



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

PROGRESS UPDATE
KZN ECONOMIC CLUSTER
DUKUDUKU ON-SITE RESETTLEMENT PROJECT

26 August 2009

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 – PROJECT PROGRESS : 2009/08/26

1. PROJECT PROGRESS
2. KEY INTERVENTIONS REQUESTED

PART C – HOLISTIC LOCAL ECONOMIC DEVELOPMENT APPROACH

1. AGRICULTURAL DEVELOPMENT
2. ECO-TOURISM DEVELOPMENT
3. LED SUMAMRY

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 STAKEHOLDER ENGAGEMENT
- 2.3 PLANNING DELIVERABLES

3. DRAFT DEVELOPMENT PLAN

- 3.1 SPATIAL FRAMEWORK
- 3.2 IMPLEMENTATION FRAMEWORK
- 3.3 CURRENT BUDGET SUMMARY ESTIMATES
- 3.4 MAPPING THE PROJECT BOUNDARY

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

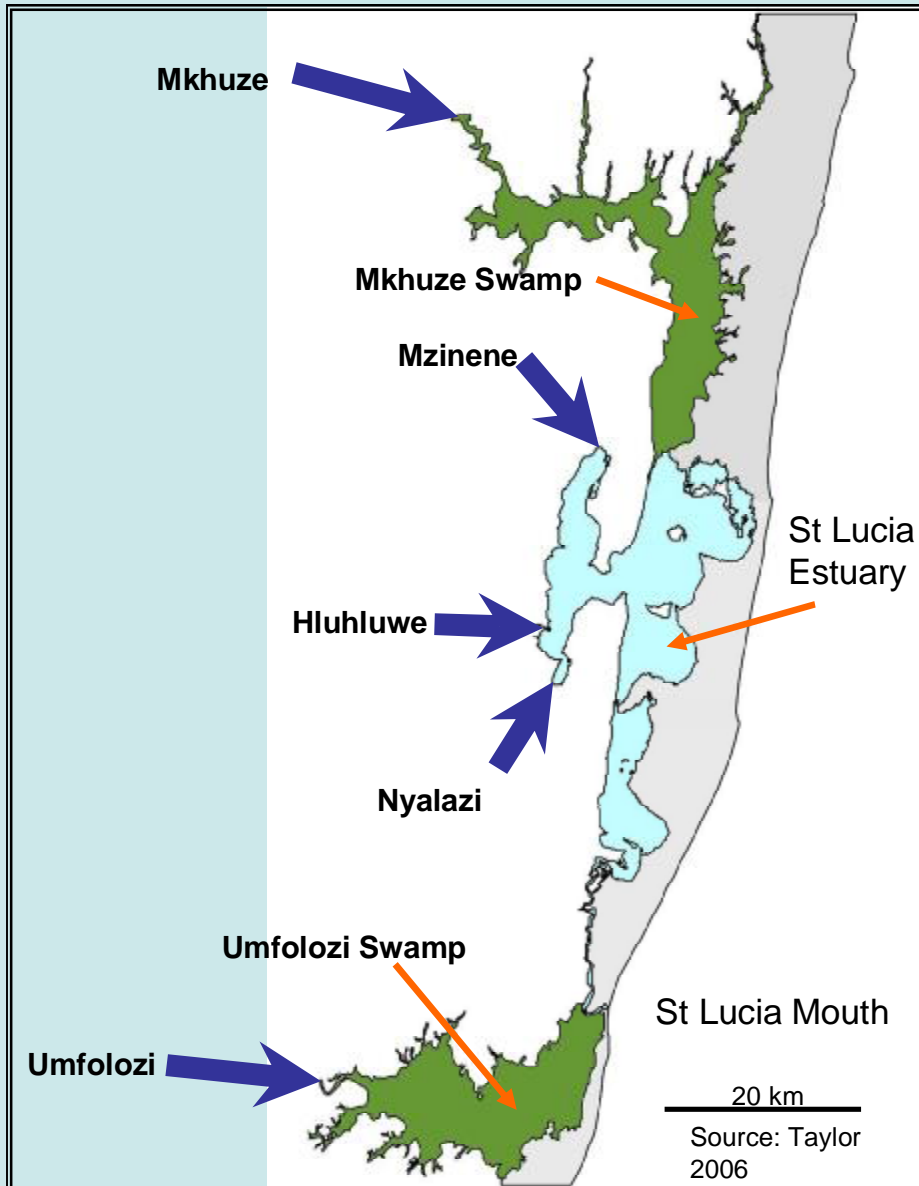
- Cabinet has agreed to the formalisation of the Dukuduku settlement *in situ* (with limited relocation of households).
- For this development option to succeed, it is imperative that a holistic and thorough planning process be undertaken, which seeks to put in place a development framework with relevant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

Challenges

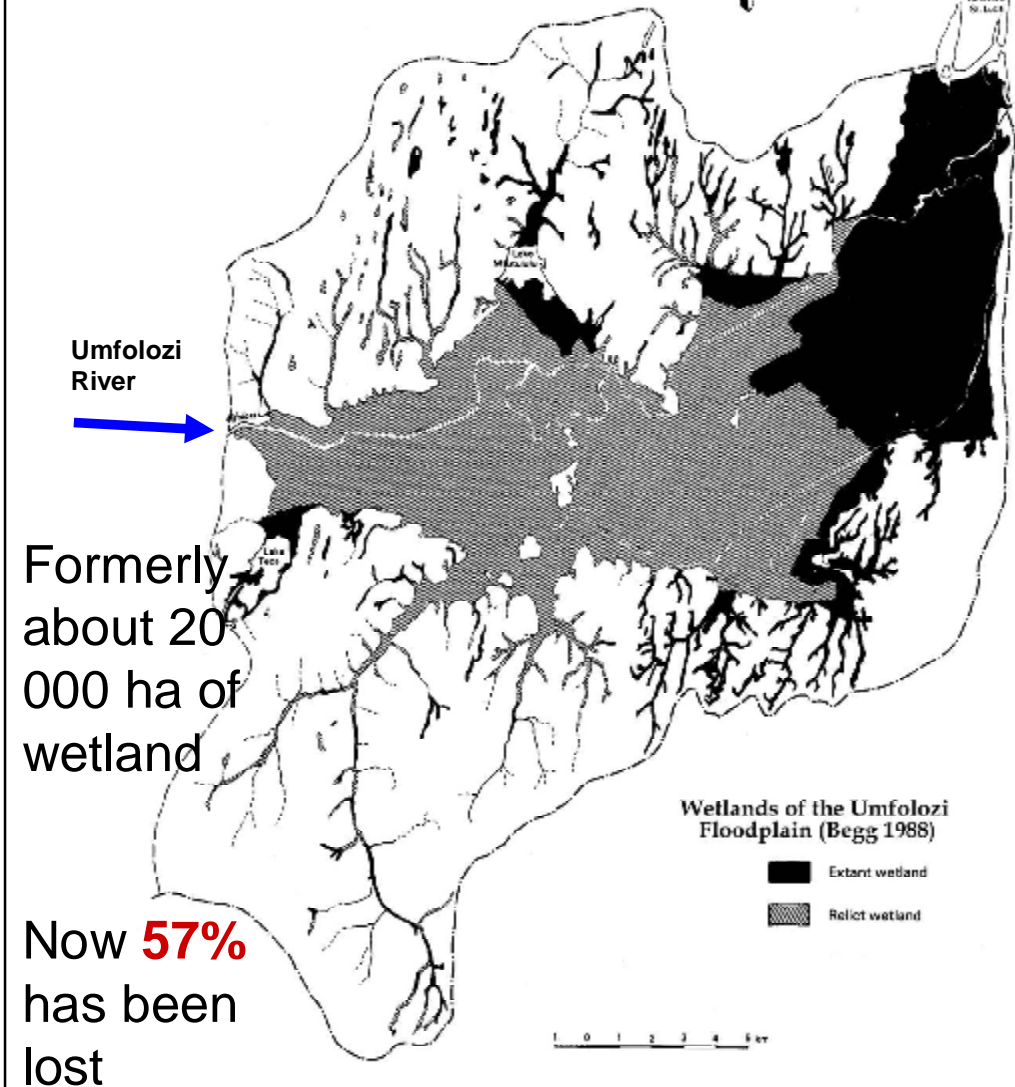
- The biggest risk to this development option lies in the precedence this sets at a national, regional and local level for current and future land invasions, both in the iSimangaliso Wetland Park and conservation areas in general.
- This project lends itself to being declared an Integrated Conservation 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



Umfolozi Floodplain



Illegal cultivations in Umfolozi Flood Plain / Swamp Forest



Subsistence agriculture



Small-scale commercial



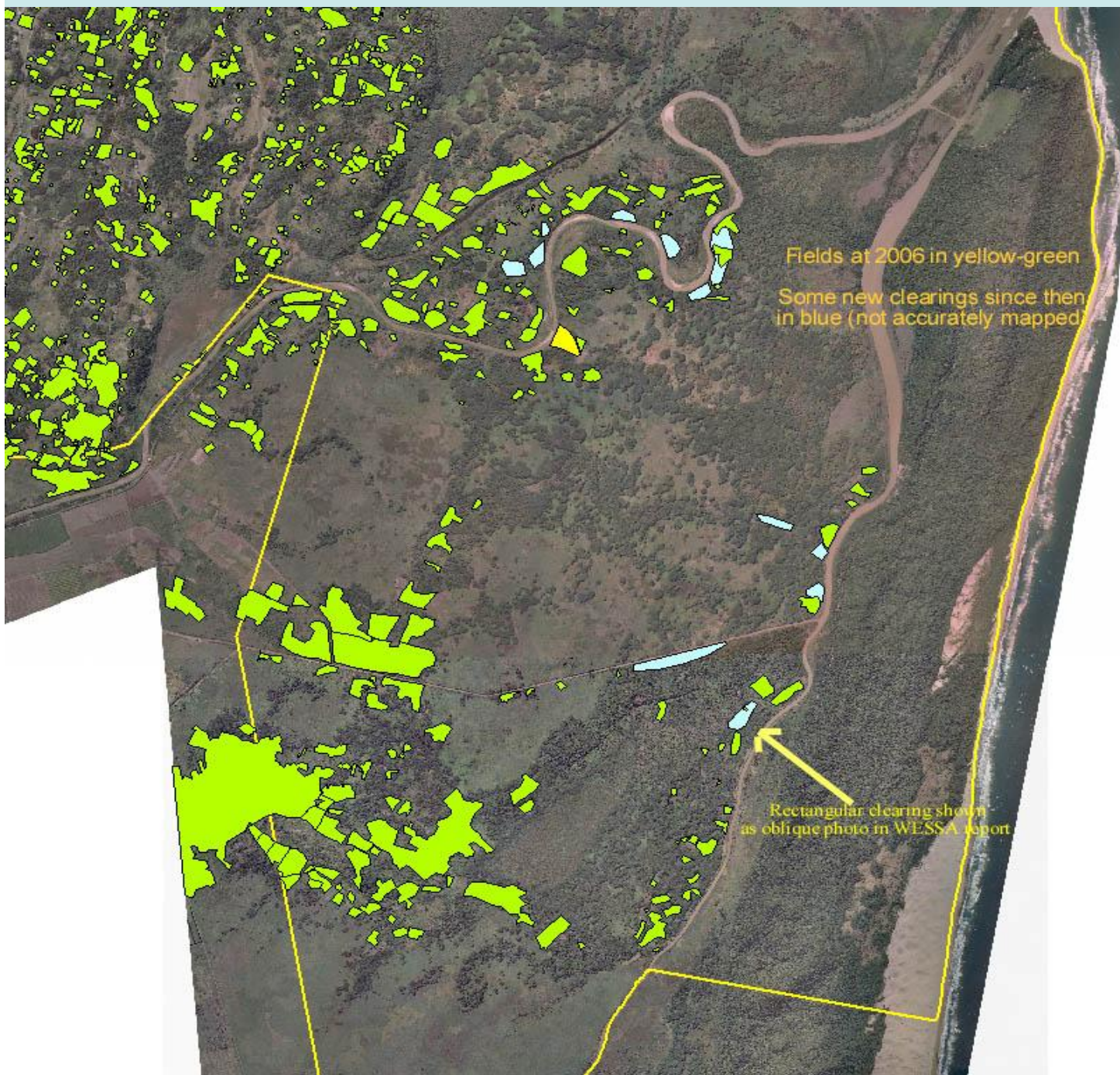
Commercial bananas or sugar

Illegal cultivations in Umfolozi Flood Plain / Swamp Forest



'Jo Jo' ferry

Illegal cultivations in Umfolozi Flood Plain / Swamp Forest



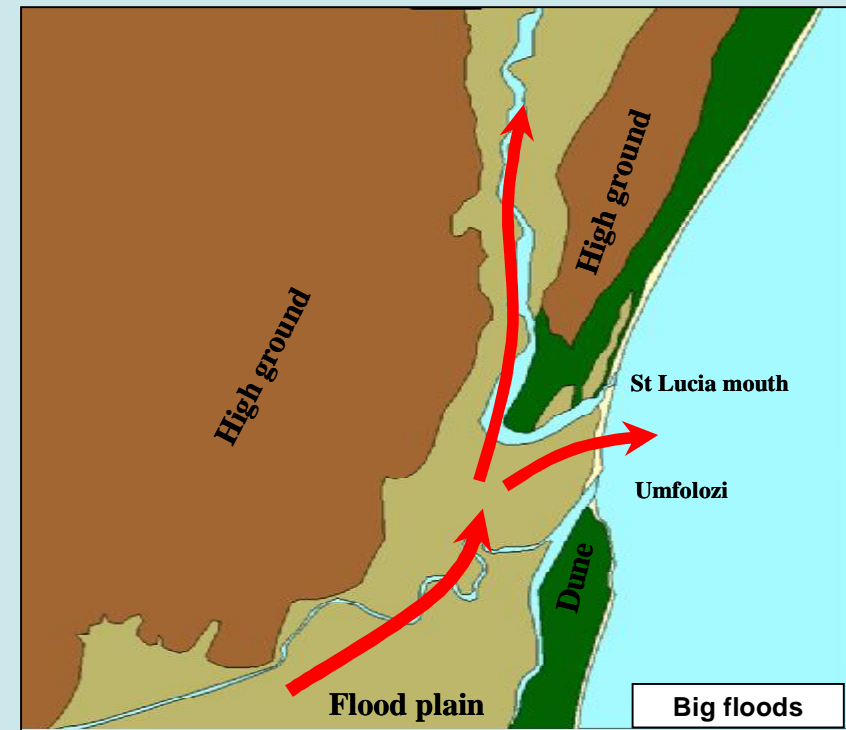
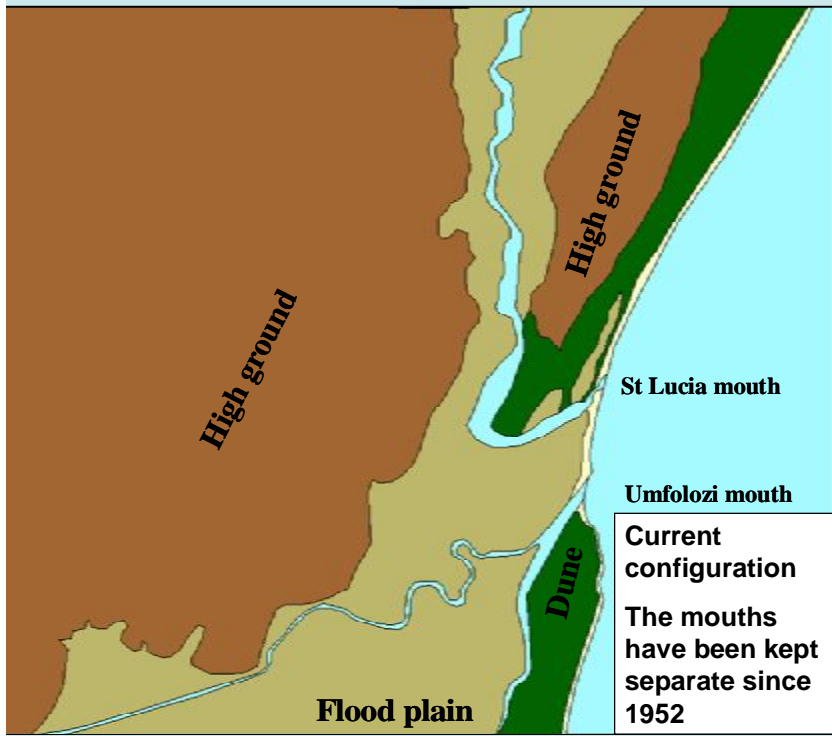
GIS mapping showing
the extent of cultivation
in the Umfolozi Flood
Plain and parts of
Dukuduku Forest

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

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

Concerns

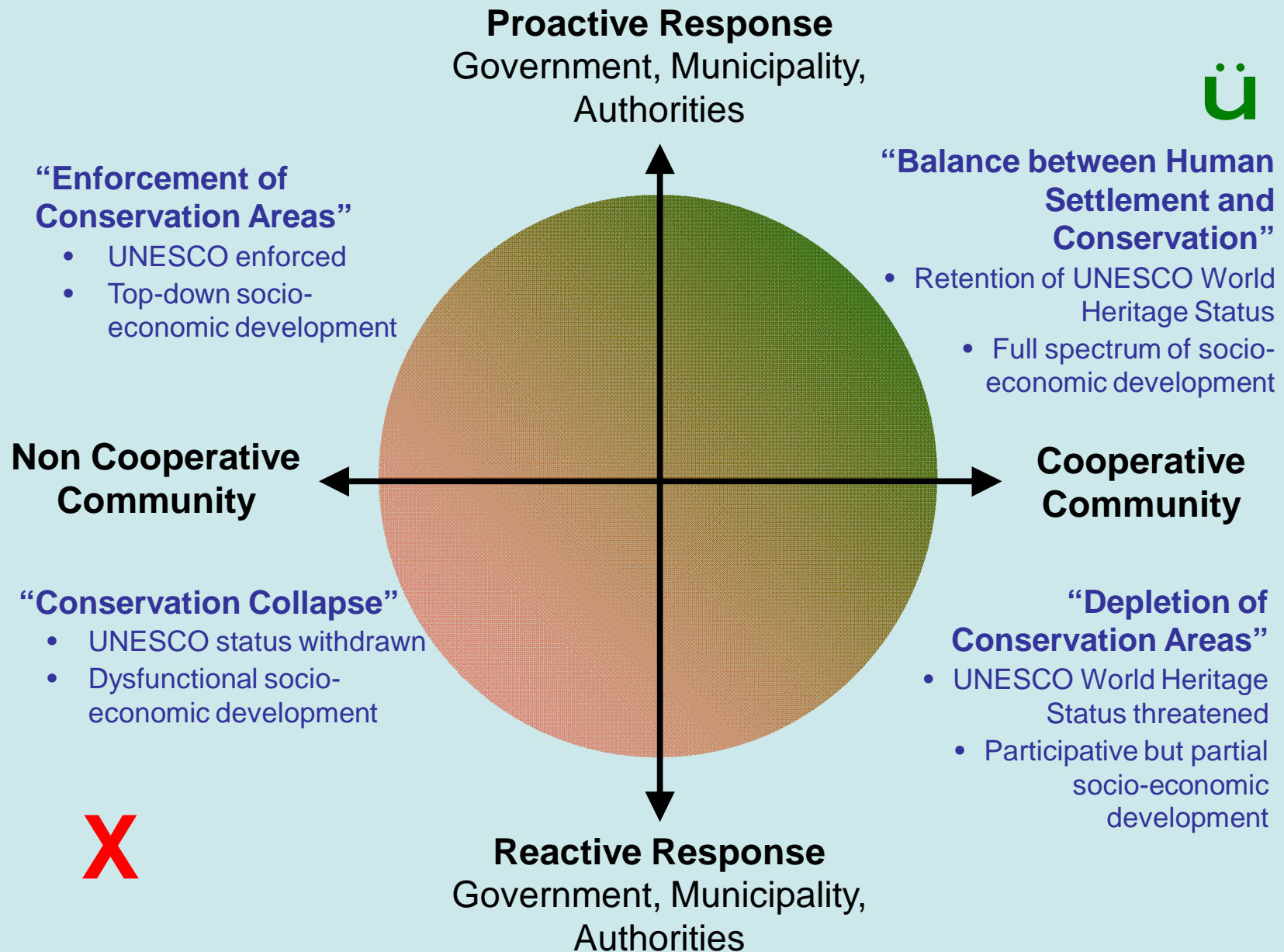
1. **Damage to greater system as floods and filtration processes are compromised.**
2. **Low level and low technology subsistence farming causes little damage – but the situation is now unsustainable due to increasing commercial farming.**
3. **Visual impacts damage tourism value.**

The area has a very high conservation value ...

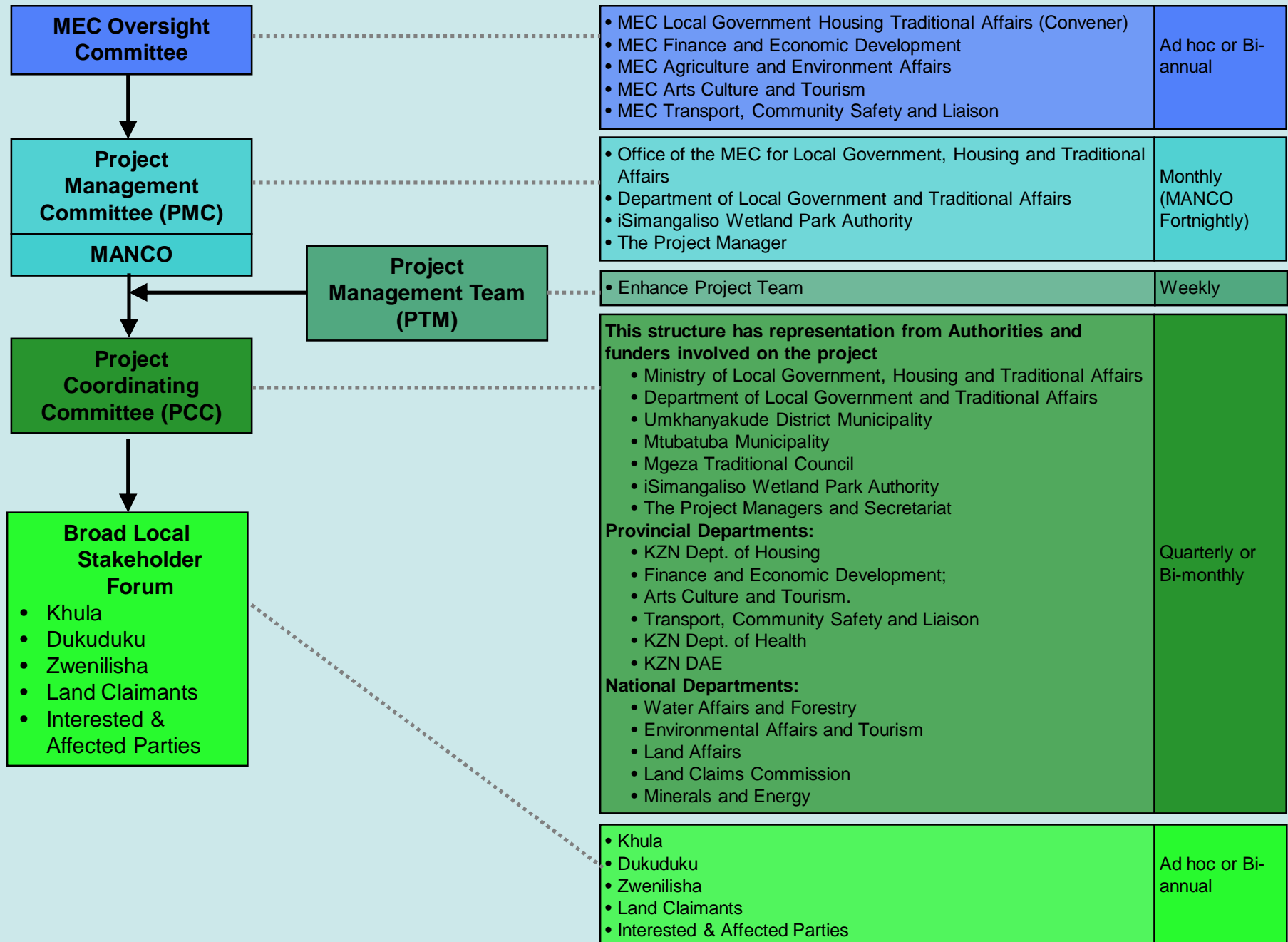


Who needs to visit the Okavango when we have this on our doorstep?

A.1.3 OVERVIEW OF PROJECT DYNAMICS - DEVELOPMENT SCENARIOS



A.2.1 PLANNING PROCESS - INSTITUTIONAL FRAMEWORK



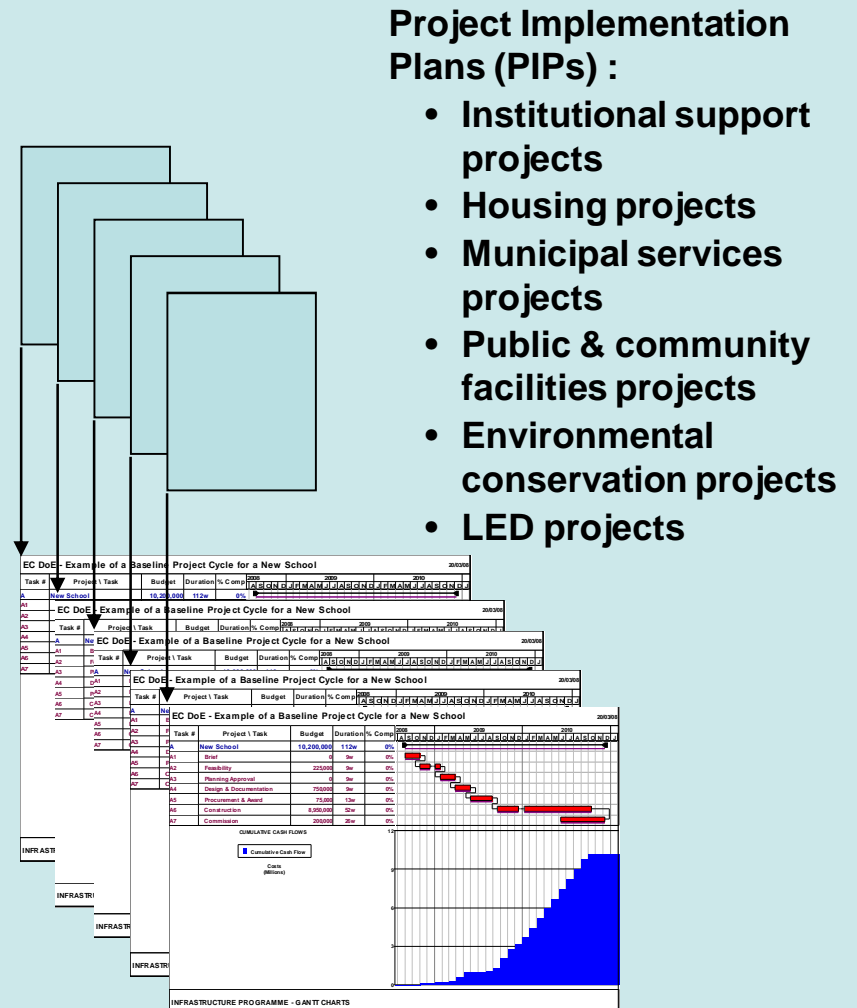
A.2.2 PLANNING PROCESS - STAKEHOLDER ENGAGEMENT

#	Event	Outcomes
1	Project Launch	The Ministerial launch of the project in August 2008 was attended by several thousand people from the community.
2	Project Management Team contracted	The Enhance Project Team was contracted and mobilized in September 2008.
3	MEC Oversight Committee	Two MEC Oversight Committee Meetings have been held (December 2008 and April 2009) which have endorsed the project process, including the draft Development Plan and the 5 Task Teams to refine the Development Plan, resolve crucial project issues, and, to package projects for implementation.
4	Community Engagement	The 3 communities, Khula Village, eZwenelisha and Dukuduku, have all been extensively consulted and Social Compact Agreements have been concluded with all 3. The Mpukunyoni Traditional Council has resolved to support the project.
5	Draft Development Plan	The draft Development Plan, which includes the Spatial Framework and the Implementation Framework, was tabled in December 2008 and has been taken forward through the institutional approval process for the project.
6	MANCO Meetings	Several MANCO meetings have been held to provide strategic input and direction to the Project Team.
7	Project Co-ordination Committee (PCC) Meeting	6 PCC Meetings have been held which have endorsed the draft Development Plan and its incorporation into the IDP of the Mtubatuba Municipality, as well as, the project packaging process by various Task Teams.
8	Interested and Affected Parties	The meeting with Interested and Affected Parties held in March 2009 was widely advertised and well attended. This meeting provided an opportunity to consult the broader project stakeholder forum.
9	Land Issues Task Team (Convenor - Enhance Project Team)	This Task Team has met several times, often with the Environmental Awareness & Compliance Task Team, and has been responsible for the delineation of the project outer boundary; the establishment of the Land Holding Trust; and, the election of local trustees.

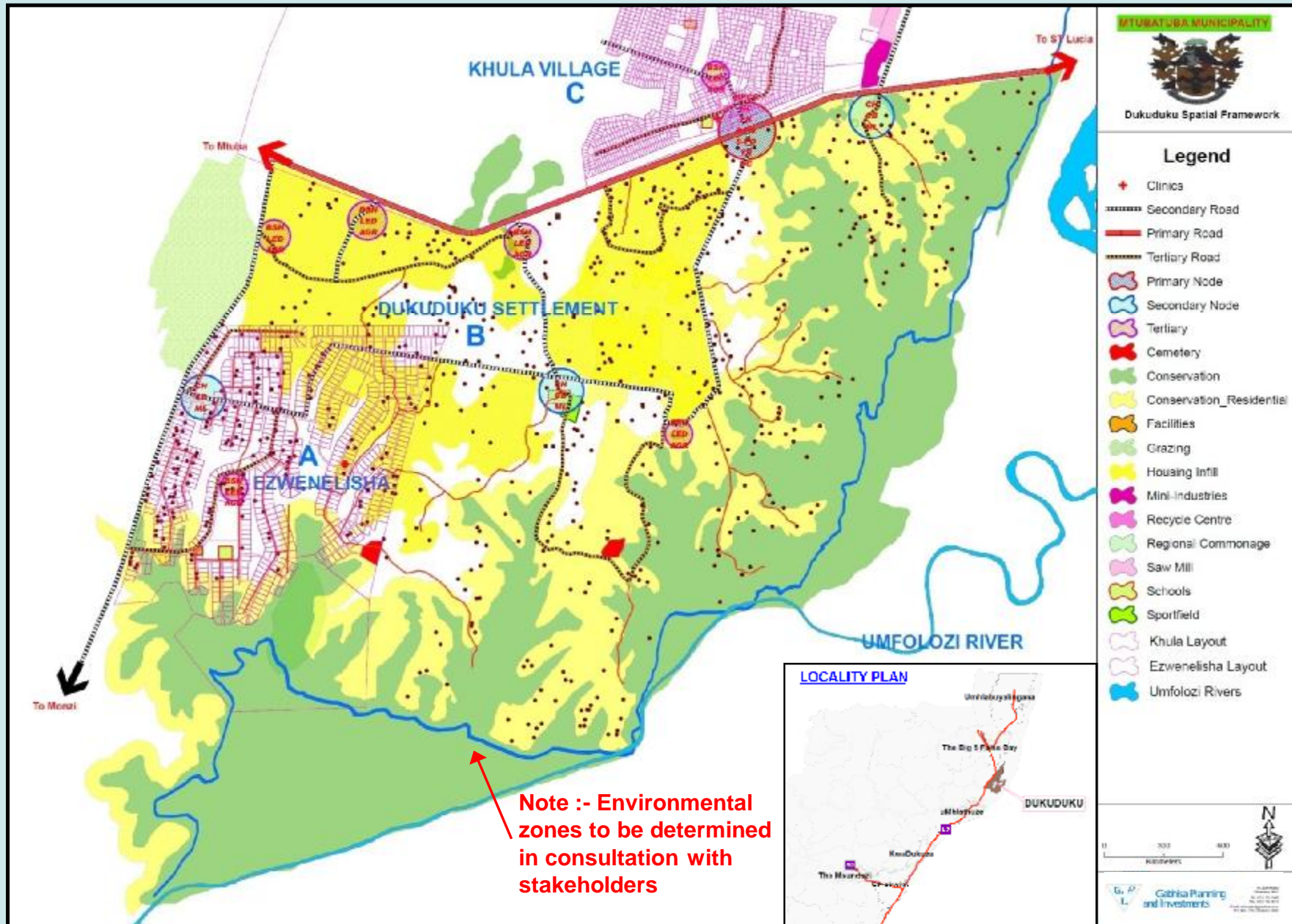
A.2.2 PLANNING PROCESS - STAKEHOLDER ENGAGEMENT

#	Event	Outcomes
10	Housing & Infrastructure Task Team (Convenor - DHS)	This Task Team has met 6 times and focussed on the packaging of housing, infrastructure and related planning projects for implementation, namely, securing funding commitments; preparation of terms of reference for the procurement of service providers; and, preparation of funding proposals.
11	Economic Development Task Team (Convenor - DEDT)	This Task Team encompasses local economic development (LED) and environmental conservation projects. This Task Team has met 5 times and focussed on the packaging of LED type projects for implementation, namely, securing funding commitments; preparation of terms of reference for the procurement of service providers; and, preparation of funding proposals. This Task Team has also secured some funding from the private sector for Permaculture homestead gardens, and, co-opted private sector interest for FIFA 2010 crafts.
12	Community Facilities Task Team (Convenor - Mtubatuba Municipality)	This Task Team has met 3 times in order to assess the need and locality for community facilities in accordance with norms and standards. This Task Team is also responsible for ensuring that the Development Plan is embedded within the IDP of Mtubatuba Municipality and uMkhanyakude District Municipality, which have both been achieved.
13	Environmental Awareness & Compliance Task Team (Convenor - iSimangaliso Wetland Park Authority)	This Task Team has implemented an environmental awareness programme within the community and is currently co-opting the Department of Community Safety and Liaison and the KZN Commissioner (SAPS) to assist with environmental compliance issues. This Task Team is also monitoring the illegal farming activities in the Umfolozi Swamp Forest, which has increased some 70% since the project was launched in August 2008.
14	Meetings with Land Claimants	Several meetings have been held with the Land Claimants and their representatives in order to find solutions that benefit both the land claims process and the overall project. The lack of capacity amongst the Land Claimants has been challenging for the Project Team.
15	Interaction with other stakeholders	The Project Team has met with the DBSA several times to explore funding opportunities, and, has presented the Dukuduku project as a case study demonstrating sustainable agricultural development concepts at the DAERD Strategic Planning Workshop in July 2009.

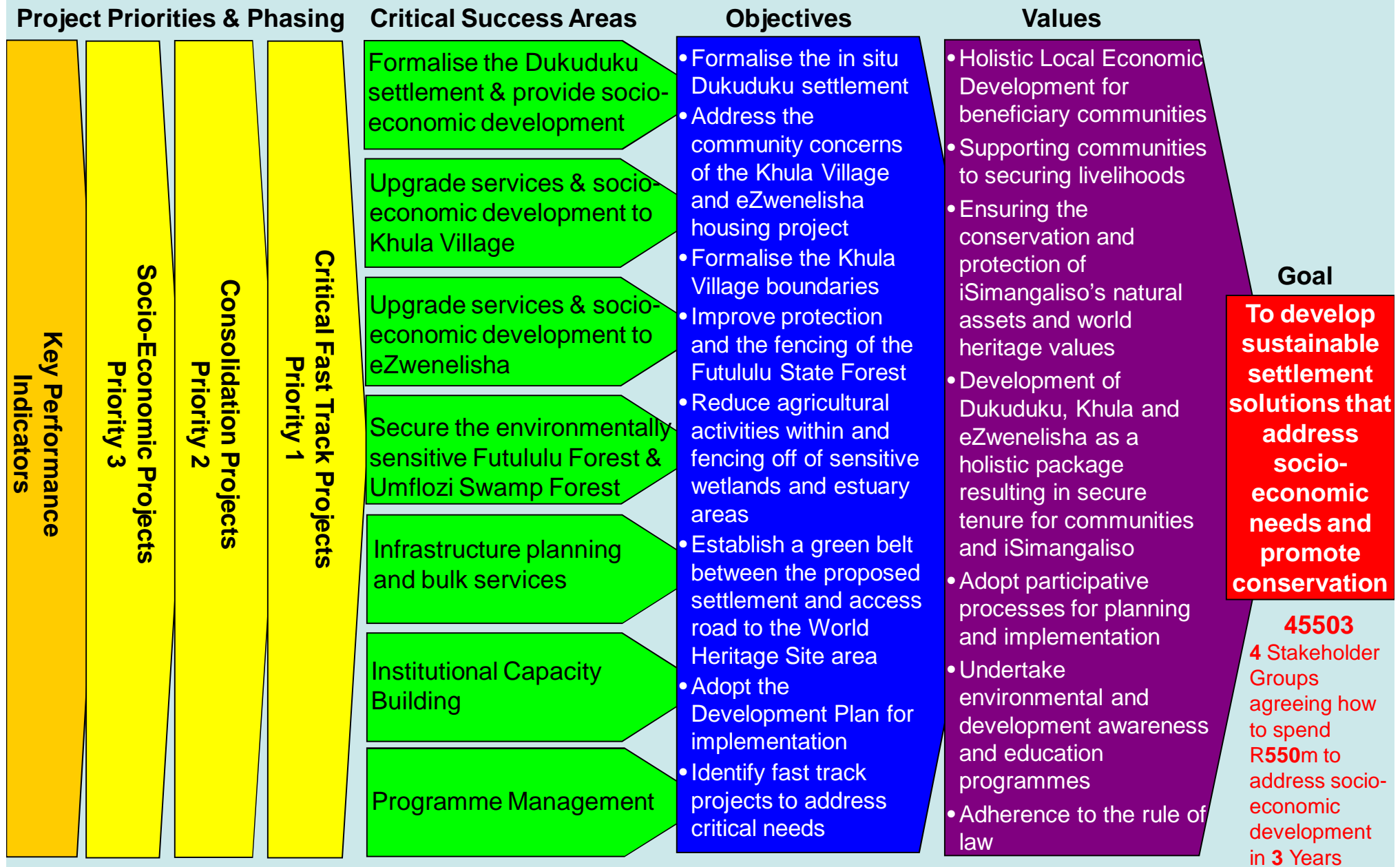
The diagram illustrates the relationship between three key planning documents. At the top center is the **Development Plan**. Two arrows point downwards from it: one to the left towards the **Consolidated Spatial Framework Plan**, and one to the right towards the **Implementation Framework**. A large, thick red arrow points horizontally from the Consolidated Spatial Framework Plan towards the Implementation Framework, indicating a flow or relationship between them.



A.3.1 DRAFT DEVELOPMENT PLAN - SPATIAL FRAMEWORK



A.3.2 DRAFT DEVELOPMENT PLAN - IMPLEMENTATION 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 Mtubatuba 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

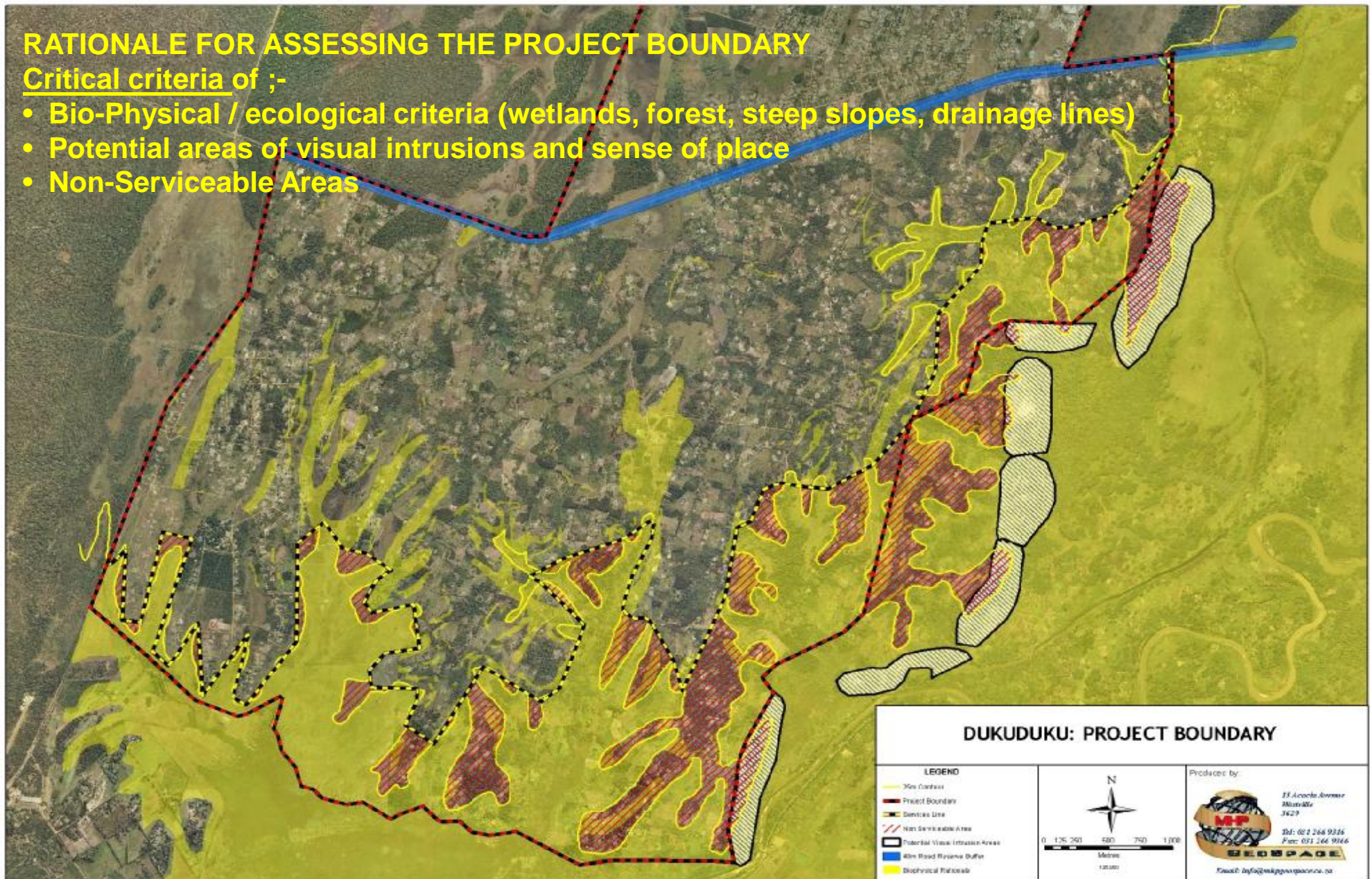
4270 Households = Social Investment package of R129,000 per Household

A.3.4 DRAFT DEVELOPMENT PLAN - MAPPING THE PROJECT BOUNDARY

RATIONALE FOR ASSESSING THE PROJECT BOUNDARY

Critical criteria of :-

- Bio-Physical / ecological criteria (wetlands, forest, steep slopes, drainage lines)
- Potential areas of visual intrusions and sense of place
- Non-Serviceable Areas



DUKUDUKU ON-SITE RESETTLEMENT PROJECT

PART B – PROJECT PROGRESS : 2009/08/26

1. PROJECT PROGRESS

- 1.1 UPDATE ON INSTITUTIONAL ISSUES
- 1.2 UPDATE ON SPECIFIC PROJECTS
- 1.3 SUMMARY OF FUNDING COMMITMENTS

2. KEY INTERVENTIONS REQUESTED

- 2.1 URGENT INSTITUTIONAL ISSUES
- 2.2 URGENT PROJECT / FUNDING APPROVALS
- 2.3 IN-PRINCIPLE FUNDING COMMITMENTS

B.1.1 PROJECT PROGRESS - UPDATE ON INSTITUTIONAL ISSUES

Land / Legal Issues

1. Agreement has been reached with community stakeholders on the current status of land ownership, status of the land claim, as well as the area of jurisdiction of the Traditional Council.
2. Tenure issues have been workshopped with community stakeholders wherein options that promote individual rights have been agreed to, such as, a leasehold or freehold tenure right.
3. Community stakeholders have agreed to establish a Land Holding Trust that will be responsible for land allocations and land administration.
4. A draft Trust Deed has been prepared for consultation with all stakeholders.
5. Local trustees, 2 from each community making 6 in total, have been duly elected through an open community participation process.
6. Trustees from DLGTA (x2), DHS (x2), Mtubatuba Municipality (x2) and the Mpukunyoni Traditional Council (x3) are currently being sourced.
7. The Land Claimants have agreed to accept the land holding proposal as part settlement of their claim.

Planning Issues

1. The Development Plan has been embedded within the IDP of Mtubatuba Municipality and the uMkhanyakude District Municipality.

Environmental Issues

1. An environmental education and awareness programme has been developed and implementation thereof has commenced.
2. However, despite this programme, and, the issue of warning letters to illegal farming operations, the Umfolozi Swamp Forest is still being encroached with up to 70% more activity than in August 2008.

B.1.2 PROJECT PROGRESS - UPDATE ON SPECIFIC PROJECTS

#	Programme	Budget (R000s)	% Budget	Priority Ranking	Budget (R000s)	Year 1 - 2009/10 (R000s)	Year 2 - 2010/11 (R000s)	Year 3 - 2011/12 (R000s)	Funding Source	Funding Amount Committed (R000s)	Progress Update to KZN Economic Cluster 2009/08/26
A	Infrastructure Planning and Bulk Services	R 159 423	29.0%		R 159 423	R 39 155	R 87 498	R 32 770			
A.01	St Lucia Water Pipeline Condition and Loss Assessment Report	R 319		1	R 319	R 319	R 0	R 0	DWAF	R 0	Terms of Reference for the Feasibility Study is complete. uMkhanyakude District Municipality to urgently appoint an Implementing Agent and procure a Service Provider for the Feasibility Study.
A.02	Dukuduku Forest Water Supply	R 42 469		1	R 42 469	R 8 494	R 25 481	R 8 494	DWAF	R 45 000	
A.03	Khula Water Supply	R 15 837		1	R 15 837	R 6 335	R 9 502	R 0	DWAF	R 0	
A.04	eZwenelisha Water Supply Rehabilitation	R 922		1	R 922	R 922	R 0	R 0	DWAF	R 0	
A.05	General Waste Recycling and Garden Waste Composting	R 4 938		1	R 4 938	R 4 938	R 0	R 0	DLGTA (MIG or Corridor Fund)	R 1 400	Buyisa eBag from DAERD has committed some funding for recycling operation, but balance of funding is still required.
A.06	Dukuduku Provincial Road Intersections MR237 (R618)	R 1 978		1	R 1 978	R 1 978	R 0	R 0	DoT	R 1 978	DoT has committed funding for upgrade of intersections. This work will be guided by the Dukuduku Corridor Development Plan to be funded by DLGTA.
A.07	Dukuduku Forest Collector Roads	R 60 690		2	R 60 690	R 6 069	R 30 345	R 24 276	MIG	R 0	MIG approached for funding, but no funding commitment yet.
A.08	Khula Village Collector Roads	R 29 559		1	R 29 559	R 7 390	R 22 169	R 0	MIG	R 0	MIG approached for funding, but no funding commitment yet.
A.09	eZwenelisha Collector Roads Repair	R 1 761		1	R 1 761	R 1 761	R 0	R 0	MIG	R 0	MIG approached for funding, but no funding commitment yet.
A.10	Khula Electricity Supply Completion	R 0		1	R 0	R 0	R 0	R 0	ESKOM	R 0	Housing delivery schedule to be forwarded to ESKOM when the housing project is advertised.
A.11	eZwenelisha Electricity Supply	R 0		1	R 0	R 0	R 0	R 0	ESKOM	R 0	Housing delivery schedule to be forwarded to ESKOM when the housing project is advertised.
A.12	Dukuduku Forest Electricity Supply	R 0		3	R 0	R 0	R 0	R 0	ESKOM	R 0	Housing delivery schedule to be forwarded to ESKOM when the housing project is advertised.

B.1.2 PROJECT PROGRESS - UPDATE ON SPECIFIC PROJECTS

#	Programme	Budget (R000s)	% Budget	Priority Ranking	Budget (R000s)	Year 1 - 2009/10 (R000s)	Year 2 - 2010/11 (R000s)	Year 3 - 2011/12 (R000s)	Funding Source	Funding Amount Committed (R000s)	Progress Update to KZN Economic Cluster 2009/08/26
A.13	Primary Node - Detailed Urban Design Framework	R 350		1	R 350	R 350	R 0	R 0	DLGTA (Corridor Fund)	R 1 000	This project has been incorporated under the Dukuduku Corridor Development Plan to be funded by DLGTA.
A.14	Secondary Node - Detailed Urban Design Frameworks	R 600		1	R 600	R 600	R 0	R 0	DLGTA (Corridor Fund)	R 858	This project has been incorporated under the Dukuduku Corridor Development Plan to be funded by DLGTA.
B	Development Formalisation Programme	R 5 785	1.1%		R 5 785	R 4 065	R 1 720	R 0			
B.01	Dukuduku Household Definition and Survey	R 585		1	R 585	R 585	R 0	R 0	DHS or DRDLR	R 0	DHS and DRDLR have been approached to fund these projects, but no funding has been committed. These projects are crucial prerequisites for the ensuing Dukuduku Housing Project (C.01) since they resolve all planning and land / legal complexities, thus paving the way for a relatively risk free housing project.
B.02	Dukuduku Site boundary delineation and dispute resolution	R 2 000		1	R 2 000	R 1 000	R 1 000	R 0	DHS or DRDLR	R 0	
B.03	Dukuduku Environmental Impact Assessment	R 1 335		1	R 1 335	R 1 335	R 0	R 0	DHS or DRDLR	R 0	
B.04	Dukuduku Development Formalisation	R 725		2	R 725	R 290	R 435	R 0	DHS or DRDLR	R 0	
B.05	Khula Village : Delivery of Land Tenure	R 570		1	R 570	R 285	R 285	R 0	DHS	R 570	This project has since been incorporated with the Khula Village Housing Project (C.02).
B.06	eZwenelisha : Delivery of Land Tenure	R 570		1	R 570	R 570	R 0	R 0	DHS	R 570	This project has since been incorporated with the eZwenelisha Housing Project (C.03).

B.1.2 PROJECT PROGRESS - UPDATE ON SPECIFIC PROJECTS

#	Programme	Budget (R000s)	% Budget	Priority Ranking	Budget (R000s)	Year 1 - 2009/10 (R000s)	Year 2 - 2010/11 (R000s)	Year 3 - 2011/12 (R000s)	Funding Source	Funding Amount Committed (R000s)	Progress Update to KZN Economic Cluster 2009/08/26
C	Housing Programme	R 218 107	39.7%		R 218 107	R 42 359	R 69 038	R 106 710			
C.01	Dukuduku Housing Project	R 121 352		3	R 121 352	R 3 641	R 32 765	R 84 946	DoH	R 121 352	This is a very complex project which cannot be implemented by a typical implementing agent without the prerequisite planning and land / legal process being completed in order to mitigate risk. This project is totally dependent on the completion of Projects B.01, B.02, B.03 & B.04.
C.02	Khula Village Housing Project	R 72 546		2	R 72 546	R 14 509	R 36 273	R 21 764	DoH	R 72 546	Housing submission and advert are awaiting approval by DHS HoD, thereafter project can be advertised.
C.03	eZwenelisha Housing Project	R 24 209		1	R 24 209	R 24 209	R 0	R 0	DoH	R 24 209	The community stakeholders have agreed to restart this project which was stopped around April 2008 due to community dynamics with the adjacent Dukuduku community. The housing submission for additional funds to restart the project is awaiting approval by DHS HoD, thereafter the Implementing Agent can start..
D	Community Facilities Programme	R 62 460	11.4%		R 62 460	R 3 843	R 17 551	R 41 066			
D.01	Play equipment at crèches	R 1 016		1	R 1 016	R 1 016	R 0	R 0			
D.02	Multi Purpose Centre	R 5 047		3	R 5 047	R 252	R 2 271	R 2 524	DLGTA (MIG or Corridor Fund)	R 0	Broad endorsement of facilities by Mtubatuba Municipality, but further planning required to determined scope of facility and layout within Primary and Secondary Development Nodes, which will be addressed in the Dukuduku Corridor Development Plan to be funded by DLGTA.
D.03	Community Halls at secondary centres	R 4 326		3	R 4 326	R 0	R 1 082	R 3 245	DLGTA (MIG or Corridor Fund)	R 0	
D.04	Khula Taxi Rank	R 865		2	R 865	R 865	R 0	R 0	DLGTA (MIG or Corridor Fund)	R 0	

B.1.2 PROJECT PROGRESS - UPDATE ON SPECIFIC PROJECTS

#	Programme	Budget (R000s)	% Budget	Priority Ranking	Budget (R000s)	Year 1 - 2009/10 (R000s)	Year 2 - 2010/11 (R000s)	Year 3 - 2011/12 (R000s)	Funding Source	Funding Amount Committed (R000s)	Progress Update to KZN Economic Cluster 2009/08/26
D.05	Sports Kick-about	R 1 710		1	R 1 710	R 1 710	R 0	R 0	DLGTA (MIG or Corridor Fund)	R 0	Broad endorsement of facilities by Mtubatuba Municipality, but further planning required to determined locality of facilities.
D.06	Cemetery	R 1 097		3	R 1 097	R 0	R 274	R 823	DLGTA (MIG or Corridor Fund)	R 0	Broad endorsement of facility by Mtubatuba Municipality, but further planning required to determined scope of facility.
D.07	Educational Facilities	R 36 480		2	R 36 480	R 0	R 10 944	R 25 536	DoE	R 0	School principals have been consulted and educational facilities have been scoped in accordance with norms and standards with input from DoE. The priority is to first undertake major upgrade of existing 7 schools and then provide a new primary school in Khula Village and a new secondary school in Dukuduku. A Development Plan for Educational Facilities is being prepared.
D.08	Business Stalls in Tertiary Nodes	R 519		3	R 519	R 0	R 130	R 389	DED	R 0	A funding request to DLGTA Corridor Fund has been submitted for the upgrade of 2 existing facilities and the provision of container workshop facilities.
D.09	Primary Health Centre	R 11 400		2	R 11 400	R 0	R 2 850	R 8 550	DoHealth	R 0	Broad endorsement of facility by Mtubatuba Municipality and Department of Health, but the locality of this facility will need to serve the greater Mtubatuba area and may be located closer to Mtubatuba in lieu of Dukuduku. The need for additional clinics is still being verified against norms and standards.
E	Environmental Conservation Programme	R 35 839	6.5%		R 35 839	R 24 541	R 6 205	R 5 092			
E.01	Fencing of Futululu Forest	R 18 025		1	R 18 025	R 18 025	R 0	R 0	DWAE	R 0	DWAE approached for funding, but no funding commitment yet.
E.02	Indigenous Tree Nursery and Corridor Rehabilitation Project	R 2 493		1	R 2 493	R 1 247	R 1 247	R 0	DAERD	R 0	DAERD approached for funding, but no funding commitment yet.
E.03	Alien weed eradication	R 4 760		1	R 4 760	R 1 571	R 1 571	R 1 618	DAERD / DWAE	R 0	DAERD and DWAE approached for funding, but no funding commitment yet.

B.1.2 PROJECT PROGRESS - UPDATE ON SPECIFIC PROJECTS

#	Programme	Budget (R000s)	% Budget	Priority Ranking	Budget (R000s)	Year 1 - 2009/10 (R000s)	Year 2 - 2010/11 (R000s)	Year 3 - 2011/12 (R000s)	Funding Source	Funding Amount Committed (R000s)	Progress Update to KZN Economic Cluster 2009/08/26
E.04	Floral diversity documentation and rescue	R 861		1	R 861	R 861	R 0	R 0	DAERD / DWAE	R 0	DAERD and DWAE approached for funding, but no funding commitment yet.
E.05	Dukuduku Conservancy Project	R 2 514		2	R 2 514	R 830	R 830	R 855	DAERD	R 0	DAERD approached for funding, but no funding commitment yet.
E.06	Environmental Education for the Youth Project	R 1 910		1	R 1 910	R 630	R 630	R 649	DAERD	R 0	DAERD approached for funding, but no funding commitment yet.
E.07	Rehabilitation of environmentally sensitive areas	R 4 176		2	R 4 176	R 1 378	R 1 378	R 1 420	DAERD / DWAE	R 0	DAERD and DWAE approached for funding, but no funding commitment yet.
E.08	Compensation for on-site resettlement of homesteads in Dukudu	R 1 100		3	R 1 100	R 0	R 550	R 550	DRDLR / DWAE	R 0	No progress. PCC to advise which government entity to approach for funding.
F	Local Economic Development Programme	R 41 983	7.6%		R 41 983	R 7 558	R 14 083	R 20 342			
F.01	Permaculture Homestead Food Gardens	R 5 851		1	R 5 851	R 1 931	R 1 931	R 1 989	DAERD	R 2 709	DAERD has committed funding for Phasse 1 for 400 homestead gardens. An internal MoA between DAERD and DLGTA is being arranged. FOSKOR has agreed to fund 100 homestead gardens. The Wildlands Trust with funding from UNILEVER has funded 20 homestead gardens.
F.02	Poultry Farm Development Project	R 1 129		2	R 1 129	R 565	R 565	R 0	DAERD / DEDT	R 0	DAERD and DEDT approached for funding, but no funding commitment yet.
F.03	Khula Village Co-operative Upliftment Project	R 2 834		3	R 2 834	R 1 417	R 1 417	R 0	DEDT / DGLTA Corridor Fund	R 400	Awaiting funding approval from DLGTA Corridor Fund for development and support of co-ops that will be involved in FIFA 2010 Crafts.
F.04	eZwenelisha Organic Agricultural Development and Processing Project	R 5 340		3	R 5 340	R 0	R 2 670	R 2 670	DAERD	R 0	DAERD approached for funding, but no funding commitment yet.
F.05	eZwenelisha Commonage	R 684		2	R 684	R 0	R 684	R 0	DAERD	R 0	DAERD approached for funding, but no funding commitment yet.
F.06	Corridor Crafters Upliftment Project	R 6 219		1	R 6 219	R 2 488	R 2 488	R 1 244	DEDT / DGLTA Corridor Fund	R 600	DEDT has committed funding for a Feasibility Study. The ToR have been prepared and DEDT to procure a service provider.
F.07	Dukuduku African Experience Home Stay Project	R 3 197		3	R 3 197	R 0	R 959	R 2 238	DEDT / DGLTA Corridor Fund	R 0	Awaiting funding approval from DLGTA Corridor Fund for the establishment of 8 home-stay places attached to the 4 lodges to be upgraded in F.08.

B.1.2 PROJECT PROGRESS - UPDATE ON SPECIFIC PROJECTS

#	Programme	Budget (R000s)	% Budget	Priority Ranking	Budget (R000s)	Year 1 - 2009/10 (R000s)	Year 2 - 2010/11 (R000s)	Year 3 - 2011/12 (R000s)	Funding Source	Funding Amount Committed (R000s)	Progress Update to KZN Economic Cluster 2009/08/26
F.08	Khula Village Tourism Facilities	R 9 930		3	R 9 930	R 0	R 1 490	R 8 441	DEDT / DGLTA Corridor Fund	R 0	Awaiting funding approval from DLGTA Corridor Fund for upgrade of 4 lodges, provision of a mini-conference centre and restaurant.
F.09	Contractor Development Project	R 1 158		1	R 1 158	R 1 158	R 0	R 0	DAERD / DEDT	R 400	DEDT has committed funding for a Skills Audit and Capacity Building Programme. The ToR have been prepared and DEDT to procure a service provider.
F.10	Micro Enterprise Development and Training Project	R 5 014		3	R 5 014	R 0	R 1 254	R 3 761	DEDT / DGLTA Corridor Fund	R 0	Awaiting funding approval from DLGTA Corridor Fund for seed operating costs to initiate FIFA 2010 crafts.
F.11	Micro Finance Institution – Preliminary Review	R 627		2	R 627	R 0	R 627	R 0	DEDT	R 0	The concept for a Grameen Bank type initiative has been accepted, but further work is required to explore this feasibility.
G	Institutional Capacity Building Programme	R 5 219	0.9%		R 5 219	R 2 560	R 1 480	R 1 180			
G.01	Facilitate Settlement of Land Claims	R 1 000		1	R 1 000	R 800	R 200	R 0	DLGTA	R 0	A framework for settlement of claims within project area has been determined in consultation with stakeholders. Funding motivations for ongoing settlement of land claims has been made to DRDLR, but no funding commitment yet. Work thus far has been covered by the contract with the Project Management Team.
G.02	Land Allocations Policy	R 234		1	R 234	R 234	R 0	R 0	DLGTA	R 0	A Land Allocations Policy has been drafted for consultation with stakeholders. Funding motivations for ongoing policy establishment has been made to DHS and DRDLR, but no funding commitment yet. Work thus far has been covered by the contract with the Project Management Team.
G.03	Land Administration Support	R 257		2	R 257	R 103	R 103	R 51	DLGTA	R 0	A Land Administration framework has been drafted. Funding motivations for ongoing land administration has been made to DHS and DRDLR, but no funding commitment yet. Work thus far has been covered by the contract with the Project Management Team.

B.1.2 PROJECT PROGRESS - UPDATE ON SPECIFIC PROJECTS

#	Programme	Budget (R000s)	% Budget	Priority Ranking	Budget (R000s)	Year 1 - 2009/10 (R000s)	Year 2 - 2010/11 (R000s)	Year 3 - 2011/12 (R000s)	Funding Source	Funding Amount Committed (R000s)	Progress Update to KZN Economic Cluster 2009/08/26
G.04	Facilitate LED development projects	R 3 318		1	R 3 318	R 1 095	R 1 095	R 1 128	DLGTA / DED	R 0	This project has been incorporated within the overall programme management and funding from DLGTA has been secured.
G.05	Synergistic partnerships	R 410		1	R 410	R 328	R 82	R 0	DLGTA	R 0	No progress.
H	Programme Management	R 21 235	3.9%		R 21 235	R 7 008	R 7 008	R 7 220			
H.01	Programme technical management	R 8 246		1	R 8 246	R 2 721	R 2 721	R 2 804	DLGTA (Corridor Fund)	R 4 000	The contract with the Project Management Team has been extended with funding commitment until August 2010.
H.02	Social facilitation	R 8 564		1	R 8 564	R 2 826	R 2 826	R 2 912	DLGTA (Corridor Fund)	R 4 000	
H.03	Secretariat	R 646		1	R 646	R 213	R 213	R 220	DLGTA (Corridor Fund)	R 1 000	
H.04	Technical support	R 3 779		1	R 3 779	R 1 247	R 1 247	R 1 285	DLGTA (Corridor Fund)	R 7 000	
	Total Project Funding	R 550 051	100.0%		R 550 051	R 131 089	R 204 582	R 214 380		R 289 592	
										53%	

B.1.3 PROJECT PROGRESS – SUMMARY OF FUNDING COMMITMENTS

1. Funding required

1. R550m required over the envisaged 3 year development period.

2. Funding commitment secured as at 2009/08/26

1. R220m from Department of Human Settlements (DHS)
2. R45m from Department of Water Affairs and Forestry (DWAF)
3. R1m from the Department of Economic Development and Tourism (DEDT)
4. R18m from Department of Local Government & Traditional Affairs (DLGTA)
5. R4m from Department of Agriculture Environment & Rural Development (DAERD)
6. R2m from Department of Transport (DoT)

3. R290m total funding commitment to date

4. 53% of total funding secured

B.2.1 KEY INTERVENTIONS REQUESTED - URGENT INSTITUTIONAL ISSUES

1. Appointment of 2 Trustees by DHS.
2. Appointment of 2 Trustees by DLGTA.
3. Appointment of 2 Trustees by Mtubatuba Municipality.
4. Appointment of 3 Trustees by Mpukunyoni Traditional Council.
5. Establishment of the Land Holding Trust.
6. Deproclamation of State Forest Land.
7. Consolidation and transfer of State owned land to KZN DHS.
8. Land Availability Agreement signed between DHS and the Trust for the implementation of housing projects and other LED type projects.
9. Allocation of funding by DHS to provide for the secretariat, land policy formulation and land administration by the Trust.
10. Co-option of the Department of Community Safety and Liaison and the KZN Commissioner (SAPS) to assist with environmental compliance actions with respect to the illegal farming activities in the Umfolozi Swamp Forest.

B.2.2 KEY INTERVENTIONS REQUESTED - URGENT PROJECT / FUNDING APPROVALS

1. uMkhanyakude District Municipality to appoint an Implementing Agent and to procure a Service Provider for the Feasibility Study for Water Supply Projects.
2. Khula Village Housing Project to be approved by DHS.
3. eZwenelisha Housing Project to be approved by DHS.
4. Dukuduku Development Formalisation Project(s) to be approved by DHS, and/or, DRDLR as a prerequisite to the Dukuduku Housing Project.
5. Approval of the Terms of Reference to procure a Service Provider for the Dukuduku Corridor Crafters Project by DEDT.
6. Approval of the Terms of Reference to procure a Service Provider for the Skills Audit and Capacity Building Programme by DEDT.
7. Conclusion of the Funding Memorandum of Agreements for the 400 Permaculture Homestead Gardens between DAERD and DLGTA .
8. Approval of the Dukuduku Corridor Development Plan to be approved by DLGTA Corridor Fund.
9. Approval of the Upgrade of Khula Village Tourism Facilities Project by DLGTA Corridor Fund.
10. Approval of the Dukuduku Mini-Workshop Facilities Project by DLGTA Corridor Fund.
11. Approval of the Dukuduku Craft Development Project by DLGTA Corridor Fund.
12. Approval of the Dukuduku Co-operatives Support Project by DLGTA Corridor Fund.

B.2.3 KEY INTERVENTIONS REQUESTED - IN-PRINCIPLE FUNDING COMMITMENTS

1. Secure funding commitment from DAERD for environmental conservation such as, alien weed eradication, rehabilitation of green corridor and plant rescue project.
2. Secure funding commitment from DAERD for the Greening of the Dukuduku Corridor.
3. Secure funding commitment from DAERD for the development of productive commonage areas for cash crops.
4. Secure funding commitment from DAERD for the establishment of co-operatives that will co-ordinate agricultural production, add value to crops, and, provide ongoing support to farmers.
5. Secure funding commitment from DEDT for the support of existing SMEs / Co-operatives.
6. Secure funding commitment from DLGTA MIG for Collector Roads.
7. Secure funding commitment from DoE for the upgrade of 7 existing schools and the provision of 2 new schools (one primary and one secondary school).
8. Secure funding commitment from DoH for a Community Health Centre for the greater Mtubatuba area.
9. Secure funding commitment from DLGTA MIG for one MPCC and 4 community halls at Secondary Development Nodes.
10. Secure funding commitment from DWAE for the fencing of Futululu Forest and partial fencing of the Dukduku and iSimangaliso interface area.
11. Secure funding commitment from DRDLR for the compensation of affected homesteads that will need to be relocated to within the project development area and for the curtailment of agricultural activities before August 2008.
12. Secure funding commitment from DRDLR to facilitate the resolution of land claims in the greater project area.
13. Secure funding commitment from DEDT for feasibility studies for newly identified agro-processing projects.

DUKUDUKU ON-SITE RESETTLEMENT PROJECT

PART C – HOLISTIC LOCAL ECONOMIC DEVELOPMENT APPROACH

1. AGRICULTURAL DEVELOPMENT

- 1.1 LAYOUT CONCEPTS FOR SUSTAINABLE AGRICULTURE
- 1.2 PROJECT CONCEPTS FOR SUSTAINABLE AGRICULTUE
- 1.3 NEW AGRO-PROCESSING PROJECTS IDENTIFIED

2. ECO-TOURISM DEVELOPMENT

- 2.1 UPGRADE OF LOCAL LODGES
- 2.2 FIFA 2010 CRAFTS

3. LED SUMMARY

- 3.1 FUNDING REQUIREMENTS & KEY PRIORITIES

C.1.1 AGRICULTURAL DEVELOPMENT – LAYOUT 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

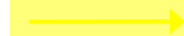
Keyline rainwater
harvesting swales

Water course

Keyline dam for
gravity fed irrigation
with ram pumps



Site access



Town planning layout to make
provision for avg 0,5ha homestead
sites and avg 0,5 to 1,0 ha
agricultural allotments

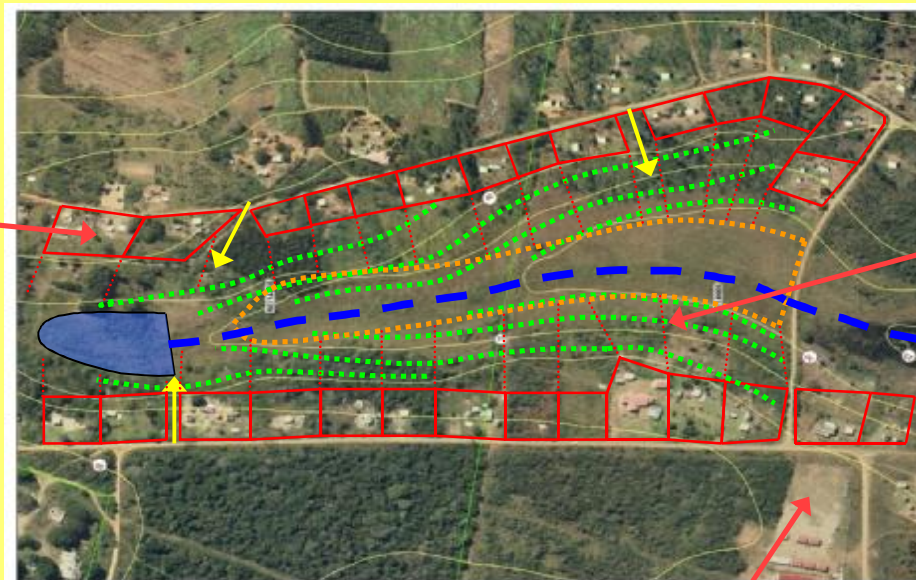
C.1.2 AGRICULTURAL DEVELOPMENT – PROJECT CONCEPTS FOR SUSTAINABLE AGRICULTURE



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.

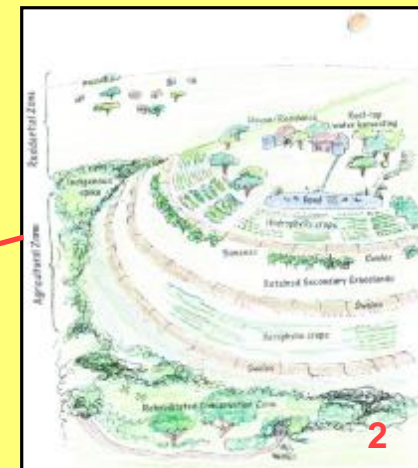


Village Co-operative / Farmers Support Centre

Establishment of infrastructure – DEDT

Equipment – DFIs

Operational support - DAERD



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

C.1.3 AGRICULTURAL DEVELOPMENT – NEW AGRO-PROCESSING 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.2.1 ECO-TOURISM DEVELOPMENT - UPGRADE OF LOCAL LODGES



C.2.2 ECO-TOURISM DEVELOPMENT - FIFA 2010 CRAFTS



FIFA 2010 Crafts currently produced by existing SMEs / Co-operatives



C.3.1 LED SUMMARY - 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	DEDT	3	R 519	R 0	R 130	R 389
E.01	Fencing of Futululu Forest	DWAE	1	R 18,025	R 18,025	R 0	R 0
E.02	Indigenous Tree Nursery and Corridor Rehabilitation Project	DAERA	1	R 2,493	R 1,247	R 1,247	R 0
E.03	Alien weed eradication	DAERA	1	R 4,760	R 1,571	R 1,571	R 1,618
E.04	Floral diversity documentation and rescue	DAERD	1	R 861	R 861	R 0	R 0
E.05	Dukuduku Conservancy Project	DAERD	2	R 2,514	R 830	R 830	R 855
E.06	Environmental Education for the Youth Project	DAERD	1	R 1,910	R 630	R 630	R 649
E.07	Rehabilitation of environmentally sensitive areas	DAERD	2	R 4,176	R 1,378	R 1,378	R 1,420
F.01	Permaculture Homestead Food Gardens	DAERD	1	R 5,851	R 1,931	R 1,931	R 1,989
F.02	Poultry Farm Development Project	DAERD	2	R 1,129	R 565	R 565	R 0
F.03	Khula Village Co-operative Upliftment Project	DEDT	1	R 2,834	R 1,417	R 1,417	R 0
F.04	eZwenelisha Organic Agricultural Development & Processing Project	DEDT	3	R 5,340	R 0	R 2,670	R 2,670
F.05	eZwenelisha Commonage	DAERD	2	R 684	R 0	R 684	R 0
F.06	Corridor Crafters Upliftment Project	DEDT	1	R 6,219	R 2,488	R 2,488	R 1,244
F.07	Dukuduku African Experience Home Stay Project	DEDT	3	R 3,197	R 0	R 959	R 2,238
F.08	Upgrade of Khula Village Tourism Facilities Project	DEDT	3	R 9,930	R 0	R 1,490	R 8,441
F.09	Contractor Development Project	DAERD	1	R 1,158	R 1,158	R 0	R 0
F.10	Micro Enterprise Development and Training Project	DEDT	3	R 5,014	R 0	R 1,254	R 3,761
F.11	Micro Finance Institution – Preliminary Review	DEDT	2	R 627	R 0	R 627	R 0
G.04	Facilitate LED development projects	DEDT	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.3.1 LED SUMMARY - FUNDING REQUIREMENTS & KEY PRIORITIES

Funding	Budget (R000s)	Year 1 - 2009/10 (R000s)	Year 2 - 2010/11 (R000s)	Year 3 - 2011/12 (R000s)
DAERD	R 25,536	R 10,171	R 8,836	R 6,531
DWAE	R 18,025	R 18,025	R 0	R 0
DEDT	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%