

INFRASTRUCTURE DELIVERY AND FUNDING MODEL

EARLY CHILDHOOD DEVELOPMENT CENTRES



September 2015

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GLOSSARY

BEPP	Built Environment Performance Plans
CBO	Community Based Organisation
COGTA	Department of Cooperative Governance and Traditional Affairs
CWP	Community Works Programme
DCoG	Department of Cooperative Governance
DEA	Department of Environmental Affairs
DH	Department of Health
DHS	Department of Human Settlements
DORA	Division of Revenue Act
DPME	Department of Performance Monitoring and Evaluation
DSD	Department of Social Development
DWS	Department of Water and Sanitation
ECD	Early Childhood Development
EHP	Environmental Health Practitioners
EPWP	Expanded Public Works Programme
FBO	Faith Based Organisation
HSDG	Human Settlements Development Grant
ICDG	Integrated Cities Development Grant
IDP	Integrated Development Plan
IUDG	Integrated Urban Development Grant
INEP	Integrated National Electrification Programme
IIWSP	Interim/Intermediate Water Supply Programme
INEP	Integrated National Electrification Programme
LG	Local Government
LGES	Local Government Equitable Share
MAUC	Mid-Upper Arm Circumference measurement to determine nutritional status
MIG	Municipal Infrastructure Grant
MTEF	Medium Term Expenditure Framework
MUN	Municipality
MWIG	Municipal Water Infrastructure Grant (MWIG is a funding component of IIWSP)
NDA	National Development Agency
NDHS	National Department of Human Settlements
NDPG	Neighbourhood Development Partnership Grant
NDP	National Development Plan
NPO	Non-Profit Organisation
NT	National Treasury
RHIG	Rural Households infrastructure Grant
SALGA	South African Local Government Association
USDG	Urban Settlements Development Grant
VIP	Ventilated improved pit latrine
WSA	Water Services Authority
WSDP	Water Services Development Plan

1 INTRODUCTION

1.1 FOCUS AND RATIONALE

This document focuses principally on the provision of various infrastructural solutions for NPO-owned and/or managed ECD centres within under-serviced communities in South Africa. It also may have implications for privately-owned centres in such communities as well as centres operating from community facilities. It does not however focus on state-owned ECD facilities. Whilst in the short term, it is intended to assist with the delivery of a pilot ECD infrastructure project in KwaZulu Natal¹ (a collaboration between Ilifa-PPT-NAG), it is also intended to assist more broadly in conceptualising and rolling out ECD infrastructure improvements in South Africa.

The provision of 'universal access' to quality ECD services is established as a national priority in South Africa as reflected by the National Development Plan and other key planning and policy documents. It is also accepted by Government and civil society organisations alike that infrastructural problems at ECD centres pose a major barrier to them being able to improve the quality of services they can provide and to achieving registration and inclusion with the current system of state funding and support.

Most centres with infrastructural problems lack the financial and other resources to improve their infrastructure and a systematic and programmatic infrastructure response is therefore required. Such a response needs to be linked to processes of assessment, centre registration, and other forms of support (e.g. for ECD programme improvements and training).

The National Department of Social Development's "massification" strategy presupposes an ECD response at scale for maximum impact. The proposed funding model is thus premised on a Rapid assessment and Categorisation methodology which ensures that all ECD sites are identified, assessed and mapped. Centres will be categorised depending on their needs and potentials. ECD improvement plans can then be prepared for those centres which warrant support. These plans will include infrastructure improvement plans which will leverage funding (mainly from government) to provide for various much-needed infrastructural improvements.

This document reflects on potential funding options and delivery mechanisms which can enable meaningful infrastructure improvements (as scale) and thereby support the DSD's "massification" strategy and inform the ECD infrastructure policy which the DSD is currently developing. A key factor is maximising the impact and leverage that can be achieved within constrained fiscal resources. Providing meaningful improvements at as many centres as possible and as rapidly as possible is critical. Over-investing in new-builds (which are far more costly) will mean that the limited financial resources will reach a far smaller number of children (refer also to section 2.3).

Once the 86 pilot ECD infrastructure support projects have been completed (as part of the current Ilifa-PPT-NAG collaboration) within the five targeted municipalities², the team will report back on what funding

¹ Five local municipalities are targeted: two Municipalities within Ugu District Municipality - Umzumbe and Vulamehlo; two Municipalities within Umzinyathi District Municipality - Umvoti (including Greytown) and Msinga; one small pilot site (informal settlement) within eThekweni

² Four targeted rural municipalities of Msinga, Umvoti, Vulamehlo and Umzumbe and one informal settlement pilot site Umlazi within the eThekweni Metro

options work best in practice and the proposed funding options and delivery mechanisms will be adjusted accordingly.

This document should be read in conjunction with the following related documents which have been developed by PPT as part of the current Ilifa-PPT-NAG collaboration:

1. "ECD Centre Categorisation Framework"
2. "ECD Centre Infrastructure Norms and Standards".

1.2 FLEXIBILITY

A key success factor for an effective ECD response model (of which infrastructural improvements form an important part) is that of greater flexibility in respect of certain ECD requirements. Government is already moving towards greater flexibility with respect to centre registration, although a final framework has not yet been released. The Children's Act Children's Act 38 of 2005 (as amended by Act 41 of 2007) also already reflects significant flexibility in areas such as water and sanitation requirements. This increased flexibility is echoed in the Draft National ECD Policy³. Additional flexibility is necessary for the successful delivery of ECD infrastructure⁴ improvements (e.g. in respect of such formal requirements as zoning and approved building plans which may not be possible on traditionally-owned rural land and in informal settlements).

Please refer to the "ECD Centre Infrastructure Norms and Standards" document for more detail on the proposed flexibility.

1.3 POLICY CONTEXT

Government has prioritised Early Childhood Development with Cabinet approving the "S.A. Integrated Programme of Action for ECD – Moving Ahead (2013 – 2016)" and is looking for ways to include all unregistered ECD centres to ensure that no child is prevented from receiving acceptable early childhood education and care. The recent publication of the Draft ECD Policy (2014) explains the aims of funding to:

- expand coverage of ECD services (universal availability);
- ensure poorer children are not excluded (equitable accessibility); and
- improve the quality of service provision (improved quality).

Most ECD Centres in underserviced rural and informal settlements are relatively small and under-resourced. They may be NPO, CBO or privately owned. Though a few centres may have some form of external support (e.g. from NGOs or the private sector) many have limited financial resources and struggle to make ends meet with the minimal monthly fees paid by parents. They are typically unable to make the

³ Draft National ECD Policy 2014; Annexure D: Strategies to improve registration and access to funding for ECD Centres and programmes.

⁴ For the purposes of this report "Infrastructure refers to the actual physical environment, including: the type of buildings (conventional brick and mortar, prefabricated buildings, containers, informal structure, etc.); the availability of electrical power; sanitation (conventional flushing toilet, pit latrine, bucket system, etc.); water (conventional pipe system, communal taps, reservoir, borehole, tank, dam, river, etc.); various indoor and outdoor areas available to learners; separate food preparation; area, and facility-learner ratios." NDA: Challenges Facing Early Childhood Development Sector In South Africa 18 April 2012; Principal Researcher: Eric Atmore Research Team: Lauren Van Niekerk & Michaela Ashley-Cooper

necessary improvements to meet municipal and departmental requirements for registration. Most of these ECD centres therefore remain unregistered and cannot access state support. They also remain “off the radar” in that there is limited or no government oversight and monitoring, not just in terms of the ECD services rendered, but also in term of health and safety and child protection.

The National Draft ECD Policy highlights the following:

In contrast, there is insufficient infrastructure to support the universal availability of and equitable access to parenting support and opportunities for learning/early learning services. It indicates that infrastructure is in short supply for a number of reasons, including:

- 1) An absence of coordinated population-based planning for determination of the location of new and emerging infrastructure for delivery of parenting support and opportunities for learning;
- 2) Lack of clarity and associated norms determining what constitutes a reasonable distance between communities and services to ensure universal availability;
- 3) Lack of Government funding and lack of a clear legal responsibility for the provision of infrastructure for parenting support and opportunities for learning;
- 4) Assumption/delegation of responsibility for the provision of infrastructure by NGOs;
- 5) Onerous, and at times inappropriate infrastructure norms and standards which prevent the registration of ECD programmes such as playgroups and centres that fail to meet the prescribed standards. This in turn prevents access to subsidy funding which is a necessary, and often only source of funding for improving infrastructure;
- 6) In addition, conflicting and administratively onerous laws and municipal by-laws governing infrastructure standards make compliance and registration of ECD programmes difficult, especially in under-developed communities; and
- 7) The subsidy-based funding model for infrastructure perpetuates inequities in the unavailability of this set of ECD services in poor and under-served communities. In the absence of private funding and no obligation on any Government department to provide infrastructure, quality services remain beyond the reach of under-served vulnerable communities.

Inadequacies in infrastructure impact negatively on:

- 1) The number of available spaces/facilities at which services are provided (most of the available centres are made available through the non-government sector);
- 2) The quality and safety of the buildings; and
- 3) The quality and availability of learning and teaching materials and resources, especially for vulnerable children, such as those living in poverty and/or with a disability.

For both registered and unregistered centres serving poor communities the net result is widespread poor quality, and at times, unsafe infrastructure. In under-served communities with no private or non-profit infrastructure at all, in the absence of state-driven infrastructure development, early childhood care and education programmes are simply not available.”⁵

(Note: underlining added to quote)

The constraints with ECD infrastructure are particularly relevant in KwaZulu-Natal. The recent National Audit of Early Childhood Development Centres highlights that “KwaZulu-Natal has one of the highest proportions of centres with the greatest need of “urgent maintenance”; the highest proportion of centres with physical defects in the roof and walls; a relatively high proportion of centres with avoidable safety

⁵ Government Gazette: Draft National Early Childhood Development Policy of the Republic of South Africa , 13 March 2015

hazards such as sharp and dangerous fixtures as well as obstacles obstructing passages; and high percentage of centres reporting that the overall condition of the building is “Poor”.⁶ This situation is further compounded by the fact that a number of ECD facilities function without adequate basic services such as running water, access to electricity or suitable sanitation.

This is also confirmed by the Financial And Fiscal Commission. “KwaZulu-Natal is the only province that consistently allocates a budget for building, upgrading and maintaining ECD infrastructure, using funds from the provincial equitable share. Between 2009 and 2014, the province spent more than R750-million on ECD infrastructure, with the bulk of the funding going towards constructing new facilities at an approximate cost of R5.3-million per centre. Facilities eligible for upgrades and refurbishment are identified by the provincial DSD and through MECs (Members of the Executive Council) intervention programme. Newly built facilities remain the asset of the department but are operated by NPOs through Service Level Agreements (SLAs).”⁷

1.4 WHO ARE THE RECIPIENTS?

The recipients of the infrastructural assets will mainly be registered NPOs located in rural or informal settlement communities. They may either already have conditional or full registration with the DSD or else are not yet registered but have prospects for achieving such registration subject to infrastructural and other improvements or where emergency short-term mitigations are necessary to address imminent health and safety threats to children where no other alternatives for children exist.

It is envisaged that the determination as to the prospects for achieving registration and inclusion within the current system of state support, will in the first instance, be informed by a structured rapid assessment and categorisation (RAC) of all ECD centres within a target locality in order to determine the status, needs and potentials. In terms of the proposed categorisation framework (refer to “*ECD Categorisation Framework and Infrastructure Delivery and Funding Model*”), the involvement of social workers from the DSD’s local service office and municipal environmental health practitioners is an important part of this initial assessment process.

It is suggested that NPO owned ECD Centres; ECD Centres not yet registered as NPOs; other local organisations providing physical space to be used for ECD purposes (e.g. churches) as well as for privately-owned ECD centres should be considered eligible for basic infrastructure improvements. It is also suggested that repairs and improvements be considered where buildings owned by faith-based organisations (e.g. church), local development NPO or traditional authority are utilised by registered NPOs for ECD purposes.

1.5 FACTORS WHICH WILL AFFECT THE DELIVERY MODEL

The conceptualisation of an ECD infrastructure delivery and funding model is a complex exercise. There are a number of inter-related factors which need to be taken into consideration such as:

⁶ Audit Of Early Childhood Development (ECD) Centres, National Report , 31 July 2014

⁷ Financial And Fiscal Commission :Submission for the Division of Revenue 2016/2017: For An Equitable Sharing Of National Revenue, 29 May 2015

- The recipient centres vary significantly in terms of ownership (NPO vs private), settlement type (deep rural vs urban informal settlement), land ownership (many centres do not own the land on which they are located which may be privately owned, municipal/state owned or fall under Traditional Authorities), and level of ECD functioning (high vs low functioning).
- The infrastructural requirements will vary significantly between centres (e.g. new buildings versus basic services only such as VIPs and fencing).
- Different infrastructure funding sources will have varying requirements, conditions, funding quantum and funding cycles;
- It is important to achieve cost-effective delivery (e.g. there would be a substantial cost inefficiency in delivering minor infrastructural improvements on a centre-by-centre basis as opposed to 'batching' centres together in a programmatic fashion);
- Different delivery models/mechanisms will deliver differently (e.g. delivery by means of usual government procurement versus a special delivery vehicle versus an existing agency such as the NDA versus individual municipalities delivering ECD infrastructure).
- Government procurement will come into play when state resources are allocated and will have a significant impact (e.g. procurement is generally slow; it would be inefficient to deliver by means of multiple small contracts, etc.).
- Overall ECD infrastructure delivery responsibility needs to be clearly defined (although this is a Provincial DSD competence and responsibility, there may be cases where other state actors e.g. Metros might have the necessary capacity and wish to assume direct delivery responsibility).
- Management capacity availability – it is important that there is adequate capacity for overall programme management, co-ordination, planning and potentially construction management oversight (e.g. there are likely to be constraints within existing spheres of government given the specialist nature of ECD infrastructure, the variation in infrastructure requirements/packages and prevailing capacity constraints within many spheres of government).

Refer also to sections 10.2 (key principles/ success factors) and 11 (Key enabling recommendations)

2 COST-BENEFIT – LEVERAGING IMPACT AT SCALE

Given the imperative of realising 'universal ECD access' and maximum population coverage and noting the prevailing fiscal constraints, achieving optimal cost-benefit is imperative.

This section contains some preliminary scenario modelling comparing a conventional new-build ECD infrastructure delivery scenario (based on the typical DSD concept and specification) with an alternative delivery scenario consisting of a mix of infrastructure responses including:

- New facilities at typical NPO specification and cost;
- Conventional building extensions to existing centres;
- Major renovations to existing centres;
- Basic infrastructural improvements (e.g. VIPs, fencing, handwashing);
- Minor building repairs and improvements.

The assessment shows substantial cost-benefits with the alternative, mixed delivery model as summarised in the table below. More than 8 times the number of centres (50 versus 6) and almost six times the number of children can be assisted (2,060 versus 360) for an equivalent level of infrastructure investment with an

83% cost saving per child. For an indicative investment of approximately R10million, a similar number of new ECD opportunities could be created, but in addition, more than 1,600 existing ECD opportunities could be substantially improved in respect of ECD quality (including unblocking centre registration).

DRAFT

ECD Infrastructure Scenario Comparison Summary:

Conventional DSD new-build versus alternative ECD infrastructure delivery models for approx. R10million investment

Conventional DSD new build scenario:

Infrastructure interventions	No. centres which can be assisted	Total cost (SAR)	Children assisted	Children with improved ECD	Children with new ECD access	Cost per child (SAR)
New build ECD Centre for 60 children - DSD spec. (2009 costing escalated to May 2015 using Bureau for Economic Research Building Cost Index -BER BCI)	6	R 10 368 000	360	0	360	R 28 800

Alternative mixed delivery scenario to maximize population coverage and return on investment:

Infrastructure interventions	No. centres which can be assisted	Total cost (SAR)	Children assisted	Children with improved ECD	Children with new ECD access	Cost per child (SAR)
Mix of responses including: - New facilities at typical NPO specification and cost; - Conventional building extensions to existing centres; - Major renovations to existing centres; - Basic infrastructural improvements (e.g. VIPs, fencing, handwashing); - Minor building repairs and improvements.	50	R 10 344 982	2 060	1 680	380	R 5 022

Comparison (additional benefit) alternative vs. conventional ECD infrastructure delivery scenarios (R10m investment):

	No. centres which can be assisted	Children assisted	Children with improved ECD	Children with new ECD access	Cost per child (SAR)
Difference alternative versus conventional scenarios:	44	1 700	1 680	20	-R 23 778
%age difference (benefit) alternative versus conventional scenarios:	833%	572%	<i>n/a(all)</i>	106%	17%

ECD Infrastructure Scenario Comparison:

Conventional DSD new build versus alternative ECD infrastructure delivery models for approx. R10million of Investment

Conventional DSD new build scenario:

Infrastructure intervention example	Extent (sqm)	Per centre cost (approx.)	Children per centre	Cntres which can be assisted	Total cost (SAR)	Children assisted	Children with improved ECD	Children with new ECD access	Cost per child (SAR)	% of expenditure
New build ECD Centre for 60 children - DSD spec. (2009 costing escalated to May 2015 using Bureau for Economic Research Building Cost Index -BER BCI)	213	R 1 728 000	60	6	R 10 368 000	360	0	360	R 28 800	100%

Alternative mixed delivery scenario to maximize population coverage and return on investment:

Infrastructure intervention example	Extent (sqm)	Per centre cost (approx.)	No. children	No. centres which can be assisted	Total cost (SAR)	No. children assisted	Children with improved ECD	Children with new ECD access	Cost per child (SAR)	% of expenditure
New build centres NPO spec. incl. basic infrastructure:										
NPO new build ECD Centre for 60 children	140	R 1 008 000	60	1	R 1 008 000	60	0	60	R 16 800	25%
NPO new build ECD Centre for 40 children	110	R 792 000	40	2	R 1 584 000	80	0	80	R 19 800	
Extension to existing ECD Centres (conventional and movable):										
Extension playroom for 20 children + utility space + VIP + handwashing facility	42	R 308 784	20	3	R 926 352	60	0	60	R 15 439	43%
Extension: edutainer playroom for 20 children + VIP+ handwashing facility	30	R 325 944	20	2	R 651 888	40	0	40	R 16 297	
Extension, minor repairs + basic Infrastructure package	152	R 407 608	60	7	R 2 853 253	420	280	140	R 6 793	
Major renovation including basic infrastructure:										
Major renovation for centre for 40 children (Including basic infrastructure)	110	R 129 635	40	9	R 1 166 711	360	360	0	R 3 241	11%
Minor repairs & basic infrastructure:										
Minor building repairs and improvements for centre for 40 children	110	R 54 582	40	5	R 272 910	200	200	0	R 1 365	21%
Basic infrastructure package for 40 children ECD centre	110	R 50 626	40	6	R 303 754	240	240	0	R 1 266	
Minor building repairs + basic infrastructure package	110	R 105 208	40	15	R 1 578 114	600	600	0	R 2 630	
Total for alternative infrastructure delivery scenario:				50	R 10 344 982	2 060	1 680	380	R 5 022	100%

ECD Infrastructure Investments - Outline of Different Interventions

Infrastructure intervention example	Description	Centre extent (sqm)	Cost (SAR approx.)	Children assisted	Cost per child (SAR)	R/m ²
Conventional DSD new build approach:						
New build ECD Centre for 60 children - DSD spec. (2009 costing escalated to May 2015 using Bureau for Economic Research Building Cost Index -BER BCI)	213 m2 Quiet zone, motor activity zone, eating area, food preparation area, shared adult and child bathrooms, entrance, diaper station, covered outdoor play. Excluding offices / sick bay	213	R 1 728 000	60	R 28 800	R 8 113
Alternative infrastructural investment approaches:						
NPO new build ECD Centre for 60 children	140m2 - 3 x 30m2 playrooms, kitchen office cum sickbay, store, ablutions	140	R 1 008 000	60	R 16 800	R 7 200
NPO new build ECD Centre for 40 children	110m2 - 2 x 30m2 playrooms, kitchen office cum sickbay, store, ablutions	110	R 792 000	40	R 19 800	R 7 200
Extension playroom for 20 children + utility space + VIP + handwashing facility	30m ² playroom conventionally built+ 12 m ² utility space (e.g. Kitchen or office cum sick bay)	42	R 308 784	20	R 15 439	R 7 352
Extension: edutainer playroom for 20 children + VIP+ handwashing facility	30m ² Edutainer - fully furnished and equipped, and delivered to site	30	R 325 944	20	R 16 297	R 10 865
Major renovation for centre for 40 children (Including basic infrastructure)	Replace roof, windows external doors, flooring, drywall to separate food preparation area from playroom, security gate, burglar bars install 2 VIPs, fix 2 pitlatrine & water tank on stand, guttering etc	110	R 129 635	40	R 3 241	R 1 178
Minor building repairs and improvements for centre for 40 children	Replace roof sheet & fix up, replace 1 window, 1 external door, 2 security gates, fix minor cracks, external and internal painting , add apron	110	R 54 582	40	R 1 365	na
Basic infrastructure package for 40 children ECD centre	2 VIPs; 70m x 1.8m fencing; 5000 liter water tank on stand, 12 m fascia and guttering, 4 hand washing facilities.	110	R 50 626	40	R 1 266	na

3 WHAT NEEDS TO BE FUNDED AND WHO CAN POTENTIALLY FUND IT?

(Note: for more detail refer to sections 7 & 8)

Infrastructure & indicative cost	Most viable funding sources
<p>Basic Services (R10 000 – R60 000)</p> <p>E.g. sanitation (e.g. VIP, flush toilet, septic tank); water and handwashing facilities (e.g. water tank, stand, guttering, basin); fencing;</p>	<p><u>Government Grants:</u></p> <ul style="list-style-type: none"> • Municipal infrastructure Grants (MIG); • Municipal Water Infrastructure Grant (MWIG); • Rural Household Infrastructure Grant(RHIG); • Integrated Cities Development Grant (ICDG), • Urban Service Development Grant (USDG); • Integrated National Electrification Programme (INEP)
<p>Minor building repairs and improvements (R10 000 - R60 000)</p> <p>E.g. fixing / replacement of few roof sheets; broken window panes; fixing minor cracks; painting; dry-walling to separate playroom from food preparation area; burglar bars and security doors; adding aprons to combat storm water damage and dampness.</p>	<p><u>Government Grants</u></p> <ul style="list-style-type: none"> • Same as above • Local Government Equitable Share (LGES), • National Development Agency (NDA) - ECD Grant • DSD ECD infrastructure Fund; • DSD ECD Operational Grant (Maintenance portion) <p><u>CSI:</u></p> <ul style="list-style-type: none"> • Centre for Early Childhood Development ; • NDA / CSI “Adopt an ECD Centre”
<p>Low cost new non-conventional structures (R75 000 – R120 000)⁸</p> <p>Including basic infrastructure (water, sanitation, fencing)</p>	<p><u>Government Grants</u></p> <ul style="list-style-type: none"> • Same as above • Local Government Equitable Share (LGES), • National Development Agency (NDA) - ECD Grant • DSD ECD infrastructure Fund; • DSD ECD Operational Grant (Maintenance portion) • DHS (Emergency Housing Grant?) <p><u>CSI:</u></p> <ul style="list-style-type: none"> • Centre for Early Childhood Development; • NDA / CSI “Adopt an ECD Centre”
<p>Major building renovations (R60 000 – R150 000)</p> <p>E.g. total replacement of roof (including rafters, purlins), fixing of walls, casting of concrete floors, replacement of all windows and doors, internal / external painting.</p>	<p><u>Government Grants:</u></p> <ul style="list-style-type: none"> • DSD ECD Infrastructure Fund; • Neighbourhood Development Programme (NDP); <p><u>CSI :</u></p> <ul style="list-style-type: none"> • National Lottery Distribution Trust Fund (NLDTF) • The Equal Opportunity Foundation
<p>Building/centre extensions (R72 000 – R326 000)</p> <p>E.g. additional 30m² playroom and 12m² utility space (where necessary) e.g. office cum sick bay or kitchen</p>	<p><u>Government Grants:</u></p> <ul style="list-style-type: none"> • As for major renovation <p><u>CSI</u></p> <ul style="list-style-type: none"> • Same as for major renovation • Donor funders of pre-fabricated/containerised solutions such as “Edutainers” via Bright Kid foundation

⁸ Further assessment of this is required – in particular a informal settlement and rural cost breakdown

<p>New buildings (major) R500 000 – R1008 000</p> <p>E.g. 110m² – 140m² 2 -3 playrooms, office cum sickbay, store, kitchen and ablutions</p>	<p><u>Government Grants:</u></p> <ul style="list-style-type: none"> • As for Building / Centre Extensions • Human Settlements Development Grant (HSDG) <p><u>CSI:</u> Same as for Building/ centre extensions</p>
<p>Outdoor play equipment (R 8 000 – 10 000)</p> <p>E.g. Jungle Gym</p>	<p><u>Government Grants:</u></p> <ul style="list-style-type: none"> • Municipal Grants- in -Aid; • National Development Agency (NDA) - ECD Grant • DSD Service Level Agreement grants (small capital items); • Local Government Equitable Share (LGES); <p><u>CSI:</u></p> <ul style="list-style-type: none"> • E.g. Hosken Consolidated Investments (HCI) in partnership with Centre for Early Childhood Development;
<p>Initial area-based ECD survey of all ECD sites (registered and un-registered) Approximately R100,000 per municipality per local rural municipality or portion of Metro</p>	<p><u>Government Grants</u></p> <ul style="list-style-type: none"> • DSD <p><u>CSI</u></p> <ul style="list-style-type: none"> • National Lottery Distribution Trust Fund (NLDTF)
<p>ECD infrastructure improvement plans (assuming batches of approximately 100 costing approximately R1.23million)⁹</p>	<p><u>Government Grants</u></p> <ul style="list-style-type: none"> • DSD grant • Various other grants recovered in case of revolving fund <p><u>CSI</u></p> <ul style="list-style-type: none"> • National Lottery Distribution Trust Fund (NLDTF)

Note – toys, educational equipment and furniture are not included but important. Outdoor play equipment is included though it is understood that it may not qualify as infrastructure to some funders.

4 INFRASTRUCTURE PACKAGES

The response packages are based on the specific situation of each centre. Although the assessments are done on an individual basis, a more cost effective way is suggested for attending to funding applications and delivery. It is imperative that the work (especially smaller works) at the various centres be batched in such a way that they can be implemented in the most cost-effective way e.g. exploit the advantages that can be achieved by rolling out the project at scale in terms of buying power, human resources, etc.

It should be stressed that:

- it is not possible to make up standard packages as the conditions at each centre differs substantially. Each centre would thus require its own improvement plan which may require one or

⁹ Assuming 100 sites - R380 000 for 68% of sites requiring basic infrastructure and minor repairs/improvements and R850 000 for 32% of the sites requiring major renovations/extensions/new facilities)= R1,23 million in preparation funding required

more of the abovementioned responses (e.g. Basic Services and minor repairs and improvements or basic service and an extension to a well-functioning centre).

- it is not possible to link a specific package to a specific category although it is expected that well-functioning ECD Centres (Category A) would probably require only minor repairs and improvements. Such ECD Centres may also be eligible for further extensions to provide access for a larger number of children.
- Major upgrading, renovations may constitute a number of small repairs or a combination of small repairs and bigger, more costly repairs or improvements (e.g. replacement of a roof).

The infrastructure requirements mentioned above (item 3) can be summarised broadly in the following infrastructural improvement categories

4.1 BASIC SERVICES

Basic Services will focus on the repair and upgrade of basic service deficiencies that impact on the health and safety of children:

- water (provision or fixing of water stand pipe, providing water tank and gutters where required, fixing gutters and / or linking gutters with water tank) ,
- sanitation (provision of VIPs, fix pit latrines, making toilets safe for use by children, providing wash basins and providing French drains / soakaways where necessary), fixing or installing fencing of yard and / or on- site waste disposal / refuse storage area.
- Storm water management (where required)
- Electricity (e.g. prepaid meter to be installed by Municipality or ESKOM)

4.2 MINOR BUILDING REPAIRS AND IMPROVEMENTS

Minor repairs and improvements to the actual structure of the buildings which also impacts on health and safety such as fixing and / or replacement of a few roof sheets; replacement of broken window panes; fixing minor cracks; painting where absolutely necessary; dry-walling to separate playroom from food preparation area; adding burglar bars and security doors; adding aprons to combat storm water damage and dampness, etc.). It may also include the removal of harmful objects from the site.

4.3 MAJOR BUILDING UPGRADING, RENOVATIONS OR EXTENSIONS

Major upgrading, renovations and / or extension to building e.g. total replacement of roof, casting of concrete floors, replacement of all windows and doors, and / or add extensions to building (e.g. additional classrooms, office, and kitchen). Extensions will only be considered in cases of serious overcrowding and in areas where there is a shortage of ECD facilities.

4.4 NEW BUILDINGS/STRUCTURES

This will be done mainly where existing facilities cannot be upgraded e.g. in cases where a traditional building/ informal structure may have collapsed or may be in danger of collapsing on NPO land or where

the leased facility on private land is inadequate. New buildings will only be considered for ECD Centres with a proven record. This may include conventional buildings ('bricks and mortar') as well as alternative solutions such as converted containers or prefabricated or modular units (which are potentially moveable) or improved less-formal, non-conventional low cost structure (such as the temporary structures provided under the Emergency Housing Programme¹⁰). New buildings would typically accommodate 40 children – 2 playrooms, 1 office-cum sickbay, kitchen and ablutions.

4.5 OUTDOOR EQUIPMENT

Outdoor equipment (e.g. jungle gyms, sandpits) is important for the physical development of children but may not be regarded as infrastructure by some funders

5 STATE FUNDED ASSETS FOR NPOs

Government accepts that NPO owned and operated ECD centres are central to the delivery of ECD services to poor and underserved communities in South Africa (i.e. informal settlements and rural communities). They furthermore recognise the need to improve the services they provide which includes the improvement of infrastructure.

Most ECD services in South Africa are rendered by NPO and private owned ECD centres. The state owns a small number of the ECD centres in SA and virtually none in Informal settlements and rural communities.

The Draft National ECD Policy¹¹ envisages support to existing NPO ECD Centres both by means of utilising a COGTA infrastructure grant funding (including MIG) as well as a new and dedicated infrastructure ECD grant.

As far as COGTA funding goes the policy envisages a ring fenced grant that COGTA will allocate to municipalities to support the national ECD infrastructure policy or b) giving an explicit directive to municipalities that the MIG must be used and or the USDG and ICDG in Metros.

The Policy also envisages that there will be a new and dedicated ECD infrastructure grant designed for ECD infrastructure delivery nationally along the following lines:

"The DSD will receive, and in turn allocate, ring-fenced conditional grants to the Provincial DSD to support the national ECD infrastructure policy. The ECD infrastructure grant will focus on:

- *Construction of public ECD facilities*
- *Provision of funds for NPOs to improve their existing ECD facilities to meet minimum norms and standards, through the establishment of an NGO infrastructure improvement grant".¹²*

Expenditure on partial care facilities is also provided for in the Children's Act (2005) that states that the MEC for Social Development may, from money appropriated by the relevant provincial legislature, provide and fund partial care facilities especially in communities where families lack the means of providing proper shelter, food and other basic necessities of life to their children.

¹⁰ These non-conventional structures should be similar to the re-usable emergency shelters (that are issued by DHS to households in distress) for use as ECD Centres in informal settlements or newly developed areas until such time that formal structures can be provided. (Refer to Housing Code Part 3: Emergency Housing Programme (Annexure B page 79 & 80)

¹¹ Government Gazette: Draft National Early Childhood Development Policy of the Republic of South Africa , 13 March 2015

¹² Government Gazette: Draft National Early Childhood Development Policy of the Republic of South Africa , 13 March 2015

These DSD proposals arriving from the legislation and the Draft ECD Policy are supported by the Financial and Fiscal Commission¹³ as can be seen in their recommendations that states that:

1. *“Government provides a full or partial capital subsidy for constructing and/or upgrading community-and NPO-based ECD facilities, through the municipal infrastructure conditional grant. The funding will facilitate compliance with the required infrastructure norms and standards, ensure that capital expenditure for ECD is carried out through municipalities and minimise inequities in quality standards and service levels.*
2. *The Department of Social Development introduces a temporary funding programme from within its allocated budget through which self-identified private ECD facilities in poor areas can apply for capital subsidy assistance, on condition that they agree to meet pre-specified deliverables such as enrolment targets, operational sustainability, educational activities and financial accountability.*
3. *The national and provincial departments of social development develop an ECD infrastructure sector plan, indicating areas that require urgent intervention, to inform the allocations and investment in ECD infrastructure by the different government spheres and departments.*
4. *The provincial departments of social development lobby for the ECD infrastructure plan to be incorporated in municipal IDPs.*
5. *Government makes available technical intermediary services to ECD facilities that are able to build or upgrade facilities on their own.”*

It is, however, noted that the Financial and Fiscal Commission in their Submission for DORA 2016/2017, identified that there are some impediments that limit government’s ability to invest in NPO and privately owned ECD infrastructure. For example: the Public Finance Management Act prohibits government from investing in assets owned by communities or private individuals; the anticipated risks associated with asset sharing upon NPO dissolution as per the amended NPO Act; poorly synchronised policies and procedures between different government departments and spheres of government and a lack of adequate coordination and cooperation between them in particular COGTA, DSD and Municipalities; and the uncertainty pertaining to state funded NPO assets e.g. on the one hand promoting an Infrastructure improvement grant for NPOs, yet stating that newly constructed facilities will be owned by the DSD.

It is clear from the DORA recommendations above that the Financial and Fiscal Commission supports the Draft ECD Policy recommendations despite the listed impediments. Workable solutions can surely be found to overcome these impediments e.g. recognising that NPOs are distinct from private entities in that they operate for public benefit; NPOs wishing to apply for state funding for assets such as infrastructure should be required to change their dissolution clause to stipulate that these assets will be transferred to organisations with similar objectives.

“Government cannot do the job alone – the private sector must be involved (whether NPOs, profit-making institutions or individuals such as day mothers/child minders). The use of existing resources, infrastructure, knowledge, skills and interventions must be enhanced, not stifled, by Government intervention.”¹⁴

¹³ Financial And Fiscal Commission: Submission for the Division of Revenue 2016/2017: For An Equitable Sharing Of National Revenue, 29 May 2015

¹⁴ Ilifa Labantwana: Motivation for a Centre Enrichment Grant (CEG) and expanded Early Learning Subsidy (ELS) to support quality and scale for early learning in South Africa, 4 September 2015

The improvement of existing NPO owned infrastructure to meet the need for ECD services cannot be overemphasized. These ECD centers are both necessary and critically important for poor households. They are the de-facto backbone of ECD services for poor households in underserved informal settlements and rural communities. This is principally due to their accessibility (i.e. proximity to residence at low or nil transport cost) and affordability to poor households.

It is noted that there are no other readily available alternative ECD solutions other than those owned and operated by NPOs in such communities. Other options are either inaccessible and/ or unaffordable for parents (e.g. well-resourced ECD centres in neighbouring communities) or unaffordable to the fiscus (e.g. creating new well-resourced state owned ECD Centres to provide ECD services for all children residing in no income underserved rural and informal settlement communities. Refer also to Section 2 above on cost benefit.

6 LAND OWNERSHIP

The new Draft ECD Policy recognises as mentioned above that “existing resources, infrastructure, knowledge, skills and interventions must be enhanced”¹⁵ to meet the need for quality ECD services. The need to investment in infrastructure to improve the number and spread of ECD Centres to be universally available and equitably accessible and to improve the quality of ECD facilities is also well recognised in the Policy. One of the important aspects to consider is how the ownership of land impacts of the decisions of government and donors to invest capital on such facilities.

Given the wide range of ECD centre land ownership scenarios encountered in underserved, low income rural and informal settlement communities, a pragmatic, but responsible approach to land ownership is necessary. The following table indicates ownership and relationship with capital investment by government and private sector:

LAND OWNERSHIP	PROOF	CENTRE OWNERSHIP	CAPITAL FUNDING (infrastructure improvements)	
			Government	CSI /Donor funding
Department of Social Development	Title	Dept. – SLA with NPO	Yes	Unlikely
Other Departments	Title	Leased to NPO	Yes (long lease)	Depends on lease
Municipality	Title	Leased to NPO	Yes	Unlikely but will depend on lease
Traditional Authority	Title	NPO / ECD Centre	Yes	Yes
		Private ECD Centre	*Basic Services Only	Unlikely
NPO / ECD Centre	Title/ PTO	NPO ECD Centre	Yes	Yes
CBO (not NPO)	Title/ PTO/	CBO	Basic Services only	Unlikely

¹⁵Ilifa Labantwana: Motivation for a Centre Enrichment Grant (CEG) and expanded Early Learning Subsidy (ELS) to support quality and scale for early learning in South Africa, 4 September 2015

	RTO	Leased to NPO	** Yes (conditions apply)	Depends on lease
FBO (e.g. Churches not registered as NPO)	Title/ PTO/ RTO	FBO	Basic Services only	Unlikely
		Leased to NPO	Yes conditions apply	Depends on lease
Private Individual / institution	Title/ PTO/ RTO	Private	Basic Services only	No
		Leased to NPO	Basic Services only	Unlikely

Notes:

*** Basic Services:**

Municipalities are, as mentioned above, obliged to provide basic water and sanitation services to all residents. Most of the ECD Centres in poor and underserved areas provide ECD services to indigent households. Most of these centres (NPO, private, CBOs or FBOs) are dependent on very limited contributions from parents and are unable to save money to pay for the installation of water connections, water tanks or VIPs. Water and sanitation should therefore be provided to all ECD Centres in such communities regardless whether owned by NPO, private person or entity, CBO, or FBO. It is further proposed that government also considers the subsidisation of monthly municipal services through the LGES in areas of great poverty as they are currently doing for indigent households.

****Government funded improvements/ extensions to existing facilities owned by CBOs or FBOs**

As for the improvement of infrastructure (facilities / buildings) – it is proposed that government should consider the possibility of repairing, upgrading and extending existing community based facilities such as churches. Investment should be possible where there is a long term lease agreement in place or where a written lease can be negotiated (in case currently only an oral agreement), for NPOs that already render ECD services from such premises. Churches are usually well established and operating within communities for many years. Government should be able to negotiate conditions (e.g. that for minor repairs to be made to the churches' premises the church has to honour its lease with the NPO for at least 5 years and for major investments 10 years). It is not foreseen that new permanent buildings would be provided on church sites if the church is not registered as an NPO and if not the owner of the ECD Centre. Government should also consider repairing, upgrading of and extensions to community halls (usually owned by municipalities) where ECD services are rendered. This can be done in terms of the provisions of MIG and HSDG.

It is clear from the above that ownership determines to large extent the type of investment that is likely to be made by government and CSI. Such decisions are usually informed by the perceived risk and how easily such risk factors can be mitigated. All ECD Centres are expected to qualify for basic infrastructure regardless of ownership. It is anticipated that ECD Centres operating from FBO and CBO owned centres would qualify for minor repairs and improvements, major improvements and movable extensions based on certain conditions while NPO owned facilities would be eligible for all improvement responses including new buildings.

Land allocation

Land allocation and tenure security has a direct effect on the proposed infrastructure improvement programme.

The allocation of state/municipal land for NPO owned ECD centres is a major problem. There are typically only 2 or 3 sites available in a formal township and this is totally inadequate. These sites are usually sold by municipalities at unaffordable market related prices and such processes are hugely protracted and it may take 3 to 4 years to finalise a land allocation process. ECD Centres are thus “forced to either erect centres illegally on open land or have to squeeze in an ECD centre on someone’s back yard where there may not be sufficient outdoor space. It is also very difficult to obtain assistance for infrastructure improvements from

donors and or government for that matter under these circumstances. It is therefore recommended that: a) More land should be planned and availed for ECD purposes; b) municipalities may consider subdividing of existing land earmarked for this purpose at no cost to ECD Centres; c) municipalities should enter into a standard simple user friendly land availability agreement with NPO-owned and operated ECD Centres at no cost to the relevant centre d) that NPO ECD Centres in informal settlements be issued with a “conditional right to occupy” where the land belongs to the municipality..

The proposals in the National Draft ECD Policy in terms of expenditure on NPO assets and the recommendations made by the Financial and Fiscal Commission in item 5 above are very encouraging and should support the case for more flexibility in the allocation of land for ECD purposes.

7 ELIGIBILITY CRITERIA FOR INFRASTRUCTURE INVESTMENT

Basic services and minor building repairs/improvements on traditional land

- Categorised as A, B1, B2 or in certain cases C1 (emergency mitigations)
- Approval of social worker of DSD service office and Municipal EHP
- PTO except for C1 (emergency health and safety mitigations).

Basic services and minor building repairs/improvements within an informal settlement

- Categorised as A, B1, B2 or in certain cases C1 (emergency mitigations)
- Approval of social worker of DSD service office and Municipal EHP
- Settlement not designated for imminent relocation (except for C1 emergency mitigations). Settlement preferably destined for eventual upgrading.

Major building upgrading, renovations or new buildings/structures on traditional land

- Categorised as A, B1, B2 or in certain cases C1 (emergency mitigations)
- Approval of social worker of DSD service office and Municipal EHP
- PTO except for C1 (emergency health and safety mitigations).

Low cost new ECD structures¹⁶

- Categorised as A, B1, B2.
- Approval of social worker of DSD service office and Municipal EHP
- Settlement not designated for imminent relocation.
- Land availability should not be limiting factor given the low cost of investment.

Major building upgrading, renovations or new buildings/structures within an informal settlement

- Categorised as A, B1, B2 or in certain cases C1 (emergency mitigations)
- Approval of social worker of DSD service office and Municipal EHP
- Settlement not designated for imminent relocation (except for C1 emergency mitigations). Settlement preferably destined for eventual upgrading.

¹⁶ E.g. structures along the lines of those provided as temporary housing under the Emergency Housing Programme or potentially traditional rural buildings.

- Where land is not municipal owned and where no preliminary settlement layout planning has been done, then only movable structures (e.g. 'edutainers') would be appropriate.
- Consideration should be given to the possibility of conventional, permanent structures under the following conditions: a) where land is municipal-owned (and the municipality is supportive of using the land for an ECD site) or else owned by the ECD NPO (or where it has a signed availability agreement or land sale agreement); b) where a preliminary settlement layout plan has been done and the ECD site is shown to be viable as a permanent site (e.g. not located within a future service lane such as a road servitude). In such a case, the site plan and building plan should be drawn but these will only be lodged and approved after the GP is registered. Correct zoning would also be conferred at the time of township establishment.

DRAFT

8 OVERVIEW OF FUNDING SOURCES

The main focus of the desktop study is to identify sustainable funding sources for the improvement of basic services at and facilities of ECD Centres in poor and under serviced areas. Although a few private donor or CSI funding sources were investigated and can certainly be accessed, it cannot be regarded as a sustainable funding source for supporting the national ECD infrastructure programme. Thus the main focus is on exploring government grants that show most potential.

Grant	What does it funds?	Applicability for ECD	Who can apply?	Probability rating
8.1 GOVERNMENTAL GRANTS				
Municipal Infrastructure Grant(MIG) – (via COGTA)	Funds mainly services (water, sanitation, roads etc.), but also sport and rec. facilities, municipal owned public buildings e.g. clinics, <u>child care</u> . May be used on private land subject to certain conditions.	<ul style="list-style-type: none"> • VIP. Standpipe. Water connection. Municipal-owned ECD centre or community buildings e.g. ECD centres 	Municipalities	High
Municipal Water Infrastructure Grant (MWIG) (Via DWS)	Funds projects(permanent or interim) that will ensure water supply to communities (50+ households) identified as not receiving a basic water supply service (most funds comes from MIG)	<ul style="list-style-type: none"> • Basic water supply 	Water Service Providers e.g. District Municipalities	High
Rural Households infrastructure Grant (RHIG) (Via DHS)	Funds basic water and sanitation in rural areas to reduce sanitation backlogs in rural households. The grant is implemented by CBOs and NPOs and training for beneficiaries to provide ongoing maintenance of assets. Local Municipalities should see to maintenance e.g. emptying VIPs	<ul style="list-style-type: none"> • Basic water and sanitation in rural areas 	Municipalities	Medium
Urban Settlement Development Grant (USDG) (Via DHS)	The USDG is a dynamic and flexible grant with a broad scope for application across the range of metropolitan built environments. Intended to provide metros with the means to address the land, bulk and connector infrastructure backlogs	<ul style="list-style-type: none"> • Internal infrastructure (water, and sanitation), economic infrastructure and social amenity provision, and transfer of title deeds) 	Metropolitan Municipalities	High Metros only
Integrated City Development Grant (ICDG) (Via NT)	Funding must promote a more compact urban spatial form. This includes public transport, roads, water, energy, housing, land acquisition and development and other assets. Municipalities have the authority to select preferred	<ul style="list-style-type: none"> • Land acquisition, water, roads, electricity 	Metropolitan Municipalities	High Metros only

	investments within their functional mandates with a preference for investment in identified integration zones			
Integrated national electrification programme grant (INEP) (Via DE)	Funds capital subsidies to Eskom and municipalities to address the electrification backlog of permanently occupied residential dwellings and clinics, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply	<ul style="list-style-type: none"> To negotiate prepaid electricity to ECD Centres Municipalities regard ECD centres registered as NPOs as “private” entities.	Eskom and Licensed Municipal distributors	Medium
Human Settlements Development Grant (HSDG) (Via DHS)	<p><i>i. Housing programmes as described in Housing Code</i></p> <p><i>ii. Informal settlement Upgrading Programme</i></p> <p><i>iii. Provision of Social and Economic Amenities Programme</i></p> <p>This includes the provision of various community facilities including ECD centres. The ownership of all facilities through this programme will reside with the municipalities who will also be responsible for the operation and maintenance costs of the facilities. Municipalities may, however, enter into agreements with an outside organisation to manage and maintain the facilities on their behalf.</p>	<ul style="list-style-type: none"> Water and sanitation for development area including ECD sites Various community facilities such as community halls that include ECD Centres and are owned by Municipality. <p>The connection of a hall and crèche is however problematic because it: 1) likely restricts DHS ECD infrastructure investments below the demand in communities and, 2) determines the location of crèches based on the presence of community halls and not by demand.</p>	Municipalities (Depends on willingness of Municipality to take on responsibility of multiple buildings & its maintenance).	High - Will however not be able to use this funding to solve ECD shortage.
Local Government Equitable Share (LGES) (Via NT)	Equitable share of revenue is raised nationally and is an unconditional grant to supplement revenue of municipalities to deliver services to poor households where free basic services are provided. Municipalities are using the LGES for various purposes also to supplement housing subsidies. This fund could possibly be tapped into for ECD Development and related expenses (e.g. payment of zoning , fencing)	<ul style="list-style-type: none"> Free basic services should be negotiated for NPO ECD centres in areas serving poor households. NPOs should not be regarded as “private”. 	Municipalities	Medium for free basic services payment of ECD zoning if costs cannot be waived, etc.
ECD infrastructure Grant (via DSD)	DSD will receive, and in turn allocate, ring-fenced conditional grants to the Provincial DSD to support the national ECD infrastructure policy. The ECD infrastructure grant will focus on: <ul style="list-style-type: none"> Construction of public ECD facilities 	<ul style="list-style-type: none"> Construction of new public ECD buildings Upgrading of existing NPO owned ECD facilities 	<ul style="list-style-type: none"> DSD (prov) NPO ECD Centres 	High When availed to NPOs

	<ul style="list-style-type: none"> Provision of funds for NPOs to improve (upgrading and renovations) their existing ECD facilities to meet minimum norms and standards through the establishment of an NGO infrastructure improvement grant. These, however, will be subjected to strict conditions. <p>The ECD Infrastructure policy has to be completed by March 2016.</p>			
Neighbourhood Development Programme (NDP) (via NT)	Funds neighbourhood development programmes such as socio economic facilities and projects that provide catalytic infrastructure to leverage third party public and private sector investment. Such projects must be sustainable and must improve the quality of life for residents in targeted, under serviced, poor and marginalised neighbourhoods.	<ul style="list-style-type: none"> Socio economic facilities e.g. ECD Centres. 	18 Urban Municipalities in terms of (Urban Networks strategy) and rural NDP municipalities	High
National Development Agency (NDA)	Core areas of funding include early childhood development, food security, income generation, capacity building, programmes supporting vulnerable groups. NDA is working with DSD on ECD massification. Approximately R20 million has been raised from private sector through their Adopt an ECD campaign.	<ul style="list-style-type: none"> ECD practitioner training; Food security at ECD sites ; Educational material and strengthen the institutional capacity and management skills of ECD sites ; Limited financial resources for capital infrastructure for ECD sites 	NPOs	Low for major / new infrastructure but could negotiate contribution to minor repairs
8.2 LOTTO AND CSI FUNDING				
National Lottery Commission National Lottery Distribution Trust Fund (NLDTF)	Charity Sector - Big emphasis on ECD. The NLDTF called for proposals for ECD infrastructure development in specified priority areas for 2 nd time.	<ul style="list-style-type: none"> Infrastructure in specified priority areas as well as office furniture, equipment, ECD educational material / In and outdoor equipment; accredited training for practitioners; Operational costs (e.g. overheads and nutrition) 	NPOs	Low unless a <i>separate project is negotiated with Lotto</i>
The Equal Opportunity Foundation	Funds the provision and renovations of buildings, as many of the facilities supported operate under difficult circumstances and in overcrowded conditions, with limited resources and sometimes without proper sanitation. Foundation support in this sector also assists facility management and staff in	<ul style="list-style-type: none"> Renovations, purchase of educational material and equipment, kitchen accessories and children's furniture, training, capacity 	Municipalities, provincial government departments ,Tribal Authority	High

	matters of governance, financial management and ECD teacher-training.	building	and NGOs	
Bright Kid Foundation	The Bright kid foundation provides Funder the opportunity to provide ECD centres with containers that have been remodelled and are fit to be use as ECD classrooms. They are referred to as edutainers. The Edutainer is an 'instant classroom' made from a 12 meter (40 foot) shipping container, ideal for pre-school classrooms, taking up to 25 children. BKF works closely with established early-childhood development NGO's. Edutainers® are only allocated to competent trained teachers. Equipment includes: Books, educational toys, furniture.	<ul style="list-style-type: none"> • New facility or additional playroom for existing facilities, Fully fitted 	Well established NPOs	Low Only assists if funder is identified
Eskom Development Foundation	Eskom's Development Foundation Funds education, health and environment with a particular emphasis on early childhood development. The Foundation also provides considerable support in the form of infrastructure development in rural schools in order to address the imbalances in the delivery of quality education in South Africa.	<ul style="list-style-type: none"> • New facilities, additional playrooms, • Possibly free electricity connections 	Educational Institutions/ registered welfare organisations	Medium
The Coca-Cola Foundation	Focus for Africa: sustainable, clean water sources, hygiene education and sanitation services; HIV/AIDS & malaria prevention, access to education, job creation and humanitarian assistance.	<ul style="list-style-type: none"> • Water , Hygiene education and sanitation services 	People in communities , governmental organizations & nongovernmental organizations	Medium <i>Intervention by DGMT may assist</i>

9 FUNDING SOURCES WITH THE GREATEST POTENTIAL

9.1 FUNDING MECHANISMS CONTEMPLATED IN NATIONAL DRAFT ECD POLICY

The following extract¹⁷ from the Draft National ECD Policy reflects on the DSD's initial thinking and discussions with other departments on funding mechanisms:

- a) "The Department of Cooperative Governance and Traditional Affairs (COGTA) will receive, and in turn allocate, ring-fenced grants to municipalities to support the national ECD infrastructure policy. This includes the development of accessible infrastructure (applying universal design standards) for children with disabilities.
- b) Alternatively, DCOGTA will give an explicit directive to municipalities that the following infrastructure funds may be used to develop municipal infrastructure for ECD:
 - Municipal Infrastructure Grant;
 - Urban Development Settlement Grant (USDG), focused on informal settlements; and the
 - Integrated City Development Grant (metros).

The GRSA will only fund public infrastructure. Public infrastructure is infrastructure which is owned by the State, whether national, provincial or a local government entity. The development of infrastructure not owned by the State which is necessary for the provision of ECD services will be funded from programme funding allocated to the relevant ECD programme as contemplated in this funding policy.

A possible challenge with the allocation of funding responsibility to local government relates to the lack of capacity to plan and spend funds at local level. This may drive inequity in already under-served areas, many of which coincide with poorly capacitated / poor performing municipalities". For the preceding reason, the alternative policy option that follows is proposed; this could also serve as an interim arrangement for a period of 10 years whilst capacity is being built at municipalities.

- c) There will be an ECD infrastructure grant designed for ECD infrastructure delivery nationally. The DSD will receive, and in turn allocate, ring-fenced conditional grants to the Provincial DSD to support the national ECD infrastructure policy. The ECD infrastructure grant will focus on:
 - Construction of public ECD facilities
 - Provision of funds for NPOs to improve their existing ECD facilities to meet minimum norms and standards through the establishment of an NGO infrastructure improvement grant.

This grant must be made available to the National DSD which will then be managed as a conditional

Negotiations are underway with National Treasury for DORA to make provision for ECD in this regard.

¹⁷ Government Gazette: Draft National Early Childhood Development Policy of the Republic of South Africa , 13 March 2015

9.2 OTHER DSD FUNDING

It is reported that even centres that are conditionally / fully registered and funded by the DSD find it hard to access funding for maintenance. This is a problem as most minor repairs are needed because no proper maintenance was done at the time when maintenance was needed. The Department of Social Development makes provision in its "Policy on Financial Awards to Service Providers"¹⁸ for the following funding types (refer to quoted items below). In this context, a 'Service Provider' is an NPO registered with the Department and provides ECD services.

"10.2.2 Capital financing *"This type of financing may be considered for non-consumable items such as furniture, equipment and maintenance. In very specific instances this type of financing may also be considered for the development of infrastructure, subject to compliance with legislative requirements in terms of ownership."*

10.2.6 Long-term contractual financing *"This method of financing applies to services that operate over a longer period of time and have long-term objectives, the achievement of which is reliant on financing from the Department for typical ongoing, recurrent day-to-day operational costs. Financing is continued for as long as the service remains a priority and compliance with contractual conditions are confirmed."*

It is recommended that DSD considers each, all and or a combination of the following proposals:

Proposal 1: SLAs to be amended to include some provision for day to day maintenance and minor repairs - e.g. fixing of a window pane, replacement of a roof sheet, fixing of the fence, etc. can be financed from the budget allocation by DSD for recurrent day to day operational costs. It is anticipated that such maintenance budget be in the order of R3000 – R7500 per year.

Proposals 2: ECD Centres to be allowed to apply and motivate for capital financing for improvements and more substantial maintenance work e.g. up to R50 000 in a 10 year period. This will enable the Centre to fix roofs, cracks, add a drywall to separate the food preparation area, paint the building etc. Such allocation can be done based on 3 quotes obtained by the ECD Centre.

The above two proposals will, if implemented, resolve a number of existing minor repair and infrastructure improvement problems and prevent the perpetuation of infrastructure problems.

Proposal 3: Funding to be allocated via KZN DSD to Ilifa in terms of Ilifa MOU for minor repairs and improvements on this Area Based Pilot project to fast track the process. Delivery approach: clustered number of ECD Centres per Municipality or District Municipality to fast track delivery.

9.3 OTHER GOVERNMENT GRANTS THAT SHOW POTENTIAL

The following government funding sources show potential:

- a) Human Settlements Development Grant (HSDG) making use of the Social and Economic Amenities Programme for the construction of ECD facilities to new / existing halls.

¹⁸ DSD: Policy on Financial Awards to Service Providers, March 2011

- b) Integrated national electrification programme grant (INEP) for the provision of electricity (prepaid) at all ECD Centres in poor and underserved communities free of charge.
- c) Neighbourhood Development Programme (NDP) for extensions to ECD Centres and the development of ECD Centres.
- d) Local Government Equitable Share (LGES) to extend the indigent policy to also cover basic services to ECD Centres in poor and under-served communities; and to cover building plans cost for renovations and upgrading of formal structures as well as zoning costs if the municipality is not willing to waive these costs.
- e) National Development Agency (NDA) for benefits derived from the Adopt an ECD Centre Campaign as well as for attending to minor repairs and improvements at ECD Centres.

9.4 DONOR FUNDING

There are a number of private sector foundations and donors investing in various aspects of ECD. The number of funders investing in ECD infrastructure seems to be declining and it seems that more and more funders are concentrating on other aspects, e.g. training or educational materials.

One of the most important role-players is the National Lotteries Commission. The NDSD negotiated with the National Lotteries Commission for two special calls for proposals for NPOs to apply for

- Office and furniture equipment
- ECD educational material / In and outdoor equipment
- Accredited training for practitioners
- Operational costs (e.g. overheads and nutrition)

Although this funding programme will have a significant impact, it is still allocated for individual centres. It is recommended that DSD and Ilifa Labantwana engage with Lotto for the allocation of funding for an area based ECD infrastructure improvement project.

Other donors such as the Equal Opportunity Foundation can be approached to assist with renovations of ECD Centres but cannot be depended on to provide a sustainable source of funding for the roll-out of the ECD infrastructure programme.

9.5 MOST VIABLE FUNDING SOURCES BY INFRASTRUCTURE PACKAGE

Infrastructure Improvement package	Most viable funding sources
Basic Services	<u>Government Grants</u> : Municipal infrastructure grants(MIG, MWIG, RHIG ICDG, USDG) INEP
Minor repairs and improvements	<u>Government Grants</u> DSD Capital financing , DSD long term contractual financing (Operational funding DSD ECD infrastructure Fund ; Municipal Infrastructure Grants (e.g. MIG, ICDG); Local Government Equitable Share (LGES), Neighbourhood Development Programme (NDP); NDA, <u>CSI</u> Centre for Early Childhood Development ; NDA / CSI “Adopt an ECD Centre”

Major renovations	<u>Government Grants</u> : DSD ECD Infrastructure Fund; Neighbourhood Development Programme (NDP); NDA <u>CSI</u> : National Lottery Distribution Trust Fund (NLDTF) The Equal Opportunity Foundation
Extensions	<u>Government Grants</u> : DSD ECD Infrastructure Fund , NDP; <u>CSI</u> The Equal Opportunity Foundation; National Lottery Distribution Trust Fund (NLDTF) Edutainers via Bright Kid foundation
New builds (major)	<u>Government Grants</u> : DSD Infrastructure Fund, NDP, HSDG <u>CSI</u> : The Equal Opportunity Foundation; National Lottery Distribution Trust Fund (NLDTF)
New builds (low cost, non-conventional)	<u>Government Grants</u> : Emergency Housing (DHS), DSD ECD Infrastructure fund; <u>CSI</u> : National Lottery Distribution Trust Fund (NLDTF)
Educational toys, furniture and equipment (indoor and outdoor)	<u>Government Grants</u> : Municipal Grants- in -Aid; NDA ECD Programme; DSD SLA grants (small capital items); Local Government Equitable Share (LGES); <u>CSI</u> : Hosken Consolidated Investments (HCI) in partnership with Centre for Early Childhood Development;

10 PROJECT PREPARATION AND ACCESSING INFRASTRUCTURE FUNDING

This section outlines the preparatory (planning and feasibility) work required, in order to effectively and appropriately, deliver a range of ECD centre infrastructural improvements, extensions and new facilities.

10.1 WHAT DOES PROJECT PREPARATION ENTAIL?

A. **Rapid Assessment and Categorisation:**

The first phase of the project preparation process is the Rapid Assessment and Categorisation of all ECD centres within a target locality (e.g. municipality) which consists of the following:

- a) Field survey including: All ECD centres are identified and a field survey conducted in order to better understand the status quo, opportunities and challenges in order to enable improved ECD planning (including in respect of infrastructural improvements). It also establishes a baseline and enables centre categorisation. The information collected is preliminary in nature and includes: georeferenced locality, number and ages of children, registration and institutional status, infrastructure, health and safety issues, ECD programme, nutrition etc.
- b) Centre profiles, mapping and summative report: Based on the survey information, a short profile is produced on each centre based on the survey as well as a map showing the distribution of all centres within the locality (e.g. municipality) and a short summative report indicating key trends, demographics, areas of need including where there are no ECD centres etc..
- c) Categorisation of centres: All centres are categorised in terms of their capacity, potential and needs: Category A: Well-functioning and already providing 'acceptable ECD programme, Category B1: Basic-functioning with potential to provide 'acceptable ECD services', Category B2: Low-functioning but with potential to eventually provide 'acceptable ECD services', Category C1: Low-functioning with limited potential to eventually provide 'acceptable ECD services' – no structured ECD programme, Category C2: High risk and dysfunctional with need to be rapidly closed-down).

B. Centre improvement plans and batched funding applications:

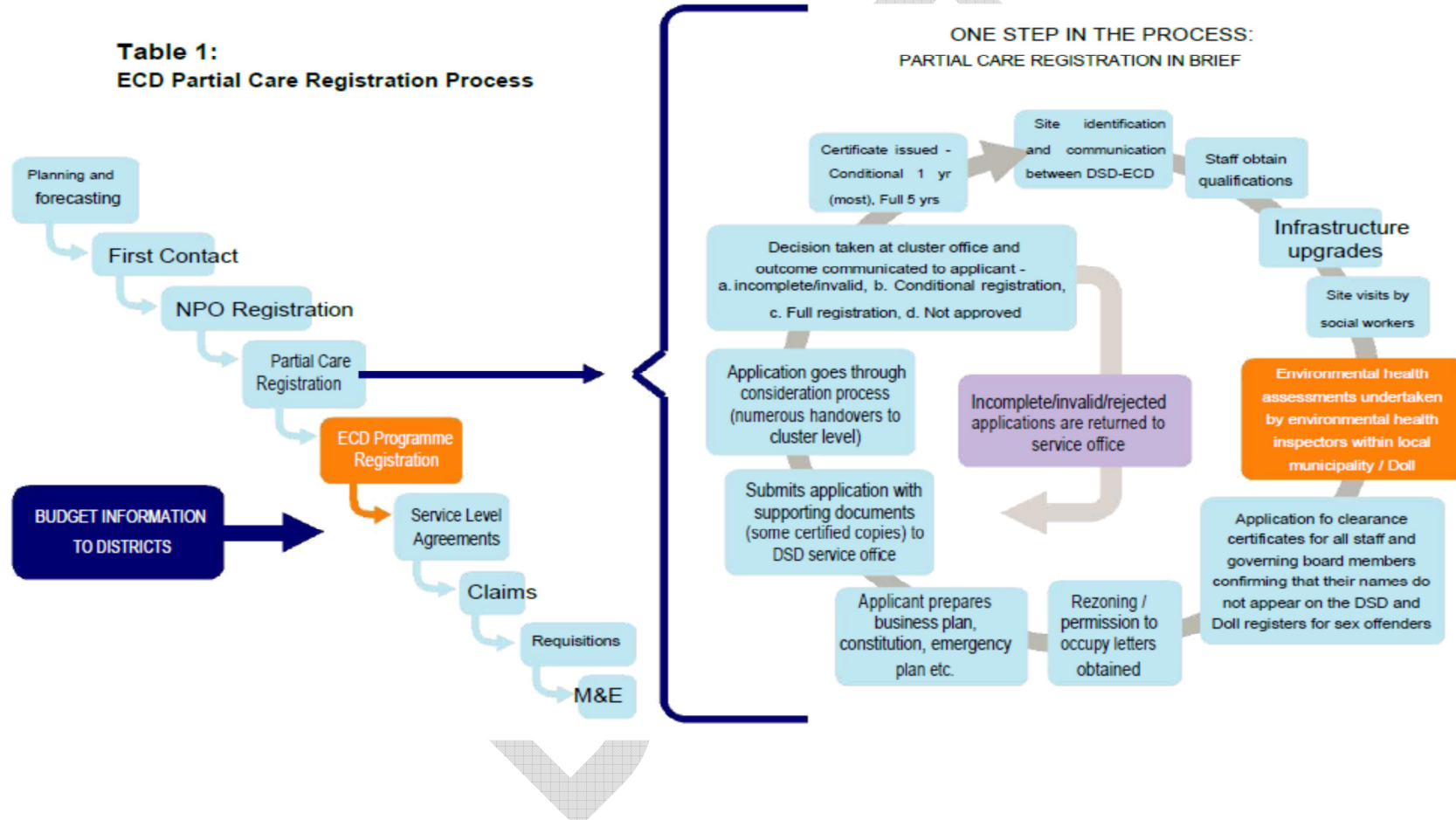
Centre improvement plans will need to be developed for those centres which are prioritised for infrastructural investment based on the initial RAC phase. The process will consist of the following:

- a) Site visits to quantify what needs to be done for the compilation of improvement plans and discussions with ECD operator / management
- b) Compilation of individual basic improvement plans: It should be noted that the response may comprise one or more response packages.
 - i. Basic Infrastructure and minor repairs and improvements: A two pager for each ECD Centre using a fixed menu to indicate what is there (illustrated with photos), what is required and what it would cost. Depending on the situation, these improvement plans will be batched in one or two applications.
 - ii. Major renovations: This will include inspections of all buildings, listing and measuring /quantifying all deficiencies on the inside and outside of the building, taking photos of the problem areas, discussions with the ECD operator, Social Worker and Environmental Health Practitioners. Depending on work to be done, it may require the input of architectural professionals, quantity surveyors and engineers (if there are doubts on structural integrity or if some structural work needs to be done e.g. underpinning)
 - iii. Extensions and new builds (conventional buildings): Feasibility studies will be undertaken that will require professional technical input (e.g. architectural professionals for building and site plans, geotechnical investigations, engineer for foundation design, quantity surveyor for costing, etc.). The ECD operator, DSD and Environmental Health will be consulted during the process.
 - iv. Extensions and new facilities (prefab or “edutainers”): This requires less preparation work. Checking design, layout, logistical arrangements, costing, and discussions with ECD operator, DSD social worker and Environmental Health practitioner. Identification of destination area that is flat enough for “edutainer” / prefab building selection of destination area.
- c) Batching of applications: It is not economically viable to deliver infrastructure improvements (most of a relatively small investment size) for small ECD Centres scattered often over vast rural areas on an individual basis. Thus, the improvement plans will need to be batched together in a number of funding applications for time and cost efficiency purposes (for efficiency of both preparation and implementation). Factors to be considered in batching applications should include: funding source and related conditions, eligibility and timeframes; budget availability; capacity to manage and implement the relevant infrastructure responses. The batching of ECD infrastructure delivery should likewise be batched. Batching implementing has many advantages, including: reducing costs; reducing management and oversight; streamlined procurement etc.

10.2 CONCURRENT ECD REGISTRATION PROCESSES

Though this document focuses principally on infrastructure delivery it is emphasised that infrastructure improvements need to be linked to broader processes of ECD centre enhancement (e.g. programmes and institutional capacity) and registration. Infrastructural investments need to help leverage these changes and should not occur in isolation. Projects should be prepared accordingly.

**Table 1:
ECD Partial Care Registration Process**



10.3 HOW CAN PROJECT PREPARATION BE FUNDED?

Note: refer also to section 10.2 (delivery model)

- Rapid Assessment (survey) and categorisation: will need to be funded separately as it is probably not viable to apportion survey costs for all centres to the construction costs. It is anticipated that the RAC will be funded by the Department of Social Development but it can be administered by the managers of the ECD Project Preparation Revolving Fund.
- Preparation funding for feasibilities, improvement plans and funding applications: Government recognises that thorough project preparation is required to ensure viable projects and most grants do make provision for project preparation, feasibility studies, etc. These amounts are usually provided up front but it takes a long time to apply for such preparation funding and for it to get approved. It is recommended that a Project Preparation Revolving Fund be established to fast track the process.

10.4 ECD REVOLVING PREPARATION FUND

A Revolving Project Preparation fund would provide and manage bridging finance for the costs of preparing ECD improvement plans (including feasibilities and funding applications). Preparation funding would be recovered once the capital funding has been successfully been leveraged in order to re-capitalise the fund for purposes of preparing new projects. A Revolving Project Preparation fund would enable the fast tracking of project preparation, ensure higher and more consistent quality of applications and thus ensure a better pipeline of ECD projects. Preparation funding would be made available at no cost (interest) and at no risk to the recipient ECD Centres.

Establishment and management of a Revolving Preparation ECD Project Fund

The funding of such Revolving Fund could be established and funded in three ways:

- Non-government funded and managed but in close consultation with government:
Advantages: Potentially more rapidly established and funding more rapidly mobilised; management of the fund would be less onerous on government as it would not have to go through governmental procurement processes.
Disadvantages: Revolving fund size may be constrained without government co-investment; there may be barriers/difficulties associated with preparation funding recovery from government in respect of MFMA/PFMA and/or recovery from multiple sources (e.g. municipalities). If this route were followed, a special agreement would have to be reached with National Treasury for the recovery of the preparation funding once the grants are approved (e.g. a special directive to participating Municipalities and Departments).
- Government funded and managed by a procured service provider:
Advantages: Government has significant financial resources at its disposal and is committed to addressing ECD infrastructure; recovery of preparation funds is likely to face fewer MFMA/PFMA impediments – but may still require a Treasury directive or intervention.
Disadvantages: Likely to be slow to establish and timeframes associated with government budgeting and procurement might delay processes even further

- Dual funding and managed via a special delivery vehicle (e.g. in KZN this could be achieved by means of an existing collaboration involving KZN DSD, Ilifa Labantwana, PPT)
Advantages: Leverages both government and non-government funding; secures collaboration of NGO/private sector capacity/skills; establishes additional specialist infrastructure preparation capacity to support government; establishes supportive institutional arrangements (as opposed to short-term procured service provider capacity); once established, can effectively establish a high quality ECD infrastructure project pipeline by means of specialised and dedicated institutional capacity; vehicle functions independently of implementing agents/service providers with no conflict of interest or perverse incentive to prove the projects are viable or escalate implementation costs; if linked to a special delivery vehicle, can add value in respect of helping to ‘drive’ and co-ordinate the ECD infrastructure programme medium term.
Disadvantages: Requires co-funding arrangements and most likely an Agreement (e.g. MOA/MOU) between the delivery vehicle and government (e.g. DSD).

Responsibilities of the ECD Project Preparation Revolving Fund Managers

- Manage revolving ECD infrastructure preparation fund in close consultation with DSD and other stakeholders including related reporting and support to co-ordinating structure (e.g. task team or steering committee).
- Support provincial planning of area based ECD infrastructure improvements programmatically and under leadership/direction of provincial DSD (e.g. via a task team or steering committee).
- Establish a panel of service providers (e.g. on a 3 year cycle and by means of competitive bidding) which includes: a) general development practitioners from NGOs and private sector (e.g. project managers, facilitators, field survey personnel etc.); b) built environment professionals (to undertake technical work).
- When/if necessary, manage area-based ECD centre surveys (making use of other funding sources or even potentially fund these if funders are prepared to make such funding available as a grant since it is unlikely to be recoverable).
- Obtain provincial DSD approval for prioritized ECD infrastructure projects to be planned and prepared for potential investment.
- Fund and manage preparation of selected/prioritized ECD infrastructure improvement plans on a batched basis (as outlined previously) including appointment and management of service providers on panel, engaging with capital funders, submitting batched funding applications, following through on these to address queries and provide additional information if need be, securing capital funding allocations.
- Recover preparation funding from capital funders and replenish revolving fund.



11 ECD INFRASTRUCTURE DELIVERY OPTIONS/MECHANISMS

11.1 PILOT PHASE IN KWAZULU NATAL

For the pilot phase in KwaZulu Natal (86 selected ECD centres in five target municipalities¹⁹), some flexibility and pragmatism in respect of delivery options will be necessary given the relatively tight project timeframes (anticipated timeframe for delivery of infrastructure at pilot sites is mid 2016). In the event that no special arrangements or delivery mechanisms can be rapidly put in place, then existing mechanisms will need to be utilised as far as possible (e.g. MIG, CWP).

Whilst the total infrastructure costs for the pilot phase will only be available at a later stage (after the survey and improvement plans have been developed), it is anticipated (based on the initial modelling outlined previously) that approximately R13million will be required of which approximately R2.6million will be for basic infrastructure and R10.4million for major renovations, extensions, and new facilities (fixed and movable edutainers). It is noted that an amount of approximately R0.45million of infrastructure bridging funding will be made available through PPT as part of the pilot phase (assuming R30,000 of infrastructure improvements at 15 selected centres).

Assuming existing funding mechanisms are utilised for the pilot phase, then the likely delivery model would be along the following lines:

- R2.6million in basic infrastructural improvements delivered using municipal infrastructure funding sources (MIG in the case of the rural municipalities and ICDG in the case of eThekweni).
- R10.4million for major investments in new facilities, extensions and major renovations (for 18 centres).

Overall co-ordination for infrastructure delivery for the pilot phase would be provided by PPT (working in close collaboration with Ilifa, NAG, KZN DSD and target Municipalities).

11.2 MECHANISM FOR SCALED-UP ROLLOUT

Special purpose delivery mechanism:

Given the scale and complexity of ECD infrastructure delivery, it is suggested that a dedicated, special purpose delivery mechanism be put in place. Some of the reasons why this is desirable include:

- the need for dedicated capacity and resources especially for effective co-ordination (programme management) at both national and provincial levels;
- the diversity of infrastructure challenges at ECD centres and the associated need for a differentiated and responsive delivery model;
- the diversity of funding sources which is likely to be utilised and possible diversity of funding flows (e.g. from Lotto or CSI donors direct to centres, from MIG direct to a Municipality; from national to a provincial DSD etc.).

¹⁹ Five local municipalities are targeted: two Municipalities within Ugu District Municipality - Umzumbe and Vulamehlo; two Municipalities within Umzinyathi District Municipality - Umvoti (including Greytown) and Msinga; one small pilot site (informal settlement) within eThekweni

Key principles/success factors:

The following key principles/ success factors are suggested for an effective delivery mechanism:

- Provincial DSDs need to assume the authority for decision making and resource allocation based on structured ECD investment plans (noting existing relationships and responsibilities of provincial departments for ECD)
- Supportive and enabling role from National Government in particular the National DSD, Treasury and potentially Department of Human Settlements and CoGTA (depending on funding sources and infrastructural models utilised) – this would include overall policy, strategy and infrastructure grants;
- ECD infrastructure delivery must be synchronised with and form part of the broader process for ECD centre assessment and registration (which is undertaken as part and parcel of the usual work undertaken by Provincial DSDs via their local services offices);
- Dedicated specialist infrastructural technical support to help manage and co-ordinate technical infrastructure aspects – both for planning/preparation and for delivery phases;
- Procurement efficiency – it being accepted that substantial state infrastructure funding will need to flow into the ECD infrastructure improvement programme (e.g. batching centres together to achieve economies of scale, considering provincial-level procurement);
- Effective co-ordination of different stakeholder inputs, funding sources and the flow of funding (against provincial and local-level ECD infrastructure plans developed).

Funding sources a determining factor:

The infrastructure funding sources to be utilised will be a key determining factor of the delivery mechanism to be utilised. For example, if existing MIG grants (disbursed via Local and/or District Municipalities) are utilised for basic infrastructure, then, unless a special arrangement is put in place, the delivery of such ECD infrastructure and related procurement of contractors, will be at municipal level (via 226 LMs and/or 44 DMs). This may have implications in terms of the complexity of delivery, noting also the substantial delivery problems already associated with municipal infrastructure delivery. Alternatively, if a dedicated ECD infrastructure grant were put in place (disbursed via Provinces with procurement and contracting at that level), then the arrangements would be more streamlined and some of the local and district capacity constraints could be addressed. This would, however, require that a special delivery mechanism be created with dedicated provincial-level infrastructure technical capacity.

Funding arrangements:

Initial survey:

A dedicated source of funding is suggested for this deliverable given that this needs to be delivered as rapidly as possible across all provinces in order to ensure that all ECD centres are identified and mapped and included within the current system of state registration and related support. Ideally, there should be a national allocation for this (e.g. from NDS, Lotto, CSI). For the 226 local municipalities in South Africa, an indicative budget of R22.6million would be required for this (at approximately R100,000 per municipality or portion of metropolitan municipalities). This investment would be required over a short period (e.g. one to two years) in order to cover all centres and achieve maximum population coverage.

ECD infrastructure response plans:

Again, a dedicated funding source is suggested for this, although the mode of delivering the plans will differ relative to the initial survey and will be more complex. Whilst it is envisaged that ECD response plans would address not only infrastructure but also other aspects of ECD improvement (e.g. ECD programme quality, practitioner skills, institutional capacity), and whilst, in many instances, infrastructure improvements may be catalyst or prerequisite for other ECD improvements, ECD infrastructure plans should only be developed once the associated capital funding has been lined up (e.g. a year in advance of such funding becoming available). It is anticipated that centres would be prioritised at provincial level (based on such factors as level of need, return on investment etc.) and ECD improvement plans developed in for prioritised 'batches' of centres on an annual basis. Centres receiving only basic infrastructural improvements (which would be the majority of centres receiving infrastructural support) would be batched separately to those identified for major infrastructural investment (new facilities, major renovations/extensions). The level of detail and costs associated with the plans (on a per-centre basis) would differ greatly between these two categories with basic infrastructure being mainly on the basis of more or less standard packages whereas the major investments would require more comprehensive and site-specific feasibilities (including detailed specifications and cost estimates). It is noted that there may some overlap between these two categories (e.g. some centres may receive basic infrastructure initially and then receive a major building renovation/extension at a later stage). This would need to go hand in hand with effective and co-ordinated management of the various budgetary sources available for different response packages at provincial level (e.g. Lotto, MIG, NDA, CSI etc.) in close consultation with National Government (e.g. NDS/Treasury). The total budget required for development response plans nationally cannot be effectively estimated until the initial survey has been completed. The per-centre costs of various packages have already been outlined in sections 2 and 3. A key factor is to achieve the maximum return on investment in respect of the number of children who can access improved or new ECD services within the limited budgetary constraints.

Preparing and packaging ECD infrastructure packages:

Preparation funding will be essential to ensure that the programme functions effectively. Budget for this would need to be set aside up-front and well in advance of infrastructure delivery. In all cases, projects would need to be prepared in batches to achieve cost-efficiency and to establish viable project pipelines. Two options are suggested:

- A. Capitalisation of a *revolving preparation fund*: In this case, a preparation fund is capitalised and centrally managed at provincial-level (e.g. via a dedicated delivery vehicle) as outlined in more detail in section 9.4 above. ECD infrastructure projects are planned and prepared centrally and in batches (to achieve economies of scale) and applications (including specifications and cost-estimates) submitted for capital funding (from whatever source). Preparation funds are recovered from the capital grant

once approved and then made available for new projects. This option would probably only be feasible in the case of a provincial grant instrument and dedicated provincial delivery vehicle (given the impracticalities in effecting preparation funding recoveries from multiple LMs and/or DMs including possible MFMA barriers). This option will probably work best if the preparation facility is co-capitalised by government and the private/donor sector and conceptualised as a 'PPP' (which may include NGOs). This option has various benefits as outlined previously (e.g. establishment of dedicated central capacity, institutional stability etc.).

- B. *Non-revolving preparation funding – direct grant*: In this case, funding is allocated and budgeted on an annual or three-year cycle for preparing ECD infrastructure projects. It is suggested that the most viable source would probably be a dedicated DSD budget allocation from Treasury which would flow down to Provincial DSDs for their utilisation for such purposes. The management of such funding would best be achieved by means of a special delivery vehicle at provincial level since it would require specialised infrastructure and ECD preparation expertise.

Delivering basic infrastructural packages (basic services and minor building improvements):

It is anticipated that, in the case of local and/or district municipalities, it will be challenging to effectively deliver ECD infrastructure using the municipal infrastructure grant (MIG) as a long-term strategy, even though the utilising of MIG is anticipated by the National Draft ECD Policy and May 2015 FFC DORA submission²⁰. It is therefore suggested that, to cater for Local/District municipalities, that a new, dedicated ECD infrastructure grant be created (as was done in the case of the USDG) with allocation and decision-making under Provincial DSDs but with dedicated technical support (e.g. from a dedicated ECD Infrastructure Delivery Support Vehicle). Various other funding sources such as MIG could come into play, but would face various constraints as outlined in the note below (and if utilised, should preferably be undertaken at DM not LM level). In the case of Metros, most could probably act as a conduit for funding and manage its utilisation provided there is a close and functional working relationship between them and the relevant Provincial DSD. Some Metros may, in any event elect to not take on this funding role (given the complexities and particularities associated with ECD infrastructure delivery).

NOTE: Reasons for the constraints associated with the MIG via LMs or DMs include: a) the likely procurement delays which would result given procurement across multiple municipalities and noting municipal capacity constraints; b) ECD infrastructure being different to municipal infrastructure (small, differentiated investment packages at multiple and usually dispersed localities); c) the difficulty in ECD budget receiving municipal-level priority and 'competing' in the same budget pool against mainstream municipal infrastructure. Consideration could be given to delivering via District Municipalities, but the delivery mechanism would still be quite diffuse (44 DMs) and there may be contestations over the control of budget between LMs and DMs and good working relationship would need to be in place between LMs and Provincial DSDs in particular in respect of the identification and selection of centres prioritised for infrastructural investment. Consideration also could perhaps be given to 'top-slicing' MIG but it is likely that the procurement will still need to be at LM or DM level (unless it can be confirmed that procurement for MIG funding can be undertaken at Provincial-level). Whilst other funding sources such as municipal equitable share (entirely at the discretion of municipalities) or CSI funding or Lotto could come into play, these should be regarded as secondary and not primary sources of funding for basic ECD infrastructure.

Delivering major infrastructural packages (new facilities, major renovations/extensions):

It is anticipated that the primary funding source will be *National DSD funding direct to Provincial DSDs*. This is consistent with the National Draft ECD Policy of the DSD which envisages an 'infrastructure improvement fund' for NPOs. Other (secondary) sources of funding which may come into play include: *Lotto funding* either direct to centres or programmatically via a special delivery vehicle; *CSI funding* either direct to

²⁰ Financial and Fiscal Commission: Submission For The Division Of Revenue 2016/2017: For An Equitable Sharing Of National Revenue, 29 May 2015.

centres or else programmatically via a special delivery vehicle; *Department of Human Settlements social facilities* funding via municipalities (mainly for new ECD buildings linked to housing projects e.g. via extensions to community halls); *Department of Human Settlements emergency housing* grant – potentially for new build, non-conventional ECD structures (e.g. within informal settlement areas); *Neighbourhood Development Grant* mainly for new facilities presumably on public land and *NDA* for minor repairs and improvements.

Institutional arrangements and roles – primary role-players and decision makers:

- Special purpose support vehicle: It is suggested that provincial-level special delivery vehicles in some form would be highly beneficial to help ensure the successful planning and implementation of a national ECD infrastructure programme. Such special purpose vehicles (SPVs) would function to help “drive” and co-ordinate the ECD infrastructure programme by putting in place the dedicated capacity and resources necessary for effective co-ordination (programme management). They would function to address or accommodate a range of factors including the diversity and complexity of infrastructure challenges, the need for continual stakeholder engagement, the need to build high quality and ‘bankable’ ECD infrastructure project pipelines, diverse funding sources which may come into play and limited existing specialist capacity with government to undertake these specialist functions. Such SPVs would function to: establish and manage the necessary specialist infrastructure capacity and institutional arrangements to support government; co-ordinate funding(including associated multi-year budgeting); help leverage funding; help co-ordinate ongoing stakeholder engagement including via project steering committee or task team meetings (including between different spheres of government and line departments); manage revolving preparation funding if applicable. Such SPVs would function independently of implementing agents/service providers with no related conflict of interests.
- National DSD: The National DSD should principally play a supportive and enabling role including: ECD infrastructure policy and strategy; directly funding ECD infrastructure; helping to put in place additional funding (e.g. from Treasury, other Departments, CSI); monitoring and evaluating the programme and cumulative national reporting.
- Provincial DSDs: ECD is principally a responsibility of Provincial DSDs who should be the main custodians of the ECD infrastructure improvement programme and who should be responsible for the establishment of the afore-mentioned provincial SPV to support provide them with the necessary specialist technical capacity. This responsibility would be alongside the current responsibilities in terms of centre assessment and registration, ECD operating grants etc. With the support of the SPV, the Provincial DSD would be responsible for the ECD infrastructure programme including initial surveys, ECD improvement plans, and delivery. In respect of delivery: a) regarding major renovations/extensions/new facilities their role would include procurement and contract management (with SPV support) for new builds using DSD’s ‘infrastructure improvement fund’ for NPOs); b) regarding basic infrastructural/services improvements their role would include procurement and contract management (with SPV support) should a dedicated infrastructural services grant be put in place. Where other grants (e.g. MIG via DMs or ICDG/USDG via Metros) come into play, these would be managed by the other relevant spheres of government.

- Local Municipalities – major towns: It is anticipated that major towns²¹ would typically have environmental health practitioners (EHPs) that would play an active role in the programme in respect of assessing centres, making inputs on centre categorisation, and making inputs on ECD infrastructure improvement plans. In cases where a municipal-managed grant (e.g. MIG or from equitable share) might come into play (though this not anticipated as the norm), then their role would include procurement and contract management (with SPV support and in close consultation with the DSD).
- Local Municipalities – rural and small towns: It is anticipated that such municipalities would typically not have in-house EHPs who would, instead, be in the employment of the DM. It is unlikely that they would play a role in managing and disbursing ECD infrastructure funding (which would most likely be undertaken by the Provincial DSD or in some cases the DM). They would however need to be involved as part of stakeholder engagement, help identify ECD sites, help with local engagement including securing buy-in for the programme at local level.
- District Municipalities: DMs are likely to play a major role. In most instances (except metros and major towns), they would typically have environmental health practitioners (EHPs) and in some cases manage and disburse ECD infrastructure funding (where it does not flow from the Provincial DSD). Their role and function would be substantially the same as for a major town.
- Metros: Metros are likely to play a major role, similar to that outlined for a DM above, although they would typically have greater capacity and resources and might in some instances opt for playing a more expanded role. In cases where they manage and disburse ECD infrastructure funding, this would most likely be ICDG or USDG but might include other sources such as equitable share.

Role players	Key roles and responsibilities				
	Prep/survey	Prep/plans	Basic infr. pack & deliver	Major infr. pack & deliver	Policy/ grants / strat.
National level	N	N	N	N	Y
Provincial level	Y	Y	N	N	Y
DM level	N	N	Y	Y	N
LM level (rural & small towns)	N	N	N	N	N
LM level (major towns)	N	N	Y	Y	N
Metro level	Y?	Y?	Y	Y	Y

²¹ Treasury identifies 18 such towns in terms of the 'Urban Network Strategy'

Institutional arrangements and roles – secondary role-players including funders:

- **Treasury:** Assist with national budget allocations. Establish new ECD infrastructure grants as applicable (i.e. ECD preparation funding, DSD's 'infrastructure improvement fund', if necessary a new/additional ECD basic services grant). If applicable, provide practice notes or directives concerning utilization of MIG or other existing grants for ECD purposes (e.g. with reference to expenditure on NPO owned assets or variations in usual procurement arrangements potentially including re-imbursing to a revolving preparation fund).
- **CoGTA:** Where MIG is utilised, budget accordingly for ECD on advice of DMs and provincial DSD. Participate on provincial PSC or TT.
- **DHS:** Where social facilities or emergency housing funding is utilised, budget accordingly and manage construction contracts (as per usual function). Potentially make building inspectors available for DHS funded ECD projects. Participate on provincial PSC or TT.
- **NDA:** Where NDA is funding ECD infrastructure, liaise closely with Provincial DSD / SPV with respect to identifying prioritised projects (arising from survey and ECD improvement plans). Budget for agreed projects and manage construction contracts (as per usual function). Participate on provincial PSC or TT.

ECD and Municipal Integrated Development Plans:

It is emphasised that NPO-owned and managed ECDs is typically not provided for and planned via IDPs nor is its planning a typical municipal function. ECD oversight is mainly a Provincial DSD function. Some municipalities make provision for municipal-owned ECD within their plans, and such facilities may be operated by NPOs. Improvements to NPO owned and managed ECD Centres are best planned for by the Provincial DSD (based on data collected from initial surveys and centre assessments). Municipalities IDPs may wish to refer to the Provincial ECD improvement plan and confirm the Municipalities' support for the plan given the hands on involvement of Environmental Health Practitioners' in the ECD registration process. . It is impractical for each and every ECD centre within a municipality to be listed in the IDP and for this to be updated on a regular basis. It is accepted that Municipalities would in general terms prioritise ECD given the national priority it enjoys and would be supportive of initiatives aimed at achieving improvements. It is anticipated that the bulk of the capital budget for NPO ECD infrastructure will come via the Provincial DSD (as suggested in the above delivery model). In cases where municipalities (typically Metros, major towns or DMs) are providing ECD capital budget (e.g. MIG, USDG, ICDG), then they would need to budget accordingly and identify the centres for which budget is being allocated, but this should not require an IDP amendment each time. It is noted that the bulk of ECD infrastructure investment in NPO owned and operated facilities will be in minor infrastructural improvements with relatively low per-centre budget allocations.


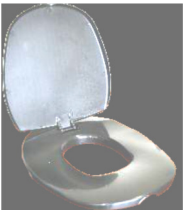
12 KEY ENABLING ACTIONS FOR SUCCESSFUL DELIVERY

Over and above the roles and responsibilities outlined in the suggested delivery model in section 10.2 above as well as those associated with the funding sources/options outlined in sections 7 & 8 above and the packages outlined in section 4 above, the following additional suggestions are made in respect of key actions which government can potentially take in order to realise and optimise the Programme.




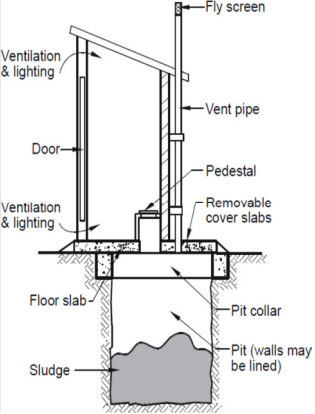
- **Flexibility on registration and related infrastructure requirements** – (please refer also to the ‘ECD Centre Infrastructure Norms and Standards’ document for more detailed information). Flexibilities which are particularly important as far as infrastructure goes include:
 - **Zoning:** a) not insisting on zoning where it is not achievable (e.g. traditional land or informal settlements); b) considering simpler and more flexible zoning for such areas (e.g. fewer zoning categories only requiring consent use); blanket zoning (e.g. for a batch of centres identified on a DSD database in a relevant centre categories e.g. A, B1, B2).
 - **Building standards:** a) accepting that not all buildings have approved building plans (in particular those on traditional land and in informal settlements); b) accepting that some variations relative to conventional construction methods or built standards might be necessary – this would include accepting movable structures (e.g. prefabricated buildings, “edutainers”) and non-conventional (traditional and less-formal) building methods as far as these are safe, structurally-sound and functional; c) Municipalities providing guidelines for the construction of safe and affordable non-conventional structures for ECD operators to a similar specification as emergency structures provided by DHS.
- **Reduced or zero cost items for ECD NPOs in particular:**
 - **Rates:** Municipalities to provide rates rebates for ECD NPOs in poor and underserved communities
 - **Services (e.g. water, electricity, refuse):** Municipalities to provide basic infrastructure (e.g. VIPs, water tanks, prepaid meter for electricity) to all ECD Centres (NPO or private) in poor and underserved areas free of charge. NPO ECD Centres should qualify for the equitable share subsidy as they are serving indigent households dependent on these subsidies.
 - **Building plan approvals:** A) Approve building plans at zero or reduced cost for ECD NPOs operating in poor, underserved communities. B) Allow the submission of a hand drawn sketch with measurements and specified set of photos (including site, building elevations, etc.) for a) existing conventional centres in rural areas (where building plans were not previously required by the Traditional Authority) and b) movable (“edutainers” or prefabricated buildings) or non-conventional structures at no building plan fee for NPO ECD Centres. Alternatively if the Municipality does not want to allow this, arrange for the building plans to be drafted and paid for by the Municipality in terms of the Equitable Share.
 - **Rezoning or special planning consents:** Waive costs for re-zoning or special land use consent applications for NPO ECD Centres (and potentially also those privately owned) serving poor underserved communities or arrange for this to be paid for by the Municipality in terms of the Equitable Share.
- **New and appropriate grant mechanisms** – in particular: ECD infrastructure preparation funding for initial survey and planning; DSD’s ‘infrastructure improvement fund’ for NPO facilities; potentially new/additional ECD basic services grant (if basic services cannot be covered via the former grant and noting the constraints pertaining to MIG previously mentioned).


- **Capital expenditure on NPO ECD Centres:** It is suggested that the Public Finance Management Act be reviewed and amended to allow for expenditure of capital funding from government on NPO ECD Centres in poor and under-served communities (noting that a) they render non-profit public benefit services to these communities ; b) NPOs can be requested to adopt a clause in their constitution that requires them to transfer the facility to an organisation with similar objective upon dissolution).
- **Land use planning for ECD:** Municipalities to a) make provision in their planning for all existing and new ECD Centres when formalising informal settlements or when establishing new green-fields residential developments (i.e. establishing a new township) make provision for new such centres; b) provide blanket zoning for existing and new centres on a batched basis (subject to survey, RAC and DSD recommendation); c) consider more flexible and/ or mixed use zoning.
- **Land allocation to NPOs** Municipalities should investigate the best options for land allocation to NPO ECD Centres
- **Institutional arrangements** – well-functioning institutional arrangements, as described in item 10.2 above, are essential due to the number of government spheres, funders and other stakeholders involved as well as the required level of collaboration to coordinate the different stakeholder inputs, funding flows, procurement and to synchronise delivery with the broader process for ECD registration.
- **Dedicated specialist support capacity for programme delivery:** Given the unique nature of ECD infrastructural requirements, the complexity of ECD (e.g. synchronisation of ECD infrastructure with ECD registration processes, and prevailing constraints capacity within government, it is suggested that a provincial Special Purpose Support Vehicle (SPSV) be established with the necessary technical capacity to help “drive’ and co-ordinate the ECD infrastructure improvement programme.

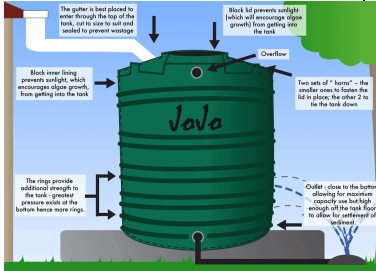


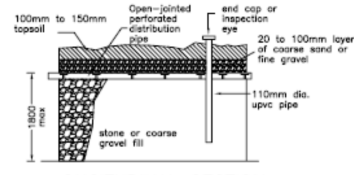
13 INFRASTRUCTURE REQUIREMENTS FOR ECD CENTRES – DETAILED ASSESSMENT






Infrastructure intervention type	Description	Preconditions	Indicative cost ²²
BASIC SERVICES:			
<p>SANITATION Upgrading an existing pit latrine</p>  	<p>A pit latrine generally consists of three major parts: a hole in the ground, a slab or floor with a small hole, and a shelter. The pit is typically at least 3 meters deep and 1 m across. The hole in the slab below should not be larger than 25 centimeters to prevent children falling in.</p> <p>Improvement 1 Adding a ventilation pipe from the pit to above the structure. This improves airflow and decreases the smell of the toilet. It also can reduce flies when the top of the pipe is covered with mesh (usually made out of fiberglass). Materials: Ventilation pipe 110mm diameter , flyscreen; 2 -3 clamps</p> <p>Improvement 2 Fixing or rebuilding the "super-structure" that houses the toilet. "Fixing" may include the fitting of a new frame and door, roof, slab, or wall panels if corrugated iron or wood. Rebuilding may be required where the pit is still fine but where the structure collapsed.</p> <p>Improvement 3 Fixing the toilet seat (make it child safe) and add toilet paper holder Light should be prevented from entering the pit to reduce access by flies.</p>	<p>Only basic services to be provided Improvements may be done in terms of the EPWP - Community Works Programme or via small contractor programme.</p> <p>Solid / sturdy wall</p> <p>Fixing possible if building is otherwise structurally sound</p> <p>In cases where the toilet seats are not safe for use by children</p>	<p>Ventilation pipe with fly screen R 1080</p> <p>R750 per item</p> <p>R200</p>



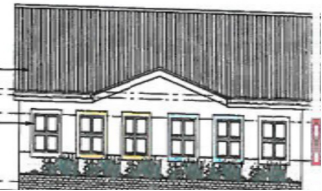
²² Costing of small items was done on the assumption that the works will be either done by the ECD Centre, the Community Works Programme or small contractors depending on the extent of the work to be done.




   <p>10 Litre 2 litre</p>	<p>Improvement 4 Adding handwashing facilities preferably inside or on the outside Water can be supplied with water from a rainwater harvesting tank just underneath the roof of the toilet structure or can be obtained from a water tank on site, or be piped water supplied by the municipality or from a borehole.</p> <p>A 10 liter cistern and basin with the necessary fittings can be provided. The cistern can be filled automatically depending on the source of water (e.g. Municipal supply) or the height of the water tank. Greywater disposed through down pipe, shallow stone trench</p> <p>Another option and possibly more feasible option is the installation of a 2 liter container with soap dish and small basin (CSRI developed for rural and informal settlement settings) The container is filled manually.</p>	<p>Position of basin / trough determined by available space</p>	<p>Guttering for harvesting leading into drum / 10 litre Cistern 10 Litre Cistern R 550</p> <p>Basin and fittings' R433</p> <p>2 litre water container CSI developed R100</p>
<p>Ventilated improved Pit (VIP) - New built</p> 	<p>A VIP toilet is an ordinary pit toilet provided with a concrete floor slab, pedestal with seat and fitted with a vent pipe and a fly screen</p> <p>The walls of the VIPs can be built with blocks/ bricks / concrete slabs or with wood, corrugated iron.</p> <p>Many VIPs are pre casted or come in kit form</p>	<p>Areas where there are no existing water borne sewer reticulation</p>	<p>New built VIP R5320</p>

<p>Flush toilets</p> 	<p>Flush toilets are usually fitted onto a concrete slab / wooden floor and can be housed in a conventional structure built by blocks, bricks or concrete panels or with wood or corrugated iron</p> <p>Connected to municipal water reticulation or septic tank</p> <p>Cost of on-site drainage (distance from building to connection / septic tank will differ from site to site and also between urban informal settlements and rural settings.</p>	<p>Access to sewer reticulation</p>	<p>Toilet / Cistern R2 750 (incl all fittings)</p>
<p>Septic Tank</p>	<p>On site sewer system 5000 litres for up to 20 people and 10 000 litres for up to 35 people</p>		<p>R11 350 for 5000 litres</p>
<p>Sewer connector and drainage materials</p>	<p>Sewer connection</p>	<p>Sewer reticulation required</p>	<p>Provided by Municipality</p>
<p>WATER</p> <p>Water connection to site</p>	<p>The municipality will be supplying water to site upon the submission of an application from the organisation / owner</p> <p>Water meter provided and installed by Municipality</p>	<p>Water reticulation in close vicinity</p>	<p>Applicant has to pay connection fees Application fees vary per municipality and often per area.</p>
<p>Community stand pipe outside yard</p>	<p>The Municipality may be requested to provide a community stand piper in close vicinity to the ECD Centre.</p>	<p>Provided there is a water reticulation network</p>	<p>This is usually considered to be a community asset and will not be charged to an individual account</p>
<p>Fitting kitchen sink, tap and pipe to channel grey water away from the building</p>	<p>On site water piping to centre and installation of water inside kitchen / toilets will differ from site to site. Standard double sink , taps, plumbing / drainage</p>	<p>Provided there is piped water</p>	<p>R 8500</p>

<p>Water tank</p>   	<p>Provide water tank (where required) Water tanks have the following standard fittings : 40mm water fitting at the bottom; Inlet and over-flow on top (side) with a 50/40 reducer; 480mm lid on top of the tank 2500 litres - Diameter 1 420 mm Height 1 860 mm 5000 litres - Diameter 1 820 mm Height 2 255 mm</p> <p>Improvement 1 Provide water tank stand (concrete)</p> <p>Improvement 2 Replacement of plastic tap fittings</p> <p>Improvement 3 Guttering feeding water into tank. Guttering are fastened to fascia boards with fascia clips. Other materials required (guttering, end caps, Gutter outlets, swan neck or bends, bend down pipe, shoe, etc</p>	<p>Suitable roof for water catchment Guttering and fittings link tank to rain water collection area</p>	<p>R5 800 (installed) R7 700(installed)</p> <p>R2 750</p> <p>R70</p> <p>Facias (10m)& 6 brackets R590 Guttering (10m) – R1 098</p>
<p>French Drain</p>  <p>LONGITUDINAL SECTION DETAIL OF FRENCH DRAIN</p>	<p>A french drain is a trench filled with gravel or rock or containing a perforated pipe that redirects surface water and groundwater away from an area. A French drain can have perforated hollow pipes along the bottom to quickly vent water that seeps down through the upper gravel or rock. French drains are primarily used to prevent ground and surface water from penetrating or damaging building foundations. French drains are also used as soak away for grey water collected from the outlet of a basin, trough, septic tank.</p>	<p>Mostly rural areas where there are no sewer reticulation systems in place.</p>	<p>R5 000</p>
<p>ELECTRICITY</p>	<p>Connection fees</p> <p>1 Phase 60A (BEC23PL)prepaid meter</p>	<p>Provided there is an electrical network in the immediate area.</p>	<p>Cost depends on area / available network & capacity R 700</p>

MINOR BUILDING IMPROVEMENTS			
    	<p>The number and combination of items will determine if the intervention is a basic, medium or high intervention Various minor improvements may be considered :</p> <p>Corrugated iron sheets (10.5/76) for replacement of roof sheets or replacement of walls of informal structure.</p> <p>Fibre Cement roof sheets / tiles</p> <p>Roof fixing kit (e.g. bitumen / roof screws, sealant at overlapping sheets.</p> <p>Rafters and purlins per 40m² area</p> <p>Replacement or install new windows 1.6x1.2</p> <p>Replacement of window pane / glazing</p> <p>Replacement of external door frame and door (stable door)</p> <p>Replacement of door handle and lock.</p> <p>Internal door frame and hollow door with accessories</p> <p>Installation of Ceiling - Gypsum Board</p> <p>Installation of EEZI ceiling</p> <p>Dry walling separating kitchen area from play area 5m x 2.2 Plus internal door frame and door</p> <p>Fitting of security gate - front and back door</p> <p>Burglar bars off shelve for opening windows -</p> <p>Flooring – Linoleum per running meter e.g. for 12 m2</p> <p>Fitting of door frame / hollow door</p> <p>Throwing of apron (600mm wide x 150mm thick) per running meter to prevent caving of building due to stormwater damage and dampness. A wider apron may be considered if apron has to double up as “walk way” for persons with disabilities</p> <p>Provide kit for fixing of minor cracks</p> <p>Painting of building inside (40m² building)</p> <p>Painting of building of outside where absolutely necessary</p> <p>Damp seal where required (5 – 10m²)</p>	<p>Improvements will only be considered where it addresses health and safety issues and issues that may prevent registration.</p>	<p>From R1000 – R50 000</p> <p>R140/m²</p> <p>R245/m²</p> <p>R650</p> <p>R93/m²</p> <p>R1 469/m²</p> <p>R550/m²</p> <p>R2 770</p> <p>R100</p> <p>R1 272</p> <p>R292/m²</p> <p>R185/m²</p> <p>R8 360</p> <p>R1 590</p> <p>R165 each</p> <p>R2 650</p> <p>R260 /m²</p> <p>R230</p> <p>R3 126</p> <p>R2 716</p> <p>R430</p>

MAJOR UPGRADING / RENOVATIONS			
Upgrading / renovations	<p>These would typically include one or more of the following</p> <ul style="list-style-type: none"> Replace roof Throw concrete floors, Replace all windows and doors, Rebuild some walls provided the foundations are structurally sound <p>Major upgrading will be done by NHBRC registered contractors.</p>	<p>Only If building belongs to ECD that is registered as NPO or in cases where the building is leased from Municipality / Department</p> <p>Unlikely to be done in informal settlements</p>	<p>Costing depends on size of building and level of upgrading required</p> <p>R50 000 – R100 000</p>
EXTENSIONS TO BUILDINGS			
 	<p>Extensions to building (e.g. additional playrooms, office, kitchen) Such extensions may be done through conventional or alternative construction methods (e.g. Building methods with approved Agrément certificate, pre fab buildings, corrugated iron buildings with cladding/ wooden buildings or adapted containers adapted for this purpose.</p> <p>Edutrainer fully equipped (furniture, electricity, educational toys etc) (12m x 2.76m DSD specs) R245 000 + R36000 +R1200 = R282 200</p> <p>Fully equipped office, kitchen and sickbay Bright Kid Container type 12m x 2.76 R215 000 + delivery R36 000+ Site preparation R1200 = R252 200 (meeting DSD standards)</p>	<p>To be considered where these extensions are required for registration or in areas where there is a shortage of ECD facilities to improve access</p>	<p>Playroom for 25 kids (R245 000) plus delivery costs R36 000.</p> <p>=</p> <p>R282 200</p>
NEW BUILDINGS			
	<p>110m² ECD Centres for 50 children (- 2 playrooms, 1 office cum sickbay, 1 kitchen and ablutions)</p> <p>New builds will be done by NHBRC registered contractors and the projects should be enrolled with the NHBRC Enrolment (1,3% of total construction cost up to R500 000 and then a sliding scale up to R34 000 on a building worth R5 million)</p>	<p>Where facilities cannot be upgraded e.g. where a traditional building/ informal structure may have collapsed on NPO land or where the leased facility is inadequate and situated on privately owned land)</p>	<p>R660 000 (excluding fencing, indoor, outdoor equipment)</p>

FURNITURE, FENCING AND EQUIPMENT			
Furniture 	4 chairs and a table for ECD Centres @ R600 per set for 20 children		R3000
First Aid Kit 	A basic first aid kit is absolutely essential	With DSD approved contents	R400
Fencing:	Fencing for area of - 20m x 25m = 500m ² . Requires 90 m x 1.8 mesh + poles / stays & pedestrian gate + labour		R294 /m ² R29 106
Jungle Gym 	Wooden Jungle Gym with roofs and platform ladders, poles double swing set Metal Jungle Gym with Swing, Slide and tunnel crawler		R8 030 R9432 (excluding delivery and labour)

Note: The costs estimated for minor repairs and improvements were done in anticipation that the work will be done by the ECD itself, by small community contractors and or in terms of the Community Works Programme.