

Neighbourhood Development Partnership Grant Quick Facts: 2006 – 2010

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| Why the NDP? | 2005/2006 studies (Ten year Review, NSDP, etc.) revealed that the impact of apartheid on townships is more severe than anticipated. Current government interventions must be more deliberate, more targeted and up-scaled. The Neighbourhood Development Programme was then established in the National Treasury, with the task to pilot a new public finance approach focussing on a medium-to-long term commitment to targeted neighbourhood development projects in South Africa. |
| A response to what problems? | <ul style="list-style-type: none"> ▪ Most government interventions focus on much needed basic needs backlogs: water, sanitation, electricity and housing. This has resulted in continuous underinvestment in (i) infrastructure to build economic platforms in townships focused on quality multi-use centres; (ii) making movement cheaper and more dignified; (3) making living and playing more dignified; and (iv) bringing quality government services to residents. ▪ There is still no medium-to-long term planning for townships by municipalities, with ad-hoc projects led by what funds are available from whichever source. ▪ Large scale catalytic projects need 2 to 5 years to package, plan and get commitments from multiple funding partners and most municipalities do not have capacity or commitment to these time frames and processes. ▪ Existing public transport interchanges are poorly planned and degraded, resulting in loss of economic potential of these assets. |
| What is the NDP? | The Neighbourhood Development Programme (NDP) is located in the Budget Office of the National Treasury and is tasked with supporting economic development and quality of life improvements in targeted townships. Specifically, the NDP supports <i>“neighbourhood development projects that provide community infrastructure and create the platform for private sector development and that improve the quality of life of residents in targeted areas.”</i> |
| What tools and vehicles are used? | <p>The NDP uses two tools to do this:</p> <ol style="list-style-type: none"> 1. The Neighbourhood Development Partnership Grant (NDPG) comprised of a Technical Assistance (TA) fund intended for strategic and project planning and a Capital Grant (CG) for investment into catalytic township projects. 2. A knowledge sharing and learning function aimed at (i) providing peer-learning opportunities for all municipal officials involved in townships renewal; (ii) facilitating more credible and in-depth practical research on townships; and (iii) deepening and broadening the skills of township development practitioners. |
| What does it fund? | <p>TA is generally used for Township Regeneration Strategies, business planning and detailed planning. Implementation is done through CG.</p> <p>Typical projects are nodal and precinct developments; linkage projects and general improvement initiatives. In general, NDP funds interventions that are within municipal mandate or directive, therefore speeding up delivery. NDPG does not fund private sector developments, but provides foundations or preconditions for these to occur.</p> |
| The NDPG Approach: | <ul style="list-style-type: none"> ▪ Providing a medium-to-long term funding commitment creates certainty and predictability, building a platform on which municipalities can negotiate with partners. ▪ Use of technical assistance as a lever for better planning and project packaging. ▪ Up-front commitment (a funding envelope) made but conditional on (i) partnerships being secured and (ii) good project packaging and feasibility testing (iii) medium-long term planning for townships. |



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| Implementation period | 2006/07 | Implementation starts mid-year with establishment of NDP. 33 awards made. | | | | | | | | |
| | 2007/08 | By the end of the year, the NDP Portfolio consists of a total of 72 awards with a value of R7.8 billion and an anticipated total township investment value of R26.1 billion. | | | | | | | | |
| | 2008/09 | The Portfolio has expanded to 86 awards in 51 municipalities to a value of R8.75 billion. More small towns and rural municipalities are added to the NDPG Portfolio. | | | | | | | | |
| | 2009/10 | Today, 90 awards in 57 municipalities are under management to a value of R8.82 billion. The NDP is likely to terminate in 2017/18 according to current estimates. | | | | | | | | |
| | Anticipate | By 2012/13 (about 5 years from start), the NDP will reach the peak of delivery and can be evaluated for possible expansion or adaptation. The NDP aims to target 100 townships with awards totaling R10 billion. | | | | | | | | |
| Size (financial commitments) | <ul style="list-style-type: none"> 729 applications received for Rounds 1, 2, 3 and 4, resulting in 90 awards being approved, reaching over 100 townships. R8.82 billion committed to 57 municipalities. | | | | | | | | | |
| Geographic coverage | Provincial spread: | | | | | | | | | |
| | <i>Province</i> | <i>No of Programmes*</i> | | | <i>NDPG per province (Rbn)</i> | | | | | |
| | Limpopo | 6 | | | 0.89 | | | | | |
| | Eastern Cape | 14 | | | 1.15 | | | | | |
| | North West | 5 | | | 0.84 | | | | | |
| | Mpumalanga | 4 | | | 0.38 | | | | | |
| | Free State | 2 | | | 0.37 | | | | | |
| | Northern Cape | 2 | | | 0.20 | | | | | |
| | Gauteng | 24 | | | 2.11 | | | | | |
| | Western Cape | 14 | | | 1.24 | | | | | |
| KwaZulu Natal | 19 | | | 1.65 | | | | | | |
| Total | 90 | | | 8.82 | | | | | | |
| * New NDP hierarchy of terms defines "Awards" at Municipal level, therefore NDP has 57 Awards. "Programmes" is used to reflect the number of area plans (e.g. nodal development) which are reflected in a Business Plan and comprise a set of projects and interventions. | | | | | | | | | | |
| Geographic coverage | Type of municipality: | | | | | | | | | |
| | <i>Category</i> | <i>Type of municipality</i> | <i>No of type</i> | <i>No of NDPG Munis</i> | <i>No of Programmes</i> | <i>NDPG allocation (Rbn)</i> | <i>As % of NDPG committed</i> | <i>No of people in poverty (millions)</i> | | |
| | A1 | Metro | 6 | 6 | 35 | 3.44 | 39% | 3.3 | | |
| | B1 | Secondary City | 21 | 11 | 14 | 1.74 | 20% | 1.8 | | |
| | B2 | Large Town | 29 | 11 | 12 | 0.82 | 9% | 0.8 | | |
| | B3 | Rural small town | 111 | 11 | 11 | 0.66 | 7% | 0.3 | | |
| | B4 | Mostly rural | 70 | 12 | 12 | 1.47 | 17% | 2.1 | | |
| | C1 | District | 46 | 6 | 6 | 0.69 | 8% | 2.3 | | |
| | Total | | 283 | 57 | 90 | 8.82 | 100% | 10.6 | | |
| | The NDP strives to create a balance between township economic development and township quality of life improvement. The grant is targeted at mostly those municipalities with the largest concentrations of poor people, mainly to capitalise on the critical mass needed for stimulating economic development. The NDPG targets about 54% of SAs poorest people, with R5.18bn allocated to metros and secondary cities and a further R3.64bn allocated to rural large and small towns, and mostly rural areas. | | | | | | | | | |
| Performance | <i>Expenditure</i> | <i>2006-07</i> | | <i>2007-08</i> | | <i>2008-09</i> | | <i>2009-10</i> | | <i>2010-11</i> |
| | | <i>Target</i> | <i>Actual</i> | <i>Target</i> | <i>Actual</i> | <i>Target</i> | <i>Actual</i> | <i>Target</i> | <i>Actual</i> | <i>Target</i> |
| | TA | R50m | - | R64m | R4m | R85m | R68m | R110m | R90m | R125m |
| | CG | - | - | R231m | R41m | R289m | R182m | R551m | R508m | R1030m |
| | Total | R50m | - | R295m | R45m | R374m | R250m | R661m | R598m | R1155m |
| After 2-3 years of project packaging and planning, the NDP is now starting to gear up for increase | | | | | | | | | | |

| OPERATIONAL MATTERS | |
|--------------------------|---|
| The NDP team | <p>NDP operations are related to grant management (represented by project teams with geographic areas of responsibility) and specialist functions such as TTRI and knowledge management.</p> <p>Team members are on 3-year contracts.</p> |
| Location | The Chief Directorate is located in the Budget office of the National Treasury |
| Operations budget | The NDP maintains high levels of operational efficiency, seeking to maintain an optimal overhead ratio of about 2%. |

| NDP PORTFOLIO COMMITMENTS | | | | | |
|---------------------------|--------------------------|------|---|--|-------------|
| REF | MUNICIPALITY | PROV | TOWNSHIP(S) | PROGRAMME | NDPG (Rm) |
| 1_038 | Mbombela | MP | Kanyamazane & Swalala | Precinct Developments | 37,665,000 |
| 1_043 | uMngeni | KZN | Mpophomeni | Mpophomeni Nodal Development | 18,000,000 |
| 1_064 | Greater Tzaneen | LP | Nkownakowa & 4 MPCCs | Nkownakowa Town Centre & MPCCs | 84,800,000 |
| 1_065 | Ekurhuleni | GT | Katorus (Katehong): Palmridge | High Street Development | 10,500,000 |
| 1_066 | Ekurhuleni | GT | Kwa-Thema | Development & Community Node | 10,500,000 |
| 1_067 | Ekurhuleni | GT | Kwatsaduza | Large area social facilities | 51,750,000 |
| 1_068 | Ekurhuleni | GT | Mayfield/Daveyton/Etwatwa | Economic & Community Node | 21,320,000 |
| 1_069 | Ekurhuleni | GT | Tswelopele/Tembisa | Economic & Community Node | 21,320,000 |
| 1_070 | Ekurhuleni | GT | Tsakane/Duduza (Blue Gum) | Community Node | 21,320,000 |
| 1_071 | Ekurhuleni | GT | Mining belt informal settlements | Upliftment of informal settlements & development | 21,320,000 |
| 1_072 | Ekurhuleni | GT | Katlehong, Tembisa, Wattville, Daveyton, Duduza | Rehabilitation & Renewal | 21,320,000 |
| 1_077 | Kouga | EC | Tokyo Sexwale, Jeffrey's Bay | Eyabantu Neighbourhood Centre | 23,931,000 |
| 1_079 | Oudtshoorn | WC | Bridgton | Business Centre Upgrading | 35,800,000 |
| 1_092 | Ndwedwe | KZN | Ndwedwe | Ndwedwe Village Development | 255,350,000 |
| 1_097 | Senqu | EC | Khwezi-Naledi | Sports Facility & Economic hub | 20,500,000 |
| 1_103 | Knysna | WC | Masifunde | High Street Upgrading | 52,000,000 |
| 1_106 | City of Tshwane | GT | 14 Townships | Tsosoloso Programme (Public Spaces) | 730,000,000 |
| 1_107 | Msunduzi | KZN | Greater Edendale | Imbali Mixed use investment node | 10,700,000 |
| 1_108 | Msunduzi | KZN | Greater Edendale | Ekhrosini Livestock Market | 27,000,000 |
| 1_169 | eThekweni | KZN | Kwamashu | Town Centre Renewal | 62,000,000 |
| 1_171 | eThekweni | KZN | Inanda, Ntuzuma, Kwamashu | INK URP | 223,960,000 |
| 1_176 | eThekweni | KZN | Inanda, Ntuzuma, Kwamashu | Bridge City | 81,100,000 |
| 1_182 | Nelson Mandela | EC | KwaZakhele | Njoli Square Redevelopment | 122,600,000 |
| 1_183 | Nelson Mandela | EC | Motherwell | Sustainable Community Development | 29,150,000 |
| 1_185 | King Sabata Dalindyebo | EC | Ngangelizwe | Sustainable Community Development Nodes | 58,900,000 |
| 1_189a | Zululand District | KZN | Belgrade | MPCC/TSC (Uphongolo) | 6,600,000 |
| 1_189b | Sisonke District Council | KZN | Highflats | HIGHFLATS: MPCC/TSC | 6,600,000 |
| 1_223 | City of Johannesburg | GT | Soweto | Kliptown Parking & Other | 39,944,690 |
| 1_226 | Sol Plaatje | NC | Galeshewe | Urban Renewal Programme Redevelopment | 169,880,000 |
| 1_237 | City of Cape Town | WC | Maitland Garden Village | Oude Molen & Maitland Redevelopment | 102,000,000 |
| 1_241 | Ramotshere Moiloa | NW | Ikageleng | MPCC/TSC | 77,623,000 |
| 1_242 | City of Johannesburg | GT | Soweto | Bara Central Precinct (Baragwanath) | 37,340,000 |
| 1_243 | City of Johannesburg | GT | Soweto | Orlando eKhaya (Heroes Bridge & Link Road) | 36,700,000 |
| 2_024 | Steve Tshwete | MP | Mhluzi | Township Restructuring | 80,000,000 |
| 2_028 | Nelson Mandela | EC | Helenvale | Urban Renewal | 76,000,000 |
| 2_029 | Nelson Mandela | EC | New Brighton | Red Location Cultural Precinct | 25,000,000 |
| 2_030 | Nelson Mandela | EC | Gqebera | Fountain Road Redevelopment | 53,500,000 |
| 2_031 | City of Cape Town | WC | Nyanga | Nyanga Transport Interchange | 22,000,000 |
| 2_032 | City of Cape Town | WC | Langa & Athlone | Athlone Power Station Redevelopment | 130,000,000 |
| 2_033 | City of Cape Town | WC | Khayelitsha | Monwabisi Coastal Node | 103,000,000 |

| NDP PORTFOLIO COMMITMENTS | | | | | |
|---------------------------|-------------------------|------|---|--|----------------------|
| REF | MUNICIPALITY | PROV | TOWNSHIP(S) | PROGRAMME | NDPG (Rm) |
| 2_034 | City of Cape Town | WC | Mitchells Plain | Mitchells Plain & Lentegeur CBDs | 304,000,000 |
| 2_040 | City of Johannesburg | GT | Diepsloot | Diepsloot South | 108,000,000 |
| 2_044 | City of Johannesburg | GT | Soweto | Zola Node | 55,000,000 |
| 2_045 | City of Johannesburg | GT | Soweto | New Canada Station Node (Orlando) | 55,000,000 |
| 2_049 | City of Cape Town | WC | Khayelitsha | Kuyasa & Other Nodes | 310,000,000 |
| 2_060 | Makana | EC | Rini | Townships Regeneration (Rhini & Others) | 93,000,000 |
| 2_079 | Lekwa | MP | Rooikoppen | Taxi/Bus Hub & Recreation Precinct | 44,000,000 |
| 2_097 | City of Johannesburg | GT | All Townships | Johannesburg Secondary Property Market | 109,000,000 |
| 2_102 | City of Johannesburg | GT | Orange Farm | Stretford Station Precinct | 51,000,000 |
| 2_112 | City of Johannesburg | GT | Soweto | Vilikazi Street Precinct | 52,500,000 |
| 2_127 | eThekweni | KZN | Umlazi, Malukazi & Others | Umlazi-Malukazi Nodal Redevelopment | 207,000,000 |
| 2_128 | eThekweni | KZN | KwaDabeka & Clermont | Clermont Urban Renewal | 105,000,000 |
| 2_130 | eThekweni | KZN | Mpumalanga | Urban Centre | 30,600,000 |
| 3_004 | Ba-Phalaborwa | LP | Namakgale & Lulekani | Ba-Phalaborwa Upgrading of Township | 94,000,000 |
| 3_005 | Dihlabeng | FS | Bohlokong and Vogelfontein | Vogelfontein Urban Centre | 135,000,000 |
| 3_020 | Newcastle | KZN | Madadeni, Osizweni and JBC | JBC Urban node | 104,000,000 |
| 3_025 | Nongoma | KZN | Nongoma | Nongoma Town Regeneration & Urban Development | 103,000,000 |
| 3_029 | Greater Taung | NW | Taung and villages | Greater Taung Regeneration Strategy | 160,000,000 |
| 3_035 | Matjhabeng | FS | Thabong, Hani Park, Bronville | Township Regeneration and Investment plan | 230,000,000 |
| 3_040 | Umtshezi | KZN | Wembezi A, B, C | Wembezi Urban Renewal | 30,000,000 |
| 3_052 | Mandeni | KZN | Sundumbili - Mandeni | Sundumbili Urban Node Regeneration | 132,600,000 |
| 3_058 | Buffalo City | EC | Mdantsane and Duncan Village | Township Regeneration | 230,000,000 |
| 3_063 | Rustenburg | NW | Boitekong, Meriting, Freedom Park, Paardekraal | Development Planning | 226,000,000 |
| 3_083 | Sedibeng District Muni | GT | Sharpsville, Sebokeng and others | Sharpsville Precinct Development and Others | 250,000,000 |
| 3_084 | Tlokwe City Council | NW | Ikageng | Ikageng Neighbourhood Development Programme | 162,000,000 |
| 3_090 | Thulamela | LP | Thohoyandou, Sibasa and Malumele | Thulamela Gateway | 275,000,000 |
| 3_095 | Matlosana | NW | Jouberton, Kanana, Khuma, Alabama & Tagane | Neighbourhood Revitalisation | 210,000,000 |
| 3_027 | Amatole District | EC | Hamburg, Stutterheim, Butterworth, Alice and Dutywa | Township development of Amatole District Towns | 273,500,000 |
| 3_044 | KwaDukuza | KZN | Shayamoya, Nkobongo, Dube Village, Melville, Ntshawini, Driefontein | Kwadukuza Priority Clusters | 106,350,000 |
| 3_053 | Mogalakwena | LP | Greater Mokopane/Mahwelereng and other surrounding townships | Identification and Implementation of Appropriate Community Facilities/Infrastructure | 127,000,000 |
| 3_080 | Bushbuckridge | MP | Bushbuckridge CBD, Mavijan, Acornhoek, Dwarsloop, Mkhuhlu, Thulamashe & Shatale | Bushbuckridge Urban Renewal and Regeneration | 220,000,000 |
| 3_093 | Polokwane | LP | Mankweng, Moletjie, Seshego, Nobody, SDA 1, Westemburg and Sebayang | Polokwane Townships Urban Renewal | 262,000,000 |
| 4_111 | Mogale City | GT | Chief Mogale (Proper & Ext 1) | Integrated Development Project | 163,900,000 |
| 4_130.1 | Ga-Segonyana | NC | Mothibistad | Mothibistad Rural Development | 35,000,000 |
| 4_025 | Metsweding District | GT | Refilwe ; Zithobeni ; Ekangala B | Metsweding Township Regeneration Programme | 65,054,000 |
| 4_120.1 | Mogale City | GT | Munsieville | Urban Renewal | 52,800,000 |
| 4_120.3 | Mogale City | GT | Leratong | Leratong Intersection Commercial Development | 39,600,000 |
| 4_135.2 | West Rand District | GT | Bekkersdal and Other Townships | Economic Development Node and Others | 88,000,000 |
| 4_127 | Emnambithi/Ladysmith | KZN | Ezakheni | Commercial Development | 62,500,000 |
| 4_029 | Beaufort West | WC | Kwamandlenkose and Rustdene | Urban Nodal Development | 7,000,000 |
| 4_069 | Bitou | WC | Kwanokuthula | Bitou Coming Together | 66,000,000 |
| 4_046 | Knysna | WC | Nekkies and Hornlea | Eastern Gateway | 64,700,000 |
| 4_010 | Overstrand | WC | Zwelihle, Stanford, Gansbaai | Imvuselelo Developing Economic Spaces | 16,500,000 |
| 4_012 | Matzikama | WC | Vredendal North | Urban Nodal Development | 10,000,000 |
| 4_018 | Breede River/ Winelands | WC | Zolani, Nkqubela, Happy Valley | Robertson Township Initiative | 12,000,000 |
| 4_130.2 | Greater Tubatse | LP | Burgersfort, Mecklenburg, Praktiseer, Driekop, Mapodile | General improvements of town centres and townships | 46,000,000 |
| 4_130.3 | Lukhanji | EC | Mlungisi, Ezebeleni, Whittlesea | Township and Town Centre upgrade | 49,000,000 |
| 4_130.4 | Emalahleni | EC | Lady Frere | Rural Town Centre general Upgrades | 38,000,000 |
| 4_130.5 | Port St Johns | EC | Port St Johns | Town Centre Upgrade | 54,000,000 |
| 4_130.6 | Umzimkhulu | KZN | Umzimkhulu | Town Centre Upgrade | 78,000,000 |
| TOTAL: | | | | | 8,821,597,690 |

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