



KZN Human Settlements
uMnyango Wezokuhlaliswa
Kwabantu
ISIFUNDAZWE SAKWAZULU-NATALI

KWAZULU-NATAL DEPARTMENT OF HUMAN SETTLEMENTS

IMPLEMENTATION OF HOUSING SUBSIDY SCHEME

PART 2: STAGE 1 APPLICATION FOR RURAL SUBSIDIES RURAL APPLICATION PACK

- a) The National Department of Human Settlements developed guidelines for housing in rural areas in January 2000.

Rural development could occur on various categories of land. It is possible that such development could take place on land owned by the tribe or on land acquired by a farmer. In these instances, various options would be available with respect to the issue of subsidies, obtaining development approval and the transfer of tenure.

Since rural development in this province largely takes place on tribal land and due to uniqueness and sensitive tenure problems in tribal areas the National policy could not be implemented in this Province in the format prescribed. Some of the main problems which restricted implementing the National policy were:

- Tenure issues on tribal land. Traditional Authority concern re land alienation.
- Since there were no wall to wall municipalities at the time sustainability of services and maintenance thereof was a concern.
- The Rural Subsidy Mechanism is a subsidy of last resort and will only be approved on good cause being shown why this mechanism is preferred as opposed to any other subsidy mechanism such as PLS or the Institutional subsidy mechanism.

This province has developed a Provincial policy framework to introduce housing subsidies into tribal areas. These guidelines outlined in this document are not meant to deal with rural development of the type referred to in paragraph 1 above, as the manner in which development should be dealt with is already known.

The Provincial guidelines seek rather to deal with development on tribal or communal land and more specifically land registered in favour of the Ingonyama Trust Board. The Institutional Subsidy Mechanism was adopted as the most appropriate mechanism for housing

delivery in tribal areas. The usual requirements for Institutional subsidies had to be complied with.

The establishment of rural housing projects in traditional areas was still delayed by concerns, which the traditional leaders had with certain of the Provincial guidelines and how such issues would affect their authority.

The principal concerns are:

- The possibility the housing development would result in the alienation of their land should the policy require the establishment of full ownership rights to the beneficiaries as is the case with urban housing projects;
- Ownership of the project and the role that the Tribal Authority would have in the project;
- The requirement for the establishment of a Section 21 Company in order to establish the project in terms of the Institutional Subsidy Mechanism.
- Confusion regarding the purpose of leases.

This document seeks to provide additional guidelines in order to cater for the main concerns of some traditional authorities with respect to:

- The use of a Section 21 company as a development vehicle for tribal land;
- The registration in the Deeds Office of long term common law leases.

These guidelines are not intended to substitute the national or current guidelines, but are aimed at enhancing delivery of housing in these areas. The existing guidelines for the use of institutional subsidies or PLS projects will remain applicable to rural development where the Amakhosi are not opposed to the Section 21 company being used as developer or wishes to establish a town in terms of the PLS policy. The Amakhosi would be allowed to make a project application for a housing project using any of the available subsidy instruments.

IMPORTANT FACTORS

The following factors, dealt with in the existing guidelines, continue to be applicable to the approach proposed in this document:

- *The Expenditure of Public Monies*

Rural subsidies are public monies and the expenditure thereof must take place in compliance with the principles of the Public Finance Management Act, Act 1 of 1999.

- *Planned and Integrated Development*

All development, including rural development must take place in accordance with the relevant municipality's Integrated Development Plans.

- *Support of the Municipality*

All development, including rural development, must be supported by the municipality having jurisdiction over the project area. In order to ensure that development proceeds in a co-ordinated, sustainable and integrated basis, the Department of Human Settlements requires housing developments to be driven by municipalities.

(b) Rural Project linked subsidies will be made available to municipalities who undertake approved projects where functional security of tenure is provided to beneficiaries who qualify for subsidies.

Applications for the approval of any particular project must be submitted on the forms herein read in conjunction with Chapter 11 of the Housing Code, the Additional Rural Guidelines and any supplementary provincial policy. They are to be completed in full **IN QUADRUPLICATE** and returned to the relevant Department of Housing Regional Office as indicated on the next page.

(c) During the project feasibility studies, the developer is to liaise fully at all stages with the relevant Regional Office.

KWAZULU-NATAL DEPARTMENT OF HUMAN SETTLEMENTS

IMPLEMENTATION OF HOUSING SUBSIDY SCHEME

PART 2: STAGE 1 APPLICATION FOR RURAL SUBSIDIES

PROJECT NAME:

(for official use only)													
Project Application No.	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>												
Date Received	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>d</td><td>d</td><td>m</td><td>m</td><td>y</td><td>y</td></tr></table>							d	d	m	m	y	y
d	d	m	m	y	y								

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- Annexure C : Development programme 14 pages
 - Form Rural ... 9 pages
 - Appendix 1 ... 2 pages
 - Appendix 2 ... 1 page
 - Appendix 31 page
- Annexure D : Progress Payment Schedule 7 pages

The Application Pack is to be completed in full **IN QUADRUPLICATE** and returned to the relevant Department of Human Settlements Regional Office as follows:

- ✓ Project lies within the District Municipalities of Amajuba, Umkhanyakude, Uthungulu, Zululand, or Umzinyathi:-

The Regional Manager
Northern Regional Office
Department of Human Settlements
Private Bag X 02
ULUNDI
3838
Tel: 035 874 2697

or

The Regional Manager
Northern Regional Office
Department of Human Settlements
King Dinuzulu Highway
Former Legislature, 2nd floor
ULUNDI
3838

- ✓ Project lies within the District Municipalities of Umgungundlovu, Uthukela, or Sisonke:-

The Regional Manager
Inland Regional Office
Department of Human Settlements **or**
Private Bag X9123
PIETERMARITZBURG
3200

The Regional Manager
Inland Regional Office
Department of Human Settlements
199 Pietermaritz Street
PIETERMARITZBURG
3200

Tel: 033 845 2000

- ✓ Project lies within the District Municipalities of Ugu, Ilembe or eThekweni :-

The Regional Manager:
Coastal Regional Office
Department of Human Settlements
Private Bag X543102 **or**
DURBAN
4000

The Regional Manager
Coastal Regional Office
Department of Human Settlements
320 Dr Pixley KaSeme Street
DURBAN
4000

Tel: 031 319 3602

ANNEXURES TO MEMORANDUM OF AGREEMENT:

ANNEXURE C: DEVELOPMENT PROGRAMME

[**** THIS “**ANNEXURE C**” IS TO BE INCLUDED AND FORM PART OF THE PROJECT MEMORANDUM OF AGREEMENT ****]

PROJECT NAME:.....
PROJECT NO. :

CONTENTS

- FORM RURAL 9 pages
- Appendix 1 2 pages
- Appendix 2 1 page
- Appendix 3 1 page

FORM RURAL

Application is made for Rural Project Linked Subsidies for the following project:

1. PROJECT NAME:

(If this is a resubmission, fill in previous Project No.....)

2. DEVELOPER'S NAME

POSTAL ADDRESS:

.....
.....

..... Code:

Telephone: (Code.....)..... Cell

Facsimile: (Code.....).....

Contact Person (Name).....

3. TRADITIONAL AUTHORITY NAME:

POSTAL ADDRESS:

.....
.....

..... Code:.....

Telephone: (Code.....)..... Cell No:.....

Facsimile: (Code.....).....

Contact Person (Name).....

4. DEVELOPER'S AGENT (if applicable):.....

(Attach a copy of the letter of authority from the Developer to submit this application)

POSTAL ADDRESS:

..... Code:

Telephone: (Code.....)

Facsimile: (Code.....)

CONTACT PERSON (Name):.....

5. LOCATION OF PROJECT.

.....
.....

5.1 Co-ordinates of outer boundary of project (certified by Land Surveyor).

5.2 Outside figure of Traditional Authority Area (Isigodi Area).

5.3 Outside figure showing relationship between municipal ward demarcation and isigodi boundary.

(Diagrams listed in 5.1 – 5.3 to be attached as Annexure.....)

6. NUMBER OF RESIDENTIAL ALLOTMENTS (typical phase reserved to 1000):

.....

7. LOCAL AUTHORITY:

.....

7.1 MAGISTERIAL DISTRICT :

8. FULL PROJECT DESCRIPTION

.....
.....
.....
.....
.....

9. SUBSIDY ADMINISTRATOR'S DETAILS (TRADITIONAL AUTHORITY OR RESPONSIBLE AGENT)

Name :

Address :

Telephone: (Code.....)

Facsimile: (Code.....)

10. TOTAL SUBSIDY APPLICATION FOR STAGE 1:

The final beneficiary mix, is determined from the ***final approval*** (refer to clause 11.2 herein), and total subsidy amount for Stage 1 is as follows :-

Subsidy for tranche 1		
No. of beneficiaries A	Subsidy amount for stage 1 B	Total A X B
.....	R.....	R.....

11. RECORD OF UNDERSTANDING, SOCIO-ECONOMIC STUDY, & CBP

11.1 RECORD OF UNDERSTANDING

11.1.1 Attach a copy of the Record of Understanding concluded with the Community Based Partner (signed by the relevant parties not earlier than 6 months prior to the date of this application). (Refer to clause 1.3, Appendix 1)

11.1.2 List all stakeholders in this project:

- i. Department of Human Settlements.....
- ii. Municipality :.....
- iii. Department of Cooperative Governance & Traditional Affairs(COGTA).....
- iv. Ingonyama Trust Board
- v. Department of Agriculture, Environment Affairs & Rural Development.....
- vi. Traditional Authority
- vii. Other :
-

11.2 SOCIO-ECONOMIC STUDY

Attach a copy of the socio-economic study carried out to determine the community need. (The investigation is not to be older than 9 months at the date of this application). This survey is to comply with the requirements as set out in the COGTA guidelines document (Refer to clause 1.3, Appendix 1)

11.3 COMMUNITY BASED PARTNER (CBP)

Attach details of the formal structure of the CBP. (Refer to clause 1.4, Appendix 1) If no formal structure has been concluded, provide the following information:

Date CBP formed.....

Method by which members of CBP elected

Details of how CBP deals with disputes and conflicts

Details of the CBP's knowledge and understanding of the development process

Details of the development process that has been workshopped with the CBP

11.4 COMMUNITY INVOLVEMENT IN DEVELOPMENT

11.4.1 Training (* Specify)

The Developer commits to incorporating the following training into the project:

- * Training of committee members in committee procedures.
- * Clerical skills, accounting skills, storekeeping skills.
- * Construction techniques.
- * Contracting skills.
- *

11.4.2 Labour Intensive Construction Methods (* Specify)

The Developer commits that the following aspects (*if applicable*) of the development will be constructed utilising labour intensive techniques employing local labour from the community:

- (a) Roads : *
- (b) Stormwater : *
- (c) Water : *
- (d) Sanitation : *
- (e) House Construction : *

11.5 SOCIAL INFRASTRUCTURE

What measures have been taken or are proposed, for provision of the following facilities:

Education

Health

Community

Employment

Shopping

Sports and Recreation

Other details

.....
.....
*Provide a preliminary settlement plan & preliminary planning report

(orthophoto map) or status report with respect to existing & neighbouring facilities :
(refer to clause 1.3, appendix 1)
.....

12. LAND INFORMATION

12.1 Cadastral description of the area as defined in the Memorandum of Agreement and shown on a diagram (Annexure B), with co-ordinates and isigodi area, prepared by a land surveyor. All cadastral parcels of land to be assembled, which will constitute the outside figure diagram, are to be shown and listed on the diagram. Where a Development Rights Agreement(DRA) has been concluded, this diagram is to be consistent with the Designation Diagram as contemplated in the DRA.

(Attach diagram [prepared by a Land Surveyor] marked Annexure B together with a Locality Plan [to a legible scale]-- refer to clause 1.7, Appendix 1)

12.2 The land is owned by
(Attach copy of Title Deed -- refer to clause 1.5, Appendix 1).

12.3 If the land is not owned by the Developer, a copy of the signed Development Rights Agreement is to be attached. *(Refer to clause 1.6, Appendix 1)*

13. SETTLEMENT PLANNING (The Settlement Plan is to be approved by the Department of Cooperative governance & Traditional Affairs)

13.1 Settlement Plan and Layout

(i) Projects for which planning is advanced :

The project comprises an estimated number of residential allotments, as shown on the attached settlement plan / orthophoto map.

(Refer to clause 1.8, Appendix 1)

(ii) Projects for which planning has not yet commenced or is preliminary :

The project comprises approximately sites.

13.2 The current status of the Settlement Planning process is as follows:
.....
.....

13.3 The proposed programme for Settlement Planning comprises:

13.3.1 Settlement Plan submitted complete

by: *.....

13.3.2 Settlement Plan endorsement approved

by: *.....

13.3.3 Allocation by: *.....

13.3.4 GPS referencing by: *.....

13.3.5 Beneficiary approval by: *.....

(* The applicant/developer is to insert the number of calendar days after the Project Agreement effective date).

14. SETTLEMENT PLANNING

14.1 Attach a copy of the preliminary/final settlement planning layout. (Refer to clause 1.8, Appendix 1)

15. TENURE TYPE

Functional Tenure shall be in the form of:

- Certificate of Occupation
- PT

16. FLOOD LINES

16.1 All residential sites must be planned to be located above the 100-year floodline. **Where possible**, the 100-year floodline should be indicated on the Settlement Planning layout.

17. BULK SERVICES (Attach appropriate written confirmation. --refer to clause 1.10, Appendix 1)

In terms of the subsidy scheme, capital contributions for the provision of bulk services are not allowed from the individual subsidies. Bulk Services for the project shall be provided by the service providers at no capital contribution cost.

17.1 The major road access is provided for as follows(if applicable):

.....
.....
.....

and will be * / * has been (* delete inapplicable) provided by

.....
.....

(Refer to clause 1.10, Appendix 1)

17.2 The bulk water supply comprises (if applicable).....

and will be * / has been (* delete inapplicable) provided by

.....
.....

(refer to clause 1.10, Appendix 1)

18. INTERNAL SERVICES (attach a preliminary engineering status quo report.

The development and services shall be to the approval of the Local Municipality or District Municipality.

NOTE: All proposed services are to be agreed with the appropriate service providers and Responsible municipalities (district or local). Services agreements with service providers are

to be agreed with the respective municipalities / traditional authorities.

19. FINANCIAL INFORMATION

19.1 The total product price is as follows (from Annexure D):

	Price/ site
	0 – R3500
Settlement planning , land suitability and beneficiary administration (Tranche 1)	R.....
Total product price	R.....

**Delete whichever is not applicable (Note: VAT to be zero rated on subsidy amounts)*

Notes:

(a) Stage 1 payments relate to land suitability studies, settlement planning, planning approval, project management, facilitation, beneficiary registration, GPS- co ordination and subsidy administration. Refer to Progress Payments detailed in Annexure D.

.....
.....
.....

20. PROJECT ADMINISTRATION

20.1 The project administration will be undertaken by using the following:

- 20.1.1 Project Manager
- 20.1.2 Town Planner
- 20.1.3 Land Surveyor
- 20.1.4 Civil Engineer
- 20.1.5 Structural Engineer
- 20.1.6 Geo-technical Engineer
- 20.1.7 Subsidy Administrator
- 20.1.8 Building professional
- 20.1.9 Other (specify)

.....

20.2 Certification tasks will be provided by the following professionals:-

Professional & Responsible persons	Name	Professional Indemnity (PI) Expiry Date*	Specimen signature	Certification task
Land surveyor	Reference + GPS certification Form
Civil engineer	Forms P1 & P3 (if applicable)
Geotechnical engineer	Geotechnical certificate (Annexure H, clause B3)

Structural engineer	.....	.....	.....	Forms P1 & P3 (if applicable)
Traditional Authority	.....	.....	.....	Certificate of Occupation Form
Building professional	.....	.....	.....	Completion certificate Form P5/1

** Please attach PI certificate.*

I,(name)
hereby warrant that I am duly authorised to submit this application (supporting documentation to be attached in Annexure C), all relevant information relating to this project has been disclosed, the application form has been completed as required, supporting documentation has been attached, and to the best of my knowledge all information is true and correct.

.....
SIGNATURE
for and on behalf of the **Developer**.

.....
DATE

The following co-signature is obligatory, and no application will be considered without it :

- : By appending my signature in the table below, I hereby warrant that I am duly authorised by the Municipality / District Municipality to co-sign this application as certifying that the Municipality / District Municipality is supportive of the development in terms of the relevant development criteria:-

Development criteria in respect of this Project Application	* Signature	*Name of signatory	Date
Compatible with the Integrated Development Plans & Land Development objectives
The land is suitable for development in terms of geotechnical, topographical & environmental factors, and has been identified under the Land Suitability Study.

There exists a demand for sites in this project area and the project has community acceptance.	.....	.....	.....
All the Bulk water services are available, or we commit to provide such services within the project's requirements or, if it is not our function, we confirm that we have obtained confirmation from the relevant Bulk Service Provider that they will provide such service within the project's requirements.	.....	.....	.....
Planning Approval	.....	.....	.....
Traditional Authority Approval	.....	.....	.....

APPENDIX 1: SUPPORTING DOCUMENTATION: PART 2: STAGE 1

Copies of the following documents are to be attached as appropriate:

	Documents attached	
	Yes	No
1.1 Letter of Authority from the Developer for an Agent to submit the Application (if the Agent is not the Developer) & letter of request from the municipality.		
1.2 Signed agency agreement between Municipality and Implementation Agent, attach IA's NHBRC registration certificate.		
1.3 Socio-economic study / Beneficiary approval		
1.4 Constitution of Development Committee		
1.5 Title Deed (of underlying property).		
1.6 Consent of landowner (Ingonyama Trust Board)		
1.7 Outside figure diagram of Project and Isigodi area (2 separate diagrams)		
1.8 Preliminary Settlement Plan & Preliminary Planning Report (orthophoto map), with plotted co-ordinates of the project area.		
1.9. Geotechnical/topographical/ reports :		
1.9.1 Town Planner's slope analysis plan for steep slope allowance		
1.9.2 Geotechnical motivation for geotechnical allowance		
1.9.3 Completed variation calculator		
1.10 Appropriate confirmation of provision of Bulk Services / commitment to provide		
1.11 Project cash flow projection & Development programme		
1.12 Any other documentation to support this Application		
1.13 Traditional Authority Approval		
1.14 Resolution authorising and specifying co-signature on behalf of the Local Authority.		
1.15 Professional Indemnity Certificates of : Land survey , Civil engineer , Geotech engineer , Structural engineer & Building professional		
1.16 Business Profile of Service Providers Annexure D		
1.17 Letter confirming social amenities		
1.18 Basic heritage impact assessment (essential for TAC approval)		

Where the document required has not been provided, state reasons:

[illegible]

APPENDIX 2: PAST PERFORMANCE AND PRESENT FINANCIAL STATUS OF THE DEVELOPER

2.1 PAST PERFORMANCE

In the evaluation of a project application due account will be taken of the Developer's past performance in the execution of similar projects of comparable magnitude and the degree to which the Developer possessed the necessary technical, financial and other resources to enable him to complete the project within the specified time limits. In this regard the Developer must furnish, in the following "Schedule of Equivalent Work", evidence of his experience of work of a similar nature in progress or completed by him in the past five (5) years :-

SCHEDULE OF EQUIVALENT WORK

PROJECT NAME	NATURE OF WORK	AUTHORITY OR EMPLOYER	REFEREE		VALUE OF WORK	YEAR COMPLETED
			NAME	TEL.NO.		

2.2 FAILURE TO COMPLY

Failure to complete the required schedules and/or furnish the required information requested in this Application Pack may prejudice the success of this application.

I, the undersigned,

.....
do hereby certify that the documentation/information as requested in clause 2.1 above has been verified by me and been found to be correct, and that the documentation as requested in clause 2.2 above is attached hereto.

.....
TECHNICAL EVALUATOR DATE
(DOHS PROJECT MONITOR)

APPENDIX 3: PAST PERFORMANCE AND PRESENT FINANCIAL STATUS OF THE IMPLEMENTING AGENT

3.1 PAST PERFORMANCE

In the evaluation of a project application due account will be taken of the IA's past performance in the execution of similar projects of comparable magnitude and the degree to which the IA possessed the necessary technical, financial and other resources to enable him/her to complete the project within the specified time limits. In this regard the IA must furnish, in the following "Schedule of Equivalent Work", evidence of his experience of work of a similar nature in progress or completed by him in the past five (5) years :-

PROJECT NAME	NATURE OF WORK	AUTHORITY OR EMPLOYER	REFEREE		VALUE OF WORK	YEAR COMPLETED
			NAME	TEL.NO.		

3.2 FAILURE TO COMPLY

Failure to complete the required schedules and/or furnish the required information requested in this Application Pack may prejudice the success of this application.

I, the undersigned,

.....
do hereby certify that the documentation/information as requested in clause 3.1 above has been verified by me and been found to be correct, and that the documentation as requested in clause 3.2 above is attached hereto.

.....
TECHNICAL EVALUATOR DATE
(DOHS PROJECT MONITOR)

REQUEST FOR INCREASE IN SUBSIDY AMOUNT FOR GEOTECHNICAL/ TOPOGRAPHICAL CONDITIONS

- 9.1 An increase in subsidy of % is required for the following (attach a completed variation calculator duly certified by a geotechnical engineer)
 - 9.1.1 Adverse slope conditions (attach a slope analysis plan duly certified by the Town Planner)
 - 9.1.2 Adverse geotechnical conditions (attach a geotech report duly certified by a Geotechnical Engineer -- refer to the variation calculator)
 - 9.1.3 Locational conditions (attach a map duly certified by the Town Planner)

ANNEXURES TO MEMORANDUM OF AGREEMENT:

ANNEXURE D: PROGRESS PAYMENT SCHEDULE

STAGE 1

[**** THIS “**ANNEXURE D**” IS TO BE INCLUDED AND FORM PART OF THE
PROJECT MEMORANDUM OF AGREEMENT ****]

PROJECT NAME :

MEMORANDUM OF AGREEMENT: ANNEXURE D

PROGRESS PAYMENT SCHEDULE: TRANCHE 1

D1 PROGRAMME

D1.1 Progress Payment Key Dates

Description	No. of days (Note 1)	Key dates (dd/mm/yyyy)
D1.1.3. Stage 1: Settlement planning : Start Date : Completion Date :/...../...../...../.....

Note 1: The applicant/developer is to specify the key dates as the number of calendar days after the Project Agreement effective date. The actual dates will be inserted by the DOHS.

D1.2 Project programme

The developer is to attach to this subsidised housing project application a programme in the form of a Bar Chart indicating all the various tasks involved in the development of the project and their relevant time frames. To assist the developer in this regard, a typical Bar Chart is included in the following 2 pages herein.

The submission of a Bar Chart for this project is extremely important, and the developer is to pay particular attention to ensuring its accuracy as all the milestones contained within the Memorandum of Agreement shall be based on dates derived from it. Any changes required by the developer to the programme shall be subject to written request and motivation to the DoH and written approval by the DoH.

D2 SUBSIDY PAYMENT REQUIREMENT PROJECTIONS

D2.1 Agreed details for the purposes of calculating progress payments

SUBSIDY QUOTA : AS PER APPROVAL

	A	B			C	D	E
INCOME GROUP	NO.OF BEN.	VARIATION ALLOWANCE (TOTAL 15 %)			TOTAL INCL. VARIATION ALLOWANCE	STAGE 1 PAYMENT (MAX PER SITE))	TOTAL SRAGE 2 PAYMENT
		CALCULATED ON PRODUCT PRICE					
		Category 1	Category 11	Category 111			
		%	%	%			
0 - R3500							

TOTAL SUBSIDY BROUGHT FORWARD :

LESS: PREPARATION FUNDING/PREVIOUS PAYMENTS :

AMOUNT AVAILABLE :

PROGRESS PAYMENT STAGES: STAGE 1

REQUIREMENT : SIGNED CONTRACT

CODE	DESCRIPTION AMOUNT	AMOUNT Stage 1	Less preparation funding	Total
RPL01	Settlement plan			
RPL02	Floodline determination			
RPL03	Planning report			
RPL04	Facilitation and feasibility report			
RPL05	GPS co ordinates / survey			
RPL06	Subsidy administration / functional tenure			
RPL07	Geotechnical report			
RPL08	Environmental report			
RPL09	Development Rights Agreement			
RPL10	Land audit report			
RPL11	Project Management			
RPL12	other (specify)			

TOTAL (TI) :

ADD: CATEGORY I VARIATION :

SUB TOTAL :

LESS : PREPARATION FUND :

TOTAL AVAILABLE FOR TRANCHE I :

NB. (i) STAGE 1 IS LIMITED TO A MAXIMUM OF R..... PER SITE.

**(ii) PREPARATION FUNDING IS DEDUCTED FROM THE STAGE 1
PAYMENT.**

Tasks to be included in the above:

(RPL1) Production of settlement plan

1. Production of a settlement plan⁴ in accordance with COGTA (Department of Cooperative governance & Traditional Affairs) guidelines.
2. Other (specify) :
 - (i)
 - (ii)

(RPL2) & (RPL3) Flood line determination and planning report to the satisfaction of COGTA

1. Determine COGTA standards and floodline determination criteria.
2. Prepare planning report in accordance with the applicable guidelines
3. Other (specify) :
 - (i)
 - (ii)

(RPL4) Facilitation and feasibility report

1. Conclusion of a social compact agreement between the role players.
2. Maintain the channels of communication with all stakeholders throughout the application process
3. Preparation of the necessary feasibility reports as required by the DOH in order to obtain final approval.
4. Other (specify) :
 - (i)
 - (ii)

(RPL5) GPS Co ordinates / survey

1. Determination of the outer boundaries of project area and prepare a designation diagram.
2. Prepare an outside figure diagram of the isigodi area and show the relationship to the project area.
3. Prepare a diagram to show the relationship / overlap between the municipal ward boundary and the Isigodi boundary and the spatial relationship of the two to the project area.
4. Placement of beacons or survey peg to mark the GPS reference point of site allotments.
5. Preparation of a schedule (electronic data base) of GPS reference points relating to the “pegged” site and an individual beneficiary (this process can and should be linked to the subsidy administration process)

6. Other (specify) :

- (i)
- (ii)

(RPL6) Subsidy administration and functional tenure arrangements

1. Traditional authority to identify the potential beneficiaries of the project.
2. Potential beneficiaries to be verified and functional tenure granted by the Traditional Authority.
3. Functional tenure arrangements to be linked to the subsidy administration process and GPS reference points.
4. Data-base of beneficiaries to be set up and maintained by the Traditional Authority or approved agents.
5. Subsidy applications to be completed in parallel with the GPS referencing program.
6. Subsidy applications to be lodged with the DOHS for approval.
7. DOHS approval of individual subsidies.
8. Other (specify) :
 - (i)
 - (ii)

(RPL7) Geotechnical report

1. Desk top geotechnical study including a compulsory site visit to be undertaken.
2. The preliminary report should include comments on the general physical features of the site including slope, water table, soil types , rock and potentially unstable areas.
3. The report should provide comments on the suitability of the site for on site sanitation and specifically the installation of VIP'S as well as the expected general founding conditions for house construction.
4. Other (specify):
 - (i)
 - (ii)

(RPL8) Environmental scoping

1. Environmental scoping report to be prepared to the satisfaction of and in order to obtain the support of the Department of Agriculture, Environmental affairs and Rural Development for the project.
2. Other (specify) :
 - (i)
 - (ii)

(RPL9) Development Rights Agreement

1. To be prepared to the satisfaction of the Ingonyama Trust Board or the relevant authority having jurisdiction over the land.
2. Other (specify) :
 - (i)
 - (ii)

(RPL10) Land audit report

1. A detailed land audit should include details of ownership, copies of title deeds, endorsements, mineral rights, servitudes, leases, mortgage bonds and the like.
2. A letter from the Land claims commissioner should also be obtained and reflect whether or not any land claims are registered against the property in question.
3. Other (specify) :
 - (i)
 - (ii)

(RPL11) Project Manager / Implementing agent

1. Co ordinate all activities relating to pre feasibility and feasibility reports.
2. Ensure compliance with the requirement of the DOHS and COGTA in order to ensure that the project is approved.
3. Develop an implementation program and project strategy.
4. Review implementation programme in relation to other key activities.
5. Other (specify) :
 - (i)
 - (ii)

(RPL12) Other

1. Other (specify) :
 - (i)
 - (ii)

D3 MILESTONE PAYMENT PREREQUISITES

D3.1 Agreed milestone payments:-

Milestone	Milestone payment per site
T1 Settlement planning and beneficiary admin (from page _)	

D3.2 Milestone payment prerequisites

The Developer shall be entitled to receive ⁷tranche payments as follows:

D3.2.1 T1: Settlement planning and beneficiary administration

On Signing of stage 1 of the agreement, Tranche 1 will be paid to the relevant Municipality fulfilling the role of developer.

D4 PROGRESS PAYMENT PREREQUISITES (PAYMENTS FROM THE DEVELOPER TO THE IMPLEMENTATION AGENT OR PROFESSIONALS AND RELEVANT CONTRACTORS)

In order for the various professionals, implementing agent or contractors to be paid by the developer (municipality) pro forma certificates and appropriate invoices must be verified by the Department of Human Settlements prior to the municipality making such payments from the tranche funding already advanced.

(i) Settlement plan

50% of the fee is payable on submission of the settlement plan to the COGTA. Balance of 50% of fee payable on certification by COGTA that the settlement plan has been approved. (Cert.P1)

(ii) Beneficiary approvals / tenure arrangements

20% of the fee is payable on submission of beneficiary names and 80% on approval of the beneficiaries. (Letter confirming submission of beneficiary approval forms from DOHS and print-out of approvals)

(iii) GPS co-ordinates / survey

Certification by a Professional Land Surveyor that the relevant beacons have been placed and co ordinates calculated (Cert. P2).

Proposed milestone payment prerequisites:

Claim 1	
Facilitation	% for the work done 8
GPS Co ordinates	50% for the work done
Subsidy Administration	20% on submission
Geotech	90% & 10% retention for NHBRC Registration
EIA	100% on DAEA Exemption (if they have not obtained DAEA Exemption they get 50%)
Land Admin	100% confirmed with Title Deeds Registration
Project Management Fees	26% Pro Rata for the work
Bulk	100% with district confirmation
Claim 2	
Facilitation	% for the work done
S Administration	80% on approval
GPS Co ordinates	50% for the completion of the work done
Project Management	% for the work done
Planning	50% on receipt of submission to DLG TA
Claim 3	
settlement	%MM & PSC signatures, Co ordinates plotted on the map(50% if settlement plan is not signed by all stakeholders, 100% if signed by all and the coordinates are plotted and proof is submitted)
Planning report	50% approved signed by Ingonyama & Stage 2 PLS (70% for the planning report, retain 30% until TAC approval is obtained)
Floodline determination	
Facilitation	%Balance of the work done
Project Management	NHBRC Registration on approval of settlement Plan with all signatures Development Rights Agreement signed by Ingonyama & MM

