

**SECTION 4**

**PROJECTS**

#### **4.1 Introduction**

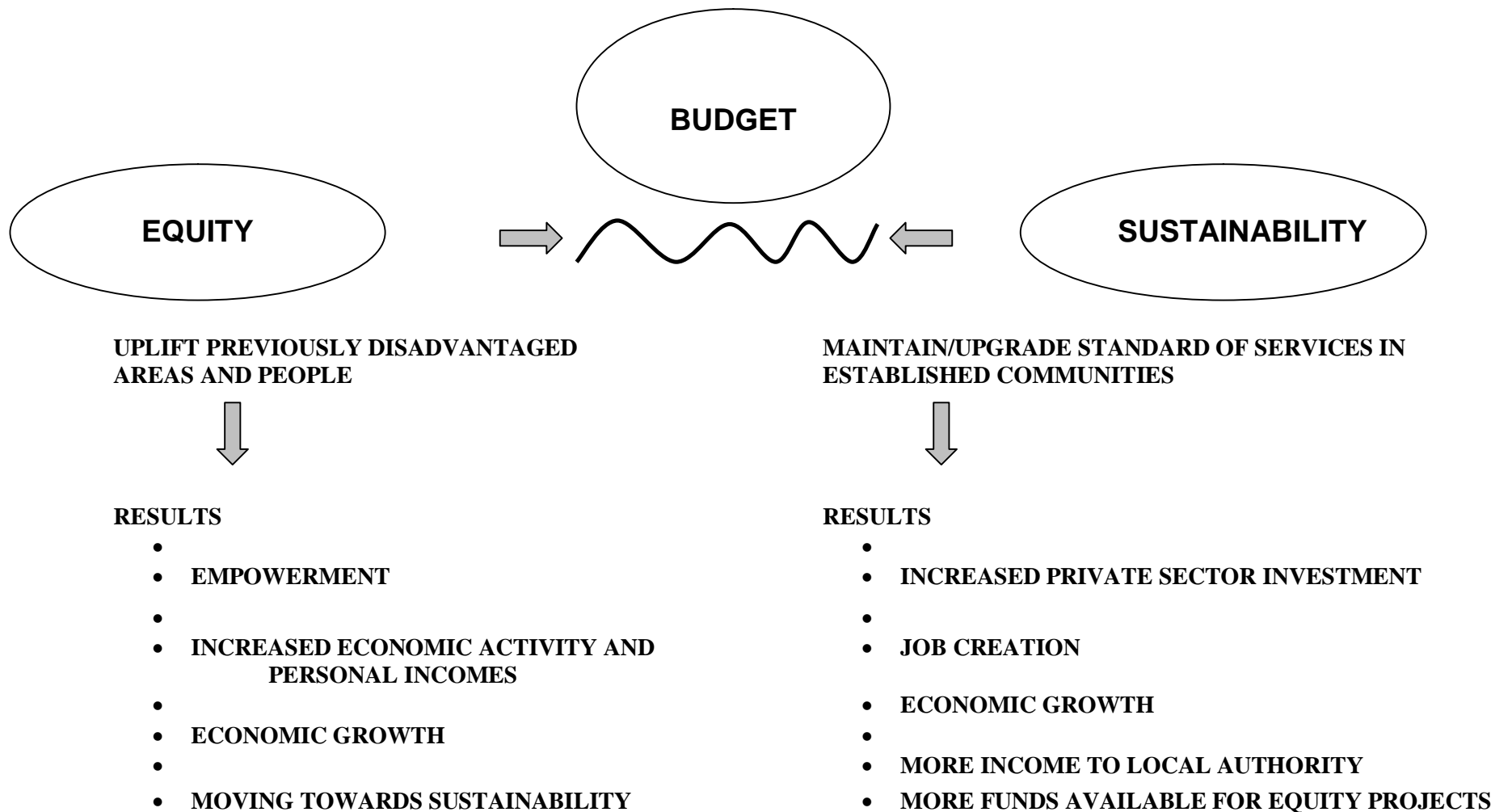
A total of 26 capital projects were identified in 2011/12 to address the six (6) Key Performance areas. During the 2012/13 IDP exercise all these projects were reviewed in terms of progress, future expected funding and their continued relevance in terms of addressing the strategic objectives. Projects were revised in terms of budgetary requirements and time-frames, some projects were cancelled or incorporated into other projects, and new projects were identified.

It is recognized that the funding expectations as reflected in the project list seems optimistic and that funding for all projects may probably not be forthcoming during the next 3 years. However, all projects were listed as a true reflection of the most urgent needs in Lesedi, and the project list will form the basis of future capital budgeting and funding applications by the local authority. Should adequate funding not be forthcoming, the Council will do further prioritization.

#### **4.2 The Approach towards Selection of Projects**

The main factors that were taken into account by Lesedi during the selection of projects included the following:

- **Strategic Direction**  
The sectoral strategic guidelines and strategies pertaining to priority issues suggested certain projects.
- **Needs Expressed by Communities and other Role Players**  
Most projects that were selected are in response to needs expressed by local communities in the area.
- **Grant Funding**  
All projects for which grant funding has already been secured were included.
- **Continuity**  
Many capital projects run over more than one financial year. All current projects, which will run over into the 2012/13 financial year, were included.
- **The Equity Principle**  
The need to balance the capital budget between upliftment of previously disadvantaged areas and maintenance of established areas was one of the main principles behind selection. The dynamics of this principle is schematically illustrated in figure below.



### 4.3 Project Prioritization Criteria

Should the need arise to further prioritize competing projects, six main criteria, each with a number of sub criteria; will be used to rank competing projects, as set out in tabular format below.

MAIN CRITERIA	SUB CRITERIA
<b>1. Basic Needs</b>	1.1 Will the project address the provision of essential services of a basic level of service to low-income households?
	1.2 Will the project contribute towards the mobility of communities/households?
	1.3 Is there strong community/consumer/political support for the project on environmental grounds?
	1.4 Will the project contributes to the improvement of the local environment?
<b>2. Economic Development &amp; Job Creation</b>	2.1 What is the economic cost benefit of the project?
	2.2 Will the project contribute significantly to the promotion of the area's economic base or comparative advantage?
	2.3 What possible potential has this project for Private Sector Partnerships?
	2.4 Does the project have the potential to increase levels of income, particularly for low-income communities?
	2.5 What is the local labour content during the construction period? (Local labour cost as a percentage of total value of project)
	2.6 From a preliminary analysis, what is the potential for SMME / Local Contractor development?
	2.7 Will the project contribute towards significant long-term employment opportunities?
	2.8 Will the project contribute towards significant skills transfer and/or capacity building for disadvantaged groups?
<b>3. Affordability / Sustainability</b>	3.1 Are the levels of service of this project affordable to the income level of the target households/consumers?
	3.2 Is design and specification of the project technologically appropriate, economically structured and makes use of local resources?
	3.3 Is the project income generating for the organisation?
	3.4 From preliminary analysis, what is the environmental impact of this project?
	3.5 As a proportion of the capital cost, estimate the annual operational/maintenance cost on completion?
	3.6 Is there sufficient institutional capacity to implement/maintain the project during the project life?
<b>4. Integration</b>	4.1 The project in support of negotiated and approved IDP goals and objectives?
	4.2 Is the project in support of Provincial and National goals and objectives?
	4.3 Is the project part of an approved programme of projects?
	4.4 Is the project in any way obstructive to development efforts of other levels of government?

MAIN CRITERIA	SUB CRITERIA
	4.5 Will the implementation of the project lead to successful racial integration?
<b>5. Equity and Redistribution</b>	5.1 Will disadvantaged community's share in the benefit of this project?
	5.2 Will the project impact on the Lesedi society as a whole?
	5.3 Will the project provide for gender equality?
	5.4 Will the project provide for the disabled?
<b>6. Efficiency</b>	6.1 Will the project make better utilization of available resources without any additional capital or operating expenses?
	6.2 Will the project significantly increase the productivity of the local municipality?
	6.3 Will the implementation of the project promote the efficient functioning of the urban and rural areas?
	6.4 Will the project lead to better efficiency in the governance of a local area?
	6.5 Will the Project contribute to Human Resource development?

Find attached a list of Proposed Capital Project to implement strategies: