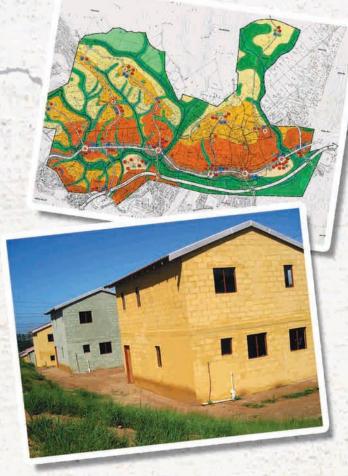


Project Preparation Trust

'Working to change the lives of the poor through appropriate and sustainable development'



Programme Focus

PPT is involved in a range of mutually supporting developmental programmes and wherever possible pursues a holistic and integrated approach:

- Low income housing at scale and including settlement planning and related infrastructure.
- Infrastructure basic infrastructure (e.g. water supply, sanitation, road access) as well as bulk infrastructure (e.g. water & sewer mains, sewer & water treatment upgrades).
- Informal settlement upgrading full upgrading (full services, housing & title) or interim basic services (e.g. rudimentary water supply, sanitation, access roads, solid waste disposal).
- Special needs housing and HIV/AIDS relief such as community care homes for orphans and vulnerable children and accommodation for the chronically ill or those with disabilities.
- Economic development, sustainable livelihoods and

Core Function

Project Preparation Trust of KwaZulu Natal is an independent public interest organization with more than 20 years experience in the preparation of a range of developmental projects for disadvantaged communities and in mobilizing capital funding and other resources for them. PPT has a particular focus on the poorest of the poor and those in special need such as people residing in highly marginalized rural communities or urban informal settlements, vulnerable children, or those affected by HIV/AIDS. In many instances the projects with which PPT is involved are innovative pilots, which test new and improved development solutions and approaches. PPT was registered with the Master of High Court in 1993, the year before the election of South Africa's first democratic government. PPT is a registered not-for-profit organization.



poverty alleviation - including training and support for micro-entrepreneurs, participative local economic action planning, food gardens, and fruit tree planting.

- Integrated development planning at the local level.
- Land reform land acquisition and planning for human settlement, land restitution and agrarian reform projects.
- Sustainable energies appropriate energy products for poor households such as small photovoltaic systems, solar water heaters, gel fuel, small wind turbines and solar cookers.
- Skills transfer and capacity building including the transfer of project preparation skills to government and the capacitation of grassroots organizations.
- Policy and strategy work typically provided to various spheres of government to create more conducive conditions for development and informed by PPT's extensive projectlevel experience.

Services

PPT operates primarily as a management core which assists its community, government and donor clients in managing project preparation in an effective, systematic and participative manner. This typically includes managing project funding, assessing and pre-screening candidate projects, briefing and managing professional project teams (whether private sector or NGO based), ensuring broad stakeholder participation and troubleshooting to resolve challenges. In capital intensive projects this typically also includes managing pre-feasibility and feasibility studies and submitting and following through on applications for implementation funding. In executing these services, PPT ensures the support and participation of all key stakeholders including the beneficiary community, local municipality, key government departments, and project funders. PPT also provides selective training, capacity building and policy services.



Project preparation consists of the entire social, technical and financial work required to ensure that a proposed project is feasible and appropriate and that it can be successfully implemented. The process ensures the identification and elimination of key risks at the earliest possible time and maximises development opportunities by ensuring that projects are well conceptualised. Typical preparation activities include: the identification of funding sources, needs assessments, community and stakeholder consultations, the development of project concepts, assessments of site suitability (e.g. topography, geotechnical and environmental conditions, bulk services), land availability negotiations and agreements, participative planning, preliminary design, estimates for capital and operational costs and applications to funders or implementation partners. Most of this work takes place during the pre-feasibility and feasibility phases. Please also refer to the project preparation cycle diagram which illustrates more fully PPT's systematic approach to project preparation.







Project Cycle

Concept & Feasibility (Project Preparation)

(Specification & Costs) **Detailed Design**

Implementation / Construction

Handover (& Review) Commission and

Maintenance (& Review) Operating and

Project Viable?

Preparation Project Cycle

the preparation process for state or donor funded specific circumstances & project types, especially generic process may be required depending on Note: This cycle is generic & based mainly on housing & infrastructure projects. The primary stages are 2, 3, & 4. Some adaptation of this nature. All figures are in South African rands for projects which are non-infrastructural in

Timescale: 1 to 6 wks.

Project Identification and Prioritisation

Answers the question: Which projects or initiatives should be prioritized?

choices need to be made. Projects assessed against defined selection criteria & prioritized via an initiation area) to ensure that local level spatial planning is timetable. Typically undertaken at the programme level (a group of potential projects or geographic demand exceeds available resources & rational Purpose and scope: Appropriate where project Cost: Variable, but typically R10K to R50K. in synch with prioritized projects.

Preliminary Assessment

funding be released & what are the main risks Answers the question: Should preparation Purpose and scope: Lightweight, upfront that require mitagation?

with full scale preparation. Includes collection key risks & opportunities prior to commencing project by a suitable professional. Identifies of available information, desktop assessment initial stakeholder consultation & site visit. assessment (pre-screening) of a specific Defines scope & budget for detailed preparation phases to follow.

Cost: Typically R4K to R8K Timescale: 1 to 3 wks.

Take Special Action Ferminate OR

risk profile, can the risks be mitigated & what Answers the question: What is the project's is the preliminary project concept?

Pre-feasibility

Purpose and scope: Risks assessed by a feam of suitably skilled professionals. Assessments usually include site suitability (land legal, bulk funding availability. Broad project concept & rough capital & operational costs are defined. Cost: Variable, but typically R40K to R100K. environmental etc), stakeholder support & services, geotechnical, topography, Timescale: 2 to 6 months

Terminate OR 9

Take Special Action

and increasing cost of declining influence change over time **Graph showing**

Level of Influence

Cost to Change

(Ref "Project Management & Control Techniques": Rory Burke. Promatec, 1999) Concept Design

9 Answers the question: Was project preparation effective & how can it be improved in future

Monitoring and Review Answers the question: Is the project feasible and supported, what is the concept & how much will it cost to implement?

professionals to resolve any outstanding risks & applications to implementation / capital funders parameters (capital & operational) at a preliminary level. Project concept finalized with support from depending on stakeholder & funder requirements. all key stakeholders. Ensures project is feasible, Cost: Variable, but typically R100K to R600K. made. Scope & costs may vary considerably define planning, design, institutional & cost appropriate & sustainable. Comprehensive Purpose and scope: More detailed work undertaken by a team of suitably skilled

Feasibility

effectiveness reviewed. Feedback given to

Cost: Typically R2K to R6K per project.

stakeholders.

Fimescale: Variable

Purpose and scope: Project preparation

projects?

fimescale: 2 to 6 months 2 Timescale: Highly variable - from a few weeks approvals or agreements with implementation Answers the question: Has implementation

requirements & queries are met. Funding

partners are concluded.

Cost: Variable. to over a year

Purpose and scope: Outstanding funder

funding been secured?

Follow Through

with Investors

Managing Donor Funding

PPT has successfully managed a wide range of development funds and has a clean audit history in this regard. Funding sources managed include: United States Agency for International Development, European Union, Flanders Government, Nedbank Foundation, National Development Agency, Gijima KZN, Business Trust, Shared Growth Challenge Fund, U.K. Charity Aids Foundation, City of Leeds and private donors such as The DG Murray Trust, Angela Mai and National Lotteries Board.

Impact and Achievements

Capital leveraged: The projects PPT has prepared have resulted in R1.82 billion in capital funding being leveraged for over 218,000 disadvantaged households in 170 pro-poor development projects. The projects include housing and infrastructure, special needs housing and HIV/AIDS relief, pro-poor local economic development, sustainable energies and capacity building and skills transfer. Projects under preparation: PPT is currently preparing 57 projects benefiting over 77,000 households with a projected capital value of R276 million Gearing: The effectiveness of PPT's focus on project preparation is evident in the high gearing it achieves on both its operating overheads and the preparation funds utilized when measured against the capital leveraged. There is also additional and un-quantified aearing which relates to such benefits as improvements in people's quality of life, livelihoods, income generation and operating funds flowing into projects.

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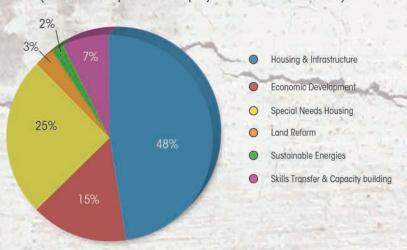
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All information and data as at March 2015

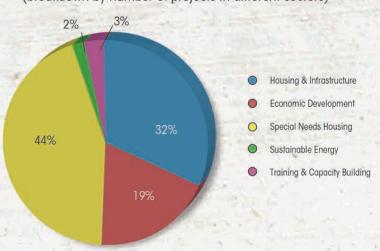
Funding Leveraged by PPT prepared projects 1995 - 2015

R1.82B for 170 projects & over 218,000 hh. (breakdown by number of projects in different sectors)



Projects under preparation by PPT:

57 projects with a total capital value of R276M (breakdown by number of projects in different sectors)



Gearing 1995 - 2015

On PPT's operating costs 1:48
On preparation funding expended 1:52

