

Budget shifts to support strategic shift

- ☀ R51.5 million ring fenced for direct community driven programme interventions in current year.
- ☀ Management fees adjusted upwards in line with new contractual expectations
- ☀ Material expenditure increases not possible (reliance therefore on transformation of operations)



Income and Expenditure Summary


	Actual	Budget	Forecast	Forecast	Forecast
	2009	2010	2011	2012	2013
	R	R	R	R	R
	thousand	thousand	thousand	thousand	thousand
Expenditure	352,748	381,533	391,388	420,560	452,693
Income	157,524	106,500	109,500	118,000	146,000
Investment income - net	134,608	74,500	54,500	28,000	1,000
Management fees	20,043	32,000	55,000	90,000	145,000
Deficit	342,069	332,033	281,888	302,560	306,693
Closing balance on Investment Fund:	948,241	616,208	334,320	31,761	(274,933)



Budget: Concluding Comments


- ☼ Total budget increase is conservative and is in line with adopted guidelines
- ☼ Allocations can be afforded up to 2012
- ☼ Limited capacity exist to significantly impact on revenue generating capacity in the short term.
- ☼ The income and expenditure summary reflects the funding required from Treasury.







Partnerships

- Partnerships are inspired by IDT's mission to work "with strategic partners, [to] enable poor communities to access resources, and to recognize and unlock their own potential to continuously improve the quality of their lives". These have included:
 - International corporation partnerships directed at improving the capacity of the IDT and state to deliver such as Kellogg Foundation and the Republic of Cuba
 - Civil Society partnerships directed at gender mainstreaming and women's empowerment including the Progressive Women's Movement of SA, SA Women in Dialogue (SAWID), South African Women in Construction (SAWIC)
 - those directed at promoting economic participation, social cohesion and sustainable livelihoods which have included economic sector partners including small and medium sized contractors, the NEF, and Lonim Platinum as well as civil society organisations such as Khanya and SOMAFCO X
- Consequently the IDT is in the process of finalising its stakeholder and resource mobilisation strategies with a view of integrating and synergizing its relationships




Partnerships






Perspectives on sustainability

- * Overall sustainability refers to achieving a balance between relevance of purpose, financial viability and institutional integrity
- * Relevance is key: Pertains to the IDT's ability to remain relevant and efficient, adding value to the national development priorities through programmes and initiatives aimed at the redress, redistribution and the eradication of poverty.
- * Hence in terms of its mandate, the IDT offers a unique suite of services, which differentiates it from other institutions:
 - Models, products and services for development programme implementation, harnessing of resources with strategic partners and improving delivery capacity.
 - Rapid assessment and implementation of interventions and ability to reach the remote areas of the country.
 - A knowledge-based institution with sound monitoring and evaluation systems and tools
 - Quality services that consistently add value (not extra hands)
- However, the IDT must be financially sustainable in the medium term if it is to achieve overall effectiveness




Long-term Sustainability of the IDT


Key Assumptions underpinning the Board Decisions: August 2005




- ☀ The IDT will use its resources to:
 - ☀ deliver its mandate
 - ☀ Invest in innovative models of people-centered development and create the best practices and success stories in poverty eradication.
 - ☀ This would imply that over time the IDT would substantially reduce its the capital base
 - ☀ However, in doing so the IDT would be able to demonstrate its effectiveness to the Shareholder (and the citizenry) and its effectiveness and impact would thus persuade decision makers of the effectiveness of the IDT and the need for it to be recapitalized
 - ☀ E.g., The outcomes of the DFI review which confirmed the IDT's role as a development agency and the effectiveness of its model of social infrastructure delivery

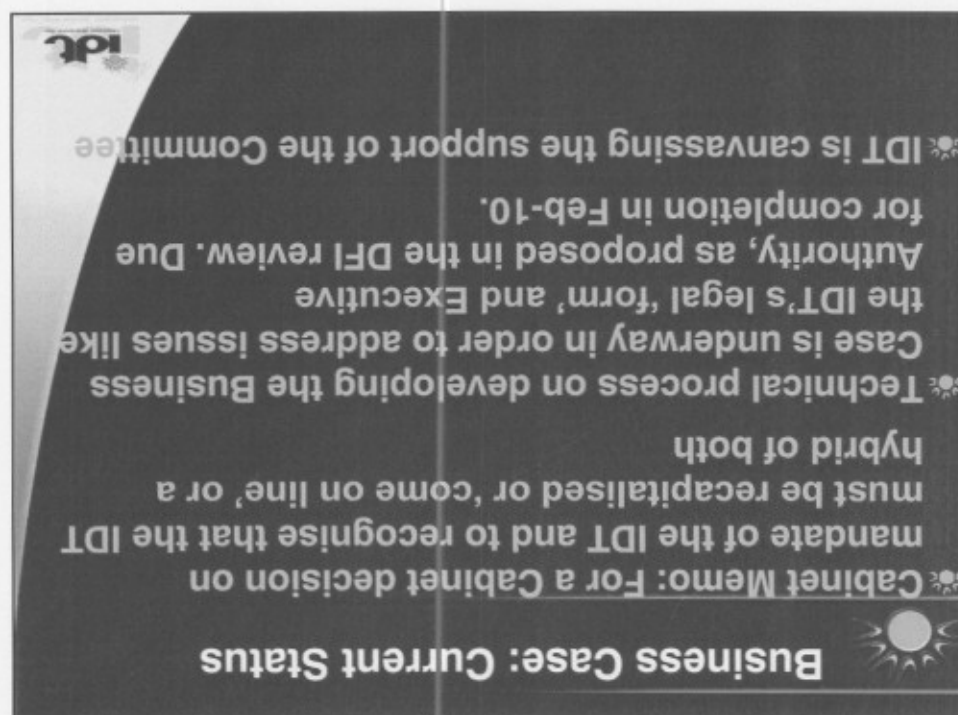
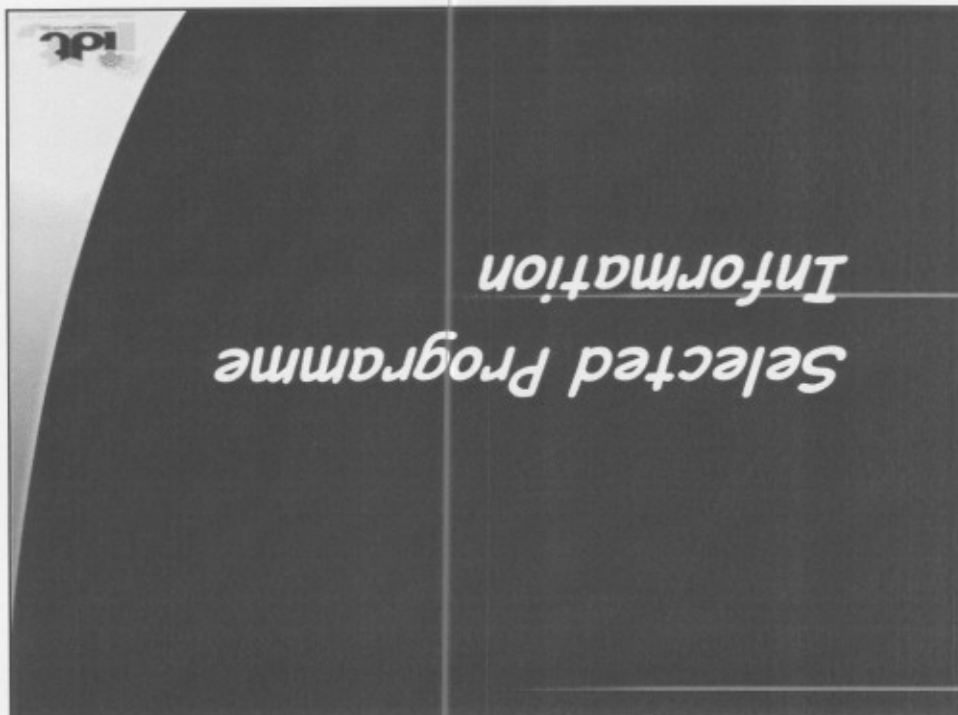



Board Decisions: August 2005



- ☀ Approved a business model which is a hybrid of three options:
 - ☀ A: IDT Profile Services: innovative projects designed and implemented by the IDT and in which the IDT invests its own resources
 - ☀ B: Service Delivery Programmes: where the IDT renders programme implementation (current turnover programmes) at full cost recovery including programmes delivered free in the past
 - ☀ C: Specialist Support Services: commercial projects, where the IDT's expertise and resources are required and are important enough for the client to be prepared to pay a premium (e.g. strategic planning, programme evaluation, designing poverty profiles)









Service Model

Business Model:-

Category A - Service Delivery Programmes: where the IDT renders programme implementation on behalf of Client Departments on a cost recovery basis.


Category B - IDT Profile Services: Development interventions designed and implemented by the IDT and in which the IDT invests its own resources.

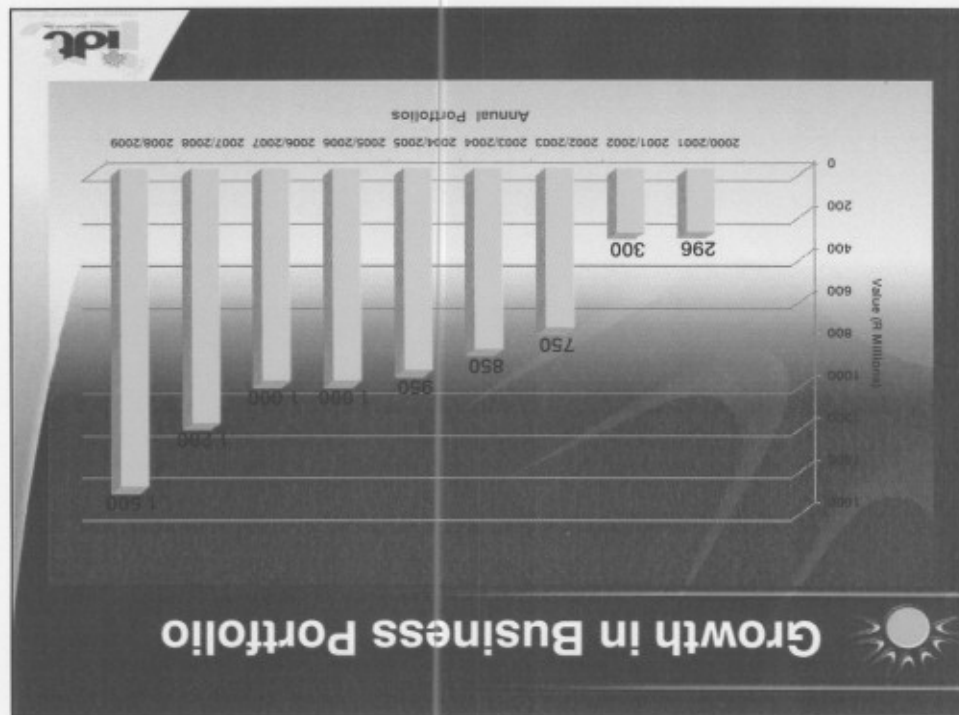
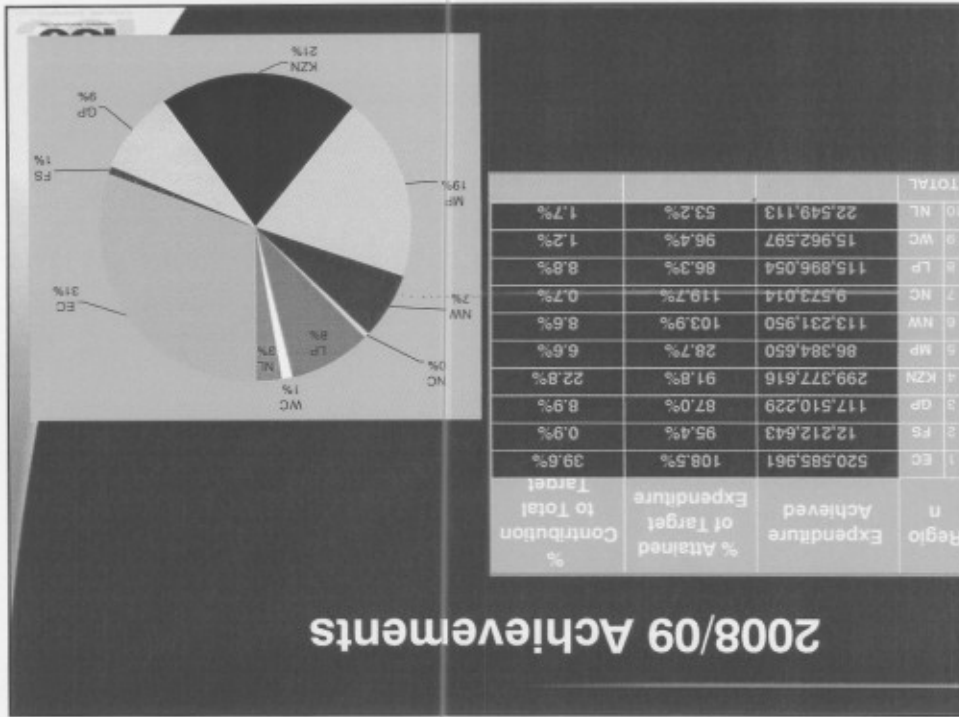



Current Development Services Portfolio

The IDT has three core business areas which it offers as an integrated suite of services and products.

- ☀ **Development programme management**
 - Social infrastructure
 - Social development
- ☀ **Community based poverty eradication programmes**
 - Community based organisations support
 - Sustainable livelihood initiatives
 - Poverty eradication interventions
- ☀ **Institutional delivery capacity building**
 - Municipal support programme
 - Women organisations support (SAWIC, SAWID, PWASA)
 - Public sector development programming support





IDT Capacity



- ☀ National presence with offices in each of the 9 provinces;
- ☀ Core team of programme management staff supplemented by professional teams from private sector;
- ☀ Proven competent programme management skills reinforced by robust development administration competencies.
- ☀ Sound financial management systems (obtained an unqualified audit over a consecutive period of 7 years).
- ☀ Robust management systems and tools to aid programme implementation and enhance outcomes achievement and reporting. These include:-
 - ☀ electronic programme management systems
 - ☀ world class project planning and management methodologies
- ☀ Employs community driven development approach underpinned by sustainable livelihoods principles.

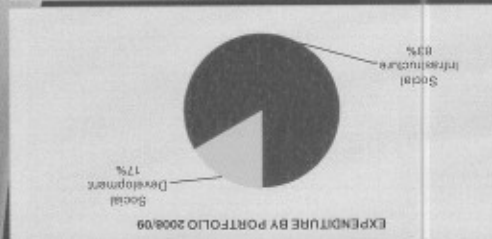
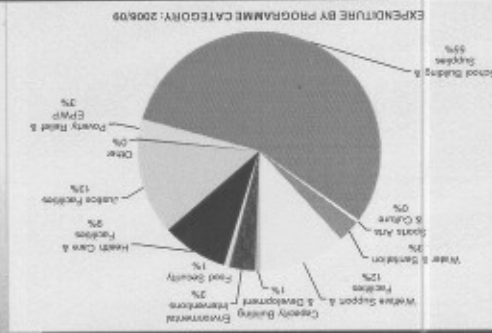
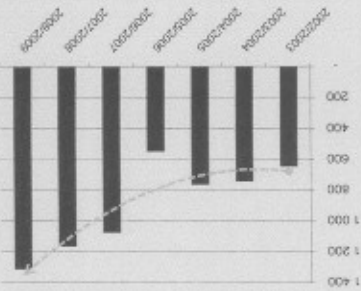


Programme Delivery Performance



Financial Year	Expenditure
2002/2003	650
2003/2004	747
2004/2005	767
2005/2006	551
2006/2007	1 079
2007/2008	1 167
2008/2009	1 313
PROGRAMMES DELIVERED TO DATE	6 226

Expenditure Performance Trend



Mud & Unsafe Structures MTEF Budget alloc. per Province

Province	2006		Total for MTEF			Additions to MTEF Baseline earmarked for Education (R,000)		
	Total Structures Per NEIMS	2006	2008/09	2009/10	2010/11	2008/09	2009/10	2010/11
Eastern Cape	3,250	468,864	68,432	138,141	262,091			
Free State	500	105,986	R 1,830	26,801	77,355			
Gauteng	790	217,848	26,485	63,590	127,773			
Kwa-Zulu Natal	1,004	698,388	119,323	212,078	366,987			
Limpopo	878	376,798	53,613	110,717	212,468			
Mpumalanga	754	86,564	(4,952)	19,999	71,517			
Northern Cape	206	69,500	(439)	17,197	52,742			
North West	493	381,501	78,827	119,695	182,979			
Western Cape	662	294,751	56,881	91,782	146,088			
TOTAL	8,537	2,700,000	400,000	800,000	1,500,000			


Mud & Unsafe Structures National Backlog - According to NEIMS (2006)

	Metal	Mud/Cla	Wood	Grand Total
Eastern Cape	495	1,652	864	3,250
Free State	174	9	295	500
Gauteng	191	8	525	790
Kwa-Zulu Natal	315	115	454	1,004
Limpopo	522	20	177	878
Mpumalanga	447	40	194	754
Northern Cape	25	-	177	206
North West	298	15	163	493
Western Cape	33	1	581	662
TOTAL	2,500	1,860	3,430	8,537



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Dalisoeka school; Nyandeni LM, Eastern Cape - Old



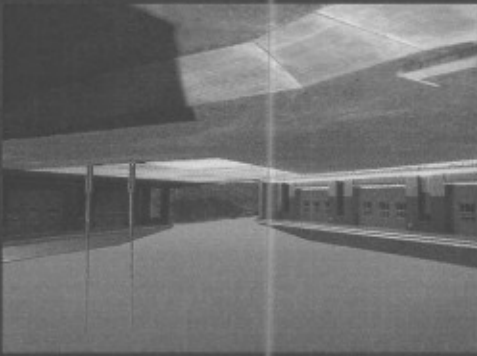
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