


Draft Integrated Development
Plan 2008-9

CHRIS HANI
DISTRICT MUNICIPALITY



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EXECUTIVE SUMMARY



1. Legal Framework

In line with the Municipal Systems Act (32/2000), the Chris Hani District Municipality has undertaken a review of the Integrated Development Plan (IDP) 2006-2011. The IDP process informs all planning, budgeting, monitoring, management and decision-making within the District Municipality's areas of jurisdiction. It is therefore the strategic planning tool which coordinates and aligns all development initiatives which are implemented by government, civil society and the private sector. The IDP has been formulated according to guidelines for a credible IDP and the local government 5 year strategic agenda focus areas of:

- Municipal transformation and institutional development
- Service delivery and infrastructure
- Local economic development
- Financial management
- Good governance and public participation

2. Institutional Arrangements

The following arrangements have been set in place to institutionalise community/ stakeholder participation and also to enable the municipality to manage the drafting of the output. Further, these organisational arrangements will provide an organised platform for the accessing of the decision making process by all the affected and interested stakeholders in the IDP-Review process. The details of each structure are found in the IDP Framework Plan, attached as Annexure A.

3. Integration, Alignment and Strategic Direction

The primary integration tool used was that of the IDP Representative Forum, made up of a broad spectrum of role-players. These meetings provided the opportunity for a wide range of interest groups to make inputs into the IDP. All strategies arose out of the CHDM vision and mission and directives arising out of the growth and development summit held in November 2006.

The CHDM vision and mission are as follows:

Vision: “a well capacitated Municipality, characterised by a good quality of life and a vibrant, self- sufficient economy driven by skilled communities living in a safe and healthy environment”.

Mission: “To provide affordable quality services, alleviate poverty and facilitate social and economic development of the area, through integrated development planning, co-operative governance, skills development and the sustainable utilisation of resources” reflects the vision.

4. Short overview

The Chris Hani District Municipality consists of 1 DMA (Mountain Zebra Park) and 8 Category B municipalities viz:

- Engcobo
- Intsika Yethu
- Inxuba Yethemba
- Sakhisizwe
- Inkwanca
- Emalahleni
- Lukhanji
- Tsolwana

It has a population of 809581 (2001 census), 798 597 (2207 survey) with 187 330 households(2001 census) 203 041 (2007 survey) and covers an area of 36963.8158 square kilometres. Approximately 71% of the population reside in rural areas. The largest populations occur in the

Intsika Yethu, Lukhanji, Engcobo and Emalahleni municipalities. Just more than half of the Chris Hani Municipal population is female (53.76%).

The following priority needs were identified:

- Local Economic Development
- Poverty alleviation and food security
- Water and sanitation
- Municipal Health and environmental management
- Corporate governance including IGR, monitoring and evaluation and Integrated Planning
- Fire services and Disaster Management
- Special programmes such as youth, women, children, the elderly and people with disabilities
- Transport (regulation of passenger services)

PHYSICAL & DEMOGRAPHIC PROFILE



1. Introduction

The Eastern Cape Province represents an amalgamation of a number of areas, which previously had been artificially separated into three nominally independent sovereign states; the *Transkei* and *Ciskei* Republics, and the *Republic of South Africa*.

The Chris Hani District Municipality is located in the north-eastern sector of the Eastern Cape (See Map 1). It includes 1 DMA (Mountain Zebra Park) and the following eight Local Municipalities:

- Lukhanji
- Inxuba Yethemba
- Tsolwana
- Inkwanca
- Emalahleni
- Intsika Yethu
- Sakhisizwe
- Engcobo

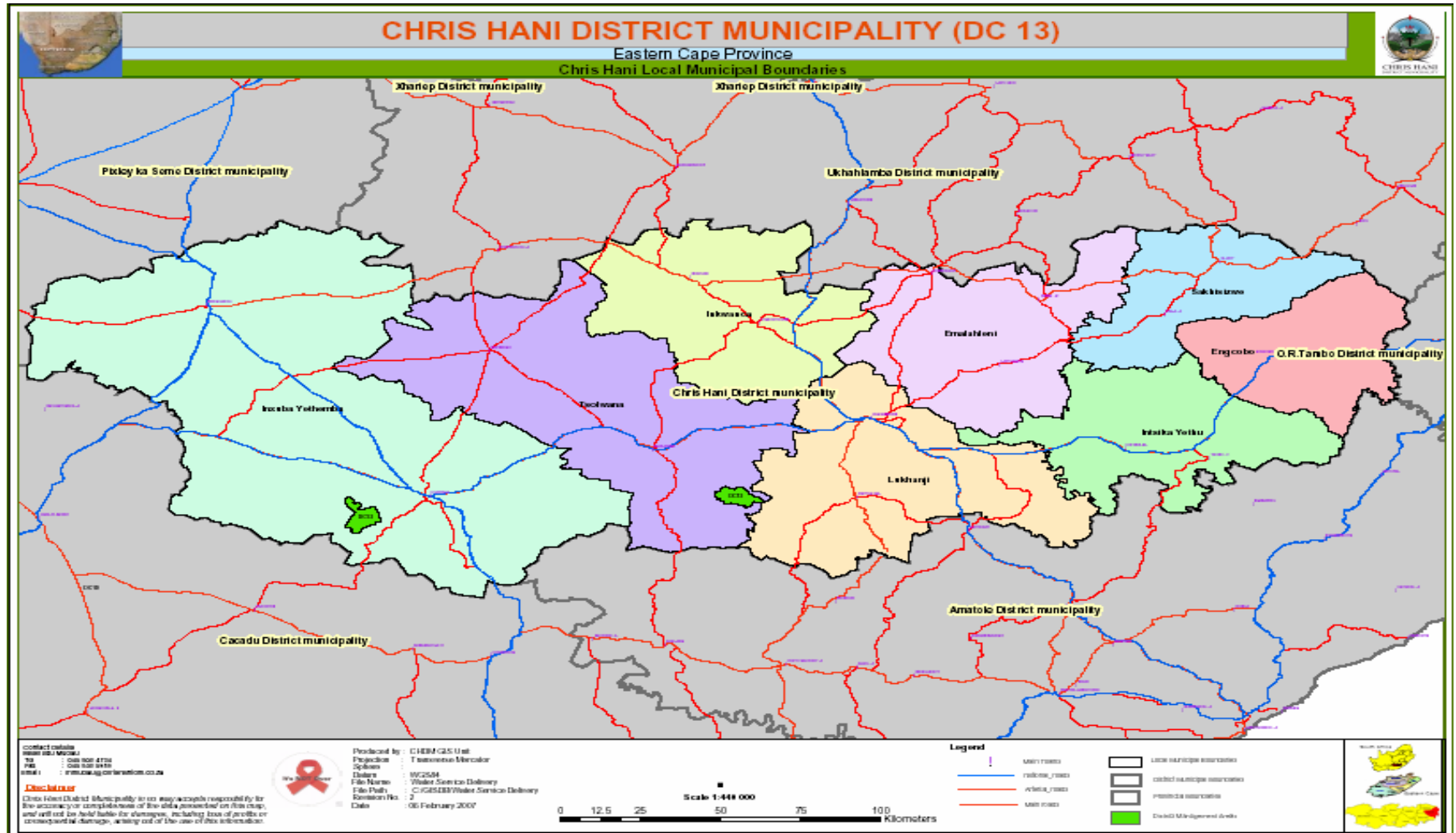
However the future of District Management Area's (DMA) are under discussion by the Municipal Demarcation Board.

Table 1: Municipalities, wards and area

Municipality	Area in square km	Wards
EC 131 Inxuba Yethemba	11591.738	9
EC 132 Tsolwana	6024.6090	5
EC 133 Inkwanca	3584.2310	0
EC 134 Lukhanji	4259.6690	27
EC 135 Intsika Yethu	3041.3570	23
EC 136 Emalahleni	3550.9710	16
EC 137 Engcobo	2258.5250	16
EC 138 Sakhisizwe	2250.8290	7
DC 13 Chris Hani	36963.8158	0

Source: Municipal Demarcation Board

Map 1: Locational map



2. Land Use & Settlement

The Chris Hani District Municipality represents an amalgamation of formerly separated administrative entities, namely, parts of the former "South African" Eastern Cape including the magisterial districts of Elliot, Molteno, Sterkstroom, Hofmeyr, Cradock, Tarkastad, Queenstown and Wodehouse; the former "Ciskeian" Districts of Hewu and Ntabathemba, and five magisterial districts of the former "Transkei", namely Engcobo, Xalanga (Cala), Cofimvaba, Cacadu (Lady Frere) and Tsomo.

The settlement and land use patterns in these two former homeland areas are distinctively different. Settlement in the former Ciskei and Transkei is predominantly of the dispersed "traditional" rural village settlement type, where subsistence-farming practices (pastoral and dryland cultivation) are the dominant forms of land use activity apart from the residential function of these areas. In contrast, settlement and land use in the former RSA component of the district is largely characterised by nodal urban development (small service towns) and commercial farms.

Largely, the spatial pattern of the Study Area is characterised by a "mismatch" of separate rural and urban areas, which are nevertheless functionally interrelated and dependent on a core area (Queenstown). (SDF)

2.1. History of Settlement

It is important to note that the spatially fragmented settlement pattern of the Study Area is the result of different political historical factors, as well as administrative and ideological based development initiatives implemented in the area over the last century.

2.1.1. Former Ciskei

The former Ciskei areas that form part of the present Chris Hani District Municipality area consist mainly of Ntabathemba, Hewu and Glen Grey. The area known as Ntabathemba formed the most northern boundary of the

former Ciskei and is bounded to the north, west and south by the Swart Kei River and to the east by the former Ciskei region of Hewu.

During the process leading up to the independence of the former Transkei, some 5780 families in the Herschel District who resisted incorporation into the Transkei, were settled on farms in the Hewu district. The nature and scope of these agreements were later included in the independence agreement of 14 May 1982, between the former RSA and Ciskei.

2.1.2. Former Transkei

Former Transkei areas that form part of the present Chris Hani District Municipality consist of the magisterial districts of Engcobo, Cala, Cofimvaba, Tsomo and Lady Frere. From the period prior to the Transkei independence in 1976, as well as during the time of independence, these areas were administered as regional authority areas, which encompassed the Magisterial Districts.

Historically, these independent homeland areas were not viewed as important productive areas within the South African space economy. Their roles were rather seen as providing migrant labour to the RSA, while ensuring that dependants remain settled within the homeland. For many years, therefore, these areas received little investment in infrastructure and services.

2.1.3. Former RSA

The balance of the Chris Hani District Municipality area is made up of former RSA magisterial districts, which were administered under the Stormberg and Midlands Regional Services Council. These areas include the commercial farming districts of Elliot, Molteno, Sterkstroom, Hofmeyr, Cradock, Tarkastad, Queenstown and Wodehouse.

2.1.4. Settlement Trends

The quality of life in rural villages is generally low. It is marked by poverty and a lack of access, services and amenities. It is characterized by the following:

- Most people are unemployed and rely on social grants and remittances from family members working elsewhere
- The economy revolves around the pension payment day every month
- Agriculture is restricted to a low-level maize production for own use
- Livestock is farmed in the traditional manner and not commercially. The livestock is of a low quality with little value. In most areas grazing land is overgrazed and invaded by alien vegetation.

Because of this, many families have resettled elsewhere in nearby towns, other larger urban centers in the Eastern Cape, Cape Town and Gating. However, this is not to say that they have given up their rural lifestyle. In many instances the link to the rural areas remain.

In the rural areas of the former RSA, it is found that farm workers are forced off farms. They move to nearby towns. As most of them have cattle, it puts pressure on the Commonage of these towns, which has resulted in most towns having inadequate grazing on their Commonage. (SDF)

2.2. Settlement Hierarchy

The categorisation of the settlements in the Eastern Cape into a hierarchy was completed as part of the Eastern Cape Spatial Development Plan to inform its development framework.

2.2.1 Settlement Types

At the District level analysis, it is possible to distinguish between primary and secondary urban nodes, minor urban areas and rural-residential settlements in Chris Hani District Municipality:

- **Primary Urban Node:-** Queenstown is the dominant urban node, where most goods and services and higher order infrastructure is located;
- **Secondary Urban Node:-** the secondary urban area within the District is Cradock. Here, fewer goods and services are available, and a generally lower level of infrastructure and housing is found than is the case in Queenstown.
- **Minor Urban Areas:-** within the Study Area, a number of areas may be identified as being minor urban settlements, where development occurring but where the level of land diversity and density of development is not yet high. These areas include Cala, Elliot, Tsomo, Engcobo, Molteno, Sterkstroom, Tarkastad, Cofimvaba, Hofmeyr, Whittelsea and Lady Frere.
- **Peri-Urban Settlements** - Rural settlements adjacent to towns have become more urban in character and are functionally part of the town. The people of these settlements mainly work and shop in the town.
- **Rural-residential settlements** - included in this level of the hierarchy are the villages found largely in the area of the former Ciskei and Transkei.
- **Functionally Urban Settlements** - Some rural settlements such as R60, Thornhill & Lesseyton are in the process of transforming their character from the "traditional" rural settlements or villages to a

more dense and complex character because of their location and accessibility to Queenstown. Most people in these areas commute to Queenstown for work and business. These areas have therefore become urban in nature and functionally part of Queenstown.

- **Dispersed farm homesteads** - The extensive commercial agricultural areas are primarily characterised by widely dispersed farm homesteads and clusters of farm labourers' dwellings. (SDF)

2.3. Spatial Structuring Elements

2.3.1. Nodes

Comprising existing and proposed nodal points in the District were mixed uses and high intensity transport, business and industrial activities residential activities can or do take place.

- Primary Urban Node (Level 3) - Queenstown
- Secondary Urban Node (Level 3) - Cradock
- Secondary Urban Nodes (Level 3) - Middelburg
- Minor Urban Nodes (Level 2) - Hofmeyr
 - ◆ Molteno
 - ◆ Tarkastad
 - ◆ Elliot
 - ◆ Ngcobo
 - ◆ Dordrecht
- Minor Urban Nodes (Level 1) - Sterkstroom
 - ◆ Sada/Whittlesea
 - ◆ Lady Frere
 - ◆ Cala
 - ◆ Indwe
 - ◆ Tsomo
 - ◆ Cofimvaba
 - ◆ Illinge

2.3.2. Corridors

THE MAIN ACTIVITY CORRIDORS IN CHRIS HANI DISTRICT MUNICIPALITY ARE:

NORTH – SOUTH CORRIDORS

- The N10 from Colesberg through Middelburg and Cradock to Port Elizabeth
- The N6 from East London through Queenstown to Aliwal North and Bloemfontein

EAST – WEST CORRIDORS

- The R61 from Cradock through Queenstown to Mthatha
- The R359 from Queenstown through Lady Frere and Cala to Elliot
- The R56 from Queenstown through Sterkstroom, Molteno and Steynsburg to Middelburg

2.3.3. Open Space System

THE MAIN PROTECTED AREAS ARE SITUATED ON THE R61 CORRIDOR FROM QUEENSTOWN TO CRADOCK, NAMELY:

- Tsolwana/Ntabatamba
- Kommandodrift Dam
- Mountain Zebra National Park

Major mountain ranges are the Stormberg and Bamboesberg Mountains near Sterkstroom and Molteno as well as the Drakensberg north of Elliot.

Major River systems in Chris Hani area:

- Fish River
- Kei

- Mbashe

2.3.4. Tourism Regions

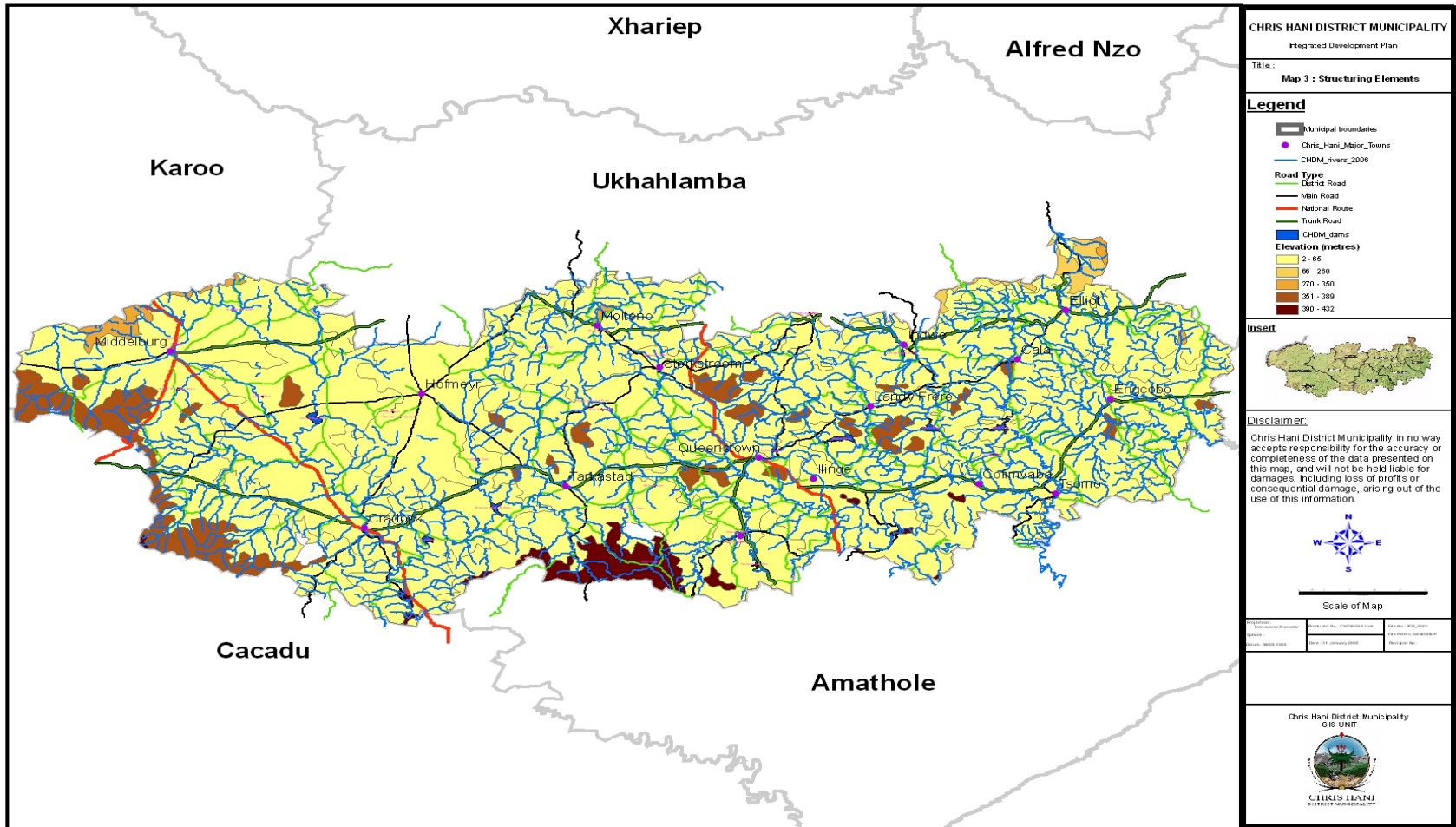
Middelburg and Cradock forms part of the “Karoo Heartland” tourism region which includes the Valley of Desolation, game reserves, mountain hiking trails, aloe trails, and heritage tours in the Graaff-Reinet, Middelburg and Cradock areas which provides for an integrated and unique tourism zone, set in the Karoo Landscape.

Queenstown forms part of the “Friendly N6” and “Maluti Routes” which extends from East London, northwards along the N6, through Queenstown into the scenic mountain areas of Lady Grey, Barkly East and Maclear including the ski slopes near Rhodes and trout fishing trails.

2.3.5. Conservation Areas

The area along the Great Kei River and its tributaries from the Xonxa and Lubisi Dams southwards consists of important valley thicket vegetation. The area north of Ngcobobo contains pockets of afro-montane forests. Both these areas are important natural areas, which should be protected

Map 2: Spatial elements map



3. Physical Profile

3.1. CLIMATE

The climate varies from arid to very cold high veld and falls mainly into 2 climatic zones according to the "Agricultural Development Programme for the Eastern Cape' – 1986, namely: -

*Arid and semi-arid moderate midlands, and
Arid and semi-arid cold high lying land*

3.2. RAINFALL

The rainfall varies dramatically over the area depending mostly on altitude and distance from the coast. In the western arid areas, the average annual precipitation is between 200mm and 300mm whereas in the eastern high lying areas of Cofimvaba it is 700-800 mm. The greater part of the area is, however, arid to semi-arid and receives less than 400mm per annum.

Rainfall distribution is poor and dry spells are a frequent occurrence. In his study, J.H van Wyk comes to the conclusion that the rainfall of the former Transkei shows little variation and can therefore be classified as reliable. He points out, however, that the variation of rainfall during the early summer months makes early planting of agronomic crops risky. (*Wood & van Schoor, 1976*).

This is a summer rainfall area with 70% - 80% of the precipitation occurring during the summer months in the form of thunderstorms. These storms are often of high intensity and are sometimes accompanied by hail. Only 20% - 30% of the rainfall occurs during the winter month, which usually results in snowfalls on the Chris Hani District Municipality plateau and the high lying mountainous areas of the Compassberg and Winterberg.

The further west, the poorer the rainfall distribution, with severe droughts occurring fairly frequently. The rainfall in the eastern area (Cofimvaba and Ngcobo) is more evenly spread, except for the early summer months when "dry" spells can be expected, which makes the early planting of agronomic crops risky (*Wood & van Schoor, 1976*).

3.3. EVAPORATION

Evaporation in the District is much higher than the average annual rainfall. The area thus experiences a negative water balance. The evaporation in the arid western area is 2 146 mm per annum, whereas it is approximately 1 700 mm per annum in the Lady Frere and Cofimvaba Districts. This phenomenon complicates crop production as it requires moisture conservation for dry land cropping and sophisticated irrigation management.

3.4. TEMPERATURES

The temperature is characterised by extremes. During the summer months, the maximum temperature often exceeds 40°C in the lower lying areas in the western (arid) section of the study area. Minimum temperatures in the winter months in the high lying areas are often well below zero and frost is a common occurrence throughout the area.

The average commencing date for frost in most of the area is the 20th April and the average last date for frost is the 10th October. Frost can, however, occur at any time of the year in the Molteno District. This area experiences the largest inter-diurnal variation (change from one day to the next) in temperature. (*A.J. Roets & Associates, 1999*). The temperature in the eastern part of the District is a bit more moderate with frost occurring from 21st May to 10th September.

3.5. PREVAILING WINDS

During the summer months, the prevalent wind direction in the study area is north-westerly (berg winds) whereas south-easterly to south-westerly winds

prevail during the winter months. Wind, however, is not regarded as a limiting factor in the study area.

3.6. GEOLOGY

The District consists mainly of Beaufort sediments intruded by dolerite. These comprise shale, mudstone and sandstone.

3.7. SOILS

The soils in the District area are mainly from the Beaufort and Molteno series of the Karoo sequence. As a result, the soils are poorly developed, shallow or duplex (rocky), which are mostly not suitable for crop production. In the valleys, however, deeper soils do occur. In the Fish River Valley as an example, there are 15 soil forms of which the Hutton, Clovelly and Oakleaf forms (Binomial Classification) are dominant.

Soil salinity is, however, a major problem in the irrigation areas in the Cradock, Hofmeyer and Tarkastad Districts. The soils of the more arid areas of the study area are generally shallow and consist mainly of the Mispah, Glenrosa and Swartland forms. In the flood plains, watercourses and plains, deeper soils of the Oakleaf, Dundee and Valsrivier form are more common.

3.8. TOPOGRAPHY, DRAINAGE & VEGETATION

The District is part of what is described as gradual "step" topography. The "steps" are formed by the Winterberg mountain range in the south and the Stormberg range north of Sterkstroom (Map 3).

The Stormberg Mountain range runs from east to west dividing the area into the high lying Stormberg plateau in the north and the generally lower altitude area in the south. The Winterberg range with an altitude of 2 370 m above sea level extends into the southernmost section of the area. The altitude of the Compassberg to the west of the Stormberg range is 2 502 m,

whereas the Stormberg plateau is $\pm 1\ 800$ m above sea level. The altitude of the lower lying area in the Cofimvaba District is ± 600 m above sea level. The greater part of the area, however, lies between 500 m and 1000 m above sea level.

The main drainage systems are the tributaries of the Great Fish, Great Kei Rivers and Mbashe river systems, which drain into the Indian Ocean. The western section of Chris Hani District Municipality consists mostly of mixed nama Karoo veld whilst the eastern section consists mostly of moist upland grassland. What is important from a conservation aspect is the valley thicket occurring along the Kei and Mbashe River systems and the pockets of afro-montane forest occurring north of Ngcobo.

3.9. NATURAL ENVIRONMENT

3.9.1. CONSERVATION AREAS

The known conservation areas in the Chris Hani District Municipality are listed in the table below. Only two of these conservation areas are under the direct control of the municipality, namely Lawrence de Lange and Longhill (Lukhanji). In addition, a National Park (Mountain Zebra National Park), a number of private nature reserves (i.e. Blanco) and three natural heritage areas (i.e. Benghoil & Bushy Park, Carnarvon and Mhoge) are located, at least in part, within the Municipality.

Table 2 – Conservation areas within the Chris Hani District Municipality

Conservation Area
National Parks
Mountain Zebra National Park
Provincial Nature Reserves
Commandodrift, Tsolwana
Municipal Nature Reserves
Lawrence de Lange, Longhill
Private
Blanco, Stirling
Natural Heritage Areas
Benghoil and Bushy Park
Carnarvon
Mhoge

Source: CHDM Environmental Management Plan

3.9.2. PROTECTED AREAS

The formal protected area network is relatively extensive with the Mountain Zebra National Park (SANP) and the Commando Drift and Tsolwana provincial reserves. The early selection of protected reserves in the CHDM was based on ad hoc decisions to protect specific mammals rather than an objective criteria based on biodiversity mapping. Control of all indigenous forests in the Eastern Cape including the CHDM, was handed over to the Directorate of Nature Conservation of the Eastern Cape Province authorities in 1996, and management plans for all forests are still in preparation. Formally protected water sources include a number of large water catchments, including the dams: Grassridge, Lake Arthur, Commando Drift, Xonxa , Lubisi and Ncora.

3.10. WATER RESOURCES

3.10.1. SURFACE WATER

The CHDM falls within four river systems:

- The Great Fish River draining the central / western area southwards;
- The Kei River draining the central / eastern area southwards;
- The Mbashe River draining the eastern area southwards;

- The Orange River draining to the North.

Of these the Fish and Kei Rivers are the most significant rivers in terms of the catchment areas in the CHDM. The total surface water available in the district has been estimated from the Eastern Cape Water Resources Assessment as follows:

- Potential maximum yield (including dams and transfers) = 1013.5 Mm³ / annum
- Probable total consumption and losses = 775.8 Mm³ / annum
- Available surface water resource = 237.7 Mm³ / annum

It is clear that across the whole district, there is a positive surface water balance and that approximately 23,4% of the potential yield is still available for use. It is however worth noting that the resource is concentrated at the major dams and rivers and as would be expected is not readily or cheaply accessible to all potential users located a distance from these resources.

3.10.2. DAMS

Chris Hani is characterized by a number of major dams, which serve the towns and the various irrigation schemes. Information on the dams is provided in Annexure 3. The major dams in Chris Hani are:

- The Grassridge Dam between Cradock and Middelburg used as a balancing dam
- The Lake Arthur and Commandodrift Dams near Cradock used for irrigation
- The Xonxa, Lubisi and Ncora Dams between Lady Frere and Engcobo used for irrigation.

3.10.3. WETLANDS

(a) Riparian Wetlands

Riparian wetlands refer to rivers and their marginal zones, such as floodplains. These wetlands are likely to cover the greatest area in the district. A list of some of these wetlands are given in the table below. Most of the wetlands occur in the Inxuba Yethemba municipality followed by the Emalahleni and Tsolwana municipalities (4 each). The Engcobo, Inkwanca and Lukanji municipalities only have one listed wetland. Wetlands occur in the catchments above the Commando Drift, Elands drift, Grassridge, Lake Arthur and Xonxa Dams.

A number of wetlands are located upstream of the dam immediately west of Dordrecht and above what appears to be the Thrift Dam on the Black Kei, although not marked as such on the topographical map (3226BC). All the riparian wetlands are located within Eastern Mixed Nama Karoo vegetation, with the exception of three found within Moist Upland Grassland (Lemoenfontein, Qumanco and Snowdale-Success) and four within South-eastern Mountain Grassland (Clarke's Siding, Dordrecht Town, Driefontein 188 and Geluksvlei).

Table 3: Wetlands, which occur within the catchments of significant dams

Dam / Weir	Wetland(s)	Dependant Water Supply Scheme	Dependant Towns
Commando Drift	Bestersleegte, Kaffersleegte & Klipfontein	Tarka River Government Water Scheme Elandsdrift Weir	
Elandsdrift	Gannahoekrivier	Lower Fish River Scheme Lower Sundays River Scheme	Grahamstown Port Elizabeth
Grassridge	Mount Melsester, Soutkuil, De Keur, Beaconsfield	Elandsdrift Weir	Cradock
Lake Arthur	Gunstelingstroom	Elandsdrift Weir	
Xonxa	Lemoenfontein	Xonxa Irrigation Scheme	
Thrift	Snowdale-Success	Nthabathemba Irrigation Scheme	
Town Dam	Driefontein 188, Clarke's Siding, Dordrecht Town	Dordrecht	Dordrecht

Source: CHDM Environmental Management Plan

(b) Springs

Springs are an important source of water in the district. They are also used for recreational purposes such as at the Cradock Spa.

(c) Endorheic pans

Endorheic pans are usually associated with isolated inland drainage systems. A number of these wetlands occur in the district, two each in the Inkwanca (Coldstream pan, Die Pan wetland complex) and Inxuba Yethemba (Helderwater pan, Rooikop) municipalities and one in the Tsolwana municipality (Rotterdam wetland complex). The Helderwater pan, Rooikop wetland and Rotterdam wetland complex are located within Eastern Mixed Nama Karoo, whereas the Coldstream pan and Die Pan wetland complex are found within South-eastern Mountain Grassland.

(d) Artificial Wetlands

Artificial Wetlands in the form of dams, excavations, solar salt extraction works and wastewater treatment works occur to varying extents throughout the district. Solar salt extraction works have the most restricted distribution, being limited to an area west of Hofmeyr. They are all therefore located within the Tsolwana municipality. All these salt works are located within Eastern Mixed Nama Karoo. Although they have been classified here as artificial wetlands they are largely based on existing features, namely Landpan, Middelpa and Soutpan.

3.11. HERITAGE RESOURCES

One hundred and two sites were identified in the Chris Hani District Municipal area, categorized according to their nature, namely whether they are human generated structures or natural artifacts. Several subcategories have been identified within each category. It must be noted that this list is not complete and will be added to once the local municipalities have completed

their tourism plans. These plans will hopefully provide a clearer picture of the cultural history of the Chris Hani district.

Table 4: Number of sites in each category.

Category	Number of sites
Human Generated Artifacts	
Historical buildings	25
Monuments and memorials	6
Museums	9
Graves	5
Rock Art	6
Living Heritage	7
Open Land	7
Natural Sites	
Water	7
Mountains	8
Natural Resource	22

Source: CHDM Environmental Management Plan

3.12. Priority Spatial Development Issues

- The under-developed nature of the former Transkei and the lack of services as opposed to the large potential, especially for agriculture that exists in the area.
- The land tenure arrangement in the former Transkei, which has mitigated against the development of optimal productive capacity of the agricultural sector.
- The large potential for the development of agriculture (especially in the more fertile east) and tourism (especially in the culturally and naturally rich western area).

4. DEMOGRAPHY

4.1. Introduction

Chris Hani District Municipality had a total population of 809 581 (STATSSA 2001). A more recent study by STATSSA put the figure at 798 597 with 203 041 households (STATSSA, 2008). The lack of up to date, reliable demographic data is a major challenge in undertaking any form of strategic planning. In addition the lack of accurate death and birth data due to Home Affairs population registration system of not recording this data per municipality or district make it difficult to make accurate population growth tables.

The following tables and charts provide a brief overview of the demographics of the District, based on the 2001 Census Data (Statistics SA). The following key attributes are noted:

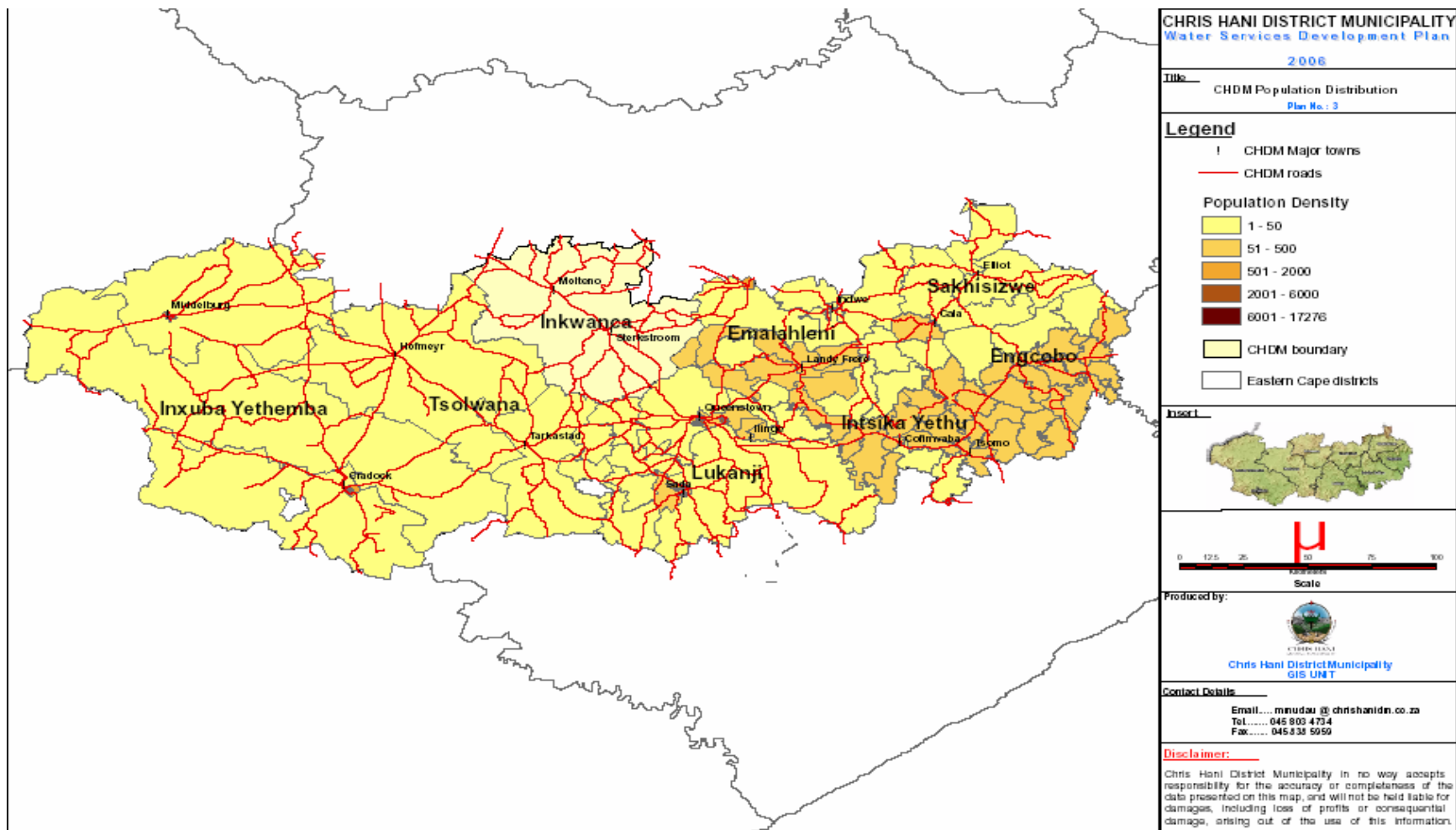
- Approximately 71% of the population reside in rural areas.
- The largest populations occur in the Intsika Yethu, Lukhanji, Engcobo and Emalahleni municipalities.
- Just more than half of the Chris Hani Municipal population is female (53.76%), which implies that the District and Local Municipalities need to ensure that women's issues remain high on the political agenda.
- The elderly population is relatively small (7.3%) in relation to the potentially economically active population (53.9%), which suggests that the economically active sector of the population (15yrs-65yrs) should be able to support the elderly population. However, due to the high unemployment rate, the reality is that many of the potentially economically active population are economically dependant on pensioners and grant-earners within the household.
- Furthermore, it is important to note that 54.4% of the population is under the age of 20. This suggests a need for educational facilities and a focus on educational skills and training as well as youth specific programmes and projects

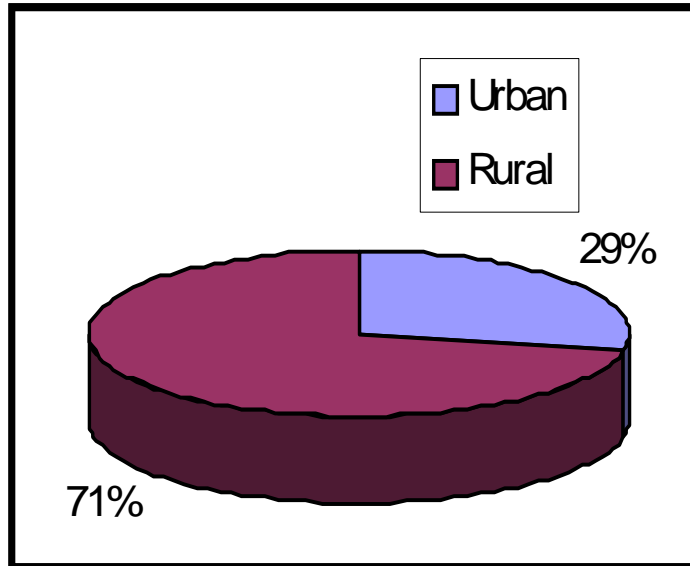
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Table 5: CHDM Population

Ages	Municipalities								
	Inkwanca	Tsolwana	Inxuba Yethemba	Sakhisizwe	Emalahleni	Engcobo	Intsika Yethu	Lukhanji	CHDM
0-4	1915	3018	5333	6611	11960	17437	18271	16727	81272
Ages 5-9	2209	3919	6062	8805	17868	23123	26518	20368	108872
Ages 10-14	2717	4664	6739	9876	20903	25370	30099	24097	124465
15-19	2422	4602	7206	8613	18544	20518	24506	24439	110850
20-24	171	2775	4821	4800	8894	9766	10464	16194	57885
25-29	1409	2063	4550	3421	5422	7024	6894	13098	43881
30-34	1132	1676	4409	2772	4526	5860	6354	10933	37662
35-39	1136	1522	4022	2845	5032	5642	6692	10905	37796
40-44	1061	1399	3769	2836	5363	6044	7217	10287	37976
45-49	1023	1351	3206	2509	4536	4792	646	8299	26362
50-54	808	1093	2749	2070	3726	4220	5806	6447	26919
55-59	591	948	2019	1506	329	3525	4910	4996	18824
60-64	703	1110	1864	1883	4722	5083	6345	5710	27420
65-69	433	867	1147	1453	3451	3775	5029	3940	20095
70-74	337	582	931	1229	2728	3016	4479	3150	16452
75-79	245	369	633	664	1711	1604	2453	1953	9632
80+	377	551	828	956	2725	1597	2748	2989	12771
Total	18689	32509	60288	62849	122440	148396	169431	184532	799134

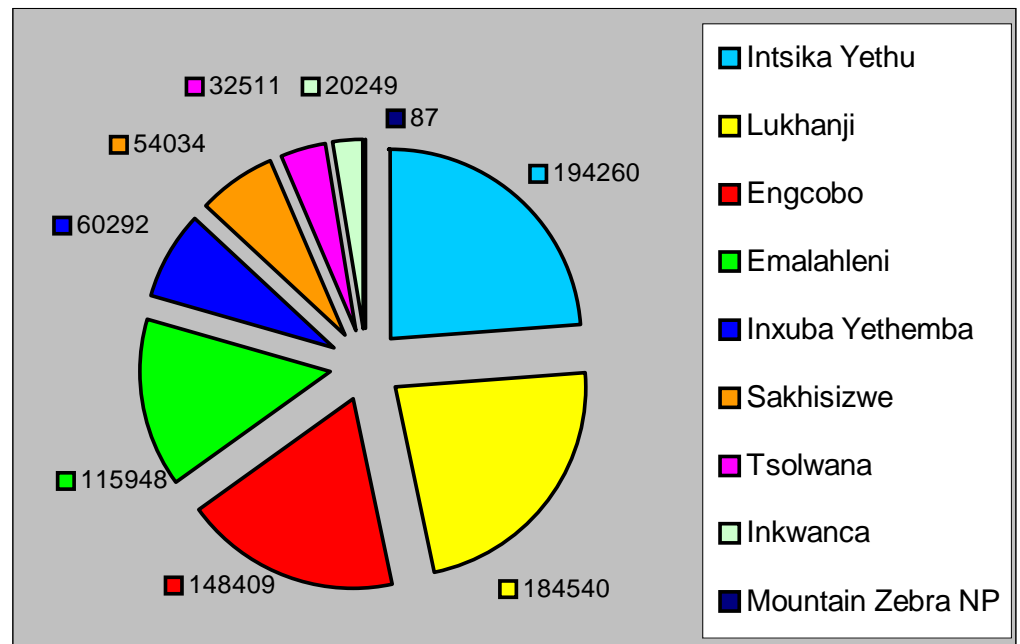
Map 3: Population distribution



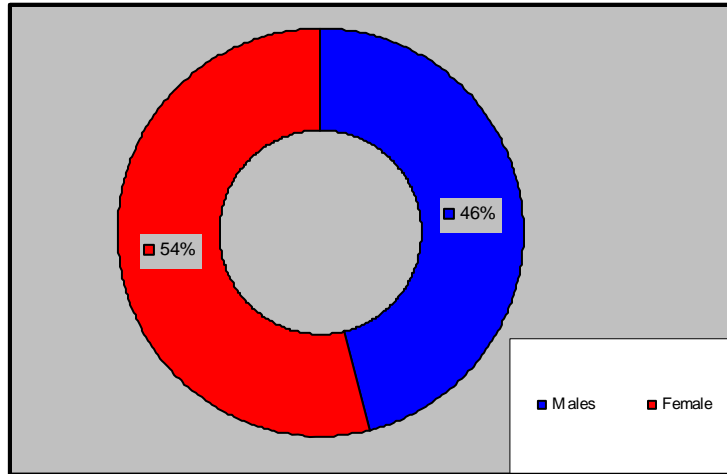


Population Distribution: Urban / Rural Split

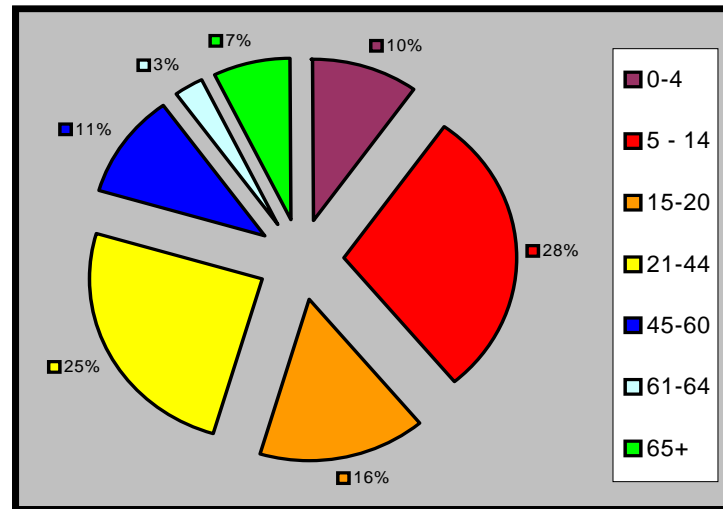
Population Size per Local Municipality



Population Breakdown: Male / Female



Population Breakdown: Age Groups



Chris Hani District Municipality Population 2001

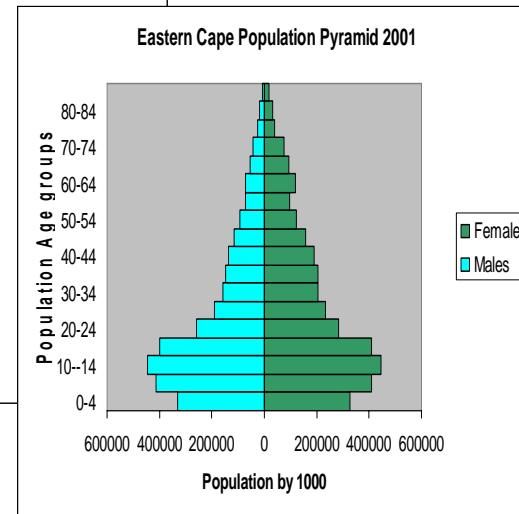
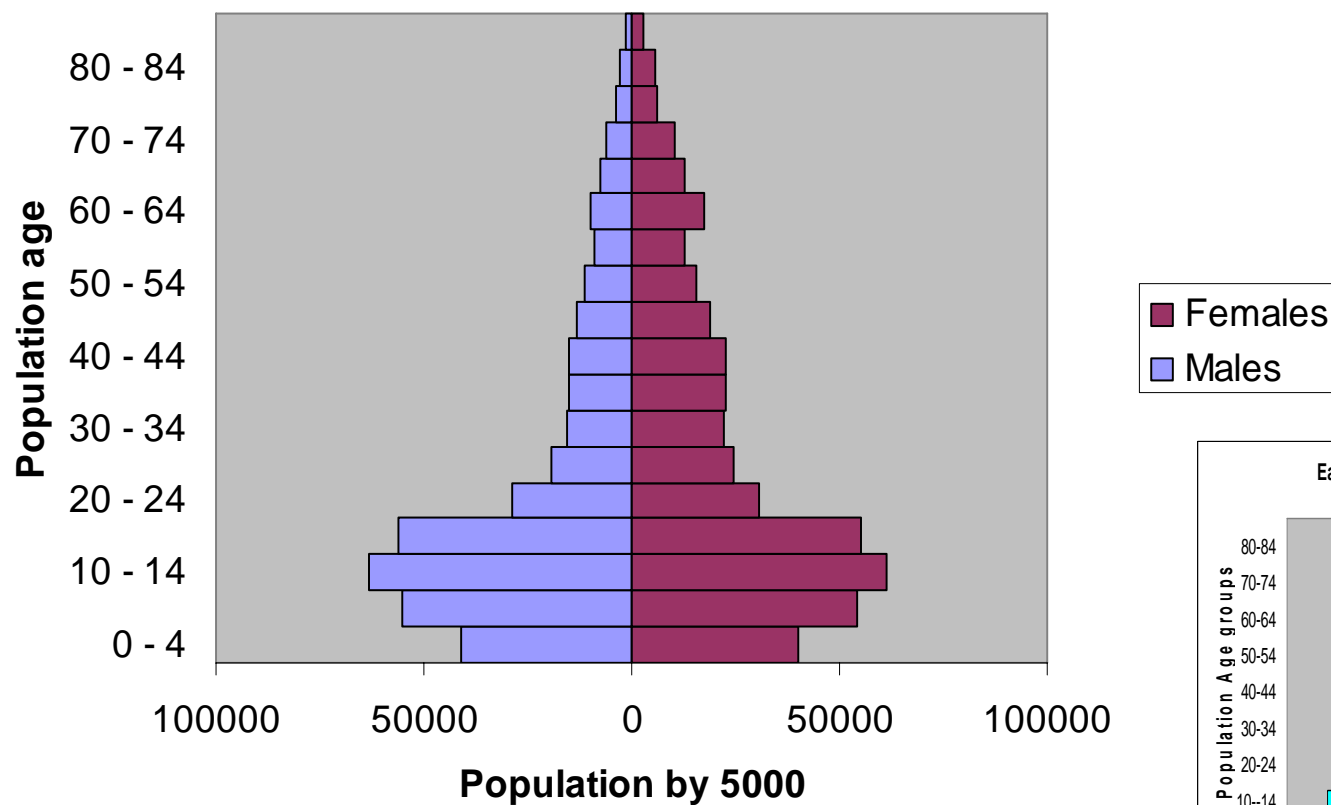


Chart 5 – Chris Hani and Eastern Cape Population pyramids

DRAFT CHDM IDP 2008-9

In general the Chris Hani population is considered a youthful population with a high crude fertility rate. The population pyramid of 2001 indicates that in 2007 the amount of women and men reaching adult maturity will be quite high so birth rates should increase. However the pyramid does indicate that the Chris Hani population is aging which can be seen by the relatively small 0-4 year age group. It is interesting to note that the Chris Hani pyramid almost exactly mirrors that of the Eastern Cape.

Male and female numbers are almost equal in number from ages 0-24. However from that age onwards there is a definite decline in male numbers versus that of their female counterparts. This can be due to natural migration processes whereby the majority of migrants tend to be male. However this process in South Africa and CHDM was distorted by The Group Areas Act and associated legislation in the former RSA which restricted opportunities for people to move from the independent homelands to the South African urban centres.

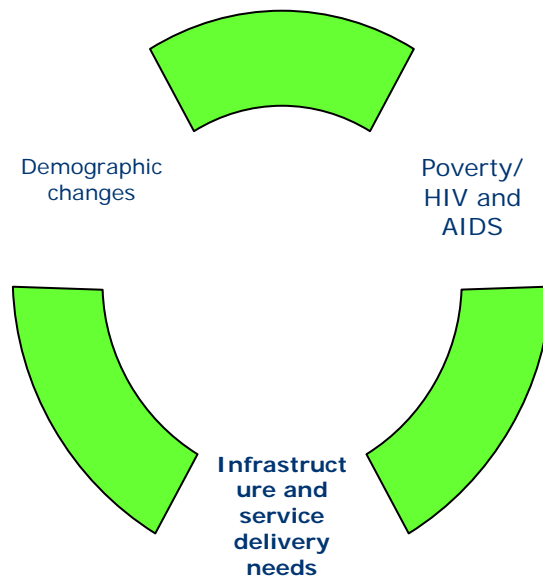
As a result, the homelands experienced increased rural population densities and an annual cycle of migration that took a large number of the able men and woman out of the areas for periods of up to 10 months. Men in particular were targeted for work in the mines which still attributes to a decline in male figures. Migration still occurs on a large scale due to families increasingly migrating to job opportunities even in Cape Town and Gauteng. In spite of this, the former homeland areas, although experiencing a significant decline in the income-generating population due to urban-rural migration, often remain the cultural/spiritual/emotional home for people living in the urban areas. This migration effect has not yet been studied to examine its impact on infrastructural projects.

As a result of these historical factors, many people in the former homelands are regarded and termed "rural" because they have some form of residential right and in some instances access to arable lands in rural areas. Yet, most

of these people have no option but to retain their rural base even though their sources of income (pension and welfare grants etc) and the nature of the services they demand (i.e. access to shops, social facilities and services) are all essentially urban in nature.

4.2. The impact of HIV and AIDS within the District

HIV and AIDS affects local economic development, health and all other infrastructure and service delivery. HIV and AIDS affects all community members through illness and death associated with the disease. Key community members become ill or spend time in caring for others resulting in the household composition changes with women, youth and elderly assuming even greater burdens. The District may provide infrastructure that will be of no use in years to come because of HIV and AIDS. Below is a circle that illustrate the linkages between the demography (age and gender), poverty and environmental degradation



Apart from the physical impact the demographic impact results in increased numbers of orphans, children headed households and a decline in the

population aged 15 to 35 (traditionally the economically active) more elders. This has a devastating economic impact on the community which results in increased poverty and more dependency on social grant income thereby effectively increasing the number of indigents and reducing the municipal tax base.

Economic productivity suffers as ill health prevents workers from attending to their jobs leading to food shortage within households, non payments of school fees (increasing illiteracy) and increased non-attendance of schools as children care for siblings and parents. The increase in mortality results in valuable skills loss and redundant infrastructure.

Therefore, if HIV and AIDS are not dealt with in all municipal programmes and services, its effects on the population will further result in poverty which may leads again in an increase of infected and affected people. Lastly, the municipality itself, as an organization is affected by HIV and AIDS and should be mainstream the issue within the organization to avoid serious impact on its performance.

LOCAL ECONOMIC DEVELOPMENT
&
POVERTY ALLEVIATION



1. Introduction

The two issues of local economic development (LED) and poverty alleviation are often seen as one issue. Although there is a relationship between the two, they should never be combined as it creates a situation whereby neither of the issues is resolved. It is important to distinguish between these two issues and create programmes to deal with them differently in order to ensure success.

2. Poverty Alleviation and food security

The alleviation of poverty is one of the PGDP's priorities and targets and one of the MDGs.



Millennium Development Goal 1. **Eradicate extreme poverty and hunger**

- Target 1: Reduce by half the proportion of people living on less than a dollar a day
- Target 2: Reduce by half the proportion of people who suffer from hunger

The status quo of poverty and hunger in Chris Hani District Municipality is as follows. CHDM has a very high malnutrition and hunger index. It has the second highest level of chronic malnutrition amongst the ISRDP nodes. The municipalities of Engcobo, Sakhisizwe and Intsika Yethu are the worst affected according to FIVIMS Report as shown in Table 6.

Table 6: Malnutrition index

Municipality	Chronic Malnutrition	Underweight Children	Acute Malnutrition
Inxuba Yethemba	1.09	0.69	0.0
Inkwanca	1.16	0.68	0.04
Lukhanji	1.20	0.77	0.06
Emalahleni	1.24	0.78	0.08
Intsika Yethu	1.30	0.88	0.11
Sakhisizwe	1.29	0.81	0.10
Engcobo	1.36	0.96	0.14
Tsolwana	1.16	0.72	0.04

In addition CHDM has the second highest concentration of people going hungry. Intsika Yethu is the worst affected municipality. In fact Intsika Yethu is one of the identified 11 poorest municipalities in the Eastern Cape.

Table 7: Chronic hunger

Municipality	H/holds experiencing chronic hunger
Engcobo	11357
Inkwanca	603
Intsika Yethu	25043
Inxuba Yethemba	1869
Lukhanji	7135

Sakhisizwe	5969
Tsolwana	848

This high concentration of hunger is borne out by the fact that most households spend the greatest percentage of their income on food. People in five out of eight municipalities spend more than half of their income on food. This happens even in municipalities with high cultivation rates suggesting that farming is not a major source of food. The relatively high spending on housing and transport suggests that food costs are high due to the distance from the markets (FIVIMS Report)

In general most people get their money from social grants especially in Emalahleni. Many especially in municipalities like Tsolwana and Engcobo depend on remittances whilst close to half in Inxuba Yethemba and Sakhisizwe get their income from wages (FIVIMS Report).

3. Local Economic Development

Local government's primary function in local economic development's is to provide a climate which stimulates the growth of the economy thereby eradicating poverty and providing food security. Local Economic Development is one of the key functions of local government. The District sees its role in LED as creating an enabling environment for development to take place through partnership with the community, civil society and businesses. The goal is to strengthen local existing enterprises and emergent enterprises by strengthening locational factors and mainstreaming LED in all of its programmes and projects. As part of this goal the District held a **GROWTH AND DEVELOPMENT SUMMIT (GDS)** from the 22nd-24th November 2006 which through stakeholder partnerships provided developmental directives for the Districts' economy that are contained in Annexure B.

4. Economic Directives

The District directives are derived from national and provincial strategic documents and its vision of “a well capacitated Municipality, characterised by a good quality of life and a vibrant, self- sufficient economy driven by skilled communities living in a safe and healthy environment”. The District’s priority sectors in the economy were identified as:

- Agriculture and agro-processing
- Forestry and wood processing
- Tourism
- Construction
- Manufacturing
- Trade and business services

The Districts’ SDF gives a much clearer identification of what is required in some of these sectors as per the following development zones.

4.1. Development Zones

4.1.1. Introduction

In order to give focus to the organizational activities of the Chris Hani District Municipality to achieve its developmental goals, several specific areas have been identified as Special Development Areas – areas where the Municipality would need to prioritize its spending and resources in enhancing and promoting integrated development outcomes. (See Map 4)

These are proposed as:

- The Eastern Agricultural / Forestry Cluster
- The Central and Western Tourism Cluster
- Rural Development Areas
- The Urban Nodes
- Queenstown and Environs
- Mining Cluster

4.1.2. The Eastern Agricultural and Forestry Cluster

The eastern part of Chris Hani District Municipality, the most deprived area within the municipality, has the most potential for agriculture and forestry because of good soils and a relatively high rainfall specifically with regards to:

- Dryland agriculture for maize production
- Irrigation and agriculture from the Xonxa Dam, Lubisi Dam and Ncora Dam
- Forestry in the mountainous areas north of Ngcobo.

4.1.3. The Central and Western Tourism Cluster

The western part of the Chris Hani District Municipality is the best endowed with tourism resources such as:

- Cradock and Middelburg form part of the Karoo Heartland Tourism route whilst Queenstown forms part of the Friendly N6 Tourism Route.
- Abundant heritage resources in Queenstown, Cradock, Sterkstroom, Molteno, Middelburg and Hofmeyr along the east-west routes from Queenstown namely R61 and R56.
- The nature reserves along the R61, namely the:
 - Tsolwana and Ntabatamba nature resources
 - the Kommandodrift Dam Nature Reserve
 - the Mountain Zebra National Park
- The abundance of private game reserves and hunting lodges in the western area.

4.1.4. The Rural Development Areas

4.1.4.1. AREAS IDENTIFIED FOR LAND REFORM PLANNING

The Department of Land Affairs has identified the following areas for settlement planning:

(a) The Queenstown / Hewu area including

- Queenstown
- Ezibeleni
- Illinge
- Ntabatamba
- RA 60
- Lesseyton
- Gwatyu

(b) The former Transkei

- The Guba area between Lady Frere and Indwe
- The Xalanga area near Cala

4.1.5. The Urban Nodes

Most of the towns are developing without any strategic direction. Peri-urban areas have developed close to the town itself, which is functionally part of the town. The towns must be functionally integrated with its immediate surrounds and an urban edge provided to ensure an efficient town.

Within the overall urban structure of Chris Hani District Municipality, the Central Business Districts of all towns are of great current and potential strategic importance for transportation, business, commercial and service activities. CBD regeneration was identified as a major local economic development opportunity by Chris Hani District Municipality. The CBD's of the previous Transkei and Ciskei towns especially are suffering under structural problems i.e.:

- Large under-developed land
- Traffic congestion
- Lack of facilities for customers

- Lack of facilities for the taxis
- Lack of facilities for the busses,
- Lack of open space and identity.

4.1.6. Queenstown and Environs

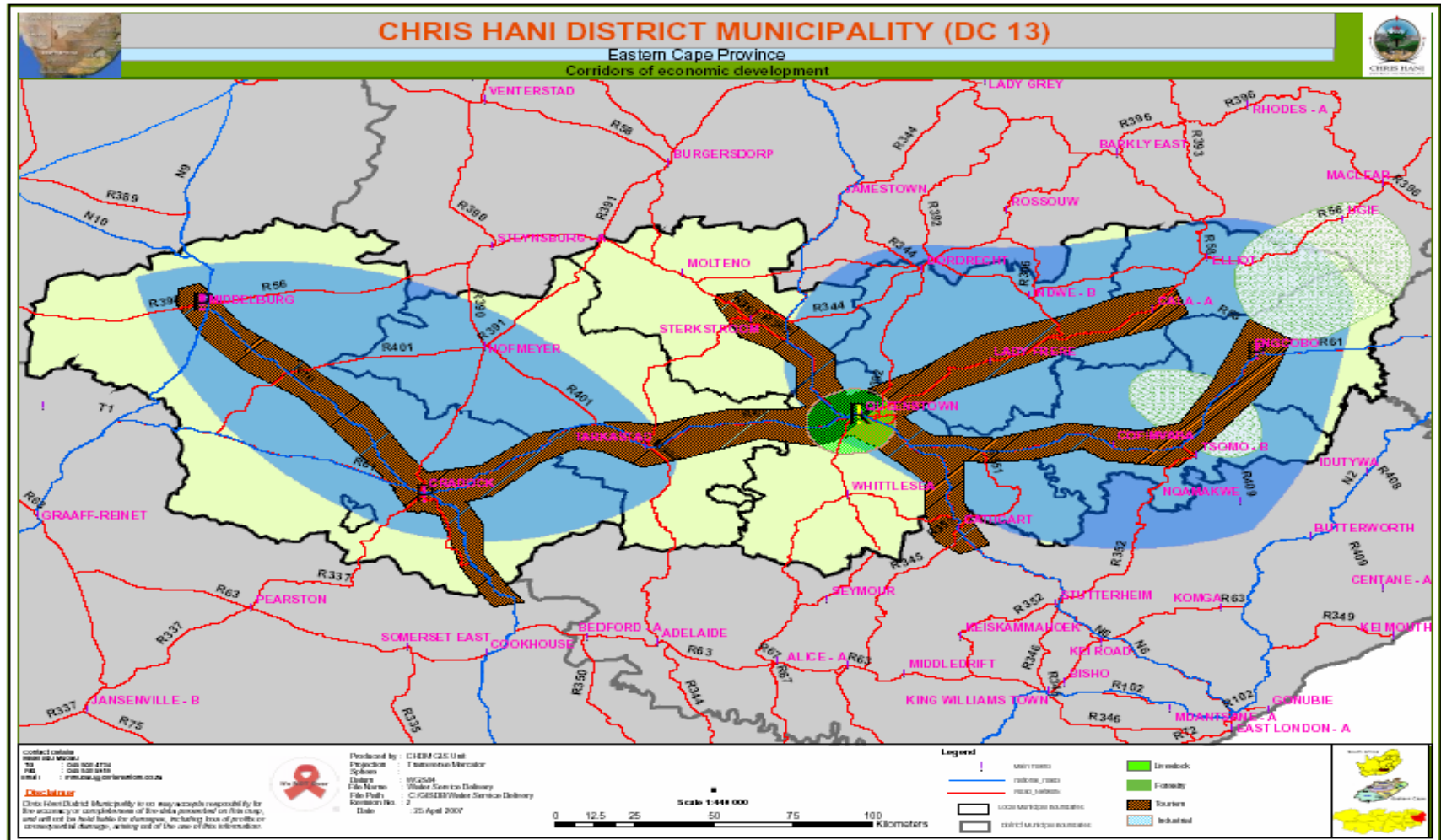
- Queenstown is identified as a Strategic Development Zone in the Provincial Spatial Plan.
- The revamping of industry was identified as a major local Economic Development opportunity by Chris Hani District Municipality. Queenstown, (including Ezibeleni) is the only major industrial area in Chris Hani District Municipality.
- Queenstown must be functionally integrated with large dense settlements on major roads in close proximity to Queenstown.

4.1.7. The Mining Cluster

The manufacturing of bricks are occurring throughout the area by small local operators by using the local clay especially along river banks and bake them with local coal (in the Indwe area)

These resources as well as other natural resources must be developed to its full potential

Map 4: Development Zones



5. National and Provincial government directives

The NSDP (National Spatial Development Perspective) advocates the following expenditure principles:

- focus economic growth and employment creation in areas where this is most effective and sustainable as economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation
- foster development on the basis of local potential by ensuring that government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities) is focused on localities of economic growth and/or economic potential in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.
- address past and current social inequalities by focusing on people not places so that in localities where there are high levels of poverty and development potential capital investment expands beyond basic service provision to exploit the potential. In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence to enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities.
- overcome the spatial distortions of apartheid by channelling future settlement and economic development opportunities into activity corridors and nodes that are adjacent to or link the main growth centres to create regional gateways to the global economy.

The NSDP categorization gives Chris Hani District Municipality low to medium resource potential, low human need and low economic activity thereby implying that the District should focus on the provision of basic infrastructure

but increase expenditure on social infrastructure and particularly on human resource development.

The Provincial Growth and Development Plan (PGDP) advocates the "Systematic eradication of poverty through a holistic, integrated and multi-dimensional approach to

- pro-poor programming.
- Agrarian transformation and strengthening of household food security.
- Consolidation, development and diversification of the manufacturing base and tourism potential".

These objectives are realised through the support of the three foundation objectives of infrastructure development, human resource development and public sector and institutional transformation. The PGDP goes further to highlight areas of potential developmental activity in the Eastern Cape Provincial Spatial Development Plan (PSDP) which in the Chris Hani District Municipality are the:

- Friendly N6 and Maluti routes
- Conservation of forests in Engcobo Local Municipality
- Potential for coal mining at Indwe, Emalahleni Local Municipality
- Industrial potential of Queenstown
- Karoo heartland i.e. Cradock and Middelburg
- Potential for agriculture

The Province has since identified the following High Impact Priority Projects (HIPPs).

Economic growth and Infrastructure cluster.

- Infrastructure development
- Umzimvubu Catchment Basin
- Agricultural beneficiation & forestry

Social Needs Cluster.

- 2010 FIFA World Cup – Intensifying Role-player & Stakeholder Support and promoting cultural Industries
- Scaling-up Prevention and Treatment of HIV/AIDS
- Community Mobilisation Against Crime

Governance and administration Cluster

- Strategic skills Project (NSF)
- Financial Viability for local government
- Planning , monitoring and evaluation

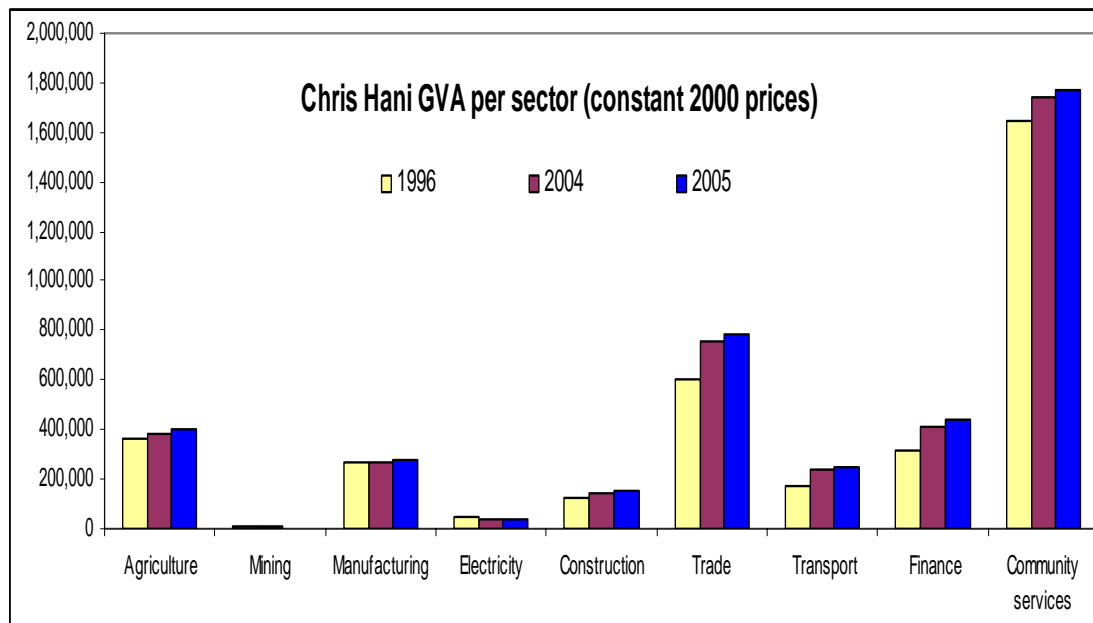
6. Economic Overview

6.1. Economic Size and Sectoral Performance of CHDM

The Chris Hani District Municipality contributes 0.42% towards the national gross domestic product. The majority of this comes from agriculture, community services, construction, and trade. The biggest contributor to the district economy in terms of size is community services followed by trade and services which remain one of the key contributors to the GGP and the predominant form of economic activity in most of the eight local municipalities.

The district has a comparative advantage in agriculture (including forestry) and services (construction, retail trade services and community services). This is despite the strong growth in the finance, manufacturing and transport sectors.

Chart: GVA per sector 2000 prices



Source: GDS Report 2007

The economic growth of the district has been a volatile one. In 2001 the economy experienced a negative growth of 1% when compared to the national average of 3% during the same period. However, it can be noted that between the period of 2001 and 2005 the district economy has experienced a positive growth in line with both the provincial and national economy as indicated in chart 1 below:

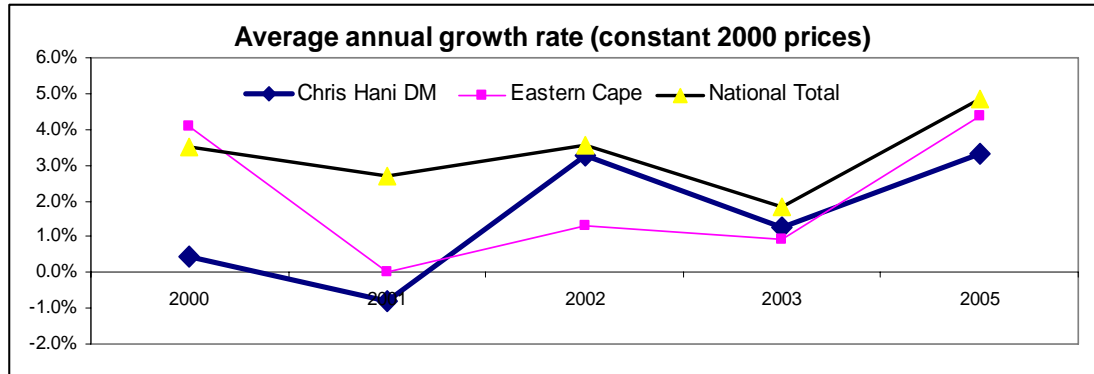


Chart: Average annual growth rate Source: CHDM GDS Report 2007

The district economy is driven by the community services sector, trade (and services) sector and agriculture. Based on the constant prices of 2000, the finance sector outperformed the mainstay of the Chris Hani economy – agriculture - whereas the manufacturing sector has experienced a decline over the years. The mining and electricity sectors have experienced negative growth over the last ten years. Despite its dominance, the community services sector is not a growth sector and the dependency of the economy on this sector is a serious risk to the development of the economy. The failure or significant reduction of government spending in the area could therefore effectively result in the collapse of the district’s economy.

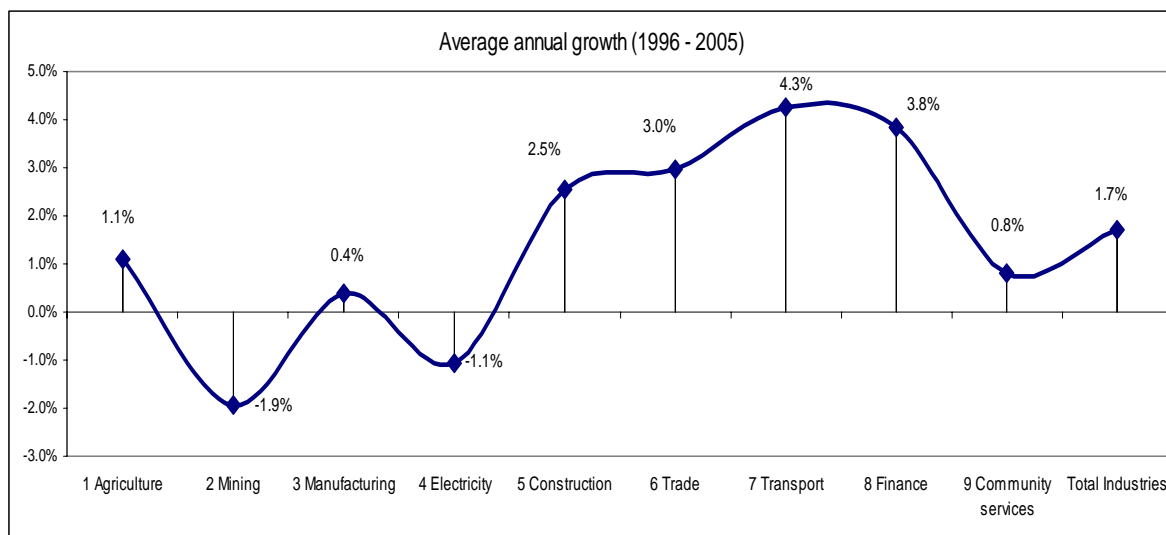


Chart : Average annual growth Source: CHDM GDS Report 2007

This Chart highlights average growth rates for sectors between 1996 and 2005. The transport sector achieved the highest growth rate of 4.3%, which is highly indicative of the strategic location advantage that the district enjoys in terms of rail and road transport, and as a distribution centre for the former Transkei area. The finance and trade sectors have also grown significantly at 3.8% pa and 3% respectively. Whilst the mining and electricity sectors experienced a negative growth, agriculture and manufacturing outputs have been rather nominal, although positive.

Table 8: Jobs gained and lost 1996 – 2001 Source: GDS Report 2007

SECTOR	YEAR		No of jobs gained / lost	% Gain/Loss
	1996	2005		
Agriculture	9,602	8,026	-1,576	-16.41%
Mining	255	247	-8	-3.06%
Manufacturing	3,830	4,127	296	7.74%
Electricity	286	300	14	4.88%
Construction	3,357	5,419	2,062	61.44%
Trade	9,213	17,839	8,626	93.63%
Transport	3,348	4,274	926	27.67%
Finance	1,882	2,418	536	28.51%
Community services	19,888	27,665	7,777	39.11%
Households	9,225	7,735	-1,490	-16.15%
Total	60,887	78,050	17,164	28.19%

Despite the loss of 3 063 jobs over the past 10 years, the district experienced a net gain of 17 164 jobs as illustrated in the table above. The trade, construction and the community services sectors are the main employment creators in the district, whereas Agriculture, mining and the household sectors have been shedding jobs over the last ten years. In terms of per capita income levels, the district per capita income is 10 times lower than the national average and lower than the provincial average.

6.2. Small, Medium and Micro Enterprises (SMME sector)

6.2.1. Overview

The exact size of the SMME sector within the District area is not known. Estimates suggest that there could well be more than 30 000 small business operators. The majority of businesses are owner-managed or sole proprietors with few business partnerships particularly in the rural areas (ECMAC Database 2005). However, there has been an increase in the number of cooperatives being established as part of government's drive to promote the cooperatives movement.

More than 50% of the small businesses have been in existence for more than 5 years which demonstrates resilience by local enterprises. Only 9% to 16% of local enterprises are in their start-up phase (less than one-year). This suggests that for every 100 adults, 9 -16 persons will form their own business against the national average of 5 out of every 100 people.

More than half of the enterprises are in the trade sector, followed by community, social and personal services sector businesses. Catering and accommodation represents a third sector with a relatively high level of commercial activity in terms of district entrepreneurship.

Table 9: Common businesses in CHDM Source: SMME strategy

Common Agricultural Businesses	Common Services Businesses	Common Retail Businesses	Common Manufacturing Businesses
Chicken farming	Taverns	Spaza Shops	Bricks and blocks
Vegetables	Phone Shops	Street Vendor	Wood-related
Stock farming	Shoe Repairs	General Dealer	Clothing / dressmaking
Milk production	Hair Salon	Catering	Bread-making /bakery
Crop farming	Motor Mechanic, Panel Beaters & Tyre Repairs	Bottle Stores	Welding / steel-related
	Taxi and bus operators		

Few enterprises are involved in commercial agriculture despite the numerous agriculturally based poverty alleviation projects being supported by the ISRDP programme. The majority of businesses fall within the micro and small business categories in terms of turnover levels and employ an average of 7.5% employees (Local Business Enabling Environment Study 2007). 37% of business owners are between the age group of 30 – 39 years with those under 30-years only making 13% of local businesses (Local Business Enabling Environment Study 2007).

6.2.2. The SMME business environment within Chris Hani

Emalahleni has very little in terms of business support services. Business people travel to Queenstown to access business support services. There is no dedicated local institutional capacity to provide support services to local businesses. The LED Unit of the municipality, despite its efforts to assist local entrepreneurs, lacks both the technical and financial resources to provide meaningful support to local entrepreneurs.

Engcobo municipality is characterized by a non-existent business support system. Local enterprises have to travel outside the municipal area to access basic business support-services such as business advice, information, training and access to financial support. Although there are some non-profit organizations, these are largely targeted at poverty alleviation projects.

Inkwanca business environment is one of the far less developed environments in the Chris Hani district. There are no dedicated support programmes and accredited small business support institutions. The Municipality does not have the capacity or the resources at present to play an effective role in terms of policy planning and facilitation. In short it exhibits an environment that is hostile to any meaningful business development and as such it requires basics or fundamental location factors to be addressed if any serious headway is to be made.

Like most rural municipalities in the district, Intsika Yethu is facing challenges relating to infrastructure and provision of basic services unlike Inxuba Yethemba which resembles a relatively well developed business environment. The area boasts a number of business support services, relatively good business infrastructure and strategic positioning in terms of land and rail transportation. The extent of development, however, varies strongly as one moves away from the main town of Cradock to the peri-rural areas of the municipality.

Lukhanji has the most developed business environment. The area is the main urban centre of the district and its primary economic node. It is a home to both the Lukhanji and district municipality, thus strategically positioning Lukhanji as both a primary economic and administrative centre of the district. The area is well serviced in terms of business infrastructure. Interactions with local business people have revealed a lack of an appropriate business environment in Sakhisizwe.

Poor infrastructure and lack of it in some areas e.g. telecommunications, lack of policy planning, poor relationship with the local authority all signal the need to change the current situation. Tsolwana also represents one of the least developed environments in terms of business support factors. The area does not have any business support system as a result local entrepreneurs rely on Queenstown and Cradock for assistance.

6.2.3. Challenges

- Access to markets for agricultural and other products;
- High transportation costs
- Inadequate telecommunications structure: no internet access, telephone coverage limited;
- Limited local consumer spending capabilities as a result of unemployment;
- Lack of appropriate business skills;
- Under resourced and under capacitated municipal LED units to support business
- Lack of appropriate by-laws and policy regulating and supporting businesses;
- Municipal supply chain management systems which do not promote or utilise emerging businesses
- Difficult access to land for commercial purposes;
- Local business not represented by a common structure.
- Police protection – slow response and high crime in some areas;
- Fire protection;
- Inadequate and irregular electricity supply.
- Insufficient and deteriorating municipal infrastructure e.g. roads, electricity, sanitation and water;
- Lack of business development services;
- Municipal irresponsiveness, slow processes and poor communication;
- Economic leakages resulting from outflow of local resources
- Lack of trading infrastructure e.g. business accommodation
- Limited appropriate financial assistance for start-ups and existing businesses
- High municipal service rates
- Limited Access to appropriate finance and stereotypes in major banks
- Lack of mentorship programmes
- Limited entrepreneurial culture
- Lack of appropriate capacity building programmes;

6.3. Agricultural Sector

Agriculture forms one of the key potential growth sectors in the CHDM. The Agricultural strategy has prioritised the following sectors for investment:

- Agro – processing e.g. cheese production
- livestock farming particularly goats and cattle
- high value crop production e.g. hydroponics and bio-fuels

Livestock farming is an important source of income for both commercial and communal farming. The following has been identified as potential for the municipalities.

MUNICIPALITY	LIVESTOCK POTENTIAL
Inxuba Yethemba	Angora goats, Dohne Merino
Tsolwana	Boer goats, Angora goats, Dohne Merino
Inkwanca	Beef cattle, Dohne merino
Lukhanji	Boer goats, beef cattle, Dohne merino
Intsika Yethu	Boer goats, beef cattle, Dohne Merino
Emalahleni	Beef cattle, Dohne merino
Engcobo	Beef cattle, Dohne merino
Sakhisizwe	Beef cattle

Table 10: Livestock potential

Source: CHDM Agriculture Strategy

The western part of the region is increasingly turning to game farming especially in the areas around Cradock, Tarkastad and Molteno. The District Municipality has engaged in partnerships with National Wool Growers Association (NWGA) to improve the quality of wool sheep, develop wool growers associations, train farmers on livestock and veld management and build appropriate infrastructure such as shearing sheds and fences. Further partnerships with the Department of Agriculture (ECDA) have resulted in the

promotion of higher quality goats and Nguni cattle. ECDA as part of their six pegs policy have prioritised “fencing of arable and grazing lands, provision of dipping tanks and dipping material, provision of stock-water dams and human resources development. ECDA have prioritised dairy production in Chris Hani and livestock development (ECDA Policy Speech 2007/2008).

The greatest challenge to livestock production remains low skills level, access to land, poor veld and livestock management, limited access to market, limited access to financial and credit access by emerging farmers due in part to insecure land tenure, limited mentoring and information from ECDA and dilapidated and insufficient infrastructure such as roads, fencing, stock dams and dipping tanks. In order to rectify this the District in conjunction with NWGA has built seven shearing sheds at Vaalbank, Qoqodala, Gxotyeni, Goboshane, Lapeseni, Cumakala and Bengu in Emalahleni, Kwezi in Tsolwana and is in the process of completing sheds at Esinqumeni in Engcobo and Hayton in Lukhanji. All farmers at the sheds have been trained in wool production and high quality Merino breeding rams have been exchanged for poor quality communal rams. Further funding has been obtained for 2007/8 for a shearing shed at Ndlunkulu in Intsika Yethu. Sales pens and dipping tanks have been built at Cumakala, Bengu and Qoqodala. Dipping tanks have also been built throughout Emalahleni.

The Nguni project with the University of Fort Hare has provided Nguni breeding stock at Zulu Kama, Whittelsea/Sada, Bolotwa and Lesseyton in Lukhanji, Thornhill in Tsolwana, Ncora irrigation scheme and Mjanyana in Engcobo. Fencing of camps also occurred at Whittelsea/Sada and Thornhill. The National Department of Agriculture has provided funding for the rejuvenation of the feedlot structure at Bilatye and weighing scales for the Emalahleni livestock project. Livestock handling facilities have also been built at Intsika Yethu.

Dryland cropping is only feasible in small parts of CHDM within the Intsika Yethu, Sakhisizwe and Engcobo municipalities. ECDA have prioritised these areas under the Massive Food Programme of which there are currently 2815 beneficiaries (GDS 2007) and have provided a budget of R 6,831,000 for this purpose. The Siyazondla homestead food production programme assists with improving household food security with a budget of R 4,983,000 for the 2007/8 FY from ECDA. There is presently 8000 ha under irrigation with CHDM containing two of the largest irrigation schemes in the Eastern Cape i.e. Ncora and Qamata. A further 7600 ha could be placed under irrigation if the large Gariep Transfer Project were to be implemented. In addition to these schemes there are several large scale commercial farming enterprises. This future development must consider the recommendations from the District's WSDP (Water Services Development Plan) that CHDM should not consider developing any more irrigation schemes apart from the already established schemes and must look at other methods of irrigation schemes such as drip irrigation which ensure that water evaporation is minimised. In spite of this scenario there are vast areas of underutilised land within the existing schemes such as Shiloh where only 40% of the scheme is currently utilised.

CHDM and ECDA have prioritised these irrigation schemes under their respective revitalisation and resuscitation programmes. ECDA has budgeted R 14,000,000 for this purpose in 2007/8 FY and CHDM R 3,000,000 for the Lukhanji and Intsika Yethu schemes. Their collaborative efforts are focussed towards attracting investors to run the schemes under private, public partnerships. It is for this reason that high value crop options and production methods such as hydroponics and bio-fuels are being investigated. In addition funding has been provided for setting up the correct institutions to run the schemes, building of lay dams, centre pivots and irrigation systems, upgrading of office facilities, seed, planting and harvesting operations as well as equipment such as tractors, ploughs and trailers. However due to the complex community structures residing within the schemes, the effort of the District and its partners has not yet resulted in

independent and financially sustainable irrigation schemes although considerable progress has occurred.

Table 11 presents crops which could be grown within each municipality.

Local Municipality	Present Activities	Potential Crops	Potential Fruit
Lukhanji	Maize, beans, wheat, peas, sorghum, pumpkins, water melon and vegetables under irrigation	Maize, beans, wheat, peas, sorghum, pumpkins, water melon and vegetables under irrigation	Peach
Emalahleni	Maize and sorghum	Sugarcane, nuts, wheat and sorghum and vegetables	-
Sakhisizwe	Maize, beans, pumpkins and sorghum	Maize, sorghum, wheat, oats, barley, pumpkins, beans, sunflower and vegetables	Peach, Apple
Engcobo	Maize, sorghum, sunflower, Lucerne, potatoes, soya beans, walnuts and vegetables	Maize, sorghum, sunflower, Lucerne, potatoes, soya beans, walnuts and vegetables	Apple
Intsika Yethu	Maize, wheat, potatoes, , beans, peas, sunflower, Lucerne and other fodder crops	Sunflower, peanuts, paprika, rice, hemp and asparagus	Peach
Inxuba Yethemba	Wheat, Lucerne, potatoes, walnuts and vegetables	Wheat, Lucerne, potatoes, walnuts and vegetables	Apple
Tsolwana	Maize, wheat, Lucerne, potatoes, walnuts and vegetables	Maize, wheat, Lucerne, potatoes, walnuts and vegetables	-
Inkwanca	Lucerne, potatoes, turnip, barley, oats and maize	Lucerne, turnip and winter cereals and fruit such as apricot do well under irrigation	Apricot

Source: CHDM Agriculture Strategy

6.4. Forestry, Timber and Wood Products

CHDM has vast forestry resources located in and around Intsika Yethu, Sakhisizwe and Engcobo including existing sawmill infrastructure near Cofimvaba and Ngcobo. Plantation forestry is the foundation for a number of

downstream processing activities. The value chain for the overall wood cluster consists of three segments, namely: forestry; milling; and furniture manufacturing. Each of these segments has its own markets.

6.4.1. Business opportunities from forestry

- Chipboard
- Creosoted poles
- Organic fertilizer
- Charcoal
- Bee keeping

6.4.2. Business opportunities from saw-milling

- Purlines
- Rafters
- Facia boards

6.4.3. Business opportunities related to furniture

- Office furniture
- Coffins

6.4.4. Business opportunities from the outsourcing of management

Listed below are some of the forest operations that are handled by contract workers or through outsourcing:

- Nursery
- Planting
- Pruning

These must be addressed to optimize the benefits created by forestry for small businesses in the CHDM. These include:

- Non-registration of businesses (as required by law);
- Poor production capacity of saw-millers;
- Lack of access to appropriate training and capacity building programmes;
- Lack of access to research and development support; and

- Poor access to appropriate infrastructure.

6.4.5. Challenges

- Management and administration of forest plantations;
- Sivi-culture
- Fire-fighting
- Environmental management
- Limited mechanical and operation of machinery skills e.g. Chain saw operators
- Production management
- Marketing

6.5. Construction and Coal mining

The District has a high development profile in terms of the ISRDP nodal status. Its high infrastructure budget allocation presents opportunities for the establishment of a local construction industry and may enhance competitiveness by addressing critical shortcomings in economic infrastructure. The strong growth and development in public housing and construction comes with a huge demand for construction material such as clay and cement bricks. At present illegal brick making activities are prevalent throughout the district mainly to fulfill the demand of private construction needs. Due to low quality and illegal operations, these bricks cannot be used for public sector construction.

The PGDP has identified coal mining at Indwe and Molteno as a HIPPS project. The exploitation of the Molteno/Indwe coalfields is currently being investigated to access their viability. A public private partnership company has been established with Elitheni. Prospective rights for the Indwe coal mines have begun and the results look promising.

6.6. Manufacturing

Manufacturing represents a significant proportion of the CHDM economy at 8 % GGP and 5 % employment. Lukhanji municipality especially Queenstown has a small furniture, dairy processing and wood products industry and operates as the prime manufacturing centre of the District. Middelburg and Cradock have food processing activities. Manufacturing mainly takes place in Queenstown and the major activities are furniture making, food processing and pressed metal. The three biggest employers in Queenstown are manufacturers' viz. Seating, Twizza and Crickley Dairy and Stateline Pressed Metal. Other manufacturing industries are biltong processing, cheese making, Ouma rusks, leather processing and bone meal production.

6.7. Agro-processing

While the districts agricultural potential is obvious, primary agricultural projects have had a minimal impact on unemployment. This situation necessitates strategies to increase value-added production by exploiting opportunities that exist along the various crop and livestock value chains. Particular advantages lie in food-processing based on resource and crop availability, existing factory infrastructure, as well as relatively well developed road infrastructure when compared to other rural districts.

The bulk of the districts' farm output goes for processing outside the district e.g. milk, beef, fruit etc which regulates the district to the bottom of the value chain. Opportunities exist in food-processing especially in the areas on convenience food, specialty foods and organic foods. Beside food –processing the District can promote high value crops such as cotton as well as bio-diesel. Bio-diesel initiatives present huge opportunities especially around the existing sugar-beet project ear Cradock where Sugarbeet SA, Central energy Funds and the IDC have entered into a partnership that will see 6000ha of sugarbeet planted, construction of ethanol production plant and buying of the ethanol by PetroSA to blend into their stock. This investment is estimated to

reach R 1,5bn with the construction of the ethanol plant due to start before the end of 2007 and the first product from the plant due to roll out by the end of 2009. It is estimated that this project will create up to 2000 temporary jobs and 500 permanent jobs only in the ethanol plant construction phase.

6.8. Trade and Services

Trade and services contributes in total between 16 % to the District GGP in 2000 and 22 % employment in 2004. The majority of SMME's are found in the retail and service sector (73%). It is the predominant form of economic activity in CHDM.

6.9. Tourism

The district has a rich history and natural resources that can promote tourism development in the region. These resources are untapped and are not adequately budgeted for within the District and local municipalities. The District has access to a number of major routes, the friendly N6 and the N10 which link the District with East London, Bloemfontein and Port Elizabeth and the R 396 linking Queenstown with Mthatha and the Wild Coast.

The region's emergence as a malaria free game farming and nature reserve location has contributed to tourism revenue, a trend that looks set to continue. The growth of this sector may crowd in private sector investment and support the emergence of supporting industry and services.

The district has one national park (Mountain Zebra National Park), 2 nature reserves in Lukhanji & Tsolwana, 2 game reserves (Tsolwana, Lawrence De Lange) and private game reserves and game farms. There are also new establishments that include the promotion of heritage sites.

The friendly N6 provides an opportunity for tourism development as it links the wild coast and sunshine coast to the hinterland. In addition to this opportunity there are many Anglo-Boer War memorials, places related to struggle heroes and Bushmen paintings. The District is currently focusing its tourism activities on branding and marketing the various activities available. In addition cultural and heritage sites are being marketed through the Great Karoo biosphere concept and creating linkages to the Madiba heritage route through the development of a Chris Hani Liberation route. A tourism centre will also be developed in Queenstown. These plans will be expressed in the local municipal tourism sector plans and the District tourism plan.

7. Opportunities and Challenges for Stimulating Growth

7.1. LED Strategies and plans

The existing LED strategies and plans are currently being reviewed so that they promote the diversification of the economy so that it does not become reliant on a few sectors but also creates decent jobs and alleviates poverty.

7.2. Investment in skills

The District Municipality has a low skills base that severely retards its ability to stimulate and grow its economy. This can be overcome by building strong partnerships with key stakeholders to drive skills development such as educational institutions (primary, secondary and further education institutions), Department of Labour and national and provincial initiatives such as those driven by DPLG and DBSA.

The Department of Labour's (DOL) national skills fund which targets strategic projects will assist in increasing skills as will the District's ability to reposition

itself in such a manner that it will benefit from other initiatives such as the ASGISA's JIPSA Initiative.

7.3. Building strong partnerships

In order to develop the competitiveness of the district, it is pursuing a policy of partnership building with the private sector, national and provincial departments, civil society and institutions that have the capacity to support the development efforts of the district. These partnerships are developed through the various forums of the District and its IGR clusters which seek to collaborate and integrate relevant programmes and projects.

These partnerships and emphasis on cooperative governance will also increase competitive advantages amongst municipalities within and outside the district. The development of some of these sectors and creating their competitiveness requires conceptualization, planning and implementation that look beyond municipal boundaries.

7.4. Strengthening the competitiveness of location factors

Municipalities have to focus on providing development infrastructure such as water, sanitation, transportation, electricity and telecommunication that will meet the needs of the enterprises. The availability of the ICTs is an advantage in strengthening the locality. In addition the municipality must facilitate the provision of the services that are not of their power and functions such as electricity, roads and telecommunication in order to create a competitive environment that will retain the existing business and attract new businesses. Municipalities must also earmark and prioritise land for development in line with their SDF and urban zoning schemes as well as looking at incentive packages to attract investors such as lower municipal rates and minimal red tape.

The district and local municipalities should create the enabling locality that will be relevant to the enterprises thereby improving the quality of the service and the way they interact with the private sector. This includes informing businesses about the internal workings of the municipality including policies, mechanisms and the processes required in dealing with business related issues.

8. Land management, resources, tenure & reform

8.1. Land Tenure Systems

The land ownership in the Chris Hani District Municipality is made up as follows:

1. The western half of the District Municipality consists of privately owned farms, except for the following portions of registered state land.
 - The Grootfontein Agricultural College adjacent to the town of Middelburg.
 - The Mountain Zebra National Park south west of the town of Cradock.
 - The Halesowen Experimental Farm south of the town of Cradock.
 - The Kommandodrift Nature Reserve west of the town of Tarkastad.
 - The Vlekpoort Nature Reserve west of the town of Molteno.

2. The eastern half of the District Municipality consists of:
The Hewu District of the former Ciskei to the south west of Queenstown consisting of
 - Unsurveyed unregistered state land
 - Unregistered state land

Registered and unregistered state land around the former Ciskei's Hewu District consisting of land bought by the former RSA Government for incorporation into Ciskei.

The former Transkei to the east of the town of Queenstown consisting of

- Unsurveyed unregistered state land
- Registered state land

The RA60 area north of Queenstown, which consists of registered state land where all villages have been formalised into individual erven with full title. The Lesseyton area south of Queenstown consisting of registered state land where all villages have been formalised into individual erven with full title.

8.2. LAND USE MANAGEMENT SYSTEMS

Land uses are regulated in the Chris Hani District Municipality as follows:

8.2.1. THE FORMER RSA

The former RSA includes all land within the Chris Hani District Municipal area excluding the former Ciskei and Transkei. It mostly includes the western half of the District Municipality.

Land use control was done through zoning schemes. Zoning schemes exist for following town

- Queenstown
- Cradock
- Molteno
- Sterkstroom

The following towns are in the process of developing their Zoning schemes which will be finalised by December 2007.

- Hofmeyr
- Tarkastad

The following towns are do not have approved zoning schemes but are using Scheme Regulations promulgated in terms of Section 8 and Section 7 (2) of the Land Use Planning Ordinance;

- Dordrecht
- Indwe
- Elliot
- Middelburg

The same zoning scheme regulations apply to every land parcel in the rural areas as well. The present land use relates to a zone in the Scheme Regulations made in terms of Section 8 and Section 7(2).

The Land Use Planning Ordinance makes provision for procedures for changes in land use and for the subdivision of land. All applications can be approved by the local authority concerned. All appeals against decisions made by local authorities are submitted to the MEC for Housing and Local Government. The MEC can be advised by the Planning Advisory Board instituted in terms of Section 33 of the Ordinance.

8.2.2. THE FORMER TRUST AREAS

All land bought by Government for incorporation into so-called Homelands, such as RA60 (Lesseyton) and land adjacent to the former Ciskei (i.e. Lesseyton) administered in terms of the same legislation used for the former RSA as it indeed was still formally part of the former RSA.

8.2.3. THE FORMER CISKEI

Land use in the former Ciskei is controlled through the Land Use Regulation Act 15 of 1987 of the Ciskei. And towns that are of former Ciskei are:

- Whittelsea
- Sada

Section 7 of the Act makes provision for zoning schemes for the towns; however, no zoning scheme was ever promulgated in terms of the Act. The Act makes provision for applications to the Land Use Planning Board for the rezoning and subdivision of land. Applications are firstly submitted to the local authority for a recommendation.

8.2.4. THE FORMER TRANSKEI

8.2.4.1. R293 TOWNS

Some towns, like Ezibeleni and Illinge were established in terms of Regulation R293. These regulations provide for the subdivision of land as well as for land use changes. All applications are made to the MEC for Housing and Local Government (advised by the Land Use Planning Board). All applications must firstly be submitted to the local authority for a recommendation.

8.2.4.2. OTHER TOWNS

The Townships Ordinance, 33 of 1934 applied to all former Transkei towns being

- Cofimvaba
- Lady Frere
- Tsomo
- Ngcobo

Chapter 4 of the Ordinance provides for the implementation of a Town Planning Scheme for each town. The Transkei Standard Town Planning Scheme of 1984 was introduced in the aforementioned towns. The Scheme consists of a standard scheme regulations and a zoning map for each town. Cofimvaba and Tsomo have updated their zoning maps in 2006 and Lady Frere, Ngcobo and Cala are in the process of developing or updating their zoning maps. The Ordinance provides for applications to the Townships Board for land use changes and for the subdivision of land. All applications must first be submitted to the local authority for a recommendation.

8.2.4.3. RURAL AREAS

Section 9 of Ordinance 33 of 1934 allows for minor subdivision of land (subdivision into not more than 10 erven for residential, industrial, occupational or similar purposes) in urban or rural areas.

Applications are submitted to the Townships Board with a recommendation from the Municipality concerned. However, land uses in the rural areas of the former Transkei are generally governed by very old proclamations as follows:

1. For residential sites in the case of unsurveyed districts, Proclamation 26 of 1936 is used.
2. For residential sites in the case of surveyed districts, Proclamation 94 of 1921 is used.
3. For trading (business) sites, Proclamation 11 of 1922 is used.

These Proclamations are administered by the MEC of Agriculture and Land Affairs. Land use rights (either residential or business) are established by means of a PTO (Permission to Occupy) issued by the MEC.

The problems with PTO's are

- It is only valid for a limited period of time
- It is not transferable
- It is not regarded as proper title by Banks and therefore cannot be bonded

8.3. Challenges with land management

“The legacy of ineffective and poor resource management controls, monitoring and improper agricultural practice has raped the production potential of extensive areas of our natural resources (ECDA Policy speech 2007/2008)”. This problem is worsened within the CHDM by it containing some of the most erodible soils in South Africa, particularly in the former Transkei area i.e. Ngcobo, Intsika Yethu and Emalahleni. Overstocking, bad veld management, continuous burning and use of unsuitable land for ploughing add to the erosion problem resulting in the loss of valuable top soil and vegetation cover, which has produced a landscape characterized by huge dongas and a vegetation cover of increaser (unpalatable) grasses in both communal and commercial land areas.

Uncontrolled veld fires sometimes caused by lightning strikes but more often by man increase the damage to vegetation and soil erosion as well as causing damage to livestock and property and even loss of human life. This problem occurs across the whole district and is often due to farmers, in particular small-scale farmers, burning the veld in order to get green grass and communities burning the veld to prevent criminals hiding in long grass and trees.

There is a lack of protection of certain areas, e.g. arable land, water/ springs, wetlands and cultural or heritage sites. The game reserves are the only effectively protected and controlled areas within the District. However, it is noted that the natural environment, including areas such as game farms, parks and nature reserves, have to be managed in such a way that the community sees them as a benefit and not as a bone of contention. Natural resources such as wood, water, soil and vegetation cover have to be protected in order to avoid over exploitation, which leads to increased soil erosion and water pollution.

The exploitation of minerals such as clay for bricks and coal has to be monitored and supervised in order to prevent destruction to the natural environment. ECDA have responded to the challenge by “establishing agricultural resource use committees at local level to assist and support efforts to effect sustainable use of natural agricultural resources (ECDA Policy Speech 2007/2008)”. R 2,843,000 has been allocated for the Province for this purpose as well as a conditional grant (CASP) of R 6,520,000 for CHDM land care. In addition to this funding traditional leaders are being utilised to revive agriculture in rural areas and co-ordinators are being appointed to run projects at Great Places. Farmer training and development is increased through the development of farmer support centres which will eventually be located through all district municipalities ECDA Policy Speech 2007/2008).

Limited access to land and land loss due to agricultural and grazing land being settled on has increased the pressure on the available land. This problem is compounded by the different land tenure systems which function in the District. The former Ciskei and Transkei areas have not had access to forms of tenure which promote equality and security. This has been juxtaposed against the former RSA areas which have one of the most advanced tenure systems in the world. The resulting impacts may be seen in a broad range of development issues such as access to housing subsidies, agricultural development and, water and sanitation projects. The forms of land tenure historically available within the former homeland areas have also largely excluded certain sectors of the population (especially women and youth) from the right to land ownership.

The lack of available commercial land for redistribution is posing serious problems to the Department of Land Affairs efforts to ensure that 30% of formerly white owned land becomes owned by disadvantaged members of the community by 2015. An opportunity does exist with the tracts of undeveloped and underdeveloped State land. In order to attempt to assist in the process of Land Reform, the District developed the *Land Reform and Settlement Plan (LR &SP)*. The plan provides a framework on how to manage and administer land within CHDM. It recommends the following:

- Facilitate the release of land to the previously disadvantaged through co-operation with the Department of Land Affairs
- Consolidate the current urban areas and rural villages within CHDM particularly in the former Transkei and Ciskei areas and address land tenure issues
- The development of a land management system
- The development of commonage management plans for every urban area in order to ensure environmental sustainability and stop the encroachment of grazing land

- The development of a Land Trust whereby land could be bought for the previously disadvantaged and released to them once they have obtained their LRAD grant
- Ensure that all towns and villages are zoned and mapped and provided with adequate infrastructure and land tenure
- Local Municipalities need to take a more proactive role in ensuring that residents can access land more readily

The plan advocates the development of commonage and development plans at Cradock, Molteno, Sterkstroom, Tarkastad and Hofmeyr. Agricultural feasibility/development plans for Inxuba Yethemba. Feasibility studies for Rosmead and Ntabathemba/Waverly. Urbanisation study for Molteno, Sterkstroom and Lady Frere. Model 1 type settlement and housing for Inxuba Yethemba, Inkwanca, Tsolwana, Greta Queenstown, Sakhisizwe and Engcobo. Rural housing in Engcobo, Sakhisizwe, Emalahleni and Tsolwana. Pilot land use management system at Thornhill and RA60. Local planning programme for Engcobo, Intsika Yethu, Sakhisizwe and Emalahleni. Local planning processes at Ntabathemba, Zweledinga, Emalahleni, Sakhisizwe, Engcobo and Intsika Yethu. Land rights enquiry at Ncora, Bilatye and Qamata. Policy study on formalisation of settlements and rates and taxes in Emalahleni.

However the issue of land redistribution is not adequately dealt with in the LR &SP which is why the District has joined together with the Department of Land Affairs to develop an *Area Based Plan* (ABP) which will set land redistribution targets for each municipality and highlight areas which can be redistributed.

Other land use management challenges as identified in the Spatial Development Framework are:

- A proper zoning map in conjunction with a land use survey and land use register should be drawn up in terms of the Land Use Planning Ordinance 15 of 1985
 - Middelburg
 - Dordrecht
 - Indwe
 - Elliot
 - The Municipality of Cradock must update their outdated zoning scheme.
 - A zoning scheme must be completed for the former Ciskei towns of Sada in terms of the Land Use Regulation Act 15 of 1987.
 - Following the implementation of the above, training must be conducted with all relevant Municipal staff on
- Maintenance zoning schemes
 - Administrative functions relating to land use control

8.4. LAND USE MANAGEMENT GUIDELINES

8.4.1. Build on existing settlement areas, nodes and corridors

It is envisaged that the location of residential settlement, where possible is developed adjacent to or as an extension onto existing settlements; or planned at key nodal areas and along main access routes.

8.4.2. Settlement encroachment and extension of commonage

Where an existing settlement is surrounded by commonage land it is envisaged that the existing settlement will be extended and that additional commonage land will be acquired/extended on the periphery of the existing commonage area.

8.4.3. Environmental impact of settlement planning

Location of new settlements and expansion of existing settlements must be managed in terms of their proximity to water sources and other environmentally sensitive areas.

8.4.4. Steep slopes

Settlements must not be established on slopes steeper than 1:6 meters. This is to reduce the occurrence of soil erosion on steep slopes and reduces costly construction of housing infrastructure on steep slopes.

8.4.5. Conservation of farmlands

Consideration must be given to the carrying capacity of the land (level of agriculture potential of farm land) and, in so doing, reserve *as far as possible* good farmland for commonage areas and farmlands.

8.4.6. Protection of commercial enterprises

It is accepted that not all existing commercial enterprises can be excluded in the demarcation of settlement and commonage areas. However, it is strongly suggested that these enterprises be accommodated as far as possible in the phasing of development of settlement areas.

8.4.7. New settlement zones and densification zones

Within the proposed settlement zones, certain zones are earmarked for new settlements and to accommodate prioritized additional sites. Other zones are earmarked for densification of existing settlements. The densification zones include existing communal areas and will also accommodate prioritized additional site requirements.

8.4.8. Fully serviced densification zones

To ensure that densification of an area does not lead to an undesirable environmental impact, it is essential that densification zones be planned and appropriately serviced in terms of water, sanitation, solid waste and refuse removal, etc.

8.4.9. Local planning initiatives

It is intended that local planning initiatives will further refine the Municipal Development Framework, and identify and demarcate additional sites and plan for in-situ upgrading in communal village areas.

8.4.10 Identification and resettlement of emerging farmers

It is further proposed that in terms of DLA / DALA's proposed Integrated Land Redistribution and Agricultural Development Policy, a database of potential emerging farms be established and that processes be initiated to identify emerging farmers within the proposed settlement zones. It is envisaged that owners of large numbers of cattle / stock be moved out of the proposed settlement zones and accommodated on farming land elsewhere in order to make additional commonage land available within the settlement zones.

8.4.11. Restitution claims

Restitution claims that fall within proposed settlement zones will have to adhere to the settlement options prescribed within the settlement zones.

8.4.12. Boundary parameters

Proposed settlement zones should as far as possible be in line with existing cadastral and farm boundaries, local government boundaries and natural relief boundaries defined by watercourses and mountain ranges, etc.

The following basic guidelines should apply to all development in the Municipality:

- No development should take place on land within the 1:100 year flood line
- Development is prohibited on slopes steeper than 15% (on 1:6)
- Geotechnical reports must be undertaken prior to planning of new areas for development.

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- Environmental scoping reports must be undertaken prior to planning of new areas for development
- New developments should not take place within controlled areas around Waste Disposal Sites, Waste Water Treatment Works and Airports
- Housing must be constructed in terms of the National Building Regulations
- No development to take place on prime and unique agricultural land
- All new developments must take cognizance of the guidelines of the STEP programme
- Settlement design and development must be in accordance with the "Guidelines for Human Settlement Planning and Design" (the "Red Book" compiled by the CSIR).
- All land developments should be undertaken in accordance with an approved Layout Plan and / or Site Development Plan and / or Landscaping Plan.

INSTITUTIONAL TRANSFORMATION



1. Introduction

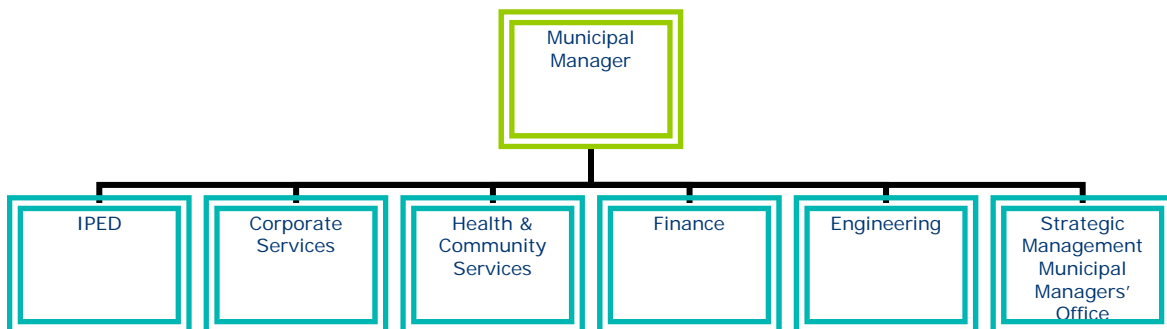
CHDM is a Category C District Municipality as envisaged in Section 155(1)(c) of the Constitution of the Republic of South Africa, 1996 (the Constitution) and in terms of Section 10 of the Local Government: Municipal Structures Act, No. 117 of 1998 (the Structures Act).

Within its area of jurisdiction there are eight local or Category B municipalities as envisaged in Section 155(1)(b) of the Constitution and Section 9 of the Structures Act. The original organisational structure was developed at a time when certain powers and functions had not been finally allocated, and when legislation prevailed that has, in the mean time either been updated or supplemented.

The CHDM's main sources of income, namely the so-called Regional Services Council levies imposed in terms of the Regional Services Council's Act, No. 109 of 1985 has, through a repeal of the said legislation lapsed, and has been replaced with a grant allocated in terms of the annual Division of Revenue Act (the DORA) – currently Act 2 of 2006.

2. Current Situation

Chris Hani District Municipality is made up of six functional Directorates as portrayed in the structure below,



The IPED (Integrated Planning & Economic Development) Directorate consists of IDP, Organisational PMS, LED, GIS and Town and Regional Planning. Corporate Services has two facets, i.e. administrative and legal and human resources. Health and Community Services consists of Primary Health, Municipal Health and HIV and Aids. The Finance Directorate has a budget and treasury office, expenditure and income and financial systems. Engineering Directorate has roads, transport, project management unit and water services. Strategic Management has no current units but acts as a Manager of the sections which fall under the Municipal Managers office. These are disaster management, internal audit, supply chain management, SPU, ICT and Communication. Each Directorate is headed by a section 57 employee. At present the Director of Corporate Services position requires filling. The organograms of each Directorate are contained in Annexure C.

3. Capacity Requirements

A recent survey conducted amongst the LMs, found that there was a need for the following shared services –

- Internal audit,
- Performance audit,
- Audit committee
- IT,
- HR, (especially in regard to a workplace skills plan and a skills development facilitator),
- Occupational health and safety,
- Legal,
- Town planning,
- Building control,
- LED

4. Organisational restructuring

The District Municipality is in the process of restructuring its organograms to meet the newly delegated powers and functions. As a result the following problem areas have been highlighted and require discussion.

- The placement of the various units within the Municipal Managers' office which currently prevents the Municipal Manager from managing more important macro issues.
- The role of the Strategic Manager within the Municipal Managers Office and the overlapping functions with IPED
- Changing the name and function of the Strategic Manager to the Director: Institutional Support Services, in charge of a Municipal support Unit.
- Sharing the responsibility of SDBIP between IPED and Finance
- Changing the name of IPED to Strategic Management directorate
- The placement of Housing and Fleet Management

5. Attempts to meet MDG's

The District is attempting to attract more women into top management positions and capacitate them to fulfil their functions in order to meet this goal. However greater focus does need to be paid to tertiary education of women particularly in the fields that were considered for males only such as engineering.



Goal 3. Promote gender equality and empower women

Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015

- 9. Ratio of Girls to Boys in Primary, Secondary, and Tertiary Education (UNESCO)
- 10. Ratio of Literate Women to Men 15-24 years old (UNESCO)
- 11. Share of Women in Wage Employment in the Non-Agricultural Sector (ILO)
- 12. Proportion of Seats Held by Women in National Parliaments (IPU)

INFRASTRUCTURE DELIVERY
&
SERVICES



1. Section 78 Assessment of Water Service Provision

(Water and Sanitation information is drawn from the *CHDM Water Services Development Plan*)

The Section 78 Assessment concluded that, given its constitutional obligation to provide access to basic water services, local government should ideally also retain responsibility for water service provision.

Chris Hani District Municipality is the designated Water Services Authority therefore, for reasons of accountability and the goal of linking water and other basic service provision, it is recommended that the natural long-term “home” of the water service provision function should be the local, rather than district, municipality. However many of the local municipalities in Chris Hani District currently lack sufficient capacity to adequately fulfil the WSP role.

The assessment report proposed that, currently, the most appropriate water service provision arrangement is a combination of internal and external mechanisms:

- The four western local municipalities of Inkwanca, Inxuba Yethemba, Lukhanji and Tsolwana should, in principle, be appointed as Water Service Providers for their areas of jurisdiction.
- The four eastern municipalities of Emalahleni, Intsika Yethu, Engcobo and Sakhisizwe currently lack sufficient capacity for this role, therefore the District Municipality should retain the Water Service Provider function in these areas in the short to medium term. However this should be viewed as an interim solution and every effort should be made by the District Municipality to build the capacity of these local municipalities, so that they too can eventually be contracted as full Water Service Providers.

Water Services Development Plan (WSDP)

The plan highlights the following issues affecting water and sanitation provision:

- Although 71% of the population is rural they are effectively urbanised
- The backlog in water infrastructure is estimated at R 718 million
- The backlog in sanitation infrastructure is estimated at R 448 million
- The largest backlog in water and sanitation infrastructure is in Lukhanji, Emalahleni, Intsika Yethu and Engcobo
- Water and sanitation water provision do not form part of an integrated infrastructure development programme with the result the water schemes are built without access to roads and electricity
- Housing development programmes are not linked to water supply and provision needs
- An effective groundwater monitoring system needs to be implemented
- Minimal pollution contingency measures need to be developed to prevent pollution of existing water supplies
- A comprehensive water conservation and demand management programme needs to be developed
- A policy for providing water for farm workers on commercial farmland needs to be developed
- The DM needs to increase its ability to deal with the administrative side of water provision i.e. billing
- The DM needs to develop a uniform indigent policy across all LM's
- The DM needs to revisit the affordability of services as development scenarios indicate a drop in household income
- The DM should not consider developing any more irrigation schemes apart from the already established schemes
- The DM must look at other methods of irrigation schemes which ensure that water evaporation is minimised such as drip irrigation.

Water and Sanitation Service Backlogs

It is estimated that currently 73% of the total population of Chris Hani District Municipality (CHDM) is served with water services, whilst 55% is served with sanitation services. A detailed breakdown is given below:

Table 5: Water and Sanitation Services Delivery Profile

Municipality	Population	Population Served		Population Not Served	
		Water	Sanitation	Water	Sanitation
Emalahleni	116 662	104 487	69 636	12 135	46 986
Inkwanca	20 244	20 244	12 893	-	7 351
Intsika Yethu	194 533	112 490	68 566	82 043	125 967
Inxuba Yethemba	60 405	60 405	43 439	-	16 966

Lukhanji	196 036	168 985	138 676	27 051	57 360
Engcobo *	148 993	64 217	55 651	84 776	93 342
Sakhisizwe	54 351	38 791	39 538	15 560	14 813
Tsolwana	32 674	32 674	21 966	-	10 708
	823 588	602 293	450 365	221 555	373 493
AVERAGE %		73%	55%	27%	45%

Source: CHDM Water Services Development Plan: 2007

Challenges

Major challenge is meeting the backlog targets as set out by the national government due to the insufficient capital funds (i.e. MIG allocations). The collapsing infrastructure in towns is not included in the backlog.

- Deal with remaining challenges in sanitation and refuse removal especially in rural communities

The CHDM has identified and quantified all villages with water and sanitation backlogs within their area of jurisdiction. We are currently in the process of appointing Consultants for all projects that have been identified, in order to start preparing designs and documents up to the tender stage. This will help to eliminate delays when the MIG funds are made available.

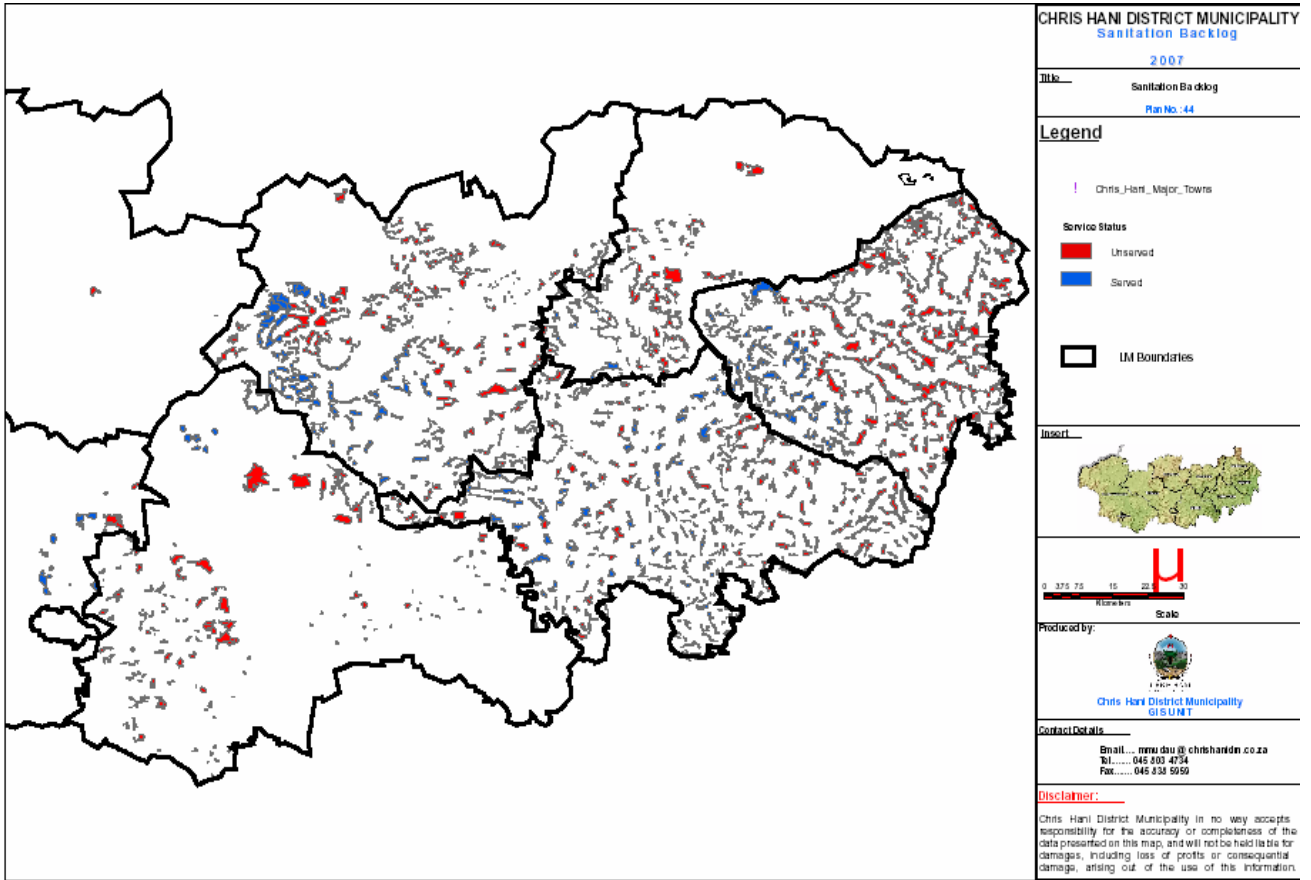
- Eradicate completely in established settlements the bucket toilets by the end of 2007

The District Municipality is well on track in eradicating buckets by the end of December 2007 and this target is achievable if communities accept alternative systems that can be upgraded to water borne at a later stage. There is an amount of R73million ring fenced for the eradication of buckets. The challenge that is being faced is convincing our communities in the urban areas to accept ventilated improved pit toilets as an interim mode of service. The reason for this is the limited funding to fund bulk water projects to supplement the flushing toilet system.

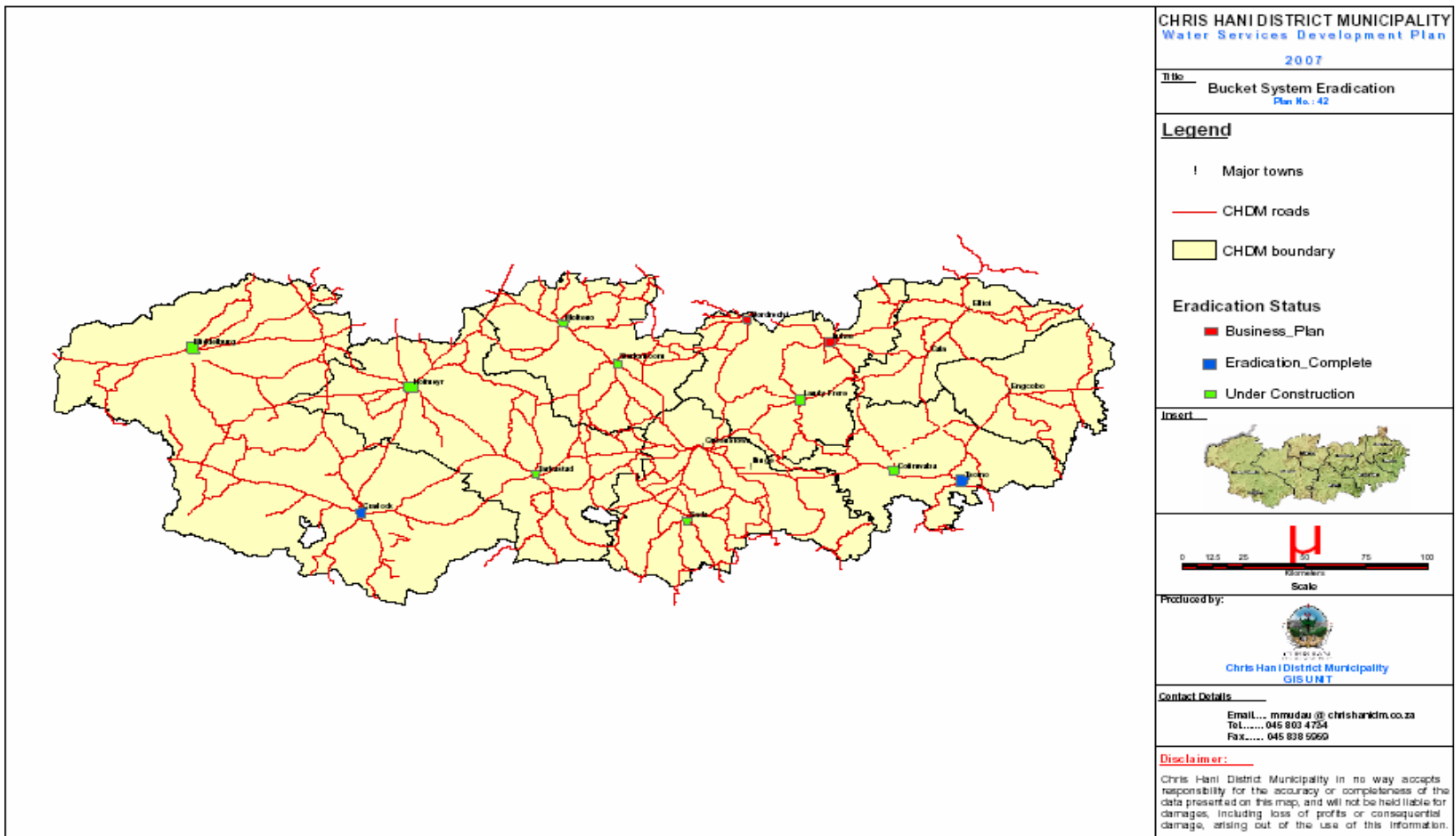
- Provision of free basic services

The DM has committed itself in ensuring that it provides free basic services to its communities. Due to the powers and functions the provision of basic level of services is limited to water and sanitation. Backlogs have made it difficult to provide these services in areas which do not have infrastructure especially in the former Ciskei and Transkei areas. The funding with respect to MIG falls short in eradicating the backlog. The following data provides an insight on the current status of the delivery of Free Basic Services at each Municipality within the District.

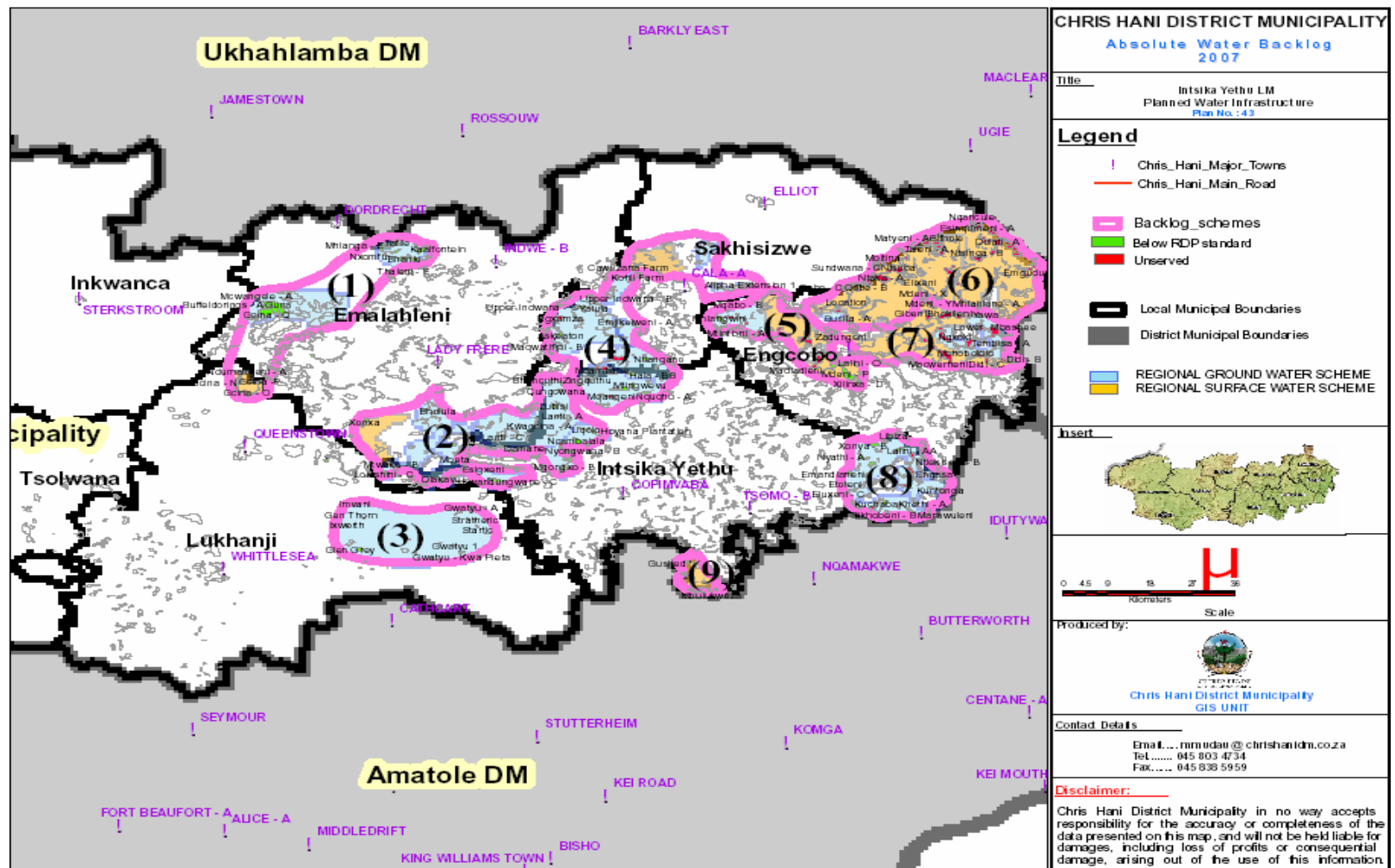
Map 5: Sanitation Backlog



Map 6: Bucket eradication



Map 7: Water backlog



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A summary of the total funding required to eliminate the water and sanitation infrastructure backlogs in Chris Hani District Municipality is estimated as follows:

Table 13: Water and Sanitation Backlog

The current funding required to eliminate the water and sanitation infrastructure backlog in Chris Hani District is estimated in the following table:

Local Municipality	Water Backlog (R)	Sanitation Backlog (R)	Total Backlog (R)
Emalahleni	35,191,500	63,612,161	98,803,661
Inkwanca	1,000,000	25,122,158	26,122,158
Intsika Yethu	237,924,700	117,520,539	355,445,239
Inxuba Yethemba	14,400,000	12,280,295	26,680,295
Lukhanji	128,898,015	58,618,788	187,516,803
Ngcobo	245,850,400	117,999,732	363,850,132
Sakhisizwe	45,124,000	15,835,347	60,959,347
Tsolwana	8,942,879	36,605,143	45,548,022
TOTAL CHDM	717,331,494	447,594,163	1,164,925,657

Funding required for backlog eradication

The WSDP presents a number of possible developmental scenarios. Given the available and potential resources and capacity, the most viable scenario envisages increasing resources so that the backlogs are addressed within 7 years.

Chris Hani DM has also developed a water services backlog eradication strategy, whereby all areas with backlogs have been identified and quantified up to the village level. The affected villages have been grouped into nine clusters (i.e regional schemes refer to Map 7 above).

Furthermore, Professional Service Providers have been invited to prepare the cost estimates, plan and design the schemes up to the tender stage to eliminate any delays, should the funding be made available any time soon.

The following table presents this funding requirement to address the backlog this scenario as included in the WSDP:

Table 14: Funding requirement to Address Water and Sanitation Backlog

	07 / 08 FY	08 / 09 FY	09 /10 FY
Current MTEF Funding	R207,000,000	R165,000,000	R185,000,000
Funding Requirements	R1 164 925 657	R957 925 657	R792 925 657
Short Fall	R957 925 657	R792 925 657	R607 925 657

It is noted that there is a need to find alternate sources of funding if we are to increase our rate of delivery. However, to date such funding has not been sourced; therefore this needs to be a priority for 2006 – 2011.

More investment is required in utilising surface water resources. In addition the monitoring of the usage of groundwater requires improvement. A worrying challenge is the minimal pollution contingency measures in place in the district as well as the limited capacity of the four eastern local municipalities to become water service providers and the need for the District as a WSA to increase its current capacity. In addition far more attention has to be paid towards ensuring and implementing water conservation and demand management.

4. Roads

There are approximately 4,000km of gravel roads for which the District was formerly responsible. Due to the uncertainties of powers and

functions in this regard, only minimal maintenance is being carried out on this infrastructure. As a result, 50% of the roads are in a fair condition and the remaining 50% are in a poor condition. All these roads require re-gravelling as a matter of priority.

Currently the process of maintenance and upgrade is severely hampered by the lack of clarity with regards to roles and responsibilities between various roads role players. The process is currently under discussion at all levels, thus providing some hope for a resolution in the near future.

5. Education

5.1. Levels of Education

Education levels are low throughout the District, as indicated in Table 15 below. The majority of Chris Hani residents are functionally illiterate. The resulting high number of undereducated people entering the workforce places significant demand on the unskilled job pool. This lack of educated persons entering the working economy means that there will be a large demand for unskilled work. A number of reasons may be attributed to the low levels of education, including:

- Parents lack the money to send children to school
- Limited number of school facilities, and a significant number of poorly constructed and maintained schools
- Lack of adequately trained and motivated educators
- Lack of pre-primary, secondary and tertiary institutions in the region
- Lack of educational equipment
- Lack of adult literacy programmes
- High rate of teenage pregnancy

The Department of Education, in conjunction with local municipalities and the District Municipality, must, therefore, concentrate on a two pronged approach: (1) whereby learners have access to well equipped and maintained

school buildings, crèches and pre-primary facilities, and (2) the necessary funds being made available to encourage learners to complete their high school education.

Table 15: Highest Education Level Reached (+20 years)
Source: StatsSA (2001):

Municipalities	Some		Complete	Some		
	No schooling	primary	primary	secondary	Grade 12	Higher
EC131: Inxuba Yethemba	5 786	9 068	3 152	10 023	4 886	2 099
EC132: Tsolwana	4 841	4 148	1 181	3 645	1 749	747
EC133: Inkwanca	2 641	3 251	943	2 511	1 044	590
EC134: Lukhanji	18 018	20 186	7 689	30 033	14 744	8 238
EC135: Intsika Yethu	30 798	20 167	6 206	18 992	4 521	3 217
EC136: Emalahleni	20 436	12 018	3 197	10 997	2 963	2 384
EC137: Engcobo	25 974	13 660	3 556	12 997	3 499	2 267
EC138: Sakhisizwe	5 824	6 575	1 794	7 048	2 507	1 640
DC 13 Chris Hani DM	114 318	89 073	27 718	96 246	35 913	21 182

Whilst CHDM meets MDG 2, of universal primary education, it has to urgently address the challenge of children failing to complete primary education in order to meet the targets set out by the Goal.



Millennium Development Goal 2. Achieve universal primary education

Target 3: Ensure that all boys and girls complete a full course of primary schooling

- 6. Net Enrolment Ratio in Primary Education (UNESCO)
- 7. Proportion of Pupils Starting Grade 1 who Reach Grade 5 (UNESCO)
- 8. Literacy Rate of 15-24 year-olds (UNESCO)

5.2. Access to Libraries

There is a significant lack of libraries within the District, resulting in school children and other learners being unable to access information they require

for their studies. It is noted, however, that some progress is being made in this regard.

6. Sports & Recreation Facilities

The provision of sports and recreational facilities has been directly associated with the development of a healthy society. However, there is a significant lack of sports and recreational facilities within the District, especially in the former homeland areas.

This may be directly attributed to the policies of the former government, which did not take into cognisance the health and welfare of people living in the then homelands. In many instances, youth who become involved in gangsterism and crime do so out of boredom. Furthermore, the development of healthy and well-developed children depends upon their being able to play. A lack of playing may result in children with underdeveloped motor skills and co-ordination. In adults and children, alike, participation in sports is considered to promote healthy bodies – a lack of exercise and unhealthy eating habits lead to obesity.

6.1. Community Halls

Community halls provide multiple opportunities, including a place for people to gather for meetings, a place from which information may be disseminated, and a place from which services (such as pension payouts) may be provided. The lack of community halls means that local communities have no place to gather, partake in recreational and educational activities, and receive pensions or pertinent community information

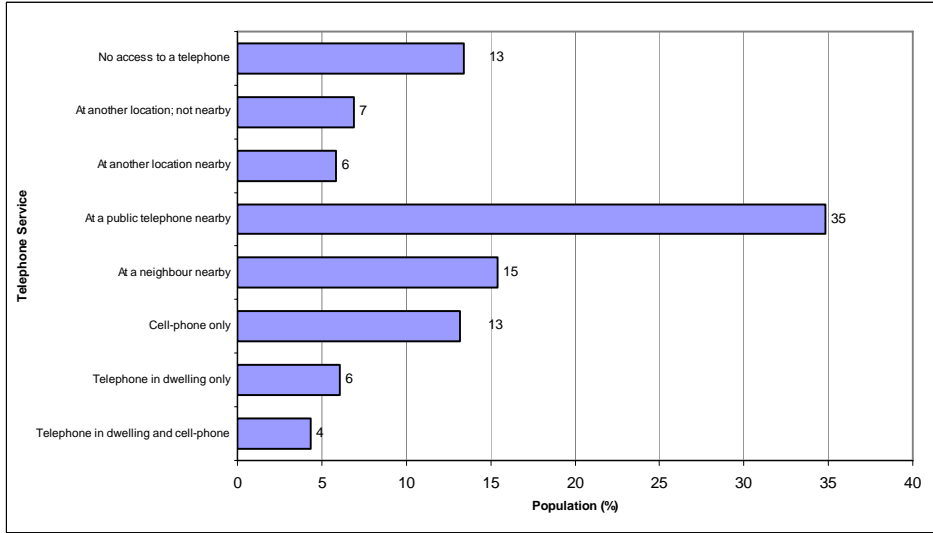
7. Housing

The provision of formal housing for low and middle income residents is a core function of local municipalities. Within the urban areas, housing development is generally occurring, however, within the rural or communal areas, the provision of housing is only beginning to be addressed.

The primary constraint with regards to the provision of housing in rural areas relates to issues around land ownership and registration of title. The current housing regulations also fail to make provision for adequate land for making food gardens that these poor households need for survival. Furthermore, housing needs in rural areas are often not known as rural people generally ask for land instead of houses but if questioned will address the underpinning issue, that they want land in order to erect dwellings and have a garden for homestead cultivation instead of engaging in commercial agricultural production.

8. Telecommunication

The Chart indicates that some 17% of the population has access to cellphones, and 10% have access to telephones in their homes. 35% have access to a public telephone nearby. It is noted, however, that cellular phones cannot be used in all areas of the District due to the mountainous terrain, which disrupts television, radio and cell phone reception. The investment into telecommunications infrastructure is further hindered by vandalism and theft. However, cellular and television providers should be lobbied to increase their network coverage in these areas so that consumers can experience a more satisfactory service.



8.1. Telephone services in Chris Hani District Municipality

Telkom is currently expanding its public phone infrastructure in the rural homeland areas with the result that the majority of Chris Hani residents do have access to some sort of telephones.

There is still very limited access to fax and computer / internet facilities. GCIS has recently completed a survey whereby they wish to install a multi-purpose facility that will give community members access to all tele-communication facilities in each municipality. The only existing facility of this nature is currently located at the Qamata Great Place in the Intsika Yethu Local Municipal area.

9. Transport

(From Chris Hani DM Integrated Transport Plan)

9.1. Taxi Associations and Taxi Routes

There are 21 registered taxi associations operating in 16 towns situated within the Chris Hani District. These 21 associations comprise of 921 operators. However the Registrar has details of 1571 operators. This figure excludes operators who are using sedans and bakkies to ferry passengers.

There are 249 taxi routes available in the District. Bakkie taxis are dominant in Ngcobo, Cofimvaba, Cala and Tsomo. Out of the total of 257 routes gathered from the survey, 58% are bakkies, 38% minibuses and 4% sedans. The sedan operation is largest within the Lukhanji Municipality and particularly Queenstown.

9.2. Taxi Rank Utilisation Surveys

There are approximately 73 ranks in the District. Taxi ranks were broken into 2 categories:

- Type 1: Rank is situated within municipal land (on or off street). Many associations do not utilise these ranks as they claim that the rank is situated far away from the potential business area e.g. Lady Frere
- Type 2: Rank is situated on private property. Property is either owned by local business or the association. The majority of these ranks are found in Queenstown

Of the Type 1 Rank, formal ranks were found to be 3 with 57 informal ranks. Of the Type 2, 8 formal ranks exist and 5 informal ranks. Bus terminals do not exist throughout the district and the bus operators either utilise minibus taxi terminals or stop on the street, such as in Cofimvaba

9.2.1. Informal ranks are mainly established at:

- Hitchhiking points (entrance and exit of towns)
- Business premises e.g. Boxer in Queenstown
- Rail or inter-town bus terminals
- Social facilities e.g. hospitals

The highest passenger and vehicle turnover per day was found to be in Lukhanji Municipality (23,164 passengers per day & 2,130 vehicles per day) with the lowest in Inkwanca Municipality (158 passengers per day and 36 vehicles per day).

9.2.2. Bus Operators Membership

There are currently 31 bus operators in the District according to the Regional DoT office but only 11 of these have operating permits. The buses operate on 49 routes of which 7 are subsidised.

9.2.3. Non-motorised Transport

Walking is a major mode of transport in Chris Hani particularly in CBD areas. The survey indicated that the highest number of pedestrians is found in the CBD's of Queenstown, Cofimvaba, Engcobo and Lady Frere. Pedestrians face many problems due to the limited availability of pedestrian facilities e.g. pavements, pedestrian crossings and hawker stalls which block pavements and hamper pedestrian flow. Lack of street lighting and non-pedestrian transport utilising pavements as dropping and loading zones add to pedestrian problems. Transport whether motorised or non-motorised experiences many problems within Chris Hani District Municipality. These can be summarised as follows:

- Poor conditions of roads especially rural roads and within former urban townships
- Stray animals
- Inadequate pedestrian signs and markings and off loading areas especially within CBD areas
- Limited traffic calming measures within areas of high accidents
- Low visibility of traffic officials and law enforcement
- Non-availability of traffic accidents
- Unavailability of public transport facilities especially for the disabled
- Lack of cooperation between public transport operators and the municipal authorities
- Insufficient supply of taxi related infrastructure
- Outdated information at the taxi registrar
- Lack of pedestrian and non-motorised transport facilities

- Lack of institutional capacity at Local and district Municipal level to manage transport planning and implementation
- Public transport in the rural areas is reliant on bakkies
- By-laws limiting the operation of hawkers on side-walks are not implemented or proclaimed
- The road network in the rural areas is badly degraded and maintained

9.2.4. Priority projects

Queenstown intermodal facility, Cradock taxi rank, Surfacing of Cofimvaba to Askeaton via Lubisi dam, Surfacing of Lady Frere to Tsembeyi road via Jojweni, Tarkastad taxi rank, Molteno taxi rank, Mkhonkotho bridge upgrade, surfacing of Cala to Ncora road.

10. Health Care

(Data sourced from Dept Health)

10.1 Epidemiological Trends

Gastrointestinal diseases are the most prevalent diseases for which adult patients are admitted to hospital, making up some 20% of the cases, followed by respiratory conditions, which contribute 18%. In the Paediatric Wards diarrhoea is the most prevalent disorder (27%), followed by acute respiratory infections (23%).

10.2. Health Care Capacity

According to national norms of one clinic per 10 000 people, the Chris Hani District Municipality has far more clinics than are needed. However, the rural

distribution of the population and the spread of health facilities to meet the needs of these communities justifies this situation.

The distribution of human resources at health facilities across the District Municipality is however, biased in favour of the larger centres. The national average figure for nurses per 100 000 people, is 12 nurses. CHDM seems to be under resourced showing figures like 2.7 nurses per 100 000 people for Intsika Yethu and 2.5 for Emalahleni.

Mobile services seem to be used extensively in some sub-districts. Some mobile services assist farms while others assist large sectors of the population at village points. Having classified the Chris Hani District Municipality as a rural district, the accessibility and quality of mobile services needs particular attention in the future. Bed occupancy rate has increased from 68 to 72 %

10.3. Clinics and Hospitals

According to national norms, the ideal Level 1 hospital /population ratio is 1:750. This indicates that Chris Hani District hospitals are reasonably well resourced in terms of Level 1 hospitals, with the exception of two sub-districts, namely Inxuba Yethemba (1:4003), Intsika Yethu (1:1482). Analysing available beds per 1000 population, Chris Hani District Municipality – with 2.2 beds per 1000 population is within the national average of 2.5. However, in some areas the available beds per 1000 population are well below the national average (e.g. Intsika Yethu (1:1482), Inxuba Yethemba (1:692) and Lukhanji (1:791)). Based on available data, the Bed Occupancy Rate is about 68% - well below the national norm of 80%. This lower occupancy rate might be linked to inaccessibility to the hospital or lack of trust in the services provided.

10.4. Clinical Support & Paramedical Services

Laboratory services seem to be impeded by serious road and transport problems. The turn around time of TB sputum in many instances is still 7 or more days. Radiography services seem to be fairly distributed. There are x-ray machines in all sub-districts. Interestingly, where there is no radiographer, technician or assistant radiographer, trained nurses are performing this task.

Rehabilitation services seem to be seriously under-resourced where most of the professionals are hospital-based and very few community rehabilitation services are available. Public sector oral services are also very scarce, coupled, in some cases, to infrequent and unreliable sessions. In Inxuba Yethemba, only Middleburg has a dentist.

Nutrition is an obvious gap in the District. In particular, the high levels of underweight children and malnutrition rates need to be addressed.

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Table 16: CHDM Health facilities

LSA	Fixed Clinic	CHC	Mobile clinics	Others (satellite)	District hospitals	Reg/Spec hospitals	Private Hospital	ARV	Baby friendly
Lukhanji	30 5 LA 25 Prov	2	3 4 LA	1	2 PAH 1 Pri.run	2	1	Frontier	Molteno
Engcobo	21	2	7	0	2	0	0	All saints	
Emalahleni	18 3 LA 15 Prov		03	2	1 2 PAH	0	0	Glen Grey	
Intsika Yethu	35	1	1 3 LA	0	1	0	0		
Inxuba Yethemba	21 13 LA 8 Prov	1	1 6 LA	0	2 1 PAH	0	0	Cradock	Wilhem Stahl
Sakhisizwe	10 3 LA 7 Prov	0	3	0	2	0	0	Cala	
Total	135	6	31	3	14	2	1	5	2

There are no community-based dieticians and the Protein Energetic Management (PEM) programme has been poorly implemented. In a district with high levels of poverty and childhood illnesses such as this one, there is a need to expand nutritional services and reach the communities as one of the most effective preventative programmes.

Mental Health seems to have similar management across the district, where most new cases are diagnosed by the district surgeon or at Komani Hospital. Chronic patients are managed as an integral part of the Primary Health Care package at clinic level. However, some problems with psychiatric drugs at clinic level were detected. There is a huge gap in the area of social services that needs to be addressed, in particular in the era of HIV and AIDS.

10.5. Emergency Medical Services

The national average for Emergency Medical Services (EMS) is 5-8 vehicles per 100 000 people. In contrast, CHDM has 5 vehicles for the entire population of 822 891. It is alarming that a district that is 90% rural lacks a fundamental resource such as EMS. Intsika Yethu, Sakhisizwe and Engcobo experience serious problems in transporting urgent patients. In these rural areas, it often takes more than 3 hours to secure transport.

10.6. Primary Health Care Programmes

10.6.1. Child Health

There appears to be good immunisation coverage (between 58% and 96%) within the District, however, the trend of drop out rates in ongoing treatment is of concern. For example, the dropout rate between DPT3 and Measles in Sakhisizwe in 2001 represented 15.1% of children immunised. Malnourishment is also a serious concern within the District. However, no reliable data has been gathered to reflect the reality of this problem.

Malnutrition is under reported as mothers don't always come to clinics unless child is not well. District has also encouraged the establishment of community and clinic gardens by communities. Management of malnutrition continuing with support from Western Cape University.

10.6.2. Women's & Maternal Health

Low birth weight rate (LBWR) is an indicator of the socio-economic status and health of the community in general. The LBWR for births in developed countries is around 7%, whereas in developing countries it is much higher, around 15%. The information collected shows that the District falls within the pattern of developing countries (av.15%), with Engcobo having the highest LWB rate of the District (20%). There is relatively good Antenatal Care coverage in the CHDM (80.5% vs. national average of 90%), with the exception of Emalahleni Sub-district which shows a coverage of approximately 51%.

10.6.3. STI/HIV and Aids

There are very few Voluntary Counselling and Testing sites (VCT) but in some sub-districts large numbers of HIV counsellors trained. An assessment of the level of performance of these counsellors needs to be done to ensure quality HIV counselling in the DM. The 2006 DOH National HIV and syphilis prevalence survey notes the following trend in the HIV and Aids epidemic:

- 29.1% of pregnant women are HIV positive versus 30.2% in 2005 suggesting a decrease in infection rates
- However in 1996 infection rates were 14.2%
- The Eastern Cape shows growth from 28.0 % in 2004 to 29.5 % in 2005 and a slight decrease in 2006 to 28.6 %
- The national HIV and Aids prevalence for adults 15-49 is 18.34%
- CHDM has a HIV and Aids prevalence of 27.1 % which is the 3rd lowest amongst against the Eastern Cape Districts

- The following information, from Buckling: The Impact of HIV/Aids in South Africa 2005 is noteworthy.
- The most significant increases (in the prevalence of HIV/Aids) since 2000 have occurred in the Eastern
- Syphilis shows a decrease in all age groups from under 20 to above 40

10.6.3.1. Under reporting and late diagnosis of HIV and Aids.

HIV and Aids remains a public health challenge. However the decline in the age groups under the age of 20 from 2004 16.1% to 13.7% in 2006 is a positive development. This decline is also reflected in the 20-24 year old. This indicates that the most sexually active part of the population are changing their sexual behaviour and utilising safe sex techniques. Unfortunately pregnant teenagers are still increasing.

Whilst persons under age 24 have changed their behaviour the older age groups have not experienced a decline in prevalence rates. This suggests that more attention must be focussed on these age groups and studies undertaken on what are the factors inhibiting safer sexual practises. Syphilis infection is an important indicator of possible high-risk behaviour. The decline in syphilis indicates that health programmes at clinics are having an impact on assisting people to practise healthy sexual reproductive health.

10.6.4. Tuberculosis (TB)

The TB cure rate across the District is still quite low (36 – 58%), compared to the national cure rate of 85% of new cases expected. The trends from the last three years do not show an improvement. Problems with the transport of specimens were cited as a factor that could have led to this negative result. However, there is a feeling that the treatment completion rate would reflect the situation more accurately. Another factor identified for this poor outcome was the centralised training of TB co-ordinators, who do not

cascade the knowledge acquired and keep it for themselves as the “owners” of the programme. Increase in TB defaulter rate as most clients are from poor backgrounds with high rates of unemployment or deliberate in attempt to get disability grant. TAT is affecting cure rate as sputum specimens are not collected due to logistics in transportation. Cure rate has improved from 51 to 66%.

10.6.5 Access to Medication

There is a relatively high incidence of non-availability of medication at clinics (up to 16% in Engcobo). Reasons cited for this problem generally relate to the depots not having sufficient stock to fill the orders. It is also noted that most clinics source their drugs from the depot in Port Elizabeth or Mthatha.

10.7. Challenges within the health sector

- Providing CHC and 24 hour services
- Office accommodation in Engcobo & Intsika Yethu
- Municipal clinics not operating during week ends and public holiday resulting in overloading Frontier hospital with minor ailments
- Cofimvaba not performing C/S
- Functional integration
- Compliance to procedures and internal service controls
- Old municipal mobile vehicles
- Emergency services response time
- Access road to clinics
- Availability of electricity and water at clinics
- Limited fencing, electricity, telephones and water
- Shortage of personnel
- Low work rate of rural nurse workload
- Access roads

10.8. Programmes to meet MDG's



Goal 4. Reduce child mortality

Target 5: Reduce by two thirds the mortality rate among children under five

- 13. Under-Five Mortality Rate (UNICEF)
- 14. Infant Mortality Rate (UNICEF)
- 15. Proportion of 1 year-old Children Immunised Against Measles (UNICEF)

The DoH in CHDM have made it their goal to reduce child mortality by:

- increasing immunization coverage from 69-80% by March 2008
- reducing the measles drop out rate from 27% to 10 %
- increasing BCG vaccination coverage from 48 to 57 %
- Increase IMCI implementation facilities from 91 to 100 %
- Decrease low birth rate from 9 to 6 % by March 2008
- Increase weighing rate from 64 to 70 % by March 2008
- Decrease the % not gaining weight from 3 to 2 % by March 2008
- Decrease severe malnutrition for children under 5 from 0.4 to 0.2 % by March 2008
- Increase Vitamin A coverage for under one year olds from 90 to 100 % by March 2008
- Increase number of baby friendly hospitals by 3



Goal 5. Improve maternal health

Target 6: Reduce by three quarters the maternal mortality ratio

- 16. Maternal Mortality Ratio (WHO)
- 17. Proportion of Births Attended by Skilled Health Personnel (UNICEF)

The DOH in CHDM will do this by:

- Increasing cervical cancer screening facilities from 4 to 7
- Increasing women year protection rate (WYPR) from 33 to 35 %
- Increase Vitamin A coverage for new mothers from 24 to 40 % by March 2008



Goal 6. Combat HIV/AIDS, malaria and other diseases

Target 7: Halt and begin to reverse the spread of HIV/AIDS

- 18. HIV Prevalence Among 15-24 year-old Pregnant Women
- 19. Condom use rate of the contraceptive prevalence rate and Population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS
- 20. Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years

The DOH will undertake the following:

- Increase STI treatment rate (new episode) from 7 to 8 %
- Increase STI partner treatment rate from 35 to 40 %
- Increase facilities offering VCT services from 95 to 100 %
- Increase HIV testing arte excluding ANC from 82 to 85 %
- Increase % of ANC clients tested for HIV from 70 to 80 %
- Increase nevirapine uptake among pregnant women from 50 to 55 %
- Increase % of babies receiving nevirapine syrup born from HIV positive mothers from 64 to 80 %
- Increase male condom distribution from 15 to 18 sites
- Ensure implementation of ART in newly accredited sites from 28 to 50 sites
- Ensure that 4 current sites and 3 new sites are supported to receive full accreditation
- Increase no of people assessed for ART from 2470 to 3000
- Increase no of ART registered patients from 1510 to 2480
- Increase % of patients on ART from 17 to 27 %
- Reduce % of patients defaulting from ART treatment from 13 to 12 %

- Increase CD 4 testing rate from 76 to 90 %

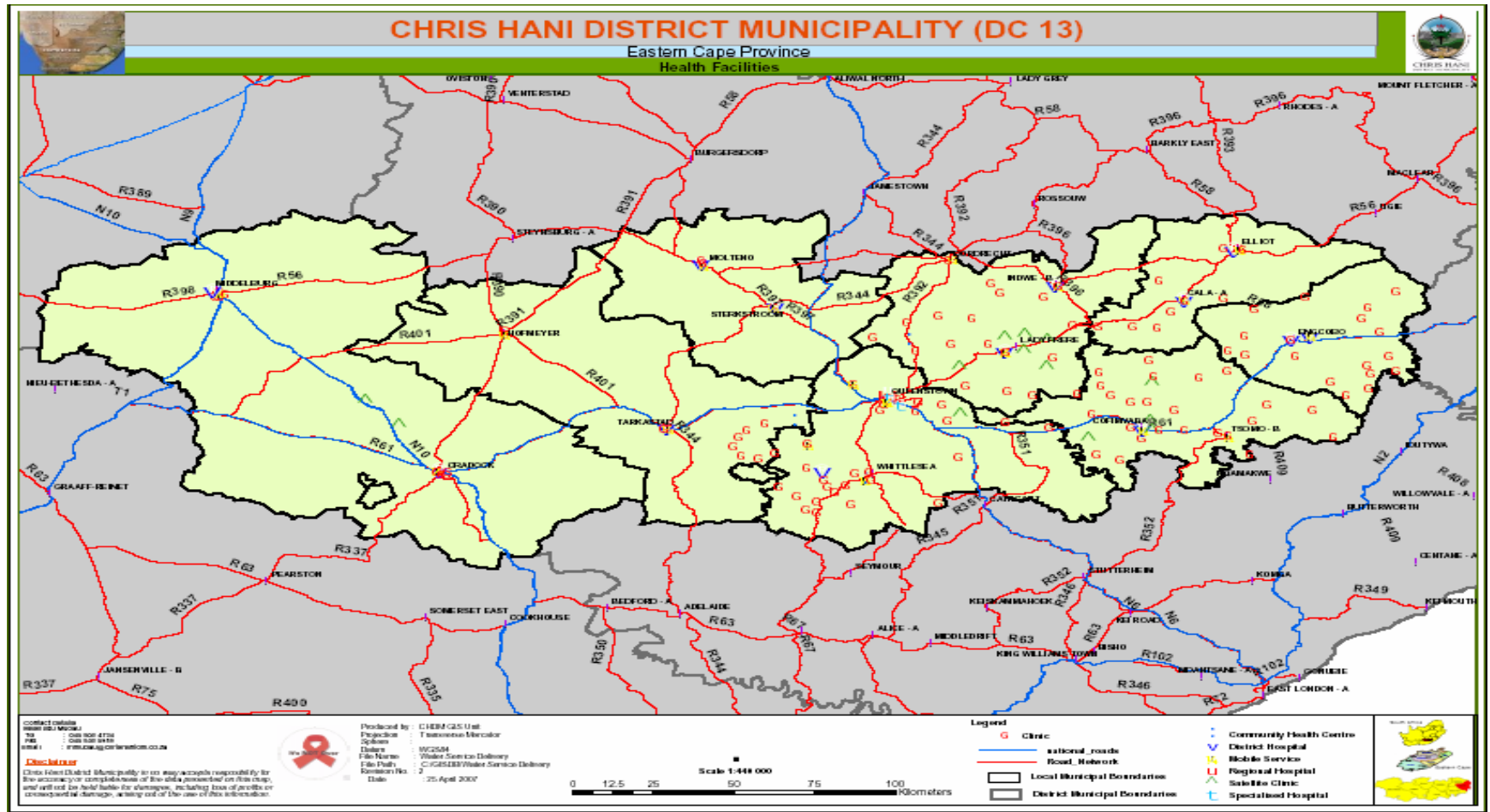
Target 8: Halt and begin to reverse the incidence of malaria and other major diseases

- 21. Prevalence and Death Rates Associated with Malaria (WHO):
- 22. Proportion of Population in Malaria Risk Areas Using Effective Malaria Prevention and Treatment Measures (UNICEF):
- 23. Prevalence and Death Rates Associated with Tuberculosis (WHO):
- 24. Proportion of Tuberculosis Cases Detected and Cured Under Directly-Observed Treatment Short Courses (WHO)

The DOH will:

- Increase TB suspect rate from 0.9% to 1 % by 31 March 2008
- Reduce turn around time from 3-4 days to 2-3 days by March 2008
- Increase % of TB patients on DOTS from 99 to 100 %
- Increase % of new smear positive who convert at 2 Months from 66 to 74 % and cure rate
- Strengthen TB/HIV collaboration
- Ensure availability of adequate TB drugs
- Improve community involvement and participation
- Reduce interruption rate from 8.4% to 6 % by March 2008

Map 8: Health facilities



11. Municipal Health

There is an uneven distribution of environmental health services in the District. To illustrate, Lukhanji has ten Environmental Health Officers (EHO's) in total, Inxuba Yethemba has 4 in Cradock and 2 in Middleburg, while the other sub-districts have roughly one or two for the entire sub-district. This situation will be rectified when the power and function of municipal health becomes a district power and function. However the issue of adequate funding for this function needs to be resolved.

The backlog in adequate sanitation and safe potable water affects all of the local municipalities but in particular Sakhisizwe, Engcobo, Emalahleni, Intsika Yethu, Lukhanji and Tsolwana where the problem is compounded by the remoteness and inaccessibility of areas, which makes it difficult to provide cost effective sanitation and water. The other municipalities are affected by backlogs but the emphasis is on eradication of the existing sanitation bucket system.

12. Environmental and Land Management

Government and the District Municipality have long neglected environmental protection. This has led to many environmental disasters in the past, which could have been avoided if environmental policies had been in place and enforced. Lack of clean and unpolluted water is a major environmental problem in Tsolwana in particular Thornhill area. Limited access to clean water affects mainly Emalahleni, Intsika Yethu, Sakhisizwe, Engcobo and Lukhanji. Inkwanca and Inxuba Yethemba suffer from lack of a guaranteed water supply, which should be rectified in the near future. Limited access to water impacts upon the ability of people to practice good personal and food hygiene. The old and people with disabilities are particularly affected as they have difficulty in gaining access to water. The growing of crops is limited as

there is no water to spare for the crops, which creates many nutritional problems. Stock farming may also be limited due to insufficient water being available that has a notable impact upon people's livelihoods.

Limited and poor sanitation creates numerous environmental problems, such as water pollution due to the waste being washed into the rivers by rain. Such water pollution is often directly attributable to a variety of diseases which children playing in these contaminated areas pick up. The smell from improper sanitation also affects quality of life for residents.

12.1. Environmental Management Plan (EMP)

The plan highlights areas of the environment which should be conserved and protected. Animal and vegetation species and cover are mapped and identified. In addition present and future environmental problems are identified per local municipality as well as all renewable resources. It recommends that:

- The DM appoint dedicated environmental staff
- The DM develop an integrated environmental management system
- The DM implement pollution control measures such as air pollution monitoring stations
- The DM assist to develop the capacity of its LM's to deal with environmental issues
- The DM undertake environmental impact assessments (EIA's) for all of its current and future project

The following objectives and strategies were developed:

- 1) Ensure clear delegation of responsibilities, consistency of functions in departments and ensure clear reporting and communication channels.

- a) undertake an institutional structure audit and develop organograms for each LM and the DM to allocate and align responsibilities of departments
 - b) employ an environmental manager
- 2) Promote environmental awareness and build capacity
 - a) develop an environmental awareness and capacity building strategy
 - b) conduct broad environmental training for DM and LM personnel and Councillors
- 3) Ensure that all projects consider environmental issues and EIA's performed where appropriate
- 4) Ensure environmental reserve flow requirements are considered in any water supply projects
- 5) Promote environmental awareness in LM IDP process
- 6) Ensure land use planning considers environmental sensitivity and other constraints
- 7) Promote legal and regulatory compliance
 - a) employ a dedicated Environmental Manager
 - b) implement an environmental management system (EMS)
- 8) Improve water and effluent monitoring
 - a) develop programme for monitoring water resources and effluent discharges
- 9) Promote environmental conservation
 - a) effectively manage existing and identify new conservation areas
- 10) Promote better use and management of commonage and other land
 - a) develop a land use and management plan
 - b) implement and environmental management system (EMS)
- 11) Eradicate invasive alien species
 - a) develop invasive species management plan

- 12) Promote wetland protection
 - a) map wetlands and develop a wetland management plan
- 13) Promote more effective pollution monitoring and response
 - a) develop pollution monitoring and response plan as part of a Disaster Management Plan
- 14) Promote awareness and conservation of heritage sites
 - a) develop heritage site management and awareness plan
 - Implement by-laws where deemed appropriate
 - b) identify areas where by-laws are needed for environmental management
 - Ensure compliance with air quality legislation
 - appoint an air quality officer to coordinate matters relating to air quality management in the municipality
 - prepare an Air Quality Management Plan in its IDP
 - Promote game farming and eco-tourism opportunities
 - commission a feasibility study into further expanding game farming and eco-tourism projects
 - Water use management
- 15) undertake a thorough assessment of the water demand

The District still has many challenges to overcome before it can adequately address the following MDG's and put the following recommendations into effect.

- CHDM needs to capacitate Local Municipalities to manage their waste and utilise it as a revenue generating source
- Sensitive environmental areas such as rivers need to be protected to avoid pollution and conservation of the delicate environment
- CHDM needs to incorporate environmental sustainability issues into the development projects by doing EIA's for example
- Utilisation of renewable resources such as water needs to be properly and regularly managed and monitored in conjunction with conservation programmes.



Goal 7. Ensure environmental sustainability

Target 9: Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources

- 25. Forested land as percentage of land area (FAO)
- 26. Ratio of Area Protected to Maintain Biological Diversity to Surface Area (UNEP)
- 27. Energy supply (apparent consumption; Kg oil equivalent) per \$1,000 (PPP) GDP (World Bank)
- 28. Carbon Dioxide Emissions (per capita) and Consumption of Ozone-Depleting CFCs (ODP tons):

Target 10: Reduce by half the proportion of people without sustainable access to safe drinking water

- 30. Proportion of the Population with Sustainable Access to and Improved Water Source (WHO/UNICEF)
- 31. Proportion of the Population with Access to Improved Sanitation (WHO/UNICEF)

Target 11: Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020

- 32. Slum population as percentage of urban population (secure tenure index) (UN-Habitat)

13. Waste Management

Solid waste disposal sites occur in all municipalities apart from Engcobo and Intsika Yethu. The only registered site occurs in Elliot (CHDM EMP 2004).

Most of these sites are in a bad state, poorly managed and inappropriately

positioned close to water sources. In general the problems can be summarised as follows:

- Limited if any staff training
- Infrequent covering of waste
- Burning of waste
- Close proximity to water courses
- Uncontrolled access
- Limited formal recycling or waste minimisation
- Disposal of medical and industrial waste in some Municipal Waste sites
- Uncontrolled storm water
- Inadequate staffing
- Inadequate budget allocation and equipment
- Lack of provincial government support in registering other landfill sites

In order to address these issues the Integrated Waste Management Plan (IWMP) gives the following recommendations:

- The development and implementation of a integrated waste management system
- The capacity building of all LM's regarding waste management sites. This is due to the fact that the majority of LM solid waste sites do not comply with legislation, are poorly managed and unlicensed
- Waste management sites must be identified and co-ordinated
- Local Municipalities must be capacitated to see waste management as a potential revenue source for the municipality
- Greater allocation of resources and budgeting by LM's for waste management
- Immediate licensing and correct management of waste management sites
- DM to ensure that LM's understand its role as a facilitator and co-ordinator

14. Cemeteries

The present proclaimed cemeteries in the District are attached to urban areas in the towns. However, the former Transkei and Ciskei have historically made use of informal burial grounds, which do not necessarily comply with the regulations as imposed by DWAF and the Environmental Health. The use of informal and unproclaimed cemeteries has serious impacts for the environment as groundwater supplies and above ground water supplies can be contaminated by incorrectly placed burial sites. Soil surrounding these sites can also be contaminated. There is also a risk of soil subsidence, which could lead to mud and ground slides that might damage infrastructure such as houses, roads etc and lead to the deaths of any humans and animals trapped by these slides.

As discussed above, there has been a notable increase in the mortality rate. The present proclaimed cemeteries therefore do not have the capacity to meet the need for cemetery space. Urgent attention needs to be paid to the establishment of new cemeteries and to legitimise unofficial cemeteries where possible.

Suitable land, meeting DWAF, environmental and town planning regulations must be identified and zoned in the existing urban areas for this usage. Appropriate mechanisms for the control of burial sites in densely populated rural areas should also be considered.

15. Safety and Security

Whilst crime remains a serious issue within the District, the South African Police Services (SAPS) are undertaking numerous strategies through which to combat crime. SAPS records the incidence of crime on a daily basis, and utilises this information to manage the crime situation in the region.

Some of the key challenges faced by SAPS in addressing crime relate to the poor quality of some roads which lead to police stations. This is most notable in rural areas. The result is such that it is difficult for the residents of the area to access police stations. In addition, infrastructure capacity – particularly with regards to the holding cells is an issue. There is currently insufficient jail accommodation in the area. As a result, many convicted prisoners are kept in holding cells.

It is noteworthy that the SAPS boundaries and those of the Local and District Municipalities do not coincide. As a result, the coordination of activities is often a challenge

FINANCIAL MANAGEMENT



1. FINANCIAL PLAN

2. INTRODUCTION

The Chris Hani District Municipality is a category C municipality and its main functions is in accordance with the objects of local government as defined in chapter 7 of the Constitution of the Republic of South Africa namely;

- To provide democratic and accountable government for communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment;
- To encourage the involvement of local communities and community organizations in the matters of local government;

The municipality must structure and manage its administration, budgeting and planning processes to give priority to the needs of the community, and to promote the social and economic development of the community and participate in national and provincial programs.

The purpose of the five year financial plan is to create the medium-term strategic financial framework for allocating resources through the municipal budgeting process and to ensure the financial viability and sustainability of the Chris Hani district municipality's investments and operations. Other important reasons for developing the financial plan are:

- to ensure a close planning and budgeting link;
- to inform municipal budgeting over tier;
- to facilitate inter-governmental alignment with regard to capital requirements and sources of funding;
- assess financial management arrangement and financial strategy;
and
- to outline revenue and expenditure forecast.

The needs and demands of the various communities far exceed the resources available to the municipality. Consequently it is necessary to weigh the competing demands and to prioritize expenditure. In such a process there are always trade-offs and politicians and senior officials need to focus on the poorer areas where the greatest need exists. Without proper financial planning, sustainability and sound financial management will not be achieved. Given the nature of Integrated Development Planning, it will be necessary to revise and update financial strategies on a continuous basis. This will ensure realistic monitoring and the implementation of pro-active adjustments to the status quo.

The District Municipality has many local municipalities under Project Consolidate due to their precarious financial positions. As a result the focus of the District is to comply with all requirements of the Municipal Finance Act and assist its local municipalities to develop their capacity to be able to undertake good financial management practices.

3. FINANCIAL MANAGEMENT ARRANGEMENTS

The following financial management arrangements in the municipality are in place:

a) Administration

- Chris Hani District Municipality has a strong finance department and has established an internal audit function responsible for monitoring financial and other controls. In addition, Council is committed to sound financial management and the maintenance of a sound economic base. A Chief Finance Officer (CFO) with a Deputy who heads the Budget and Treasury Office. The district municipality has implemented a new electronic financial system e-Venus that has enabled it to become GAMAP compliant. Financial management

policies and procedures for the entire municipality will be implemented as follows:

- Cash forecasts and cash flow monitoring against forecasts
- Budgeting methods
- Management reporting
- Credit risk management
- Credit policies with emphasis on minimum debtors
- Supply chain management policies
- Supplier selection and monitoring procedures
- Supplier payment periods
- Investment policies

b) Financial Procedures and Policies

Council has approved the following policies to guide the financial procedures and operations. These policies include a revised supply chain management policy, tariff policy, indigent policy, financial codes and by-laws, credit control and debt collecting policy.

c) Council representation

A portfolio Councillor for finance serves on the Mayoral Committee and advises the Executive Mayor on matters in the Mayoral Committee agenda. The Council is responsible for approving the IDP, the operating and capital budgets and the Service delivery Implementation Plan (SDBIP).

4. FINANCIAL STRATEGIES

The financial strategies adopted by Council include a basic strategy which will apply to the detailed strategies, a financial resources (capital and operational) strategy, revenue raising strategy, asset management strategy, capital financing strategy, operational financing strategy and cost effectiveness strategy.

All aspects of matters relating to the financial matters will take into account Council's social responsibilities and these include Council's indigent policy and recognizing that certain sections of the community do not have the ability to pay for services. A further aspect of social responsibility will focus on transformation and empowerment as called for in Council's supply chain management policy.

(a) Financial Resources

For the purpose of this plan, council has considered financial resources for both capital projects and operation purposes. The various resources available to council are summarized below.

Capital expenditure:

- Internal borrowings using existing funds
- External borrowings
- National government funding – equitable share
- Provincial funding
- National government grants
- Capital markets
- Public / private partnerships
- Disposal of unutilized assets

Operational expenditure

- Normal revenue
- Short term borrowings
 - Internal
 - External

(b) Revenue raising

The Chris Hani Municipality's main sources of revenue are service levels, water, sanitation and grants. The contribution of the various streams to

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revenue will be subject to review and this process will include gap plugging to ensure there is no unnatural loss in the various significant streams, benchmarking and tariff reviews annually. In addition a cost benefit analysis of non-essential services will be conducted with a view to introducing tariffs where none exist (user pay policy), increasing tariffs, outsourcing or alternate service delivery. Whilst the issue of tariffs forms part of this financial plan, it is anticipated that the affected departments will be responsible for further investigatory work, such as user surveys. Several strategies are employed to generate revenue as follows:

1. The district municipality will through the process of IDP, source more funds from national and provincial governments.
2. Donor funding: an area not yet explored. There is a belief that this area is worth pursuing. There may be a need to contract the services of a professional to assist in the development of relevant strategies.
3. Interest on investments: Any unutilized funds deposited in the Chris Hani D.M. account must be placed in an appropriate investment vehicle that is high interest generating.
4. New functions, roles and responsibilities: All mandates transferred nationally and provincially to the district will only be accepted provided that the capital plus maintenance and operational costs are provided for by the transferring sphere of government.
5. Capital loans: Sourcing loan capital from institutions like the DBSA, INCA will be investigated for capital projects.

(c) Asset Management

It is important to maintain a regular inventory of property, plant and equipment, implementation of a maintenance program and insurance cover review. This part of the plan will be extended to assist in identifying and listing unutilised / uneconomic assets with a view to disposal. Although directly related revenue it is appropriate to include the monitoring of rental income and policies, excluding housing, with the asset management programme. This aspect of asset management will ensure that council is

receiving economic rentals from council owned land and buildings, which are rented out.

(d) Capital Budgets

The capital budget for the ensuing financial year and the capital program for the following three financial years have been drawn up in the prescribed form and within the levels determined by the mayoral committee of the district municipality with the considerations of the maximum expenditure levels determined by the Minister of Finance. All proposals received have been collated, assessed, evaluated and prioritized on the following basis:

- Targets in the IDP
- Providing the basic needs of the community
- Promoting social and economic development within the area of jurisdiction
- Financial sustainability
- Technical feasibility
- Total cost, impact of debt receiving and other effects on future operating budgets and
- Planning required and duration of the project.

When determining appropriate sources of funding it is important to assess the nature of projects, expected revenue streams and time frames for repayment. As a general guide the following principals will apply:

- Statutory funds for fund specific projects
- Internal borrowings for short to medium term non strategic projects
- Provincial and national government funding for medium and long term projects

(e) Operating Budgets

Every Director shall each year in respect of the activities of their respective departments prepare a draft revised operating budget for the current financial year and a draft operating budget for the ensuing financial year in consultation with the finance head of department.

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The draft departmental operating budgets shall be compiled within certain levels and shall be:

- Collated and consolidated within the department of finance;
- Given overall consideration by the Mayoral Committee supported by a report thereon by the head of finance;
- Be discussed by the Directors and portfolio Councillors;
- Be open for inspection by the local community through organized civic bodies and civic meetings in accordance with Council's schedule of meetings.

Council's policy is to fund operating expenses from normal revenue streams with short term funding used as a last resort. It is expected that strong financial management including accurate cash forecasting will obviate the need to resort to short term borrowings. As indicated earlier it is Council intention to maintain a strong economic base by building on good working capital management including setting aside of adequate provisions for working capital. It is anticipated that these reserves will be based on the same principals as currently apply to contributions to existing statutory funds

(f) Fees, Tariffs and Rates

Directors must annually review all fees, service charges and other charges to be included in the operating budget in such a way that:

- Users and consumers are treated fairly, equitably and without bias in application of tariffs;
- The amount of a user-pay for services is in proportion to the use of that service;
- Tariffs reflect the cost of the service;
- Tariffs are set at levels that secure the financial sustainability of the service;
- It encourages and promotes the efficient use of scarce resources.

The CFO must calculate property rates and levies to balance the budget and to ensure the credit worthiness of the municipality is maintained by providing for:

- 1) Bad debts
- 2) Working capital
- 3) Debt servicing costs
- 4) Provisions and reserves.

6. REVENUE

This information will be added once the final budget is adopted.

7. Three Year Capital Investment Program

The capital investment program is at the moment for an MTEF period of 3 years. The investment program is still based on the split funding mechanism (i.e. before the introduction of the MIG program). The following information will be added once the final budget is adopted together with the SDBIP.

Equitable Share Funded Projects

The following information will be added once the final budget is adopted

7. Conclusion and Recommendations

The following information will be added once the final budget is adopted.

GOOD GOVERNANCE & PUBLIC
PARTICIPATION



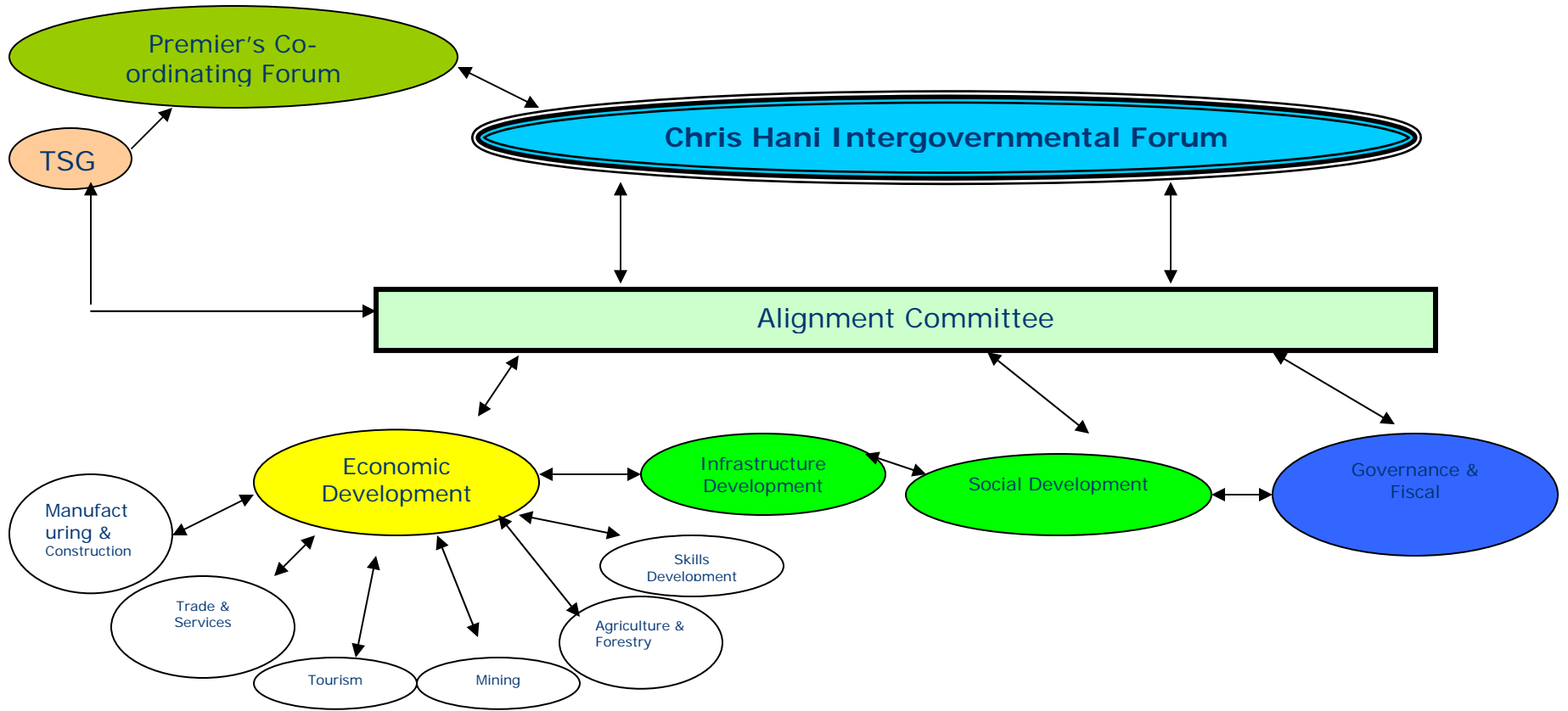
1. Introduction

The District is in the process of consolidating its strategies around the issue of ensuring adequate public participation. It has in the past utilised Imbizos, radio talk shows and road shows in order to keep the public informed. However greater emphasis must be given to educating people on the different spheres relate and what their powers and functions are. It is therefore important that the District convene a workshop with its Category B municipalities to discuss issues around shared powers and functions.

In addition it has to facilitate the implementation and sustainability of ward committees as these are only operating effectively in some municipalities. Community Development Workers CDW's need to form part of the district's and Local municipalities efforts to educate residents on their rights and access to service.

As part of the District's effort to strive towards integrated planning it has restructured its IGR clusters (represented in the diagram below). These clusters will hopefully serve as a monitoring and evaluation tool on IDP implementation and ensure a process whereby the District engages its stakeholders in its future development plans.

The mainstreaming of special programmes into projects remains a challenge which will be addressed through management quarterly reporting sessions.



NEEDS, STRATEGIES & PROJECTS



The following priority needs were identified:

- Local Economic Development
- Poverty alleviation and food security
- Water and sanitation
- Municipal Health and environmental management
- Corporate governance including IGR, monitoring and evaluation and Integrated Planning
- Fire services and Disaster Management
- Special programmes such as youth, women, children, the elderly and people with disabilities
- Transport (regulation of passenger services)

1. SPATIAL DEVELOPMENT OBJECTIVES

The following objectives have been set from the SDF:

Sustainable Economic Development, through the various prospects for economic development:

- The development of forestry and maize production in the east.
 - Industrial development at Queenstown
 - The development of tourism and heritage resources in the west
 - The development of irrigation agriculture at Xonxa, Lubisi and Ncora Dams
 - The development of local fishing in Emalahleni

Integrated Infrastructure Development, through the development of roads, water and electrical power not only to improve the quality of life of people but to focus on areas identified for economic development in order to kick-start developments in those areas.

Social sustainability, by increasing the access of people to resources, i.e.

- Rural food production

- Management of livestock
- Production of wood
- Fishing along the coast
- Health services, education facilities etc

Environmental sustainability, through careful planning and protection by

- Managing grazing land
- Planning woodlots
- Conserving sensitive areas

Land reform, through reform of the archaic land laws still applicable in Chris Hani District Municipality and by localizing delivery of land reform.

2. OBJECTIVES & STRATEGIES

2.1. SPATIAL DEVELOPMENT STRATEGIES

1. An urban renewal strategy for Queenstown to revive it as a major industrial, business and administrative centre.
2. Development and implementation of LED and Agriculture strategies, which will identify land for maize production and provide strategies to manage the development of livestock etc in terms of environmental management procedures.
3. A tourism development strategy for Chris Hani District Municipality.
4. A strategy for the development of coal in Emalahleni.
5. A development strategy for the irrigation schemes at the Xonxa, Lubisi and Ncora Dams.

2.2. OTHER STRATEGIES, OBJECTIVES & PROJECTS

Draft IDP Objectives & Strategies

No	Project	Objective	Strategy	Cost	Funded	Responsible person	Financial years			
							7/8	8/9	9/10	10/11
ICT 01	Implementation of District Information Management System	To provide a reporting tool that integrates to other systems in the organisation		R 2 m	CHDM	T. Somtombo		*		
ICT 02	Review of ICT strategy	Ensuring that the activities of the ICT unit are always informed by the ID		R 500 000	No proposed CHDM & DBSA	T. Somtombo		*		
ICT 03	Electronic Document Management System	To ensure that the District Municipality's information assets are archived according to relevant legislation		R 2 M	No proposed CHDM	T. Somtombo, S Haya		*		
ICT 04	Review of ICT policies	To ensure compliance		R 0	Operational	T. Somtombo, A. Mdeleleni		*		
SCM 1	Development of a Database	To have a supplier database.		R 673 000,00	No	N.Fumbeza		*	*	
SCM 2	Policy Development	Reviewed Policy		R 100,000	No	N.Fumbeza		*		
SCM 3	Reporting	To ensure compliance		R 0	Operational	N.Fumbeza		*		
Comm 1	Implementation of Communication Strategy	Dissemination of Information, Highlighting achievements and IDP priorities, Communication of Programmes and		R 2 013,000	Funded	N.Mbangcolo		*		

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		Plans of the CHDM, Better imaging of CHDM.								
Comm 2	Marketing & Branding Strategy	Popularize and brand the DM and better understanding by all.		R 800 000 00	Funded	N.Mbangcolo		*		
Comm 3	Annual Reports	Compliance		R 200 000.00	NO proposed CHDM	N.Mbangcolo		*		
Comm 4	Review of access to information Act	Comply with legislation, Transparency, Informed Stakeholders		R 10 000	No proposed CHDM	N.Mbangcolo		*		
001	Toilet Paper and Detergent Factory	To empower and integrate disabled people into the mainstream of the local economy		R 1 million rands	Unfunded MIG	SPU & IPED		*		
002	Youth centre in each LM	To achieve social cohesion, develop and share knowledge and skills, to address moral issues		R 10 M	Unfunded MIG	IPED, Technical and Community Services Usombumvu Youth Fund and EC Youth Commission		*	*	
003	Business Development Initiative	To empower and integrate marginalised groups into the mainstream of the local economy		R 1 M	Unfunded	IPED		*		
004	District Mayors Cup	To build social		R 1 M	Unfunded	Community		*		

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		cohesion and develop sport				services, DSRAC				
	Middleburg Bulk Supply				DWAF			R 15 M	R 25 M	
	Middleburg / Hofmeyer Feasibility Study				DWAF		R 1M			
	Tsomo RDP Phase 2				DWAF		R 1M			
	Chris Hani Regional Bulk Pipeline (Xonxa, Rathwick, Engcobo W4, Vetyu / Qota				DWAF		R 6 M			
	Free Basic Services				DHLG &TA		R 396,000			
	Water Conservation and Demand Management				DWAF		R 2 M			
	Water Services Business Plan				DWAF		R 1,8 M			
	Medium pump	Fire prevention			Unfunded		R 1.7 M			
	2 x 4 x4 bakkies	Fire prevention			Unfunded		R 360,000			
	1 service vechicle	Fire prevention			Unfunded		R 195,000			
	Water tanker	Fire prevention			Unfunded		R 1.7 M			
	-baseline survey for the CHDM. - Educational programs on HIV&AIDS. -Capacity building	Reduce the prevalence of HIV & Aids in CHDM by 1% per annum.			Unfunded			R490 000	R519 490	R550 654

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	for peer educators.									
	-Establish a VCT unit - Develop and communicate messages on VCT awareness and accessibility - Ensure ongoing counseling for infected and affected employees - Purchase VCT Kits	To create an enabling environment for implementation of HIV&AIDS policy and workplace programs.			Unfunded			R310 000	R328 600	R348 316
	-Formation of support groups for HIV and AIDS and other related diseases e.g. cancer, diabetes, TB etc - Formation of Post-test clubs within the workplace - Provide continuous support to the families of infected employees - Create partnerships for purposes of referral	Create an enabling environment for HIV testing within the workplace			Unfunded			R50 000	R53000	R56 180
	-Ensure the development of mainstreaming policy for all cross cutting issues with the CHDM workplace e.g. HIV & AIDS, SPU, etc	Provide psychological support for infected and affected employees			Unfunded			R50 000	R53 000	R56 180
	-Ensure development and	Mainstreaming HIV and AIDS within all			Unfunded			R60 000	R63 600	R67 416

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	implementation of HIV and AIDS workplace policy with the Local Municipalities workplaces	Directorates in the CHDM workplace								
	-Develop an HIV and AIDS newsletter for all programmes - Develop a service directory for the CHDM workplace and DAC stakeholders with their roles and responsibilities	Technical support to the Local Municipalities within the CHDM area of jurisdiction			Unfunded			R300 000	R318 000	R337 080
	-Ensure proper functioning of District AIDS Council (DAC), Local AIDS Councils (LAC) and already established Ward AIDS Councils (WACs) in the LMs of CHDM -Review of DAC strategic plan document and M&E Tool - Assist LACs to develop and implement their own strategic plans and implementation plans - Establishment of WACs in two Local Municipalities per year	Communication Strategy for HIV And AIDS Programmes			Unfunded			R100 000	106 000	R112 360

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	-World AIDS Day - STI and Condom week awareness - Wellness Day - Candlelight Memorial	Implement HIV and AIDS programmes/project for CHDM area			Unfunded			307 400	R325 844	R345 394
	-Door to door fact finding campaign - Stipend for door to door volunteers - Development of a user friendly, comprehensive and informative questionnaire -Data capturing from the questionnaires of Door to door campaign	Observation of National Health Calendar days			Unfunded			R221 350	R234 631	R248 709
	-Training of Door to Door volunteers (ground diggers) - technical support for NGO'S and civil society structures e.g. Masihlanganeni,etc -Capacity building of DAC, LACs and WACs and subcommittees thereof.	Ensure that HIV and AIDS research programmes are conducted and interpreted for proper planning and interventions			Unfunded			342 000	R362 520	R384 271
	-Development of a year calendar of activities and programs of all DAC programs. - Resource	Capacity building			Unfunded			R50 000	R53 000	R56 180

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	<p>mobilization and management of funds.</p> <ul style="list-style-type: none"> - Develop and Strengthen partnership with business sector 									
	<ul style="list-style-type: none"> -Provide financial and technical support to LACs -Provide financial and technical support for functioning of WACs 	<p>Coordination and consolidation of plans.</p>			<p>Unfunded</p>			<p>R95 400</p>	<p>R101 124</p>	<p>R107 191</p>
	<p>1. Expanded Public Works Programme</p>	<p>Ensure that 30% of the MIG Budget is utilized for EPWP</p>	<p>Capacitate PMU and O & M officials up to LIC 7 to coordinate the programme</p> <p>Train 10 Emerging Construction Companies by 2008</p> <p>Identify the projects</p>		<p>Projects on separate sheet</p>					
	<p>2. Water And Sanitation Delivery</p>	<p>Provision of basic water services (incl. free basic services) for all citizens by 2014.</p>	<ul style="list-style-type: none"> • Registering all the water projects under MIG • Expansion of water services to currently unserved areas • Efficient operation 		<p>Projects on separate sheet</p>					

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			and maintenance of existing water schemes							
		Provision of basic sanitation services by 2013	<ul style="list-style-type: none"> • Register all sanitation projects under MIG • Expansion of basic sanitation services to currently unserved areas • Upgrade, refurbish and rehabilitate existing sanitation infrastructure 		Projects on separate sheet					
		Water Resource Protection and Conservation	<ul style="list-style-type: none"> • Conduct one feasibility study per financial year • Register and survey existing water resources and users • Enforce abstraction limits and issue abstraction permits • Promote Water Conservation measures and wise water use • 		Projects on separate sheet					
	Internal Audit	Provide continuous support to LM to ensure effectiveness of the established internal audit units	Come up with the after care programme for the established Internal Audit units in LM's							

Performance Cluster	Priority Focus area	Objectives (KPA's)	Strategies
Health and Community Services	Environmental Management	Build the capacity of LM's to deal with their own Environmental management issues by July 2010	<ul style="list-style-type: none"> i. Develop information brochures ii. Train officials in terms of sound environmental management practices iii. Implement Environmental Management Plan / EMS objectives & strategies iv. Implement strategies to protect river systems within CHDM by June 2010 v. Identify and map open green space within the DM vi. Identify and implement urban greening projects in each LM
		Develop and implement a plan to reduce risk and strengthen at risk communities with regards to the prevention of environmental disasters by July 2010	<ul style="list-style-type: none"> i. Monitor possible pollution sources for intervention ii. Develop information pamphlets iii. Access alternate funding sources iv. Obtain baseline data v. Conduct Environmental Disaster Awareness Project vi. Undertake environmental education in all schools within CHDM
		Introduce alternative technologies so to impact and contribute to sound environmental principals by July 2009	<ul style="list-style-type: none"> i. Obtain information on alternative technologies ii. Develop material to educate communities regarding sound environmental principals iii. Contribute to the reduction

			<i>of greenhouse gasses as per Quoto protocol</i>
		Introduce school greening initiatives at schools within the District Municipalities jurisdiction. (Ongoing)	<ul style="list-style-type: none"> <i>i. Obtain baseline of schools in the district</i> <i>ii. Develop TOR for businessplans</i> <i>iii. Establish PSC</i> <i>iv. Evaluation and implementation of projec</i>
		<p>Develop a strategy regarding the minimization of waste within the district as well as the application of appropriate technologies regarding waste management by July 2010</p> <p>Reduce all waste by 50% by 2015</p>	<ul style="list-style-type: none"> <i>i. Research available technologies to increase effectiveness of waste management systems in local municipalities</i> <i>ii. Establishment of an recycling centre in Lukhanji LM (pilot)</i> <i>iii. Investigate the possibility of an regional waste site</i> <i>iv. Source of donar funding to support LM's</i> <i>v. Investigation of community based waste management approuch.</i> <i>vi. DEAT support in waste management</i> <i>vii. Implement IWMP objectives & strategies per</i> <i>viii. Develop programmes and activities to educate communities regarding waste and waste reduction</i> <i>ix. Undertake a cleanup campaign and IEC development</i>

		Develop Air Quality Monitoring plans and awareness programmes by June 2010	<ul style="list-style-type: none"> i. Establish air quality monitoring stations within CHDM ii. Develop AQMP for all 8 LM's iii. Develop and implement programmes to raise awareness regarding human and industrial impact on air quality
Performance Cluster	Priority Focus area	Objectives (KPA's)	Strategies
	Municipal Health Services	Establishment of an promotional unit for the development of promotional material linked to core function of the section	<ul style="list-style-type: none"> i. Procure equipment for the unit by December 2007 ii. Identification of priority issues iii. Development of necessary material
		Implementation of a food premises competition to promote quality food product	<ul style="list-style-type: none"> i. Development of TOR by September 2007 ii. Development of booklet by November 2007 iii. Food premises educational campaign
		Implementation of an integrated Municipal Health information system by May 2007	<ul style="list-style-type: none"> i. Development of TOR ii. Input from EHP's iii. Appointment of SP iv. Implementation
		Ensure compliance of 80 % of all food samples on an annual basis	<ul style="list-style-type: none"> i. Development of sampling programme ii. Development of record and tracking system iii. Development of standardised sample procedures

		Ensure compliance of 95 % of all water samples taken by Environmental Health Practitioners on an annual basis	<ul style="list-style-type: none"> i. <i>Development of sampling programme</i> ii. <i>Development of record and tracking system</i> iii. <i>Development of standardised sample procedures</i> iv. <i>GIS mapping of all sample points</i> v. <i>Establishment of communication lines between MHS & WSA</i>
		Establishment of an Sanitation resource centre	<ul style="list-style-type: none"> i. <i>Identification of area by council</i> ii. <i>Secure funding from DWAF</i> iii. <i>Finalization of design</i> iv. <i>Finalization of MOU by 15 December 2007</i> v. <i>Site establishment February 2007</i>
		Ensure that 80% of all formal food premises are in possession of an Certificate of Acceptability in terms of the FDC Act by end 2009	<ul style="list-style-type: none"> i. <i>Perform baseline survey of all existing premises in the District</i> ii. <i>Evaluate as per HACCP principals</i> iii. <i>Introduce corrective measures</i> iv. <i>Issuing of Certificates</i>
		Ensure 100% compliance of all Funeral undertaker businesses registered in the CHDM area by 2009.	<ul style="list-style-type: none"> v. <i>Perform baseline survey of all existing premises in the District</i> vi. <i>Evaluate as per relevant legislation</i> vii. <i>Introduce corrective</i>

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			viii. <i>measures Issuing of Certificates of competency</i>	
<u>MHS & ENVIRONMENTAL MANAGEMENT SECTION</u>				
	2007/2008	2008/2009	2009/2010	2010/2011
SERVICES		AMOUNT		
		R	R	R
School Greening Project	R 500,000.00	R 600,000.00	R 600,000.00	R 600,000.00
Health and Education Unit	R 100,000.00	R 200,000.00	R 150,000.00	R 150,000.00
Observation of Environmental Related Days	R 200,000.00	R 400,000.00	R 450,000.00	R 450,000.00
Community Gardens	R 150,000.00	R 200,000.00	R 220,000.00	R 250,000.00
Food Premises Competition / Infrastructure	R 187,000.00	R 400,000.00	R 420,000.00	R 450,000.00
Waste Management	R 2,000,000.00	R 5,000,000.00	R 5,000,000.00	R 5,500,000.00
Land Care programme (Lapesi eradication)	R 3,300,000.00	R 5,000,000.00	R 5,000,000.00	R 5,500,000.00
Working for Water Project				
4 x New long wheel base bakkies	180000	R 800,000.00	R 210,000.00	R 250,000.00
Bio fuels project		R 1,500,000.00	R 1,500,000.00	R 1,500,000.00
Biogas systems for rural households		R 1,500,000.00	R 1,500,000.00	R 1,500,000.00
Sanitation Resource Centre	350000	R 550,000.00	R 0.00	R 0.00
Air Pollution Quality Monitoring		R 500,000.00	R 500,000.00	R 500,000.00
TOTALS	R 6,967,000.00	R 16,550,000.00	R 15,400,000.00	R 16,550,000.00

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CAPITAL BUDGET - 2008 / 09						
EQUITABLE SHARE PROJECTS						
PROJECTS	Amount 2008 / 2009	PROJECTS	VEHICLES	TOTAL 2008 / 2009	TOTAL 2009 / 2010	TOTAL 2010 / 2011
-						
OFFICE OF THE MUNICIPAL MANAGER	R	R	R	R	R	R
Disaster management						
Scientific risk assesment	500,000	500,000		500,000		
Control room equipment	1,500,000			-	-	-
Extension of the Disaster risk management centre	-			-	2,000,000	2,000,000
One 4x4 double cabs response vehicles for 2 for a satellite centre	400,000		400,000	400,000	1,280,000	968,000
Specialised vehicles for Educ & awareness programs & JOC	-			-	1,500,000	1,575,000
Total : Disaster management	2,400,000	500,000	400,000	900,000	4,780,000	4,543,000
Fire and emergency services						
Major pump with 464 ladder						
One standard 4x4 bakkies	425,000		425,000	425,000	975,000	
Rescue vehicle	-		-	-	600,000	600,000
Hazmat vehicle	-		-	-	500,000	500,000
	-		-	-		
Total : Fire and emergency services	425,000	-	425,000	425,000	2,075,000	1,100,000
Communications						

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Dev & implementation of Marketing & Branding strategy	500,000	500,000		500,000	1,100,000	1,210,000
Dev & implementation of Public Participation strategy	-	-		-	1,050,000	600,000
Dev & production of Publications in house					500,000	550,000
Production of Annual Report	200,000	200,000		200,000	200,000	200,000
Review of Promotion to information Act manual & implementation	-	-		-	12,000	13,200
Explore establishment of Customer care centre	300,000	300,000		300,000	550,000	600,000
Total : Communications	1,000,000	1,000,000	-	1,000,000	3,412,000	3,173,200
Internal Audit						
Municipal Support & Shared Internal Audit Service		-		-		
Provision of continuous support to local municipalities	1,000,000	1,000,000		1,000,000	500,000	550,000
Development of a Risk management framework & policy	250,000	250,000		250,000		
Quality assurance review of the Internal audit unit	100,000	100,000		100,000		
Procurement of a Computer assisted audit software (CAAS)	-	-		-	50,000	-
Total : Internal audit	1,350,000	1,350,000	-	1,350,000	550,000	550,000
Information computer technology (ICT)						
Usage of Sharepoint portal to enable outside CHDM intranet	300,000	300,000		300,000	-	-
Dev of a District information management system (DIMS)	-	-		-	1,000,000	
Review of Master systems plan	75,000	75,000		75,000		
ICT audit	300,000	300,000		300,000		300,000
Dev of Electronic document management system (EDMS)	-	-		-		

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					2,000,000	
Internal hosting of the website	-	-	-	-	100,000	
Undertake Business process re-engineering project	-	-	-	-		500,000
Total : Information computer technology	675,000	675,000	-	675,000	3,100,000	800,000
Supply chain management						
Database to ensure supplier rotation & equitable opportunities	-	-	-	-	-	-
Dev of relevant policies	32,000	32,000		32,000	35,000	40,000
Formulate a disposal strategy	50,000	50,000		50,000	10,000	15,000
SCM Performance audit / monitoring	78,000	78,000		78,000	82,000	85,000
Total : Information computer technology	160,000	160,000	-	160,000	127,000	140,000
Special programmes unit (SPU)						
Dev of relevant policies	-	-		-	100,000	100,000
Stakeholder management	200,000	200,000		200,000	300,000	300,000
Capacity building	200,000	200,000		200,000	300,000	300,000
Facilitate participation	100,000	100,000		100,000	200,000	200,000
Water & sanitation	100,000	100,000		100,000	-	-
Mayoral cup	300,000	300,000		300,000	-	-
Monitoring & evaluation	50,000	50,000		50,000	50,000	50,000
Campaigns	100,000	100,000		100,000	100,000	100,000
Total : Special Programmes Unit			-			

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	1,050,000	1,050,000		1,050,000	1,050,000	1,050,000
TOTAL - OFFICE OF THE MUNICIPAL MANAGER	7,060,000	4,735,000	825,000	5,560,000	15,094,000	11,356,200

PROJECTS	Amount 2008 / 2009	PROJECTS	TOTAL 2008 / 2009	TOTAL 2009 / 2010	TOTAL 2010 / 2011
	R	R	R	R	R
CORPORATE SERVICES					
Management & admin					
Various Projets	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Policy & By-law development		-	-	-	-
Electronic doc management system			-	-	-
Implementation of Filing Plan		-	-	-	-
Total : Management & admin	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Fleet management					
Vehicle management system			-	-	-
Replacement of vehicles			-	-	-
Equipment			-	-	-
Total : Fleet management	-	-	-	-	-
Human resource management					
Municipal human resource development	-		-	-	-

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Total : Human resource management	-	-	-	-	-
TOTAL - CORPORATE SERVICES	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000

PROJECTS	Amount 2007 / 2008	Amount 2008 / 2009	PROJECTS	TOTAL 2008 / 2009	TOTAL 2009 / 2010	TOTAL 2010 / 2011
-						
OFFICE OF THE MUNICIPAL MANAGER	R	R	R	R	R	R
Budget Control						
DBSA-Loan repayment	446,000	446,000	446,000	446,000	466,070	487,043
Comprehensive Asset Identification & Registration	300,000	300,000	300,000	300,000	313,500	327,608
Total : Budget Control	746,000	746,000	746,000	746,000	779,570	814,651
System Administration						
e-Venus Accounting System Roll-out	1,750,000	2,000,000	2,000,000	2,000,000	2,090,000	2,184,050
Total : System Administration	1,750,000	2,000,000	2,000,000	2,000,000	2,090,000	2,184,050
TOTAL - BUDGET & TREASURY	2,496,000	2,746,000	2,746,000	2,746,000	2,869,570	2,998,701

HEALTH AND COMMUNITY SERVICES DIRECTORATE

PROJECTS	AMOUNT 2007 / 08	AMOUNT 2008 / 09	PROJECTS	VEHICLES	TOTAL 2008 / 2009	TOTAL 2009 / 2010	TOTAL 2010 / 2011
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MHS & Environmental management	R	R	R	R	R	R	R
School Greening project	500,000	600,000	600,000		600,000	600,000	600,000
Establishment of Health and Education unit	100,000	200,000	200,000		200,000	150,000	150,000
Observation of Environmental related days	200,000	400,000	400,000		400,000	450,000	450,000
Community gardens	300,000	200,000	200,000		200,000	220,000	250,000
Food premises competition / Infrastructure	187,000	250,000	250,000		250,000	420,000	450,000
Waste Management	2,000,000	2,500,000	2,500,000		2,500,000	4,500,000	5,500,000
Land care programme (alien plant eradication)	3,300,000	3,000,000	3,000,000		3,000,000	6,000,000	6,500,000
One 4x4 long wheel base bakkie	-	-	-	-	-	400,000	450,000
Sanitation resource centre	-	550,000	550,000		550,000	-	-
Air pollution quality monitoring	-					600,000	500,000
TOTAL : MHS & Environmental management	6,587,000	7,700,000	7,700,000	-	7,700,000	13,340,000	14,850,000

Primary health care services

Purchase of mobile clinics		1,000,000		1,000,000	1,000,000	1,200,000	1,400,000
Upgrading of pharmacy rooms		100,000	100,000		100,000	100,000	-
Upgrading of Eluxolweni clinic (Hofmeyer)		750,000	750,000		750,000	-	-
Additions to Zola & Masakhe clinics		-	-		-	850,000	760,000
Upgrading of Tarkastad town clinic		70,000	70,000		70,000	-	-
TOTAL : Primary health care	-	1,920,000	920,000	1,000,000	1,920,000	2,150,000	2,160,000

HIV / AIDS Programmes

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HIV / AIDS policy implementation		490,000	490,000		490,000	519,490	550,654
VCT Site establishment		310,000	310,000		310,000	328,600	348,346
Psychosocial support		-	-		-	53,000	53,000
HIV / AIDS Mainstreaming		50,000	50,000		50,000		
Technical support to local municipalities		60,000	60,000		60,000	63,600	67,446
Communication & Marketing of HIV / AIDS		100,000	100,000		100,000	348,000	337,080
DAC Functioning		100,000	100,000		100,000	406,000	112,360
National calendar observation		307,400	307,400		307,400	325,844	346,394
HIV / AIDS Research programmes		221,350	221,350		221,350	234,631	248,709
Capacity building (door to door campaigns)		524,750	524,750		524,750	1,240,376	847,148
Co ordination of DAC and LAC plans		50,000	50,000		50,000	53,000	56,180
LAC's & WAC's support		480,000	480,000		480,000	643,000	1,167,094
Establishment of ward AIDS Council	500,000	-	-		-	406,000	112,360
Baseline survey for 3 wards in Sakhisizwe LM	575,849						
TOTAL : HIV / AIDS Programmes	1,075,849	2,693,500	2,693,500	-	2,693,500	4,621,541	4,246,771

TOTAL - HEALTH AND COMMUNITY SERVICES	7,662,849	12,313,500	11,313,500	1,000,000	12,313,500	20,111,541	21,256,771
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PROJECTS	Amount 2007 / 2008	Amount 2008 / 2009	VEHICLES	TOTAL 2008 / 2009	TOTAL 2009 / 2010	TOTAL 2010 / 2011
-						
OFFICE OF THE MUNICIPAL MANAGER	R	R	R	R	R	R

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Water Services						
Honey sucker	-	1,000,000	1,000,000	1,000,000		
Water cart	-	1,000,000	1,000,000	1,000,000		
Extended Public works programme	500,000					
Total : Water Services	500,000	2,000,000	2,000,000	2,000,000	-	-
Total :		-	-	-	-	-
TOTAL - TECHNICAL SERVICES	500,000	2,000,000	2,000,000	2,000,000	-	-

IPED PROJECTS AND PROGRAMMES 2008/9-2010/11

Project/Programme Name	PROJECTS / ACTIVITIES	Location	Municipality	Amount 2007 / 2008	Amount 2008 / 2009	PROJEC
				R	R	R
Land Reform and Settlement Plan	Land Reform and Settlement Plan					
	Zoning map	Ngcobo	Engcobo	-		
	land registration booklet			-		
	Revision of zoning scheme	Cradock	Inxuba Yethemba	-		
Performance Management System	Roll out scheme to sectional heads		CHDM	200,000		
	District Monitoring and evaluation system		CHDM	-		
Integrated development Planning	IGR structures		CHDM	-		
	Ward Committee training		CHDM	-		
Agriculture	Animal Production / Improvement					
Animal Improvement	Nguni Programme	CHDM		2,500,000	1,000,000	1,000,000

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	Live Stock marketing				-	
	Wood Cluster					
Woodcluster	Building of Sawmill			-	3,000,000	3,000,000
	Irrigation Schemes					
Irrigation Schemes	(infrastructure, Inputs and Staff)			3,000,000		
	Goat Project					
Goat Project	1.Concept Development			1,500,000	1,500,000	1,500,000
	2.Infrastructure Development					
	Wool Production					
Wool Production	1.Shearing Shed (Intsika Yethu LM)			1,000,000		
	2.Stock improvement (Rams)					
	3. Wool production				1,500,000	1,500,000
	2.Assist in purchasing of inputs					
	3.Institutional arrangement					
	Crop Production					
Massive Food Production	Work with Depart of Agric to co fund			1,500,000	-	
	Massive food production				2,000,000	2,000,000
	High value crop			1,200,000	500,000	500,000
	Irrigation				2,000,000	2,000,000
	Tourism					
Tour Institutional Framework	Revival of Charto			500,000		
	SMME development				600,000	600,000
	Destination management					
Destination Management and Marketing	Signage for CHDM tourism Attractions			-	200,000	200,000
	Tourism institution frame work				1,500,000	1,500,000
	Tourism planning				300,000	300,000
Chris Hani Liberation Route	1.Route Creation			1,200,000	-	

SMME Development

	2.Infrastructure Development				-
	SMME Development				
	Information sharing through Exeo's.		200,000	300,000	300,000
	Seminars and business sessions				
	Business support			200,000	200,000
	Research & information			200,000	200,000
	Cooperatives support			-	
	Local Economic development strategy				
	Strategy & Planning			300,000	300,000
	Capacity building			300,000	300,000
	Led Support Fund		2,000,000	1,000,000	1,000,000
	SEDA			600,000	600,000
	Call centres			200,000	200,000
	Development agency			300,000	300,000
			14,800,000	17,500,000	17,500,000

**CHRIS HANI DISTRICT MUNICIPALITY
CAPITAL BUDGET - 2008/09 to 2010/11**

MIG PROJECTS

Project Number (1)	Project Name			
		2008/09	2009/10	2010/11
-				
EMALAHLENI MUNICIPALITY				
	Bozwana Footbridge	R 1,000,000	R 0	

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	Lady Frere Sewer	R 0	R 0	
633	Emalaheni Ward 3 Sanitation	1,984,659	R 3,000,000	2,000,000
	Indwe Rehabilitation of Rds &S/water	R 1,451,447	R 2,000,000	1,500,000
638	Emalaheni ward 2 & 10 Sanitation	R 2,000,000	R 2,500,000	2,000,000
	Cacadu Villages Water	R 3,000,000	R 3,000,000	1,000,000
	Mackay's Nek Sanitation	3,000,000	R 3,000,000	1,000,000
	Swartwater internal water reticulation	R 0	R 0	
	Vukani Bulk Services water & roads	2,500,000	R 1,000,000	1,000,000
	Qoqodala Access Road	3,000,000	R 1,500,000	1,000,000
	Dubeni Access Road	2,500,000	R 1,000,000	500,000
	Indwe Bucket Eradication	R 0	R 0	
	Lady Frere Taxi Rank	R 0	R 0	
	Percy Village Sanitation	1,000,000	R 500,000	1,000,000
	Vukani Guba Sanitation	R 1,000,000	R 1,000,000	1,000,000
	Ward 14 Water Scheme (Kalkfontein)	R 1,200,000	R 2,000,000	3,000,000
	Ward 6 Water Scheme (Xonxa)	R 1,000,000	R 2,500,000	4,000,000
	Scheme 1(Buffelsdoring)	R 1,000,000	R 2,000,000	3,000,000
	Ward 2 Water scheme (Mazakani)	R 1,700,000	R 1,000,000	2,000,000
	Ward 1 Sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 2 sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 3 sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 4 sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 5 sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 6 sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 7 sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 8 sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 9 sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 10 sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 11 sanitation	R 500,000	R 1,000,000	1,000,000
	Ward 12 sanitation	R 500,000	R 1,000,000	1,000,000
	Ward 13 sanitation	R 500,000	R 1,000,000	1,000,000
	Ward 14 sanitation	R 500,000	R 1,000,000	100,000

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	Ward 15 sanitation	R 500,000	R 1,000,000	1,000,000
	Ward 16 sanitation	R 500,000	R 1,000,000	1,000,000
TOTAL: EMALAHLENI LM		35,336,106.00	42,000,000.00	44,100,000.00
INKWANCA MUNICIPALITY				
	Molteno Roads and Stormwater	R 2,000,000	R 2,000,000	2,000,000
	Sterkstroom Roads and Stormwater	R 3,000,000	R 2,000,000	1,500,000
	Molteno Low level bridge	R 500,000	R 0	
	Molteno Oxidation Ponds	R 1,000,000	R 1,000,000	2,000,000
	Nomonde and Mqeshi - Streetlighting	R 0	R 0	
	Carnavon Dam Wall	R 0	R 0	
TOTAL: INKWANCA LM		R 6,500,000	R 5,000,000	5,500,000
INTSIKA YETHU MUNICIPALITY				
	Cofimvaba Sewer (Bulk line and treatmworks)	R 3,000,000	R 3,000,000	2,000,000
	Tsomo RDP 2 Water supply	R 4,000,000	R 2,000,000	1,500,000
	Tsomo RDP 3 2005/1	R 3,394,881	R 5,000,000	3,000,000
	Tsojana Bulk Water (636)	R 0		
	Tsomo - Shweni & Ndungunya Village water supply(476)	R 40,000		
	Cofimvaba Ward 15 - Water Reticulation (832)	R 0		
	Cofimvaba Ward 15 - Water Reticulation Phase 2	R 3,000,000	R 1,270,879	1,000,000
	Cofimvaba Ward 11 & 13 - Water Reticulation Phase 2	R 200,000	R 0	
	Emampingeni & Mncuncuzo - Upgr Bulk Water Supply	R 0	R 0	
	Cofimvaba - Roads in Wards 7, 9, 12, 14(528)	R 2,040,000	R 0	
	Ku-Luqolo Access Road (1030)	R 0	R 0	
	Cofimvaba ward 16 sanitation	R 1,000,000	R 0	
	Ntsela water supply	R 0	R 0	
	Mphutulo Rwantsana Water supply	R 2,800,000	R 1,200,000	1,000,000
	Luthuli water supply	R 2,000,000	R 600,000	1,000,000
	Ward 8 Sanitation	0	R 500,000	1,000,000
	Ward 3 Sanitation	R 0	R 1,000,000	2,000,000

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	Glen Grey TRC 6 villages	R 0		
	Nqumakaqla & Mtshanyana Bulk Water Supply	R 0		
	Maya water Supply	R 0		
	Qamata water Project(877)	R 4,900,000	R 3,600,000	2,000,000
	Upper tsojana sanitation	R 500,000	R 500,000	2,000,000
	Intsika Yethu Sanitation - Mahatma	R 500,000	R 1,000,000	2,000,000
	Ward 1(old) water supply	R 1,000,000	R 2,000,000	2,500,000
	Intsika Yethu Sanitation - Amanzabantu	R 500,000	R 2,000,000	3,000,000
	Cofimvaba water reticulation	R 1,000,000	R 2,000,000	3,000,000
	Ward 6,9,12 Phase 2(ld)	R 1,000,000	R 2,000,000	2,000,000
	Bolotwa water supply ward	R 1,500,000	R 3,000,000	3,000,000
	Hoyana water supply ward	R 1,000,000	R 3,000,000	2,000,000
	Gcina ward 8 water supply(Old)	R 1,000,000	R 2,540,708	4,000,000
TOTAL: INTSIKA YETHU LM		R 34,374,881	R 36,211,587	R 38,000,000
	-			
INXUBA YETHEMBA MUNICIPALITY				
	Lusaka Bulk Sewer,Bucket Eradication & Water provision	R 0	R 0	
	Lusaka Bucket Eradication Phase 2	R 0	R 0	
	Rosmead Rural Water	R 3,500,000	R 1,000,000	2,000,000
	Lingelihle - Rehab gravel street and access roads	R 1,000,000	R 2,000,000	2,000,000
	Cradock Water reservoir	R 1,000,000		
	Middleburg Water Provision	R 2,400,000	R 4,000,000	5,000,000
TOTAL: INXUBA YETHEMBA LM		R 7,900,000	R 7,000,000	R 9,000,000
LUKHANJI MUNICIPALITY				
	RA 60 Hewu Bulk Water Supply	R 3,000,000	R 5,570,537	3,000,000
	Augment Queenstown water supply(Xonxa)	R 2,000,000	R 6,000,000	4,000,000
	Sada Bucket eradication	R 0	R 0	
	Zingquthu sanitation	R 0	R 0	
	Regional Solid Waste	R 0	R 0	
	Sada Sewer	R 2,000,000	R 5,757,948	3,000,000
	Rathwick Water and Sanitation	R 2,000,000	R 1,000,000	2,000,000

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	Zingquthu Water Supply	R 500,000	R 1,000,000	2,000,000
	Lessyton Water Supply	R 2,000,000	R 1,000,000	2,000,000
	Tylden Water Supply	R 2,000,000	R 1,000,000	2,000,000
	Gwatyu Water Supply	R 2,000,000	R 1,000,000	2,000,000
	Ward 3 Sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 13 Sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 1 Sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 5 Sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 14 Sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 17 Sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 27 Sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 12 Sanitation	R 500,000	R 1,000,000	1,500,000
	Ward 11 Sanitation	R 500,000	R 1,000,000	1,500,000
TOTAL: LUKHANJI LM		R 20,000,000	R 31,328,485	R 33,500,000
NGCOBO MUNICIPALITY				
	Beetle Bridge	R 0	R 0	
	Engcobo Sanitation - EU (604)	R 1,000,000	R 3,000,000	3,500,000
	Chris Hani Area Sanitation (Engcobo)Ward 5 (634)	R 1,000,000	R 4,000,000	4,000,000
	Engcobo: Nkobongo & Lower Mnyolo - Water Supply (646)	R 0		
	Engcobo: Cobosi - Water Supply (790)	R 0	R 0	
	Nkondlo/Gqobonco water supply (Bulk supply)	R 6,000,000	R 7,000,000	4,000,000
	Lower Gqaga water supply	R 50,000	R 0	
	Bojane Skobeni Water Supply	R 3,000,000	R 730,222	1,500,000
	Engcobo treatment works	R 7,700,000	R 865,400	1,500,000
	Nkondlo sportsfield phase 2	R 157,194	R 0	
	Goboti Sangeni Sanitation	R 1,900,000	R 100,000	1,500,000
	Ward 9 Water Supply	R 5,000,000	R 3,000,000	4,000,000
	Ward 15 and 16 Water Supply	R 2,000,000	R 5,000,000	4,000,000
	Ward 2,8 and 11 Water Supply	R 2,500,000	R 4,000,000	3,500,000
	Ward 13 Water supply	R 3,000,000	R 4,000,000	4,000,000
	Ward 14 Water Supply	R 2,500,000	R 3,000,000	4,000,000
	Ward 12 Sanitation	500,000.00	R 4,000,000	3,500,000

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	Ward 15 Sanitation	500,000.00	R 3,000,000	4,000,000
TOTAL: NGCOBO LM		R 36,807,194	R 41,695,622	R 43,000,000
	-			
SAKHISIZWE MUNICIPALITY				
	Nyalasa Sanitation	R 1,100,000	R 2,000,000	3,000,000
1051	Xalanga ward 4 water supply	R 0	R 0	
1135	Cala ext 13, 14 & 15- Roads, Stormwater & water	R 500,000	R 2,000,000	2,000,000
0104	Mahlungulu Village Water Supply	R 0	R 0	
	Elliot Waste Water Treatment Works	250,000.00	3,000,000.00	2,000,000
	Taleni Sanitation	500,000.00	500,000.00	1,000,000
	Ward 3 Water Project (Qonya)	1,000,000.00	500,000.00	1,000,000
	Ward 4 Water Project (Mission; Ngojini)	500,000.00	500,000.00	1,000,000
	Ward 6 Water Project (Mbodlane, Ndyavu)	1,000,000.00	500,000.00	1,000,000
	Ward 7 Water Project (Dolophini,Manzimahle,Bumbane)	500,000.00	500,000.00	1,000,000
	Lahlangubo Water Project	500,000.00	850,306.00	1,000,000
	Ward 3 Sanitation	300,000.00	1,000,000.00	1,000,000
	Ward 4 Sanitation	300,000.00	1,000,000.00	1,000,000
	Ward 7 Sanitation	300,000.00	1,500,000.00	1,000,000
	Gubenxa Water Supply	1,000,000.00	1,000,000.00	1,000,000
	Maxongo Water Supply	1,000,000.00	1,000,000.00	1,000,000
	Ekuthuleni Water Supply	500,000.00	1,000,000.00	1,000,000
	Tsomo Valley Water Supply	500,000.00	1,000,000.00	1,000,000
	Masimini Water Supply	250,000.00	1,000,000.00	1,000,000
TOTAL: SAKHISIZWE LM		R 10,000,000	R 18,850,306	R 21,000,000
	-			
TSOLWANA MUNICIPALITY				
	Klein Bulhoek Sanitaion	R 2,000,000	R 2,000,000	1,500,000
	Hofmeyer Bucket Eradication	R 0	R 0	
	Tarkastad Bucket eradication	R 0	R 0	
	Hofmeyer Water Supply	R 7,000,000	R 600,000	4,000,000
	Rocklands Water Project	R 0	R 0	
	Ward 2 sanitation	R 3,000,000	R 2,000,000	1,500,000

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	ward 3 sanitation	R 3,000,000	R 2,500,000	1,500,000
TOTAL: TSOLWANA LM		R 15,000,000	R 7,100,000	R 8,500,000
GRAND TOTAL: MIG PROJECTS		R 165,918,181	R 189,186,000	R 202,600,000
SOURCE OF FUNDING		2008/09	2009/10	2010/11
Allocation for 2010/11 has been assumed as it has not yet been gazetted.				
MIG ALLOCATION (Excl. PMU Allocation) (MTEF)		R 165,000,000	R 185,000,000	202,600,000
DHLGTA (Bucket Eradication)		R 0	R 0	R 0
DBSA Loan		R 0	R 0	R 0
TOTAL FUNDING - MIG PROJECTS		R 165,000,000	R 185,000,000	R 202,600,000

ANNEXURE A: Framework Plan 2008-9

1. Introduction

In terms of the Municipal Systems Act, Chapter 5, Part 3, a Municipal Council must review its integrated development plan annually in accordance with its performance measurements in section 41; and to the extent that changing circumstances so demand and may amend its integrated development plan in accordance with a prescribed process. In accordance with the philosophy behind the Municipal Structures Act, 1998, Section 84 (1) that states: A district municipality has the following functions and powers:

- a) Integrated development planning for the district municipality as a whole including a framework for integrated development plans for the local municipalities within the area of the district municipality, the Chris Hani District Municipality has drafted a framework plan to assist and coordinate the IDP Review process.

The district municipality is adopting a cluster approach in order to gather and verify the necessary information for strategic decision making processes and to ensure that integrated planning and project development occurs between itself, local municipalities and sector departments within the Chris Hani municipal area.

2. Organizational Arrangement

The following arrangements have been set in place to institutionalise community/ stakeholder participation and also to enable the municipality to manage the drafting of the output. Further, these organisational arrangements will provide an organised platform for the accessing of the decision making process by all the affected and interested stakeholders in the IDP-Review process. This process is explained in Diagram 1. The organisational structures are divided into Municipal Processes and Intergovernmental Processes, for ease of discussion. It should be noted, however, that these are integrated with one another.

2.1 Council

The Council is chaired by the Speaker.

2.1.1 Council Terms of Reference

The Council shall:

- Oversee the Review of the IDP
- Adopt the Reviewed IDP

2.2 IDP Manager

The Municipal Manager, Mr. Mpilo Mabambisa will manage the Chris Hani District Municipal IDP. In the local municipalities the Municipal Managers will act as the IDP Managers.

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2.2.1 Terms of reference for the IDP Manager

The IDP Manager shall, in accordance with the provisions of the IDP legislation framework:

- Ensure that the District Framework is drafted and adopted by the District Municipal Council;
- Ensure that the IDP and budget review process plan is drafted and adopted by Council
- Manage the IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time; financial and human resources;
- Encourage an inclusive participatory planning process and compliance with action programme
- Facilitate the horizontal and vertical alignment of the various IDP's
- Ensure that the planning process outcomes are properly documented
- Manage service providers for the IDP
- Chair the IDP Steering Committee
- Co-ordinate with various government departments and other IDP Managers to ensure that all the projects, strategies and objectives of the local municipalities and those of the district are shared and distributed amongst government departments so that they might incorporate them in their planning process and vice versa.

2.3 IDP Steering Committee

The IDP Steering Committee will consist of:

- Municipal Manager
- Section 57 Managers
- Management

2.3.1 Terms of reference for the IDP Steering Committee

- Provide technical and advisory support to the IDP Manager
- Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the municipal Council
- Commission feasibility studies and business plans for projects
- Commission in depth studies
- Interact with the district steering committee members regarding district projects
- Prepare, facilitate and document meetings
- Act as the secretariat for the Representative Forum

Meeting Schedule

The IDP Steering Committee will meet as per the timetable.

2.4 IDP Representative Forum

The IDP Representative Forum will be chaired by the Municipal Mayor.

2.4.1 IDP Representative Forum Terms of Reference

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The IDP Representative Forum shall:

- Represent the interest of various constituencies in the IDP planning process
- Provide an organizational platform and mechanism for discussion, negotiation and decision making between stakeholders including the district municipality
- Provide a communication mechanism for the exchange of ideas and opinions among the various stakeholder interest groups
- Participate in the setting up of key performance indicators including the monitoring thereof in line with the adopted Performance Management System
- Monitor the performance of the planning and implementation process

3. Intergovernmental Processes (see Diagram 1)

3.1 The District Intergovernmental Forum

Members:

- CHDM Mayor
- Category B Municipality Mayors

Task:

- Information sharing
- Consultation on political issues affecting delivery
- Alignment of policies
- Coordination of actions derived from the Alignment Committee
- Overseeing function of IDP implementation progress
- Discuss matters arising in the PCF and other national intergovernmental forums
- Consult on matters of common concern
- Provide a mechanism for monitoring the implementation of national, provincial and municipal policies

3.2. Alignment Committee

Members:

- CHDM Municipal Manager
- Category B Municipal Managers
- Sector Departmental Heads
- CHDM Section 57's

Task:

- Information sharing
- Consolidation of quarterly progress report on IDP implementation for IGF derived from clusters
- Forwarding of political issues affecting delivery to IGF
- Promote integrated rural and urban development through programmes such as ISRDP and URP
- Enhance co-ordination of actions and programmes between the organs of government across local, provincial and national lines

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- Facilitate communication between government and communities
- Make inputs/ contributions to the IDP
- Act as a monitoring and evaluation tool on IDP implementation
- Facilitate the coordination of strategic planning in the district – aligning provincial and municipal strategic planning

The Municipal Manager and the Executive Mayor as Chairperson's of their respective Forum's forward issues to the Premiers Co-ordinating Forum, TSG and Muni-Mec. The Municipal Manager forwards issues requiring political intervention to the Mayors' Forum. The Alignment Committee will report to the IGF through the CHDM Municipal Manager.

3.3. Chris Hani Clusters

CHDM will consist of 4 clusters known as Social Development, Economic Development, Infrastructure Development and Governance and Fiscal.

3.3.1. Economic Development Cluster

- consists of the CHDM performance clusters of Economic Development
- headed by IPED Director

This Cluster will consist of six sub clusters:

- Manufacturing and construction headed by CHDM PMU Manager
- Agriculture and Forestry headed by the CHDM Agricultural Development Officer
- Tourism headed by CHDM Tourism development Officer
- Trade and Services headed by CHDM SMME development Officer
- Mining headed by Emalahleni IPED Director
- Skills and training headed by CHDM HR Manager

Task of the broader Economic development Cluster

- Promote integrated rural and urban development
- Enhance co-ordination between the organs of government across local, provincial and national lines
- Advise CHDM on livelihoods and economic development in certain sectors
- Make inputs/ contributions to the IDP
- Act as a monitoring and evaluation tool on IDP implementation

3.3.2. Social Development Cluster

- consists of the CHDM performance clusters of Social Development
- headed by Health &Community Services Director

Task

- Make inputs/ contributions to the IDP
- Act as a monitoring and evaluation tool on IDP implementation
- Discuss issues pertinent to Health, Sports, Education and Safety and Security

3.3.3. Governance & Fiscal Cluster

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- consists of the CHDM performance clusters of Governance & Democracy and Financial Management
- headed by Chief Financial Officer

Task

- Promote implementation of integrated development programmes
- Promote transparent, effective and efficient governance
- Promote and implement sound labour practises
- Promote good financial management
- Enhance and develop integrated capacity building initiatives
- Promote, advocate and implement performance management systems
- Make inputs/ contributions to the IDP
- Act as a monitoring and evaluation tool on IDP implementation

3.3.4. *Infrastructure Development Cluster*

- consists of the CHDM performance clusters of Infrastructure development
- headed by Engineering Director

Task

- Promote implementation of integrated development programmes
- Promote transparent, effective and efficient governance
- Enhance and develop integrated capacity building initiatives
- Make inputs/ contributions to the IDP
- Act as a monitoring and evaluation tool on IDP implementation

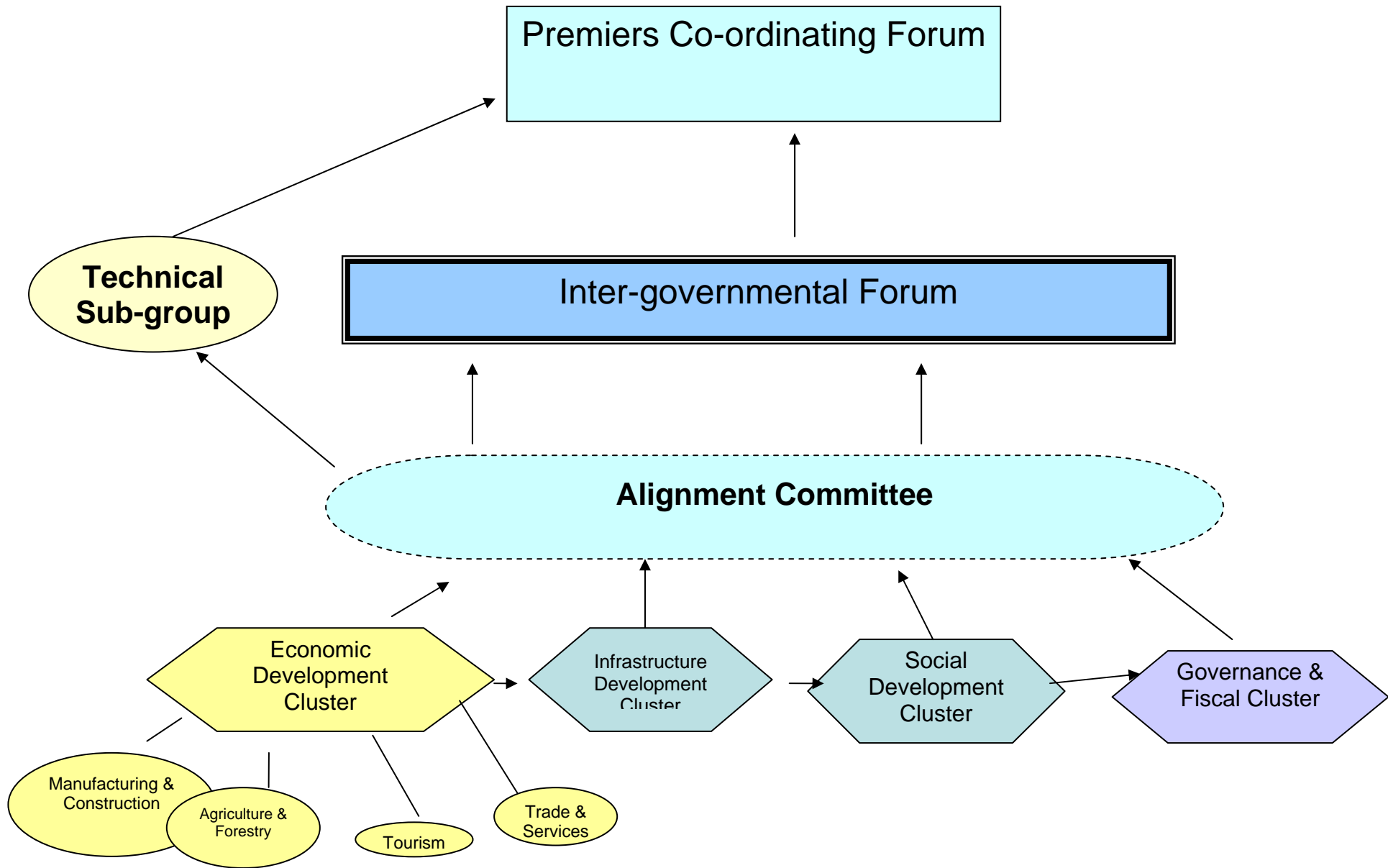
Secretariat:

- Committee Clerks under the supervision of the Director Corporate Services.
- Director Corporate Services will compile and finalise the items to be discussed by clusters

Meetings:

These clusters will meet on a quarterly basis.

Diagram 1



4. Distribution of Roles and Responsibilities

The IDP planning process includes a wide range of role-players with certain key responsibilities. To enable smooth implementation of the IDP Review action plan the following roles and responsibilities have been allocated in the following manner.

4.1 Internal Municipal Distribution

Actors	Roles and responsibilities
1. Council	<ul style="list-style-type: none"> • Consider and adopt reviewed IDP • Consider and adopt Framework plan • Encourage public participation • Keep public informed about the contents of the IDP
2. Mayoral Committee	<ul style="list-style-type: none"> • Oversee the management, co-ordination, monitoring of the IDP Review • Assist in resolving political disputes
3. Ward Councillors	<ul style="list-style-type: none"> • Assist in communication strategy and organization of community consultation activities • Keep public informed about the contents of the IDP • Encourage public participation
4. IDP Manager	<ul style="list-style-type: none"> • Ensure that the District Framework and reviewed IDP are adopted by the Council • Manage the district or local municipal IDP by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time; financial and human resources; • Encourage an inclusive participatory planning process and compliance with action programme • Facilitate the horizontal and vertical alignment of the district IDP • Ensure that the planning process outcomes are properly documented • Manage service providers to the district or local municipal IDP • The district IDP Manager will coordinate with various government departments and other IDP Managers through the District clusters to ensure that all the projects, strategies and objectives of the local municipalities and those of the district are shared and distributed amongst government

Actors	Roles and responsibilities
	departments so that they might incorporate them in their planning process and vice versa
5. Heads of Departments & Senior Management	<ul style="list-style-type: none"> • Provide technical and advisory support to the IDP Manager • Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council • Interact with the relevant cluster regarding the prioritization of their individual departments projects and programmes for the following years • Provide clear terms of reference to service providers

4.2. External Municipal Distribution

Actors	Roles and responsibilities
1. Sector Departments	<ul style="list-style-type: none"> • Ensure the participation of Senior personnel in the IDP review process • Horizontal alignment of programmes and strategic plans within the clusters • Provide technical support and information to the planning process • Contribute relevant information to support the review process within the clusters • Incorporate district and local municipal projects into departments planning within the clusters
2. National & provincial governments	<ul style="list-style-type: none"> • Monitor and evaluate the preparation and implementation process • Provide training and capacity building support to the district and local municipalities • Coordinate support programmes so that overlapping does not occur • Provide technical guidance and monitor compliance with provincial policy and legal framework • Provide financial support to the IDP planning and implementation process
3. Support	<ul style="list-style-type: none"> • Provide methodological and technical guidance

providers	<ul style="list-style-type: none"> • Conduct in depth studies when commissioned by the Steering Committee • Ensure delivery of a product that is user friendly and tailor made for each municipality
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5. Community Participation Strategy

PHASE	PARTICIPATION MECHANISM & PLANNING EVENTS
Analysis	<ul style="list-style-type: none"> • Use of workshops to verify data on community priorities • Use of ward Committees to verify data
Projects	<ul style="list-style-type: none"> • Use of workshops to verify data on community priorities • Use of ward Committees to verify data
Approval	<ul style="list-style-type: none"> • Use of workshops to verify data on community priorities • Use of ward Committees to verify data

6. Alignment mechanisms and procedures

The District Municipality will be responsible for ensuring smooth coordination of local municipal IDP reviews and their alignment with the district IDP Review through district clusters.

7. Service provider supervision

Any service providers engaged by the district to undertake IDP Sector plans will be supervised and managed by the relevant District department.

8. Binding legislation

The following pieces of national and provincial legislation in conjunction with the South African institution will represent binding legislation that will guide the process.

Legal and policy Framework

- Development Facilitation Act 96 of 1995
- White paper on Local government of 1996
- Municipal Structures Act 113 of 1998
- Municipal Systems Act 32 of 2000
- Water Services Act 108 of 1997
- Transport Act
- Environment & Nature conservation Act 89 of 1989

Policy Planning Framework

- Eastern Cape Provincial Growth & Development Plan (PGDP)
- Eastern Cape Spatial Development Plan
- National Spatial Development Perspective (NSDP)
- Promotion of Rural Livelihood Programme (RULIV)
- Rural economic Development Zones programme (REDZ)
- Eastern Cape Integrated Sustainable Rural Development Strategy (EC- ISRDS)

9. Action Programme

The following table is attached and illustrates the IDP review action programme and also gives an indication to the planning activities that will be undertaken in a calendar format.

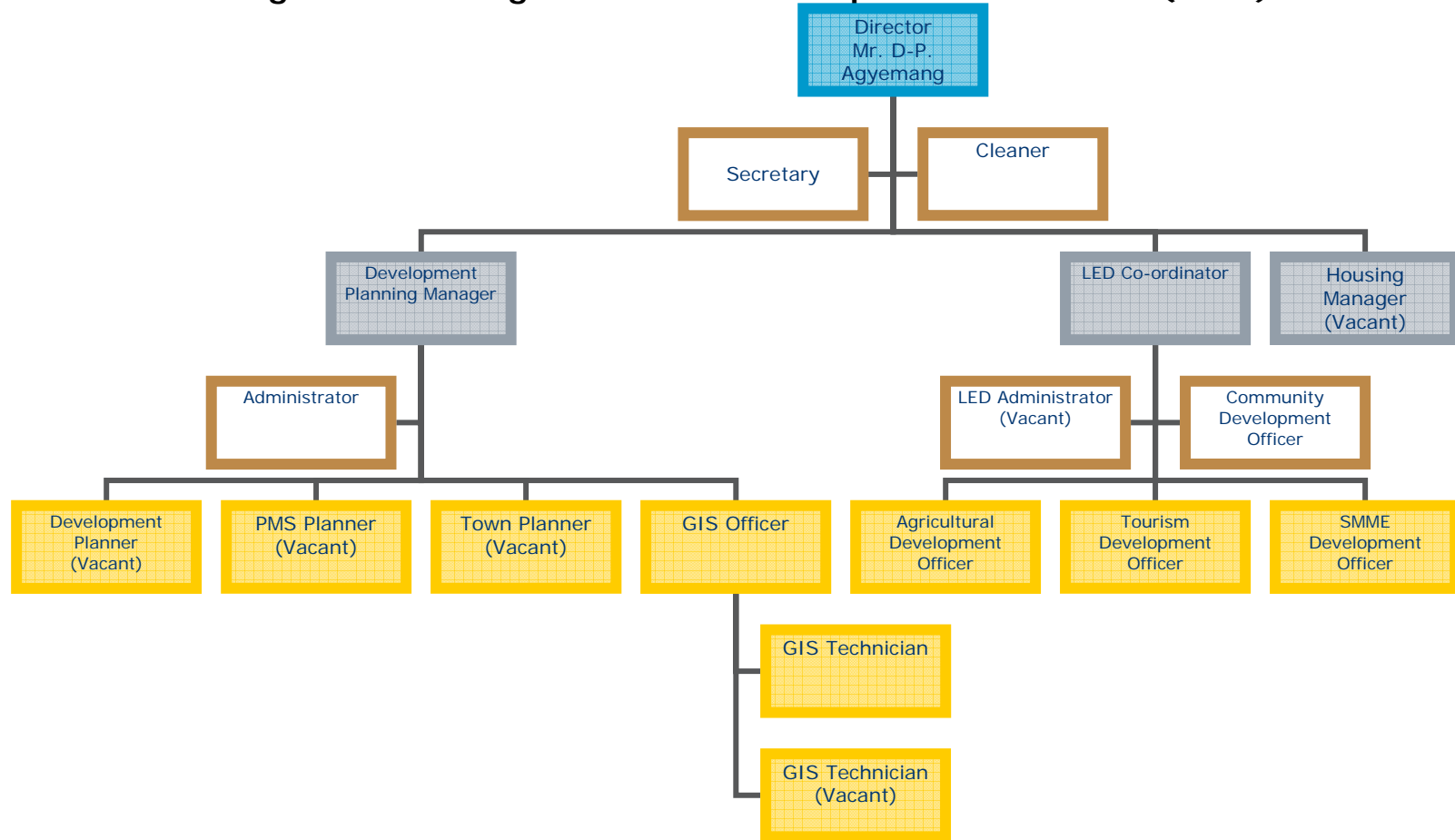
Activity	Date
<p>1. Develop framework & budget plan</p> <ul style="list-style-type: none"> - Develop draft LM process plans - Develop draft framework & budget plan - Present Final budget, process plan & framework plan to Council for adoption 	<p>1 - 31 August 2007 31 August 2007</p> <p>30 September 2007</p>
<p>2. Revised Analysis Phase & Budget</p> <ul style="list-style-type: none"> - Gather inputs from HOD's re: 08/9 Operational Budget - District IDP Rep Forum - IGR Cluster meetings - District Alignment meeting - HOD operational budget discussion - Prepare draft revision (Based on existing budget) of budget, analysis and strategies data - Incorporate changes to 	<p>1 – 31 October 2007</p> <p>3rd week November 1- 31 October 2007</p> <p>2nd week November 2007</p>

Activity	Date
budget & analysis phase	
3. Strategies Phase <ul style="list-style-type: none"> - IDP Steering Committees to meet - IDP Rep Forums to meet 	1 – 16 November 2007 1 – 16 November 2007
4. Projects Phase & MFMA draft budget <ul style="list-style-type: none"> - District IDP Steering Committee meet to discuss Projects - Prepare 1st draft of projects and budget - LM's submit indicative projects - District meeting on projects - District Meeting final projects 	i. November – 31 January 2008 1 December 2007 End of November 2007 5 December 2007 2nd week Feb 2008
5. Integration & Approval phase & Multi-year budget <ul style="list-style-type: none"> - IDP Steering Committee - Workshop IDP & budget - Invite public comments & incorporate changes on IDP & budget - Table IDP & Budget for adoption by Council (Draft budget) - Send revised draft IDP to MEC - IDP Steering Committee to discuss how to draw up draft budget implementation plan (SDBIP) - PMS Review (departmentally) - Finalise IDP, budget and budget implementation plan - IDP Rep Forum 	1 February 2008 1 -28 February 2008 5 – 26 March 2008 31 March 2008 1 – 10 April 2008 10 – 30 April 2008 10 – 30 April 2008 23 May 2008 May 2008 1 – 30 April 2008 28 May 2008

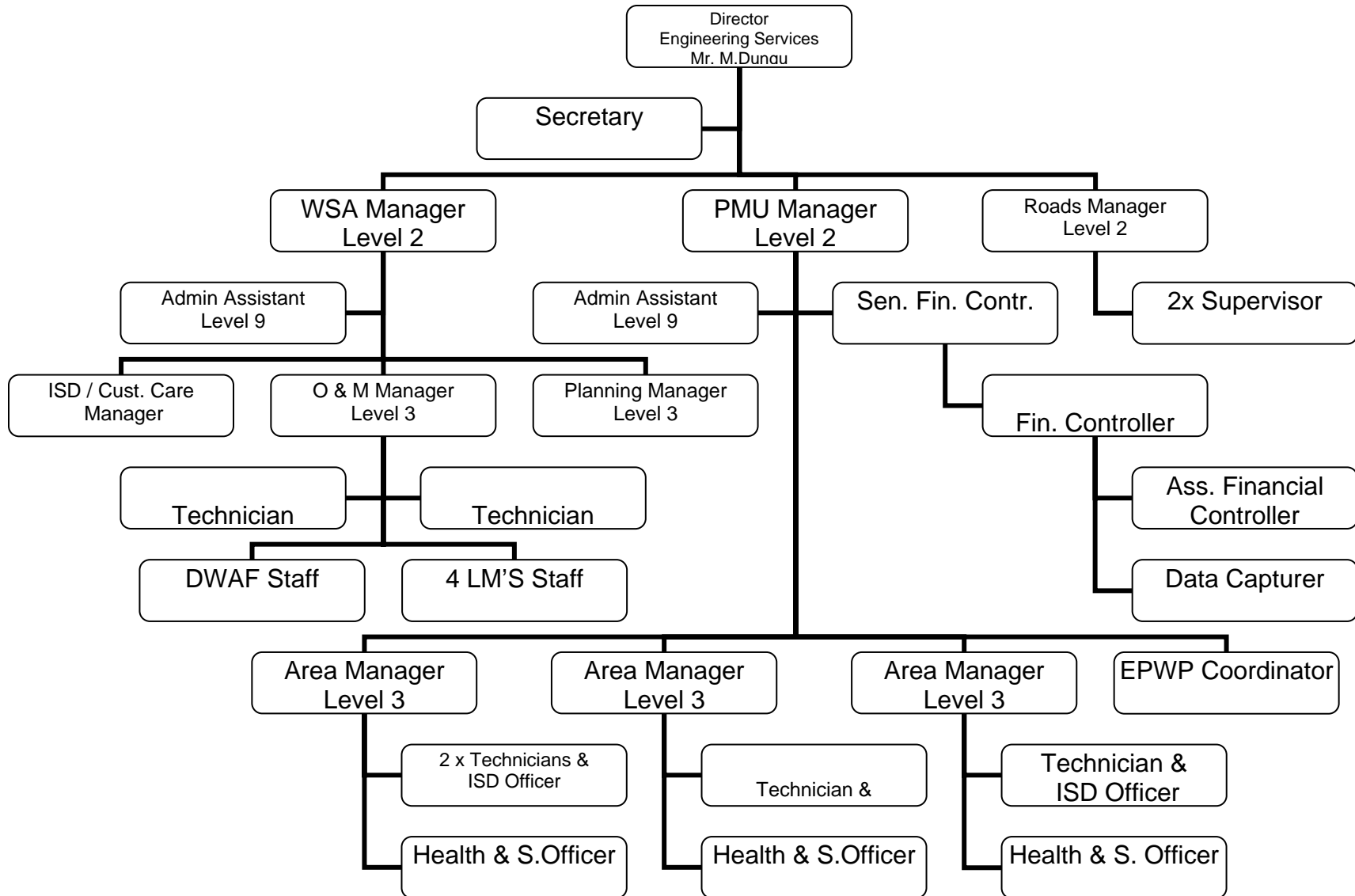
Activity	Date
<ul style="list-style-type: none"> - Mayoral to finalise IDP, budget and budget implementation plan (SDBIP) - Adopt budget/IDP/Quarterly report/SDBIP/PMS 	
<p>6. IDP & Budget review process plan</p> <ul style="list-style-type: none"> - Develop IDP & Budget review process plan - Table plan to Council for adoption 	<p>1- 30 August 2008</p> <p>30 August 2008</p>

ANNEXURE C: ORGANOGRAMS

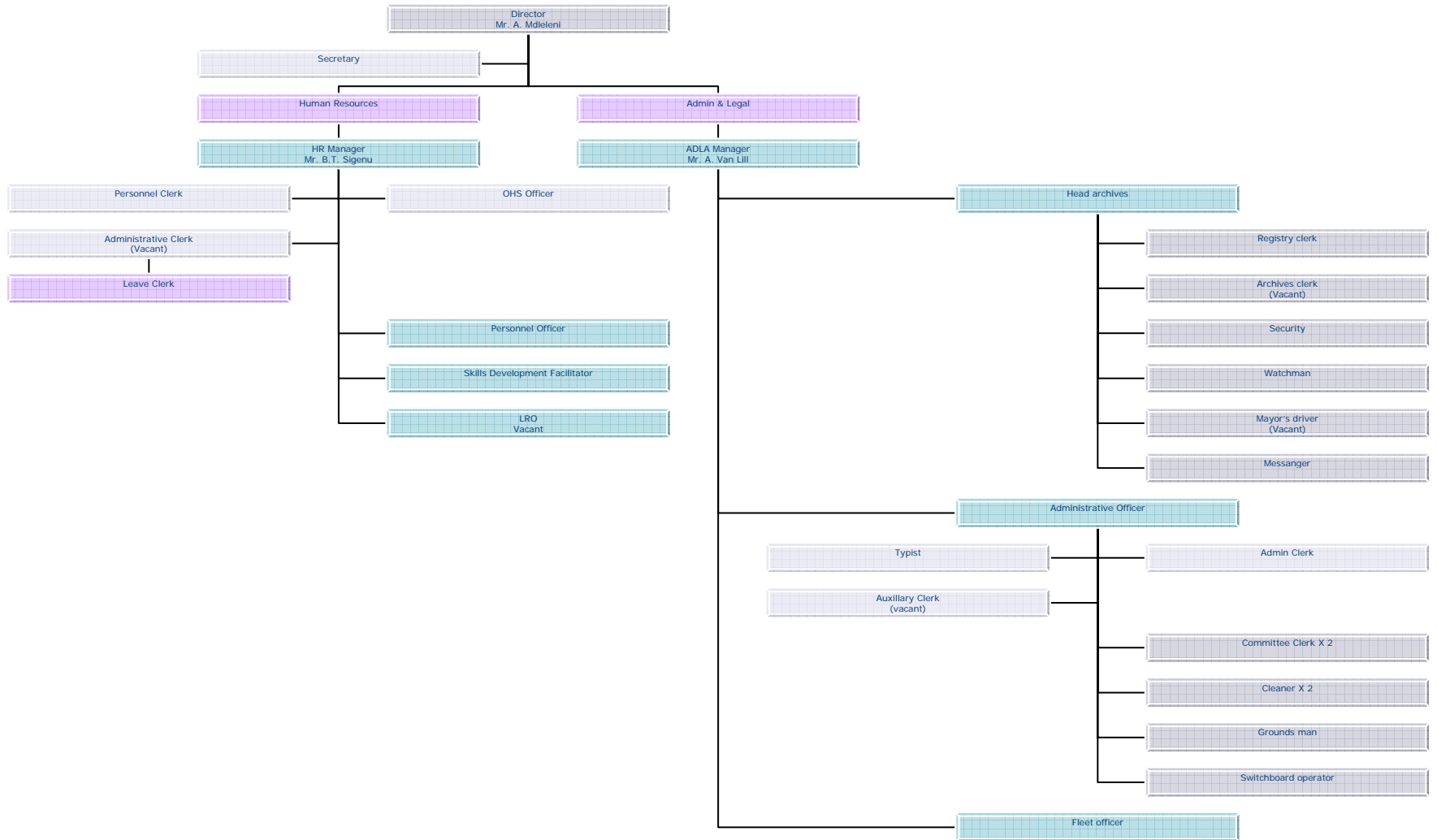
Integrated Planning & Economic Development Directorate (IPED)



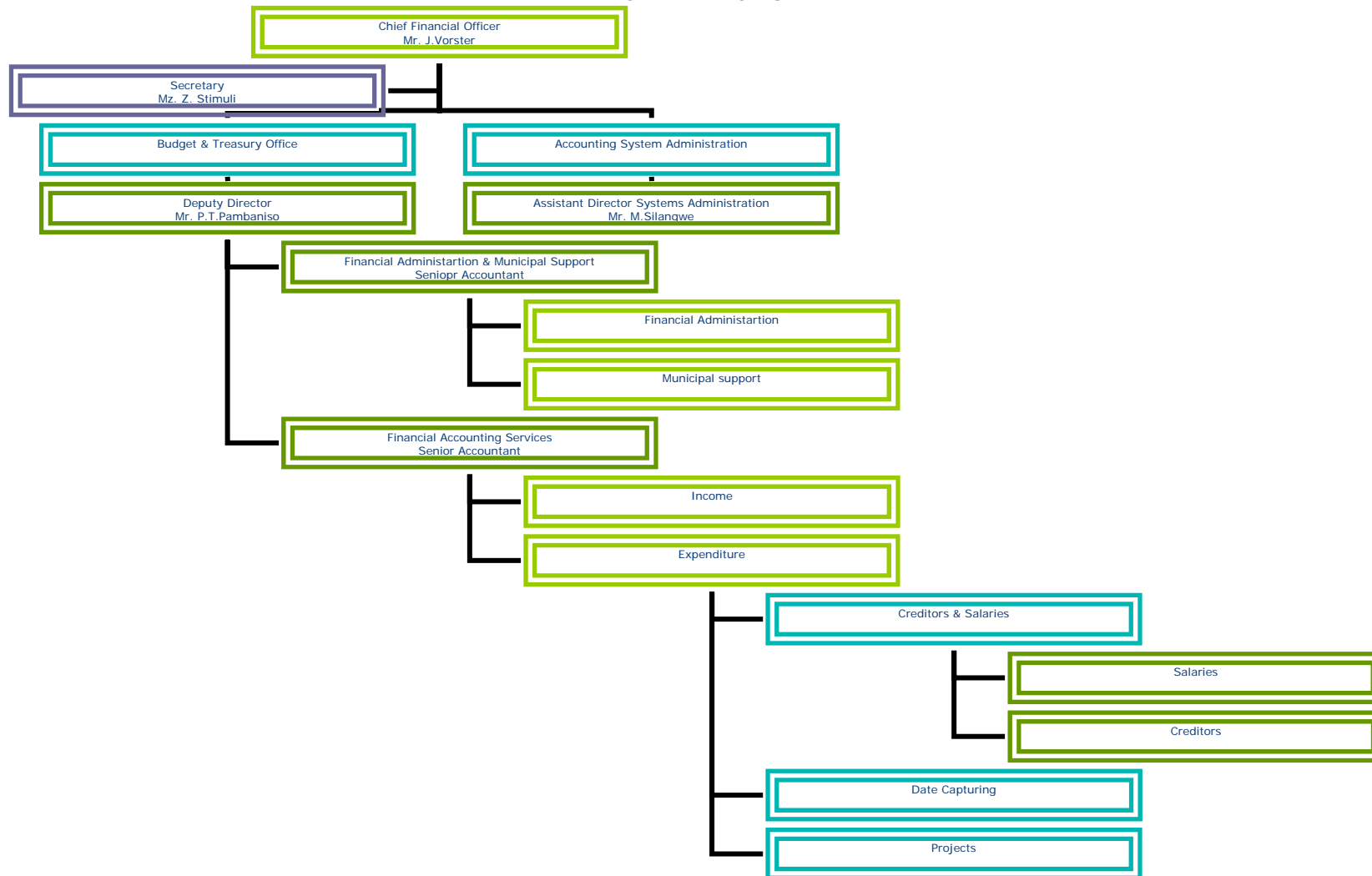
Engineering Directorate



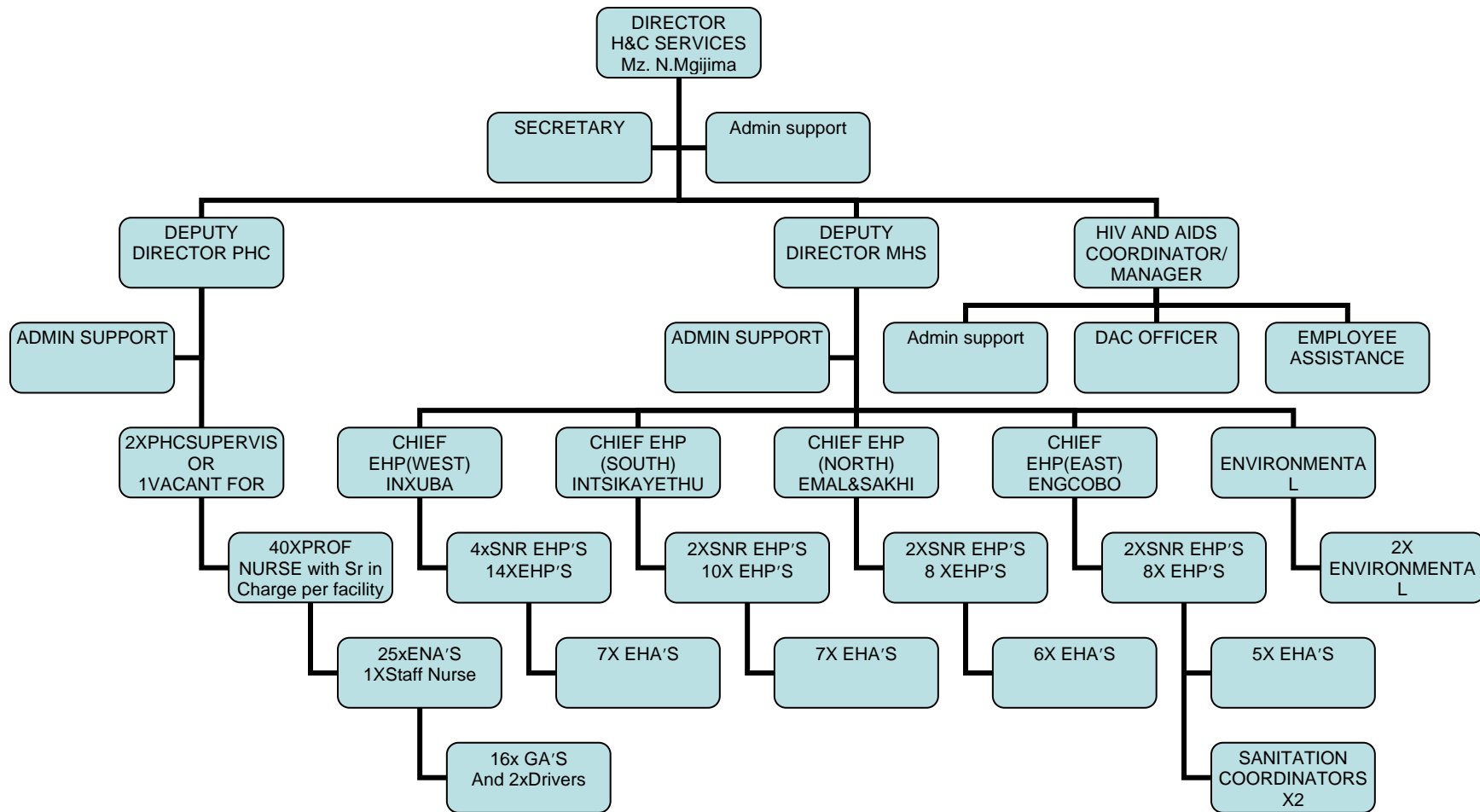
CORPORATE SERVICES



FINANCE DIRECTORATE



HEALTH AND COMMUNITY SERVICES



Annexure D: Draft Municipal PMS Scorecard

This scorecard is not yet ready and will be contained in the final draft.