



## Neighbourhood Development Programme Unit

Round 4 NDPG Applications

6 May 2008

Presentation to Municipalities

Presented by NDP Unit



# NDP Unit & NDPG

- Established in July 2006
  - To administer NDPG
  - Also now NDP to mainstream township development across SA
- More than a funder, less than a partner → advice



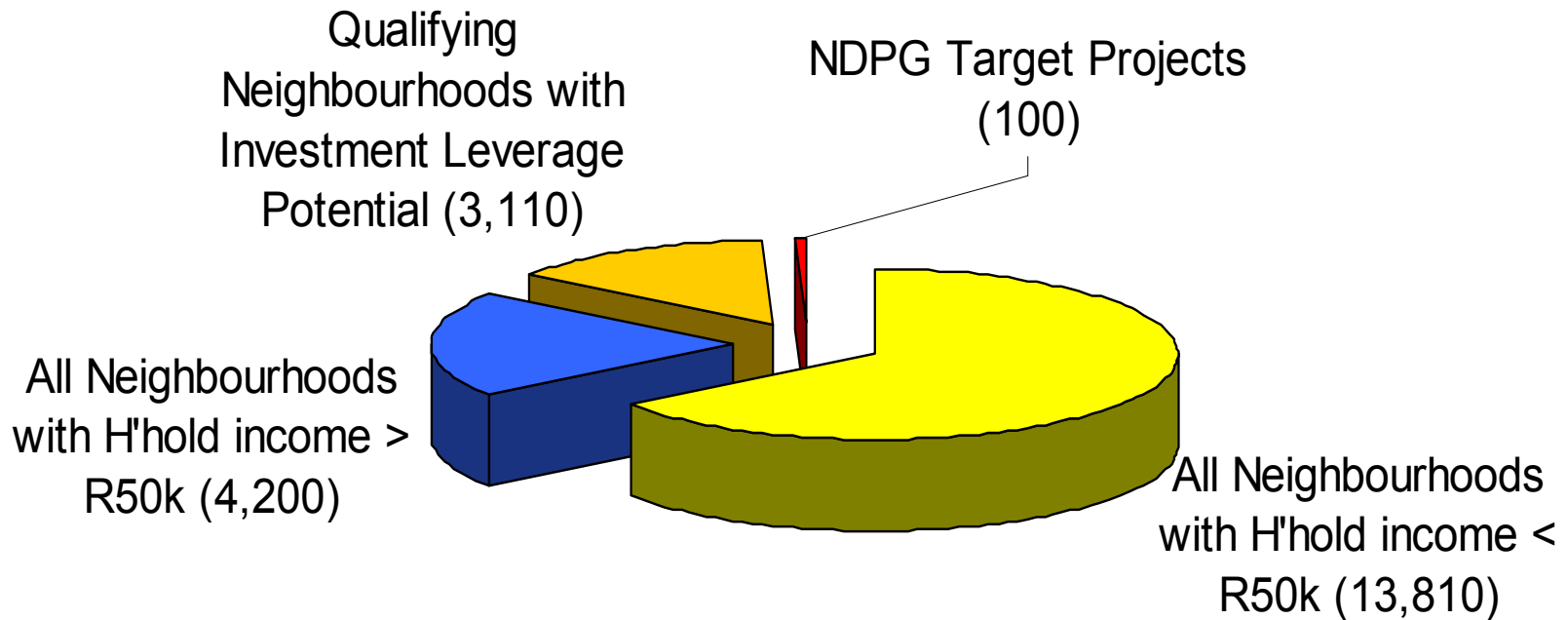
# Background & Rationale

- Minister of Finance, 2005 Budget Speech
  - "We must seek to build partnerships that mobilise our most creative energies in constructing recreational and sports facilities, health and education services, administrative infrastructure, business opportunities and community resource centres."
- DoRA
- Definition
  - Townships
  - Nodes



# Background & Rationale

- Demand for NDPG outstrips supply
- 19,920 of 21,220 SA neighbourhoods qualify





# **NDPG Overview**

Tshiwo Yenana



# Background & Rationale

- Key lessons from existing initiatives
  - Importance of township regeneration strategies & nodal development plans & municipal capacity
  - Ensuring township developments are considered & developed holistically
  - Funding for capital works for public facilities & places
  - Key role of private sector investment
  - Municipal capacity to assemble & align multiple funding sources
  - Importance of aligning capital investment & longer-term maintenance & operational budgets & commitments
  - Limited interpretation of “developmental local government”
  - Insufficient attention on township areas



# What does 'Private Sector' mean?

- Emphasis on
  - Other government funding streams
  - Mobilisation any non-governmental support and resources
- Not purely financial → “sweat equity”, land, in-kind
- Private sector
  - Formal developers
  - Project financiers
  - Equity investment funds
  - Community investment funds
  - Stokvels
  - NGOs, CBOs & other community organisations
  - Cooperatives
  - Any non-government organisation or individual



# Programme Focus Areas

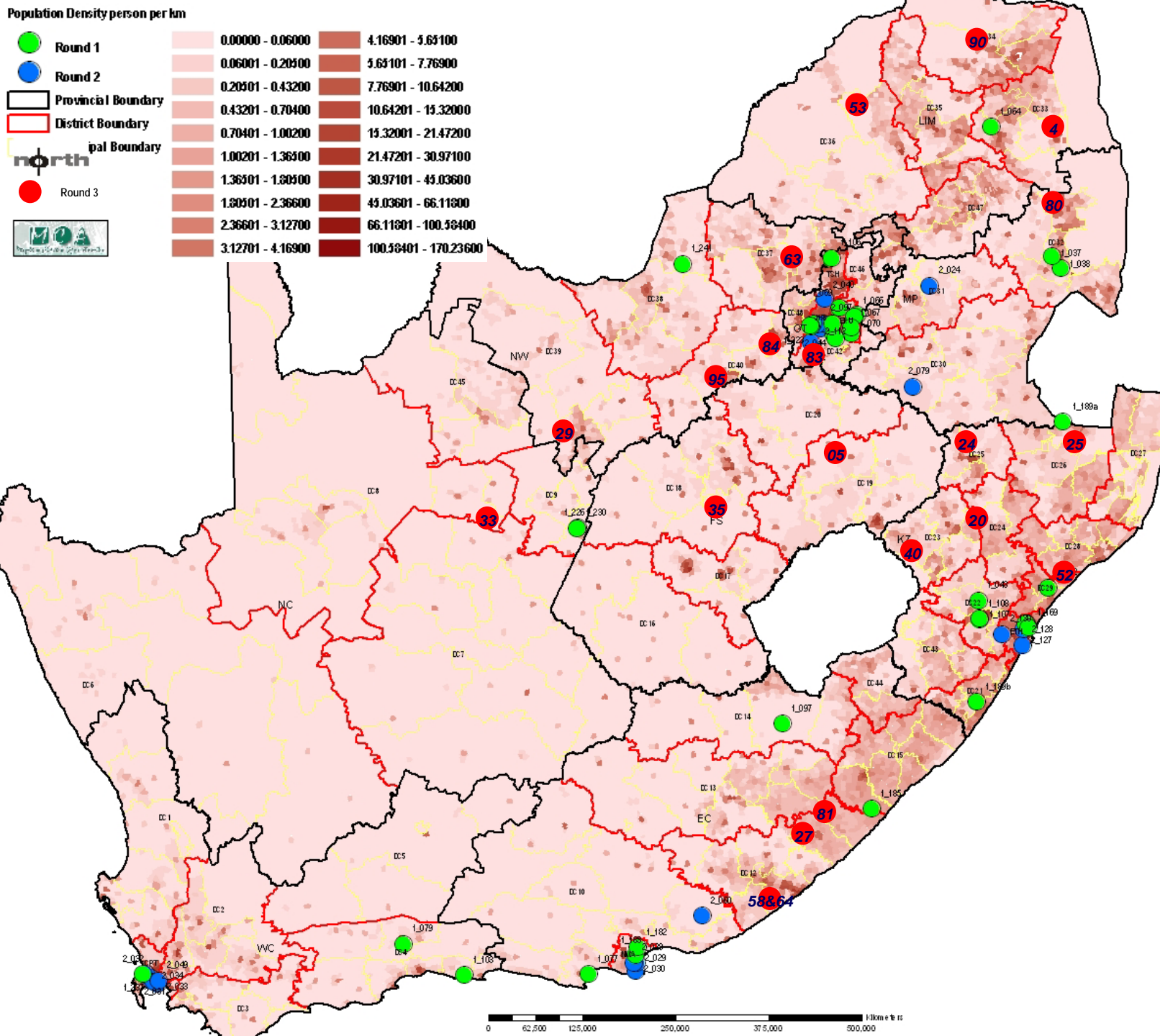
- Township areas
- Strategic spatial-economic development projects
  - With potential
  - With critical mass
- Land use restructuring
- Stimulating property markets
- Purchasing power retention
- Public sector investment as catalyst
- Leveraging non-governmental investment & partnerships
- Ensuring municipal championship
- Kick-starting township regeneration





# NDPG Will Not Support

- Not housing (but yes to planning as commercial development opportunity)
- No MIG-type projects
- No tourism projects → unless ...
- LED → no make-and-bake & grow-and-sew
- 2010
- No direct contributions to private sector
- No projects already completed
- No ad hoc, isolated initiatives
- If not submitted by municipality
- If not in line with IDP
- If no council resolution
- If not in a township



- 3 Rounds
- $\pm 70$  approved projects
- Target 100 projects by end 2008



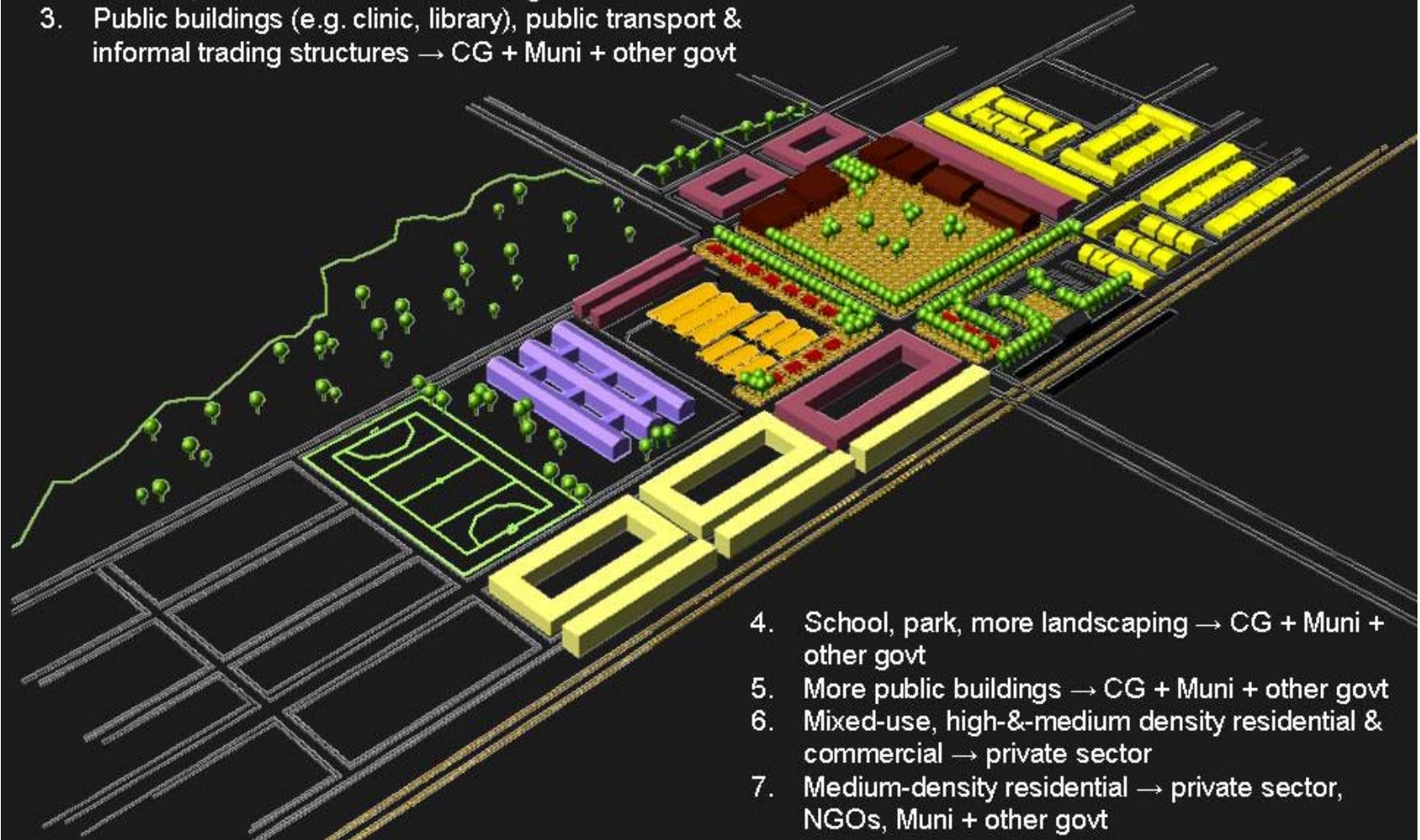
# Grant Make-up

- Dual nature
- Technical Assistance
  - Township regeneration strategy development
  - Building capacity
  - Any feasibilities
  - Business case development
- Capital Grant
  - For any capital cost
  - As usually spent by councils
  - To make project happen
- To be used in conjunction with other grants that have a local government focus → 'synthesis'
- Own funding also important → it costs money to get money



# Conceptual Nodal Development

1. Township planning & layout (roads, rail, public transport, nodes, public spaces, precincts, economic demand analysis, other studies, detailed planning, etc.) & project management → TA + Muni
2. Public spaces & squares, paving, planting, street furniture, etc. → CG + Muni + other govt
3. Public buildings (e.g. clinic, library), public transport & informal trading structures → CG + Muni + other govt



4. School, park, more landscaping → CG + Muni + other govt
5. More public buildings → CG + Muni + other govt
6. Mixed-use, high-&-medium density residential & commercial → private sector
7. Medium-density residential → private sector, NGOs, Muni + other govt





# Njoli Square Overview

- Township project → Kwazakhele in PE (NMM)
- NDPG funding by new NDP Unit
  - Supporting community development
  - Leveraging private sector investment
- Only significantly advanced project in NDP portfolio of 55 projects
- New town centre
  - 254,000 people
  - Low incomes
  - High unemployment
  - Sense of place





# Project Snapshot

- Objectives
  - Iconic → civic pride
  - World class facility
  - Urban renewal catalyst
- Public transport facility → Khulani corridor
- Home for social & civic functions
- Platform for SMME development
- Stimulus for private sector investment
- Sustainable and flexible



# Bird's Eye View





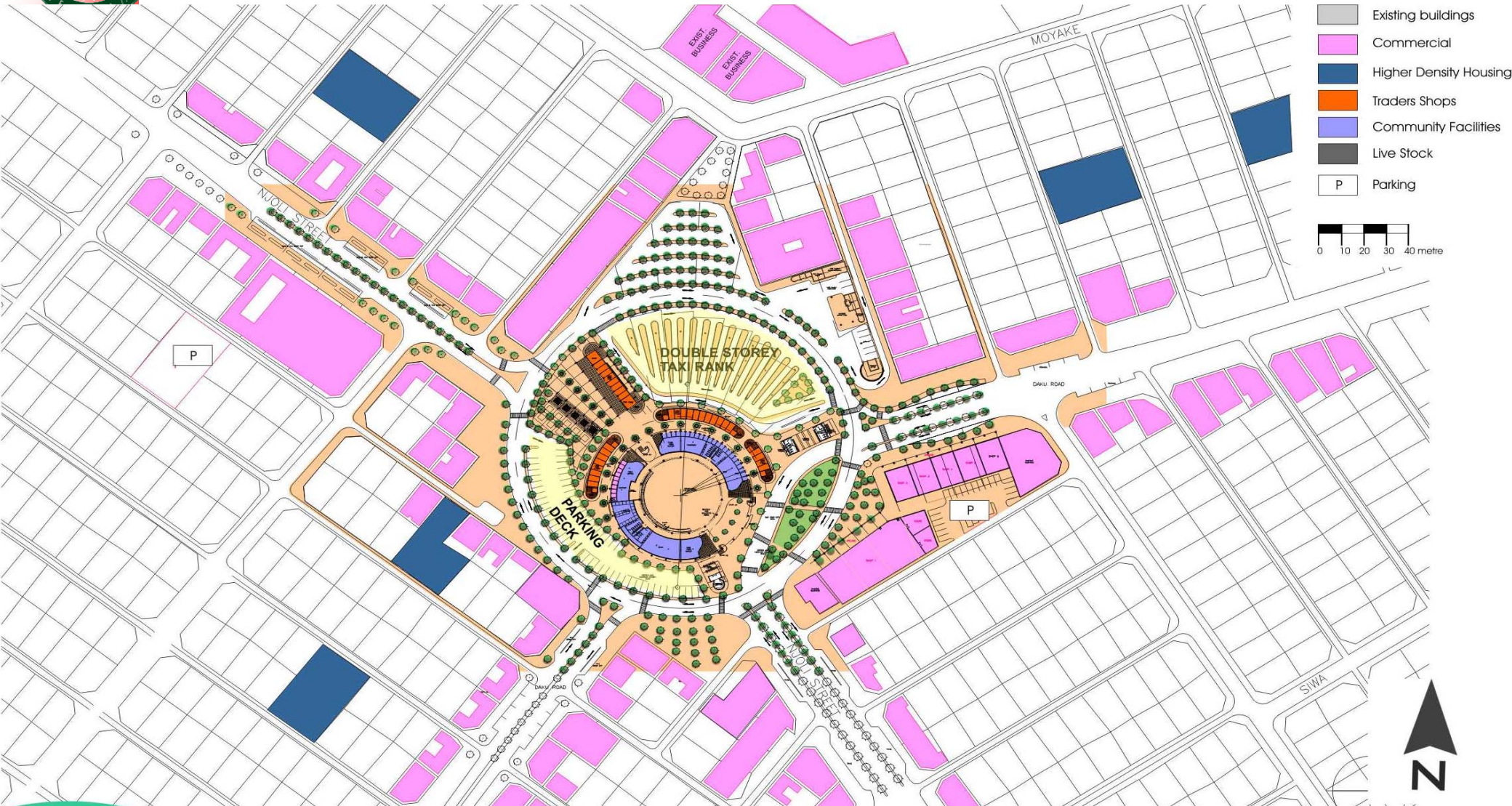
# Project Components

- EAA
- Taxi rank
- Retail development
- Land parceling (some housing relocation)
- Civic functions
- Informal trade facilities
- Council offices
- Parking
- Place-making elements





# Urban Renewal Plan



- Existing buildings
  - Commercial
  - Higher Density Housing
  - Traders Shops
  - Community Facilities
  - Live Stock
  - P Parking
- 0 10 20 30 40 metre



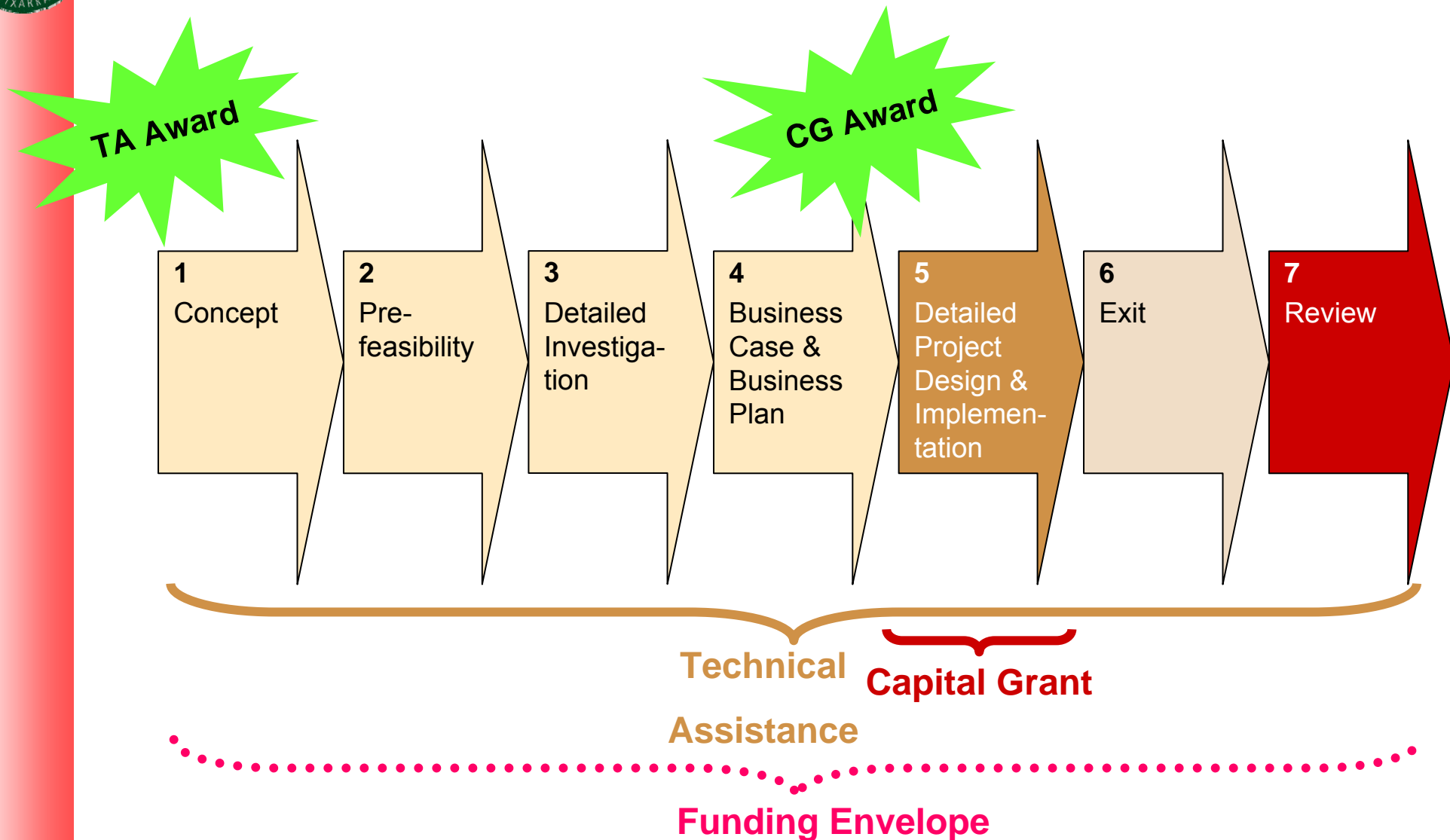


# Bridge City



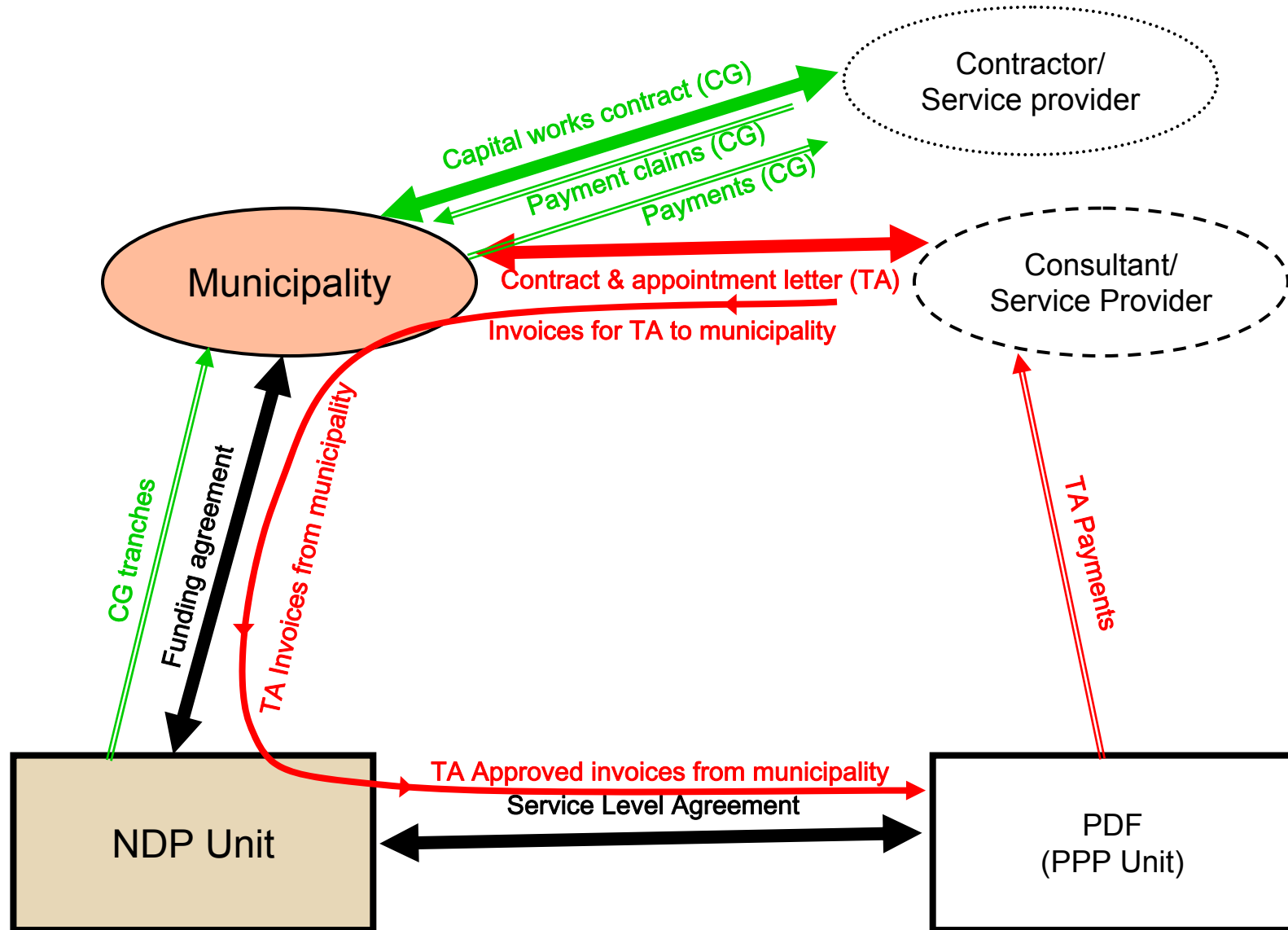


# Project Stages & NDPG





# Funding Flows





# **NDPG Application Form**

Selby Mogakane



# Applications Tips

- Focus on the NDPG
- Sell the Township
- Identify Quick-Win Projects



# Application Tips

- Note Guideline documents on web site
  - Grant overview
  - Grant details
  - Guideline to Application Form
  - Application form (MS Word & PDF)
  - Building the Business Case for CG
- Important!
  - Concept Note
  - Private and public sector partners
  - TA and CG details



# Questions 6.4 & 6.5

No	Private/ private sector partner name	Nature (or Rand value) of contribution						Don't know
		Land	Money	Facilities or amen- ities	Staff	Sweat equity	Other	
1								
2								
3								
4								
5								
6								
7								
8								
<b>Subtotals</b>								
<b>Total of all contributions</b>								





## Question 7.1 (Technical Assistance)

No	Planning elements	Total planning costs					Subtotals
		Municipality	NDPG	Private sector	Other government	TBC	
1	Project capacity for 5 yrs	R1,000,000	R1,500,000	-	-	-	R2,500,000
2	EAA	R200,000	R250,000	R50,000	-	-	R500,000
3	Township Regeneration Strategy & Implementation Plan (including Nodal Development, & Private Sector Investment Strategies)	R100,000	R800,000	R100,000	-	-	R1,000,000
4	Precinct Plan for a Node	R100,000	R250,000	R150,000	-	-	R500,000
5	Business Case preparation (for CG)	R200,000	R300,000	0	-	-	R500,000
6	Detailed designs for 3 projects (with tender documents)	R1,000,000	R1,500,000	0	-	-	R2,500,000
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
<b>Totals</b>		<b>R2,600,000</b>	<b>R4,600,000</b>	<b>R300,000</b>	-	-	<b>R7,500,000</b>



# Question 8.1 (Capital Grant)

No	Construction elements	Purchase	New	Refurb	Total capital costs					
					Municipality	NDPG	Private sector	Other government	TBC	Subtotals
1	Purchase of land for clinic	X			R1,000,000	R5,000,000	-	-	-	R6,000,000
2	Clinic construction		X		R2,000,000	R5,000,000	-	R13,000,000	-	R20,000,000
3	Improvement of nodal environment (trees, signage, lighting, public square)			X	R1,000,000	R8,000,000	R1,000,000	-	-	R10,000,000
4	Greening of main street, signage & lighting		X	X	R1,000,000	R9,000,000	-	-	-	R10,000,000
5	New shopping centre		X		-	-	R50,000,000	-	-	R50,000,000
6	New infill housing (mainly for middle-income)		X		-	-	R10,000,000	-	-	R10,000,000
7	Upgrade to power station for nodal development			X	R1,000,000	R9,000,000	-	-	-	R10,000,000
8	BID establishment (could also be TA)	-	-	-	R1,000,000	-	-	-	R1,000,000	R2,000,000
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>					<b>R7,000,000</b>	<b>R36,000,000</b>	<b>R61,000,000</b>	<b>R13,000,000</b>	<b>R1,000,000</b>	<b>R118,000,000</b>



# Evaluation and Award Process

Lee Rosenzweig



# Criteria for Evaluation Process

- Basis of competition for NDPG
  - Township Location
  - Council Support
  - Potential Partnerships with Private Sector
  - Alignment to National, Provincial and Council Priorities and Budgets e.g.. SDFs, IDPs, etc.
  - Larger Catchment Area – THINK BIG!
  - Potential for critical mass of commercial and community facilities
  - Readiness to implement
  - Sustainability at all life cycle stages
  - INNOVATION: Current energy crisis requires a different approach such as Solar/Wind Energy/Alternative Building Systems/Biogas Systems. Different business models such as “Making Markets Work for the Poor”. Bicycles as a means of transport, with associated economic opportunities, etc.
- Any Criteria as amended by National Treasury



# Award Process

- Submissions evaluated by Treasury Panel based on criteria
- Short listing of submissions
- Verification process to check proposed budgets and compliance with NDPG Criteria
- Recommended by NDPG Reference Group to the DDG, DG and Minister for approval
- Once short listed submissions are approved, successful municipalities are notified informally (e-mail/telephone) and formally (letter)
- Funding envelope concept → use of TA to unlock CG



**Questions?**