



**DRAFT INTEGRATED DEVELOPMENT PLAN
2011/2012**

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION

1.Mbhashe Municipality IDP.....	1-10
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CHAPTER 2: SITUATIONAL ANALYSIS

2.1	MBHASHE DEMOGRAPHIC PROFILE.....	11
2.1.1	Mbhashe in Context.....	11
2.1.2	Mbhashe Population.....	11-14
2.2	SOCIO-ECONOMIC PROFILE.....	14-15
	2.2.1 Economic Indicators.....	16-17
2.2.1.1	Employment Skills.....	17-19
2.2.1.2	Gross Domestic Product.....	19-20
2.2.1.3	Gross Value Added.....	20-21
	2.2.2 Social Indicators.....	21
2.2.2.1	Crime.....	21-22
2.2.2.2	HIV/AIDS.....	23-25
2.2.2.3	Poverty.....	25-26
	2.3 INFRASTRUCTURE AND SERVICES.....	26
	2.3.1 Communication.....	26
	2.3.2 Infrastructure Development.....	26
2.3.2.1	Water.....	27-28
2.3.2.2	Sanitation.....	28-32
2.3.2.3	Energy.....	31-32
2.3.2.4	Housing.....	32-34
2.3.2.5	Refuse Removal.....	34-36
2.4	ECONOMIC GROWTH POTENTIAL OF MBHASHE.....	36-38
2.5	LOCAL ECONOMIC DEVELOPMENT	
2.5.1	Economic Development Opportunities.....	38-40
2.5.2	Construction Sector.....	40-42
2.5.3	Tourism and Housing Estate.....	42-43
2.5.4	Black Granite Mining.....	43-44
2.5.5	The N2 Corridor.....	44
2.5.6	Summary of Economic Impact.....	44-50
2.5.7.1	Agricultural Development.....	50
2.5.7.2	Maize Production.....	50-51
2.5.7.3	Vegetable Production.....	51-52
2.5.7.4	Livestock.....	52-53
2.5.7.5	Poultry.....	53
2.5.7.6	Citrus.....	53
2.5.8	Tourism.....	54
2.5.8.1	Heritage and Cultural Tourism Development.....	54
2.5.8.2	Craft Development.....	54-55
2.5.8.3	Recreational Facilities.....	56
2.5.9.1	Coastal/Nodal Development.....	56-57
2.5.10	Manufacturing and SMME.....	57
2.5.10.1	SMME Development.....	57
2.5.10.2	Fishing.....	57-58
2.5.11	Major Investment Opportunities.....	58
2.5.11.1	Mariculture.....	58
2.5.11.2	Nqabara Development.....	58-59
2.5.11.3	Rural Development.....	59
2.5.11.4	Fishing and Mariculture.....	59-60
2.5.12	Institutional Arrangement for LED.....	60-62
2.5.13	LED Forum.....	63
2.6	SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (LAND AND HOUSING).....	64
2.6.1	Township Establishment.....	64-65
2.6.1.1	Dutywa Ext.8.....	65
2.6.1.2	Dutywa Ext. 9: DOTI IN – SITU UPGRADE.....	65-66
2.6.1.3	Dutywa Extension 3, 7 and Elliotdale Ext. 5.....	66
2.6.1.4	Willowvale Ext. 5.....	66-67
2.6.1.5	Elliotdale Ext.6.....	67
2.6.1.6	Elliotdale Ext. 2(PHP) and Willowvale Ext. 1 (PHP).....	67-68
2.6.2	Elliotdale Rural Sustainable Human Settlement Pilot Project at Ward 17 & 26.....	68-70
2.6.3	General Property Valuation.....	70
2.6.4	Spatial Development Framework.....	70-71
2.6.5	Land Reform and Settlement Plans.....	71-74
2.6.6	Land use Management.....	74
2.6.7	Illegal Mining (Sabhunga).....	74-75
2.6.8	TECHNICAL SERVICES.....	75
2.6.8.1	Construction of Roads.....	75-78
2.6.8.2	Roads Maintenance.....	78-82
2.6.9	Electrification.....	82-84
2.7.1	TRAFFIC SECTION AND LAW ENFORCEMENT.....	85
2.7.2	SOCIAL FACILITIES.....	86-87

2.7.3	WASTE MANAGEMENT.....	87-88
2.7.4	CEMETERIES.....	88
2.7.5	LIFE-SAVING-COASTAL ZONE MANAGEMENT-Lifesaving Status Quo.....	88-89
2.7.6	MUNICIPAL BEAUTIFICATION STATUS QUO.....	89-90
2.7.7	HIV/AIDS STATUS QUO.....	90
2.7.8	COMMUNITY SAFETY AND SECURITY.....	91
2.7.9	HEALTH AND HYGIENE.....	91-92
2.7.10	DISASTER MANAGEMENT.....	92
2.7.11	ENVIRONMENTAL MANAGEMENT.....	92-93
2.8	POLICY FORMULATION AND REVIEW.....	93-100
2.9	GOOD GOVERNANCE AND PUBLIC PARTICIPATION.....	100-101
2.9.1	Communication.....	102
2.9.2	Public Participation.....	102
2.9.3	IGR Forum.....	102-103
2.9.4	Audit Function.....	103
2.9.5	Community Based Planning.....	104
2.9.6	IDP Representative Forum.....	104
2.9.7	Ward Committees.....	104-105
2.9.8	Community Development Workers.....	105
2.10	MUNICIPAL FINANCIAL VIABILITY.....	105
2.10.1	Revenue Collection.....	105-106
2.10.2	Investment Management.....	106
2.10.3	Risk Management.....	106-107
2.10.4	Asset Management.....	107-108
2.10.5	Supply Chain Management.....	108
2.10.6	Information Technology.....	109
2.11	REDETERMINATION OF BOUNDARIES.....	109-111
2.12	WARD SURVEY.....	111-114

CHAPTER 3: VISION, CLUSTER OBJECTIVES AND STRATEGIES

3.1	Municipal Vision.....	115
3.2	Mission.....	115
3.3	Special Development Areas.....	115-123
3.4	Basic Service Delivery.....	124-127
3.5	Local Economic Development.....	128-133
3.6	Municipal Transformation and Organisational Development.....	134-136
3.7	Financial Viability.....	137-141
3.8	Good Governance and Public Participation.....	142-146

CHAPTER 4: CLUSTER PRIORITIES, PROJECTS AND PROGRAMMES

4.1	Local Economic Development.....	147
4.1.1	LED Projects and Programs.....	149
4.1.2	Basic Service Delivery and Infrastructure Development.....	151
4.1.3	Municipal Transformation and Organisational Development.....	153
4.14	Good Governance and Public Participation.....	155-158

CHAPTER 5: FINANCIAL PLAN

5.1	Financial Strategies.....	159
5.2	Financial Guidelines.....	159-160
5.3	Revenue Raising Strategies.....	160
5.4	Asset Management Strategies.....	161
5.5	Financial Management Strategies.....	161-162
5.6	Cost Effectiveness Strategies.....	162
5.7	Operational Expenditure and Revenue Forecast.....	162-163

CHAPTER 6: SECTOR PLANS AND PROGRAMMES

6.1	Local Economic Development Plan.....	164
6.2	Waste Management Plan.....	164
6.3	Integrated Transportation Plan.....	164
6.4	Land Reform and Settlement Plan.....	164
6.5	Integrated Environmental Plan.....	164
6.6	Integrated Disaster Management Plan.....	164
6.7	Water Sector Plan.....	165
6.8	Communicable Diseases Plan.....	165
6.9	Housing Sector Plan.....	165

CHAPTER 7: PERFORMANCE MANAGEMENT FRAMEWORK

7.1	Introduction.....	166-170
7.2	Planning.....	170-171
7.3	Monitoring.....	171-174
7.4	Reporting.....	174-177

CHAPTER 1:INTRODUCTION

MBHASHE MUNICIPALITY IDP

An Integrated Development Plan of a municipality is the key strategic planning tool for the municipality. It is described in the Municipal Systems Act (MSA) – 2000 as: “...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality”. – Section 35 (1) (a) In 2002, Mphashe Municipality adopted the first Integrated Development Plan (IDP) for the municipality. The IDP was developed in accordance with the requirements set out in the Municipal Systems Act (32 of 2000). The new council was elected in March 2006 and had three options i.e.

Prepare a new IDP

Adopt the IDP of its predecessor, or

Adopt the IDP of its predecessor with amendments

The MSA Section 25 (1) says “Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality.....” The Act goes on to say “An Integrated Development Plan adopted by a municipal council remains in force until an integrated development plan is adopted by the next elected council. The IDP which was adopted by council in 2006/2007 was the reviewed IDP which was done by the previous council. In 2010/2011, the council in terms of the municipal systems act has to review the IDP every year hence the reviewed IDP for 2011/2012. This is the last review of this council in the term.

PURPOSE OF THIS DOCUMENT

This document sets out the results of the municipality’s reviewed 2009/2010 IDP process, and describes the following:-

The process followed to prepare Mphashe’s IDP.

The key informants like Stats SA that has provided the basis for preparing the IDP.

The set Objectives, strategies, programmes and projects that have been set for the next three years are identified and are carried in this document.

The Spatial Development Framework for the municipality.

Basis for the IDP 2011/2012

This IDP is undertaken as part of the continuous cycle of planning, implementation and monitoring was illustrated in the approved process plan.

The reviewed IDP 2011/2012 was undertaken within the framework of National, Provincial and District plans and policies, with particular consideration being given to the National Spatial Development Perspective (NSDP) and the Eastern Cape Provincial Growth and Development Plan (PGDP).

All what is contained in this IDP is formulated on the deliberations of the following:-

IDP representative forums

Strategic workshop

IDP and Budget Technical Steering Committee

IDP and Budget Representative Forum.

IDP Cluster meetings

HOD meetings

Executive Committee meetings

This IDP and Budget preparation was undertaken in an integrated way, through the strategic processes detailed below:

An IDP representative forum was held in 11 March 2011, where progress over the last year (2009/2010) was considered and the IDP process plan was presented.

IDP Steering Committee meetings were held on November, December (2010) and January and February 2011.

A strategic workshop was held on the 13th and 14th of February 2011 at Edge Lodge, East London to establish the strategic direction (setting new strategies and objectives), that was attended by both councilors and officials.

Cluster working groups were also held over the month of March to evaluate those strategies and putting up projects. Government departments and Non-Government Organizations (NGO's) were invited and fully participated in IGR meeting which was held in the month of March.

An IDP representative forum was held on the 11th of March 2011, where the draft objectives, strategies, programmes and projects were presented for consideration.

The draft IDP was adopted by the council in its ordinary sitting on the 16th of March 2011. Roadshows took place between the 17th March to the 08th April 2011.

The IDP representative was held on the 18th of April 2011 to look at the final draft.

The IDP was finally adopted on the 28th of April 2011

However, the IDP Process Plan is given as follows:

IDP AND BUDGET PROCESS PLAN 2011/2012

INTRODUCTION

The Local Government: Municipal System Act 2000, Section 28 requires all municipalities to formulate process Plans that outline how they will go about preparing their Integrated Development Plan. The Mbashe Local Municipality is hereby formulating its Process Plan as required by legislation for the drafting of IDP and budget for 2011/2012 Financial Year. The Process Plan is an organized Activity Plan that outlines the process of drafting and reviewing the IDP and Budget.

The IDP has to be drafted every five years and reviewed annually in order to:

Ensure its relevance as the Municipality's STRATEGIC PLAN and as such should inform aspects such as the Institutional and Financial

Inform other spheres of government

ORGANISATIONAL ARRANGEMENTS

ROLE PLAYERS

The following structures, used in the previous IDP draft and review processes will guide this five/5 year draft IDP process.

- IDP Representative Forum
- IDP Steering Committee
- IDP Cluster Team
- IDP Ward Committees
- IGR Forum

ROLES AND RESPONSIBILITIES

The roles and responsibilities of each of these structures/individuals are reflected in the table below:

Person/structure	Roles and responsibilities
Executive Committee-Mayor	<p>Manage the drafting of the IDP; Assign responsibilities in this regard to the Municipal Manager; Submit the draft Framework Plan and Process Plan to the Council for adoption; Submit the draft IDP to the Council for adoption and approval; The responsibility for managing the drafting of the IDP has been assigned to the Municipal Manager/IDP Manager.</p>
Municipal Manager/IDP Manager	<p>The IDP Manager will have the following responsibilities: Preparation of the Process Plan; Day-to-day management and coordination of the IDP process in terms of time, resources and people, and ensuring; The involvement of all relevant role-players, especially officials; That the timeframes are being adhered to; That the planning process is horizontally and vertically aligned and complies with national and provincial requirements; That conditions for participation are provided; and Those outcomes are being documented. Chairing the IDP Steering Committee; Management of consultants.</p>
IDP Steering Committee	<p>The Steering committee is a technical working team of dedicated officials who support the IDP Manager to ensure a smooth planning process. The Municipal Manager is responsible for the process but will often delegate functions to the officials that form part of the Steering Committee.</p> <p>Chairperson: Municipal Manager/IDP Manager</p> <p>Secretariat: Council Support Staff – Administration</p> <p>Members: Heads of Departments – Human Resource Finance Works Community Services Land and Housing Local Economic Development</p> <p>The IDP Steering Committee will be responsible for the following: Commission research studies; Consider and comment on: Inputs from subcommittee(s), study teams and consultants; and</p>

	Inputs from provincial sector departments and support providers. Process, summarize and draft outputs; Make recommendations to the Rep Forum; Prepare, facilitate and minute meetings. Prepare and submit reports to the IDP Representative Forum.
IDP Representative Forum	The IDP Representative Forum , which was used in the first IDP review process, will be resuscitated. Chairperson: The Mayor Secretariat: The secretariat for this function will be provided for in meetings of the IDP Steering Committee by the Administration function. Membership: It will comprise the same members as the previous year and additional relevant representatives.
Support providers and planning professionals	Service providers will be used for the following: Providing methodological/technical support on the sector plans, budget reform, mainstreaming and other ad hoc support as required; Facilitation of planning workshops as required.

SCHEDULE OF MEETINGS FOR IDP AND BUDGET PROCESS

IDP PROCESS PLAN

JULY-PRE-PLANNING PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	Reviewal of the PMS framework plan	None	N/A
2.	Preparation of the IDP process plan	None	N/A
3.	Adoption of the IDP/Budget process and Framework plans	Special Council Meeting	08/2010
4.	Advertising of the framework plan	None	
5.	Presentation of the project plans	Cluster meetings	
6.	PMS reporting (2007/2008 reports)	Cluster meetings	
7.	Preparations for the IDP launch	IDP/Budget steering committee	
AUGUST-PLANNING PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	PMS reporting (Project progress)	Cluster meetings	2010
2.	Launch of the IDP	IDP rep. forum	20 August 2010
3.	Preparations for Community Based Planning	IDP/Budget steering committee	27 August 2010
SEPTEMBER-PLANNING PHASE			

ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	PMS reporting (Project progress)	Cluster meetings)	9 th and 10 th September 2010
2.	Reviewal of sector plans	None	01 st to 30 th September 2010
3.	Community Based Planning starts	Village and Ward meetings	01 st to 30 th September 2010
OCTOBER-ANALYSIS PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	PMS reporting (Project progress)	Cluster meetings	07 th and 08 th October 2010
2.	Preparations for the analysis phase	IDP steering committee	15/10/2010
3.	Considering reports from the wards (CBP)	IDP steering committee	15/10/2010
4.	Sector plan reports from the head of departments	IDP steering committee	15/10/2010
5.	Collecting of information from various sources by sectional heads.	None	01 st to 31 st October 2010
NOVEMBER-ANALYSIS PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	Presentation of the Situational Analysis to the steering committee	Steering Committee meeting	05 November 2010
2.	PMS reporting (Project progress)	Cluster meetings	11 th and 12 th November 2010
3.	Presentation of situational analysis	Cluster meetings	11 th and 12 th November 2010
4.	Reporting on Ward priorities	Cluster Meetings	11 th and 12 th November 2010
5.	Presenting the Situational Analysis and Ward priorities to Rep forum	IDP representative forum meeting	20 November 2010
DECEMBER-STRATEGIES PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	Receiving reports for the strategic session meeting from the section heads	None	04/12/2010
2.	Considering reports for strategic session	IDP/Budget steering committee	09/12/2010
JANUARY-STRATEGIES PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	PMS reporting (Project progress)	Cluster meetings	20 th and 21 st January 2011
2.	Final preparations for the Strategic session	IDP steering Committee Meeting	22/01/2011
3.	Reviewal of the strategies and objectives, setting up	Strategic session meeting	14 th and 15 th February 2011

	new objectives and strategies based on new priorities		
FEBRUARY-STRATEGIES PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	PMS Reporting	Cluster meetings	17 th and 18 th February 2011
2.	Presentation of the strategies and objectives by cluster heads	Cluster Meetings	17 th and 18 th February 2011
3.	Determining projects based on the objectives and strategies	Cluster Meetings	17 th and 18 th February 2011
4.	Considering projects from other sector departments	IGR forum meetings	22 nd to 26 th February 2011
MARCH-PROJECTS PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	Presentation of the draft IDP and Budget to steering committee	IDP/Budget steering committee	07 March 2011
2.	PMS reporting (project progress)	Cluster meetings	10 th and 11 th of March 2011
3.	Presentation of the draft IDP to Rep. forum	IDP representative forum meeting	11 March 2011
4.	Presentation and approval of the draft IDP to and by council	Council Meeting	16 March 2011
5.	Advertising of the IDP, calling for public comments	None	17 March 2011
APRIL-APPROVAL PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	PMS reporting	Cluster meetings	07 th and 08 th April 2011
2.	Presentation of the IDP to the communities	IDP road shows	17 March to 08 April 2011
APRIL-APPROVAL PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE
1.	Looking at the comments from the roadshows	IDP Steering Committee Meeting	11/04/2011
2.	Presentation of the final draft IDP to steering committee	IDP Steering Committee meeting	18/04/2011
4.	Presentation of the final draft IDP to IGR	IGR	19/04/2011
5.	Presentation of the final draft IDP to rep forum	IDP representative forum	19/04/2011
6.	Approval of the final draft IDP by council	Council Meeting	28/04/2011
JUNE-APPROVAL PHASE			
ITEM. NO.	ACTIVITIES	NATURE OF THE MEETING	DATE

1.	Printing of the IDP documents	None	N/A
2.	PMS reporting (Project progress)	Cluster meetings	09 th and 10 th June 2010
3.	Presentation of project plans	Cluster meetings	09 th and 10 th June 2010
4.	Presentation of the SDBIP and Municipal Scorecard to council	Council meeting	24 June 2010

2.3.2 BUDGET PROCESS PLAN

PROCESS	LEGISLATIVE REQUIREMENTS	RESPONSIBILITY	TIME FRAME
Implementation of the budget 2009/10 financial year Start with the preparation of the next budget and review previous year's budget checklist.	MFMA s53	Municipal Manager Mayor	01 July 2010 31 July 2010
Mayor tables in council the schedule of key deadlines setting the time table for: preparing, tabling and approving the budget, reviewing the IDP and budget related policies and consultation processes at least 10 months before the start of the budget year. Mayor establishes committees and consultation forums for the budget process	MFMA s21,22,23 and MSA s34, chapter 4	Mayor	30 August 2010
Council through the IDP review process determines strategic objectives for service delivery and development for next three – year budget including review of district, provincial and national government sector and strategic plans of Mhashe Municipality.	National Treasury recommendation	Council	September - October 2010
Submit quarterly report to council on the implementation of the budget and financial affairs of the municipality	MFMA s 52 (d)	Mayor	10 October 2010
Council finalises tariffs (rates and service charges) policies for the next financial year	MSA s 74,75	Council	November – December 2010
Assess the performance of the municipality in the first six months of the financial year	MFMA s 72	Municipal Manager	25 January 2011
Submit mid-year performance assessment report to council	MFMA s 54 (1) (f)	Mayor	31 January 2011
Review proposed national and provincial allocations and projects for the next three years information which will be made	MFMA s36	Municipal Manager	25 January 2011

available			
Table the adjustments budget for 2009/10 if necessary	MFMA 72 (3)	Mayor	February 2011
Annual budget tabled at council at least 90 days before the start of the budget year.	MFMA 16 (2)	Mayor	30 April 2011
Public hearings on the budget and council debate.	MSA Chapter 4 as amended	Mayor	May 2011
Council consider views of the local community, National Treasury, provincial Treasury and other organs of the state.	MFMA 23(1)	Council	May 2011
Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration.	MSA Chapter 4 as amended	Mayor	May 2011
Council to consider approval of budget and plans at least 30 days before start of budget year.	MFMA 24(1)	Council	30 May 2011
Consider approval of annual budget 2010/11 by resolution, setting taxes and tariffs. Approving changes to IDP and budget related policies. Approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year	MFMA s 16,24,26,53	Council	June 2011
Submit Service delivery implementation plan (SDBIP) 2010/11 within 14 days after approval of the budget	MFMA 69(3)	Municipal Manager	14 June 2011
Approval of Service delivery implementation plan (SDBIP) 2010/11 within 28 days after the approval of the budget and ensure that annual performance contracts are included in accordance with s 57(2) of the MSA. Ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for Local Government and makes public within 14 days after approval.	MFMA s 53 MSA s38-45, 57(2)	Mayor	28 June 2011

CHAPTER 2: SITUATIONAL ANALYSIS

2.1 MBHASHE DEMOGRAPHIC PROFILE

2.1.1 MBHASHE IN CONTEXT

Mbhashe municipality is situated in the south eastern part of the Eastern Cape Province, and is bound by the Qhora River in the south to Mncwasa River in the north along the Indian Ocean. The municipality borders the following municipalities:

- King Sabata Dalindyebo (in the eastern part)
- Ngcobo (to the western part)
- Mnquma (to the South)
- Ntsika Yethu (in the South-Western part)

Mbhashe has earned the name from the beautiful river called Mbhashe which flows from the banks of Ngcobo flowing through Dutywa, Gatyana (Willowvale) and Xhora (Elliotdale). Mbhashe is comprised of the three towns of Dutywa, Gatyana and Xhora and numerous rural settlements. The area also boasts the head offices of the AmaXhosa Kingdom at Nqadu Great Place.

Mbhashe is 3030.47 km² in area and consists of 31 wards and 61 Councillors. The vision of the Municipality is a ***“vibrant institution able to provide quality and accessible services to all its communities in a socio economic manner, with the aim of benefitting her people”***. Four clusters of key development priorities are identified i.e. LED and Environment, Social Needs, Infrastructure and Institutional and Finance clusters which were aligned to five local governments’ key performance areas.

The new demarcation of municipal boundaries was conducted in preparation for the Local government elections. The Mbhashe Local Municipality will be composed of 31 wards which include areas from Intsika Yethu Municipality and Mnquma. The areas which form part of Mbhashe are Keti, Sikobeni, Ziwundane, Mqonci, and Gwadana Tribal.

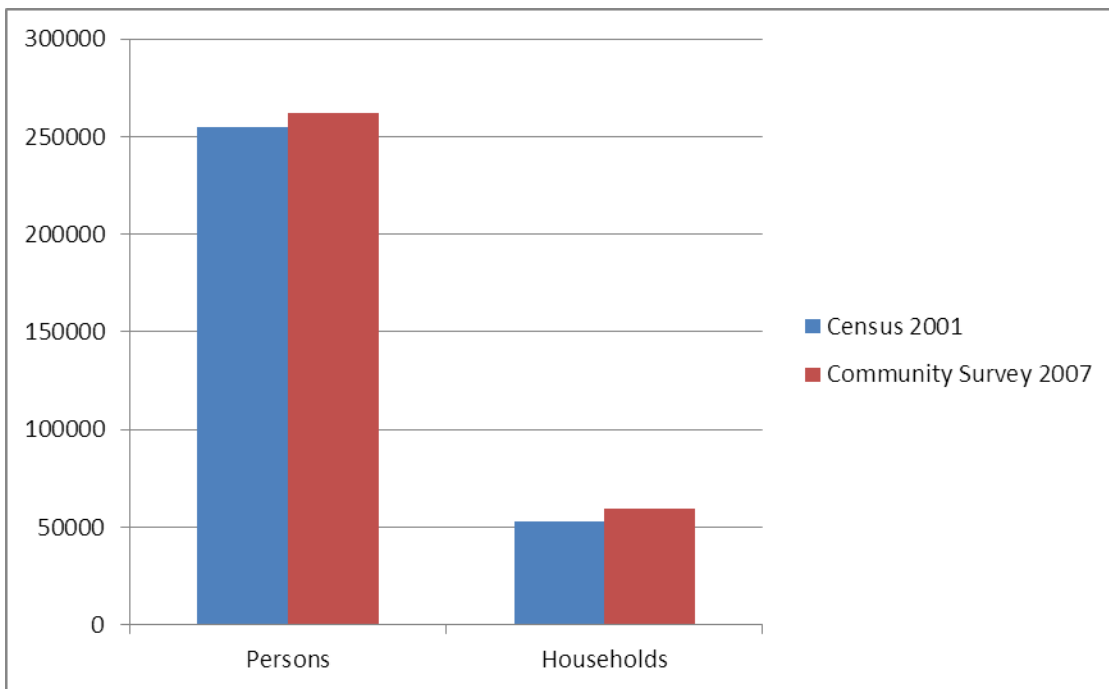
Mbhashe is predominantly rural, with high levels of unemployment, poverty and dependency. The dependency ratio is set to increase if employment opportunities are not created for the large and youthful population. Mbhashe’s location on the Wild Coast provides the key for potential economic growth as the area is said to be one of the most sought after coastal tourism destinations in the Eastern Cape. The municipality has developed its own official LED strategy and is aligned the Amathole District Strategy and is investigating means to exploit the Wild Coast’s potential, and will make use of the Amathole District’s plans and focus on the development and expansion of Agriculture, forestry, mining and tourism. The road networks are severely under-maintained with few roads that are tarred, which adds to the economic challenges experienced by the local population as many rural areas and basic services, such as schools, are inaccessible.

2.1.2 MBHASHE POPULATION

Table 1: Comparison of Census 2001 Data With Community Survey 2007 Data

Persons		Households	
Census 2001	Community Survey 2007	Census 2001	Community Survey 2007
255 071	262 008	52 886	59 705

Figure 1: Comparison of Census 2001 Data With Community Survey 2007 Data



Source: Stats SA- Census 2001 and Community Survey 2007

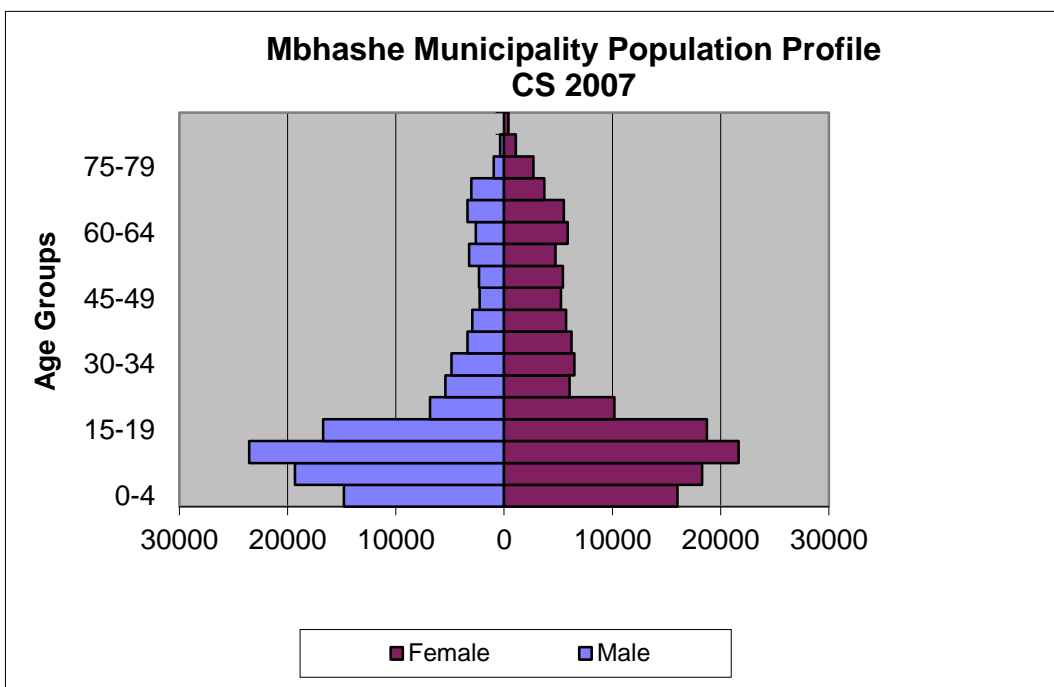
The current population of Mphashe according to Community Survey in 2007 shows that the population has increased from 255071 to 262 008 people and households have increased from 52886 to 59 705. The population distribution ranges between 6 068 (2 108 households) and 14 822 (3 324 households) persons per ward. The average household size has 5-6 people. The population is distributed as follows:-

Table 2: Population Distribution by Race – Mphashe Municipality

RACE	POPULATION	
	POPULATION	PERCENTAGE
African	261,699	99.88%
Coloured	57	0.02%
Indian	178	0.06%
White	77	0.02%
TOTAL	262,011	100%

Source: Statistics SA (Community Survey 2007)

**FIGURE 2: Mphashe Municipality
Population Pyramid**



Stats SA: Community Survey 2007

In terms of the demographic profile of the Mbhashe Municipality it is evident that there is a large population that are school going with 43% of the population being under the age of 15. This would imply that there would be a greater need for social services such as schools and crèches, as community facilities such as sports fields. There is a high dependency ratio on the economically active portion of the population.

Table 3: Age Distribution

0 – 4	30 809	11.7%
5 – 14	82 123	31.3%
15 – 34	77 533	29.7%
35 – 64	53 864	20.6%
Over 65	17 682	6.7%
TOTAL	262,011	100%

Source: Statistics SA Community Survey 2007

In terms of gender distribution there is a higher percentage of females (55.5%) compared to males (44.5%) and this can be attributed to males leaving the area in order find employment in the bigger cities.

Table 4: Gender distribution by age

	MALES	%	FEMALES	%
0 – 4	14800	6.10	16 009	5.99
5 – 14	42853	15.96	39270	16.06
15 – 34	33 864	12.78	43 669	16.13
35 – 64	16777	7.00	37087	12.81
Over 65	8360	2.66	9322	4.51
TOTAL	116654	44.5	145 357	55.5

Source: Statistics SA Community Survey 2007

2.2 SOCIO-ECONOMIC PROFILE

The Mbhashe Municipality is overwhelmingly rural, where the majority of residents (95.41%) live on tribal land and more than half (54.12%) of households own their properties, of which 90.32% are fully paid-up owners. Mbhashe has only two **unsettled land claims** seeking land for housing (1) and for livestock farming (1). The Local Municipality performs poorly in respect of **Crime** owing to limited police coverage by geographical area and particularly by population size. However, the local crime rate (14.58 crimes per 1000 people) is low and has declined substantially (-3.70%pa) over the past three years.

The local economy is highly **concentrated**, dominated by the Community Services sector in terms of both GVA and employment. The cost of doing business in the area is lower than the Provincial average, considering the favourable distance, and travel time to the major economic centre of East London as well as favourable expenditure on transport, communication and finance relative to the Provincial average. Further considerations are severely limited access to business **service providers** and fairly limited access to development and financial support institutions, contrasted with comparatively high municipal regulatory capacity. Mbhashe claims the most youthful population (54.09% aged less than 20 years) as well as the highest rates of poverty (90.38%) and dependency (5.10) in Amathole, coupled with high unemployment (78.51%) and higher than average proportion of people (7.12%) aged over 64 years. An indication of the depth of poverty in

the area is revealed by the Municipality's share of the Provincial poverty gap (6.01%), which is substantially higher than its share of the Provincial population (4.31%).

The Municipality's low **Productivity** score points to the low GDP per worker (formal and informal), a shortage of skills available to the economy, and particularly low growth in value creation relative to labour remuneration and especially employment. Mbashe emerges with the lowest **Formal Economy Performance** in the Eastern Cape, principally on the basis of being the most grant-dependent local economy in the Province. Other factors are the highly concentrated economy and poor GDP performance. However, Mbashe emerges

Income Category	Gender	Population Group	Total
-----------------	--------	------------------	-------

as a leading economy, both nationally and Provincially, in respect of formal

employment growth performance and has experienced a positive shift in share of employment, but a negative shift in share for GDP contribution from 1996 to 2004. By contrast, the Municipality falls into the top half of all municipalities in the Province on **Economic Absorption Capacity** on the basis of relatively high total disposable income and buying power. Negative contributory factors are the negative income-expenditure balance and below average economic multipliers and informal sector capacity to generate economic opportunities relative to formal employment.

The local economy claims a comparative advantage, for both GDP and employment in Community Services, which is overwhelmingly dominated by Education (38.59% GVA and 46.24% employment).

Further **comparative advantages**, in terms of GDP contribution, are reflected for Agriculture centre on Forestry and Logging (8.11%); and Trade – centred on the Retail sub-sector (11.15%) emerge as a further employment advantage.

The Municipality claims a range of leading products, including subtropical and deciduous fruit, maize, and tourism, where the latter is identified as having very high potential given the Municipality's favourable location on the Wild Coast. Dryland potential exists for maize and beans, and the area is identified as suitable for forestry. Good market (broilers, eggs) and field cropping (maize, and dry beans) as well as for hydroponics production, notably of tomatoes.

Factors contributing to low **Resident Participation Capacity** in Mbashe are the very low HDI (0.41), below average access to education and particularly health professionals, and a comparatively high proportion of child-headed households in the Eastern Cape context.

Functional literacy (44.24%) is low, as is the qualification rate (5.24%) and the proportion of residents that have gained at least a matric (9.40%). **Women's Economic Participation** is marginal, where women account for 55.09% of the population yet constitute only 48.37% EAP and face substantially higher unemployment (81.71%) and rate of growth in unemployment (5.51% pa) than men.

Mbashe reflects poor **Municipal Capacity** considering the very low ratio of municipal employees to population and limited number of functions performed with capacity. Managerial capacity is moderate, although municipal manager experience is high and some capacity is evidenced by the presence of local tourism, regulatory, trading and planning staff.

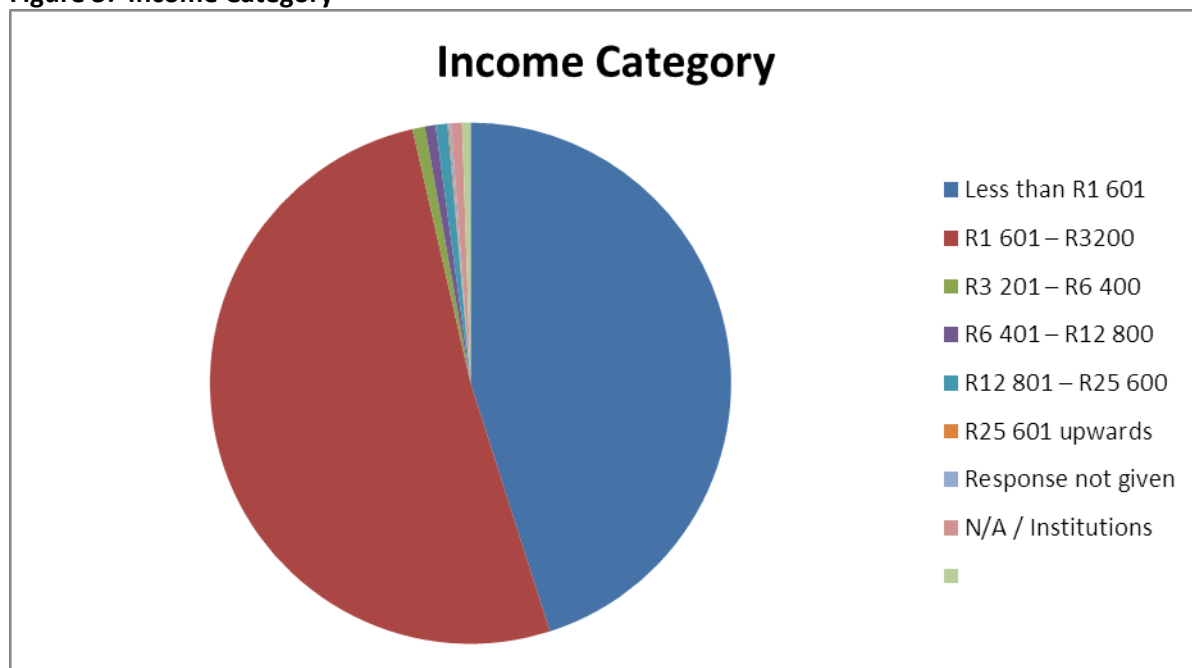
Table 5: Income Categories
2.2.1 ECONOMIC INDICATOR

	Male	Female	Black	Coloured	Indian or Asian	White	
No income	53124	64959	118015	25	43	0	118083
Less than R1 601	58695	75819	134381	23	110	0	134514
R1 601 – R3200	1080	928	2008	0	0	0	2008
R3 201 – R6 400	678	1067	1745	0	0	0	1745
R6 401 – R12 800	841	1095	1840	0	0	74	1914
R12 801 – R25 600	215	0	215	0	0	0	215
R25 601 upwards	239	129	368	0	0	0	368
Employment status	Gender		Population Group				Total
Response not given	Male 959	Female 806	Black 1765	Coloured 0	Indian or Asian 0	White 0	1765
N/A / Institutions	820	547	1357	9	11	0	1357
Employed	6089	7298	12925	9	11	74	13387
Unemployed	7710	6845	14555	0	0	0	14555
Not economically active	35508	59651	95055	22	88	0	95159

Source:
Stats SA:
Communit

y Survey 2007

Figure 3: Income Category



Source: Stats SA: Community Survey 2007

The majority of the population of Mbhashe lives below the poverty line, and there is a high unemployment rate. Most households are very poor with 96% earning less than R1601 per month which includes 43% of the population who are under the age of 15 and therefore not economically active.

Table 6: Employment Status

Stats SA: Community Survey 2007

Occupation	Gender		Population Group				Total
	Male	Female	Black	Coloured	Indian or Asian	White	
Legislators/ Senior Officials / Managers	403	320	649	0	0	74	723
Professionals	403	1068	1471	0	0	0	1 471
Technicians / Associate Professionals	302	391	693	0	0	0	693
Clerks	7	975	982	0	0	0	982
Service Workers / Shop and Market sales workers	610	494	1104	0	0	0	1 104
Skilled agricultural and fishery workers	271	141	412	0	0	0	412
Craft and related	707	0	707	0	0	0	707

Figure 4:
Employment
Status



Stats SA: Community Survey 2007

2.2.1.1 Employment and Skills

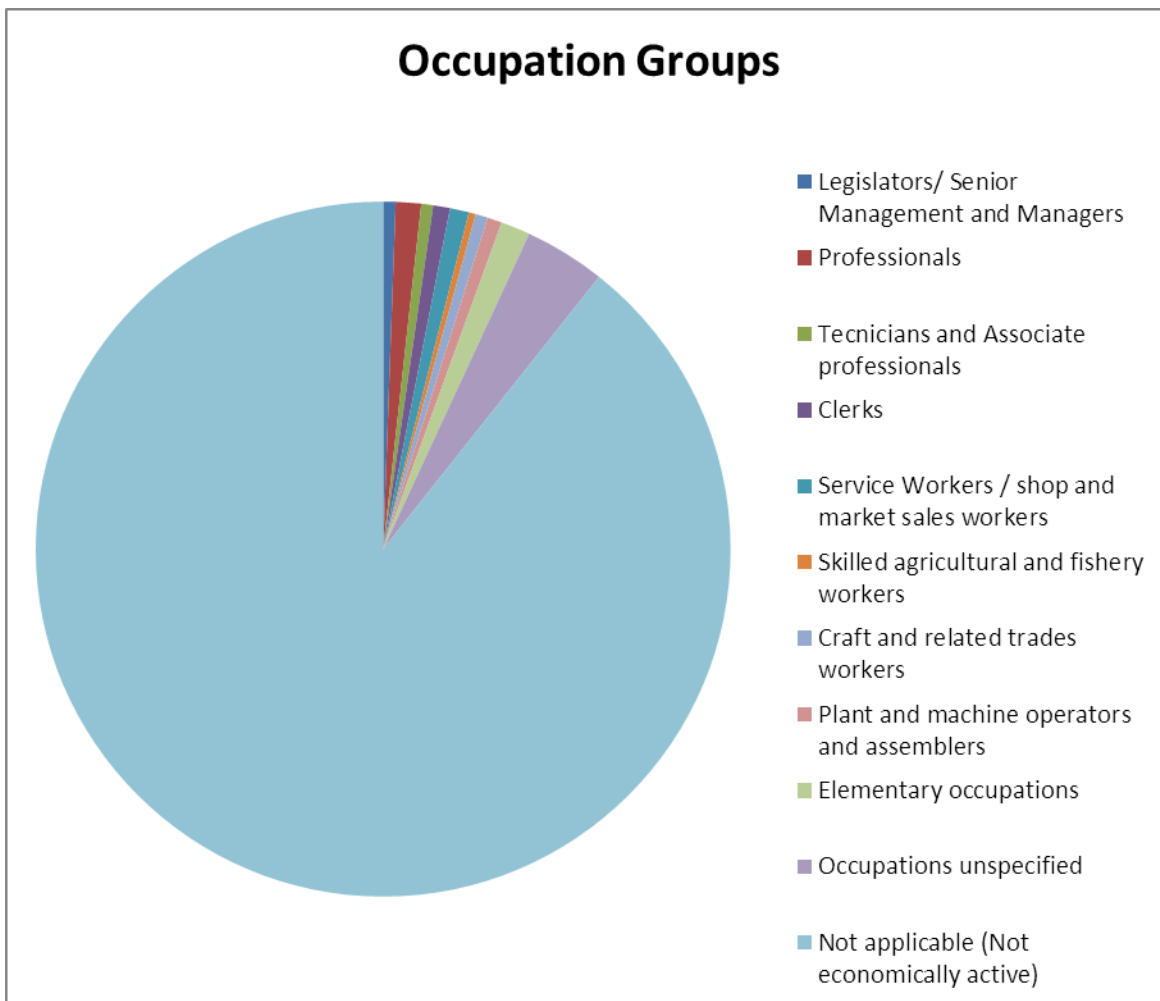
The majority of the employed population fall within the low skilled, elementary category, and unspecified occupation groups. There is a large proportion of the population that is not economically active. In terms of the Eastern Cape Provincial Growth and Development Plan, the Province aims to halve unemployment by 50 % by 2014.

Table 10: Occupation Groups

trades workers							
Plant and machine operators and assemblers	788	62	850	0	0	0	850
Elementary occupations	419	1290	1709	0	0	0	1 709
Occupations unspecified and not elsewhere classified	2179	2556	4726	9	0	0	4 726
Not applicable (not economically active)	44297	67580	111767	22	88	0	111 877

Stats SA: Community Survey 2007

Figure 5: Occupation Groups

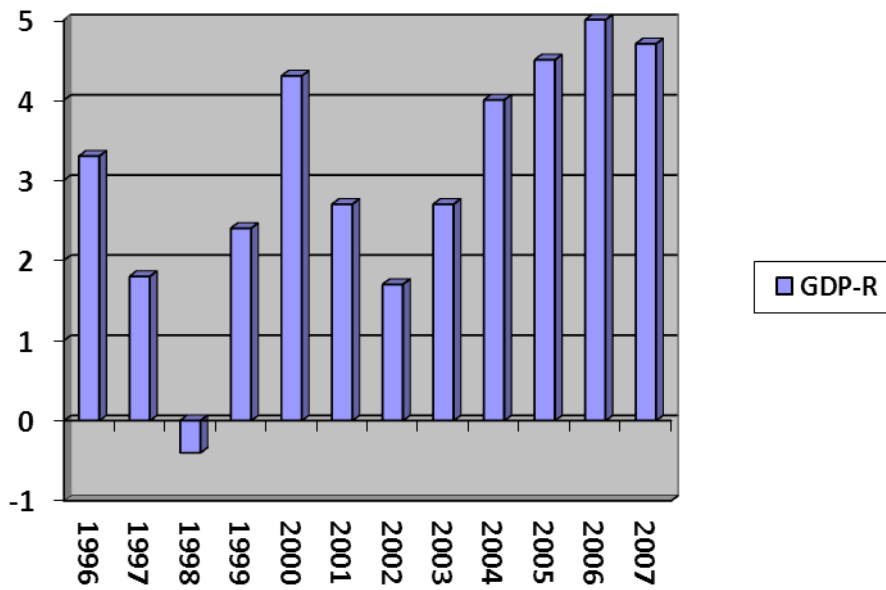


Stats SA: Community Survey 2007

2.2.1.2 Gross Domestic Product

According to Statistics SA, the provincial economy grew by an annual average of 3.6 percent from 2000 to 2007 (see figure 6). To meet the Eastern Cape Provincial Growth and Development Plan 2014 target, a 5.3 percent GDP-R growth rate or higher) needs to be maintained.

Figure 6: Eastern Cape GDP-R – Growth Rate

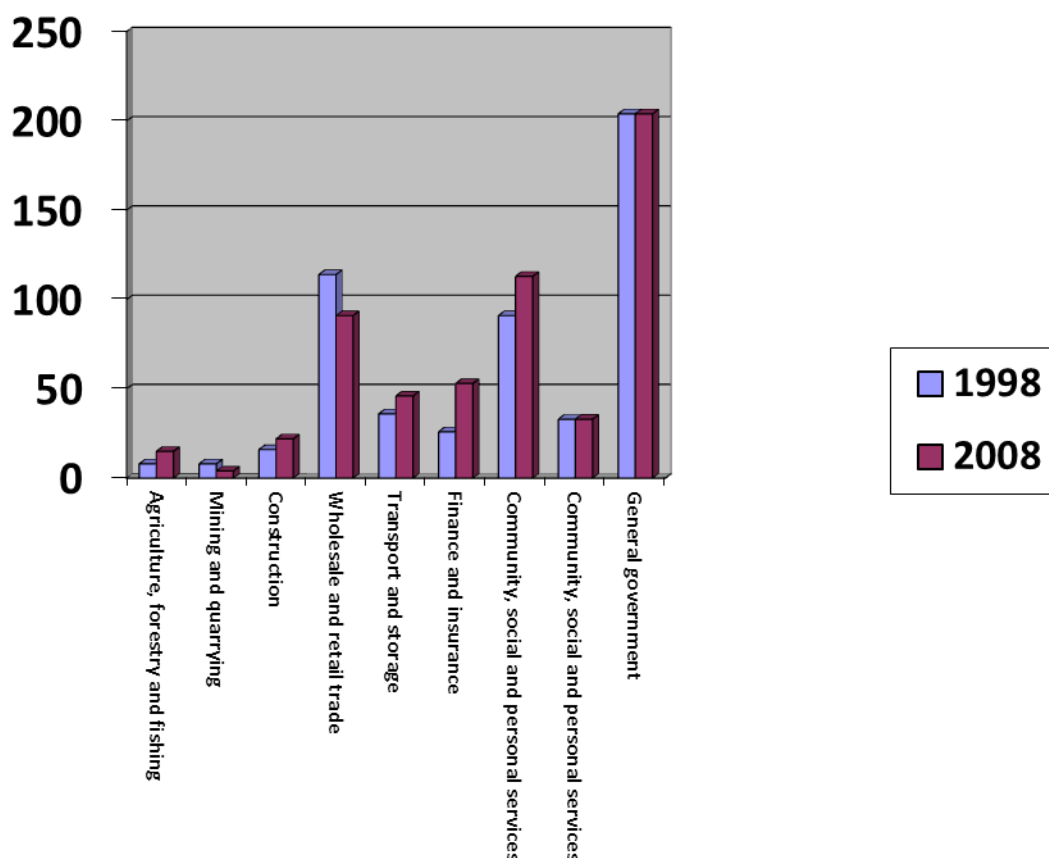


Source: Eastern Cape Socio Economic Consultative Council Web page (2009)

2.2.1.3 Gross Value Added

From the graph below, it can be seen that the Mbhashe Municipality economy is dominated by the general government sector, followed by wholesale and retail trade and community, social and personal services. There has been a slight improvement in all indicated sectors except mining and quarrying, and wholesale and retail trade where there has been a decline, and Community, social and personal services, and General government which have remained unchanged. This is of concern as these are the largest contributors to the economy.

Figure 7: GVA-R for Mbhashe (1998 – 2008)



Source: Eastern Cape Socio Economic Consultative Council Web page (2009)

2.2.2 SOCIAL INDICATORS

2.2.2.1 Crime

According to Shaw (1998) local government in crime prevention can take a variety of forms. This can be broadly summarized into nine categories which span a spectrum of functions internal and external to municipal government. These can be categorized as follows:

- Internal prevention;
- Improving police accountability;
- Aligning resources and objectives within a crime prevention framework;
- Ensuring development projects take account of crime prevention principles;
- Co-ordination of crime prevention;
- Effective by-law enforcement;
- Effective traffic law enforcement;
- Assisting victims of crime; and Initiating targeted crime prevention programmes.

The ordinary daily activities of local government involve issues of local level management and governance, thus, many crime functions are inherent to the ordinary operations of local government. Crime also varies from area to area across the country, as do the causal factors for offending. These factors imply that different strategies may need to be used to prioritise different problems in different areas. Table 09 below provides an indication of the levels of crime for the past two years in Mbashe Municipality.

Table 9: Mbashe Crime Statistics (Elliotdale, Willowvale, Dutywa): April 2007 – March 2009

CRIME CATEGORY	WILLOWVALE		ELLIOTDALE		DUTYWA	
	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009

CONTACT CRIMES (CRIMES AGAINST THE PERSON)						
Murder	50	57	16	14	46	47
Total sexual crimes	74	83	39	38	97	97
Attempted murder	26	13	14	7	15	22
Assault with the intent to inflict grievous bodily harm	279	249	194	145	247	206
Common Assault	102	75	45	42	70	54
Robbery with aggravating circumstances	32	27	32	18	67	79
Common robbery	51	12	26	6	19	21
CONTACT-RELATED CRIME						
Arson	15	5	18	10	17	5
Malicious damage to property	60	43	27	10	62	56
PROPERTY-RELATED CRIME						
Burglary at business premises	0	0	0	2	43	48
Burglary at residential premises	82	119	77	49	124	139
Theft of motor vehicle and motor cycle	7	3	10	6	30	26
Theft out of or from motor vehicle	8	5	9	10	36	35
Stock theft	47	49	24	15	121	80
CRIME HEAVILY DEPENDENT ON POLICE ACTION FOR DETECTION						
Illegal possession of firearms and ammunition	22	66	7	6	21	32
Drug related crime	32	30	8	21	89	112
Driving under the influence of alcohol or drugs	0	5	0	3	36	12
OTHER SERIOUS CRIME						
All theft not mentioned elsewhere	70	73	55	64	126	103
Commercial crime	11	5	6	12	59	56
Shoplifting	4	4	13	20	42	48
SUBCATEGORIES OF AGGRAVATED ROBBERY FORMING PART OF AGGRAVATED ROBBERY ABOVE						
Car hijacking	1	1	3	1	1	5
Truck Hijacking	1	0	0	0	0	0
Robbery at business premises	2	4	6	7	4	18
Robbery at residential premises	0	10	1	9	6	26
OTHER CRIME CATEGORIES						
Culpable homicide	8	3	8	3	36	34
Public violence	1	0	0	0	1	1
Crimeninjuria	0	1	25	12	3	6
Neglect and ill-treatment of children	2	0	0	0	2	2
Kidnapping	0	0	0	0	2	2

Source: South African Police Services (SAPS), 2009

2.2.2.2 HIV/AIDS

Table 10: Prevalence of HIV/AIDS

		1997	2002	2007
AREA	Population group			
Eastern Cape	Total	185,622	494,044	634,319
	Black African	182,404	478,403	605,112
	Coloured	2,972	14,101	25,352
	Indian or Asian	19	150	428
	White	227	1,389	3,426
Amatole District municipality				
	Total	55,235	145,060	182,941
	Black African	54,855	143,122	178,970
	Coloured	322	1,586	3,102
	Indian or Asian	5	40	113
	White	53	312	756
Mbhashe Local Municipality				
	Total	6,516	17,639	23,378
	Black African	6,515	17,631	23,348
	Coloured	1	7	23
	Indian or Asian	0	0	2
	White	0	1	4

Source: Eastern Cape Socio Economic Consultative Council Web page (2009).

It is estimated that the population of Eastern Cape in 2007 to be about 6, 67 million. About 10% of the population (634,319) were living with HIV, including 81 000 who were newly infected in 2006.

Of the 634 319 people infected with HIV, 23 378 reside within Mbhashe Municipality. It is also of concern that the prevalence of HIV/AIDS in Mbhashe has increased fourfold, from 6 516 in 1997, to 23 378 in 2007.

According to the Multi-sectoral HIV and AIDS Strategic Framework 2007-2014, in 2005 about 58 000 people in the Eastern Cape were estimated to be sick with AIDS-related illnesses, with an estimated 39 000 AIDS deaths in that year. It is estimated that there are 226 000 orphans in the Eastern Cape Province – of these, 124 000 were orphaned as a result of AIDS. According to the Multi-sectoral HIV and AIDS Strategic Framework 2007-2014 in 2006, AIDS accounted for 64% of all deaths in the age band 15-49.

In the last decade, HIV and AIDS have seriously influenced mortality statistics. This situation prevails, despite the fact that for the past 20 years both the information and the technology has been available to prevent new infections and improve the health and well-being of those living with HIV and AIDS. The involvement of local

government is essential to the efficacy of the national HIV and AIDS strategy, as local government is the layer of government closest to communities. Local government is in a strong position to address the impact of the epidemic on the social and economic life of communities.

While the role of local government in HIV and AIDS service delivery is indirectly contained within the constitutional responsibilities of a number of legislative and policy frameworks including the Constitution, the National AIDS Strategy, the National Integrated Plan, The Municipal Systems Act, and the White Paper on Local Government (IDP policy framework).

The role of local government response is established through a set of developmental local government mandates, which include among other things:

- Ensuring provision of services to communities in a sustainable manner;
- Promoting safe and healthy environments;
- Promoting sustainable social and economic development;
- Assessing and responding to the development needs of communities;
- Establishing sustainable and “liveable” settlements; and
- Responsive problem solving and a commitment to working in open partnerships with business, trade unions and community-based organisations.

Local Government is in a strong position to provide political leadership and vision regarding HIV and AIDS, and develop partnerships with local stakeholders and communities which should be clearly articulated in the IDP. Integrated Development Plans (IDPs) for local governments should have clear and concise strategies for HIV and AIDS response at the local level as well as the allocation of a programme and budget for HIV/AIDS training and prevention. Service delivery also needs to be responsive to the specific needs of orphans, child headed households and people living with HIV/AIDS.

2.2.2.3 Poverty

Table 11: Poverty levels for Amathole District (1996 – 2005)

Municipality	1996 (%)	2005 (%)
Mbhashe	68.6	77.9
Mnquma	62.3	75.0
Great Kei	56.1	79.5
Amahlathi	59.0	75.3
Buffalo City	41.5	50.1
Ngqushwa	64.1	80.2
Nkonkobe	55.9	69.2
Nxuba	56.6	80.3

Source: Amathole District Growth and Development Summit 2007

In terms of Mbhashe Municipality, the poverty levels have increased since 1996. This is an area that needs to be looked into as almost 80% of the population are living in poverty. This is aligned to the high level of unemployment prevalent in the municipality and places a great burden on social services.

2.2.2.4 Human Development Index

Table 12: Human Development Index for Amathole District (1996 – 2005)

Municipality	1996	2005
Mbhashe	0.37	0.42
Mnquma	0.46	0.50
Great Kei	0.42	0.44
Amahlathi	0.46	0.50
Buffalo City	0.56	0.59
Ngqushwa	0.41	0.46
Nkonkobe	0.45	0.49

Nxuba	0.46	0.50
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Source: Amathole District Growth and Development Summit 2007

The Human Development Index is a measure of development which includes life expectancy, literacy and income. In terms of the Amathole District, the Mbashe Municipality indicates the lowest score as compared to the other Municipalities. Although there has been some improvement since 1996 this is still well below the urban centres such as Buffalo City.

2.3 INFRASTRUCTURE AND SERVICES

2.3.1 COMMUNICATION

Mbashe's *communications* (transport and telecommunications) infrastructure is underdeveloped, with the lowest percentage road surfacing (0.37%) in the Province and very limited (14.32%) direct access to telephones by the local population as shown in Table 15. The Municipality does have operational rail and air transport facilities coupled with favourable cellular network coverage. The municipality also has the advantage of close proximity to Mthatha and the Provincial secondary economy of East London.

Table 13: Access to Telephones

Telephone and cellphone in Dwelling	510
Telephone only in Dwelling	618
Cellphone	6 152
Neighbour	5 921
Public Telephone	15914
Other – Nearby	2 999
Other – Not Nearby	5 685
No access	14 739

Source: Statistics SA

2.3.2 INFRASTRUCTURE DEVELOPMENT

On *Quality of Life*, Mbashe emerges as the most underdeveloped in the Province with a low level of access to water services (see Table 17), below average access to clinics and very limited access to electricity (see table 20-24), sanitation (see table 19), and refuse services (see table 28). By contrast, Mbashe fares well on access to adequate shelter (see table 26) and reflects above Provincial average access to schools. (Source: Statistics SA).

2.3.2.1 Water

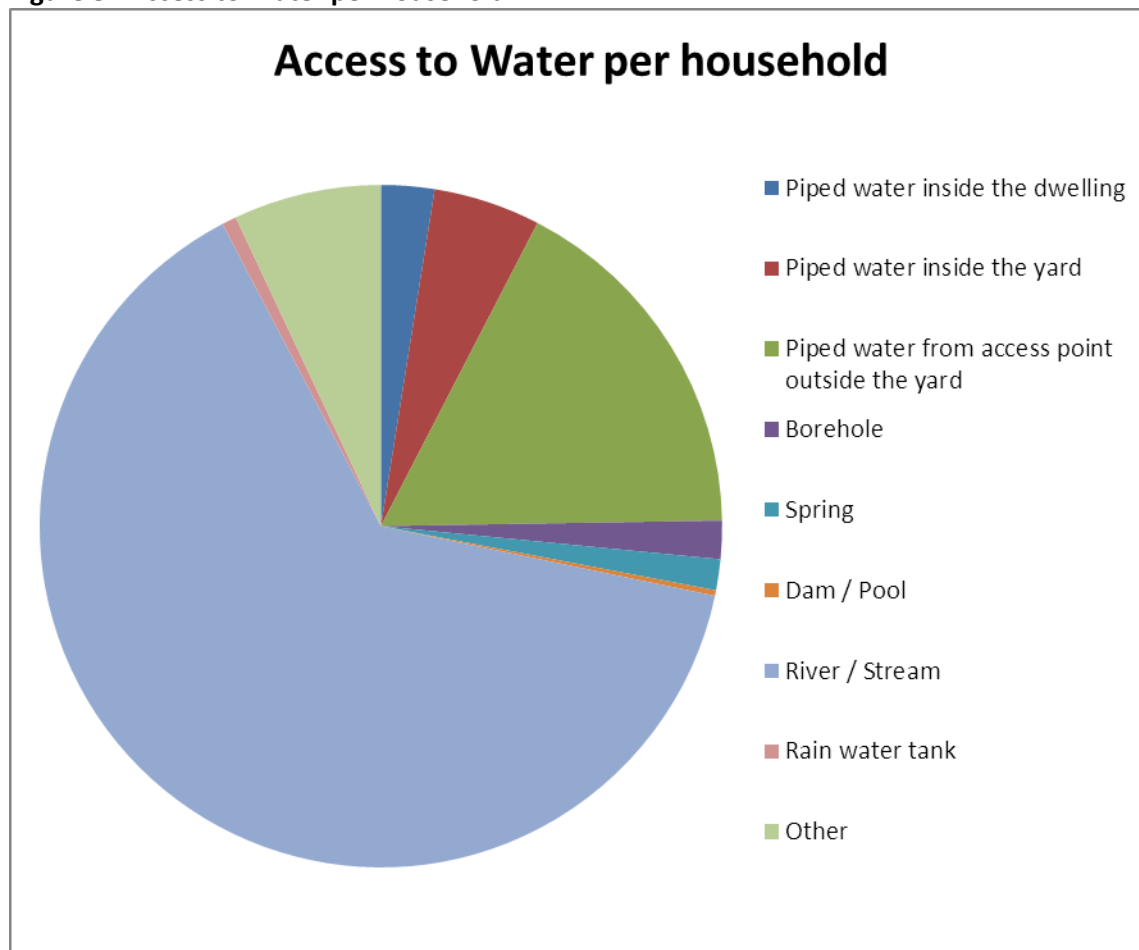
Table 14: Access to Water per Household

Access to water	Population Group				Total
	Black	Coloured	Indian or Asian	White	
Piped water inside the dwelling	1 504	0	0	0	1 504
Piped water inside the yard	3 020	0	0	0	3 020
Piped water from access point outside the yard	10 223	0	0	0	10 223
Borehole	1 081	0	0	0	1 081
Spring	873	0	0	0	873

Dam / Pool	158	0	0	0	158
River / Stream	38 080	92	0	0	38 172
Water vendor	412	0	0	0	412
Rain water tank	4 087	0	10	75	4 172
Other	89	0	0	0	89

Stats SA: Community Survey 2007

Figure 8: Access to Water per household



Stats SA: Community Survey 2007

There has been an increase in access to piped water to a point outside the yard between 2001 (6.7%) and 2007 (17.1%). In general, the population access water from rivers and streams (63.9%) and there is therefore a need for improved level of service provision in this regard, as there has been significantly little change in the provision of water.

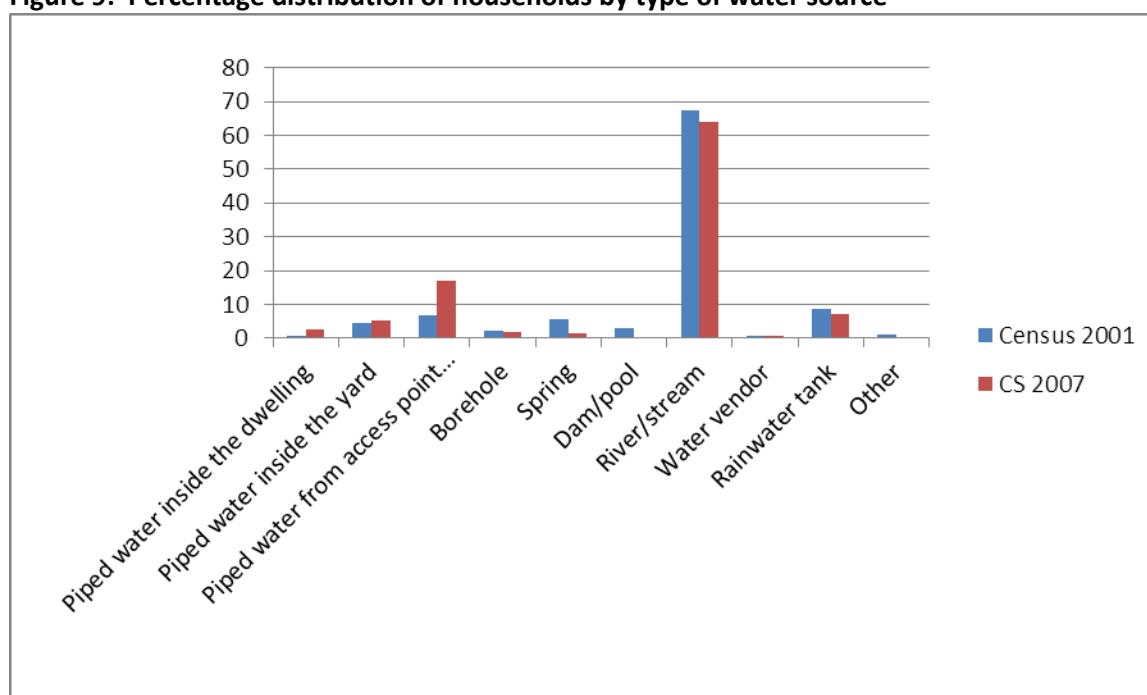
Table 15: Percentage distribution of households by type of water source

	Census 2001	CS 2007
Piped water inside the dwelling	0.6	2.5
Piped water inside the yard	4.3	5.1
Piped water from access point outside the yard	6.7	17.1
Borehole	2.2	1.8
Spring	5.6	1.5
Dam/pool	2.8	0.3
River/stream	67.3	63.9
Water vendor	0.5	0.7
Rainwater tank	8.7	7.0

Other	1.2	0.1
Total	100	100

Source: Statistics SA Census 2001 and Community Survey 2007

Figure 9: Percentage distribution of households by type of water source



Source: Statistics SA Census 2001 and Community Survey 2007

2.3.2.2 Sanitation

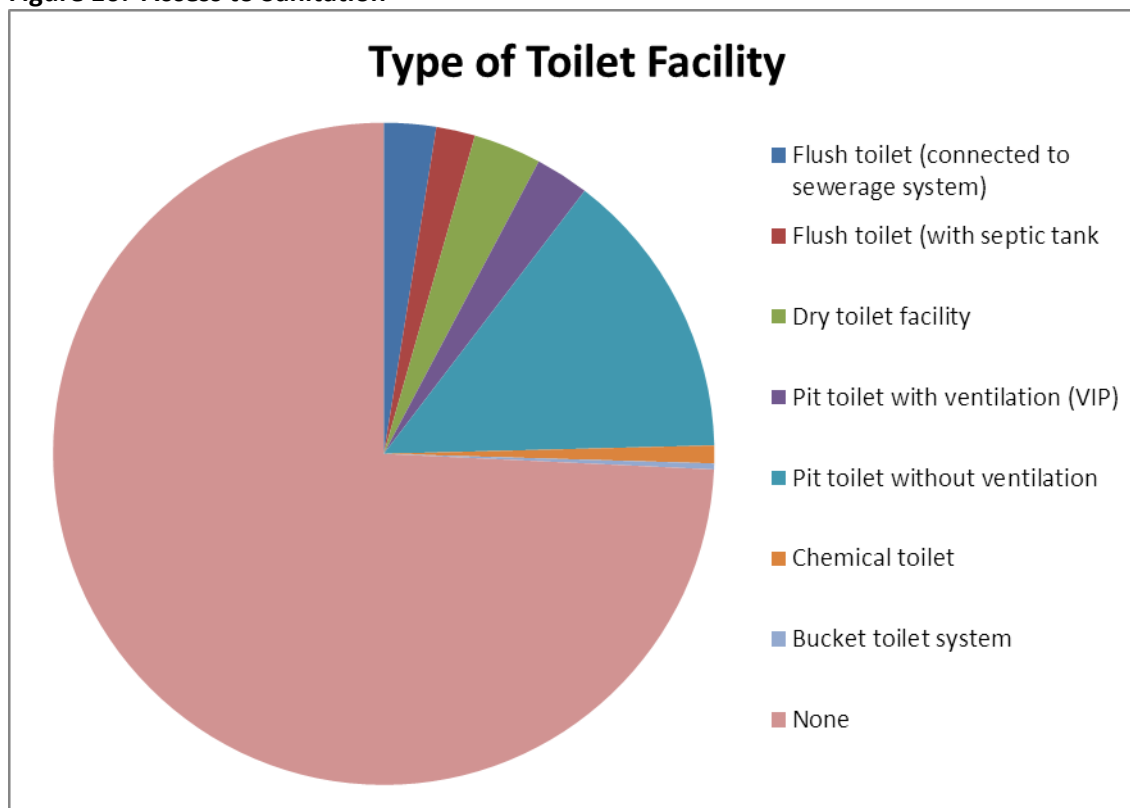
Table 16: Access to Sanitation

Type of Toilet Facility	Population Group				Total
	Black	Coloured	Indian or Asian	White	
Flush toilet (connected to sewerage system)	1 521	0	0	0	1 521
Flush toilet (with septic tank)	1 061	0	0	75	1 136
Dry toilet facility	1 982	0	0	0	1 982
Pit toilet with ventilation (VIP)	1 556	0	10	0	1 566
Pit toilet without ventilation	8 480	0	0	0	8 480
Chemical toilet	518	0	0	0	518

Bucket toilet system	174	0	0	0	174
None	44 236	92	0	0	44 328

Stats SA: Community Survey 2007

Figure 10: Access to Sanitation



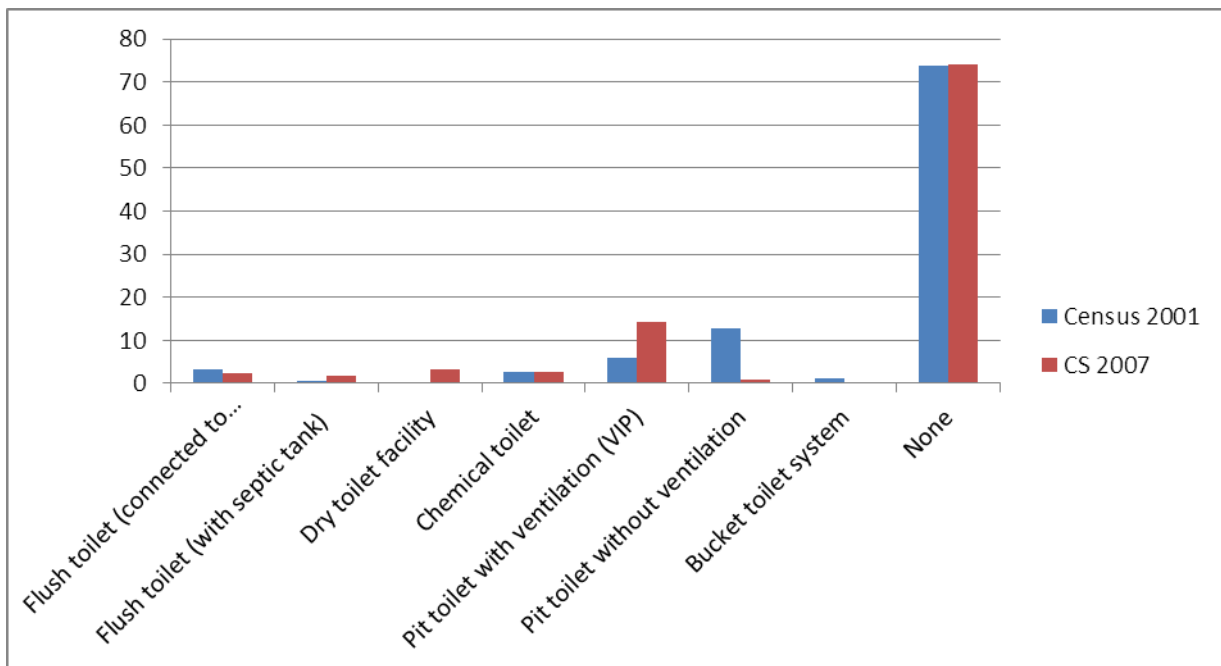
There is a major concern with respect to access to sanitation. There has been an increase from 73.8% to 74.2% of households having no access to proper sanitation. There has been an increase in the number of VIP Toilets from 5.8% to 14.2% however, this has had limited impact on improving the quality of life of the population of Mbashe, and a concerted effort needs to be made to address this.

Table 17: Percentage Distribution of households by type of Toilet Facilities

	Census 2001	CS 2007
Flush toilet (connected to sewerage system)	3.4	2.5
Flush toilet (with septic tank)	0.7	1.9
Dry toilet facility	-	3.3
Chemical toilet	2.6	2.6
Pit toilet with ventilation (VIP)	5.8	14.2
Pit toilet without ventilation	12.7	0.9
Bucket toilet system	1.1	0.3
None	73.8	74.2
Total	100	100

Source: Statistics SA

Figure 11: Distribution of households by type of Toilet Facilities



Source: Statistics SA

2.3.2.3 Energy

Table 18: Energy Used For Cooking and Heating Per Household

Energy Usage	Electricity	Gas	Paraffin	Wood	Coal	Animal Dung	Total
Cooking	7150	1254	6568	39102	30	5490	59594
Heating	6067	67	9551	42561	61	1293	59600

Stats SA: Community Survey 2007

Table 19: Energy Used For Lighting Per Household

Energy Usage	Electricity	Gas	Paraffin	Candles	Solar	Other	Total
Lighting	24133	186	24745	10236	98	307	59705

Stats SA: Community Survey 2007

Table 20: Comparison of Energy used for Lighting per Household

Energy Usage Lighting	Electricity	Gas	Paraffin	Candles	Solar	Other
Census 2001	15.6	0.4	55.4	27.5	0.2	0.9
Community Survey 2007	40.4	0.3	41.4	17.1	0.2	0.5

Source: Statistics SA

The majority of households utilize electricity and paraffin for lighting purposes. There has been a significant increase in the provision of electricity from 2001 (15.6%) to 2007 (40.4%) and a corresponding decrease in the use of candles and paraffin.

Table 21: Comparison of Energy used for Cooking per Household

Energy Usage Cooking	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Other
Census	4.9	1.8	13.7	71.1	0.2	7.7	0.1	0.4

2001								
Community Survey 2007	12.0	2.1	11.0	65.6	0.1	9.2	-	0.1

Source: Statistics SA

The majority of the population utilises wood and paraffin for cooking, however there has been a decrease in the use of these between 2001 and 2007 and a corresponding increase in the use of electricity (4.9% to 12%).

Table 22: Comparison of Energy used for Heating per Household

Energy Usage Heating	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Other
Census 2001	3.8	0.5	19.8	70.5	1.1	3.6	0.1	0.7
Community Survey 2007	10.2	0.1	16.0	71.3	0.1	2.2	0.0	0.2

Source: Statistics SA

The majority of the population utilises wood and paraffin for heating, however there has been a decrease in the use of these between 2001 and 2007 and a corresponding increase in the use of electricity (3.8% to 10.2%).

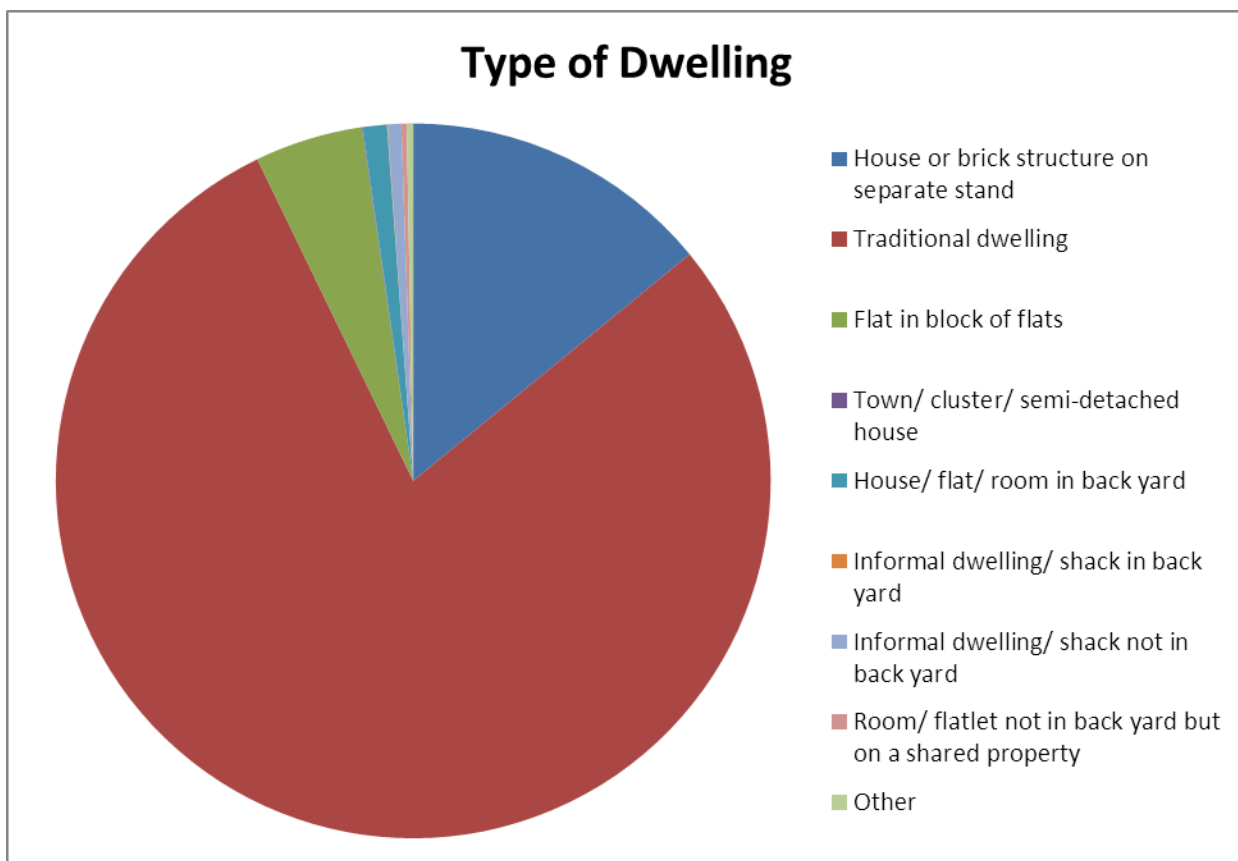
2.3.2.4 Housing

Table 23: Type of Dwelling per Household

Type of Dwelling	Population Group				Total
	Black	Coloured	Indian or Asian	White	
House or brick structure on a separate stand or yard	8 318	0	10	75	8 403
Traditional dwelling/ hut/ structure	46 920	92	0	0	47 012
Flat in block of flats	2 916	0	0	0	2916
Town / cluster/ semi-detached house	21	0	0	0	21
House/ flat/ room in back yard	652	0	0	0	652
Informal dwelling/ shack in back yard	15	0	0	0	15
Informal dwelling/ shack not in back yard (eg in informal/ squatter settlement)	367	0	0	0	367
Room/ flatlet not in back yard but on a shared property	148	0	0	0	148
Other	172	0	0	0	172

Stats SA: Community Survey 2007

Figure 12: Type of Dwelling per Household



Source: Statistics SA

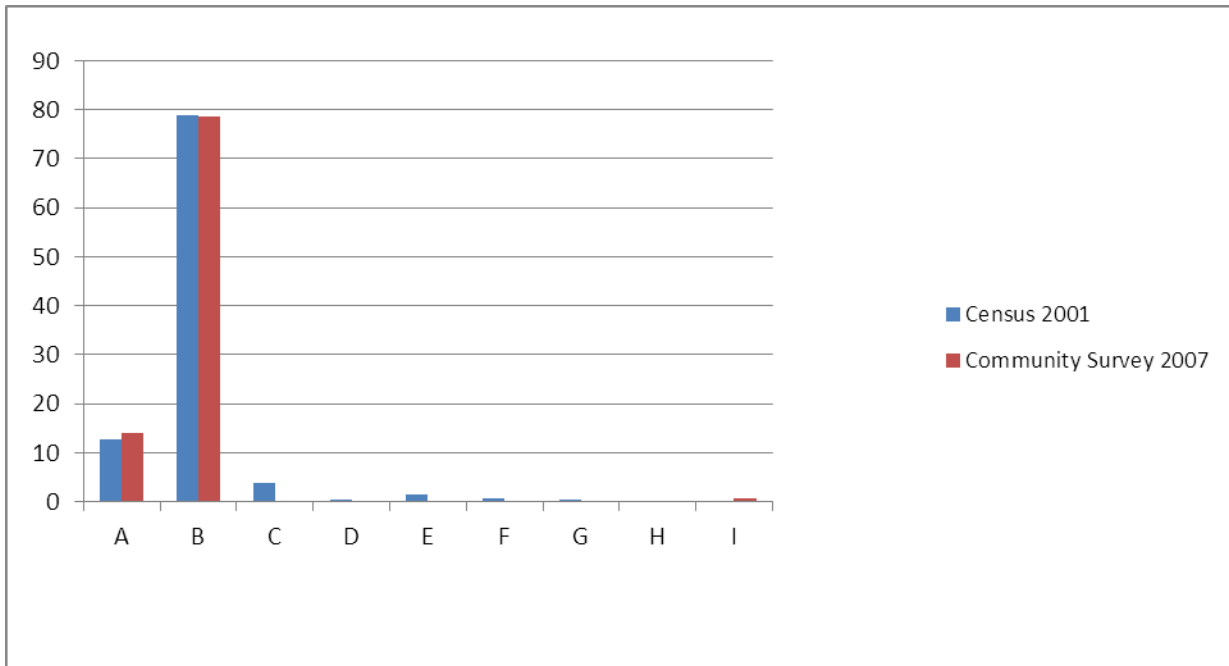
The largest portion of dwelling is traditional dwelling (78.7%), followed by brick structures on a separate stand. There has been no significant change in provision of housing from 2001 to 2007.

Table 24: Percentage Distribution of Households by Type of Main Dwelling

Category	Type of Dwelling	Census 2001	Community Survey 2007
A	House or brick structure on a separate stand or yard	12.6	14.1
B	Traditional dwelling/ hut/ structure	78.9	78.7
C	Flat in block of flats	3.8	4,9
D	Town / cluster/ semi-detached house	0.5	0.0
E	House/ flat/ room in back yard	1.4	1,1
F	Informal dwelling/ shack in back yard	0.8	0.0
G	Informal dwelling/ shack not in back yard (eg in informal/ squatter settlement)	0.5	0.2
H	Room/ flatlet not in back yard but on a shared property	0,1	-
I	Other	-	0,3

Stats SA: Community Survey 2007

Figure 13: Percentage Distribution of Households by Type of Main Dwelling



Source: Statistics SA

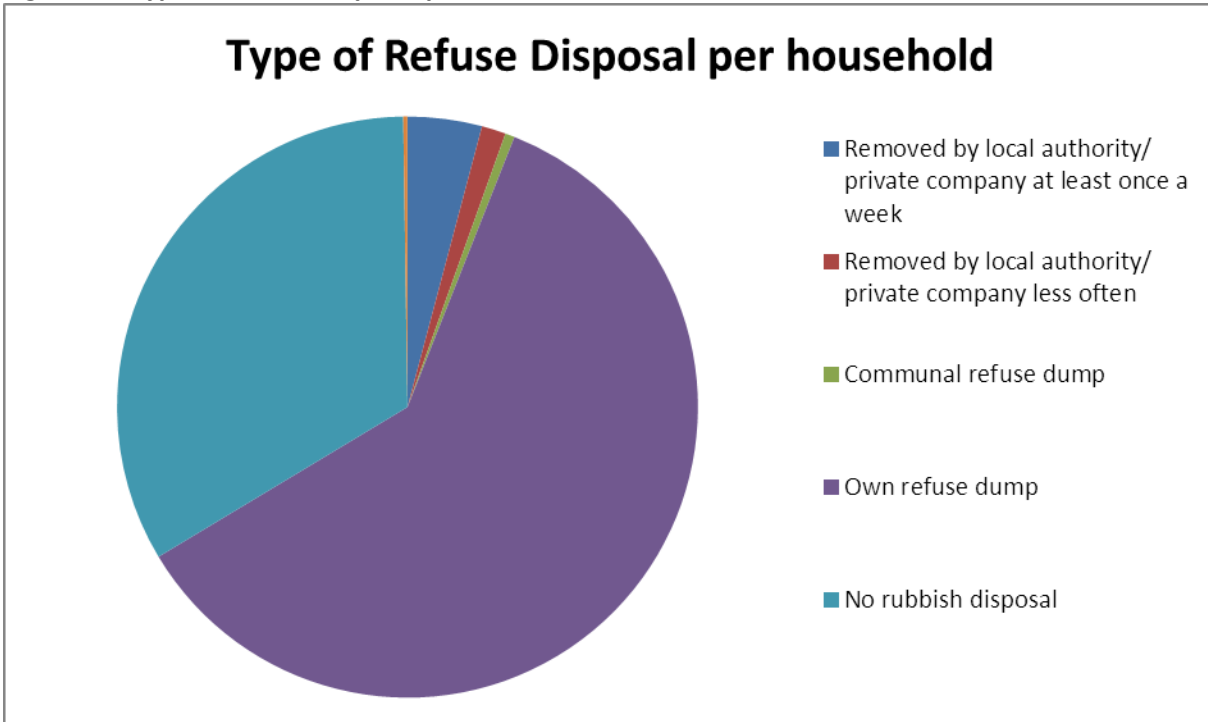
2.3.2.5 Refuse Removal

Table 25: Type of Refuse Disposal per Household

Removed by local authority / private company at least once a week	Removed by local authority / private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other
2467	806	311	36053	19930	139

Stats SA: Community Survey 2007

Figure 14: Type of Refuse Disposal per Household



Stats SA: Community Survey 2007

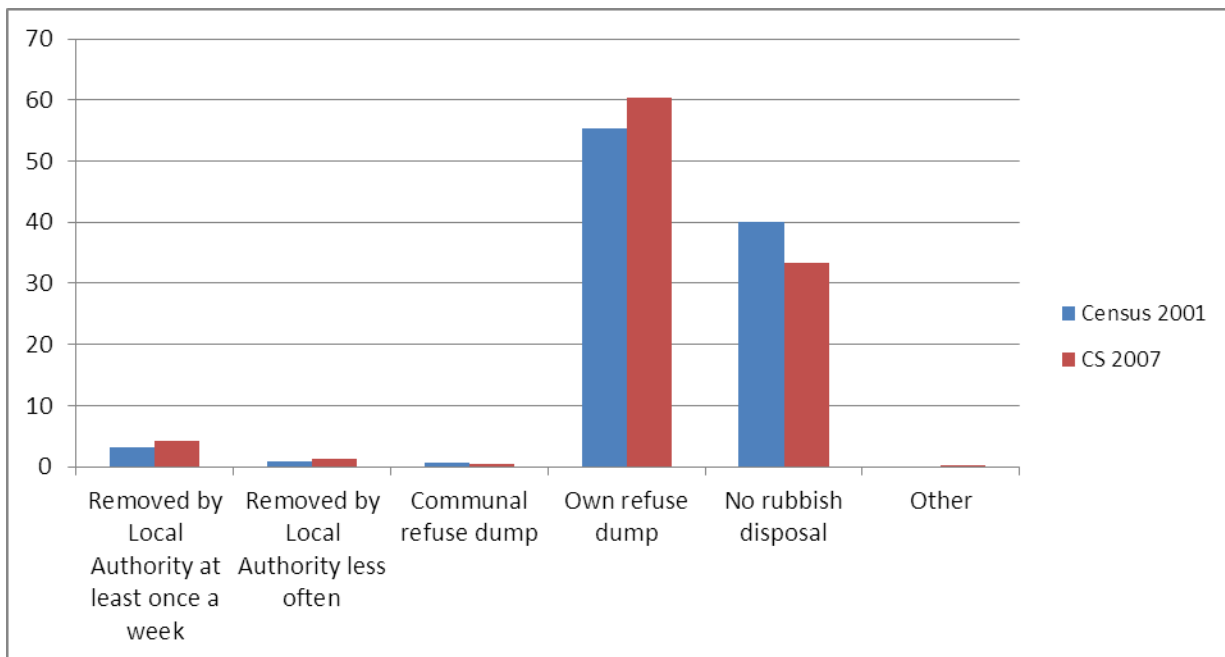
The majority of the household do not have access to municipal services for refuse removal. 60.4% utilize their own refuse dump and 33.4% have no access to refuse removal.

Table 26: Percentage of Household by Type of Refuse Disposal

	Census 2001	CS 2007
Removed by Local Authority at least once a week	3.1	4.1
Removed by Local Authority less often	0.8	1.3
Communal refuse dump	0.7	0.5
Own refuse dump	55.4	60.4
No rubbish disposal	40.0	33.4
Other	-	0.2
Total	100	100

Stats SA: Community Survey 2007

Figure 15: Percentage of Household by Type of Refuse Disposal



Stats SA: Community Survey 2007

2.4 ECONOMIC GROWTH POTENTIAL OF MBHASHE

The strategic framework for economic development in the Eastern Cape identifies four key areas:-

N2 corridor

Umzimvubu catchments dam

Kei rail

Agro-processing

Mbhashe Municipality will benefit most from the Kei Rail as it connects between Mthatha to East London. ***The Kei Rail Project currently forms part of a broader, multi-sectoral approach to boosting economic growth in the Kei Development corridor (KDC), encompassing the area between East London and Mthatha. This includes the formulation of a sustainable socio-economic development strategy; an integrated development plan and an implementation action plan. These plans centre on developing the economy in the KDC in support of a sustainable rail service.***

Mbhashe's economic potential if harnessed can also be used in addressing poverty and meeting the government's target of halving unemployment and poverty by 2014. Forestry is one of the projects that Mbhashe is presently working on and is one of the major projects identified in ASGISA's infrastructural projects. Large areas of land were left underutilized by farmers who claim that, there's a lot of machinery needed for them to continue with maize production, and their option is in the bio-fuels industry. The bio-fuels initiative is also a project where Mbhashe could succeed on in creation of employment and fighting poverty.

Targeted areas for investment and major economic potentials for Mbhashe includes:-

Agricultural Development

Fishing

Mining and quarrying

Transport facilities

Bio-fuels

Mari culture

Tourism

Building, construction and roadwork

Indigenous Medicinal plants

Manufacturing and SMME

Forestry

Participatory Needs Analysis

- Key issues identified regarding employment and unemployment needs analysis from the communities.
- Inadequate access of subsistence farmers to commercial farmers
- Lack of knowledge of sources of financing of Small Micro Medium Enterprise
- Large increase on poverty and consequences thereof, including increased crime levels
- Non recognition and value of tourists attraction in the identified areas of tourism
- Poor access to tourists sites
- Insufficient training and skills development opportunities
- Limited market facilities for communities to market local produce and goods

There is a critical need to develop poverty alleviation strategies and mechanisms to engage current communal farmers in productive economic activities. It is important that all efforts be undertaken to facilitate local economic development in the municipal area.

2.5 LOCAL ECONOMIC DEVELOPMENT

The Vision of the municipality on LED is to systematically reduce poverty within the municipal area and create a cohesive community; defined by inclusion and support for the vulnerable through state led interventions, private sector investment and solidarity of the civil society and the people of Mbhashe municipality. The Mbhashe local municipality developed and reviewed its own LED strategy which was adopted by council in the month of March 2011.

Local Economic Development processes must achieve the following:-

Ensuring that the local investment climate is functional for local businesses;

Supporting existing small and medium sized enterprises and encouraging the formation of new enterprises;

Attracting external investment (nationally and internationally);

Investing in physical (hard) infrastructure;

Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);

Supporting the growth of particular clusters of businesses;

Targeting particular parts of the local area for regeneration or growth (areas based initiatives);

Supporting informal and newly emerging businesses;

Targeting certain disadvantaged groups including black people, youth, women and youth and other groups who are victims of economic deprivation and underdevelopment;

Wealth creation initiatives to improve disposable income base of the residents and thereby increase tax base of the locality;

Creating jobs through a combination of strategies and initiatives;

Sustainable use of resources more especially when LED strategies rely on exploitation of exhaustible resources;

Diversified industrial strategy so as to avoid the vulnerability of the local economy to external shocks as a result of becoming a 'one sector' or 'one company' area;

Dealing with inequality as an economic expression that has potential social and political challenges that can lead to instability and undermine the very foundations of economic development.

Three critical areas of intervention identified by the municipality are:-

Agricultural Development

Tourism

SMME Development

Real Estate Development



The Mbashe Municipality's IDP has identified Tourism and Agriculture as the main resources that are key for the economic development of the region. The resources include a 22 hectare arable land and natural attractions such as the wild coast. The development of the LED Development Plan is aimed at unlocking the growth potential of the greater Mbashe Municipality that could be of benefit to the larger Mbashe populace.

DESCRIPTION OF PLANNING AREA

Under the present municipal demarcation the three Magisterial Districts of Dutywa, Elliotdale (Xhora) and Willowvale have been combined to form the Mbashe Local Municipality. This forms the Northern most L.M. of the Amathole District Municipality. The district is bound in the South East by a long section of the Indian Ocean coastline. In the North West the N2 National road cuts through the area and through the main town of Dutywa. The three towns of Dutywa, Willowvale and Elliotdale are important commercial centres, providing commercial and government support services to the local community. Except for within these three towns all land within the area is state land falling under communal tenure.

2.5.1 ECONOMIC DEVELOPMENT OPPORTUNITIES

The opportunities for local economic development in the area are huge but there's a huge backlog in infrastructure development for those. It is important however to provide as much support to the few that do exist in order to have maximum impact on the livelihoods of the local population.

Agricultural Development

Generally the agricultural potential in Mbashe is good. There is a mixture of climatic zones. The area is well watered, soils are reasonable and given the large local population agricultural markets are good and presently under exploited. The table below gives a good indication of the potential that exists in various agricultural enterprises. It is felt that properly exploited, after a five year period, the Mbashe agricultural sector could produce an annual turnover of R 125 million per annum and employ an additional 6 550 jobs on a sustainable basis.

The implementation methodology revolves around a development initiative that has been leveraged by the DBSA. The DBSA have encouraged involvement in the L.M. of Teba Development and two of its implementing partners Lima and Mncunube. Funding has been committed by DFID through the Commark Trust and from the Goldfields Foundation to run a comprehensive farmer support and livestock mentorship programme in the Elliotdale district. These two projects started in 2008 and good working partnerships have been established with the Dept of Agriculture as well as the Mbashe L.M. LED office. What is however still required is to find additional funding to expand this programme throughout the rest of Mbashe to include Dutywa and Willowvale.

AGRICULTURAL SECTOR ECONOMIC OPPORTUNITIES

ENTERPRIZE	OPPORTUNITY	IMPLEMENTATION METHODOLOGY	POTENTIAL GROWTH IN 5 YEARS	JOB CREATION IN 5 YEARS
Crop Production	The area is well suited for crop production. Maize, beans and oilseeds could be grown by small holders. This can happen provided farmer support systems & market linkages were in place	The Teba Development agricultural facilitator is supporting farmers in Elliotdale in partnership with DOA and MLM staff. This needs to be expanded to rest of Mbhashe.	Over 5 000 ha's of new and improved cropping land could be developed by a farmer support team. Annual turnovers of R 45 million could be achieved.	These projects would sustain direct employment for 5 000 farm workers
Vegetables	This requires the development of irrigation at household or scheme level	The agricultural facilitation team could lead this programme, but it would require government and donor support for irrigation capital investment.	Medium sized schemes and rain water harvesting projects could be established. An area of 150 ha's could be developed with an annual turnover of R10.5 million	Irrigation projects would generate a minimum of 600 direct jobs
Broiler production	Establishment of small broiler projects of 500 bird units, selling into local markets	The agricultural facilitation team once expanded to the whole of Mbhashe but could not manage implementation and support.	25 by 500 bird units could be established with annual turnover of R 3.75 million	Total of 50 direct jobs
Forestry	Well suited to eucalypt and wattle production. Small holder production is possible, but group schemes are more feasible	By commissioning a forestry potential study including a community consultation process with the establishment of timber market linkages.	There is potential for group schemes of over 4 000 ha's being established, with annual turnover of R48 million.	A total of 600 direct forestry jobs
Livestock	The area is highly suited to small holder production of small and large stock. This enterprise is already very active, but improved husbandry, animal reproduction and market linkages, could boost production	The Teba Development livestock mentorship programme is about to be funded by Goldfields in the Elliotdale district. This needs to be expanded across the rest of Mbhashe in partnership with the Veterinary division of the DOA.	Support could be provided to 5 000 large stock and 40 000 small stock units. This would produce a turnover of R17.5 million	A total of 300 direct jobs
Citrus fruit production	The area in Elliotdale and Willowvale is most suited for citrus.	The municipality has started with the programme at household level.	Large percentage of land that is not used can be converted to citrus forests.	A total of 20 direct jobs per 50 hectares could be created.
TOTAL AGRICULTURAL PRODUCTION			After five years a potential exists for annual production to exceed R 125 million	A total of 6 550 sustainable agricultural jobs can be created

2.5.2 Construction Sector

The proposed housing programme stands to improve local employment conditions considerably. This can also greatly enhance skills transfer to local people and it is hoped that the best can be made of this opportunity. The housing project will actively develop an entrepreneurial class through the support of emerging contractors as well as the development of downstream material manufacturers, suppliers and transport contractors. This LED strategy explores a number of other economic opportunities that could be developed through the construction sector. By looking at housing, schools, community access roads and water supply alone it is felt that an annual investment of R 180 million could be achieved annually within Mbhashe in the next five years. The construction sector could on its own develop 4 435 direct jobs within the next five years.

CONSTRUCTION SECTOR ECONOMIC OPPORTUNITIES

ENTERPRIZE	OPPORTUNITY	IMPLEMENTATION METHODOLOGY	POTENTIAL GROWTH IN 5	JOB CREATION IN
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			YEARS	5 YEARS
Housing	Through its Breaking New Ground policy on housing government has the opportunity to stimulate considerable economic opportunity through the funding of a rural housing programme.	The Dept of housing has allocated 7 000 housing units to two wards in Elliotdale. Progress on implementation has been slow, but the potential is considerably high.	Once in full operation a government housing project could construct 1 000 units per annum. Resulting in an annual investment of R 90 million rand per annum. A total of 23% would be spent on labour and with SMME support another 10-15% could materials sourced from local suppliers	Each housing unit creates 1.25 jobs per annum. A total of 1 875 direct construction jobs would be created as a result.
School Buildings	The back log of schools within Mhashe is estimated at over 30.	Through collaboration, between dept of Education, Public Works, and the DBSA a construction programme could be developed.	If three class rooms were to be constructed at 6 schools per annum it would generate R40.5 per annum. Again 23% would be spent on local labour and local material suppliers could be encouraged	The schools project would generate 960 jobs on an annual basis
Community Access Roads	The construction of community access roads using labour based techniques. Provides jobs, improved roads & access and empowers communities to construct & maintain their own infra-structure	This would require the enhancement of the existing programme through the department of transport. Grants could be made to community development forums to run road construction projects	A small L.M. level project investing R10 million per annum would construct 83 km of good quality community access road per annum. A total of 70% would accrue to local labour and an additional 20% to local material suppliers.	A community access roads programme could provide 700 construction jobs per annum within rural communities.
Water Supply	A number of large scale water supply projects have been proposed and suggested for Mhashe and the back log is considerably very high.	Some of these projects are about to be constructed and are sitting between the Amathole D.M. and DWAF	If project implementation on large scale domestic water supply projects were to invest R40 million per annum into the district. R9.2 million would be spent on local labour	Water projects could generate 900 jobs on a sustainable basis per annum.
TOTAL CONSTRUCTION SECTOR			The construction sector could sustain a R 180 million rand annual invest in housing and community level infra-structure	A total of 3 810 direct construction jobs could be created per annum within the Mhashe area

Small Enterprise Development

The two sectors of agriculture and construction have the ability to develop considerable local small enterprise opportunities in their wake. The main SMME developments in these sectors are the small scale farmers and emerging contractors themselves, which will form the core of these sectors. A number peripheral or associated enterprises including ploughing, transporting, block making and material and input supplies have been

identified in the table below. These SMME's are estimated to generate an annual turnover of R128 million per annum in the next five years. The SMME's will also provide direct employment for 280 people on a sustainable basis.

2.5.3 SMALL ENTERPRIZE ECONOMIC OPPORTUNITIES

ENTERPRIZE	OPPORTUNITY	IMPLEMENTATION METHODOLOGY	POTENTIAL GROWTH IN 5 YEARS	JOB CREATION IN 5 YEARS
Ploughing contractors	A few contractors exist and there is considerable room for expansion.	As part of the farmer support programme ploughing contractors need to be encouraged and supported. Equipment credit is an important limiting factor.	In the wake of the agricultural programme 10 enterprises could be sustained. These should generate gross incomes of R4.8 million p.a.	This would create 20 direct local employment opportunities.
Transport contractors	In rural areas transport provision is critical both agricultural and construction sectors could support a large network of contractors	Emerging transport contractors would need to be supported through the Mbashe LED office. Again credit is an important factor.	The establishment of 20 transport contracts supporting the sector seems achievable. These contractors could generate R7.2 million in the local economy	Create at least 40 local jobs
Block makers	Given the demand for a variety of concrete products the expansion of existing and the development of new block enterprises is highly likely	The supervision team of the housing project as well as the Mbashe LED team would need to provide support	The development of 5 block makers with an annual turnover of R 7.2 million is feasible	Create 50 direct jobs
Nurseries & Agricultural input suppliers	The supply of good quality inputs such as seedlings, fertilizer, day old chicks, stock feed & chemicals is an essential part of farmer support services	The farmer support team would support this process through their business linkage activities.	The establishment of three enterprises in each of the three towns is feasible. These enterprises could generate R9 million p.a.	A total of 20 jobs could be created within these enterprises
Material Suppliers	A growing construction industry will support existing material suppliers as well as develop some new ones. These will vary in size from large corporate to small start up firms	The demand for building material will create opportunities for materials retailers. The Mbashe LED staff would also need to provide support services to these traders	The estimated local demand for materials will be in the region of R100 million p.a. It is expected that at least 15 local & regional suppliers will benefit in this process	It is expected that 150 jobs would be created
Baking	With the school nutrition programme taking shape, the bakery projects have easy access to the market with the excess going to the locality.	Co-operative development in this industry will assist. The full support from the Department of Education in terms of using local or ward based co-operatives for the supply of food to schools.	The estimated demand is high given the present government's intention to provide food to more children.	It is a women empowerment programme which can change the lives of 520 women who will be employed in the programme.
TOTAL SMME OPPORTUNITIES			R 128 million	800 jobs

2.5.3 Tourism & Housing Estates

Given the large unspoilt Wild Coast coastline that Mbashe has, the potential for tourism development in both resorts and housing estates is considerable. Developments of this nature can stimulate private sector

investment, enhance the construction sector and provide long term job opportunities in servicing and maintaining these resorts and investments.

The tourism sector of the wild coast has suffered from years of underdevelopment as a result of poor levels of private sector investment, continuous bungling by bureaucrats and a communal land tenure system that requires considerable planning and consultation, before private sector investment is possible. The last serious resort development on the Wild Coast was the establishment of the Wild Coast Sun Casino at Mzamba in the 1980's since then no notable investments have taken place. The Mbhashe coast has some particularly high potential coastal development areas. These include the Nqabara and Xhora river mouths, Qhora, as well as the large coastal forest reserves of Dwesa and Cwebe. The coastal forests of Dwesa and Cwebe have been returned to the community in two land claims that were settled in 2001. Since this period the community property trusts have been dealing with the Dept of Environmental Affairs and the ECDC (Title holders of the Haven Hotel). This period however has seen little or no progress in developing the tourism opportunities. Judging by reports from people that have been involved in the process is that officials have not really done, much to move the developmental process forward. On the other side the trust is seen as not closer to the people and no reports are given to them as a result in some areas there's a lot of infighting within the communities. It would appear that procrastination and ineptitude have resulted in massive lost opportunities for local communities and project beneficiaries.

Independent tourism facilitators give one the assurance that these two coastal reserves represent a massive opportunity for high level international investors developing joint ventures in partnership with local communities. These sort of opportunities will however not be achieved with the present stakeholder groups managing the negotiation process at Dwesa and Cwebe.

The newly developed Hluma investment agency is starting to play a role in the Dwesa process. Their presence may improve chances of positive developments in the area. It is however felt that specialist tourism facilitator expertise is needed to advise Mbhashe on all its tourism options. What is needed is an open and transparent process calling for bids from investors. Other possible lodge sites within Mbhashe could also be investigated and this includes a viewing site of the Cape Vulture in the Mbhashe canyon in a place called Collywobbles. Private sector housing developments in coastal villages have been important economic development stimulators in other parts of the world. The lack of access to land on the Wild Coast has not only severely limited this opportunity, but resulted in clandestine land deals with traditional authorities and the construction of un-official and illegal beach cottages. What is required is an open consultative planning process with communities and traditional authorities in targeted locations. The Mbhashe LED office says that they have started a process of consultation with communities at the Xhora Mouth. As well as begun the planning for a cultural village in the area. This process needs to be driven as the economic benefits for the communities are considerable.

2.5.4 Black Granite Mining

The Willowvale area of Mbhashe has large deposits of Black Granite, a highly sort after material for the international construction industry. There have been small informal attempts made by small mining companies to mine these deposits. The granite beneficiation expertise is largely based in Italy and mining would require markets to be secured in advance, in a relatively difficult industry.

This opportunity does however warrant further investigation and the appointment of specialist consultant to develop a business plan in consultation with local communities and the assistance in sourcing likely joint venture strategic partners.

2.5.5 The N2 Corridor

The N2 passes through Mbashe and its main town of Dutywa. The N2 provides the district with good access. The town of Dutywa is an important government and commercial centre. But its growth opportunities are limited. Local development specialists say that industrial development opportunities are limited. In neighbouring Butterworth large factories, part of a decentralised industrial policy of the past are still empty and are unutilized.

There is however plans for the refurbishment of services in Dutywa as part of an urban renewal programme through National Development Partnership Grant. This would do much to improve the town as well as stimulating jobs and the economy of Mbashe.

2.5.6 SUMMARY OF ECONOMIC IMPACT

The main potential drivers of the Mbashe economy are Agriculture and Construction as well as the associated Small Enterprise activity that these two main sectors could stimulate. These sectors are already set up for roll out as various departments have already made sizeable financial commandments to housing and infrastructure as well as the fact the Teba Development have set up a team to assist the Dept of Agriculture with farmers support and livestock mentorship services. These two sectors have the ability to generate 11 160 jobs within a five year period.

Summary of Economic Impact

SECTOR	ESTIMATE TURNOVER P.A. AFTER 5 YEARS	ESTIMATE NO. OF SUSTAINABLE DIRECT JOBS
Agriculture	R 125 million	6 550
Construction	R 180 million	3 810
Small Enterprise	R 128 million	800
TOTAL	R 433 million p.a.	11 160

HERITAGE SITES EARMARKED FOR DEVELOPMENT

- Birthplace of former President Thabo Mbeki and home of former Robben Island prisoner Govan Mvuyelwa Mbeki at Mbewuleni
- Graves of AmaXhosa Kings (King Hintsa, King Sarhili)
- Nqadu Great Place (Home of AmaXhosa Kingdom)
- Esinqumeni caves
- Battlefields (Gwadana, Fort Malan, Fort Bowker)

AGRICULTURAL DEVELOPMENT PROJECTS

- Nguni Cattle Breeding
- Wool Improvement
- Livestock production and Improvement
- Siyazondla
- Vegetable Processing Plant

- Broiler Production
- Citrus Fruit Production
- Crop production (Maize, beans)
- Maize Milling Plant

SMME DEVELOPMENT

- Support for small scale producers
- Co-operative development (block making, baking)

Other projects of importance

- Granite mining
- Forestry
- Fishing and Mariculture
- Support to Construction enterprises

IMPLEMENTATION PROPOSALS

ENTERPRISE	IMPLEMENTATION PROPOSAL	ORGANISATIONS INVOLVED	ESTIMATED BUDGET
Gcalekaland Cultural Village	With the R2.8m budget available, the municipality outsourced for the implementing agency to take the project to implementation stage.	ADM, Dept of Arts and Culture, Department of Housing and Local Government, Mbhashe LED,	R8m
Camping sites at Beechamwood	The project has been funded through coast care project funded by Department of Environmental Affairs and Tourism.	DEAT, Mbhashe LED/Community Services, DEDEA	R300 000
Ntsimbakazi/Hlakothi Community Game Park	The sourcing of a consultant to do facilitation and business planning and also plan a business modelling.	ECPB, DEDEA, DLA, Department of Local Government and Traditional Affairs, Mbhashe LED, ADM, ECDC	R30m
Dutywa/N2 Visitor Information Centre	Upgrading of the structure of the VIC to accommodate businesses so as to be able to attract more people and tourists.	Mbhashe LED	R650 000
Dwesa/Cwebe Tourism Hub	The upgrading of Haven Hotel and reconstruction of Dwesa chalets are two most important aspects of this project. Hluma Development Agency has shown interest but was turned down by the trust..	ECPB, ECDC, DEDEA, DWAF, Mbhashe LED, ADM, DLA	
Qatywa Community Tourism Development	Funding to the value of R5m has been made available for the start of the project. Consultants are assisting the community in furthering the project.	DEAT, DEDEA, DLA, Mbhashe LED	
Mpame Lodge Development	Interest has been shown by the community and private partner to operate a lodge in	DEDEA, DLA, Mbhashe LED	

	the coastal Mpame.		
Coastal Village Planning at Qhora	The orderly and legitimate growth of coastal villages will stimulate economic development. Funding needs to be allocated for the appointment of a consultant to look at the long term benefit to communities and to the municipality.	DEDEA, DLA, Mbhashe LED	R700 000
Ngqeza Lodge development	Land has been made available for the development of the lodge at Ngqeza. A business partner is needed by the community. The municipality need to assist to get the private investor.	DEDEA, Mbhashe LED, ECDC,	
Nkanya Backpacker Lodge	A lot of preparations have been done by the community with regard the development of the lodge. The municipality and other stakeholders must assist to help the community to get funding.	ECDC, DLA,	
Bulungula backpackers	The lodge is made of a partnership between the community of Bulungula and the private person. Assistance in terms of infrastructure (electricity, access road, water) is needed from the municipality.	DME, DWAF, ADM,	R5m
Events (Haven beach festival, Craft festival, Cape Vulture Viewing)	Events such as these will be used as drawcards to bring tourists to the area.	Mbhashe LED, LTO,	R300 000
Development of Arts and Crafts	This involves mainly training to the crafters in the area. Crafters display their craft work in craft centres around Mbhashe. The main partner in this programme is the Department of Arts and Culture of which Mbhashe is working nicely with.	Department of Arts and Culture, Mbhashe LED	R300 000
Old Golf Course Development at Dutywa	Many have shown interest in developing the area. Services of an implementing agent to look at feasibility, business planning, architecture, business planning and business modeling are needed.	Mbhashe LED,	R300 000
Kanyisa Ntsimbi Cultural Centre	Phase 1 of the Cultural Centre has been done at a cost of R3.8m from IDT. Business modeling is needed for the project to run smoothly.	IDT, DSRAC, Mbhashe LED, ECDC,	R200 000
Mbhanyana Falls	Well placed at 3km from the Haven Hotel. What must be dealt with is the entrance to the site and the view area.	DEDEA, Mbhashe LED	R800 000
Heritage sites	Heritage sites in Mbhashe	ADM, DSRAC, Mbhashe LED	R40 000

	relate well with the Liberation Heritage Route and Mbhashe must prepare itself for the inclusion of the projects in the LHR.		
Nqadu Great Place	Development of this place as a place that will be able to entertain and assist AmaXhosa on various issues is envisaged but lack funding.	Department of Local Government and Traditional Affairs,	
Nguni Cattle Breeding	Weza is piloting the project which seems to be a success, now the programme needs to be vigorously expanded to farmers at village levels.	DoA, Asgisa-EC,	R200 000
Wool improvement	The programme on wool improvement lack funding whilst it proves to be a success. A pilot need to be done where concentration will be high and more funding sourced and provided.	DOA, Asgisa-EC, ARC, DEDEA,	R5m
Livestock production and Improvement	The Teba livestock mentorship programme needs to be fully established and expanded into Willowvale & Dutywa	DoA, UFH,	R2m
Siyazondla	About 1500 households are presently benefiting from the programme, and this proves to be an example of a rural development concept the country needs. A business plan to expand the programme has been submitted to National Lottery for consideration.	DoA, DWAF, Mbhashe LED	R16m
Vegetable Processing Plant	With the large packs coming from Siyazondla groups and other projects a plant where vegetable is processed is built. A partnership between the DoA and UFH assisted with plant. Storage facilities need to be done at district level i.e. Willowvale and Elliotdale to prepare the vegetables to the plant.	DoA, Mbhashe LED, UFH	R1m
Broiler Production	Many women households are sustained by the making of a broiler chicken but this need to be expanded to greater heights. This will include feasibility on chicken abattoir.	DoA, Mbhashe LED	R1m
Citrus Fruit Production	The programme has been done throughout he households but more land is needed for the programme. The use of Isibaya is needed to expand the programme to other areas.	DoA, ADM, ARC, Isibaya, Mbhashe LED	R300 000
Crop production	Mbhashe municipality and the	DoA, Mbhashe LED, Teba	R5m

	DOA need to continue with the programme of assisting small scale farming. The programme needs to be expanded by inviting other stakeholders like Teba development.	Development	
Maize Milling Plant	With the feasibility being conducted and concluded, it is evident that partnerships with farmers across Mbashe are the only way in which this would become feasible.	DoA, DEDEA, ECDC, Mbashe LED, Mbashe Farmers Association,	
Co-operative development	A co-operative strategy needs to be developed.	ADM, DEDEA, Department of Local Government and Traditional Affairs,	R300 000
Granite mining	Many companies came to the communities to show interest in the mining, some companies have signed agreements with the communities and the municipality is left behind. Mining continues at Luvundu.	DME, DLA, Mbashe LED, Aspire	
Forestry	It is necessary to find funding for the appointment of a forestry consultant to write up a forestry business plan in consultation with communities and possible strategic forestry partners	Dept of Forestry, Mbashe LED, Teba, Asgisa - Eastern Cape.	Forestry Consultants Appointment R 500 000
Fishing	A study which shows the great potential of fishing in some areas of the municipality was done to completion. The business plans for the projects identified need to be developed. A service provider is needed to accomplish the task.	DEAT-MCM, Department of Agriculture, Forestry and Fisheries, DEDEA,	R300 000 for consultants
Mariculture	Known to be a very lucrative type of business, opportunities in this sector need to be enhanced. The municipality needs to develop proposals for funding for feasibility in this field.	DoA, DEAT-MCM,	R400 000 for consulting work
Support to construction enterprises	The service providers in this area could benefit from schools upgrading, community access roads etc.	Department of Education, Public Works, Roads, Mbashe Technical Services.	-

2.5.7.1 AGRICULTURAL DEVELOPMENT

The subsistence agricultural sector is the biggest contributing sector in the economy of Mbashe. Many households use agriculture for subsistence and they heavily rely on it for food. The areas of the municipality are mostly under communal land tenure; agriculture in Mbashe area is mostly small scale crop farming and open grazed livestock. There are various concentration points on agricultural development such as:-

- Maize production
- Vegetable production

Livestock improvement
Poultry
Citrus fruit

2.5.7.2 MAIZE PRODUCTION

Maize is the mostly used crop/grain in the Mbhashe area because many of the households use it as their staple food.

Presently, the municipality in partnership with the farmers is now engaged on a massive maize production programme. The programme is done in a way which will not collide with the Department of Agriculture's massive production. The programme is called "Silimile", and was piloted in 12 wards and later spread to 25 wards, where the ward identifies a 50ha area. The wards participating in the programme currently are 25. Tractors are then being clustered together for that particular area; the farmers provide money to buy fuel and pay for the driver and the municipality co-ordinates, provides the fertilizer and seed for all the 50ha in 25 wards.

ASGISA-EC has started a programme on maize production; it has started with more than 200 000 ha at Nqadu. The intention is to shift from the 50ha programme and partners with ASGISA-EC in furthering the programme. The municipality will enter into partnership with ASGISA and move away from 50h programme. The municipality intends to set aside the budget for the partnership on behalf of the communities.

The municipality has over the past years supported farmers on grain production. This support is in the form of providing farmers with fertilizer and seed for maize. This has had challenges such as:- Not on time procurement of the fertilizer and seed leading to late ploughing and poor harvesting.

In dealing with the issues, the municipal council has adopted or agreed to enter into partnership with ASGISA-EC or any other agency working on maize production.

CHALLENGES

The main challenge regarding tractors is management which makes it difficult for other areas to access. There's major infrastructural backlog as most of the areas are not fenced, more especially in the Elliotdale area where there is no farm plan. Along the Mbhashe and Nqabara rivers there are areas which are suitable for maize production but the limitation is extreme bad conditions of road making it difficult to reach the ploughing fields by an auto-mobile. Limited funding for the roll-out of the proposed programme in the next few years and making the programme more sustainable. Low market base for the produce. The proximity of the supply base that makes it difficult for other farmers to access.

ACTION DESIRED/REMEDIAL ACTION

The Department of Agriculture has been asked to do the farm plans for all the remaining ploughing fields that were not done before.

The Municipality undertook a study on maize milling and the findings were that a small scale milling is possible with the quality and quantity of maize being produced.

Other recommendations were as follows: - increase the production area in the Willowvale and Elliotdale wards where the soil depth is more suitable for maize.

The engagement of the other neighbouring municipalities for purposes on one milling plant which will have no problems with the supply of raw-material.

Private sector persons to open up small scale milling plant in the three units of Mbhashe or engage on a Private-Public Partnership.

2.5.7.3 VEGETABLE PRODUCTION

Vegetable production is another area where households source food from, in the form of community gardens and household gardens. Several projects and co-operatives are now irrigated and are producing enough for selling in the local market. These projects have to a large extent created jobs

for some who were jobless and are now earning ±R600 a month from income generated through vegetable production.

To ensure access to the market, an Agri-park has been established where the Siyazondla groupings, the vegetable co-operatives will be able to sell their produce. The Agri-park is located at Duff Location (ward 09).

CHALLENGES

Poor road conditions make it difficult to access the market for the produce.

The increased price of fuel makes the production cost of vegetable to rise as some of the projects still use fuel for irrigation pumps, and this has also increased the transport costs of delivery.

The unavailability of the electricity contributes to the ever increasing costs of production making it difficult for the local project to compete with the well-established ones.

Transportation of produce to the market is a major challenge for our farmers.

ACTION DESIRED / REMEDIAL ACTION

The municipality through the Technical Services Department is engaging the Department of Roads and Public Works for roads to some of the sites like Agri-park.

Further addressing the issue of the market, the municipality is planning to have vegetable markets in all the three towns of Mbashe.

These initiatives are expected to answer the call for a market from farmers in the whole Mbashe area i.e. the 521 groups of Siyazondla and other small scale farmers.

Nearby schools are also going to be assisted by the Department of Rural Development by capacitating them to be able to provide vegetable to the Agri-Park as well.

Negotiations are being held with the Dept. of Education where Ilima-Agri-park will provide nutrition to schools thereby creating stable market for vegetable producers.

2.5.7.4 LIVESTOCK

Mbashe contains arguably the richest land for livestock in the Amathole district. Public private partnerships and improved farming methods can expand commercial livestock farming in the Mbashe areas. The sheep in the Dutywa area is said to be around 295 000 in numbers making it the largest number in the Amathole district.

Cattle are spread all over the Mbashe area whilst main focus is on improvement on quality of cattle for meat and skin for leather production.

Goat is largely in the Willowvale area (about 32 000) and small projects that are aimed at improving quality for milk production are started there.

The municipality council has agreed to work with Mngcunube Development in the livestock improvement programme. Currently, the programme is piloted in two wards along the coastal area of Elliotdale and has shown success.

The programme works under the concept of "Village Link Persons", or VLP's. The VLP's are the entrepreneurs who operate their own micro businesses. The VLP's are the means of sustaining access by farmers to advice and inputs and hence the increased availability of livestock for marketing. In the post project setting, one mentor from Mngcunube Development is left to service the VLP's in terms of continued supply of medicines so that the VLP's always have sufficient stocks on hand at fair process.

Currently, there are more than three VLP's which have shown success and they are making high turnover and earning enough profits.

CHALLENGES

Results from the Strategic Environmental Assessment study showed that there's no enough grazing land for stock as large acres of land are now occupied by houses.

The absence of a clear and known legislation on the issue of land redistribution.

The absence of the Spatial Development Framework for the rural areas makes it easier for the traditional to relinquish the grazing land to the high demand for land for households. This is hitting negatively to the plans for the improvement of wool in the area and the fight to push back the frontiers of poverty. Animal diseases.
There's a visible amount of skills shortage in the animal farming industry.

REMEDIAL ACTIONS

The authority and function for the development of farm plans is with the Department of Agriculture. Every year, the Department of Agriculture and the municipality plan for the known and the unknown outbreaks of diseases in animals. A scheme was developed where the municipality pays for vaccine, the farmer pays for each animal vaccinated and the money is collected by farmers in dipping tank formations then banked, and the Department of Agriculture co-ordinates and manages the programme.

In other areas of the municipality, farmers are also assisted by Mngcunube Development for livestock production.

A number of workshops and training need to be conducted for the farmers, Chiefs and the councilors on the following areas: - CLARA and other important training programmes for farmers.

To ensure market access, the municipality is planning the wool shed where all the wool grower associations will put their wool and made ready for transportation to the formal industry. The farmers in this case will gain benefits associated with the economies of scale. Negotiations have started with the EL-IDZ to assist in this endeavor.

2.5.7.5 POULTRY

For the past 10 years the municipality has assisted small poultry farmers to grow chicken and sell for profit. That was done as a poverty relief programme.

In year 2006, the municipality commissioned the services of the Agricultural Research Council to investigate the reasons for failure in poultry projects fail. The major cause for concern was the readiness of the market immediately when the product is ready for sale.

Since then, the piloting of a bigger project started in Ward 12 (Ntshatshongo area) where full support is given to 60 women in 4 projects.

CHALLENGES

Market for the products

Training for the projects

REMEDIAL ACTIONS

An agreement was reached with the local retailers that they are going to buy the produce from the local projects, but the suppliers (projects and co-operatives) could not meet the required quantity at the required time.

A number of institutions have been consulted and agreed on the training of the projects. These institutions are, King Hintsa FET College, Tsolo Agricultural College, Agricultural Research Council, Fort cox, Department of Labour and the independent service providers.

A poultry abattoir where poultry farmers will be able to sell their products is envisaged in Dutywa area. A feasibility study on that will be done with the assistance of ECDC.

2.5.7.6 CITRUS

The Willowvale area is also an area where there's high potential for citrus fruit production. The area is dominated by deep, well drained and aerated soils. The climate is characterized by warm summer and cold winter with the mean annual temperature of 27°C. This area receives a summer rainfall of 780mm per annum. The municipality together with the communities in the Willowvale and Xhora area has started the citrus fruit production in households. During 2007/2008 financial year the participants were 80 households in Lubomvini (ward 24), 100 households in Jujura (ward 23) and 100 households

in Zithulele (ward 19) and 61 households in Mhlahlane (ward 19). Another 3000 trees was added and was distributed in all wards of Mbhashe.

The main challenge to citrus fruit production is the land; communities do not agree to unused land in their areas. A series of workshops need to be organized and facilitated on the land use management and CLARA. The municipality is engaging Isibayato partner within the provision of citrus trees to households. ASGISA-EC is also keen to assist in massive fruit tree production.

2.5.8 TOURISM

Tourism can provide a major boost to the district's economy, linking the many diverse attractions of Mbhashe. Strong branding is needed to link the different features.

Activities include the following:-

Heritage and Cultural Tourism Development

Coastal Development

Craft Development

Recreational facilities

2.5.8.1 HERITAGE AND CULTURAL TOURISM DEVELOPMENT

Heritage forms part of socio-economic and cultural development. It contributes significantly to the gross domestic product through tourism, particularly cultural tourism. The development, marketing and packaging of heritage tourism routes will accelerate the contribution of tourism in the municipality.

Cultural heritage – The area is very rich in cultural heritage as it boasts things like San paintings in the Dutywa area, showing the signs that the San once habited in the area of Sinqumeni and other surroundings. The graves of former Kings of AmaXhosa who fearlessly led a fight against white colonial domination like King Hintsu. Lastly, the forts where the white generals used during the world war like Fort Malan. The area also hosts the home of the second democratically elected South African President, former President Thabo Mbeki at Mbewuleni and Ngcingwane. Also, the area hosts the capital of the Kingdom of AmaXhosa at Nqadu Great Place. Given this rich and great cultural heritage there are a number of opportunities to explore linked to the present development that is taking place in these sites.

There's Amathole Heritage Initiative which is responsible for the development and unearthing this rich history and heritage in the Amathole district. The initiative consists of four heritage routes (King Phalo, King Sandile, Chief Maqoma and Makana). Phalo route (where Mbhashe belongs) encompasses Great Kei, Mquma and Mbhashe Municipality. There are sites which have been identified for development such as signage, access improvements, information displays and other anchor projects linked to the heritage and tourism development such as the Visitor Information Centre for Dutywa. Such sites are identified:-

King Hintsu's grave

King Sarhili's grave

Sinqumeni caves

Fort Bowker

There are other places identified in the Liberation Heritage Route which is a National Project that seeks to establish a route based on the war against colonialism and national oppression.

2.5.8.2 CRAFT DEVELOPMENT

Mbhashe Craft Development initiative was launched in 2004, the aim being to organize crafters under one organization. Presently, the crafters are assisted by the municipality to go and market their products in events such as Tourism Imbizo, Grahamstown Arts Festival and Mangaung Cultural Festival (MACUFE).

Mbhashe crafters are still trapped in the livelihoods type projects and rarely show signs of sustainability due to uncoordinated and skewed interventions. With the exception of about five per cent of crafters, others can be deemed as survivalists.

Generally the products are characterised by
Lack of innovation
No branding
No viable market access beyond the Province of the Eastern Cape
Hamstrung by infrastructure and
Costly price of material

The municipality commissioned a study on Mbashe Craft, and the findings found the following constraints:-

Lack of access to product design services and timely market information for new product development
Lack of ongoing enterprise development and mentoring
Lack of capacity to identify and link with buyers in all market segments
Lack of access to regular and affordable raw materials
Lack of access to production finance

The following recommendations were then adopted:-

Development of the Mbashe Craft Sector Business Plan

The Mbashe Craft Association needs to be a legal entity and the municipality has to support its roadmap, institutional arrangement as it is the only effective networking body including all role players which is meant to propel the sector in the area.

Establish Mbashe Craft Warehouse which will be responsible for:-

Search and investigate new markets
Exporting of craft products
Marketing of craft products
In consultation with the crafter development programme the Craft Warehouse will be a centralised craft outlet that will fulfil identified needs
The Warehouse is to be utilised as a place to store craft for large consignments
Supply raw materials at wholesale prices
Include business cubicles available for groups to do business from, e.g. access to computers, email and internet
Supply additional training and support in business

Training of crafters

Apart from specific craft production skills, crafters operate as small businesses and basic business skills are essential. The audit has established that target beneficiaries often need basic literacy and self-esteem skills to develop their potential.

Develop support and training programmes, especially in business skills, literacy and numeracy, life skills and manufacture of craft tools.

Establishment of an apprenticeship programme is another option. Training programmes need to involve local leadership and operate in a sustainable way.

2.5.8.3 RECREATIONAL FACILITIES

As part of the Coast Care Project that is funded by DEAT, there are places in the coast which were earmarked for various kinds of activities, they are:-

Qhora – Recreational facilities meant for visitors and tourists (especially local tourists) to the area have been built such as brain stands, resting facility and thatched roof for shade.

Beechamwood – camps site and braai facilities

Dwesa – Braai stands, thatched roof and parking facilities.

The municipality is currently doing a feasibility study for the Dutywa Dam project. The feasibility will look at various opportunities that can be enhanced in the Dutywa Dam.

2.5.9.1 COASTAL/NODAL DEVELOPMENT

Areas earmarked for development in the coastal zone include the following:-

AREA	PROPOSED NODE	SUITABLE FOR	CURRENT INITIATIVES
Qhora	1 st order	Hotels and accommodation	Cultural village plus recreational facilities
Jujura	2 nd order	Backpackers	No development
Beechamwood	2 nd order	Camping facilities	No development
Nqabarha	2 nd order	Lodge	Private – Public Partnership investment
DWESA-CWEBE	Protected area	Conservation	Recreational facilities
Haven	2 nd order	Hotel	Proposed hotel renovation
Nkanya	2 nd order	Backpacker	Feasibility done
Qatywa	2 nd order	Lodge	Tourism and cultural centre construction has started.
Bulungula	2 nd order	Backpacker	There's a backpacker lodge
Mpame	2 nd order	Lodge	Council resolution given for investigating possibility of development of a lodge.

Adventure and Eco-Tourism – the natural beauty of the area makes it possible to unlock the tourism potential of the area in activities such as nature photography, bird watching, hiking, bungee jumping, abseiling, horse riding etc. For example Mbhanyana falls is most suitable for the mentioned activities. Sport tourism – In many areas along the coast at Kobb Inn, Mbhashe River Mouth, Bulungula, there's a potential especially in activities such as cross country, quad bike riding, canoeing, surfing and there's plenty of land for 9 to 18 hole golf course.

Hospitality Industry – There's plenty of accommodation and service products that are utilized and tourists from various areas such as Europe come to places like Kobb Inn, Haven and Bulungula.

Nodal development – Presently Mbhashe has no area demarcated as first order node and has few demarcated as 2nd order node. Application to DEDEA has been made regarding the upgrading of Xhora Mouth which include Nkanya and Qatywa as 2nd order and the upgrading of Qhora Mouth as 1st order. This is pending the infrastructure provision in the Qhora area before the permission is given for this type of development.

2.5.10 MANUFACTURING AND SMME

There are several opportunities and initiatives undertaken by the people in every ward of Mbhashe. These initiatives are apart from the common agricultural initiatives which people engage themselves in for subsistence purposes. These initiatives range from:-

- brick making (given the governments' programme on low cost housing development, there's an increase in demand for bricks hence initiatives by projects in ward 01, 03, 17 and 26)
- Bakery (the school feeding scheme gave the opportunity for the establishment of co-operatives in the bakery industry, which is found in almost every ward).

2.5.10.1 SMME DEVELOPMENT

This is the area where there are challenges such as:-
Access to finance

Lack of capacity

As a response to these challenges, the municipality is doing the following:-

A range of financial institutions that issue finances are called to present to the SMME's.

The department of Labour is offering training on the projects like Bakery and ECATU is assisting on brick making etc.

Several workshops are planned to assist emergent SMME to fill in necessary documents that are required to tender.

2.5.10.2 FISHING

The municipality conducted a study on fishing in the past year. The study showed there's major potential in this industry as there's little done on this sector.

Mbhashe boasts with the wild coast full of large river mouths and seas. These are all the areas where different forms of fishing can take place.

The area covers the area between the Qhora River and Zithulele River. There are different types of fish available in the area but the control on use is still in the hands of the Department of Economic Affairs and Tourism – Marine and Coastal Management.

The study showed that the following projects can be undertaken in the areas mentioned:-

AREA	POSSIBLE PROJECT
Shixini	Suitable estuary for recreational fishery
Xhora	Suitable for community based canoe hire and ghillies
Nqabara Mouth	Conservation area/protected zone
Jujura Mouth	Angling destination
Qora Mouth	There's a boat house and sea launching is possible
Jotela	Recreational fishery

Further recommendations included the formation of the Focus Group which will be made of technical people i.e. government departments, NGO's and Government agencies, Further Education and Training institutions and Institutions of higher learning.

2.5.11 MAJOR INVESTMENT OPPORTUNITIES

2.5.11.1 MARICULTURE

There's a great potential for growth in the sector. A key advantage is the strong market base for the products abroad. Also large planks of land are available for this purpose.

2.5.11.2 NQABARA DEVELOPMENT

The community of Nqabara has established a trust to oversee projects under the Community Based Natural Resource Management (CBNRM). One of those projects is the development of a lodge at Nggeza. The trust has partnered with the private investor in the lodge development.

DWESA-CWEBE

The two fairly small sister nature reserves of Dwesa and Cwebé lie separated only by Mbhashe River on the central Wild Coast, bordered on one side by the forest fringed shores of the Indian Ocean, and on the other by the undulating hills and grasslands of the former Transkei.

Dwesa and Cwebé combined preserve one of the biggest tracts of indigenous coastal forest in the Eastern Cape, as well as a fertile inter-tidal and marine environment, which is particularly sensitive. They are rather underdeveloped and small, which may explain the enviable bird life – over 290 species of bird have been recorded on the reserves. Beautiful footpaths allow one to explore Dwesa

and Cwebe on foot. Whilst both reserves have similar habitats and vegetation, Dwesa has introduced a number of game animals like the buffalo, eland, blesbok, blue wildebeest and warthog.

Dwesa is the larger of the two, at 3 900 hectares, resting on the western banks of the Mbhashe River that includes a beautiful estuary that flows into the sea. The reserve is particularly beautiful and regarded as a something of a rambler's paradise; the views from Kobole Point touted in particular as worth the walk.

Cwebe is smaller and home to an exceptionally beautiful diversity of habitats that include forests, mangroves, beach, grassland and sightings of the Cape Clawless otter of the lagoon. The waterfall trail in the forest is worth the trip alone.

QATYWA

The municipality and the community of Qatywa represented by the community trust have secured a sum of million rands from the National Department of Tourism for the construction of the tourism facility, which is the development of challets. The municipality however wishes to release its stake for a lease for the purposes of expanding the lodge and conference facilities.

GCALEKA CULTURAL AND TOURISM CENTRE

Located at the top sightseeing the Indian Ocean next to the Kobb Inn Hotel in the Wild Coast; this centre will attract various kinds of visitors. The centre will be one centre in the Eastern Cape region that has wall of geneology of the Xhosas and the cultural practices of the Xhosa as practiced and changed overtime. It will attract those who want to do further studies, educational tours for students, international tourists as well as local tourists.

CO-OPERATIVE DEVELOPMENT

There are more than 50 registered co-operatives operating in the municipality area. All those co-operatives are marginal co-operatives and some are survivalists.

2.5.11.3 RURAL DEVELOPMENT

The Polokwane Conference of the ANC viewed Rural Development as a central pillar in the struggle against unemployment, poverty and inequality. The conference further noted that, high levels of rural poverty and inequality inhibit the growth of the economy and undermine efforts to ensure that growth is more equitably shared amongst all the people.

The conference then resolved:-

To embark on integrated programme of Rural Development, Land Reform and Agrarian change
To strengthen the voice of rural South Africans, empower poor communities and build momentum behind agrarian change and land reform by supporting the self-organisation of rural people
Build stronger state capacity and devote greater resources to the challenges of rural development, land reform and agrarian change

The Province of the Eastern Cape has since adopted the Rural Development Strategy which seeks to strategise on ways to address the inequalities associated with the colonial past.

The municipality has been named as a pilot where two sites have been chosen, i.e. Nkwalini and Bafazi Administrative areas in Elliotdale. Several meetings have been held in preparations for the pilot project. Several government departments have attended the meetings with few who always apologized.

PARTNERSHIPS

The municipality is presently seeking to formalize partnerships with certain NGO's, the Parastatals and the Private Sector. The following are the areas where partnership is being envisaged.

2.5.11.4 FISHING AND MARICULTURE

Opportunities for growth in the industry are available in the coastline. The Qora and Mahasana communities have already put the land aside for the firm in the mari-culture. Negotiations with the private sector have been started through the ELIDZ for a possible partnership.

UNISA

In the programme the municipality is working with UNISA. The programme itself is funded and supported by South African Institute for Distance Education and Kellogs Foundation. Its intention is to assist in equipping young individuals to become household food security facilitators. The proposal was welcomed by the municipality and other social partners working in the municipality area. Currently the training on 22 learners has started on Household Food Security and they are expected to finish qualification at NQF level 4 in July 2011. The programme assists the current programmes in the municipality area such as:-

Siyazondla

Community Health Care workers

Community Development workers

Home based care units

Donald Wood Foundation volunteers etc.

Heifer International

Heifer uses Livestock, fruit trees and food gardens to fight poverty. This NGO has worked in since 1944 and started in SA in 1997. Mbashe Municipality envisages working with the NGO on Livestock and food gardens

2.5.12 INSTITUTIONAL ARRANGEMENT FOR LED

Institutional arrangements for LED refer to the range of organizations, structures and networks through which LED can be co-ordinated, managed, implemented and monitored. In terms of the constitution of the republic of South Africa, section 152 (1) (c) reads "to promote social and economic environment".

The white paper on Local Government re-in forces this mandate. It defines developmental local government as, "Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives,"

Mbashe Municipality has established the unit within the municipality and assisted in the establishment of other organizations which offer potential benefits for the management, implementation and monitoring of LED programmes and/or projects.

The Municipal LED unit is composed of the following staff:-

Manager (s57)

LED Co-ordinator

LED Officer: Tourism (as tourism specialist)

LED Officer: Agriculture (as agricultural specialist)

LED Officer: SMME (as small business management specialist)

In addition to LED, the unit deals with the Integrated Developmental Planning, the Performance Management Systems and the Integrated Governmental Relations. The unit therefore has this additional staff:-

IDP/PMS Officer (Vacant)
Administrator

COMMUNITY DEVELOPMENT TRUSTS

A number of Community Development Trusts have been established and registered on various areas for dealing with development in specific areas: They are:

Dwesa/Cwebe Development Trust

In 1996 the communities of Dwesa-Cwebe lodged a claim for the restitution of land rights according to the restitution of Land Rights Act no 22 of 1994. Land claim in the area was settled back in 2001. The land was awarded to be held in ownership by the Dwesa-Cwebe Land Trust.

The Dwesa-Cwebe area is approximately 17 386ha in extent and comprises of the Dwesa-Cwebe Nature reserve and community property associations such as, Cwebe, Hobeni, Mendwane, Ntlangano, Ngoma, Mpume and Ntubeni.

The area is suitable for Agriculture such as small stock farming, crop and vegetable production, citrus fruit tree plantation and Mari-culture. The beautiful landscapes, estuaries and wild life pose challenges to investors in eco-tourism lodges to hotels.

Nqabara Development Trust

The Nqabara AA is located in hilly undulating terrain along the wild coast in Mbhashe Municipality. The area covers approximately 7 580ha and is well defined area between the Nqabara River on the Eastern side and Nqabarana River in the West.

The area boasts the presence of many estuaries, wetlands and forest patches that makes the area one of the diverse parts of South Africa in terms of diversity.

Through the assistance of the GTZ-Ruliv, the Nqabara Community established Nqabara Community Development Trust to oversee all development in the area. These include the CBNRM aimed at the following:-

The development of up-market nature tourism facilities in partnership with the private sector

The establishment of a community conservancy in partnership with the government

The cultivation of medicinal plants in partnership with Pharmaceutical Companies

The establishment of the craft hub and the craft centre

Qhora Development Trust

The trust was established in 2001 to undertake development in the area of Qhora in the banks of Qhora River near Kobb Inn. The key project the trust envisages undertaking got support from the Department of Local Government of the Eastern Cape Province in 2003.

The envisaged project includes the following:-

The cultural centre to host the rich history of Xhosa speaking people

Display of the Xhosa traditional garments

Mass production and wholesale of traditional garments

Annual traditional activities

Sculpturing of our kings and gallant fighters

The wall of geneology
Conferencing, spar and Eco-lodges

Qatywa Development Trust

The area is between the Nkanya and Xhora Mouth Rivers. The community established the trust in 2005 to overlook the development in the area of Qatywa and Nkanya.

The area boasts the all beautiful estuary, landscapes and its natural scenic beauty. There's a wide range of development possible in the area. The community trust in partnership with the Municipality managed to secure funding for the establishment of the Tourism Centre in the area of Qatywa. The development of a lodge has also been approved on behalf of the community. The Qatywa Development Trust in now looking for the partnership with the private sector for the construction and operation of the lodge, golf course and conference facilities in the area.

Other Development Trusts

The Luvundu Development Trust and Weza Development Trust are working with the private sector in granite prospecting.

SECTION 21 COMPANIES

Local Tourism Organisation

Mbhashe Farmers Association

These two organizations were registered as section 21 companies and the municipality is working very closely with them. The only problem is that both have not entered into an agreement with the municipality yet in order for them to do their own fundraising for their operations. For operations they presently rely on the municipality at the time the assistance is needed. The municipality therefore intends to make them separate entities and work independently and closely with the municipality.

2.5 LED FORUM

Above all the institutions that work with and closely with the municipality in implementation of LED programmes and projects, there's a structure that involves many other stakeholders i.e. the LED forum. All these organizations are required by council resolution to report their activities in the LED forum. The forum is composed of:

Mbhashe LED standing committee Councillors

Mbhashe LED officials

Local Tourism Organisations

Community trusts

Co-operative Forum

Mbhashe Farmers Association

Community Based Organisations dealing with LED

Government institutions dealing with economic development

2.6 SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (LAND AND HOUSING)

2.6. INTRODUCTION

Land and housing department will be able to provide 70% of households which translates to 13443 households with an adequate housing by 2014.(HSP) Almost 5.42% which translates to 728 households had been provided with housing. It is the departments' objective to provide 31% of households with housing i.e. shelter that meets norms and standards, access to clean and healthy portable water, approved sanitation, electricity, roads.

Therefore, land and housing department is responsible for land administration, administration of municipality owned houses, buildings and general property valuations in Mbhashe Municipality. The department is processing all subdivisions of land, minor and major.

Programs/projects that this department is engaged in are:

Township establishment

General valuations

Spatial development framework

Housing development

Administration, maintenance and repairs of municipality owned houses and buildings

Acquisition of unused buildings from other departments or parastatals for use in the municipality development initiatives.

Administration of contracts of sales and leases in respect of municipality's immovable properties.

Cleansing of the municipality's urban and surrounding areas of illegal structures and shacks

Land use management

2.6.1 TOWNSHIPS ESTABLISHMENT

This department has been processing several housing development initiatives.

- Dutywa extension 8 for low cost housing
- Dutywa extension 7 for middle income housing (amendment)
- Dutywa extension 3 for middle income housing (revalidation)
- Willowvale extension 5 for middle income housing
- Elliotdale extension 6 for middle income housing and low cost housing
- Elliotdale extension 5 middle income housing (revalidation)
- Bachelor flats (rental housing)
- N2 middle income housing
- A student village (rental housing)
- Elliotdale extension 2 (PHP) and Willowvale Ext 1 (PHP)
- Elliotdale 7000 B.N.G (rural settlement housing plan) houses.

Other projects include:

- Maintenance and repairs of municipality owned houses and buildings
- Acquisition of unused buildings from other departments or parastatals for use in the municipality development initiatives. Government departments such as Public Works have several buildings within our three Municipal Units. The majority of these buildings are in a state of decay. The departments have promised to dispose some of these buildings to the Municipality.
- Cleansing of the municipality's urban and surrounding areas of illegal structures and shacks. The illegal structures have been removed, even though it is still work in progress as some hawkers are still defiant.
- Construction of two shopping malls (Old Tennis Court and N2 shopping Malls) to ease congestion in the Dutywa CBD and to expand consumer options. Tennis court shopping mall is at an advanced stage.
- Tender for Willowvale Shopping Mall and N2 Shopping Mall have been awarded to different service providers respectively.

PROGRESS

- Contract have been finalized
- All the developments are in different stages such as EIA, planning, survey, soil testing etc., registration of beneficiaries.

2.6.1.1 DUTYWA EXT. 8

This project is meant to alleviate shortage of accommodation to low income category and to clean up the shacks in Dutywa.

PROGRESS

- Registering of township is complete
- Engineering designs has been done
- Surveying, planning and engineering drawing has been paid which total led to R704 857-00
- Beneficiary list with 753 names was tested and 637 came through, 108 names are being verified by this office for resubmission for further testing, 17 names tested to have subsidized houses and 13 tested to be dead.
- 400 subsidies and housing support centre grant were approved on 01 December 2004 with an amount of R10 320 00-00 and R228 000-00 respectively.
- Signed a memorandum of agreement between departments of housing, ADM and Mbhashe Local Municipality in order for ADM to give assistance in this project for phase 1 i.e. construction of services.
- A.D.M has appointed an Engineering consultant for the construction of services such as toilets.

CHALLENGES

The municipality is faced with high demand for housing, more so in Dutywa unit because of centralization of district activities in the unit by government departments.

Record of Decision is in a process of being renewed.

In the process of finalizing the deceased beneficiary approval on HSS

2.6.1.2 DUTYWA EXT 9: DOTI IN - SITU UPGRADE

The municipality commonage was invaded. The municipality is regularizing the settlement by means of proper planning and survey

PROGRESS

500 subsidies were approved in principle by DHLG/ DHS.

CHALLENGES

- The project is faced with "land claim" by the old Doti community (rural area) which needs to be resolved before the application can be submitted to the board.
- Some supposed community leaders of the Doti community who in 2000 were interdicted from demarcating land beyond certain boundaries once again unlawfully demarcated land to people. MESSRS Jikwana Nginda and Associates are handling the matter.

2.6.1.3 DUTYWA EXTENSION 3, 7 AND ELLIOTDALE EXT.5

Purpose: to reduce high demand for middle income housing by selling serviced sites. Dutywa EXT 7 was approved with 80 sites in 2003. Due to high demand for middle income, the council resolved to amend the project from 80 to 312 residential sites and also to revalidate the approvals that had lapsed for Dutywa Ext. 3 with 264 residential and Elliotdale Ext. 5 with 102 residential.

Elliotdale Ext 5, the layout plan has been registered with the Registrar of Deed.

A service provider has been appointed for the construction of middle income houses in Dutywa Ext 7. The municipality together with the appointed service provider is still agreeing on terms and conditions of the lease.

PROGRESS

Due to the fact the general plan 245/1992 for Ext 3 has expired, the council has recently resolved that the township establishment be started afresh and be amended into a high income residential area.

CHALLENGES

Funding for infrastructure

Topographical challenges in Elliotdale also scare developers away and department invites interested developers to contact the department with proposals so that we find alternative means to speed up process.

2.6.1.4 WILLOWVALE EXT. 5

The project comprises of 251 residential for middle income category.

PROGRESS

Township establishment is complete and the township was registered on 12 October 2004
A tender has been issued with the aim of attracting development proposals.

CHALLENGES

Funding

Also here topography is a challenge.

2.6.1.5 ELLIOTDALE EXT. 6

The project comprises of 600 sites i.e. 200 sites for middle income and 400 sites for low cost.

PROGRESS

Planning is complete and total amount of R120 000-00 has been paid

CHALLENGES

Funding for infrastructure

2.6.1.6 ELLIOTDALE EXTENSION 2 (PHP) AND WILLOWVALE EXTENSION1(PHP)

Funding for the development of all low cost housing is from DHLG. The department aimed at completing the construction of houses at the two Housing projects i.e. Elliotdale Extension 2 with 292 and Willowvale Extension 1 with 97 units within 2004 but because of various reasons, time frames could not be met. These projects were approved in 1997 and 1998 respectively.

Elliotdale Extension 2 was very unfortunate to have not been listed amongst the blocked projects by DHLG in 2002 and as such, retained old subsidy belts of R16000/subsidy including variance.

Willowvale Extension 1 subsidies were reviewed to R22 808/subsidy including variance.

R500.000 has been set aside to rectify the houses in Elliotdale RDP.

PROGRESS

- 180 houses were completed at Elliotdale Extension 2, 86 are under construction and 26 units have not been started or claimed from the department of Housing.
- The department has also applied for poorly built houses to be included in the department's rectification programme.
- An Instruction to Perform Work (IPW) for status quo investigation to be issued to Professional Resource Teams (PRT's).

- Application for funding for rectification and un-blocking to be submitted to Project Adjudication Committee (PA Com) based on status quo investigation.
- A service provider has been appointed in order to facilitate the unblocking of all blocked projects in Mbashe Local Municipality.

CHALLENGES

- The location of **Elliotdale** project is such that the material is expensive to import due to high transportation cost.
- The site at Elliotdale also had extreme topographical conditions where most floor slabs are having six rows above ground level and that means more building materials need to be used.
- Project blocked and work done is of poor quality
- Relocation of survey pegs to determine proper boundaries
- Services are incomplete and in poor state.
- In **Willowvale**, project blocked and some units are incomplete.
- Relocation of survey pegs
- Bush-clearing and big trees removal required
- Only 32 houses were completely built at Willowvale extension 1 in 2004, 25 units are on various stages of construction, 8 units not built but claimed the funds from the department, and 33 units are still unclaimed from the department.

2.6.2 ELLIOTDALE RURAL SUSTAINABLE HUMAN SETTLEMENT PILOT PROJECT AT WARD 17 & 26: BREAKING NEW GROUND PROJECT

This is a project driven by the Provincial Department of Human Settlement (PDoHS) and the developer for the project is Amathole District Municipality and Mbashe Local Municipality is a facilitator. It was introduced to the members of the Project Steering Committee in December 2006. It is a Breaking New Ground Project (BNG).

It was agreed in a Project Steering Committee meeting held at Mqhele A/A that a big contractor should be brought into a project due to the fact that a tender was advertised at some time last year and it failed because of the challenges like the shortage of water, bad state of roads for transporting building material.

Development Bank of South Africa made a proposal to the PDoHS to pilot on the construction of 1000 houses out of 7000 units approved in 2006 by MEC. The Agreement was signed between PDoHS, ADM and Mbashe Local Municipality in order for DBSA to take over as an Implementing Agent for 1000 units at an amount of 16 million.

A Project Steering Committee was held at Ngqwangele School on the 23 November 2010 to discuss the following issues:

Brief report on the previous 10 show houses
 Construction Plan
 Vocational Planning
 Beneficiary Administration
 Progress Report on VIP toilets
 Short term projects

BRIEF ON THE 10 SHOW HOUSES

10 show houses were built in different villages by ECATU and were not approved by National Home Builders Registration Council. Since DBSA is taking over as Implementing Agent 10 show houses will be demolished and be added to those to be built by DBSA.

DBSA will be using their own strategy in building the houses not the ECATU strategy. The issue of demolishing the 10 show houses was a decision that was taken with the blessing by the two involved councillors i.e to close the chapter of ECATU in constructing 10 show houses.

PROGRESS ON THE CONSTRUCTION OF 1000 UNITS BY DBSA (STATUS QUO)

DBSA has got its strategic partners i.e. Teba Development to do the facilitation role and ACG Architects will be responsible for the training. The project registration has been approved by NHBRC. Construction has started on 10 houses on the 15th of November 2010.

Reinforcement has started and tanks are being installed in each household and local builders are being utilized. Based on the Agreement, the construction work should have started by October 2010.

CONSTRUCTION PLAN

A temporary office would be at Manzi A/A (Housing Support Centre). The project will take 2 years to be completed. At Ward 17 there is a target of showing 50 beneficiaries a catalogue with house plans so that they can choose their plans. There are two additional plans that were prepared to accommodate the steep slope.

VOCATIONAL TRAINING

Construction will be done parallel with the training of local builders. Applications for the training have been sent to the Department of Higher Education (awaiting approval) and Department of Public Works (busy with the application)

BENEFICIARIARY ADMINISTRATION

There is slow progress on the response by those beneficiaries that their applications need verification. Traditional Leaders are willing to help and speed up the processes of beneficiary administration.

PROGRESS REPORT ON VIP TOILETS (INCLUDING CHALLENGES)

VILLAGE	NO. OF APPROVED UNITS	NO. OF BUILT UNITS
Ntlantsana	117	107
Mtshekelweni	111	102
Ntlonyana	408	281
Nqayiya	84	70
Lower Bufumba	71	33
Qhinqana North	84	73
Shinira	117	111
Zikholokotha	50	0
Mngazana	20	0
Qinqana South	117	106

CHALLENGES

It is difficult to transport building material to steep areas and also the distance of delivering material thus opted to use span of Ox to transport the toilets and the material to the sites.

2.6.3 GENERAL PROPERTY VALUATION

Redemption estates have also been appointed to undertake this task that will see us through the next five years beginning July 2008.

Property rates are paid based on values of properties, therefore it is essential to review market values every fourth year. The new Municipal Property Rates Act no.6 of 2004 requires that all municipalities implement it by 1st July 2008 and those not ready to implement is exempted until 1st July 2009. Our services provider, Redemption Estate, has come up with a total number of erven for all three units. A summary of the 2009 valuation roll is provided below,

Unit	Total Erven	Total Value of Erven
Dutywa	1717	R282,589,500
Elliotdale	631	R57, 842,500
Willowvale	1053	R126,380,000

PROGRESS

Establishment of valuation appeal boards

The [MEC for local government](#) has, by notice in the provincial Gazette, established a valuation [appeal board](#) in the district as may be necessary, but not fewer than one in each district municipality.

The functions of an [appeal board](#) are- (a) to hear and decide appeals against the decisions of a [municipal valuer](#) concerning objections to matters reflected in, or omitted from, the valuation roll of a [municipality](#) in the area for which it was established in terms of section 56; and (b) to review decisions of a [municipal valuer](#) submitted to it in terms of [section 52](#)

2.6.4 SPATIAL DEVELOPMENT FRAMEWORK

A need of an SDF plan is to provide the municipality with a tool to assist in arriving at informed developmental decisions to ensure sustainable development decisions and management of its future land development.

PROGRESS

The approved Spatial Development Framework Plan (SDF) has been adopted by the council. We have appointed a service provider to review the current SDF in order for it to talk to current challenges and developments. An approved Draft copy of SDF for 2010/11 has been submitted for review and additions where necessary by various departments. An SDF for the year 2011/ 2012 has been completed and adopted by council in march.

2.6.5 LAND REFORM AND SETTLEMENT PLANS

GWENTSHE AND CUNTSULA (WARD 13) ELLIOTDALE

The project involves formalization of rural areas by means of proper planning and surveying. The project is monitored by the Amathole District Municipality.

PROGRESS

The project is in the initial phases.

Messrs. Tshani consultants a firm of professional planners and Messrs. Palmer Flatela a firm of professional land surveyors has been both appointed by the ADM to provide planning and survey services.

MAXELEGWINI AND MBOYA (WARD 25 &11) WILLOWVALE)

The project involves formalization of rural areas by means of proper planning and surveying. The project is monitored by the Amathole District Municipality.

PROGRESS

The project is at an advanced stage and the appointed professional planner, Mark Roberts has presented the proposed layouts plan for the area. The challenge of the project is that the appointed planner has discovered that some of the planned sites have encroached municipal land.

The project has been approved by Mbhashe Local Municipality. It will now be submitted to the DLG&TA in Bhisho.

BOLOTWA AND LENCANE

The project involves formalization of rural areas by means of proper planning and surveying.

PROGRESS

The project is at an advanced stage and Nzelenzele, Preston and Medcalf the appointed land surveyor are through with planning and are about to apply to the DHLG for surveying of the areas. The municipality has requested the service provider to make a presentation on the nature of the application to the DHLG. The project is awaiting an approval from Townships Board.

2.6.6 LAND USE CONTROL

WILLOWVALE COMMONAGE INVASION

In the past few years the residents of rural areas surrounding Willowvale commonage illegally demarcated sites from the municipal commonage for themselves. The municipality then appointed Messrs. Majeke, Mjali & Co who obtained a court order evicting the transgressors.

There are new land invasions from the Maxelegwini side which are taking place. Messrs Majeke , Mjali and Co are currently busy with the court papers in order to obtain a final court interdict evicting these illegal occupiers.

The council should however take note of the fact that some of these people have decided to fight this court interdict.

PROGRESS

The appointed attorneys are working towards obtaining a court order evicting the invaders. The first batch of houses have been demolished in Mid October 2010

REMOVAL OF ILLEGAL STRUCTURES: DUTYWA

Messrs. Tshiki and sons who were appointed to act on behalf of the municipality in this matter and have won the case. Sheriff Ntsibantu was hired by the municipality to implement the court order and as a result all the illegal structures were removed on the 08th October 2009.

RENOVATION OF THE MUNICIPAL HOUSES AND BUILDINGS

Municipal houses in all three units are currently unsightly, including all residential, businesses and community facilities. To improve this situation the department has set aside a budget of 800 000 for the 2010\2011 financial year and local service providers will be appointed to remedy the situation.

CHALLENGES

In business the tenants/occupiers no longer honor their lease agreements and are not contributing any revenue to the municipality.

Some of the buildings are at a state of decay

REMEDIAL ACTION

Those who have abandoned their conditions of leases, a process of canceling their leases and \ or demanding full settlement of their arrears have been initiated and we await results soon.

ACQUISITION OF HOUSES FROM OTHER DEPARTMENTS

The department has begun a process of identifying houses belonging to other departments or parastatals that are unused or less productive. These departments mostly owe the municipality monies for rates and services running to millions of rands. As we are all in the mission of service delivery we tried to find common ground of bailing each other out of the crisis. One example is a proposal by TRANSIDO that the municipality writes off their debts and in turn they transfer their properties in the three units to the municipality for small business development purposes. This has been accepted by Council and the transfer has been finalised.

Public Works have several buildings within our three Municipal Units. The majority of these buildings are in a state of decay. The departments have promised to dispose some of these buildings to the municipality, however the negotiations are still in place.

CHALLENGES

These houses and buildings are mostly in a state of decay and will be expensive to renovate or reconstruct.

They are all illegally occupied by people who are neither paying rent nor rates to either the municipality or their landlords.

We may meet resistance in evicting them which may lead to costly litigation.

PROGRESS

Council has approved transfer of Transido to the municipality

The municipality together with Transido is currently engaging occupants and discussing their future and future relations.

Despite communication difficulties with the Department of Public Works, the department is patiently initiating talks with them with the purpose of persuading them to follow the Transido route.

Still finalizing the register list for Willowvale and Elliotdale.

RENTAL HOUSING

Dutywa town in particular is unbearably over populated. This has burdened the infrastructural planning in town more especially sewerage, roads and electricity. This is a result of an unexpected increase of schools around town. Residents responded by converting their residential houses into boarding hostels. A scenario is a four roomed house we visited which was converted to house 40 students and each paying R400-00 per month, 10 sharing a room and ranging in ages from 10 years to 20 years, and of different genders.

Crime has since escalated, employees have been left stranded and without accommodation and having to resort to staying in surrounding rural areas. Original shack dwellers have left their shacks to let them to students up to as much as R300-00 per month

CHALLENGES

Urban sprawl coupled with shack mushrooming

Lack of rental housing in particular for local employees.

Resultant urgent need for infrastructural improvement.

Delays by the Ezifama shack dwellers, such as vacating of the site, etc

PROGRESS

The following development proposals have been initiated and approved by council.

Construction of a middle income housing project at the place currently known as Ezifama (shacks on the left hand side from Dutywa to Butterworth. This project is at an advanced stage.

The first phase of this project which is the construction of show houses has been completed. Two houses next to the disaster building have been completed for people to view them.

Construction of bachelor flats to complement the middle income housing.

Construction of a student village next to or beyond the new health center / King Hintsa FET.

LAND USE MANAGEMENT

REZONING

The department of land and housing has embarked on a process of finalizing the land use regulation document by means of a proper land use zones. This project will help minimizing the illegal use zones as per individual erven.

Plans have been adopted by Mphashe Council. They will be published in the Government Gazette wherewich after they will be enforced.

SUBDIVISIONS

The department is currently busy with the surveying of all land that has not been surveyed. The objective is to allocate the erf number to all municipal owned land and to regulate illegal demarcation of municipal commonage.

RELOCATION OF EZIFAMA, NGUBETHOLE AND GPO INFORMAL SETTLEMENTS

The Council has approved the relocation of shacks from Ezifama, G.P.O and Ngubethole School to eastern side of Goven Mbeki Township, and money to meet relocation costs and light infrastructural services has been budgeted for. The area where the shacks are to be placed has been measured and fenced so to control the sprawl of shacks and also to give protection to shack owners.

However, negotiations about the date for relocation are still in place with the affected parties, in this case, the shack owners.

2.6.7 ILLEGAL MINING (sabhunga).

It has come to the attention of the municipality that an illegal mining activity is taking place within the boundaries of the institution.

CHALLENGE

It is difficult to monitor the site during the night as some of the miners enter the site at night.

REMEDIAL ACTION

Land and Housing Department has decided to fence the site and put in the locked gate with a clear mark stating that, PRIVATE PROPERTY, NO TRESS PASSING.

2.6.8 TECHNICAL SERVICES DEPARTMENT

2.6.8.1 Construction of Roads

Municipality has limited resources to fund construction and rehabilitation of access roads. The construction and rehabilitation of access roads within Mbashe Municipal area is mainly funded by Municipal Infrastructure Grant (MIG). In addition to that a few of the roads within Municipal area are proclaimed and are taken care by the provincial government.

The MIG annual allocation allows doing construction/rehabilitation of only about 15 to 20 km of access roads and couples of LED projects per year. The situation of understaffing of Technical Services Department has improved which in turn contributes to the improvement of project implementation and maintenance work during the period of late 2009-10 and 2010-11 fiscal years. The department has spent 83% of 2009-10 allocation by 30 June 2010 which shows an increase of 20% from the expenditure of 60% in 2008-09 by June 2009. The MIG expenditure has greatly improved in 2010-11 fiscal year. The current level of expenditure is at 91% of 2010-11 allocation as of 31 December 2010. It could improve further if the adjudication of tendered projects is done as scheduled. In spite of having this improvement the department is still working hard to complete some of the backlog projects, like Msikithi Access Roads, LED projects like Visitors Information Centre, Vegetable Processing Plant due challenge in shortfall of Funds. Currently, the Department is working on 63 projects for the period of 2010-13 and backlogs till 2009-10. The detailed status is given below:

The expenditure status of 2010-11 MIG allocation as of 31 October 2010 is given hereunder:

Financial Status: Current Financial Year			
2010 ~ 2011	Allocation	R 27,280,000.00	100% committed
2010 ~ 2011	Transfer	R 17,000,000.00	
Dec-10	Expenditure	R 7,486,117.08	
2010 ~ 2011	Expenditure	R 24,700,907.18	Incl. 3.70 Mill 2009/10 Balance
Total Expenditure % to Allocation		91%	Time elapsed - 50%
Total Expenditure % to Transfer		145%	
Balance of Allocation		R 2,579,092.82	
Balance of Transfer		R -7,700,907.18	

Status of identified backlog roads:

WARD	ACCESS ROAD	LENGTH (Km)	STATUS
1.	Surfacing of internal town roads	10 km	Partly consider
2.	Sheshegu from N2 to Mthetho J.S.S and Flower J.S.S	7km	Considered in 2009-12
3.	Bongweni access road	3 km	Considered in 2009-12
4.	Gxara Maxhama	8km Need to assess	Yet to consider Yet to consider
5.	Singeni to Ngqokweni	5km	Yet to consider
6.	Luxhomo	4km	Considered in 2009-12
7.	Gudlindlu to Nweleni Vutha to Khnaga	6km Need to assess	Considered in 2009-12 Yet to consider
8.	Makakanzima to Xobo	6km	Considered in 2009-12
9.	Kulozulu Cungcwini Mngeka	7km Need to assess Need to assess	Yet to consider Yet to consider Considered in 2009-12
10.	Ncedane to Komkhulu Bam to Zenzele Futheni to Beyaphi	7.8km Need to assess Need to assess	Considered in 2010-13 Yet to consider Yet to consider

WARD	ACCESS ROAD	LENGTH (Km)	STATUS
11.	Nokatana Mfezane(Mhlohlozi)	8km Need to assess	Yet to consider Considered in 2009-12
12.	Melithafa to Sirhosheni Riverview to Xobo Fameni to Velelo	6.3km Need to assess Need to assess	Considered in 2009-12 Considered in 2010-13 Yet to consider
13.	Ntsimbakazi to Hlakothi Bhungu to Hlakothi Ntsimbakazi J.S.S.	5.7km Need to assess Need to assess	Completed Yet to consider Yet to consider
14.	Ncihana to Xuba Miller to Kroxa Tandiwe to Mcelwane Jongulwandle to Hall Tubeni to Qwili Maqolo to Mngazana	6.9km Need to assess Need to assess Need to assess Need to assess Need to assess	Considered in 2009-12 Yet to consider Yet to consider Yet to consider Yet to consider Yet to consider
15.	Nobulala to Mpange house Caweni to Maxhama Manganyelwa to Nobangile	7km Need to assess Need to assess	Considered in 2009-12 Yet to consider Yet to consider
16.	Mngcakatelweni to Ntshuqe	8.1km	Considered in 2009-12
17.	Xhora Mouth to Zithulele Zithulele to Mhlahlane Mpame to Lumkwana Zithulele to Lubanzi	7.3km Need to assess Need to assess Need to assess	Yet to consider Yet to consider Yet to consider Yet to consider
18.	Dangata to Cwebe	4.5km	Yet to consider
19.	Nkonjane to Dayi Gume	6.7km Need to assess	Yet to consider Yet to consider
20.	Flathini to Goqo Fubesi Kunene Nkatha	5.3km 4.0km Need to assess Need to assess	Considered in 2009-12 Considered in 2010-13 Yet to consider Yet to consider
21.	Nakazana Access Road Jotela Vulandlu to Mngqwena Qwaninga to Mantlaneni Bojini to Macirheni Hadi to Qhorha	5km 5.5km Need to assess Need to assess Need to assess Need to assess	Considered in 2009-12 Considered in 2009-12 Yet to consider Yet to consider Yet to consider Yet to consider
22.	Nomawaka Xonyeni Phathilizwe	9.2km Need to assess Need to assess	Considered in 2009-12 Yet to consider Yet to consider
23.	Bongweni Maxelegwini Gosani	4.9km Need to assess Need to assess	Considered in 2009-12 Yet to consider Yet to consider

Provincial proclaimed roads and their condition:

ROAD NAME	AREA COVERED	STATUS
08257	Dutywa to Ngcobo via Mputhi (65 km)	Surfaced road
08234	Dutywa to Ngcobo via Bolotwa	Gravel road
08335	Colosa to Mbhangcolo	Gravel road
08045	Dutywa to Willowvale	Surfaced road
08046	Willowvale to Msengeni	Gravel road
08331	Gwadu to Gqubuzeni	Gravel road
08044	Dutywa to Dwesa via Fort Malan	Gravel road
18045	Willowvale to Qhora (30 km)	Gravel road
08345	Willowvale to Beechamwood	Gravel road
18033	Xhora to Haven	Gravel but in progress of being surfaced in phase 1, 2 and 3
08328	Xhora to Qatywa via Madwaleni	Phase 1 and 2 will cover the surfacing
08324	Xhora to Tafalehashe	Gravel road

There are several projects that could benefit from these roads being surfaced, e.g. Kobb-Inn/Gcalekaland Cultural Centre, Qatywa and Nkanya Lodges, Dwesa/Haven Hotel Development etc. In addition to the above the Department of Roads and Public works has agreed to start the Willowvale – Dwesa Road during the current financial year. After having discussions with the department the Municipality has already appoint a Consultants to do the design and construction supervision. Signing of agreement with the Consultants and Memorandum of Understanding with the department are under process and are expected to be done by the end of November 2010. The project is estimated to complete by 3 years (2014).

Operation and Maintenance

So far till October 2010 the department has maintained (blading and compaction) 24km of access roads and fixes potholes in Dutywa, Willowvale and Elliotdale on need basis. There is an estimated requirement of maintaining of 833km of gravel roads and 72km of tar roads but the available fund is not enough to address the issue. The department has also developed Maintenance plan as from 01 February 2011 which is presented below:

The department has submitted a business plan to Election Commission for maintenance of roads prior to forthcoming election.

2.6.8.2 ROADS MAINTENANCE DRAFT MAINTENANCE PLAN 2011

Total Km

891.60

Budget Needed

R 4,458,000.00

Ward	Road Name	Activity Description	Length Km
26	Qinqana to Gongco	Wet Grading and Compaction	5.50
	Shimrha to Botwe	Wet Grading and Compaction	5.00
	Mantyi to Ngqatyane	Wet Grading and Compaction	6.00
	Madwaleni to Khosani	Wet Grading and Compaction	6.00
	Mphafeni to Manaleni	Wet Grading and Compaction	3.50
		Sub-total	26.00
24	Qhingqala	Wet Grading and Compaction	6.00
	Shixini	Wet Grading and Compaction	2.00
	Phathilizwe	Wet Grading and Compaction	8.00
	Xonyeni	Wet Grading and Compaction	6.00
	Mhlabulungile	Wet Grading and Compaction	5.00
	Upper Gwadu	Wet Grading and Compaction	3.50
	Nombembe	Wet Grading and Compaction	2.00

	Lubomvini	Wet Grading and Compaction	8.00
	Jojweni	Wet Grading and Compaction	6.00
	Nkelekete	Wet Grading and Compaction	8.00
	Ntilini	Wet Grading and Compaction	8.10
		Sub-total	62.60
23	Sponono	Wet Grading and Compaction	2.50
	Nebelele	Wet Grading and Compaction	5.00
	Rhafani	Wet Grading and Compaction	2.00
	Bokweni	Wet Grading and Compaction	2.00
	Mhlahlane	Wet Grading and Compaction	3.00
	Old Qwaninga	Wet Grading and Compaction	3.00
	Manxiwa	Wet Grading and Compaction	2.00
	Mntonga to Mantlaneni	Wet Grading and Compaction	6.00
	Ngxutyana JSS	Wet Grading and Compaction	2.00
	Msintsini to Ngcizela	Wet Grading and Compaction	3.00
	Nohantam line	Wet Grading and Compaction	2.50
	Jotela	Wet Grading and Compaction	5.00
	Folokwe	Wet Grading and Compaction	5.00
	Zwelinzima JSS	Wet Grading and Compaction	2.00
		Sub-total	45.00
22	KwaMacinga to Maxixibeni	Wet Grading and Compaction	5.00
	Nocwane Store to Project	Wet Grading and Compaction	2.50
	KwaVenge to Nkatha	Wet Grading and Compaction	11.00
		Sub-total	18.50
21	All covered on Voting Station roads.		
20	Khangelani Cafe to Bhula	Wet Grading and Compaction	15.00
	Phokoloshe to Gobizembe	Wet Grading and Compaction	20.00
	Dingata to Mbanyana	Wet Grading and Compaction	15.00
	Nkanya to Mabholobela	Wet Grading and Compaction	15.00
	Makhamese to Lalini	Wet Grading and Compaction	15.00
	Haven to Geya	Wet Grading and Compaction	15.00
	Geya to Xeni	Wet Grading and Compaction	5.00
	Hobeni to Them bani	Wet Grading and Compaction	4.00
	Hobeni to Ngxabane	Wet Grading and Compaction	10.00
	Rebeshani to Mangqosini	Wet Grading and Compaction	5.00
	Hobeni to Mdeni	Wet Grading and Compaction	7.00
	Mdeni to Mncwana	Wet Grading and Compaction	5.00
	Makhameso to Mbelu	Wet Grading and Compaction	6.00
	Khangelani to Mafusini	Wet Grading and Compaction	6.00
	Cwebe Road to Mampondweni	Wet Grading and Compaction	3.00
		Sub-total	146.00
19	Mtonjeni to Nguberhamba SPS	Wet Grading and Compaction	20.00
	Mpame road to KumkwanaSPS	Wet Grading and Compaction	5.00
	Zitulele road to Lubanzi	Wet Grading and Compaction	7.00
		Sub-total	32.00
18		Wet Grading and Compaction	15.00
	Thelekhulu to Mncwasa river	Wet Grading and Compaction	5.00
	Bafazi to Nditya	Wet Grading and Compaction	2.00
		Sub-total	22.00
17	Tafalehashe to Delingubo	Wet Grading and Compaction	5.20
	Ntlonyane to Mtshekelweni	Wet Grading and Compaction	5.00
	Zembe to Bufumba	Wet Grading and Compaction	5.20
	Kulohesha to Sidabekweni	Wet Grading and Compaction	4.80
	Mqhele to Mrhabe	Wet Grading and Compaction	4.20
	Mqhele Jss	Wet Grading and Compaction	0.50
	Vulindaba	Wet Grading and Compaction	0.50

	Mpakama	Wet Grading and Compaction	0.30
		Sub-total	25.70
16	Bovane Clinic to Bumbane	Wet Grading and Compaction	3.00
	Mount Pleasant to Madwaleni	Wet Grading and Compaction	3.00
	Shelton to Pokoloshe	Wet Grading and Compaction	3.00
	Shelton to Gwebizembe	Wet Grading and Compaction	4.00
	Gwebindlala JSS to Mwana	Wet Grading and Compaction	1.50
		Sub-total	14.50
15	Nkentshu to Tandiwe	Wet Grading and Compaction	7.00
	Dabane to Lalini	Wet Grading and Compaction	2.20
	Nqabayi to Sarhili	Wet Grading and Compaction	5.00
		Sub-total	14.20
14	Bunga to Dalukhanyo	Wet Grading and Compaction	7.00
	Ndude to Mbashe	Wet Grading and Compaction	2.00
	Ndude to Lukhozana	Wet Grading and Compaction	2.00
	Lukhozana to Upper Mbangcolo	Wet Grading and Compaction	3.00
	Mtshazi SPS to Mndundu JSS	Wet Grading and Compaction	12.00
		Sub-total	26.00
13	Majavu to Melitafa	Wet Grading and Compaction	20.00
	Kasa to Riverview	Wet Grading and Compaction	20.00
	Fameni to Cuntsula	Wet Grading and Compaction	15.00
	Elliotdale to Technical	Wet Grading and Compaction	2.00
	Majavu to Ncihana	Wet Grading and Compaction	3.00
	Elliotdale to Ncihana JSS	Wet Grading and Compaction	6.00
	Gwenteshe Junction to Makhamisa	Wet Grading and Compaction	5.00
	Makhamisa shop to Mhlanga	Wet Grading and Compaction	10.00
	Bhengu to Velelo	Wet Grading and Compaction	5.00
	Magiqweni to Fameni Project	Wet Grading and Compaction	2.50
	Mgwede to Phesheya	Wet Grading and Compaction	6.00
	Komnyama		
		Sub-total	94.50
12	Gxaka Gxaka	Wet Grading and Compaction	5.00
	Fort Malan JSS	Wet Grading and Compaction	5.00
		Sub-total	10.00
11	Ncedana to Mbethe	Wet Grading and Compaction	5.00
	Pagasini	Wet Grading and Compaction	5.00
	Dadamba to Matanzima	Wet Grading and Compaction	6.00
	Dadamba to Gwabe	Wet Grading and Compaction	6.00
		Sub-total	22.00
10	Bomela to Mzimkhulu	Wet Grading and Compaction	5.00
	Mbukuqe to taleni JSS	Wet Grading and Compaction	5.00
	Ntlabane to Kulokhala	Wet Grading and Compaction	5.00
	Ntlabane Junction to Ntlabane	Wet Grading and Compaction	5.00
		Sub-total	20.00
9	Murumuru to Mabheleni	Wet Grading and Compaction	4.00
		Sub-total	4.00
8	Mpini to Enweleni	Wet Grading and Compaction	4.00
	Chachazele to Vulingcobo	Wet Grading and Compaction	1.00
	Maqundeni to Chaphaza	Wet Grading and Compaction	6.00
	Stiyana to Khanya	Wet Grading and Compaction	3.00
	Stishini to Kreqweni	Wet Grading and Compaction	11.00
	Qombe to Gqubeni	Wet Grading and Compaction	4.00
	Cerhu to Sibane	Wet Grading and Compaction	11.00
		Sub-total	40.00
7	Mazwayi to Mabheleni	Wet Grading and Compaction	5.00
	Komkhulu to Ezithenjini	Wet Grading and Compaction	6.00

	Esihlabeni to Gungululu	Wet Grading and Compaction	6.70
		Sub-total	17.70
6	Mhuku to Njemane	Wet Grading and Compaction	8.00
	Themba lethu to Bekizulu	Wet Grading and Compaction	5.00
	Lota store to Mlondzi	Wet Grading and Compaction	5.00
	Mlondzi to Masango	Wet Grading and Compaction	2.00
	N2 to Nkawukazi	Wet Grading and Compaction	3.00
	Nkawukazi to Mantshilibeni	Wet Grading and Compaction	3.00
	Nywarara to Mhuku	Wet Grading and Compaction	5.00
	Harmanas to Makinana	Wet Grading and Compaction	2.00
	Mlonzi to Zimlindile SPS	Wet Grading and Compaction	2.00
	Singeni to Makhobokeni	Wet Grading and Compaction	5.00
	Ngqokweni to Esingeni	Wet Grading and Compaction	3.00
	Nqabane store to Mabhelani	Wet Grading and Compaction	3.00
		Sub-total	46.00
5	Mazizini	Wet Grading and Compaction	4.00
	Vinindwa	Wet Grading and Compaction	4.00
	Vonqo	Wet Grading and Compaction	5.00
	Bolotwa	Wet Grading and Compaction	3.50
	Nyakatha	Wet Grading and Compaction	4.00
	Mazizini to Vinindwa	Wet Grading and Compaction	5.00
	Nyakatha to Qolweni	Wet Grading and Compaction	4.50
	(DR 08279) Sihlabeni to Bolotwa	Wet Grading and Compaction	5.00
	Mbanga	Wet Grading and Compaction	4.50
	Bangweni	Wet Grading and Compaction	2.50
		Sub-total	42.00
4	Mbewuleni	Wet Grading and Compaction	3.00
	Timane Junction to Gaxa JSS	Wet Grading and Compaction	9.80
	Gxara to Mangwevini	Wet Grading and Compaction	5.00
	Sinqumeni to Nyakatha JSS	Wet Grading and Compaction	5.00
	Zithenjini Junction to Munyu JSS	Wet Grading and Compaction	5.00
		Sub-total	27.80
3	Qhorha	Wet Grading and Compaction	5.00
	Mahliwane	Wet Grading and Compaction	2.00
	Gwadana Mission to Ndenga	Wet Grading and Compaction	4.50
	Gwadana Tribal Authority	Wet Grading and Compaction	8.00
	Gwadana Mission to Manyi	Wet Grading and Compaction	3.50
	Mpepheni to Qelane	Wet Grading and Compaction	4.00
	Mpepheni to Tyholomi	Wet Grading and Compaction	6.00
	Lusizini to Zimpuku	Wet Grading and Compaction	3.00
		Sub-total	36.00
2	Xeni to upper Colosa	Wet Grading and Compaction	20.00
		Sub-total	20.00
1	Doti Access Road	Wet Grading and Compaction	7.00
	Govan Mbeki to Doti	Wet Grading and Compaction	3.00
	Dutywa to Govan Mbeki	Wet Grading and Compaction	5.00
	Govan Mbeki to Phola Park	Wet Grading and Compaction	2.00
	Govan Mbeki Township streets	Wet Grading and Compaction	15.00
	Whack Street	Wet Grading and Compaction	2.40
	Maduna Street	Wet Grading and Compaction	2.00
	Streetfield	Wet Grading and Compaction	3.00
	Stanford street	Wet Grading and Compaction	3.00
	CBD Roads	Wet Grading and Compaction	19.10
	Dutywa to New Rest	Wet Grading and Compaction	2.10

Dutywa to GPO	Wet Grading and Compaction	1.50
Extension 8 Access Roads	Wet Grading and Compaction	14.00
	Sub-total	79.10
	Total	891.60

The department has submitted a business plan to Election Commission for maintenance of roads prior to forthcoming election for all the voting stations.

The provincial Department of Roads and Public Works (DRWP) has plan to do maintenance of the following roads

DEPARTMENT OF ROADS AND PUBLIC WORKS MAINTENANCE PLAN 2011					
DR 08044	Gravel Patching	10	R 100,000.00	R 1,000,000.00	
DR 08352	Gravel Patching	10.6	R 100,000.00	R 1,060,000.00	
DR 08429	Gravel Patching	6.9	R 100,000.00	R 690,000.00	
DR 18033	Gravel Patching	17	R 100,000.00	R 1,700,000.00	
DR 08324	Gravel Patching	3	R 100,000.00	R 300,000.00	
DR 08325	Gravel Patching	5	R 100,000.00	R 500,000.00	
			Total	R 5,250,000.00	

2.6.9 Electrification

About 60% of households have access to electricity in and around Mhashe Municipal area. Of 313 villages in Mhashe more than 180 villages have electric power. Eskom has planned for further development and coverage which is presented below:

Attached Eskom Electrification plan

Project Name	Estimated # of Houses	Year
Gatyana Ph 2B1	1800	2010
Elliotdale Rural A1	1800	2010
Munyu Ph 2 or Extensions	1317	2010
Shixini Ph 1	1000	2009/10
Shixini Ph 2	2411	10/11
Ntsimbakazi Ph 1	1000	10/11
Ntsimbakazi Ph 2	1060	11/12
Elliotdale Ph 3	4082	2012
Elliotdale Ph 4	4000	2012

Shixini Ph1 electrification project is on construction stage which will cater a total of about 1,000 consumer connections (30 villages) and is funded by DME. The project is at 50% progress with 500 consumer connections completed.

2.6.9.1 SHIXINI DME BULK INFRASTRUCTURE PROJECT

Scope of works

The scope of work includes upgrading of the MV Line from the Dutywa Sub Station all the way past Willowvale into the Shixini area. This will involve the replacement of the current Fox Conductor line with a Pine Conductor Line in order to give capacity to the bottom end of the line, well into the Shixini areas. The upgrade will be phased over two phases as DoE is expected to provide the balance of the funds in 2011/2012 financial year. The total line to be upgraded is 57km and will also involve the installation of Voltage Regulator into the network to boost the line voltage. We intend to install the Regulator only in the following year's budget allocation.

Physical Progress

Site has been established.

The Bulk of the Material has been delivered to site.

Survey and pegging of the route is 100% complete with profiling currently at 80%.

Delay

Delays in transfer of funds by the Department of energy lead to the project being behind schedule.

Water and Sanitation

Amathole District Municipality was declared a Water Services Authority (WSA) in terms of the powers and functions devolved by the Local Government Municipal Structures Act, 117 of 1998. Therefore, it is the Amathole District who is taking care of the development in this sector. A brief status of the water and sanitation projects is given here under.

Project Name	Status / Stage
Elliotdale Solid Waste Disposal Site	Construction
Idutywa East Water Supply Scheme	Design & Tender
Idutywa Taxi Rank: Phase 3	Construction
Mbashe North Water Supply Scheme: Phase 1	Defects Liability Period
Mbashe North Water Supply Scheme: Phase 2	Defects Liability Period
Mbashe North Water Supply Scheme: Phase 3	Design & Tender
Mgwali North Water Supply Scheme	Report / Preliminary Design
Mgwali South Water Supply Scheme	Report / Preliminary Design
Mncwasa Regional Water Supply: Phase 1	Design & Tender
Mncwasa Regional Water Supply: Phase 2	Design & Tender
Mncwasa Regional Water Supply: Phase 3	Design & Tender
Mncwasa Regional Water Supply: Phase 4	Design & Tender
Nqadu Regional Water Supply Scheme	Defects Liability Period
Qwaninga Water Supply: Phase 2 & 3	Defects Liability Period
Qwaninga Water Supply: Phase 4	Construction
Qwaninga Water Supply: Phase 5	Construction
Sundwana Water Supply Scheme	Preliminary Design
Xora Regional Water Supply Scheme: Phase 1a & b	Design & Tender / Construction
Xora Regional Water Supply Scheme: Phase 1c & d	Design & Tender
Xora Regional Water Supply Scheme: Phase 1e & f	Design & Tender

Challenges

Main challenge of understaffing of personnel has been overcome in late previous financial year. The current challenge with the department is to procure maintenance plants and equipment, crews and sourcing maintenance Funds. The department has submitted a 3-year business plan in this regard to the Department of Roads through Amathole District Municipality in response to the Capacitating Municipalities in roads maintenance programme which is still to approve by the department.

Secondly, the challenge of adjudication of tendered projects in time is hampering further improvement of MIG project implementation.

Recommendations:

Follow up of approval of maintenance business plan with the department of roads. and Amathole District Municipality and expediting of Adjudication process are issues need to attend on urgent basis.

2.7 SERVICE DELIVERY (SOCIAL NEEDS)

PRIORITIES

- Traffic section and Law enforcement
- Social Amenities (Libraries, community halls in 24 wards, Pounds, community sport grounds)
- Waste Management
- Cemeteries
- Coastal zone Management
- Municipal Beautification
- Community Safety and Security
- Food Security /poverty ratios
- HIV/AIDS
- Disaster Management
- Environmental Management

2.7.1 TRAFFIC SECTION AND LAW ENFORCEMENT

STATUS QUO

- Staff comprised of 13 traffic wardens, 1 grade L officer and 1 Grade B officer and 1 ENATIS Clerk.
- Vacancies of 01 traffic warden, 02 Grade B officers, 03 Law Enforcement Supervisors, 01 safety and security officer.
- The section is under Chief Traffic Officer.
- Traffic section is mainly focused on law enforcement, licensing and safety and security.
- High revenue turnover through law enforcement and learner's licensing

CHALLENGES

- Drivers license testing station not functional due to outstanding card fees and unfilled vacancies for Grade B officers.
- Ticket tracing system still a challenge with bulk of offenders not traceable.
- The municipality does not have a programme on rehabilitation and integration of inmates and ex-offenders for our local prisons
- Drivers driving without drivers licenses and driving passenger vehicles.

STRENGTHS

- Improved traffic control in Dutywa
- Revenue collection target increased from
- Efficient and effective learners licensing

WEAKNESSES

- Delays on re-opening of drivers' license.
- Follow up on offenders to pay traffic fines and court fines on time.
- Less visibility of officials in Elliotdale and Willowvale
- Unfilled vacancies

REMEDIAL ACTION

- Settlement of outstanding card fees.
- Filling in of vacancies.
- Recruitment of law enforcement supervisors will inform distribution of officers to Elliotdale and Willowvale.
- Municipality will develop a plan with correctional services and SAPS that will integrate ex-offenders into community projects and municipal activities e.g. refuse removal.

- Programs that are integrated into high school learning programs ensuring that at Grade 12 learners are in possession of drivers 'licenses.

2.7.2 SOCIAL FACILITIES

STATUS QUO

- 24 Community Halls in the following wards (ward 1,3,4,5,8,9,10,11,12,13,14,15,16,17,21,22,23,26)
- One temporal sport facility for netball, soccer and rugby in all 26 wards (ward 1,2 (Ngxakaxa & Mputi),3,4(Gxarha & Maxhama),5 (Vonqo),6(Nqabane),7(Mabheleni),8,9(Noholland & Nqabarha),10(Ntlabane),11(Mboya J.S.S),12(Fort Malan),13,14(RamraJ.S.S.),15(MillerLocation),17,18,19,20,21,22,23,24,25,26(Gqubhuzeni)
- Two indoor sport centres have been handed over from Department of Sport and Culture for Elliotdale and Willowvale towns.
- A standard soccer field funded by DBSA for ward 26 is complete and in use, but to a lesser satisfaction of the users.
- Three libraries in Elliotdale, Willowvale and Dutywa are all operational. People in Elliotdale and Willowvale are not familiar with library services and as such our libraries in the two towns are underutilized.
- Three pounds in Elliotdale, Willowvale and Dutywa are used to keep stray and stolen animals. Pound sales are held on site for unclaimed animals any time a 21 day circle expires and local media is used for publications.

CHALLENGES

- There are no policies guiding on the use and management of community halls
- Nine community halls have been affected by storm in 2009 and there is no budget to assist the communities and communities also cannot account for their own revenues to assist with the repairs. Elliotdale pound relocated to designated site and work is in progress as a result impounding of stock has been suspended.
- A need exist for more quality sport grounds to be constructed to replace the temporal sporting fields provided.
- Filling in of vacancies of amenities supervisor, sport fields and grounds assistants, and community halls and cemeteries assistants in the proposed organ gram would assist with the maintenance and management of the amenities.

STRENGTHS

- Willowvale, Dutywa and Elliotdale libraries are functional and electrification of Elliotdale is completed.
- Pound fees, hall rentals, public toilets, grave sites and library fees are all contributing to the municipality's revenue collection.
- All wards have temporal community play grounds (bladed with steel poles for netball, rugby and soccer) with ward 10 even fenced and have toilets.
- Relocation of Dutywa pound to its designated area has lessened the challenges of health and safety for the community.

WEAKNESSES

No budgets or maintenance plans for community halls to cover damages.

REMEDIAL ACTION

There is a need to work on the staffing needs.

More community awareness campaigns on pound use and tariffs, use of halls, library awareness are necessary.
Need to source funding for the storm damaged community halls.

2.7.3 WASTE MANAGEMENT STATUS QUO

- Refuse collection for all THREE units is prioritized
- Bulk of work for Dutywa done afternoon to evening to avoid congestion in town
- Drivers also used as supervisors
- Elliotdale landfill site completed and licensed.
- Dutywa and Willowvale transfer stations to be completed in June 2011 and will dispose at the Ibika Regional Waste Site in July 2011 .Licensing of the transfer stations is in progress.
- Currently fencing of the waste sites for protection is prioritized and rehabilitation will only commence in the 2011/12 financial year.
- Fleet used for refuse collection is aging and costing much on maintenance and repairs.
- Dutywa cleaning and beautification R5m project funded by DEA added 66 workers and additional refuse bins and other beautification initiatives for Dutywa town.
- Involvement of Cholakonke Recyclers in reducing waste in Dutywa and job creation for local youths and have also gained recognition and support by Buyisa e-bag.

CHALLENGES

Provision of acceptable disposal sites and staffing to ensure safety in the sites.
Addition of new trucks.
Refuse removal only focused on urban areas leaving the larger Mbhashe area uncared for.
Medical waste dumped in Willowvale together with general waste.

STRENGTHS

Successful cleaning awareness campaigns for all three units.
Involvement of locals in cleaning their areas.
Involvement of learners on the importance of cleaning environment.

WEAKNESSES

Limited budget
No recycling initiatives in Elliotdale and Willowvale
Use of dump sites for waste disposal in Dutywa and Willowvale

REMEDIAL ACTION

To work with ADM in providing acceptable transfer stations for Dutywa and Willowvale
Staff improvement and training
Sourcing of funds for waste related projects
Enhancement of recycling projects
Awareness campaigns for municipal employees and law enforcement agents (SAPS, Environmental officers, health inspectors) on possible dumping of medical waste by local practitioners and hospitals.

2.7.4 CEMETERIES

STATUS QUO

One cemetery for each unit
Surveys for proper land for three cemeteries completed
Communities have their own family or community

CHALLENGES

Grave sites allocated to users for burials are not marked and there is no register of who is buried where.

A need for improvement in the maintenance of these sites is crucial.

Development and implementation of a cemeteries management plan.

No environmental impact assessment is conducted to land used for burials both in rural and urban areas.

STRENGTHS

Fenced grave sites in Elliotdale, Willowvale and Dutywa towns.

WEAKNESSES

No management plan for cemeteries

Unmarked and unidentified grave sites

REMEDIAL ACTION

Development of a management plan

Marking and identification of grave sites

Involvement of other government departments and other stake holders

2.7.5 COASTAL ZONE MANAGEMENT- LIFESAVING **STATUS QUO**

Provision of life savers for festive and Easter holidays

Target areas Kobb-Inn, Dwesa, Cwebe, Mpame, Nkanya, Haven and Beachamwood.

Provision of ablution facilities and refuse bins to the beaches

Participation and monitoring of the Coast care project funded by Department of the Environmental Affairs.

CHALLENGE

Equal provision of local trained guards currently bulk number of lifesavers is from Mpame and Kob Inn areas.

There is a need for more projects to sustain lifesavers in off season hence the municipality can only pay them during festive and Easter season.

Lack of co-operation from Coast Care service providers due to lack of Project Advisory Committee meeting for monitoring.

STRENGTHS

- Reduced cases of drowning in our beaches during Easter and December 2009.
- Involvement of DEA Coast Care project.
- Improved infrastructure and environmental management in beaches.
- Provision of ablution facilities and refuse bins during the Festive season in beaches (Kob-Inn, Dwesa, Mpame, Cwebe, Nkanya, Haven, Cwebe, Beachamwood)

WEAKNESSES

There is a need for a more holistic approach in improving conditions in all beaches and rivers in Mbashe area.

Limitations in finances remains a challenge for making available life savers even outside festive and Easter seasons, so as to maximize tourism opportunities and safety.

REMEDIAL ACTION

Multi skilling and provision of more localized projects for local lifesavers so as to encourage their availability in their areas to assist in any drowning incidents that might occur.

Accountability and participation in coast care projects and monitoring of existing facilities

2.7.6 MUNICIPAL BEAUTIFICATION **STATUS QUO**

Provision of flower beds for all three units

Maintenance of streets and grass cutting

Invasion of alien plants (gum, lantanas, bugweed, wattle and others) in Willowvale town with lesser infestation in Elliotdale and Dutywa.

CHALLENGES

Eradication of alien plants.

Lack of control in painting of billboards and business buildings in towns

Lack of commitment and control of property owners taking responsibility of their buildings and vacant sites.

STRENGTHS

Improved flower beds

WEAKNESSES

Maintenance of grounds

Eradication and control of alien plants in Willowvale .Elliotdale and Dutywa

REMEDIAL ACTION

Staffing

Co-ordination of government departments to collectively eradicate alien plants.

Implementation of by-laws.

2.7.7 HIV/AIDS **STATUS QUO**

- The testing rate has declined from 72,90% 2005 to 69,18% 2006 so far we have not managed to get statistics for 2007 and above
- Awareness campaigns have been effected in different strategies
- Voluntary Counseling and Testing Programmes
- Campaigns to increase HIV/AIDS Test rates
- Development & Distribution of HIV/AIDS magazines
- Encouraging and strengthening of HIV/AIDS community initiatives

CHALLENGES

The data that we use for HIV/AIDS statistics still tends to be somewhat unreliable

The biggest challenge for the Municipality is to co-ordinate HIV/AIDS activities by various stakeholders, how we are in a situation where various organization, NGO's and government each has got its own programmes and in that process there are omissions in the way

STRENGTHS

Improved intergovernmental relations
Ward based awareness campaigns

WEAKNESSES

Outdated HIV/AIDS statistics

REMEDIAL ACTION

We will co-ordinate the exchanging of action plans by Local Municipality, NGO's, ADM as well as government departments and any other stakeholders within area.

2.7.8 COMMUNITY SAFETY AND SECURITY

STATUS QUO

Community safety forums and crime awareness programmes are organized together with SAPS and other government departments.

Clearing of roadsides and high crime areas.

Numbering of 720 houses in Elliotdale, Dutywa and Willowvale in progress.

CHALLENGES

There is a need for our plans to be clear and well coordinated with relevant stake holders e.g. SAPS, Amathole District Municipality and others

Data and crime statistics are not available on time.

There are always delays and infrequent intervals in availing/ release of crime statistics which therefore affects the assessment of impact of the programmes on a regular basis.

Stakeholders are not always keen to play their roles, so they need to be mobilized.

As a local municipality, there is always a lack of necessary resources as well as institutional capacity.

STRENGTHS

House numbering project also provides employment for locals.

WEAKNESSES

Delayed crime statistics reports

REMEDIAL ACTION

Stakeholders and communities to be well co-ordinate and be part of drawing up a clear program of action for Mphashe Municipality.

Awareness campaigns for communities and stakeholders need to be organized.

2.7.9 HEALTH AND HYGIENE

STATUS QUO

- It is necessary for the municipality to see to it that people have access to the basic needs, so water quality management is necessary, so as to channel it through to the ADM or relevant government departments.
- There is a need for the identification of poverty alleviation and other related causes.
- Waste management and control
- Health surveillance of premises such as dumping sites that are not cared for are hazardous to community health and need to be frequently monitored.
- Prevention of communicable diseases through information sharing with the Department of Health and other stakeholders
- Health and Hygiene awareness Campaign.

CHALLENGES

- There is general lack of formal water sources people depend on running water from rivers to survive.
- Our disposable sites are old and not up to standard as well as general infrastructure is ageing
- There are always staff shortages
- Infrastructure backlog
- Development of appropriate organizational structure.

REMEDIAL ACTION

There is a need for programmes that address basic needs e.g. water sanitation, food control, and health and hygiene information.

2.7.10 DISASTER MANAGEMENT **STATUS QUO**

Mbhashe municipality has become prone to a variety of disasters ranging both natural and manmade incidents of fire, road accidents, hail storms, heavy rains and others.

CHALLENGES

Fire centre is based in Dutywa and critical fire incidents occur in Elliotdale and Willowvale and trucks take long to get to the areas.

There are no local disaster management plans.

There is no dedicated employee for disaster management within the municipality.

STRENGTHS

Well co-ordinated disaster management activities.

WEAKNESSES

Delays in development of local disaster plans

REMEDIAL ACTION

Work on the completion of the local disaster plan.

2.7.11 ENVIRONMENTAL MANAGEMENT **STATUS QUO**

The Mbhashe community is rich in natural resources, different species of wild animals, indigenous plants, and the beautiful wild coast.

There are coast care projects that are cleaning and beautifying the beaches funded by environmental affairs.

CHALLENGES

Veld fires are destroying the natural resources

There is nothing that is done to preserve natural resources from being depleted

Most resources can assist in creating jobs, but communities do not have any knowledge on how to sustain the projects.

STRENGTHS

Availability of resources

WEAKNESSES

Lack of community based projects on natural resource management.

REMEDIAL ACTION

Initiate community based natural resource management (CBNRM) projects according to what is available in their communities.

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Our mission is to provide strategic direction on Human Resources related matters and ensure that the administration of the institution is in sound footing able to respond in the mandate of the developmental local government.

HUMAN RESOURCES & ADMINISTRATION CORE FUNCTIONARIES

Policy formulation & Review
Training & Development (Staff& Councilors)
Employment Assistance Programme
Labour Matters
Priority Skills Acquisition
Recruitment and Selection
Management of the Organisational structure

2.8.1 POLICY FORMULATION & REVIEW

STATUS QUO

We managed to review the following policies

Leave Policy- for the past years most audit queries emanated from inaccuracy of data reflected in our leave records. This policy was then reviewed taking all the raised queries into consideration H.O.D's are requested to take this very seriously as there is a lot of AWOL in all our departments.
Recruitment and Selection Policy- This policy appeared to be having very serious challenges, as such it was imperative that it should be reviewed. Expert opinion was sort and the policy is currently used when recruitment and selection of new staff is being done.

PUBLIC PARTICIPATION POLICY

This policy was formulated as to guide how the whole concept of sensitizing people about the role of the municipality and what was expected of them as citizens within our area.

CHALLENGES:

Reliance on service providers remain a big challenge as they charge exorbitant fees for service rendered
Impact of unavailability of some stakeholders during the actual implementation causes lot of delay thereby impacting negatively on service delivery.
Very many bottlenecks that lead to delay in recruitment and selection e.g. challenge emanating from unions.Wastage done by advertising one position more than two times due to unnecessary technicalities raised during short listing.

REMEDIAL ACTION:

Prioritization of recruitment should be taken seriously so as to reduce the high unemployment rate.

2.8.2 EMPLOYEES ANALYSIS PER GENDER

SECTION 57 EMPLOYEES

POSITION	MALE	FEMALE	STATUS
MUNICIPAL MANAGER	1	-	ACTING

CHIEF FINANCIAL OFFICER	-	1	CONTRACTED
COMMUNITY SERVICE	-	1	CONTRACTED
HR & ADMIN	1	-	CONTRACTED
LAND & HOUSING	1	-	CONTRACTED
TECHNICAL SERVICES	1	-	CONTRACTED
STRATEGY / LED	1	-	CONTRACTED
GRADE TOTAL	05	02	

MAYOR AND MUNICIPAL MANAGERS OFFICE

	POSTION	MALE	FEMALE	STATUS
1	OFFICER MANAGER	1	-	CONTRACTED
2	SECRETARY TO MAYOR	-	1	PERMANENT
3	S.P.U	1	-	PERMANENT
4	COMMUNICATION OFFICER	1	-	PERMANENT
5	MAYORAL DRIVER	1	-	PERMANENT
6	INTERNAL AUDITOR	1	-	PERMANENT
7	SECRETARY TO M/M	-	1	PERMANENT
GRAND TOTAL		05	02	

HUMAN RESOURCE & ADMINISTRATION DEPARTMENT

	POSITION	MALE	FEMALE	STATUS
1	SENIOR HR OFFICER	-	1	PERMANENT
2	PERSONNEL OFFICER	-	1	PERMANENT
3	L.R.O	-	-	VACANT
4	PAYROLL OFFICER	-	1	PERMANENT
5	DEPARTMENTAL SECRETARY	-	1	PERMANENT
6	S.A.O	-	-	VACANT
7	ADMIN. OFFICER	-	-	VACANT
8	ADMIN. ASSISTANT	-	-	2x VACANT
9	UNIT ADMINISTRATOR	-	-	2x ACTING
10	RECORDS OFFICER	-	1	PERMANENT

11	RECORDS CLERK	-	-	VACANT
12	RECEPTIONIST	-	1	PERMANENT
13	COMMITTEE CLERK (1)	-	1	PERMANENT
14	COMMITTEE CLERK (2)	-	1	PERMANENT
15	TEA MAKER/CLEANER(WORKS DEPARTMENT)	-	1	PERMANENT
	TEA MAKER/CLEANER (LIBRARY)	-	1	PERMANENT
	TEA MAKER /CLEANER (LED/CSD)	-	1	PERMANENT
	TEA MAKER /CLEANER (NEW OFFICES)	-	1	PERMANENT
	TEA MAKER /CLEANER (NEW OFFICES)	-	1	PERMANENT
	TEA MAKER /CLEANER (NEW OFFICES)	-	1	PERMANENT
	TEA MAKER /CLEANER (WILLOWVALE)	-	1	PERMANENT
	TEA MAKER /CLEANER (ELLIOTDALE)	-	1	PERMANENT
	TEA MAKER /CLEANER	-	-	PROPOSED
16 (a)	MESSENGER	1	-	PERMANENT
(b)	MESSENGER	1	-	PERMANENT
17	COUNCIL DRIVER	1	-	PERMANENT

LAND AND HOUSING

	POSITION	MALE	FEMALE	STATUS
1	SENIOR LAND & HOUSING OFFICER	1	-	PERMANENT
2	TOWN PLANNER	-	-	VACANT
3	HOUSING OFFICER	-	1	PERMANENT
4	PROPERTY REGISTRY CLERK	-	1	PERMANENT
5	DEPARTMENTAL SECRETARY	-	1	PERMANENT
GRAND TOTAL		01	03	

COMMUNITY SERVICES DEPARTMENT

	POSITION	MALE	FEMALE	STATUS
1	SENIOR TRAFFIC OFFICER	1	-	PERMANENT
2	SENIOR CSO	-	-	VACANT
3	SENIOR LIBRARIAN	-	-	?
4	DEPARTMENTAL SECRETARY	-	1	PERMANENT
5(a)	TRAFFIC OFFICER	1	-	PERMANENT
(b)	TRAFFIC OFFICER			

	(TESTING)	-	-	VACANT
6(a)	TRAFFIC OFFICER (EXAMINER)	-	1	PERMANENT
(b)	TRAFFIC OFFICER (EXAMINER)	-	-	VACANT
7(a)	TRAFFIC WARDEN	08	-	PERMANENT
(b)	TRAFFIC WARDEN	-	04	PERMANENT
8	ENATIS LERK	1	-	PERMANENT
9	LIBRIARIAN	-	1	PERMANENT
10	POUND MASTER	1	-	PERMANENT
11	ENVIRONMETAL OFFICER	-	-	VACANT
12	CLEANSING OFFICER	1	-	ACTING
13 (a)	CLEANSING SUPERVISOR/ DRIVER W/VALE	1	-	PERMANENT
(b)	CLEANSING SUPERVISOR/ DRIVER E/DALE	1	-	PERMANENT
(c)	CLEANSING SUPERVISOR/ DRIVER	1	-	PERMANENT
(d)(a)	CLEANSING DRIVER	1	-	PERMANENT
	CLEANSING DRIVER	1	-	PERMANENT
14	GENERAL ASSISTANCE	32	-	PERMANENT
15	GENERAL ASSISTANCE	-	6	

BUDGET AND TRESURY DEPARTMENT

	POSITION	MALE	FEMALE	STATUS
1	S.F.O	1	-	PERMANENT
2	SCM OFFICER	1	-	PERMANENT
3	REVENUE ACCOUNTANT	-	1	PERMANENT
4	EXPENDITURE ACCOUNTANT	-	-	VACANT
5	B & T OFFICER	-	1	PERMANENT
6	IT TECHNICIAN	1	-	PERMANENT
7	ASSERTS CLERK	1	-	PERMANENT
8	SCM BUYER	-	-	VACANT
9(a)	CASHIER W/VALE	-	1	PERMANENT PERMANENT
(b)	CASHIER DUTYWA	-	1	PERMANENT
(c)	CASHIER E/DALE	-	1	PERMANENT
10	DEPARTMENTAL SECRETARY	-	1	PERMANENT
11(a)	ADMIN SUPPORT			

	CLERK (B&T)	-	-	VACANT
(b)	ADMIN SUPPORT CLERK (SCM)	-	-	VACANT
12	CREDITORS CONTROLLER	1	-	VACANT
13	CUSTOMER CARE CLERK	-	1	PERMANENT
14	EXPENDITURE	1	-	PERMANENT
15	DEPTORS CONTROLLER	-	-	VACANT

IMPLEMENTATION OF OPERATING CLEAN AUDIT 2010/2011

Name of the Municipality	:	MBHASHE LOCAL MUNICIPALITY
Work Stream:		Focus Area: Human Resources and Legal Services

Name of the Section 57/delegated official and contact details:

Issues raised by AG	Current situation (progress in addressing the issues) as of 10/08/2010	Support action by the specialist	Anticipated challenges	Proposed remedial actions
Leave Administration	This has been dealt with. Leave update is done timeously, redesigned a new leave form to have a space for the HR and Administration Manager to sign after leave approval by the HoD. This helps to update the leave register in the HR/Administration Manager's office. Letters will be written to all HoDs for identified employees whose anticipated leave days will exceed 48 after 31 December 2010.	Not applicable	Some employees do not take leave even after they have been advised to do so.	To discuss the matter with the employee(s) concerned and respective HoD for making leave arrangements.
Skills Development	Done and submitted WSP for 2010/11. We have also developed a WSP Implementation Plan for 2010/11 financial year.	Ensure timely submission of WSP's to Dept of Labour Engage and solicit support from the relevant SETA to develop skills	Limited resources (Financial) Non-sitting of committees and Council due to political instability that prevailed.	Mobilise more resources to implement WSP. To re-allocate councillors to committees. Establish Training Committee.
Organogram	The organogram	Coordinate the	Involvement	To get a council

and its population	is about 70% populated. The structure was discussed in a Strategic Planning Session held on 21-23 July 2010. It will be adopted by the Council on the 18 August 2010. A Policy on Recruitment and Selection has been reviewed and the policy will be presented to the council for adoption on 18 August 2010.	development and facilitate the filling of the organizational structure in line with the assigned and/or delegated powers and functions	of councillors in filling junior vacancies poses a challenge as there was political instability which affected the normal sitting of meetings.	resolution around exclusion of councillors on appointment of staff below Section 57 managers.
Records Management	Registry unit has been established with personnel. Filing does not comply with set standards or norms.	No specialist service requested yet, but will seek assistance from the Department.	Development of an updated records management system.	To get technical support from the Department
Applicable Policies and Compliance	Developed new policies and reviewed some of them for adoption by the council on 18 August 2010.	Assist in the development of critical HR policies Review policies in line with legislation and IDP	Limited resources to roll-out policies to all employees. Language becomes another challenge for employees who cannot read and write especially English.	To develop policies in both English and IsiXhosa especially for policies that affect employees directly.
HR Plan	The HR plan will be developed by the Department of Local Government and Traditional Affairs after discussions were held with them. A workshop will be arranged to roll out the Plan.	Facilitate the development, adoption and implementation of HR plan/strategy.	There is no capacity to develop an HR Plan/Strategy.	The HR/Administration Manager has sought assistance from the Department.
Council Committees	All committees will be re-constituted. A proposed allocation has been developed	Facilitate and assist in the appointment of Audit Committees Facilitate the	Functioning of standing committees and Terms of Reference for	To arrange a workshop for them for different committees and sub-committees in

	by the office of the Speaker. It needs to be effected.	establishment of Public Accounts Committees Facilitate capacity building for Councillors to enhance the functionality of Council especially the new councillors who were sworn in on 30 June 2010.	Audit Committees and other committees of the council.	the case of Human Resources and Administration like Local Labour Forum and the Training Committee.
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2.9 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Administration Section at our institution is responsible for Council Support and Registry, but it's not registered to those functions only. Sometimes ADHOC functions are also co-ordinated by this function e.g. unplanned visits by other spheres of government.

COUNCIL SUPPORT

This subsection is responsible for providing secretarial support to the council and subcommittee of council.

Committee Clerks and Council Support Clerks are responsible for this secretarial support.

Unit Administrators are responsible for ensuring smooth administration in the units, and are not restricted to the town part, but to the entire unit. This seeks to maintain balance between all the 3 units of the institution.

The council has the following standing committees :-

Human Resources

Budget & Treasury

Local Economic Development

Social Needs

Planning & Development

Additional Committee are :-

M.P.A.C

Communication\administration

Administration

Land & Housing

Local Labour Forum

Council calendar of meetings approved by council act as a guide on the setting of all committees of council.

The Council has :-

Part-time Mayor – Head of EXCO

Full-time Speaker – Head of Council

Full-time Councillors i.e. :-a) Portfolio Head – Planning & Infrastructure

b) Portfolio Head – Social Needs

d) Seven part-time EXCO members fourty – one part-time Councillors consisting of party representatives and ward Councillors.

Mbhashe municipality is a multi-party council consisting members from ANC, UDM and PAC.

CHALLENGES

Non-filling existing vacancies i.e.

2 x Council Support Clerks

1 x Senior Administration Officer

2 x Unit Administrators

Too many special council & Exco meetings which are having very serious impact on : printing & Stationary budget.

REMEDIAL ACTION

Filling of posts to be printed as a matter of urgency, thereby addressing queries from A.G. and stability in the operations of both the Council and its committees and EXCO

Increase in the PRINTING & STATIONERY budget so as to cater for the special sittings of the council and EXCO.

REGISTRY SUB-SECTION

This subsection is responsible for record keeping and record management

It is manned by :- a) Record Officer

b) Records Clerk (vacant)

c) 2 x Messenger

CHALLENGES:

Impact of the vacant position is very high as the institution relies on one person for memory.

Filling of document is always queried by A.G. Absence of backup systems as the institution relies on manual record keeping & management.

REMEDIAL ACTION

Filling of the vacant o be priority sed.

Backup system to be maintained.

Business plan for the storeroom is near function.

2.9.1 COMMUNICATION

Communication strategy has been developed and adopted by council. Newsletter has been developed and first issue distributed during December 2010. For now the newsletter will be developed quarterly. Whilst we are not able to give accurate statistics on listener ship, Mbhashe community listens to Umhlobo Wenene radio, Unutra Community Radio (UCR) and Khanya Community Radio. The two community radios do not cover the whole of Mbhashe, Khanya covers the areas of Ward 2, 3 and 23 and UCR covers areas of Ward 7, 8, 14, 15, 16, 17, 18, 19, 20, and 26. Recently, the municipality has launched a website (on August 2006). The website home page contains the information on departments, IDP, Tourism and other issues such as tenders and vacant posts. The website is still updated as more information is being put on the website. One can visit the site on www.mbhashemun.gov.za. The local newspaper (Daily Dispatch) is the paper that rarely covers what is happening in Mbhashe. Internally, we make use of the printed material to report to the people via ward committees and ward councilors. The municipality is yet to appoint the Communications Manager or officer who will be responsible for guiding the communications in the municipality.

2.9.2 PUBLIC PARTICIPATION

Ability of local government to fulfill its constitutional mandate to involve local community in governance. The municipality wants to ensure the involvement of communities in the affairs of Local Government. To create appropriate channels to allow communities to be involved in the creation and implementation of local services. The municipality developed the public participation policy as to guide how the whole concept of sensitizing people about the role of the municipality and what was expected of them as citizens within our area. The municipality conducts public participation through mayoral imbizo's which are being held twice year.

CHALLENGES

- The linkage of needs raised in the Imbizo to the budget of the municipality.
- Lack of proper services in some areas of Mbhashe municipality
- Lack of financial resources to implement the concerns raised.
- Mobilising local resident's initiatives and resources and partnerships in implementation.
- Consultative sessions with locally recognized community organization and where appropriate traditional leaders.

- Ensuring that people's needs and problems are taken into account.

Involvement of Traditional leaders

Mbhashe local municipality is one of the municipalities that pilot the participation of Traditional Leaders in the council. There nine traditional leaders participating in the council which is three from each town. The municipality consults with the traditional leaders in their respective traditional authorities during IDP and Budget roadshows and the Imbizo by the mayor's office.

2.9.3 IGR FORUM

The municipality has established two structures regarding the intergovernmental relations which are:

- Technical IGR of municipal officials and other departmental officials which is being chaired by the Municipal manager
- The stakeholder IGR which is chaired by the Mayor composed of all councillors, government departments and other organised bodies

The Amathole district municipality coordinates all its local municipalities in holding meetings. The departments and stakeholders that form part of the IGR forum are the following:

- Councillors
- Ward committees
- Community Development workers
- Traditional leaders
- Church leaders
- Dept of agriculture
- Dept of health
- Dept of education
- Dept of economic development
- Dept arts and culture
- Dept of Social development
- Amathole district municipality
- SAPS
- Sassa
- Home affaires

The municipality make use of all the above stakeholders participating in the IGR forum that were recently called by the municipality

2.9.4 AUDIT FUNCTION

Internal Audit Unit

The Internal Audit Unit was established in terms of section 165 of the MFMA in which it is stated that, the accounting officer of a municipality is responsible for managing financial administration of the municipality and must take all reasonable steps to ensure that the municipality has and maintains, effective and transparent system of internal audit. The unit is composed of one and intern in the structure of the institution. The unit also conducts risk assessment annually as part of annual plan. The risk assessment is a legal requirement and a requirement of the standards for professional practice of Internal Auditing to have risk assessments performed at least once.

Audit Committee

The Municipality Audit Committee constituted in terms of section 166 of the MFMA of 2003. The municipality has appointed members to serve in the audit committee. There is Audit committee which was appointed in 2009. There are three members of Audit committee which sits once a quarter and when need arises except the ordinary meetings. The Audit Committee is an independent oversight advisory body of council.

Performance Audit Committee

The municipality has appointed the Performance Audit Committee in November 2010. The performance audit committee is an independent body of the council advising the council on the performance management matters. The first committee will be on the month of March in order to consider the final draft annual report and appointment of evaluation committee. The committee sits twice a month.

2.9.5 COMMUNITY BASED PLANNING

This municipality has launched the community based planning for the integration of community needs at ward level. The CBP starts at village level where all villagers participate in the collation of community needs. Flowing from the village level, the representatives from each village meet at ward level to determine the wards' priority needs. These meetings usually take place in the month of September throughout Mbhashe and more than 260 meetings take place in the period mentioned.

2.9.6 IDP REPRESENTATIVE FORUMS

During the process of IDP reviews, the people contribute using these kinds of meetings:-

- Village meetings under the guide of the Ward Committee member.
- Ward Committee meetings under the guide of the Ward Councillors.

DATE	WARD	VENUE	TIME
17 & 18 March	1 & 2	Dutywa Town hall & TRC Hall	11h00
22 & 23 March	3,10 & 4,7	Morrison J.S.S and Candu	11h00
24 & 25 March	5,6 & 8 & 14	Bolotwa and Madakane school	11h00
28 & 29 March	9,12 & 11,12	Duff school & Williwvale Hall	11H00
30 & 31 March	13,15 & 16 & 20	Elliotdale hall & Manganyelwa schoo	11h00
01 & 04 April	17,28 & 18 & 19	Mqhele Church & Mkatazo school	11h00
05 & 06 April	21, 19 & 22 , 23	Nkonjane and Zwelidumile school	11h00
07 & 08 April	24, 27, 30 & 26, 31	Lubomvini and Ngqatyana School	11h00

2.9.7 WARD COMMITTEES

The current status of Ward Committees of Mbhashe Local Municipality:

The municipality is composed of 260 ward committee members who were inducted in July 2006 from all 26 wards. There are 10 ward committee members in each ward. The ward very hard their constituencies received information on time and assist the municipality in disseminating the information.

PURPOSE

Ward committee members are a link between the council and their respective wards .They promote awareness of the municipal programs in the communities.

OBJECTIVES

- To increase the participation of local residents in municipal decision making, as they are a direct and unique link with the council.
- Ensure assistance with community awareness campaigns.
- Responsible for resolving disputes and making referrals of unresolved disputes to the municipality.
- To let the information from government to communities flow in an acceptable manner through ward committees.

STRENGTHS

- Awareness of the program by the members of the public
- Channels of communication became clear to every participant
- Roles of various spheres of government were clarified

WEAKNESSES

- No follow-up meetings to check on agreed upon activities
- Impact of the program could not be demonstrated by the participants

CHALLENGES

- No proper linkages between prioritized programs and available resources
- Alignment of existing programs with new ones always pose a problem
- Lack of financial resources to implement the concerns raised

2.9.8 COMMUNITY DEVELOPMENT WORKERS (CDW'S)

Currently the Mphashe Municipality has full complement of Community Development Workers for all the wards who are working hand in hand with the ward councilors. Their deployment is ward based. The vacant position for CDW's is for ward 01 and ward 08 because of the deceased CDW in those wards. These CDW's completed their learnership programme which will see them fully qualified for the programme and now are employed by the end of the year – 2008.

2.10 MUNICIPAL FINANCIAL VIABILITY

The Financial Services Department manages the financial affairs of the municipality to ensure optimum use of all municipal assets. In essence this department is the protector and custodian of the public funds as it levies taxes and charges on the public, collects the taxes and charges from the public and administers the expenditure of those taxes and charges on goods, services and assets on their behalf.

2.10.1 REVENUE COLLECTION

The implementation and management of the approved Credit Control and Debt Management Policy and development of Indigent Policy with the main objective to limit the increase in consumer debtors. The Credit Control Policy and Debt Management Policy were adopted by council and to be reviewed through the budgeting process. Policy on Indigents has been adopted by council and the one to write off irrecoverable debt. This unit is supposed to provide a service through a process where the following is addressed.

Billing of accounts

In the first half of the 2009/2010 the departments did not issue statements to the municipal consumers of services but that was rectified and statements are issued monthly.

Reporting monthly collections and outstanding debts

Reports on collections are prepared on a monthly basis but the collections levels are low. Significant portion of debtors owe the municipality more than 150 days. 80% of the portion comprises of debt from as far as 1998 for which there are no records.

Attending to correspondence and queries regularly

The position of a Debtors Clerk has been filled in the current year. One of the major duties of the incumbent is to respond to queries raised by ratepayers and services consumers and also to assist consumers regarding arrangements for payments. Accessing of donor funding.

Challenge

The existing consumer data that has been imported to Venus is inaccurate and flawed. Unverifiable data necessitate writing off of debt and therefore Council has to budget for the loss. Incorrect categorization of properties results in loss of income and more financial burden and incorrect budgeting to the Refuse Collection Department. Lease rentals agreements management at the Land Housing disables the Budget and Treasury Office on monitoring and reporting for that stream of income. No strategy to access donor funding.

Recommendation

Writing off of irrecoverable debt. Interim valuations should be done periodically. A strategy to access donor funding should be developed and implemented. Rental income information should be forwarded to the Revenue Unit and Supply Chain Management Unit

2.10.2 INVESTMENT MANAGEMENT

Mbhashe Municipality Investment Policy that was adopted by council ensures that the cash resources of the municipality are preserved and safeguarded against loss. The policy ensures that the investments of the municipality are managed in the most effective, efficient and economical manner possible. That the liquidity needs of the municipality are appropriately planned and provided through the investment process that the investment result in a reasonable return on surplus cash of the Municipality, without the incurring of an acceptable risk of capital loss. The policy sets out accountabilities, principles and procedures to be adhered to in its implementation.

Challenge

Investments from previous Transitional Local Council that were inherited by Mbhashe Municipality. Change of signatories and reconciliations as these balances are perceived by National Treasury as amounts that should be returned to the National Fiscas for appropriation.

Recommendation

Signatories to all Mbhashe Bank Accounts be changed. Reconciliations be done to reimburse monies used from the current account.

2.10.3 RISK MANAGEMENT

The management of risk is the process by which the Accounting Officer, Chief Financial Officer and the other senior management of a Municipality will pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders. Risk is the chance of an event occurring that will have an impact (threat or opportunity) upon the achievement of the Municipality's business objectives. The Risk Management Committee has been established and risk assessments were conducted in all departments.

Challenge

Operationalization of the Risk Management Committee

Recommendation

Senior Management involvement in the committee is crucial at the initial stages to give direction and operationalize the committee.

BUDGET PREPARATION AND BUDGET CONTROL AND REVIEW

Chapter 4 of the Municipal Finance Management Act sets forth processes to be followed by the Mayor during budget preparation. Budget Policy set out the budgeting principles which the municipality will follow in preparing each annual budget, as well as the responsibilities of the chief financial officer in compiling such budget. Council had adopted the Budget Policy. The office in the Budget and Treasury Office is responsible for facilitating the development and adoption of the Budget Process Plan, providing guidance to the municipal departments and the Budget Steering Committee during budget preparation and ensuring that the budget adheres to National Treasury Regulations. The office daily ensures that requests to spend are within the budgeted outcomes and programmes and projects and predetermined operational costs. It has to advise on and implement virements and adjustments on the approved budget in accordance with Council's virement Policy and report to council on those virements and adjustments. The office prepares and submits reports to National and Provincial Treasuries monthly. The official in this office has to provide all budget related information to the Auditor General and to respond to all queries raised during an audit. Reviews by Provincial Treasury have indicated that the municipality did not fully comply with the template that the budget is to be submitted according to National Treasury. That was a result of staff shortage in the office.

Challenge

Additional staff is necessary to enhance the capacity of the unit.

Recommendation

One additional officer to deal with reporting aspect of the budget and an administrative assistance for the unit.

2.10.4 ASSET MANAGEMENT

The chief financial officer is the fixed asset registrar of the municipality, and has to ensure that a complete, accurate and up-to-date computerized fixed asset register is maintained.

The fixed asset register is maintained in the format that comply with the requirements of generally recognized accounting practice (GRAP) and therefore Mbashe Municipality has applied Directive 4 issued by the Accounting Standards Board, in accounting for its assets in the Annual Financial Statements for year ending 2009/2010. The infrastructure assets have only been identified in the 1st Phase of the project of accounting for this category of assets in our Asset Register. The 2nd Phase that entails the revaluation of the infrastructure assets is being implemented in 2010/2011 financial year. The municipality in its strategic workshop resolved that the Asset Management Function should be executed in the Budget and Treasury Office.

Challenge

Asset Management Policy still to be adopted by council. Appropriate systems of acquisition, recognition and management and disposal of assets.

Recommendation

Development, adoption and implementation of an Asset Management Policy. Establishment of an Asset Management Committee to deal with all matters related to Asset Management. Enhancement of the Supply Chain Unit by sourcing suitably qualified human resource to deal with Asset Management issues. Availing office space for the unit.

2.10.5 SUPPLY CHAIN MANAGEMENT

Supply Chain Management Policy provides a policy framework within which the municipal manager and chief financial officer can institute and maintain a supply chain management system which is transparent, efficient, equitable, competitive, ensures best value for money for the municipality, applies the highest possible ethical standards, and promotes local economic development.

By adopting this policy the council further pledges itself and the municipal administration to the observance of all applicable national legislation. Mbashe municipality's Supply Chain Management Policy is reviewed yearly and complies with relevant legislation.

Challenge

The challenge experienced during the year is inability to attract the required skill to populate the unit. The vacant posts in the organogram have not been filled for a long time and as a result this unit cannot fully execute its mandate and that can possibly expose the municipality to litigations. Unguided pricing that may lead to exorbitant prices charged to the municipality by service providers. Disposal and letting of municipal property not centralized resulting on such transactions being reported elsewhere and the policy not adhered to.

Recommendation

That there must be standard pricing guide for all commodities the municipality procures. All tenders above R30 000.00 to be opened in public. Contracts and leases management should be implemented. Property, plant and equipment acquisitions and disposals and letting are Supply Chain Management functions. Filling of vacant positions in this unit should be prioritized. Centralization of the function to minimize risks and strengthen weak controls. Opening of stores for receiving, recording and dispatching goods received.

REPORTING

The department has improved in the submission of statutory reports to external departments.

Challenge

The Auditor General could not issue an opinion on Mphashe Municipality's financial status and performance and reasons are detailed in the Audit Report

Recommendation

Preparation of monthly management reports and quarterly financial statements. Clean administration advocacy from the political leadership and implementation by management. Adherence and respect for systems and local government statutes.

2.10.6 INFORMATION TECHNOLOGY

The municipality's IT demands have been increasing rapidly during the year. This can be attributed to the increase in staff and the implementation of a Computerized Financial Management System. The municipality contracted a service provider to assist the one Technician the municipality has and to transfer skill.

Challenge

It is apparent that the municipality needs to expand its staff establishment plan as far as IT is concerned. Policies relating to IT have been adopted by council. This function should be moved to the Municipal Manager's Office where it can be best executed under Communication as it does not solely deal with Financial Systems but more to deal with communication.

Recommendation

Adoption and implementation of IT policies. Review of the organogram of the unit.

2.11 RE-DETERMINATION OF BOUNDARIES

Proposals for a change on the ward boundaries came from different quarters to the Demarcation Board. In consultation with the people, certain recommendations were made to the board and the board proposed to re-determine the boundaries. The following are the new locations included in Mphashe Municipality:-

Ziwundwana

Mqonci

Skobeni

Keti

Caba

The demarcation board further re-determined boundaries because of the effect the new locations had and the increased number of voters/people in each ward. The board therefore approved the following as comprising Mphashe wards; the list is according to voting stations:-

Ward	Voting stations/village
01	Dutywa town Hall, Colosa Primary School, Upper Colosa J.S.S
02	Mputi J.S.S, Mteto School, Mtomboti School, Mamfeneni School, Ngonyama school, flower school, Bonkolo J.S.S,
03	Lencane J.S, T.S Matsiliza, Gwadana J.S, Mahliwane J.S, Gwadana Tribal, Mcithwa Primary, Lingelihle J.S, Mpepheni Church Hall, Tyolomi School,
04	Zamuxolo J.S, Maxhama J.S, Gxara J.S, Ndabankulu J.S, Timane J.S, Munyu J.S, Ntshingeni J.S, Zwelakhe J.S
05	Bolothwa J.S, Vinindwa J.S, Upper Bolothwa J.S, Jadezweni J.S, Mazizini J.S, Nyakatha J.S, Ilithalethu J.S, Nompumelelo Primary, Bangweni J.S,
06	Mozweni J.S, Lota J.S, Nqabane J.S, Singeni J.S, Mtshotshisa Church Hall, Njemane J.S, Nimrod J.S, Mpozolo J.S, Sijadu Primary, Ngubeszwe Community Hall, Nombulelo J.S, Dayimane J.S,

07	Ludondolo J.S, Tshwati J.S, Candu J.S, Mbelo J.S, Idutywa River J.S, Mhala J.S, Mabheleni J.S, Tamsanqa Primary, Zithenjini J.S,
08	Old Dale, Thompson J.S, Msikithi J.S, Naki J.S, Ndesi J.S, Xobo J.S, Mdunyiswa Primary, Collywobles J.S, Laphumilanga J.S, Riverview School,
09	TRC Hall, Govan Mbeki Hall, Sizini J.S, Bongweni J.S, A.B Siwendu J.S, Colosa J.S, Nonkqubela Primary
10	Taleni J.S, Morrison J.S, Mngeka J.S, Umzimkhulu J.S, Matolweni J.S, Bangiso J.S, Notinara J.S, Siwendu café
11	Lower Dadamba J.S, Upper Dadamba school, Nqadu J.S, Ebotwe tribal, Ncedana J.S, Nkanga J.S, Nojongile J.S, Zenzele J.S,
12	Duff J.S, Upper Falakahla J.S, Gem J.S, Tyelekebende J.S, Lower falakahla J.S, Nqabara Clinic, Cungcwini J.S, Mzomtsha Prima, Noholland Primary, Nqabisile S.S.S, Xobojijane J.S,
13	Elliotdale Town Hall, Walter Sisulu Hall, Fameni School, Kasa School, Pongoma School, Manduluka School, Ncihana School,
14	Mahlezana J.S, Ramra J.S, Lukozana J.S, Lower Bikane School, Mndundu J.S, Lusungulo J.S, Mangoba J.S, Fort Bowker J.S, Madakane J.S, Upper Mbangcolo
15	Ngqakayi School, Melitafa school, Nyangilizwe school, Xhuba school, Miller school, Tandiwe store, Jongulwandle school, Mcelwane school, Qamata Primary, Mdabuka Primary, Pewula Primary, Tubeni store, Sarhili Primary, Tsholorha J.S, Njuqwana SPS.
16	Manganyelwa School, Qotongo school, Ngubezulu tribal, Pokoloshe school, Mbhanyana school, Nkitshana school, Gobizembe primary, Vuyisile primary
17	Ntsingizi school, Lower Bufumba school, Putuma J.,S, Mpakama J.S, Qhinqana school, Zikolokotha school, Ebufumba school, Manzi school, Talimofu mission
18	Khotyana J.S, Manzibomvu J.S, Mndwaka J.S, Kwantshunqe J.S, Mkatazo school, Gwebityala S.S.S,
19	Sea View J.S, Mpame school, Zitulele Hospital, Xhora Mouth school, Mbutye school, Melibuwa primary, Mhlahlane S.S.S, Lumkwana primary, No-ofisi primary, Thwalikhulu primary
20	Qatywa school, Hobeni school, Cwebe J.S, Tongani school, Ngubenyathi school, Geya school
21	Mpozolo J.S, Ntsimbakazi J.S, Lurwayizo J.S, Msendo J.S, Mendwana J.S, Mendu J.S, Nkonjane J.S, Mampondweni J.S, Ntlangano J.S, Msendo Clinic
22	Ngadla school, Dumalisile J.S, Beechamwood J.S, Nquba J.S, Ntlahlane J.S, Njongukwezi J.S, Zanemvula Primary, Chamshe J.S, Lower Goqo J.S,
23	Zanengqaba School, Makhosonke Primary, Bojeni school, Zwelidumile S.S.S, Hadi school, Gojela J.S, Mbozi J.S, Upper Ngxutyana school, Jujura school, Nyokana School, Bonde school, Mathumbu school, Nakazana J.S, Mgcawezulu S.S.S, Lower Maxutyana
24	Upper Gwadu J.S, Lower Gwadu J.S, Msengeni J.S, Lower Mbangcolo J.S, Patilizwe J.S, Shixini School, Hlakoti J.S, Nkelekethe primary, Mhlabulungile J.S, Xonyeni J.S, Magaba J.S, Nomawaka primary
25	Willowvale town hall, JJongintaba J.S, Zwelilungile J.S, Gosani school, Ciko school, Tembisa J.S, Willowvale C.H.C hall, Mqothwane J.S
26	Shinira school, Ngqwangele J.S, Sirunu school, Ngqatyana school, Mngazana J.S, Botwe primary, Fudumele primary, Nowonga primary, Kosani primary
27	Mfezane J.S, Fort Malan J.S, Lubomvini J.S, Mnandi J.S, Tywaka J.S, Mhlohlozi primary, Nokatana J.S, Ludiza J.S, Scam Primary, Lazamakhakha school.
28	Mqhele Church hall, URCSA Madwaleni Hall, Nqayiya J.S, Bafazi J.S,
29	Mevana J.S, Mpume J.S, Nqabara S.S.S, Nduku J.S, Ngwane J.S, Ngqeza J.S, Kunene S.P.S, Mtokwane J.S, Nkatha J.S, Lower Nduku J.S, Ntubeni J.S, Nondobo J.S
30	Ntlabane J.S, Kulokhala J.S, Gangatha J.S, Mboya J.S, Qakazana J.S, Kulozulu J.S, Weza primary, Mandluntsha school, Tswelilitye school,
31	Mdeni community hall, Keti J.S, Ziwundwana J.S, Thornville J.S, Ewing J.S,

2.12 WARD SURVEY

The process followed that led to the kind of results shown below was consultative of all the people of Mbhashe. This process included every village where every individual is expected to make a contribution. Ward secretaries, ward councilors and Community Development Workers (CDW's) were trained on the method of undertaking the survey.

A simple questionnaire was developed and sent out to the villages. The first meetings were held at village level where the ward secretary and the ward committee, the ward councilor and the CDW's role were to facilitate those meetings. Apart from other questions raised in the questionnaire, each village had to come up with the priority number one for that particular village. A delegation of two was then sent to ward level where consolidation of ward priorities was discussed.

Information on the status of every village and ward and the backlog information from the villages is as follows:-

The results on the top priorities from wards were thus as follows:-

Ward	Priority Need	Locality	Cluster	Responsible Institution
1.	1) Access road 2) Community Hall 3) High Mast Light	Govan Mbeki Doti Stadium	Infrastructure Infrastructure Infrastructure	Municipality Municipality Municipality
2.	1) Dipping Tank 2) Access Road and Bridge 3) Dipping Tank	Mamfeneni Mputi to Xeni Upper Colosa	LED Infrastructure LED	DoA Municipality DoA
3.	1) Fencing of ploughing fields 2) Community Hall 3) Shearing shed	Ndakeni Bongweni Mamfeneni	LED LED LED	DoA DoA DoA
4.	1) Fencing of ploughing fields 2) Shearing Shed 3) Toilets	Gxarha Mbewuleni All wards	LED LED Infrastructure	DoA DoA ADM
5.	1) Access Road 2) Fencing of ploughing fields 3) Community Hall	Mazizini – Vinindwa Kumbanga Upper Bolotwa	Infrastructure LED Social Needs	Municipality DoA Municipality
6.	1) Toilets 2) Access Road 3) Fencing of ploughing fields	Whole ward Njemane Nqabane	Infrastructure Infrastructure LED	ADM Municipality DoA
7.	1) Community Hall 2) Dipping Tank 3) Stock Dam	Candu Mabeleni Mbelo	Social Needs LED LED	Municipality DoA DoA
8.	1) Toilets 2) Dipping Tank 3) Stock Dam	Whole ward Mabeleni Mbelo	Infrastructure LED LED	ADM Municipality Municipality
9.	1) Access Road 2) Toilets 3) Stock Dam	Lower Falakahla Rwantsini Nqabarha Clinic	Infrastructure Infrastructure LED	Municipality ADM Municipality
10.	1) Fencing 2) Community Hall 3) Nolitha Bakery	KuloZulu – Cungwini Mngeka Ntlabane	Infrastructure Social Needs LED	Municipality Municipality Municipality
11.	1) Access Road 2) Shearing Shed	Ncedana - Komkhulu Nqadu	Infrastructure LED	Municipality DoA

	3) Toilets	Whole ward	Infrastructure	ADM
12.	1) Fencing of ploughing fields 2) Stock Dam 3) Toilets	Mahlezana Manqoba Whole Ward	LED LED Infrastructure	DoA DoA ADM
13.	1) Water 2) Fencing of ploughing fields 3) Access Road	Whole ward Fameni Xobo – Riverview	Infrastructure LED Infrastructure	ADM Municipality Municipality
14.	1) Dipping Tank 2) Access Road 3) Toilets	Lusungulo Ntsimbakazi-Hlakoti All Wards	LED Infrastructure Infrastructure	DoA Municipality ADM
15.	1) Dipping Tank 2) Play ground 3) Access Road	Zithenjini - Xhuba Thandiwe Dabane	LED Social Needs Infrastructure	DoA Arts and Culture ADM
16.	1) Access Road 2) Fencing of Mealie fields 3) Water and Sanitation	Manganyelwa to Nobangile Whole ward Whole Ward	Infrastructure LED Infrastructure	Municipality DoA ADM
17.	1) Fencing of ploughing fields 2) Access Road 3) Community Hall	Zinkolokotha Zembe - Magoxo Mpakama	LED Infrastructure Infrastructure	DoA Municipality Municipality
18.	1) Stock Dam 2) Access Road 3) Toilets	KwaNditya Mndwaka – Hlamati All wards	LED LED Infrastructure	DoA Municipality ADM
19.	1) Community Hall 2) Access Road 3) Swing Bridge	Mpame Luthubeni – Zithulele Mncwasa	Social needs Infrastructure Infrastructure	Municipality Municipality Municipality
20.	1) Community Hall 2) Access Road 3) Fencing of ploughing fields	Hobeni Sundwana – Palini Cwebe	Social needs Infrastructure LED	Municipality Municipality Municipality
21.	1) Access Road 2) Stock dams 3) Dipping tank	Makhwaneni-Qolweni Whole ward Mendu	Infrastructure LED LED	Municipality DoA DoA
22.	1) Access Road 2) Dipping tank 3) Swing Bridge	Fubesi Chamshe Sihlanwini	Infrastructure LED Infrastructure	Municipality DoA Municipality
23.	1) Access Road 2) Sanitation 3) Chicken production	EmaCirheni Whole ward Qwaninga	Infrastructure Infrastructure LED	ADM ADM DoA
24.	1) Fencing of ploughing fields 2) Access Road 3) Swing Bridge	Nkeleketho Phatilizwe - Nomawaka Qhingqala - Msengeni	LED Infrastructure Infrastructure	Municipality Municipality Municipality

25.	1) Swing Bridges 2) Access Road 3) Toilets	Mqothwana Bhongweni Whole ward	Infrastructure Infrastructure Infrastructure	Municipality Municipality ADM
26	1) Access Road 2) Access Road 3) Fencing of Ploughing Fields	Phungula – Aldery Store Qinqgana – Luthubeni Qhingqalo	Infrastructure Infrastructure LED	Municipality Municipality DoA

UNIT	PRIORITIES	LOCALITY	CLUSTER	Responsible Institution
Dutywa	1) Tar road 2) Wool processing and cleaning 3) Restructuring of the town	Coghlain - Stolom Dutywa Dutywa	Infrastructure LED Infrastructure	Transport Municipality Municipality
Gatyana	1) Tar road 2) Upgrading of Sewerage System 3) Taxi Rank	Willowvale – Kob Inn Willowvale Willowvale	Infrastructure Infrastructure Infrastructure	Department of Transport ADM Municipality
Xhorha	1) Upgrading of Sewerage System 2) Multipurpose Centre 3) Tar road	Xhorha Mantintiza Lutubeni - Zitulele	Infrastructure Infrastructure Infrastructure	ADM Municipality Department of Transport

Cross cutting priorities

The top five priorities that wards came up with are given below in their order of importance:-

- Drinking and drinkable water
- Road construction and maintenance
- Household electrification
- Sanitation
- Fencing of ploughing fields (for agricultural activities to take place)

CHAPTER 3: VISION, CLUSTER OBJECTIVES AND STRATEGIES

3.1 MUNICIPAL VISION

Mbhashe Local Municipality will be a vibrant institution able to provide quality and accessible services to all its communities in a socio economic manner, with the aim of benefiting all her people.

3.2 MISSION

We will strive to become an effective and efficient municipality able to manage its resources and stimulate economic growth, promote a safe and healthy environment for the betterment of all.

THE STRATEGIC CLUSTER APPROACH

A district (Amathole) wide level agreement was reached on clustering the priority issues within Local Government five Key Performance Areas, namely:-

- Basic service delivery and Infrastructure
- Municipal transformation and organizational development
- Local Economic Development

Financial viability
Good governance and public participation

STRATEGY FRAMEWORK FOR GROWTH AND DEVELOPMENT 2004-2014

The objectives and strategies relate to the targets for growth and development in the Eastern Cape for the period 2004-2014. These targets are listed as the following:-

- To maintain an economic growth rate of between 5% and 8% per annum.
- To halve the unemployment rate by 2014.
- To reduce by between 60% and 80% the number of households living below the poverty line by 2014.
- To reduce by between 60% and 80% the proportion of people suffering from hunger by 2014.
- To establish food self-sufficiency in the Province by 2014.
- To ensure universal primary education (UPE) by 2014, with all children proceeding to the first exit point in the secondary education.
- To improve the literacy rate in the Province by 50% by 2014.
- To reduce by two-thirds the under-five mortality rate by 2014.
- To reduce by three quarters the maternal mortality rate by 2014.
- To halt and begin to reverse the spread of HIV/AIDS by 2014.
- To halt and begin to reverse the spread of tuberculosis by 2014.
- To provide clean water to all in the Province by 2014.
- To eliminate sanitation problems by 2014.

There are six strategic objectives (SO's) which are key to the implementation of these targets. The key strategic objectives are described as follows:-

- Systematic poverty eradication through a holistic, integrated and multi-dimensional approach to pro-poor programming.
- Agrarian transformation and strengthening household food security.
- Consolidation, development and diversification of the manufacturing base and tourism potential.
- Human Resource Development.
- Infrastructure Public development.
- Sector and Institutional transformation.

The District Growth and Development Summit resolutions have been adhered in deriving the objectives and strategies. The strategies are structured into 5 KPA's of the five year Local Government Strategic Agenda. The Spatial Analysis is the sixth focal area.

SPATIAL DEVELOPMENT FRAMEWORK

3.3 SPECIAL DEVELOPMENT AREAS

E.1 PRIORITY BASIC NEEDS – Plan 3

Areas of greatest need are defined as those areas with the lowest per capita income levels and the worst-off settlement areas i.t.o. the poverty index. These areas require priority basic needs intervention and strategic proposals to improve the level of well-being of communities in these areas (poverty alleviation programs and basic infrastructure investment).

E.2 PRIORITY SETTLEMENT NODES (Urban Areas)

E.2.1 Dutywa (Refer Plan 14)

E.2.1.1 Development Perspective - Key Spatial Development Features

The development perspective is informed by the following:

- Land Use and Development Trends
- Land tenure
- Current development planning initiatives in the area

a) Land Use and Development Trends

From discussions with Municipal officials and role-players, and a land use survey undertaken in Dutywa, the following spatial and land use trends were noted:

- The area around the railway station is being used for a number of commercial to light industrial uses as well as general residential buildings (flats). With the Mthatha – East London Rail Refurbishment project currently underway and the proposed re-routing project possibly following, the railway line is regarded as an important linkage between the town and other settlements along the route (ranging from smaller rural settlements to other urban centers). With the railway line possibly becoming an alternative mode of transport, greater accessibility between town and peri-urban settlements/villages situated along the line may encourage rural-urban integration along these routes.
- Recent surfacing of the Ngcobobo Road improved accessibility towards the west of the town. Improved access, along with spatial development proposals developed for the area around the railway line developed by the Kei Rail project will encourage future development and extension towards the west of the town. Large tract of land along the drainage courses immediately south and north of the town, draining in a westerly direction, appears to be potential flood areas. No records of previous floodline studies are however available. With pressure on the town to expand and new residential and social-infrastructure development being directed in a south and northeasterly direction, areas adjoining the drainage features are under pressure to develop.
- Land uses such as the golf course and airstrip, situated within potential flood areas, are not being used at present. The needs for revival and upgrading of these used have been expressed.
- Parts of the CBD are experiencing both pedestrian and vehicle traffic congestion due to uncontrolled informal trading in the road reserves.
- A number of informal uses (residential and business) are visible on commonage land. In addition to this, an educational facility is situated on commonage land to the south east of the town center area.
- The existing cemetery is situated in close proximity to a drainage feature, which is unacceptable in terms of current criteria for cemetery provision. In addition to this, cemetery space is limited and the need exists for identification of a suitable alternative site.
- Traffic congestion on the section of the N2 which functions as the main road through town.
- Lack and in some instances absence of loading bays and on site parking on business sites.
- Economic activity in the town is centered on retail / trade and service trade.
- Mixed densities, varying between large low density to residential to high-density business and “general residential” uses within the Central Town area.
- Development of rental accommodation in the form of rows of single rooms often without dedicated cooking facilities and only shared ablutions. These occur as primary uses on single residential erven, or as secondary uses to the single residential dwelling on erven.
- The formalisation of the “informal” residential extension to the town is incomplete.
- Availability of planned residential extensions in Dutywa (both low income and middle income), at various stages of development.

b) Land Tenure

- The majority of erven within Dutywa are registered by way of Title Deeds in the name private individuals. Land surrounding the township, which falls within the town commonage area, is registered in the name of the Municipality.
- Land surrounding the commonage is registered in the name of the state.

c) Current development planning initiatives and activities taking place

Development proposals underway include the following:

- Development of a petrol filling station adjoining the N2, to the south of the CBD
- Preparation of a Township Layout Plan for a new middle income extension to the west of the CBD, south of the Ngcobobo access road; and application for extension of validity of the proposed middle income residential extension to the north of the CBD.;
- Extension to the Bus Terminus immediately south of the CBD to form a centralized Public Transport Facility;
- Development of a multi-purpose center in the north western extent of the CBD;
- Development of a Craft Market and Tourism Information Centre in the CBD area;
- Construction of a new regional health center to the immediate south of the sport stadium;

- Additional low cost residential development and top structure construction to the North West of town.
- Construction of new Municipal offices on erf 456.

E.3 Spatial Development Framework Proposals

Proposed extension of the urban edge

- It is proposed that the urban edge be extended to incorporate the “rural” settlements of Mantlaneni and Isheshegu to the immediate west and south-west of the town, along the alignment of the railway line, Ngcobo and N2 access road.
- In addition to this it is proposed that large-scale expansion in a north easterly direction be limited.

Proposed Development of Middle-Income Residential area

- It is proposed that the approved middle-income residential extension to the north of the town be developed. This should be followed by the development of the proposed middle-income residential area to the west of the CBD.
- Proposed Development of Middle to High-Income Residential areas
- Clearing of informal settlement to the south east of the town – proposed future middle to high-income development in this area.
- Further investigation into development feasibility of a high-income residential development to the west of the old golf course and Dutywa dam.
- Development of new cemetery
- It is proposed that the existing cemetery, situated along the drainage feature to the east of the CBD be closed and an alternative site be identified for development. The possibility of using level land to the east of Extension 4 needs to be investigated.
- Kei Railway Line Project – Urban Development Framework Proposals (see Plan 7.2.6)
- Urban Development Framework Proposals developed by the Kei Railway Line Project, specifically applying to the western and southwestern extent of the town and adjoining “rural” area are incorporated into the Spatial Development Proposals for the town. It must be noted that these proposals were formulated, based on the assumption that the Railway Line will become a primary mode of transport of goods and passengers. It is therefore important to ensure that SDF proposals are based on the projected development scenarios and implications for land development.
- In addition to the proposals referred to above, it is proposed that some land in the vicinity of the station be reserved for Industrial purposes, and that the focus not only be on residential / business development.

Future CBD and Residential Extension

- In line with the Urban Development Framework Proposals mentioned above, it is proposed that future extension of the CBD area be directed along the Ngcobo access road, in the direction of the railway station. Additional residential development towards the east and north east should be limited and instead be directed towards the area west and south west of the town.
- Proposed densification of central town area
- Proposed densification of both residential and business uses in the central town area and along main movement lines. This is also to provide an opportunity for a variety of housing options. Affordable housing provision should also include options for rental accommodation.
- Proposed Open Space System
- It is proposed that areas deemed as potential flood areas (as identified during the recent flood line study) be incorporated into an open space system for the town. Uses such as the golf course, sports fields and arable fields can be incorporated into the open space system. No permanent structures should be allowed within the 1:100 year flood area.
- Informal and illegal land uses on Municipal commonage land

- It is proposed that each of the informal uses identified during the land use survey in the town be assessed. Where regarded as acceptable, such uses need to be formalized by way of subdivision and rezoning. Uses regarded as unacceptable need to be relocated to suitable areas.
- Retaining the airstrip
- Retaining the airstrip, especially in the light of its proximity to proposed health centre.

E.3.2 Elliotdale (Refer Plan 15)

E.3.2.1 Development Perspective - Key Spatial Development Features

The development perspective is informed by the following:

- Land Use and Development Trends
- Land tenure
- Current development planning initiatives in the area

a) Land Use and Development Trends

- From discussions with Municipal officials and role-players, and a land use survey undertaken in Elliotdale, the following spatial and land use trends were noted:
- The town has a linear form, being situated along a ridge. The original part of the town consists mainly of large residential erven, administrative facilities such as Magistrates Office and business erven. More recent residential extensions to the town are situated towards the north and west of the CBD area. These are separated from the older part of town (which includes the CBD area) by steep drainage features.
- No floodline information is available for drainage features affecting the town.
- Due to the landscape, poor linkages exist between the various components of the town.
- Mixed densities, varying between large low density residential to high-density business and “general residential” uses within the Central Town area.
- A number of land uses are situated on the municipal commonage. These include formal uses such as the Vehicle Testing station, Departmental Offices, Sport Stadium, Technical School, Hospital and Small Business facility. Informal uses on commonage land include a Taxi facility, shop and mechanical works.
- A number of the larger erven within the town are vacant or are considerably under-utilized. A number of these are owned by Government Departments.
- The town is situated along the access route to high potential coastal tourism development areas (Breezy Point and The Haven Hotel).
- Economic activity in the town is centered on retail / trade and service trade.
- Development of rental accommodation in the form of rows of single rooms often without dedicated cooking facilities and only shared ablutions. These occur as primary uses on single residential erven, or as secondary uses to the single residential dwelling on erven.
- There are a number of planned residential extensions in Elliotdale, at various stages of development.
- There is no formal approved waste disposal site to serve the town. Informal site is being used.

b) Land Tenure

- The majority of erven within Elliotdale are registered by way of Title Deeds in the name private individuals. Land surrounding the township, which falls within the town commonage area, is registered in the name of the Municipality.
- Land surrounding the commonage is registered in the name of the state.

c) Current development planning initiatives and activities taking place

- Development proposals underway include the following:
- Construction of a new sewerage treatment works.
- Development of an Indoor Sports Facility adjoining the Sport Stadium.
- Development of a new taxi rank in the center of CBD area.
- New library for the town recently completed;
- Additional middle income and low cost residential development to the north and east of town.

E.3.2.2 Spatial Development Framework Proposals

Proposed extension of the urban edge

- It is proposed that the urban edge be aligned with the commonage boundary.

Proposed extension of CBD

- It is proposed that the CBD area be extended towards the north as the need for additional business sites arise. Densification of land use needs to be encouraged within the area proposed for future business extension

Proposed densification of central town area

- Proposed densification of both residential and business uses in the central town area and along main movement lines. This is also to provide an opportunity for a variety of housing options. Affordable housing provision should also include options for rental accommodation.

Small Business / Light Industrial sites

- It is proposed that provision be made for small business / light industrial sites. The area around the mechanical works to the east of the town needs to be considered.

Proposed Open Space System

- It is proposed that a dedicated floodline study be done around the drainage features within the urban area. This study is to determine the 1:100 year floodline. It is proposed that areas deemed as potential flood areas be incorporated into an open space system for the town. Low impact recreational uses such as parks, playing fields and sportsfields can be incorporated into the open space system. No permanent structures should be allowed within the 1:100 year flood area.

Proposed expansion of the Cemetery

- It is proposed that a feasibility assessment be undertaken for the proposed expansion of the cemetery – in a

Informal and illegal land uses on Municipal commonage land

- It is proposed that each of the informal uses identified during the land use survey in the town be assessed. Where regarded as acceptable, such uses need to be formalised by way of subdivision and rezoning. Uses regarded as unacceptable need to be relocated to suitable areas.

Regulate General Residential Developments (Backyard Flats)

- Rental accommodation in the form of backyard flats on single residential and business erven plays an important role in provision of affordable rental accommodation in the urban areas of Mbashe. It is however important to ensure compliance with land use restrictions and health and fire safety regulations.

Proposed Floodline Study

- It is proposed that a floodline study be undertaken for the town to determine the position of the 1:100 year floodline.

E.3.3 Willowvale (Refer Plan 16)

E.3.3.1 Development Perspective - Key Spatial Development Features

The development perspective is informed by the following:

- Land Use and Development Trends
- Land tenure
- Current development planning initiatives in the area

a) Land Use and Development Trends

- From discussions with Municipal officials and role-players, and a land use survey undertaken in Willowvale, the following spatial and land use trends were noted:
- The town is situated along the access route to high potential coastal tourism development areas (Kobb Inn and Dweza Nature Reserve).
- No records of previous floodline studies for drainage features around the town are available.
- A number of large properties, central to the town, are overgrown with exotic trees. These properties are mostly owned by Government Departments and are underutilized.
- There is no clear concentration of business activities in one part of the town and the business area stretches along the entire length of the main road through the town.
- Apart from more recent residential development in the western part of town, the rest of the town consists mainly of extremely low-density development.
- Newly planned low to middle income residential extensions are situated to the east of the town.
- A number of land uses are situated on the municipal commonage. These include formal uses such as the Public FET College, Wholesale Building Supply, Sport Stadium and a School.
- Economic activity in the town consists mainly of retail / trade and service trade. In addition to the retail / business function, important social and administrative facilities such as a clinic, magistrate's office and police station are situated in the town.

- Development of rental accommodation in the form of rows of single rooms often without dedicated cooking facilities and only shared ablutions. These occur as primary uses on single residential and business erven, or as secondary uses to the single residential dwelling or business on erven.
 - An informal taxi rank is situated within the main road's reserve to the east of town.
 - An informal settlement on erf 128.
- b) Land Tenure
- The majority of erven within Willowvale are registered by way of Title Deeds in the name private individuals. Land surrounding the township, which falls within the town commonage area, is registered in the name of the Municipality.
 - Land surrounding the commonage is registered in the name of the state.
- c) Current development planning initiatives and activities taking place
- Development proposals underway include the following:
 - Low and middle-income residential developments to the east of the town.
 - An existing low cost housing development (near completion) aimed at accommodating residents of the informal settlement on erf 128.
 - Proposals for development of a new taxi rank for the town.
 - Development of an Indoor Sports Centre in the Town Square area, next to the TRC Hall.
 - Proposals for subdivision of the Town Square area to make provision for additional business erven.

E.3.3.2 Spatial Development Framework Proposals

Proposed extension of the urban edge

- It is proposed that the urban edge be extended to include developments to the immediate west of the town.

Proposed densification of central town area and residential area to immediate north

- Densification of land use needs to be encouraged within the town. It is proposed that an application be made for transfer of vacant or underutilized state owned land to the municipality.

Proposed Taxi Facility

- Subject to the necessary permission / transfer, it is proposed that a central taxi facility be positioned on the south-eastern corner of erf 126. The area surrounding the proposed taxi rank (subject to the transfer of the land) needs to be considered for establishment of small business / service industrial sites.

Proposed Open Space System

- It is proposed that a dedicated floodline study be done around the drainage features within the urban area. This study is to determine the 1:100 year floodline. It is proposed that areas deemed as potential flood areas be incorporated into an open space system for the town. Low impact recreational uses such as parks, playing fields and sportsfields can be incorporated into the open space system. No permanent structures should be allowed within the 1:100 year flood area.

Informal and illegal land uses on Municipal commonage land

- It is proposed that each of the informal uses identified during the land use survey in the town be assessed. Where regarded as acceptable, such uses need to be formalized by way of subdivision and rezoning. Uses regarded as unacceptable need to be relocated to suitable areas.

Regulate General Residential Developments (Backyard Flats)

- Rental accommodation in the form of backyard flats on single residential and business erven plays an important role in provision of affordable rental accommodation in the urban areas of Mbashe. It is however important to ensure compliance with land use restrictions and health and fire safety regulations.

Clearing of overgrown areas

- Apart from creating a fire hazard in parts of the town, further spread of invader species needs to be controlled.

Prevention of informal residential development

- It is proposed that necessary steps be taken to prevent the informal settlement on erf 128 being redeveloped by further influx of "landless" residents from the rural hinterland.

Possible Middle income residential extension

- Approximately 16 hectares of land to the south west of the town appears to be suitable for future middle-income residential expansion. It is proposed that a detailed feasibility assessment be undertaken.

E.4 PRIORITY DEVELOPMENT ZONES (Coastal Zone) – (REFER PLAN 17)

In line with the recommendations of the Coastal SDF, the concepts and components of this SDF are incorporated in the municipality's SDF.

E.4.1 Conceptual Approach

- The adopted concept for spatial development in the Coastal Area is that of concentrated development in defined nodes and settlement areas, linked to each other and surrounding areas by a hierarchy of roads and footpaths.

- For the purpose of providing the basis for Land Use Management, specific land use categories (or elements) are defined whilst directives for future development provide some guidelines for future growth.

E.4.2 Described Land Use Elements

- The main Land Use Elements providing the basis for land use management includes:

Towns: urban and peri-urban areas of high intensity mixed use;

Rural Service Centres: nodes within rural settlement areas;

First Order Nodes: coastal nodes capable of supporting larger scale developments;

Second Order Nodes: coastal nodes with limited service levels;

Rural settlement and emerging farming areas, including settlement, subsistence and small-scale agriculture, resource management areas including grasslands used for grazing and harvesting of thatching grass, woodlots, medicinal plant reserves;

Nature Tourism Area: heritage and biodiversity conservation, LUM informed by BSAP products, nature based tourism activities and facilities at defined development sites, could include some areas of rural settlement, natural resource harvesting and subsistence agriculture where conditions support this as a sustainable land use. This is the equivalent of the "ecotourism" / low impact tourism or special control zone established in terms of the Wild Coast Tourism Development Policy;

No Development zones: no infrastructure at all, only footpaths and horse/ donkey trails

Commercial agriculture, mariculture and plantation forestry;

Other, including infrastructure installations, cell phone masts and sand mining sites.

Note: Only the land uses in *italic* are the ones that presently apply to the Mbhashe Coastal Zone.

E.4.3 Spatial Framework Proposals – as reflected on Plan 17

Second Order Nodes

EXISTING	PROPOSED FOR REVIEW
-	Xora (limited growth)
Breezy Point	Breezy Point
The Haven/Mbhashe	The Haven/Mbhashe
-	Nqabara (limited growth)
Qora Mouth	Qora Mouth (limited growth)

The future potential for growth of these nodes and main linkage route of each are summarized as follows:

Node name	Status	Growth potential	Linkage Route
Xora	2 nd order (proposed new)	Limited growth point	Elliotdale
Breezy Point	2 nd order in Nature reserve	Limit to existing footprint	Mbhashe, Cwebe, Elliotdale
Mbhashe	2 nd order in Nature reserve	Limit to existing footprint	Breezy Point, Cwebe, Elliotdale
Cwebe	Nature reserve	Nature tourism development area	Mbhashe, Elliotdale
Dwesa	Nature reserve	Nature tourism development area	Cwebe, Elliotdale
Nqabara	2 nd order (proposed new)	Limited growth point	Willowvale, Elliotdale
Qora Mouth	2 nd order	Limited tourism growth point, Nature tourism development area	Willowvale

(Limited growth points are coastal nodes where opportunities for growth are constrained spatially or by access constraints.)

Nature Tourism Areas

Mpame – southern end of the sandy beach Belungwini estuary – south bank Nkanya estuary – south bank Nqabara estuary – existing campsite on the south bank and RULIV initiative Beecham Woods
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No Development Zone

Mpame Forest. A narrow coastal area extending approximately 10 km from Mpame Point to Xora River, enclosing sensitive dune environments, coastal habitats and coastal forest areas.

Nqabara / Beecham Wood / Shixini. A narrow coastal area extending approximately 20 km from the southern boundary of Dwesa Nature Reserve to just north of the Qora tourism development node. Encompasses sensitive coastal environment, Nqabara estuary, territorial and wetlands. A setback is provided at Shixini to facilitate development of public facilities for recreational use by day

Rural Settlements and emerging farming areas

All areas within the Mbashe Coastal Zone, outside of Nature Tourism Areas, No Development Zones and the Second Order Nodes

E.5 PRIORITY SECTORS AND AREAS FOR ECONOMIC DEVELOPMENT

This refers to areas earmarked in terms of their specific economic development potential and would require strategic targeted investment. These areas are defined in terms of varying sectors of economic opportunity evident in Mbashe and are as follows: -

E.5.1 Forestry, Agriculture and rural development

Areas identified with potential for general agricultural and forestry purposes.

E.5.1.1 Agriculture (Refer Plan 18 and 19)

- The entire Mbashe area is regarded as an important agricultural area and supports the approach that agriculture must be the cornerstone of rural development and economic upliftment in Mbashe. **Plan 18** reflects the general categorisation of soil classes with related potential for agricultural based activities.
- **Intensive Agriculture(Plan 18)** refers to areas identified for its potential for irrigated crop production (in accordance with previous studies). These areas will need to be considered for specialized infrastructure provision and appropriate land development and tenure arrangements).
- The following areas have been identified for their potential for irrigated crop production. They are Lower Mbangcolo Irrigation Scheme, Mendu Irrigation Scheme, Shixini Irrigation Scheme, Nondobo Irrigation Scheme – current projects are underway to develop these schemes through the RuLiv Programme. Other areas being considered for irrigation projects are in Ward 5 near Mbanga, Ward 8 near Khasa, Ward 12 near Bikana / Mbangcolo and Ward 9 near Duff.
- **Rural Livelihoods Programme (Refer Plan 19)**
- Plan 7 represents the agricultural potentials of Mbashe and details the relevant RuLiv development clusters (Clusters 1-15). Projects in priority clusters 1, 4, 10 and 12 are being initiated.

E.5.1.2 Forestry Potential (Refer Plan 20)

- Forestry Potential refers to areas with moderate to high potential for commercially viable forestry development. Plan 7b reflects the areas that have potential for commercial forestry development.
- **Good potential** (Commercial plantations recommended) - Areas that are regarded as having Good Potential need to be reserved for Forestry Development. These are mostly situated along the periphery of the municipal area. For the purposes of achieving economy of scale, it is important to consider forestry development proposals in adjoining municipalities and inclusion of such these areas in the broader forestry development area.
- **Moderate potential** (Possibly commercial plantations – yields expected to be low/moderate) – Areas regarded as having Moderate Potential need to be considered for possible small scale forestry development and/or woodlots, for production of timber for use and potential value adding activities at local level. Such areas could however have higher potential for other types of development, which should first be considered (i.e. for Agricultural production).

E.5.2 Tourism Development Areas

E.4.2.1 Coastal Tourism - Wild Coast Spatial Development Initiative and Wild Coast Tourism Development Policy. (Refer Plan 17)

- Tourism Development within the Coastal Zone is guided by the Wild Coast Tourism Development Policy. The area to which it applies includes the 1000m above the high-water mark as well as tidal portion of estuaries. The policy consists of the following:
- Provides an overview of key issues constraining tourism development along the Wild coast.
- Provides guidelines for spatial development, siting and design, infrastructure provision, tenure arrangements, local community participation and empowerment, tourism education and training, operation and management, marketing and promotion and security.
- Provides environmental guidelines for spatial planning, aesthetic & design, ecological considerations, resource consumption, tourist activities, socio economic considerations and environmental management.
- Makes proposals for institutional arrangements for implementation of the guidelines.

Based on the policy guidelines, spatial mapping was prepared for the entire coastal area. The mapping depicts the various Normal Control Zones (1st and 2nd order nodes), Eco-tourism zones and Conservation Zones

The table below summarizes the Tourism and Environmental Spatial Guidelines and associated Zones as reflected on the Spatial Mapping for the coastal strip (Refer Plan 9).

Wild Coast Tourism Development Policy		Wild Coast Spatial mapping macro zones	
<u>Tourism Spatial Guidelines</u>	<u>Environmental Spatial Guidelines</u>	<u>Spatial Guidelines</u>	<u>Proposed Permissible Land Uses</u>
1 st Order Nodes 2 nd Order Nodes	Normal Control Environments (occur within all 1 st and second order nodes)	Normal Control Zone	<p>First order nodes and coastal hinterland: Large hotel and cluster developments, with cottage settlements. Accessory, supportive tourism development facilities eg shops, bottle stores, petrol stations & repair facilities are permitted;</p> <p>Second order nodes: cottage settlements, smaller cluster complexes and family hotels may be developed. Rapid approval of development likely if within the development intentions of the municipal IDP/ SDF</p> <p>..</p>
Eco-tourism zones	Special Control environment (areas outside 1 st and 2 nd order nodes and outside No Development Environment)	Special Development Zone	<p>Limited and regulated tourism activities, Small accommodation facilities that are low-key, low-impact and in harmony with the natural environment; Controlled traditional residential housing development Subsistence agricultural activities (ploughing fields/ grazing lands etc); Low impact airstrips; Infrastructure other than eco-tourism facilities and traditional residential (such as schools and offices) to be discouraged)</p> <p>Full IEM procedures to precede any development</p>
Conservation area (Any area outside nodes or eco-tourism zones)	No Development Environment (Designated areas in or outside nodes or eco-tourism zones)	No Development Zone	<ul style="list-style-type: none"> • Regulated through co-management arrangements and EMPs. • No subsistence agriculture and grazing to be phased out over time • Controlled subsistence harvesting in line with EMP. • No permanent physical structures • Eco-tourism and soft-adventure activities encouraged

E.4.2.2 Other Tourism: eco-tourism and cultural tourism (Refer Plan 9)

- This refers to the historical sites, nature reserve areas with potential for tourism development and conservation.
- Eco-tourism includes tourism areas such as the Nqabarha Gorge and Qora River Gorge hiking trails.
- The Mbongo Mountains and Mbashe River boasts beautiful scenic routes for hiking and lookout points.
- Cultural / Heritage focus includes the Nqadu Great Place: Homestead of the Great Xhosa King and other significant sites: Although not recognized as significant tourism nodes for development in the short term it is worth mentioning the following important historical / heritage sites in Mbashe, namely:
 - King Gambushe's Burial site (Ward 16)
 - King Sarhilli's Burial Site (Ward 15)
 - King Hintsas's grave (Ward 14)

E.5 PRIORITY AREAS FOR LAND REFORM – REFERPLAN 21

- Proposals for priority areas targeted for land reform - contained in the Land Reform and Settlement Plan, prepared by the Amathole District Municipality, include the following priority areas:

E.5.1 Settlement Zone B: Densification and formalisation of existing settlements

- "This zone includes the major urban centre of Mbashe, namely Dutywa. Dutywa is located on the N2 route between Butterworth and Mthatha. This zone includes portions of Wards 6, 7 and 8."
- "It is envisaged that this zone is earmarked for densification and formalisation of settlement. It is proposed that the town (former TLC area) is planned for densification of settlement for Model 1 type settlements and that the periphery (peri urban area) surrounding the town is earmarked for densification and formalisation of settlement (Model 2 type settlements). Expansion and densification of the peri urban area would be in response to rising demand for formal settlement near to the town."

E.5.2 Development Support Zone 2 (includes portions of Ward 3,4,5, North of Dutywa)

- This zone is located adjacent N2, North of Dutywa. Includes portions of Ward 3,4,5.
- This zone is largely defined by a priority RuLiv Cluster Programme that focuses on SMME development, HIV/Aids projects, organic farming, vegetable production, sheep farming and maize production.
- This zone is not earmarked as a priority area for settlement purposes but rather regarded as an area where spatial planning and tenure reform might be required in support of development initiatives in the area (e.g. potential emerging farmers or agriculture initiatives borne out of the Ruliv programme as a means to alleviate poverty.)

E.5.3 Settlement Zone B: Densification and formalization of existing settlements (No. 3: Elliotdale)

- This zone is situated to the east of Dutywa located on the northern boundary of the Mbashe Municipal area. It is located in Ward 14.
- It is envisaged that this zone is earmarked for densification and formalisation of settlement. It is proposed that the town (former TLC area) is planned for densification of settlement for Model 1 type settlements and that the periphery (peri urban area) surrounding the town is earmarked for densification and formalisation of Model 2 type settlements. Expansion and densification of the peri urban area extending south of the town would be in response to rising demand for formal settlement and related services near to the town.

E.5.4 Development Support Zone (No. 4: East of Elliotdale)

- This zone lies to the south east of Elliotdale and includes portions of wards 21 and 22.
- This zone is largely defined by a *priority* Ruliv Cluster Programme that focuses on developing maize production projects, organic vegetable production and sheep farming projects in this Precinct.
- It is envisaged that this zone is regarded as a priority development support zone to address poverty in this area. This zone is not earmarked as a priority area for settlement purposes

but rather regarded as an area where spatial planning and tenure reform is necessary to support potential emerging farmers or agriculture initiatives borne out of the Ruliv programme.

- This zone lies within one of the “worst-off” areas in terms of the Mbashe IDP, 2002 Poverty Index Plan and requires poverty alleviation interventions as a priority.

E.5.5 Development Support and Settlement B: Densification and formalization of existing settlement (No 5: Dwesa-Cwebe)

- This zone is prioritized for both strategic tourism investment opportunities and related land reform and settlement projects. A recent detailed development planning exercise has been completed in this zone (The Dwesa - Cwebe Development Plan, 2003).

E.5.6 Settlement Zone B: Densification and formalization of existing settlements (No. 6: Willowvale)

- Includes a portion of Ward 13 and a small portion of Ward 9. This zone is situated on the main access route to the coast and is the key linkage to Dutywa.
- It is envisaged that this zone is earmarked for densification and formalisation of settlement. It is proposed that the town (former TLC area) is planned for densification of settlement for Model 1 type settlements and that the periphery (peri urban area) surrounding the town is earmarked for densification and formalisation of Model 2 type settlements. Further detailed zone planning is required in this area.

E.5.7 Development Support Zone (No. 7: Nqadu)

- This zone is situated between Dutywa and Willowvale and is home to Nqadu Great Place, home of the great Xhosa King.
- This zone is largely defined by a *priority* Ruliv Cluster Programme that focuses on the development of forestry and medicinal plant production, maize production and sheep farming. Tourism and SMME related activities are also supported through the RULIV Programme in this area.
- This zone is not earmarked as a priority area for settlement purposes but rather regarded as an area where spatial planning and tenure reform may be required to potential development initiatives and project in this area, such as potential emerging farmers or agriculture initiatives borne out of the Ruliv programme and also for strategic tourism related developments in the area.

SPATIAL DEVELOPMENT FRAMEWORK

1. PROPOSED DEVELOPMENT PRECINCTS – Plan 22

- For the purposes of this plan, special development areas were combined and grouped together as strategic development zones of multiple potential for development. These development zones, or Development Precincts are considered to be most favorable for varying levels of investment.
- No precinct is defined for a single level of funding (i.e. only basic needs or only capacity building investment) but is rather identified because they reflect an area, which shows potential for growth, requiring various levels of investment. Certain precincts are motivated on the basis that they require a significant injection of funding to meet basic needs (such as water and sanitation, roads upgrading, etc.) to alleviate poverty as a priority, whilst others require a greater focus of strategic investment to build on specific economic potentials evident in the area. Twelve precincts have been identified in Mbashe and are motivated as follows (these precincts are not listed in any particular order): -

PRECINCT A

Includes portions of Wards 1, 2 and 9

Motivating factors:

- Contains the main service centre of the Mbashe area, namely Dutywa Town.

- Dutywa Town is the seat of the Mphashe Municipality.
- Has strong economic growth potential and has existing institutional and human resource capacity in the town
- Has basic infrastructure and services in the town
- Is positioned along the National (N2) route, with Dutywa Town forming the key linkage between East London and Mthatha.
- A RULIV PROGRAMME CLUSTER IS EARMARKED FOR THIS AREA, FOCUSING ON SMME DEVELOPMENT, HIV/AIDS PROJECTS, ORGANIC FARMING AND VEGETABLE PRODUCTION, SHEEP FARMING AND MAIZE PRODUCTION.
- This precinct falls within the East London – Mthatha Railway Project Development Zone and is earmarked for priority infrastructure and service delivery.
- Identified as a priority area for Land Reform

Development considerations:

- Recognize this precinct as the main service centre to the sub region.
- In terms of the community based needs assessment the area's priority needs are for infrastructure and higher order service delivery.
- To build on the existing infrastructure supply networks and to upgrade and improve their existing capacity (housing, water, sanitation, roads, etc.)
- To provide new and improve existing secondary services (such as schools, tertiary training centre, sport facilities)
- Institution / capacity building: to develop the skills and human resources available in the area.
- Infrastructure provision and capacity building must give consideration to the agricultural potential recognized in this precinct through the RULIV programme and in terms of the needs assessment. A significant number of needs expressed by settlements in Ward 6 and Ward 8 were for agricultural support, such as the need for water provision for stock farming and irrigation, fencing of fields, provision/development of community gardens, agricultural facilities and market places.

PRECINCT B

Includes portions of Wards 6,5,7 and 4

Motivating factors:

- Dissected by the National (N2) Route and railway line linking East London to Mthatha.
- Is earmarked for water supply projects and electrification projects (Refer to plan 5)
- Areas within this precinct are rated as the second "worst off" areas in terms of the poverty index (refer Plan 4) and require basic infrastructure and service delivery.
- Local Economic Development initiatives are evident along the N2 route (a market place for craft and agricultural produce is being established adjacent the N2). Informal sand mining is taking place along the Mphashe River.
- The Mphashe River offers potential for eco-tourism opportunities.
- Agriculture: The Rural Livelihoods Programme has three development clusters (Clusters 1, 14 and 15) earmarked in this precinct of which initiatives proposed in Priority Cluster 1 are underway.
- Identified as a priority area for Land Reform

DEVELOPMENT CONSIDERATIONS:

- This precinct should be considered primarily for basic services and infrastructure provision to alleviate poverty.
- Most responses in the community needs assessment refer to roads upgrading (both proclaimed and access roads) and the provision of toilets, electricity, water and sanitation.
- Other needs relate to secondary service provision such as schools, crèches, sports facilities and community halls and also for agricultural support infrastructure and services.

- Agricultural projects being initiated through the rural livelihoods programme are as follows: organic farming and vegetable production, maize production, goat and sheep farming. an irrigation project is proposed in the northern most part of the precinct. forestry and medical plant production falls within priority cluster 1. led activities and tourism opportunities are recognized along the n2 and Mbashe river.

PRECINCT C

Includes portions of Wards 13 and 8

Motivating factors:

- Contains the key settlement node and service centre, namely Elliotdale Town.
- Has existing basic infrastructure and services in the Elliotdale Town, with a CMIP water supply project and Dept. of Housing and Local Government Housing project ongoing in the Town.
- Electrification of villages is proposed in the settlements to the south west of Elliotdale Town (refer to Plan 5).
- A strategic tourism zone is identified in this area with the Cape Vulture Colony at Sibane (near Collywobbles), being the key focal area. It is proposed that strategic linkages be considered which extends this zone to Elliotdale Town and to Mvezo (in the King Sabata Dalindyebo Municipal area), which boasts the Nelson Mandela Museum. This Precinct lies on the Mbashe River with eco-tourism potential. The hydroelectric scheme near collywobbles is a potential place of interest for tourists.
- The Community Based Public Works Programme has earmarked a development cluster within this Precinct, which focuses on tourism projects linked to the Cape Vulture Colony near Collywobbles. This includes a proposed link road between Sibane (location of the Cape Vulture Colony) and Msikithi and a cultural community centre in the Elliotdale Town.
- Agriculture potential is recognized in this area through the RULIV Programme, which has proposed two clusters in this Precinct. These clusters support projects to develop maize production, livestock farming, organic farming and vegetable farming, forestry and medicinal plants, and related SMME projects.
- A potential irrigation project is also identified in this Precinct.
- Ward 14 is described as one of the “worst off” areas in terms of the poverty index study and requires focused poverty relief interventions (refer to Plan 4).
- Identified as a priority area for Land Reform

Development considerations

- This Precinct requires a considerable input of basic needs funding to upgrade existing infrastructure and services to the town and to provide new infrastructure and services to surrounding areas. Improved access roads, provision of water and sanitation and electricity were expressed needs of these communities
- The overwhelming majority of needs expressed in this Precinct were for poverty alleviation projects.
- Provision of secondary services (schools, crèches and health services) were also expressed needs in the area.
- Consider strategic investment to boost the tourism potential of the Precinct as a key employment sector to alleviate poverty.
- A strategic link road is proposed to form a circular tourism route linking Elliotdale Town to Mvezo and to the Cape Vulture Colony. This is very conceptually presented on Plan 6.
- Improving the road conditions in the area would be imperative to support strategic development decisions to boost tourism
- Consider infrastructure provision, which enables the agricultural potential of the area to benefit, e.g. water supply systems to support proposed irrigation projects.

PRECINCT D

Includes Portions of Wards 16

Motivating factors

- This Precinct lies within one of the “worst-off” areas in terms of the poverty index analysis and requires poverty alleviation interventions.
- The primary needs expressed by communities in this Precinct relate to infrastructure delivery, specifically for upgrading of access roads, provision of water and sanitation, electricity and housing.
- Two small community based commercial projects are identified in this area, namely a Women’s baking project and a community garden. One could build on the initiative of these projects to stimulate further LED opportunities as a means to address poverty.
- Madwaleni Hospital is situated in this Precinct, and provides a ready market place for LED opportunities.
- Inhabitants in this area are employed at the Hospital and have some spending power to support a market place.
- Madwaleni has a local water supply system.
- The potential for agriculture is recognized through the RULIV Programme, which has a priority development cluster within this Precinct. The RULIV programme is currently supporting maize production projects, organic vegetable production and sheep farming projects in this Precinct.
- Expressed needs related to agricultural support in terms of the provision of dams, community garden- and other projects, provision of dipping tanks, windmill repairs and the fencing of agricultural fields.
- Higher order service needs were expressed for the provision of schools and crèches, a sports stadium, public telephones, toilets, community halls, and health services.
- A further need was expressed for the release of land.
- Identified as a priority area for Land Reform

Develop considerations

- Accessibility to these areas is poor because of the poor road conditions and hilly terrain.
- A priority intervention would be to upgrade access roads to key services and potential markets in the area.
- Basic infrastructure delivery must be viewed as a priority in the area.
- Infrastructure, such as the provision of water supply systems must take cognizance of the agricultural requirements as per the potentials and needs mentioned above.
- A key strategic link road is proposed which largely follows the course of the existing proclaimed road in the area. This road needs to be upgraded as a priority intervention to improve accessibility and promote economic development. This would also facilitate the provision of other infrastructure to the area. This proposed link road runs from Zithulele Hospital (in the south) in a northerly direction, bordering Precinct D en route to the main road to Mqanduli and Elliotdale Towns. This road would promote tourism to the sub region providing greater access to the coastal areas, such as Mpame, which is recognized as a strategic tourism fishing area.

PRECINCT E

Includes the coastal area of Ward 19

Motivating factors

- This Precinct’s location on the Coast includes the 1km coastal zone earmarked as a strategic tourism area, falling within the Wild Coast Spatial Development Initiative Zone. The coastal zone falling within this precinct is demarcated as “Special Development Zone” or “Eco-Tourism Zone”. Land use and activities envisaged include limited and regulated tourism activities, small accommodation facilities, controlled traditional residential housing, subsistence agriculture, social facilities and infrastructure to traditional residential settlements and low impact airstrips.
- Developing tourist attractions was an expressed need of communities in this Precinct.

- Numerous forests and a major river course characterize this area.
- Two community-based projects are active in the area, namely a vegetable garden project and a Talimofu Beadwork project.
- Sand mining is also evident in this Precinct.
- The communities in this area are known to have well kept fruit and vegetable gardens and cultivated lands throughout the year.
- Zithulele Hospital is situated in this Precinct and is regarded as a ready market place for SMME enterprises.
- Inhabitants in this area are employed at the Hospital and may have some spending power to support a market place.
- A number of villages surrounding Zithulele Hospital have access to a local water supply system.
- The area is regarded as one of the “worst off” areas in terms of the poverty index analysis. However it boasts potential in terms of the agrarian lifestyle of the people, existing LED potentials and its proximity to the coast for tourism.

Development considerations

- Basic infrastructure and service provision is critical to the development in the area to alleviate poverty, especially the upgrading of roads to improve access to the coast and essential services.
- The proposed strategic link road, as discussed in Precinct D, dissects Precinct E, along the coast and then runs northwards linking the two Precincts.
- Expressed needs of communities in this area were for the provision of schools, crèches and community halls. The need to fence properties and public places, the upgrading of access roads, the provision of water and sanitation, electricity and public telephones was also expressed.
- This is an environmentally sensitive area

PRECINCT F

Includes the coastal area of Ward 20 and a portion of Ward 21

Motivating factors

- This Precinct’s location on the Coast includes the 1km coastal zone earmarked as a strategic tourism area, falling within the Wild Coast Spatial Development Initiative Zone. The coastal zone falling within this precinct is demarcated as “Special Development Zone” or “Eco-Tourism Zone”. Land use and activities envisaged include limited and regulated tourism activities, small accommodation facilities, controlled traditional residential housing, subsistence agriculture, social facilities and infrastructure to traditional residential settlements and low impact airstrips.
- Tourism development was an expressed need of communities in this Precinct.
- It is situated adjacent the Dwesa –Cwebwe Development Zone which is receiving much development interest presently.
- A community-based women’s craft market is active in this Precinct at the coast.
- Sand mining activities are evident in this area.
- The agriculture potential of this area is recognized through the RULIV programme which proposes organic vegetable production, SMME and tourism related projects in the area. Expressed needs relating to agriculture were for the development of dams, community gardens, dipping tanks, fencing of fields, and windmill repairs
- This zone is considered a “worst off” area in terms of the poverty index analysis and requires poverty intervention programmes

Development considerations

Basic infrastructure investment and services are required to alleviate poverty in the area. Expressed needs in for infrastructure relate to the need for improved access roads and the provision of water and sanitation and electricity.

- Upgrading of roads to improve access to the coast and essential services is key.

- Strategic interventions should primarily focus on tourism development, as a major employment sector in this Precinct.
- Development initiatives in this Precinct must build on the existing initiatives and possible spin-offs generated from the adjacent Dwesa – Cwebe Development Initiatives
- Provision and upgrading of infrastructure, particularly water supply systems must take cognizance of the agricultural potentials and needs described above.
- This is an environmentally sensitive area.

PRECINCT G

Includes Ward 21, portions of Wards 22, 14, 21 and 26

Motivating factors

- This precinct includes the Dwesa-Cwebe Development zone, which is presently receiving much attention and investment from various development initiatives.
- Numerous development plans and programmes are active in this Precinct, namely the Dwesa Cwebe Development Plan, the CBPWP; the European Union Activities linked to the Wild Coast Spatial Development Initiative.
- The coastal zone includes two second order nodes namely The Haven Hotel / Mbashe Point and Breezy Point. The balance of the coastal zone is demarcated as Eco-Tourism Zone, with the Dwesa Nature Reserve having a clear conservation focus.
- It is incised by the Niagara and Mbashe Rivers, which are key tourism features in the area. An eco tourism / community tourism development venture is being planned for Niagara.
- Through the various programmes, infrastructure related projects (water supply projects, roads upgrading) are currently being implemented.
- Electrification projects are proposed in the area for the year 2003 (Refer to Plan 5).
- Numerous tourism facilities and activities are being proposed/developed by the EU Tourism Development Project. These include Dews Restitution Route, Lentando Campsite, Dews Chalets, Mend and Mindanao Tented Camps, Mbashe Tented Camp and Mahayana Caravan Park and Tented Camp.
- The agriculture potential of this Precinct is recognized through the RULIV Programmed which has a priority cluster in this Precinct and is currently developing the following projects: goat farming, forestry and medicinal plant harvesting and other tourism and SMME related activities closer to the coastline.
- Mend Irrigation Scheme is a project currently being supported through the RULIV Programmed.
- Forestry is an important natural resource in this area.
- The development of the fishing industry was an expressed need in this Precinct.
- A community-based women's baking project is active in this area. A need was expressed to develop baking projects in this area.
- A significant traditional craft centre is active in the area.

Development considerations

- Future development activities must align to the extensive developments currently taking place in this precinct presently.
- Infrastructure provision must consider the potentials relating to agriculture in the area, specifically water provision in support of stock farming and irrigation projects. The majority of needs expressed by communities in this Precinct (Ward 19) related to agriculture development such as the need for stock dams, farming projects, dipping tanks, forestry projects, and the development of a nursery.
- Other infrastructure needs were for water and sanitation provision, electricity, and improvement of access roads.
- Expressed needs for tourism development were for the establishment of a tourism training college and for skills development (such as computer skills).
- The need for secondary services such as schools, health services, policing services and public amenities (community hall, sports centre and post office) were also raised.
- Conservation of the natural systems / forests in this area is vital.

- The area is the subject of the Dwesa –Cwebe Development Plan. This plan includes detail development proposals for the area with a detailed Spatial Development Framework.

PRECINCT H

Includes a small portion of Ward 23 along the coast.

Motivating factors

- This small Precinct is primarily recognized as a strategic investment area for coastal tourism development and includes the Qhora Mouth Second Order Node which includes Kobb Inn holiday resort.
- It includes the mangrove swamps, a key natural system in the area.
- A brick-making project is active in the Gojela area in this Precinct.
- The area is also considered a “worst off area” in terms of the poverty index study and therefore requires programmes to alleviate poverty.

Development considerations

- Consider interventions, which promote tourism as a key employment sector to alleviate poverty.
- Build on existing LED initiatives (brick making)
- Conservation of the natural systems in this Precinct is vital.
- Provision of infrastructure to support tourism is important.
- The supply of electricity and upgrading of access roads was key needs expressed. Other needs related to the provision of Community halls, schools and crèches and health services. Fencing of fields and provision of dipping tanks for agriculture were also expressed needs.

PRECINCT I

Includes the Northern most portion of Ward 23.

Motivating factors

- Includes granite mining LED activities
- The agricultural potential of the area is recognized through the RULIV Development Programme, which promotes organic farming and vegetable production in the area and is currently supporting the development of the Shixini Irrigation Scheme.
- The Precinct is situated along the main corridor (linear development zone) linking Willowvale to the Coast (at Kobb Inn / Qhora Mouth)
- A housing project is currently underway in Egedegene settlement in this Precinct (CBPW Programme).
- There is a current CMIP water project in the Precinct.

Development considerations

- Basic infrastructure is required to alleviate poverty in this zone which is describe as “worst-off” in terms of the poverty index study.
- Interventions in this Precinct should primarily support agriculture and LED related potentials to alleviate poverty.
- Appropriate infrastructure provision is key to the development of this Precinct. E.g. water supply systems to support cultivation and irrigation projects)
- Phased infrastructure implementation approach can be adopted which is linked to the available networks and systems in adjacent Precinct J (includes Willowvale Town).
- Skills development to facilitate LED initiatives need to be considered.

PRECINCT J

Includes a portion of Ward 25 and a small portion of Ward11.

Motivating factors

- Contains Willowvale Town - a key service centre in Mbhashe.
- Is dissected by two development corridors (linear development zones), which link the coastal resort areas to Dutywa via Willowvale.
- Basic infrastructure and services are available in the Town and adjacent settlements.

- Economic services are available in the town, such as spaza shops, hotels, banking services, etc.
- Secondary services such as a library, clinics and schools are available in the Town.
- CMIP water projects are near completion in surrounding settlements (Bongweni, Gosani)
- Forests are a key natural resource in this Precinct.
- Agriculture potential of this precinct is supported by the RULIV Programme, which proposes forestry and medicinal plant production and goat farming.
- RULIV is currently supporting a HIV/Aids project in Willowvale Town.
- Inhabitants of the Willowvale area use the Tafalofefe Hospital in the Mnquma Municipal area.
- Identified as a priority area for Land Reform

Development considerations

- The development focus in this Precinct should be to primarily upgrade infrastructure and services to establish Willowvale as a higher order town.
- A phased infrastructure development approach should be adopted to systematically provide infrastructure to surrounding settlements building on the capacity in the town.
- The upgrading of roads to the town, the coastline and essential services (such as Tafalofefe Hospital) is key to the development of this Precinct and its broader service area.
- Key needs expressed in this Precincts relate to the provision of electricity, the upgrading of access roads, the provision of secondary services such as schools, health services and community halls.
- Expressed agricultural needs were for the fencing of fields and the provision of dipping tanks.
- Conservation of the forests in this Precinct is critical.

PRECINCT K

Includes Portions of Ward 11.

Motivating factors

This Precinct is home to Nqadu Great Place (the current residence of the Xhosa Nation King).

- It is viewed as a key tourism and cultural area.
- It is situated between the towns of Dutywa and Willowvale
- Current development initiatives are taking place in the area, namely: CBPW Programme Cluster: developing water supply projects, a multipurpose community centre and upgrading roads to the area.
- The Agriculture potential of the area is supported through the RULIV Programme, which has earmarked a priority cluster in this Precinct for the development of forestry and medicinal plant production, maize production and sheep farming. Tourism and SMME related activities are also supported through the RULIV Programme in this area.
- Forests are a key natural resource in this area.
- The Precinct is dissected by a key corridor (strategic linear development zone), which links Nqadu to the Towns of Willowvale and Dutywa.
- Identified as a priority area for Land Reform Development Considerations
- The focus of intervention should be to primarily develop the tourism and agriculture potential of the area.
- Infrastructure provision should support the strategic tourism and agricultural development focus of the area.

PRECINCT L

Includes a portion of Ward 12

Motivating factors

- This is regarded as an affluent and well-planned settlement area with available essential services, such as schools and health services.
- It is home to old military forts, namely Fort Malan and Fort Bowler, which are regarded as potential tourism attractions to the area.

Roads	To provide quality and trafficable road network throughout Mbhashe by 2014.	Construct new roads	No. of roads constructed	Quarterly reports	06	10	35
		Maintain the existing road network	No. of km's of road maintained	Quarterly reports	-	1250 km	160 km
		Create jobs through road construction	No. of jobs created through EPWP/CWP	Quarterly reports	200	300	500
Enabling environment for growth and development	Provide conducive environment for business growth and development	Allocate 5% of the MIG funding for LED programs	% of funds allocated	Quarterly reports	5%	5%	5%
		Construct new structures	No of structures constructed	Quarterly reports	0	6	7
Electricity	To provide adequate electrical service to households	Provide basic electricity to households	No. of households connected	Quarterly reports	750	1200	1200
		Maintain the street lights in the three units	No. of street with adequate street lights	Quarterly reports	0	All	All
	Lobby for more resources for electrification programme	Apply for more funding to DME	No. of household connected	Quarterly reports	500	2000	3000
Disaster prevention, mitigation and recovery	Enhance management of disasters within Mbhashe	Implement disaster awareness ,mitigation and recovery projects in identified areas	No. of beneficiaries and affected areas	Quarterly reports	30	45	60
		Implement and review local disaster management plan	Approved plan	Quarterly reports	1	1	1
		Implement and review coastal zone management plan	Approved plan	Quarterly reports	0	1	1
		Assist school	No. of licenses	Quarterly	0	200	300

		going youths get drivers' licenses before Grade 12	issued	reports			
Social Facilities	Provision of sporting facilities	Maintain existing temporal sporting grounds	No. of facilities maintained	Quarterly reports	6	4	8
		Implement and review maintenance plan for the existing facilities	Approved plan	Quarterly reports	1	1	1
	Provide and extend the use of recreational facilities	Identify and develop park sites in all three units.	Park sites developed	Quarterly reports	0	1	2
Environment	Create an environmentally friendly environment	Implement and review waste disposal plan	Approved plan	Quarterly reports	0	1	1
		Form waste management partnerships and twinning programs to ensure clean environment	Cleaner environment	Quarterly reports	1	3	3
		Create environmental awareness to the communities	Number of awareness campaigns held	Quarterly reports	0	5	5
		Establish licensed disposal sites	License	Quarterly reports	1	3	3
Social Facilities	Provision of sporting facilities	Maintain existing temporal sporting grounds	No. of facilities maintained	Quarterly reports	6	4	8
		Implement and review maintenance plan for the existing facilities	Approved plan	Quarterly reports	1	1	1
	Provide and extend the use of	Identify and develop park	Park sites developed	Quarterly reports	0	1	2

	recreational facilities	sites in all three units.					
Environment	Create an environmentally friendly environment	Implement and review waste disposal plan	Approved plan	Quarterly reports	0	1	1
		Form waste management partnerships and twinning programs to ensure clean environment	Cleaner environment	Quarterly reports	1	3	3
Free basic services	Ensure indigent population benefit from the free basic services	Develop accurate indigent register	Register approved	Quarterly reports	1	1	1
		Subsidies indigent households	No. of households benefited	Quarterly reports	10 000	12 000	11

3.5 KPA 3: LOCAL ECONOMIC DEVELOPMENT

These objectives and strategies are based on various material conditions and Provincial and National targets including the Provincial Growth and Development Plan. The objectives and strategies also based on the Local Government key performance areas. For example LED objectives are based on PGDP SO 2, the agrarian transformation and strengthening household food security and SO 3, the consolidation, development and diversification of the manufacturing base and tourism potential.

With regard to strategic objective 2, the PGDP states, “one of the keys to poverty eradication lies in the rapid transformation of the agricultural sector. The challenge of poverty requires a focus on the growth of the agrarian economy in the former homelands through:-

Programmes to promote household food security by expanded smallholder production.
Development of commercial agriculture through optimum use of highest potential agricultural land in the former homelands.

A focus on land redistribution and, in the longer term, land tenure reform to release land for poor households and for new commercial farming enterprises.

With strategic objective 3, the PGDP states, “The manufacturing sector requires consolidation by extending growth beyond a relatively small number of volatile export markets. Diversification into new markets can be achieved through three main strategies:-

Consolidating the value chain and supply chain in existing markets by identifying inputs that can be supplied and higher value products linked to existing production.

Creation of regional growth points for manufacturing development based upon availability of raw materials, skills and existing industrial profile.

The development of agro-industries based upon expanded agricultural production in the former homelands.”

The cluster objectives address the following five priorities:-

Agricultural Development
 Tourism
 SMME
 Mining
 Fisheries and forestry

Priority Area	Objective	Strategy	Indicator	Measurement Source	Baseline	11/12
Economic Planning	To ensure sound planning and forecasting for future economic growth and development	Develop economic plans and engage in collaborative research aimed at improving quality of our LED strategies and plans	Reviewed and updated LED plans	Quarterly reports	1	1
			Reports on state of progress regarding LED implementation of strategy	Quarterly reports	1	1
Institutional Capacity Development	To build capacity for carrying out our LED operations	By recruiting and appointing in critical budgeted positions in our approved organogram	Staffed department	Quarterly reports	6	7
		By entering into SLAs with other government organs for secondment of staff	Seconded official or intern	Quarterly reports	1	2
AGRICULTURE & FARMING	To facilitate and coordinate implementation of current commitments by our IDP, Departments of Agric, Land Affairs and Rural Development	Participate in project implementation steering committees	Reports from the steering committees	Quarterly reports	0	5
		By facilitating commercialization of the sector in strategic areas	No. of commercial enterprise formed	Quarterly reports	0	5
		By leveraging resourcing	No. of sites with new		0	2

		through provision of municipal services to agreed sites	municipal service	Quarterly reports		
		By prioritization basic network infrastructure construction in our MIG programme	No. of sites assisted through MIG	Quarterly reports	0	2
FORESTRY & FISHERIES	To facilitate development of the sector for improved contribution to GDP and job creation	By coordinating development of partnerships	No. of partnerships entered into	Quarterly reports	0	2
		By leveraging funds for development of market linkages and research	No. of funding sources found	Quarterly reports	0	1
MANUFACTURING, RETAIL & TRADE	To facilitate growth of the manufacturing capacity and improve value chain beneficiation in strategic sectors like agriculture, forestry and trade	By coordination research and training support to local operators	No. of training programs provided	Quarterly reports	0	4
		By creating planned spaces for manufacturing activity (eg. Land & Municipal Services)	No. of spaces provided for commercial purposes	Quarterly reports	0	4
		By mainstreaming the activity through creative regulation for contribution to local revenues and municipal rates	Approved by-law	Quarterly reports	0	1
		By coordinating development of partnerships for growth and development	No. of partnerships formed in the sector	Quarterly reports	0	1
TOURISM DEVELOPMENT	To facilitate tourism	By developing and	Approved Tourism Sector	Quarterly	0	1

	development and support for local operators	implementing a Tourism Sector Plan	Plan	reports		
		By facilitating linkages with markets via organized exhibition and market fares	No. of exhibitions organized and attended	Quarterly reports	1	3
		By facilitating training and support through partnerships with various organizations and agencies	No. of training provided to tourism operators	Quarterly reports	2	4
		By coordinating packaging and servicing of strategic vistas, sites of attraction as business offerings to tourism markets	No. of sites serviced or renovated	Quarterly reports	3	4
			Marketing tools packaged for tourism operators	Quarterly reports	1	2
		By contributing funding to market local touring and facilitate earning of revenues through locally based levies	By – law developed	Quarterly reports	0	1
SMME DEVELOPMENT	To support development of local SMME sector and improve their contribution to job creation	By facilitating training and research support	No. of training provided to local SMME	Quarterly reports	4	5
		By coordinating linkages to unlock funding and marketing challenges	No. of co-operatives funded	Quarterly reports	0	4
		Co-ordinate their	No. of new co-operatives		5	10

		organization into formally registered legal entities	registered	Quarterly reports		
		Lobby for creative procurement policies (SCM) aimed at growing and supporting local SMMEs	% amount of funds expended by local SMME's	Quarterly reports	50	70

3.6 KPA 4: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Priority Area	Objectives	Strategy	Key Performance Indicator	Measurement source	Baseline	11/12	12/12
Spatial Development Framework	Ensure proper demarcation of land.	Review SDF	Reviewed SDF	Quarterly reports	1	1	1
By-laws	Ensure proper compliance with the Legislation	Develop and review by-laws	Approved by-law	Quarterly reports	1	1	1
IDP	To ensure the proper development and review of a credible IDP	Develop IDP	Adopted IDP	Quarterly reports	1	1	1
Budget	Credible budget	Prepare budget according to circular 48.	Budget in line with IDP.	Quarterly reports	1	1	1
Staff Development	Training, development & empowerment of staff	Compile EEP in +compliance with legislation	Approved EEP	Quarterly report	1	1	1
		Provide training to municipal staff	No. of staff trained	Quarterly Report	20	80	120
Special Programmes	Development and capacity of the vulnerable groups	Develop and Implement youth development strategy	Approved strategy	Quarterly Report	0	1	1
		Develop and Implement gender development strategy	Approved strategy	Quarterly Report	0	1	1

		Develop and implement old persons development strategy	Approved strategy	Quarterly Report	0	1	1
		Develop and implement disabled development strategy	Approved strategy	Quarterly Report	0	1	1
Priority Skills	To retain scarce skills in our area	Offer financial assistance	No. of students assisted	Quarterly reports	1	3	3
		Develop and implement retention strategy	Adopted strategy	Quarterly reports	0	1	1
Policy	To ensure compliance with legislation	Develop and review all relevant municipal policies	No. of policies reviewed	Quarterly reports	20	25	30
PMS	To ensure that an effective PMS is complied with.	Operationalize PMS	Adopted reviewed PM Framework	Quarterly reports	1	1	1
			No. of performance agreements signed	Quarterly reports	7	7	7
		Cascade PMS to all levels through AA's and PP's	Procedure manual for AA's and PP's	Quarterly reports	0	1	1
			Performance assessment reports	Quarterly reports	0	24	24
			No. of performance reviews done	Quarterly reports	0	4	4
			Consolidated departmental AA's and PP's reports	Quarterly reports	0	6	6
		Development of the Annual	Adopted Annual report	Annual	1	1	1

		Report					
		Development of the oversight report	Council report	Annual	1	1	1

3.7 KPA 5 – FINANCIAL VIABILITY

Priority Area	Objectives	Strategy	Indicator	Measurement Source	Baseline	11/12	12/13
Revenue collection and debt management	To ensure significant increase in revenue collection	Review and implement revenue enhancement strategy	Reviewed revenue enhancement strategy	Quarterly reports	0	1	1
		Implementation of creditors control and debtors collection policy and enforcement of by-law	Reduction in debts	Quarterly reports	0	5%	50%
		Provide incentives to customers	Increase in own revenue	Quarterly reports	0	20%	50%
		By increasing funds from external sources	Increase in financial capacity to annual budget	Quarterly reports	0	10%	20%
	To verify debtors information	Door to door campaign	Accurate debtors information	Quarterly reports	0	75%	100%
		Awareness campaigns	No. of campaigns	Quarterly reports	0	3	3
Expenditure management	To pay creditors on time	By centralizing supply chain	Reduction on interests charged	Quarterly reports	0	75%	100%
Auditing	To ensure that there's compliance in all sectors of the municipality	By continuous auditing from the internal audit function	% number of audits on the checklist	Quarterly reports	0	100%	100%
		Co-ordinate the	No. of audit	Quarterly	4	4	4

		siting of the audit committee	committee meetings	reports			
Supply Chain Management	To ensure the effective and efficient usage of the Supply Chain Management	Develop and review Supply Chain Management Policy	Approved reviewed policy	Quarterly reports	1	1	1
		Monitor implementation of the policy	Monthly and Quarterly reports	Monthly reports	0	1	1
		Facilitate development of procurement plans	Approved Procurement plans	Quarterly reports	0	1	1
	To meet the HDI targets set for capital and non-capital projects as per SCM policy	Develop policy on Public-Private Partnerships	Approved policy	Quarterly reports	0	1	1
		Ensure quarterly reporting in capital and non-capital projects	Reports submitted monthly	Quarterly reports	0	12	12
Asset Management	To ensure that all assets owned by Mbhashe are correctly captured in the asset register	Recording of the valuation of infrastructure assets that are physically verified	Updated fixed assets register	Quarterly reports	0	100%	100%
		Physical verification and condition assessment of all assets annually	Impairment assessment and condition analysis	Quarterly reports	0	100%	100%
		Assessment and evaluation of municipal assets	No. of assets correctly assessed and insured	Quarterly reports	0	75%	100%

Fleet Management	To ensure cost effective and efficient use of municipal motor fleet	Develop and review Fleet Management Policy	Approved policy	Quarterly reports	0	1	1
		Ensure daily monitoring and monthly reporting on fleet position and condition	Monthly reports on fleet	Quarterly reports	0	12	12
Telephone Management	To ensure cost effective and efficient use of telephones	Develop and review Telephone Usage Policy	Approved policy	Quarterly reports	0	1	1
		Ensure proper monitoring of the telephones and reduction in its cost	Submitted reports on telephones	Monthly reports	0	60% reduction	100% reduction
Risk Management	To improve audit opinion	Develop action plan based on audit report	Number of findings addressed	Monthly reports.	0	50	70
	To have an effective Risk Management Strategy	Develop risk management policy.	Approved policy	Quarterly reports	0	1	1
		Develop fraud prevention policy	Approved policy	Quarterly reports	0	1	1
Financial Management	Ensure that the municipality is financially viable	Implement credit control & debt collection policy.	Reduced number of debtors	Monthly reports	0	50	60
		Develop revenue enhancement strategies.	Approved strategy	Monthly Reports	0	50	60
	Present fully GRAP compliant Annual Financial Statements	Updating of books of accounts	Fairly presented financial statements	Quarterly reports	1	1	1
Information Technology (IT)	Ensure the smooth running of IT & communication	Upgrading of IT infrastructure to meet the needs of the institution	Reliable & useful IT system	Quarterly reports	25	70	80

	network						
		Conduct regular service of all municipal computer equipment	Working computer and IT network	Monthly reports	30	100	100
		Maintain e-mail system for easy IT communication	100% connection to e-mails at all times	Monthly reports	30	150	150
		Website maintenance	Updated information	Updated website	25	70	80

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Priority Area	Objectives	Strategy	Indicator	Measurement Source	Baseline	10/11	11/12
Public Participation	Ensuring that all stakeholders participate in the affairs of the Municipality	Review & implement Public Participation strategy	Approved strategy	Quarterly reports	1	1	1
		Develop communication strategy	Approved strategy	Quarterly reports	1	1	1
		Capacitate ward committees	No. of workshops organized for ward committees.	Quarterly reports	3	6	6
		Strengthen relations with and coordinate the work of CDWs, Ward Committees and Traditional Leaders	No of meetings held and joint programmes organised	quarterly	0	4	4
		Coordinate stakeholder consultation	No of consultative forums/ meetings held	quarterly	0	4	4
		Strengthening of community based Project Steering Committee meetings	Develop projects register	quarterly			
Communications	To promote and enhance	Review communications	Adopted strategy	Quarterly reports	1	1	1

	communication in all municipal activities	strategy					
		Develop and implement a media plan	Adopted plan	Quarterly reports	0	1	1
			No. of newsletter published	Quarterly reports	2	4	4
IGR	Ensure integration of government programmes.	Organise IGR forums	No. of IGR forums held	Quarterly reports	4	4	4
Employee Wellness Programme	Create conditions conducive for a healthy working environment	Organise awareness programmes	No. of workshop organized	Quarterly reports	1	4	4
		Cascade PMS to all levels in the municipality	Signed AA's and PA's	Quarterly reports	1	1	1
Councillor Support	Create climate conducive to the workings of the council and councilors	Organize and conduct induction to the new council	Councillor induction workshop	Quarterly report	1	-	-
		Review the rules of order	Rules reviewed	Quarterly report	1	-	-
		Coordinate effective functioning of the Council and its committees	Minutes of Council and its structures	Quarterly reports	100%	100%	100%

CHAPTER 4: CLUSTER PRIORITIES, PROJECTS AND PROGRAMMES

5.1 LOCAL ECONOMIC DEVELOPMENT

Poverty is widespread throughout Mbhashe and is a priority issue to be addressed. This is most evident in Elliotdale which is one of the most poverty stricken districts in the republic. This makes the whole Mbhashe area the one of the worst municipalities with high rate of unemployment and poverty in the country. As a response to that, the province has put the municipality under project consolidate and is put under the Integrated Sustainable Rural Development Plan (ISRDP) node. Unemployment is very high and most of the inhabitants of Mbhashe rely on government remittances (pensions and grants) and on agrarian subsistence lifestyle for survival. Local Economic Development is critical to providing employment opportunity to improve the livelihood of the inhabitants of Mbhashe.

Agriculture, Tourism and Forestry are recognized as the key sectors to develop the local economy. Many initiatives are active in Mbhashe and are making a significant contribution to the urban and rural livelihoods of Mbhashe's inhabitants. These include key DEAT funded projects

linked to tourism and the Agricultural co-operative development in vegetable and grain (maize) production.

It is important then to build on the existing initiatives taking place in the area. Furthermore, it is important that through the IDP and Mbashe's Spatial Development Framework (summary given as chapter 6 on this IDP document), external initiatives and programmes are guided by the IDP's priorities and developmental proposals for the area.

4.1 LOCAL ECONOMIC DEVELOPMENT PROJECTS & PROGRAMMES

WARD	PROJECT	PROJECT DESCRIPTION	2011/2012		2012/2013
			Amount	Source	Amount
	Fencing and Irrigation Scheme	Provide Fencing Material to identified areas	500 000	Mbhashe	530 000
17	Shearing shed	Construction of shearing shed	150 000	Mbhashe	200 000
	Maize production	Contribute to ASGISA through partnership	1m	Mbhashe	1,2m
	Wool processing equipment	Provide processing equipment to shearing sheds	450 000	Mbhashe	500 000
	Business Planning	Assist fishing and forestry coops in business planning	100 000	Mbhashe	150 000
20 24 04	Sarhili Hints Sinqumeni Caves	Maintenance at the sites	100 000	Mbhashe	100 000
	Cooperative Support	Provide inputs to brick making and bakery cooperatives	200 000	Mbhashe	250 000
	Training of SMME's	Provide training to cooperatives and SMME's	400 000	Mbhashe	450 000
All	Co-operatives development	Train and register co-operatives	200 000	Mbhashe	250 000
All	Facilitate linkages with markets via exhibition	Festivals, shows and events	400 000	Mbhashe	330 000
All	Training of product owners	Provide training to tourism stakeholders	200 000	Mbhashe	400 000
All	Promotion of VIC and Local Tourism Organisation	Provide promotional material and training to LTO	150 000	Mbhashe	50 000

4.2 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

WARD	PROJECT	PROJECT DESCRIPTION	2011/2012		2012/2013
			Amount	Source	Amount
	Housing sector plan	Reviewal of housing sector plan	R 250 000	Mbhashe	R100 000
	Renovations	Rectify RDP Houses	R 1m	Mbhashe	1M
	Survey	Survey and planning sites	R 500 000	Mbhashe	R330 000
	Infrastructure	To address bulk and infrastructure backlog	300 000	Mbhashe	350 000
	Land Audit	Verification of sites through sites visits	R400 000	Mbhashe	-
	Land invasion and legal occupation	Conduct a study to determine migration patterns and develop a plan to manage this.	R100 000	Mbhashe	R110 000
	Layout Plan	Layout plan for middle income at Willowvale	300 000	Mbhashe	400 000
		Layout plan for middle income at Elliotdale	350 000		

	Construction of low cost housing	Layout plan for low cost housing (Dutywa)	300 000	Mbhashe	-
01	Doti Access Roads	Construction of a road and storm water drainage	-	MIG	-
03	Bongweni Access Road	Construction of a road and storm water drainage	-	MIG	-
07	Luxhomo	Construction of a road and storm water drainage	-	MIG	-
08	Gudlindlu to Nweleni	Construction of a road and storm water drainage	-	MIG	-
09	Makakanzima to Xobo	Construction of a road and storm water drainage	-	MIG	-
10	Mngeka	Construction of a road and storm water drainage	-	MIG	-
13	Melitafa to Sirhosheni	Construction of a road and storm water drainage	-	MIG	-
15	Ncihana to Xuba	Construction of a road and storm water drainage	-	MIG	-
16	Nobulala to Mpange house	Construction of a road and storm water drainage	-	MIG	-
18	Mngcakatalweni to Ntshuqe	Construction of a road and storm water drainage	-	MIG	-
19	Dangata to Dayi	Construction of a road and storm water drainage	-	MIG	-
22	Flathini to Goqo	Construction of a road and storm water drainage	-	MIG	-
23	Nakazana	Construction of a road and storm water drainage	-	MIG	-
24	Nomawaka	Construction of a road and storm water drainage	-	MIG	-
25	Bongweni	Construction of a road and storm water drainage	-	MIG	-
23	Jotela	Construction of a road and storm water drainage	-	MIG	-
01	Sport facilities	Construction of change rooms and master lights for Dutywa Stadium	-	-	-
13	Riverview to Xobo	Construction of a road and storm water drainage	-	-	-
18	Mdwaka – Hlamathi	Construction of a road and storm water drainage	-	-	-
11	Ncedana- Komkhulu	Construction of a road and storm water drainage	-	-	-
22	Fubesi	Construction of a road and storm water drainage	-	-	-
19	Manzibomvu-Zithulele	Construction of a road and storm water drainage	-	-	-
17	Zembe-Magoxo	Construction of a road and storm water drainage	-	-	-
16	Nobulala	Construction of a road and storm water drainage	-	-	-
05	Vinindwa-Mazizini	Construction of a road and storm water drainage	-	-	-
06	Njemane-Bethani	Construction of a road and storm water drainage	-	-	-

08	Khanya	Construction of a road and storm water drainage	-	-	-
23	Tafeni-Macirheni	Construction of a road and storm water drainage	-	-	-
15	Jongulwandle-Qgubhuzeni	Construction of a road and storm water drainage	-	-	-
25	Bhongweni	Construction of a road and storm water drainage	-	-	-
All	Material contribution in disaster area	Alleviation of severe poverty programmes	R 500 000	Mbhashe	R530 000
All	Agriculture disaster plan	Review plan for Agricultural Disasters	R 50 000	Mbhashe	R60 000
	Maritime disaster plan	Develop a plan for maritime disasters	R 50 000	Mbhashe	R60 000
	Lifesaving	Ensure safety at beaches	R 500 000	Mbhashe	R850 000
01	Public Amenities-port Facilities	Construct new sports facilities	R 500 000	Mbhashe	R530 000
	Recreational Facility	Identify and develop a park site	R 300 000	Mbhashe	R280 000
	Disposal Plan	Develop a Waste Disposal Plan	R 50 000	Mbhashe	R60 000
	Operation Cleanup	Create a healthy and clean environment	R 250 000	Mbhashe	R260 000

2.3 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

WARD	PROJECT	PROJECT DESCRIPTION	2011/2012		2012/2013	
			Amount	Source	Amount	Source
	Policy development and review	Development and review of policies	R250 000	Mbhashe	R220 000	Mbhashe
	Data check	Verification of qualifications	200 000	Mbhashe	-	-
	Employee Wellness Programme/Employee Assistance Programme	Organize awareness programmes	R 150 000	Mbhashe	R350 000	Mbhashe
	Youth development strategy	Establishment of youth structures and their operations	265 000	Mbhashe	280 000	Mbhashe
		Establishment of children's advisory council and operations of the structure	85 000	Mbhashe	100 000	Mbhashe
		Establish older person's forums	70 000	Mbhashe	70 000	Mbhashe
		Establish women's caucus and operations of their programmes	115 000	Mbhashe	130 000	Mbhashe
		Mainstreaming of HIV/AIDS and establish forum	70 000	Mbhashe	80 000	Mbhashe

4.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

WARD	PROJECT	PROJECT DESCRIPTION	2011/2012		2012/2013	
			Amount	Source	Amount	Source
	Public participation strategy	Development of public participation strategy	R200 000	Mbhashe	R220 000	Mbhashe
	Ward committee establishment	Election of ward committees and training	573 000	Mbhashe	R220 000	Mbhashe
	Stakeholder participation	Meetings with ratepayers, business and other organized groups	100 000	Mbhashe	R160 000	Mbhashe
	Strengthening of relations	Meetings for strengthening relations with spheres of Govt. and other structures of government	73 300	Mbhashe	R550 000	Mbhashe

CHAPTER 5: FINANCIAL PLAN

5.1 FINANCIAL STRATEGIES

Background	
Purpose	<ul style="list-style-type: none"> ▪ To create the medium term strategic financial framework ▪ To allocating municipal resources through the municipal budgeting process ▪ To ensure the financial viability and sustainability of the municipal investments and operations ▪ To outline revenue and expenditure forecast ▪ To link capital projects with potential source of financing ▪ To maximize opportunities that will enhance Mbhashe financial strength ▪ To align plans and policies to IDP ▪ To establish a basis for monitoring progress
Segment:	<ul style="list-style-type: none"> ♣ Financial Guidelines ♣ Revenue Raising Strategies ♣ Asset Management Strategies ♣ Financial Management Strategies ♣ Cost Effectiveness strategies ♣ Operational Expenditure and revenue forecast

In a local municipality environment, financial planning is not easy and will change constantly. This is because we are at a transitional period. We have to progress whilst the policies and legislations are being updated. This therefore suggests that there will be a lot of changes due to a lot unforeseen circumstance which are often not predictable.

It is human nature to rate his needs as the most important and its natural for communities to demand first priority while various needs are extensive and diverse The National government is focusing on Local economic development and thus creating employment opportunities which will lead to poverty alleviation. As the municipality we cannot turn a blind eye on the reality of infrastructural backlog. All these needs will have to be addressed from the limited resources available to our disposal.

It should be noted that in any budget or financial plan there will always be needs that cannot be accommodated and that will raise a perception of neglect. However, financial planning must be done in the municipality to accommodate the principle of sustainability and sound financial management. It is

critical that these strategies should be constantly improved as the Integrated Development Plan is constantly revised taking into consideration the financial unknown that will arise from time to time.

5.2 FINANCIAL GUIDELINES

National Treasury sets out growth rate of the Capital, Operating and trust Expenditure annually to maintain macro-economic and physical stability. The Finance Department is thus setting guideline for Budget and Annual Financial Statements preparation. The guidelines are based on sound municipal financial planning and financial strategy.

1. Budgets should be prepared taking into account policies and priorities of the municipality.
2. The municipality is not permitted to budget for end year deficit.
3. The maximum expenditure increase for capital as well as operating budget will be R105 198 237.
4. An agreement has been entered into for functions that have been removed from the authority of the municipality.
5. Possible sources of funding for the functions that are under the power of the municipality should be investigated.
6. GAMAP readiness is crucial to ensure compliance with legislation and Accounting practices.
7. Affordability and sustainability are important issues to be considered when determining priorities.
8. Municipal Assets should be adequately maintained to minimize capital spending on upgrading and replacement cost.
9. In year monitoring of spending is very crucial
10. Municipality should not amend the budget more than twice per annum.

5.3 REVENUE RAISING STRATEGIES

The purpose of this strategy is to ensure that all possible avenues are explored to maximize the receipt of monies available to council by way of intergovernmental transfer of grants or donations and to ensure that monies owed to the municipality are duly collected.

◆ Tariff Policy

A policy was developed, workshopped and presented to the standing committee of the council now for budgetary purposes, it is necessary for the council to adopt a tariff policy.

The following form basis of revenue generation in the municipality

Property Rates

The charges in respect of property rates will be determined based on the municipal valuation of land and the improvements thereon

Water (ADM Authority)

- Consumers will be categorized as households, Commercial, Government
- Basic charge to households for the first 6kl
- Cost related tariff for more than 6kl

Refuse

Sanitation (ADM Authority)

Traffic Fines

Leases

◆ Subsidies and Grants

In order for the municipality to obtain maximum benefit from external monies available, a procedure should be put in place to ensure that all grants, donations and subsidies are investigated, applied for and received at appropriate times.

Management will be brought together to study the available sources of grants, donations and subsidies. The study will ensure that the municipality receives maximum benefit from external funding available.

◆ Credit Control Policy

The policy sets out to control and manage the recovery of outstanding debt due to council. This policy is in place and is subject to regular updates. There is a need to obtain authority to issue summons and attach properties for those that do not pay or an attorney will have to be employed to carry out these duties on our behalf.

A procedure to determine Provision for doubtful debts will be clearly outlined to reduce audit queries.

5.4 ASSET MANAGEMENT STRATEGIES

The purpose of the strategy is to optimize the use of all assets under the control of Mbhashe Municipality. Personnel to be responsible for this has been approved by council and will start being operational in July 2004.

◆ Asset Management Policy

A detailed policy is necessary in order to facilitate the effective management, control and maintenance of assets. The policy in place is not detailed and it will have to be reviewed to ensure GAMAP compliance and inclusivity.

The main objective of the policy is to ensure that Municipal assets are properly managed and accounted for by:

- Recording all fixed assets
- Ensure the accurate recording of asset information
- Accurate recording of asset movement
- Exercise strict control over all assets
- Providing correct and meaningful management information
- Effecting adequate insurance of all assets
- Proper maintenance of municipal Assets

◆ GAMAP Compliant Asset Register

The Municipal Finance Management Act is bringing a change in financial accounting for municipalities and is called the General Accepted Municipal Accounting Practice (GAMAP). This will govern the administration and reporting of financial affairs of the municipality. A fixed Asset register that complies with the GAMAP requirement will be essential.

◆ Asset Management System.

A computerized Asset Management System with an asset tracking bar-coded disc and scanners should be put in place.

The system will allow for regular audit of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register, thus enabling better management of the municipal asset.

5.5 FINANCIAL MANAGEMENT STRATEGIES

The purpose of this strategy is to ensure that financial Systems in place at Mbhashe Municipality are of such quality to allow for the generation of accurate and timely bills and reports at all times.

◆ Integrated Financial Information System

A search for an integrated financial system is being carried out. A system that will be user friendly and be able to generate the financial reports required by the legislation, council, other departments and customers and be GAMAP compliant at the same time by:

- Producing reliable and accurate bills
- Producing categorized and aged reports
- Being interfacial to other software used by the municipality
- Updating all accounts up to balance sheet

◆ Budget

Inclusively in budget preparation will continue to be encouraged, though at the moment departments do not co-operate in this exercise. This is aiming at encouraging all departmental heads to be responsible and manage their own budgets. Budgetary controls will be straightened to ensure that there is economic efficiency and effectiveness.

The municipality will ensure conformity to National Treasury reporting requirements through use of the adequate financial systems.

5.6 COST EFFECTIVENESS STRATEGIES

The purpose of this strategy is to ensure that Mbhashe municipality employs the most cost effective operating practices.

The municipality will use the District forums to improve performance and to benchmark against other municipality. The assistance from the Province will be utilized to ensure that administration of funds is constantly improved.

◆ Training and Development of Staff

Training and courses are being planned to ensure that all financial as well as non financial staff and councilors will be in a better position to evaluate the financial position of the municipality. This trainings will be planned to ensure that finance staff are able to carry out their duties so as to comply with the legislations, policies, Council, Provincial and National reporting requirements.

◆ Cost-Effectiveness

All departments of Mbhashe Municipality are challenged continually with identifying the most cost effective means of operating by employing the methods commonly associated with the Best Operating Practices.

5.7 OPERATIONAL EXPENDITURE AND REVENUE FORECAST

ESTIMATED REVENUE AND GRANTS		
Revenue/Income	2008/2009	2009/2010
Assessment Rates	1 484 000	1 573 040
Refuse Removal	265 000	280 900
Rental of facilities and equipment	199 051	406 754
Interest on Investments	1 020 000	1 983 785
Fines	24 168	500 000
Grants and donations	74 505 710	96 475 831
Other income	5 837 407	3 976 265
Transfer to funds		3 643 640
TOTAL	83 340 905	105 198 237

EXPENDITURE		
Employee related costs – Salaries	17606858	20 096 894
Employee related costs – social contributions	2 651 416	3 026 558
Remuneration of councilors	7941 444	12 919 828
Depreciation	560 668	1 682 004
Repairs and Maintenance	3 986 217	2 503 392
General expenses	21 051 045	22 289 211
General expenses - Projects	13 034 642	12 250 000
Contributions to Capital	21 055 500	34 073 990
TOTAL	83 340 905	105 198 237

Impact on Operating Budget

The implementation of capital project will have an impact on any municipality's operational grant, negative or positive. Calculation of this impact is extremely difficult. Operational as well as maintenance costs should be provided for, but financial forecast within the scope of IDP is sometimes affected by limited resources to conduct such studies.

CHAPTER 6– SECTOR PLANS AND PROGRAMMES

6.1 LOCAL ECONOMIC DEVELOPMENT PLAN

Mbhashe Municipality developed its own LED strategy which is aligned to the Amathole Regional Development Economic Strategy and was adopted by the council in March. The municipality acknowledges the work done by Duncan Stewart who was doing a plan based on the Elliotdale Rural Settlement project. The nature of this draft is the reflection of his work and that of the LED stakeholder that participated in the development of the strategy. Projects and programmes identified are those that the municipality implements and/or intend implementing and are/were already adopted by council. Concerning the strategy, the Amathole Regional Economic Development Strategy (AREDS) applies to all local municipalities within the district including Mbhashe.

6.2 WASTE MANAGEMENT PLAN

The Mbhashe Municipality does not have an officially adopted Waste Management Plan. However, the Amathole District Municipalities District Waste Management Plan is applicable to Mbhashe. In addition to this, based on work undertaken to date, the following forms the basis of the Municipalities approach to Waste Management.

6.3 INTEGRATED TRANSPORTATION PLAN

The Mbhashe Municipality does not have an officially adopted Transport Plan. However, the Amathole District Municipalities District Integrated Transport Plan is applicable to Mbhashe.

6.4 LAND REFORM AND SETTLEMENT PLAN

The Mbhashe Municipality does not have an officially adopted Land Reform and Settlement Plan. However, the Amathole District Municipalities District Land Reform and Settlement Plan is applicable to Mbhashe.

6.5 INTEGRATED ENVIRONMENTAL PLAN

The Mbhashe Municipality does not have an Integrated Environmental Plan. However, the formulation of an Integrated Environmental Plan has been identified as a project and is included in the IDP project list.

6.6 INTEGRATED DISASTER MANAGEMENT PLAN

The Mbhashe Municipality does not have an Integrated Disaster Management Plan. However, the ADM is assisting us to formulate our own.

6.7 WATER SECTOR PLAN

The Mbhashe Municipality has an adopted Water Sector Plan. Prioritisation of Water and Sanitation projects are based on the recommendations of this plan.

6.8 COMMUNICABLE DISEASES (HIV/AIDS) PLAN

The Mbhashe Municipality does not have a Communicable Diseases Plan. However, the formulation of a Communicable Diseases (HIV/AIDS) Plan is on the planning stage of developing.

6.9 HOUSING SECTOR PLAN

The Mbhashe municipality does have housing sector plan and it was adopted and it was adopted by council in March 2010. The municipality was assisted by the provincial department of Housing in the development of the sector plan.

CHAPTER 7 – PERFORMANCE MANAGEMENT

INTRODUCTION

The performance management system represents a revised performance management framework for Mbhashe local municipality.

It outlines the objectives, principles, processes, procedures and the model that guides how the municipality implements its performance planning, monitoring, review, reporting, auditing and evaluation.

It further, identifies the key stakeholders and their respective roles in the managing of municipal performance management. Once adopted by council it will be binding on all in the municipality as a policy framework for implementing performance management.

In August 2001 regulations on municipal planning and performance management were published by Department of Provincial and Local Government (**dplg**) to further explain the requirements of the LG Municipal Systems Act 32 of 2000.

According to the regulations a municipal PMS must ensure that it:

- complies with all the requirements set out in the Municipal Systems Act;
- demonstrates how it is to operate and be managed from the planning stage up to the stages of performance and reporting;
- clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- clarifies the processes of implementing the system within the framework of the integrated development planning process;
- determines the frequency of reporting and the lines of accountability for performance;
- relates to the municipality's employee performance management processes;
- provides for the procedure by which the system is linked to the municipality's integrated development planning processes;

In terms of section 53 of the Municipal Finance Management Act (MFMA) 2003, the mayor of a municipality must take reasonable steps to ensure that the annual performance agreements of the municipal manager and all senior managers are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan; and are concluded in accordance with section 57(2j) of the Municipal Systems Act.

Coupled with the MSA: 2000, the MFMA: 2003 provide for the development of a mid-term budget and performance assessment of the municipality. The development of the mid-year budget and performance assessment report should give an indication on the progress made by the municipality for the past six months. The MFMA requires that the accounting officer of the municipality take into account the performance of the municipality against the performance expectations set by senior managers and their departments.

PERFORMANCE MANAGEMENT OBJECTIVES

The rationale for introducing performance management in our municipality goes beyond mere compliance with policy and legislation requirements. Through our PMS, we seek to achieve the following objectives:

Increased accountability

It is the intention of this council that the performance management system must be implemented in a manner that ensures increased accountability between:

- The residents of the Mbhashe Local and the municipal council,
- The political and administrative components of the municipality,
- Each department and the executive office.
- Between Municipal manager and his direct reports (otherwise commonly known as senior managers or section 56 & 57 managers)
- Between each employee and the organization or employer representative (supervisor)

Stakeholders

The following figure identifies key stakeholders and outlines their respective roles and responsibilities in the discharge of performance management activities or processes.

Table 1: Stakeholder Roles and Responsibilities

STAKEHOLDERS	PERFORMANCE PLANNING	MEASUREMENT AND ANALYSIS	PERFORMANCE REPORTING & REVIEWS
IDP Rep Forum	<ul style="list-style-type: none"> • Be consulted on needs • Develop the long-term vision for the area • Influence the identification of priorities • Influence the choice of the indicators and setting of targets 		Be given the opportunity to review municipal performance and suggest new indicators and targets
Council	<ul style="list-style-type: none"> • Facilitate the development of a long-term vision • Develop strategies to achieve vision • Identify priorities • Adopt indicators and set targets 		Review municipal performance bi-annually

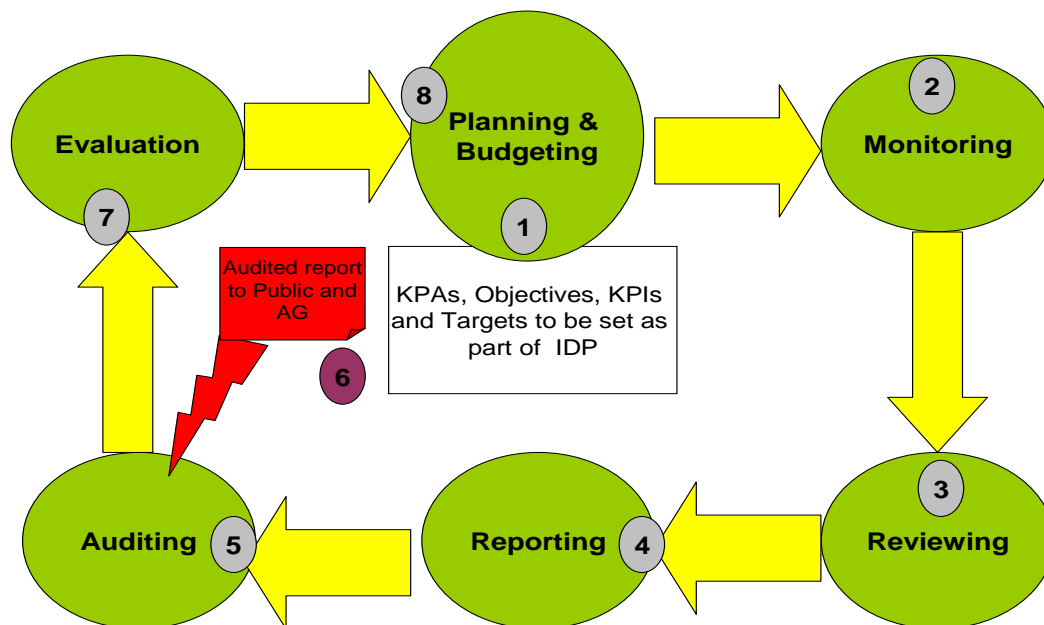
Portfolio (s79) Committees	<ul style="list-style-type: none"> • Influence the preparation of the SDBIP Scorecards • Ensure involvement of communities in setting of municipal targets 	Monitor performance of relevant services	<ul style="list-style-type: none"> ▪ Receive reports from service managers ▪ Review monthly SDBIP Scorecards ▪ Report to Exco ▪ Adopt corrective actions where necessary and recommend to Exco
Executive Committee	<ul style="list-style-type: none"> • Play a leading role in giving strategic direction and developing strategies and policies for the municipality • Manage the development of an IDP • Approve and adopt indicators and set targets • Communicate the plan to other stakeholders 		Conduct the major reviews of municipal performance, determining where goals had or had not been met, what the causal reasons were and to adopt response strategies
The Management Team	Assist the Executive Committee in: <ul style="list-style-type: none"> ▪ Providing strategic direction and developing strategies and policies for the municipality ▪ Manage the development of the IDP ▪ Ensure that the IDP is integrated ▪ Identify and 	Regularly monitor the implementation of the IDP, identifying risks early <ul style="list-style-type: none"> • Ensure that regular monitoring (measurement, analysis and reporting) is happening in the organization 	<ul style="list-style-type: none"> ▪ Conduct quarterly reviews of performance ▪ Ensure that performance reviews at the political level are organised ▪ Ensure the viability of information ▪ Propose response strategies to

	propose indicators and targets <ul style="list-style-type: none"> ▪ Communicate the IDP to other stakeholders ▪ Develop SDBIPs and Budget 	<ul style="list-style-type: none"> • Intervene in performance problems on a daily basis 	the Executive Committee <ul style="list-style-type: none"> ▪ Report to Exco
Internal Audit			Produce Quarterly Audit Reports for the Municipal Manager and Audit Committee
Audit Committee			<ul style="list-style-type: none"> ▪ Review internal Audit Reports ▪ Assess system and indicators ▪ Provide audit report twice annually to Council

Performance Management process

Performance management must be a continuous and cyclic integral process in our calendar year planning and operations. It must involve 7 distinct repetitive process steps as illustrated in the figure below:

Figure 1: The cyclic process of PM



7.1 Step 01: Planning for PM

Planning for our performance management must happen within the context of IDP. The reason for this is because in the formulation of IDP, communities have ample space to influence and input ideas into municipal strategic planning via the representative forum.

Therefore it is expected that if they influence IDP content, they have already directly input on the performance management process of setting development objectives, indicators and targets. There will be no need to further consult them on the same when finalizing the performance scorecards. This undertaking implies that our planning for PM is an inherently integral part of the IDP formulation process which must produce:

- ◇ A set of consulted upon and agreed KPAs
- ◇ Broad development objectives and targets
- ◇ A set clear measurable performance objectives, indicators (KPIs) and Targets by which the IDP implementation must be measured
- ◇ A framework for implementing PM
- ◇ Using this parameter, the PMS/IDP manager must drive a process of facilitating:
 - Initiation of a process and institutional operational arrangements for PM to take place
 - Concluding of performance agreements with section 57 managers
 - Drafting of organizational and individual performance scorecards (in accordance with framework / policy)
 - Drafting of service delivery budget and implementation plans (SDBIPs)

- The implementation of PMS (steps 02 -08 in the above diagram)

Performance Co-ordination

The Mayor will be responsible for the oversight of the co-ordination policy framework and account to the Council in this regard. The implementation of the performance management system will be the responsibility of the Municipal Manager. He/she will be accountable to the Executive Committee and be responsible for coordinating the implementation of the planning, measurement, reporting and reviews of the PMS. He will regularly do the following:

- ✓ Develop planning and reporting templates;
- ✓ Co-ordinate their completion, submission and analysis; and
- ✓ Ensure that the Portfolio Committee, Executive Committee and Council have necessary technical support to meet their responsibilities in terms of the performance management system.
- ✓ Issue memos and invites for PM sessions

7.2 Step 02: Monitoring performance

Monitoring signifies the beginning of the implementation process of PM. It involves on-going operational processes of:

- ◇ Collecting performance information using agreed tools (scorecards / SDBIP) and formats
- ◇ Generating and populating a portfolio of evidence file
- ◇ Analysing the information
- ◇ Conducting performance investigations to ascertain facts about progress in the implementation process
- ◇ Quality assuring the information collected and submitted by fieldworkers
- ◇ Overseeing progress in the course of project implementation to ensure realization of set targets or intended outcomes

This step is largely driven by operations and lead by supervisors in those line functional operations. It is however, council rule that the primary responsibility for quality assurance and performance monitoring in any of the municipal scorecards resides with the principal head of the department in the case of SDBIP scorecards and Municipal Manager in the case of management scorecards and the overall corporate strategic scorecard of the council.

Monitoring performance is an on-going daily routine process and must take place at all times in the municipality. It forms the backbone of oversight functions by the various levels of authority in our municipality.

7.3 Step 03: Reviewing performance

Reviewing performance is a stage at which the organization must take stock of its performance through a well defined systematic process, involving:

- ◇ Assessment of performance progress based on agreed tools (agreed levels in the framework)

- ◇ Determination of progress (based on KPIs and Targets) by making comparisons of reported progress against past levels of achievement and bearing in mind the desired standard or target of performance at the end of a given timeline.

7.3.1. Departmental Reviews

Performance of departments must be reviewed by the management chaired by HoD every month using their SDBIP Scorecard. No monthly departmental review must be allowed to seat later than the 5th day of the following month. Decision makers should be immediately warned of any emerging failures to service delivery such that they may intervene if necessary.

Departments should use these reviews as an opportunity to reflect on their goals and programmes and whether these are being achieved. Minutes of these reviews should be incorporated in the portfolio of evidence files and also inform the quarterly report for the standing committee. Changes in departmental scorecard indicators and targets may be proposed at this meeting but can only be approved by the relevant Standing Committee, in consultation with the Municipal Manager.

On a monthly basis, the HoD will submit a report on the department's performance in the SDBIP Scorecard format to the management team. On a quarterly basis he/she will submit a report on the department's performance in the SDBIP Scorecard to the relevant Council head who will table the report to the relevant Standing Committee.

HODs will formulate their SDBIP Scorecard reports by taking into account the performance of the various sections within each department. The SDBIP Scorecard requires inputs from each section such that a comprehensive report is collated on the performance of each department. The Head of each section is entirely responsible for the provision of sectional reports to the management team and standing committee chair at agreed times.

Each Standing committee will be required to review the performance of their respective departments against their SDBIP Scorecards, on a monthly basis. The Standing Committee should review and appraise the performance of the service against committed targets and draw out key issues to communicate to the Council. Where targets are not being met, Standing Committee should ensure that the reasons for poor performance are satisfactory and sufficient, and the corrective strategies proposed are sufficient to address the reasons for poor performance. Changes in indicators and targets can only be approved by the relevant Standing Committee, on the recommendation of the Municipal Manager.

7.3.2 Management Team Reviews

On a quarterly basis the management team will review the overall performance of municipality's departments using the SDBIP reports of departments. No management team review should be allowed to seat later than the 10th day of the next quarter month. The management team lead by municipal manager will consolidate departmental SDBIP scorecard inputs to their respective Standing Committee and prepare a submission on the Strategic Scorecard to Exco. In preparation for and prior these reviews, the office of the Municipal Manager must develop an analysis of municipal wide performance.

The management team will need to reflect on whether targets are being achieved, what are the reasons for targets not being achieved where applicable and corrective action that may be necessary. Where targets need to be changed, the management team can propose these for Exco to endorse and for approval by the Council.

7.3.4 Executive Committee Reviews

On a quarterly basis, the Executive Committee should review the municipal performance against both the performance report produced by the Management team and key issues raised by the Standing Committees heads.

The quarterly reviews should culminate in a comprehensive annual review of performance in terms of both the SDBIP Scorecards and the Strategic Scorecard.

The review should reflect on the performance of service and the Strategic Scorecard. The Executive Committee will need to ensure that targets committed to are being met; where they are not, satisfactory and sufficient reasons should be provided with corrective action proposed that is appropriate and adequate to address the reasons for poor performance.

The review should also focus on reviewing the systematic compliance to the performance management system by departments, Standing Committees and the Municipal Manager.

7.3.4 Council Reviews

At least twice annually, the council will be required to review municipal performance based on the performance report submitted by the Standing Committee every quarter. The Municipal System Act requires that the annual report (MFMA section 72) should at least constitute a performance report (the Strategic Scorecard), financial statements and an audit report. The council reviews will always take place by no later than 2nd Friday of July and January respectively in a given financial year. It may be good precedence to encourage the incorporation of the performance reports to even regular section 71 (MFMA quarterly) reports submitted to treasury by CFO.

7.3.5 DIMAFO Reviews

The council has agreed to participate in the district performance management as a category B municipality of the ADM. It therefore participates in DIMAFO activities. The District Mayors Forum (DIMAFO) will, after the end of the municipal financial year, receive performance reports from municipalities based on their Strategic Scorecard. This report must be produced by no later than 31 July of the beginning year.

It will analyse these in terms of the objectives and targets set in the District Scorecard and produce a synthesis report of local government performance and development in the district area. It will use this report to account to the public. This report will also form part of the DM's annual report that will be submitted to other spheres of government.

7.3.6 Public Reviews

The Municipal Systems Act requires the public to be given the opportunity to review municipal performance. Our council subscribes to this requirement.

In addition to the local government performance and development annual report mentioned above, a user-friendly citizen's report will be produced by the PMS/IDP coordinator and submitted to the mayor for assisting with his task of public reporting.

The public review must always be scheduled to happen no later than the 31 July of each year. This report should be a simple, easily readable and attractive document that summarises the performance of the municipalities in the district municipal area for the public consumption. Community inputs into the report must be consolidated for consideration in the next IDP review process.

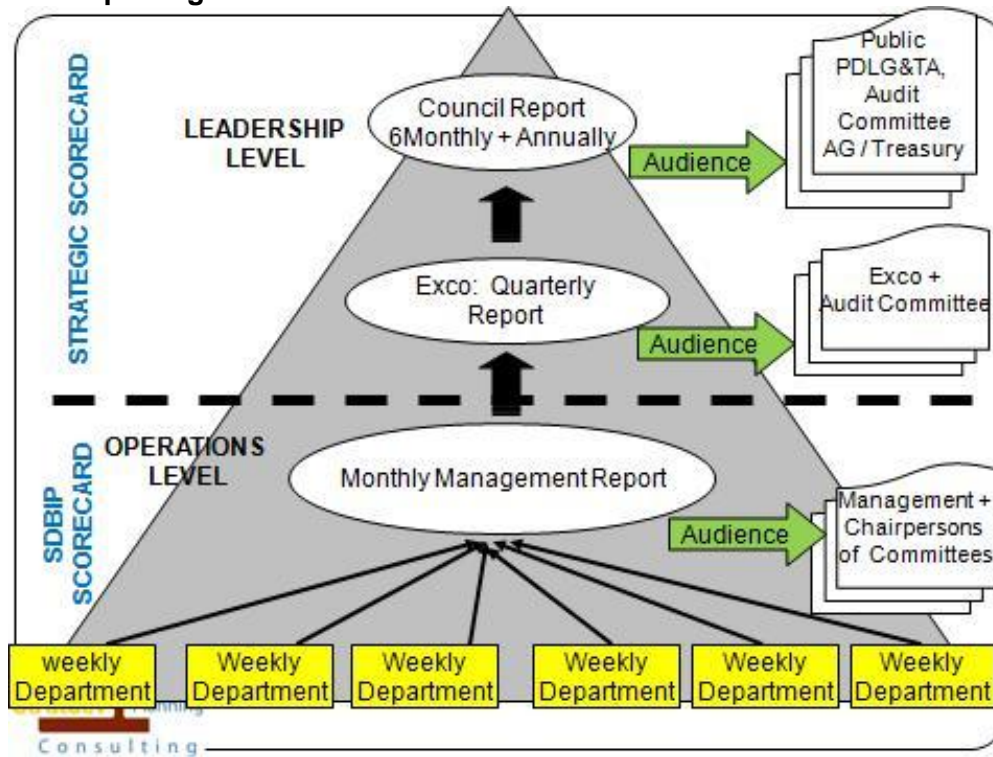
It is also proposed that a public campaign be annually embarked on to involve communities in the review of municipal performance. Such a campaign could involve the following methodologies:

- Various forms of media including radio, newspapers and billboards can be used to convey the communities report. The public should be invited to submit comment via telephone, fax, email and public hearings to be held in a variety of locations.
- The public reviews should be concluded by a review by the IDP Representative Forum as part of IDP review processes

7.4 Reporting

Reporting arrangement will follow similar process to that outlined in the above section (Review stage) and may include more frequent meetings at operational level in order to for the department give effect and comply with this framework’s requirements. HoD are encouraged to hold regular weekly inter-departmental management sessions aimed at discussing issues that will form part of their monthly performance reports using their SDBIP scorecards. This will also allow for effective early warning interventions where necessary. The figure below illustrates the envisaged reporting flows.

Figure 2: Reporting structure



Auditing of performance reports

At least twice annually the council will be required to receive and endorse municipal performance reports for submission to the audit committee. These reports must be prepared by the management team and received by council by the same deadlines for review mentioned earlier.

The Regulations specify that any auditing must include assessment of:

- The functionality of the municipality's Performance Management System;
- The compliance of the system with the legislation; and
- The extent to which performance measurements

Audit Committee

The Municipal Council must ensure that the mandate of the audit committee includes the responsibility to audit performance reports at least twice annually. It is suggested that before the municipal performance report is tabled to the audit committee, it must be seen by the internal auditor for his/her advice. This will minimise possibilities for adverse outcome opinions on the report.

In composing the municipal audit committee Council must ensure that:

- Majority of members of the Audit Committee are not councillors or employees of the municipality;
- Chairperson of the Audit Committee is neither a councillor nor an employee of the municipality;
- Members of the Audit Committee have credibility within the communities and organs of civil society; and the
- Composition of the Audit Committee sufficiently caters for the following competencies:
 - ✓ An understanding of performance management;
 - ✓ An understanding of municipal finance;
 - ✓ An understanding of development, including rural development;
 - ✓ An insight into municipality's IDP objectives.

The operation of the audit committee must be governed by section 14 (2-3) of the regulations. As per the regulations, the performance audit committee will:

- Review the quarterly reports submitted to it by internal audit unit;
- Review the municipality's performance management system and make recommendations in this regard to the council of that municipality;
- Assess whether the performance indicators are sufficient;
- At least twice during a financial year submit an audit report to the municipal council.

The audit committee should also be tasked with assessing the reliability of information reported. In order to fulfil its function, a performance audit committee may in accordance with the regulations:

- Communicate directly with the Council, Municipal Manager or internal; and external auditors of the municipality concerned;
- Access any municipal records containing information that is needed to performance its powers;
- Request any relevant person to attend any of its meetings, and if necessary to provide information requested by the committee; and
- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

Assessing Performance

The Performance Regulations for Municipal Managers (2006) stipulates in detail how the assessment process should be undertaken. When assessing the Municipal Manager, the Mayor must establish a panel that will include:

- ✓ Executive Mayor;
- ✓ Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- ✓ Member of the Executive committee;
- ✓ Mayor and/or municipal manager from another municipality; and
- ✓ Member of a ward committee as nominated by the Executive Mayor.

When assessing managers directly accountable to the municipal manager, the municipal manager establish a panel that will include:

- ✓ Municipal Manager;
- ✓ Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- ✓ Member of the Executive committee; and
- ✓ Municipal manager from another municipality.

Alignment to the IDP Processes

The model aligns the processes of performance management to the IDP processes of the municipality. It ensures that the IDP is translated into performance plans that will be monitored and reviewed. The categories of key performance areas provided in the model relate directly to the identified priority areas of the municipality's IDP.

The Municipal Scorecard Model is the model recommended by Local Government for managing Performance Management for municipalities. The Municipal Scorecard model is based on three levels of scorecards in the context of a "District Municipality" and embodies five (5) Key Performance Areas and two (2) levels of scorecards in the context of a "Local Municipality". Performance is measured at each level and according to the five (5) Key Performance Areas.

In addition, the Municipal Scorecard Model is:

- Tightly aligned to the strategic planning and IDP processes of the municipality;
- Directly relevant to the notion of developmental local government;
- A balanced view of performance based on municipal inputs, outputs, outcomes and process;
- A simple portrayal of municipal performance, where inter – relationships can be mapped (municipal – wide, sectoral/departmental and unit/programme levels);
- Compliant with the requirements of the Municipal Systems Act (2002) and its subsequent regulations (2001 and 2006);
- Based on the five (5) Key Performance Areas for Local Government as determined in the Five Year Local Government Strategic Agenda and used in the Regulations and Vuna Awards for Performance Excellence.

The Municipal Scorecard Model has three (3) levels of scorecards in the case of a District Municipality and two (2) levels of scorecards in the case of a Local Municipality. The toolkit will focus on the two (2) levels of the scorecards for the local municipalities under review.

The Strategic Scorecard/ Organizational Scorecard

Organizational Performance Management is concerned with the overall performance of the Municipality in relation to giving effect to the Integrated Development Plan. The strategic scorecard will provide an account of performance for the local municipality

towards development in the municipal area. This scorecard reflects on the corporate level performance for the entire municipal organization. The development perspective of this scorecard will therefore be about providing a basis for the municipality to assess the extent of the impact of its strategies as an organization. The strategic scorecard indicators of this scorecard will be corporate output focused.

The Municipal and HODs will use it as a basis for reporting to the Executive Committee/ Executive Committee, Council and the general public. The frequency for reporting of the strategic scorecard could depend on the nature of forums, like for instance it might be proposed that it be reported bi – annually to the Executive Committee and the public annually. The targets will be set on a five (5) year time frame. The Municipal Manager is primarily responsible for the performance on the Strategic Scorecard. The Strategic Scorecard forms the largest component of how the municipal manager's performance will be managed.