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GENERAL MANAGEMENT ASSISTANCE CONTRACT (GMAC)

Contract No: 674-C-00-01-00051-00

**Preparation of Housing Projects associated with HIV/AIDS and
local economic development**

Contract or Grantee number: 0100-0203-G-GA29



Project Preparation Trust (PPT)

This report was produced for review by the CDIE. It was prepared as a performance milestone under Mega-Tech, Inc.'s prime contract. The contents of this report address activities performed under USAID/South Africa's Strategic Objective No. 6: Increased Access to Shelter and Environmentally Sound Municipal Services

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Activity Summary and achievements:

The purpose of the grant was to establish a revolving preparation facility where preparation funds were repaid once implementation funding was approved, enabling further projects to be undertaken.

Two types of projects were focused on, namely:

- HIV/AIDS and Housing with a focus on providing shelter and care for orphans or vulnerable children; and
- Local economic development combined with housing projects.

The Project Preparation Trust (PPT) grant resulted in the following results:

- Capital approvals: R50.66 Million was approved for 6 projects, representing 145% achievement against the target set for the program (R35M). In addition, R167.91M was conditionally approved for 3 projects by the grant end date.
- The full approvals mentioned above benefit 3,646 households.

In addition, seven replicable development models were developed or refined and significant progress was made in terms of starting to mainstream and replicate the models.

For more details on successes of this grant, refer to the project closeout report.

Contents of this report:

- 1) Project Closeout Report (October 2005);
- 2) PPT Success Story;
- 3) Annual Narrative Summary (FY2005); and
- 4) USAID Site Sheet – CUT.



18th October 2005

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USAID- Funded Program for the Preparation of Housing Projects Associated with HIV AIDS Relief and Economic Development:

Task 5 of Implementation Plan: Program Closeout Report

1. Context

- 1.1. In terms of PPT's agreement with USAID / GMAC dated 27 February 2003 and the Amendment 4 thereto dated 18th July 2005, the grant completion date is 31st August 2005.
- 1.2. In terms of the revised implementation program contained in the above agreement, the final milestones for the program are defined as follows:
 - a. Milestone 9: Progress report to GMAC covering: a) Amaoti land valuations, b) PPT co-ordination of Amaoti land process, c) Amaoti pro-poor economic development and d) Amahwaqa (Dududu) housing project (refer to section 7 below).
 - b. Milestone 10: Review and closeout report for the program including qualitative and quantitative assessment of results, main lessons learned and implications for future programs.
- 1.3. This report therefore covers the elements outlined above. In addition it focuses on the overall results for the program, and in particular those relating to the primary USAID indicators (SO6.1e and SO6.2e).
- 1.4. It is noted that this report should be read in conjunction with previous quarterly, semi annual and annual reports from PPT to USAID as well as the progress reports submitted by PPT together with various tranche payments.

2. Quantitative Results (Attachment A)

2.1. Capital approvals (SO6.1e)

R50.66 Million has been fully approved for 6 projects. This represents a 145% achievement against the target set for the program (R35M). In addition R167.91 Million has been conditionally approved for 3 projects.

2.2. Number of units / households (SO6.2e)

The full approvals mentioned above will benefit 3,646 households. This represents a 324% achievement against the target set for the program (1,126 hh). In addition the above-mentioned conditional approvals will benefit 4,591 households.

2.3. Other funding approvals

In addition to the above approvals, a further R1.5 Million benefiting 2,255 households has been approved for non-SO6 indicators (mainly associated with economic development).

2.4. Volume of projects undertaken

The target for the programme was to prepare between six and ten projects. PPT ultimately undertook the preparation of 19 projects and this increases to 27 when one takes into account sub-projects (eg: the piggery, homestead gardens, micro enterprise development and fruit tree establishment projects which make up the overall Richmond LED project). This represents between a 190% and 450% achievement of target. Taking the sub-projects into consideration, 14 funding approvals were obtained during the course of the programme (between a 140% and 233% achievement of target) and approvals for most of the balance will be forthcoming over the next year or so. The breakdown of projects is as follows:

- Housing: 8 projects
- Special needs housing: 6 projects
- LED: 5 projects (13 sub-projects)

2.5. Agreements entered into with Municipalities

Formal agreements were entered into with five municipalities (refer to **Attachment B**):

- Richmond
- Vulamehlo
- eThekwini
- KwaDukuza
- Ndwedwe.

2.6. Replicable models developed

Seven replicable development models or methodologies were developed or refined and significant progress was made in terms of starting to mainstream and replicate the models (refer to section 3.1 below for more information).

2.7. Preparation loans recovered

R134,495 was recovered during the term of the Agreement and subsequently a further R81,587 has either been recovered (R26,500) or is receivable (R55,087). A further R967,764 is potentially recoverable. The total funding that is therefore either recovered or potentially recoverable is R1,183,846 (or 71.5% of the total Fund). The projected write off at this stage is estimated at approximately R606,499. It is noted that, as loan funds are recovered, funding will be made available by PPT to further projects.

2.8. PPT counterpart funding

PPT's counterpart funding for the programme was R221,341. This represents a 130% achievement of target which was R169,291. Due to USAID's requirement for NGO contribution, PPT made available 1/3rd of its own time at no cost to the program. The reason for the target being exceeded was an increased PPT time allocation to certain projects due to such factors as project complexity and difficulties with local municipalities. Although this has meant that the programme and the projects have benefited by obtaining additional funding, the above scenario is undesirable from PPT's perspective due to the pressure on PPT to maintain its own sustainability. There are a few implications: a) the requirement for an NGO contribution places unreasonable stresses on NGO's; b) programme budgets need bigger contingencies built into them due to the existence of a wide range of factors beyond the control of NGO's which can delay and frustrate projects (see section 4.7 below for more information).

3. Qualitative Results

3.1. Replicable models / methodologies developed

As indicated above, the programme has had significant success in terms of developing and starting to mainstream a range of development models or methodologies (refer to section 2.6 above). These models are as follows:

a. Integrated housing model:

Context: For many years, PPT has made efforts to take a more integrated approach to housing and promote the adoption of such an approach by other stakeholders, especially government. A lack of funding has typically hampered PPT's efforts as have an unwillingness of many government departments or municipalities to take a more integrated approach, low levels of co-operation between different sector departments and a lack of local spatial planning.

Description: The PPT integrated development housing model / approach has two main elements: A) Facilitating practical, simple and cost effective local level (area based) spatial planning, including linkages with the IDP. B) Ensuring the initiation of parallel projects such as those relating to LED and special needs / HIV AIDS relief.

Success: This approach was utilised on the Amahwaqa, KwaShangase, Richmond and Esidweni Housing projects where it proved successful. Government stakeholders appear to appreciate the value of this approach, however a lack of funding and difficulties in obtaining co-operation between different government departments remain a constraint.

Replication & mainstreaming: If the above constraints can be overcome, then there is potential for this model to be replicated. However there is limited potential for the approach being mainstreamed unless municipalities take a more leading role in promoting integrated development or unless the KZN Dept. Housing promotes integrated development principles as selection criteria for municipal housing plans. Nonetheless PPT has had success in respect of replication. It has utilised the above integrated approach on four projects to date. In addition and linked to our housing project at Amahwaqa (Dududu), the National Development Agency approved R800,000 for an expanded integrated development project on the basis of the model outlined above. To our knowledge, the project is the first of its kind in KZN and probably in South Africa.

b. Local, area based LED assessment:

Context: This model is in its early stages of development and has been tested in different forms on the Amahwaqa (Dududu), Amaoti and Richmond projects. The basis principle is to ensure that there is a basic, participative assessment of the economic potential of the area, external and IDP linkages, and most importantly identification and understanding of local activities and resources. The overall goal is to ensure that LED projects are: a) built around and adapted to actual conditions, resources and activities on the ground; b) focused at both the formal and informal / survivalist levels of the economy; c) sustainable; d) informed by appropriate LED principles (especially: asset based community development (ABCD), sustainable livelihoods (SL) and participatory process for competitive advantage (PACA)).

Description: Different assessment methodologies have been utilised in the three areas mentioned above and a comparison of their relative effectiveness will be made.

Success: The model has significant potential as a precursor to LED, especially promoting LED at the area level such as in association with housing and infrastructure projects.

Replication & mainstreaming: There is significant potential for replication and mainstreaming of this model. PPT lodged a successful application with the NDA for the rollout of an integrated development project which includes a socio-economic assessment, a different model is to be utilised at Amaoti. PPT is in discussions with the EU over obtaining possible funding for pro-poor, area based LED projects which will incorporate an assessment component (part of the KZN Gijima Programme). The model has the advantage of being relatively low cost.

c. Micro enterprise development:

Context: This model is informed by the following key assumptions: a) it is necessary to promote local economic development without which housing is not sustainable; b) most LED projects do not penetrate down to the poorest of the poor; c) effective LED must provide support and incentives to existing entrepreneurs (ie: ensure an appropriate selection approach to avoid the 'freeloader' phenomenon).

Description: The model provides for the selection and business skills training of local entrepreneurs including mentorship of the most promising entrepreneurs, the provision of small amounts of seed capital to them, and assistance in marketing.

Success: The model has been successful at two levels: a) assisting survivalist enterprises to improve their efficiency and profit; b) assisting certain enterprises to upsize and migrate from the informal into the formal economy. The greatest potential for upsizing and formalization was in enterprises which are service or production based (eg: carpenter or panelbeater) or which are specialist retail where a particular value is added (eg: butchery). The lowest potential for upsizing was in the case of generic, unspecialised retail (eg: spaza).

Replication & mainstreaming: There is significant potential for replication and mainstreaming and some success in this regard already (refer to comments under 'b' above – NDA , Amaoti and EU). The model has the advantage of being relatively low cost.

d.

Homestead gardens:

Context: This model is informed by: a) a need to promote and support improved food security (including linkages with HIV AIDS relief); b) the economic potential (income generation) associated with vegetable and other garden produce.

Description: The model provides for the selection and permaculture / organic skills training of local, de-facto gardeners. This focuses both on those growing at the homestead level as well as those who utilize communal sites or who farm communally. Training, on-site mentorship and follow through, seedling provision, support in nursery establishment and the provision of tools are provided. The model was utilised on four projects in the programme.

Success: The model has been successful at two levels: a) assisting growers to improve their production; b) assisting certain growers or grower groups to upsize or to start more commercially orientated production.

Replication & mainstreaming: There is significant potential for replication and mainstreaming and significant success in this regard already (refer to comments under 'b' above – NDA , Amaoti and EU). The model has the advantage of being relatively low cost.

e. Fruit tree establishment:

Context: As for homestead gardens above.

Description: This model links with the homestead garden model outlined above. Typically three fruit trees are provided to a selected number of homesteads (eg: 500 x 3 = 1,500 trees) with associated training, provision of planting materials and tools, and on-site follow through. The model provides for the selection and permaculture / organic skills training of local, de-facto gardeners.

Success: The model has been successful at three levels: a) establishing a resource which can provide fruit survival and family nutrition; b) potential sale of fruit for income generation; c) settlement greening with aesthetic, shade and greenhouse gas reduction benefits.

Replication & mainstreaming: There is significant potential for replication and mainstreaming and significant success in this regard already (refer to comments under 'b' above – NDA , Amaoti and EU). The model has the advantage of being relatively low cost.

f. Special needs housing:

Context: PPT has developed three basic models for special needs housing: a) conventional institutional (eg: hospice); b) community care home (eg: 6 children with a foster mother); c) home care / home extensions (provision of improved shelter and other support to de-facto care givers). These models have been refined during the course of the program and a submission compiled and submitted to the National Dept. Housing.

Description: Information on the different models is available on PPT's website www.pptrust.co.za under 'resource info'.

Replication & mainstreaming: PPT has had significant success in replication and mainstreaming at the provincial, KZN level, not only in terms of creating a critical mass of projects but also in terms of several provincial policy submissions submitted by PPT (see section on policy feedback below). However, even at the KZN level there are still several barriers including: a) lack of understanding with the Dept. Housing and municipalities as to how to prepare and implement such projects; b) difficulties in obtaining preparation funding; c) very slow assessment and approval process; d) barriers to informal, grassroots

organizations accessing subsidies. At the national level, PPT has compiled and submitted a joint submission with eThekweni Municipality, however there remains no national policy on special needs housing.

g. Rural housing model:

Context: Linked to PPT's USAID-funded work at Ndwedwe, PPT obtained funding from the Development Bank of South Africa (DBSA) for the compilation of an integrated rural housing manual utilizing the Ndwedwe housing project as a pilot project.

Description: The manual went hand in hand with the release of a rural housing policy by the KZN Department of Housing (ie: functional, traditional tenure). The PPT-managed manual contained the following elements: a) a spatial plan for KwaShangase as a pilot activity focusing on promoting a more integrated approach; b) research into policy and into rural housing projects elsewhere; c) production of a practical, step by step manual (including extensive stakeholder consultation – refer to ppts website on www.pptrust.co.za under 'resource info'); d) a high level stakeholder workshop to facilitate information dissemination.

Replication & mainstreaming: The manual has been well received, however it is difficult to assess at this early stage the extent to which municipalities and their service providers are using it 'at the coalface'. Ideally, follow up training workshops at the district level, possible inclusion in the current Dept. Housing provincial training programme, and conversion of the manual into an interactive web format should be undertaken. PPT is currently taking steps to pursue funding and other support for these follow up actions.

3.2. Expanded PPT geographic focus

As a direct result of the USAID-funded programme, PPT has been able to expand its geographic focus and consolidate its relationships with new and existing municipal partners. The main geographic areas which are new to PPT or have been rejuvenated are: Richmond, Vulamehlo, KwaDukuza, Ndwedwe (although there are problems within the municipality which have created significant difficulties for PPT), and Port Shepstone (although a formal agreement has not been concluded with the municipality in this area).

3.3. Success of integrated approach

As indicated above, PPT's integrated approach has been successful, not only because it has delivered improved, more qualitative and more area-based development results, but also because replicable models or methodologies have been developed which are gaining wider acceptance and which create a platform for mainstreaming of the approach. Such mainstreaming will however require that PPT obtain additional funding to undertake follow up work to that which has already been undertaken.

3.4. Partnerships developed

A wide range of new partnerships have been developed and several existing partnerships have been enhanced and improved (see section 6 below)

3.5. Policy feedback

a. Special needs housing policy:

During the course of the programme, PPT made four policy submissions, three to the KZN Department of Housing and one to the National Department of Housing. All related to special needs housing and were based on PPT's extensive practical experience in this area of work. The three submissions to the KZN Dept. Housing have all had direct and positive impacts on the Department's policies (ie: have resulted in the KZN DoH making policy adjustments). The submission to the National DoH (July 2005) was a joint PPT-eThekweni submission, compiled by PPT. The submission consisted of guidelines / feedback in respect of special needs housing projects and was based on PPT's experience with numerous projects in KZN as well as its extensive collaboration with eThekweni and the KZN DoH. The intention is to assist the DoH National in developing a national framework for special needs housing. There is regrettably still no national housing policy for special needs housing and, except for KwaZulu Natal, no other province yet has an operational policy.

b. Rural housing manual:

Refer to section 3.1 above.

c. Integrated and pro-poor economic development:

Feedback has been provided both formally and informally by PPT at various levels in respect of promoting integrated and pro-poor economic development. This has included presentations to the eThekweni's INK ABM, eThekweni's Corporate Policy section and USAID as well as a wide range of other informal interactions. This feedback has been well received.

3.6. Building capacity within government

One of the indirect objectives or benefits of the programme is that it assists in building capacity and skills within government departments and municipalities. As part of this program, PPT is working closely with five local municipalities, one Metro (eThekweni) and two district municipalities. The close project-level working relationship which exists has a positive impact in terms of building municipal capacity, especially at the local level. Amongst other things, municipal personnel are exposed to best practice both in terms of development process and in terms of structuring projects in a more integrated and sustainable fashion.

3.7. Alternative LED approach

As indicated under the section on replicable models above, one of the main successes of the programme has been in respect of developing practical, cost effective pro-poor LED interventions. The success of such interventions debunk the myth that LED projects which are pro-poor are not sustainable or effective and are merely 'poverty alleviation' in the Public Works sense of the word. PPT's LED projects have shown that sustainable, pro-poor LED interventions are possible and are cost effective. It has also indicated some shortfall with current LED approaches such as:

- The dominant definition or characterization of the economy is first world and focused mainly on the formal economy – this tends to marginalize the poor because it incorrectly assumes or implies those activities which are micro or survivalist are not really part of the economy and are therefore not recognized or given adequate support and assistance.
- There is a lack of an area-based approach to LED.

- LED often imposes projects from the outside based on technical feasibilities and with limited attempts to build on and strengthen existing entrepreneurs and initiatives (from the bottom up instead of from the top-down).
- There is limited use of sustainable livelihoods (SL) and asset based community development (ABCD) approaches and limited attempts to adapt PACA approaches to accommodate these methodologies.

4. Summary of main lessons and implications for future programmes

4.1. Need for an expanded program and additional funding

A key issue that emerged during the programme was PPT's need to obtain additional funding to expand and enhance the programme, including re-inforcing the successes to date and maintaining the momentum that has been gained. Between R5 million and R10 million is required for this purpose. PPT has initiated discussions with USAID in this regard and it is hoped that such funding can be accessed via USAID's next major programme which is planned to commence in 2007/2008. PPT's objective to expand and enhance the programme flows in part from the success of the programme as well as from the results of a PPT strategic and sustainability evaluation, of which the main conclusions are as follows:

- PPT's current programs are too small to be cost effective and to deliver development impacts at the desired scale and quality
- The programs are under-funded in terms of our operating costs, there being a wide range of core activities that we are not able to recover costs for
- PPT is not sustainable in the medium term unless it raises grant funding in much larger, more cost effective blocks than it has done in the past 5 years

4.2. Critical role of donor funding

The programme has clearly demonstrated the critical role that donor funding such as USAID's can play to promote strategic and catalytic interventions and activities. There is a clear value in donors such as USAID playing a complementary funding role (ie: focusing their funding in areas where there is a lack of resources or capacity or in areas where improved development models or policy are required).

4.3. Value of project preparation and need to mainstream it

The programme has yet again indicated the importance of effective, well managed and systematic project preparation, whether in the field of housing and infrastructure or that of LED. Preparation clearly delivers high impact / results relative to costs and is therefore a desirable yet continually under-funded development activity. The possibility of finding ways to mainstream and support project preparation in other parts of South Africa, with PPT's assistance, has been discussed briefly with USAID. The possibility of re-establishing other PPT's elsewhere in the country has been tentatively suggested, however it is noted that such organizations were previously funded by USAID and only PPT survived and flourished. The preconditions for PPT's success would therefore first need to be clearly assessed and understood. A more viable option might be to focus on policy feedback, with USAID's assistance, into large government programmes such as MIG or via National Treasury, to

more effectively embed project preparation in government development processes and to ensure that adequate financial and management resources are made available at the local and regional levels.

4.4. Need to mainstream the integrated development approach

Despite its very modest funding, the programme has clearly demonstrated the value of taking an integrated development approach. As indicated above, further actions are required to ensure that this approach becomes more fully embedded in local government processes and within government programmes like MIG. It is unlikely that this approach will be taken forward unless there is active support and facilitation provided by organizations such as PPT.

4.5. Government capacity and related challenges

One of the main challenges experienced by the program related to difficulties in obtaining adequate public sector co-operation, mainly at the municipal level but also, to a lesser degree, at the level of certain line-function departments. The main issues were as follows:

- Extended delays in getting bilateral agreements finalized and signed between PPT and certain municipalities, despite in-principle commitment being quite easy to obtain. There were delays in the case of all municipalities except eThekweni, with the worst case being Ndwedwe. This resulted in delays with the commencement of project preparation in most areas.
- Lack of co-operation from some municipalities, resulting in significant delays to projects and materially delaying and compromising certain of our projects. Most notable is the case of Ndwedwe Municipality and the KwaShangase project which is located there. In this case a delay of a year has been caused due to the Municipality's non-signature of a subsidy application, despite the fact that they prioritized the project in the first place and were closely involved throughout its preparation.
- Difficulties with several of the government departments with which PPT is working, including the KZN Department of Housing. The problems include a lack of accountability, delegation and performance monitoring. This negatively affects decision making and forward planning which in turn has serious negative impacts on the release of development funding.
- Lack of understanding of development processes and of the role of NGO's.
- Government funding shortages: The KZN Dept. Housing is currently in possession of a large volume of subsidy applications which are likely to exceed its available budget. There is the real possibility (as occurred in 1998) that a moratorium on new subsidy approvals / applications could occur. If this takes place, then this could delay certain of the projects contained in PPT-USAID programme (eg: KwaShangase / Richmond).
- Delays in approval of government co-funding (eg: NDA, Dept. Housing HSRDP).

Most of the above issues are beyond PPT's direct sphere of influence, however going forward, PPT will need to focus its efforts away from municipal partners who present particular difficulties.

4.6. Lack of a framework for NGO-government co-operation

Despite broad intentions, there remains no framework in terms of which NGO's work with government. This is both at the procurement level as well as in cases where NGO's such as PPT are in a position to make funding assistance available to government. NGO's are often viewed with suspicion. In most cases it is easier to obtain work for consultants than for NGO's. There is significant misunderstanding in respect of the role that NGO's such as PPT play and limited appreciation for the value they can add both to development generally and to assisting government and building its capacity in particular.

4.7. Programme administration / USAID requirements

A range of issues emerged at the program administration and program management level, the most important of which are outlined below:

- a. The requirement of a counterpart funding from NGO's by funders such as USAID, the NDA or the EU makes no sense. NGO's do not have sufficient financial resources and this requirement places unreasonable financial pressure on them in an environment where they are already under financial stress. NGO's such as PPT already have a wide range of costs which they are unable to recover directly from programs such as programme setup, follow through on old projects, dealing with project enquiries and giving feedback to policy makers.
- b. A dollar based system for the programme value creates uncertainty over what budget is actually going to be available, because exchange rates fluctuate. This creates problems towards the end of a program where either the program might run short of funding or last minute amendments to agreements are required to enable the exchange rate windfalls to be utilised.
- c. Given the nature of PPT's core business (project preparation), it is difficult for PPT to project exact costs and timeframes at the outset of the programme. Flexibility in terms of internally re-organising the programme budget is therefore desirable as is some flexibility in terms of extending programme timeframes where this makes sense to do so.
- d. Due to the slow project cycle for most development projects (timeframe of several years from inception / preparation to the completion of implementation), there is a benefit in programme timeframes being several years in duration both to enable projects to be completed during the timeframe of the programme and to optimize the development results / indicators to the funder (USAID).
- e. Monitoring and evaluation: Whilst PPT has started paying more attention to M&E during the course of the programme, it is critical, given the limited funding available to PPT programmes and the large numbers of projects engaged, that M&E be kept simple and cost effective.
- f. Data integrity: during the course of the programme, and linked to various USAID initiatives, PPT took steps to further enhance the quality of its data, especially that relating to its core indicators (eg: third party funding leveraged and number of households assisted).
- g. PPT cost recovery (charge out) rates: PPT's cost recovery rates for the program were too low. This related in part to the requirement to NGO counterpart contribution (already dealt with above), however it also relates to the failure of there being provision in the program budget for an escalation in PPT's cost recovery rates with the commencement of each new financial year. Provision for such escalation should be considered in future multi year programmes.

4.8. Need to develop and consolidate replicable models

As indicated above, there is a critical need to develop improved development models and methodologies and to mainstream these, mainly by means of encouraging government at various levels to utilize or incorporate such models or methodologies where it is appropriate and where they are successful. It can be argued that there is no shortage of development funding in South Africa, but that considerable enhancements and refinements are still possible in the way such funding is applied in order to make it more effective and efficient in reaching its target (especially those who are most poor and disadvantaged).

5. Reasons for programme success

The success of the programme is due to range of factors including the following:

- 5.1. Careful screening and selection of projects prior to inclusion in the program.
- 5.2. Systematic and rigorous project preparation process focused on the identification and elimination of project risks at the earliest possible time.
- 5.3. Effective management and co-ordination of outsourced professional consultants working on the preparation of projects.
- 5.4. Functional working relationships with key government departments, especially the KZN Dept. Housing, as well as with local municipalities (although in the latter case significant difficulties and delays have also been experienced).

6. Partnerships developed or enhanced

- 6.1. Municipalities:
 - a. Richmond
 - b. Vulamehlo
 - c. Ndwedwe
 - d. KwaDukuza
 - e. eThekweni
- 6.2. Government Departments:
 - a. Dept. Housing
 - b. KZN Dept. Finance and Economic Development
 - c. KZN Dept. Agriculture
 - d. KZN Dept. Water Affairs and Forestry
 - e. KZN Dept. Land Affairs
- 6.3. Other funders / development agencies:
 - a. City of Leeds
 - b. Corrocoat SA (Pty) Ltd
 - c. National Development Agency
 - d. DBSA
- 6.4. NGO's / NPO;s:
 - a. Khuphuka Trust
 - b. The Valley Trust
 - c. Newlands Mashu Permaculture Learning Centre
 - d. Zakhe Agricultural College

- e. Rehoboth Trust.

7. Project identification

7.1. The following projects were identified during the course of the programme (see section 8 below for further information on each project):

- a. Esidweni CC Housing
- b. Esidweni CC LED:
 - permaculture,
 - micro-enterprise development
 - Corrocoat permaculture enterprise
- c. Mother of Peace Special Needs Housing / HIV AIDS Relief
- d. Cottonlands Housing and Land Reform
- e. Amahwaqa Housing
- f. Amahwaqa Economic Development:
 - homestead gardens,
 - micro enterprise,
 - fruit tree establishment
- g. Rehoboth Special Needs Housing / HIV AIDS Relief
- h. KwaShangase (housing)
- i. KwaShangase Economic Development:
 - homestead gardens,
 - fruit tree establishment
- j. Groutville 2 & 5 Housing
- k. Groutville 2 & 5 Special Needs Housing / HIV AIDS Relief
- l. Port Shepstone Special Needs Housing / HIV AIDS Relief
- m. Siyathuthuka Ph2 Housing (Richmond)
- n. Richmond Economic Development:
 - micro-enterprise development,
 - Sisonke pig farming,
 - fruit tree establishment,
 - homestead gardens
- o. Assisi Special Needs Housing
- p. Ikhaya Lobomi Hospice
- q. Amaoti land reform
- r. Amaoti local economic development
- s. KwaMashu J&K Extension.

8. Progress with projects

(refer also to Attachment A)

Notes: 1) The requirements of milestone 9 relating to the progress on additional projects is included below (ie: Amaoti land valuations, Amaoti land process, Amaoti pro-poor economic development and Amahwaqa housing project). 2) Closeout reports for individual projects have also been prepared and available from PPT upon request..

8.1. Esidweni (housing component)

Project type: Housing (including land release)

Scale: Phase 1: 879 households; Phase 2: 454 households

Locality: Approximately 20km south of the eThekweni CBD on the border of Umlazi CC (wards 84 and 100)

Concept: In situ upgrade of housing and infrastructure (with land release).

Targeted funders: KZN Department of Housing, eThekweni Municipality: CHID

Progress: R35.25 million in subsidies and infrastructure funding has been approved and an additional R12.2 million conditionally approved as a result of a subsidy application to the KZN Dept of Housing and infrastructure submissions to eThekweni Municipality. Detailed town planning design is underway for phase 1 (879hh). Land acquisition (expropriate absentee deed holders) is underway for phase 2 (454hh), with valuations completed and absentee title deed holders identified. An eThekweni Municipality council resolution for acquisition of the properties has been submitted.

In addition to the above housing component, integrated development has been supported in the following respects:

- LED and food security projects have been completed (see below for more information).
- A project catering for orphans and vulnerable children is under preparation. The preparation of the project is being funded by the DoH's Human Settlement Re-development Program. The project will cater for 24 orphans and vulnerable children utilizing community care homes and home extensions (home care) models. Packaging is complete, a subsidy application is ready for submission and the City of Leeds through a partnership with the British Broadcasting Corporation (BBC) have indicated that they can make an additional R27,000 per annum available for operational costs for the community care model for a period of 5 –7 years

Main lessons / issues:

- Integrated model works in practice: this was a highly successful demonstration project and one where important models were developed or refined.
- Development brought political stability and community cohesion.
- It was useful to separate by phasing the area which had land legal challenges from the area which did not. This prevented delays to delivery on the portion which was unaffected by land legal difficulties.
- It is beneficial to address key risks such as those relating to land legal, as early in the project cycle as possible. In this case they were dealt with fairly early on, but extensive delays in accessing land funding resulted in delays.

8.2. Esidweni (economic development component)

Project type: Local Economic development

Scale: 50 households

Locality: as above

Concept: Micro enterprise, food security and agricultural development (see below for more details)

Targeted funders: Khuphuka; Department of Housing Human Settlement Redevelopment Programme; KZN Dept. Agriculture; Dept Social Development (Poverty Relief Program); Corrocoat funding (City of Leeds); Construction SETA, Greater Durban Community Foundation.

Progress: R482,340 in 3rd party LED funding has been approved:

- Micro enterprise development: The project is complete. 20 participants were trained in basic business management skills in Phase 1 & 2, of which 5 were selected for an additional training and mentorship programme in Phase 3 & 4. The CETA (Construction Education and Training Authority) approved R218,600 and trained 15 participants in construction skills which is linked to the housing construction process when it commences. In addition, Khuphuka Trust made R69,850 available.
- Homestead gardens: 30 women were trained in permaculture methods and the establishment of homestead gardens (funding value of R43,890 from the DoH HSRDP). The City of Leeds / Corrocoat approved R150,000, for the training of an additional 20 women and the establishment of an agricultural enterprise project and fruit tree establishment project, which is underway. These participants are currently receiving basic business management skills training for the enterprise.
- Fruit tree establishment: The Greater Durban Foundation has made 1,500 fruit trees to a value of R22,782, available for distribution to households in the housing project. The women's group Ubule Bemvelo Group who benefited from the permaculture training are providing the capacity and support for fruit tree establishment for the households.

Main lessons / issues:

- Several important models were developed and have subsequently been replicated including:
 - Micro enterprise development
 - Homestead gardens
 - Fruit tree establishment
 - Community care homes and home extensions models for orphans and vulnerable children.
- The use of multiple funders is necessary and supports an integrated approach, in this case: USAID, KZN Dept Housing, City of Leeds / Corrocoat, DoH HSRDP, eThekweni infrastructure (CHID) funding, eThekweni fruit trees, Khuphuka etc.
- An ongoing lack of literacy is a major LED constraint as ABET is no longer being actively pursued.
- The micro enterprise development model (training and mentorship based) is very successful and cost effective:
 - Proves that focusing on building skills and on existing enterprises makes sense.
 - Creates a platform for upsizing and formalizing informal enterprises and their entry into the more formal economy (eg: Ubule Bemvelo women's group – permaculture, as well as the carpenter, panelbeater and butcher on the micro-enterprise component).
 - Service based, production and specialist retail have the greatest upsizing potential vs general retail eg : spaza

- There is indeed mobility between informal and formal economic sectors if support is pitched at the right level
- At least 3 of the 5 who received more intensive support upsized and significantly increased their business model and turnover and profit
- 2 tenders were won to repair libraries and a school
- 4 x micro loans accessed (R300 to R3,000)
- 5 Businesses were relocated from informal houses to better premises
- KZN rehabilitation fund (offer loans between 50k and R100k): small loans were accessed by the butcher and carpenter
- Literacy and business registration are important selection criteria
- Value in encouraging entrepreneurs to form JV's / partnerships
- Additional employment opportunities can be created through this approach: 12 full time and 9 part time additional jobs created

8.3. Amahwaqa (housing component)

Project type: Housing

Scale: Approximately 3,948 households

Locality: 4km outside Dududu which is the major node in the Vulamehlo Municipality

Concept: In situ upgrade

Targeted funders: Dept Housing, CMIP

Progress: R2,54 million in housing subsidy funding has been approved and R110.47 conditionally approved. Detailed design and sales administration is underway.

Main lessons / issues:

- This provided an opportunity to add value to a rural housing project by means of an integrated approach to development with a particular focus on appropriate LED.
- PPT has gained more experience on rural housing and the project provided an opportunity to develop a replicable model for integrated rural housing development (together with the KwaShangase project).
- A number of strategic partnerships with various government departments and organisations supporting this initiative were established. These include: KZN Dept of Housing, Dept of Housing's Human Settlement Re-development Program, National Development Agency (NDA), Vulamehlo Municipality.
- PPT expanded its geographic focus in working with new municipal partners in the Ugu District.
- There is a high need for housing and other development (especially LED) in the Amahwaqa area, the community is classified as the poorest of the poor.
- PPT gained more experience with regard to understanding traditional protocols especially in the way they relate to municipalities and ward councilors and ward development committees.
- Some difficulty was experienced with the Implementing Agent (IA) / consultant – there was some tendency of gate keeping which created challenges at certain times.
- Problems between the Vulamehlo Municipality and the Implementing Agent also posed a threat to project and to PPT's loan recovery. These problems emanate from a turnkey type approach that was adopted by the municipality for this project and this has been identified as a risk for the Dept of Housing and Vulamehlo Municipality (the IA / turnkey development approach is now being discouraged in many instances by the KZN Dept. of Housing due to problems such as these).

- The project included the preparation of an integrated spatial plan for Dududu Ward 6 (Amahwaqa). Participative workshops on the spatial development plan were held with the community and key stakeholders. These workshops included the Vulamehlo Municipality, Zembeni Traditional Authority and other key stakeholders

8.4. Amahwaqa (economic development component)

Project type: Economic Development

Scale: Approximately 530 households

Locality: as above

Concept: Micro enterprise and agricultural development

Targeted funders: Dept Housing, Dept Labour, Dept Finance & Economic Development, Dept Agriculture, Dept Social Development Poverty Relief Program, NDA

Progress: R892,340 in 3rd party LED funding has been approved. All components funded by USAID are completed (ie: homestead gardens and fruit tree establishment). Additional NDA-funded work which expands and intensifies the integrated projects in now underway including additional homestead gardens, fruit tree establishment and a micro-enterprise development component which previously did not have any funding.

- Homestead gardens component: Community workshops which involved project participants, PPT, Vulamehlo Municipality, Ward Councillors, Newlands Mashu Permaculture Learning Centre were held. 30 gardeners were identified from 6 various community garden clubs and 22 gardeners attended and completed training through Newlands Mashu Permaculture Learning Centre (NMPLC). The trainees felt that it was not going to be practical to set up organic homestead gardens in their homestead due to limiting factors such as lack of fencing equipment to protect crops and seedlings from animals such as goats, cattle, etc. 2 communal gardens were established by NMPLC as a practical exercise. The skills and capacity which were acquired by the trainees from the various garden clubs were shared, utilized and implemented in practice thereby bringing direct benefits to other members of the various garden clubs. Therefore the project exceeded its target of training 30 homestead gardeners.
- Fruit tree establishment component: A three-day community workshop was conducted by Newlands Mashu Permaculture Learning Centre in association with Vulamehlo Municipality with regard to the fruit tree establishment project. The workshop was attended by learners who received training from Newlands Mashu Permaculture Learning Centre as well as community members; In consultation with Vulamehlo Municipality, Newlands Mashu Permaculture Learning Centre identified 500 beneficiaries for the fruit tree establishment component and 1500 fruit trees (mango, citrus, banana) and compost were delivered to the beneficiaries. 1500 fruit trees were planted some in homesteads and some in communal

Main lessons / issues:

- A number of strategic partnerships with various government departments and organisations supporting this project were established. These included: KZN Dept of Housing, KZN Dept of Agriculture and Environmental Affairs, National Development Agency, Vulamehlo Municipality, Zembeni Traditional Authority, Newlands Mashu Permaculture Learning Centre and Project Preparation Trust (PPT).
- The project gave rise to R800k being approved by the NDA for upsizing of the integrated development project (agreement now signed between PPT and the NDA).

- Deviation from the initial project concept of developing 30 homestead gardens was required. PPT was able to be adaptable and flexible and was not prescriptive. This enabled redefinition of the project concept to meet the need / growing patterns within the community. PPT thus responded to the situation on the ground where participants had already organised themselves into community garden clubs. This flexibility was commended by a Dept of Housing's Human Settlement Re-development Program (co-funder).
- Lack of funding for fencing equipment for protection of the community gardens against animals such as goats, cattle, chickens has emerged as a key issue. This was an important factor that contributed to residents creating collective as opposed to homestead gardens.
- Difficulty was also encountered in obtaining funding for equipment and tools for community gardens.
- Water supply: Lack of water supply is a key factor within such areas. Wherever possible communal gardens need to be located within close proximity to water sources such as rivers, boreholes, etc.
- Need to develop stronger partnerships with government departments and other agencies, such as Dept. Agriculture and Environmental Affairs, Dept Finance and Economic Development, Dept Water Affairs and Forestry, etc. We need to do this as part of the setup phase of projects of this nature.
- The community was very receptive to the LED approach and demonstrated a high level of commitment.
- The project has assisted PPT in developing and refining its replicable models w.r.t homestead gardens and fruit tree establishment.

8.5. Mother of Peace

Project type: HIV AIDS relief – orphans and vulnerable children

Scale: 120 children (60 in phase 1)

Locality: Illovo (approximately 5kms from Kingsburgh and approximately 50km south of the eThekweni CBD)

Concept: 1) Foster or transitional care for children infected or affected by HIV AIDS in a cluster project model. 2) Day-care for children from the neighbouring communities. 3) Conference center and training facility. The project will require building renovations and extensions. The Umbumbulu and Kingsburgh child and family welfare societies and Sinosizo are the primary partners. There is also scope in the future to include an in-situ community care housing component (possibility for “home based care” subsidies).

Targeted funders: Dept of Housing, Department of Welfare and Social Development, Community Care Centres, Catholic Bishops Committee, AIDS Foundation, Ubuntu Community Chest, Orphans of AIDS Trust

Progress: 1) KZN Dept of Housing subsidy application to the value of R1,790,000 for 60 children is still under evaluation. The project will also cater for 12 housemothers; 2) The DoH HSRP funded R406,980 for the rehabilitation of the day care (100 children) and training facility (25 participants) and approximately 20 volunteers residing on the premises, including infrastructure, is complete; 3) Mother of Peace has also received R186,000 in donor funding for other capital and operational costs from SABC Sport Walk for AIDS (R76,000), Nedbank Foundation (R50,000), National Brands (PTY) (R60,000).

Main lessons / issues:

- Value in mitigating institutional projects by means of: a) community outreach; b) multi purpose character (in this case a mix of day care, training, foster care, outreach); c) disaggregation of family units into small family-type homes.
- Additional operational funding is required to ensure sustainability (foster and other social grants insufficient on their own).
- Time consuming process of acquiring Dept. Housing subsidies.
- Time consuming process of establishment and capacitation of operating institution.
- Advantage in developing strategic relationships (especially with funders) early on in the preparation process.

8.6. Groutville Priority Two and Five (housing component)

Project type: Housing

Scale: Approximately 2,880 households for Priority 2 and 1393 for Priority 5

Locality: 3Km from the Stanger CBD, KwaDukuza Municipality

Concept: In-situ upgrade of housing and infrastructure with a greenfields component

Targeted funders: Department of Housing, CMIP.

Progress: R45 milion has been conditionally approved by the DoH KZN benefiting 4,273 households. The KwaDukuza Municipality has forwarded a submission to the MEC for Housing for final approval to utilize its Housing Operating Account for funding to acquire the land. This submission was recommended for approval by the DoH's Housing Advisory Committee to the MEC of Housing. Most aspects of the application for full approval of subsidies are complete except those relating to land and the revised layout based on a on-the-ground survey initiated by PPT.

Main lessons / issues:

- Problems encountered due to the project having started out as being consultant lead – by means of the turnkey developer approach. The engineering company procured by the Municipality, has not dealt adequately with preparation (especially in respect of land assembly and the utilization of greenfields layout which did not take into account the actual settlement pattern on the ground). The company procured was not able to adequately resolve the complex development problems on the ground. Their status as a turnkey agent, made it difficult for PPT to resolve problems and effect change on the project as some degree of gatekeeping occurred and the company did not fully understand many of the issues sufficiently. The initial work undertaken by the company had not been subject to effective management and quality control by the Municipality (ie: value for money had not been obtained).
- PPT played a critical role, despite the above barriers, in resolving the key project barriers.
- Significant difficulties were experienced in obtaining funding for resolving land issues and acquiring the land. The Dept. Land Affairs process was slow and eventually stalled. Eventually municipal housing account funding was accessed via approval of the KZN Dept. Housing which was facilitated by PPT.
- Expropriation apparently becomes more politically sensitive (especially to the Dept. Land Affairs) when the landowners being expropriated are black.
- The utilisation of an outsourced housing specialist consultant with local knowledge assists in the case of projects with particular local problems.

8.7. Groutville Priority Two (HIV Aids component)

Project type: HIV AIDS relief – vulnerable children

Scale: 120 children

Locality: as above

Concept: establishment of 20 community care homes located within the community (6 children in each home each with a foster care mother under the supervision of the local welfare society)

Targeted funders: Dept. Housing, Dept. Social Development, Community Care Centres, Flemish Government and other donor funders to be identified

Progress: R2.5 million has been approved by the Flanders Government benefiting 120 orphans and vulnerable children. Feasibility work still in progress, but the project remains constrained by the land legal issues facing the greater housing project in the area and it can only be taken forward once the funding referred to in 8.6 above is released by the DoH.

Main lessons / issues:

- The project was slowed down due to its interconnectedness with the housing component and the land issues relating to it.
- The specific conditions of Flanders Government (co-funder) made things more difficult on the project. They have a different approach to preparation and setup and seek to decide the project concept very early (too early) based on one stakeholder workshop whereas PPT on the other hand ensures that the concept is informed by a thorough process of preparation (eg: based on solid technical and social information which takes time to collect).
- Partnership with other funders such as Flanders and the DoH is necessary, but can also slow projects down.

8.8. KwaShangase (housing component)

Project type: Housing

Scale: Approximately 1000 households (R28M)

Locality: 6km from Ndwedwe which is the primary node in Ndwedwe Municipality

Concept: In situ upgrade

Targeted funders: Dept Housing, CMIP

Progress: The working conditions in this Municipality remain very problematic. PPT is still waiting for the subsidy application to be signed by Ndwedwe Municipality's Municipal Manager. The application has been awaiting signature for several months. A social compact / ROD (initially not required by the KZN Dept. Housing) was requested by the KZN Dept of Housing. A social compact agreement was compiled by PPT in consultation with key stakeholders and this has been circulated to the various key stakeholders for signature.

Main lessons / issues:

- Many of the issues raised under Amahwaqa apply, except that the IA / turnkey developer approach was not utilised on this project.
- The relationship with the municipality was a major problem to PPT and this caused extensive delays at several points. The cumulative delays which resulted were approximately 1year (the biggest delays were due to: a) the municipality not signing the initial agreement with PPT; b) the municipality failing to sign the subsidy application – extensive delay caused, despite the municipality having identified and prioritized the project at the outset. PPT is hesitant to undertake further work in Ndwedwe due to the problems that were encountered. It is however

noted that, as far as PPT could discern, the problem related to only a few key individuals within the municipality.

- Through the project PPT was able to establish a partnership / working relationship with the DBSA.
- The project gave rise to the highly successful DBSA-funded integrated rural housing manual which was managed by PPT (refer to www.pptrust.co.za.)
- Procurement issues and role of NGO's: procurement issues were raised at several points in the projects due to a lack of understanding of PPT's role as an NGO who is making funding available and who has a formal agreement with the municipality. This was compounded by a lack of understanding of the separation of the procurement for preparing the project as opposed to implementing it. This is due to a lack of understanding of procurement routes other than the turnkey route.

8.9. KwaShangase (economic development component)

Project type: Economic Development

Scale: Approximately 530 households

Locality: as above

Concept: Micro-enterprise and agricultural development

Targeted funders: National Development Agency as well as the following government departments: Housing, Labour, Finance and Economic Development, Agriculture, Social Development Poverty Relief Program

Progress: 1) *Homestead gardens component:* 30 homestead gardeners were identified and 26 gardeners attended and completed training through Newlands Mashu Permaculture Learning Centre (NMPLC). 26 homestead gardens were established. The project is now in the mentorship phase with organic permaculture homestead gardens already having been established. 2) *Fruit tree establishment component:* Tree planting and care packs were provided to the 500 recipients of fruit trees. The 1500 fruit trees that were planted in homestead are showing signs of healthy growth.

Main lessons / issues: See Amahwaqa LED above.

8.10. Rehoboth

Project type: HIV AIDS relief – vulnerable children

Scale: 48 children

Locality: Murchison (approximately 12km from the Port Shepstone CBD)

Concept: Establishment of 12 foster care homes (4 HIV infected children in each home under the care of a foster mother under the supervision of the Rehoboth Trust)

Targeted funders: Department of Housing, British Consulate, Dutch and Australian funding, Community Care Centres

Progress: R1,068,336 funding approved for 48 orphans and vulnerable children. Implementation is in progress, PPT having concluded all its preparation work on the project and having successfully obtained the required funding.

Main lessons / issues:

- There is a big advantage in working with a high capacity NPO / grassroots organisation – in this case the faith based Rehoboth Trust.
- This is the first project PPT has undertaken which only deals with HIV AIDS *infected* children.
- Extremely well run project – high level of mitigation for institutional nature.
- Due to a PPT motivation, the DoH made an exception to its general rule of excluding Trusts as well as by making an exception to its general opposition to the ‘children’s village’ concept (due to a range of compelling mitigation factors).

8.11. Port Shepstone In-Situ Home-Based Care Project

Project type: HIV AIDS Relief – orphans and vulnerable children

Scale: 10 families supporting 26 children

Locality: Murchison, 10km outside of Port Shepstone.

Concept: In-situ home based care.

Targeted funders: Department of Housing, Community Care Centres, KZN Department of Social Welfare & Population Development.

Progress: 1) A draft subsidy application has been prepared and is awaiting approval from implementation partner (Port Shepstone Child and Family Care Society); 2) The KZN Dept of Housing has provided in-principle approval for this project; 3) The project is supported by the Nsimbini Traditional Authority and has provided a traditional consent granting development rights for the project.

Main lessons / issues:

- Time consuming process of capacitation of operating and monitoring institution.
- The project was slowed down due to capacity problems with the “Developer” i.e. Port Shepstone Child and Family Care Society.
- NPO’s such as the PSCFCS have limited understanding of housing subsidy and housing delivery processes and are therefore reticent to take responsibility as the contracting partner with the KZN Dept. Housing (even if they are comfortable with providing the monitoring aspects). Partnership with a non-governmental organization (NGO / welfare society) to contract with the Dept. Housing to deliver topstructures can thus be problematic and can slow projects down.
- PPT gained more experience with regard to preparation of in-situ home-based care type projects.

- It is important to develop strategic relationships at the onset of the project (especially with KZN Dept of Housing).
- Limited funding for in-situ, home based care projects, including limited subsidy value.

8.12. Richmond scoping exercise

Project type: Housing and economic Development (scoping exercise)

Anticipated scale: not applicable

Locality: Richmond (approximately 40km west of Pietermaritzburg)

Concept: Scoping of potential projects (housing, micro enterprise, community savings, and food security) linked to existing housing projects at Argosy Farm, Hopewell and Endaleni.

Targeted funders: National Development Agency, European Union, Department of Housing (including Human Settlement Redevelopment Program), and others.

Progress: The scoping exercise resulted in the identification of Siyathuthuka Phase 2 Housing project and the Richmond Micro Enterprise Development Project (development of organic homestead gardens and fruit tree establishment). An application to the NDA was also compiled (as well as a later application to the EU funded Gijima Programme).

Main lessons / issues:

- PPT expanded its geographic focus in working with a new municipal partner in the uMgungundlovu District Municipality.
- Advantage of engaging with a range of key stakeholders in the Richmond Municipality area.
- PPT gained more insight with regard to socio-economic and political challenges of the area.
- The scoping exercise gave rise to successful projects such as Siyathuthuka Phase 2 housing, Siyathuthuka organic homestead and fruit tree establishment and Sisonke pig farming which are managed by PPT.
- There is a high need for housing and other development (especially LED) in the Richmond area.

8.13. Siyathuthuka Phase 2 (Richmond Housing)

Project type: Housing

Scale: Approximately 2000 sites

Locality: Richmond (approximately 40km west of Pietermaritzburg)

Concept: Housing (will target informal settlements Angola, Congo, Cuba, Luanda, Namibia and Endaleni). This initiative will be supported by other projects focusing on food security and economic development.

Targeted funders: Department of Housing and others

Progress: All work necessary for the housing subsidy application has been completed and a draft application prepared for submission during October 2005.

Main lessons / issues:

- Through the project, PPT developed a positive working relationship with a new municipal partner. The partnership has significant future potential.
- Again, the existence of a pre-existing turnkey contract with an engineering company made PPT's work more difficult. However, a functional working relationship was ultimately established with the team, who were very co-operative, and all key issues were rapidly resolved utilizing PPT-USAID funding.

- There were serious problems with project concept at the start of the project which PPT assisted to resolve. Both the municipality and professionals were confused over a range of important issues.
- The utilisation of an outsourced housing specialist consultant with particular local or regional knowledge assists in the case of projects with particular local problems.
- Through the project, PPT significantly enhanced its relationship with the Dept. Housing Inland Region (creating significant future potential).
- High potential for integrated approach in the area and significant and rapid success in implementing this approach.
- PPT assisted the municipality indirectly in starting their housing plan process and will look at taking this forward with them.

8.14. Richmond (Local Economic Development)

Project type: Economic development

Scale: Approximately 530 sites (phase 1)

Locality: Richmond (approximately 40km west of Pietermaritzburg)

Concept: This initiative focuses on food security and economic development

Targeted funders: Department of Housing and others

Progress: The homestead gardens and fruit tree establishment projects are both underway and the pre-feasibility for the Sisonke pig farming project is complete. An application for funding was submitted to the Dept of Finance and Economic Development to access grant funding from the European Union (Gijima KZN Program) for local economic development (including micro enterprise development, micro finance and food security). Whilst the application was referred to the next round (November 2005) due to technical reasons, the EU have now indicated that they are in a position to reconsider the application which will include funding for an area based LED assessment, training and mentorship for micro-enterprises and promotion of micro-finance, mainly through a savings based model developed by CARE International.

Main lessons / issues:

- Gardening and fruit tree projects:
 - The community had already established themselves into garden clubs and been allocated land – significant land allocated by municipality – most fenced. As with Amahwaqa, there was thus a need to adapt to the local situation. In this case the participants want to set themselves up as commercial farmers using both organic and traditional commercial farming methods and the project was therefore adapted to answer this initiative.
 - There is high potential to add value to housing projects.
 - There is a shortage of capital funding for equipment eg: irrigation. PPT will have to assist in identifying such funding with Zakhe Agricultural College and Richmond Municipality.
 - PPT established an important new relationship with Zakhe Agricultural College.
 - PPT needs to further develop its partnerships with the KZN departments of Agriculture, Finance and Economic Development, and Water Affairs and Forestry in order to be able to enhance the scope and quality of the projects it can prepare.
- Sisonke pig farming project:

- PPT has developed a new model for the pork industry – entailing a contract grower partnership between a grassroots co-operative and UniPork an established commercial marketing and sales company for the pork industry in KwaZulu-Natal. UniPork is also linked with Enterprise Foods Meats Processing Factory situated in Baynesfield.
- Mentorship and technical support will be provided by UniPork and Enterprise Foods Factory, they will supply the Sisonke Co-operative with weaners and feed. Local farmers will also be providing technical support (Peter Rolland).
- This is a viable and sustainable enterprise which will reach a breakeven point around 15th month of operation.
- Sisonke Co-operative will market its pigs through collective marketing system of UniPork in which UniPork negotiates optimal prices with four main abattoirs according to known annual cycles.
- UniPork will also assist with the transportation of the finisher pigs to the abattoirs.
- Most projects like this fail because participants don't get paid at month end – this project is structured so that they can draw allowances for the 9 participants from month one.
- PPT involved a range of funders including: KZN Dept. Finance and Economic Development, Ithala Bank, Dept of Land Affairs (Land Re-distribution for Agricultural Development Program).
- Environmental component had to be carefully looked at (eg: solid waste disposal).

8.15. Cottonlands

Project type: Housing and Land Reform

Scale: Approximately 1,581 sites

Locality: Verulam (approximately 5km from the R102 intersection)

Concept: Identification of secure land tenure.

Targeted funders: Department of Housing; Department of Land Affairs, eThekweni Housing: CHID funding, eThekweni Rural Area Based management (ABM) and others.

Progress: 1) An 'Offer to Purchase' agreement has been submitted to the Real Estate department for approval (the copy is a standard agreement that has been previously approved by the Real Estate department). 2) All land owners or representatives have signed letters of 'Intent to Sell'. The ownership status of all landowners has been verified. This includes: a) registered landowners (present title deeds); b) executors of deceased estates and; c) elected family member with no legal status (required to obtain legal status at magistrate court). This process will assist in identifying the correct individuals / landowners to enter into negotiations / agreements with; 3) At a recent meeting with the Rural ABM, the Dept of Land Affairs approved in principle R4,2 million funding for the purchase of 28 properties for the project.

Main lessons / issues:

- Difficulties in accessing land funding from Dept. Land Affairs (very slow and inefficient process of dealing with applications – three applications lodged over a 7 year period, with limited and in some cases, no response).
- Difficulties in dealing with land assembly without sufficient funding for professional support and without funding lined up for land acquisition.

- Funding constraints from KZN Dept. Housing (entire provincial budget already allocated by mid 2005).
- Value in taking an integrated approach (spatially and in considering parallel projects such as LED / agricultural development).
- Advantage in involving eThekweni Rural ABM.
- Issue of 'urban edge' creating resistance to housing projects outside of the defined area for infrastructure extension (even though on-site sanitation was envisaged). This has potential implications for housing projects within a large portion of eThekweni located further from the 'centre'.

8.16. Ikhaya Lobomi

Project type: Special Needs Housing

Scale: 45 beneficiaries

Locality: KwaNyuswa, Bothas Hill, Outer West Operational Entity of eThekweni Municipality

Concept: Community care center with a Hospice Care and Community Outreach Component

Targeted funders: Department of Housing; Department of Social Welfare; Community Care Centres and others

Progress: R9 million in funding has been approved benefiting 45 people in special need. A business plan was completed and circulated to the key stakeholders. Two applications for funding for furniture and equipment were prepared and submitted to Community Care Centres and Durban North Rotary Club . A draft application for Dept of Housing transitional and home-based subsidies was prepared.

Main lessons / issues:

- Challenges in working with several government departments / funders – DLGTA, Dept Health, Dept Welfare, eThekweni Municipality , KZN Dept Housing.
- Introducing the resources prior to feasibility heightens expectations (this was undertaken by the Dept of Local Government and Traditional Affairs and not PPT).
- This is the first time PPT has undertaken a project with this concept (ie: hospice / multi purpose facility on traditional land).
- The project concept was very poorly developed at the start of the project when the DLGTA had approved its funding. Dept Welfare assumed that the project concept was institutional and was therefore initially unsupportive. PPT facilitated resolution / adaption of the concept to ensure mitigation such as including a focus on a community care center with an outreach component and making the facility more multi purpose.

8.17. Assisi Shelter

Project type: Drop off Centre

Scale: Approximately 30 vulnerable children

Locality: St Faith's, Umzumbe Municipality

Concept: This initiative focuses on providing adequate shelter and medical attention for vulnerable children infected with HIV / AIDS

Targeted funders: Department of Housing, Dept of Social Welfare and Population Development and others

Progress: No progress since the last report due to a lack of action from the Umzumbe Municipality. Funding was reallocated to another project (Groutville land assembly work) in order to ensure that it was utilised prior to the end of August.

Main lessons / issues:

- High level of difficulties in initiating projects and obtaining functional working relationships in many emerging municipalities: Project stalled due to inability of local municipality (Umzumbe) to take a decision on utilizing funding obtained by PPT from the KZN Dept. Housing to prepare the project.

8.18. Amaoti land valuations and PPT co-ordination of land process

Project type: Land valuations as part of a major land assembly project as a precursor to the initiation of 14 insitu upgrade housing projects, related infrastructure, LED and special needs housing / HIV AIDS relief. The valuations forms a critical part of a massive housing and infrastructure project made up of 14 sub-projects and over 14,000 disadvantaged households residing mainly in informal settlements. There are 187 properties making up the area, most of which are deceased estates and therefore require expropriation in order to expedite their release for development.

Scale: Approximately 14,000 families will ultimately benefit

Locality: Inanda,

Concept: Integrated housing and infrastructure upgrade (including HIV AIDS relief and Local Economic Development (LED) initiatives)

Targeted funders: Department of Housing

Progress: As a result of PPT's preparation and co-ordination work, R471,297 (including VAT and disbursements) was approved by the KZN Dept Housing for the extensive land legal work required to unlock the land, in a phased fashion (2 main phases), across the project area. The preparation / feasibilities of the individual housing projects are complete in other respects (eg: preliminary geotech, design, and town planning is complete, and eThekweni Working Group submissions have been made). Dept of Housing Conditional applications are ready for submission, pending finalisation of land acquisition which is underway (the conditional applications to the KZN DoH were initially returned due to land legal issues not yet being resolved and they will be re-submitted once the land assembly process is sufficiently advanced). PPT's overall role is to assist eThekweni Housing in managing the remaining preparation work that is required, including issues relating to land, bulk service provision, and facilitating integrated development / LED and assistance for special needs. In these latter respects, PPT has obtained R70,000 (excl VAT) from the DoH HSRDP for a strategy and action plan for the INK area for HIV AIDS relief and special needs housing projects (soon to be completed). This will pave the way for the preparation of a batch of between 4 and 6 pilot projects (ranging from special needs housing such as hospices and foster homes, home care, community awareness, overnight shelters for victims of abuse). There is also an LED component (see below for more information). Land valuations are underway (appointments complete and work is about 60 % complete (phase 1). Land negotiations are underway with many landowners having signed letters of 'Intent to sell'. The INK ABM have approved (in-principle) additional land valuations funding but this funding has not yet been released to eThekweni Housing. Once released, there are therefore good prospects for PPT to recover its R80,000 costs on valuations. eThekweni Municipality has taken a blanket council resolution to proceed with packaging of the project, however a resolution to proceed with expropriation can only be finalized once all valuations are complete.

Main lessons / issues:

- The expropriation process is complex, time-consuming and costly, however it is the only viable mechanism for releasing land in many areas such as Amaoti.

- There is a critical need to develop a replicable model / method for expropriation under these conditions (eg: deceased estates) as vast tracts of land will otherwise remain deprived of much needed development. There is also a need to obtain greater co-operation between the DoH (including the new Breaking New Ground Policy) and DLA.
- Land assembly process need to be prioritized by government / municipalities and undertaken earlier on in the preparation process (instead of at the end).
- Valuations are critical as municipalities can't take resolutions to expropriate until they have been completed. Such resolutions also can't be taken until there is at least an in principle approval of funding for land acquisition itself (eg: from the DoH or DLA).
- Need to develop the model and mainstream it
- Effective co-ordination of the complex expropriation land process is essential. Most municipalities, even ones with significant capacity such as eThekweni, have insufficient human resources to manage these processes.

8.19. Amaoti pro-poor economic development

Project type: Area based, participative economic assessment aimed at identifying practical, pro-poor local economic development projects spanning both the formal and informal / survivalist economies. The LED component of the Amaoti project is linked to and flows from the adoption of the Amaoti Framework Plan.

Scale: To be determined (however the entire area of Amaoti which contains over 14,000 households is included).

Locality: Amaoti, eThekweni

Concept: see above

Targeted funders: to be identified

Progress: PPT has facilitated the adoption and approval of the Amaoti Framework Plan which creates the platform for the initiation of a range of LED projects. PPT has also had extended interactions with the INK ABM in respect of conceptualizing in more detail their LED program. PPT has made a formal presentation to the INK ABM and has subsequently assisted the ABM in defining the broad scopes of work required for various LED items on the Plan. As a result of PPT's engagement with the INK ABM and utilizing PPT's inputs, the INK ABM has now approved R120,000 to continue with the participative assessment which has been initiated by PPT utilizing the R40,000 allocated from the USAID budget and as outlined above (what they have termed a skills audit and assessment of LED products).

Main lessons / issues:

- Slow decision making processes at the level of eThekweni ABM's, possibly resulting from uncertainty as to the division of responsibilities (including those relating to finances) between the ABM and eThekweni line departments.
- High potential to develop a value adding, streamlined and replicable area-based assessment approach.
- High potential to add value to and synergise with the housing projects at Amaoti.

8.20. KwaMashu J&K Extension.

Project type: In situ upgrade housing project with relocations problems. An assessment of alternative and higher density housing options was required in order to eliminate or reduce relocations.

Locality: KwaMashu, eThekweni

Concept: see above

Targeted funders: KZN Dept. Housing, eThekweni top up and infrastructure funding (CHID), possible National Housing Finance Corporation / end user credit finance, possible role for new DoH social housing subsidies.

Progress: Preparation of the project is complete and a subsidy application submitted. The remaining key risk to the project is that of relocations and specifically the lack of a suitable relocations destination which, for several years, has stalled development and the approval of housing subsidies. The assessment of higher density housing options is currently underway and will generate an alternative approach to that of relocations.

Main lessons / issues:

- Serious constraint in terms of suitable relocations destinations – major land scarcity.
- Need to re-assess options for higher density housing and draw on experience from other projects.
- Extended time frames for preparation and initiation of many housing projects (eg: in this case ongoing since the late 1990's).
- Changes to eThekweni priority list (project de-prioritised due to MR577 relocations and relocations from other projects).

Mark Misselhorn
Chief Executive Officer

Attachments

- A. Schedule of funding approvals
- B. Specimen Agreements between PPT and a Municipality

Addressing Special Needs Housing and HIV/AIDS Relief

Headline- Bringing hope through quality of life for HIV-positive children

Subhead- USAID/SA SO6 Contributions to Special Needs Housing in South Africa

Photograph- Heading – The Rehoboth Team



Permission to use photograph- Yes

Photographer's Name- N/A

Photographer's Organization- The Rehoboth Trust

Photograph's Caption-

Rehoboth – a homelike solution for HIV-positive and abandoned babies and children

Story Lead-

Daily life for many South Africans is still characterized by poverty and suffering. The HIV/AIDS pandemic is a key challenge. Of particular concern are the large numbers of vulnerable and orphaned children and the threat of another 'lost generation' if efforts are not redoubled to address the crisis.

Project Preparation Trust (PPT), a not-for-profit, independent public interest organization, has taken the lead at being one of the first organizations in South Africa to bridge the gap between HIV/AIDS Relief and Special Needs Housing. Special Needs Housing has become an important

program for PPT because of the severity of the HIV/AIDS pandemic as well as policy in this area being poorly developed.

PPT's core function is to prepare projects and mobilize capital and other resources for historically disadvantaged communities and special needs groups. One of the most touching projects that PPT has supported is in Murchison (a rural community situated approximately 12 km from Port Shepstone) and about 138kms from Durban, in KwaZulu-Natal. The project centers on a comprehensive care and support facility that houses orphaned and abandoned babies & toddlers with HIV/AIDS, who cannot be catered for within the community. The project involves the establishment of 12 foster care homes to cater for 48 children (four HIV/AIDS infected children in each home under the care of a foster mother under the supervision of the Rehoboth Trust).

The vision of Rehoboth stemmed from two great needs. Firstly, local community hospitals are housing an increasing number of babies and toddlers with AIDS who cannot be placed in house care or orphanages and therefore the hospital ward is becoming their home. The hospital nursing staff do not have enough time to give the needed attention, which results in these children declining rapidly. Murchison hospital, a rural district hospital located close to Rehoboth, is such a hospital where 'most of these children (HIV positive toddlers and babies) lie abandoned in wards for months or even years – where many of them eventually die!' Secondly, orphanages in the Port Shepstone area are overcrowded and understaffed, and cannot meet the special needs of HIV-positive babies. Moreover, there is a reluctance to accept these children into orphanages and house care.

The Rehoboth Trust was initially registered as a place of safety with the Department of Welfare, with a limit to care for 20 children and receiving a place of safety grant of R440 per child per month. Rehoboth's vision has grown into a reality with the support of PPT leveraging financial assistance. PPT assisted in increasing the registration status of Rehoboth foster care village to that of a children's home, which increased the Department of Welfare grant per child to R1,100 per month and allowed for the opportunity to take care of 48 children. PPT further leveraged funding through a housing subsidy from the Department of Housing, which assists in providing about half of the money required to build a cottage and managed to access additional funding for furniture and equipment from the Community Care Centres (former Natal Lotto). The Rehoboth village now provides a homelike solution where spiritual, emotional, physical and medical needs of children are met throughout their lives.

Main Body-

When driving into Rehoboth during a weekday morning, one sees a beautiful village with cottages, a pony, some ducks by a pond, playgrounds and a pre-school, all surrounded by lovely greenery and hills. The children are found in the pre-school, gluing collages, building puzzles or drawing. Those who are already quite ill are lovingly helped by the village staff. House-mothers are found cleaning their homes and preparing for the home-coming of their foster children in the afternoons. These house-mothers are specially selected for the task of providing love, affection and care, as a normal mother would, but under different circumstances. The house-mothers are also trained to administer Antiretroviral's (ARV's) to the children who have a CDv/CD8 ratio of below 20. Taking care of HIV-positive children requires a responsible, controlled and monitored environment. These children are doing well on treatment, with minimal side effects. The housemothers monitor the drugs carefully and each child is charted to provide a clear picture of how well the treatment is working.

The Rehoboth children are among a group of very few children in Kwa-Zulu Natal, South Africa to be afforded ARV's. This has meant that very sickly children coming into the care of Rehoboth have quickly strengthened under the treatment of ARV's and have managed to go back to school. Some HIV-positive children at Rehoboth will have the opportunity of growing up as healthy children and even reaching adulthood because the infection has been treated in its early stages. Others are not as lucky!

Emotions flow as one hears about some of the children who are cared for at Rehoboth. "Steven" a boy of 8 months old, was abandoned by his mother at a friend's house; "Michael" arrived at 1½ years old in July 2005 after having been in hospital for a long time due to deep burns on both legs that needed skin grafts to heal; "Phillip", weighing only 2.5 kilograms, arrived at 9 days old because his mother was HIV-positive and could not look after him; "Ken" arrived at 1 year of age because he had no one to care for him after his mother died of AIDS; "Tanya" arrived a 5-month-old baby girl who was orphaned after her mother died in hospital. "Prisca" came to Rehoboth at 4 years of age and in the final stage of AIDS with TB. She looks like a 2 year old and weighs only 10 kg. "Lisa", a beautiful girl, arrived at the village at 8 months of age for temporary care because her granny had a bad fall and could no longer care for her. When "Lisa" was born her mother threw her in a pit toilet where she was found. "Lisa" has been rejected many times and it has left deep scars in her young heart and as small as she is, you can read it in her eyes.

Tears are a reality at Rehoboth as the housemothers and helpers have to learn to say farewell to losing dear children under their care. "Peter" took ill very suddenly and died in hospital after his twin brother was reunited with their father. The same day that "Peter" died, one of Rehoboth's newcomers, "Tanya" of 5 months, suddenly took ill and after a struggle of 3 days in hospital, she passed away.

Summary-

PPT has implemented numerous projects since 1993, having developed a solid partnership with USAID through continued funding based on the significant successes made in the communities PPT is working with. PPT is run by a lean team who are very dedicated to community-level empowerment and effectively maximize donor funding to the greater need of communities.

What should be highlighted about this success story is that PPT has been key in developing practical, replicable models, facilitating the establishment of national guidelines or a national policy for the provision of subsidies for special needs housing, as well as assisting in building the necessary working relationships between a range of stakeholders including the departments of Housing, Welfare and Health, various municipalities, NGO's and grassroots organizations. The Rehoboth project is one of many projects where PPT has taken an integrated approach to housing, which entails dealing with community needs holistically and undertaking complementary non-infrastructural development simultaneously with housing. In many instances PPT's projects are innovative, testing new development solutions and approaches and developing replicable models and systems based on best practice.

Pullout Quote- "Rehoboth's vision has grown into a reality with the support of the Project Preparation Trust (PPT) leveraging financial assistance. The Rehoboth village now provides a homelike solution where the spiritual, emotional, physical and medical needs of HIV-positive and abandoned babies and children are met throughout their lives.

Background Information-

Date- Story written in June 2006

Country of Story- South Africa

City or Region of Story- Kwa-Zulu Natal

USAID program- SO6

Presidential Initiative-N/A

Contractor- Mega-Tech, Inc.

Other- This story uses pseudonym names to protect the privacy of the children

Submitter

Name- Trish Heimann

Organization- Mega-Tech

Email- pheimann@intekom.co.za

Phone- 012 452 0060

GMAC Grantee Annual Narrative Report

Grantee: Project Preparation Trust of KwaZulu-Natal

Agreement No. 0100-0203-G-GA29 (Amendment No. 4)

Report for the period:

October 1, 2004 through August 31, 2005

Please complete a one-two page narrative summary of your main accomplishments between October 1, 2004 – September 30, 2005. To complete this narrative report, it is recommended that you work through Attachment 1B and provide narrative information on accomplishments that contributed specifically to the strategic objectives and intermediate results listed in the attachment.

PPT's agreement with USAID via its agent Megatech ended on 31st August 2005, the programme having run since February 2003. It is noted that the programme has been highly successful in many respects. As at 31 August 2005 PPT has exceeded its main target indicators set for the programme:

- SO1: target of R35million in rands leveraged was exceeded by 45% or R15.6 million and if one includes conditional funding approvals this increases to 524% or R183.5 million;
- SO2: the target of 1126 households was exceeded by 223% or 2520hh), and if one includes conditional funding approvals then the target was exceeded by 632% or 7,111hh.

A key issue that emerged during the reporting period (refer also to previous PPT reports) was PPT's needs to obtain additional funding to expand and enhance the programme. Between R5 million and R10 million is required for this purpose. PPT has initiated discussions with USAID in this regard and it is hoped that such funding can be accessed via USAID's next major programme which is planned to commence in 2007/2008. PPT's objective to expand and enhance the programme flows in part from the success of the programme as well as from the results of a PPT strategic and sustainability evaluation, of which the main conclusions are as follows:

- PPT's current programs are too small to be cost effective and to deliver development impacts at the desired scale and quality.
- PPT's programs are under-funded in terms of its operating costs, there being a wide range of core activities that it is not able to recover costs for.
- PPT is not sustainable in the medium term unless it raises grant funding in much larger, more cost effective blocks than it has done so in the past 5 years

For information on project-level results for the period, please refer to the following attached documents:

- narrative progress report for projects;
- spreadsheet "Funding approvals for USAID PPF projects..." dated 31st August 2005;
- spreadsheet "Breakdown of funds approved for USAID PPF2 projects..." dated 12th September 2005 outline the project-by-project achievements for the reporting period.

It is further noted that the information contained in the narrative for the semi-annual report is still relevant and should be referred to. Some of the important factors identified include:

- That the success of the programme is due to range of factors including effective project screening, systematic project preparation, effective management of outsourced professionals / service providers and functional relationships with several key government departments / municipalities).
- That the programme supports several pilot projects out of which have emerged a workable and replicable model for integrated development. This model includes the following elements: housing and related infrastructure, training and other support for micro-enterprises, training and support for homestead vegetable gardens, fruit tree establishment and the provision of improved shelter and care for those in special need including those infected or affected by HIV / AIDS.

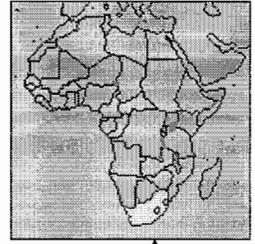
<ul style="list-style-type: none"> • The program has resulted in the development of several replicable systems and development methodologies which can be utilised in other programs including those of government. The program has also had impacts at the policy level. In particular it has assisted PPT in giving practical policy level feedback to the KZN Dept. Housing on special needs housing which has in turn resulted in the KZN DoH making policy adjustments. • The programme has assisted in building capacity and skills within government departments and municipalities.
<p>In addition to what is outlined above, there were several important achievements that occurred during the reporting period, including the following:</p>
<ul style="list-style-type: none"> • Linked to our housing project at Amahwaqa (Dududu) the National Development Agency approved R800,000 for an expanded integrated development project on the basis of the model outlined above. To our knowledge, the project is the first of its kind in KZN and probably in South Africa. • Furthermore, through the KwaShangase Project, PPT has assisted in funding being obtained from the Development Bank of Southern Africa for the development of a practical manual on integrated rural development and rural housing. The manual was completed in July 2005 and will assist rural municipalities in creating more integrated and therefore sustainable development. It will be available on PPT's website from the end of October 2005. • A service agreement was signed with a new Municipality (Richmond) and work commenced on preparing a housing project as well as projects which are linked to micro enterprise development, food security, vegetable production and fruit tree establishment.
<p>There were however some important constraints and problems experienced by the programme, including the following:</p>
<ul style="list-style-type: none"> • The main new constraint that emerged or became apparent during the period was that the KZN Department of Housing is experiencing funding constraints due, in large part, to the influx of large numbers of applications for rural housing projects but also due to funding commitments to complete blocked projects (most of which are stalled due to insufficient funding). There is the real possibility (as occurred in 1998) that a moratorium on new subsidy approvals / applications could occur. If this takes place, then this could delay certain of the projects contained in PPT-USAID programme (eg: KwaShangase / Richmond). • Ongoing difficulties are being experienced with certain of our Municipal partners. This is materially delaying and compromising certain of our projects. Most notable is the case of Ndwedwe Municipality and the KwaShangase project which is located there. • Procurement issues: This includes an absence of a policy on how government works with non profit, public interest organizations such as PPT, which have recurrently slowed down projects.
<p>There is no short-term solution to these constraints, however:</p>
<ul style="list-style-type: none"> • PPT has obtained some project lists from the KZN DoH in terms of which they have prioritised projects over the next year (and to some extent beyond this timeframe). PPT has started a process of close consultation with the KZN DoH to ensure a maximum fit of its projects with the KZN DOH's plans. PPT will also ensure compliance with Municipal Housing Plans, and, where necessary, will seek to assist Municipalities in putting place such plans. • The strengthening of capacity within new municipalities will be a slow process which will need to take place over decades. PPT is however working closely with municipalities to build their capacity at the practical, project level. PPT is also engaged in a 3 year training program for KZN DOH and Municipal officials (PPT's focus is on building skills in the areas of project facilitation and project preparation)

In my capacity as the grantee's authorised signatory, I hereby certify that to the best of my knowledge, the above information is accurate.



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

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South Africa

FINAL DRAFT (November 2004)

Project Name: Preparation of Housing Projects Associated with HIV/AIDS and Local Economic Development

Site Sheet: KwaZulu-Natal

<p>Activity Purpose: HIV/AIDS and Housing and Local Economic Development – Establish a revolving preparation facility for projects focusing on the provision of shelter and care for orphans and other vulnerable children and on local economic development benefiting the disadvantaged.</p>	<p>Location: NGO offices are located at 11th Floor, Liberty Life House, 269 Smith Street, Durban. The various project sites are located throughout the greater Durban municipality and surrounding areas, with the most distant approximately 1 hour from downtown Durban.</p>
<p>Partners: The implementing partner is Project Preparation Trust (PPT)</p>	<p>Project Duration (Start and End Dates): The grant agreement was signed on February 27, 2003 and will expire on June 30, 2005.</p>
<p>Meeting Date: Time:</p>	<p>Grant Amount: \$250,000, of which \$109,629 has been disbursed through 10/31/04.</p>
<p>USAID Strategic Mission Objective: Housing and Urban Environment; Improved Policy Environment for Facilitating Access to Shelter</p>	<p>Activity Officer: Nkosiphambili Ndlovu Telephone: x2256</p>
<p>Key Site Contact: Mark Misselhorn; (031) 305-1288 (office); (082) 751 3665 (cell)</p>	

SUMMARY

PPT has worked in close partnership with USAID from its inception in 1994. It operates as a lean management core, which assists its clients in briefing and managing professional project teams, ensuring broad stakeholder participation, troubleshooting, and submitting and following through on applications for development funds. Whilst retaining a housing focus, PPT also focuses on projects such as HIV/AIDS, economic development and integrated development.

The primary focus of the current program is to facilitate integrated development by means of ensuring that primary S06 objectives relating to housing and related infrastructure are augmented with appropriate economic development and improved care and shelter for those in special need (including those infected or affected by HIV / AIDS). In this respect the program has been successful in establishing and supporting several pilot projects out of which have emerged a workable and replicable model for integrated development.

For the current project alone, PPT has successfully leveraged USAID grant funds to secure nearly R37 million in housing subsidy approvals, which will benefit 1077 household and an additional 8700 households receiving conditional approval. Feasibilities are complete for seven projects, ranging from in situ upgrading of housing and infrastructure, micro-enterprise, food security and agricultural development, HIV/AIDS relief through foster or transitional care, day-care and a training facility, to establishing 20 community care homes and 12 foster care homes.

WHAT IS USAID/SOUTH AFRICA'S ROLE?

USAID/South Africa, through its contract with Mega-Tech, Inc., has provided grant funding for the program.

WHAT SITE VISIT MIGHT ENTAIL?

A visit would entail driving into the various project areas to observe ongoing development activities including the construction of low-income houses, on-site economic activities, HIV/AIDS related activities, and greening as part of the housing projects. A discussion would take place relating the impact of the project, and arrangements would be made to meet the residents. A visit could include driving to Umlazi, approximately 20km south of the eThekweni central business district, to view 1,333 upgraded households. The next destination would possibly be Illovo, approximately 50km south of the eThekweni central business district, where the project focuses on HIV/AIDS relief for approximately 96 orphans and vulnerable children.

WHO WOULD MEET THE DELEGATION?

Mr. Mark Misselhorn, Chief Executive Officer