> <li>• <u>Political risks</u> in respect of the implementation of IDP's where projects not identified in the IDP may be prioritised at the political level and expectations created at grassroots level.</li> <li>• <u>Institutional conflicts</u> with respect to planning issues for example: a) between officials (often resistant to change) and newly elected and often inexperienced councillors; b) confusion between different spheres of Government with respect to roles and responsibilities.</li> <li>• <u>Tensions or communication difficulties</u> between Municipalities/Councillors and Traditional leaders /authorities</li> <li>• <u>Frequent changes in leadership at the local level</u> (community leadership, ward development committees and councillors).</li> </ul>
<b>PROJECTS AND IMPLEMENTATION</b>
<ul style="list-style-type: none"> <li>• <u>Vacuum of integrated spatial planning at the area / project level</u>: Current gap in most areas between IDP level planning (broad spatial framework) and more detailed planning at the local/area level (e.g. housing sector plans/LUMS/local spatial plans). This gap makes the appropriate selection and prioritisation of projects or groups of associated projects difficult.</li> <li>• <u>Lack of review, monitoring and feedback at various levels</u>: Limited review or performance monitoring within the sectors/line departments with feedback loop to ensure improvements and learning. The main gap is from project level back to sector departments and to IDP. In addition, projects are typically closeout out once initial capital funding is expended with limited monitoring or support for the O&amp;M phase.</li> <li>• <u>Land issues</u>: There are a range of difficulties in acquiring access to or ownership of land for development, which is not owned by the municipality. Often sufficient land legal information is not available or accessible. There are constraints in terms of accessing private land (especially where there are deceased estates or landowners unwilling to sell) as well as in accessing certain categories of state land. With respect to the provision of housing subsidies on Ingonyama land, this issue has now been resolved through the utilisation of functional tenure.</li> </ul>
<b>COORDINATION (INTEGRATED DEVELOPMENT)</b>
<ul style="list-style-type: none"> <li>• <u>Lack of pressure or incentive for intergovernmental co-operation and co-funding</u>: Which enforces or supports an integrated approach (e.g. which incentivises or promotes the leverage of funding from other government departments or elsewhere). It is therefore quite possible to implement a seemingly “successful” project within a “sector silo” but without any co-funding or support from other sectors. This means that funding can be spent without maximizing its impact and opportunities are lost. It should be noted however that new improved processes are</li> </ul>

there but need to be fully activated.

#### **CAPACITY**

- Lack of capacity within emerging rural municipalities (and within line functions) to deal with the multitude of pressures they face (e.g.: IDP processes, allocating and spending budget, dealing with local communities, ensuring integrated development, PFMA etc). This lack of capacity leads to fragmentation at the local level where the municipality is not able to optimise development and bring about integration.
- High staff turnover within municipalities and sector departments, especially the loss of skilled and competent officials either to the private sector or to promotion to other municipalities or other departments. This creates major disruptions to project delivery.

#### **PLANNING SYSTEMS**

- First world planning paradigm, does not in all cases match the situations on the ground where there is a lack of municipal capacity, lack of funding for local level planning and its maintenance, a lack of effective participative structures, and a pressing need for development "now"!
- Application of urban development planning and development principles to rural contexts (e.g.: tacit assumption by some that rural areas will develop towards an urban status with respect to land ownership, zonation, rates and services etc). Different models and approaches are possibly needed in the rural setting.
- Planners who are ill equipped to deal effectively with local conditions (lack project planning and development delivery experience) resulting in the provision of planning in some areas without due consideration to the specific conditions on the ground.
- Planning needs to be simple and practical. Planning needs to be appropriate and not too complex. It needs to be relevant at the local level
- Lack of knowledge on how to access information. Often municipal officials and professionals are not aware of available information systems, leading to duplication of information and a loss of time and money. DIMS and related capacity building programme should address this issue.
- Developmental local government hindered by a lack of capacity at the local level and confusion around implementation of the new system.

#### **IDP's**

- Poor quality of analysis and reports produced by many planners (whose traditional focus was on spatial planning rather than developmental planning).
- Failure of many local municipalities to accept ownership of consultant-lead IDP's. Furthermore municipalities do not always fully understand how to utilise IDP's (e.g.: to direct / inform their budgeting processes).
- Lack of local level spatial plans to support IDP's and ensure that they result in integrated and sustainable development at the local, community development level.
- Limited effectiveness of service provider forums which typically function as a forum where sector service providers advise what they are doing as opposed to co-ordinating their efforts (i.e. plans, projects and funding).
- Gap between broad IDP level planning and community / project level planning (which would be assisted by local level spatial plans, LUMS, sector plans and effective service provider forums).
- Limited community participation in planning processes (as outlined above). Often plans are undertaken in a "top-down" manner with limited community involvement and with limited understanding or analysis of grassroots needs, assets or de-facto initiatives.
- Limited vertical planning alignment between planning processes at different levels of government (e.g. provincial vs. district vs. local levels).
- Limited horizontal planning alignment (between different sector departments).

## FINANCE

- Difficulties in linking planning and budgeting processes with varying time-horizons, especially multi-year budgeting and meeting the expenditure against the projected time-lines. Underestimates of the timeframes required for the delivery of many (complex) development projects.
- Premature allocation of sector budgets off IDP frameworks without initial project investigations or feasibility work (resulting in an absence of effective project prioritisation / selection). This results in funding being allocated to projects prior to the completion of any assessment or feasibility work. Feasibility work is then undertaken in order to prove project viability instead of being used to test project viability and develop an appropriate project concept. Many projects therefore become blocked before implementation or are implemented but are inappropriate (e.g.: wrong location, lack of required co-funding such as operational funding and required institutional capacity). This impacts significantly on budgetary cashflows.

## POLICY

- Tendency of developing new policies and procedures in order to rectify delivery problems as opposed to improving operational performance by means of improved performance monitoring, management performance (delegation and accountability) and the development of relevant job skills. This tendency leads to excessive policies and red tape and diverts attention away from the issue of poor operation performance.
- Ongoing changes in policy and legislative frameworks resulting in numerous policy documents, legislation, white papers etc. This imposes a burden on local municipalities and sector departments.

## SECTION 5:

The purpose of this section is to provide a practical step-by-step guide to the delivery of integrated housing development in rural areas.

### 7 STEP BY STEP GUIDELINES FOR RURAL HOUSING

#### 7.1 Flow chart (summary)

level	step-by-step process		
Planning level	IDP alignment	Step 1: IDP Housing plan Spatial plans Sector plans	IDP document guidelines to assist municipalities in preparing housing plans (see Appendix 2)
	Reserve subsidies	Step 2: Application for reservation of subsidies Confirmation of reservation of subsidies	Provincial process still under formulation
Project level	Prefeasibility (Conditional Approval*)	Step 3: Stage 1 (Prefeasibility) obtain preparation funding & complete prefeasibility studies prefeasibility approval (conditional approval)	See Appendices 1 & 3
	Tranche 1 (incl. planning consent)	Step 4: Stage 2 (Tranche 1) application for Tr1 funding approval Tr1 funding	See Appendices 1 & 4
		Step 5: Stage 2 (Tranche 1) Implementation Tr1 Planning Consent DTLGH	See Appendices 1 & 5
Project level	Tranche 2 (design & implementation)	Step 6: Stage 2 (Tranche 2) Detailed design Application for Tr2 funding Recommendation HAC / MEC approval Agreement (DoH/Developer)	See Appendices 1 & 6
		Step 7: Stage 2 (Tranche 2) Implementation Tr2 (construction)	See Appendix 1 (proforma contract for Tr2 still under formulation)
Municipal level	Operate Maintain and Review	Step 8: Operate Maintain and Review	

## 7.2 Flow chart (detailed)

level	framework/guidelines	responsibility	step-by-step process	key performance areas
Planning level	<b>IDP alignment</b> KZN IDP Manual Municipal Systems Act Municipal Structures Act	local government and municipalities	<b>Step 1: IDP Housing plan Spatial plans Sector plans</b>  IDP document guidelines to assist municipalities in preparing housing plans (see Appendix 2)	<b>1a) Prepare housing plan:</b> local context demand land ID current projects planned projects ID & prioritise projects sectoral integration spatial development plan performance measurement institutional framework
	<b>Reserve subsidies</b> National housing code IDP of municipality Municipal Housing Plan National budget allocation KZN budget allocation Provincial Housing Plan	DoH & municipality	<b>Step 2: Application for reservation of subsidies Confirmation of reservation of subsidies</b>  Provincial process still under formulation	<b>2a) Determine equitable share:</b> population statistics housing backlog need/demand available budgets capacity to deliver application reserve and Gazette
Project level	<b>Prefeasibility (Conditional Approval*)</b> National Housing Code Amended Rural Guidelines (KZN) 2004 Rural Preparation Funding Guidelines (KZN) 2004 Stage 1 Pre-feasibility Guidelines (KZN) 2004	DoH & municipality & sectors (alignment) Health Welfare Transport Water Education LED HIV/Aids	<b>Step 3: Stage 1 (Prefeasibility) obtain preparation funding &amp; complete prefeasibility studies prefeasibility approval (conditional approval)</b>  See Appendices 1 & 3	<b>3a) Application for prep funding</b> business plan budgets program evaluation submission and approval contract implement  <b>3b) Prefeasibility, stage 1</b> Contractor and procurement Land audit Preliminary Geotech Preliminary environmental (scoping) Bulk and internal investigation Social Preliminary settlement plan/spatial plan Planning reports Sectoral alignment/integration Consultation with planning dept to gain inprinciple approval for planning route  <b>3c) Conditional approval</b> Evaluation (DoH) Approval
	<b>Tranche 1 (incl. planning consent)</b> Stage 1 Prefeasibility inputs Sector alignment DTLGA inputs (planning) ITB inputs DoH inputs  Integration at the project level: Sectoral alignment (selection of appropriate parrallel sector projects to ensure integration and sustainability - eg: agriculture, LED, MIG)	DoH & Municipality/ (IA) consultants sectors	<b>Step 4: Stage 2 (Tranche 1) application for Tr1 funding approval Tr1 funding</b>  See Appendices 1 & 4	<b>4a) Stage 2 tranche 1 (application)</b> Complete stage 2 tranche 1 pack Base info obtained in stage 1 Evaluation Approval
	Stage 2 Tranche 1 Agreement Procurement contract strategies DFA / TAC DTLGH "Assessment of In Situ Projects on Ingonyama Trust Land" 2004  Integration at the project level: see above	Municipalities IAs Consultants DoH Sectors	<b>Step 5: Stage 2 (Tranche 1) Implementation Tr1 Planning Consent DTLGH</b>  See Appendices 1 & 5	<b>5a) Stage 2 Tranche 1 (Implementation)</b> subsidy admin/survey functional tenure admin/survey project management settlement plan planning report TAC/DFA planning consent (DTLGA) land rights agreement sectoral alignment integration process procurement and contracting strategies

### 7.3 Explanatory notes to the Flow Chart

Please note that the flowchart is based mainly on 'deep rural' projects found on Ingonyama Trust Land where the DTLGA Technical Committee (TC) planning route is to be followed.

#### 7.3.1 Timeframes and Process

It is noted that the timeframes required for the above activities will vary greatly depending on a range of factors. It is further noted that the timeframes required to prepare and implement housing projects are typically radically underestimated. A historical assessment of the actual timeframes to deliver housing projects gives a much more realistic time estimation than one based on theoretical projections in a best case scenario: Some of the main factors that will cause timeframes to vary and which make them difficult to predict include the following:

- municipal / IA capacity
- community dynamics
- relationship between municipality and traditional authority
- nature and complexity of the project (e.g.: land issues, phasing)
- approval process timeframes of the DoH
- availability of DoH (and bulk service / CMIP) funding).

It is also noted that rural housing projects are relatively new and as yet no projects have run their full course through to implementation in terms of the new rural housing policy. Timeframes can therefore only be roughly estimated as follows, it being noted that significant work has already been completed on some projects which would obviously save time:

- 1) **IDP alignment:** 2 months (assuming a housing plan exists – if not it is estimated that an additional 4 months would be required to prepare housing plan).
- 2) **Reserve subsidies:** not applicable: It is noted that to date this process has not been occurring, although this is the intended process. The reservation of subsidies should be based on the annual allocation of subsidies / funding to a particular municipality this in turn should be based on housing plans prepared by the Municipality. If every municipality had a housing plan which informed a provincial housing plan then multi year budgets could easily be determined and monitored. The current scenario is based on a first come first serve basis without any plan at provincial or local level. This has resulted in a bottleneck of applications without any filter and prioritisation process. If this stage was to occur, then 2-4 months would be required (assuming housing plans and project prioritisation is in place which is currently not the case). Currently the conditional approval stage outlined below has been functioning as the 'first filter' for projects in order to reserve subsidies. This is not ideal since

significant and costly work is required to get the conditional approval stage which also raises expectations on the ground. Furthermore, the conditional approval stage was conceived largely due to the need to align with NHBRC requirements, which do not apply to rural housing projects. Ideally the 'reserve subsidies' stage should be re-instated and the 'conditional' and 'tranche 1' approvals should be wrapped into one approval (since the same information is available and utilised for both of these stages). However this will require further discussion and decision by the DoH.

- 3) **Pre-feasibility:** 8-14 months made up as follows: 2-4 months for application and approval of preparation funding (unless such funding is not required) + 4-6 months for pre-feasibility work + 2-4 months for DoH conditional approval (if there are budgetary or other constraints such as those relating to housing plans and housing prioritisation then timeframes could be longer).
- 4) **Tranche 1:**
  - a. Application: 1–4 months: 1 month to compile and submit the tranche 1 application pack + 2-3 months for the DoH to evaluate and approve the application (however it is noted that if, as outlined above, the conditional and tranche 1 approval stages are combined (conditional approval removed) then there would be 2-3 month time saving - the conditional approval time frame is covered in the prefeasibility above the time saving would thus be in the prefeasibility stage)
  - b. Implementation: 6-8 months.
- 5) **Tranche 2:**
  - a. Application: 3 months: 1month for application + 2months for evaluation, approval and contract.
  - b. Implementation: 2 years / 24 months (for a project of approximately 1000 sites).
- 6) **Operate maintain and review:** Not applicable / ongoing process (although a review one year after the completion of the housing project should be mandatory to determine delivery quality and integration issues).

[Total timeframe: 46 months (3yrs 10mths) to 59 months (4yrs 11mths)]

### 7.3.2 STEP 1 – IDP's, spatial planning and Sector Plans

The contents or core of an IDP should include

- A vision (internal and external)
- An assessment of the existing levels of development
- Development priorities
- Development objectives and at the core the development of people
- Development strategies
- A spatial development framework
- Operational strategies

- Disaster management plans
- Financial plans (including a 3 year budget projection)
- Key performance indicators and targets

#### 7.3.2.1 Current Situation – Challenges

- Many IDP'S are still not concrete enough to guide implementation and are far from being a useful management tool.
- Sector plans such as housing plans have in many instances not yet been prepared. This in turn does not create an environment conducive to alignment and integrated development process and practice
- Most municipalities are initiating housing projects without providing any linkages to the IDP process or the available resources. In other words there is a notion that since we have wall to wall municipalities we can have wall to wall housing projects
- Very few municipalities have coped with drafting development strategies and strategic plans.
- Public participation processes have not happened in an appropriate manner.
- Appropriate training and support systems are not in place in most municipalities
- Most municipalities and their planning consultants are still unable to cope with the challenges of participatory, strategic and implementation orientated project planning.
- There is a severe lack of capacity in terms of management and technical skills in many municipalities

#### 7.3.2.2 Current Situation – Positives

- Government has re-affirmed its support and commitment to the IDP process
- The process is evolving, developing and improving
- Government Departments and sector planning remain focussed on the IDP process in a concentrated effort to force alignment and integrated process
- IDP'S are being continuously reviewed
- The Department of Local Government is providing substantial funding to provide training and capacity building programs to strengthen the process
- Supporting and complimentary programs are being offered by other Government Departments
- The Department of Housing is working on a planning process, which will provide funding based on population statistics and a defined equitable share. This will force municipalities to plan. In other words the first come first served basis of subsidy approvals will no longer apply.



### 7.3.2.3 Importance and relevance of IDP'S to housing projects and integrated development practice

- Department of Housing will not consider any project where linkages and congruency to IDP'S cannot be demonstrated.
- The IDP process (and the by products thereof) form the only current linkage between integration at planning (spatial level) and planning at a project level
- A significant amount of financial resources for the implementation of projects lie with sector department. The availability of the IDP should provide guidance to the departments as to where their services are required and where to allocate and align resources to the optimum benefit of communities.
- The development-planning component of the Department of Local Government will not consider planning consent for any project, which is not IDP compliant.
- Spatial planning emanating from the IDP is a pre requisite for tranche 1 approval.

### 7.3.3 **STEP 2 – Application for the reservation of subsidies**

The National Housing Code sets out the criteria for the reservation of subsidies and can be summarised as follows;

- Funding is allocated to a Provincial Housing Development fund from the National Minister by way of a financial transfer. This is based on the Provinces equitable share.
- MEC (Provincial) apportions funds between the six different subsidy types (including rural), as determined by Provincial housing profiles of need and the five year provincial housing plan
- MEC requests municipalities to apply for reservation of funds for all housing projects in their area of jurisdiction.
- Municipality applies to the MEC for the reservation of subsidies in terms of its multi year housing plan developed from the approved IDP process.
- MEC reviews municipal applications for the reservation of subsidies in light of the motivation, approved IDP's and the provincial housing plan
- MEC evaluates the focus of integrated development and past performance of a municipality in meeting IDP investment targets.
- MEC notifies each municipality in writing of the reservation of subsidies.
- Municipality prepares project descriptions for the individual projects.

#### 7.3.3.1 Current Situation – Challenges

- In KZN the process of reserving subsidies is not taking place in accordance with the proposed process set out in the code.

- This is largely due to the fact that most municipalities do not have housing plans as well as the fact that the Provincial Housing plan has not been operationalized
- Currently one of the biggest challenges facing KZN housing is the lack of planning and equitable distribution of subsidies
- To date the distribution of subsidies has to a large extent been based on a first come first serve basis
- This has unfortunately promoted the legacy of fragmented and un-coordinated development
- This in turn has resulted in certain areas being over subscribed and other areas receiving nothing
- To a certain extent the process of conditional approvals has formed the basis for the reservation of subsidies
- Unfortunately this process has merely perpetuated the notion of first come first served as well projects being implemented for political gain rather than integrated development

#### 7.3.3.2 Current Situation – Positives

- The KZN department of Housing is currently finalising a model to assist in determining the equitable share per municipality.
- This model is largely based on population statistics, which is in line with approach of National Government.
- Additional criteria would include housing backlogs statistics, number of existing projects, levels of poverty per area or districts.
- The model will further force municipalities to plan, align and integrate projects in accordance with the IDP's.

#### 7.3.3.3 Importance and relevance to housing projects and integrated development practice

- All future housing projects will be determined and linked to the available resources in terms of the reserved amounts.
- This reservation of funding is directly linked to the IDP process and the spatial and sector plans of the municipality.
- As resources become more and more scarce, due to increased need, the need for more detailed planning will become evident.
- The current policies of Government and the Department of Housing have created an environment conducive to rural development, which in turn has placed additional burdens on the available fiscus.
- Integrated and aligned development practice cannot forever remain a theoretical ideal whilst wasteful and fruitless expenditure is being incurred as a result of the lack thereof.

- Integrated development and the alignment of sectors is therefore about communication and planning around scarce resources in order to optimise the benefits derived by communities and in particular the rural poor.

### 7.3.4 **STEP 3 – Preparation funding and Pre feasibility studies (Stage 1 in the DOH cycle)**

#### 7.3.4.1 STEP 3: Preparation funding phase

- Currently municipalities can apply to the DOH for preparation funding in order to assist the municipality in concluding the activities as set out in the Stage1 process.
- Preparation funding applications are made in a business plan format and should include the activities to be concluded, scope of work per activity, budget and program.
- The application is then evaluated by the DOH and submitted to the MEC for approval.
- Once approved by the MEC a contract is concluded with the municipality and the DOH.

#### Current Situation – Challenges

- Procurement processes and contracting strategies are not clearly defined and there appears to be differences of opinion between the Provincial and Municipal levels.
- Scopes of work are not clearly defined and seldom reduced to standard pro forma scopes of work and contracts.
- Confusion relating to the role of Municipalities versus “turnkey” implementation agents.
- So called “turnkey” implementation agents who have no financial resources and rely solely on DOH funding and preparation funding. This in turn defeats the purpose of “turnkey contractors”.
- Lack of capacity at Provincial and municipal level to evaluate and monitor the expenditure of preparation funding
- Abuse of preparation funding.
- Non IDP compliant and sector compliant projects are often granted prep funding

#### Current Situation – Positives

- Preparation funding is a vital ingredient to determine the feasibility and viability of project and if properly evaluated and coordinated can assist in speeding up delivery.

#### 7.3.4.2 STEP 3: Stage 1 Pre-feasibility – Conditional approval stage.

- Currently the generic flow chart (of the DOH) for rural housing indicates that a conditional approval is required in order to get to the next stage, which is Stage 2 Tranche 1.
- The model was adopted from the generic flowchart in Chapter 3 of the Housing code and was geared specifically for urban green field projects.
- “Facilitation” staff and not project managers have been driving the conditional approval process.
- The officials driving the conditional approval process have not linked this process to available budgets and have effectively over subscribed the subsidies available.
- Many projects granted these so-called conditional approvals are not feasible and do not comply with IDP’S.
- Currently many officials in the Department are of the opinion that obtaining a conditional approval is meaningless, as it is not linked to any other process. In other words it is not used as a basis to approve funding, obtain NHBRC approval nor to reserve subsidies.
- Conventional project management and risk management process would indicate that the equivalent process is a pre feasibility exercise. In other words a risk management exercise which can be managed at a regional level.
- Early consultation with the TC is required to provide initial guidelines as to the future planning route to be taken i.e. DFA for peri-urban township establishment and TC for ‘deep rural’ projects.
- The key risk areas to be covered at the pre feasibility stage are covered in the scopes of works covered under **Appendix 1** of this manual

#### Current Situation – Challenges

- Differences of opinion relating to the requirement of a conditional approval and the purpose thereof
- Lack of standard procurement documentation and standard scope of works
- Difficulty experienced in terms of having sufficient filters to manage risk in a rural context.
- The most important filter or limiting factor namely planning and the reservation equitable distribution of subsidies has not yet been addressed.
- Over subscription of projects in terms of conditional approvals
- Implementation agents have been appointed on the understanding that it is a turnkey development appointment
- In many instances agency agreements have been concluded without the municipalities understanding the implications
- The Department of Housing is attempting to rectify the situation without consulting those appointed.

### Importance and relevance to housing projects and integrated development practice

- The stage 1 pre feasibility process should ensure that only projects reflected in the IDP's or relevant sector plans are taken forward.
- Provides the first real opportunity to take the integration and alignment process forward from planning level to project level.
- Process of detailed community participation must commence which would include a needs assessment.

#### **7.3.5 STEP 4 – Stage 2 tranche 1 application**

- The Department of Housing has compiled a standard application pack for Tranche 1.
- Tranche 1 funding is currently capped at a maximum of R 1394-00 per site. This funding is approved in order to conclude the settlement planning process which culminates in an “approval / endorsement” by the Department of Local Government and Traditional Affairs.
- The application pack is available on the KZN Department of Housing website as well as from the Department. The website can be found at [www.kznhousing.gov.za](http://www.kznhousing.gov.za)
- The scope of works found in **Appendix 1** of this document clearly sets out the requirements for a tranche 1 application. (Full application pack also attached as **Appendix 4**)

##### **7.3.5.1 Current Situation – Challenges**

- The Tranche 1 application pack was designed on the assumption that only IDP compliant projects would be considered. In other words projects that should form part of the Municipalities Housing Sector Plan or priorities in terms of the equitable distribution of subsidies.
- The abovementioned process would provide the necessary filters to ensure a rigorous vetting process so as to allow only the most suitable projects to proceed.
- Unfortunately the current process still follows a first come first served model, which often allows unsuitable, non-integrated and unsustainable projects to be approved. These projects are often politically or economically driven by the private sector.

### 7.3.6 **STEP 5 – Stage 2 tranche 1 - implementation**

- As at April 2005 no projects have completed the Stage 2 tranche 1 implementation process.
- A number of approved and contracted projects are currently in the process of implementing Tranche 1.
- The scope of works found in **Appendix 1** of this document clearly sets out the requirements for tranche 1 implementation.
- The implementation of tranche 1 involves the conclusion of beneficiary subsidy administration, functional tenure arrangements, settlement planning and the conclusion of a land rights agreement.

#### 7.3.6.1 Current Situation – Challenges

- The entire process is new and as such a number of teething problems are being experienced.
- Developers and agents are not yet familiar with the process.
- The DLGTA and the DOH are still in the process of setting up the TC (Technical Committee) and only one sitting has been held in the Coastal Region.
- Technical aspects such as floodline determination, accuracy of GPS readings and requirements for functional tenure certification have not been standardised.
- The DOH has been slow in reacting to the teething problems.

### 7.3.7 **STEP 6 – Stage 2 tranche 2 application**

- The scope of works found in **Appendix 1** of this document clearly sets out the requirements for the tranche 2 application. (Application pack also attached as **Appendix 6**)
- A Tranche 2 application can only be submitted once “planning consent” and a development rights agreement have been concluded as part of Tranche 1.
- The Tranche 2 application defines the product to be delivered in substantial detail.

#### 7.3.7.1 Current Situation – Challenges

- No clear norms and standards have been set with respect to the size of top structure or the possible split between funding for limited infrastructure and the top structure.

### 7.3.8 **STEP 7 – Stage 2 tranche 2 implementation**

The scope of works found in Appendix 1 of this document clearly sets out the requirements for tranche 2 implementation

### 7.3.9 STEP 8 – Operation, Maintenance and Review

- Within this stage the Local municipality formally accepts the services from the contractor and undertakes to maintain those services.
- It is also important that the IDP review process assesses the results of the implementation of the project to provide an improvement feedback loop for future IDP planning
- Housing officials should also review the implementation of the integrated development project/s providing a positive feedback loop to improve future projects and to monitor the implementation of associated sector projects.

**Appendix**

<b>1</b>
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**Scopes of Work For  
Rural Housing Projects**





## SCOPES OF WORK : PREPARATION OF A RURAL HOUSING PROJECT

### STEPS 1, 2 & 3: Pre-feasibility stage

#### (IE: Stage 1 Conditional Approval on DoH cycle leading up to Stage 2 Tranche 1)

*Note: This stage should be undertaken at the level of the entire Traditional Authority to enable an overview of the development status and the prioritisation of areas for housing and other development.*

**Items relevant to integrated development highlighted in green.**

#### Preparation management

- ❖ Establish relationship with the Municipality, Department of Housing, Traditional Authority, Community Structures, Ingonyama Trust and Dept. Traditional & Local Govt. Affairs.
- ❖ Compile and maintain a budget (and draw downs against budget)
- ❖ Assemble, appoint, and co-ordinate the professional team in accordance with the procurement process's of the Municipality.
- ❖ Professional services required at this stage will include Land Surveyor, Land Legal consultant, Town Planner, Project Manager, Engineer, Geotechnical, Facilitator and Environmental consultant
- ❖ Ensure stakeholder participation takes place, including communications with the Municipality, Traditional Authority, Community Structures, Ingonyama Trust and Dept. Traditional & Local Govt. Affairs.
- ❖ Obtain or ensure stakeholder support relating to the proposed development process to be followed
- ❖ Ensure that the preparation process is adequately staged
- ❖ Brief and appoint the professional team (if need be assist in selecting suitable professionals).
- ❖ Monitor professional team progress and ensure feedback to community and municipality
- ❖ Receive products / reports from team, evaluate, get amendments if required, certify payment of team
- ❖ Compile pre-feasibility report with recommendations on whether or not to proceed with feasibility stage and if so recommend budgetary requirements.
- ❖ **Ensure that other sectors become aware of the proposed housing project. Alignment and integration between the sectors can only take place if there is communication**
- ❖ **This communication can take on various forms for example the electronic media such as email and GIS systems, written and oral communication**

## Planning – Preliminary Spatial Plan

**Note:** Base information from the District Municipality and DTLGA GIS system is to be utilised as well as information available from professionals who have worked in the area such as engineers, geotechnical and environmental consultants.

Overall purpose:

The overall purposes are to : a) facilitate more integrated and therefore sustainable development; b) ensure closer linkages with community needs and assets; c) ensure congruency with the IDP and other spatial plans; d) define the local spatial planning and development context.

Inputs:

- ❖ Obtain existing base maps, relevant plans, LUMS (if available) and extracts of the municipality's IDP and sub-regional plans
- ❖ Liaise with professionals who have worked in the area such as Planners, Engineers, Geotechnical and Environmental consultants

Outputs: Drawings:

Plans must be produced at A0 scale to enable presentation at workshops. The format must make them easily accessible by stakeholders who do not have technical development expertise. Two types of plans must be produced:

1. Plan(s) of the area showing the status quo including the following:

- ❖ Traditional authority boundary and ward boundaries
- ❖ IDP linkages to other areas
- ❖ IDP and sub-regional nodes and sub-nodes
- ❖ Existing land use
- ❖ Topography and slope analysis (>1:3; 1:3 to 1: 6; 1:10>)
- ❖ Natural features: rivers, vegetation etc
- ❖ Man made features such as dams, power lines, roads and railway lines
- ❖ Areas likely to be affected by 1:50 and 1:100 year flooding
- ❖ Environmentally sensitive areas (e.g. wilderness or conservation areas)
- ❖ Existing social facilities (especially schools, health, telephones, transport infrastructure)
- Water reticulation and reservoirs
- Boreholes
- Raw water sources
- Roads

- o Electricity
  - o Police stations
  - o Schools and educational facilities
  - o Health care facilities
  - ❖ Economic development activities
  - ❖ Undevelopable areas for housing
2. Plan(s) of the area showing main development priorities and based in part on the results of a workshop with the key stakeholders including: the municipality, traditional authority, community structures, Ingonyama Trust, Dept. Traditional & Local Govt. Affairs, Dept Housing, other funders and key government departments:
- ❖ Proposed future land use zonation
  - ❖ Proposed nodes
  - ❖ Priority areas for housing and proposed phase 1 for housing (1000 – 2000 sites) – specify approximate scale
  - ❖ Priority areas for other development especially health care, education, other key social facilities and economic development

Outputs: Report:

The report needs to cover the main elements of the above plans including:

- ❖ Outline the spatial planning context
- ❖ Identify linkages to and congruency with the IDP, LDO's, sub-regional plans, Housing Sector Plans and other spatial plans
- ❖ Describe existing and proposed land use
- ❖ Comment on adequacy of existing social facilities (especially schools, health, telephones, transport)
- ❖ Comment on the current level of infrastructure and top-structures
- ❖ Comment on the Municipalities water services development plan (WSDP), integrated transport plan (ITP), integrated waste management plan (IWMP), Land Development objectives.
- ❖ Comment on integration, alignment and proposed projects of other key sectors.
- ❖ Identify main development priorities and needs
- ❖ Comment on required approval process for housing development including those related to planning and environmental issues
- ❖ Recommend process for acquisition of required approvals (e.g.: DFA/TC) and outline timeframes (TC= Technical Committee – formerly Technical Approval Committee)
- ❖ Socio economic and population statistical data

### Social facilitation – preliminary

**Notes: The budget requirements will vary greatly depending on: a) The level of existing trust and co-operation that exists and the level of pre-existing work that has been done by the municipality and others in the target area; 2) the capacity and willingness of the municipality to assist with social facilitation activities / level of support required.**

- ❖ **Identify key stakeholders and ensure their involvement in the projects.** They will need to include: the municipality, traditional authority, community structures, Ingonyama Trust, Dept. Traditional & Local Govt. Affairs, Dept Housing, other funders
- ❖ Introduce the stakeholders to the housing process, project cycle, timeframes, risks of project failure, relative roles & responsibilities
- ❖ Identify key needs
- ❖ Identify existing social facilities & adequacy thereof (especially schools, health care, telephones, transport)
- ❖ Identify any existing projects / development interventions in the area (and include in planning)
- ❖ Facilitate agreement between municipality and traditional authority with respect to:
  - Who is the developer and what procurement process is to be followed
  - Type of development strategy to be used
  - Planning requirements
  - Form of tenure
  - Phasing of project and logistics
  - rates and services (if any)
- ❖ Obtain commitment from municipality, traditional authority and community structures to work together on the project
- ❖ Identify social risks, recommend solutions, evaluate feasibility of project based on socio-political conditions.
- ❖ It is assumed that three meetings / workshops will be required plus telephone liaison.

### Land audit – preliminary

#### Preliminary report:

- ❖ Schedule of properties, registered owner, extent, title deed number, servitudes and restrictive conditions of title that might affect the project
- ❖ Copies of title deeds or aktek printouts and SG diagram (and GP if in existence)
- ❖ Comments on key boundaries that might affect development (e.g.: R293, ward, municipal, traditional, GP's etc)

#### Plans:

- ❖ Cadastral boundaries
- ❖ Boundaries of Traditional Authority as well as R293 and existing GP's (if applicable)
- ❖ Extents of properties and property descriptions

- ❖ Pick up unregistered servitudes such as power lines and rail lines via physical survey
- ❖ Outside figure diagram with relevant co-ordinates for project boundary
- ❖ Project phasing

#### **Bulk services assessment**

*Base maps are to be obtained from the project planner.*

#### Report:

- ❖ Status of existing water supply (reticulation as well as raw water supply), roads, and electricity and sanitation solutions (including sewers if applicable)
- ❖ Bulk services which are planned for construction or which have funding approved (with support documents such as funding resolutions)
- ❖ Adequacy of existing bulk services
- ❖ Identification of bulk services required and likely sources of funding (i.e.: roads, water, electricity, sanitation)
- ❖ Rough cost estimates

#### Drawings:

- ❖ Locality plan
- ❖ Boundary of project (phase 1 for housing) and Traditional Authority and sub-wards
- ❖ Position of existing bulk services (water, roads, electricity, government funded sanitation / sewers where applicable)
- ❖ 1:50 & 1:100 year floodline

#### **Geotech – desktop**

*Note: To be based on a desktop assessment, mandatory site visit, existing knowledge of the area and plans and topo maps provided by the project planner.*

#### Preliminary report:

- ❖ Identification of broad geotechnical conditions in the areas and implications for development, specifically w.r.t. roads, VIP's / on site sanitation, stormwater control, cut & fill, platforms and founding conditions, road construction materials
- ❖ Identify obvious restraints such as the prevalence of a high or perched water table, unstable areas, overstep areas, seepage areas, rock outcrops, rivers and streams
- ❖ Viability of this proposed project in terms of geotechnical conditions
- ❖ Recommendations in terms of development controls.
- ❖ Make suggestions / recommendations w.r.t site-specific geotech at construction stage. Specifically DCP testing for foundations and percolation testing for VIP and on site sanitation

#### Drawings:

- ❖ Boundary of project (phase 1 for housing) and Traditional Authority and sub-wards
- ❖ Broad distribution of rock & soil types

❖ Geotechnically sensitive or undevelopable areas (egg: seepage, shallow soil, boulders / rock outcrops, slope instability etc)

### **Environmental (preliminary assessment)**

#### **Report:**

- ❖ Consider and comment on the following DFA regulations relating to a scoping report on a *preliminary* basis (i.e.: not at the level of a full scoping report – a paragraph for each item will suffice):
  1. "The scoping report must indicate the extent to which the proposed activity or development will impact on the environment, and where appropriate deal with the following specific aspects of the environmental impact:
  2. The physical and landscape characteristics of the land development area and its surroundings;
  3. The ecological characteristics of the land development area and its surroundings;
  4. The current and potential land – uses of the land development area;
  5. Existing significant archaeological, historical and cultural sites in the land development area and its surroundings;
  6. The social and economic impact on communities in the land development area and its surroundings;
  7. The existing infrastructure and/or services in or around the land development area and surroundings;
  8. The existing social and community structures, services and facilities in and around the land development area;
  9. The levels of present and possible pollution, including noise pollution, in the future as a result of the proposed development;
  10. Any risks or hazards to the environment posed by the development;
  11. The health and safety of the public;
  12. The social costs of the proposed development;
  13. The effect of the proposed development on different groups or individuals;
  14. The medium and long term sustainability of the proposed development;
  15. What mitigating measures could be implemented to reduce negative impacts and enhance positive impacts of the aspects described in paragraphs a) to m) and, where appropriate, to what extent alternative sites for the development were investigated;
  16. Comments from Dept. Local Government and Traditional Affairs and Dept of Agriculture and Environmental Affairs with respect to environmental requirements or exemptions.
- ❖ Identify any areas of particular environmental sensitivity
- ❖ Identify any areas, which are proclaimed wilderness or conservation areas and comment on the implications.
- ❖ Identify the proximity to any hazardous installations (e.g.: Petro Chemical Industry), which may pose a risk for human settlement.
- ❖ Identify any environmental regulations or laws which may apply to the proposed development of rural housing projects in the area and what obligations they impose on the project.
- ❖ Based on your assessment, identify whether or not there appear to be any material barriers to the proposed development from an environmental impact perspective, what the barriers are, and the viability of overcoming them.



- ❖ If further environmental assessment may be needed, how would this be decided, what would it consist of, at what indicative cost, and at what stage in the project cycle the work would need to be done relative to township establishment and / or the commencement of development.
- Drawings: If there are any relevant environmental sensitivities or issues then a drawing is required (e.g.: annotated map) at a suitable scale showing the locality of the different sensitivities / impacts relative to the proposed project area and identifying the nature of the sensitivities / impacts.
- ❖ Highlight where possible existing structures or umuzi's, which fall within the areas, delineated as wetlands or environmentally sensitive areas.

NOTE: Whilst the DFA regulations provide an excellent basis for determining the requirements with respect to environmental issues it is likely that most rural projects will not follow a formal DFA process. Most projects will follow the planning route utilising the newly established Technical Advisory Committee (TC) route. The processes and activities will however remain similar.

#### Household Socio-economic Survey

**NOTES: 1) IT IS ASSUMED THAT A COMMUNITY BASED PARTNER (CBP) IS ALREADY IN PLACE. 2) USUALLY A SAMPLE SURVEY OF ONE THIRD OF THE SETTLEMENT IS REQUIRED, BUT A SURVEY OF THE ENTIRE SETTLEMENT IS RECOMMENDED IN CASES WHERE THERE MIGHT BE PARTICULAR LAND LEGAL COMPLEXITIES OR WHERE INTEGRATED / ECONOMIC DEVELOPMENT IS A PRIORITY. 3) IT SHOULD BE NOTED THAT A GPS SURVEY / BENEFICIARY REGISTRATION PROCESS OCCURS UNDER TRANCHE 1 (SEE BELOW).**

#### Inputs

- ❖ UNDERTAKE A SOCIO-SURVEY - DOOR TO DOOR IF NECESSARY (SPECIFY PROPORTION OF SETTLEMENT FOR WHICH SURVEY IS REQUIRED EGG: 33%).
- ❖ ENSURE THAT APPROPRIATE CONSULTATION OCCURS WITH THE KEY STAKEHOLDERS (INCLUDING TRADITIONAL AUTHORITY, WARD COUNCILLOR, WARD DEVELOPMENT COMMITTEE AND MUNICIPALITY)
- ❖ COMPILE A REPORT AND ANALYSIS OF DATA. DRAFT A SOCIO-SURVEY QUESTIONNAIRE IN ISIZULU FOR COMMENT BY THE RELEVANT MUNICIPALITY / TRADITIONAL AUTHORITY AND POSSIBLE AMENDMENT PRIOR TO UNDERTAKING THE FIELD SURVEY.
- ❖ Training of local fieldworkers on questionnaire and survey methodology.

## REPORT

- ❖ BENEFICIARY PROFILE: FULL NAME, ID NUMBER, MONTHLY HOUSEHOLD INCOME, NUMBER IN HOUSEHOLD, FAMILY HEAD
- ❖ SITE NUMBER: AS ALLOCATED BY TRADITIONAL AUTHORITY / MUNICIPALITY AND AS APPEARS ON TOP-STRUCTURE (WHERE APPLICABLE) (CONSIDER THE POSSIBILITY OF LINKING THIS TO THE MAPPING OBTAINED EGG: ORTHOPHOTO'S AS WELL AS POSSIBLE LINKAGES TO THE GPS SURVEY TO FOLLOW).
- ❖ TOP-STRUCTURE INFORMATION: TOP-STRUCTURE TYPE: BLOCKS WITH TIN ROOF, WATTLE AND DAUB, SHACK; IS THE STRUCTURE PERMANENT: CAN IT BE EXTENDED OR DOES IT NEED TO BE REPLACED;
- ❖ TENURE: TYPE OF TENURE (AS PERCEIVED BY BENEFICIARY); EXISTENCE OF PTO / DEED OF GRANT / TITLE DEED (SPECIFY WHETHER DOCUMENTED OR NOTE) (THIS SHOULD BE VERIFIED AGAINST THE LAND AUDIT ABOVE);
- ❖ TENANCY: IS THE RESIDENT A TENANT AND IF SO WHO IS THE LANDLORD, WHAT ARE THE CONTACT DETAILS, HOW MUCH RENT IS PAID; DOES THE RESIDENT HAVE ANY SUB-TENANTS AND IF SO HOW MANY
- ❖ ECONOMY: SOURCES OF HOUSEHOLD INCOME; WHERE DO PEOPLE WORK; SPECIFY EXISTING FOOD SECURITY, AGRICULTURAL, AND MICRO ENTERPRISE ACTIVITY IN WHICH HOUSEHOLD IS INVOLVED;
- ❖ SOCIAL FACILITIES: ACCESS TO AND ADEQUACY OF EDUCATIONAL FACILITIES; HEALTH FACILITIES; TELECOMMUNICATIONS; TRANSPORT
- ❖ Brief community needs assessment: prioritisation of community needs;

- ❖ Skills audit – identify key skills (including those relating to construction and micro-enterprise)

- ❖ Special needs: identify any special needs within the household (e.g.: orphans and vulnerable children, HIV AIDS, aged, chronically ill, mentally handicapped etc); identify any existing social grants being received (e.g.: child support, pensions, foster care etc)

Note: Given that there might be substantial delays before the commencement of the GPS survey under Tranche 1, it is recommended that, wherever possible, GPS points should be recorded in order to locate such issues / activities as: special needs; existing homestead gardens and agricultural activity; existing micro-enterprises; crèches; pension pay points; existing social facilities such as clinics and schools. This assists with the initiation of support projects ahead of (or in parallel with) housing and infrastructure delivery and facilitates linkages with the spatial plan (outlined above).

#### **STEPS 4, 5, 6 & 7: Feasibility and Implementation stage (IE: Stage 2 of the DoH cycle comprising of two tranches)**

*Note: This stage is to be undertaken at the level of the project as defined by the first phase or 1000 allotments to be developed. The feasibility stage comprises of two tranches. The tranche system includes elements of feasibility and implementation at both levels.*

#### **Background:**

##### **TRANCHE 1**

Tranche 1 approval is granted by the Department of Housing on the strength of the information gathered in the stage 1 pre feasibility process.

Tranche 1 funding is applied for utilising a standard pro forma application pack to be completed by the relevant Municipality based on and informed by stage 1.

Tranche 1 funding is currently limited to a maximum of R 1,394.00 per residential allotment or subsidy.

Tranche 1 funding pays for the following:

- ❖ The activities concluded in stage 1 (prefeasibility). It is noted that several outputs of the prefeasibility stage will be utilised in Tranche 1 including those listed below. Where there are gaps or de or deficiencies, additional work might be required:

- prelim spatial plan,
- prelim land audit,
- geotech (desktop),
- prelim environmental report,
- bulk services assessment,
- household survey.

- ❖ Land Rights Agreement (*the land audit component having been covered under the pre-feasibility above*)
- ❖ GPS survey, functional tenure arrangements and subsidy administration and approval (including beneficiary registration)
- ❖ Production of a planning report and settlement plan
- ❖ Approval of the settlement plan by the Department of Traditional and Local Government Affairs.
- ❖ Project management and administrative costs
- ❖ Additional geotechnical input (where there was no on-site inspection and adequate plan showing zones under the pre-feasibility stage).

##### **TRANCHE 2**

Tranche 2 approval is granted by the Department of Housing on the strength of the information gathered in the Tranche 1 feasibility and planning approval process.

Tranche 2 funding is applied for utilising a standard pro forma application pack to be completed by the relevant Municipality based on and informed by Tranche 1.

Tranche 2 funding comprises the balance of the subsidy .

Tranche 2 funding pays for the following:

- ❖ Activities concluded in Tranche 1 but not covered by the R 1394.00 budget.
- ❖ Engineering design, specifications, program and costing including:
  - Detailed engineering designs and specifications for services where applicable.
  - Detailed designs and specifications for on site sanitation
  - Detailed programs and cost models
- ❖ Topstructure solutions and delivery method including:
  - Detailed house designs and specifications
  - Detailed foundation designs and specifications
- ❖ Social Compact
- ❖ Site specific geotechnical data and testing such as DCP and percolation testing
- ❖ Environmental management
- ❖ Site supervision and testing
- ❖ Construction of Services and on site sanitation
- ❖ Construction of Houses
- ❖ Site Administration
- ❖ Escalation
- ❖ Project Management
- ❖ Overheads and profit of developer
- ❖ Facilitation

**Tranche 1 – Scopes of work:**

**Preparation management and Project Management**

- ❖ Maintain relationship with municipality, traditional authority, community structures, Ingonyama Trust and Dept. Traditional & Local Govt. Affairs.
- ❖ Compile and maintain a budget (and drawdowns against budget)
- ❖ Ensure agreement is reached with respect to procurement and contracting strategies
- ❖ Ensure that all understands financial arrangements such as the flow of funding, roles and responsibilities, bridging funding and VAT implications.
- ❖ Ensure that the necessary process and procedures are in place for dealing with the project finances

- ❖ Assemble, appoint, and co-ordinate the professional team including a Project Manager, Land Surveyor, Town planner, Geotechnical Engineer, Environmental consultant and facilitator.
- ❖ Ensure continued stakeholder participation takes place, including communications with the municipality, traditional authority, and community structures, Department of Housing, Ingonyama Trust and Dept. Traditional & Local Govt. Affairs.
- ❖ Ensure that the preparation process is adequately staged
- ❖ Brief and appoint the professional team (if need be assist in selecting suitable professionals).
- ❖ Monitor professional team progress and ensure feedback to community and municipality
- ❖ **Manage the alignment and integration of the project with other programs**
- ❖ Receive products / reports from team, evaluate, get amendments if required, certify payment of team
- ❖ Compile Stage 2 tranche 1 applications and attach supporting documents if feasible and recommend budgetary requirements.
- ❖ Manage the process of evaluation, approval and implementation of Tranche 1
- ❖ Process the necessary claims to the DOH

Land Rights Agreement– Land Surveyor or land legal consultant

*(Note: The land audit is covered by the pre-feasibility stage outlined above)*

#### Inputs

- ❖ Discussions with the Traditional Authority, Traditional and Local Government Affairs, Department of Housing, Municipality and Ingonyama Trust to define most suitable planning route in other words DFA or TC (*TC= Technical Committee – formerly Technical Approval Committee*).
- ❖ Application to the Ingonyama Trust with respect to in principle support leading up to the conclusion of a development rights agreement.

#### Outputs

- ❖ Letters of in principle support or minutes of meeting whereby agreement was reached.
- ❖ Culminate in a development rights agreement after “planning consent” is obtained

GPS survey, functional tenure, subsidy administration and approval

#### Inputs

- ❖ Discussions with the Traditional Authority, Department of Housing , Municipality and community with respect to the administrative process to be followed in the subsidy admin process
- ❖ Allocation and functional tenure arrangements by the Traditional authority
- ❖ GPS survey: linkages to surveyor, placement of beacons and GPS referencing

- ❖ Site logistics and method of signing up beneficiaries. Central office or mobile units going out to the people.
- ❖ Planning and coordination of activities between different functionaries (i.e.: signing of certificates of occupancy, subsidy administration and GPS survey)
- ❖ Logistics with respect to photocopiers, GPS's, vehicles required, digital cameras etc

#### Outputs

- ❖ Beneficiary approvals by DOH and certificates of occupancy by Traditional Authority
- ❖ Completion of survey and GPS readings/ data base.
- ❖ Digital information to inform settlement plan and planning report.

#### **Settlement plan, planning report and planning approval**

*(Note: this report and plan should include the information from the planning report completed in the pre-feasibility stage)*

#### **Input:**

- ❖ Work prepared by the Land Surveyor including individual GPS survey of the spatial location of each and every subsidy to be issued as well as the physical survey of existing roads, power lines and railway lines.
- ❖ Beneficiary approvals by DOH and certificates of occupancy by Traditional Authority linked to survey *(completed under GPS and sales admin above)*
- ❖ Community support for the proposed settlement plan
- ❖ Geotechnical data
- ❖ Environmental data
- ❖ Information from spatial plans and LUMS
- ❖ Information on bulk services and existing services
- ❖ Existing educational, social and welfare facilities
- ❖ Flood lines
- ❖ Services agreements
- ❖ Copies of title deeds
- ❖ Letters of support

#### **Outputs:**

- ❖ Final settlement plan and planning report to be submitted to TC
- ❖ Alternatively DFA application in terms of Chapter 6
- ❖ Process culminates in approval by the Department of Traditional and Local Government Affairs
- ❖ Drawings : Final settlement plan (suitable scale showing at least A1 size)

- Boundary and agreed phasing of the project
- Number of Umuzi's to be developed. Positions of new structures to be mapped.
- 1:100 yr flood lines determined as accurately as possible. Utilisation of 20 m buffer where doubt exists
- Informally settled portion of project area if any.
- Slope analysis (>1:3, 1:3 – 1:10, <1:10) – already produced in the pre-feasibility stage
- Actual positions of man made features and servitudes
- Positions of existing and proposed amenities and facilities
- Location and contextual plans areas – already produced in the pre-feasibility stage
- Undevelopable areas (based on site visit, slope analysis, risk of flooding, report on bulk services, geotechnical appraisal, land audit report) – (Already produced in the pre-feasibility stage).

#### **TC Application pack (similar to DFA)**

- Settlement plan
- Land audit including title deeds
- SG diagram
- Letter from Land claims Commissioner
- Bulk and services report
- Municipal consent
- Traditional Authority Consent
- Land Owner consent
- Socio economic report
- Environmental overview
- Geotechnical information and report
- Locality Map
- Local area development plan
- 1:50 000 Topo map
- Ward boundaries
- Traditional authority boundaries

## Tranche 2 – Scopes of Work:

### **Preparation management and Project Management**

- ❖ Maintain relationship with municipality, traditional authority, community structures, Ingonyama Trust and Dept. Traditional & Local Govt. Affairs.
- ❖ Compile and maintain a budget (and draw downs against budget)
- ❖ Ensure that agreement is reached with respect to the procurement of contractors and the relevant contracting strategy.
- ❖ Ensure that all financial obligations and requirements are in place with specific attention to the flow of funds, VAT implications and bridging finance
- ❖ Assemble, appoint, and co-ordinate the professional team including a Project Manager, Land Surveyor, Town planner, Geotechnical Engineer, Environmental consultant and facilitator.
- ❖ Ensure continued stakeholder participation takes place, including communications with the municipality, traditional authority, and community structures, Department of Housing, Ingonyama Trust and Dept. Traditional & Local Govt. Affairs.
- ❖ Ensure that the alignment and integration of other programs into the project become a reality
- ❖ Ensure that the preparation process is adequately staged
- ❖ Brief and appoint the professional team (if need be assist in selecting suitable professionals).
- ❖ Monitor professional team progress and ensure feedback to community and municipality
- ❖ Receive products / reports from team, evaluate, get amendments if required, certify payment of team
- ❖ Compile Stage 2 tranche 2 applications and attach supporting documents, if feasible, and recommend budgetary requirements.
- ❖ Manage the process of evaluation, approval and implementation of Tranche 2
- ❖ Process the necessary claims to the DOH

### **Engineering design, specifications, program & costings**

(Note: this report should include the information from the report on bulk services completed in the pre-feasibility stage)

#### Inputs

- ❖ Planning consent obtained from DLGTA
- ❖ Agreement on split between services and top structures. As a rule of thumb services are limited to on site sanitation and the construction of limited road access and minor water reticulation.

- ❖ All information obtained during the prefeasibility and Tranche 1 process

#### Outputs:

- ❖ Detailed specifications and cost models for on site sanitation
- ❖ Detailed specifications and costings of other services (egg: water supply, roads) if any



- ❖ *Engineering design fees and supervision costs*
- ❖ *Proposed tender documentation and contracting strategies*
- ❖ *Clear support from the role-players and particularly the Municipality and Traditional Authority with respect to the agreed product*
- ❖ *Detailed budgets and clear methodology on implementation*
- ❖ *Design drawings: (Suitable scale showing at least the following):*
  - Existing and proposed services
  - Areas to be developed in line with the settlement plan
  - Design drawings of agreed on site sanitation system
  - Detailed specifications of materials included on drawings
  - 1:100 year flood line – already produced in the pre-feasibility stage
  - Position of existing and water mains and connectors and those programmed for construction (and if possible their size / peak flow capacity) – already produced in the pre-feasibility stage
- ❖ *Design report:*
  - Cost estimates and lengths for **internal services (IF ANY)**
  - Comment on the proposed **internal services (IF ANY) and the liable source of funding if non DOH**, specification and materials covering:
    - ❖ Internal roads and access networks, (including access ways and footpaths)
    - ❖ Storm water Control: design parameter for minor system, critical points and major culverts.
    - ❖ Water reticulation
    - ❖ Electricity
  - Cost estimates for Engineer's fees for design and supervision for project implementation
  - Cost estimates for required **bulk services** (already covered in pre-feasibility stage)
  - Comments on **bulk services and the liable source of funding** including: public transport routes / taxi collectors, storm water detention facilities, bulk water supply for the project area (already covered in the pre-feasibility stage).
  - Notes on your meetings held with the beneficiary community with regard to proposed level of services;
  - Comment on existing services and programs
  - Comment on the agreed form of on site sanitation and its suitability, anticipated lifespan, maintenance, geotechnical and environmental issues as well as health and safety issues.
  - Comment on proposed contracting and procurement related issues such as standard documentation, tender process and adjudication, BEE, local content and EPWP.
  - Comment on proposed testing methods and supervision of site-specific geotech such as percolation testing.

### **Top-structure solutions & delivery method**

#### Input

- ❖ Site visit with key community representatives and team members to consider technical constraints, especially town planner and engineer
  - ❖ **OUTLINE BROAD DELIVERY METHOD AND TOP STRUCTURE SOLUTIONS THAT SHOULD BE CONSIDERED**
  - ❖ **OUTLINE CRITERIA AND CONSTRAINTS THAT NEED TO BE TAKEN INTO CONSIDERATION IN SELECTING A METHOD**
  - ❖ **WORKSHOPS (TWO OR THREE) THE CBP AND OTHER STAKEHOLDERS TO OUTLINE THE CONSTRAINTS AND CRITERIA AND TO GAUGE SUPPORT FOR VARIOUS OPTIONS**
  - ❖ **AGREEMENT ON THE PREFERRED OPTION AND HOUSING DELIVERY OPTION / S. E.G. PEOPLE'S HOUSING PROCESS / NHBRC STIPULATION**
  - ❖ Procurement and contracting strategies
  - ❖ EPWP
  - ❖ Approved settlement plan
- #### Report and designs
- ❖ Detailed foundation designs options and costings (*utilising site specific geotechnical input provided by geotechnical consultant*)
  - ❖ Proposed house size and design
  - ❖ Materials and specifications
  - ❖ Detailed costings and proposed program and contracting strategies
  - ❖ Delivery method decision (including utilisation of local contractors, PHP, materials supply etc)
  - ❖ Top structure solution decision
  - ❖ Design and supervision costs
  - ❖ Site specific geotech methodology i.e.: DCP tests, cube tests and percolation tests for on site sanitation (DOES THIS GEOTECH INPUT OCCUR BEFORE OR AFTER THE TOPSTRUCTURE DELIVERY METHOD FINALISATION)

Note: a social consultant will be appointed to support you in the workshops.

#### **Social compact agreement (including a clear definition and agreement on the product)**

(Note: In some cases the DoH may request the social compact at an earlier stage of the project. In most cases there will be insufficient certainty over the project concept prior to Tranche 2, however it may be possible in some cases to finalise a broad social compact during Tranche 1 or at the end of the pre-feasibility phase).

#### Inputs

- ❖ Information dissemination and workshops

- ❖ *Presentation on the proposed products, levels of service, house size, contracting strategies, local labour, EPWP etc*
- ❖ *Agreement reached on levels of service and product with all role players*
- ❖ **FACILITATE SIGNING OF THE SOCIAL COMPACT AND RATES AND SERVICES AGREEMENT:**
- ❖ **FACILITATE AND ATTEND WORKSHOPS OR MEETINGS WITH THE PROFESSIONAL TEAM, METRO HOUSING, DEPARTMENT OF HOUSING AND COMMUNITY-BASED PARTNER AS REQUIRED.**
- ❖ Facilitate and attend workshops on the housing process in consultation with top-structure solutions consultant.
- ❖ Orientate the CBP and community on housing development process
- ❖ **ENSURE CBP IS ADEQUATELY INVOLVED AND MAKES RELEVANT INPUTS INTO THE DEVELOPMENT PROCESS**
- ❖ **IDENTIFY ANY KEY SOCIAL THREATS TO THE PROJECT, RECOMMEND AND IMPLEMENT SOLUTIONS (SUCH AS ALLOCATION OF SITES ETC)**
- ❖ Give written and verbal feedback to stakeholders & professional team.

#### Outputs

- ❖ *Signed social compact*
- ❖ *Signatories include CBP, municipality and Traditional Authority*

#### **Social facilitation**

##### Input

- ❖ Community and professional team meeting.
- ❖ Liaise closely with stakeholders and professional team
- ❖ **FACILITATE SIGNING OF THE SOCIAL COMPACT AND RATES AND SERVICES AGREEMENT:**
- ❖ **FACILITATE AND ATTEND WORKSHOPS OR MEETINGS WITH THE PROFESSIONAL TEAM, MUNICIPALITY, TRADITIONAL AUTHORITY, DEPARTMENT OF HOUSING AND COMMUNITY-BASED PARTNER AS REQUIRED.**
- ❖ Facilitate and attend workshops on the housing process in consultation with top-structure solutions consultant.
- ❖ Orientate the CBP and community on housing development process
- ❖ **ENSURE CBP IS ADEQUATELY INVOLVED AND MAKES RELEVANT INPUTS INTO THE DEVELOPMENT PROCESS**
- ❖ **IDENTIFY ANY KEY SOCIAL THREATS TO THE PROJECT, RECOMMEND AND IMPLEMENT SOLUTIONS (SUCH AS ALLOCATION OF SITES ETC)**
- ❖ Give written and verbal feedback to stakeholders & professional team.

##### Report

- ❖ Formal Capacity building:
  - o Constitutional development; identification of Development vehicles.

- o Community wide communication (mass meetings).
- o Liaise project concept & monthly progress meetings.
- o Introduction to the housing delivery process
- ❖ Informal capacity building: Liaise project concept & monthly progress meetings.

**Site specific geotechnical data and testing such as DCP and percolation testing**

To be defined by the Project Manager in consultation with the agent responsible for top-structure and sanitation delivery.

**Environmental management**

To be defined by the Project Manager in consultation with the independent agent responsible for environmental management in terms of standard environmental management procedures. Where necessary additional advice should be sought from the Provincial Department of Agriculture and Environmental Affairs.

Note: other activities outlined under the 'Background' for 'Tranche 2' above such as site administration, housing construction, services construction, and site supervision should be addressed by the project manager who reports to the Municipality (sometimes via an IA).

# **GUIDELINES TO ASSIST MUNICIPALITIES IN THE PREPARATION OF MUNICIPAL HOUSING PLANS**

*The Municipal Housing Plan should have a strategic focus, a five-year time horizon and be linked to the IDP. The following are suggested as core elements of a Municipal Housing Plan.*

## **1. BACKGROUND**

### **LOCAL CONTEXT**

- *Spatial Context – location in relation to District – major road links & linkages to tourist and trade routes*
- *Demographic Context – population statistics & breakdown*
- *Economic Context – different sectors of economy and key economic issues*
- *Social Context – key social issues*

### **CURRENT HOUSING DEMAND**

- *The numerical extent of housing need in the municipality*
- *The number of potential beneficiaries per subsidy instrument /priority issue*

## **2. LAND IDENTIFICATION**

*Well located land to be identified of which ownership details should be established and which should ;*

- *Be linked to Municipal Spatial Development Framework*
- *Afford every access to employment opportunities, education, health care facilities etc.*
- *Be serviced by adequate existing bulk and/or connector services or must be capable of being provided with such bulk and/or connector services within a reasonable period*
- *Have access to transportation facilities*
- *Direct development towards existing economic opportunities and should promote the spatial integration of towns and cities*

## **3. CURRENT HOUSING SITUATION**

### **CURRENT HOUSING PROJECTS**

- *Number of Projects*
- *Types of Projects*
- *Location of Projects*
- *Funding Implications per project per financial year*

*Also include information on land reform/restitution projects taken over from DLA using the format suggested under current housing projects*

## **4. PLANNED PROJECTS**

- *Housing Planning Template can be used as a basis for the planning of housing projects*
- *Must be linkages between municipal priority housing issues, objectives & strategies*
- *Strategies need to be linked to Provincial Priority Housing Programmes & budgets*
- *Quantum funding targets need to be indicated per subsidy instrument/priority issue – envisaged budgetary implication for each year and the total for the three year period*
- *Focus for each financial year – specific projects to be mentioned – types of projects – location of projects - number of beneficiaries per project – project values*

## **5. INTEGRATION WITH OTHER SECTORS**

*Housing delivery to be integrated with other sectors – land reform, CMIP, transport, education, economic development, health etc. to ensure integrated delivery of services. Hence the need for the*

*Municipal Housing Plan to be linked to the IDP. This will also ensure sustainability of housing projects.*

**6. SPATIAL DEVELOPMENT PLAN**

*A map indicating the spatial development plan of the municipality indicating areas prioritized for housing development.*

**7. PERFORMANCE MEASUREMENT**

*Some basic performance measures need to be put in place to enable later evaluation of the effectiveness and efficiency of housing delivery in the municipality – performance indicators per priority issue*

**8. HOUSING INSTITUTIONAL FRAMEWORK**

*Current institutional arrangements and capacity to manage the housing delivery process and envisaged capacity and infrastructure requirements to effectively implement planned housing programmes.*

# **KWAZULU-NATAL DEPARTMENT OF HOUSING**

# PART 1 : PRE FEASIBILITY APPROVAL FOR RURAL (INGONYAMA LAND) HOUSING PROJECTS

**PLANNING : Rural housing projects must be included in the Municipal IDP's or Housing Plans before initiating the project. Confirmation of this aspect must be provided by the municipality.**

The following must be assessed for pre feasibility approval of a project and should be submitted in the form of a business plan by the relevant municipality:

1. **LAND AUDIT : An investigation of the land considered for development should address the following. Some of this information can be obtained from the Spatial Planning Process, IDP process or housing development plans if in place :**

**1.1 Preliminary Report**

- § Comments on the key boundaries that might affect development (e.g. ward, municipal, tribal, GP's, etc.)
- § Schedule of properties, registered owner, extent, title deed number, servitudes and restrictive conditions of title that may affect the project
- § Copies of title deeds or Deedsweb printouts.
- § Ascertain if there are any land claims, mineral rights or any other restrictive conditions that may adversely affect the proposed development.
- § what is the existing use/zoning process?(if not Ingonyama land).
- § Completion of proforma consent to develop Ingonyama land.

**1.2 Designation Diagrams**

Sets out the relationship between the municipal boundary, the traditional authority boundary and the project boundary.

**2. GEOPHYSICAL CONDITIONS : DESKTOP :**

**Geotech** : A desktop study is undertaken at this stage to establish whether the land is suited for human settlement or not, or in the in-situ type project, if people can remain on the land. **A site visit is compulsory.**

**Topographical** : The topographical desktop investigation is required to determine the slope of the land and whether a variation amount will be required.

*Note: To be based on a desktop assessment, existing knowledge of the area and plans and topo maps provided by the project planner.*

**2.1 Preliminary report:**

- § Identification of broad geotechnical conditions in the areas and implications for development, specifically with regard to roads, VIP's/on site sanitation, stormwater control, cut & fill, platforms and founding conditions, road construction materials.
- § Viability of this proposed project in terms of geotechnical conditions.
- § Recommendations in terms of development controls.

**2.2 Drawings:**

- § Boundary of project (phase 1 for housing) and Traditional Authority and sub-wards
- § Distribution of rock & soil types
- § Geotechnically sensitive or undevelopable areas (e.g.: seepage, shallow soil, boulders / rock outcrops, slope instability etc)

**3. ENVIRONMENTAL SCOPING REPORT (EIA) :**

The scoping report must include the following in terms of the Environment Conservation Act, Act No. 73 of 1989:

- A brief project description
- A brief description of how the environment may be affected
- A description of environmental issues identified
- A description of all alternatives identified; and
- An appendix containing a description of the public participation process followed, including a list of interested parties and their comments.

**4. SOCIAL ISSUES :** The following must be addressed :

- § To inform the community of the development
- § a socio-economic study
- § is there a development committee?
- § agreement between municipality & traditional authority
- § establish the subsidy route to be used
- § the issue of shortfalls in the qualifying subsidy amount must be addressed
- § Minutes from the meeting in which the community, tribal authority and local authority are made aware of the housing process and indicate their support for this process. This meeting should also highlight the financial and institutional structures and provide a brief description of the roles and duties of each party.

**5. BULKS/ BASIC SERVICES:**

Bulks and municipal support should be available in terms of the IDP. There needs to be a clear indication if bulk services are available, if not, there must be a commitment from the responsible service provider as to when and how it will be funded.

- Bulk Services status quo report
- **Basic Services status quo assessment**

**6. PRELIMINARY SETTLEMENT PLAN AND PLANNING REPORT:**

A preliminary topographical map or aerial survey depicting the nature of the settlement must be submitted. Projects covering vast areas need not show the entire area but at least a sample (preferably the proposed phase 1) of typical densities and highlight obvious restraints such as drainage lines, river, conservation areas and communal grazing or agricultural land.



The preliminary planning report should provide a consolidated overview of all aspects of the proposed development including proximity to substantial nodes and amenities, existing levels of service, proposed developments and highlight any obvious restraints.

7. THE PROJECT MANAGER

The project manager must co-ordinate all specialist reports/plans into a consolidated report or business plan to be submitted by the municipality.

# KWAZULU-NATAL DEPARTMENT OF HOUSING

## IMPLEMENTATION OF HOUSING SUBSIDY SCHEME

### PART 2 : TRANCHE 1 APPLICATION FOR RURAL SUBSIDIES

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#### RURAL PLS APPLICATION PACK

- (a) The National Department of Housing developed guidelines for housing in rural areas in January 2000.

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Rural development could occur on various categories of land. It is possible that such development could take place on land owned by the a tribe or on land acquired by a farmer. In these instances, various options would be available with respect to the issue of subsidies, obtaining development approval and the transfer of tenure.

Since rural development in this province largely takes place on tribal land and due to uniqueness and sensitive tenure problems in tribal areas the National policy could not be implemented in this Province in the format prescribed. Some of the main problems which restricted implementing the National policy were :

- Tenure issues on tribal land. Traditional Authority concern re land alienation.
- Since there were no wall to wall municipalities at the time sustainability of services and maintenance thereof was a concern.
- The Rural Subsidy Mechanism is a subsidy of last resort and will only be approved on good cause being shown why this mechanism is preferred as opposed to any other subsidy mechanism such as PLS or the Institutional subsidy mechanism.

This province has developed a Provincial policy framework to introduce housing subsidies into tribal areas. These guidelines outlined in this document are not meant to deal with rural development of the type referred to in paragraph 1 above, as the manner in which development should be dealt with is already known.

The Provincial guidelines seek rather to deal with development on tribal or communal land and more specifically land registered in favour of the Ingonyama Trust Board.

The Institutional Subsidy Mechanism was adopted as the most appropriate mechanism for housing delivery in tribal areas. The usual requirements for Institutional subsidies had to be complied with. The establishment of rural housing projects in traditional areas was still delayed by concerns, which the traditional leaders had with certain of the Provincial guidelines and how such issues would affect their authority.

The principal concerns are :

- The possibility the housing development would result in the alienation of their land should the policy require the establishment of full ownership rights to the beneficiaries as is the case with urban housing projects;
- Ownership of the project and the role that the Tribal Authority would have in the project;
- The requirement for the establishment of a Section 21 Company in order to establish the project in terms of the Institutional Subsidy Mechanism.
- Confusion regarding the purpose of leases.

This document seeks to provide additional guidelines in order to cater for the main concerns of some traditional authorities with respect to:

- the use of a Section 21 company as a development vehicle for tribal land;
- the registration in the Deeds Office of long term common law leases.

These guidelines are not intended to substitute the national or current guidelines, but are aimed at enhancing delivery of housing in these areas. The existing guidelines for the use of institutional subsidies or PLS projects will remain applicable to rural development where the Amakhosi are not opposed to the Section 21 company being used as developer or wishes to establish a town in terms

of the PLS policy. The Amakhosi would be allowed to make a project application for a housing project using any of the available subsidy instruments.

**IMPORTANT FACTORS**

The following factors, dealt with in the existing guidelines, continue to be applicable to the approach proposed in this document :

- ◆ *The Expenditure of Public Monies*

Rural subsidies are public monies and the expenditure thereof must take place in compliance with the principles of the Public Finance Management Act, Act 1 of 1999.

- ◆ *Planned and Integrated Development*

All development, including rural development must take place in accordance with the relevant municipality=s Integrated Development Plans.

- ◆ *Support of the Municipality*

All development, including rural development, must be supported by the municipality having jurisdiction over the project area. In order to ensure that development proceeds in a co-ordinated, sustainable and integrated basis, the Department of Housing requires housing developments to be driven by municipalities.

- (b) Rural Project linked subsidies will be made available to municipalities who undertake approved projects where functional security of tenure is provided to beneficiaries who qualify for subsidies. Applications for the approval of any particular project must be submitted on the forms herein read in conjunction with Chapter 11 of the Housing Code, the Additional Rural Guidelines and any supplementary provincial policy. They are to be completed in full **IN QUADRUPPLICATE** and returned to the relevant Department of Housing Regional Office as indicated on the next page.
- (c) During the project feasibility studies, the developer is to liaise fully at all stages with the relevant Regional Office.

**KWAZULU-NATAL DEPARTMENT OF HOUSING**

IMPLEMENTATION OF HOUSING SUBSIDY SCHEME

PART 2 :TRANCHE 1  
APPLICATION FOR RURAL SUBSIDIES

\_\_\_\_\_

**PROJECT NAME :** .....

<b>Project Application No.</b>	<b>K</b>										
<b>Date received</b>											
	<b>d</b>	<b>d</b>	<b>m</b>	<b>m</b>	<b>y</b>	<b>y</b>					
(For official use only)											

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●

Annexure C :  
Development  
programme

.....  
14 pages

Form PLS1 ... 9 pages  
Appendix 1 ... 2 pages  
Appendix 2 ... 1 page  
Appendix 3 ... 1 page  
Form GE2 ... 1 page

●

Annexure D :  
Progress  
Payment  
Schedule

.....  
..... 7 pages

The Application Pack is to be completed in full **IN QUADRUPPLICATE** and returned to the relevant Department of Housing Regional Office as follows :



Project lies within the District Municipalities of Amajuba, Umkhanyakude, Uthungulu, Zululand, or Umzinyathi :-

The Chief Director  
Northern Regional Office  
Department of Housing  
Private Bag X02

ULUNDI  
3838

☞ Project lies within the District Municipalities of Umgungundlovu, Uthukela, or Sisonke:-

The Chief Director  
Inland Regional Office  
Department of Housing

Private Bag X 9045  
PIETERMARITZBURG  
3200

☞ Project lies within the District Municipalities of Ugu, Ilembe or eThekweni :-

The Chief Director  
Coastal Regional Office  
Department of Housing

Private Bag X54367

DURBAN  
4000

or  
Building  
DURBAN

Esplanade Government  
2 Stanger Street

## ANNEXURES TO MEMORANDUM OF AGREEMENT :

### ANNEXURE C : DEVELOPMENT PROGRAMME

[\*\*\*\* THIS “ANNEXURE C” IS TO BE INCLUDED AND FORM PART OF THE  
PROJECT MEMORANDUM OF AGREEMENT \*\*\*\*]

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**PROJECT NAME :** .....

**PROJECT NO. :** .....

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• FORM RURAL PLS1 .....	9 pages
• Appendix 1 .....	2 pages
• Appendix 2 .....	1 page
• Appendix 3 .....	1 page
• Form GE2 .....	1 page

## FORM RURAL PLS1

**Application is made for Rural Project Linked Subsidies for the following project:**

---

1. PROJECT NAME: .....  
*(If this is a resubmission, fill in previous Project No.....)*
  
2. DEVELOPER'S NAME .....  
POSTAL ADDRESS: .....  
.....  
..... Code: .....  
Telephone: (Code.....)..... Cell .....  
Facsimile: (Code.....).....  
Contact Person (Name).....
  
3. TRADITIONAL AUTHORITY NAME : .....  
POSTAL ADDRESS: .....  
.....  
..... Code: .....  
Telephone: (Code.....)..... Cell  
No:.....  
Facsimile: (Code.....).....  
Contact Person (Name).....
  
4. DEVELOPER'S AGENT (if applicable):.....  
*(Attach a copy of the letter of authority from the Developer to submit this application)*  
POSTAL ADDRESS: .....  
..... Code: .....  
Telephone: (Code.....) .....  
Facsimile: (Code.....) .....  
CONTACT PERSON (Name):.....

5. LOCATION OF PROJECT .....

.....

5.1 Co-ordinates of outer boundary of project (certified by Land Surveyor).

5.2 Outside figure of Traditional Authority Area (Isigodi Area).

5.3 Outside figure showing relationship between municipal ward demarcation and Isigodi boundary.  
(Diagrams listed in 5.1 – 5.3 to be attached as Annexure.....)

6. NUMBER OF RESIDENTIAL ALLOTMENTS (typical phase reserved to 1000):

.....

7. LOCAL AUTHORITY: .....

7.1 MAGISTERIAL DISTRICT : .....

8. FULL PROJECT DESCRIPTION

.....  
.....  
.....  
.....  
.....

9. SUBSIDY ADMINISTRATOR'S DETAILS ( TRADITIONAL AUTHORITY OR RESPONSIBLE AGENT)

Name : .....

Address : .....

Telephone: (Code.....) .....

Facsimile: (Code.....) .....



10. TOTAL SUBSIDY APPLICATION FOR TRANCHE 1:

The final beneficiary mix, is determined from the **final approval** (refer to clause 11.2 herein), and total subsidy amount for Tranche 1 is as follows :-

<b>Subsidy for Tranche 1</b>		
<b>No. of Beneficiaries A</b>	<b>Subsidy Amount For Tranche 1 B</b>	<b>Total A x B</b>
.....	R .....	<b>R</b> .....

11. RECORD OF UNDERSTANDING, SOCIO-ECONOMIC STUDY, & CBP

11.1 RECORD OF UNDERSTANDING

11.1.1 Attach a copy of the Record of Understanding concluded with the Community Based Partner (signed by the relevant parties not earlier than 6 months prior to the date of this application). *(Refer to clause 1.3, Appendix 1)*

11.1.2 List all stakeholders in this project:

- i. Department of Housing.....
- ii. Municipality : .....
- iii. Department of Traditional & Local Government Affairs(DTLGA).....
- iv. Ingonyama Trust Board .....
- v. Department of Agriculture & Environment Affairs.....
- vi. Traditional Authority .....
- vii. Other : .....

...

11.2 SOCIO-ECONOMIC STUDY

Attach a copy of the socio-economic study carried out to determine the community need. (The investigation is not to be older than 9 months at the date of this application). This survey is to comply with the requirements as set out in the DTLGA guidelines document *(Refer to clause 1.3, Appendix 1)*

11.3 COMMUNITY BASED PARTNER (CBP)

Attach details of the formal structure of the CBP. *(Refer to clause 1.4, Appendix 1)*  
If no formal structure has been concluded, provide the following information:

Date CBP formed.....

Method by which members of CBP elected .....

.....

.....

Details of how CBP deals with disputes and conflicts .....

.....

.....

.....

Details of the CBP's knowledge and understanding of the development process

.....

.....

.....

Details of the development process that has been workshopped with the CBP

.....

.....

.....

#### 11.4 COMMUNITY INVOLVEMENT IN DEVELOPMENT

##### *11.4.1 Training*

The Developer commits to incorporating the following training into the project:

- (\* Specify)
- \* Training of committee members in committee procedures.
    - \* Clerical skills, accounting skills, storekeeping skills.
  - \* Construction techniques.
  - \* Contracting skills.
  - \* .....

##### *11.4.2 Labour Intensive Construction Methods*

The Developer commits that the following aspects (*if applicable*) of the development will be constructed utilising labour intensive techniques employing local labour from the community:

- (\* Specify)
- (a) Roads : \* .....
  - (b) Stormwater : \* .....
  - (c) Water : \* .....
  - (d) Sanitation : \* .....
  - (e) House Construction : \* .....

11.5 SOCIAL INFRASTRUCTURE

What measures have been taken or are proposed, for provision of the following facilities:

- Education .....
- Health .....
- Community .....
- Employment .....
- Shopping .....
- Sports and Recreation .....
- Other details .....

.....  
.....  
\*Provide a preliminary settlement plan & preliminary planning report (orthophoto map) or status report with respect to existing & neighbouring facilities : (refer to clause 1.3, appendix 1)

12. LAND INFORMATION

12.1 Cadastral description of the area as defined in the Memorandum of Agreement and shown on a diagram (Annexure B), with co-ordinates and Isigodi area, prepared by a land surveyor. All cadastral parcels of land to be assembled, which will constitute the outside figure diagram, are to be shown and listed on the diagram. Where a Development Rights Agreement(DRA) has been concluded, this diagram is to be consistent with the Designation Diagram as contemplated in the DRA.

*(Attach diagram [prepared by a Land Surveyor] marked Annexure B together with a Locality Plan [to a legible scale]-- refer to clause 1.7, Appendix 1)*

12.2 The land is owned by .....  
*(Attach copy of Title Deed -- refer to clause 1.5, Appendix 1).*

12.3 If the land is not owned by the Developer, a copy of the signed Development Rights Agreement is to be attached. *(Refer to clause 1.6, Appendix 1)*

13. SETTLEMENT PLANNING(The Settlement Plan is to be approved by the Department of Traditional & Local Government Affairs)

13.1 Settlement Plan and Layout

- (i) Projects for which planning is advanced :  
The project comprises an estimated number of ..... residential allotments, as shown on the attached settlement plan / orthophoto map.  
*(Refer to clause 1.8, Appendix 1)*
- (ii) Projects for which planning has not yet commenced or is preliminary :  
The project comprises approximately ..... sites.

13.2 The current status of the Settlement Planning process is as follows:

.....  
.....

13.3 The proposed programme for Settlement Planning comprises:

13.3.1 Settlement Plan submitted complete by:\* .....

13.3.2 Settlement Plan endorsement approved  
by:\* .....

13.3.3 Allocation by: \* .....

13.3.4 GPS referencing by: \* .....

13.3.5 Beneficiary approval by: \* .....

(\* The applicant/developer is to insert the number of calendar days after the Project Agreement effective date).

14. SETTLEMENT PLANNING

14.1 Attach a copy of the preliminary/final settlement planning layout. (Refer to clause 1.8, Appendix 1)

15. TENURE TYPE

Functional Tenure, shall be in the form of :

- Certificate of Occupation
- PTO's

16. FLOOD LINES

16.1 All residential sites must be planned to be located above the 100-year floodline. **Where possible**, the 100-year floodline should be indicated on the Settlement Planning layout.

17. BULK SERVICES (Attach appropriate written confirmation. --refer to clause 1.9, Appendix 1)

In terms of the subsidy scheme, capital contributions for the provision of bulk services are not allowed from the individual subsidies. Bulk Services for the project shall be provided by the service providers at no capital contribution cost.

17.1 The major road access is provided for as follows(if applicable):

.....  
.....  
.....

and will be \* / \* has been (\* delete inapplicable) provided by .....

.....  
.....

(refer to clause 1.9, Appendix 1)

17.2 The bulk water supply comprises (if applicable).....  
and will be \* / has been (\* delete inapplicable) provided by .....  
.....  
.....  
(refer to clause 1.9, Appendix 1)

18. INTERNAL SERVICES (attach a preliminary engineering status quo report ---- (refer to clause 1.10, Appendix 1). The development and services shall be to the approval of the Local Municipality or District Municipality.

**proposed services are to be agreed with the appropriate service providers and responsible municipalities (district or local). Services agreements with service providers are to be agreed with the respective municipalities / traditional authorities. These agreements should be attached as --( refer to clause 1.9, Appendix 1).**

19. FINANCIAL INFORMATION

19.1 The total product price is as follows (from Annexure D) :

	Price / site	Price / site	Price / site
Beneficiary income / month	>R1500	R1501 – R2500	R2501 – R3500
<b>Settlement planning, land suitability and beneficiary administration (Tranche 1)</b>	R .....	R .....	R .....
<b>Total product price :</b>	<b>R</b> .....	<b>R</b> .....	<b>R</b> .....

*\*Delete whichever is not applicable  
(Note : VAT to be zero rated on subsidy amounts)*

Notes :

(a) Tranche 1 payments relate to land suitability studies, settlement planning, planning approval, project management, facilitation, beneficiary registration, GPS co ordination and subsidy administration. Refer to Progress Payments detailed in Annexure D.

.....  
.....  
.....

20. *PROJECT ADMINISTRATION*

20.1 The project administration will be undertaken by using the following:

- 20.1.1 Project Manager .....
- 20.1.2 Town Planner .....
- 20.1.3 Land Surveyor .....
- 20.1.4 Civil Engineer .....
- 20.1.5 Structural Engineer .....
- 20.1.6 Geo-technical Engineer .....
- 20.1.7 Subsidy Administrator .....
- 20.1.8 Building professional .....
- 20.1.9 Other (specify) .....

20.2 Certification tasks will be provided by the following professionals :-

Professional & Responsible persons	Name	Professional Indemnity (PI) Expiry Date*	Specimen signature	Certification task
Land surveyor	.....	.....	.....	Reference + GPS certification Form
Civil engineer	.....	.....	.....	Forms P1 & P3 (if applicable)
Geotechnical engineer	.....	.....	.....	Geotechnical certificate (Annexure H, clause B3)
Structural Engineer	.....	.....	.....	Forms P1 & P3 (if applicable)
Traditional Authority	.....	.....	.....	Certificate of Occupation Form
Building professional	.....	.....	.....	Completion certificate Form P5/1

\* *Please attach PI certificate.*

I, ..... (name) hereby warrant that I am duly authorised to submit this application (supporting documentation to be attached in Annexure C), all relevant information relating to this project has been disclosed, the application form has been completed as required, supporting documentation has been attached, and to the best of my knowledge all information is true and correct.

.....  
**SIGNATURE**  
for and on behalf of the **Developer**.

.....  
**DATE**

**The following co-signature is obligatory, and no application will be considered without it :**

\* : By appending my signature in the table below, I hereby warrant that I am duly authorised by the Municipality / District Municipality to co-sign this application as certifying that the Municipality / District Municipality is supportive of the development in terms of the relevant development criteria:-

<b>Development criteria in respect of this Project Application</b>	<b>* Signature</b>	<b>*Name of signatory</b>	<b>Date</b>
Compatible with the Integrated Development Plans & Land Development objectives	..... ...	..... ...	.....
The land is suitable for development in terms of geotechnical, topographical & environmental factors, and has been identified under the Land Suitability Study.	..... ...	..... ...	.....
There exists a demand for sites in this project area and the project has community acceptance.	..... ...	..... ...	.....
All the Bulk water services are available, or we commit to provide such services within the project's requirements or, if it is not our function, we confirm that we have obtained confirmation from the relevant Bulk Service Provider that they will provide such service within the project's requirements.	..... ...	..... ...	.....
Planning Approval	..... ...	..... ...	.....
Traditional Authority Approval	..... ...	..... ...	.....

## APPENDIX 1: SUPPORTING DOCUMENTATION :PART 2: TRANCHE 1

Copies of the following documents are to be attached as appropriate:

		Document attached ( ✓ )	
		Yes	No
1.1	Letter of Authority from the Developer for an Agent to submit the Application (if the Agent is not the Developer)		
1.2	Signed agency agreement between Municipality and Implementation Agent		
1.3	Socio-economic study / Beneficiary approval		
1.4	Constitution of Development Committee		
1.5	Title Deed (of underlying property).		
1.6	Consent of landowner (Ingonyama Trust Board)		
1.7	Outside figure diagram of Project and Isigodi area (2 separate diagrams)		
1.8	Preliminary Settlement Plan & Preliminary Planning Report (orthophoto map).		
1.9.	Geotechnical/topographical/ reports :		
1.9.1	Town Planner's slope analysis plan for steep slope allowance		
1.9.2	Geotechnical motivation for geotechnical allowance		
1.9.3	Completed Form GE2		
1.10	Appropriate confirmation of provision of Bulk Services / commitment to provide		
1.11	Preliminary engineering status quo report (if applicable)		
1.12	Project Cash Flow projection & Development Programme		
1.13	Any other documentation to support this Application		
1.14	Traditional Authority Approval		
1.15	Resolution authorising and specifying co-signature on behalf of the Local Authority.		
1.16	Professional Indemnity Certificates of : land surveyor, Civil Engineer, Geotech Engineer, Structural Engineer, & Building Professional		
1.17	Business Profile of Service Providers		

Where the document required has not been provided, state reasons :



APPENDIX 2: PAST PERFORMANCE AND PRESENT FINANCIAL STATUS OF THE DEVELOPER

**2.1 PAST PERFORMANCE**

In the evaluation of a project application due account will be taken of the Developer's past performance in the execution of similar projects of comparable magnitude and the degree to which the Developer possessed the necessary technical, financial and other resources to enable him to complete the project within the specified time limits. In this regard the Developer must furnish, in the following "Schedule of Equivalent Work", evidence of his experience of work of a similar nature in progress or completed by him in the past five (5) years :-

**SCHEDULE OF EQUIVALENT WORK**

PROJECT NAME	NATURE OF WORK	AUTHORITY OR EMPLOYER	REFEREE		VALUE OF WORK	YEAR COMPLETED
			NAME	TEL.NO.		


**2.2 FAILURE TO COMPLY**

Failure to complete the required schedules and/or furnish the required information requested in this Application Pack may prejudice the success of this application.

I, the undersigned, .....  
do hereby certify that the documentation/information as requested in clause 2.1 above has been verified by me and been found to be correct, and that the documentation as requested in clause 2.2 above is attached hereto.

.....  
**TECHNICAL EVALUATOR  
(DoH PROJECT MONITOR)**

.....  
**DATE**

**APPENDIX 3: PAST PERFORMANCE AND PRESENT FINANCIAL  
OF THE IMPLEMENTING AGENT**

**STATUS**

**2.1 PAST PERFORMANCE**

In the evaluation of a project application due account will be taken of the IA’s past performance in the execution of similar projects of comparable magnitude and the degree to which the IA possessed the necessary technical, financial and other resources to enable him/her to complete the project within the specified time limits. In this regard the IA must furnish, in the following “Schedule of Equivalent Work”, evidence of his experience of work of a similar nature in progress or completed by him in the past five (5) years :-

**SCHEDULE OF EQUIVALENT WORK**

PROJECT NAME	NATURE OF WORK	AUTHORITY OR EMPLOYER	REFEREE		VALUE OF WORK	YEAR COMPLETED
			NAME	TEL.NO.		

---


**2.2 FAILURE TO COMPLY**

Failure to complete the required schedules and/or furnish the required information requested in this Application Pack may prejudice the success of this application.

---

I, the undersigned, .....  
do hereby certify that the documentation/information as requested in clause 2.1 above has been verified by me and been found to be correct, and that the documentation as requested in clause 2.2 above is attached hereto.

.....  
**TECHNICAL EVALUATOR**  
**(DoH PROJECT MONITOR)**

.....  
**DATE**

# FORM GE2

Project No.: K.....

(Version 2)

## REQUEST FOR INCREASE IN SUBSIDY FOR GEOTECHNICAL / TOPOGRAPHICAL CONDITIONS

**Project Name :** .....

### EVALUATION CRITERIA

Conditions	7.5% or 15%	Comments	%to be added
<b>1 Topographical :</b>			
1.1 Steep terrain with > 67% of residential sites steeper than 1:10	7.5		
1.2 Steep terrain with > 90% of residential sites steeper than 1:10	15		
1.3 Steep terrain with > 33% of residential sites steeper than 1:6	15		
1.4 Undulating terrain requiring bulk earthworks	7.5		

**By :** .....

**Signature :** .....

**Date:**.....

*Verification by Professional Town Planner. (Name of person, not company name)*

**Note :** By verifying this section of Form GE2, the signatory acknowledges liability for ensuring that the information entered herein is true and correct.

<b>2 Geotechnical :</b>			
2.1 Hard rock / boulders in <1,5m depth in < 25% of sites	7.5		
2.2 Hard rock / boulders in <1,5m depth in > 25% of sites	15		
2.3 Loose sand & high water table (within 1m of surface)	7.5		
2.4 Engineer designed foundations in : < 25% of residential sites	7.5		
2.5 Engineer designed foundations in : > 25% of residential sites	15		

**By :** .....

**Signature :**

.....

**Date :** .....

*Verification by Geotechnical Professional. (Name of person, not company name)*

**Note :** By verifying this section of Form GE2, the signatory acknowledges liability for ensuring that the information entered herein is true and correct.

<b>Total Percentage Increase (Note : Not to exceed 15 %)</b>	..... %
--	---------

ANNEXURES TO MEMORANDUM OF  
AGREEMENT :

ANNEXURE D : PROGRESS PAYMENT SCHEDULE

***TRANCHE 1***

[\*\*\*\* THIS “ANNEXURE D” IS TO BE INCLUDED AND FORM PART OF THE  
PROJECT MEMORANDUM OF AGREEMENT \*\*\*\*]

---

PROJECT NAME : .....



# MEMORANDUM OF AGREEMENT : ANNEXURE D

## PROGRESS PAYMENT SCHEDULE : TRANCHE 1

---

### D1 PROGRAMME

#### D1.1 Progress Payment Key Dates

Description	No. of days (Note 1)	Key Dates (dd/mm/yyyy)
D 1.1.3 Tranche 1 : Settlement planning :		
Start Date:	.....	...../...../.....
Completion Date:	.....	...../...../.....

*Note 1 : The applicant/developer is to specify the key dates as the number of calendar days after the Project Agreement effective date. The actual dates will be inserted by the DoH.*

#### D1.2 Project programme

The developer is to attach to this subsidised housing project application a programme in the form of a Bar Chart indicating all the various tasks involved in the development of the project and their relevant time frames. To assist the developer in this regard, a typical Bar Chart is included in the following 2 pages herein.

The submission of a Bar Chart for this project is extremely important, and the developer is to pay particular attention to ensuring its accuracy as all the milestones contained within the Memorandum of Agreement shall be based on dates derived from it. Any changes required by the developer to the programme shall be subject to written request and motivation to the DoH and written approval by the DoH.

## D2 SUBSIDY PAYMENT REQUIREMENT PROJECTIONS

### D2.1 Agreed details for the purposes of calculating progress payments

SUBSIDY QUOTA : AS PER APPROVAL

INCOME GROUP	A NO.OF BEN.	B SUBSIDY AMOUNT	C			D TOTAL INCL. VARIATION ALLOWANCE (AxB)+C	E LESS TRANCHE 1 PAYMENT R1393.91 (MAX PER SITE))	F TOTAL TRANCHE 2 PAYMENT (D-E)
			VARIATION ALLOWANCE ( TOTAL 15 %)					
			CALCULATED ON PRODUCT PRICE R25 800					
			CATEGORY I	CATEGORY II	CATEGORY III			
			%	%	%			
< R1 500		R25 800						
R1 501 - R2 500		R15 700						
R2 501 - R3 500		R8 600						
<b>TOTAL</b>								

TOTAL SUBSIDY BROUGHT FORWARD : .....

LESS : PREPARATION FUNDING/PREVIOUS PAYMENTS : .....

AMOUNT AVAILABLE : \_\_\_\_\_

## PROGRESS PAYMENT TRANCHEs



**TRANCHE 1**

REQUIREMENT : SIGNED CONTRACT

CODE	DESCRIPTION	AMOUNT
RPL01	Settlement plan	
RPL02	Floodline determination	
RPL03	Planning report	
RPL04	Facilitation and feasibility report	
RPL05	GPS co ordinates / survey	
RPL06	Subsidy administration / functional tenure	
RPL07	Geotechnical report	
RPL08	Environmental report	
RPL09	Development Rights Agreement	
RPL10	Land audit report	
RPL11	Project Management	
RPL12	Other (specify)	

TOTAL (TI) : .....

ADD: CATEGORY I VARIATION : .....

SUB TOTAL : \_\_\_\_\_

LESS : PREPARATION FUND : .....

TOTAL AVAILABLE FOR TRANCHE I : \_\_\_\_\_

- NB. (i) TRANCHE 1 IS LIMITED TO A MAXIMUM OF R1 393,91 PER SITE.**
- (ii) PREPARATION FUNDING IS DEDUCTED FROM THE TRANCHE 1 PAYMENT.**

Tasks to be included in the above :

(RPL1) Production of settlement plan

1 Production of a settlement plan in accordance with DTLGA(Department of Traditional and Local Government Affairs) guidelines.

2 Other (specify) :

(i) .....

(ii) .....

(RPL2) & (RPL3) Flood line determination and planning report to the satisfaction of the DTLGA (Department of Traditional and Local Government Affairs)

- 1 Determine DTLGA standards and floodline determination criteria.
- 2 Prepare planning report in accordance with the applicable guidelines
- 3 Other (specify) :
  - (i) .....
  - (ii) .....

(RPL4) Facilitation and feasibility report

- 1 Conclusion of a social compact agreement between the role players.
- 2 Maintain the channels of communication with all stakeholders throughout the application process
- 3 Preparation of the necessary feasibility reports as required by the DOH in order to obtain final approval.
- 4 Other (specify) :
  - (i) .....
  - (ii) .....

(RPL5) GPS Co ordinates / survey

- 1 Determination of the outer boundaries of project area and prepare a designation diagram.
- 2 Prepare an outside figure diagram of the Isigodi area and show the relationship to the project area.
- 3 Prepare a diagram to show the relationship / overlap between the municipal ward boundary and the Isigodi boundary and the spatial relationship of the two to the project area.
- 4 Placement of beacons or survey peg to mark the GPS reference point of site allotments.
- 5 Preparation of a schedule (electronic data base) of GPS reference points relating to the “pegged” site and an individual beneficiary (this process can and should be linked to the subsidy administration process)
- 6 Other (specify) :
  - (i) .....
  - (ii) .....

(RPL6) Subsidy administration and functional tenure arrangements

- 1 Traditional authority to identify the potential beneficiaries of the project.
- 2 Potential beneficiaries to be verified and functional tenure granted by the Traditional Authority.
- 3 Functional tenure arrangements to be linked to the subsidy administration process and GPS reference points.
- 6 Data-base of beneficiaries to be set up and maintained by the Traditional Authority or approved agents.
- 7 Subsidy applications to be completed in parallel with the GPS referencing program.
- 8 Subsidy applications to be lodged with the DOH for approval.
- 9 DOH approval of individual subsidies.
- 10 Other (specify) :
  - (i) .....
  - (ii) .....

(RPL7) Geotechnical report

- 1 Desk top geotechnical study including a compulsory site visit to be undertaken.
- 2 The preliminary report should include comments on the general physical features of the site including slope, water table, soil types , rock and potentially unstable areas.
- 3 The report should provide comments on the suitability of the site for on site sanitation and specifically the installation of VIP’S as well as the expected general founding conditions for house construction.
- 4 Other (specify):
  - (i) .....
  - (ii) .....

(RPL8) Environmental scoping

- 1 Environmental scoping report to be prepared to the satisfaction of and in order to obtain the support of the Department of Agriculture and Environmental affairs for the project.

- 2 Other (specify) :
  - (i) .....
  - (ii) .....

(RPL9) Development Rights Agreement

- 1 To be prepared to the satisfaction of the Ingonyama Trust Board or the relevant authority having jurisdiction over the land.
- 2 Other (specify) :
  - (i) .....
  - (ii) .....

(RPL10) Land audit report

- 1 A detailed land audit should include details of ownership, copies of title deeds, endorsements, mineral rights, servitudes, leases, mortgage bonds and the like.
- 2 A letter from the Land claims commissioner should also be obtained and reflect whether or not any land claims are registered against the property in question.
- 3 Other (specify) :
  - (i) .....
  - (ii) .....

(RPL11) Project Manager / Implementing agent

- 1 Co ordinate all activities relating to pre feasibility and feasibility reports.
- 2 Ensure compliance with the requirement of the DOH and DTLGA in order to ensure that the project is approved.
- 3 Develop an implementation program and project strategy.
- 4 Review implementation programme in relation to other key activities.
- 3 Other (specify) :
  - (i) .....
  - (ii) .....

(RPL12) Other

- 1 Other (specify) :
  - (i) .....
  - (ii) .....

**D3 MILESTONE PAYMENT PREREQUISITES**

**D3.1 Agreed milestone payments :-**

	Milestone	Milestone Payment Per Site
T1	Settlement planning and Beneficiary admin (from page __)	

**D3.2 Milestone payment prerequisites**

The Developer shall be entitled to receive tranche payments as follows:

**D3.2.1 T1: Settlement planning and beneficiary administration**

On Signing of stage 1 of the agreement, Tranche 1 will be paid to the relevant Municipality fulfilling the role of developer.

**D4 PROGRESS PAYMENT PREREQUISITES (PAYMENTS FROM THE DEVELOPER TO THE IMPLEMENTATION AGENT OR PROFESSIONALS AND RELEVANT CONTRACTORS)**

In order for the various professionals, implementing agent or contractors to be paid by the developer (municipality) pro forma certificates and appropriate invoices must be verified by the Department of Housing prior to the municipality making such payments from the tranche funding already advanced.

(i) Settlement plan

50% of the fee is payable on submission of the settlement plan to the DTLGA. Balance of 50% of fee payable on certification by the Department of Traditional and Local Government Affairs that the settlement plan has been approved. (Cert.P1)

(ii) Beneficiary approvals / tenure arrangements

20% of the fee is payable on submission of beneficiary names and 80% on approval of the beneficiaries. (letter confirming submission of beneficiary approval forms from DoH and print-out of approvals)

(iii) GPS co-ordinates / survey

Certification by a Professional Land Surveyor that the relevant beacons have been placed and co ordinates calculated (Cert. P2).

**MEMORANDUM OF AGREEMENT**

entered into between

**PROVINCIAL DEPARTMENT OF HOUSING  
KWAZULU-NATAL**

(Represented herein by Ms D.N Mthembu  
in her capacity as the Chief Director: Project Management  
and duly authorised thereunto by resolution 18/11/2002  
hereinafter referred to as “the DOH”)

and

represented herein by \_\_\_\_\_

and duly authorized thereto

by a resolution dated \_\_\_\_\_

a copy of which is annexed hereto marked "A"

(hereinafter referred to as "The Developer")

## **PREAMBLE**

**Whereas** Chapter 11 of the Code, read together with the Additional Rural Guidelines provides access to housing subsidies for beneficiaries in rural/tribal areas who enjoy functional security of tenure/informal land rights;

**and whereas** the Developer has applied to the DOH for approval for stages 1 & 2 comprising two tranches;

**and whereas** the DOH has approved the project described as the **IZIBONDA KWAMACHI RURAL HOUSING PROJECT** and referred to as Project No. **K041 10003**.

**and whereas** the DOH has agreed to make 1000 rural subsidies, informal land rights available to the intended beneficiaries of this project;

**and whereas** the parties wish to record their agreement in writing;

Annie/y. Users /rural version1/10.2004

**NOW THEREFORE IT IS AGREED:-**

## **1. INTERPRETATION**

**1.1\_** In this agreement and unless inconsistent with the context:

1.1.1 words of the one gender shall include words of the other gender;

1.1.2 words importing the singular shall be deemed also to import the plural and vice versa;

1.1.3 headings to clauses shall not serve as a means of interpretation of any such clause.

1.2 The following words and expressions shall, unless inconsistent with the context, have the meanings assigned to them hereunder;

**1.2.1 “Additional Rural Guidelines”** Provincial Policy supplementary to Chapter 11 of the Code, dealing specifically with the provision of *Rural Subsidies* on tribal land.

**1.2.2 “Application”** The application by the Developer to the DOH for the granting of Rural Subsidies in accordance with Part 3 of Chapter 3 of the Code and Provincial Policy thereon, including all annexures to that application;

**1.2.3 “Area”** The area referred to in the diagram, prepared by a land surveyor,

**1.2.4 “Beneficiaries”** An individual who holds informal rights to the land within the project area and who receives a Rural Subsidy;

**1.2.5 “Code”** The National Housing Code in respect of the Department of Housing’s national housing policy and administrative guidelines, as amended from time to time;

**1.2.6 “Development programme”** the programme for the development of the area in accordance with the provisions of this agreement, a copy of which is annexed hereto marked “C”;

<b>1.2.7 “DOH”</b>	The Department of Housing of KwaZulu-Natal or its successor-in-title;
<b>1.2.8 “Effective date”</b>	The date by which both parties have signed this agreement;
<b>1.2.9 “External services”</b>	All primary water, sewerage, electricity and stormwater services as well as the road network to which internal services are to be linked;
<b>1.2.10 “Functional tenure”</b>	Refers to informal rights in land as defined in section 30 of the Interim Protection of Informal Land Rights Act 31 of 1996;
<b>1.2.11 “Global Positioning System”</b>	This is technology using satellites to determine one’s position on the earth’s surface, rather than using conventional survey equipment and methods. The result is a number which represents the grid reference at the point at which the reading is taken. The advantage of using this technology is that the time taken to determine an accurate position is substantially reduced therefore is more cost effective. The high resolution machines can give an accuracy level sufficient for cadastral survey work.
<b>1.2.12 “Housing Subsidy Scheme”</b>	The housing subsidy scheme administered by the DOH in accordance with the requirements of the National Department of Housing;
<b>1.2.13 “Internal services”</b>	The services within the area, to be provided by the Developer, in accordance with the provisions of this agreement and the services agreement;
<b>1.2.14 “Minister”</b>	Means the Member of the Executive Council of the KwaZulu-Natal Provincial Government contemplated in section 132 of the Constitution whose portfolio includes responsibility for the provision of housing.
<b>1.2.15 “Municipality”</b>	The person, institution or body who initiates, designs and undertakes housing development projects. In this instance the developer will be the municipality who will be in consultation with the Traditional Authority.
<b>1.2.16 “National database”</b>	The database maintained by the National Department of Housing which contains the names and identity numbers of persons who have previously received financial assistance from the Government of the Republic of South Africa in order to acquire residential property;

<b>1.2.17 “Progress payment”</b>	Those payments to be paid to the Municipality as a phased payment in accordance with the provisions of Part 3 of Chapter 3 of the Code and the Provincial Policy, more fully described in the payment schedule annexed hereto marked “D”
<b>1.2.18 “Project”</b>	The development of the area as described in the project proposal.
<b>1.2.19 “Provincial Policy”</b>	The policy of the DOH with regard to the provision of subsidies and development of low income housing projects;
<b>1.2.20 Rural Subsidy</b>	(RS) means a subsidy that does not require as a precondition for payment that a beneficiary acquires title to a particular piece of Land;
<b>1.2.21 “Residual”</b>	The amount constituting a portion of the Tranche 2 payment” in annexure “D”;
<b>1.2.22 “Resolution”</b>	The resolution of the DOH setting out the terms and conditions upon which the application was approved, a copy of which is annexed hereto marked “E”;
<b>1.2.23 “Residential Allotment ”</b>	An allotment within the area, depicted on the settlement plan of the area, to which the basic level of services have been provided in accordance with the terms and conditions of this agreement;
<b>1.2.24 “Services agreement”</b>	The agreement to be entered into between the Developer, the municipality and any other external service providers relating to the design and standard of internal and bulk services to be provided to the area and the responsibility for the provision and maintenance thereof;
<b>1.2.25 “Social compact”</b>	An undertaking between stakeholders about commitment to 1.2_ undertake a housing project according to an agreed development vision.
<b>1.2.26 “State”</b>	The National, Provincial or Local Government, or an entity wholly owned by any of them, as the context may indicate;
<b>1.2.27 “Top-structure”</b>	A dwelling or building materials constructed on or supplied to a residential allotment erf in order to render



it an improved erf.

**1.2.28 “Traditional/Tribal Authority”** Means a Tribal Authority established in terms of Section 5(1) of the Kwazulu Amakhosi and Iziphakanyiswa Act, no. 90 of 1990.

## 2. CONTRACT DOCUMENTS

2.1 The contract between the parties in respect of the implementation of the project is contained in the following documents:

	This agreement	
<	Annexure A.....	Developer’s Resolution
<	Annexure B.....	Development Proposal
<	Annexure C.....	Development Programme
<	Annexure D.....	Progress Payment Schedule
<	Annexure E.....	Project Approval
<	Annexure F .....	Proforma’s of Project Certificates

2.2 In the event of any conflict between the provisions of any documents contained in the contract documents, those documents shall prevail over one another in the sequence set out in 2.1 above.

The entire agreement (including all the documents contained in the contract document) is subject to the provisions of part 11. of the Code and the Additional Rural Guidelines. If there is any conflict between any provisions contained in the contract document and the provisions of Part 11 and the Additional Rural Guidelines, the provisions of part 11 and the Additional Rural Guidelines shall prevail.

## 3. APPROVED SUBSIDIES

3.1 The DOH has approved that a provisional amount of R825 000.00 inclusive of geotech is set aside to implement the project consisting of 1100 residential units (annexure hereto)

3.2 Notwithstanding the provisions of clause 3.1 above this project shall be implemented in two stages and the funding thereof shall be advanced in tranches. This stage A funding (tranche 1) is limited to R825 000.00 or R750.00 per site.

3.3 The tranche 1 payment will be paid to the Developer at the times and in the manner set out in this agreement.

## 2. IMPLEMENTATION

4.1 The Developer undertakes to implement the project:-

4.1.1 substantially in accordance with the contract documents;

4.1.2 particularly, but without limitation, within the period set out in the development programme (annexure C hereto )

4.2 The Developer acknowledges that adherence to the development programme is a material term of this agreement and hereby undertakes:

4.2.1 to commence and complete the project within the periods provided for in the development programme;

4.2.2 to meet any interim time periods provided for in the development programme.

4.3 If, at any time, it appears to the Developer that it will be necessary to amend the project programme, the Developer shall :-

4.3.1 request an amendment of the project programme from the DOH;

4.3.2 substantiate that request.

4.4 On receipt of any written request from the Developer to amend the project programme, the DOH may, acting in its discretion and if it is of the opinion that there are valid reasons for any such an extension, grant it. Any extension granted by the DOH shall be recorded in writing.

4.5 Should the Developer fail to apply in writing for an extension of the development programme or any time period provided therein within the said twenty-one days or should the DOH not grant an extension of the time period, then the development programme referred to in clause 4.1 hereof shall not be exceeded nor the Developer exonerated from liability to pay the penalty stipulated in clause 4.7 hereof.

4.6 If the Developer fails to complete the project within the development programme or any time period or any extension thereof, the DOH shall have the right without prejudice to any other rights available to the DOH, to recover a penalty of four cents per one hundred rand of the development milestone sum per day for each day on which the completion of the project milestone may be in arrear as provided for in clause 4.1 hereof. Such penalty may be recovered or may be deducted as from the day following the date of completion stated in the development programme, or any extension thereof, from any payment due or to become due under the development programme.

4.7 The Developer undertakes, on a monthly basis, to deliver detailed written reports in regard to the implementation of the project to the DOH. In particular any such a report shall indicate:-

4.7.1 the progress made in the undertaking of the activities listed in paragraph 3.4 of the approval

4.7.2 any difficulties experienced by the Developer in implementing the project;

4.8 The DOH shall at all and any times be entitled to:-

4.8.1 request the Developer to report to it in writing in regard to such aspects of the implementation of the project as the DOH may deem necessary;

4.8.2 inspect all documents and works related to the project, in order to satisfy itself in regard to the progress made by the Developer in implementing the project.

4.8.3 request any information from the Developer pertaining to the project which the Developer must supply;

4.8.4 call meetings which the Developer shall be obliged to attend in order to deal with any queries of the DOH pertaining to the project.

### 3. TERMS AND CONDITIONS

5.1 It is agreed that payments to be made by the DOH to the developer , subject to the availability of funds, for each respective tranche shall be strictly in accordance with the progress payment milestones applicable to that tranche.

5.2 Notwithstanding the provisions of clause 6.1 below , the funds shall not be advanced to the Developer until satisfactory proof of the opening of the dedicated account contemplated in clause 6.1 below has been presented to the DOH.

5.3 The payment of any milestone payments in respect of each tranche is subject to the developer complying with the requirements for that tranche as elaborated in annexure D.

5.4 In the management of the account so opened the Developer undertakes to comply with the provisions of the Local Government: Municipal Finance Management Act, 2003.

#### **4. TRANCHE PAYMENTS**

6.1 The DOH shall subject to the availability of funds, within 14 days from the date of signature of this agreement and subject to the provisions of this agreement, advance to the developer an amount of ..... which amount must be deposited by the developer into a dedicated account which must be opened by the developer specifically for this purpose. The funds so advanced must be utilised by the Developer in accordance with the provisions of Chapter 3 of the Code.

6.2 Any interest accruing to the account referred to in clause 9.1 above must be deposited into the Municipal Housing Operating Account which must be opened in terms of section 16(2) of the Housing Act 107 of 1997 as amended.

6.3 In the event that the DOH pays the Developer an amount in excess of the amount to which the Developer is entitled, then:

6.3.1 the Developer shall, within 14 (fourteen) days of receipt of a demand from the DOH, refund any excess payment to the DOH, provided that in the event that the developer fails to make such payment then:

6.3.1.1 The amount owing shall attract interest at the prime overdraft rate charged by First National Bank of South Africa to its most favoured customers, calculated and compounded monthly in arrears, with

effect from date of demand of payment to the date of payment, both days inclusive;

6.3.1.2 the DOH shall be entitled to set off the amount of any over-payment together with the interest due thereon against later payments due in respect of the project;

6.4 the failure by the Developer to repay such amount shall constitute a material breach of this agreement.

6.5 It is recorded that examples of the certificates required in order to draw down payments in terms of the progress payment schedule are annexed hereto marked "...D...".

## **7. PAYMENTS TO SERVICE PROVIDERS**

7.1 The parties agree that the Developer may make payments to service providers as and when the payment milestones are achieved;

7.2 The Developer shall however not be entitled to make any payments in respect of any claims from the funds advanced unless, the Developer has first submitted invoices and obtained certified approval thereof from the DOH authorising payment to the service provider. Such payments shall be made within 7 days from the date upon which the Developer receives the authority to make payment.

## **8. PROFESSIONAL INDEMNITY INSURANCE**

8.1 It is recorded that the professional engineer, land surveyor and conveyancer employed by the Developer are covered by professional indemnity insurance sufficient to cover any claims which may arise specific to their services.

8.2 It is recorded further that proof of the abovementioned professional indemnity insurance is annexed hereto marked Appendix 1.15.

## 9. **REPORTING PROCEDURE**

- 9.1 The Developer shall submit progress reports to the DOH at the end of each consecutive month with effect from the effective date, which report shall set out the status of the project, whether the Developer is adhering to the programme and the reasons for any delays which have been experienced.
- 9.2 In addition to the reports required in terms of clause 9.1 above, the Developer shall provide the DOH with cash flow projections with each claim submitted by it.
- 9.3 Upon completion of the project, the Developer and the DOH shall sign a completion certificate as proof of completion of the project.

## 10. **ACCOUNTS**

- 10.1 The Developer shall cause proper books of account to be kept in accordance with generally accepted accounting principals.
- 10.2 The DOH shall at any time and if it deems appropriate to do so, have the right to appoint an auditor to undertake a detailed audit of the books of account of the Developer in so far as those books of account related to the project. The DOH shall meet the costs of such audit and the Developer shall give full and complete access to all its relevant books of account and documents to the appointed auditor.
- 10.3 At the termination of the project, the Developer shall prepare a reconciliation of the project in accordance with the procedures laid down by the DOH from time to time

## 11. **CESSION OF AGREEMENT**

The Developer shall not be entitled to cede and assign its rights and obligations in terms of this agreement to a third party without the prior written consent of the DOH.

## 12. **VAT**

The Developer hereby acknowledges that services rendered in accordance with the provision of the Housing Subsidy Scheme are zero-rated for value-added tax in accordance with section 11(2)(p) of the Value-added Tax Act, 89 of 1991.

13. **BREACH**

13.1 In the event of any party committing a breach of this agreement and failing to remedy such breach within 14 (fourteen) days of the receipt of a notice of such breach, the aggrieved party shall, if such breach is material, be entitled to cancel this agreement and claim damages without prejudice to any of its other rights in law. If the breach is not material, the aggrieved party shall be entitled to sue for specific performance and claim damages without prejudice to any other rights it has in law.

13.2 This agreement shall immediately terminate:

13.2.1 should any judgment in respect of any debt in any Court of Law be obtained against any party and remain unsatisfied for a period of 14 (fourteen) days after notice of such judgement has come to the attention of the judgment debtor;

13.2.2 should any application be made for the sequestration or liquidation of any party.

14. **CONSENT TO JURISDICTION**

The DOH and the Developer hereby consent to the jurisdiction of the Magistrate's Court notwithstanding the amount in dispute may exceed the jurisdiction of that court.

15. **DOMICILIUM CITANDI ET EXECUTANDI**

15.1 For the purpose of this agreement the parties choose their respective *domicilium citandi et executandi* as follows:

15.1.1 the DOH: **14<sup>th</sup> floor, Tolaram House, cnr Esplanade and Aliwal Street, Durban;**

**15.1.2 The**

**Developer:**

.....  
.....  
.....  
.....

15.2 Written notice of any change in *domicilium citandi et executandi* shall be delivered by hand or sent by prepaid registered certified post to the intended recipients.

15.3 Every notice to be given in terms of this agreement shall be in writing and shall be:

15.3.1 delivered by hand to the *domicilium citandi et executandi* of the intended recipient in which event it shall be irrefutably presumed to have been served and the intended recipient to have been informed of the contents of such notice when such notice is so delivered; or

15.3.2 posted by prepaid registered or certified post to the *domicilium citandi et executandi* or the last known address of the intended recipient in which event it shall be presumed to have been served and the intended recipient to have been informed of the contents of such notice on the fifth day, excluding Saturdays, Sundays, unless the contrary is proved.

15.3.3 Either party hereto shall be entitled to change its *domicilium citandi et executandi* from time to time provided that any new *domicilium* selected by it shall be situated in the Republic of South Africa and shall be an address other than a box number and any such change shall only be effective upon receipt of notice in writing by the other party of such change.

**16. VARIATIONS**

No variation, modification or waiver of any provision of this agreement or consent to any departure therefrom shall in any way be of any force or effect unless confirmed in writing and signed by the parties and then such variation, modification, waiver or consent shall be effective only in the specific instance and for the purpose and to the extent for which it was made or given.



**17. WAIVER**

17.1 The waiver (whether express or implied) by either party of any breach of the terms or conditions of this agreement by another party shall not prejudice any remedy of the waiving party in respect of any continuing or other breach of the terms and conditions thereof.

17.2 No favour, delay or relaxation or indulgence on the part of any party in exercising any power or right conferred on each party in terms of this agreement shall operate as a waiver of such power or right nor preclude any other or further exercises thereof or the exercise of any other power or right under this agreement.

17.3 This expiry or termination of this agreement shall not prejudice the rights of either party in respect of any antecedent breach or non-performance by another party of any of the terms or conditions hereof.

**18. SPECIAL CONDITION**

The payment of the Tranche 1 payment by the Developer to the service provider is subject to the submission of a signed Development Rights Agreement between the Developer and the Ingonyama Trust Board.

**19. SUSPENSIVE CONDITION**

The parties hereby agree that notwithstanding the provisions of paragraph 9, of this agreement and Chapter 3 of the Code, the up-front advance of funds (tranche payment) is subject to the availability of funds

**20. WHOLE AGREEMENT**

This agreement constitutes the whole agreement between the parties in relation to its subject matter and supersedes all prior agreements and no documentation, representation, warranty or agreement not contained herein shall be of any force between the parties.

Thus done and signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2004  
in the presence of the undersigned witnesses.

**AS WITNESSES:**

- 1. ....
- 2. ....

**For and on behalf of the  
PROVINCIAL DEPARTMENT OF HOUSING  
KWAZULU-NATAL**

Thus done and signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2004 in the  
presence of the undersigned witnesses.

**AS WITNESSES:**

- 1. ....
- .....

\_\_\_\_\_  
**For and on behalf of the Municipality**

KWAZULU-NATAL DEPARTMENT OF HOUSING

IMPLEMENTATION OF HOUSING SUBSIDY SCHEME

PART 2 :TRANCHE 2  
APPLICATION FOR RURAL SUBSIDIES

---

PROJECT NAME : .....

Project Application No.	K									
Date received										
	d	D	m	m	y	y				
(For official use only)										

---

**CONTENTS**

- Annexure C : Development programme ..... 14 pages
  - Form PLS1 ... 11 pages
  - Appendix 1 ... 2 pages
  - Form GE2 ..... 1 page
- Annexure D: Progress Payment Schedule ..... 6pages
- Annexure H : Technical specification for top structures ..... 6 pages

The Application Pack is to be completed in full **IN QUADRUPLICATE** and returned to the



## FORM RURAL PLS1

**Application is made for Rural Project Linked Subsidies for the following project:**

---

1. PROJECT NAME: .....  
*(If this is a resubmission, fill in previous Project No.....)*
  
2. DEVELOPER'S NAME .....  
POSTAL ADDRESS: .....  
.....  
..... Code: .....  
Telephone: (Code.....)..... Cell .....  
Facsimile: (Code.....).....  
Contact Person (Name).....
  
3. TRADITIONAL AUTHORITY NAME : .....  
POSTAL ADDRESS: .....  
.....  
..... Code: .....  
Telephone:(Code.....)..... Cell No:.....  
Facsimile: (Code.....).....  
Contact Person (Name).....
  
4. DEVELOPER'S AGENT (if applicable):.....  
*(Attach a copy of the letter of authority from the Developer to submit this application)*  
POSTAL ADDRESS: .....  
..... Code: .....  
Telephone: (Code.....) .....  
Facsimile: (Code.....) .....  
CONTACT PERSON (Name):.....

5. LOCATION OF PROJECT.....  
.....  
5.1 Co-ordinates of outer boundary of project (certified by Land Surveyor).  
5.2 Outside figure of Traditional Authority Area (Isigodi Area).  
5.3 Outside figure showing relationship between municipal ward demarcation and Isigodi boundary.  
(Diagrams listed in 5.1 – 5.3 to be attached as Annexure.....)
6. NUMBER OF RESIDENTIAL ALLOTMENTS(typical phase reserved to 1000:  
.....
7. LOCAL AUTHORITY: .....  
7.1 MAGISTERIAL DISTRICT : .....
8. FULL PROJECT DESCRIPTION  
.....  
.....  
.....  
.....  
.....
9. SUBSIDY ADMINISTRATOR’S DETAILS ( TRADITIONAL AUTHORITY OR RESPONSIBLE AGENT)  
  
Name : .....  
Address : .....  
.....  
Telephone: (Code.....) .....  
Facsimile: (Code.....) .....
10. INCREASE IN SUBSIDY AMOUNT  
  
10.1 An increase in subsidy of ..... % is required for the following (*attach a completed Form GE2 -- refer to clause 1.9.3, Appendix 1*):  
10.1.1 adverse slope conditions (*attach a slope analysis plan duly certified by the Town Planner -- refer to clause 1.9.1, Appendix 1*)  
10.1.2 adverse geotechnical conditions (*attach a geotechnical motivation duly certified by a Geotechnical Engineer -- refer to clause 1.9.2, Appendix 1*)
11. TOTAL SUBSIDY APPLICATION :

The final beneficiary mix, as determined from the *final approval* (refer to clause 12.2 herein), and total subsidy amount is as follows :-

Geotechnical/topographical allowance		= ..... % (T)			
Income Group (per Month)	No. of Beneficiaries A	Subsidy Amount B	Existing Grant * C	Balance of Subsidy Due D = B - C	Total A x D
<R1500	.....	R25 800 x (T) = R .....	R .....	R .....	R .....
R1501-R2500	.....	R15 700 x (T) = R .....	R .....	R .....	R .....
R2501-R3500	.....	R8 600 x (T) = R .....	R .....	R .....	R .....
<b>Total</b>	.....	<b>Total Subsidy Amount</b>			<b>R .....</b>

**Note : “Existing grant \* ” :** Any existing grant must be indicated here i.e. existing grant monies for services or completed & installed services provided to the development by ..... to an approximate value of R....., comprising the following :

.....  
.....

## 12. RECORD OF UNDERSTANDING, SOCIO-ECONOMIC STUDY, & CBP

### 12.1 SOCIAL COMPACT

12.1.1 Attach a copy of the Record of Understanding concluded with the Community Based Partner (signed by the relevant parties not earlier than 6 months prior to the date of this application). (Refer to clause 1.3, Appendix 1)

12.1.2 List all stakeholders in this project:

- i. Department of Housing.....
  - ii. Municipality : .....
  - iii. Department of Traditional & Local Government Affairs(DTLGA).....
  - iv. Ingonyama Trust Board .....
  - v. Department of Agriculture & Environment Affairs.....
  - vi. Traditional Authority .....
  - vii. Other : .....
- .....

12.2 SOCIO-ECONOMIC STUDY

Attach a copy of the socio-economic study carried out to determine the community need, affordability to acquire the sites and service charges. (The investigation is not to be older than 9 months at the date of this application). This survey is to comply with the requirements as set out in the DTLGA guidelines document (Refer to clause 1.3, Appendix 1)

12.3 COMMUNITY BASED PARTNER (CBP)

Attach details of the formal structure of the CBP. (Refer to clause 1.4, Appendix 1) If no formal structure has been concluded, provide the following information:

Date CBP formed.....

Method by which members of CBP elected .....

.....  
.....

Details of how CBP deals with disputes and conflicts .....

.....  
.....  
.....

Details of the CBP's knowledge and understanding of the development process

.....  
.....

Details of the development process that has been workshopped with the CBP

.....  
.....

12.4 COMMUNITY INVOLVEMENT IN DEVELOPMENT

12.4.1 Training

The Developer commits to incorporating the following training into the project:

(\* Specify)

- \* Training of committee members in committee procedures.
- \* Clerical skills, accounting skills, storekeeping skills.
- \* Construction techniques.
- \* Contracting skills.
- \* .....



*12.4.2 Labour Intensive Construction Methods*

The Developer commits that the following aspects (if applicable) of the development will be constructed utilising labour intensive techniques employing local labour from the community:

- (a) Roads : \* .....
- (b) Stormwater : \* .....
- (\* Specify) (c) Water : \* .....
- (d) Sanitation : \* .....
- (e) House Construction : \*.....

12.5 SOCIAL INFRASTRUCTURE

What measures have been taken or are proposed, for provision of the following facilities:

- Education .....
- Health .....
- Community .....
- Employment .....
- Shopping .....
- Sports and Recreation .....
- Other details .....
- .....
- .....

\*Provide a preliminary settlement plan & preliminary planning report(orthophoto map) or status report with respect to existing & neighbouring facilities : (refer to clause 1.3, appendix 1)

.....

13. LAND INFORMATION

13.1 Cadastral description of the area as defined in the Memorandum of Agreement and shown on a diagram (Annexure B), with co-ordinates and Isigodi area, prepared by a land surveyor. All cadastral parcels of land to be assembled, which will constitute the outside figure diagram, are to be shown and listed on the diagram. Where a Development Rights Agreement(DRA) has been concluded, this diagram is to be consistent with the Designation Diagram as contemplated in the DRA.  
*(Attach diagram [prepared by a Land Surveyor] marked Annexure B together with a Locality Plan [to a legible scale]-- refer to clause 1.7, Appendix 1)*

13.2 The land is owned by .....  
*(Attach copy of Title Deed -- refer to clause 1.5, Appendix 1 ).*

13.3 If the land is not owned by the Developer, a copy of the signed Development Rights

Agreement is to be attached. (Refer to clause 1.6, Appendix 1)

14. SETTLEMENT PLANNING(The Settlement Plan is to be approved by the Department of Traditional & Local Government Affairs)

14.1 Settlement Plan and Layout

- (i) Projects for which planning is advanced :  
The project comprises an estimated number of ..... residential allotments, as shown on the attached settlement plan / orthophoto map. (Refer to clause 1.8, Appendix 1)
- (ii) Projects for which planning has not yet commenced or is preliminary :  
The project comprises approximately ..... sites.

14.2 The current status of the Settlement Planning process is as follows:

.....  
.....

14.3 The proposed programme for Settlement Planning comprises:

- 14.3.1 Settlement Plan submitted complete by:\* .....
- 14.3.2 Settlement Plan endorsement approved by:\* .....
- 14.3.3 Allocation by: \* .....
- 14.3.4 GPS referencing by: \* .....
- 14.3.5 Beneficiary approval by: \* .....

(\* The applicant/developer is to insert the number of calendar days after the Project Agreement effective date).

15. SETTLEMENT PLANNING

Attach a copy of the preliminary/final settlement planning layout. (Refer to clause 1.8, Appendix 1)

16. TENURE TYPE

Functional Tenure, shall be in the form of :

- Certificate of Occupation
- PTO's

17. FLOOD LINES

17.1 All residential sites must be planned to be located above the 100-year floodline. **Where possible**, the 100-year floodline should be indicated on the Settlement Planning layout.

18. BULK SERVICES (Attach appropriate written confirmation. -refer to clause 1.10 Appendix 1 )

In terms of the subsidy scheme, capital contributions for the provision of bulk services are not allowed from the individual subsidies. Bulk Services for the project shall be provided by the service providers at no capital contribution cost.

18.1 The major road access is provided for as follows(if applicable):

.....  
.....  
.....  
and will be \* / \* has been (\* delete inapplicable) provided by .....

.....  
.....  
(refer to clause 1.10, Appendix 1)

18.2 The bulk water supply comprises (if applicable).....

and will be \* / has been (\* delete inapplicable) provided by .....

.....  
.....  
.....  
(refer to clause 1.10, Appendix 1)

19. INTERNAL SERVICES (attach an Engineer's preliminary services layout and specification -- (refer to clause 1.11, Appendix 1). The development and services shall be to the approval of the Local Municipality or District Municipality and shall comprise the following :

19.1 Roads:

Primary: ..... m surfaced with stormwater control, ..... km long.  
Secondary: ..... m gravel with stormwater control, ..... km long.  
Unmade: ..... km long to provide access for the delivery of materials.  
Other:.....

.....  
.....  
.....

19.2 Footpaths

Type 1: ..... m wide concreted footpaths with stormwater control, ..... km long.  
Type 2: unmade, ..... km long.

19.3 Stormwater Control

- \* Roadside channels with piped stormwater crossings, as required.
- \* All stormwater channels to be concrete-lined where the grade exceeds 1 in 10.
- \* .....

(\* Insert/Delete)

19.4 Erosion Protection

- \* Erosion protection measures are to be provided at all stormwater discharge points and along stormwater channels/valley lines, as required.
- \* .....

(\* Insert/Delete)

19.5 Water Supply

Water supply shall comprise:

- \* standpipes at ..... m intervals delivering a minimum flow of ..... litres per minute with pipe sizes sufficient to allow for upgrade to individual connections in the future;
- \* individual connections to each site;
- \* individual connections to each site with a meter.
- \* other e.g. (boreholes, etc.)

(\* Delete whichever is not applicable)

19.6 Sanitation

Sanitation shall comprise:

- \* A VIP (Ventilated Improved Pit) toilet constructed of:  
..... with a  
..... roof and pitlining of  
..... and minimum pit size of 2,9m<sup>3</sup>.
- \* Or other form of on site sanitation .....

(\* Delete whichever is not applicable and fill in if required)

19.7 Electricity Supply (if applicable or possible)

Electricity supply shall comprise:

- \* Street lighting and metered individual connections.
- \* Street lighting and a prepayment meter and Readi-Board to each house.
- \* Other.....

and will be provided by .....

(\* Delete whichever is not applicable)

19.8 The telecommunications comprise the following (if applicable or possible)

.....

and will be provided by .....

19.9 The postal services comprise the following (if applicable or possible)

.....

and will be provided by .....

19.10 The solid waste services comprise the following: .....

.....

and will be provided by .....

*All proposed services are to be agreed with the appropriate service providers and responsible municipalities (district or local). Services agreements with service providers are to be agreed with the respective municipalities / traditional authorities. These agreements should be attached as --( refer to clause 1.10, Appendix 1).*

20. FINANCIAL INFORMATION

20.1 The total product price is as follows (from Annexure D) :

Beneficiary income / month	Price / site	Price / site	Price / site
	>R1500	R1501 – R2500	R2501 – R3500
<b>Infrastructure/Top structure construction (Tranche 2)</b>	R .....	R .....	R .....
<b>Total product price :</b>	<b>R</b> .....	<b>R</b> .....	<b>R</b> .....

*\*Delete whichever is not applicable  
 (Note : VAT to be zero rated on subsidy amounts)*

Notes :

- (a) Tranche 2 payments relate to the construction of services and topstructures and all related and associated professional fees.
- (b) Topstructures to be provided within this project are to be detailed with plans and specifications and are to be attached to this application -- refer to clause 1.12, Appendix 1.
- (c) If Tranche 2 payments include for the supply of materials, the supply of materials will be dealt with as follows: -- refer to clause 1.12, Appendix 1.

.....

.....

21. PROJECT ADMINISTRATION

21.1 The project administration will be undertaken by using the following:

- 21.1.1 Project Manager .....
- 21.1.2 Town Planner .....
- 21.1.3 Land Surveyor .....
- 21.1.4 Civil Engineer .....
- 21.1.5 Structural Engineer .....
- 21.1.6 Geo-technical Engineer .....
- 21.1.7 Subsidy Administrator .....
- 21.1.8 Building professional .....
- 21.1.9 Other (specify) .....

21.2 Certification tasks will be provided by the following professionals :-

Professional & Responsible persons	Name	Professional Indemnity (PI) Expiry Date*	Specimen signature	Certification task
Land surveyor	.....	.....	.....	Reference + GPS certification Form
Civil engineer	.....	.....	.....	Forms P1 & P3 (if applicable)
Geotechnical engineer	.....	.....	.....	Geotechnical certificate (Annexure H, clause B3)
Structural Engineer	.....	.....	.....	Forms P1 & P3 (if applicable)
Traditional Authority	.....	.....	.....	Certificate of Occupation Form
Building professional	.....	.....	.....	Completion certificate Form P5/1

\* Please attach PI certificate.

I, ..... (name)  
hereby warrant that I am duly authorised to submit this application (supporting documentation to be attached in Annexure C), all relevant information relating to this project has been disclosed, the application form has been completed as required, supporting documentation has been attached, and to the best of my knowledge all information is true and correct.

.....  
**SIGNATURE**  
for and on behalf of the **Developer**.

.....  
**DATE**

**The following co-signature is obligatory, and no application will be considered without it :**

\* : By appending my signature in the table below, I hereby warrant that I am duly authorised by the Municipality / District Municipality to co-sign this application as certifying that the Municipality / District Municipality is supportive of the development in terms of the relevant development criteria:-

<b>Development criteria in respect of this Project Application</b>	<b>* Signature</b>	<b>*Name of signatory</b>	<b>Date</b>
Compatible with the Integrated Development Plans & Land Development objectives	.....	.....	.....
The land is suitable for development in terms of geotechnical, topographical & environmental factors, and has been identified under the Land Suitability Study.	.....	.....	.....
There exists a demand for sites in this project area and the project has community acceptance.	.....	.....	.....
All the Bulk water services are available, or we commit to provide such services within the project's requirements or, if it is not our function, we confirm that we have obtained confirmation from the relevant Bulk Service Provider that they will provide such service within the project's requirements.	.....	.....	.....
Planning Approval	.....	.....	.....
Traditional Authority Approval	.....	.....	.....

**APPENDIX 1: SUPPORTING DOCUMENTATION :PART 2 : TRANCHE 2**

Copies of the following documents are to be attached as appropriate:

: Indicates document **not required** for Tranche 2 if submitted for Tranche 1.

		Document attached ( ✓ )	
		Yes	No
1.1	Letter of Authority from the Developer for an Agent to submit the Application (if the Agent is not the Developer)	<input type="checkbox"/>	<input type="checkbox"/>
1.2	Signed agency agreement between Municipality and Implementation Agent	<input type="checkbox"/>	<input type="checkbox"/>
1.3	Socio-economic study / Beneficiary approval	<input type="checkbox"/>	<input type="checkbox"/>
1.4	Constitution of Development Committee	<input type="checkbox"/>	<input type="checkbox"/>
1.5	Title Deed (of underlying property).	<input type="checkbox"/>	<input type="checkbox"/>
1.6	Consent of landowner (Ingonyama Trust Board)	<input type="checkbox"/>	<input type="checkbox"/>
1.7	Outside figure diagram of Project and Isigodi area (2 separate diagrams)	<input type="checkbox"/>	<input type="checkbox"/>
1.8	Settlement Plan showing 100 year floodline.	<input type="checkbox"/>	<input type="checkbox"/>
1.9.	Geotechnical/topographical/locational reports :	<input type="checkbox"/>	<input type="checkbox"/>
1.9.1	Town Planner's slope analysis plan for steep slope allowance	<input type="checkbox"/>	<input type="checkbox"/>
1.9.2	Geotechnical motivation for geotechnical allowance	<input type="checkbox"/>	<input type="checkbox"/>
1.9.3	Completed Form GE2	<input type="checkbox"/>	<input type="checkbox"/>
1.10	Appropriate confirmation of provision of Bulk Services / commitment to provide	<input type="checkbox"/>	<input type="checkbox"/>
1.11	Engineer's preliminary internal services layout plan and specification (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
1.12	Plans and specifications for top structures	<input type="checkbox"/>	<input type="checkbox"/>
1.13	Project Cash Flow projection/Development Program	<input type="checkbox"/>	<input type="checkbox"/>
1.14	Any other documentation to support this Application	<input type="checkbox"/>	<input type="checkbox"/>
1.15	Traditional Authority Approval	<input type="checkbox"/>	<input type="checkbox"/>
1.16	Planning Consent from DTLGA	<input type="checkbox"/>	<input type="checkbox"/>
1.17	Resolution authorising and specifying co-signature on behalf of the Local Authority.	<input type="checkbox"/>	<input type="checkbox"/>
1.18	Professional Indemnity Certificates of : land surveyor, Civil Engineer, Geotech Engineer, Structural Engineer, & Building Professional	<input type="checkbox"/>	<input type="checkbox"/>





Annexures to Memorandum of Agreement : Version 1  
Annexure C : Development Programme

1.4 Undulating terrain requiring bulk earthworks	7.5		
<b>By :</b> .....		<b>Signature :</b> .....	
		<b>Date:</b> .....	
<i>Verification by Professional Town Planner. (Name of person, not company name)</i>			
<b>Note :</b> By verifying this section of Form GE2, the signatory acknowledges liability for ensuring that the information entered herein is true and correct.			
<b>2 Geotechnical :</b>			
2.1 Hard rock / boulders in <1,5m depth in < 25% of sites	7.5		
2.2 Hard rock / boulders in <1,5m depth in > 25% of sites	15		
2.3 Loose sand & high water table (within 1m of surface)	7.5		
2.4 Engineer designed foundations in : < 25% of residential sites	7.5		
2.5 Engineer designed foundations in : > 25% of residential sites	15		
<b>By :</b> .....		<b>Signature :</b> .....	
		<b>Date :</b> .....	
<i>Verification by Geotechnical Professional. (Name of person, not company name)</i>			
<b>Note :</b> By verifying this section of Form GE2, the signatory acknowledges liability for ensuring that the information entered herein is true and correct.			
<b>Total Percentage Increase (Note : Not to exceed 15 %)</b>			..... %

# ANNEXURES TO MEMORANDUM OF AGREEMENT :

## ANNEXURE D : PROGRESS PAYMENT SCHEDULE

| TRANCHE 2

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[\*\*\*\* THIS “ANNEXURE D” IS TO BE INCLUDED AND FORM PART OF THE PROJECT  
MEMORANDUM OF AGREEMENT \*\*\*\*]

---

PROJECT NAME : .....

---

# MEMORANDUM OF AGREEMENT : ANNEXURE D

## PROGRESS PAYMENT SCHEDULE : TRANCHE 2

### D1 PROGRAMME

#### D1.1 Progress Payment Key Dates

Description	No. of days <i>(Note 1)</i>	Key Dates (dd/mm/yyyy)
D 1.1.1 Tranche 2 : Construction of services and houses: Start Date: Completion Date:	..... ..... .....	...../...../..... ...../...../..... ...../...../.....

*Note 1 : The applicant/developer is to specify the key dates as the number of calendar days after the Project Agreement effective date. The actual dates will be inserted by the DoH.*

#### D1.2 Project programme

The developer is to attach to this subsidised housing project application a programme in the form of a Bar Chart indicating all the various tasks involved in the development of the project and their relevant time frames. To assist the developer in this regard, a typical Bar Chart is included in the following 2 pages herein.

The submission of a Bar Chart for this project is extremely important, and the developer is to pay particular attention to ensuring its accuracy as all the milestones contained within the Memorandum of Agreement shall be based on dates derived from it. Any changes required by the developer to the programme shall be subject to written request and motivation to the DoH and written approval by the DoH.

## D2 SUBSIDY PAYMENT REQUIREMENT PROJECTIONS

### D2.1 Agreed details for the purposes of calculating progress payments

SUBSIDY QUOTA : AS PER APPROVAL

INCOME GROUP	A NO.OF BEN.	B SUBSIDY AMOUNT	C VARIATION ALLOWANCE ( TOTAL 15 %)			D TOTAL INCL. VARIATION ALLOWANCE (AxB)+C	E LESS TRANCHE 1 PAYMENT R1393.91 (MAX PER SITE))	F TOTAL TRANCHE 2 PAYMENT (D-E)
			CALCULATED ON PRODUCT PRICE R25 800					
			CATEGORY I	CATEGORY II	CATEGORY III			
			%	%	%			
< R1 500		R25 800						
R1 501 - R2 500		R15 700						
R2 501 - R3 500		R8 600						
<b>TOTAL</b>								

TOTAL SUBSIDY BROUGHT FORWARD : .....

LESS : PREPARATION FUNDING/PREVIOUS PAYMENTS : .....

AMOUNT AVAILABLE : \_\_\_\_\_

## PROGRESS PAYMENT TRANCHEs

### D2.1.2 TRANCHE 2

**TRANCHE 2**

TRANCHE 1 RESOLUTION NUMBER : .....

<b>PROOF OF COMPLETION (TRANCHE 1)</b>
1. Approval of settlement plan by DHLG&TA and the Municipality (Certificate P1)
2. Completion of GPS survey and placement of beacons (Certificate P2)
3. Approval from DOH of final product (HAC Approval resolution)
4. Confirmation from DOH of number of subsidies approved (beneficiary listing)

CODE	DESCRIPTION	AMOUNT
PI 01	Civil Engineer – design and supervision	
PI 02	House design and supervision	
PI 03	Geotechnical / Structural Engineer supervision and certification.	
PI 041	Sanitation	
PI 042	Water reticulation	
PI 043	Roads	
PI 044	Storm Water	
PI 05	Project Manager	
PI 061	House foundation	
PI 062	Superstructure	
PI 063	Roof	
PI 7	Developer	

SUB TOTAL : .....

ADD : CATEGORY II VARIATION : .....

TOTAL: TRANCHE II : \_\_\_\_\_

**NB. (i) TRANCHE 2 IS MADE UP OF THE BALANCE OF THE SUBSIDY AMOUNT INCLUDING PERMISSABLE VARIATIONS.**

Tasks to be included in the above :

(PI01) Civil Engineer :

- 1 Undertake the necessary design work including drawings and tender documentation
- 2 Assist in concluding services agreement with relevant municipalities and service providers
- 3 Ensure that designs are approved by the relevant municipality
- 4 Award engineering contracts
- 5 Approve contract insurances and sureties
- 6 Monitor and supervise construction activities
- 7 Determine contract completion dates and set up communication procedures with contractor.
- 8 Measure and certify completed construction work, and issue interim certificates.
- 9 Resolve claims and extra work.
- 10 Arrange completion inspection and handover to local authority.
- 11 Accept completed work in terms of Services Contract.
- 12 Other (specify) :
  - (i) .....
  - (ii) .....

(PI02) House Design and Supervision

- 1 Prepare sketch plans of different top structure options.
- 2 Prepare specifications for the building work.
- 3 Prepare cost estimates for the top structures for the different levels of finish.
- 4 Prepare a report summarising the design options, specifications and resultant costs, submit to local authority and obtain in-principle approval from stakeholders.
- 5 Prepare detailed drawings and specifications for topstructures, and obtain approval from local authority / traditional authority / community.
- 6 Call for tenders / issue documents.
- 7 Evaluate tenders, write tender report, review with developer and award tender.
- 8 Ensure that foundations are certified by a structural engineer and or geotechnical engineer as applicable.
- 9 The structural integrity of each and every structure is to be certified by a competent person.
- 10 Other (specify) :
  - (i) .....
  - (ii) .....

(PI03) Geotechnical engineer :

- 1 If subsidy increases have been granted on the basis of anticipated adverse geotechnical conditions, each and every site is to be inspected and geotechnical certificates issued.
- 2 This could relate to both foundations and on site sanitation.
- 3 Other (specify) :
  - (i) .....
  - (ii) .....

(PI04) Services Contractor :

- 1 Submit proof of insurance cover and performance guarantees.
- 2 Set up communication procedures with engineer.
- 3 Construct services and obtain approval from engineer.
- 4 Other (specify) :
  - (i) .....
  - (ii) .....

(PI05) Project Manager :

- 1 Compile all documentation required for T2 payments, submit to DOH, and process payments.
- 2 Ensure the overall co ordination of all activities related to the construction of services and houses.
- 3 Ensure co ordination between the construction of services and houses and beneficiary approvals.
- 4 Oversee the relevant professionals to ensure compliance with all agreements
- 5 Other (specify) :
  - (i) .....
  - (ii) .....

(PI06) House construction :

- 1 Construction of houses in accordance with the designs and specifications contained in the project agreement.
- 2 Ensure that houses are handed over to the correct beneficiaries and the relevant pro forma certificates signed.
- 3 Other (specify) :
  - (i) .....
  - (iii) .....

(PI07) Developer :

- 1 Overall management of above tasks.
- 2 Manage project funds in accordance with the agreement
- 3 Other (specify) :
  - (i) .....

Note 2 : (a) The fee / site (T2) must be apportioned equally between all the residential properties.  
 (b) To prevent rounding-off errors in the progress payment calculations, it is advisable to round the fee/site T 2 to the nearest R1 (by adjusting the total cost).

**D3 MILESTONE PAYMENT PREREQUISITES**

D3.1 Agreed milestone payments :-

	Milestone	Milestone Payment Per Site
T2	Services and house construction (from page ____)	

D3.2 Milestone payment prerequisites

The Developer shall be entitled to receive tranche payments as follows:

D3.2.1 **T2 : Services, house construction and associated fees:**

- (i) On signing of stage 2 of the agreement, Tranche 2 will be paid to the relevant municipality fulfilling the role of developer.
- (ii) Payment of tranche 2 will require that the following have been concluded and satisfactory proof thereof furnished to the DoH;
- (iii) Certified copies of the approved settlement plan as approved by the Department of Traditional and Local Government Affairs as well as the relevant Local Municipality.
- (iv) A certificate from a Land Surveyor confirming that the individual GP’S



beacons have been placed and the co ordinates calculated and logged onto an electronic data base.

- (v) Confirmation form the Department of Housing that at least 70% of the total anticipated number of beneficiaries have been approved as qualifying beneficiaries.
- (vi) Approval, by the relevant executive authority of the Department of Housing, of the proposed product.

#### **D4 PROGRESS PAYMENT PREREQUISITES (PAYMENTS FROM THE DEVELOPER TO THE IMPLEMENTATION AGENT OR PROFESSIONALS AND RELEVANT CONTRACTORS)**

In order for the various professionals, implementing agent or contractors to be paid by the developer (municipality) pro forma certificates and appropriate invoices must be verified by the Department of Housing prior to the municipality making such payments from the tranche funding already advanced.

- (i) Fees for Professionals

To be paid on invoice and submission of relevant documents such as environmental and geotechnical reports. Project managers are to be paid pro rata on progress achieved to date. With respect to house design and environment design, the following will apply:

Letter from Local Authority confirming approval of designs.

- (iv) Services

Interim payments for work completed and due are to be paid against an engineers certificate. For purposes of payment, this due payment shall be represented by and equated to a "number of sites" based on the relevant T2 "payment per site" The "number of sites" shall be an integer figure determined from the above resultant calculation, and is determined merely to enable an interim payment to be made and is not indicative of the number of fully serviced sites.(Cert. P3)

- (v) House construction & VIP'S (Service Completion Certificate)

Certification by the building Professional nominated by the Developer, and approved by the DOH, that the top structures have been constructed and handed over (Cert P4/1 & P4/2), and to be countersigned by a duly authorized official of the Local Authority concerned.

Where a geotechnical allowance has been granted certification by the relevant structural or geotechnical engineer will be required. (Cert 4/3 & P4/4)The Department of Housing inspectorate will inspect each and every new unit constructed prior to any payment being released. A certificate of acceptance by the beneficiary will also be required (Cert P5).



## ANNEXURES TO MEMORANDUM OF AGREEMENT :

### ANNEXURE ..... : TECHNICAL SPECIFICATION FOR TOP STRUCTURES

[\*\*\*\* THIS “ANNEXURE H” IS TO BE INCLUDED AND FORM PART OF THE PROJECT MEMORANDUM OF AGREEMENT \*\*\*\*]

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PROJECT NAME : .....

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## **TECHNICAL SPECIFICATION FOR TOP STRUCTURES**

Note : The specifications contained herein are applicable where the construction of the top structure is part of the development of the project. They do not apply where the top structure is constructed by the beneficiary.

### **A Minimum Norms and Standards**

#### **A1 General**

Permanent housing that is covered by this document must be built in accordance with the principles embodied in Act No. 12 of 1998 : KwaZulu-Natal Housing Act, 1998. Building plans and specifications must be prepared and handed over to the home owner and be lodged with the Municipality.

The buildings and their services must comply with the requirements of the NBR and with the relevant SABS codes of practice.

#### **A2 Form**

The buildings should be simple in form and straightforward to construct.

#### **A3 Structural design**

Any building and any structural element or component thereof must be designed to provide strength, stability, serviceability and durability for the life of the structure, in accordance with accepted principles of engineering design and construction practice.

#### **A4 Materials and components**

All materials and components used in the dwelling and in any associated structures must be :-

- durable and suitable for the purpose for which they are used,
- installed or used in accordance with the manufacturer's instructions.

#### **A5 Dimensions**

The minimum size of the completed structure shall be not less than thirty square metres. Any room or space shall have dimensions that will ensure that such room or space is fit for the purpose for which it is intended.

#### **A6 The site and site preparation**

Before finally approving the site a geotechnical survey shall be conducted to determine the suitability of the founding conditions. The site works must be

compatible with the aim of producing affordable housing within the cost constraints imposed by the subsidy scheme. The ground in the vicinity of the building must be levelled before construction commences. This must be done with due attention to the need to control and dispose of rainwater runoff.

The finished ground levels must direct water away from the building. In areas where termite infestation is known to be a problem, the soil within the site must be treated in accordance with the recommendations set out in SABS 0124 *-Application of certain soil insecticides for the protection of buildings.*

#### **A7 Foundations**

The foundation of any building must be designed to safely transmit all the loads from the building to the ground without causing or being subjected to excessive movements. In favourable ground conditions the foundations must be designed to reduce as far as practically possible the depth of excavation, the height of foundation walls and the cost of unnecessarily large footings. Any variation from the foundations required by the Deemed-to-satisfy rules of the NBR must be the subject of a rational design by a Professional Engineer. In problematic ground conditions a Professional Engineer must design the foundations and advise on the articulation of the superstructure if this is deemed necessary.

#### **A8 Concrete**

Concrete must be of the grade specified or of a higher grade.

#### **A9 Cement specification**

The correct cement for the purpose intended must be clearly specified and it must comply with the requirements of SABS ENV 197-1 *Common Cements* and SABS 413-1 *Masonry Cements*. Masonry cement must not be used in concrete, and masonry cement MC 22,5X must not be used in shell bedding mortar.

#### **A10 Floors**

Any floor of any building shall be:

- strong enough to support its own weight and any loads to which it is likely to be subjected without undue distortion or distress,
- water resistant in the case of the floor of any kitchen, shower room, bathroom or room containing a WC,
- provided with adequate under-floor ventilation in the case of a suspended timber floor,
- so constructed that any moisture present in the ground or filling is prevented from penetrating the slab in the case of a concrete floor slab that is supported on ground or filling.

### **A11 Damp proof courses (DPC) and membranes (DPM)**

These items must be provided and installed in accordance with SABS 021: *Waterproofing of buildings*. The horizontal DPC must be installed at not less than 150mm above the level of the surrounding ground, and must not be plastered over.

### **A12 Walls**

Any wall shall be:

- capable of safely sustaining any loads to which it is likely to be subjected and in the case of a structural wall shall be capable of safely transferring these loads to the supporting foundations,
- so constructed that it will adequately resist the penetration of water into any part of the building where it would be detrimental to the health of the occupants or to the durability of the building,
- provided with the means to fix any roof truss, rafter or beam to the wall in a secure manner that will ensure that any forces to which the roof may normally be subjected will be transmitted to the wall supporting it,
- of combustibility and fire resistance characteristics appropriate to the use of the wall.

### **A13 Roofs**

The roof of any building shall :

- be so constructed that it will resist any forces to which it is likely to be subjected,
- be durable and waterproof,
- not allow the accumulation of any rainwater upon its surface,
- be constructed to provide adequate height in any room immediately beneath the roof/ceiling assembly,
- have a fire resistance appropriate to its use.

### **A14 Doors**

The correct type and quality of door must be specified, supplied and properly hung in the appropriate opening.

### **A15 Glazing**

Any glazing shall be of glass or plastics and be fixed in a manner and position that will ensure that it will :

- safely sustain any wind loads to which it is likely to be subjected,
- not allow the penetration of water to the interior of the building.

## A16 Lighting and ventilation

Any habitable room, bathroom, shower-room and room containing a WC shall be provided with a means of lighting and ventilation which will enable such room to be used, without detriment to health and safety or causing any nuisance, for the purpose for which it is designed.

All dwellings shall be provided with the means of ventilation and natural lighting set out in Table 2 below :-

Table 2 : Criteria for ventilation and natural lighting

Description	Floor area of dwelling	
	≤ 45m <sup>2</sup>	> 45m <sup>2</sup>
Minimum window area (light area) for each habitable room, including kitchens	5% of floor area	Greater of 10% of floor area or 0.2m <sup>2</sup>
Minimum area of openable windows or controllable ventilation openings for each habitable room, including kitchens *	5% of floor area with one opening having an area of at least 0.1m <sup>2</sup>	Greater of 0.2m <sup>2</sup> or 5% of floor area

\*Not more than half the number of ventilation openings shall occur on one side of the dwelling

## A17 Drainage and Sanitation

Drainage installations shall be:

- designed and constructed so that the installation is capable of carrying the hydraulic design load and of discharging it into a common drain, connecting sewer or sewer provided to accept such discharge,
- watertight,
- capable of sustaining the loads and forces that it may normally be subjected to,
- protected against any damage wherever this is necessary,
- capable of being cleaned and maintained through the means of access provided.

Drains must be laid strictly in accordance with the requirements of the Municipality. French drains and septic tanks must be constructed to a size and design approved by the Municipality. Non waterborne means of sanitation should comply with the requirements of Section 7.4 of SABS 0252-2 *Water supply and drainage of*

*buildings: Part 2: Drainage installations for buildings*, all to the requirements of the Municipality. Where waterborne sewage disposal is not available, no person shall construct a pit latrine without the permission of the Municipality.

**A18 Stormwater disposal**

The design shall provide for suitable means for the control and disposal of accumulated stormwater. Stormwater drains must comply with the requirements of the Municipality

**A19 Environmentally efficient housing**

A19.1 Water supply:

The design of the water supply and the specification of devices such as taps, showers and toilets must be in accordance with the aims of the *National Water Conservation Campaign*. Before specifying water saving devices such as low-flow showerheads the designer must satisfy himself that they will function satisfactorily with the available water pressure. Water saving measures that are undertaken must be compatible with imperatives that the water supply and the sewage disposal systems must be safe and hygienic, and be capable of operating efficiently with only normal and reasonable maintenance.

A19.2 Thermal efficiency:

Designs for affordable housing must take cognisance of the need for the resultant dwellings to be thermally efficient.

**A20 Relevance of the above Norms and Standards to the Peoples Housing Process**

The Norms and Standards contained in this document also apply in respect of permanent residential structures constructed in terms of the People's Housing Process.

**A21 Rural housing subsidies and informal settlements**

The Norms and Standards contained in this document will not be mandatory in respect of dwellings and or projects that are developed in terms of the Rural Housing Subsidy Instrument or to the in-situ upgrading of informal settlements where township establishment and the installation of engineering services have not yet taken place.

**B TOP STRUCTURE SPECIFICATIONS FOR THIS PROJECT :**

The developer is to complete the following as applicable to this project :-



**B1 PROJECT NAME :** .....

**B2 Size of top structures (gross floor area) :** ..... m<sup>2</sup>

**B3 Foundations :**

- \* conventional concrete strip footings  
*(Note : not acceptable if geotechnical allowance given)*
- \* raft foundation to Engineer's specification;
- \* raft foundation and pads to Engineer's specification;
- \* raft foundation and piles to Engineer's specification.
- \* Other : .....  
*(\* Delete / Fill in)*

*Note : If a geotechnical allowance has been given to the project, the Developer is required to provide a Geotechnical Certificate confirming conformance to the Geotechnical Engineer's specification for each new concrete/masonry superstructure house.*

**B4 Floors :**

- \* 100mm concrete surface bed *(to minimum 20 MPa).*
- \* Other : .....  
*(\* Delete / Fill in)*

**B5 Walls :**

- \* 150/90mm concrete block *(to applicable SABS standards)*
- \* Other : .....  
*(\* Delete / Fill in)*

**B6 Roof :**

- \* Fibre cement
- \* Other : .....  
*(\* Delete / Fill in)*

**B7 Doors**

B5.1 Internal : \* .....

B5.2 External : \* .....

*(\* : Specify)*

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I, ..... (name)  
hereby warrant that the top structures to be constructed within this project will conform to  
the minimum Norms and Standards as contained in this document.

\_\_\_\_\_  
**SIGNATURE:DEVELOPER**

**DATE**

## **ANNEXURE J**

### **PRO FORMAS OF PROJECT CERTIFICATES**

| *Pro Formas of Project Certificates to be used by the Developer : Tranche 1*

Formatted

**Certificate P1 : PLANNING APPROVAL (SETTLEMENT PLAN & PLANNING REPORT)**

**Certificate P2 : SURVEY CERTIFICATE**

**DEVELOPMENT RIGHTS AGREEMENT**

entered into between

**THE INGONYAMA TRUST**

established by section 2(1) of the  
KwaZulu-Natal Ingonyama Trust Act, 1994 (Act No KZ3 of 1994)  
(represented herein by \*  
in his capacity as a member of the Ingonyama Trust Board  
established by section 2A(1) of the said Act,  
he being duly authorised thereto and warranting such authority  
(hereinafter referred to as "the Trust")

and

**\* MUNICIPALITY**

(represented herein by \_\_\_\_\_  
in his capacity as Municipal Manager  
he being duly authorised thereto and warranting such authority  
(hereinafter referred to as "the Municipality")

**PREAMBLE**

**Whereas** the Trust and the Municipality have agreed that the area of land delineated on the plan annexed hereto marked Annexure "A", which the Trust owns, is to be developed by the provision of services and top-structures to the beneficiaries thereof in accordance with the terms and conditions of this agreement and the approval of the Department of Housing;

**and whereas** the parties wish to record their agreement in writing;

**NOW THEREFORE IT IS AGREED:-**

**1. DEFINITIONS**

1.1 In this agreement and unless inconsistent with the context:

1.1.1 words of the one gender shall include words of the other gender;

1.1.2 words importing the singular shall be deemed also to import the plural and vice versa;

1.1.3 headings to clauses shall not serve as a means of interpretation of any such clause.

1.1.4 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect shall be given to it as if it were a substantive clause in the body of the agreement, notwithstanding that it is only contained in the interpretation clause.

1.1.5 If any period is referred to in this agreement by way of reference to a number of days, the days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a business day, in which case the day shall be the next succeeding business day.

1.1.6 Any reference to days (other than a reference to business days), months or years shall be reference to calendar days, months or years, as the case may be.

1.2 The following words and expressions shall, unless inconsistent with the context, have the meanings assigned to them hereunder:

1.2.1 "area" the area referred to on the plan which is annexed hereto marked Annexure "A";

1.2.2 "beneficiary" a person who qualifies for a subsidy from the Subsidy Scheme and who occupies land in the area on the effective date under functional security of tenure as contemplated in the Subsidy Scheme;

1.2.3 "effective date" the date by when both parties have signed this agreement;

1.2.4 "project" the promotion of housing in the area by the Municipality through the provision of bulk and internal services and the construction of the top-structures for beneficiaries as described below;

1.2.5 "subsidy scheme" the subsidy scheme operated by the KwaZulu-Natal Provincial Department of Housing in terms of Part 3 Chapter 11 Housing Subsidy Scheme / Rural Subsidy approved by the national Department of Housing, and the Provincial Rural Guidelines for KwaZulu-Natal;

1.2.6 "traditional authority" the Traditional Authority or Community Authority having jurisdiction.

## 2. DEVELOPMENT RIGHTS OVER THE AREA

- 2.1 It is recorded that the Municipality wishes to:
  - 2.1.1 apply to the Department of Housing (KwaZulu-Natal) for funding for the project;
  - 2.1.2 obtain approval for the project from such authority as may be necessary;
  - 2.1.3 obtain funding in order to provide bulk and internal services to the area for the benefit of the occupants;
  - 2.1.4 construct top-structures for beneficiaries;
  - 2.1.5 provide the beneficiaries with confirmation of their existing tenure rights to the extent required by the Subsidy Scheme and the Trust.
- 2.2 It is recorded further that the \* Traditional Authority has consented to the project and a copy of its resolution is annexed hereto marked "B".
- 2.3 The Trust hereby makes available the area to the Municipality, which hereby accepts same, for the purposes of the project, on the terms and conditions more fully set out below.
- 2.4 Notwithstanding the provisions of clause 2.3 above, the Municipality acknowledges that it shall not infringe any rights which occupants may have in terms of the Interim Protection of Informal Land Rights Act, 31 of 1996 or the Extension of Security of Tenure Act, 62 of 1997, it being the intention of the Municipality to undertake the project for the benefit of the occupants.
- 2.5 This agreement shall commence on the effective date and shall endure for a period of 3 (three) years or such extended period as may be agreed in writing

by the parties, provided that either party may terminate the agreement upon 6 (six) months' written notice to the other, provided further that such notice may only be given in the event of the project not being undertaken for any reason whatsoever.

- 2.6 In the event that the project is completed to the reasonable satisfaction of the parties within the three year or extended period as provided in clause 2.5 then either party may terminate the agreement on one month's written notice.
- 2.7 With effect from the effective date, the Trust shall not encumber, pledge, lease, alienate or otherwise dispose of any of the land comprising the area or any interest or real right in such land to the prejudice of the beneficiaries during the currency of this agreement save under and in terms of the provisions of this agreement.
- 2.8 The Municipality shall not establish a township over the area nor shall it transfer ownership to the beneficiaries, and nothing in this agreement shall be construed as consent by the Trust thereto.
- 2.9 The Municipality will provide the Trust with a settlement plan indicating the location of each beneficiary together with a record of occupation of each and every beneficiary in the form annexed hereto marked "C". Such settlement plan and record of occupation shall be lodged with the Trust within 1 (one) month of the termination of this agreement as contemplated in clauses 2.5 and 2.6 above.
- 2.10 In the event that bulk services are provided then the Municipality or service provider will enter into a deed of servitude if so required by the Trust on terms to be agreed and subject to the Trust being indemnified from all costs involved.



- 2.11 Save with the written authority of the Trust, which authority shall not be unreasonably withheld, no electrical power or telephone pole or line or water, drainage or sewer pipe being upon or passing through, over or under the area and no replacement thereof, shall be removed or in any way be interfered with and reasonable access thereto shall be preserved to allow for inspection maintenance, repair, renewal and replacement thereof.
- 2.12 The Trust shall have the right to grant to a state department or local authority, a statutory corporation or parastatal organisation, or any non-statutory cellular telephone supplier the right freely to exercise or have public servitude over the area for the purpose of providing and maintaining public utility services and more particularly for the purpose of erecting telephone or electric power poles, installing electric or telephone wires and cables, laying down drains, sewers or water pipes and maintaining the same, provided that the Trust shall give the Municipality not less than 30 days written notice of its intention to grant a right contemplated in this clause.
- 2.13 No act, matter or thing, whatever, shall be done or permitted to be done upon the area or any part of the area by the Municipality, its employees agents or contractors which may cause or lead to pollution of the environment or result in the creation of any hazard to the health of other persons or become a nuisance or annoyance to or damage or in any way interfere with the peace and comfort of occupiers of adjoining or other premises in the neighbourhood.
- 2.14 It is recorded that the beneficiaries shall at all times be responsible for the payment of all assessment rates and other similar outgoings which may be levied on the land that they occupy.

### 3. **UNLAWFUL OCCUPATION**

- 3.1 The Municipality shall from and after the effective date:
  - 3.1.1 ensure that no persons occupy any part of the area unlawfully,
  - 3.1.2 take all reasonable steps to prevent the unlawful occupation of the area by any person, and
  - 3.1.3 where necessary evict any persons so unlawfully occupying the area.
- 3.2 The Trust hereby authorises the Municipality, for and on its behalf as owner of the land comprising the area, to take all lawful and necessary steps to evict any person unlawfully occupying any part of the area, and it agrees and undertakes on request of the Municipality:
  - 3.2.1 to give and grant to the Municipality or any duly nominated official or agent of the Municipality a Power of Attorney to take such steps as in law are required to evict any such person, and
  - 3.2.2 to co-operate with the Municipality to achieve such objective.
4. **GOOD FAITH**
  - 4.1 The parties may not, save in accordance with the terms and conditions of this agreement, cede, assign, encumber, pledge or disclose of any rights held in terms of this agreement without the prior written consent of the other parties hereto.
  - 4.2 The parties hereby undertake to act in the utmost good faith towards each other and cooperate in every regard in order to assist each other to achieve the objectives of this agreement.

## 5. **ARBITRATION**

- 5.1 In the event of there being a dispute, it is agreed that the dispute shall be submitted to arbitration subject to the provisions of this clause.
- 5.2 A dispute shall include, without prejudice to the generality of that term, the following:
  - 5.2.1 any action by any party in breach of or contrary to the provisions of this agreement;
  - 5.2.2 any dispute between any of the parties in connection with the interpretation of any provision of this agreement;
  - 5.2.3 any other matter whatsoever dealt with in this agreement.
- 5.3 In the event of there being a dispute, either of the parties shall provide the other party with written notice that the dispute shall be submitted to arbitration.
- 5.4 The appointment of the arbitrator shall be agreed by the parties and he shall be a person with knowledge and experience in the development industry; provided that in the event of the parties failing to agree on the appointment of an arbitrator within 3 (three) days after the date on which arbitration is demanded, then in that event the arbitrator shall be a suitably qualified person with knowledge of the construction industry who shall be appointed by the President of the time being of the South African Association for Consulting Engineers.
- 5.5 The arbitration shall be held at a place agreed upon between the parties, and failing such agreement, in Durban, in accordance with the formalities and procedures to be settled by the arbitrator and may be held in an informal and summary manner.
- 5.6 The parties shall be entitled to be represented at any arbitration held in terms of this clause.
- 5.7 Without derogating from the generality of the foregoing, the arbitrator shall be entitled:
  - 5.7.1 to investigate or cause to be investigated any matter, fact or thing which he considers necessary or desirable in connection with the dispute and for that purpose shall have the widest powers of investigating all the books and records of the parties to the dispute and the right to take copies or make

extracts thereof and the right to have them produced or delivered at any reasonable place required by him for the aforesaid purposes;

- 5.7.2 to interview and question the parties under oath;
- 5.7.3 to decide the dispute according to what he considers to be just and equitable in the circumstances;
- 5.7.4 to make an award, including an award for specific performance, an interdict, damages or otherwise as he may in his discretion deem fit and appropriate.
- 5.8 The arbitration shall be held as quickly as possible after it is demanded with a view to its being completed within 30 (thirty) days after having been demanded.
- 5.9 Immediately after the arbitrator has been agreed upon or nominated in terms of this clause, either of the parties to the dispute shall be entitled to call upon the arbitrator to fix a date and place when and where the arbitration proceedings shall be held and to settle the procedure and the manner in which the arbitration proceedings will be held.
- 5.10 Any award by the arbitrator:
  - 5.10.1 shall be final and binding;
  - 5.10.2 shall be carried into effect;
  - 5.10.3 may, if necessary, be made an order of any court to whose jurisdiction the parties to the dispute are subject.

## 6. **DOMICILIUM CITANDI ET EXECUTANDI**

6.1 For the purpose of this agreement the parties choose their respective *domicilium citandi et executandi* as follows:

6.1.1 the Trust: \*

6.1.2 the Municipality: \*

- 6.2 Written notice of any change in *domicilium citandi et executandi* shall be delivered by hand or sent by prepaid registered certified post to the intended recipients.
- 6.3 Every notice to be given in terms of this agreement shall be in writing and shall be:
- 6.3.1 delivered by hand to the *domicilium citandi et executandi* of the intended recipient in which event it shall be irrebuttably presumed to have been served and the intended recipient to have been informed of the contents of such notice when such notice is so delivered; or
- 6.3.2 posted by prepaid registered or certified post to the *domicilium citandi et executandi* or the last known postal address of the intended recipient in which event it shall be presumed to have been served and the intended recipient to have been informed of the contents of such notice on the fifth day, excluding Saturdays, Sundays, unless the contrary is proved.

## 7. **VARIATIONS**

No variation, modification or waiver of any provision of this agreement or consent to any departure therefrom shall in any way be of any force or effect unless confirmed in writing and signed by the parties and then such variation, modification, waiver or consent shall be effective only in the specific instance and for the purpose and to the extent for which it was made or given.

## 8. **WAIVER**

8.1 The waiver (whether express or implied) by either party of any breach of the terms or conditions of this agreement by another party shall not prejudice any remedy of the waiving party in respect of any continuing or other breach of the terms and conditions hereof.

8.2 *No favour, delay or relaxation or indulgence on the part of any party in exercising any power or right conferred on such party in terms of this agreement shall operate as a waiver of such power or right nor shall any single or partial exercise of any such power or right preclude any other or further exercises thereof or the exercise of any other power or right under this agreement.*

8.3 *The expiry or termination of this agreement shall not prejudice the rights of either party in respect of any antecedent breach or non-performance by another party of any of the terms or conditions hereof.*

9. **WHOLE AGREEMENT**

This agreement constitutes the whole agreement between the parties in relation to its subject matter and supersedes all prior agreements and no documentation, representation, warranty or agreement not contained herein shall be of any force between the parties.

igned at                      on this              day of                      2004.

S WITNESSES :

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**For and on behalf of the  
THE INGONYAMA TRUST**

igned at                      on this              day of                      2004.

S WITNESSES :

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**For and on behalf of  
\* MUNICIPALITY**



DEPARTMENT OF LOCAL  
GOVERNMENT AND TRADITIONAL  
AFFAIRS



**INFORMATION DOCUMENT:**

**ASSESSMENT OF *IN-SITU*  
HOUSING PROJECTS ON  
INGONYAMA TRUST LAND**

**JULY 2004**

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# GUIDELINE DOCUMENT FOR THE ASSESSMENT OF HOUSING PROJECTS ON INGONYAMA TRUST LAND

## SECTION A: BACKGROUND

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The National Department of Housing developed guidelines for housing in rural areas. In addition to the Department of Housing's requirements the Department of Local Government and Traditional Affairs has prepared a guideline document for the assessment of *in-situ* housing projects on Ingonyama Trust land since it is required to give planning consent for rural housing projects on Ingonyama Trust Land. The Chief Directorate Development Planning is *inter alia*, responsible for the promotion of orderly development of land in urban and rural areas in the Province and the Chief Directorate Traditional Land Administration is responsible for the management of land tenure processes in traditional authority areas in the Province. It is these responsibilities that have mandated the **Department of Local Government and Traditional Affairs** to assess rural housing projects.

With this mandate in mind, a workshop was held on 15 March 2004 between representatives from the **Department of Local Government and Traditional Affairs** and Department of Housing where it was agreed that the most suitable way of assessing these projects is by way of a technical assessment committee, similar to the process provided by the Development Facilitation Act (the Development Tribunal). It was also resolved that it would be useful to prepare an information document for municipalities, implementing agents and the Department of Housing setting out the planning application process as well as the documentation that would be required in order to assess rural housing projects (insofar as planning consent is concerned). This document is a result of numerous workshops with various role-players, including implementing agents. All municipalities and implementing agents are requested to meet the terms and conditions contained in this guideline document.

***It must be noted however, that when a municipality applies for a greenfield development, that municipality shall be required to apply in terms of Chapter 6 of the Development Facilitation Act (Act No 67 of 1995).***

## SECTION B: APPLICATION PROCESS

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***During the rural housing application process, the implementing agent is required to submit the 'pack of information' as required by the Department of Local Government and Traditional Affairs, to the Department of Housing in order to obtain planning consent.***

***The Department of Housing will then forward the 'pack of information' to:***

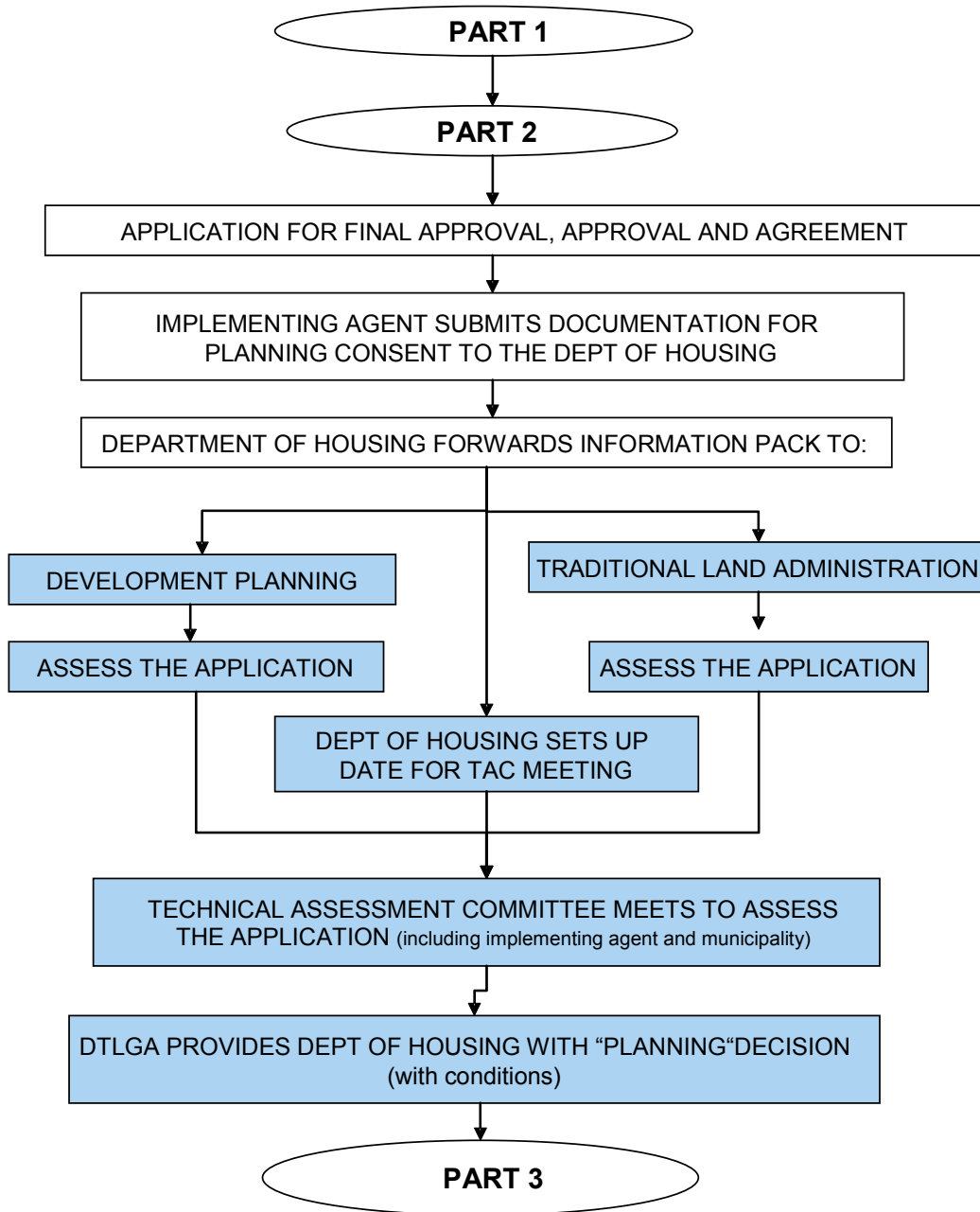
- ***Development Planning (LGTA)***
- ***Traditional Land Administration (LGTA) and;***
- ***will simultaneously schedule a date for the Technical Advisory Committee (TAC) to meet***

***LGTA will make a decision with technical assistance from the TAC.***

***After the assessment the Department of Local Government and Traditional Affairs will provide the Department of Housing with a 'planning' decision (with conditions attached). The Department of Housing will then proceed with the application upon gaining this decision.***

The 'flow diagram' on the following page clearly sets out the application process required in order to obtain 'planning consent'.

# PLANNING CONSENT FOR RURAL HOUSING PROJECTS ON INGONYAMA TRUST LAND



**SECTION C:**  
**DOCUMENTS REQUIRED BY THE DEPARTMENT OF LOCAL  
 GOVERNMENT AND TRADITIONAL AFFAIRS IN ORDER TO ASSESS  
 RURAL HOUSING PROJECTS ON INGONYAMA TRUST LAND**

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**The Department Local Government and Traditional Affairs require the following documents, reports and plans in order to reach a 'planning' decision:**

<b>DOCUMENTS</b>	
<b>1.</b>	<b><i>Explanatory memorandum</i></b>
<b>2.</b>	<b><i>Land availability agreement</i></b>
<b>3.</b>	<b><i>Service agreement</i></b>
<b>4.</b>	<b><i>Letter from the Land Claims Commissioner</i></b>
<b>5.</b>	Mineral rights certificate
<b>6.</b>	<b>Certificate of allocation / proof of tenure</b>
<b>7.</b>	Traditional authority consent

<b>REPORTS</b>	
<b>1.</b>	Socio-economic report
<b>2.</b>	Environmental impact assessment report and ROD or letter of exemption
<b>3.</b>	Geotech report

<b>OTHER DOCUMENTS / INFORMATION / PLANS</b>	
<b>1.</b>	Topographic Map
<b>2.</b>	Settlement Plan (including the 1:100 year floodline)
<b>3.</b>	Orthophoto
<b>4.</b>	GPS co-ordinates

**THE FOLLOWING INFORMATION MUST BE PROVIDED WITHIN THE RELEVANT DOCUMENTS**

• **Explanatory memorandum**

A memorandum providing information and motivation in support of the application must be submitted. The memorandum must set out all relevant facts and circumstances and include information regarding the following:

- **Property information**  
Provide the property description/s, and include a copy of the title deed/s.
- **History / background to the project**  
Provide a history / background to the project, e.g., brief history of the community, how long the community has lived there, background to how this community was identified for a housing project, other development projects that have taken place within the community. Include information of cultural significance to the area.
- **Physical attributes of the area**  
*Provide information on the physical aspects of the area, the topography, soil types, gradients, the location of perennial & seasonal rivers etc.*
- **Extent of the development**  
Provide information regarding the extent of the development, for example, the number of units being upgraded (beneficiaries), the number of additional units being developed. Include information about the location of the sites, particularly with regard to units that may be located within the 1:100 year floodline and information on how this may be resolved. Also include information about the serviceability of sites (with regard to topography in particular). Indicate the extent to which services will be provided. The municipality / implementing agent should also indicate how the relevant service authorities have prioritized (budget provisions) the future provision of services (roads, water, sanitation) to the community over the short to medium term. A plan of how the provision of services will be maintained and sustained should also be included in the motivation. Ensure that the settlement plan indicates land uses and surrounding land uses and back the plan up with information on these surrounding land uses that may include shops, other commercial uses and civic and social uses such as churches, crèches, clinics, mobile services. Also provide information regarding plans for future expansions of the community as well as the expansion of services to the area and neighboring communities. Confirmation / motivation should also be provided that the project (which may include expansion / upgrade) will not negatively impact on prime agricultural land and general agricultural activities, to the detriment of the community.
- **IDP and Land Use Management Plan**  
Provide information on how the project is aligned to the municipality's IDP and land use management plan for that area.

- Public Participation  
Provide confirmation on the level of community participation undertaken during the planning phase of the development, and include copies of minutes of meetings with the communities / letters of support for the project etc.
- **Contact Details**  
The municipality and implementing agent must provide all relevant contact details.

- **Land Availability Agreement**

Provide a copy of the accepted land availability agreement reached between the municipality and the Ingonyama Trust.

- **Service Agreements**

Provide a copy of all service agreements. This document must address the future provisions of basic infrastructural services, such as water and sanitation, to the affected community by the relevant responsible authorities.

- **Letter from the Land Claims Commissioner**

1.3\_  
1.4\_

A letter from the Land Claim Commissioner's Office must be included to confirm whether there has been any land claims registered against the property.

- **Mineral rights certificate**

Identify whether or not there are any mineral rights on the property.  
Obtain the mineral right holder's consent, if applicable.

1.5\_

- **Certificate of allocation / proof of tenure**

Provide either documentary proof of permission to occupy certificates issued to beneficiaries or certificates from the leader of the community to confirm such rights.

- **Traditional authority consent**

Provide a letter to confirm that the community has been consulted and that the traditional authority and the residents have no objection to the development.



**THE FOLLOWING INFORMATION MUST BE PROVIDED WITHIN THE RELEVANT REPORTS**

• **Socio-economic report**

A socio-economic report must be prepared in detail and submitted with the application. The municipality must conduct a survey to identify the following:

- Housing needs
- Potential beneficiaries
- The level of joint family income in terms of the Department of Housing's income subsidy bonds
- Existing employment and potential employment opportunities
- Existing services and needs

For example: Consultation with community in respect of:

- ❖ Methods of obtaining water,
- ❖ Distance travelled to get access to water,
- ❖ Method of disposal of sewage and refuse, and
- ❖ Level of service they require.

• **Environmental impact assessment or scoping report**

An EIA (or similar report) must be submitted addressing all major environmental issues including:

- **Whether the proposal will encourage environmentally sustainable land use and development practices and processes?**
- **The identification of areas of environmental significance and bio-diversity that need to be protected.**

The EIA record of decision or exemption letter must also be provided.

• **Geo-tech report**

Provide a geo-technical report (The geo-technical report must be prepared by a geotechnical engineer).

**THE FOLLOWING INFORMATION / DOCUMENTS / PLANS MUST BE PROVIDED**

- **Topographic map**

Provide a copy of a 1: 50 000 topographic map.

- **Settlement plan**

A settlement plan must be provided that indicates the layout of the settlement, the land uses including the siting of civic and social sites such as crèche's, schools, clinics etc, the layout of the settlement insofar as existing services are concerned (roads, water points etc) and insofar as the 1:100 year floodline. The settlement plan must also indicate the traditional authority boundaries and ward boundaries. (This information can be obtained from the DLGTA's Development Information Services offices in Pietermaritzburg, Ulundi or Mayville.

Indicate the 1: 100 year floodline on the plan. (The Department of Water Affairs and Forestry or a professional engineer must determine this).

- **Orthophoto**

Provide a recent 1: 10 000 orthophoto.

- **GPS co-ordinates**

A GPS co-ordinate per beneficiary site.

## **SECTION D: CONTACT DETAILS**

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The contact details for the relevant Development Planning offices are as follows:

### **Policy and Co-ordination Office**

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**Postal Address**

Development Planning: Co-ordination Office  
**Private Bag X9123**  
 Pietermaritzburg  
 3200

**Physical Address**

**Southern Life Plaza**  
**271 Church Street**  
 Pietermaritzburg

For attention: Mr. D Moffett

**Telephone No: 033 - 3556165**

**Fax No: 033 - 3556106**

### **Inland Office**

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Inland office includes local municipalities in the following district municipalities:

Amajuba	Uthukela
Umzinyathi	uMngungundlovu

**Postal Address**

Inland Implementation Office  
 Private Bag X9123  
 Pietermaritzburg  
 3200

**Physical Address**

Southern Life Plaza  
 271 Church Street  
 Pietermaritzburg  
 3201

For attention: Mr G Young or Mr M de Lange

Telephone No: 033 - 3556100

Fax No: 033 - 3556537

### **Coastal Office**

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Coastal office includes local municipalities in the following district municipalities:

Sisonke	iLembe
Ugu	eThekwini

**Postal Address**

Coastal Implementation Office  
 Private Bag X54310  
 Durban  
 4000

**Physical Address**

Mayville Building  
 7 Buro Crescent  
 Mayville  
 Durban

For attention: Mr K Suzor

Telephone No: 031 - 2041771

Fax No: 031 - 2041980

## Northern Office

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Northern office includes local municipalities in the following district municipalities:

uThungulu                      Zululand  
Umkhanyakude

### Postal Address

Northern Implementation Office  
Private Bag X64  
Ulundi  
3838

### Physical Address

Administration Building  
Dinuzulu Highway  
Ulundi

For attention: Mr L du Toit  
Telephone No: 035 – 874 2753  
Fax No: 035 - 8742644/9

## Traditional Affairs Branch: Directorate: Land Utilisation

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The address for the Directorate: Land Utilisation (of the Traditional Affairs Branch) is as follows:

### Postal Address

The Director: Land Utilisation  
Private Bag X31  
Ulundi  
3838

### Physical Address

Administration Building  
Dinuzulu Highway  
Ulundi

Mr M Sithole  
Telephone No: 035 - 8742888  
Fax No: 035 - 8742808

## Office of the Tribunal Registrar

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***The contact details for the office of the Tribunal Registrar (if a developer is applying in terms of the Development Facilitation Act 67 of 1995)***

### DEPUTY TRIBUNAL REGISTRAR: CO-ORDINATION OFFICE

Mr. S. H. Barkhuizen  
Address: Private Bag X 9123  
Pietermaritzburg, 3200  
Telephone: 033 - 355 6164  
Fax: 033 - 3556106

INLAND IMPLEMENTATION OFFICE**DEPUTY REGISTRAR:** Mr Gary Young

Address: Private Bag X9123

Pietermaritzburg, 3200

Telephone: 033 – 355 6446

Fax: 033 - 355 6212

COASTAL IMPLEMENTATION OFFICE**DEPUTY REGISTRAR:** Mr K G Suzor

Address: Private Bag X54310

Durban, 4000

Telephone: 031 - 204 1771

Fax: 031 - 204 1980

NORTHERN IMPLEMENTATION OFFICE**DEPUTY REGISTRAR:** Mr L du Toit

Address: Private Bag X31

Ulundi, 3838

Telephone: (035) 874 2753

Fax: (035) 874 2649

**ANNEXURE A***THE GENERAL PRINCIPLES OF THE DEVELOPMENT FACILITATION ACT (ACT NO 67 OF 1995) IN ASSESSING APPLICATIONS FOR RURAL SUBSIDIES*

The technical assessment committee will assess an application by adhering to the general principles of the Development Facilitation Act (Act No 67 of 1995). It is therefore recommended that the general principles in terms of the Development Facilitation Act be applied for all land developments.

- (1) The general principles are as follows:
  - (a) Policy, administrative practice and laws should provide for urban and rural land development and should facilitate the development of formal and informal, existing and new settlements.
  - (b) Policy, administrative practices and laws should discourage the illegal occupation of land, with due recognition of informal land development processes.
  - (c) Policy, administrative practice and laws should promote efficient and integrated land development in that they-
    - (i) Promote the integration of the social, economic, institutional and physical aspects of land development;
    - (ii) Promote integrated land development in rural and urban areas in support of each other;
    - (iii) Promote the availability of residential and employment opportunities in close proximity to or integrated with each other;
    - (iv) Optimize the use of existing resources including such resources relating to agriculture, land, minerals, bulk infrastructure, roads, transportation and social facilities;
    - (v) Promote a diverse combination of land uses, also at the level of individual erven or subdivisions of land;
    - (vi) Discourage the phenomenon of "urban sprawl" in urban areas and contribute to the development of more compact towns and cities;
    - (vii) Contribute to the correction of the historically distorted spatial patterns of settlement in the Republic and to the optimum use of existing infrastructure in excess of current needs; and
    - (viii) Encourage environmentally sustainable land development practices and processes.

- (d) Members of communities affected by land development should actively participate in the process of land development.
- (e) The skills and capacities of disadvantaged persons involved in land development should be developed.
- 1.6\_  
(f) Policy, administrative practice and laws should encourage and optimize the contributions of all sectors of the economy (government and non-government) to land development so as to maximize the Republic's capacity to undertake land development and to this end, and without derogating from the generality of this principle-
- (i) National, provincial and local governments should strive clearly to define and make known the required functions and responsibilities of all sectors of the economy in relation to land development as well as the desired relationship between such sectors; and
- 1.7\_  
(ii) A competent authority in national, provincial and local government responsible for the administration of any law relating to land development shall provide particulars of the identity of legislation administered by it, the posts and names of the persons responsible for the administration of such legislation and the address and locality of the offices of such persons to any person who requires such information.
- 1.8\_  
(g) Laws, procedures and administrative practice relating to land development should-
- (i) be clear and generally available to those likely to be affected thereby;
- (ii) in addition to serving as regulatory measures, also provide guidance and information to those affected thereby;
- (iii) be calculated to promote trust and acceptance on the part of those likely to be affected thereby; and
- (iv) give further content to the fundamental rights set out in the Constitution.
- (h) Policy, administrative practice and laws should promote sustainable land development at the required scale in that they should-
- (i) promote land development which is within the fiscal, institutional and administrative means of the Republic;
- (ii) promote the establishment of viable communities;
- (iii) promote sustained protection of the environment;
- (iv) meet the basic needs of all citizens in an affordable way; and
- (v) ensure the safe utilisation of land by taking into consideration factors such as geological formations and hazardous undermined areas.
- (i) Policy, administrative practice and laws should promote speedy land development.

- (j) Each proposed land development area should be judged on its own merits and no particular use of land, such as residential, commercial, conservational, industrial, community facility, mining, agricultural or public use, should in advance or in general be regarded as being less important or desirable than any other use of land.



- (k) Land development should result in security of tenure, provide for the widest possible range of tenure alternatives, including individual and communal tenure, and in cases where land development takes the form of upgrading an existing settlement, not deprive beneficial occupiers of homes or land or, where it is necessary for land or homes occupied by them to be utilised for other purposes, their interests in such land or homes should be reasonably accommodated in some other manner.
- (l) A competent authority at national, provincial and local government level should co-ordinate the interests of the various sectors involved in or affected by land development so as to minimise conflicting demands on scarce resources.
- (m) Policy, administrative practice and laws relating to land development should stimulate the effective functioning of a land development market based on open competition between suppliers of goods and services.

## **ROLES AND RESPONSIBILITIES OF KEY ROLE PLAYERS IN INTEGRATED RURAL DEVELOPMENT**

### **1 SPHERES OF GOVERNMENT**

#### **1.1 NATIONAL SPHERE OF GOVERNMENT SHOULD PROVIDE**

- A framework for sectoral, provincial and municipal planning to ensure orientation towards
- Coordination and prioritisation of programmes and budgets between sectors and sphere in line with the framework
- Support municipal planning by providing a set of planning tools and methods
- Contribute to planning costs
- Cater for a general framework of training programmes and curricula development
- Ensure a nationwide support system
- Provide opportunities for the exchange of ideas and experiences

#### **1.2 THE PROVINCIAL SPHERE OF GOVERNMENT SHOULD PROVIDE**

- A more specific framework for all sector departments and all municipalities
- Co ordination of sectoral programmes and of district programmes as well as alignment between municipal planning and sect oral planning.
- Contribute to planning costs
- Provide professional feedback on methodological as well as substantive aspects of the IDP
- Ensure appropriate training
- Organise learning networks between municipalities

#### **1.3 THE LOCAL GOVERNMENT SPHERE (DISTRICT AND LOCAL MUNICIPALITIES)**

In terms of the Municipal Systems Act and KZN Planning and Development Act each municipality is required to prepare an integrated development plan for the whole municipality. A key component of integrated development plans are the requirement to prepare a spatial development framework and land use management system (LUMS), which can be applied to the entire municipality.

The preparation of an IDP and Land Use Management Systems allows sectoral plans such as an Environmental Management Plan, Water Plan, Transportation and Housing plans to be developed.

The preparation of the various sect oral plans arising from the IDP and spatial framework assists the municipality in aligning funding requirements with the various plans. In other words the Municipality based on its equitable share of resources can best align these resources to the various sectors in an integrated manner.

Municipalities are responsible for the planning and co ordination of development on Ingonyama Trust Land, but currently have very little direct influence over either tenure or development application process.

## **2 KEY STAKEHOLDERS**

### **2.1 INGONYAMA TRUST BOARD – LAND OWNER**

The Ingonyama Trust Act established the Ingonyama Trust Board and the Board seeks to preserve the integrity of the land under its jurisdiction by not releasing land but rather leasing or issuing PTO'S.

Ingonyama Trust Land refers to all land, which is legally held in title by the trust. The Ingonyama legislation indicates that the Trust shall be administered for the benefit, material welfare and social well being of the members of the tribes and communities living on the land.

In general terms Amakhosi or traditional leaders in terms of indigenous law undertake the day-to-day land administration at local level. Amakhosi are empowered to administer the land in terms of the Amakhosi and Iziphakanyizwa Act of 1990.

The Municipal Structures Act 2000 recognises the Traditional Authorities that observe a system of customary law and allows for them participate in the proceedings of Council of a specific municipality.

General good practice in integrated rural development process's must recognise the roles and responsibilities of the Land Owner (ITB), Traditional Authorities, DTLGA and Municipalities as well as their inter relatedness and the absolute need for co operation with one another

### **2.2 TRADITIONAL AUTHORITY HAVING JURISDICTION OVER THE AREA**

Amakhosi or traditional leaders in terms of indigenous law undertake the day-to-day land administration at local level. Amakhosi are empowered to administer the land in terms of the Amakhosi and Iziphakanyizwa Act of 1990.

According to indigenous customary law, amakosi are responsible for land allocation and administration. The Amended Rural Guidelines for rural Housing Projects recognizes these powers and acknowledges the right of the Traditional Authority to allocate Land, to individual beneficiaries, via functional security of tenure.

In terms of section 81 of the Municipal Structures Act Traditional Leaders may participate in the proceedings of a municipal council. The code of conduct set out in clause 15 of the code of conduct in the Municipal Systems Act also deals with Traditional Leaders.

## **3 GOVERNMENT DEPARTMENTS / SERVICE PROVIDERS (INCLUDING PARASTATALS)**

A significant amount of financial resources for the implementation of projects lie with sector departments. The IDP process so as to ensure that their services are implemented in a structured manner should guide the sector departments

Sector Departments should contribute to an integrated and aligned development process by

- Providing stakeholders with relevant information on sector department's policies, programmes and budgets.
- Contribute sector expertise and technical knowledge to the formulation of municipal policies and strategies
- Be guided by other sectors and more specifically sector plans

The most important and relevant sectors are

- Department Of Traditional And Local Government Affairs
- Department Of Housing
- Department Of Transport
- Department Of Health
- Department Of Welfare
- Department Of Works
- Department Of Water Affairs And Forestry
- Department Of Agriculture And Environmental Affairs
- Department Of Population And Social Development
- Eskom
- Telkom

Their responsibilities are outline below

## **3.1 DEPARTMENT OF TRADITIONAL AND LOCAL GOVERNMENT AFFAIRS**

### **3.1.1 TRADITIONAL AFFAIRS BRANCH IS RESPONSIBLE FOR;**

- Traditional institutional management
- Traditional Affairs administration
- Traditional Land Administration through its Land Utilization Directorate deals with tenure related issues such as the issuing of PTO's as well as dealing with land disputes. Land disputes could be both external and internal.
- Urban and Rural development

### **3.1.2 LOCAL GOVERNMENT BRANCH**

#### **3.1.2.1 Local Government**

The Local governance programme consists of six sub – programmes namely

- Municipal Administration
- Municipal finance
- Disaster management
- Municipal infrastructure
- Training co ordination
- uMsekeli Municipal support services

The purpose of the programme is to establish, monitor, supervise, regulate and strengthen the capacity of municipalities.

### **3.1.2.2 Development planning**

This Chief Directorate comprises of five sub – programmes namely;

- Development administration
- Development information services
- Integrated development planning
- Spatial planning
- Support to Provincial Planning and Development Commission

### **3.1.2.3 Development administration**

## **Is responsible for**

Processing of development planning applications under different legislation.

### **3.1.2.4 Development information services**

## **Is responsible for**

Providing assistance to District and local municipalities with respect to the establishment of functional and effective GIS support.

### **3.1.2.5 Integrated Development planning and spatial planning**

## **Is responsible for**

Providing support and strengthening the capacity of municipalities with respect to implementing Municipal Development Planning, IDP review process's and Municipal Organisational Performance Management.

## **3.2 DEPARTMENT OF HOUSING**

## **Is Responsible For**

- Determining the equitable distribution of housing subsidies across the Province
- Determining provincial priorities based on the most pressing needs of the province and the priorities of Government
- Receiving and managing a budget from the National Department of Housing
- Assisting municipalities in preparing housing sector plans
- Preparing and managing a provincial housing plan
- Assisting municipalities in preparing applications for subsidies based on housing plans
- Evaluating and approving housing projects
- Monitoring and managing housing projects and the housing fund in general
- Ensuring that projects comply with National and Provincial norms and standards and related legislation.

### **3.3 THE DEPARTMENT OF TRANSPORT**

#### **Is responsible for**

- Determining the equitable distribution of the transport budget across the Province
- Receiving and managing a budget from the National Department of Transport
- Preparing and managing a provincial transport plan
- Monitoring and managing roads, traffic and transportation programs including the rural roads program
- Ensuring that projects comply with National and Provincial norms and standards and related legislation.

### **3.4 THE DEPARTMENTS OF HEALTH AND WELFARE**

#### **Is responsible for**

- Determining the equitable distribution of the Health and Welfare budget across the Province
- Receiving and managing a budget from the National Department of Health and Welfare
- The role out of the HIV aids program
- Primary and secondary healthcare programs
- Planning new hospitals and clinics
- Managing welfare and disability grants.

### **3.5 THE PROVINCIAL DEPARTMENT OF WORKS AND THE NATIONAL DEPARTMENT OF PUBLIC WORKS**

Is responsible for

- Managing capital works programs for state funded projects such as the construction of schools, clinics, community centres, police stations, hospitals etc
- Managing and maintaining existing state assets in the form of existing buildings and facilities
- Planning of new facilities

### **3.6 THE DEPARTMENT OF WATER AFFAIRS AND FORESTRY**

Is responsible for

- Managing of water resources to ensure the sustainable utilisation thereof
- Managing capital works programs to ensure the sustained supply of potable water and adequate sanitary solutions to prevent the contamination of water sources
- Manage and implement water awareness campaigns and consumer education.
- Manage and protect natural forests
- Ensure the sustainability of man made forest by managing the impact on natural resources and specifically water resources

### **3.7 DEPARTMENT OF AGRICULTURE AND ENVIRONMENTAL AFFAIRS**

Is responsible for

- Agricultural extension services
- Agricultural engineering services
- Agricultural technology development
- Environmental management services
- Farmer support programs
- Agricultural training
- Sustainable natural resource utilisation and community participation
- Agricultural grants for emerging farmers

## 3.8 ESKOM

### Is responsible for

- Bulk supply of electricity through the provision and maintenance of electrical infrastructure
- Electrification programs in rural areas
- Consumer education on the save and efficient use of electricity
- Planning and implementation of extended grid networks including land planning

## 3.9 TELKOM

### Is responsible for

- Supply of electricity through the provision and maintenance of bulk electrical infrastructure.
- Electrification programs in rural areas
- Consumer education on the save and efficient use of electricity
- Planning and implementation of extended grid networks including land planning

### **NON-GOVERNMENTAL SERVICE PROVIDERS**

- Implementing agents
- Developers
- Ngo's
- Churches and religious groups
- Communities



# DBSA: INTEGRATED RURAL HOUSING MANUAL WORKSHOP

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**Date: 04 May 2005**

**Venue: Natalia Auditorium, Pietermaritzburg**

**Time: 8:30**

*Note: All presentations will be available on the PPT web site at [pptrust@worldonline.co.za](mailto:pptrust@worldonline.co.za)*

## **FOREWORD**

This Workshop relates to a DBSA-funded project focussing on the development and production of a practical Integrated Rural Housing Manual (refer to the Manual for more information). The main purposes of the workshop were: a) to disseminate information contained in the draft Manual (a copy of which was provided to everyone attending the Workshop) and thereby assist in empowering officials with the necessary knowledge and tools in respect of rural housing; b) to obtain feedback and comment from those attending the Workshop on the content and format of the Manual and thereby enable improvements. The workshop was attended by a total of 105 participants (mainly officials) from a range of municipalities and government departments. The Itinerary for the Workshop and Attendance Register are contained in **Attachment 1** and **Attachment 2**.

## **1. SECTION 1: INTRODUCTION AND CONTEXT**

### **1.1 WELCOME:**

*Presented by Mr Mike Fraser (PPT)*

The master of ceremonies Mr Mike Fraser from Project Preparation Trust (PPT) opened the workshop, welcoming all present and thanking the DBSA for its funding support and the various departments for their contributions in preparing the manual. The historical context, purpose and need for the manual were also summarised.

The need for building practical skills within local municipalities and an integrated approach to rural housing was also emphasised.

## **1.2 KEYNOTE ADDRESS:**

### **Presented by HOD Dept. Mr Chris Ntsele, Housing**

#### **(Attachment 3)**

Mr Ntsele provided a short introduction to the development of the KZN rural housing policy. Commencing with the housing rights enshrined in the Bill of Rights through Chapter 11 of the National Housing Code and closing off with the current planning and applications requirements developed by the Provincial Housing Department in consultation with DTLGA, Ingonyama Trust Board and other sectors.

Thereafter the importance and content of Municipal Housing Plans was highlighted with an emphasis placed on co-operation between the key stakeholders to ensure that rural development is sustainable. The development of alternative tenure arrangements from functional tenure to long-term leases was also discussed.

In closing Mr Ntsele stated that,

*“To-date rural housing development is my Department’s priority and we are committed to the development of housing policies, which will alleviate poverty and implement housing projects in a coordinated manner, in order to create sustainable human settlements.”*

## **1.3 THE CONTEXT FOR RURAL HOUSING IN KWAZULU NATAL**

### **Presented by Mr Frikkie Brooks, General Manager Development Planning, DLGTA)**

#### **(Attachment 4)**

Mr Brooks based his very informative presentation on the resolution of five basic questions. These questions and summary answers are outlined below:

*What is rural housing?*

In the context of this workshop, rural housing refers to the in-situ upgrade of traditional homesteads on Ingonyama Trust Land.

*Why rural housing?*

Mr Brooks briefly covered the legal and policy requirements covering the Constitution, Rural Development Policies, the new KZN Provincial Priorities and the PGDS. Furthermore the severe housing backlog per municipality and the fact that 53% of KZN’s population live in rural areas were highlighted.

*What are the legal requirements?*

The legal planning requirements for rural development on Ingonyama trust land were detailed from settlement plans through to proof of tenure and Traditional Authority consent.

*How to achieve integration?*

With the local municipal IDP and the housing sector plan as the basis Mr Brooks outlined the importance of plans and processes such as the following:

- Spatial Development Framework;
- Infrastructure funding (MIG);
- Other government programmes, such as education, health, sport and recreation, social facilities, etc.

- Employment creation programmes such as EPWP;
- Local Economic Development programmes;
- Agricultural support programmes; and
- Poverty relief programmes.

*What are the potential pitfalls?*

Mr Brooks outlined potential pitfalls for the rural housing program as follows:

- Entrenching a dispersed rural settlement pattern with substantial service delivery implications i.t.o: Cost of services, Level of services and the lengthy time required to address existing backlogs.
- Co-ordination with and alignment of funding priorities for housing and other infrastructure (DM & LM alignment)
- Caution not to infringe on communal or other land use rights
- Starting a process that will inevitably lead to township development
- Municipal capacity to manage rural development process
- Conflict between municipal and traditional community participation structures (Ward Committees and Isigodi)
- Lack of co-ordination in implementation

*How can DTLGA assist?*

The following were the main functional areas through which the Department plans to assist with the housing process in rural areas.

- Traditional Land Administration
- IDP Processes
- Land Use Management Systems
- Development Information
- Development Administration.

#### **1.4 QUESTIONS: AFTER MR FRIKKIE BROOKS' PRESENTATION**

Panel members: Mr Frikkie Brooks FB (General Manager, Development Planning, DLGTA), Mr Peter Woolf, Manager, Strategic Housing Support (DOH), Mr Mark Misselhorn MM (CEO PPT), Mr Mpathi Sithole, Manager, Land Utilisation (DLGTA) Mr BL Shabalala, General Manager, Land Utilisation and Planning, DLGTA)

*Q: How are we able to maintain sustainability in rural development especially in terms of informal settlements and employment and how do we link rural and urban development? Question from Msunduzi Municipality*

We accept and understand that these two types of development are linked because people want to live in rural areas and work in urban areas. People want to bring their children up in rural areas, although we must recognise that the dynamics are completely different between the two types of developments. However I am not sure that the process of providing jobs through the housing delivery process is sustainable in the long term as the process comes to an end at the end of the delivery of the project. **FB**

But this is not about creating cities or industrial areas in these rural areas, it is about upgrading existing homes and there is a need to integrate this process between the various sectors such as health transport etc. **FB**

It is vital that we generate economic activities in these rural projects. This is even more important than in an urban housing projects due to the lack of economic activities in these rural areas. **MM**

*Q: Not only do we have the difficulties of the difference between district and local municipal levels but projects are being packaged in batches of 1000 as well. How do we plan for these projects if only a section of 1000 sites is being delivered in a broader area?*

**Municipalities must have a Capital Infrastructure Development Plan, which coordinates infrastructural development. Therefore development must take into account all of the families in an area, so that infrastructure and other services do not have to be upgraded once a new project in the next phase is delivered in the same area. FB**

**Initial spatial planning and reports such as the environmental scoping report should be carried out over the whole tribal authority area, before the phasing of a project has been determined to ensure that better informed infrastructural and integration decisions are made. MM**

*Q: What are the implications of the Communal land rights Bill?*

**Mr Brooks did not want to go into detail on the bill, however he did indicate that more applications would be received in areas where traditional authorities have not kept good records with fewer applications and a minimal effect of the bill where good records have been kept. FB**

*Q: What are the financial implications of timeframe delays, escalations and how is it possible to maintain realistic timeframes?*

**Both the subsidies and the MIG allocations are adjusted year on year based on inflation figures. We are also moving toward a MIG provision for infrastructure and a subsidy only for housing. Capacity building is also being provided to assist local municipalities but local municipalities need to assist in the process through the establishment of a dedicated housing section. PW**

**As identified in the manual, one of the suggested solutions to the financial timeframe issues would be to align budgeting process with the realistic delivery timeframes on housing projects. MM**

*Q: When is there a requirement for the DFA process in rural planning and are environmental reports required?*

**The DFA application process need not be followed when you are dealing with insitu-upgrades of existing rural housing. But if the area is being densified and/or extensive infrastructure development is being provided the DFA route must be followed. FB**

**These developments need to be initiated with environmental scoping reports. FB**

**It was again confirmed that this workshop and the associated Manual is dealing with insitu upgrade housing projects on Ingonyama Trust Land. MM**

## 2. SECTION 2: RURAL HOUSING MANUAL

### 2.1 RURAL HOUSING; A DEVELOPMENT INFORMATION PERSPECTIVE

*Presented by Mr Mervin Naik, Manager Development Information Services, DLGTA (Attachment 5).*

**Mr Naik briefly outlined the mandate of the Development Information Services (DIS) as follows:**

- **To coordinate integrated planning and development**
- **To facilitate the implementation of integrated planning and development**

**Therefore DIS's primary role is as a one-stop shop in the provision of development information especially in GIS format. The Global Information System's (GIS), its history and purpose was then briefly explained.**

**Mr Naik thereafter outlined the department's spatial database. These consist of 1:50,000 map sheets, which have a selection of available information such as the spatial frameworks, LUMS and IDP linkages, which can be displayed on them.**

**In answer to the question, how can GIS help in rural housing? Mr Naik highlighted the following main functions of the GIS system in relation to rural housing delivery;**

- **Allows access to accurate and current spatial data**
- **Allows one to view existing service infrastructure and thus plan the location of housing projects that fall in line with existing services and land use projects that are in a municipalities IDP**
- **census data can be displayed on a map to view population, income, existing housing types etc which allows one to understand the dynamics of an area**
- **Settlement information can be derived from the orthophoto as it allows one to pick up where existing settlements are located.**

**In closing Mr Naik highlighted some of his department current initiatives and then gave a brief tour of the development planning's web page.**

### 2.2 KZN LAND USE MANAGEMENT SYSTEM (LUMS)

*Presented by Renee Hulley, Senior Deputy Manager, Spatial Planning, DLGTA (Attachment 6).*

**Mrs. Hully briefly outlined the legal mandate of LUMS as well as the purpose and function of integrated development planning in the province.**

**The main achievements of the DTLGA were outlined as follows:**

**All 61 municipalities have had their draft 2005/6 IDP reviewed by the decentralised Provincial Multi-Sectoral IDP Forum, and in effect municipalities will now adopt IDP's that have had for the most part strategic and financial input by service providers both nationally and provincially.**

**Land use management systems LUMS and land use schemes were defined as follows, A land use management system refers to all the actions required by municipalities to manage land, while a Land Use Scheme consists of a plan and a document that regulates all the land under the municipality's jurisdiction.**

**In terms of rural housing development Mrs Hulley highlighted the need for a greater level of planning to ensure that rural developments included:**

- **A planned area in a central location for the establishment of businesses, community facilities and government and municipal services;**
- **The identification of agricultural land, woodlots, areas for thatching grass and building materials which need to be protected from residential expansion;**
- **The reservation of land for roads, servitudes, communal open spaces and public facilities.**

## 2.3 INTEGRATED DEVELOPMENT

### Presented by Mark Misselhorn CEO, Project Preparation Trust

Mr Misselhorn started with an outlined of the purpose and structure of the draft Integrated Rural Housing Manual and how it should be used as a resource. He then highlighted the following main sections and themes related to integrated development as contained in the Manual:

- Definitions of integrated development
- Project level integration
- Utilisation of local level spatial plans
- Need for appropriate project selection and project preparation
- Typical projects that can accompany rural housing to promote greater integration and sustainability
- Constraints / challenges to integrated development and possible solutions.

### 2.4 QUESTIONS: After Mr Mervin Naik, Mrs. Rene Hulley, and Mr Mark Misselhorn presentations Panel: Mark Misselhorn, Rene Hulley, Mervin Naik

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*Q: Who pays for these integration processes, and how does this align with a land use scheme?*

***For this project (KwaShangase) we have used money from a number of different donor sources in order to prove the need/requirement for these plans and reports. But for future projects, funding does need to be sourced for these processes and spatial plans, presumably from either the Dept. Housing or the DLGTA, or both. MM***

***The challenge is to communicate the land-use scheme to communities and find funding for this process. Schemes may replace spatial plans if they exist in an area in which housing approval is required. (A different perspective was later offered by Mr Frikkie Brooks who indicated that housing projects would in fact require some form of separate spatial planning funding in order to achieve Department of Housing and initial DTLGA planning approval). Currently most municipalities do have draft land-use schemes however the lack of funding for this process is a major issue. There is also a link between local level spatial planning and the land-use schemes as they repeat the participation process with local communities. RAH***

*Q: Is there a cost involved in obtaining this information?*

***Much of the required information can be obtained via District Municipalities or from the DLGTA website at limited cost - or and printed out at your own cost. If maps are required the general costing will be R 60 for a an A2 and R75 for a A0 size. MM / MN.***

*Q: The Land Use Management System is still a Bill when will this be promulgated and become legally binding?*

***The Bill will start its legislation process by the end of this year. The KZN's development bills final draft will be served in July at the Provincial Steering Committee. However municipalities can use current legislation, in terms of the Town Planning Ordinance, to adapt their schemes. RAH***

*Q: As this is a draft manual what is the process of rolling this information and knowledge out and how will it be updated?*

***We will look at the process of how we roll training in support of the Manual out at the local level however this will be based on the availability of funding. Currently we also have no budget for updating this document. We will however be discussing this issues with the Department of Housing in the near future, once the Manual if finalized. The Manual, Workshop***

**Records, and all attachments will be made available on the PPT website and probably also that of the DLGTA. MM**

## **2.5 PRESENTATION ON THE STEP-BY-STEP HOUSING PROCESS FLOWCHART AND THE IMPLEMENTATION OF RURAL HOUSING PROJECTS**

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*Presented by Mr. Dave Pay consultant (also involved with developing policy for the Department of Housing on rural housing)*

**Mr Pay outlined and explained the flow chart contained in the Manual, In addition, some of the main points from this presentation were as follows:**

**An equitable share of housing subsidies should be allocated based on housing backlog and population statistics. However currently subsidies are not being reserved on an annual basis, and many of the required steps for effective project prioritisation are still under formulation. This results in over subscription of subsidies to certain areas with unequal or no subsidies allocated to other areas.**

**The department of housing needs to set up a program in order to guide municipalities in this process. Currently most municipalities do not have a housing sector plan. These 1000 site rural housing project phases must be planned in an orderly fashion and we must realise that there is not enough budget to provide wall-to-wall projects in all the rural areas.**

**LUMS is not a broad framework for housing development and further more specific frameworks are required. Legislation requires that all development should go through the IDP process but agreement on this issue needs to be clear from the beginning so that this housing process cannot be challenged on legal grounds.**

**Currently 14 to 15 projects have achieved tranche 1 approval but none have gone through to stage 2 (detailed design). One project - the Dududu rural housing project -has been taken through a dummy run in terms of a pre-hearing for planning approval. This project was returned from the pre-hearing with a requirement for even more detailed and specific planning, with locations required to each unit to be constructed.**

**The Department of Housing has decided in its rural program to concentrate on housing specifically, which includes the VIP on site, with minimal funding allocated for infrastructure, as they believe this is not a core function of housing.**

**Key requirements of tranche 2 applications have as yet not been formalised by the Department of Housing. The manual therefore includes what we believed to be the main factors that must be considered in these stages.**

**Furthermore Mr. Pay highlighted specific challenges, as outlined in the manual, in relation to the delivery of housing rural areas and presented the proposed integrated rural development process flow chart.**

## **2.6 QUESTIONS AND GENERAL COMMENTS AFTER MR PAY'S PRESENTATION:**

*Panel: Dave Pay, Frikkie Brooks, Mark Misselhorn, Peter Woolf, Mpathi Sithole*

### **2.6.1 General comments:**

**Housing sector plans are vital in order to assist in the process of programming and guiding the delivery of housing in rural areas. FB**

**LUMS will not cover all the requirements for housing projects therefore further local level spatial planning is required. FB**

**Development planning is prepared to investigate different systems for the planning requirements on these projects, but the rules of the game must be clear up front. We must ensure (through the planning process) that we are not challenged halfway through a project on a legal basis, and that we are able to identify development risk early in the process. FB**

***'This integrated housing manual is a quantum leap forward for the development of housing projects in rural areas, however the issue of land tenure and land rights needs attention. We also need to align the land and housing programs.'*** Quote from the floor

***The following suggestions were received from the floor.***

- ***We need to look at the wording in step eight of the flowchart. (After discussion it emerged that this comment related mainly to the role of the municipality as developer and its responsibility to take over the O&M of services).***
- ***The role of the implementing agent is not clear in the process. (After discussion it was clarified that the chart defines the process and not procurement strategies. It was also noted that Municipalities have choices in respect of when and how they engage IA's. Reservations were however expressed by the DLGTA and DoH in respect of the Turnkey mechanism – as outlined below).***
- ***We need a home to integrate and coordinate the various sector silos. (It was noted that the new Intergovernmental Relations Bill will go some way towards addressing this objective.)***
- ***It was noted that the IDP is a combination of all of the plans not an aspect of them as indicated in the manual. RH***
- ***It was suggested that timeframes be included in the manual / flowchart.***

Questions:

***Q: How long does the first step in the process take? (I.e. IDP and housing plans)***

***The IDP's and other sector plans related to step one should already be in place in most municipalities. However it must be understood that the current situation does not follow an ideal model therefore housing projects will still proceed even if all of these plans are still not in place. If the municipality has to prepare these plans from scratch, step one can take anything from three to six months. DP***

***Q: What type of project are we were dealing with in the flowchart i.e. Greenfields or insitu, and are these DFA requirements?***

***The flow chart covers insitu projects on Ingonyama trust land. DP  
The requirements in the flow chart are housing requirements and not the DFA requirements.***

***Q: Should the integration of various sectors not be done through the district IDP i.e. the district is responsible for coordinating the involvement of the various sectors (and not at the local municipal level) Rudi Hillerman , Ingonyama Trust.***

***This is part of the Department of Housing's municipal capacity building programme. The Department of Housing still needs a clear strategy on its district vs. local planning position. Currently in terms of planning requirements we have decided due to the difficulties of dealing with all of the 61 local municipalities to establish 10 or 11 district level planning bodies. FB***

***Furthermore this issue is made even more difficult due to the ongoing conflict between local and district municipalities relating to their roles and responsibility. In reality this process is very difficult and it is definitely not plain sailing. Housing projects cannot stand still and need to carry on. We are therefore looking at assisting municipalities financially in putting their housing plans together. PW***

***It is important to clarify that the equitable share is received from national housing every year however conditional grant is related to housing subsidies. FB***

***Q: The question relates to the level of service and the difference between accepting a service level and taking a service over. This is vital for local councils and relates to the required ongoing operation costs. These costs need to be understood and factored in at the feasibility stage and not once the project is being implemented? Val Spearman, VS***



***It must be clearly understood that the applicant in these rural housing developments is the municipality, which is the developer. Therefore the municipality must decide on the level of services that is to be implemented in the project related to their ability to maintain those services over time. The districts must look at their functions and Housing will look at housing. It is not Housings intention to hand over 300 km of gravel road to a district, which cannot manage the service. DP***

*Q: A number of questions were raised relating to the appointment of Implementing Agents (IA's) especially on a turnkey basis. In this respect it was also stated that IA's are appointed too early in the development process. It was requested that the DoH advise municipalities as to the correct timing and procurement procedure to follow in these projects. It was suggested that the DoH establish a database of all IA's and that this should be used to blacklist certain IA's who do not perform. And finally the requirement for IA's was questioned.*

***The crux of the matter revolves around the reservation of subsidies and that before the municipality knows how much money and houses they have they cannot proceed with these procurements. Only once this is achieved can IA's be appointed based on a clear understanding of their required scopes of work, their capacity and through a formal tendering process. DP***

***Mr. Brooks indicated that his Department is moving away from turnkey contracts as the consultants often arrive with a group of their pet consultants who have been appointed with no regard to the correct procurement procedures that should have been followed. FB***

***Mr. Frikkie Brooks indicated that his Department is currently looking at a database of all professional service providers and the legal implications of blacklisting. He stated that initially they are looking at piggybacking on existing data bases such as those established by the Department of Public Works. FB***

***If municipalities have the capacity to implement their own projects then they do not need IA's. Currently the MEC wants to limit IA's to a maximum of 4 projects. FB***

***We should preferably only be appointing agents once pre-feasibilities have been completed and the project concept and initial viability clearly defined. Then we know clearly what needs to be done in respect of responding appropriately to housing needs and what development approach is most suitable. MM***

### 3. SECTION 3: CASE STUDY KWASHANGASE INTEGRATED HOUSING DEVELOPMENT PROJECT

Mr. Bernd Rothaug (Iyer Rothaug Collaborative) presented on the KwaShangase Spatial plan & Mr. Vusi Ngwenya gave a presentation on the integrated aspects of the KwaShangases pilot housing development.

**Both of these presentations were based on information drawn mainly from the corresponding sections in the manual.**

#### 3.1 QUESTIONS AFTER THE CASE STUDY PRESENTATIONS

Q: Are the beneficiaries expected to pay back the costs of these spatial plans?

**There is no repayment required from the beneficiary. However if the project is eventually approved the initial costs for the development of these plans may be repaid from the housing subsidy - although the responsibility for the payment for the local level spatial development plan is still under discussion. MM**

**There must be clarity in terms of the planning terminology used. We have called this initial development plan a local spatial plan - this differs from the broader spatial development plan, which is part of the IDP's spatial development framework (SDF). Planning needs to be kept simple and there must be planning feedback at a local level to ensure that plans are relevant to actual conditions on the ground. This enables the IDP's translation at the local level in a practical way. MM**

Q: What interaction exists with Ingonyama trust board?

**The Ingonyama Trust Board needs to be informed about the project at the earliest initial stage. A letter of support is required for the initial tranche one funding application to the Department of Housing from the Board. Traditional authority consent is a prerequisite for this letter. Robert Mann (RM)**

Q: What participation is there with the ward committees?

**There has been participation with the local development committee as well as the traditional authority (KwaShangase), which covers both of the wards. Vusi Ngwenya (VN)**

Q: Could you clarify PPT's role in the packaging and project facilitation process?

**PPT provides assistance to local municipalities and communities and various departments in coordinating and managing the preparation phases of a range of projects. Specific funding allocated to PPT is utilized for specific types of projects. One funding mechanism is that of PPT making available an interest free and unsecured loan to a project via its Municipality (as was the case with KwaShangase and Ndwedwe Municipality). With this method of funding and project preparation there is no risk to the municipalities because if the project is not approved then they will not have to repay PPT's loan. However if the project is successfully approved PPT's initial funding outlay must be repaid by the municipality. Furthermore PPT coordinates various sources of funding in order to promote integrated development projects. PPT does not have in-house specialists but we can provide technical support for conceptualising projects**

Q: What is planned in this pilot project in terms of economic development?

**The project aims to provide economic development from the bottom up through identify existing micro enterprises and supporting these ventures. (As detailed in the pilot project section 3 of the manual) MM**

**Integration requires incentivisation for the developer / municipality and its IA as usually the parallel-integrated development processes (egg: economic development, health care, education, food security etc) can actually detract from the primary process of delivering**

***houses due to budgetary and capacity constraints.*** (This means that other government departments and funders need to be involved in, and contribute to, the integrated housing process – egg: Dept Economic Development providing funding for economic development initiatives.) *RM*

#### 4. SECTION 4: FEEDBACK AND DISCUSSION

*Panel members: Mr Frikkie Brooks, Mr Peter Woolf , Mr Mark Misselhorn, Mr Mpathi Sithole, Mr Shabala, Dave Moffett, Deputy Manager, Development Administration, Dave Pay, Renee Hully.*

##### 4.1 Issue 1: Budget allocations, housing plans and the need for planning of scarce resources, including local spatial planning

***The reservation of subsidies becomes a difficult process if we attempt to provide an even spread of subsidies to all local municipalities, as with 60 municipalities some of the municipalities will receive a very small amount of subsidies which will not enable them to implement housing projects.***

***There are currently many projects in the pipeline (which are awaiting subsidy allocation decisions), and currently the MEC is sitting with a reservation/allocation formula on which a decision is required. It may be that we have to look at concentrating reservations around districts and not local municipalities. PW***

***What is a rural housing? Is it peri-urban, urban or rural, how do we do define it? This should be our starting point. Dave Dunston (DD)***

***It is very difficult to define what we mean by rural housing. However we should now be moving away from trying to define rural housing and we should rather develop planning strategies that deal with projects in broad categories. It should be the responsibility of the municipality to decide if the project is urban or rural. That is why you have locally elected leadership to deal with issues such as these. FB***

***The point, that this workshop was dealing with 'deep' rural projects i.e. Projects, which do not require formalised township establishment processes, was again reiterated. FB***

***This (rural definition) must be clearly defined in the manual and how this fits with PGDS. DD***

##### 4.2 Issue 2: Prioritising housing projects

***The panel raised the issue of delivering rural housing in a planning vacuum where local level IDP's are not linked to housing projects on the ground and where housing development plans are, in most cases, not yet formulated. This then led to the issue of the prioritisation of housing projects in rural areas. The following question was then raised. What difficulties do municipal officials have in prioritising housing projects of the rural nature (i.e. difficulties in putting a housing priority list together). Panel***

***The Housing Flow Chart presented in the manual ignores the important process of the Council decisions and decision processes relating to the rural housing projects delivery. Val Spearman, Msunduzi***

***The difficulty is not where you put houses but how you take the process forward. Every one of these steps requires council decisions and resolutions. There are cost implications in terms of the services to be taken over and a detailed process that needs to be followed in order to take these decisions. Where would the budget come from in order to appoint consultants (to complete the required packaging reports) is not a problem about prioritising but about implementing. VS***

***The money to appoint service providers can come from preparation funding provided by the Department of Housing. MM***

***Housing plans are vitally important in terms of prioritising projects. The council determines what projects as part of the IDP are being approved. DP***

***One of the major problems is the confusion around the divisions of powers and functions between district and local municipalities. Furthermore service providers such as Eskom***

**delivered projects to one municipality, but these municipalities are not aware of other projects in surrounding areas this puts the municipality in a difficult position. Floor**

**Furthermore there are problems related to the divisions between the Local Authority and the Traditional Authority. People are not aware of the correct procedures that need to be followed in these areas. Furthermore there is political pressure to deliver housing especially as we move towards the elections however we cannot have housing delivery in all wards. DP**

**The main issue is that we must budget and prioritise projects to determine what are the most important projects to implement. We need to clearly understand the issue of limited resources. PW**

**Now that we are moving towards an election everyone wants to be seen to be delivering. We have to start delivering now on our delivery expectations. There are many other groups building houses in the rural areas such as Ithala. We have to look at the outcome on the ground in these areas. By the time we have gone through all the steps required, people would have already built in the area. This will open the gap between the richer and the poorer. Mr. BL Shabalala**

**People are getting funding from different sources to build houses, but often this ends up with housing sitting with a problem of right sizing for people who cannot pay for these houses. DP**

*Q: What is the division between the services portion and the housing portion in these areas?*

**We have to be careful with these issues and balance between the two extremes. Some communities originally wanted a Durban North service level (with a very small residual for housing) and these communities now want the Department of Housing to upgrade their housing. Other communities chose lower service levels, which the municipalities have subsequently upgraded. DP**

#### **4.3 Issue 3: Practical steps to improve integration at a project level**

**The most important thing is to start at the beneficiary level to understand what is expected and what is happening on the ground. MM**

**The IDP is the correct mechanism to coordinate the various sectors but we can only get on a workable platform if we have a housing sector plan. Furthermore you must have an idea of the strategic direction for municipalities i.e. for urban or rural expansion. Thereafter we go to MIG for linkages for bulk services and other MIG funding. PW**

**It is important that the service provider forums get together so that aspect such as transport, education and local economic development can be coordinated. PW**

**The districts must pull the local municipalities together to create overall alignment. FB**

Mr Frikkie Brooks detailed the new Intergovernmental Relations Bill. Under this new bill District Mayors are required to establish (in consultation with municipal managers) both District Consultative Forums DCF's and Technical Advisory Structures TAS's in order to assist the process of coordinating service delivery to communities. These broader committees can furthermore establish technical sectoral committees, which will be responsible for specific aspects of integrating service delivery. Currently there is a drive to establish the IDP (housing focus) as a fixed agenda item for the meetings of these various committees. Currently the Premier's coordinating forum is already formed and the district-coordinating forum will be implemented before the end of the year. This new Bill raises some complex issues and we must ensure that the correct protocols are in place before it is fully implemented. **FB**

**A further problem is that we do not document our experiences and end up restarting processes again and again. PW**

Where do service provider forums fit and how can we improve on them?

***In the 05/06-draft IDP assessment there is a common thread that service provider forums are not yet fully participating in the IDP process, although they are starting to get more involved, especially with departments such as the DoH and DLA requiring compliance and greater involvement in these forums. RH***

***The service provider forums were set up before the IDP process was implemented. The question remains as to how these various service providers interact with all 61 local municipalities. It would be far easier if the service providers had to deal only with the 11 districts structures. If the service providers are required to interact with all of the local municipalities, you end up as with a low-level representative clerk at these meetings. Another option would be to have a two-day IDP conference once or twice a year for service providers to interact. FB***

*Q: The discussion then centered on the requirement for and the source of funding for the spatial development plan.*

***There is no reason why one cannot pay for the spatial development plan from the housing subsidy just as you would normally pay for a preliminary town plan in a normal urban development. RM***

***Furthermore funding can be found from the local municipal capacity building programme and SDF/LUMS process. This funding could be used to develop these plans (local level spatial development plans), there is a linked funding agreement with the DBSA, with 50% of the funding coming from this organization. The scope of LUMS won't sufficiently cover the requirements for a local spatial plan required for an integrated rural housing project. FB*** (This is contrary to earlier suggestions that LUMS could possibly meet the requirements of local spatial plans. From the above discussion it became clear that additional funding would in fact be required in order to produce such spatial plans for integrated rural housing projects such as the one prepared by PPT for the KwaShangase Project)

***The IDP consists of an initial broad spatial development framework, which then becomes more detailed in the spatial development scheme. The spatial development plan (local level) should become part of the overall spatial development framework. It should not be cast in stone, as there should be a level of flexibility. FB***

#### **4.4 General closing Discussion**

***We need to look at some of the rigid planning systems which have been implemented in the past. For instance in these broad rural areas expensive flood-line analysis will not assist us, and broad planning criteria should be set. PW***

***In terms of phasing we cannot go for an even distribution through various wards. DP***

***The phasing of projects should work on a subsidy system principal, where there is initially one subsidy allocated per umuzi and additional subsidies are provided in the second and third phases on that umuzi. PW***

***This position (one subsidy per household in the first phase) will create some problems, as there are in some instances over eight potential beneficiaries in one household. These other potential beneficiaries may be deprived of their subsidies. Furthermore once the second phase comes there may not be space available to construct new units. Dave Moffett (DM)***

***There is no reason why the department will not allow three subsidies to be allocated per household. However these issues will have to be dealt with at the level of the project by the relevant Municipality in consultation with the Traditional Authority and with reference to their Housing Plan. The issue revolves around how broad the subsidy can be spread and what the priorities of the Municipality are. PW***

**50 to 60% of the province resides in the six biggest municipalities but there is a great political implication of concentrating only on those six. Therefore it will require a trade-off in terms of prioritising the allocation of funds to municipalities. FB**

**We must gain clarity on the division between the district and the local level. FB**

**The Communal Land Rights Act team needs to talk to the local officials involved in housing projects, the Act is committed to not stopping housing projects however, they must have access to the data that is collected in these projects. RH**

**There is a tension between the constitutionally defined right to have access to housing and the limited availability of resources to deliver housing. Municipalities will need to clearly define their strategic and developmental priorities (in consultation with Traditional Leadership). This should presumably be done by means of their Housing Plan which should, in essence, be their system for prioritizing housing within their area of authority and which need not be a complicated plan. There will not be sufficient funding to undertake all desired projects simultaneously and carefully considered choices will therefore have to be made. In making such choices it would be highly beneficial if reference was made to integrated development principles (especially in terms of project level integrations), economic development opportunities and co-funding or gearing that can be obtained from other, non-housing sources, whether from other government department programmes, donor funders or the private sector. MM**

**There is a negative impact relating to certain externalities, which need to be considered, for instance land disputes/claims, we need to look at dealing with these issues. Floor**

**One way of looking at communicating a limited housing budget is to look at a spatial representation of how far the yearly budget can be spread. RM**

#### **4.5 Closure**

**All the participants were thanked for their useful contributions. The general feeling expressed, in closure, was that the workshop had been very beneficial to all involved. It was requested that comments on the manual be submitted to Robert Mann within two weeks of the date of the workshop.**

*The workshop was closed at 4H15*

Attachments:

1. Workshop Itinerary
2. Attendance Register
3. Opening address by the Head of Department, Mr Chris Ntsele
4. Presentation by Frikkie Brooks
5. Presentation by Mervyn Naik
6. Presentation by Rene Hulley

## Abbreviations:

<b>DD</b>	<b>Dave Dunstan</b>
<b>DM</b>	<b>District Municipality</b>
<b>DoH</b>	<b>Department of Housing</b>
<b>DP</b>	<b>Dave Pay</b>
<b>FB</b>	<b>Frikkie Brooks</b>
<b>MM</b>	<b>Mark Misselhorn</b>
<b>MN</b>	<b>Mervyn Naik</b>
<b>LM</b>	<b>Local Municipality</b>
<b>PW</b>	<b>Peter Woolf</b>
<b>RH</b>	<b>Rudi Hillerman</b>
<b>RM</b>	<b>Robert Mann</b>
<b>VN</b>	<b>Vusi Ngwenya</b>
<b>VS</b>	<b>Val Spearman</b>



## POLICY AND LEGAL FRAMEWORK FOR INTEGRATED RURAL DEVELOPMENT

The following list contains the key policy documents and legislative frameworks which should be considered / understood in the process of undertaking integrated rural development projects / process's.

ID	DOCUMENT / LEGISLATION/ TITLE	AUTHOR / SOURCE / COMMENTS	DATE OF PUBLICATION / ENACTMENT		
1	INTEGRATED RURAL DEVELOPMENT WHITE PAPER FOR KWA ZULU NATAL	Province of KZN.	DEC 1998	3 PARTS PAGES	
2	INTEGRATED RURAL DEVELOPMENT YOUR GUIDE TO UNDERSTANDING THE WHITE PAPER ON INTEGRATED RURAL DEVELOPMENT	CABINET OF KZN and the Inter Departmental Integrated Rural Development Workgroup.	1998	14 PAGES	
3	PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS)	Province of KZN. Source Internet DTLGA website			

ID	DOCUMENT / LEGISLATION/ TITLE	AUTHOR / SOURCE / COMMENTS	DATE OF PUBLICATION / ENACTMENT		
4	KZN LAND USE MANAGEMENT SYSTEM GUIDELINE MANUAL	PROF. M. Kahn, Anette Von Riesen, Peter Jewel and the Town and Regional Planning Commission. Source: DTLGA	JUNE 2001	8 SECTIC	
5	THE KZN LAND USE MANAGEMENT SYSTEM A QUICK OVERVIEW	Planning and Development Consortium in association with DTLGA.	NOV 2002	13 Pages	
6	INTEGRATED RURAL DEVELOPMENT STRATEGY (ISRDS)	National Government. Source Internet	2000	8 SECTIC	
7	OPTIONS FOR TOWNSHIP ESTABLISHMENT ON INGONYAMA TRUST LAND	Provincial Planning and Development Commission.	OCTOBER 2004	55 PAGES	
8	KZN LAND USE AND DEVELOPMENT BILL OF 2003	Province of KZN	2003		
9	AMAKHOSI AND IZIPHAKANYIZWA ACT OF 1990	Province of KZN	1990		
10	CHAPTER 11 OF THE NATIONAL HOUSING CODE	National Department of Housing			
11	ADDITIONAL RURAL HOUSING GUIDELINES	KZN Department of Housing	1994		

ID	DOCUMENT / LEGISLATION/ TITLE	AUTHOR / SOURCE / COMMENTS	DATE OF PUBLICATION / ENACTMENT		
12	VERSION 5 INSTITUTIONAL HOUSING APPLICATION PACK AND AGREEMENT	KZN Department of Housing	1996		
13	VERSION 1 RURAL HOUSING APPLICATION PACK	KZN Department of Housing	2004		
14	GUIDELINES TO ASSIST MUNICIPALITIES IN THE PREPARATION OF MUNICIPAL HOUSING PLANS	KZN Department of Housing	2002		
15	HOUSING PLANNING TEMPLATE	KZN Department of Housing	2003		
16	INGONYAMA TRUST DEVELOPMENT RIGHTS AGREEMENT	Ingonyama Trust Board	2004		
17	DEPARTMENT OF TRADITIONAL AND LOCAL GOVERNMENT AFFAIRS: ASSESSMENT OF IN-SITU HOUSING PROJECTS ON INGONYAMA TRUST LAND.	DTLGA – Development planning directorate	2004		
18	KZN LAND AFFAIRS ACT OF 1992 (ACT11)	LEGISLATION	1992		
19	UPGRADING OF LAND TENURE RIGHTS ACT 112 OF 1991	LEGISLATION	1991		
19	LESS FORMAL TOWNSHIP ESTABLISHMENT ACT OF 1991 (ACT 3)	LEGISLATION	1991		
20	DEVELOPMENT FACILITATION ACT OF 1995 (ACT 67)	LEGISLATION	1995		
21	INGONYAMA TRUST ACT OF 1994 (ACT 9) AND THE AMENDMENT ACT OF 1997 (ACT 9)	LEGISLATION	1997		
22	COMMUNAL LAND RIGHTS ACT OF 2004 (ACT 11)	LEGISLATION	2004		

ID	DOCUMENT / LEGISLATION/ TITLE	AUTHOR / SOURCE / COMMENTS	DATE OF PUBLICATION / ENACTMENT		
23	INTERIM PROTECTION OF INFORMAL RIGHTS ACT OF 1996 (ACT 31)	LEGISLATION	1996		
24	UPGRADING OF LAND TENURE RIGHTS ACT OF 1991 (ACT 112)	LEGISLATION	1991		
25	MUNICIPAL SYSTEMS ACT NO 32 OF 2000. MUNICIPAL STRUCTURES ACT OF 1997 (ACT 117) AND AMENDMENTS.	LEGISLATION	1997 & 2000		
26	MUNICIPAL PROPERTY RATES ACT OF 2004 (ACT 6)	LEGISLATION	2004		
27	PUBLIC FINANCE MANAGEMENT ACT 29 OF 1999	LEGISLATION	1999		
28	MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003	LEGISLATION	2003		
29	HOUSING ACT OF 1997	LEGISLATION	1997		
30	THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA ACT NO 108 OF 1996	LEGISLATION	1996		
31	NATIONAL ENVIRONMENTAL MANAGEMENT ACT NO 187 OF 1998	LEGISLATION	1998		
32	NATIONAL WATER ACT NO 36 OF 1998	LEGISLATION	1998		
33	NATIONAL LAND TRANSPORTATION TRANSITION ACT 22 OF 2000	LEGISLATION	2000		
34	KZN PLANNING AND DEVELOPMENT ACT NO 5 OF 1998	LEGISLATION (NOT YET ENACTED)	1998		
35	LAND USE BILL 2001	LEGISLATION	2001		

<b>ID</b>	<b>DOCUMENT / LEGISLATION/ TITLE</b>	<b>AUTHOR / SOURCE / COMMENTS</b>	<b>DATE OF PUBLICATION / ENACTMENT</b>		
36	INTERIM PROTECTION OF INFORMAL LAND RIGHTS ACT (ACT No.31 OF 1996)	LEGISLATION DEPARTMENT OF LAND AFFAIRS	1996		
37	LAND REDISTRIBUTION FOR AGRICULTURAL DEVELOPMENT (LRAD)	LEGISLATION DEPARTMENT OF LAND AFFAIRS			
38	BENEFICIAL OCCUPATION FOR STATE LAND	POLICY DEPARTMENT OF LAND AFFAIRS			

## 1. GOVERNANCE AND ADMINISTRATION

### G1. STRATEGIC PLANNING AND POLICY CO-ORDINATION

#### Strategic Objective:

***To provide a framework for the development and effective implementation of the PGDS and to ensure the alignment of departmental strategic plans and local government Integrated Development Planning (IDP) processes.***

The objective of this strategy is to facilitate an integrated and co-ordinated system for planning in provincial government through the implementation of a stronger framework for strategic planning, coordination and implementation of policy ensuring effective coordination of government programmes and activities.

#### Key Processes:

- Implementing national policy and legislation on municipal integrated development planning, and co-ordinating Land Use Management Systems (LUMs).
- Preparing policy document for direction for the PGDS Programmes in relation to strategic planning and IDP processes.
- Supporting the preparation and review of municipal IDPs, facilitating alignment of the PGDS and Municipal IDPs and monitoring the implementation of municipal IDPs.

**Strategy Champion:** Office of the Premier and the Department of Traditional and Local Government Affairs. Other stakeholders including all Provincial Sector Departments, relevant service providers, and municipalities.

#### Key Performance Indicators:

- Number of PGDS Programmes and key programmes incorporated in strategic plans and IDP's.
- Alignment between the PGDS, Strategic plans and IDPs.
- Number of Strategic Plans finalised in the 2004/2005 financial year (submitted and approved) according to PGDS Institutional Framework.
- Measure the effective implementation of strategies through a Performance Management System.

### G2. INTER-GOVERNMENTAL CO-OPERATION

#### Strategic Objective:

***To implement a framework for inter-governmental relationships and promote inter-governmental collaboration in planning, activities and projects.***

This strategy is focused on the effective establishment and functioning of institutional structures and systems to ensure that the national, provincial and local spheres of Government plan and work collaboratively.

#### Key Processes:

- Establishing and operating a co-ordinating forum, constituted of the Premier and all district and metro mayors.
- Developing and improving interventions and approaches that build and enhance inter-government co-operation
- Co-ordinating plans and strategies of local, provincial and national government in terms of the provinces targets and objectives.

- Developing an international relations strategy, co-ordinating the formulation and unpacking of bi-lateral agreements with global partners and twinning arrangements with certain countries to meet objectives.

**Strategy Champion:** Office of the Premier. Other stakeholders include the Department of Local Government and Traditional Affairs, all Provincial Departments, all municipalities and Kwanaloga.

**Key Performance Indicators:**

- Number of inter-governmental collaboration projects undertaken for service delivery.
- Reduction in the number of duplicated projects for service delivery.
- Increased number of PPP's.

### **G3. COHERENT SPATIAL FRAMEWORK**

**Strategic Objective:**

***To formulate and facilitate an integrated spatial information framework for the province to enhance integrated planning, implementation, monitoring and evaluation of the PGDS.***

The strategy aims to ensure spatially co-ordinated service delivery throughout KwaZulu-Natal, provides for a spatial framework for the Province to focus on municipal areas where support is needed urgently for sustainable development, and highlights the critical importance of our cities growth and development.

**Key Processes:**

- Establishing a provincial multi-sectoral spatial planning forum to engage with stakeholders on spatial planning patterns and raise awareness on Provincial GIS as an information resource for integrated planning
- Compiling a Provincial Spatial Framework (PSF) to develop the terms of reference and business plans.
- Facilitating the preparation of Municipal Spatial Development Frameworks and implementation of municipal Land Use Management Systems (LUMS) and the SDI Act of 2003.

**Strategy Champion:** Office of the Premier, with other stakeholders including the Department of Local Government and Traditional Affairs, Statistics South Africa and provincial departments, relevant service providers, and municipalities.

**Key Performance Indicators:**

- Increase in accessing and use of integrated Provincial GIS for planning.
- Number of updated quality assured digital spatial and attribute data sets integrated into GIS from different sources.
- Number of Municipal Spatial Frameworks reviewed
- Number of municipalities with adopted LUMS.

### **G13. ENVIRONMENTAL MANAGEMENT**

**Strategic Objective:**

***A framework to ensure the preservation, enhancement, extension, sustainable development and conservation of natural resource assets of the province.***

The environment is a non-renewable capital asset which requires foresight and wise management to ensure sustainability and sound socio-economic development through natural resource conservation. The strategy highlights sound environmental principles in natural resource planning and management, to improve long term environmental maintenance and quality.

**Key Processes:**

- Ensuring sound environmental management legislation and sustainable development principles are being followed.
- Conducting an audit of the provinces environmental resources.
- Developing a provincial state of the environment report with long term conservation objectives to ensure the responsible use of the provinces natural heritage and resources.
- Developing conservation empowerment projects to enable disadvantaged and rural communities (heavily dependent on their natural environments) to participate in conservation.
- Ensuring compliance to environmental legislation by government, public and private companies and individuals through monitoring systems.
- Integration of sound environmental principles into strategic planning of provincial government departments and municipal IDPs, including co-ordinating land-use management systems.

**Strategy Champion:** Department of Agriculture and Environmental Affairs

**Key Performance Indicators:**

- Increase in areas dedicated to formal and informal environmental conservation.
- Improvement in quality of natural resources.
- Increase Government and municipal compliance to environmental legislation.

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- Improvement in quality of natural resources.
- Increase Government and municipal compliance to environmental legislation.



## 2. ECONOMIC DEVELOPMENT

### E1. PROMOTION OF AGRI-INDUSTRY

**Strategic Objective:**

***To create a framework to consolidate, develop and diversify the province's agricultural bases in order to achieve sustainable competitive advantage through value-adding activities, create jobs and transform the economic structure of the province.***

Research and implementation of new agricultural product ranges, boosting of capacity to support agri-processing, and the interaction between government, industry, and businesses, are required to diversify agri-industry KwaZulu-Natal.

**Key Processes:**

- Researching and implementing new agricultural product ranges.
- Developing Agribusiness Incubators and supporting the development of District Agribusiness Plans in IDPs.
- Establishing the capacity to support agri-processing (research, technical, business, marketing).
- Facilitating sector information co-ordination, collaborative knowledge management and setting guidelines for interaction between government, industry, and businesses.

**Strategy Champion:** Departments of Finance and Economic Development, Agriculture and Environmental Affairs, working in collaboration with other stakeholders such as Ithala, the Agriculture Development Fund and TIK.

**Key Performance Indicators:**

- Number of agro-processing projects initiated.
- Number of new processed agricultural products.
- Increase in value-added manufactured exports.
- Increase in contribution of manufacturing and agricultural sectors to GDP.
- Increase in variety of products exported.

### E2. NEW LOCAL ECONOMIC DEVELOPMENT (LED) OPPORTUNITIES

**Strategic Objective:**

***To create a framework to formulate and implement sustainable economic empowerment strategies and initiatives in the KZN province.***

A broad strategic framework for LED, aligned with the National LED Policy, will be formulated to accelerate local economic processes. Private sector initiatives will be mobilised to take advantage of and engage in local opportunities. The capacity in the municipalities will be developed to accelerate local economic processes through research support and resources for project development and strategy implementation.

**Key Processes:**

- Identifying new LED opportunities and the introduction of measures that will allow these opportunities to be exploited.
- Providing resources and support for project development and strategy implementation to developing municipal capacity.
- Co-ordinating national, provincial, district and local level interventions targeting local economic development processes.

**Strategy Champion:** Department of Economic Development in collaboration local government, donors, parastatals, NGOs, CBOs, financial and private sector institutions.

**Key Performance Indicators:**

- Increase in number of LED projects
- Number of business start-ups in selected sectors
- Increase in private financing leveraged.

### **E3. BUSINESS SUPPORT SERVICES**

**Strategic Objective:**

***To create a framework to facilitate the provision of business support services to existing and new SMMEs to enhance sustainability and promote entrepreneurship.***

This strategy entails creating an enabling environment for Small Medium and Macro Enterprises (SMMEs), to allow them access to opportunities and creating an enabling environment to allow access to resources that will enhance their competitiveness and ensure sustainability.

**Key Processes:**

- Developing procurement relationships and establishing project support for interaction of large public and private sector organisations with SMMEs
- Establishing projects and programmes relating to mentoring and capacitating of local business service centres.
- Conducting needs assessment in respect of one-stop shop Business Support Service Centres and developing action plans to address gaps.
- Establishing a central business support infrastructure for KwaZulu-Natal for the co-ordination of non-financial and financial services to provide optimal support to businesses.

**Strategy Champion:** Department of Finance and Economic Development, working in conjunction with local government, businesses and other relevant institutions.

**Key Performance Indicators:**

- Decrease in business failure rate.
- Increase in number of start-up ventures.
- Increase in success rate of start-up ventures.
- Increase in number of one – stop shop Business Support Service Centres in previously disadvantaged areas.
- Increase in number of experienced and qualified staff Advisors within the Business Support Service Centres.
- Increase in the average lifespan of existing businesses.
- Number of mentorship programmes created for SMMEs.

### **E4. AGRICULTURAL EMPOWERMENT PROJECTS**

**Strategic Objective:**

***To create a framework for the development of agricultural empowerment projects to provide opportunities for previously disadvantaged communities in order to maximise the agricultural potential of the province.***

The strategy aims to exploit existing agricultural opportunities in order to maximise the agricultural potential of the province and create employment opportunities and the identification of optimal systems for sustainable resource utilisation.

**Key Processes:**

- Developing business skills training programmes for farmers, assistance and support in research and development and capacitating emerging farmers through training programmes.
- Facilitating and providing assistance to farmers to encourage self-employment in the agricultural sector, and provide linkages to the commercial agricultural sector.
- Establishing an integrated stakeholder approach to drive agricultural empowerment projects thereby enabling sustained economic growth and resource utilisation.
- Ensuring broad-based black economic empowerment is addressed and jobs created and beneficiaries are community-based.

**Strategy Champion:** The Department Agriculture and Environmental Affairs in conjunction with the Departments of Finance and Economic Development, with consultations and inputs from traditional leadership and communities.

**Key Performance Indicators:**

- Percentage of economically active community based farmers.
- Increase in number of agricultural empowerment projects.
- Increase in number of new jobs created in the agricultural sector.
- Number of individuals skilled through workshops and training courses.
- Number of Agri-BEE established.
- Increase in number of agricultural projects based on indigenous environment resources

### 3. COMMUNITY AND SOCIAL INFRASTRUCTURE

#### C1. WATER, SANITATION AND REFUSE REMOVAL

**Strategic Objective:**

***To create a framework for equitable service delivery to ensure sustainable access to safe drinking water, improvement of sanitation and refuse removal facilities.***

This strategy will involve the building of the municipal capacity to deliver water, sanitation and refuse services, and establishment of monitoring mechanisms for service delivery that will ensure basic acceptable levels of services are provided to the province.

**Key Processes:**

- G4. Developing an integrated approach towards water, sanitation and refuse service delivery to improve co-ordination of and efficiency amongst stakeholders.
- G5. Evaluating current service delivery infrastructure against needs of communities through consultation to identify appropriate action plans.
- Developing Provincial Service Delivery Guidelines on water, sanitation and refuse removal provision according to national and provincial legislative requirements.
  - Rendering basic levels of service and the need for free basic services.
  - Ensuring proper infrastructure operation and management policies and programmes.

**Strategy Champion:** Department of Traditional and Local Government Affairs. Other stakeholders include municipalities, Water Service Boards, and the Department of Water Affairs and Forestry.

**Key Performance Indicators:**

- Number of households that have piped water on site.
- Number of households that have piped water within 200m of their dwelling.
- Number of households with municipal refuse removal.

Number of households with access to flushable toilets.

- Number of households with access to pit latrines.

## **C2. ROADS AND TRANSPORT**

### **Strategic Objective:**

***To create a framework to provide, maintain and upgrade an equitable, adequate, safe and well-managed transportation system to facilitate socio-economic development.***

This strategy will facilitate the provision, maintenance and upgrading of the provincial transport network, road and rail infrastructure system that supports economic development.

### **Key Processes:**

- Conducting a road condition assessment of all roads to determine road maintenance needs.
- Conducting a road needs assessment in order to address inadequacies.
- Conducting an assessment of public transportation needs in order to address inadequacies.
- Ensuring proper maintenance and management of existing infrastructure.

**Strategy Champion:** Department of Transport, in collaboration with the Department of Finance and Economic Development, Local Government and Traditional Affairs, and other stakeholders.

### **Key Performance Indicators:**

- Increase in road and public transport access.
- Increase in kilometres of roads upgraded.
- Increase in kilometres of roads constructed.

## **C3. HUMAN SETTLEMENTS**

### **Strategic Objective:**

***To create a framework to provide appropriate and sustainable human settlement throughout the province, to ensure accelerated delivery to address housing backlogs.***

This strategy involves effective and efficient management and implementation of national and provincial housing programmes and policies to enhance housing delivery.

### **Key Processes:**

- Establishing an integrated approach towards improving housing provision and housing facilities among stakeholders.
- Clearing slums, upgrading informal settlements, developing rental housing, increasing rural housing, upgrading hostels, assisting municipal capacity in implementing and managing housing projects .
- Performing needs assessment to identify critical housing shortages, develop action plans for housing projects and formulate provincial policies that enhance housing delivery.
- Involvement and consultation with communities to determine acceptability of projects and long term sustainability of developments.
- Undertaking research and provincial policy formulation and provision of housing according to ensure compliance with national and provincial legislative requirements.

**Strategy Champion:** Department of Housing

### **Key Performance Indicators:**

- Increase in number of projects approved in terms of the Provincial Housing Development Plan.
- Increase in number of housing subsidies approved.
- Increase in number of communities included in planning.
- Increase in number of houses built.
- Increase in number of sites serviced.
- Increase in number of hostel units upgraded.

- Increase in number of houses rented or owned.
- Increase in number of properties transferred.
- Increase in number of projects related to revival of inner-city decay.

#### **C4. LAND REFORM AND DEVELOPMENT**

##### **Strategic Objective:**

***To provide a framework to expedite the processes of land reform and development to ensure access to land, and land restitution in compliance with relevant legislative imperatives.***

The Land Reform Program aims to provide access to land and to extend rights in land within a well-planned environment, with particular emphasis on previously disadvantaged communities and speeding up the land restitution process to increase access to agricultural land. The strategy will contribute toward relieving the congestion in over-crowded former homeland areas, address agricultural development and redress gender imbalances in land access and land ownership to help government meet legislative imperatives and other commitments.

##### **Key Processes:**

- Facilitating and expediting the processes of land distribution, land tenure upgrading, and land restitution
- Establishing a collaborative task team consisting of all stakeholders to accelerate the land restitution and land reform process
- Implementing procedures to ensure that orderly access to land is achieved, and ensuring compliance with national and provincial legislative requirements, and judicial decisions.
- Establishing special programmes to assist land reform beneficiaries, both during the process of preparing proposals and after purchase of the land.

**Strategy Champion:** Departments of Agriculture and Environmental Affairs and Housing, Local Government and Traditional Affairs, Finance and Economic Development

##### **Key Performance Indicators:**

- Increase in number of land claim settlements.
- Increase in number of persons orderly accessing land.
- Reduction in the number of landless people.
- Decrease in number of informal settlements.

#### **C5. INTEGRATED SERVICE DELIVERY**

##### **Strategic Objective:**

***To create a framework to provide and facilitate integrated delivery of services to ensure sustainable bulk infrastructure.***

*Integrated service delivery involves the implementation of the Integrated Sustainable Rural Development (ISRDP) and the Urban Renewal Programmes (URP). Support mechanisms will be provided in governance, service delivery, and the institutional management of the Community Development Workers Programme.*

##### **Key Processes:**

- Promoting viable partnerships on development initiatives to ensure integrated sustainable delivery of the Urban Renewal Programme and the Integrated Sustainable Rural Development Programme.

- Establishing a multi-stakeholder task team to facilitate and co-ordinate municipal IDPs and provincial programmes.
- Providing support mechanisms for governance and service delivery and institutional management of the Community Development Workers Programme.

**Strategy Champion:** Department of Traditional and Local Government Affairs in collaboration with the Office of the Premier, all Provincial Sector Departments, municipalities, and relevant service providers.

**Key Performance Indicators:**

- Number of facilitation workshops/meetings with stakeholder representation.
- Number of integrated service delivery projects implemented in the poverty pocket areas.
- Number of corporate social investment partnerships established.
- Number of functional bulk infrastructure services delivered.
- Extent of investment in the four pillars of EPWP.
- Number of municipal wards with functional Community Development Workers deployed.
- Number of sustainable anchor projects implemented.

#### 4. HEALTH AND SOCIAL SUPPORT

##### S1. HIV and AIDS STRATEGY

**Strategic Objective:**

***Ensuring an integrated approach to implement strategies to reduce HIV and AIDS infection rate and prevalence in the province and plans to mitigate the impact of the pandemic.***

This strategy will involve completing the development and implementation of a comprehensive provincial HIV and AIDS programme.

**Key Processes:**

- Implementing a comprehensive HIV and AIDS strategy, and reviewing current strategies to ensure that HIV and AIDS are comprehensively managed by departments.
- Ensuring increased awareness and education on HIV and AIDS through appropriate campaigns.
- Developing and supporting projects such as home-based care.
- Facilitating the management of the impact of HIV and AIDS in the province.

**Strategy Champion:** Department of Health

**Key Performance Indicators:**

- Reduction in the percentage of HIV and AIDS infection rate.
- Increased number of relevant HIV and AIDS campaigns.
- Reduction in the percentage of HIV and AIDS prevalence.
- Increased number of employees receiving appropriate counselling and support.
- Orphan-support strategy in place.

##### S2. HEALTH CARE FACILITIES

**Strategic Objective:**

***To create a framework to provide comprehensive and quality primary health care services throughout the Province.***

This strategy will focus on enhancing primary health care services through the provision and upgrading of hospital and clinic infrastructure and facilities, with an emphasis on dealing poverty-related diseases

**Key Processes:**

- Establishing a multi-disciplinary task team to address integrated health care service delivery.
- Upgrading primary health care services and infrastructure and providing service delivery points to patients within a reasonable distance from their residences.
- Co-ordinating clinic services and provision of district, general, special and emergency health services, and focusing on mental health/psychiatric illnesses through the provision of appropriate services and institutions.
- Evaluating current service delivery infrastructure against needs of communities to identify appropriate action plans.

**Strategy Champion:** An integrated approach towards positioning KwaZulu-Natal as leader in primary health provision will be adopted through the collaboration of the Department of Health, Social Welfare and Population Development, and municipalities.

**Key Performance Indicators:**

- Accessibility to Health Care Facilities (15kms – rural; 5kms – urban).
- Number of Primary Health Care Facilities per 10,000 population.
- Number of Health Centres per 60,000 – 80,000 people.
- Number of Secondary Health Care Facilities per 10,000 population.
- Number of clinics per 5,000 and 10,000 people.
- Increase in life expectancy at birth.
- Number of District Hospitals per 100,000 people.
- Reduction in the percentage HIV/AIDS infection rate.
- Reduction in infectious and communicable diseases (Halted incidence of malaria).

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