

**Department of
Local Government and Traditional Affairs**
— KwaZulu-Natal Provincial Government —

KZN DEPARTMENT OF AGRICULTURE, ENVIRONMENT & RURAL DEVELOPMENT

PROVINCIAL STRATEGIC FRAMEWORK WORKSHOP

CASE STUDY PRESENTATION
DUKUDUKU ON-SITE RESETTLEMENT PROJECT

7 & 8th July 2009

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Uthengiso wezokuthuthuzisa kaseKhaya nezindaba zomndaba • Departement van Plaaslike Regering en Tradisionele Sake

DUKUDUKU ON-SITE RESETTLEMENT PROJECT	
CONTENTS	
PART A – PROJECT BRIEFING	
1. OVERVIEW OF PROJECT DYNAMICS	
2. PLANNING PROCESS	
3. DRAFT DEVELOPMENT PLAN	
4. MAPPING THE PROJECT BOUNDARY	
PART B – AGRICULTURAL DEVELOPMENT APPROACH	
1. AGRI-VILLAGE MODEL	
2. APPLICATION TO DUKUDUKU	
3. SUSTAINABLE AGRICULTURAL LANDSCAPES	
4. AGRI-VILLAGE APPLICATION TO LAND REFORM	
PART C – LOCAL ECONOMIC DEVELOPMENT PROJECTS	
1. PROJECT SUMMARIES	
2. PROJECT LINKAGES	
3. FUNDING PROPOSALS	

DUKUDUKU ON-SITE RESETTLEMENT PROJECT	
PART A – PROJECT BRIEFING	
1. OVERVIEW OF PROJECT DYNAMICS	
1.1 PROJECT CONTEX	
1.2 IMPORTANCE OF THE UMFOLOZI FLOOD PLAIN	
1.3 DEVELOPMENT SCENARIOS	
2. PLANNING PROCESS	
2.1 INSTITUTIONAL FRAMEWORK	
2.2 PROJECT DELIVERY FRAMEWORK	
2.3 STAKEHOLDER ENGAGEMENT	
2.4 PLANNING DELIVERABLES	
3. DRAFT DEVELOPMENT PLAN	
3.1 SPATIAL FRAMEWORK	
3.2 IMPLEMENTATION FRAMEWORK	
3.3 CURRENT BUDGET SUMMARY ESTIMATES	
3.4 FUNDING COMMITMENTS TO DATE	
4. MAPPING THE PROJECT BOUNDARY	
4.1 CRITERIA FOR ENVIRONMENTAL CONSERVATION AREAS	
4.2 CONSOLIDATED ENVIRONMENTAL CRITERIA	

A.1.1 OVERVIEW OF PROJECT DYNAMICS – PROJECT CONTEXT



Problems

- A complex myriad of problems has blocked negotiations towards striking a balance between the needs of conservation and the needs for socio-economic development in the project area.
- If the Dukuduku situation remains unresolved, it poses a serious threat to the World Heritage status of the iSimangaliso Wetland Park, political stability in the area, the development of a regional tourism industry and people's livelihoods, which will result in negative impacts to the Province and Country as a whole.

Development Solutions

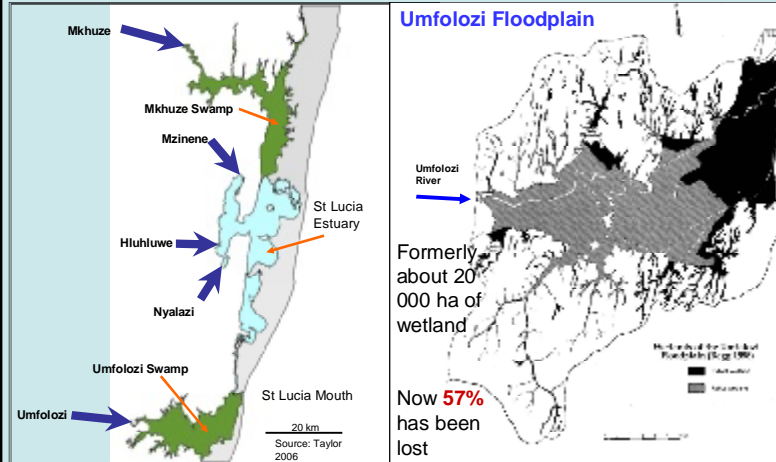
- Cabinet has agreed to the formalisation of the Dukuduku settlement *in situ* (with limited relocation of households).
- For this development option to succeed, it is imperative that a holistic and thorough planning process be undertaken, which seeks to put in place a development framework with relevant controls that protects and maintains prime conservation areas, and simultaneously, provides for much needed socio-economic development for affected communities.

Challenges

- The biggest risk to this development option lies in the precedence this sets at a national, regional and local level for current and future land invasions, both in the iSimangaliso Wetland Park and conservation areas in general.
- This project lends itself to being declared an Integrated Conservation and Development Project (ICDP) whose underlying objectives are livelihood improvements and biodiversity conservation.

**A.1.2 OVERVIEW OF PROJECT DYNAMICS -
IMPORTANCE OF THE UMFOLOZI FLOOD
PLAIN (with thanks to iSimangaliso & Ezemvelo)**

Hydrology of
Lake St Lucia



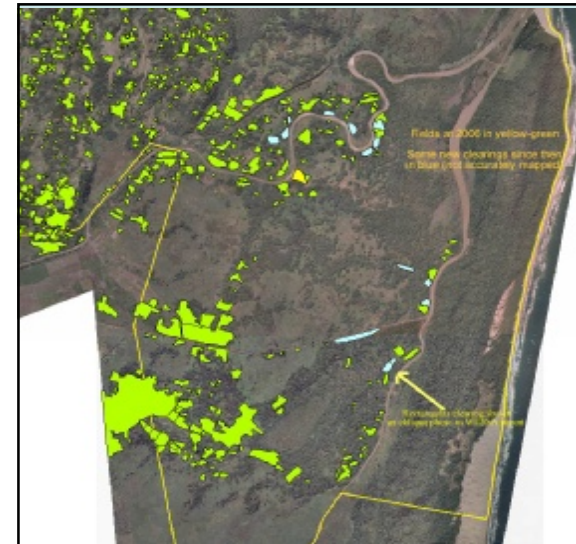
Illegal cultivations in Umfolozi Flood Plain / Swamp Forest



Illegal cultivations in Umfolozi Flood Plain / Swamp Forest

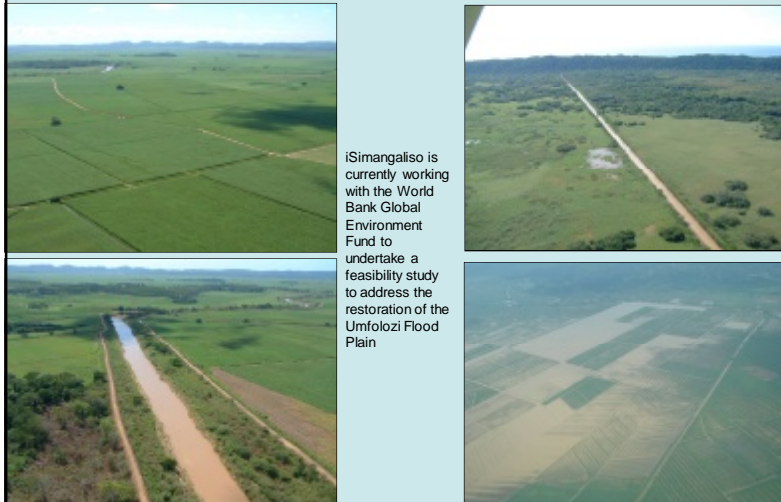


Illegal cultivations in Umfolozi Flood Plain / Swamp Forest

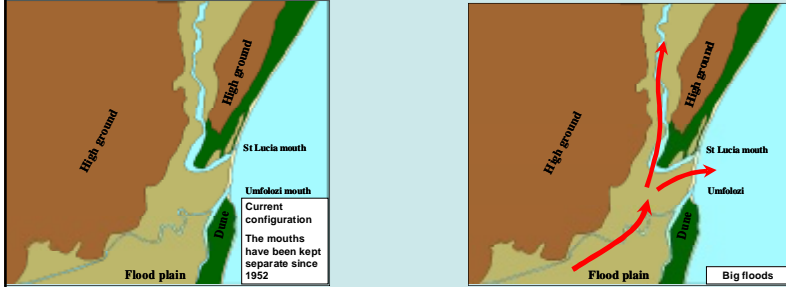


GIS mapping showing
the extent of cultivation
in the Umfolozi Flood
Plain and parts of
Dukuduku Forest

Monzi Farms that used some 60% of the former Umfolozi Flood Plain



iSimangaliso is currently working with the World Bank Global Environment Fund to undertake a feasibility study to address the restoration of the Umfolozi Flood Plain




The Umfolozi Catchment sheds 3 million m³ of sediment each year

This is what the sea off St Lucia looks like after just a very small flood in the Umfolozi – St Lucia cannot tolerate this sediment - so the Umfolozi Mouth has to be kept separate from the St Lucia Mouth

St Lucia Water Budget - with Umfolozi linked		Concerns
Water source/loss	Quantity of water per annum (x10 ⁶ m ³)	
+ 5 rivers (Mkhuze, Nyalazi, Hluhluwe, Mzinene & Mpate)	362	
+ Groundwater	23	
+ Rainfall	273	
- Evaporation	-420	
Total annual gain (without the Umfolozi linked)	238	
Umfolozi	920	
Total annual gain (with the Umfolozi linked)	1158	

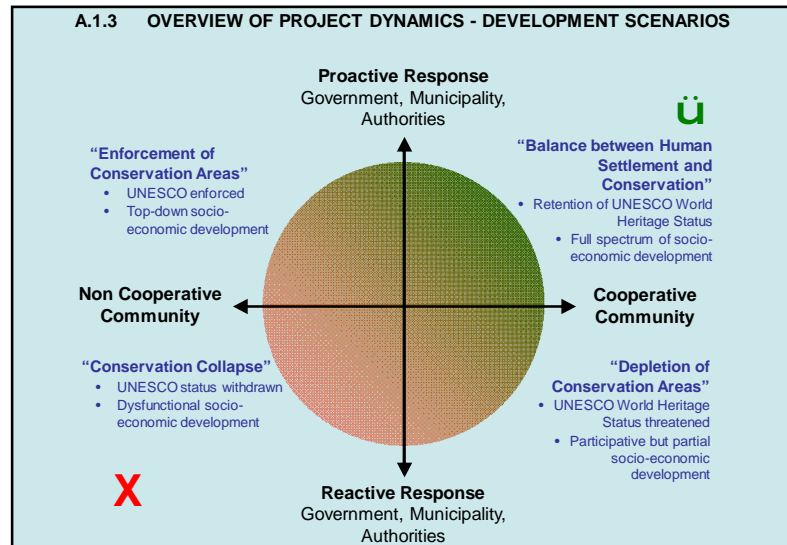
Source: P Huizinga

The area has a very high conservation value ...

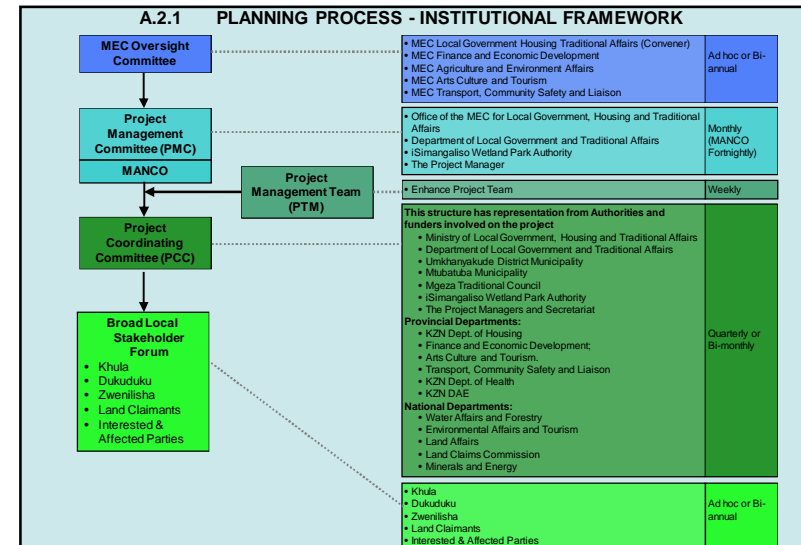


Who needs to visit the Okavango when we have this on our doorstep?

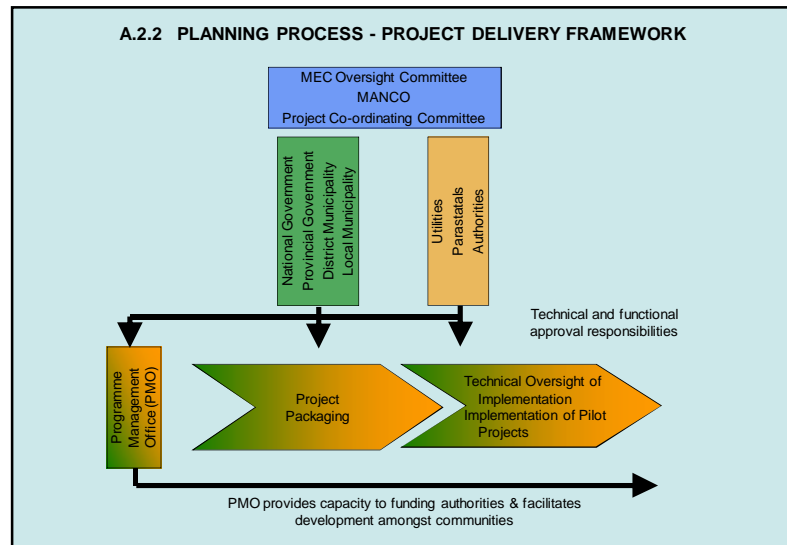
A.1.3 OVERVIEW OF PROJECT DYNAMICS - DEVELOPMENT SCENARIOS



A.2.1 PLANNING PROCESS - INSTITUTIONAL FRAMEWORK



A.2.2 PLANNING PROCESS - PROJECT DELIVERY FRAMEWORK



A.2.3 PLANNING PROCESS - STAKEHOLDER ENGAGEMENT

1. Overview of Stakeholder Engagement

1. Project launch held on 28th August 2008.
2. Project Management capacity has been secured (Enhance Project Team)
3. Institutional structure for the project has been adopted.
4. Three fairly well attended Project Co-ordination Committee (PCC) Meetings have been held on 2008/10/14, 2008/12/09 and 2009/02/20 with funding entities and authorities.
5. Several MANCO Meetings have been held to guide the overall project.
6. Integrated Development Committees have been established in Khula, eZwenelisha and Dukuduku
7. Social compacts covering the project objectives have been signed with all three committees
8. Mpukunyoni Traditional Council has resolved to support the project

A.2.3 PLANNING PROCESS - STAKEHOLDER ENGAGEMENT

2. Outcomes from PCC Meeting held on 2008/12/09

1. The draft Development Plan was presented to the PCC Meeting on 2008/12/09.
2. The PCC resolved to establish 5 Task Teams to resolve critical planning issues and to package the proposed projects for implementation.
3. Convenors and representatives were identified for each Task Team.
4. The Convenors are responsible to mobilise the Task Teams with the assistance of the Enhance Project Team.
5. The Task Teams are to ensure integration and alignment with the Development Plan.
6. The Task Teams are to secure funding commitments to implement projects during the next 3 years in accordance to the priorities identified in the Development Plan.
7. The Task Teams are to report back on progress at PCC Meetings.
8. The PCC will co-ordinate and integrate input from each Task Team to ensure that the Development Plan is implemented in a holistic manner.

3. MEC Oversight Committee Meeting

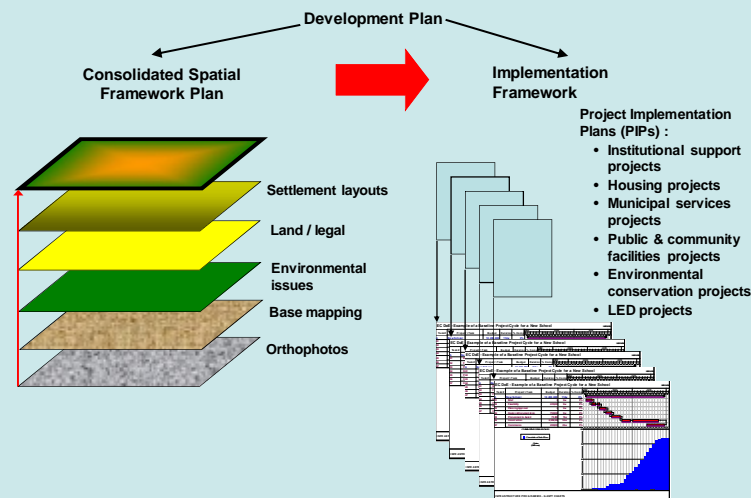
1. An outline of the draft Development Plan and actions arising from the PCC Meeting was presented to the MEC Oversight Committee on 2008/12/11.
2. The MEC Oversight Committee endorsed the process adopted by the PCC and stressed that funding commitments need to be secured by the next meeting of the MEC Oversight Committee scheduled for sometime during mid-February 2009.

A.2.3 PLANNING PROCESS - STAKEHOLDER ENGAGEMENT

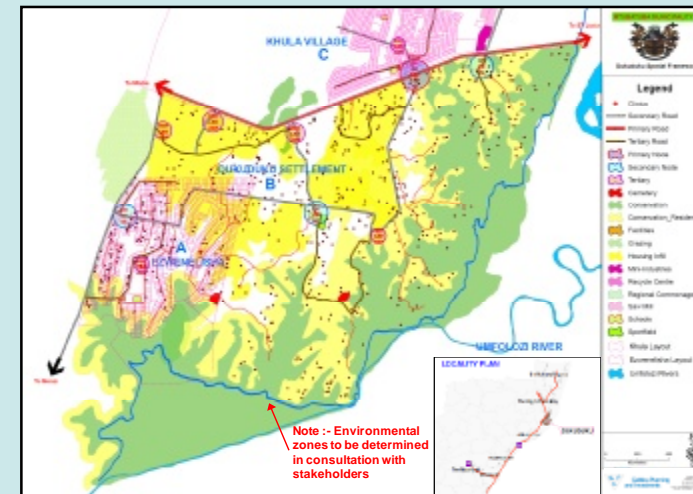
4. Outcomes from PCC Meeting held on 2009/02/20

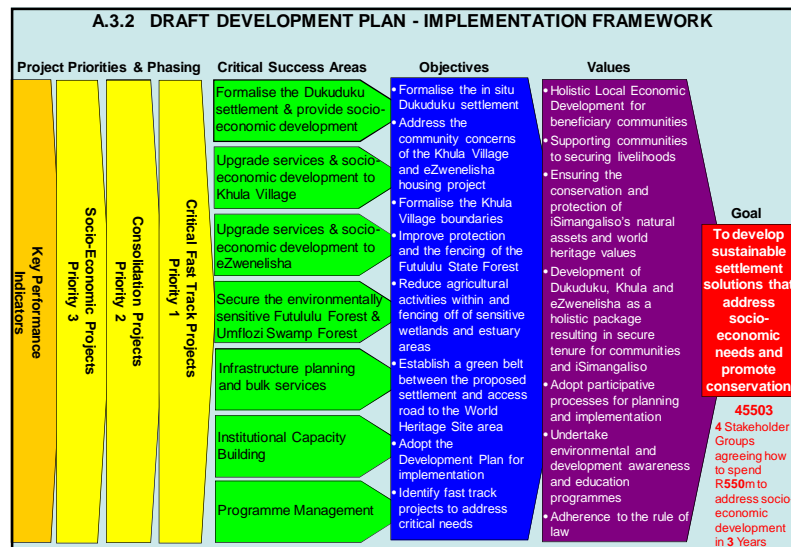
1. The Land Issues Task Team convened by Enhance has met 3 times and a joint workshop with all community stakeholder groups is being arranged to discuss the notion of a land holding entity whose representatives comprising all community stakeholders will be responsible for determining land tenure options, land allocations policy and land administration processes.
2. The Housing and Infrastructure Task Team convened by the Department of Housing has met twice wherein projects with funding commitment are being packaged for implementation whilst outstanding funding commitments are still being secured.
3. The LED Task Team convened by the Department of Economic Development has met twice wherein project scope of works and funding commitments are being reviewed.
4. The Community Facilities Task Team has not met, and as a result, the PCC has requested Enhance to convene this Task Team in lieu of Mtubatuba Municipality.
5. The Environmental Awareness and Compliance Task Team convened by iSimangaliso has met with community stakeholder groups to plan for the implementation of the environmental awareness programme.
6. The PCC resolved to adopt the draft Development Plan, and its refinement via the Task Teams, into the Integrated Development Plan and Land Use Management Plan review process of Mtubatuba Municipality.

A.2.4 PLANNING PROCESS - PLANNING DELIVERABLES



A.3.1 DRAFT DEVELOPMENT PLAN - SPATIAL FRAMEWORK



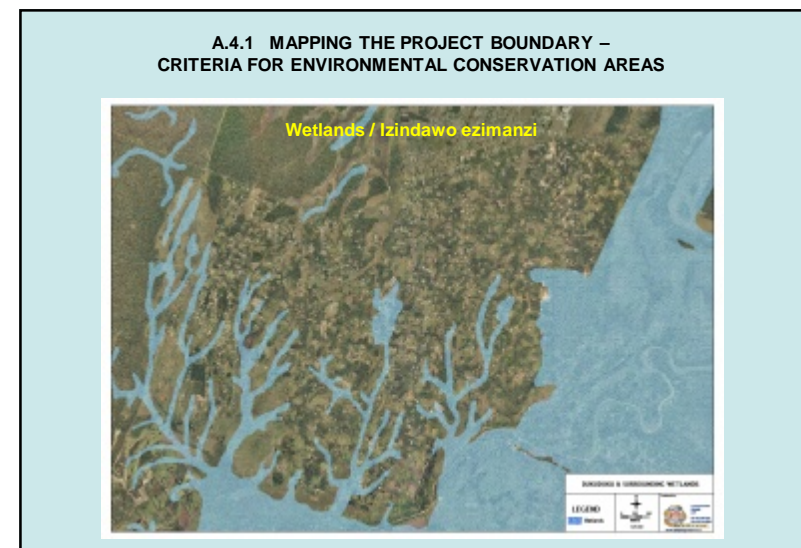


A.3.3 DRAFT DEVELOPMENT PLAN - CURRENT BUDGET SUMMARY ESTIMATES

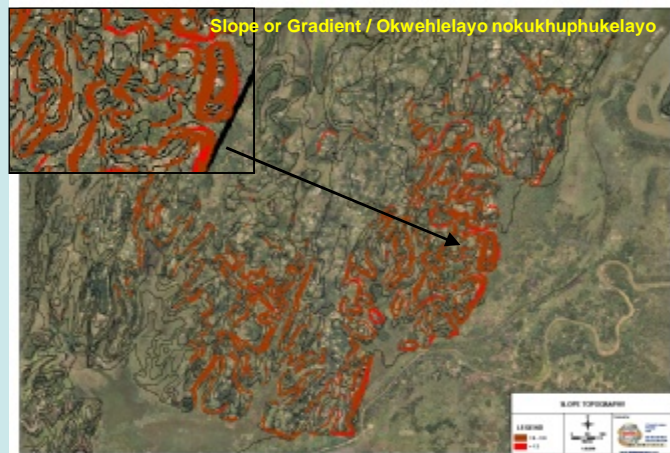
#	Programme	Projects	Budget (R000s)	% Budget	Year 1 - 2009/10 (R000s)	Year 2 - 2010/11 (R000s)	Year 3 - 2011/12 (R000s)
A	Infrastructure Planning and Bulk Services	14 projects encompassing bulk water supply, collector roads, waste recycling, and, development nodes.	R 159,423	29.0%	R 39,155	R 87,498	R 32,770
B	Development Formalisation	6 projects to facilitate development planning approvals	R 5,785	1.1%	R 4,065	R 1,720	R 0
C	Housing	3 housing projects (Dukuduku, Khula & eZwenelisha)	R 218,096	39.7%	R 42,358	R 69,035	R 106,703
D	Community Facilities	9 projects encompassing secondary schools, community halls, a multi-purpose centre, a primary health care centre, business stalls, kick-about, crèche play equipment, a taxi rank, and, a cemetery.	R 62,460	11.4%	R 3,843	R 17,551	R 41,066
E	Environmental Conservation	8 projects for environmental preservation, awareness, protection, rehabilitation, and, compensation for on-site resettlement.	R 35,839	6.5%	R 24,541	R 6,205	R 5,092
F	Local Economic Development	11 projects for agricultural, tourism and small micro-enterprise activities.	R 41,983	7.6%	R 7,558	R 14,083	R 20,342
G	Institutional Capacity Building	5 projects that provide land administration, partnership development, and, LED management capacity to Mthabatha Municipality	R 5,219	0.9%	R 2,560	R 1,480	R 1,180
H	Programme Management	4 activities that provide management capacity to plan, package and oversee project implementation.	R 21,235	3.9%	R 7,008	R 7,008	R 7,220
Total Project Funding			R 550,040	100.0%	R 131,089	R 204,579	R 214,372

4270 Households = Social Investment package of R129,000 per Household

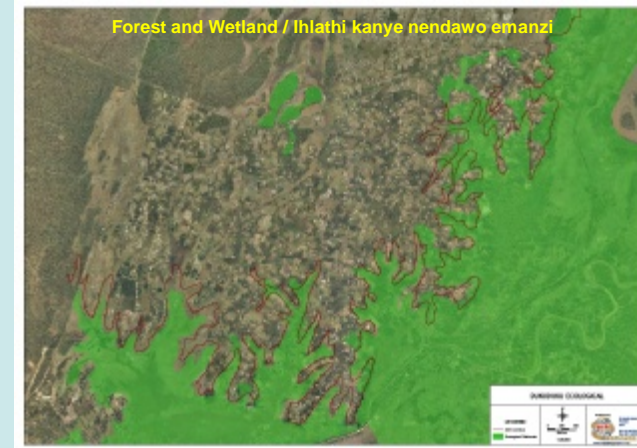
- A.3.4 DRAFT DEVELOPMENT PLAN – FUNDING COMMITMENTS TO DATE**
- Funding required**
 - R550m required over the envisaged 3 year development period.
 - Funding commitment secured as at 2009/03/07**
 - R220m from Department of Housing
 - R45m from Department of Water Affairs and Forestry
 - R20m from the Department of Economic Development and the Department of Local Government & Traditional Affairs
 - R285m total funding commitment to date**
 - 52% of total funding secured**



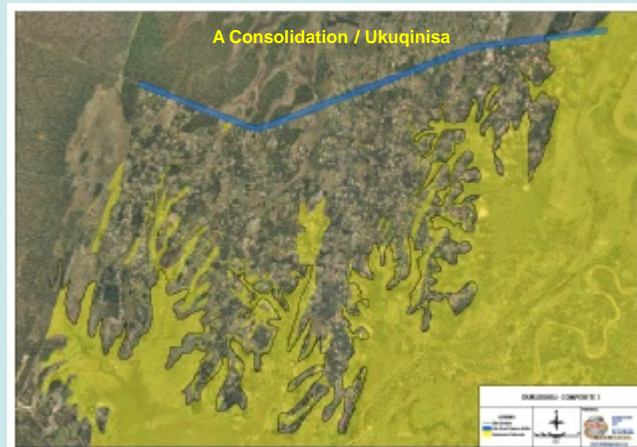
**A.4.1 MAPPING THE PROJECT BOUNDARY –
CRITERIA FOR ENVIRONMENTAL CONSERVATION AREAS**



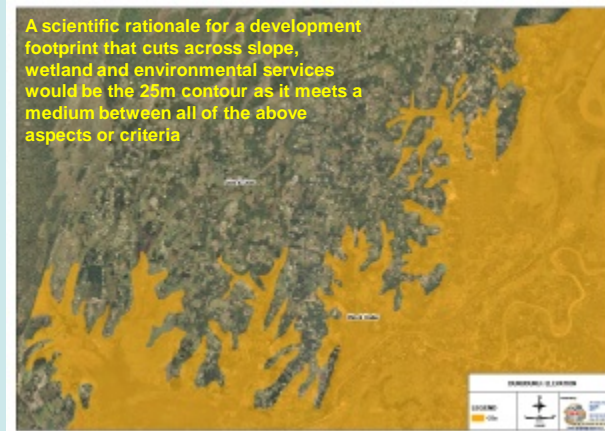
**A.4.1 MAPPING THE PROJECT BOUNDARY –
CRITERIA FOR ENVIRONMENTAL CONSERVATION AREAS**



**A.4.2 MAPPING THE PROJECT BOUNDARY –
CONSOLIDATED ENVIRONMENTAL CRITERIA**



**A.4.2 MAPPING THE PROJECT BOUNDARY –
CONSOLIDATED ENVIRONMENTAL CRITERIA**

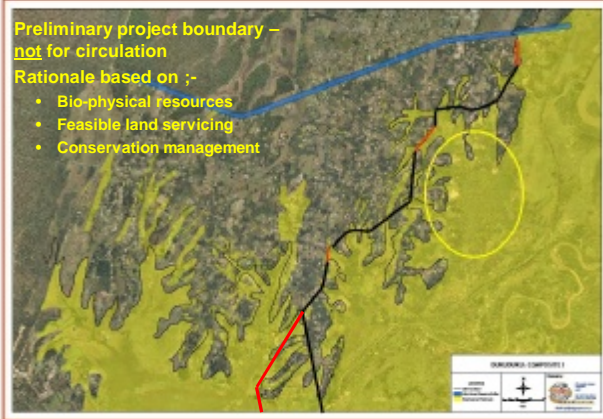


A.4.2 MAPPING THE PROJECT BOUNDARY – CONSOLIDATED ENVIRONMENTAL CRITERIA

Preliminary project boundary –
not for circulation

Rationale based on :-

- Bio-physical resources
- Feasible land servicing
- Conservation management

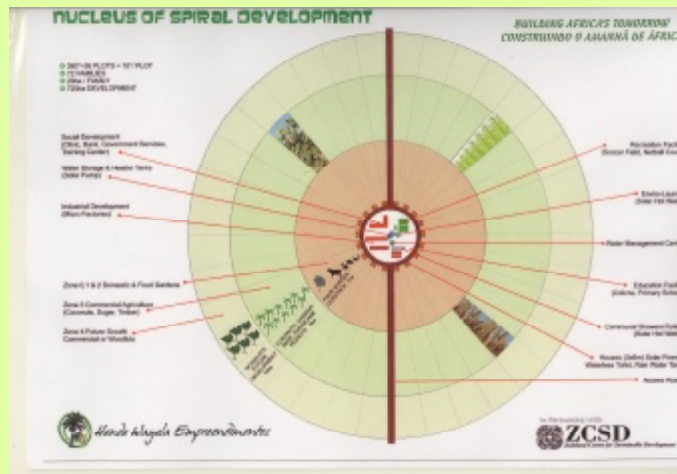


DUKUDUKU ON-SITE RESETTLEMENT PROJECT

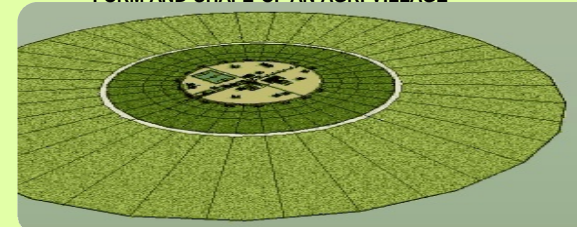
PART B - AGRICULTURAL DEVELOPMENT APPROACH

1. **AGRI-VILLAGE MODEL**
 - 1.1 FORM AND SHAPE OF AN AGRI-VILLAGE
 - 1.2 HOMESTEAD GARDENS FOR FOOD SECURITY
 - 1.3 COMMERCIAL CROPS
 - 1.4 COMMUNITY NUCLEUS
2. **DUKUDUKU AGRICULTURAL PLAN**
 - 2.1 DEVELOPMENT CONCEPT PLAN FOR DUKUDUKU
 - 2.2 HOMESTEAD GARDENS APPROACH
 - 2.3 DEVELOPMENT OF PRODUCTIVE COMMONAGE FOR COMMERCIAL CROPS
 - 2.4 ESTABLISHMENT OF FARMERS SUPPORT CENTRES / CO-OPERATIVES FOR VALUE ADDING PROCESSES
3. **SUSTAINABLE AGRICULTURAL LANDSCAPES**
4. **AGRI-VILLAGE APPROACH TO REHABILITATE FARMS**

B.1.1 AGRI-VILLAGE MODEL – FORM AND SHAPE OF AN AGRI-VILLAGE



B.1.1 AGRI-VILLAGE MODEL – FORM AND SHAPE OF AN AGRI-VILLAGE



- A Co-operative with a difference (36 families and 220 beneficiaries)
- An Agricultural Community, the members of which each have equal shares in the village and its activities.
- Each family has:-
 - a one hectare plot for homestead food security.
 - a five hectare share in the village commercial agricultural system.
- A village that handles its own processing and value adding
- A village that creates its own jobs
- A village with its own school, crèche, social services, church and training centre.
- A village owned and run by its people

B.1.2 AGRI-VILLAGE MODEL - HOMESTEAD GARDENS FOR FOOD SECURITY



Each family has a house on a one Ha plot

This has proved to be sufficient to provide for food security needs and a small surplus.

Homestead

B.1.3 AGRI-VILLAGE MODEL - COMMERCIAL CROPS



Each family owns a five hectare share in the Commercial Agriculture zone.

Commercial Agriculture Zone

B.1.4 AGRI-VILLAGE MODEL - COMMUNITY NUCLEUS

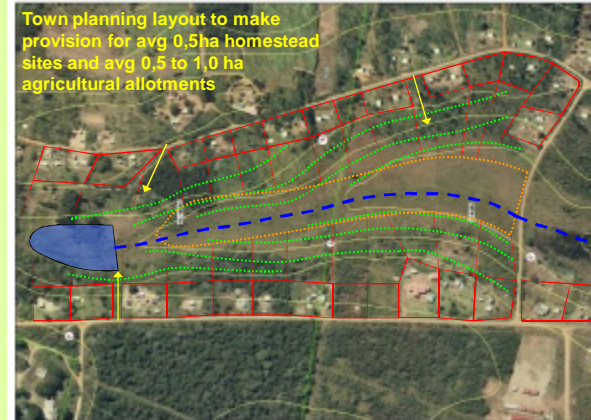


The family plots are arranged around a communal area in which the following facilities are found:-

- Multipurpose Centre
- Primary Industry
- Secondary (Micro) Industries
- Creche
- Primary School
- Ablution Facility
- Enviro-Laundry
- Recycling Centre
- Sports fields
- Water works

Facilities

B.2.1 DUKUDUKU AGRICULTURAL PLAN – CONCEPTS FOR SUSTAINABLE AGRICULTURE



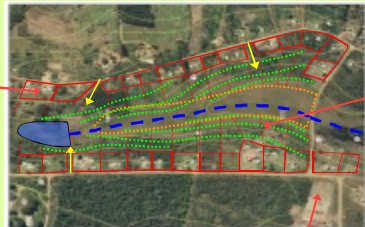
Legend

- Homestead gardens on leasehold or freehold sites
- Agricultural allotments on short term leaseholds or PTOs
- Fenced off area for wetland and livestock grazing
- Keyline rainwater harvesting swales
- Water course
- Keyline dam for gravity fed irrigation with ram pumps
- Site access

B.2.1 DUKUDUKU AGRICULTURAL PLAN – CONCEPTS FOR SUSTAINABLE AGRICULTURE



1
Homestead Gardens to Enhance Food Security



2
Development of Productive Commonage for Commercial Cash Crops



Project F.01 – Permaculture Homestead Gardens (29% of the 4,200 total)



3
Village Co-operative / Farmers Support Centre

Project F.03 - Khula Village Co-operative upliftment Project (assisting 10 struggling co-operatives)
Project F.04 - eZwenelisha Organic Agricultural Development and Processing Project (establishing a pilot 40ha agricultural allotment scheme and a farmers co-operative)

B.2.2 DUKUDUKU AGRICULTURAL PLAN – HOMESTEAD GARDENS APPROACH

Illustration of a sustainable homestead

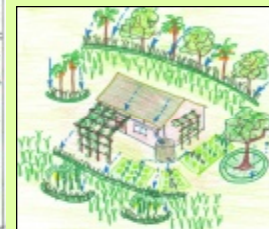
Food security is to be enhanced by maximizing the land use intensity around homesteads. Elements of development to include:-

1. Main house
2. Shadehouse
3. Greenhouse
4. Rainwater tanks
5. Orchards
6. Swales
7. Grains & Vegetables
8. Fallow land
9. Chicken tractor
10. Recovered land
11. Herbs and vegetables



Example of rainwater harvesting systems

Grey water should also be recycled into sand / gravel filters for feeding to vegetable beds and trees / orchards



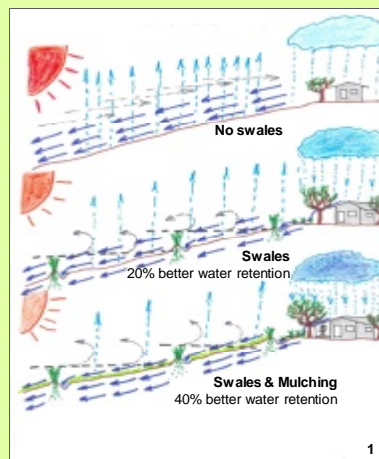
B.2.2 DUKUDUKU AGRICULTURAL PLAN – HOMESTEAD GARDENS APPROACH

Permaculture Homestead Pack

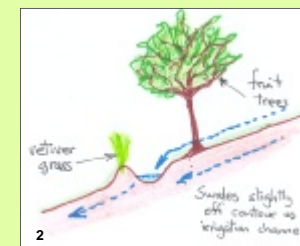


1. T-shirt and farmers hat
2. Farmer hand file
3. Spade
4. Hoe & handle
5. Garden rake
6. Garden fork
7. Plastic twine
8. Organic insecticide, caterpillar and fungicide sprays
9. Organic compost & fertilizer
10. Spray bottle & watering can
11. Grass slasher
12. Rain gauge
13. Secateurs
14. Wheel barrow
15. Seeds open pollinated x 13
16. Moringa (protein tree) x 10, herbs x 5 and fruit trees x 5
17. Vetiver grass (erosion control) x 30m
18. Branding of wheel barrow, spray bottle, watering can, rain gauge

B.2.3 DUKUDUKU AGRICULTURAL PLAN – DEVELOPMENT OF PRODUCTIVE COMMONAGE FOR COMMERCIAL CROPS

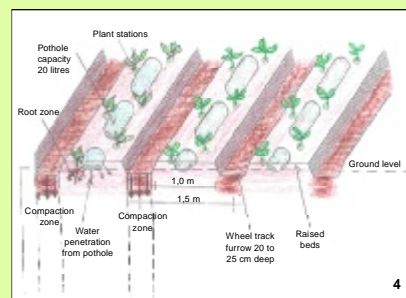


- Establish Keyline Swales for irrigation of both commonage and homesteads (1).
- Establish crop lands and orchards with niche products, such as, organic certified crops, essential oils, fruit and nut trees (2).



B.2.3 DUKUDUKU AGRICULTURAL PLAN – DEVELOPMENT OF PRODUCTIVE COMMONAGE FOR COMMERCIAL CROPS

- Integrate large scale rainwater harvesting systems with the keyline system for commonage areas and enhance irrigation to homestead gardens (3).
- Limited till systems that avoid costly heavy machinery that compresses the soil and reduces fertility (4).
- Organic farming systems that avoid the use of chemical fertilizers and toxic pesticides that damages the environment.



B.2.4 DUKUDUKU AGRICULTURAL PLAN – VILLAGE CO-OPERATIVE / FARMERS SUPPORT CENTRE

A catalyst for the establishment of Sustainable Homesteads and growth of the local agricultural sector, is a sustainable Farmers Support Center. This can utilize and/or add value to an existing facility which can be developed as an agricultural learning center and ultimately into a farmers support center. Some of the key activities performed by this Centre include:-

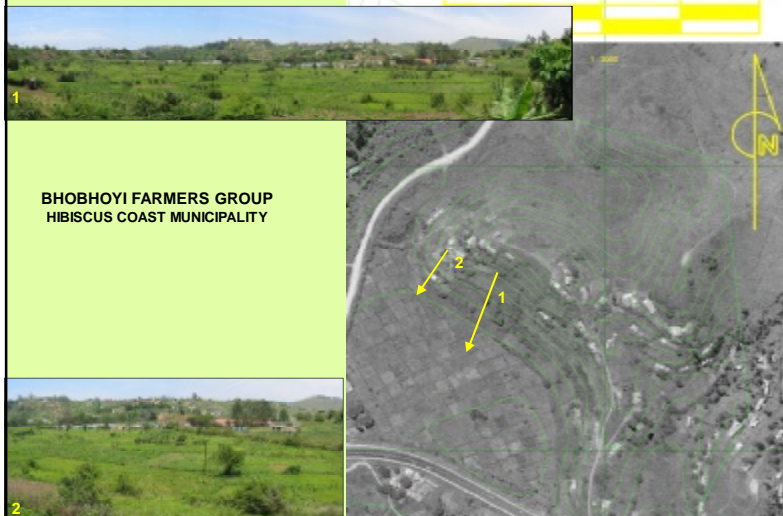
- Establish demonstration gardens and Permaculture examples
- Establish a plant nursery and seed bank
- Establish support services

The Farmers Support Center should perform as a viable small farm and exhibit best practices of low input sustainable agriculture and provide the following services:-

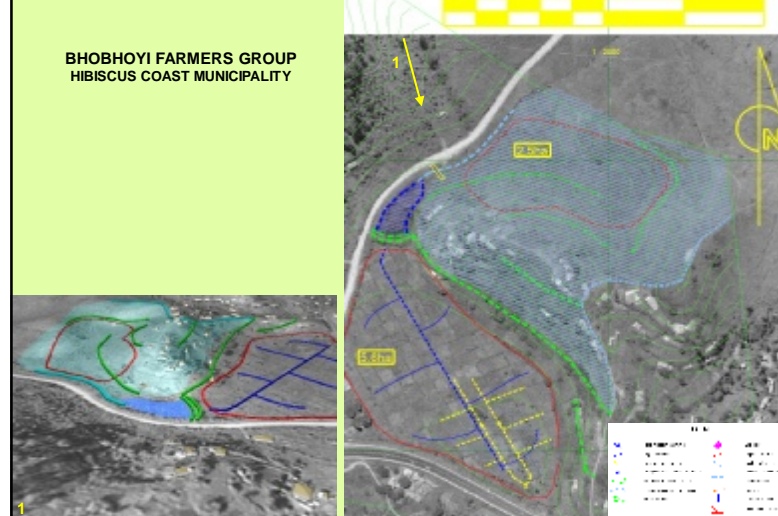
1. Training of farmers
2. Propagation of seedlings in nursery
3. Storage and exchange of seeds with farmers
4. Produce sold on market days
5. Agro-processing
6. Produce delivered for onward transport to other markets
7. Advisory services for farmers
8. Hiring of plant and equipment
9. Facilitate the application of micro loans
10. Provide assistance to emerging SMEs
11. Add value to niche produce such as packaging and marketing

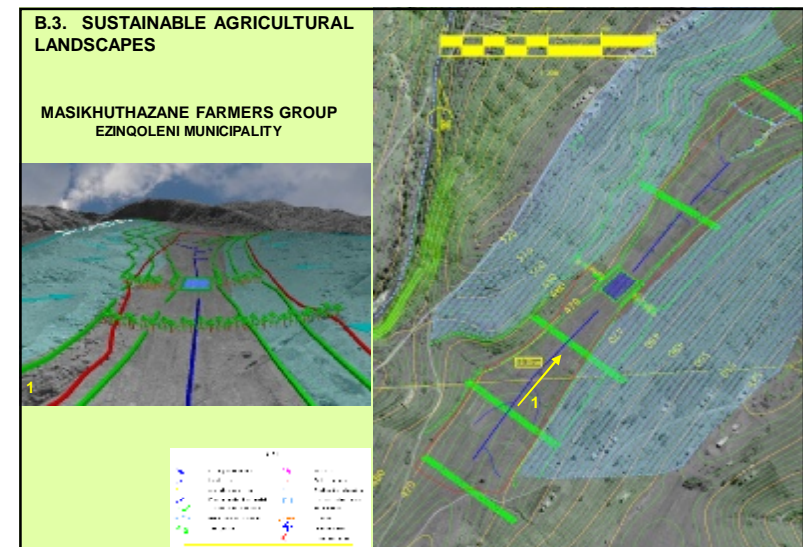
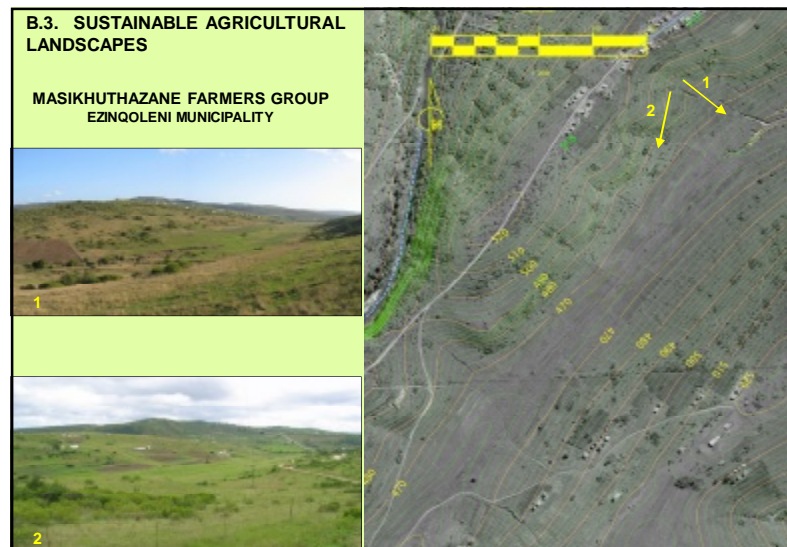


B.3. SUSTAINABLE AGRICULTURAL LANDSCAPES

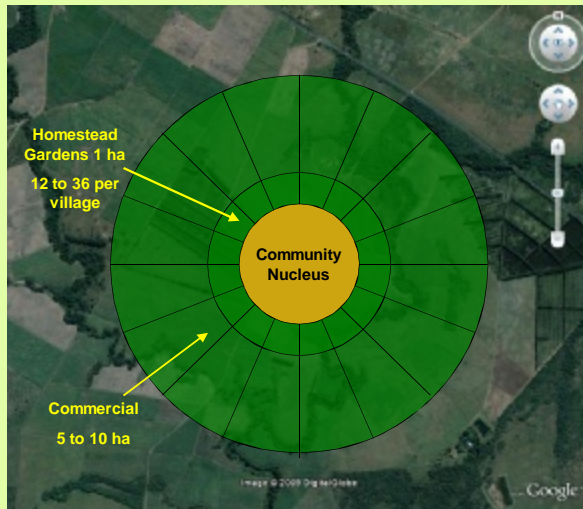


B.3. SUSTAINABLE AGRICULTURAL LANDSCAPES





B.4. AGRI-VILLAGE APPROACH TO REHABILITATE FARMS



DUKUDUKU ON-SITE RESETTLEMENT PROJECT

PART C – LOCAL ECONOMIC DEVELOPMENT PROJECTS

1.1 PROJECT SUMMARIES

1.2 FUNDING REQUIREMENTS & KEY PRIORITIES

1.3 NEW PROJECTS IDENTIFIED

1.4 TOWARDS A FUNDING POLICY

FUNDING ENTITIES APPROACHED

- Department of Agriculture, Environment & Rural Development (DAERD)
- Department of Local Government & Traditional Affairs (DLGTA) – Corridor Fund
- Department of Economic Development & Tourism (DEDT) – Co-ops, Tourism, LED Units
- Development Bank of Southern Africa (DBSA)
- Private Sector - FOSKOR

C.1.1 LOCAL ECONOMIC DEVELOPMENT PROJECTS - PROJECT SUMMARIES

#	Project Name	Project Description	Budget	Priority Ranking	Dependency	Funding
Community Facilities Programme						
D.08	Business Stalls in Tertiary Nodes	Provision of open trading stalls with lockable storage facility.	R 519,000	3	Dependent on design of Secondary Nodes (A.14).	DED
Environmental Conservation Programme						
E.01	Fencing of Futululu Forest	To undertake the fencing of the Futululu Forest with game fence.	R 18,025,000	1	No dependency.	DEAT
E.02	Indigenous Tree Nursery and Corridor Rehabilitation Project	Establish 3 indigenous tree and seedling nurseries (upgrade existing nursery) and to replant deforested areas on the road verges (Corridor).	R 2,493,000	1	No dependency.	DAEA
E.03	Alien weed eradication	Establishing an alien plant eradication program to clear invasive plants from all indigenous forests, wetland and riverine areas.	R 4,760,000	1	No dependency.	DAEA
E.04	Floral diversity documentation and rescue	To undertake an academic exercise of review and consideration of existing relict forest habitat, documenting more expansive patches of forest in terms of species diversity, location and value. Identification of sites requiring plant rescue and or propagation intervention and management.	R 861,000	1	No dependency.	DAEA

C.1.1 LOCAL ECONOMIC DEVELOPMENT PROJECTS - PROJECT SUMMARIES

#	Project Name	Project Description	Budget	Priority Ranking	Dependency	Funding
E.05	Dukuduku Conservancy Project	Establish a local conservancy in the declared conservation zones. These areas will be monitored for forest invasion, new development, snaring and hunting. The monitoring will be done by local members situated on the verges of the declared areas. This project will be an ongoing operation and will be funded for 3 years.	R 2,514,000	2	Dependent on Dukuduku homesteads in core conservation zone relocating (E.08).	DAEA
E.06	Environmental Education for the Youth Project	Introduce an environmental awareness program to local schools in the area which will educate all children about the importance of forests, water, wetlands and alien weeds removal. This program will sensitise the youth and will get them involved in the preservation of the environment via the environmental clubs.	R 1,910,000	1	No dependency.	DAEA
E.07	Rehabilitation of environmentally sensitive areas	This project will rehabilitate the farms lots and homestead sites in the core conservation area of the Dukuduku Forest once the families have been relocated from these areas.	R 4,176,000	2	Dependent on Dukuduku homesteads in core conservation zone relocating (E.08).	DAEA

C.1.1 LOCAL ECONOMIC DEVELOPMENT PROJECTS - PROJECT SUMMARIES						
#	Project Name	Project Description	Budget	Priority Ranking	Dependency	Funding
Local Economic Development						
F.01	Permaculture Homestead Food Gardens	Establish 400 new permaculture food gardens in the 3 area, that is, 10% of the approximately 4,000 homesteads. Supply extensive training; a seed and tool pack on completion of training to each graduate; and, provide mentoring and support for 12 months.	R 5,851,000	1	No dependency.	DAEA
F.02	Poultry Farm Development Project	Upgrade the existing two broiler projects in the area. This will allow the poultry production to grow and become more sustainable in the long term. The project will involve the building of more chicken runs, supply equipment and training as well as link the project to the composting project to effectively use the chicken manure.	R 1,129,000	2	No dependency.	DAEA
F.03	Khula Village Co-operative upliftment Project	Identify and uplift 10 existing Co-operatives in Khula Village which are not functioning productively due to financial constraints and the lack of capacity.	R 2,834,000	1	No dependency.	DED

C.1.1 LOCAL ECONOMIC DEVELOPMENT PROJECTS - PROJECT SUMMARIES						
#	Project Name	Project Description	Budget	Priority Ranking	Dependency	Funding
F.04	eZwenelisha Organic Agricultural Development and Processing Project	Establish some 20 ha of organic agricultural land within valley lines in the eZwenelisha Settlement that will benefit some 40 homesteads. This project will specialize in high value products and value added processing of Soya, Peanuts, and Bananas at planned SME facilities at Tertiary Development Nodes.	R 5,340,000	3	Dependent on communities' buy in to the settlement plans and acknowledging areas reserved for agriculture.	DED
F.05	eZwenelisha Commonage	Establishment of a dedicated commonage for livestock grazing.	R 684,000	2	Dependent on communities' buy in to the settlement plans and acknowledging areas reserved for grazing.	DAEA
F.06	Corridor Crafters Upliftment Project	Locate and upgrade 3 crafter hubs on the corridor road to St Lucia. This will include the construction of suitable facilities for the crafters which will include market facilities, secure storage areas, crafter workshops, ablutions, tuck shops and secure parking. Bold signage will also be erected on road side to notify tourists of the facility.	R 6,219,000	1	No dependency.	DED

C.1.1 LOCAL ECONOMIC DEVELOPMENT PROJECTS - PROJECT SUMMARIES						
#	Project Name	Project Description	Budget	Priority Ranking	Dependency	Funding
F.07	Dukuduku African Experience Home Stay Project	Identify 4 well established homesteads with an African vernacular style. Assist owners to upgrade their facilities to cater for tourism stays with clean ablutions and toilets with a rustic design. This opportunity will be linked to the Tourism Association for marketing. The facility will be sited on a prime view point on the edge of the Dukuduku conservation zone.	R 3,197,000	3	Dependent on Dukuduku homesteads in core conservation zone relocating (E.08).	DED
F.08	Dukuduku Lodge, Conference Centre and Restaurant Project	Establish a small lodge (30 beds) with a restaurant and conference facility. This facility will have a JV partner for the catering and lodge management for the first 3 years. The facility will be sited on a prime view point on the edge of the Dukuduku conservation zone overlooking the St Lucia Estuary.	R 9,930,000	3	Dependent on Dukuduku homesteads in core conservation zone relocating (E.08).	DED
F.09	Contractor Development Project	Local Contractor development and training. Train existing cane contractors as well as any other existing or new contractors in the area to conduct their business efficiently and productively.	R 1,158,000	1	No dependency.	DAEA

C.1.1 LOCAL ECONOMIC DEVELOPMENT PROJECTS - PROJECT SUMMARIES						
#	Project Name	Project Description	Budget	Priority Ranking	Dependency	Funding
F.10	Micro Enterprise Development and Training Project	Establishing 3 micro business factory hubs (one in each region). Each hub will consist of 8 small garage size factories (24 m2) with power supply. The small businesses to be developed will depend on the local demand, but can include :- fence making, sugar making, welding shop, sewing centre, carpentry shop, block production, soya processing, maize milling, etc.	R 5,014,000	3	Dependent on planning of Secondary and Tertiary Nodes (A.14).	DED
F.11	Micro Finance Institution – Preliminary Review	The project would identify the viability and feasibility of establishing a micro-finance institution linked to the Dukuduku region or wider	R 627,000	2	No dependency.	DED
Institutional Capacity Building						
G.04	Facilitate LED development projects	One senior LED project manager assisted by 2 junior LED (eco-tourism and permaculture) project managers to undertake hands on management of LED and environmental conservation type projects for a 3 year period. The 2 junior project managers should eventually be groomed to become municipal LED officers.	R 3,318,000	1	Crucial to provide experienced LED capacity to the municipality to undertake this portfolio of projects.	DED

C.1.2 LOCAL ECONOMIC DEVELOPMENT PROJECTS – FUNDING REQUIREMENTS & KEY PRIORITIES




#	Project Name	Funding	Priority Ranking	Budget (R000s)	Year 1 - 2009/10 (R000s)	Year 2 - 2010/11 (R000s)	Year 3 - 2011/12 (R000s)
D.08	Business Stalls in Tertiary Nodes	DED	3	R 519	R 0	R 130	R 389
E.01	Fencing of Futululu Forest	DEAT	1	R 18,025	R 18,025	R 0	R 0
E.02	Indigenous Tree Nursery and Corridor Rehabilitation Project	DAEA	1	R 2,493	R 1,247	R 1,247	R 0
E.03	Alien weed eradication	DAEA	1	R 4,760	R 1,571	R 1,571	R 1,618
E.04	Floral diversity documentation and rescue	DAEA	1	R 861	R 861	R 0	R 0
E.05	Dukuduku Conservancy Project	DAEA	2	R 2,514	R 830	R 830	R 855
E.06	Environmental Education for the Youth Project	DAEA	1	R 1,910	R 630	R 630	R 649
E.07	Rehabilitation of environmentally sensitive areas	DAEA	2	R 4,176	R 1,378	R 1,378	R 1,420
F.01	Permaculture Homestead Food Gardens	DAEA	1	R 5,851	R 1,931	R 1,931	R 1,989
F.02	Poultry Farm Development Project	DAEA	2	R 1,129	R 565	R 565	R 0
F.03	Khula Village Co-operative Upliftment Project	DED	1	R 2,834	R 1,417	R 1,417	R 0
F.04	eZwenelisha Organic Agricultural Development & Processing Project	DED	3	R 5,340	R 0	R 2,670	R 2,670
F.05	eZwenelisha Commonage	DAEA	2	R 684	R 0	R 684	R 0
F.06	Corridor Crafters Upliftment Project	DED	1	R 6,219	R 2,488	R 2,488	R 1,244
F.07	Dukuduku African Experience Home Stay Project	DED	3	R 3,197	R 0	R 959	R 2,238
F.08	Dukuduku Lodge, Conference Centre and Restaurant Project	DED	3	R 9,930	R 0	R 1,490	R 8,441
F.09	Contractor Development Project	DAEA	1	R 1,158	R 1,158	R 0	R 0
F.10	Micro Enterprise Development and Training Project	DED	3	R 5,014	R 0	R 1,254	R 3,761
F.11	Micro Finance Institution – Preliminary Review	DED	2	R 627	R 0	R 627	R 0
G.04	Facilitate LED development projects	DED	1	R 3,318	R 1,095	R 1,095	R 1,128
Totals				R 80,559	R 33,196	R 20,966	R 26,402

C.1.2 LOCAL ECONOMIC DEVELOPMENT PROJECTS – FUNDING REQUIREMENTS & KEY PRIORITIES

Funding	Budget (R000s)	Year 1 - 2009/10 (R000s)	Year 2 - 2010/11 (R000s)	Year 3 - 2011/12 (R000s)
DAEA	R 25,536	R 10,171	R 8,836	R 6,531
DEAT	R 18,025	R 18,025	R 0	R 0
DED	R 36,998	R 5,000	R 12,130	R 19,871
Totals	R 80,559	R 33,196	R 20,966	R 26,402

- LED budget requirement is R80,559,000
- Total Project Budget is R 550,040,000
- LED % of Total Budget is 14,6%

C.1.3 LOCAL ECONOMIC DEVELOPMENT PROJECTS – NEW PROJECTS IDENTIFIED

Organic Essential Oil Production and Processing	Establish 20 ha of Essential oils plants organically grown in productive commonage (Scented geranium, tea tree, lemon grass).	R 6,680,750 20 Emerging Farmers	
Organic fruit production and Processing (Drying and packaging)	Establish fruit tree orchards organically grown (bananas, mangoes, etc.) on 50 ha of productive commonage.	R 7,564,500 50 Emerging Farmers	
Organic Sugar Production with a sugar mill and packaging plant	Establish 100 ha of productive commonage for 700 ton/annum of organic sugar with a sugar mill and a packaging plant.	R 18,287,500 50 Emerging Farmers	

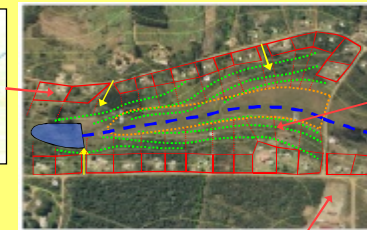
C.1.4 LOCAL ECONOMIC DEVELOPMENT PROJECTS – TOWARDS A FUNDING POLICY



Homestead Gardens to Enhance Food Security

Basic food security is the mandate of DAERD and should be grant funded.

Micro-finance institutions (Grameen Bank approach) to be established for small loans for rainwater tanks, tunnels, inputs, etc.



Development of Productive Commonage for Commercial Cash Crops

Commercialisation projects can be part grant and part interest financed. DFIs to be mobilised to fund these projects. Grant to interest funding as follows:-
1st Loan – 30 / 70
2nd Loan – 20 / 80
3rd Loan – 10 / 90



Village Co-operative / Farmers Support Centre

Establishment of infrastructure – DEDT
Equipment – DFIs
Operational support - DAERD



SUSTAINABILITY
the final frontier

THANK YOU