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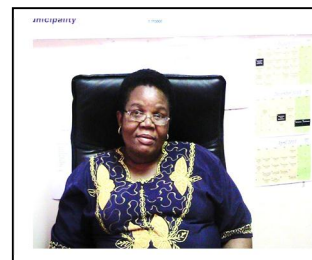
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CHAPTER ONE

1. STRATEGIC OVERVIEW

1.1 Foreword by the Executive Mayor



The term of the current political leadership is coming to an end in the next coming months after having served the populace of Mquma with dedication and determination. For the better part of passing year the Municipality has been under immense pressure from many forces that tried to derail us but because of the collective efforts we emerged victorious to protect the sovereignty of our area. Our efforts on expediting service delivery speaks for themselves as huge projects are currently getting implemented, that is, the swimming pool, the public transport inter-change, the Indalo Yethu cleaning and greening project that has employed a huge number of people and the implementation of the CBD Upgrade in Butterworth.

The vision that we adopted during the year 2006 remains a guiding ideal that the hopes and aspirations of our people will be realised. The Municipality has focused much on strengthening both the political and the administrative arm so that there is governance and stability which we have achieved. All the strategic documents that have been passed by Council are in the implementation phases and in the final end we will see development outcomes.

The Municipality had focused on building internal capacity in as far as human capital and that has yielded positive results, in that, the Integrated Development Plan, Annual Financial Statements, Annual Report, Performance Management System are developed internally. Much improvement has been noted in the area of compliance but fully compliance should be an ideal. The leadership has been visible to the communities in a quest of responding and bringing solutions in the challenges that they face.

It is evident in the recent publication of the Audit Outcomes for the financial year 2009/2010 that since the establishment of Mquma we have received a Qualified Audit Report. The Eastern Cape Municipal Assessment Report published by the Department of Local Government and Traditional Affairs show clearly that Mquma Local Municipality has improved a lot and both political and administrative leadership are committed in changing the lives of the people for the better.

The Municipality has adopted the Municipal Turnaround Strategy in line with Local Government Turnaround Strategy and this carries serious burden as our service delivery backlogs are huge. Focus will made in ensuring that we engage in a rigorous program of seeking funding and building service delivery partnerships so that we can free our people from the socio-economic bondages they face on a daily basis.

All these issues raised herein have been done by the selfless people who identify with the vision and mission of our Municipality. We subscribe to the values that guide us to have compassion for the poor masses of our Municipal area. This Draft Reviewed Integrated Development Plan 2011/2012 is product of the consultation and engagement process because we understand that the communities must be at the centre of their development.

I am confident that we all must remain resolute towards ensuring that the Integrated Development Plan 2007-2012 will be truly bring the desired outcomes at the end of 2012 financial year, and let that be the judge of our commitment to servicing our people with respect and loyalty.

Cllr N. O. Dyantyi
Executive Mayor

1.2 Executive Summary

1.3 Introduction

Integrated Development Planning is a process that is a central planning tool for government that embodies local government development goals and a comprehensive service delivery programme. Integrated Planning has been developed as a consolidated Municipal wide planning process that provides a framework for planning of future development in a Municipality. It ensures horizontal and vertical co-ordination and integration across the spheres of government: national, provincial and local. In addition, IDP requires community participation and stakeholder involvement.

The IDP process is therefore critical for the success of every South African Municipality's' endeavours to bring about responsive, developmental and accountable local government. *The former President, in his 2006 State of the Nation Address, emphasized the importance of every South African Municipality to have a realistic IDP to meet the country's developmental objectives, as well as the high aspirations of the South African people.*

Mnquma Local Municipality has already produced one full five year IDP and four reviews, that is, 2002/03, 2003/04, 2004/05, 2005/06 and 2006/07. Again Mnquma Local Municipality has produced another full five year IDP, that is 2007-2012, reviewed 2008/09, 2009/10, 2010/11 and now the 2011/2012 is being reviewed.

Now, for the second time, Mnquma Municipality produces another IDP covering the five year political office term, 2006-2011. The focus of this IDP is within the context of a seamless integrated strategic planning process. The Municipality has developed a set of long term goals and five year objectives that will form the basis of the annual business planning and budgeting carried out on an on-going basis. The IDP will also be further moulded by inputs from communities and civil society, as well as direction from the political leadership.

A five year IDP supports a single, integrated planning process, with clear demarcation between long-term, medium term and short term planning. The five year IDP should therefore be understood as an interpretation of strategy and political priorities into a detailed Executive Mayoral Plan that is to become the basis for budget choices and actual outcomes for residents. Short term business plans, in this context, are seen as implementation tools. An IDP Review Process plan has been adopted by Council on the 31 August 2010 and it articulates all the role players and processes to be followed.

1.4 Legislative Framework

The Municipal System Act (MSA) 32 of 2000 compels the Municipalities to draw up the IDP's as a singular inclusive and strategic development plan that is aligned with the deliberate effort of the surrounding Municipalities and other spheres of Government. In terms of the MSA the Municipality produces an IDP annually made up the following components:

- A vision of the long-term development of the area
- An assessment of the existing level of development in Mquma which must include an identification of the need for basic municipal service
- Municipality's development priorities and objectives for its elected term
- Municipality's development strategies which must be aligned with any national, provincial sectoral plans and planning requirements
- Spatial development framework which must include the provision of basic guidelines for a land use management system
- Municipality's operational strategies
- A Disaster Management Plan
- Financial Plan
- The key performance indicators and performing targets

The Municipal Planning and Performance Management Regulations (2001) set out the following further requirements for the IDP:

- An Institutional Framework for implementation of the IDP and to address the Municipality's internal transformation
- Investment initiatives that should be clarified
- Development initiatives including infrastructure, physical, social and institutional development, and
- All known projects, plans and programmes to be implemented within the Municipality by any organ of state.

In addition, the Municipal Finance Management Act (MFMA) (2003) provides for closer alignment between the annual budget and the compilation of the IDP. This can be understood as a response to the critique that IDP's took place in isolation from financial planning and were rarely implemented in full as a result. Specifically, section 21 (1) of the MFMA requires that the Municipality co-ordinates the process of preparing the annual budget and the annual IDP to ensure that both the budget and IDP are mutually consistent.

Key to ensuring the co-ordination of the IDP and annual budget is the development of the Service Delivery and Budget Implementation Plan (SDBIP). The SDBIP is a detailed plan approved by the Executive Mayor of the Municipality for implementation of service delivery and annual budget. The SDBIP should include monthly revenue and expenditure projections, quarterly service delivery targets and performance indicators.

The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) [the MSA, 2000] states that the key performance indicators must be part of the IDP. The SDBIP specifies that the performance contracts of senior managers must inform part of the approval of the SDBIP. The

2007/12 IDP for Mquma Local Municipality aligns the SDBIP performance indicators, the key performance indicators for senior managers with key programs , as well as the five year Municipal Scorecard.

1.5 Profile of Mquma Local Municipality

The most recent Community survey of 2007, by Statistics South Africa reveals that Mquma Municipality has a total population of approximately 297,663 people, 99% of which are Xhosa speaking Africans. The remaining 1% of the population includes English, Afrikaans, Zulu, Sesotho speaking people. This female dominated Municipality comprises of, 54% female and 46% male of the total population and consists of approximately 75, 410 households.

A study of the age distribution revealed that the bulk of the population, approximately 53%, is children (0-19 years). About 6.3% falls within the pension group (over 56years), whilst 38.5% is economically active (20-64 year). This indicates that there is a high dependency ratio, as 59% of the population depends only on 41% workforce in the municipality (See Figure 4). There is therefore a desperate need for the municipality to develop youth development programmes.

The study demonstrates destitute households with high levels of unemployment and a community in dire need of various source of income. About 40% of the households in the municipality have no income and approximately 27% with incomes less than R9600 per month. This means that approximately 40% of households in the local community need subsidy arrangements for survival and thus are unable to pay for services. This therefore has huge implications on the municipality's financial status in that they cannot rely on residential cross subsidisation for revenue.

As part of the Eastern Cape Province, Mquma is one of the Municipalities with the highest levels of poverty, illiteracy and unemployment. An estimated 21% is unemployed, only 13% is employed while 66% of the Municipal population is considered economically inactive.

The Municipality has limited employment opportunities and this has huge implications on the increased need for welfare and indigent support in the Municipality. The Municipality therefore needs to put priority into service provision, skills and social development.

Further to this, the Municipality also lacks skills base. The Statistics depicts the low levels of education in this Municipality. An astonishing 27% of the Mquma population has no schooling and only 8% completed primary. On the other hand, only 10% completed grade 12 while no more than 6% of the population got a higher education.

Owing to the amount of time it takes Statistics South Africa to conduct its surveys as well as the vast change in demographics, the institution has since engaged Eastern Cape Socio Economic Consultative Council (ECSECC) for the most recent statistics. The charts presented below provide statistics from both institutions.

1.6 Lessons Learnt from Internal IDP Assessment

As the municipality develops reviews and implements the IDP, it conducts internal assessment on its capacity regarding the processes. The following are findings resulting from such an assessment and as well as remedial action for each finding:

No	Finding	Remedial Action
1	Lack of in-depth understanding of the Integrated Development Plan within the structures of the institution	Various workshops on IDP for officials and Councillors
2	Poor attendance and minimal participation in IDP meetings	1) The political leadership has embarked on Imbizos with various stakeholders of the municipality 2) The municipality is introducing the Community Based Planning Programme to intensify participation of stakeholders
3	Budget for community participation too minimal, resulting in inability to reach all communities	Budget increased for community education, community based planning and political engagement programmes
4	IDP written in English even though the majority stakeholders are Xhosa speaking	Summary of the IDP presented in IsiXhosa
5	Intergovernmental Relations Forum not fully functional	Having bi-lateral meetings with the Sector Departments
6	Lack of cooperation within the internal structures in relation to submission of information and/or adherence to the targets in the IDP Process Plan	Workshops and training of internal stakeholders on the legislative requirements regarding IDP processes

1.7 Lessons Learnt from Provincial IDP Assessment

After the adoption of the draft IDP for 2009 / 2010 by Council, it was submitted to all the spheres of government and the district. The Department of Local Government and Traditional Affairs conducted the assessment of our IDP and the following were key comments, which the municipality must correct and/or include in the future:

No	Finding	Agree / Not Agree with the Finding	Remedial Action
1	The municipality does not have a comprehensive (all sectors) infrastructure delivery plan (components of the CIP are reflected on certain pages)	Agree with the Finding	1) To develop a comprehensive infrastructure plan and include it in the IDP 2) To, in the meantime, include the Infrastructural

No	Finding	Agree / Not Agree with the Finding	Remedial Action
			Maintenance Plan as an annexure to the IDP
2	Social viability of Settlements not determines	Agree with the finding in as far as previous settlement [prior 2008]	To review the Housing Sector Plan to ensure that this is captured therein
3	No budget ring-fenced for operations and maintenance and new capital projects	Partly agree with the finding. O&M budget is done in phases for the township roads	1) Lobby for more funding from various provincial and national department 2) Enter into service delivery partnerships
4	No clear identified objectives and strategic priorities with a clear set of indicators, targets and milestones [LED objectives, strategic priorities, targets and milestones not clearly reflected in the IDP]	Agree with the finding	To review the objectives, strategic priorities, targets and milestones and establish clear set of indicators [strategic scorecard]
5	No set targets and established database for BBBEE programmes, SMME & Cooperative Support and EPWP [Consider issues of SMME & Cooperatives Support in formulating the LED Strategy]	Agree with the finding. Council has approved the LED Strategy	To ensure that the LED strategy incorporates the Expanded Public Works Programme [EPWP] issues; incorporate the SMME strategy to the LED strategy
6	No unit responsible for special programmes (youth and gender matters)	Partly agree with the finding. There is a unit responsible, even though understaffed.	1) To ensure staffing in the unit 2) To develop an SPU strategy to cater for all special programmes
7	Gender equity not promoted for access to economic opportunity	Partly agree. The municipality's SCM policy caters for this	To ensure reflection in the LED Strategy
8	No detailed support initiatives to other special groups (disabled & youth)	See No 6 above	See No 6 above
9	Analysis does not reflect population concerns of the municipality and there are no evidence of sectoral plans addressing same	Do not agree with the finding. Sector Plans do address populations concerns	
10	HR Strategy does not respond to the long term development plans of the municipality as	Agree with the finding. The municipality's HR Strategy covers a period of three years	Review the HR Strategy to be in line with the IDP of the municipality in terms of term it

No	Finding	Agree / Not Agree with the Finding	Remedial Action
	reflected in the IDP	and the IDP covers a period of five years.	covers

1.8 Pre-Planning

Section 34 of the Municipal Systems Act 32 of 2000 provides that a Municipal Council:-

- (a) Must review its Integrated Development Plan
 - (i) Annually in accordance with an assessment of its performance measurements in terms of section 41 and
 - (ii) To the extent that changing circumstances so demand; and
 - (iii) May amend Integrated Development Plan in accordance with a prescribed process.

Section 27 (1) of the Municipal Systems Act, further states that, each district municipality, within a prescribed period after the start of its elected term and after a consultative process with local municipalities within its area, must adopt a framework for Integrated Development Planning in the area as a whole”.

The IDP Review Process Plan for 2011/2012 was adopted by Council on the 31 August 2010.

The Municipal Finance Management Act 56 of 2003 section 21 (1) (a) provides that the Executive Mayor of the Municipality must:

- (a) Co-ordinate the processes for preparing the annual budget and for reviewing the Municipality’s Integrated Development Plan and budget related policies to ensure that the tabled budget and any revisions of the Integrated Development Plan and budget related policies are mutually consistent and credible.
- (b) At least ten months before the start of the budget year, table in the municipal Council a time schedule outlining key deadlines for :-
 - (ii) (aa) the annual review of the Integrated Development Plan in terms of section 34 of the Municipal Systems Act 32 of 2000.

1.9 Organisational Arrangements in the IDP Development and Review Processes

1.9.1 Role players

The following role players will be involved in the IDP review process:

- Council
- Executive Mayor
- Mayoral Committee
- Municipal Manager
- IDP, PMS and Budget Steering Committee

- IDP, PMS and Budget Technical Steering Committee
- IDP, PMS and Budget Clusters
- Ward Councilors and ward committees
- Community Development Workers
- IDP, PMS and Budget Representative Forum (residents, communities and other stakeholders)
- ADM
- Provincial Government Departments in terms of their sector programmes

1.9.2 Roles and Responsibilities of Each Role Player

a) Council

The Council will consider and adopt the process plan and the reviewed IDP.

b) Executive Mayor

- 1) The Executive Mayor must ensure that the IDP is reviewed annually.
- 2) Chairs the IDP, PMS and Budget Representative Forum
- 3) Chairs the IDP Steering Committee

c) The Mayoral Committee

The Mayoral Committee assists the Executive Mayor to review the IDP in line with the targets set in the Process Plan

d) Municipal Manager

The Municipal Manager provides technical support and co-ordinates the IDP review process for 2011/2012 through relevant technical structures and performs the following activities:

- (1) Preparing the process plan
- (2) Undertaking the overall management and co-ordination of the planning process ensuring:
 - ◇ Participation and involvement of all different role players
 - ◇ That time frames are adhered to
 - ◇ That the planning process is aligned to the Provincial Growth and Development Strategy
 - ◇ Conditions for community participation provided
 - ◇ That the results of the planning and IDP review process are documented.
- (3) Responding to comments on the draft IDP from the public and other spheres of Government to the Satisfaction of the municipal Council
- (4) Accommodates and considers IDP comments and proposals from the office of the MEC for Local Government and Traditional Affairs

e) IDP, PMS and Budget Technical Steering Committee

Background and Composition

Our IDP, PMS and Budget Technical Steering Committee does the ground work and provides information to the IDP, PMS and Budget Steering Committee, it involves:

- Municipal Manager
- Directors
- Divisional Managers; and
- Cluster Champs

Terms of reference

The Terms of reference for this committee shall be as follows:

- Collect and collate information for IDP, PMS and Budget Steering Committee
- Conduct research and
- Advises the IDP, PMS and Budget Steering Committee

f) IDP, PMS and Budget Steering Committee

Background and Composition

The IDP, PMS and Budget Steering Committee assists the Executive Mayor in guiding the review process. It comprises of the following members:

- Executive Mayor (Chairing)
- Council Speaker
- Members of the Mayoral Committee
- Chief Whips of political parties
- Municipal Manager
- All Directors
- Office Manager: Speaker's Office
- Research and Policy Development Manager
- IDP and PMS Manager
- IDP Coordinator
- PMS Coordinator
- Chief Accountant: Budget and Financial Reporting

Terms of reference

The terms of reference for the IDP, PMS and Budget Steering Committee shall be the following:

- Establish sub-committees
- Commission research studies

- Consider and comment on:
 - ◊ Inputs from sub-committees, study teams and consultants
 - ◊ Inputs from provincial sector departments and support providers
- Processes, summarize and document inputs
- Make content recommendations
- Define the terms of reference for the IDP, PMS and Budget Representative Forum
- Inform the public about the establishment of the IDP, PMS and Budget Representative Forum
- Identify stakeholders to be part of the Forum in such a way that the public is well represented
- Providing relevant technical, sector and financial information for analysis and for determining priority issues
- Provide political guidance in the consideration of financial strategies and identification of projects
- The IDP, PMS and Budget Steering Committee may delegate some or all its responsibility to the IDP, PMS and Budget Technical Steering Committee.

g) IDP, PMS and Budget Representative Forum

Background and Composition

The IDP, PMS and Budget Representative Forum of Mquma Municipality is the organizational mechanism for discussions, negotiations and decision-making between stakeholders within our municipal area. It is envisaged that the following organizations and/or stakeholders may be involved:

- Councillors
- Ward Committees
- Community Development Workers
- Inter-Governmental Forum
- Traditional Leaders
- Faith-based Organisations
- Stakeholder Representatives of Organized Groups
- Representatives of Political Organisations
- Community Representatives
- Resource Persons

Terms of Reference

The terms of reference for the IDP, PMS and Budget Representative Forum shall be as follows:

- Represent the interests of their constituents in the IDP process
- Provide an organizational mechanism for discussion, negotiation and decision-making between stakeholders including municipal government
- Ensure communication between all stakeholders including municipal government
- Monitor the performance of the planning and implementation process.
- Provide a platform for engagement, input and feedback to stakeholders on the IDP and PMS.

1.10 IDP Clusters

The performance management system framework of the municipality provides for the establishment of Clusters in line with the five key performance areas [local government strategic agenda] to perform oversight responsibility over the implementation of the IDP. The IDP Clusters are as follows:

CLUSTER	COMPOSITION OF THE CLUSTER
Municipal Transformation, Institutional Development and Financial Viability Cluster	<ul style="list-style-type: none"> • Special Programmes • Municipal Administration • Human Resources • Information and Communication Technology Services • Expenditure and Supply Chain • Revenue and debt management • Budget planning and financial reporting
Socio-Economic Development Cluster	<ul style="list-style-type: none"> • Local Economic Development • Solid Waste & Environmental Management • Libraries and Public amenities • Law enforcement • Primary health • Education
Basic Infrastructural Development and Service Delivery	<ul style="list-style-type: none"> • Water and Sanitation • Roads and public works • Telecommunication • Electricity • Land and Housing • Public Transport • Public amenities • Building Control • Project management
Good Governance and Public Participation	<ol style="list-style-type: none"> (1) Marketing, Communications and Branding (2) IDP Co-ordination (3) Performance Management System (4) Research and policy development (5) Public / Community Participation (6) Internal Audit (7) Legal Services (8) Risk Management

1.11 The IDP Process Plan

1.11.1 Action Programme

In line with the district framework plan and process, the action plan will begin with the drafting and adoption of this process plan by the end of August 2009. Our action plan, program and the overall

process plan will be aligned with the budget process plan. The action program will be developed in consultation with the Steering Committee and will be reviewed from time to time when necessary.

In December 2010, municipalities received Municipal Budget Circular 54 for 2011/2012 MTREF, which required process plans to be amended and aligned with the requirements stipulated in the circular. The amended IDP Process Plan was later adopted by Council on the 02nd February 2011 and is shown in the table below:

Amended IDP Review Process Plan 2010/2011

ACTIVITY	DATE
JULY 2010	
Compilation of Draft IDP Review Process Plan	09 July 2010
August 2010	
IDP, Budget and PMS Technical Steering committee to launch the review of the 1 st phase of the IDP and discuss the process plan 2011/2012	6 August 2010
Draft IDP Review Process presentation to IDP, Budget and PMS Steering Committee	16 August 2010
Council adopt IDP Review process Plan	31 August 2010
September 2010	
Submission of IDP Review Process Plan to ADM	06 September 2010
Advertise IDP Review Process Plan	09 September 2010
Training of employees , Councillors on IDP	10 September
IDP , Budget and PMS Representative Forum	28 September 2010
October 2010	
Reminder of cluster meetings	07 – 18 October 2010
Cluster meetings to review performance of the first quarter	11-14 October 2010
IDP Budget and PMS Technical steering committee discuss the report of the 1 st quarter and launch of second phase of IDP, presentation of cluster reports	18 October 2010
Special council meeting	29 October 2010
November 2010	
Review of the Situational analysis	01-30 November 2010
December 2010	
IDP, Budget and PMS Technical Steering committee to discuss monthly performance, progress on process plan	03 December 2010
Ordinal Council Meeting	12 December 2010
January 2011	
Cluster meetings (Mid-term reports and draft objectives and strategies)	10-14 January 2011
IDP, Budget and PMS Technical committee	17 January 2011

ACTIVITY	DATE
Strategic planning session to present updated situation analysis, refined objectives and strategies and projects, budget allocation to clusters. operational budget and IDP and organizational review structure in support IDP implementation, produce the draft SDBIP and strategic Scorecard Steering committee	24-26 January 2011
Special Council meeting – mid-term performance report	31 January 2011
February 2011	
IDP, Budget and PMS Technical committee – finalization of draft budget	10 February 2011
IDP, Budget and PMS Steering committee	16 February 2011
IDP, PMS and Budget Representative forum	24 February 2011
Council adoption the first draft	28 February 2011
March 2011	
Submit to District Municipality, National, Provincial Treasury and the MEC responsible for Local Government for comments in the draft IDP	01-04 March 2011
Advertise the first draft for public comments, public meetings and consultation	02 -25 March 2011
Alignment of projects with the IDP	21 – 25 March 2011
April 2011	
IDP, PMS and Budget Technical Steering Committee	11 April 2011
IDP, Budget and PMS Steering committee	15 April 2011
Special Council – Final draft of the IDP	29 April 2011
June 2011	
Finalization of draft SDBIP	01-20 June 2011
Presentation of draft SDBIP 2011 / 2012 to the mayoral committee members	21-27 June 2011
Draft sign by the executive mayor	28 June 2011
IDP, Budget and SDBIP submitted to National , Provincial Treasury and ADM	30 June 2011

1.11.2 Monitoring and Amending

It is critical that the monitoring and review mechanisms be catered for in the planning process. The following with regards to monitoring and amendment of the Process Plan is recommended:

- That the Director Corporate Services coordinate and monitor the whole process;
- Progress to be reported to the Municipal Manager and any deviations from the municipality's process plan be highlighted;
- The Executive Mayor is mandated by Council to make amendments to the process plan should these be required.

CHAPTER TWO

2. SITUATIONAL ANALYSIS

2.1 Introduction

It is of critical importance that an analysis of the current situation is undertaken when developing and reviewing an Integrated Development Plan looking at factors such as capacity and financial constraints. This is to increase awareness of the basic facts and figures of all interested and affected parties in relation to the municipality's current situation, trends and dynamics. This will contribute to the identification of realistic solutions taking into consideration the needs of the municipality and its limited resources.

This section therefore deals with the current situation, which assists in the identification of priority issues within the municipality. It also forms a basis from which strategies and objectives will consequently be developed.

2.2 Study of the Area

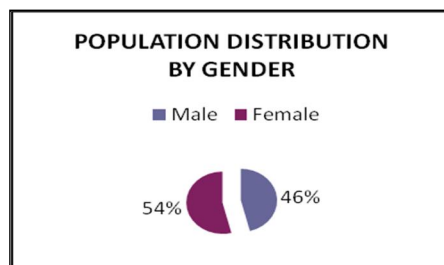
Mnquma Local Municipality is located in the South Eastern part of the Eastern Cape Province. This category B municipality falls under the jurisdiction of the Amathole District Municipality (ADM) and comprises of an amalgamation of the former Butterworth, Nqamakwe and Centane TRC's. Mnquma Municipality shares borders with three other local municipalities i.e. Mbhashe, IntsikaYethu and Great Kei Municipalities. This also includes a number of previously administered rural areas. It is approximately 3, 271, 2 square kilometres and consists of 31 wards.

2.3 Demographic Characteristics

(1) *Population Size and Distribution*

Mnquma Local Municipality has a total population of approximately 297 663 people, 99% of which are Xhosa speaking African. The remaining 1% of the population includes English, Afrikaans, Zulu, and Sesotho speaking people. The municipality comprises of 54% female and 46% male of the total population and consists of approximately 75410 households.

Figure 1: Population Distribution

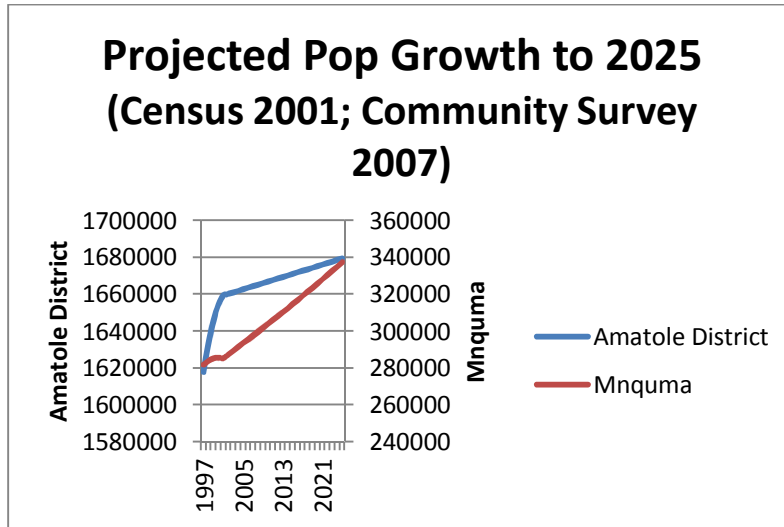


Derived from Community Survey 2007- Stats SA

Based on a growth in population from 285,365 in 2001 to 297,663 in 2007 a simple indicative population projection shows what the total population might look like into the future. This shows a total maximum population increase of 39,809 people to 337,371 by 2025.

However, because of the impact of HIV AIDS, as well as other factors impacting on fertility such as improved levels of education, the rate of population growth is slowing which means that the future population totals will be lower than those contained in this projection.

Figure 2: Simple Population Projection to 2025



Source: Silimela Development Services adapting Stats SA statistics and projecting the average annual rate of population change between 2001-2007 into the future.

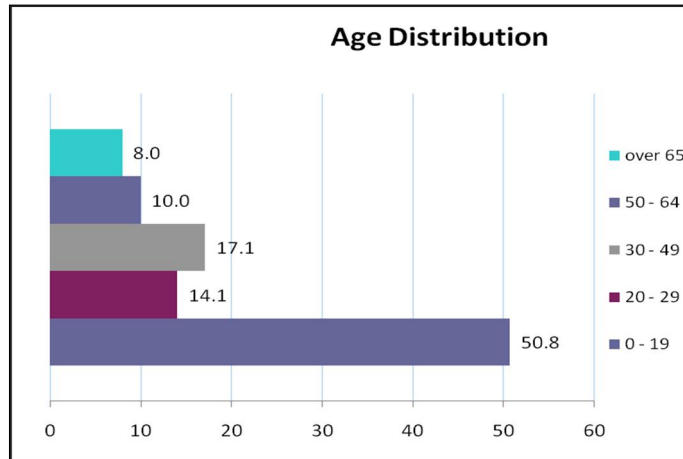
Table 1: Projected forward at annual average % of population change

Census 2001	Community Survey 2007	Projected Forward at Annual Average % Change between 2001-2007		
		2014	2019	2025
285365	297562	312452	323542	337371

(2) Age Distribution

A study of the age distribution revealed that the bulk of the population, approximately 50.8%, is children (0-19 years). About 8% falls within the pension group (over 65years), whilst 41.2% is economically active (20-64 year). This indicates that there is a high dependency ratio, as 59% of the population depends only on 41% workforce in the municipality (See Figure 4). There is therefore a desperate need for the municipality to develop youth development programmes.

Figure 2: Age Distribution

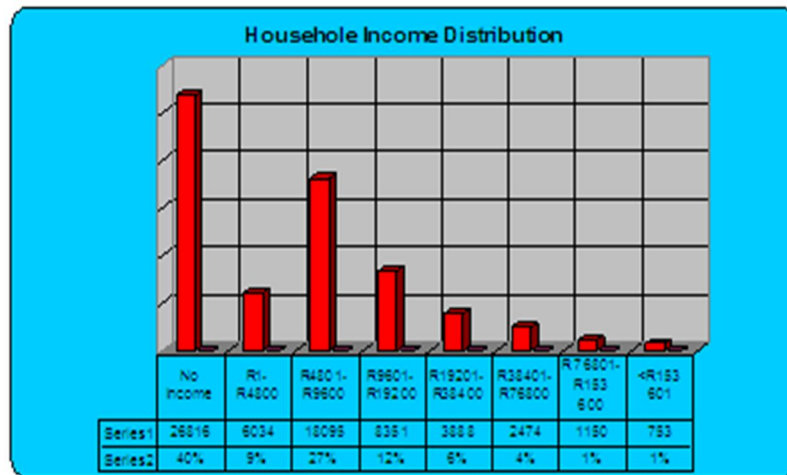


Derived from Community Survey 2007 - Stats SA

(3) Annual Monthly Household Income Profile

Figure 5 below demonstrates destitute households with high levels of unemployment and a community in dire need of various source of income. About 40% of the households in the municipality have no income and approximately 27% with income less than R1600 per month. This means that approximately 40% of households in the local community need subsidy arrangements for survival and thus are unable to pay for services. This therefore has huge implications on the municipality’s financial status in that they cannot rely on residential cross subsidisation for revenue.

Figure 3: Annual Household Income Household Income Distribution

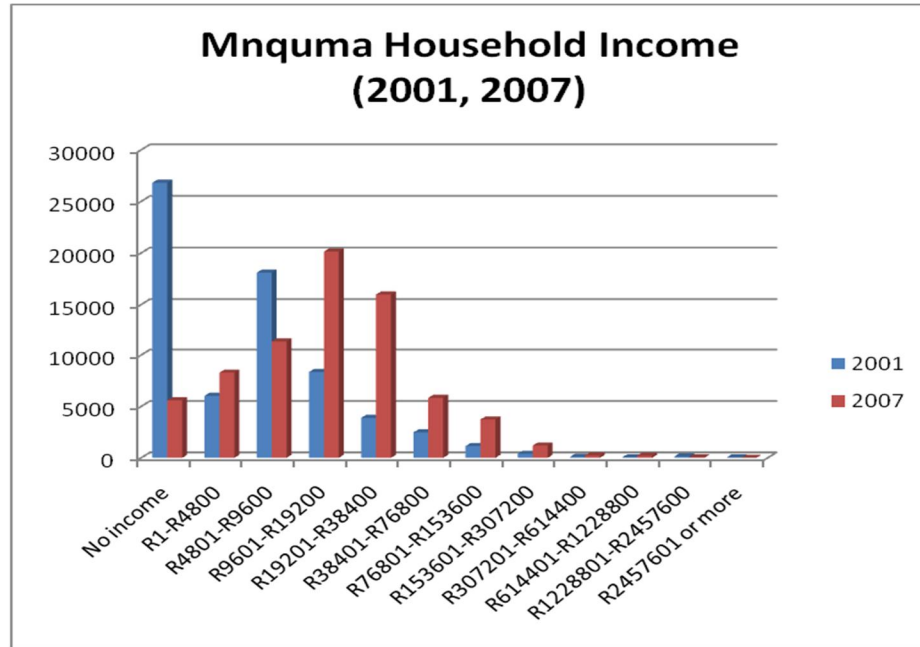


Derived from Census 2001

Trends between 2001-2007 in household income show a sharp reduction in those household reporting no income and an increase in the number of households at other income levels (except for the R4800-R9600 annual income level). This is probably as a result of improvements in access to social grants. In

this context, it is important to note that the rural poor are supported to access various sources of income, including rural livelihood strategies.

Figure 4: Mquma Annual Household Trends:



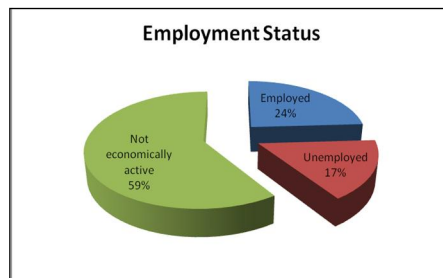
Source: Statistics SA

(4) Unemployment Levels

As part of the Eastern Cape, Mquma is one of the municipalities with the highest levels of poverty, illiteracy and unemployment. An estimated 17% is unemployed, only 24% is employed while 59% of the municipal population is considered economically inactive (See Figure 6).

The municipality has limited employment opportunities and this has huge implications on the increased need for welfare and indigent support in the municipality. The municipality therefore needs to put priority into service provision, skills and social development.

Figure 5: Employment Status



Derived from Community Survey 2007 – Stats SA

The table below illustrates a significant change in the employment status when comparing 2001 census, 2007 community and global insight Southern Africa 2008 survey in that there is 11% increase in employment, 4% decrease in unemployment and 7 % decrease in the number of population which is not economically active.

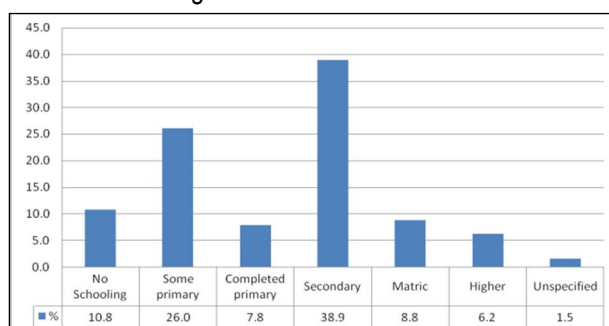
Table 2: Employment Status

EMPLOYMENT STATUS	2001 CENSUS	2007 COMMUNITY SURVEY
Employed	13%	24%
Unemployed	21%	17%
Not economically active	66%	59%

(5) **Education Levels**

Further to this, the municipality also has a lack of skills. Figure 7 below depicts the low levels of education in this municipality. 10.8% of the Mquma population has no schooling and only 7.8% completed primary. On the other hand, only 8.8% completed grade 12 while just above 6.2% of the population got a higher education.

Figure 6: Education Levels



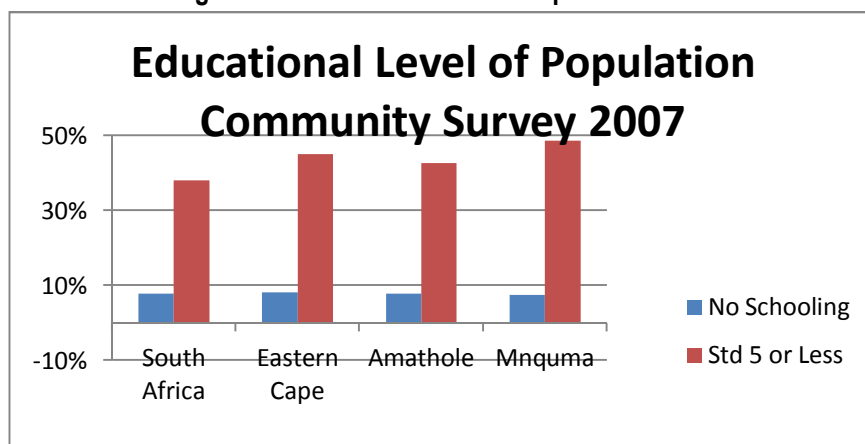
Derived from Community Survey 2007 - Stats SA

There has been some improvement on the percentage of people with no schooling while there is a decline on Metric / Grade 12 and no change in other levels of education when comparing 2001 statistics and 2007 community survey and this can be illustrated on the table below:

Table 3: Education levels

EDUCATION LEVELS	2001 CENSUS	2007 COMMUNITY SURVEY	2008 GLOBAL INSIGHT
No schooling	27%	10.8%	26, 609
Completed Primary	8%	7.8%	28, 427
Matric / Grade 12	10%	8.8%	22, 814
Higher education	6%	6%	11, 453

Figure 7: Educational Level of Population: 2007



Source: Statistics South Africa Community Survey 2007

The above figure shows that the % of the total population that is illiterate is higher in Mquma than the province or nationally. The labour force is therefore relatively more unskilled and this represents a barrier for investment and a constraint on economic growth in terms of businesses being able to find skilled labour.

2.4 Situational Analysis per Cluster

1. Socio-Economic Development Cluster Background and composition

Socio-Economic Development Cluster is a collection of activities relating to the local economic development tourism, SMME development, Manufacturing, Fishing, Agriculture, educational, social, welfare, health-related and community Safety needs. Within the municipality, the departments and/or activities that form part of the cluster include the following:

- (1) Solid Waste and Environmental Management ;
- (2) Law enforcement (Traffic, Security & Peace Officers)
- (3) Local Economic Development (Agriculture and Rural Development, Tourism and SMME, forestry and mining)
- (4) Library Services;
- (5) Part of Estates Services (Halls and Local Amenities).

Externally the cluster includes the following sector departments:

- (6) Welfare;
- (7) Social Development;
- (8) Health;
- (9) South African Police Services;
- (10) Home Affairs;
- (11) Correctional Services,

- (12) Department of Constitutional Development and Justice
- (13) Roads and Transport
- (14) Sport, Recreation, Arts and Culture
- (15) Department of Economic Development & Environmental Affairs
- (16) ECDC, NHSRC
- (17) Commercial Banks and Organized Business

Mnquma Local Municipality consist of 3 main urban areas that contribute largely towards its total GDP of 1 457 948. Butterworth is the economic hub of this municipality and contributes 1 125 855 (77%) towards the municipality's total GDP. On the other hand Centane and Nqamakwe contribute 171 718 (12%) and 160 375 (11%) respectively.

Economic Growth

Economic growth in Mnquma has been slower than the national and provincial averages, averaging just 2.5% over the last decade. Most economic growth has been government funded either through capital investment in construction or via social grants supporting wholesale and retail trade and financial and business services.

Table 4: Economic Growth by Sector: 1996 – 2007

Year	Agriculture, hunting forestry and fishing	Mining and quarrying	Manufacturing	Electricity, gas and water supply	Construction	Wholesale and retail trade	Transport, storage and communication	Financial, insurance, real estate and business services	Community, social and personal services	Total
1996-2001	4.6	-13.8	1.0	-1.6	4.3	1.7	4.1	2.8	0.8	1.5
2001-2007	-2.9	1.9	1.5	-2.4	9.6	3.8	3.6	7.3	2.3	3.4
1996-2007	0.4	-5.6	1.3	-2.0	7.1	2.8	3.8	5.2	1.6	2.5

Source: Development Bank Southern Africa analysis of Quantec Research statistics

The tertiary sectors of the economy, particularly wholesale and community services added more value to the total GVA of the LM during 1996, 2001 and 2007. The leading contributor in the region was the community (government) services sector, as it contributed on average 41% to the local municipality's total GVA over the three years under study.

Wholesale and retail trade was also a major role player, contributing 21,8% in 1996, 20,8% in 2001 and 18,5% in 2007.

In the secondary economic sectors, the manufacturing sector also played an important role by contributing 16,0% in 1996, 15,2% in 2001 and 15,5% in 2007. The least contributing sector in the LM was mining and quarrying, indicating that the mining is not a very active sector in the region.

Mining remains the least contributing sector as we are more into sand mining and decomposed dolomite (isabhungu) mining. This however needs to be regulated under the National Environmental Management Act (NEMA)(MPRDA) because it results into land degradation.

Mnquma's contribution to the DM's economy was also slightly significant at 6,4% in 1996, 6,3% in 2001 and 5,9% in 2007. The following worrying trends should be noted:

- Mnquma's share of the value of the District economy has fallen by 0.5% since 1996, indicating the Mnquma's level of economic growth has been relatively slow
- The contribution of the manufacturing sector has fallen by 0.5% since 1996, indicating the lack of investment and business growth in this sector
- Mnquma is mainly reliant on government investment and grants for growth (which has only supported some growth in the wholeSAle and retail sectors, and needs to find ways to pursue additional sector growth opportunities in tourism, agriculture, and manufacturing.

Table 4: Value of Economic Output per Sector: 2001

Economic Sectors' contribution	
Description	2001
Agricultural related work	523
Mining	190
Manufacturing	1676
Electricity, gas, water	109
Construction	755
Wholesale, Retail	2668
Transport, Communications	615
Business Services	937
Community Services	9363
Private Household	
Undetermined	266608
Total	283444

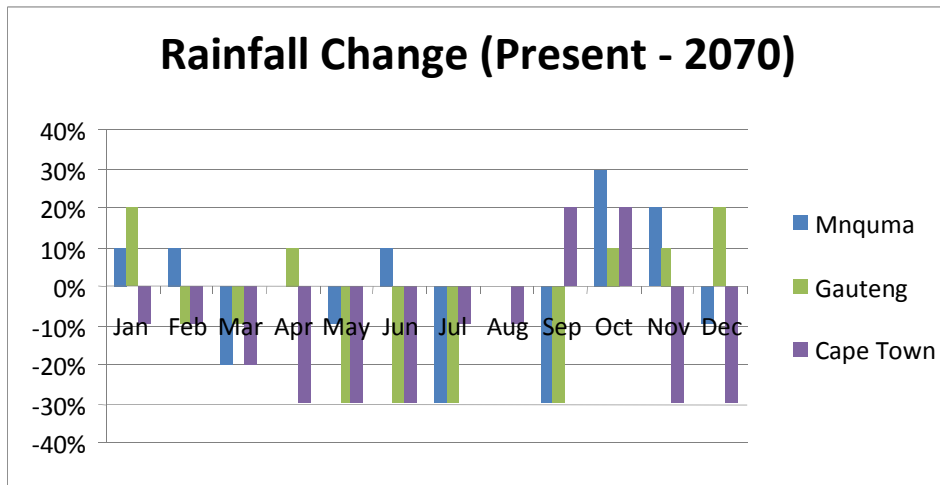
Source: Census 2001

Work on the Mnquma Master Plan is looking at the possible long term impacts of Climate Change. This analysis shows that the main long term impacts on Mnquma could include the following:

- 10% less mean annual precipitation, i.e. less total rainfall
- Wetter summers with more extreme flooding events, and drier winters
- Very hot days (>40 degrees) will increase by 50% and total average temperatures will increase by 1-1.5%
- 25% decrease in storm flows
- 10% increase in demand for irrigation water
- Sediment yield decreases by 20%.

Generally, climate change is resulting in more extreme weather patterns, i.e. more severe flooding and more severe hot weather in summer. The increase in average temperature will also impact on the agriculture sector in terms of what kinds of crops are feasible under increasing temperature scenarios. There is also a real threat in terms of drought and water security.

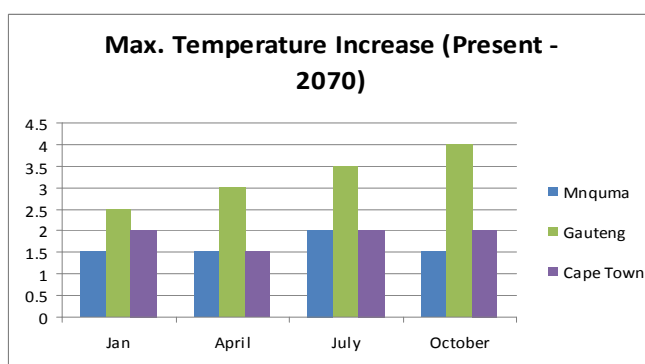
Figure 8: Change in Total Rainfall per Month



Source: Silimela Development Services analysis of Water Research Commission: 2005 Climate Change and Water Resources in South Africa

	Average annual rainfall (mm)	Total rainfall (mm)
1996		778.34
1997		876.71
1998		820.57
1999		144.84
2000		894.56
2001		869.64
2002		872.57
2003		641.28
2004		784.20
2005		665.91

Source: Global Insights (2009)

Figure 9: Change in Maximum Temperature Ranges

Source: Silimela Development Services analysis of Water Research Commission: 2005 Climate Change and Water Resources in South Africa

(iv) Labour Force Employment

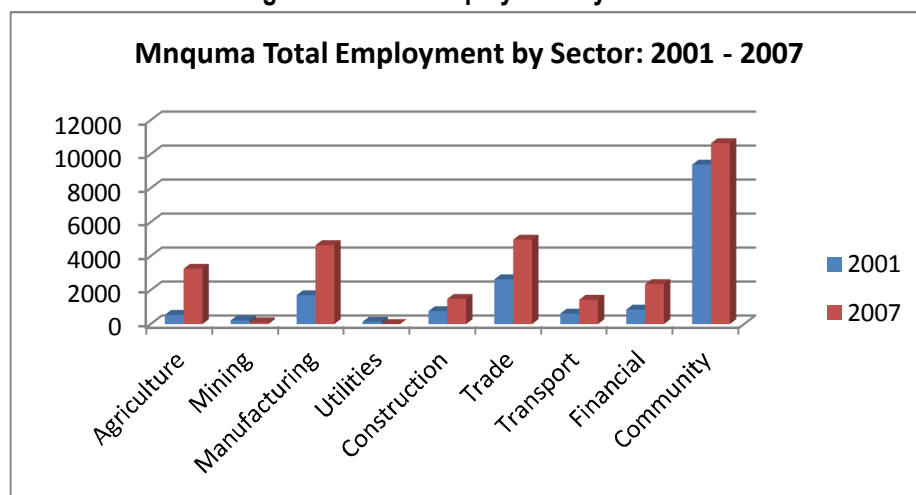
The graph below indicates a relatively high level of professionals at 30.8%; this includes Senior Officials, Professionals, Technical and Clerks. This is followed by elementary or unskilled labour at 18.6%. The high number of professionals corresponds with the high levels of employment in the government sector and the role that community services play. Service workers comprise 8% of the labour force while agricultural Workers comprise 19.3%. This poses a number of challenges to the economic growth of the municipality as well as its development and sustainability. The table below reflects that the municipality needs to invest in Human Capital as it lacks skilled personnel that would be suitable for the industry requirements.

Table 5: Occupation/Labour Force by Skills Levels/ Occupation

Description	Census 2001	CS 2007
Senior Officials and Managers	4%	5%
Professionals	9%	16%
Technical/Association professionals	19%	3,3%
Clerks	10%	7,6%
Service workers	10%	8%
Skilled agricultural work	2%	19,3%
Elementary occupation	24%	18,6%
Occupations unspecified and not elsewhere classified	6%	12,2%
Plant operators	8%	4%
Other	8%	6,6%
Total	100%	100%

Source: Census 2001 and Community Survey – 2007 Stats SA

Regarding employment trends, total employment numbers have increased slightly in all sectors except mining between 2001 - 2007

Figure 10: Total Employment by Sector: 2001 – 2007

Source: Statistics South Africa

(v) Master Plan (2025 vision)

The Master Plan has been developed and adopted by Council in June 2008. A Master Plan implementation committee set up internally. Fund lobbying for the development of the implementation plan of the Master Plan was requested from Aspire and regrettably declined. The process of securing a service provider for the development agency is currently under-way to facilitate quick implementation of the Master Plan. The lessons learnt from the inter-action with other neighbouring dictate the crucial and strategic role of political leadership in driving the implementation of the Master Plan. An LED investment summit to be convened soon will be a relevant forum to unleash the marketing of the Master Plan.

(vi) Mining Resources

Mnquma is known for the potential that it has in mining, in particular Titanium, granite and Sand deposits. These resources are mainly located in Centane. The heavy mineral deposits along the Eastern Cape, in the vicinity of Centane, were discovered about 35 years ago. In 1994, IHM Heavy Minerals, now EXXARO Resources, acquired the right to the deposits from Shell South Africa and Rhombus Sands.

In 1998, the Department of Minerals and energy granted a prospecting permit covering an area of about 950 hectares on the three discrete deposits known as Sandy Point, Wave crest (renamed and is now referred to as Nombanjana) and Kobonqaba (renamed and is now referred to as Ngcizele). Before proceeding with exploration and the Environmental Impact assessment studies, permitted by the prospecting permit, EXXARO Resources (Ticcor South Africa at the time) approached the Eastern Cape Government for a policy directive on the question of mining in the area.

This led to the commissioning, by the provincial Government, of a strategic assessment of the land and resource use options in the proposed mining area. Conducted by Coastal and Environmental Services, the study identified four potential viable options, namely Tourism,

Conservation, Agriculture and mining. (The Strategic Assessment Summary report is available on Coastal and Environmental Services' web site- www.cesnet.co.za - Current projects)

Based on the conclusions and recommendations of the Strategic Assessment, the Provincial Government issued a set of guidelines and conditions in April 2001. These guidelines authorised EXXARO Resources to proceed with the evaluation of the mining option and EIA and included the following conditions:

- A comprehensive programme to facilitate public and community participation in the EIA and Social Impact Assessment.
- The exclusion of the Nxaxo Estuary and forested areas (Sandy Point), from any form of mining activities.
- A study covering the use and abstraction of water for the proposed mining operation with particular attention to the effect it could have on the ecology of the Nxaxo and Kobonqaba estuaries.
- The integration of the mining option into the Region's Integrated Development Plan (IDP).

In October 2002 DME requested Ticcro South Africa to stop all activities in the Eastern Cape. A Cost-Benefit Study was conducted, but the results were never communicated. The New Mineral and Petroleum Development Act (Act 28 of 2002) was promulgated in 2003 and all existing prospecting permits had to be converted into new order prospecting rights to comply with the new legislation. The prospecting right for Centane was issued in October 2006. In April 2008, EXXARO Resources was informed by DME that the letter issued in 2002, prohibiting any further activities in the Eastern Cape, was superseded by the prospecting right and that the prospecting activities must be commencing within six months.

EXXARO Resources planned to drill about 140 holes on the Ngcizele and Nombanjana deposits in 2008 and samples were taken to be tested in Australia. Later on, drilling was interrupted and stopped by community. Use will be made of the Wallis Arr-core drill and only areas accessible without disturbing any vegetation or human settlement will be drilled. The drilling programme should not take longer than a month. Fuel, water, food and accommodation will be sourced from local suppliers. Between 4 and 6 temporary workers will be employed from the adjacent communities.

Granite - This precious stone used for building of tombstones is available at Ward 23 (Holela Village) and Ward 27 (Gqungqe Village) in Centane.

Titanium - Rich deposits of high quality titanium were found at Ward 28 (Nombanjana Village), near the Wave Crest Hotel. Various studies were conducted including an Environmental Impact Assessment (EIA) and were submitted to the relevant authorities.

There is a Prospecting Permit at Kobonqaba (Ward 31) and Ngcizela (Ward 28) Villages, the total area is 1 292 Hectares.

Exxaro Resources have successfully drilled on Ngcizele titanium deposits in 2008, the results have not yet been found. The community of Nombanjana decided to expel the drilling company claiming that they did not want mining in their area. The Strategic Environmental Assessment is advising against prospecting for titanium and the communities in the potential mining area are still engaged through in various ways.

Quarries and borrow pits - Mquma has only two quarries operating commercially i.e. the one at Butterworth, Ward 3 (Magqudwana near Zizamele Township) and Ward 11 at Kei Bridge. There are also borrow-pits in the municipality that are not used for commercial purposes. There are also quarries available that are not used for commercial purposes e.g. Sokapaseat ward 13. The municipality will conduct an audit of all existing quarries for the purpose of complying with the relevant legislation, increasing revenue base and benefiting the local communities.

Sand mining – Sand is one of the deposits that the municipality has initiated and the institution is currently engaging the department in securing an agreement to regulate mining. Mquma Municipality has initiated a consultative process with the National Government for regulating and mining around municipal area. Sector departments relevant in mining have also been mobilized and are working with the municipality to curb illegal mining. A request to fund rehabilitation of dangerous illegal mining sites has been made to the department.

Potters clay - Mquma has deposits of Potters clay at ward 7, Thanga A/A. The Centre for Geo Science and Technology has done investigations on the availability of the potter's clay and the municipality is awaiting the report. Linkages and joint strategies with the national department of Minerals and Energy are critical for the development of the mining potential within the municipality. This is mainly because mining and energy is a national competence and the municipality has to establish direct contacts and also ensure that there is co-ordination at district and provincial level.

(vii) Forestry

The municipality has about 7909.6 hectares of forestry plantation under the Department of Water and Environmental Affairs (DAFF). These forests are mainly referred to as Category B forests and the main species is gum. Years of neglect have resulted in an increase in the number of unplanted areas. This has resulted in only about 10% of these forests being viable commercial forests. Estimates reflect that it will take about five years for these forests to be fully rehabilitated.

There is currently about 350 hectares of community forests spread in about 22 woodlots mainly in the Ngqamakhwe area. A possibility exists for a further 250 hectares for new forestry development mainly in the Ngqamakhwe area.

There are two forestry sections within the local municipality i.e. Indigenous Forest Management (managing natural forests some with gum woodlots as buffers between the natural forests and the community. Such buffers woodlots were planted to reduce utilization

pressure from the natural forests. These are Manubi (**199.0 ha**) at Mazeppa Bay, **Mabululu (66.0 ha)**Feni, and **Kobonqaba (2.0 ha)** between Ngcizela and the coast.) Another section is Woodlot Management.

- **Natural Forests (demarcated as State forests excluding Headman’s forests).**
 - Centane has 4975.0 ha
 - Butterworth 771.0 ha
 - Nqamakwe 129.0 ha
 - Total = 5875. ha

The Blyth Woodlot, about 329 hectares in extent, is situated 6 kilometers south of Nqgamakwe, and 11 kilometers north of the N2 junction leading to Tsomo.

The Sokapase Administrative area surrounds the Blyth Woodlot. The twelve villages within the Sokapase Administrative boundary are located to the south-west of the Woodlot. Some of the villages are located adjacent to the Woodlot boundary, but the other villages are between one and three kilometers from the woodlot. An estimated 700 households reside within the Sokapase Administrative Area.

The land is currently unregistered, un-surveyed State land under the management and administration of the Department of Water Affairs and Environmental Affairs (DWAE), held in trust by the Department of Land Affairs (DLA). The land has been demarcated and proclaimed as a State Forest.

Although the land belongs to the State, it is recognized that the community holds historic rights to the land. The Department of Land Affairs plans to ensure that the community will obtain formal, secure rights to the land in due course in the form of long-term lease agreement.

Funds have since been lobbied from National Development Agency to the tune of R1.3 M for the development of Sokapase Forest. A service level agreement has been signed between the community trust and NDA.

Development capacity needs of the trust have been identified and training programme is about to ensue.

(viii) Heritage (Arts and Culture)

Mnquma Local Municipality has rich history in heritage from pre-colonial, colonial and post-colonial eras. The municipality has not declared any of these sites as the heritage sites. A tourism brochure with information outlining heritage potential of the area has been produced and circulated to events and Tourism Centers as part of promoting tourism.

The South African Heritage Resource Agency (SAHRA) therefore needs to be engaged in this area as it is mandated to do so. Further identification of heritage sites is needed on an on-

going basis. This however, has to be linked to a historic and tourism strategy to develop the sector and also educate the youth about the rich heritage of the area. Preparations for an engagement process with the National Heritage Council have started with intentions to declare one of our heritage sites as a National Heritage

There is no well-developed museum in Mquma, even the one at Gobe built by DEAT is very small and needs further development. The institution is currently engaging with DSRAC and the ADM for the establishment of the museum

(ix) Tourism

Local Tourism organizations have been launched in three units i.e. Butterworth, Centane and Nqamakwe. Annually, tourism day celebrations are honoured as part of promoting Tourism in the area

Improvement of destination: Cebe camp site is under construction, with regard to Bawa Falls social problems are still posing a serious challenge, however the institution is in the process of soliciting a service provider to unlock those challenges through social facilitation

The product owners currently do not have requisite capacity and skills to promote their businesses. The municipality is also working with the SAN Parks to capacity the hospitality industry. There is a potential of a partnership with Great Kei as it relates with the existing infrastructure along the coast. The institution will soon be engaging the Great Kei to pursue the option of signing the MoU

The Department of Sports, Recreation, Arts and Culture (DSRAC) offers support and coordination of activities. It is also working with Mquma Crafts Development Initiative, which operates from Butterworth City Centre. This centre has strong links with Provincial Crafters' Hub. There are six craft centres across Mquma. They are:

- Nombanjana Craft Centre (Wavecrest in Centane)
- Ikhamanga Craft Centre at Qholorha
- Sokapase Craft Centre
- SithembeleZokhwe Craft and Tourism Centre
- Kei Bridge
- Mquma Craft

All these centres are engaged in tourism related activities and assist in nurturing indigenous talent especially in producing for markets. A major constraint to the development of the different types of tourism offered is as a result of the limited accessibility, mobility as well as the state of the existing roads.

A tourism sector plan has been developed and adopted by Council; this sector plan has since been submitted to ECDC and DEDEA for possible funding. These will be solved through

social facilitation processes. Ikhamanga project working for the facilities (WFTC) has completed braai facilities at Qolora and the Municipality is installed a high mask light

(x) Manufacturing

The municipality has an opportunity to position itself as the second manufacturing hub of the Amathole District after Buffalo City. The municipality has an important history, but a limited skills base in manufacturing, textile, chemicals and wool.

The Municipality through the assistance of Aspire has solicited funding from National Treasury through programme called NDPG. The implementation of this programme will focus on three nodal points for development i.e Msobomvu, Ibika industries linked to WSU and Gcuwa Dam.

The Ibika component will include feasibility study focused on means to revitalize industries in our area municipality engaged ECDC on transfer of fixed assets. A principled agreement has been reached as it will be done on exchange of rates and services

(xi) Agriculture

The climatic and soil conditions make Mquma viable for a number of agricultural products. Based on the climatic and soil conditions of the municipality, Mquma Municipality is viable for a number of agricultural products. In various studies conducted by the Department of Agriculture and Rural Development the Agricultural Research Council (ARC), the municipality has the potential in the following areas: sunflower, soya beans, grain (mainly maize and wheat), citrus and sub-tropical fruits (in particular along the coast at Centane e.g. banana, avocado, mango, naartjie) and vegetables (refer to studies by the Department of Agriculture – Dohne Research Institute in Stutterheim) as well as a huge potential in all its areas for livestock production.

These studies have been undertaken at a macro level and do not take into account current land uses. The Spatial Development Framework has since been developed and alignment will be done taking Agricultural strategy into account. There are Agricultural Schemes that are dysfunctional and require revitalization. A business plan is in place for this exercise.

Currently the main programme that the Department of Agriculture is involved with include: Massive Food Programme, Siyazondla (Green Revolution), Comprehensive Agricultural Support Programme, High Value Crop Production Trials for Bio-fuels include planting of Canola at Zingqayi on a 200 hectare area a programme also initiated by the Department of Agriculture. Samples have since been sent and positive results obtained.

There is currently an attempt by the Municipality, ECDC and SEDA to lobby funding for these projects. Agriculture has come on board.

Essential oils pilot project test completed at Waterdale, Ngqana, Columba and Teko. Work is being done to assist farmers with the establishment of business plans. Heifer International

has funded the livestock improvement programme to a group of twenty women in Gubevu village Ngqamakhwe.

As part of promoting food security, the institution has provided support the distribution of seedlings and agricultural equipment as part of community project i.e. community gardens. ADM has intervened in irrigation development in the area and revitalization of Zibityolo at Ngquthu (ward 11) and establishment of Ntuzenyandu(ward 21 Hlobo) irrigation schemes are underway. Intervention in livestock improvement programme so far entails the recent provision of Nguni bulls to areas like Ntseshe (ward 19) and Qolorha (Kei farms ward 28), where there is potential for cattle breeding.

The department of Social Development keeps increasing its intervention through their Sustainable Livelihoods programme. Interventions include funding and implementation of small irrigation schemes for food security, poultry projects and women cooperatives throughout Mquma while the Department of Labour skills development programme is still assisting newly identified funded projects with skills and placement of trained project beneficiaries.

DBSA has funded Teko Tomato Project and ASGISA is growing mealies on 2 376 ha in the following areas:

PROPOSED AREA MAIZE PRODUCTION 2009-2010							
TARGETED AREAS	WARD	AREA/ SIZE (HA)	FENCING	AVARAGE RAINFALL	SOIL POTENTIAL	SLOPE (%)	COMMUNITY STRUCTURES
Teko- Tukurha	23	250 ha	Fenced	900 m	Good	4	-
Zingqayi	20	364 ha	Fenced	700 m	Good	4	Co-op
Tanga - Banjwaludaka	7	412 ha	Fenced	700 m	Good	5	Co-op
Zazulwana	7	300 ha	Not fenced	700 m	Good	5	-
Mission	9	200 ha	Fenced	700 m	Moderate	4	No structure
Nkondwana	23	400 ha	Fenced	900 m	Best	4	Co-op
Ndabakazi	12	200 ha	Fenced	700 m	Moderate	4	No structure

The agricultural sector plan is in existence and will guide the municipality in its agricultural operations and is attached in Chapter 10.

(xii) Marine Based Economic Activities

The coastal area of Centane has the potential for fishing which could be used to benefit the local communities. As a result of the Municipality engagement with DEAT, more than 300 permits have been issued to coastal communities to access fishing, further discussions are continuing for the provision of fishing facilities with the assistance of the fishing forum that has been established. The institution also participates in the National Structures that develops regulatory mechanisms for fishing.

Currently small scale fishing activities are taking place in at least six identified catchment areas of Mazepa, Gqunqe, Cebe, Wavecrest, Ngcizela and Qolora where at least one monitor in each catchment area has been employed by DEAT and seven local Coordinating Committees (1 per area), have been established. Fishing permits are annually renewed and no new permits issued pending completion of the National Policy

Possibilities also exist for inland fishing and other aqua-culture activities that could be used to boost local tourism and increase the number of recreational facilities. The Xilinx Dam and other inland dams could be developed for this purpose. These dams could also be developed for irrigation and as part of the livestock improvement programmes. DBSA, ECDC and Mquma are exploring possibilities for abalone fishing.

(xiii) SMME Development

The small, medium and micro enterprise (SMME) sector is mainly dominated by the informal (micro) sector, which is mainly survivalist in nature. The municipality is viewing this sector as significant in boosting the local economy. The establishment of the business support centre within the municipality is one way of ensuring the SMME development.

A draft SMME strategy has been developed and sent to DEDEA for consolidation, however various activities have taken place around this sector. i.e. – Registration, establishment and training of coop forum etc. Whip-hold is in the process of conducting Project Management Training for co-ops.

(xiv) Environmental Analysis

The Mquma Municipal area is not exempted from global environmental issues and concerns such as global warming and climate change. In this context the coming into force of the Kyoto Protocol offers opportunities to the municipality in areas such as methane reduction in its landfill site.

The Strategic Environmental Assessment has been completed, work-shopped and ready to be implemented.

(xv) Nature conservation

The municipality has concerns with regard to nature conservation in the areas that include rural and coastal areas. These are:

- Rotational grazing; An intervention made by the Department of Agriculture and Rural Development through provision of fencing material to the community of Ntseshe has resulted to fencing of at least three grazing camps to promote rotational grazing and ultimate prevention of soil degradation.
- Soil rehabilitation. The Ntseshe land care programme, a three year programme funded by the Department of agriculture is but one example of soil rehabilitation and land care where a number of gabions have been constructed by this community to prevent donga erosion.
- The over utilisation of coastal zone and more specifically inter-tidal resources. Studies are being done to ensure that a plan to circumvent these challenges is implemented and rehabilitation of depleted resources.
- Regulation of game hunting
- The areas stretching from Kei River to Mazeppa Bay have a DEAT funded process of rehabilitation of degraded land, removal of alien species as well as Coastal Clean-up programmes.
- An in-house Coastal Management Strategy has been developed and is being implemented through the Working for the Coast Project funded by Department of Environmental Affairs.

14. Strategic Partnerships

Mnquma Local Municipality has strategic partnership with the following:

- **Walter Sisulu University of Technology:** Mnquma will benefit in terms of cooperation in the area of research and policy. The research unit of the institution is relatively new with no capacity. Hence, Mnquma has forged this partnership in order to enlist assistance from its partner.

The two institutions will also benefit in terms of exchange programs on training & developmental programs as well as communication and marketing. The partnership has on a very small scale assisted the two institutions. Training of students and support on tourism has been taking place. A workshop to operationalize this partnership has taken place end of 2010.

- **WHIPHOLD:** there are two centres of green shops in the area of Centane & Nqamakwe. These centres provide banking services provide support to the SMME's. The centres also help the communities on poverty alleviation programs. There is an established investment vehicle known as KwaDrabo Trust.

- **ASPIRE**: is an economic development agency of the district municipality. The partnership is around Mnquma Regeneration Program. This program is aimed at rejuvenising economy and rural development. Secondly, the institution has received a grant fund from National Treasury. The fund is to regenerate township of Ibika and Msobomvu respectively. Business plans have since been submitted to National Treasury

15. Mnquma Regeneration Programme

The institution previously had Butterworth Urban Renewal which was funded by the district municipality. The main objective of the programme was to change the face of Butterworth to be more glamorous. However the, the institution took a conscious decision to change the concept of Butterworth Urban Renewal to Mnquma Regeneration Programme. This was premised on a concern that development trends to focus in urban centres to the neglect of the rural development. Therefore Mnquma Regeneration programme is espoused within the principle of holistic development which encapsulate both urban and rural development. All organs of state and other private sector partners who play a role in Mnquma have come under this umbrella and a single Project Steering Committee (PSC) established Neighbourhood development grant programme is funded by National Treasury and Aspire is facilitating the implementation. The implementation of the program has already started.

16. Educational Facilities

The Municipality plays a role in facilitating and cooperating with the Department of Education in the provision of schools and education programs. According to the Department of Education there are **411** schools in Mnquma and **3 370** educators. There is one higher education institution and one Further Education and Training College in the Mnquma LM. The FET College is located in Butterworth with campuses in Centane (King Hintsa College) and the Higher Education Institution is located Mthatha and a branch in Butterworth Ibika Campus (Walter Sisulu University which is a merger of the University of Transkei, Eastern Cape Technikon and Border Technikon).

Some of these schools are over populated due to shortage of infrastructural services. Some schools do not have proper electricity, water and sanitation facilities which results in adverse studying environments, though the Department of Education is addressing some infrastructural backlogs but the process is moving very slow and the educational milieu remains not conducive for proper schooling.

17. Health Facilities

The Amathole District Municipality (ADM) is responsible for municipal (environmental) health while the Provincial Department of Health (DoH) is responsible for the primary and secondary health services. The MLM has been managing two Primary Health centres on agency basis till December 2010 and this function has since been transferred to the Department of Health

given that it is its core business. During the period these two clinics were managed by the municipality the department was subsidizing them 100%.

Mnquma municipal jurisdiction has 26 clinics and 1 Hospital in Centane, 1 hospital in Butterworth and a Health centre in Ngqamakhwe. Mobile clinics are scattered all over the municipality in the following areas:

- ◇ 17 in Butterworth
- ◇ 28 in Ngqamakhwe
- ◇ 32 in Centane
- ◇ One clinic is located inside Tafalofefe hospital as there is no structure for a clinic there.
- ◇ One clinic at Mgcwe (not operational)
- ◇ One clinic at Mpukane (not operational)

In addition there is one health centre in Ngqamakhwe and 3 mobile clinic services each serving Butterworth, Ngqamakhwe and Centane respectively. These mobile clinics service 66 mobile points that cater for communities without residential clinic structures. The Department of Health is also responsible for running outreach programs that are meant to cater for the communities that are far from the clinics and mobile points that have been set up.

The following are some of the challenges that are faced by Mnquma Local Municipality regarding the health facilities and/or the health function:

There is a shortage of clinics in most of its wards and this is exacerbated by the manner in which the department of Health is providing the service, in particular the determination of the need for clinics by Mnquma communities. According to information received from the Department of Health the shortage of clinics is in the following areas:

- ◇ Magodla, Gxojana, Xilinx, Mkiva and Mpahleni (Ngqamakhwe)
- ◇ Chebe, Teko Springs, Nxaxho and Qombolo (Centane)
- ◇ Magalakangqa (Butterworth)

Despite all the challenges there is a wide range of programmes (e.g. HIV/AIDS and TB management, youth, nutritional, rehabilitation and mental health services) that have been implemented within the municipality though also had some predicaments. Some of those challenges include the following:

- ◇ Inadequate clinic structures hence the large number of mobile points
- ◇ Inaccessibility of clinics due to bad roads
- ◇ Sewerage disposal
- ◇ Sign posts in rural roads indicating health points
- ◇ Inadequate water supplies during dry Season at clinics as all rural clinics are using rain water tanks and without a tanker they cannot be filled
- ◇ Informal settlement posing a health risk to dwellers (overcrowding and inadequate Sanitation)

Mnquma HIV AIDS Trend Statistics: 1991 - 2006**Table 6: HIV AIDS Trend Statistics**

	1991	1996	2001	2006
Total HIV infections	411	7,821	31,378	44,446
Total births	9,344	8,950	9,040	8,147
Total AIDS sick (in the middle of year)	4	152	1,499	4,896
Non-AIDS deaths	2,758	2,758	2,876	2,655
AIDS deaths	3	95	880	2,782
Accumulated AIDS Deaths (to the middle of the year)	349	3,596	5,897	5,010
HIV/ AIDS Prevalence Rate: Antenatal clinics	0.45%	7.58%	24.29%	31.55%
HIV/ AIDS Prevalence Rate: Women aged 15 – 49	0.36%	6.29%	21.90%	30.78%
HIV/ AIDS Prevalence Rate: Adult men (ages 20 - 65)	0.28%	5.35%	19.47%	27.25%
HIV/ AIDS Prevalence Rate: Total population	0.14%	2.65%	10.00%	14.77%
Total new infections	349	3,596	5,897	5,010
Infant Mortality Rate	69.8	66.6	71.3	71.6
Child Mortality Rate (5Q0)	94.1	90.0	107.4	123.1
Total orphans	3,632	3,341	3,743	6,193
Total AIDS orphans	1	46	764	3,979
New orphans	491	503	845	1,769
New AIDS orphans	1	47	473	1,514

**Source: Estimates by Information Unit. Development Bank of Southern Africa using
Base data: Actuarial Society Southern Africa Models and Stats SA**

HIV& AIDS is a public health concern that the municipality should at least monitor and proactively contribute to the reduction of the impact and the spread of HIV& AIDS among its communities. To this end the municipality has established a Mnquma HIV and AIDS Council and there are other related programmes that are being implemented by the municipality.

We are in a process of reviewing the HIV and AIDS plan for the municipal wide area in collaboration with health department.

18. Solid Waste Management

The provision of the solid waste disposal function is the competence of the Mnquma Local Municipality. This service is generally provided to the three urban areas, namely Butterworth, Centane and Nqamakwe. Table 7 depicts that 75% of households use their own refuse dump while only 9% of the households refuse gets removed once a week. The other 13% does not have access to any solid waste removal service. Typically rural communities have no waste collection service. This therefore poses health hazards on rural communities and thus needs the municipality to take into serious consideration.

The IWMP is in the process of being reviewed through the Indalo Yethu Cleaning and Greening project.

Since the 2001 Census the municipality has improved on waste management; there has been employment of personnel on a full time and temporary basis, employment of qualified personnel, training of general staff, purchasing of equipment including mowers, tractors, skip loaders, Skip loader trucks etc., fencing of tip site and its maintenance.

The National Environmental Management Waste Act (NEMWA) requires that all landfill sites must be permitted and all illegal sites be closed and rehabilitated. There are on-going discussions with ADM regarding the opening of the Eastern Regional Landfill site. The proposed tariff agreement has been signed. A service level agreement has been drafted and the two parties have agreed on the terms of operation.

Table 7: Solid Waste Disposal

Description	Census 2001	CS 2007
Removed by local authority/private company		
At least once a week	18,2	9,1
Less often	1,0	0,9
Communal refuse dump	0,8	1,7
Own refuse dump	55,0	75,4
No rubbish disposal	25,0	12,9
Other	-	0,1
Total	100	100

Source: Community Survey 2007 – Stats SA

The municipality has since applied for the closure of the Magqudwana illegal landfill site. A consultant has been appointed to develop a business plan to source funding for the closure and rehabilitation of the site. The business plan has been finalized and submitted to financial institutions.

There are three projects currently funded by the department, 2 have already started and one is still at a planning phase. Namely, they are:

1. Greening and Cleaning Implemented by HKV services, its objective is to:
 - Plant trees,
 - Upgrade the Butterworth cemetery,
 - Landscaping in town and schools, and
 - Develop beautiful welcome signs in entrances.
2. Street Cleaning and Greening implemented by Indalo-Yethu, its objectives are:
 - Street cleaning,
 - Installation of refuse bins,
 - Development of the market street,
 - Purchase refuse collection trucks,
 - Develop an IWMP.

3. Greening of Mquma is still at planning phase.

The disposal of animal carcasses and condemned food stuffs is still a challenge due to unavailability of land and machinery for digging.

19. Library services

The library function is a constitutional mandate of the Department of Sports, Arts and Culture. The Mquma Municipality has been running the function with little assistance from the said department. Strides have been taken since 2004 to get the department to take charge of this responsibility but with little success.

The Department of Sports, Recreation, Arts and Culture has constructed a new Library in the Butterworth town of Mquma Municipality next to the prison. The library building was supposed to have been officially opened in the year 2008 after this facility was completed but due to lack of Service Level Agreement between the two institutions this facility was never accessed by the public. It is worth noting that library services are a competence of province and national spheres of government in terms of the Constitution of South Africa.

Of course during construction the library brought employment opportunities to the Mquma community as the labour intensive methods were being applied. There is no breakthrough in as far as getting Department of Sport Arts Recreation and Culture to pay the bills of the service.

Libraries are a very important tool of educating and serve as a point of access to information by the local communities. It has always been difficult for the municipality to improve the function to be in line with technological advances due to financial and legal constraints.

There are two libraries in Mquma LM, one in Butterworth and other in Nqamakwe. Both are not operational due to disagreements between the Municipality and DSRAC pertaining to the operations of the Library. The Library service is a provincial department competency and owing to this, the Municipality is unable to carry any costs relating to the operation of the library services.

The Nqamakwe Library has undergone renovations, which were funded by the Department of Sports, Recreation, Arts and Culture and the department is intending to deploy library officials to run the libraries both in Butterworth and Nqamakwe. There are talks between the DSRAC, Amathole District Municipality and Mquma Municipality about full subsidy for the library function and other related matters. The negotiations are very slow and there is little progress.

20. Sports Fields

Mquma Local Municipality has under-developed sports fields which are also vandalised in the urban area and the townships. There are no sports fields in the rural areas, which is a

challenge for developing sports fields in our communities. The following are sport fields in the Mquma Local Municipality.

- ◇ 3 Soccer Fields (Butterworth, Centane and Nqamakwe)
- ◇ 2 Rugby Fields (Butterworth and Nqamakwe)
- ◇ 2 Tennis Courts (Butterworth and Nqamakwe)
- ◇ 1 Cricket Field (Butterworth)

Butterworth tennis court is not currently used because of its condition, it requires major renovation. There are under-developed sports field in Mquma in general. In a process of seeking funding for sports development in the rural areas, a business plan has been developed and submitted to National Department of Sports, Recreation, Arts and Culture though no response has been obtained yet.

Processes of trying to get control and ownership of these facilities have started.

21. Cemeteries

There are 5 cemeteries in Mquma Municipal area, namely

- ◇ 1 in Nqamakwe
- ◇ 3 in Butterworth (*2 no longer in use because they have reached capacity*)
- ◇ 1 in Centane

In Butterworth and Msobomvu only those that have reserved grave sites are able to bury. The municipality is currently following rezoning processes to identify and establish a new cemetery site in Centane.

Through the Greening and Cleaning project implemented by HKV services the municipality has been able to clean and fence the Butterworth Cemetery.

The objective of the municipality is to have all its cemeteries well fenced, maintained and demarcated. The systems (registers, etc) regarding cemeteries is being improved and the communities need to be educated on the importance of non-vandalism in the graves. An electronic database has been installed so as to make it easy to record cemetery information.

The municipality has currently no crematoria and as part of improving the cemeteries shall have to solicit funding for the construction of such a significant facility.

22. Community Halls

There are nine community halls in Mquma.

- ◇ 4 in Butterworth

- ◇ 2 in Nqamakhwe
- ◇ 3 in Centane

Renovations

The municipality is in the process of improving its management of the halls by initiating and tightening controls. Maintenance of these halls is of vital importance as they generate revenue and host important events. The Municipality has made prioritisation in terms of renovations of municipal halls, depending on the rate of usage and the location of the hall. The Butterworth Town Hall has been renovated internally and the following is the priority, which will depend on the availability of funds for implementation:

- 1) Msobomvu Hall
- 2) Nqamakwe Town Hall
- 3) Centane Town Hall
- 4) Nqamakwe TRC Hall
- 5) Ndabakazi TRC Hall

23. Churches

Research has shown that the people of Mnquma are highly religious. This is evidenced by the number of churches with each ward having more than one church. The number of churches in Mnquma is approximately 350.

24. Open Space Systems

The municipality has identified the following as potential gains from open spaces:

- ◇ They act as passive/active recreation facilities.
 - ◇ They can be used as areas for accommodation services or channelled accommodation engineering services (e.g. dams, reservoirs and canals)
 - ◇ They act as nodes, which serve to integrate surrounding land use zones.
 - ◇ They form buffers between adjacent land-use zones thereby improving aesthetics of the area.
 - ◇ They can act as permanent/temporary multi-use areas e.g. catering for extreme peak overflows
 - ◇ They may act as conservation or other recreational areas.
- Having realised the above opportunities the municipality has lobbied funding from DEA for the development of open spaces.

25. Parks and Recreation

The municipality identified a need for a park and recreational facility along Vuli-Valley and Cuba townships and funding was sought for this need. This park has since been constructed and completed and is known as the Sisonke Park. For effective utilisation of this facility a

service provider has been appointed to manage the operations of the park. The municipality is currently in a process of mobilising more resources for the development of other parks and recreational facilities.

Reconstruction of the Butterworth swimming pool is underway. The first phase of the Gcuwa Dam development is in its inception stage. This area has been identified and earmarked as a leisure park development node. During the 2010 World Cup there has been a lot of infrastructural investment in the area.

26. State of the Biophysical Environment

The strategic environmental assessment was done in 2008 /2009 financial year. It has identified a number of estuaries that are threatened by human activities and species that are endangered. The municipality has developed a draft localized biodiversity strategy and once has been approved by the Council shall be implemented instantly.

There is an Environmental unit within Community Services Directorate; which monitors environmental issues thereby influencing decision making for sustainable development.

27. Disaster Management and Fire fighting

Disaster Management is a competency of the District Municipality and the municipality currently plays a coordinating role between communities and ADM though a Service Level Agreement has not been entered into yet. The ADM has established a Disaster Management Centre in Mnquma (Butterworth).

The following equipment is available: In Butterworth 2 major pumps (fire engine), 1 skid unit vehicle, 1 service vehicle as well as 12 permanent fire-fighting staff and 8 volunteer. R6m has been budgeted for the construction of Butterworth Fire Station but awaiting for identification of Land. Permanent Platoon Commander for Centani has already been appointed awaiting the appointment of fire fighters. Centane Satellite Fire Station has been completed in October 2010 and guarded by security on a 24 hour basis and it needs to be equipped. According to ADM there are no plans for a Nqamakwe Satellite Fire Station in place.

The ADM in collaboration with the municipality identified areas prone to Disasters in the Mnquma area and these are in the following wards:

- ◇ Ward 7
- ◇ Ward 9
- ◇ Ward 13
- ◇ Ward 17
- ◇ Ward 18
- ◇ Ward 19
- ◇ Ward 25 and

◇ Ward 26

28. Community Safety and Institutional Security

The municipality has introduced new security system which would contribute immensely in the protection of municipal properties. It would as well improve efficiency of our security personnel when discharging their duties.

Levels of safety and security have shown a gradual improvement between 2004-2007. In general, crime levels are lower in Butterworth than the Provincial and National averages, with the exception of murder in areas like Tholeni A/A where few people were once brutally killed.

Over and above the impact of crime on the quality of life, crime levels also impact on the cost of doing business and the general attractiveness of Mnquma as a place to visit (tourist destination), live (skilled labour), and work (business investment). Crime statistics need to be treated with caution as their levels are influenced by how easy it is for victims to report crimes to the police.

Figure 12: Incidence of Murder 2001-2007

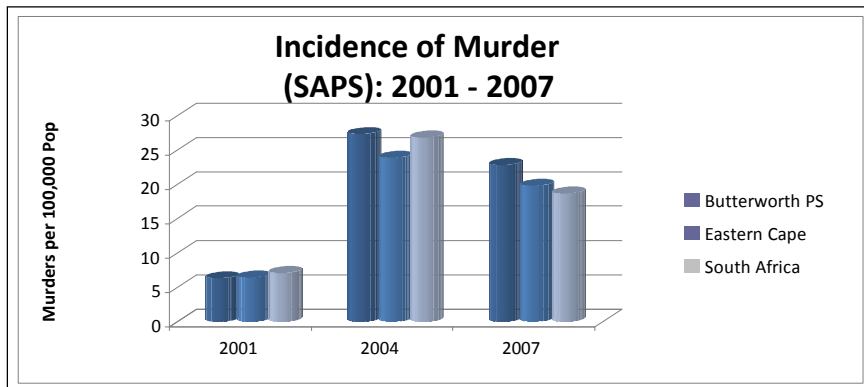


Figure 13: Incidence of Aggravated Robbery: 2001-2007

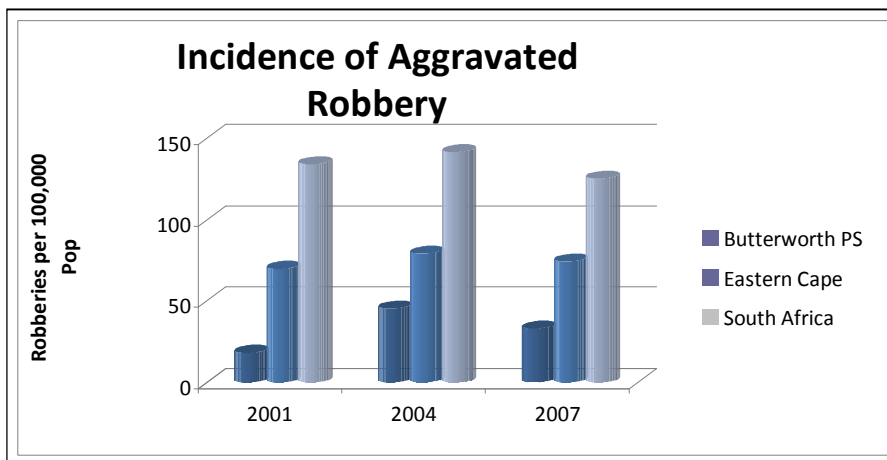
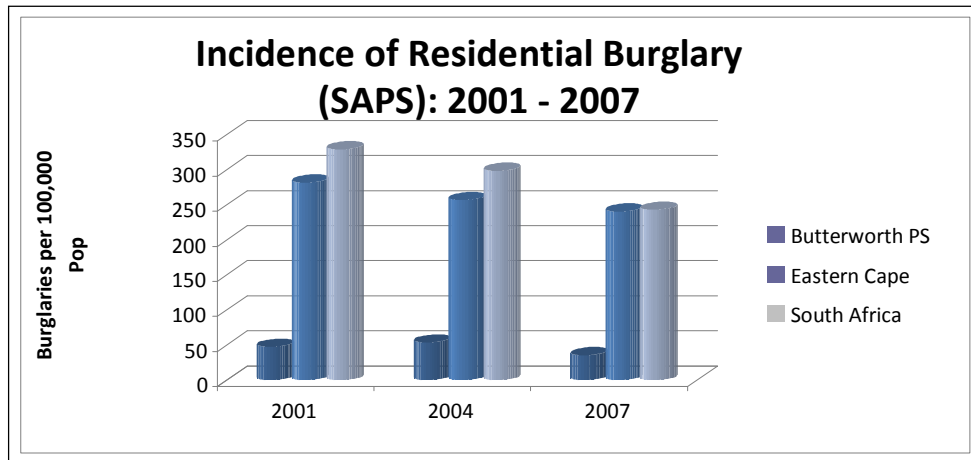
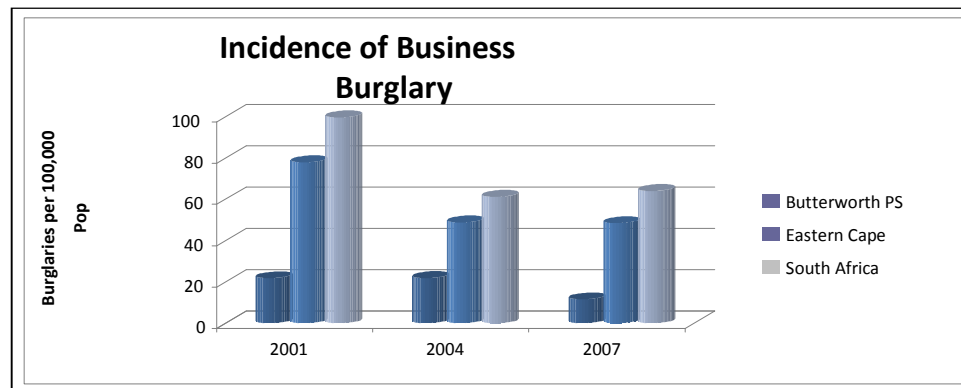


Figure 14: Incidence of Residential Burglary: 2001-2007



Source: South African Police Services:

Figure 15: Incidence of Business Burglary: 2001-2007



Source: South African Police Services:

There are 5 Police Stations and 1 satellite that are situated in the Mnquma Municipal area and servicing 31 Wards, they are as follows:

- 1 in Butterworth Town
- 1 in Ngqamakhwe Town
- 1 in Centane Town
- 1 in Kei Bridge
- 1 in Qolora Beach (satellite police station), and
- 1 in Msobomvu Township

Due to incidents that have occurred in around the Ndabakazi Area the municipality in collaboration with SAPS has initiated establishment of a satellite police station in the area so as to enhance the safety of the community.

Studies will be commissioned on the effectiveness of the existing service stations in the reducing crime in all areas.

As part of improving the image of the municipality law enforcement unit (peace officers) has been introduced. These peace officers ensure that the gazetted by-laws are enforced and implemented to all municipal units. This unit would require to be increased given the responsibilities assigned to it to a fully-fledged unit with adequate resources. It is currently manned by only five temporal personnel and one permanent supervisor. They are under control off a Chief Security Officer.

Traffic Section is composed of Law Enforcement, Examination and Registering Authority and is headed by a Chief Traffic Officer. It is manned by three Superintendents, twelve traffic officers, ten temporal traffic wardens, two permanent traffic wardens, one eNatis supervisor, four administration assistance five cashiers and seven road markers. It is equipped with four vehicles, a speed trapping machine, a dragger machine, alcohol breathalyser and road marking machine

3. Basic Infrastructure Development & Service Delivery Cluster

Background

The Municipality's major and mandated role is that of providing and facilitating provision of services for the local community. It provides services such as construction and maintenance of access roads infrastructure, etc. and facilitates provision of services such as water, sanitation, electricity, access to provincial roads, telecommunications, etc. The Municipality, like all other municipalities in South Africa, is faced with the challenge of addressing the service delivery backlog.

The non-payment of services by local communities has a negative impact on the Municipality's financial situation. The Municipality is therefore unable to collect revenue from these services and consequently has to rely on other sources of income (e.g. grants) to address the challenge of service delivery.

The Municipality is in a process of developing its own Comprehensive Infrastructure Plan (Infrastructure Investment Plan) which will guide the Municipality on the Infrastructural Development.

The following are the infrastructural service delivery activities that form the mandate of Mnquma Local Municipality.

1. Roads and Storm Water Drainage

Mnquma Local Municipality generally lacks good road infrastructure. There is limited access to social services, employment and economic opportunities as well as general mobility. This is owing to the Municipality's poor transport infrastructure, especially in remote rural areas. Approximately 8% of roads in the municipal area are surfaced (tarred) and about 92% are gravel roads.

The township roads in the area of Butterworth were constructed during the establishment of townships and have gone way beyond their lifespan (which is estimated to be between 10 – 15years), these roads were then left unattended for a very long time such that they are characterized by potholes and dongas which makes maintenance to be almost impossible. These impact negatively on the general mobility of local residents as well as the efficiency of the municipality.

The institution is currently in receipt of municipal infrastructure grant (mig) that is utilized for amongst others, construction of access road, however the municipal road infrastructure network in the rural areas is more than double that of provincial road network and yet there is no dedicated funding for their maintenance.

The grant funding received on its own on average, is utilized to construct at most 70km per annum compared to the backlog of 1 500km. Council has a dedicated funding for the rehabilitation and maintenance of Butterworth township roads for over a period of three years. Council has also set aside a significant amount of money for improving road infrastructure network in Centani and Nqamakwe

The funding formula is not sympathetic to the municipalities like Mquma that has a very huge infrastructural backlog as the grant funding is mostly based on equity in terms of population.

Absence of a dedicated contract by the department of roads and public works continues to prove as a challenge in our municipal area in that the provincial roads are not well maintained, however the department is in the process of introducing a plan to circumvent the situation. The provincial department has indicated its intention to embark on a joint project to maintain road infrastructure network in Mquma and Mbhashe municipal areas

The Council has acquired an Excavator and two tipper trucks which are now making a huge difference in terms of road maintenance, and the institution is in the process of acquiring a new grader.

2. Housing Development

Mquma Local Municipality is faced with a housing shortage for its communities, particularly in the urban areas. However, the Department of Human Settlements is currently implementing a housing programme called Breaking New Grounds (BNG), which also includes housing units within our municipality. The new housing development identified within our municipality for this financial year is strategically located within existing transportation infrastructure and other social amenities.

BNG project for the construction of services has started in the Siyanda Project in Butterworth, however it faced numerous challenges relating to social facilitation issues resulting to a delay of almost a year in a contract of a year. After numerous efforts by the Political leadership, it is now back on track

The Department of Human Settlements has unblocked the Centane 863 as well as Butterworth 282 housing project. In Centane, the number of housing units has since increased from 863 to 1, 038. A total of about 700 top structures have been completed to date, within the land where the houses are being developed, there are challenges of encroachment. A contractor has been appointed and is on site for the construction of sanitation services within the Centane 863 project. A tender was issued in April 2010, for rectification and completion of top structures in Butterworth 282, however, to date the contract has not yet been awarded owing to delays in provincial government procurement processes.

There is an application that has been submitted to the Department of Human Settlements for Rural Housing Projects for Ndabakazi, Zingqayi - Mgcwe and Hlobo. Ndabakazi Housing Project is being considered for funding for 2010 / 2011 financial year.

There are still challenges around the unblocking of the Nqamakwe 312 Housing due to among others the following, unresolved land claims by the Land Claims Commissioner including the land invasion by the same claimants. The municipality has since escalated the matter to the office of the Minister for Rural Development and Land Reform for intervention on the resolution of aforesaid land claim. In respect of the land invasion, the institution has engaged in a legal process to stop land evasion in Nqamakwe

3. Source of Energy for Lighting and Cooking

Energy is supplied by Eskom and is funded by the Department of Minerals and Energy. The role of the Municipality is to communicate with Eskom and facilitate the provision of electricity supply in the area. The table reveals that there are huge backlogs in the provision of electricity in Mnquma. From the information supplied by ESKOM, the households that still need access to electricity are more than 24 000. Census 2001 indicates in the table below that access to electricity is at 33.5% however the latest information from Eskom is that access is at 67%. The rest of the households use other alternatives for lighting such as candles, gas, paraffin, etc.

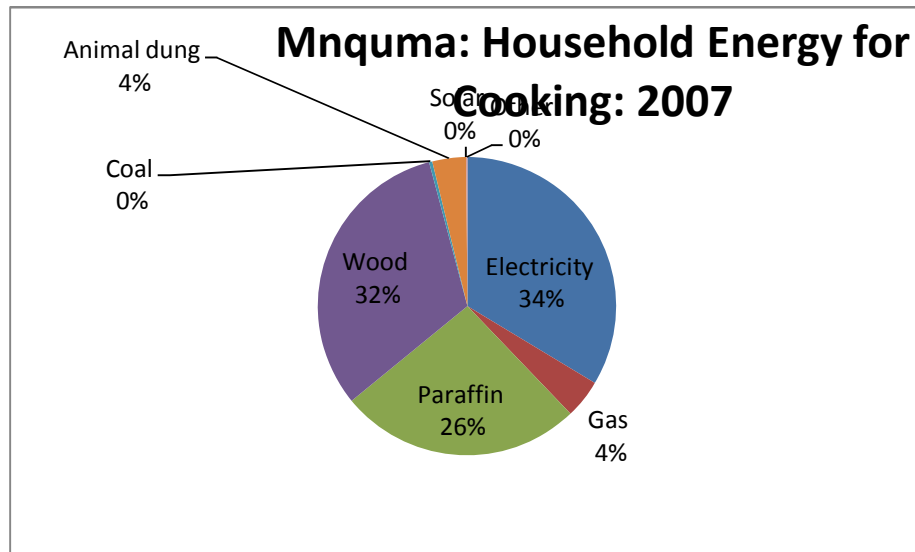
The institution has established good working relations with Eskom in dealing in dealing with new applications. It is of concern that with the current funding, the millennium development goal target of 2014 will not be met if the trend of funding remains as is. For 09/10 financial year, connections for Mnquma were at 1,700 and for 10/11, they have further decreased to 700. The institution has approached the department of energy for direct funding to complement the slow programme by Eskom and the institution still awaits a response.

Table 8: Household Access to Energy Supply

Energy /fuel used for lighting Description	Census 2001	CS 2007
Electricity	33,5	51,3
Gas	0,3	0,2
Paraffin	54,9	43,7
Candles	10,5	4,1
Solar	0,1	-
Other	0,7	0,7
Total	100,0	100,0

Source: Community Survey 2007 – Stats SA

Figure 17: Household Energy for Cooking



Source Statistics SA Community Survey 2007

(13) Water Supply

Table 5 below gives an overview of household access to water supply in the municipality in 2001. Only 20% has piped water either in their dwellings or in their yards. About 21% of household's access water through community standpipes and a further 54% obtains water from rivers, dams and rain-water tanks. The table below demonstrates in detail and gives clear picture of the current situation in terms of the delivery of water supply per household within the municipality.

The lack of maintenance of water systems in the municipality results in many leaks and bursts; this therefore results in water wastage. It is also appreciated that the number of communities that opt for water harvesting through rainwater tank has increased quite well.

Table 9: Distribution of household by type of water source

Description	Census 2001	CS 2007
Piped water:		
Inside the dwelling	8,1	10,0
Inside the yard	6,6	10,0
From access point outside the ward	22,7	21,6
Borehole	0,9	0,3
Spring	4,5	1,5
Dam/Pool	1,5	0,6
River/Stream	46,2	38,4
Water vendor	0,3	0,8
Rainwater tank	8,2	16,8
Other	1,0	0,0
Total	100,0	100,0

Source: Community Survey 2007 – Stats SA

(14) Access to Sanitation Services

The delivery of Sanitation services is affected by the poor delivery of water services to communities. Only 13% of households in the municipality have access to flush toilet sewer. About 48% of households use other means of Sanitation (such as, pit/bucket latrine, chemical toilets etc.) while almost 39% do not have access to Sanitation services.

Table 9: Household Access to Sanitation Services

Description	Census 2001	CS 2007
Flush toilet (connected to sewerage system)	12,0	13,0
Flush toilet (with septic tank)	0,9	4,0
Dry toilet facility	-	4,4
Chemical toilet	2,8	0,9
Pit latrine with ventilation (VIP)	6,5	4,2
Pit latrine without ventilation	23,2	34,6
Bucket latrine	0,8	-
None	53,9	38,9
Total	100	100

Source: Community Survey 2007 – Stats SA

The lack of access to electricity contributes towards poor health levels as well as educational levels and generally impacts on the quality of life, especially of the rural poor.

In addition to the electrical infrastructure, the Municipality through the MIG funding has approved a budget of about R14m for the upgrading and installation of the street lights and high masts in strategic positions in the Butterworth area which is being implemented in phases.

(15) Telecommunication Services

In terms of service provision the table below reveals that only 2 % of households have a telephone in their homes, 2 % have a telephone and cell phone in their home and only 16 %. The statistics is still based on the 2001 Census. At the time of consolidating this report the affected parties had not yet submitted information that could help in updating the analysis. The process of engaging the affected service providers to give us their plans is seriously and vigorously taking place.

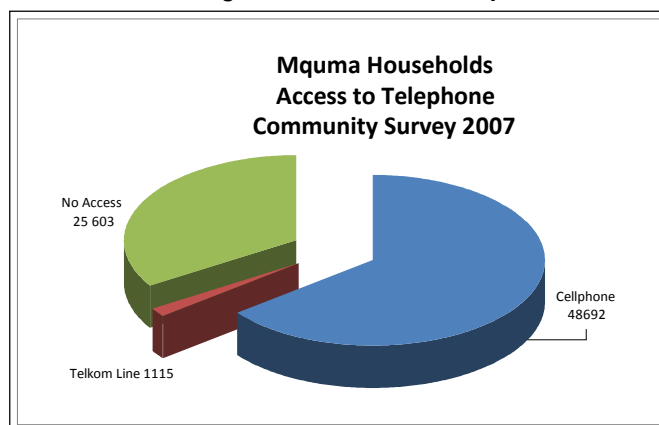
Currently the process of taking request from the communities that do not have coverage of the cellular networks is happening. Access to cell phone and cell phone coverage is critical for social and economic purposes, including assisting with the job Search process. In addition, cell phone coverage is important to support economic investment in key nodes and corridors in Mnquma.

The institution is in a process of engaging ICASA to develop a memorandum of understanding to improve working relations with relevant service providers in telecommunication

Table 10: Household Access to Telephone Communication

Household Access to Telecommunication		
Description	%	2001
Telephone and Cell phone in Dwelling	2%	1577
Telephone only in Dwelling	2%	1417
Cell phone	16%	11171
Neighbour	10%	6638
Public Telephone	34%	22694
Other – Nearby	6%	4282
Other - Not Nearby	11%	7215
No Access	19%	12540
Total	100%	67 534

Source: Census 2001

Figure 17: Access to Telephones

Source: Stats SA Community Survey 2007 Analysis by Silimela Development Services

(16) Land Use Management

Land use management is a function delegated to the Mquma Local Municipality. This function must be performed by means of a tool known as a Spatial Development Framework which is, in terms of Section 26(e) of the Municipal Systems Act No.32 of 2000, required to be done by every Municipality as a component of its IDP. The SDF is intended to be a forward planning tool to guide the Municipality to consider land development applications in terms of clear policies and principles for land development. The Mquma Municipality's SDF was approved by the Council in 2009.

The process of developing business plans local SDF for all the identified nodes in the Mquma SDF is underway. A copy of the Mquma SDF is attached as Chapter 7 of this document, and is available in the municipal website: www.mnquma.gov.za.

(17) Project Management Unit

The Project Management Unit has been restructured to manage Municipal Wide Projects and two Project Managers have been appointed. The unit has since been placed in the Office of the Municipal Manager.

The challenge around the implementation of projects in this unit is budget constraints. In the 2007 /2008 financial year Council decided to prioritize at least one project for each Ward, it transpired that such projects could only be fully implemented in three years' time with the 2011 being the final year.

4. Good Governance and Public Participation Cluster

(1) Background and Composition

The Good Governance and Public Participation Cluster (Governance Cluster for short) is one of the four clusters of the municipality to look into the issues of governance and public participation. It is as a result of the change in the municipal cluster arrangement to be in line with the key performance areas set out in the National Local Government Strategic Agenda for local government. The Municipality's Good Governance and Public Participation Cluster is composed of the following functional areas:

- (i) Intergovernmental Relations
- (ii) Marketing, Communications and Branding
- (iii) IDP Co-ordination
- (iv) Performance Management System
- (v) Research and Policy Development
- (vi) Public Participation
- (vii) Internal Audit
- (viii) Risk Management
- (ix) Legal Services

(2) Institutional Arrangements of the Cluster

The Good Governance and Public Participation Cluster is led by a political champion determined by the Executive Mayor. The Speaker of Council deploys councillors into the Cluster.

Administratively, it is led by the technical champion determined by the Municipal Manager. The following are members of the Cluster:

- (i) Political Champion (determined by the Executive Mayor)
- (ii) 14 Councillors(determined by the Speaker)
- (iii) Technical Champion (determined by the Municipal Manager)
- (iv) Internal Audit Manager
- (v) Office Manager: Office of the Speaker
- (vi) IDP and PMS Manager
- (vii) IDP Coordinator
- (viii) PMS Coordinator
- (ix) Municipal Relations Manager
- (x) Research and Policy Development Manager
- (xi) Research Officer
- (xii) Legal Advisor

(3) Situational Analysis per Functional Area

a) Inter-Governmental Relations

There is an established IGR Forum Structure, which is composed of representatives of the municipality and sector departments. The IGR Forum was re-launched and terms of reference drawn up to guide its activities. Its meetings sit on a quarterly basis and in line with the Institutional Calendar.

There is, however, still a challenge regarding information requests sent to the Sector Departments for inclusion in the IDP. The municipality is looking at alternative strategies to deal with Inter-governmental Relations.

b) Marketing, Communication and Branding

The function resides in the Strategic Management Directorate. Council has approved the Communication Strategy and implementation has started. A local communicator's forum has been established and is chaired by the Portfolio Head of Communications and Public Participation. There has been an integration of the Internal Communicators Forum and Content Management Forum to an Information Communications Technology Steering Committee that encompasses all the issues relating to communications and information technology.

The information is communicated to the community through:

- Councillors
- Ward Committees
- Community Development Workers
- Mquma Local Municipality Website , www.mnquma.gov.za
- Mquma News
- Internal Publication
- Internet
- E-mail
- Notices
- Brochures
- Public meetings
- Khanya Community Radio and other Community Radio Stations
- Umhlobo-Wenene
- Daily Dispatch
- City Press
- Die Burger
- Local Communications Forum

c) IDP Coordination

The IDP coordination is done at the Strategic Management Directorate. Besides the IDP and PMS Manager the municipality employed an IDP Coordinator to deal with IDP

Coordination. Since 2006, the municipality's IDP is done internally, with no assistance from the external service providers.

d) Inter - Municipal Planning

The municipalities is sharing borders with the Great Kei, Intsika-Yethu and Mbashe Local Municipality, and on some occasions, there were different service delivery projects implemented in Wards where the institution shared boundaries and with other municipalities. This created animosity between members of the community in those Wards, as these projects were either different and/or provided in different periods.

In line with Section 21 of the Local Government: Municipal Finance Management Act 56 of 2003, the institution took an initiative of meeting with all the Local Municipalities in its bordering areas, to amongst others align projects that have been planned by the municipalities. On the 02nd March 2011, the planning unit of the institution met with that of Mbashe Local Municipality.

e) Performance Management System

The municipality has established strategies and tools to deal with performance management. Performance Management is done at two levels within the municipality, ie, institution-wide (strategic) level and operational level.

(1) *Performance Management at an Institution-wide Level*

This function is coordinated within the Directorate of Corporate Services in terms of monitoring and implementation at a strategic level.

In terms of the PMS the following are tools used to evaluate performance at the strategic level:

- ∇ Implementation and review of the municipality's strategic scorecard
- ∇ Performance reviews of the Municipal Manager and Section 57 Managers

(2) *Performance Management at a Directorate and Individual Level*

The implementation at the lower levels is also coordinated and monitored within the Directorate of Corporate Services. The Directorates in line with the strategic scorecard develop Directorate Scorecards for implementation during a particular financial year. In terms of the processes at the directorate and individual level the following is done:

- ∇ Accountability Agreements and Performance Promises are then entered into in the levels below Section 57 managers
- ∇ There has been an improvement in terms of implementation of the performance management system and the following has been done in line with the policy on recognition of directorate and employee performance:
 - ◇ Conclusion of Accountability Agreements and Performance Promises
 - ◇ Performance awards have been given to the best performing directorate, best divisional manager in each directorate, the best performing unit head in each directorate and the best performing employee at all levels of the directorates.
 - ◇ An award is also given to the best performing executive secretary within the municipality.

There are still challenges relating to the full implementation of the Performance Management System, mostly related to limited resources (human and financial resources) as well as clear understanding of the tool from each of the role players as required by the legislation. The institution continues to provide training internally to the employees of the institution and further communicates the role of communities in public meetings organised.

During the implementation of the framework in the last financial years, the institution also highlighted the actual monitoring and evaluation element in the framework as a challenge and it continues to seek assistance from the Department of Local government and traditional affairs to address the issue. The framework as adopted by Council in March 2008 has also been reviewed.

f) Research and Policy Development

(1) Research

The research and policy development function is coordinated at the Strategic Management Directorate. It is currently staffed as follows: 1 Research Manager, 2 Research Officer and 1 Research Assistant and has been able to perform the following functions during the year under review:

- (1) Facilitated the development and adoption of the Research Strategy
- (2) Facilitated the establishment of the Policy Development Committee to drive policy development, implementation and review
- (3) Developed terms of reference for the Policy Development Committee
- (4) Facilitated the circulation and analysis of questionnaires in support of IDP development and review process

(2) Policies, Procedures and Strategies

Section 11(3)(a) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) outlines the executive and legislative authority of a municipality and to this effect has developed and approved policies for its directorates. The following are policies adopted per directorate:

(a) Corporate Services Directorate Policies and Strategies

No	Name of Policy/Strategy	Date of Approval
01	Recognition of Directorate Performance	30 June 2008
02	Provision and maintenance of Municipal offices	30 June 2008
03	Central Registry Manual	03 November 2004
04	Customer Care Strategy	23 January 2008
05	Telephone usage	23 January 2008
06	HR Strategy	26 March 2008
07	Internet & E-mail	23 January 2008
08	EAP, HIV and AIDS	12 December 2007
09	<u>Information Technology Policies</u> IT Network Security Disaster Recovery IT Data & Systems Security	03 November 2004
10	<u>HR & Admin Manual</u> Employment Equity Recruitment, Selection and Retainment Induction Training and Development Employee Assistance Programme Occupational Health and Safety Sexual Harassment Grievance Procedures Disciplinary Procedures Internship Programmes	03 September 2003
11	S & T	12 September 2007
12	Promotion, Demotion and Transfer	12 September 2007
13	Customer Care	12 September 2007
14	Complaints Handling	12 September 2007
15	Records Management	12 September 2007
16	Reprographics	12 September 2007
17	Community Participation	12 September 2007
18	Acceptance and declaration of gifts	12 September 2007
19	Exit	13 March 2009
20	Bursary	13 March 2009
21	Use of Municipal Hall	13 March 2009
22	Stop order facility	13 March 2009

No	Name of Policy/Strategy	Date of Approval
23	Payroll fraud prevention	13 March 2009
24	Access to Information Manual	13 March 2009
25	Procedure on Trading Regulation Function	13 March 2009
26	Talent Attraction & Retention Strategy	18 November 2009
27	Employee Wellness Strategy	18 November 2009
28	Information & Communication Technology Strategy	18 November 2009
29	Community Participation Strategy	18 November 2009
30	Leave	23 March 2010
31	Overtime	23 March 2010
32	Development & Review of Staff Establishment	23 March 2010
33	Career Pathing & Succession Planning	23 March 2010
34	HIV/AIDS	23 March 2010
35	Whistle Blowing	23 March 2010
36	Bereavement	23 March 2010
37	Dress Code for Employees	23 March 2010
38	Participation of Traditional Leaders in Council	23 March 2010
39	Community-Based Planning Framework	23 March 2010

(b) Budget and Treasury Policies, Procedures and Strategies

No	Name of Policy/Strategy	Date of Approval
01	Supply Chain Policy	15 December 2005
02 ^C	Reviewed Indigent Policy	05 June 2009
03 ^o	Budget Policy	
04 [©]	Write off Policy	
05	Credit Control Policy	
06 ⁽	Property Rates Policy	
07 ^c	Utilization of credit card and petrol card policy	

g) Community Participation

In terms of Chapter 4 of the Municipal Systems Act (Act No 32 of 2000) the municipality is required to create an environment which is conducive for the local communities to participate in the affairs of the municipality.

The Municipal Structures Act (Act 117 of 1998) provides for an establishment of a ward participatory system of local governance – depending on the type of the municipality.

Community participation is outlined in Chapter 6 of the IDP.

h) Internal Audit Function

The institution is required in terms of Section 165(1) of MFMA to establish an Internal Audit Unit and that was established in April 2004. The Internal Audit Unit evaluates and monitors the system of internal controls as designed by Management and make recommendations. It is required to ensure that each department operates within the policies, procedures, laws and regulations as established by all statutory requirements.

The unit currently is currently staffed with 1 Internal Auditor and 2 Internal Audit Assistants and has a vacancy of the Internal Audit Manager.

The Internal Audit Unit has been able to perform the following functions during the year under review:

- (1) A three year strategic internal audit plan has been reviewed
- (2) The annual audit plan has been developed
- (3) Mquma fraud and Corruption Prevention has been adopted and the implementation process has started
- (4) The Internal Audit Charter that outlines the responsibilities of the function has been reviewed to cater for comments from other role players such as the National Treasury.
- (5) The internal audit unit is also a link between external auditors and the municipality and has facilitated and/or coordinated external audit work and also ensured that the management responds to audit queries.
- (6) The Internal Audit Methodology has been developed and is awaiting approval by Council
- (7) The Operation Clean Audit Committee has been established and is functioning
- (8) The Audit Committee Charter that outlines the responsibilities of Audit Committee has been reviewed to cater for performance audit committee activities.
- (9) The Municipality established an Audit Committee for the second time. The period of the current committee is 5 years, which started on the 2nd February 2009 and will end on the 31st January 2012.
- (10) The Council has resolved to appoint the members of the Audit Committee to perform the function of a Performance Audit Committee, which is an independent advisory body specifically advising on matters relating to Performance Management

i) Risk Management

Risk management is coordinated in the Office of the Municipal Manager under the Internal Audit Unit. The staff responsible for the internal audit are also responsible for the coordination of risk management activities. The following is the status quo regarding risk management:

- (1) The Strategic Risk assessment process has been conducted, which will be followed by the operational risk assessment process
- (2) The risk committee has been established and is functioning
- (3) The Risk Management Policy has been developed and adopted by Council
- (4) The Risk Champions have been appointed for each directorate within the municipality to monitor and report on the implementation of the risk register

j) Legal Services

The municipality established a legal unit to provide legal advice and support. The unit is currently staffed by 1 employee; however, the organogram has been reviewed to cater for more employees. The unit deals with the following:

- (1) Provision of legal advice to the municipal manager, the political office bearers and the directorates of the municipality
- (2) Monitors legal compliance issues
- (3) Deals with matters of litigation

The unit has been facing challenges during the year under review, *inter alia*:

- (1) Evictions from municipal properties
- (2) Land invasion issues
- (3) Some matters of litigation against the municipality

5. Municipal Transformation, Organisational Development and Financial Viability

1) Background and Composition

The Municipal Transformation, Institutional Development and Financial Viability Cluster is one of the four clusters in terms of the Performance Management System Framework of the Municipality. It is composed of the following functional areas:

- (1) Municipal Administration
- (2) Human Resources
- (3) Information and Communication Technology Services
- (4) Budget and Treasury matter

2) Institutional arrangement of the Cluster

The Municipal Transformation, Institutional Development and Financial Viability Cluster is led by a political champion determined by the Executive Mayor. The Speaker of Council deploys councillors into the Cluster.

Administratively, it is led by the technical champion determined by the Municipal Manager. The following are members of the Cluster:

- (xiii) Political Champion (determined by the Executive Mayor)
- (xiv) 14 Councillors(determined by the Speaker)
- (xv) Technical Champion (determined by the Municipal Manager)
- (xvi) Chief Accountant: Revenue Management
- (xvii) Chief Accountant: Expenditure and Supply Chain Management
- (xviii) HR Manager
- (xix) Administration Manager
- (xx) ICT Manager

3) **Situational analysis per functional area**

(i) **Municipal Administration**

One of the components of the municipality is municipal administration which provides support on issues of governance, municipal compliance and to service delivery units.

Municipal Administration is comprised of the following components:

(a) Customer Service

The municipality has established a Customer Care Services Centre in line with the adopted Customer Care Policy and Strategy. There is a Customer Care Services Charter that has been work-shopped along with Batho Pele Principles to ensure that customers are provided an effective service. The centre deals with all the queries and provides information to the public. There are customer feedback devices which have been installed in the front desks of the offices to collect customer perceptions on municipal services. There has been an improvement in the following areas in ensuring its effectiveness and efficiency:

- ◇ Human resource
- ◇ IT equipment
- ◇ Furniture and fittings

(b) Records Management

In terms of National Archives and Records Services Act (Act No. 46 of 1996) the municipalities are required to have a registry unit for records keeping. The municipality has a Records Management Policy and Registry Manual all directorates are required to periodically submit all the mandatory information to the central registry unit. Electronic Document Management system (Mun Admin) is not fully functional as it is not aligned to the municipality's records management processes in terms of the relevant legislations.

The municipality is in a process of constructing a new central registry that will have a strongroom to safeguard all municipal records. Further, a fully-fledged reprographic centre is being established to ensure economic use of resources.

(c) Council and Committee Systems

Administration support is being provided to Council and its Committees through the following components:

- ◇ The Mayoral Committee was appointed by the Executive Mayor and each member of the Mayoral Committee was given clear responsibilities around the following areas Corporate Services, Budget and Treasury; Communication, Special Programs, Housing, Water and Sanitation, Social Services, Infrastructural Planning and Development, Community Services and Strategic Management.
- ◇ Council had taken a decision to have the position of the Chief Whip of Council to be a full time position and application was made to the MEC for Local Government and Traditional Affairs and thus far there has been no response from the MEC. However the office of the Chief Whip was established.
- ◇ The chairpersons of standing committees were appointed and the following are the Portfolios – Corporate Services; Community Services; Infrastructural Planning and Development, Strategic Management; and Budget and Treasury.
- ◇ Other Committees such as the Operations Clean Audit Committee, Information Communication Technology Steering Committee, Whippery Committee, Ward Councillors Forum, Womens Caucus, Policy Development Committee, and Multi-Party Committee, etc were established and are efficiently functioning.

(d) Administrative Units (Centane and Nqamakwe)

The municipality is servicing all members of the community in Nqamakwe and Centane as these towns form part of Mquma Local Municipality. The satellite offices have various units that respond to all community needs.

(e) Estates Services

The municipality is providing administration support on all municipal properties.

(f) Office Services

Office Services renders the following services to the municipality:

- ◇ Office provisioning to political office bearers and employees
- ◇ Office cleaning and hygiene services
- ◇ Maintenance of community halls
- ◇ Administration support to the Business Centre

(ii) Human Resources

(a) Municipality's organogram

In line with the allocation of the powers and functions by the MEC for Local Government and Traditional Affairs (Ministerial Decisions) the municipality assesses its institutional arrangements. The assessment of the institutional arrangement is also informed by the strategic issues of the municipality and the extent of its readiness to implement the Integrated Development Plan. These are the key issues that over the past years were informing the review of the municipality's organogram.

The organogram of the Municipality provides for 768 positions. Of these positions 411 are currently filled and 357 positions are vacant as at 30 June 2010. The following is the tabulation of positions per directorate (Officials only):

Directorate / Office	Total Organogram	Filled	Vacant
Office of the Speaker	11.00	7	4
Strategic Management (Office of the Executive Mayor)	29.00	18	11
Office of the Municipal Manager	31.00	9	22
Corporate Services	127.00	82	45
Budget & Treasury Office	64.00	47	17
Community Services	344.00	166	178
Infrastructural Planning & Development	162.00	82	80
TOTAL	768.00	411	357

The total number in the table above excludes the Councillors and Traditional Leaders participating in Council. There are 61 Councillors and 12 Traditional Leaders. Included in this figure are the following office bearers:

- i. The Speaker of Council
- ii. The Executive Mayor
- iii. 6 Full Time Portfolio Heads
- iv. 4 Part Time Portfolio Heads

Council also approved a position of the full time Chief Whip of Council and is awaiting approval by the MEC for Local Government and Traditional Affairs. The

Traditional Leaders have been participating in Council in the past term; however, their status has not changed as Council is awaiting direction from the House of Traditional Leaders on the terms of their participation and remuneration.

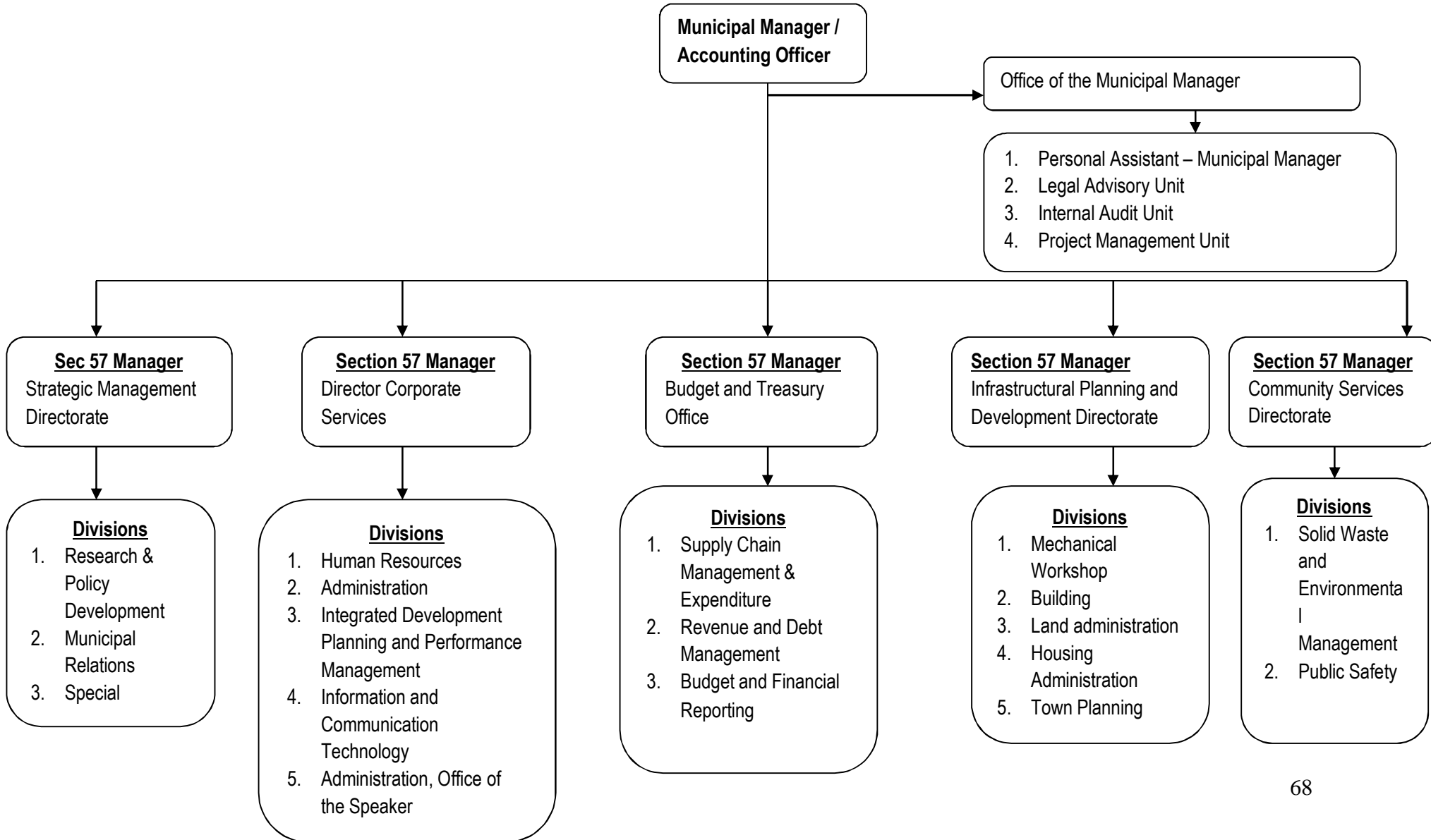
(b) Recruitment, Selection and Retention of employees

The institution has a Recruitment and Selection Policy which guides and ensures consistency in the implementation of the recruitment and selection of human capital. The institution has developed an Employment Equity Plan in line with the Employment Equity Act (No 55 of 1998) and this plan is considered during the recruitment and selection processes.

The municipality is faced with a challenge of competing with other employers in attracting competent and experienced employees. The municipality has developed an Employee Attraction and Retention Strategy and a Succession Planning and Career Path Policy in order to address the current and possible future attraction and retention concerns. These strategies will ensure retention of staff in particular those candidates that show potential, are in key positions or have scarce skills. An exit policy has been developed as part of ensuring that lessons are learnt and mitigating reforms are implemented and part of control.

Below is the municipality's organogram (administration) as at June 2010.

Mnquma Local Municipality – Draft Reviewed Organogram 2011 / 2012
Municipal Administration



(c) Skills Development and Training

The municipality develops, annually, a Workplace Skills Plan (WSP) in line with the Skills Development Act (No 97 of 1998) and National Skills Development Strategy and submits to the Local Government Sector Education and Training Authority (LGSETA). The planned training focuses on capacitating employees and addressing the scarce skills shortage. There has been vigorous training and development according to the work place skills plan for Councillors, ward committees and staff so that they are able to perform their duties efficiently and effectively

**EXTRACT ALL TRAININGS, LEARNERSHIPS, BURSARIES CONDUCTED
Training Conducted from July 2009 to 30 June 2010**

Training intervention	Date	Internal / External	No of Councillors / Ward Committees	No of Officials	Total Number Trained
Law Enforcement	July 2009	External		9	9
Grap Standards	July 2009	External		4	4
Report Writing	July 2009	External		14	14
Health & Safety Representative Course	August 2009	External		1	1
Personal Financial Management	August 2009	External			
EAP Programme	August 2009	Internal		34	34
PMS Training	August 2009	External		2	2
Disciplinary Processes	September 2009	External		19	19
Supply Chain Management	September 2009	External		19	19
Events Management	September 2009	External		1	1
Core Municipal Processes & Ward Committee Participation	September 2009	External	100		100
SCM Legislative framework, procurement strategies	October 2009	External		2	2
Municipal Supply Chain Management	October 2009	External		2	2
Stores & Creditors Course	October 2009	External		3	3
Employment Equity	October 2009	External	2	10	12
Organization Structure Design	December 2009	External		4	4
ITIL	February 2010	External		1	1

Training intervention	Date	Internal / External	No of Councillors / Ward Committees	No of Officials	Total Number Trained
Business Writing	February 2010	External	40		40
Protocol & Etiquette	February 2010	External		4	4
Contract law & engineering construction	February 2010	External		1	1
Stores & Creditors	February 2010	External		2	2
Positioning drivers & messengers at registry	March 2010	External		5	5
Customer Care	March 2010	External		20	20
Traffic contravention system	March 2010	External		2	2
Role of SDF	March 2010	External		1	1
Records Management	May 2010	External		2	2
Disciplinary Enquiry	May 2010	External		1	1
Monitoring & Evaluation Course	June 2010	External		1	1
Occupational Health & Safety	June 2010	External		20	20
Risk Management	June 2010	External		1	1
Municipal Finance Management Programme	May 2009	External		1	1
Executive Leadership Municipal Development Programme	July 2009	External		3	3
CPMD – Certificate programme in Management Development for Municipal Finance	Feb 2010	External		2	2
Traffic Diploma	June 2009	External		3	3
Examiner of drivers licences certificate	Sept 2009	External		1	1
Sustainable Human Settlement Programme	Jan 2009	External		2	2
Local Government Law & Administration	July 2009	External	3		3

(d) Employee Wellness

The municipality acknowledges its responsibility towards preventing or minimising the psycho-social stress of its employees and is committed to promoting a healthy lifestyle. The municipality is also committed to creating a

caring and supportive environment that is people centred and people-driven, through the establishment of the Employee Wellness Programme.

The municipality has developed and approved an Employee Wellness Strategy and reviewed HIV/AIDS Policy. Peer Educators have been nominated and were trained on their roles and responsibilities.

(e) Occupational Health and Safety

The municipality has an Occupational Health and Safety Policy and is being implemented. Occupational Health and Safety Committee has been revived and Safety Representatives of all directorates have been appointed and trained.

(iii) Information and Communication Technology Services

The municipality has reviewed the Internet and Email Policy and it is being implemented. Disaster Recovery Policy is in a process of being reviewed. ICT Infrastructure has been upgraded to provide connectivity to all municipal sites. ICT Hardware is also in a process of being upgraded to allow for new technologies and scalability. Computer operating software for users has been upgraded. For business continuity we are in a process of procuring generator for electrical back-up purposes.

An ICT Steering Committee has been established to assist the municipality on governance issues.

(iv) Budget & Treasury

The municipality's Budget and Treasury Office deals with all issues of financial management and is a central repository of financial information.

Medium term income and expenditure diagnosis -This section of the report uses historical data from financial statements to model the future financial situation of the municipality.

The following are factors that negatively affect the municipal revenue(extract from revenue strategy)

- **External factors**
 - Closure of firms had a huge impact on the community at large resulting to the drastic increased rate of unemployment in the area. Lack of investment in the municipality had a negative impact in revenue.
 - High crime levels affected the economic growth

- Land challenge – a large portion of properties and land in the Butterworth area belong to ECDC however processes are underway to overcome this challenge through engagement with ECDC.
- High levels of poverty resulted into fewer people able to pay for rates and services.
- Culture of non-payment by those able to pay has contributed immensely to municipality's bad state of finance.
- Transfer of some powers and functions to the District Municipality and as well the performance of others falling outside municipality's mandate had a negative effect to the revenue of the institution. These include the following:
 - Water services – the institution is no longer an agent and the function has since been taken by ADM.
 - Transport – the lion's share on licensing department goes to the department of Transport, the segregation of provincial and local traffic officers also has an impact on revenue collection.
 - Electricity – the fact that the institution does not have a license as an electricity regulator.
 - Housing development - the slow housing development programme
 - Health & Library – these are provincial functions.
- **Internal factors**
 - Inaccurate billing System that result to consumers of the municipality dispute their debts
 - Huge number of indigent customers in the community that need to be verified and subsidised

i. Expenditure and Income trends

EXPENDITURE	ACTUAL 2008	ACTUAL 2009	ACTUAL 2010
Employee Related Costs	41 531 205	52 103 372	60 140 984
Remuneration of Councillors	14 072 840	13 949 832	16 509 712
Bad Debts	0	43 925 553	20 646 806
General Expenses	18 204 178	13 083 360	18 836 199
Depreciation	5 050 774	2 322 500	554 087
Repairs and Maintenance	1 741 065	3 407 405	5 801 324
Finance Costs	350 612	744 533	648 738
Grants and Subsidies Paid	87 961	0	0
Loss on Disposal of PPE	283 983	0	0
Bulk Purchases	0	2 456 986	3 056 977
operating Projects	0	5 778 305	0

EXPENDITURE	81 322 618	137 771 846	126 194 827
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INCOME	Actual 2008	Actual 2009	ACTUAL 2010
Assessment Rates	18 252 435	28 975 966	19 298 832
Rental Income	3 064 669	2 977 348	2 220 540
Service Charges	4 543 196	6 745 494	2 722 802
Interest earned - external investments	1 118 328	1 323 644	2 397 609
Interest-outstanding debtors	2 898 570	1 122 437	0
Government Grant and Subsidies	70 886 446	106 329 564	123 823 677
Licenses & Permits	1 711 095	1 962 782	2 717 319
Other Income	561 073	451 124	129 125
Traffic Fines	356 318	976 135	989 573
Gains on disposal of PPE	28 251	0	189 814
Reversal of Staff Loan Provision		73 137	0
Disposal of Consumer Debt	0	317 227	0
TOTAL INCOME	103 420 381	151 254 858	154 489 291

a. Financial Diagnosis for the Financial Year 2010/2011

Below is the mid-year financial reporting income and expenditure:

There is no overall improvement on municipal finances and there are still serious challenges when it comes to collection. Mnquma has appointed a service provider VVM Attorneys to collect arrear debt of R26m from customers. Currently the appointed service provider is busy sorting the data and the process of communicating with customers via sms and other means will start in February 2010.

Expenditure is still within the budget, although there are challenges of integrating Sebata and First National Bank. Currently the two systems are working parallel for over three months.

REVENUE	BUDGETED 2010/2011 R	2ND ADJUSTMENT BUDGET 2010/2011 R	YTD BUDGET 2010/2011 R	YTD ACTUAL 2010/2011 R	VARIANCE 2010/2011 R	YTD ACTUAL 2010/2011 %
PROPERTY RATES	17 844 680	11 061 425	8 296 069	6 653 008	1 643 061	80
SERVICE CHARGES- REFUSE	3 143 136	3 143 136	2 357 352	680 431	1 676 921	29
PUBLIC WORKS	-	-	0	1 795 051	(1 795 051)	
ECDC	-	-	0	127 228	(127 228)	
RENTAL OF FACILITIES AND EQUIPMENT	2 070 893	2 070 893	1 553 169	514 091	1 039 078	33
INTEREST EARNED-EXT INVESTMENTS	1 218 683	1 218 683	914 012	1 587 437	(368 754)	130
FINES	1 336 446	1 336 446	1 002 335	581 651	420 684	58
AGENCY SERVICES	5 343 456	1 891 742	1 418 807	1 637 039	254 703	87
TRAFFIC SERVICES	1 091 018	1 091 018	818 263	797 054	21 210	97
TRANSFERS RECOGNISED- OPERATIONAL	106 808 900	112 792 641	84 594 481	114 541 984	(29 947 503)	135
OTHER REVENUE	329 551	329 551	247 163	832 273	(502 723)	253
TOTAL OPERATING REVENUE	139 860 832	135 609 605	101 707 203	129 747 248	(27 180 050)	128
Add: Capital Budget	45 059 100	54 149 803	40 612 352	34 886 000	5 726 352	86

Total Operating & Capital Revenue	184 919 932	189 759 408	142 319 556	164 633 248	(21 453 698)	116
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EXPENDITURE	BUDGETED 2010/2011 R	2ND ADJUSTMENT BUDGET 2010/2011 R	YTD BUDGET 2010/2011 R	YTD ACTUAL 2010/2011 R	VARIENCE 2010/2011 R	YTD ACTUAL 2010/2011 %
EMPLOYEE RELATED COST-REMUNERATION	62 979 458	60 239 661	50 199 718	47 086 446	3 113 272	94
EMPLOYEE RELATED COST-SOCIAL CONTRIBUTION	12 424 627	12 231 594	10 192 995	9 451 824	741 171	93
REMUNERATION OF COUNCILLORS	14 521 579	15 606 658	13 005 548	8 873 454	4 132 094	68
FINANCE CHARGES	2 256 047	2 071 344	1 553 508	1 766 469	(212 961)	114
BULK PURCHASES	3 000 000	3 000 000	2 250 000	2 440 213	559 787	81
OTHER MATERIALS	8 033 972	5 814 313	4 360 735	2 957 936	1 402 799	68
CONTRACTED SERVICES	6 289 915	6 490 738	4 868 054	4 559 797	1 730 118	72
TRANSFERS AND GRANTS	11 411 923	12 736 869	9 552 652	9 191 961	2 219 962	81
OTHER EXPENDITURE	13 117 165	11 605 884	8 704 413	8 079 537	624 876	93
TOTAL OPERATING EXPENDITURE	139 858 934	135 608 814	109 046 437	94 409 787	18 667 782	87
Capital Projects	45 059 100	54 149 803	40 612 352	27 724 285	12 888 067	68
TOTAL OPERATING & CAPITAL EXPENDITURE	184 918 034	189 758 617	149 658 789	122 134 072	31 555 849	82

There is no overall improvement on municipal finances and there are still serious challenges when it comes to collection. Mquma has appointed a service provider VVM Attorneys to collect arrear debt of R26m from customers. Currently the appointed service provider is busy sorting the data and the process of communicating with customers via sms and other means will start in February 2010.

Expenditure is still within the budget, although there are challenges of integrating Sebata and First National Bank. Currently the two systems are working parallel for over three months.

4) Powers and Functions Performed and Not Performed the Mquma Local Municipality

(i) Powers and Functions Performed on Behalf of Others

The municipality is allocated powers and functions in terms of the Constitution of the Republic of South Africa and the Municipal Systems Act, act 117 of 1998. The powers and functions of the Municipality are reviewed annually through the Demarcation Board and the MEC for Local Government and Traditional Affairs takes decision to allocate these powers and functions after taking into consideration the capacity issues of the municipality (human and financial resources).

Functions performed by the Municipality **on behalf** of the District Municipality and other Spheres of Government.

- **Primary Health Services (Provincialisation):** The municipality is performing the function on behalf of the Provincial Department of Health and there is a memorandum of understanding in place that governs the performance of this function by the municipality.
- **Fire Services:** The function is performed by Mquma Local Municipality on behalf of ADM.
- **Disaster Management Services:** The function is performed by both Mquma Local Municipality and ADM.
- **Library Services:** This function is the competence of the Provincial Department of Sport, Recreation, Arts and Culture. The function used to be performed by Mquma Local Municipality and with no service level agreement in place with the said department. This resulted in the service being terminated as the Municipality could no longer carry an unfunded mandate.

(ii) Powers and Functions Performed as per the Constitutional Mandate

The Municipality is performing the following functions, of which most are regulated by bylaws:

- Fire – Fighting
- Municipal Planning

- Public Works only in respect to municipality needs
- Storm Water Management System
- Billboards and display of advertisement in public places (Outdoor advertisement)
- Cemeteries
- Cleansing
- Fencing and fences
- Local Sport Facility
- Municipal Parks and recreation
- Municipal roads
- Pounds
- Public Places
- Refuse removal, solid dumps and solid disposal
- Street Lightning
- Traffic and Parking
- Building regulations
- Trading Regulations: Regulation of any area, facility and activity related to the trading of goods and service within the municipal area and not already being regulated by National and Provincial legislation.
- Licensing and controlling of undertakings that sell food to the public: Regulation, licensing, control and monitoring of places that renders in its course of commercial transaction the supply of food to the public.
- Child Care Facility: Control and monitor the compliance of entities to standards set by the municipality in respect of Child Care Facility.
- Street Trading: Control, regulate and monitor goods and services that are sold along public roads, public place and road reserve.

(iii) Implementation of By-laws

In line with Section 12 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), the Mquma Local Council adopted the Bylaws mentioned below and had these promulgated in the Government Notice No 1928 of 30 July 2008. The by-laws are:

1. By-law Relating to Boardinghouse and Guesthouse.
2. By-law Relating to Advertising and the Disfigurement of the Front or Frontage of Street.
3. Standard By-law Relating to the Furnishing of Information to the Public.
4. By-law Relating to the Levying of Availability Charges.
5. By-law to Provide for the Payment of Interest on Overdue Accounts.
6. Camping By-law.
7. By-law Relating to Unsightly and Neglected Buildings and Premises.
8. By-law Relating to Keeping of Animals.
9. By-law Relating to Prevention of Fire.
10. Library By-law.
11. By-law Relating to Child-Care Facility.
12. By-law Relating to Cemeteries.
13. By-law Relating Nuisance.

14. Liquor Selling Hours By-law.
15. By-law Relating to Passenger Carrying Busses and Bus Routes.
16. Dog Control By-law.
17. By-law Relating to Keeping of Bees.
18. Standard By-law relating to the Keeping.
19. Trading By-law.
20. By-law relating to Vehicles plying for Hire.
21. By-law relating to Streets.
22. By-law relating to Parks for Caravans and Mobile Homes.
23. Parking and Parking Meter By-laws.
24. Public Amenities By-law.
25. Standard By-law Relating to Fire Brigade Services.
26. By-law Relating to Refuse Removal.
27. Swimming Bath By-law.
28. By-law Relating to Butcheries.
29. Camping on Private Land By-laws.
30. By-law relating to Municipal Parks.
31. By-law relating Municipal Valuation of Land Policy.
32. By-law on Fees, Tariffs, Debt Collection, Investment Policy and other Financial matters.

(iv) Powers and Functions not performed

The following functions are not performed due to capacity constraints:

- Air pollution
- Control of Public Nuisance: regulation, control and monitoring of activities and conditions that may adversely affect a person or community.
- Control of undertakings that sell liquor to the public: The control of undertakings that sell liquor to the public, that are allowed to do so in terms provincial legislation, regulation and licenses including an inspection service to monitor liquor outlets for compliance to license requirements.
- Noise Pollution: The control and monitoring of any noise that adversely affects human health, well-being or the eco – system useful to mankind now or in the future.

(v) SiyenzaManje

The municipality has engaged SiyenzaManje which is a DBSA project with the purpose of building capacity within the institution. DBSA deployed in the financial year under review a finance specialist to assist the Budget & Treasury Directorate and this assisted the municipality a lot in terms of systems improvement and policy formulation and review in the said directorate.

(vi) Office Accommodation

In its endeavours to ensure that the services reach its local communities the municipality has its head offices in Butterworth and two satellite offices in Nqamakwe and Centane. The Municipality attempts to ensure that the services that are available in its head office are accessible from the units. There is also a challenge with regard to capacity issues in the form of staff shortages. The satellite offices have no space challenges with regard to offices, however Butterworth offices are scattered all over. We have seven office buildings namely:-

- Corner King and Mthatha Street where the Corporate Services (Administration, Human Resources and Information Communication and Technology) and Budget and Treasury employees are housed including Supply Chain Management.
- 52 King Street where the political office bearer personnel from Community Services and Corporate Services.
- 21 Carnegie Street houses some members of mayoral committee and Corporate Services employees
- Top Stores (Carnegie Street) where Infrastructural Planning and Development and are housed and also Land and Housing and Town Planning employees.
- Corner Blyth & Carnegie Street (new office block) which houses the Executive Office (i.e. Executive Mayor, Speaker as well as the Municipal Manager and the employees in his office.
- No. 61 Blyth Street houses the Strategic Management Directorate and other members of the Executive Mayoral Committee.
- Msobomvu Traffic offices housing employees from the traffic section of the Community Services Personnel.
- Project Management Unit Office is situated at No 4 Avalon Court
- 61 Blyth Street Offices housing employees from the Office of the Municipal Manager, Strategic Management and some Mayoral Committee Members

An ideal office structure was drawn up by architects and has not been built due to lack of funding. Attempt to solicit funding were done, but due to unavailability of financial statements, which is the standard requirement when you want to access loans, these were not successful.

The Department of Public Works and Department of Education building has been transferred to the Municipality for occupation and processes of renovating will start soon in order for us to vacate from the offices that we are currently leasing.

(vii) Providing Strategic Leaders – Executive Management Initiatives for Growth of the Municipality

The Executive Management of the Municipality led by the Municipal Manager came up with the idea of introducing ideas and thoughts for the purpose of ensuring that no directorate and therefore no director or manager works in box or in isolation.

This means that each director or manager each month, at the Executive Management Meeting will bring at least three topics, which not only relate to their individual directorate but to other directorates as well. The ideas sought to ensure that we all contribute to each member's growth and development. The intention is to have each directorate including these ideas in their directorate scorecard, with clear time frames for implementation. The following are the ideas brainstormed and agreed to at the Executive Management level:

- (i) The Executive Management agreed that there should be formal meetings between the Director and managers and Portfolio Head of the Directorate to craft monthly programs that will align the political and administrative vision of the municipality and that program is underway.
- (ii) Legal Advisor and the Director of Community Services are viewing the possibility of establishment of a Municipal Court which will enable the municipality to deal with cases such as traffic fines in a fast and effective manner.
- (iii) Establish a customer-oriented municipality
- (iv) Develop a new approach to policy formulation where gender mainstreaming would form a core thereof and establish an employee-focused municipality where employees are motivated through.
- (v) Portfolio Heads to develop political visions of directorates to intensify service delivery.
- (vi) Develop a research-based municipality where all managers become research managers in their areas of operation.
- (vii) The process of developing internal business plans as a way of implementing the budget and IDP
- (viii) Develop project steering committees to monitor the implementation of projects funded internally and externally
- (ix) Empower women Councillors by having topics for discussion on a regular basis
- (x) Establish debate forums for Councillors
- (xi) Revisit the idea of parking metres, especially in the main street to increase revenue base
- (xii) Develop a business case to ensure that the departments that generate revenue from the Mquma Municipal area give back to the municipality, e.g. Department of Transport
- (xiii) Understand the macro strategy of the Municipality and work towards the implementation thereof

- (xiv) Develop a lobbying strategy
- (xv) Team building sessions for the institution
- (xvi) Utilize the website as a way to improve communication
- (xvii) Development of a municipal Directory – Economy, tourism
- (xviii) Establish sports Academy,
- (xix) Engage the DSRAC regarding the establishment of sport precincts in the wards
- (xx) LED, set standards for the Mquma B&Bs and licensing be linked with standards. Encouraging grading of the B&B's, this includes the caterers (Strategic Management Development)
- (xxi) The Event Management Section to develop the dress code for officials (uniforms)
- (xxii) Enter into an agreement with all the parastatals, like WSU, for them to receive electronic accounts, find a way of negotiating a method of payment, for people to be encouraged and motivated to have stop orders especially the people owning the properties thus paying rates.
- (xxiii) Develop web based newsletter.
- (xxiv) Identify a political leader that we can give Freedom of the Mquma award.
- (xxv) Establish a database for Friends of Mquma.
- (xxvi) Cash flow projection – implementation of budget, prior the end of the financial plan
- (xxvii) Effectively manage Municipal revenue
- (xxviii) Establish service delivery partnerships (twinning agreements).
- (xxix) Re-visit urban renewal strategy (installation of town clock)
- (xxx) Brainstorm on the possibilities and opportunities that may arise as a result of the municipality becoming the largest municipality in the district.
- (xxxi) Develop a new approach to intergovernmental relations
- (xxxii) Change management – towards a common vision
- (xxxiii) Construction of Executive Mayor's Parlour
- (xxxiv) Bill boards, national and international brands – for the purposes of revenue (electronic bill board)
- (xxxv) Engage the government departments – Portfolio heads must then take charge on government department programmes
- (xxxvi) Establish social club for Mquma.
- (xxxvii) Processes are underway around the construction of the Executive Mayor's parlour (lounge, mini bar),
- (xxxviii) New Monument, - Heritage Council
- (xxxix) Establish Mquma Museum.
- (xl) Ownership of municipal flats
- (xli) Establish municipal entities
- (xlii) TV station, (Mquma / Mbashe) for the purposes of marketing our institutions linking this with Khanya FM development

- (xliii) Institution in partnership with the department of education, WSU to develop a massive program to develop youth on Information Technology, encouraging computer literacy – Community Services.
- (xliv) Ring fence funding for Municipality Breakdown – for revenue generation.
- (xlv) Establishment of partnership with DME on issues of mining in the municipal area.
- (xlvi) Engage the department of education on the possibility of having a highly resources and highly equipped high school in each unit of the municipality
- (xlvii) Engage the department of education on the possibility of having a highly equipped high school in each unit of the municipality

PART TWO: PLANNING FOR THE FUTURE CHAPTER 3
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MACRO/OVERARCHING STRATEGY

3.1 Introduction

The municipality of Mquma finds itself overwhelmed by a number of factors that contribute negatively towards the successful implementation of its strategy; various strategies need to be developed to overcome these challenges. After 2006 Local Government Elections, the political leadership and its administration analysed the previous terms report and made their observations and findings.

A strategic planning session was held where these reports were deliberated and brainstorming on the vision, the mission and the values took place to inform the objectives and strategies over the term of office of the Council. The macro/overarching strategy presents a broad analysis and an assessment of the internal and external environment and defines the intervention strategies to ensure that the institution realises its vision and mission.

3.2 The Vision, Mission and Values

Vision

Mquma Local Municipality will uphold the principles of democracy and equity, create an enabling environment that facilitates the empowerment and development of the community economically, socially and legislatively to ensure sustainable and affordable services.

Mission

In pursuit of the vision, we will:

- Create a democratic, responsive, effective, efficient and self-sustaining municipality able to deliver affordable quality services.
- Generate revenue and stimulate economic growth through investing in human capital.
- Ensure the optimal use of resources in a manner that will ensure active community participation and cooperative governance resulting in sustainable growth and development of our Municipality.

Values

- *Accountability:* We will account to the community, stakeholders, provincial and national government for the performance of the municipality to ensure sustainable quality service delivery and financial management
- *Transparency:* The municipality will strive to be open and honest to the community and stakeholders about every aspect of its work.
- *Participatory Governance:* We will encourage and create conditions for local community and stakeholders to participate and be involved in the affairs of the municipality.
- *Governance Education:* We will strive to educate and empower our communities about the issues of governance to enable them to contribute positively to its development.
- *Social responsibility:* We will encourage the local community and all stakeholders within the local municipality to act responsible with regard to control of the HIV and AIDS pandemic.

3.3 The Context of Mquma Strategy

The Legal context

- Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996).
- Development Facilitation Act, 1995 (Act No 67 of 1995).
- Local Government: Demarcation Act, 1998 (Act No 27 of 1998).
- White Paper on Local Government of 1998.
- Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998).
- Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003).
- Powers and Functions allocated by the Minister for Provincial and Local Government and MEC for Local Government in terms Sections 83 and 85 of the Municipal Structures Act, 1998 respectively.
- Intergovernmental Relations Framework Act, 2005 (Act No 13 of 2005).
- Municipal Property Rates Act 6 of 2004.
- Supply Chain Regularities.
- Performance Management Policy.

The National Context

Nationally, the Mquma strategy takes into cognisance and is aligned with national strategies and policies. These include the Reconstruction and Development Programme (RDP), the National Development Strategy (NDS), Spatial Development Framework (National Spatial Development Perspective) and the Accelerated and Shared Growth Initiative for South Africa (ASGISA). The

national strategies emphasise the need to take advantage of the opportunities that exist in the area of tourism, forestry, bio fuels, development corridors, Joint Initiative on Skills on Priority Skills Acquisition (JIPSA), etc.

Provincial Context

Provincially, the Growth and Development Programme (PGDP), whose objectives includes the development of human capital, infrastructural development and systematic eradication of poverty, emphasises the following:

- Diversification of Manufacturing Sector.
- Agrarian Transformation.
- Strengthening of food security.
- Pro-poor programming.

The Mquma Local Municipality considers the above and other policies and programmes that the provincial government comes up with in addressing the challenge of providing better life for all.

Regional Context

Regionally, the Mquma Municipal Strategy considers the programmes of the district including its Integrated Development Plan, the District Growth and Development Strategy as well as the advantages that are brought about by Amathole District Municipality.

3.4 Analysing the Internal and External Environment (SWOT Analysis)

This part of the strategy deals with the examination of the internal and external environment as it affects the Mquma Local Municipality. Identifying the negative and positive factors would assist the municipality to determine the manner in which it can utilise its resources for improved service delivery.

The table below outlines the strengths, weaknesses, opportunities and threats in relation to the Mquma Municipality

Internal Environment (Strengths and Weaknesses)	
<p>Strengths The municipality owns plant and has an agreement with a plant hire for effective service delivery.</p> <p>Computer hardware and software is adequate to support service delivery.</p>	<p>Weakness There is lack of financial resources to implement the IDP and other plans of the municipality. The Municipality is mostly dependent on grants.</p>

Internal Environment (Strengths and Weaknesses)	
<p>The website is operational to assist in communication and as per the requirements of the MFMA.</p> <p>Financial, human resources and administration policies have been developed and/or reviewed and are being implemented.</p> <p>Training and development of staff and councillors in accordance with the WSP and the Annual Training Plan is one of the priorities in the municipality.</p> <p>Organisational Structure that is aligned with the objectives and the powers and functions of the municipality.</p> <p>Important strategic documents exist to provide guidance to the municipality in the form of the Master Plan, Strategic Environmental Assessment and the Spatial Development Framework.</p> <p>Governance Structures are in place and effectively functioning (Executive Mayor, Speaker, Council Committees such as the Audit Committee, PMS Audit committee Whips' Committee, Rules Committee, etc) including the participation of Traditional Leaders in Council.</p> <p>Critical Positions at the Senior Level of Management are filled (the Municipal Manager, Directors and other MSA, 2000 Section 57 Managers).</p> <p>Integrated Development Plan and Budget Documents are developed and reviewed in-house without any assistance from service providers.</p> <p>Financial Statements are also prepared in house.</p> <p>Approved and operational system of Performance Management.</p> <p>A fully functional Project Management Unit is in place and is fully resourced to handle MIG and other infrastructural projects of the Municipality.</p> <p>There is a programme (Mnquma Regeneration Programme) in place for the development of both the rural and the urban areas of the Municipality.</p>	<p>The performance Management System is not fully implemented although vigorous initiatives are taken to address this.</p> <p>Customer data is not always accurate due to systems challenges and internal capacity.</p> <p>The employees and councillors are vulnerable to political dynamics, which result in a blur where roles and responsibilities start and end.</p> <p>Huge infrastructural backlogs, which require the same funding for it to be addressed.</p> <p>Limited revenue base, as most people who are rate and rental payers are either unemployed and/or are indigent.</p> <p>Limited skills base due to lower levels of education in the Mnquma area.</p> <p>Challenges with attracting the required skills due to the rural and poor state of the municipality – people prefer to go to big cities for more opportunities than they would get from Mnquma.</p>

External Environment (Opportunities and Threats)	
<p>Opportunities</p> <p>The Municipality is strategically placed in the N2 Corridor, which is a gateway to the coast.</p>	<p>Threats</p> <p>Rapid technological changes, which result in the municipality lagging</p>

External Environment (Opportunities and Threats)	
Rich tourism and heritage attraction centres.	behind in terms of taking advantage of those.
Regional waste site that is constructed in the Municipal area, which will create job opportunities.	External Political dynamics, which result INTO interference by those in political power, derailing progress and negatively affecting service delivery.
Strategic partnerships with the Walter Sisulu University, Hluma Development Agency, Aspire and Eastern Cape Development Corporation.	
Availability of technology, which result in simplified processes and improved systems that support service delivery.	Global economic downturn which inevitably affects our communities.
There are capital projects funded by DEAT and Indalo Yethu on changing the face of Mngquma.	
Availability of mineral resources.	
Good climatic conditions.	

3.5 Core Elements of the Strategy

This part of the strategy deals with the various problems that the municipality is faced with based on the analysis done above, which also shows where most of the strengths of the municipality are, what are its weaknesses which has to overcome and what are the opportunities that can be prioritised and taken advantage of or the threats that require to be countered or minimised.

1) Financial Resources

Problem Statement

The Municipality is mostly dependent on grants and has limited sources of funding. There are high levels of poverty and unemployment and as well as low levels of education, which poses a challenge where revenue generation and collection are concerned.

Possible Solutions

The Municipality must develop and/or review its revenue generation and collection strategies to improve own revenue and vigorously implement these.

The implementation of projects of the municipality must, where possible, be done using the Expanded Public Works Programme (EPWP) as a way of creating job opportunities.

Data Cleansing should be prioritised to ensure that there is accurate billing, which will in turn assure the municipality of collecting of some of its revenue.

Credit Control and related policies must be intensely implemented to ensure that those who can afford, do pay for the rates and services provided to them.

Implementation of high Impact LED programmes as identified in the IDP, Master Plan, SEA and SDF. This will in turn have positive spin offs to the revenue base.

2) Political and Administrative Stability

Problem Statement

The municipality is vulnerable to political instability that is usually determined by dynamic changes in the political landscape and this result in employees and councillors abdicating their responsibilities and concentrating their efforts on fighting. This creates unnecessary tension amongst politicians and between politicians and officials and sometimes results in interference. This scenario also ushers in a sense of uncertainty about the future of the institution and its citizens.

Possible Solutions

Regular workshops and other capacity building initiatives must be organised for councillors and officials on the roles and responsibilities of each stakeholder thus building a focused, matured and developmental oriented local state.

The Code of Conduct of Councillors and Staff must be implemented and the consequences of breaches to the codes communicated and implemented to those who are found to be in breach.

Adherence to the country's legislation and policies should be paramount especially where external circumstances are threatening the existence and functioning of the Municipality.

3) Human Resources Capacity

Problem Statement

The Municipality has low levels of education and the needed skills are very scarce. Over and above this, some of the key officials have little understanding of the systems and could only operate at a basic level.

The changes in the legislation and policies of the municipality requires that officials and employees are capacitated to understand these imperatives.

Possible Solutions

The capacitation of existing personnel, building the required skills and as well implementing retention strategies to ensure that the municipality does not lose them.

The capacitation of councillors and officials as well as the communities on municipal legislation and as well as understanding of roles and responsibilities.

The implementation of retention strategies, succession planning and as well as wellness strategies to ensure that the municipality have productive workforce and councillors and that they are satisfied with the working conditions.

4) Systems Capacity

Problem Statement

The data in the system is not always accurate rendering the billing sometimes incorrect.

The municipality has employed more officials in the Budget and Treasury office who are not familiar with the systems, which also makes it difficult for them to be readily productive.

The financial muscle of the municipality is not always accommodating of training on the systems because this is always very costly.

Possible Solutions

Data cleansing should be done to ensure that correct information is on the system.

More budget should be allocated to systems training (FMS, HRMS, EDMS) so that the municipality get value out of its investment.

Negotiations / service level agreements with the service provider for the system must be entered into to level the playing field and as well ensure that the municipality always knows what to expect.

5) Transformation Process

Problem Statement

The municipality is still undergoing transformation, which means dealing with the dynamics that are brought about by change. Some officials still find it hard to understand the nature of local government - the developmental local state, which places emphasis on, inter alia, the involvement of communities in everything that it does.

Possible Solution

Intensive training programmes and open debates for the officials and councillors of the municipality on the customer service excellence and as well as the developmental local state.

6) Business Process Review (BPR)

Problem Statement

The Institution has policies, procedures, and systems that are not fully adhered to and functional areas that do not complement and service each other.

Possible Solution

To review, introduce and implement seamless policies, procedures, processes, strategies and systems to enable accelerated service delivery.

7) Social Factors

Problem Statement

The state of the Municipality regarding socio economic matters is bad in that the majority of the population depend on grants for their well-being. Social facilities are as well in a very poor state [shortage of health care facilities and medicines, poor education – high failure rate, etc]. The instability in the education sector in the area [union battles with management of the Department of Education, strikes, etc] also affects the quality of education.

Possible Solutions

Development of strategies for job creation in all sectors of the economy would alleviate dependence on social grants.

Involvement of the Municipality in the form of facilitating and monitoring the Sector Departments and how they deliver services to the Mquma communities.

8) Rejuvenation of Mquma Economy

Problem Statements

Mquma locality lacks an integrated growth and development strategy to address the social (re-engineering) and economic challenges of the area. The municipality is faced with a challenge of implementation of LED and Housing projects [urban renewal, new rest, etc] identified due to the fact that there are external stakeholders involved.

The municipality is faced with a challenge of infrastructural backlogs and dilapidated infrastructure.

Land ownership challenges exist in Mnquma, which affects the development initiatives – most land is communal and other pieces of land are owned by the ECDC while some belongs to the national or provincial government.

Possible Solutions

To work towards the development, implementation, monitoring and evaluation of a coherent local growth and development strategy.

To capacitate the responsible directorates in terms of human and financial resources to effectively perform so as to ensure that service delivery is accelerated.

To solicit funding and develop strategies to attract investors and as well as establish service delivery partnerships to address infrastructural backlogs.

To engage the external stakeholders in development [Amathole District Municipality, Eastern Cape Development Corporation] to improve performance on the identified projects.

Develop strategies to address the issues surrounding land including engagements with the owners and/or custodians of the land to release land for development to the municipality.

Leverage national and international resources to fund development initiatives.

Stakeholder Participation

Problem Statement

Currently, the stakeholders in the area do not participate in the development of the area, resulting in a lack of ownership of development initiatives.

Possible Solution

To mainstream stakeholder participation in the development process of Mnquma local area.

3.6 Legislative Framework and imperative

Problem Statement

Integrated development in terms of legislation is stifled by the absence of a functioning Inter Governmental Relations Forum.

Possible Solution

Facilitate the creation of a functioning IGF to co-ordinate integrated development.

3.7 Conclusion

It can be deduced from the situational analysis in Chapter 1 of this IDP document and from the above SWOT analysis that the Mquma Municipality has gone a long way and has drastically improved in establishing the systems to give support to service delivery. The installation of the integrated financial management system, the development and implementation of policies, procedures and systems, the passing of bylaws, the employment of technically advanced officials and the capacity building initiatives – all indicates that sound systems are in existence.

These are the strengths that the Municipality needs to build on, improve on and maintain. Also evident from the same analysis is that the Municipality is challenged where social services, infrastructural development and local economic development are concerned. This means that a concerted effort must be made by the municipality to address these service delivery issues as they affect the livelihood of the communities.

Another important issue raised in the analysis is the limited sources of revenue and the data in the system which is not clean. A concerted effort should also be made by the municipality to address this. This means that more resources must be put into these areas.

CHAPTER 4

i. Objectives and Strategies: Socio-economic development

Socio-Economic Development Cluster			
Reviewed Objectives and Strategies - 2011 / 2012			
Priority Area	Objective	Strategy	Strategy Number
Fire Fighting Services.	Facilitate provision of fire services within a reasonable distance of at least 30 km from each centre by 2012.	Facilitate establishment of Satellite stations at Nqamakwe, as the one in Centane is under construction.	STR 11/12-1
Disaster Management.	To facilitate and coordinate the effective dealings with Disasters that occur within Mquma area by 2012.	To solicit installation of relevant technology to detect Disasters.	STR 11/12-2
		To continuously engage communities on awareness campaigns.	STR 11/12-3
Education.	To facilitate construction of fully equipped schools within the municipal area by 2017.	To lobby relevant department to reduce infrastructural backlog by at least four schools per annum.	STR 11/12-4
	To facilitate the improvement of the quality of learning and teaching by 2012.	To commission a study pertaining to the functionality of education within the Mquma jurisdiction.	STR 11/12-5
Health Facilities	Ensure provision of Primary Health Care services within a reasonable walking distance by at least 5km by 2014 (in line with National targets).	To facilitate the construction of health service centres/clinics to all wards.	STR 11/12-6
HIV/AIDS.	Ensure availability of medicinal drugs to all health centres by 2012.	To facilitate the increase rate of implementation of awareness, prevention, treatment, care and support programmes.	STR 11/12-7
		To facilitate provision of access roads to health facilities in line with the IDP.	STR 11/12-8
	Ensure reduction of HIV and AIDS by 30% by 2012.	To intensify educational awareness campaigns and enhance support to NGO's.	STR 11/12-9
	To improve children's health and reduce child death percentage by 2015.	To facilitate 100% immunisation coverage by 2011.	STR 11/12-10

Socio-Economic Development Cluster			
Reviewed Objectives and Strategies - 2011 / 2012			
Priority Area	Objective	Strategy	Strategy Number
	To improve the performance of the Public Health System by 2014.	To facilitate the functioning of all health centres within the Mngquma area.	STR 11/12-11
Community Safety and Institutional Security.	To contribute in community safety programmes within the municipal area of jurisdiction by 2012	To strength the functioning of community safety forum	STR 11/12-12
		To strengthen the security systems within the municipal premises	STR 11/12-13
		To solicit funding for the procurement of security equipment	STR 11/12-14
	To decrease the rate of traffic offences within the municipal area by 50% by 2012.	Improve the visibility of traffic officers	STR 11/12-15
		Improve education and awareness on traffic safety	STR 11/12-16
		To solicit funding for the procurement of traffic equipment	STR 11/12-17
	To improve the solid waste management in the three municipal urban and peri-urban areas by 50 % by 2012.	To solicit funding for the purchase of equipment.	STR 11/12-18
		To establish co-operatives as implementing agencies.	STR 11/12-19
		To facilitate capacity building for recyclers and solid waste co-operatives.	STR 11/12-20
	To improve solid waste disposal in all units by 50% by 2012.	To enhance implement IWMP	STR 11/12-21
		To introduce Waste Information System	STR 11/12-22
		To manage the disposal of Waste in the Eastern Region Waste Site	STR 11/12-23
		To improve community awareness on solid waste management	STR 11/12-24
Environmental Management.	To improve a safe and healthy environment in urban,peri-urban and coastal by 2012	To create awareness on environmental management within the municipality area	STR 11/12-25
	To provide Safe and healthy environment by providing suitable means for animal carcass	To ensure safe disposal of animal carcass	STR 11/12-26

Socio-Economic Development Cluster			
Reviewed Objectives and Strategies - 2011 / 2012			
Priority Area	Objective	Strategy	Strategy Number
	disposal by year 2012.	To solicit funding for the disposal of animal carcase	STR 11/12-27
Public Amenities.	To improve maintenance of urban cemeteries by 2012	To establish cemetery co-operatives	STR 11/12-28
	To improve cemeteries to national required standards by 2012	To carry out social mobilisation on cemetery development in wards	STR 11/12-29
	To develop minimum of three parks open space and recreation by 2012	To solicit funding for the development of parks open spaces and recreation	STR 11/12-30
		To facilitate the declaration of nature reserve	STR 11/12-31
	To improve maintenance of sport facilities within the urban area	Maintenance of sport facilities	STR 11/12-32
Economic Growth.	To facilitate urban economic development by 2012	To enhance implementation of the NDPG	STR 11/12-33
		To establish a local Economic Development Agency by 2012	STR 11/12-34
	To open up access to fishing	To facilitate development of fishing facilities	STR 11/12-35
		To implement SMMES strategy	STR 11/12-36
		To facilitate feasibility study towards the establishment of Aqua and Marine culture by 2012	STR 11/12-37
	To increase the level of support to SMME's by 2012.	To implement SMME strategy	STR 11/12-38
		To facilitate research on the on the expansion of retail and manufacturing potential	STR 11/12-39
		Strengthen and enhance the operation of co-operative and other entities	STR 11/12-40
	Revitalize and commercialize the agricultural sector, by 2012.	Implementation of Agricultural strategy.	STR 11/12-41
		Strengthen and enhance the operations of the Agricultural Sector.	STR 11/12-42

Socio-Economic Development Cluster			
Reviewed Objectives and Strategies - 2011 / 2012			
Priority Area	Objective	Strategy	Strategy Number
		Facilitate development of new forest plantations	STR 11/12-43
	To regulate and optimize economic beneficiation through forestry by June 2012.	Facilitate regulation of forestry activities.	STR 11/12-44
		Facilitate the development of new forests plantations.	STR 11/12-45
	Enhance tourism and heritage activities by 2012.	Implement a tourism cluster plan by 2012	STR 11/12-46
		Establish new tourism niches using existing under-utilized assets.	STR 11/12-47

ii. Basic Service Delivery and Infrastructure Development

Basic Service Delivery and Infrastructure Development			
Reviewed Objectives and Strategies - 2011 / 2012			
Priority Area	Objective	Strategy	Strategy number
Roads & Transport.	To ensure adequate transportation system for the efficient movement of goods and people by 2012.	To administer the construction and maintenance of prioritised municipal roads as per the Roads Construction & Maintenance Plan	STR 11/12-48
		To facilitate the construction of N-2 bypass.	STR 11/12-49
	To facilitate community access to sustainable provision of adequate public transport facilities by June 2014	Lobby relevant authorities to construct ,maintain and upgrade roads that are not access roads as identified in the SDF (National & Provincial Roads) as well surfacing of coastal roads and those leading to tourism	STR 11/12-50
Project Management.	To improve management of capital projects by 2014	To solicit funds for the implementation of capital projects	STR 11/12-51
Refuse Removal and Waste Collection.	Ensure adequate and efficient storm water system by 2014	Develop and implement storm water maintenance Plan	STR 11/12-52

Basic Service Delivery and Infrastructure Development			
Reviewed Objectives and Strategies - 2011 / 2012			
Priority Area	Objective	Strategy	Strategy number
Electrification.	To facilitate increase of households with access to legal grid electricity connections to 100% by 2014.	Consider alternative energy(Non grid electricity) to the households that are at the end of the programme	STR 11/12-53
		Engage Department of Energy for Direct funding to complement Eskom Programme	STR 11/12-54
	To ensure that Mquma Local Municipality communities have access to streets lights in all urban formal areas by 2014	Install street lights and develop and implement street lights maintenance and operation plan	STR 11/12-55
		To implement the construction of high mast and streets lights.	STR 11/12-56
Telecommunication.	Facilitate increase of households with access to cellular network coverage through co-operation with ICASA and other service providers to 100% by 2014.	Develop a Memorandum of Agreement with the ICASA relations	STR 11/12-57
Water, sanitation	Work with the Amathole District Municipality to ensure that there is access to water and sanitation by all Mquma Communities in 2014	Continue identifying areas that need water and lobby ADM and other relevant Departments (linked to spatial development plan)	STR 11/12-58
Housing.	Facilitate increased household access to appropriate and sustainable human settlements by 2014.	Identify and develop ,where appropriate ,land for housing development (in line with spatial development framework) and in compliance with the Breaking New Grounds Program (BNG)	STR 11/12-59
		Facilitate the registration process for housing beneficiaries and transfer of relevant houses to the beneficiaries as per the relevant policies and laws	STR 11/12-60
Fencing	To reduce the number of road accidents caused by stray animals on high mobility roads in the municipal area by 90% in 2014	To facilitate provision and maintenance of the fencing infrastructure I consultation with relevant departments.	STR 11/12-61
		To facilitate employment of rangers to secure installed fencing through the Department of Transport Dot	STR 11/12-62

Basic Service Delivery and Infrastructure Development			
Reviewed Objectives and Strategies - 2011 / 2012			
Priority Area	Objective	Strategy	Strategy number
Land Use Management.	To facilitate the development of land in a sustainable manner by 2014.	To facilitate implementation of area based planning.	STR 11/12-63
		To ensure that the existing municipal Land Administration Committee is fully functional.	STR 11/12-64
	Implement spatial development framework by 2014	Development of Local SDF's for the Mquma Local Municipality jurisdiction	STR 11/12-65
	Effectively manage Land and land disposal issues in fair and equitable manner by 2014	Identify land for future development	STR 11/12-66
		Engage relevant Land Authorities for use of their land	STR 11/12-67
Building Control.	Efficient implementation of building control function by 2014	Develop and implement a comprehensive plan to address existing backlogs in building control function.	STR 11/12-68
		Develop and implement a building / property maintenance plan for the municipality	STR 11/12-69
		Lobby MIG funding for upgrading the developed fields	STR 11/12-70
	Provision of Sport Fields to all wards	Ensure that a basic ground per Ward is constructed by own resources	STR 11/12-71
	To ensure coordinated control of outdoor advertisement by 2012.	Enforcement of the developed Outdoor Advertisement By Law.	STR 11/12-73

iii. Good Governance and Public Participation

Good Governance and Public Participation Cluster			
Reviewed Objectives and Strategies - 2011 / 2012			
Priority Area	Objectives	Strategies	Strategy Number
Municipal Planning.	To ensure a developmentally-oriented planning by 2012.	Introduce and implement community based planning.	STR 11/12-74

Good Governance and Public Participation Cluster			
Reviewed Objectives and Strategies - 2011 / 2012			
Priority Area	Objectives	Strategies	Strategy Number
		Implement and monitor community based planning	STR 11/12-75
		Review IDP in line with legislative requirements.	STR 11/12-76
		Implement and Review IDP and Budget in line with legislative requirements.	STR 11/12-77
		Develop knowledge base and improve research capacity.	STR 11/12-78
		Improve research capacity and conduct research	STR 11/12-79
		Implement, monitor and evaluate municipal performance.	STR 11/12-80
Municipal Governance.	To have an effective system of municipal governance in line with applicable legislation by 2012.	Develop, implement and review municipal policies, procedures, strategies and bylaws.	STR 11/12-81
		Compliance with municipal policies, legislation and reporting.	STR 11/12-82
		Provide legal support and advice to council and administration.	STR 11/12-83
		Monitor and evaluate risk management	STR 11/12-84
Stakeholder Participation.	To maximise participation of citizens in the municipal affairs by 2012.	Facilitate a fully functional ward committee system	STR 11/12-85
		Facilitate community development work	STR 11/12-86
		Establish and maintain relations with other spheres of government and municipal stakeholders.	STR 11/12-87
		Coordinate and facilitate special programmes in an effective and efficient manner.	STR 11/12-88

Good Governance and Public Participation Cluster			
Reviewed Objectives and Strategies - 2011 / 2012			
Priority Area	Objectives	Strategies	Strategy Number
Communication, marketing and branding	To ensure fully functional systems of internal and external communication by 2012.	Intensify municipal branding, and public relations through innovative communication and marketing initiatives.	STR 11/12-89
		Establish and maintain national and internal relations and partnerships	STR 11/12-90
Operation Clean Audit.	To ensure Clean Audit by 2014.	Ensure functioning of structures towards realization of a clean audit by the Municipality.	STR 11/12-91

iv. Municipal transformation, institutional Development and Financial Viability

Municipal Transformation, Institutional Development and Financial Viability Cluster			
Reviewed Objectives and Strategies - 2011 / 2012			
Priority Area	Objectives	Strategies	Strategy Number
Municipal Revenue	Increase the institutions budget and/or Revenue enhancement by 20% by 2012.	Broadening of revenue base.	STR 11/12-92
		Leverage of local, provincial, national and international resources.	STR 11/12-93
		To ensure SCM respond to National legislation and local economic development strategy	STR 11/12-95
		Monitor production and generation of income.	STR 11/12-96
	Ensure efficient and effective co-ordination of special programmes.	Improve the facilitation of special programmes.	STR 11/12-98
Municipal Administration.	Ensure a fully functional, responsible, accountable and responsive administration by 2012.	Improve ICT Infrastructure ,services and institutional system	STR 11/12-99
		Intensify customer and community service excellence, professionalism, protocol and etiquette.	STR 11/12-100
		Improve council processes	STR 11/12-101
		Optimization and capacitating of human resource	STR 11/12-102
		Review the organogram in line with the strategic objectives of the municipality and the powers and functions of the municipality.	STR 11/12-103

Municipal Transformation, Institutional Development and Financial Viability Cluster			
Reviewed Objectives and Strategies - 2011 / 2012			
Priority Area	Objectives	Strategies	Strategy Number
		Implement the employee wellness and safety strategy.	STR 11/12-104
		Establish strategic partnerships for service delivery.	STR 11/12-105
Office Space Provisioning	Provide centralized, adequate and fully resourced municipal offices by 2012.	Source funding from national and international funding sources	STR 11/12-106

1. STRATEGIC SCORECARD – SOCIO ECONOMIC

SOCIO ECONOMIC DEVELOPMENT						KPA Weight		
						Target for the year		
Priority area	IDP objective	IDP Strategy	key performance indicator	weight %	Baseline	Year 4	Year 5	Indicator Custodian
	To improve solid waste disposal by 50% by 2012	to enhance implementation of IWMP	implementation of IWMP		IWMP in place	Implement and monitor implementation of the IWMP	Implement and monitor implementation of the IWMP	Director Community Services.
		to introduce waste information systems	waste data		none	Implement and monitor.	Implement and monitor.	Director Community Services.
		to improve community awareness on waste management	no. of awareness campaigns conducted		4 awareness campaigns done	Advocacy and assessment of impact	Advocacy and assessment of impact	Director Community Services.
		to manage the disposal of waste in the Eastern Regional Waste Site	proper management of the site		licenced waste site at Ibika	Implement and monitor.	Implement and monitor.	Director Community Services.
Environmental management.		To provide a Safe and healthy environment by providing suitable means for animal carcasses disposal by 2012..	to ensure safe disposal of animal carcasses	reduction of abandoned dead animals along the road	7%	Nil.	To ensure disposal of animal carcasses for a safe and healthy environment	To ensure disposal of animal carcasses for a safe and healthy environment

SOCIO ECONOMIC DEVELOPMENT						KPA Weight		
						Target for the year		
Priority area	IDP objective	IDP Strategy	key performance indicator	weight %	Baseline	Year 4	Year 5	Indicator Custodian
	to improve cemeteries to national required standards by 2012	to carry out social mobilisation on cemetery development in wards	no of identified sites		Nil.	Mobilise communities through education and awareness programmes	Mobilise communities through education and awareness programmes	
	to facility the development of one sport and recreational facility at national standards by 2017	Interact and lobby relevant departments and agencies for the construction of sports facilities	Facilitate the construction of at least 1 sports field in identified areas					
	to improve maintenance of sport facilities within the urban areas	maintenance of sport facilities	no of maintained sport facilities		maintenance policy	Maintain sports facilities in the Mngquma urban area and report	Maintain sports facilities in the Mngquma urban area and report	Director Community Services.
Community Safety and Institutional Security	To contribute in the community safety programmes within the Municipal area by 2012.	To strengthen the functioning of community safety forums	No of community safety awareness campaign	2%	No of community safety forum established	Advocacy and assessment of impact	Advocacy and assessment of impact	Director Community Services.
		To strengthen the security system within the municipal premises	Business plan	2%	Existing security system	Monitor the functioning of the security system and report	Monitor the functioning of the security system and report	Director Community Services.

SOCIO ECONOMIC DEVELOPMENT						KPA Weight		
						Target for the year		
Priority area	IDP objective	IDP Strategy	key performance indicator	weight %	Baseline	Year 4	Year 5	Indicator Custodian
	To decrease the rate of traffic offences by 50% by 2012.	Improve the visibility of Traffic Officers.	Work resources acquired for traffic services.	2%	Available HR & other work facilities.	Facilitate the improvement of work facilities for the traffic service provision and monitor performance.	Perform and monitoring.	Director Community Services.
		Improve education and awareness on Traffic Safety.	Awareness campaigns conducted on traffic Safety.	2%	1 Traffic awareness program conducted.	Facilitate the work shopping of communities on issues of traffic Safety.	Facilitate the work shopping of communities on issues of traffic Safety.	Director Community Services.
Economic growth	To increase the level of support to SMME's by 2012.	to implement SMME strategy. to facilitate feasibility study towards establishment of Aquaculture and marine culture by 2012	SMME strategy developed.	1%	MBIC established and launched.	Continuous capacitation of Mquma SMMEs.	Continuous capacitation of Mquma SMMEs.	Director Strategic Management.
	To ensure properly coordinated rural and urban development	Operationalization of the MasterPlan	At least 3 Business Plans developed for implementation	6%	Master Plan implementation plan	Implementation of the first phase of the MasterPlan	Implementation of the first phase of the MasterPlan	Director Strategic Management.
	To facilitate urban economic development by 2012	to enhance implement of the NDPG programme	Reports on the economic spin offs.	2%	Business plan	Implementation of the first phase of the NDPG	Implementation of the first phase of the NDPG	Director Strategic Management.

SOCIO ECONOMIC DEVELOPMENT						KPA Weight		
						Target for the year		
Priority area	IDP objective	IDP Strategy	key performance indicator	weight %	Baseline	Year 4	Year 5	Indicator Custodian
	Revitalize and commercialize the identified agricultural schemes by 2014..	Implementation of the agricultural strategy.	Agricultural strategy in place.	2%	Draft agricultural strategy.	Monitor implementation and review.	Monitor implementation and review.	Director Strategic Management.
		Strengthen the implementation of the agricultural sector				Perform and monitoring	perform and monitoring	Director Strategic Management.
		Facilitate development of forest plantation	Audit report on existing generated.	1%	2 Forest Management Committees established.	Monitor implementation	Monitor implementation	Director Strategic Management.
	Open up access to fishing.	To facilitate development of fishing facilities.	business plans		Fishing forum	Monitor implementation	Monitor implementation	Director Strategic Management.
		To implement the capacity plan	still to lobby for funding		training needs	Monitor implementation	Perform and monitor	Director Strategic Management.
	Ensure economic beneficiation of Mquma through mining sector and enhance potential mining areas.	Facilitate development of the mining sector.	Guidelines for mining activities developed.	1%	Ad hoc mining activities.	Monitor adherence and report thereon.	Monitor adherence and report thereon.	Director Strategic Management.
	Enhance tourism and heritage activities by 2012	Implement a tourism cluster plan by 2012	Tourism and heritage strategy developed.	2%	Local Tourism Office in place.	Monitor implementation	Monitor implementation.	Director Strategic Management.

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						TARGET FOR THE YEAR		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4 (2010/2011)	Year 5 (2011/2012)	Indicator custodian
To ensure adequate transportation system for the efficient movement of goods and people by 2014	To facilitate the construction and maintenance of prioritised municipal roads as per the Roads Construction & Maintenance Plan	At least 31 Roads Constructed and/or Maintained as per the roads construction & maintenance plan	10%	Annual Report		Implement the targets set in the roads construction and maintenance plan and report	Implement the targets set in the roads construction and maintenance plan and report	Director Infrastructural Planning & Development. PMU Manager
	To facilitate construction of N-2 bypass.	N2 Bypass identified and feasibility studies completed	4%	Annual Report	Possible N2 Bypass identified by the Municipality	Facilitate the construction of the N2 Bypass through relevant Sector Department (Feasibility Studies done)	Facilitate the construction of the N2 Bypass through relevant Sector Department (Funds secured)	Director Infrastructural Planning & Development

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						TARGET FOR THE YEAR		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4 (2010/2011)	Year 5 (2011/2012)	Indicator custodian
To facilitate community access to sustainable provision of adequate public transport facilities by June 2014	Lobby relevant authorities to construct ,maintain and upgrade Public Transport Facilities that are not in the competency of the Municipality (National, Provincial and District Authorities	Development of Memorandum of Agreement with the relevant Authorities	4%	Annual Report		Facilitate the construction and maintenance of Public Transport facilities other than local municipal facility by relevant sector department and report regularly (identify, liaise)	Facilitate the construction and maintenance of Public Transport facilities other than local municipal facility by relevant sector department and report regularly (identify, liaise)	Director Infrastructural Planning & Development
Ensure adequate storm water system	Develop and implement storm water maintenance plan	Storm water drains cleared and unblocked	10%	Annual Report	Township Roads Maintenance Project	Implement the targets set in the maintenance plan in as far as the storm water management is concerned and report	Implement the targets set in the maintenance plan in as far as the storm water management is concerned and report	Director Infrastructural Planning & Development

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						TARGET FOR THE YEAR		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4 (2010/2011)	Year 5 (2011/2012)	Indicator custodian
To facilitate increase of households with access to legal grid electricity connections to 100% by 2014.	Consider alternative energy(Non grid electricity) to the households that are at the end of the programme	Service delivery partnerships entered into with the energy service providers for alternative energy approved by the Department of Minerals and Energy	5%	Annual Report	Nil	Enter into a service level agreement with the relevant partners in relation to alternative energy, monitor implementation of the SLA and report on determined intervals	Monitor implementation of the SLA and report on determined intervals	Director Infrastructural Planning & Development
	Engage Department of Energy (DoE)for Direct funding to complement Eskom Programme on Rural Electrification	Commitment from the Department of Energy as well as reinforcement of the Working relations with Eskom		Annual Report	Funding to ESKOM BY DoE available and Application for more funding lodged with DoE	Receive funding Commitment from DoE and start implementing the projects	Implementation of Eskom Programme and the Municipal Programme	Director Infrastructural Planning & Development

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						TARGET FOR THE YEAR		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4 (2010/2011)	Year 5 (2011/2012)	Indicator custodian
To ensure that Mquma Local Municipality communities have access to streets lights in all urban formal areas by 2014	Install street and High Mast lights and develop and implement street lights maintenance and operation plan	Street Lights Maintenance and Operational Plan implemented	10%	Annual Report	Phase 1 under construction	Installation of the Street and High Mast lights. Implement the targets set in the Street Lights Maintenance and Operational Plan and report on determined intervals	Installation of the Street and High Mast lights. Implement the targets set in the Street Lights Maintenance and Operational Plan and report on determined intervals	Director Infrastructural Planning & Development
Facilitate increase of households with access to network coverage through co-operation with ICASA and other service providers to 100% by 2014.	on areas still need to be covered with network	No of meetings held with ICASA / correspondence between the Municipality & ICASA	2%	Annual Report	Previous interactions with ICASA	Development of MOU with ICASA and exchange of information on areas still need to be covered with network	Exchange of information on areas still need to be covered with network with ICASA	Director Infrastructural Planning & Development

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						TARGET FOR THE YEAR		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4 (2010/2011)	Year 5 (2011/2012)	Indicator custodian
Work with the Amathole District Municipality to ensure that there is access to water and sanitation by Mquma Communities by 2014	Continue identifying areas that need water and lobby ADM and other relevant Departments to ensure that there is access to clean water and sanitation	No of meetings held with ADM / Correspondence between the Municipality and ADM	5%	Annual Report	Previous interactions with the ADM on water and sanitation issues	Identify areas within the Mquma area where there is no access to water and sanitation and interact with the ADM to ensure that those areas have access to those services	Identify areas within the Mquma area where there is no access to water and sanitation and interact with the ADM to ensure that those areas have access to those services	Director Infrastructural Planning & Development
Facilitate increased household access to appropriate and sustainable housing by 2014	Develop ,where appropriate land for Human settlement (in line with spatial development framework) and in line with the Mquma Housing Sector Plan	Number of Housing Projects in the area	5%	Annual Report	Centane 1038 under construction and New Rest BNG for Services under construction	Facilitate housing development in identified areas in Mquma	Facilitate housing development in identified areas in Mquma	Director Infrastructural Planning & Development

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						TARGET FOR THE YEAR		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4 (2010/2011)	Year 5 (2011/2012)	Indicator custodian
	Facilitate the registration process for housing beneficiaries and transfer of relevant houses to the beneficiaries as per the relevant policies and laws	Housing beneficiary lists finalised and approved	5%	Annual Report	Beneficiaries List for the current housing projects (Siyanda, etc)	Draw up the housing beneficiaries list for each approved housing development and submit for approval	Draw up the housing beneficiaries list for each approved housing development and submit for approval	Director Infrastructural Planning & Development
Efficient implementation of building control function	Develop comprehensive plan to address existing backlogs in building control function	Building control bylaws and policies implemented	10%	Annual Report	Audit done on illegal structures	Address the existing backlogs in the building control function through implementation of bylaws and policies and report	Address the existing backlogs in the building control function through implementation of bylaws and policies and report	Director Infrastructural Planning & Development
	Develop and implement a building / property maintenance plan for the municipality	Building/Property Maintenance Plan Developed & Implemented		Annual Report	Nil	Develop and implement a building/property maintenance plan and implement targets set therein and report	Monitor the implementation of the targets set in the building/property maintenance plan and report	Director Infrastructural Planning & Development / Director Corporate Services

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						TARGET FOR THE YEAR		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4 (2010/2011)	Year 5 (2011/2012)	Indicator custodian
Effectively manage Land issues in a fair and equitable manner	Implement spatial development framework and complete Zoning Scheme	Development of local SDF's for the MLM jurisdiction and approval of the Zoning scheme	10%	Annual Report	SDF complete and Zoning scheme still to be approved by the MEC	Develop and implement local spatial development frameworks for the Mquma area of jurisdiction and approval of the Mquma Zoning Scheme	Develop and implement local spatial development frameworks for the Mquma area of jurisdiction and regularly report	Director Infrastructural Planning & Development
	Identify land for future development	Land identified for future development	5%	Annual Report	Land identified for development (erf 448, erf 501, etc)	Identify land for future development in the Mquma area of jurisdiction and facilitate development	Identify land for future development in the Mquma area of jurisdiction and facilitate development	Director Infrastructural Planning & Development

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						TARGET FOR THE YEAR		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4 (2010/2011)	Year 5 (2011/2012)	Indicator custodian
	Engage relevant Land Authorities for use of their land by the Service Provider to be appointed (Social Facilitator)	Pieces of Land acquired	5%	Annual Report	Department of Rural Development and Land Reform and ECDC have been approached for land donation	Engagement of the Land Authorities for acquisition of Land	Engagement of the Land Authorities for acquisition of Land	Director Infrastructural Planning & Development
Ensure Community access to Sports and recreational facilities	Interact with and lobby relevant Departments and agencies for the construction and maintenance of sports facilities	Identified sports fields constructed	5%	Annual Report	Nil	Facilitate the construction of sports field in identified areas	Facilitate the construction of sports field in identified areas	Director Community Services

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

GOOD GOVERNANCE AND PUBLIC PARTICIPATION CLUSTER								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						Target for the Year		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4	Year 5	Indicator custodian
To ensure a developmentally-oriented planning by 2012	Implement and monitor community based planning	Ward-based plans for pilot wards developed and implemented	6.60%	Annual report	CBP Framework adopted by council	Implement and monitor community based planning	Implement and monitor community based planning	Municipal Manager / All Directors
	Implement and Review IDP & budget in line with legislative requirements	IDP and budget reviewed and adopted by Council	6.60%	Annual report	Previous year's IDP and Budget	Ensure that the IDP and Budget Development and Review Process Plans are adhered to	Ensure that the IDP and Budget Development & Review Process Plans are adhered to	Municipal Manager / All Directors
	Improve research capacity and conduct research	No of research projects developed and/or improved	6.60%	Annual report	Research plan developed	Implement, monitor and report on the implementation of the research strategy	Identify areas for research and conduct research	Municipal Manager / Director Strategic Management
	Implement, monitor and evaluate municipal performance	PMS Framework and Policies implemented	6.60%	Annual performance report	PMS Framework adopted by Council	Implement PMS framework and policy across the municipality and conduct quarterly reviews	Implement PMS framework and PMS policies across the municipality and conduct quarterly	Municipal Manager / All Directors

GOOD GOVERNANCE AND PUBLIC PARTICIPATION CLUSTER								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						Target for the Year		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4	Year 5	Indicator custodian
							reviews	
To have an effective system of municipal governance in line with applicable legislation by 2012	Develop, implement and review municipal policies, procedures, strategies and bylaws	Policies, procedures, strategies implemented and reviewed	6.60%	Annual report	Existing Municipal Policies and procedures	Review, develop and implement municipal policies, procedures, strategies and by-laws	Review, develop and implement municipal policies, procedures, strategies and by-laws	Municipal Manager / All Directors
	Compliance with municipal policies, legislation and reporting	Existence of compliance register	6.60%	Compliance Report	Directorate Compliance checklists	Develop compliance registers and produce compliance reports	Develop compliance registers and produce compliance reports	Municipal Manager / All Directors
	Provide legal support and advice to council and administration	Legal opinions, civil and criminal litigation, agreements, MoUs & Legal Correspondence	6.60%	Annual report	Legal unit exists	Provision of legal support and advice to Council and Administration	Provision of legal support and advice to Council and Administration	Municipal Manager / Legal Advisor
	Monitor and evaluate risk management	Updated Risk Registers	6.60%	Risk Register Implementation Report	Risk Register of Directorates	Implement, monitor and review risk registers	Implement, monitor and review risk registers	Municipal Manager / All Directors

GOOD GOVERNANCE AND PUBLIC PARTICIPATION CLUSTER								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						Target for the Year		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4	Year 5	Indicator custodian
To maximize participation of citizens in the municipal affairs by 2012	Facilitate a fully functional ward committee and community development work system	Ward Schedules Implemented	6.60%	Annual report	Community participation policy and strategy in place	Provide administrative support in wards	Provide administrative support in wards	Municipal Manager / All Directors
	Intensify working relations with all stakeholders of the municipality	Stakeholder Engagement Programme Developed	6.60%	Quarterly reports	IGR Forum / Chamber of Commerce established	Provide administrative support to the Speaker, Executive Mayor and Mayoral Committee on stakeholder engagement programmes	Provide administrative support to the Speaker, Executive Mayor and Mayoral Committee on stakeholder engagement programmes	Municipal Manager / All Directors
	Coordinate and facilitate special programmes in an effective and efficient manner	Special programmes for marginalised groups developed	6.60%	Annual Report	Nil	Develop and implement special programmes for marginalised groups	Develop and implement special programmes for marginalised groups	Municipal Manager / Director Strategic Management

GOOD GOVERNANCE AND PUBLIC PARTICIPATION CLUSTER								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						Target for the Year		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4	Year 5	Indicator custodian
To ensure fully functional systems of internal and external communication by 2012	Intensify municipal branding and public relations through innovative communication and marketing initiatives	Communication, marketing and branding programmes in place	6.60%	Annual Report	Communication Strategy adopted by Council	Ensure the coordination of the communication and marketing activities of the municipality	Ensure the coordination of the communication and marketing activities of the municipality	Director Strategic Management
	Establish national and international relations	Memorandum of Understanding & Twinning Agreements Concluded with identified national and international partners	6.60%	Annual Report	Nil	Identify and establish partnerships with national and international partners	Identify and establish partnerships with national and international partners	Municipal Manager
To ensure a Clean Audit by 2014	Ensure functioning of structures towards realization of a clean audit by the Municipality	Improved Audit Outcomes	6.60%	Quarterly reports	Qualified Audit Opinion	Monitor the implementation of the Audit Action Plan and report thereon	Monitor the implementation of the Audit Action Plan and report thereon	Municipal Manager / All Directors / Internal Audit
To improve a safe and healthy environment in urban, peri-urban and coastal	To create awareness on environmental management in urban, peri-urban and coastal areas	Compliance with legislation		Quarterly reports	2 awareness campaigns done	Advocacy and assessment of impact	Implementation and monitoring.	Director Community Services.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION CLUSTER								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
						Target for the Year		
IDP Objective	IDP strategy	Key Performance Indicator	Weight %	Measurement source	Baseline	Year 4	Year 5	Indicator custodian
areas by 2012	To establish environmental forum	No of meetings		Quarterly reports	None	Implement and monitor.	Implement and monitor.	Director Community Services.

MUNICIPAL TRANSFORMATION, INSTITUTIONAL DEVELOPMENT

MUNICIPAL TRANSFORMATION, INSTITUTIONAL DEVELOPMENT AND FINANCIAL VIABILITY CLUSTER								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
IDP Objective	IDP strategy	Key performance Indicator	Weight %	Measurement source	Baseline	Targets for the year		Indicator custodian
						Year 4	Year 5	
Ensure a fully functional, responsible, accountable and responsive administration by 2012.	Improve ICT infrastructure, services and institutional systems	Improved ICT Infrastructure and uptime of ICT services.	5%	Annual reports.	ICT Strategy adopted by Council.	Ensure that the ICT infrastructure and institutional systems are in line with current trends and that there is improvement on the uptime of ICT services.	Ensure that the ICT infrastructure and institutional systems are in line with current trends and that there is improvement on the uptime of ICT services.	Director Corporate Services.

MUNICIPAL TRANSFORMATION, INSTITUTIONAL DEVELOPMENT AND FINANCIAL VIABILITY CLUSTER								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
IDP Objective	IDP strategy	Key performance Indicator	Weight %	Measurement source	Baseline	Targets for the year		Indicator custodian
						Year 4	Year 5	
	Improve ICT infrastructure, services and institutional systems	Reduction of financial system related errors	5%	Annual reports.	Sebata System in place	To have improved financial management system resulting in accurate financial reporting	To have improved financial management system resulting in accurate financial reporting	CFO
	Intensify customer and community service excellence and improve professionalism, protocol and etiquette.	Customer Feedback.	5%	Annual reports.	Customer Care strategy developed and adopted by Council.	Provide professional service to the customers, communities and stakeholders of the municipality through excellent service provision	Provide professional service to the customers, communities and stakeholders of the municipality through excellent service provision	All Offices and Directorates.
	Improve council processes.	Compliance with the Standing Rules of Order and the Institutional Calendar.	10%	Annual reports.	Previous Compliance Reports on Standing Rules of Order.	Provide and monitor administrative support to council and its committees.	Provide and monitor administrative support to council and its committees.	All Offices and Directorates.
	Optimization and capacitation of human resources	Workplace Skills Plan	5%	Annual reports.	Skills audit outcomes and reports	Develop, implement and monitor the implementation of the WSP.	Develop, implement and monitor the implementation of the WSP.	Director Corporate Services.

MUNICIPAL TRANSFORMATION, INSTITUTIONAL DEVELOPMENT AND FINANCIAL VIABILITY CLUSTER								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
IDP Objective	IDP strategy	Key performance Indicator	Weight %	Measurement source	Baseline	Targets for the year		Indicator custodian
						Year 4	Year 5	
Ensure a fully functional, responsible, accountable and responsive administration by 2012.	Review the organogram in line with strategic objectives of the municipality and the powers and functions of the municipality.	Organogram populated in line with the budget and reviews conducted to align with the institutional strategy.	10%	Annual reports.	Reviewed organogram.	Populate the organogram and review in line with the strategic objectives of the municipality and the municipal policies	Populate the organogram and review in line with the strategic objectives of the municipality and the municipal policies	All Offices and Directorates.
	Implement the employee relations, wellness and Safety programmes	Reports of Improved performance and wellbeing of employees.	5%	Annual reports.	EAP Policy and Employee wellness Strategy adopted by Council.	Provide professional services to employees regarding wellness, safety and discipline thereof	Provide professional services to employees regarding wellness, safety and discipline thereof	All Offices and Directorates.
	Provide a conducive working environment for employees and councillors to improve productivity	MOU with funders.	5%	Annual reports.	Nil.	Ensure that all employees and councillors are allocated work stations within a conducive environment for improved productivity	Ensure that all employees and councillors are allocated work stations within a conducive environment for improved productivity	Director Corporate Services / Director Infrastructure Planning and Development.

MUNICIPAL TRANSFORMATION, INSTITUTIONAL DEVELOPMENT AND FINANCIAL VIABILITY CLUSTER								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
IDP Objective	IDP strategy	Key performance Indicator	Weight %	Measurement source	Baseline	Targets for the year		Indicator custodian
						Year 4	Year 5	
Increase the institution's budget / revenue enhancement by 20 % by 2012	Broadening of revenue base.	Revenue enhancement strategy developed.	10%	Annual reports.	Financial Turnaround strategy in place.	Review and implement a revenue enhancement strategy and monitor implementation.	Review and implement a revenue enhancement strategy and monitor implementation.	Chief Financial Officer.
	Leverage of local, national and international resources.	Funding confirmed by potential investors.	5%	Annual reports.	DBSA funding.	Develop business plans to solicit funding for the development in the municipality.	Develop business plans to solicit funding for the development in the municipality.	Municipal Manager.
	To ensure that the SCM responds to National legislation and Local Economic Development Strategy	SCM Policy aligned to National Legislation and LED Strategy.	5%	Annual reports.	SCM Policy in place.	Implement, monitor and report on the implementation of the SCM Policy, Regulations and Procedures and ensure acceptable turnaround time on those processes	Implement, monitor and report on the implementation of the SCM Policy, Regulations and Procedures and ensure acceptable turnaround time on those processes	Chief Financial Officer.
	Monitor production and generation of income.	Increase in the revenue generated.	5%	Annual reports.	Reports on income collected.	60%	60%	Director Community Services.

MUNICIPAL TRANSFORMATION, INSTITUTIONAL DEVELOPMENT AND FINANCIAL VIABILITY CLUSTER								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
IDP Objective	IDP strategy	Key performance Indicator	Weight %	Measurement source	Baseline	Targets for the year		Indicator custodian
						Year 4	Year 5	
	Impounding of vehicles.	Resources acquired for vehicle impounding.	5%	Annual reports.	Ad hoc impounding.	Generate revenue through pounding of vehicles.	Generate revenue through pounding of vehicles.	Director Community Services.
To develop three parks, open spaces and recreational facilities	to solicit funding for the development of parks, open spaces and recreational facilities	no of parks developed			existing parks	Implement and monitor.	Implement and monitor.	Director Community Services.
to facility the development of one sport and recreational facility at national standards by 2017	to solicit funding for the development of sport and recreational facility.	business plan			5 existing sport facilities	Implement and monitor.	implement and monitor	Director Community Services.
To contribute in the community safety programmes within the Municipal area by 2012.	To solicit funding for the purchase of equipment for public safety	No of equipment purchased	2%		Existing equipment	Perform and monitoring.	Perform and monitoring.	Director Community Services.
to improve maintenance of urban cemeteries by 2012	to establish cemetery co-operatives	No of cemeteries maintained			5 existing urban cemeteries	Implement and monitor.	Implement and monitor.	Director Community Services.

MUNICIPAL TRANSFORMATION, INSTITUTIONAL DEVELOPMENT AND FINANCIAL VIABILITY CLUSTER								
REVIEWED STRATEGIC SCORECARD 2011 / 2012						KPA Weight:		
IDP Objective	IDP strategy	Key performance Indicator	Weight %	Measurement source	Baseline	Targets for the year		Indicator custodian
						Year 4	Year 5	
To improve the solid waste management in the urban and peri urban areas by 50 % by 2012.	Solicit funding for the purchase of equipment	Business plan			Existing equipment	Implement and monitor.	Perform and monitor.	Director Community Services.

CHAPTER FIVE

INSTITUTIONAL GOVERNANCE FRAMEWORK

Introduction

This chapter consists of three key sections:

- The Political Governance Model.
- Political Governance.
- The Administrative Governance.

The new Political Governance Model has been developed to work with the Municipal Administration to ensure that service delivery is even more effective, while Human Resources Management is based on careful selection of personnel to assist in improving service delivery.

This chapter puts into context the basis for transformation, outlines the new models highlighting interface of various directorates of the municipality and human resources policies. The policies promote careful selection of personnel to assist in improving service delivery and systems that enable the municipality to function in a systematic way.

Political Governance Model

Context for the new system of governance

The political and administrative system established after 2000 has facilitated conditions for financial recovery and consolidation, service delivery enhancement and participatory governance. The political governance and administration systems created an environment for:

- Enhanced regulatory capacity.
- Separation of responsibilities between political principals and administrative leadership.
- Possible cooperation on intergovernmental and international relations.
- Public participation.
- Transparency and accountability.
- Better service delivery.
- Reversal of apartheid legacy and dealing with regional, national and global, trends.

The Mquma municipality, on the basis of the above has managed to overcome challenges relating to the following:

- Community Participation – Council developed and adopted a community based planning framework to encourage community participation. 15 wards were identified to pilot this implementation. There is a need to institutionalise community participation so as to ensure that the municipality does not pay lip service to the concept. Community participation strategy has been developed in order to institutionalize community participation.

- Consolidation of Service Delivery – the institution in its endeavours to enhance service delivery in particular as it relates to road construction, has hired a plant to improve the status of road network, which has proven to be a success, challenged with unavailability of sufficient budget for maintenance. There is a need to ensure that basic services are delivered to the communities while emphasizing strategic projects.
- Alignment of the organogram with Municipal objectives and strategies - to ensure maximisation of the implementation of the IDP

Lessons learnt from the governance system that characterised the 2000-2005 term

Overlapping executive and legislative roles performed in a variety of structures including the council, the Executive Mayor's office and the various section 79 and 80 committees resulted in ambiguity of roles and confusion.

Lack of clear delegation by council to the Executive Mayor and the Executive Mayoral Committee which resulted in ineffectiveness of the executive office as everything had to be decided by council. This resulted in packed agendas of council and the dilution of the Executive Mayoral Committee's role as the political and strategic centre.

Lack of clear lines of authority, responsibility and accountability between the political and administrative leadership. Lack of clarity on the oversight role of councillors as well as the role of ward and proportional councillors in the wards and the need for their empowerment.

Progress On The Above Lessons

One of the features of a developmental local government is its ability to be a learning institution. It is for this reason that a reflection on lessons learnt is so important. Not only that, but also the ability to deal with such lessons is very critical. The following progress has taken place as an improvement to the lessons learnt in the previous term:

- Clear understanding of marching lines between political office bearers and management.
- Oversight committee had since been established and Performance management framework adopted by council.
- Notwithstanding the current debates on restructuring of section 80 committees there is a clear line of march in terms of their responsibilities and this was clarified clearly in the delegations workshop which the institution held recently.

New political governance model – implications for Mquma municipality

Having recognised the positive features of the existing governance and institutional model, the municipality has addressed the following:

- (Demarcation) of powers - separating legislative and oversight role on the one hand, and executive roles and responsibilities on the other.
- Deepening democracy and facilitating empowerment of communities and stakeholder participation through governance and institutional arrangements.
- Strengthening decision making powers and accountability

Delegation of powers to expedite decision making and effectiveness in the municipality.

Political Governance

Council

The Council of Mngquma is an Executive Mayoral System, with its separated legislative and executive role. This has been achieved through its focus on legislative, oversight and participatory role without necessarily focusing on its executive function. The Municipality has developed a system of delegation as set out in S59 of the Municipal Systems Act and these are reviewed annually.

Council Speaker

The role of the Speaker of Mngquma Local Council like other Speakers is enshrined in Section 36 of the Municipal Structures Act and Section 160(1) (b) of the Constitution of the Republic of South Africa. Additional to these functions, the Speaker is responsible for management of community participation, ensuring that ward committees are functioning effectively on an ongoing basis and to ensure public consultation, involvement and participation. The municipality shall ensure establishment of processes and mechanisms for effective performance of these functions. The Council Speaker is the custodian of the rules of order of Council.

Council Chief Whip

The Mngquma Local Council took a decision to have a full-time Chief Whip. The role of the Chief Whip is to maintain cohesion in the overall system of governance within the governing party and building relationships with other political parties. The Chief Whip provides an interface between the council and the executive and works in conjunction with the Speaker in relation to ethics and discipline of councillors.

Executive Mayor and the Executive Mayoral Committee

The Executive Mayor is the centre of the system of governance since executive powers are vested in him to manage the affairs of the municipality. This means he has an overarching strategic and political responsibility. He is the first citizen of the municipality and attends ceremonial functions. The Executive Mayor operates with the Mayoral Committee that he/she appoints and each member has a portfolio as per delegated powers by the Executive Mayor. The Executive Mayor determines permanent and part time members in his Mayoral Committee.

Administrative Governance

The role of the Municipal Manager

The head of the administration of the Mngquma Local Municipality is the Municipal Manager who is also its Accounting Officer. The Municipal Manager is accountable to the Executive Mayor for the performance of the municipality's administration. His responsibility is to ensure that adequate financial systems, controls and reporting framework are in place and certain routine functions are delegated to the officials in the municipality.

Institutional Arrangements

Mngquma Municipality reviews and adopts an organogram annually in line with the changing powers and functions and the strategic objectives of the institution. The organisational design is composed as follows:

Office of the Municipal Manager

- Project Management Unit.
- Internal Audit Unit.
- Legal Advisory Services.

Strategic Management

- Local economic Development.
- Research and Policy Development.
- Municipal Relations.
- Special Programmes.

Budget and Treasury Office

- Expenditure and Supply Chain Management.
- Budget, Planning and Financial reporting.
- Revenue and Debt management.

Community Services

- Solid Waste and Environmental Management.
- Public Safety.
- Public Amenities.

Infrastructural Planning and Development

- Building, Land and Housing.
- Roads and public works.
- Mechanical Workshop.

Corporate Services

- Human Resources.
- Administration.
- Information and Communication Technology.
- Integrated Development Planning and Performance Management System

As reflected in the Directorates all the functions bestowed to the Municipality by legislation are performed therein.

Challenges

It is the vision of the municipality to invest in attracting the most talented, experienced and educated human capital. However, people that the institution employs tend to leave early sometimes before their contracts

expire. The municipality has managed to pursue its vision of attracting the most talented, experienced and educated human capital, however the challenge remains with the fact that our personnel is poached by other spheres of government and other municipalities.

Introduction

BASIC SERVICE DELIVERY

No.	Priority Turn Around Focal Area.	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households.	Annual Target for 2011/12.		Capacity challenges identified during the assessment.	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators (Rate of planned progress).	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions).	Custodian
			Dec. 2011	Jun. 2012					
1. Basic Service Delivery			Capacity level index:						
1.1	Access to water.	37,705 out of 75,410 (50%)	To get them from ADM	To get them from ADM	Difficulty in Sourcing information ADM.	Gather information from Communities with their needs to be included in the ADM plans. Use information from ADM to share with the communities and include in the IDP. Facilitate engagements with ADM to ensure that targets are met. Requesting ADM to submit information regularly.	100 % access to clean water by 2014.	ADM has to feed reports/information to the Municipality on a regular basis.	ADM and Director Infrastructure
1.2	Access to sanitation (flush toilets, septic tank systems and pit latrins with VIP).	18,853 Out of 75,410 (25%)	To get them from ADM	To get them from ADM	Difficulty in Sourcing information ADM.	Gather information from Communities with their needs to be included in the ADM plans. Use information from ADM to share with the communities and include in the IDP. Facilitate engagements with ADM to ensure that targets are met.	100 % access to clean water by 2014.	ADM has to feed reports/information to the Municipality on a regular basis.	ADM
1.3	Access to electricity (Grid electricity).	52 410 out of 75,410 (69%)	1500 households	1500 households.	Committed fund is inadequate as the current funding indicates that the universal	Municipality to request DME for additional funding. Continuous engagement with Eskom in order to ensure that set targets are met.	100 % of access to energy by 2014.	Eskom and DME intervention in order address the huge municipal backlogs.	Eskom and Director Infrastructure

No.	Priority Turn Around Focal Area.	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households.	Annual Target for 2011/12.		Capacity challenges identified during the assessment.	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators (Rate of planed progress).	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions).	Custodian
			Dec. 2011	Jun. 2012					
					targets will not be met.				
1.4	Refuse removal and solid waste disposal for residential areas and CBD.	Households in Urban: Total = 33, 752 Households where refuse is not collected = 6, 574 Planned new houses = 1, 000	7574	0	Lack of equipment Lack of human resource and trained staff.	Forged a three year partnership with DEAT to seek to reach out to areas not covered taking into account training, staff, equipment, education, policy development.	90% of communities (urban and peri-urban areas) with access to refuse removal services Due to informal settlements of 6574 units.	Institute of Waste Management to assist with awareness, training on refuse removal issues DEDEA and DEAT.	
1.5	Access to municipal roads.	25,137 out of 75,410 (33%) 1, 000km of 3, 000km is in good condition	40km	40 km	Lack of funding for road maintenance (budget, plant, expertise). Inadequate	Development of a three year infrastructural capital plan for roads. Development of roads maintenance plan in order to improve on the maintenance of municipal roads. Development of Comprehensive Infrastructure Plan which will include municipal roads.	4,4% of 1820 km of roads which are in bad shape constructed in 2011/2012.	Finalization of roads classification system by department of Roads and Public Works. Biasness in funding roads for municipalities in the former Transkei. Assistance in the development of	Director Infrastructure andPMU Manager

No.	Priority Turn Around Focal Area.	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households.	Annual Target for 2011/12.		Capacity challenges identified during the assessment.	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators (Rate of planed progress).	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions).	Custodian
			Dec. 2011	Jun. 2012					
					funding from MIG.			Comprehensive Infrastructural Plan from DLGTA in the form of warm bodies or funding as this plan is across many infrastructural disciplines that include other sector Departments.	
1.6	Improve the conditions of the Township Roads	This project is intended to target the Butterworth Township roads by ensuring that the riding quality is improved and the stormwater is catered for	2km	2km	The budget needed for rehabilitating the roads is very huge compared to what is available	To ensure that a total of 4km is rehabilitated with its associated stormwater through the EPWP project	4km	None	Director Infrastructural Development and Planning

No.	Priority Turn Around Focal Area.	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households.	Annual Target for 2011/12.		Capacity challenges identified during the assessment.	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators (Rate of planed progress).	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions).	Custodian
			Dec. 2011	Jun. 2012					
1.6	Formalization of informal settlements.	10,000 Informal dwellings (as at November 2008) out of 74,684 (13%).	0	376 units.	Inadequate land for Housing. Human resource challenge to meet the demands of the new housing projects. Land claims which delay Housing Projects	To facilitate meetings with department of Human settlements. To create conducive climate for the implementation of projects. Engagement with the Department to ensure that their targets are met. Facilitate politicians (local, provincial and national) to act on the release of land.	Complete Elimination of the 13% informal dwellings by 2014.	DLGTA to assist in unlocking the land claim issues by engaging Minister of the Dept. of Rural Development and Land Reform. Donation of Land by ECDC. DLA to assist in formalizing urban edge as determined by Mquma Spatial Development Framework(with traditional authorities.	Department Human Settlements and Director Infrastructure
1.7	Access to Housing (Formal Houses, Traditional houses, Flats or cluster and formal backyards).	67,943 out of 74,684 (87%).	0	282	Inadequate land for Housing projects. Human resource challenge to meet the demands of the new housing	Facilitation of the registration of beneficiaries for subsidization by Department of Human Settlements. Call for proposals in order to ensure that land demarcated for middle income housing is developed. Facilitate politicians (local, provincial and national) to act on the release of land.	Number of houses constructed	DLA to assist in formalizing urban edge as determined by Mquma Spatial development plan(with traditional authorities) Facilitation of land acquisition by Department of Rural Development and Land Reform from the Traditional Authorities.	

No.	Priority Turn Around Focal Area.	Indicate the number of households with access to the basic services below as of January 2010 as against the total number of households.	Annual Target for 2011/12.		Capacity challenges identified during the assessment.	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators (Rate of planed progress).	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions).	Custodian
			Dec. 2011	Jun. 2012					
					projects.				
1.8	Landfill sites licensing and certification.	33 752 = Res in urban + businesses.	7574	0	Land fill sites are illegal and not properly managed Limited budget.	Adoption of Integrated Waste management Plan New Regional waste land fill site implemented by ADM to be made functional Two transfer station to be constructed to feed to the proposed land fill site.	Number of dumping sites accredited (1).	Department of Environmental Affairs to support with personnel training and equipment for the management of sites Support from DEAT, DEDEA and ADM.	
1.9	Spatial Planning.	Mnquma Spatial Development Framework in place.	Funding secured for Local SDF,s	Develop ed local SDF's and land settlement and reform plan.	Need Mentorship to the young town planner	Negotiate with potential funders in order to get funding and develop the Local SDF's	Development of Local SDF's	Funding from DBSA and other potential funders for the development of the local SDF's. Support from the Department during the development of the Local SDF's	

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No.	Priority Turn Around Focal Area	How effective is each of the following public participation structure/ mechanism as of January 2010?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicator s	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Custodian
			Dec. 2011	Jun. 2012					
2. Governance and Public Participation					Capacity level index:				
2.1	Functionality of Ward Committees.	Ward Committees are functioning well.	To Ensure the election of ward committees in all wards	Induction and identification of training needs for the newly elected Ward committees	Soft skills required to fully implement ward based plans and other duties required of Ward committees	Identify training needs and develop training plans	Training plans in place and implemented	Department of Local Government and Traditional Affairs to assist with the provision of CBP Facilitators and funding for the capacity building programme for ward committees.	Director Corporate Services
2.2	Broader public participation policies and plans (name the policies/plans).	The public participation structures are effective [the Council adopted the Community Participation Policy and the Community Participation Strategy.	Implementation of the Community Participation Policy and	Review the community participation policy and strategy	Shortage of resources	Implement the mechanisms for community participation in line with the policy and as outlined in the strategy [IDP, PMS & Budget processes and other community programmes].	Feedback from the Communities.	Seek financial and human resources support from the Department of Local Government and Traditional Affairs [Public Participation Unit].	Director Corporate Services

No.	Priority Turn Around Focal Area	How effective is each of the following public participation structure/ mechanism as of January 2010?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Custodian
			Dec. 2011	Jun. 2012					
			Strategy .	.					
2.3	Public Communication systems.	The systems are effective [Community Radio, Notices, Newsletter, Municipal Website, Ward Committees, etc].	Implementation of strategy	Implementation of strategy	Shortage of resources	Extensively utilise the communication tools at the Municipality's disposal to communicate municipal programmes and plans.	Adopted & implemented Communication Strategy.	Solicit funding from the department of local government and traditional affairs to assist with the full implementation of the strategy.	Directorate Corporate Services
2.4	Petitions management .	There is a standing procedure for the petitions.	Implement the petition procedure in line with the Rules of Order.	Implement the petition procedure in line with the Rules of Order.	No identified challenges.	Process petitions in line with the Procedure as and when the need arises.	Number of petition received.	None.	Directorate Corporate Services
2.5	Front Desk interface mechanisms.	Effective Customer Care Policy and Strategy in place.	Implementation .	Review of the Customer Care Policy.	Customer feedback Devices that may not be understood by customers.	Implement Customer Care Charter.	Feedback from customers.	Source funding for Customer Satisfaction Surveys from DLGTA and DBSA.	Director Corporate Service

No.	Priority Turn Around Focal Area	How effective is each of the following public participation structure/mechanism as of January 2010?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicator s	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Custodian
			Dec. 2011	Jun. 2012					
3.1 Political Management and Oversight									
3.1.1	Stability of Council	Council is stable.	Implementation of the Standing Rules of Order and Council Procedures.	To implement Rules of order and Review Council procedures.	Council seats as per institutional calendar	Capacity building programmes on legislation and law and implementation of the Code of Conduct and the Standing Rules of Order.	Council and Committee Meetings sitting as per the Institutional Calendar and the Standing Rules of Order.	Source funding and resources (experts) from DBSA, DLGTA and private sector for implementation of the capacity building programme.	Director Corporate Services
3.1.2	Delegation of functions between political and administration.	Delegation document in place .	Delegation will be reviewed	Implementation of reviewed delegation	None.	Submit delegation document (reviewed) to Council for adoption and start implementation.	Reviewed Delegation document adopted by Council.	None.	Director Corporate Services

No.	Priority Turn Around Focal Area	How effective is each of the following public participation structure/mechanism as of January 2010?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Custodian
			Dec. 2011	Jun. 2012					
3.1.3	Functionality of Community Development Workers (CDWs).	Not very effective.	Engage the DLGTA on the functioning of CDWs.	Facilitate the signing of a memorandum of agreement [MOA] between the Municipality and the DLGTA on the functioning of CDWs in Mnquma.	Loose arrangements when it comes to the work of CDWs in Mnquma Municipality.	Engage the Department of Local Government and Traditional Affairs and facilitate the signing of the MOA.	Signed MOA with the DLGTA.	Cooperation from the DLGTA.	Director Corporate Services

FINANCIAL VIABILITY

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Custodian
			December 2011	June 2012					
4.	Financial Management and Viability:				Capacity level index:				
4.1	Revenue enhancement strategy	the revenue strategy is at the Draft stage	Ensure Adoption by council and development of implementation plan	Implementation of the strategy	Culture of nonpayment because unemployment ;high number of indigent customers and no good will to pay rates and services	Ensure that credit control by-law ;Indigent; Rates and tariff by law are gazette Monthly Billing Monthly reporting on the implementation of the strategy	20% increase of revenue collected as against projection	Negotiate that Eskom & ADM assist with the services they have for the benefit of collecting rates and refuse for the Municipality. Enter into an agreement with ADM and other government departments for continuous update of data e.g. Home Affairs; Post Office	

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Custodian
			December 2011	June 2012					
								etc. Solicit funding for debt mgt software	
4.2	Debtor management	Average of collection rate is below 60 percent	Increase revenue collection by 10% of	Increase revenue by 20 %	slow Implementation of credit control and continuous data cleansing and implementation of tariff structure	Community Education about refuse removal Ensure implementation of the refuse tariff's implementation of policies and procedures	20% reduction of arrear debt	Funding of data cleansing project Funding to pay debt collectors funding for awareness companies for community education on the importance of paying rates and services	
4.3	Cash flow management	Expenditure is funded by grants	Increase collection and minimize request for	0% request for overdraft in 2009/2010	Limited funds in terms of collection and grants received	To have at least 40% collected on the debt handed over to VVM	expenditure incurred is equal to the money collected	Assistance be provided for government departments to	

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Custodian
			December 2011	June 2012					
			overdraft			attorneys Submit all outstanding invoices for health claims Collect at least 80% owed by government departments for rates and services		speed up outstanding payments	
4.4	Audit Action plan developed	Action plan is in place and implementation is ongoing process	90% of 2008/2009 AG queries be cleaned strive for qualification	100% of 2009/2010 AG queries be cleaned strive for qualification	GRAP implementation Sebata challenges un able to reconcile its books lack of training of BTO personnel on the system	Ensure that training is conducted to the BTO personnel on the Sebata system Sebata to address the weaknesses	90% of issues raised by AG be eliminated	Deployment of Chartered Accountants to ensure that GRAP is implemented correctly	

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Custodian
			December 2011	June 2012					
						of settings and reconciliations Arrange an onsite training for the understanding of GRAP report on the implementation plan			
4.7	Submission of Annual Financial Statements	2008/2009 Submitted in time and AFS done in house	Improved audit opinion	Improved audit opinion	GRAP implementation Sebata challenges un able to reconcile its books lack of training of BTO personnel on the system	Reconcile all accounts and have supporting documentation backing figures ensure quires raised in the management letters has been attended to	Timely submission of quality AFS submitted to AG on the 31 st August	Funding in the assistance of GRAP implementation from National Treasury, DBSA and other spheres LOCAL Government to deploy CA to review the work done before submission of	

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Custodian
			December 2011	June 2012					
						develop an audit file		AFS to AG	
4.9	Asset register developed.	Asset register exists.	Development of Asset register in line with GRAP standards and Directive 4	Full implementation of GRAP and Directive 4	no asset manager currently waiting for the new incumbent Sebata module on assets not activated due to challenges of the system tracking and identifying of assets that are moved around maintenance plan for assets capacity to develop asset register in house	Appoint Asset Management Officer arrange with Sebata to activate module develop asset register	GRAP compliant Asset register	source more funds from the department for appointment of service provider to develop asset register deploy interns to work with asset manager	

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Custodian
			December 2011	June 2012					
4.10	Supply Chain Management policy.	SCM Policy is in a process of review	Development of procedures that accompanies policy	Effectiveness of SCM processes	Turnaround time	Monthly reporting on SCM processes	Effectiveness of SCM processes		
4.11	Implementation of Property Rates Act	No valuation unit	Establish municipal valuation unit	Implementation plan drawn for policy implementation	Capacity of the Municipality to manage valuation roll	Establish valuation unit by appointing municipal valuers	unit established	Department of Local Government to deploy valuers or interns in the unit Funding for supplementary valuation yearly	
4.11	Audit Committee	Audit Committee exists with 5 members and same members are	Quarterly meeting be attended and minutes available	Quarterly meeting be attended and minutes available	Minutes must be user friendly	Schedule of meetings be	Existence and functionality	N/A	

No.	Priority Turn Around Focal Area	What is the status of financial management with regard to the following areas as of January 2010?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)	Custodian
			December 2011	June 2012					
		performing Performance Audit Committee and 2 meeting has been sat							

LOCAL ECONOMIC DEVELOPMENT: KPA 3

No.	Priority Turn Around Focal Area	What is the status of LED with regard to the following areas as of February 2011?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)		Custodian
			July 2011	June 2012				Action	Sphere / Agent	
5.1	LED Budget :									
	Municipal financial contribution to LED •LED financial plan	There is an approved LED Strategy but there are no sufficient resources for its implementation	Development of business plans	Implementation of the business plans	No procedure manuals for the implementation of LED strategy Lack of financial resources	Prioritize and increase budget allocation for LED Develop investment and trade policies Evaluate and continue with existing projects	% of municipal LED budget against the total budget	Approval of budget increase for LED facilitation Develop LED financial plan & engage other partners Resource mobilization	Mnquma	
	•Intergovernmental LED financial support	There is limited financial contribution from sector departments, that is , DEDEA	Further mobilization of resources	Further mobilization of resources	Limited commitment by sector departments on LED projects identified in the IDP	Consultation of sector departments/ SOE to solicit commitments of funding and project scoping	% of public sector budget	Lobby state investment into catalytic economic programmes of Mnquma & sign MOA with ASGISA and DEDEA	Economic Growth and Infrastructure Cluster departments	

No.	Priority Turn Around Focal Area	What is the status of LED with regard to the following areas as of February 2011?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)		Custodian
			July 2011	June 2012				Action	Sphere / Agent	
	<ul style="list-style-type: none"> 5% of MIG budget allocation to economic infrastructure and its expenditure 	Business Plans have been developed for economic infrastructure	Centane & Nqamakwe SMME Development center & CBD town plans and layout specifications developed	Hand-over of sites to the contractor/s Develop policy on Town Cleanliness	LED unit does not poses technical skills for construction of the projects	Engage infrastructure and development planning directorate	Increase % of MIG allocation for economic structure	Fast track the development of project specification	Mnquma	
5.2	Strategies/plan and implementation									
	Availability of LED Strategy and adoption	LED strategy in place but the funding for implementation is still lacking	Formulation of business plans	Implementation of LED strategy	Limited budget allocation and commitment from stakeholders	Tabling of strategy to council Engagement with stakeholders for financial plan development	Existence of LED strategies/plan	Funding of economic programmes Establish service delivery partnership with specific roles and responsibilities	DEDEA, and economic sector department	

No.	Priority Turn Around Focal Area	What is the status of LED with regard to the following areas as of February 2011?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)		Custodian
			July 2011	June 2012				Action	Sphere / Agent	
	LED Plan aligned to the District LED Strategy; adopted by Council	LED strategy aligned with all key thrusts of AREDS but have gone further to identify Land Reform Issues pertinent to Mquma	Facilitate alignment of LED strategy with the Provincial Rural Development Strategy	Implementation of aligned LED strategy	LED strategy not adopted	Table the LED strategy before council	LED strategy aligned to District LED strategy	Project identification by Department of Agriculture & Rural Development with Mquma Agricultural Strategy	Department of Agriculture & Rural Development	

No.	Priority Turn Around Focal Area	What is the status of LED with regard to the following areas as of February 2011?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)		Custodian
			July 2011	June 2012				Action	Sphere / Agent	
5.2.2	Development of ward based economic plans and identification of ward products	Concept document on ward based economic plans was in draft by January but adopted by Council on 23 March Economic potential/products is understood but is not documented and package	Confirm Economic opportunities in the existing ward based plans Develop business case for identified wards	Implementation of ward based plans	Limited resources for engaging on ward based economic analysis	Mobilize resources Education and awareness of community on the concept	No of existing economic ward based plans	Harmonize relations with traditional leaders and traditional people Awareness campaigns on economic ward based plans	DLGTA - Traditional Affairs Branch	
5.3	Regeneration of declining local economies	Ibika and Zithulele Industrial Areas and CBD have declining investment	Complete the first phase of Gcuwa Dam development.	Start implementing other NDPG initiatives.	Limited Capacity to undertake investment Promotion and hence the need to establish a Development	Establishment of a development agency. Signing of the MoU with ASGISA leading to the revitalization of the identified irrigation schemes.	2 irrigation schemes revitalized.	Facilitate the release of land and infrastructure by ECDC in partnership with DEDEA	ECDC, ASPIRE, ASGISA and DEDEA	

No.	Priority Turn Around Focal Area	What is the status of LED with regard to the following areas as of February 2011?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)		Custodian
			July 2011	June 2012						
								Action	Sphere / Agent	
	<ul style="list-style-type: none"> Declining areas identified. What plans have been developed to address the issues of declining economies 	identified in Vision 2025. The vision 2025 Master identifies agro-processing and textile industries for addressing the decline			Agency to leverage resourceful partnerships					
5.4	Institutional capacity to drive LED functions									
	Staff vacancy	Current 70% vacancy rate	To fill 2 vacancies	To inject capacity to the	Insufficient budget and relevant	Solicit support from DEDEA, ADM and	Increased personnel and	Solicit support of DEDEA and SETA	DEDEA, ADM, SETA and	

No.	Priority Turn Around Focal Area	What is the status of LED with regard to the following areas as of February 2011?	Annual Target for 2011/12		Capacity challenges identified during the assessment	Municipal Action (Which specific activities will the municipality undertake to deliver on its yearly target?)	Indicators	Unblocking Actions Needed from other Spheres and Agencies (Name the sphere/agent from whom a specific support is needed and clearly specify the actions)		Custodian
			July 2011	June 2012				Action	Sphere / Agent	
	rate • Plan to address vacancy rate	and the LED Manager post is a three year contract There are three interns	existing in the LED unit.	LED unit.	expertise.	COGTA.	capacity.	for the training of LED personnel.	COGTA.	
	Availability of policies/regulations and public awareness	No policies /regulatory framework in place. Limited capacity on monitoring mechanisms	Solicit funding for the development of LED policies.	Develop policies	Limited capacity within the institution	Utilize a business plan for financial lobbying. Facilitate the engagement of a service provider for the development of an economic agency.	LED strategy in place and implemented.	Solicit funds from DLGTA, DBSA, DME DoF and DEDEA for development of such policies	DEDEA, DLGTA, DBSA, DME and Department of Forestry	

4. COMMUNITY PARTICIPATION

6.1 Legal Background

Chapter four of the Local Government Municipal Systems Act 32 of 2000 mandates the municipality to develop a culture of community participation through the establishment of mechanisms processes and procedures for community participation. This is further emphasised in the Local Government Municipal Finance Management Act 56 of 2003 which requires that the development of the municipality be informed by community participation. The Mquma Local Municipality has always been committed in bringing the participatory democracy closer to its citizens and communities at a principled level. Its commitment goes beyond legislative requirements to make public participation an integral part of the planning budgeting and service delivery processes ensuring sensitivity and responsiveness to community needs.

6.2 Challenges of Community Participation in the past term of Council

Despite the “in principle” commitment by Council in Community Participation it has not been easy to carry out this mandate due to the following:

- Lack of financial resources to reach all 31 wards of the municipality
- Shortage of administrative personnel to support community participation
- Disjointed community out-reach programmes
- Lack of education and awareness on the part of communities in relation to Community Participation resulting in interference in the council’s legislative and Executive Authority

6.3 Community Participation Mechanisms

The following are some of the mechanisms and processes that the Council uses in ensuring participation of communities in its affairs:

6.3.1 Executive Mayor’s programmes

The Executive Mayor and the Speaker have a regular programme to visit the wards, listen to the needs, complaints and aspirations of the people of Mquma. There are also meetings with the business sector, the faith organisations, government departments and parastatals and other stakeholders of Mquma that are arranged regularly by the offices of the Speaker and the Executive Mayor for briefings about the Municipal services and programmes.

6.3.2 IDP and PMS Community Participation Programmes

The institution has embarked in programmes that involve the communities in pre-planning, planning and implementation of the IDP. After the IDP Review Process plan for 2010/2011 was adopted by

Council on the 11th November 2009, the process plan was presented to communities in an IDP/PMS and Budget Representative Forum that was held on the 20th November 2009.

The intention of this was to apprise communities and encourage their involvement from the initial stages of the IDP, to educate them about the five phases of the IDP, the role which they are supposed to play in both the phases of the IDP as well as the Performance management system framework.

6.3.3 Speaker's Programmes

(a) Ward Committees Structures

Ward Committees are very important structures to ensure that the programmes and the activities of the municipality are communicated to the communities. They are also a link between the municipality and the local communities in terms of dissemination of information.

(b) Traditional Leadership Structures

There are 12 Traditional Leaders that form part of the Council and they participate in Council activities. They are also one of the stakeholders of the Integrated Development Plan Representative Forum.

(c) Community Development Workers

They serve as an important link between the National, Provincial and the Local governments. They are the foot soldiers and the eyes and ears of government in ensuring that services are delivered to the communities. There are 31 Community Development Workers at Mquma and are deployed in all the wards.

6.3.4 Community Based Planning Programme

The community based planning framework has been adopted by Council on the 23rd March 2010.

The programme is championed in the office of the Speaker and is implemented in the Mquma area. The only inhibiting factor is the lack of financial and human resources.

6.4 Strategies for Community Participation

The community participation function within the municipality is currently unstructured and results in clashes in the programmes of community participation. The municipality is currently in the process of ensuring that it develops and implements a programme that is structured to enhance community participation. The following are some of the strides that the municipality will embark on in the next five years towards formulating systems and mechanisms that are effective for community participation:

- The accommodation of the administrative support structure in the municipal establishment;

- Ward Councillor-Driven Programmes of community participation including structured meetings and planning session in the ward;
- The development of policies and procedures for community participation;
- Education and awareness campaigns throughout the municipality with regard to community participation;
- Extensive training programmes for local communities with emphasis on the ward committee structures and development forums of the municipality.

6.5 Community Participation Service Delivery Issues Raised in the IDP, PMS and Budget Representative Forums 2010/2011

NO.	DEVELOPMENT PRIORITY ISSUE	SPECIFICATION Quantity/Location/ Affected Group	CASUAL FACTORS	EFFECTS	RELATED POTENTIAL
1	Infrastructural backlogs (Roads)	<ul style="list-style-type: none"> • Condition of access roads very bad resulting in the movement from one area to another limited • Bad municipal roads in the urban centres (potholes, blocked storm water infrastructure, etc) 	<ul style="list-style-type: none"> • Lack of/limited funding • Huge backlog to be addressed • Nature of the terrain limits movement • Scarce skills to address infrastructural backlogs (engineers, environmentalists, geologists, etc) 	<ul style="list-style-type: none"> • Educators and learners absenteeism from school on rainy days • Informal mode of transport such as horseback and sledge • It takes longer to take services to the affected communities e.g. ambulance • Damage to vehicles of individuals due to bad roads resulting in short lifespan of those vehicles 	<ul style="list-style-type: none"> • Roads construction funds • Road maintenance program involving local communities thereby creating employment • Injection of funds to historically disadvantaged municipalities to address backlogs especially township and urban roads (revision of the funding formula)
2	No town planning scheme and zoning	<ul style="list-style-type: none"> • There are stray animals in towns • Jay walking pedestrians • Congestion in the main road 	<ul style="list-style-type: none"> • Shifting of business from side street to the main road • The town becomes unattractive • Tourism is adversely affected 	<ul style="list-style-type: none"> • Congestion due to the nature of pavements • Stray animals cause congestion 	<ul style="list-style-type: none"> • Change Silver Street into a main road/major trunk • Construction of traffic circle and 4 way stops • Create zebra crossing mark • Education of pedestrians • Enforcement of regulatory mechanisms
3	Limited water & Sanitation resources	<ul style="list-style-type: none"> • Water shortages mostly in rural area • Water & Sanitation infrastructure especially in the town of Centane not functioning 	<ul style="list-style-type: none"> • Old schemes have since dried • Dams full of silt • Dams drying up • Climate change 	<ul style="list-style-type: none"> • Outbreak of diseases such as diarrhoea and cholera 	<ul style="list-style-type: none"> • Development of means of sustainable water supply • Alternatives for water supply (water harvesting)

NO.	DEVELOPMENT PRIORITY ISSUE	SPECIFICATION Quantity/Location/ Affected Group	CASUAL FACTORS	EFFECTS	RELATED POTENTIAL
4	Increased population in informal settlement areas	<ul style="list-style-type: none"> • Migration to town in Search for employment • Unemployment resulting in people with government-sponsored houses selling them and moving to informal settlement 	<ul style="list-style-type: none"> • Identified land in terms of the SDF used by informal settlers • Environmental factors (Environmental Impact Assessment not carried out in those areas) 	<ul style="list-style-type: none"> • Difficulties in providing housing as the mushrooming of informal settlements becomes uncontrollable • Communities dissatisfied with the service delivery • Urban are become unattractive due to congestion, which affects tourism potential 	<ul style="list-style-type: none"> • Setting up committees to control the influx in the informal settlements • Understanding between the local state and the traditional authorities in relation to land use and management • Development to be taken closer to the rural areas to limit the influx into urban areas
5	Increased HIV and AIDS rates	<ul style="list-style-type: none"> • HIV and AIDS increasing especially affecting youth • Poverty resulting in the spread HIV and AIDS 	<ul style="list-style-type: none"> • Behaviour patterns and attitudes of the affected (life goes on) • Unemployment and poverty 	<ul style="list-style-type: none"> • Increased death rates • Skills shortages • Opportunistic diseases increasing 	<ul style="list-style-type: none"> • More education and awareness • Morale regeneration • Employment creation
6	Electricity grid infrastructure	<ul style="list-style-type: none"> • Most areas in the rural parts have no electricity • Islands within specific areas with no electricity (skipped during electrification process) 	<ul style="list-style-type: none"> • Dissatisfaction in communities about service delivery 	<ul style="list-style-type: none"> • Increase in crime • Exposure to Disasters caused by paraffin and gas (fire) 	<ul style="list-style-type: none"> • Alternative means to electricity
7	Safety and Security	<ul style="list-style-type: none"> • The rate of crime is increasing dramatically • Release of prisoners due to shortages of space in the prisons (cells) • Granting of parole to people who are threats and danger 	<ul style="list-style-type: none"> • Shortages of skills to deal with justice matters (from investigations to conviction) • Too many laws favouring criminals 	<ul style="list-style-type: none"> • More crime • Vigilantism • Kangaroo courts which are not that effective 	<ul style="list-style-type: none"> • Intensify community policing forums • Review and amend existing laws • Building of secured prisons • Capacitate law enforcement officers • Visibility of police even in rural

NO.	DEVELOPMENT PRIORITY ISSUE	SPECIFICATION Quantity/Location/ Affected Group	CASUAL FACTORS	EFFECTS	RELATED POTENTIAL
		to the society			areas
8	Resuscitation of Community Projects	<ul style="list-style-type: none"> Projects initiated and managed at community level which have been abandoned 	<ul style="list-style-type: none"> Lack of skills to manage projects Lack of financial management of projects 	<ul style="list-style-type: none"> Poverty and unemployment Lack of interest to carry out new projects 	<ul style="list-style-type: none"> Education and training on project and financial management Encourage establishment of cooperatives and other community development formations
9	Unemployment and high levels of poverty	<ul style="list-style-type: none"> The majority of people of the area are not employed The majority of the people of the area are living below the poverty line 	<ul style="list-style-type: none"> Economic conditions make it difficult to create employment opportunities, leaving government as the major source of employment Change in government policies which resulted in closing of factories (huge employer) 	<ul style="list-style-type: none"> High levels of unemployment High levels of poverty High levels of crime Substance abuse Teenage pregnancy increases HIV and AIDS infections increase 	<ul style="list-style-type: none"> Encouragement of self-employment (build and capacitate emerging businesses) Resuscitation of firms (attract investments) Encourage subsistence farming and related projects
10	Integration of Development Initiatives	<ul style="list-style-type: none"> Building structures at a local level for cooperation and coordination of development initiatives 	<ul style="list-style-type: none"> Dissatisfied communities IGR Structures not functioning 	<ul style="list-style-type: none"> Uncoordinated development initiatives Waste of resources (resources concentrated in 1 area due to lack of coordination and cooperation) Development not sustainable 	<ul style="list-style-type: none"> Strengthen IGR structures to open a platform for planning Strengthen IDP structures to ensure that an all-inclusive approach to planning is realised

CHAPTER 7

LOCAL ECONOMIC DEVELOPMENT STRATEGY

EXECUTIVE SUMMARY	The Executive Summary provides an overview of the main findings and recommendations.
SECTION. 1	<p>Background: The need for the MNQUMA LED Strategy and National, Provincial and Local Policy Context</p> <p>This section reviews:</p> <ul style="list-style-type: none"> • Why is a LED strategy needed and what are the critical success factors for successful formulation, implementation, and review of LED strategies • The national and provincial policy context for the LED Strategy • The complimentary linkages to existing plans, including the Mmquma Master Plan, Integrated Development Plan, and other plans. • The methodology and process followed to develop the Mmquma LED strategy
SECTION. 2	<p>Mmquma's Economic Profile and Analysis of Strengths, Weaknesses, Opportunities, and Threats</p> <p>This section provides a detailed social and economic profile of trends impacting on Mmquma and its future. The section focuses on economic performance in key sectors and also identifies key drivers for future growth.</p> <p>This section then identifies the key strength, weaknesses, opportunities, and threats facing Mmquma and prioritizes these in order to inform a vision and set of objectives for its future economic development. Also included in this section is the Red Tape and its impact on Service Delivery and Economic Development.</p>
SECTION. 3	<p>Making an Impact: Economic Development Vision, Objectives and Strategies for Shared and Accelerated Growth</p> <p>This section discusses an economic development vision, set of objectives, strategies, and key initiatives which impact on the achievement of this economic development vision.</p>
SECTION. 4	<p>Getting Things Done in Partnership: Implementation and Monitoring Plan</p> <p>This section proposes institutional arrangements, roles and responsibilities which are required to implement the LED Strategy.</p>
SECTION.5	<p>Conclusions and Moving Forward</p> <p>This section summarizes the way forward and motivates for ongoing cooperation and collaboration between key role-players in order to sustain momentum in taking forward Mmquma's economic development.</p>

REFERENC ES	<p>This section reflects on the following References which provide additional information which has greatly assisted in the formulation of the strategy proposals:</p> <ul style="list-style-type: none"> • N2 Corridor Development Strategy • Agricultural Sector Development Strategy • Draft Tourism Strategy • Tourism Cluster Development Plan • Mnquma Master Plan
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THE EXECUTIVE SUMMARY

Certain guidelines had to be observed in developing this LED strategy in order to ensure that it adequately addresses and responds to the local requirements. Importantly, is the fact that the 2025 Vision (Master plan for Mnquma) has been completed by Silimela Africa. This vision provides a pivotal point from where to launch any guiding concept for development, particularly the economic development. It maps out in broad terms the road towards improvement of lifestyles in Mnquma.

It, then, stands to reason that certain activities outlined hereunder have in essence been attended to in the process of the development of the Master plan.

Having noted that there has been a plethora of studies conducted in the area and the region, developing of the draft of this strategy revolves mainly around the collection and collation of information contained in such studies and verification of same.

The first steps call for rapid but rigorous evaluation of the local economy per sector, the identification of potential economic opportunities including identification of bio-resource units and land economic potential which would result in the formulation of an overall economic development framework and strategy involving local stakeholders. This has been largely achieved through the development of Spatial Plan (SDF) and Strategic Environmental Assessment (SEA). The last step requires the formulation of a database of existing and potential economic opportunities as well as a project identification and prioritisation framework (matrix), which can guide the municipality with respect to project prioritisation and integration (Project-scoping). The formulation of the plan has also taken into consideration various other strategies and plans that have been compiled in the Province and in the district. These include: Provincial Growth and Development Plan (PGDP), Amathole Regional Economic Development Strategy (AREDS), Tourism Development Plan and N2 Corridor Development Plan. It is essential that all relevant components of these plans be explored and opportunities emanating from these plans be identified.

Coupled to the above is the necessity to identify those impediments and obstacles that, if not dealt with decisively, would result in a serious economic downturn, or even collapse. This would be achieved through the process of red-tape reduction.

Deliverables:

- To undertake an economic analysis to identify the key economic trends in the municipal area and this should be backed by economic data from reputable sources. The economic and business intelligence data gathering process should focus on macro economy, formal businesses, informal businesses and a special attention to sectors such as agriculture, mining, manufacturing, tourism, forestry and woodlots, transport etc.
- To establish and determine what sectors, commodities and market opportunities exist in the municipal area that are significant to economic activity and could be developed in order to positively impact on economic development;
- To develop an implementable LED Strategic Framework for the Municipality in partnership with local stakeholders and relevant agencies to support sustainable economic development;
- Initiate a red-tape reduction process whereby the obstacles to economic development are identified and attended to;
- To formulate a data base of projects currently being implemented together with a sustainability analysis as well as economic development opportunities or projects that can be pursued in the future
- To formulate a matrix to assist in the identification and prioritization of strategic economic development projects

Objectives:

To undertake a detailed economic analysis so as to enable identification of appropriate market interventions that will lead to economic development of the area.

To formulate an implementable LED Strategic Framework to guide the promotion and support of sustainable economic development within Mngquma Local Municipality.

To create a database of projects within the municipality including those being implemented, economic opportunities and future potential projects.

To formulate a matrix to guide the Municipality in terms of identification and prioritizing strategic projects for investigation and implementation.

To optimise the creation of new economic and business opportunities that will translate into meaningful economic growth, job creation and poverty alleviation in Mngquma local area.

To create meaningful synergy with the National Programmes and the Eastern Cape government's Provincial Growth and Development Plan, which represent the emerging consensus regarding the approach to be followed in dealing with the socio-economic challenges in the Province in general and our area in particular.

To undertake a Socio-Economic analysis which determines the mainstreaming of national policy targets (women, youth, people with disabilities, HIV and AIDS), recommending on how best to mainstream these national policy targets in LED implementation.

It is envisaged that this plan would assist the Municipality in achieving its economic goals and objectives in line with National Policy Framework on LED.

Expectations

Holding dialogues with the formal and informal business community to understand their challenges and expectations for strategic support.

Clear alignment of proposed strategies with the NSDP, ASGISA, PGDP, Amathole Regional and Economic Development Strategy, N2 Corridor Development Plan etc

Identify the municipal vision for LED and develop means for achieving the vision

Assemble all the LED stakeholders in order to design a strategy for local economic development for the municipality.

Indicate the most promising sectors, priority interventions and their configurations.

Develop proposals for the development of the promising sectors

Provide technical assistance to the local administrations responsible for economic development planning.

Perform a SWOT (Strengths, Weaknesses, Opportunities & Threats) analysis to

Identify the local economy's most promising sectors and the main impediments to the unfolding of its potential.

Develop the strategic direction of the municipality

Develop business concepts that should exploit the area's potential and respond to the needs of the population.

Expand the local economy and LED focus to the benefit of the entire population.

Challenges to be addressed

Increasing unemployment

High number of indigents

Increasing rate of HIV infection

Skills gap

Widening poverty gap

Low levels of investment

Non-operational manufacturing industry

Underdeveloped tourism industry

Broad Project deliverables

Situational, Swot and Sector Analysis Report

Strategic Development Framework

A data base of existing projects and future potential projects and business opportunities

A Project Identification and Prioritization Matrix/Framework

Clear LED strategy implementation plan

FOREWORD

(By His Worship the Executive Mayor)

Seeks to establish political legitimacy and development rationale for the LED Strategy and mobilize people and institutions behind the strategy and local development.

ACRONYMS

In the development of a document of this nature it is natural to use certain acronyms peculiar to the particular discipline.

Hereunder is the definition of selected acronyms.

Abbreviations	Definitions
ABET	Adult Basic Education Training
AgriBEE	Black Economic Empowerment in Agriculture
AIDS	Acquired Immune Deficiency Syndrome
Asgisa	Accelerated and Shared Growth Initiative – South Africa.
BBBEE	Broad-based Black Economic Empowerment
MDS	Mnquma Development Strategy
ML IDP	Mnquma Integrated Development Plan
ML LEDS	Mnquma Local Economic Development Strategy
MLDA	Mnquma Local Development Agency
MLM	Mnquma Local Municipality
BE	Business Environment
BEE	Black Economic Empowerment
BPO	Business Process Outsourcing and Off shoring
BRE	Business Retention and Expansion
CAGR	Compound Annual Growth Rate
CBD	Central Business District

CBO's	Community Based Organizations
CEO	Chief Executive Officer
CSIR	Centre for Scientific and Industrial Research
CSP DBSA DCSA	Customized Sector Programme Development Bank of South Africa Daimler Chrysler South Africa
DTI ECDC	Department of Trade and Industry Eastern Cape Development Corporation
ECGDS	Eastern Cape Growth and Development Strategy
ECPACC ECSECC EDF	Eastern Cape Provincial Arts and Culture Council Eastern Cape Socio Economic Consultative Council Economic Development Forum
EDS EIU MLM	Economic Development Strategy Economist Intelligence Unit Mnquma Local Municipality
EPWP EU	Expanded Public Works Programme European Union
FDI FET	Foreign Direct Investment Further Education and Training
GDP GDS	Gross Domestic Product Growth and Development Strategy

Abbreviations	Definitions
GGP GVA	Gross Geographical Product Gross Added Value
HDI	Historically Disadvantaged Individuals
HE HIV HR	Higher Education Human Immunodeficiency Virus Human Resource
HRD HSRC	Human Resource Development Human Sciences Research Council
IBM	International Business Machines
ICTs IDC IDP	Information and Telecommunication Technologies Industrial Development Corporation Integrated Development Plan

IDZ IT	Industrial Development Zones Information Technology
ITU	International Telecommunications Union
JIPSA KPIs LED	Joint Initiative on Priority Skills Acquisition Key Performance Indicators Local Economic Development
LFS LRAD	Labour Force Survey Land Reform for Agricultural Development
LUMS	Land-Use Management System
MIG	Municipal Infrastructure Grant
MTEF	Medium Term Expenditure Framework
NAFU	National African Farmers Union
NGO's	Non - Governmental Organisations
NSDP	National Spatial Development Perspective
ODI	Overseas Development Institute
OECD PAMTS	Organisation for Economic Co-operation and Development Provincial Advanced Manufacturing Technology Strategy
PGDS PHC PPP	Provincial Growth and Development Strategy Primary Health Care Public-Private Partnerships
PTN R&D RIDS	Private Telecommunications Network Research and Development Regional Industrial Development Strategy
SA SABC SACCOM	South Africa South African Broadcasting Corporation South African Call Centre Community

Abbreviations	Definitions
SAPOA SDF	South African Property Owners Association Spatial Development Framework
SEDA SEOBI	Small Enterprise Development Agency
SEA	Strategic Environmental Assessment
SETA	Sector Education and Training Authority

SIC SLA	Standard Industrial Classification Service Level Agreement
SMEDP SMME	Small Medium Enterprise Development Programme Small, Medium and Micro-Enterprise
SPV	Special Purpose Vehicle
SWOT TMP	Strengths, Weaknesses, Opportunities and Threats Tourism Master Plan
UFH UK	University of Fort Hare
UNCTAD	United Nations Conference on Trade and Development
UPE USA VFR	University of Port Elizabeth United States of America Visiting Friends and Relatives
WSSD WSU	World Summit on Sustainable Development Walter Sisulu University

Selected definitions

Term	Definitions
Comparative Advantage	A relatively more competitive production function for a product or service in a local economy than in the aggregate national or provincial economy as a result of producing the product or rendering the service relatively more efficiently
Business Environment	The Business Environment (BE) refers to those factors within a locality that either favour or inhibit enterprise development
GGP	Value of final goods and services produced in a geographic area in one year
Investment	Any use of resources intended to increase future production output or income.
Foreign Direct Investment	Various definitions exist including: <ul style="list-style-type: none"> • “transaction-based” definition of capital movements: FDI is described as the form of investment for the purpose of establishing lasting economic relations and which gives the possibility of exercising an effective influence on its management. • “enterprise-based” definition of investment: The establishment or acquisition of a business enterprise, as well as a share that provides the investor control over an enterprise.

	<p>“Foreign direct investment reflects the objective of obtaining a lasting interest by a resident entity in one economy (“direct investor”) in an entity resident in an economy other than that of the investor (“direct investment enterprise”). The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence on the management of the enterprise. Direct investment involves both the initial transaction between the two entities and all subsequent capital transactions between them and among affiliated enterprises, both incorporated and unincorporated. This does not include capital movements that are mere financial transactions for speculative purposes, commercial contracts for the sale of goods or services, credits granted to a State, or loans that are not directly related to an investment” (OECD: 1996).</p>
Labour Force	The employed, unemployed, and those persons active in the informal / unregistered economy.
Red Tape	<p>Red tape stands for rules and regulations and administrative procedures that impose unnecessary costs on business and on government, are not or no longer effective in achieving their policy goal and therefore produces suboptimal and undesired social outcomes. Source of Red Tape include:</p> <ul style="list-style-type: none"> • Rules and regulations • Administrative procedures • Government/business inter-face

SECTION ONE - BACKGROUND

Meaning and the need for the LED strategy and National, Provincial and Local Policy Context

INTRODUCTION

Local Economic Development (LED) was originally a term that referred to deliberate intervention to promote economic development in a specific local area that is neither the national area nor significantly large region encompassing a number of local areas.

Its remit has been understood to stretch from relatively small neighborhoods and communities through to fairly large sub-regional areas.

Over time the notion of local and regional economic development (LRED) also crept into the vocabulary, mainly out of growing recognition of interdependencies of local areas and the advantages offered by an aggregation of vision and exploiting the competitive advantages of regionally-connected local areas.

Approaches to LED and LRED, or even regional economic development (RED), have developed and changed as local and regional economies have had to respond to the changing local impacts of the more global economy. The emphasis in LED has thus grown beyond a preoccupation with local self-sufficiency

towards understanding, developing and exploiting economic linkages from district and national, through to the global level.

An LED Strategy, based on a thorough understanding and appraisal of local conditions, can provide the opportunity for local people to identify opportunities to exploit local resources and to develop wider linkages to expand economic activity to the benefit of the local population including those who are not economically active. There is also increasing recognition of the influence of social and institutional factors on local economic development. In addition to economic growth, employment creation and human resources development, LED strategies now encompass governance, public management systems, institutional and human capacity building as well as other broader issues that influence social and economic development and integration including the mainstreaming of the historically disadvantaged minorities (HDIs).

Good governance and effective institutions- humans and systems- are understood to contribute significantly to the potential for economic development.

We are therefore attaching as much importance to the process of developing this strategy, as to its content.

Geographic Location

Mnquma Local Municipality is located in the South Eastern part of the Eastern Cape Province. This category B municipality falls under jurisdiction of the Amathole District Municipality (ADM) and comprises of an amalgamation of the former Butterworth, Nqamakwe and Centane municipalities. This also includes a number of previously administered rural areas. It is approximately 32 995 240 square kilometers and consists of 31 wards. It has a seaboard of approximately 45 kilometers.

ABP Report - 2009

1.1 Need for an LED Strategy

The future quality of life of Mnquma Local Municipality communities will largely depend on the ability of all stakeholders (public, private, civil society and labor) to collaborate in improving the region's competitiveness and accelerate economic growth, job creation, black economic empowerment and poverty reduction.

The Municipality has indeed successfully developed a Masterplan as a form of a map charting the future development and growth for this area.

We, however, wish to caution upfront against the temptation to reduce the Masterplan to a status of a strategy.

In fact, while the Masterplan does give a general direction on socio-economic growth:

- It is not a blueprint with detailed actions to be followed over a short to medium term nor
- Is it a sector plan, strategy or infrastructure plan though encompassing parts of each
- But rather an overarching long-term decision-making framework that seeks to guide the development and implementation of more detailed sector plans like this strategy.

MASTERPLAN	LED STRATEGY
Long Term: 10-25 years	Short to medium term : 1-5 years
Once off exercise that gives overarching direction	Periodical review to manage/respond to changes
Provides long-term vision and scenarios	Identifies tools and actions geared to achieve quick-wins.

Given past trends and the current position of Mngquma Local Municipality within competing national priorities, the future outlook does not hold great promise for accelerated growth, job creation and poverty reduction unless certain high impact interventions are implemented in the next 2-3 years.

This LED Strategy therefore seeks to provide a framework for integrated partnership action which will build on the critical strengths and resources of those who live, play and work here as well as strategic external partners that include national and provincial governments, foreign investors, financiers, tourists and institutions of higher learning in the region.

It has a short to medium term focus of one to five years. It will, therefore, advance proposals that are implementable within this timeframe and within this term- will also afford space for its own review. It is designed to complement the longer term focus outlined in the Masterplan which advances interventions aimed at making an impact on the quality of life in Mngquma area over the next 15-25 years.

1.2 Critical Success Factors

If this strategy is going to make a meaningful impact on the future quality of life for this area's residents, then its formulation and implementation need to be informed by a number of critical success factors. These factors are relevant to successful strategies in general, as well as the international and local experience with local economic development.

"...two out of three strategies do not get implemented, and of those that do, at least one-third of their potential is lost"(Tony Manning: Harvard Management Update and Business Review 2006:67)

The following critical success factors for optimizing the implementation of public sector strategies have been identified (Tony Manning 2006):

- Designing and implementing strategy is fundamentally about communication and strategic conversation.
- Implanting strategy is charge management. The best way to ensure the support and commitment of key people early is to involve them in strategy development.
- Strategic conversation should clarify high impact issues and lead to definite action. It can happen anywhere and anyone can be involved provided he/she is the right person to make a meaningful contribution

- Strategies should be simple, brief and clear so they can be communicated easily and effectively and keep people focused.
- Strategies require “missionaries” to communicate the strategy face to face to key role players to ensure that key strategic themes are emphasized including the importance of key actions and pushing people for results.

In essence the LED strategy clarifies:

- What are we trying to achieve in terms of economic development (vision and objectives)
- How are specific role-players going to achieve this (strategies, strategic initiatives, and resources)
- Who needs to do what and by when (roles and institutional mechanisms)

International and local experience has identified the following critical process and content success factors which need to be in place if new economic development strategies are to make a meaningful impact on addressing economic challenges and opportunities:

Table 1: Economic Development Strategy Success Factors

Strategy Development and Implementation Process Must	Strategy Proposals Must
Have mechanisms to promote accountability by sharing decisions and a framework for monitoring and reporting on performance against plan.	Target the most binding constraints to economic growth and job creation
Make provision for transparent involvement of both internal and external stakeholders at local, provincial, and national levels (to obtain buy-in and mobilization of resources);	Optimize connectivity to regional, national and global transport and telecommunications networks.
Be well communicated by effective local leadership that is able to be pro-active and visionary in a way which stimulates cooperation among all key players and pools resources;	Learn from previous research and lessons of the past, and build on trends emerging for improving the future
Facilitate the formation of a range of public private and public-community partnership mechanisms to supplement public resources and skills;	Focus on and support a limited number of growth sectors and clusters which align with local comparative advantages, tap into global growth trends, and facilitate networking aimed at supporting ongoing innovation.
Inform regional and national government medium term budget processes and therefore leverage extra-Municipal funds	Realistically match, if not challenge, the capacity of local government.
Informs Municipal performance management mechanisms for both external service delivery agencies as well as management performance contracts.	Accelerate and share growth in a way which promotes: Economic viability – not subsidized; Social equity – people not trapped in poverty: education, training life skills etc. Ecological integrity – stewardship through energy efficiencies, renewable, public transport etc.

Internationally, there are many success stories of declining or stagnating regions and towns that have reversed their downward trajectory as a result of local leadership taking pro-active steps to address constraints and opportunities.

A critical challenge facing Mngquma is how to start building competitive advantages. Competitive advantage refers to the combination of cost and differentiation characteristics that permit an enterprise to sustain premium prices or market share in the face of competition. Critical pre-conditions for regional competitiveness have been identified, and which include:

- Strong pro-active leadership
- Effective institutions and mechanisms
- Entrepreneurship (public and private sector) for using resource endowments to meet market conditions and tap into opportunities

An analysis (Rodick, October 2004) of economic growth trends in developing countries since 1950 has found that successful economies have all done the following:

1. Followed their own unique strategies which have targeted their policies to address the most binding constraints to economic growth at that particular time in the country's development. In a context of scarce resource, "the biggest bang for reform buck can be obtained by identifying the most significant bottle-neck in the economy at any point in time, and focusing efforts on alleviating that bottleneck" (Rodick, October 2004).
2. Implemented policies with four core common objectives:
 - Macro-economic stability:-responsible monetary and fiscal policies that prevent high inflation and the build-up of unsustainable debt levels;
 - The desires to integrate in the world economy, including ways to protect against imports, promote exports, and foreign direct investment;
 - Provision of protection in terms of property rights and contract enforcement;
 - Maintenance of a certain degree of social cohesion, solidarity, and political stability.

Given the key strategy success factors and historical lessons from successful economies, the six key strategic issues which this LED Strategy must address are:

1. What key constraints to shared and accelerated economic growth and job creation can be addressed by local role-players (albeit with the assistance of national and provincial government in some case)?
2. What strategic economic development framework can be used to identify and prioritize strategies and initiatives, which lie within the sphere of control and influence of the Municipality, with the most potential to impact on reducing these constraints over the next 5-10 years?
3. What resources and what delivery mechanisms are required to implement these initiatives?

4. What is the role of the Municipality and how does the Municipality work with key role players to establish or strengthen relationships and partnerships to secure the necessary resources and then implement these initiatives?
5. Do the Municipal leadership, policies and allocation of Municipal resources (internal and external) support the LED Strategy priority initiatives and are the local government internal systems aligned to take forward these initiatives?
6. What mechanisms are in place to monitor and report on strategy implementation and to refine strategy over time in the light of changing circumstances?

In summary the strategy should seek to:

- Illuminate the importance and relevance of policies and instruments of National and Provincial government to the opportunities and competitive advantages of local economies.
- Initiate and drive economic stakeholder forum to identify and exploit local competitive advantages through networking and information exchanges. The election of suitably knowledgeable local 'champions' for the process should be identified in this forum.
- Ensure 'inclusivity' of the spectrum of civil society stakeholders through meaningful participation.
- Identify, prioritize and formulate strategies around issues of regional economic significance.
- Ensure that all departmental municipal functions seek to maximize their impact on the regional economic development.
- Set broad guidelines in relation to municipal-wide issues such as infrastructure development, spatial relationships, human resource development, etc
- Provide guidance as to the institutional relationships and resource requirements for successful economic development, particularly intergovernmental integration.

Key Ingredients for a Virtuous Cycle of Regional Development

Source: M Kitson, R Martin, and P Tyler (2004): Regional Competitiveness: An Elusive yet Key Concept? (Regional Studies)

A strategy process, like the Masterplan on which it is based, is a mechanism to focus, strengthen, and align these pre-conditions in order to identify and support a region's competitive advantage(s).

Regions, cities, and towns therefore compete on the basis of a number of factors which are summarised in the diagram below:

Five Main Pillars: Competition between Regions and Towns for Investment and Skills

Source: Silimela Development Services

Mnquma 2025 Master Plan

1.3 Legislative and Policy Context

The national and provincial policy context for the Mquma LED Strategy

Effectively addressing unemployment, poverty, and inequality represents the country's major challenge in the second decade of democracy. National government has set the following national economic targets: Accelerate economic growth between 2005 and 2009 to an average of 4,5% or higher, and between 2010 and 2014 to an average of at least 6% of GDP; Halve unemployment and poverty (the number of people earning less than the indigent grant level) by 2014.

The key national and provincial frameworks considered here are the:

National Spatial Development Perspective (NSDP),

Accelerated and Shared Growth Initiative of South Africa (ASGISA),

National Infrastructure Plan

Human Resource Development Strategy and Joint Initiative for the Prioritization of Scarce Skills

Industrial Development Policy and National Sector Strategies

Broad-Based Black Economic Empowerment

Provincial Growth and Development Strategy (PGDS)

Provincial Skills Development Plan

LED strategies have focused on government targets as indicated in the table below:

Economic Targets	Service Delivery Targets
6% economic growth rate by 2014 in order to halve poverty and unemployment.	Bucket eradication: 2007
	Water supply for all: 2008
	Sanitation for all: 2010
	Electricity for all: 2012
	Solid waste removal for all: 2013
	Roads infrastructure: 2013
	Sports & recreation for all: 2013
	Public facilities for all: 2013
	Housing for all: dept still has to set date
	Education for all: Dept still to set date
	Health for all: Dept still to set date

It has become clear that if government is to meet its economic and service delivery targets it requires the co-operation of all sectors in the economy. It has also become clear that this cooperation cannot be driven nationally or even provincially. The Presidency has recognized that district and local municipalities need to play a more strategic role in this regard. The LED Strategy is informed by, and informs, a wide range of government initiatives from national through to local level.

1.3.1 The National Spatial Development Perspective (NSDP) and Its Impact.

The NSDP's objective is to focus government and the private sector on investments that will have the maximum economic and social impact, and address spatial integration. Guiding principles are:

- Coordinated investment in sectors such as transport, environment, and land use;
- Increased productive investment in areas of high growth potential;
- Investment in people and social services in areas of low growth potential; and
- Reduced inequalities between people.

These principles need to inform Mquma's investment decisions as well as its Spatial Development Framework (SDF) and Strategic Environmental Assessment (SEA).

The NSDP (endorsed by Cabinet in March 2003) provides four high-level principles to align investment in social and economic infrastructure across departments and spheres of government in order to tackle development challenges effectively. The principles are as follows:

- Economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation;
- Government spending on fixed investment, beyond the constitutional obligation to provide basic services such as water, electricity, health and education to all citizens, should therefore be focused on localities of economic growth and/or economic potential in order to attract private sector investment, stimulate sustainable economic activities and create long-term employment opportunities;
- Efforts to address past and current social inequalities should focus on people not places. In localities where there are both high levels of poverty and development potential this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential government spending, beyond basic services, should focus on providing social transfers, promoting human resource development and labour market intelligence. This will enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities;
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to, or link, the main growth centres

In defining potential, the NSDP draws on the recent tradition of 'institutional economics', a field that has come to dominate both developmental economics and regional planning. The institutional approach suggests that beyond the usual sources of comparative advantage such as human and natural resource endowment and strategic locality, the institutional adequacy of a locality will help determine whether development is sustainable or not.

The approach goes further to argue that localities that have succeeded in developing are generally those with institutions that provide incentives for people, firms, industries and private and public authorities to learn so that they can adapt to the developmental challenges presented by a dynamic changing world. As the

history of Africa and other developing countries has shown, the mere presence of natural resources is no guarantee of development. More recent experience in Africa and elsewhere also suggests that the mere presence of educated human resources, in the absence of the institutional framework to enable these resources to be productive, generally means that development potential is not fully realized.

The provision of hard infrastructure, in and of itself, is therefore only one pre-condition that can facilitate economic development. Another necessary pre-condition is the broader institutional framework which would include mechanisms to facilitate:

- Coordination and alignment between the three spheres,
- Effective state capacity to regulate and spend effectively, and

Institutional arrangements that facilitate the leveraging of private and community resources in the delivery and maintenance of infrastructure systems.

The NSDP identifies six categories of potential which cover the spectrum of economic functions in a modern economy. They are:

- Innovation and experimentation;
- The production of high-value differentiated goods;
- Labour intensive mass production;
- Public service and administration;
- Tourism; and
- Commercial services and retail.

The use of the NSDP methodology focuses government attention on about 20% of the country's magisterial districts including the Mquma. These localities account for 92% of the country's GDP, 81% of the population and 75% of the poor.

The NSDP will have a role to play as an instrument that informs the development plans of the three spheres of government, including the integrated development plans (IDPs) at local level and the provincial growth and development strategies.

Within the national context and NSDP, Mquma Local Municipality is classified as a rural hinterland with weak economic potential which necessitate extensive intervention.

1.3.2 Accelerated Shared Growth Initiative- South Africa (ASGISA) as a foundation for the Mquma LED Strategy.

The ASGISA complements the NSDP by identifying interventions at a national level that will address constraints to economic growth and job creation.

At the same time, numerous constraints to investment exist at various levels, from the global to the national to the local. At the national level, Asgisa has identified the following six broad constraints to economic growth in South Africa.

Table 4: ASGISA Constraints to National Economic Growth

1. Volatility and level of the currency;
2. Cost, inefficiencies and capacity shortcomings of the national passenger and freight logistics system;
3. Shortage of suitably skilled labour amplified by the cost effects on labour of apartheid spatial patterns;
4. Barriers to entry limits to competition and limited new investment opportunities;
5. Regulatory environment and, in particular, the burden on small and medium businesses; and
6. Deficiencies in state organization, capacity and leadership.

Whilst many of these constraints are being addressed at a national level, addressing investment constraints at a local level can also make an important contribution towards accelerating investment, economic growth, and poverty reduction.

Survey	Main South African Investment Constraints
2006 World Bank: Doing Business Global Survey	<ol style="list-style-type: none"> 1. Cumbersome logistics 2. Poor infrastructure 3. Abundant red tape 4. Shortage of skilled workers 5. HIV Aids 6. Lack of capital 7. Labour productivity 8. Crime 9. Exchange rate volatility
2006 Grant Thornton, International Business Owner's Survey	Regulation and red tape is the greatest constraint to expansion of business in S.A.
2006 SADC Business Climate Survey	Main challenges: <ol style="list-style-type: none"> 1. Exchange rate fluctuations 2. Crime, theft, and corruption 3. Economic and regulatory policy uncertainty 4. Customs regulations, procedures, and bureaucracy 5. Access to and cost of finance
2005 SA Investment Climate Survey	Firm's biggest concerns: <ol style="list-style-type: none"> 1. Worker skills 2. Macro-economic instability

	<ul style="list-style-type: none"> 3. Labour Regulations 4. Crime 5. Tax Rates
2006, Bureau of Market Research: Growth Constraints Survey	<p>Factors inhibiting business growth:</p> <ul style="list-style-type: none"> 1. Labour regulations 2. Electricity supply 3. Official red tape 4. Policy support 5. Municipal services 6. Highly skilled labour
2005 Counting the Cost of Red Tape	<p>Factors inhibiting business growth:</p> <ul style="list-style-type: none"> 1. Weakness in economy/ demand 2. State interface/ regulations 3. Labour Problems 4. Capital cost/ access 5. Skills constraints <p>Factors inhibiting employment growth:</p> <ul style="list-style-type: none"> 1. Lack of confidence in economy 2. Labour laws/ government regulations in general 3. High labour costs 4. Lack of skills in labour market 5. Productivity, reliability, and quality of work

LED AND IDP

The LED Strategy must contribute to a well-articulated integrated development plan (IDP). It should seek to animate the ultimate realization of the socio-economic objectives of the IDP given the fact that the IDP is more comprehensive in its approach/scope than the LED strategy and plan. The IDP by its nature must integrate all the plans and programmes of the municipality including economic development planning as captured in the LED Strategy. The relationship and linkage with other plans is emphasized to ensure the concept of “integrated” planning. Therefore the LED Strategy is one of many strategies and programmes that must be included in the municipal IDP.

Participants in developing and approving an IDP (including LED strategy) must be aware of the nature and status of these strategies, plans and programmes. Once approved and adopted, the IDP and its strategies, sector plans and programmes become a legally binding document that requires compliance.

The adoption of the IDP and its strategies has long term consequences for development in the area, therefore decision-makers must take a responsible long term view when developing and adopting an IDP and its related LED Strategy.

A word of caution is necessary here: It is often the case that the development of IDPs follows a formalistic, rushed process for compliance sake. The processes of developing an IDP and LED strategy are fundamentally participatory, inclusive and comprehensive.

They cannot therefore be rushed processes – they need sufficient time.

LINKAGES AND HIERACHY OF POLICIES AND PLANS

The LED Strategy is informed by, and informs, a wide range of government initiatives from national through to local levels

By ensuring close alignment to national, provincial and district strategies, the LED Strategy will assist in achieving national development goals and leverage additional resources to effectively address Mquma's significant challenges. Strategic initiatives contained in the LED Strategy will therefore inform both the Provincial Growth and Development Strategy (PGDS) and the national Medium Term Expenditure Framework (MTEF) as part of government's aligned budgeting process between the three spheres of government.

Mquma faces a double challenge in that its economy is stagnating and the local economic structures and systems are relatively weak.

Implications for Mquma Local Municipality are that it must adopt a bold new approach by:

- Enhancing municipal systems and strategic capacity through appointing a senior official with relevant background and experience to facilitate local economic development (LED) and strategic projects
- Being clear about what it IS that they want from government and the private community sector.
- Developing and implementing a sophisticated stakeholder management plan in order to optimize and lend focus to their interactions with the private-community sector
- Enhancing service delivery by outsourcing a range of local government services using both community-service-partnerships and public-private partnerships, which are more cost-effective; and increasing the reach of services by reaching more people.

Multi-Visionary Approach

The Province of the Eastern Cape has been cited as one of the poorest provinces in the country and Centane, one of the towns in Mquma area is cited as the second poorest town in the country after Elliotdale under Mbashe Municipality which is also in the Amathole District Municipality.

The approach, therefore, in our LED strategy deals or should deal with three burning issues namely:

- Poverty Reduction
- Economic Growth and
- Job Creation

The information presented hereunder has been extracted from
Poverty Reduction and Job Creation in the Eastern Cape: Background

The poverty reduction model currently being developed is intended to provide enhanced coordination and integration of poverty reduction efforts in a measurable manner.

It does not imply that poverty reduction has not been at the core of government activities in the past because the PGDP has, as one of its pillars, the reduction of poverty by half by 2014 and indeed, all Provincial departments in one way or another (with the possible exception of coordinating Departments like the Office of the Premier and Provincial Treasury), are involved in poverty reduction activities of one form or another.

Even in the absence of clearly defined poverty measures, indications are that Provincial poverty reduction activities in recent years have borne fruit.

A recent in-depth study by the national Department of Social Development, funded by the UNFPA of poverty in the URP and ISRDP nodes indicated that poverty had declined by between 5 and 8% between 2001 and 2006.

Definition

Issue of definition of what constitutes poverty is subject of considerable academic debate which could delay development of effective anti-poverty interventions for a considerable time.

Defining exactly what we mean by the term “poverty” and identifying a measure of some kind to be able to ascertain who falls into this category is crucial for developing a coherent and targeted anti-poverty strategy, but instead of trying to develop an all-encompassing academic definition of poverty it is suggested that the EC adopt a simple working definition and the suggested poverty line being developed by National Treasury.¹

Drawing on various sources the following working definition is suggested:

“Poverty is the inability of individuals, households or communities to command sufficient resources to satisfy a socially acceptable minimum standard of living. It is more than merely income insufficiency. It includes lack of opportunity, lack of access to assets as well as social exclusion.”

(extracted from: Eastern Cape Poverty Reduction Model – August 2007)

1.5 Processes and Methodology Followed

1.5.1 Principles underpinning the development of LED Strategy

The way in which the Municipality approached the development of its LED strategy took into consideration the following seven principles which are key in ensuring the tenets of the national LED vision of “...robust and inclusive local economies exploiting local opportunities, real potential and competitive advantages, addressing local needs and contributing to national development”:-

1.5.1.1. Inclusive and Democratic Participation for Better Decision-making

The process of developing an LED strategy must be inclusive and encourage as much participation as possible. Such participation will help ensure that there is a greater number of people committed to working for the realization of the strategy.

The process must therefore afford all interest groups and communities with an opportunity to participate in and contribute to the development of the LED strategy. Where target groups- especially in poor and marginalized communities- are not organized to represent their own interests, proactive measures must be planned to engage them and build their capacity to participate effectively.

1.5.1.2. Cooperative Government, Alignment and Integration

The LED strategy development process must strengthen cooperation between the different spheres and sectors of government as well as promote aligned and integrated planning between and across spheres and sectors, allow for consultation especially around initiatives and programmes that will require collaboration.

This kind of cooperation should also enhance an appreciation and more effective use of the broad range of resources held by various arms of government to promote socio-economic development.

1.5.1.3. Empowerment

The LED strategy must address the inequalities and spatial distortions resulting from the apartheid economy. Targeted interventions must especially promote the inclusion and empowerment of poor black people, women, youth, rural people and the disabled both individually and as communities. National instruments for economic empowerment and affirmative action must be put into practice locally through a strategy that seeks to build and optimally use the capabilities of the local labour market.

1.5.1.4. Sustainability

It is the municipality's responsibility to ensure that local development is sustainable economically, environmentally, institutionally and socially. It must not only seek to benefit the current generation but also many generations to follow. LED projects and programmes should be appraised for their viability and sustainability. Attention must be given to sustainable use of scarce resources as well as to building skills and institutions that will strengthen the long term capabilities of the labour market.

1.5.1.5 Realistic Assessment of Local Capacity

The LED strategy of the Municipality must be based on a realistic assessment of the current level of development and the actual capacity of the Municipality.

Local municipal stakeholders, rather than consultant, should drive the process of LED planning and implementation. The strategy must also take account of the current capacity for and level of service delivery

by the Municipality. For example, where basic service needs are not being met, the LED strategy could consider an improvement in the rollout of basic services as a necessary.

1.5.1.6 Good Governance

Good governance has been shown to be an important factor in enabling economic development by increasing confidence in the public system and encouraging investment.

LED strategy must therefore include interventions that strengthen democratic, inclusive, accountable, transparent and efficient governance and administrative management practices, both within the public sector as well as non-governmental local and regional development partners.

1.5.1.7 Evaluation and learning

Institutions that learn from experience are able to adapt and change to meet the challenges of a dynamic global economy.

Those who drive the development and implementation of the LED strategy should consciously evaluate and learn from their experiences. The drafting, planning and implementation of the LED strategy will be repeated in a number of cycles as deemed appropriate by the municipality (Review).

This provides the opportunity for stakeholders to evaluate and learn as they progress through the LED planning and implementation process.

This purposeful learning from experience is an important part in the process of building capacity for economic growth.

1.5.2 Mquma Case

In the last decade or so the area falling under Mquma Local Municipality has been a subject of many studies and researches that sought to establish the socio-economic status of the area. Included in these studies and as recent as 2008/9 the institution has successfully developed a Master Plan for the area, N2 Corridor strategy in collaboration with Aspire (DM development agency), Area based Planning (ABP) in collaboration with Dept. of Land Affairs (DLA) Spatial Development Framework (SDF) (in collaboration with DHLGTA), Strategic Environmental Assessment (In collaboration with DBSA) and Agricultural Development Strategy.

In addition to the abovementioned documents, the municipality has through its LED unit participated in the development of the District Municipality's LED strategy (AREDS) and the Growth and Development Summit (GDS).

The abovementioned documents because of their strong economic bias have enormously assisted in establishing a footprint for economic development while concomitantly providing a sound foundation for the LED strategy

Be that as it may, collating and consolidation of existing data (Desk top research) cannot be all and end all. The process of consultation is an integral part of the development of the strategy albeit from a different approach than when the research was being started from scratch thus obviating the need for continuous “re-inventing of the wheel”.

1.5.2.1 Steps Followed So Far/to be Followed

The Unit responsible for the development of the strategy has gleaned all the documents relevant to the exercise, consolidated the information so gleaned and developed a crude draft.

The crude draft so developed was presented to the directorate and municipal manager in a workshop setting held on the 3rd and 4th of November 2009 wherein comments were solicited and made. From that point a second draft is being developed as is the case now. Once the second draft is completed it will be subjected to a peer-review by the District Municipality, Aspire, ECDC, DEDEA, DHLGTA and other institutions with the capacity to conduct such review. It will also, at the same time, be circulated in the directorates of the Municipality for the necessary inputs.

A session of Mngquma stakeholders will be convened for discussion of and inputs into the strategy

The strategy will be tabled before the Council for adoption

The implementation plan including project-scoping will be developed with the assistance of selected stakeholders (This part entails identification and prioritization of activities, programmes and projects for implementation and identification of possible funding sources/envelopes).

The whole process will be reviewed annually and the strategy itself every 3 years

SECTION TWO

Mngquma's Economic Profile and Analysis of Strengths, Weaknesses, Opportunities and Threats

This section provides a detailed social and economic profile of trends impacting on Mngquma and its future. The section focuses on economic performance in key sectors and also identifies key drivers for future growth.

This section also identifies the key strength, weaknesses, opportunities, and threats facing Mngquma and prioritizes these in order to inform a vision and set of objectives for its future economic development. The intention of the exposition hereunder is not to engage in a detailed projection of the economic status or any status for that matter.

Such detail is always available in the Integrated Development Plan (IDP) of Mquma Local Municipality and such ancillary studies as Spatial Development Framework (SDF), Strategic Environmental Assessment (SEA), and Master Plan etc.

One assertion has always been that this area is over-studied and over-researched; which renders development of any plans a mere desktop exercise. Notably, the Butterworth Urban Renewal Plan has gone a long way towards profiling Butterworth as the pre-eminent contributor to even the regional economy. This has since been assisted by the N2 Corridor Strategy developed by Aspire and the Area-based Planning (ABP) developed by Department of Land Affairs.

More importantly, Mquma Local Municipality has successfully completed the development of its economic systems- notably the SDF, SEA, Master Plan and some of its economic sector plans viz. Tourism Master Plan and Agricultural Development Strategy.

Demographic Profile of Mquma Local Municipality

The most recent Community survey of 2007 reveals that Mquma Municipality has a total population of approximately 297663 people, 99% of which are Xhosa speaking Africans. The remaining 1% of the population includes English, Afrikaans, Zulu and Sesotho speaking people. This female dominated Municipality comprises of 54% female and 46% male of the total population and consists of approximately 75410 households.

A study of the age distribution revealed that the bulk of the population, approximately 53% is children (0-19 years). About 6.3% falls within the pension group (over 65 years), whilst 38.5% is economically active (20-64 year). This indicates that there is a high dependency ratio, as 59% of the population depends only on 41% workforce in the municipality. There is therefore a desperate need for the municipality to engage youth development programmes.

The study demonstrates destitute households with high levels of unemployment and a community in dire need of various source of income. About 40% of the households in the municipality have no income and approximately 27% with incomes less than R9600 per annum which is considered as the national minimum living level (MLL).

This means that approximately 40% of households in the local community need subsidy arrangements for survival and thus are unable to pay for services. This therefore has huge implications on the municipality's financial status in that they cannot rely on residential cross subsidisation for revenue.

As part of the Eastern Cape Province, Mquma is one of the Municipalities with the highest levels of poverty, illiteracy and unemployment. An estimated 21% is unemployed, only 13% is employed while 66% of the Municipal population is considered economically inactive.

The Municipality has limited employment opportunities and this has huge implications on the increased need for welfare and indigent support in the Municipality. The Municipality therefore needs to put priority into service provision, skills and social development.

Further to this, the Municipality also lacks skills base. The Statistics depicts the low levels of education in this Municipality. An astonishing 27% of the Mnquma population has no schooling and only 8% completed primary. On the other hand, only 10% completed grade 12 while no more than 6% of the population got a higher education.

2. Economic Landscape.

The regional characteristic of the Eastern Cape as one of the country's poorest provinces and its current state of backward development (when compared to other provinces) is largely attributed to the legacy of apartheid and the negative impact of isolation from development opportunities. This has led to poor infrastructure development and severe backlogs in service delivery and the neglect in the upgrading of transportation infrastructure particularly prevalent in the eastern half of the Province. Poor transportation infrastructure hampers mobility systems within the region and thus directly impacts on utilization of economic potential, this disturbs proper planning practice as more and more individuals find themselves forced into informal settlements in order to be close to employment opportunities as there are no means of commuting from their formal homes.

According to the SDF, between 75% and 90% of people of Mnquma live below the poverty line, with an unemployment rate of 70%. Many households are in poverty with 75% of households earning less than R800 per month. This must be taken into account as it will have an adverse impact on the ability of the residents' ability to afford most services provided by the municipality.

2.1 Spatial Structuring Elements

The Municipality is generally rural in character, with numerous rural villages of low density scattered throughout the area. The rural areas are in turn served by the three urban centres of Butterworth, Nqamakwe and Centane. Also evident is a coastal zone, where resorts and holiday housing are built along the various estuaries and beaches.

The natural environment ranges from heavily impacted to pristine. The Strategic Environmental Assessment (SEA) informs where environmental sensitive areas are located.

In order to classify the spatial structuring elements, the following general elements can be used. This will then also serve as the basis for the spatial proposals to be adopted in prioritization of economic programmes and activities.

2.1.1 Nodes:

Nodes can be considered areas of concentrated activity and development, and are normally associated with settlements; however, various forms of nodes can be classified. For the purposes of the SDF, the following classification will be used:

- Primary Nodes, being predominant activity centers within the study area, serving a wide area (regional), and displaying a broad range of different development patterns and economic activity.
- Secondary nodes, being smaller in scale than primary nodes, and serving the immediate area surrounding the node (sub-regional). These nodes have more limited range of activities, and in many instances only have limited business/economic activity, while having a higher percentage of administrative functions, e.g. government services.
- Coastal Nodes, in the context of the Mquma Municipality can be considered a specialized type of node due to its location at the coast, and will be mostly associated with a coastal resort and holiday housing. These nodes are generally smaller in scale than the primary and secondary nodes and display very specific tourism related functions, although some ancillary government services may be present.

2.1.2 Activity corridors:

Activity corridors can be defined as areas of more intensified economic activity along certain roads, predominantly linking nodes of varying scales. A sub-category of an activity corridor is classified as an activity street, which is similar to a larger activity corridor, but a localized level, serving a local neighbourhood.

2.3.1 Transportation Networks:

The various types of roads can be classified according to their function into different levels within a hierarchy, for example local access roads, major arterial roads, district roads, and national roads. Each type of road performs different functions and has different implications for development and thus will be assessed based on its level within the road hierarchy.

Roads are the basic structuring element to an urban area, as it provides access to economic activity and thus determines accessibility.

Railway lines are the second major type of transportation network prevalent, but it has a much more limited impact on spatial form and function than the road network

Other types of transportation infrastructure include harbours and airports/airfields.

Urban renewal areas can be classified as areas within the Municipality which have shown signs of decay over time, due to declining investment and economic activity, and thus require an intervention to promote its

regeneration. In many instances formal urban renewal areas have been identified through formal projects, but other urban renewal areas can also be identified if needed.

2.1.4 Other types of structuring elements:

By and large the information used here has been drawn from the recently developed Spatial Development Framework and the purpose of an SDF is not to provide an exhaustive analysis of spatial structure and classification nor is it the intention of this LED Strategy. Some other structuring elements that could be prevalent within an area are:

- Industrial development areas (Zithulele and Ibeka)
- Mining activities
- Military, Police or Correctional Services facilities
- Engineering infrastructure installations, e.g. sewerage treatment works, water purification works and electrical sub-stations
- Solid waste disposal sites
- Agricultural land in need of preservation
- Nature Conservation areas
- Statutory exclusion zones/buffer zones
- Topographical features, e.g. river valleys, watersheds and steep slopes

Economy of the Local Municipality

An examination of the status quo assessment contained in the Mnquma Integrated Development Plan (IDP) 2007 – 2012 shows the following:

- The Municipality's economy is dominated by 3 main urban areas (Butterworth, Centane & Nqamakwe) that contribute largely towards its total GDP.
- Butterworth contributes about 77%, followed by Centane and Nqamakwe with 12% and 11% respectively, in terms of GDP.
- The labour force graph indicates a relatively high level of professionals to be found in the municipality at 32% followed by what is being called elementary or unskilled labour at 24%.
- Many skilled workers are employed in the public sector, particularly in government institutions, thus highlighting the need for community services, primary only offered by the state, hence little economic activity in the municipal area.
- Services work force (private sector) compromise 10% of the labour market and only 2% of the Mnquma work force is found in the agricultural sector.

Summary of Mngquma's Strengths, Weaknesses, Opportunities and Threats

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Favourable access to adequate shelter and education facilities • Highest access to education professionals in the district • Historically appropriate for maize, forestry, fruit, cotton and jute • Good rainfall and deep rich soils especially around Centane • Naturally occurring diverse sea life, Numerous popular line fish (kob) and shellfish (oysters, perlemoen) • Availability of industrial properties in Butterworth • Position on the N2 between East London and Durban (N2 Corridor) • Rail infrastructure • Established domestic market in family holidays • Pristine coastline and scenic environment for international tourism • Tourists to the province are more likely to visit the wild coast than any other part (42% share of market) • Free harvesting of food, fibre and fuel for local population 	<ul style="list-style-type: none"> • Scores well below provincial average in terms of access to water, electricity, sanitation, refuse removal and health services • High levels of poverty (40% of households have no income; 27% earn less than R960,00 per month) • High dependence on social grants and subsidies • Poor levels of education and high levels of illiteracy • High poverty levels constrain municipal revenues • Distance to major centers (proximity to markets and processing) • Roads and accessibility (beyond the N2 the only tarred section is Butterworth to Centane) • Poor services: water, sanitation, electricity • Land tenure system, lack of private land for purchase – land cannot be used as collateral or security • Manufacturing is in decline across the province • Clothing textiles and leather goods sub sector shedding jobs in Amathole • Loss of incentives in 1994 • PTO's on cottage preclude economic use for tourism • Heritage and history not widely known by South Africans or international tourists • Lack of investment in new tourism building • Butterworth congested and unappealing Southern Wild

	Coast not as well known or promoted as northern part • Lack of organized events to attract tourists • Air pollution in Butterworth
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OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Community-based tourism • Expansion of education and skills development sectors • Development of cheaper, flexible, on-site (recycling, re-use) waste-management and waste-water treatment facilities • Off-grid micro –generation • Mnquma suitable for mutton, wool, beef, broilers, eggs, grain, dry sugar beans, vegetable and tomatoes (coastal parts) • Suitable high-value crops: avocados macadamia, pomelas, granadilla's, bamboo • Cotton and jute, hemp, sisal, bamboo • Essential oils • Organic production • Upscale homestead gardens – future of farming • Abalone/perlemoen - business plan needs updating • SA largest exporter of perlemoen (established market and process based in Western Cape) • Eco-tourism could expand, including adventure tourism, Bawa Falls and other tourism nodes not yet developed • Develop significant historical sites such as the 	<ul style="list-style-type: none"> • Youthful population (50% under 20 years) results in large out-migration • Persistent poverty and inequality further constrains economic growth • Declining soils in abandoned allotments, 7% of land in the province is cultivatable, of this 45% is not farmed due to unresolved land ownership problems in the Transkei • Safety and security • Diseases and infestations • Drought and flood – precludes oyster growing in summer months • Water pollution • Global recession reducing number of tourists, carbon footprint keeping tourists closer to home • Overgrazing • Unsustainable harvesting of estuaries, marine resources and forests • Mining insofar as it degrades tourism assets (e.g. mining of dunes on coast)

<p>Nongqause's pool (vision for cattle killing)</p> <ul style="list-style-type: none"> • <p>Rail tourism linked to Kei Rail (EL to Butterworth)</p> <ul style="list-style-type: none"> • <p>Processing of agricultural produce more competitive sub sectors in ADM are: food, beverages and tobacco, textiles clothing and leather goods, furniture and other items</p>	
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SETTLEMENT TRENDS

ABP Report – 2009

In dealing with economic development, one has to consider certain trends that influence and will be influenced by the economic development:

Human settlement has concentrated in areas of high economic activities. Some of these activities are social in nature hence at times one has to develop a MasterPlan that would respond to how people work, play and live.

In the map above settlement has been concentrated along the major roads of Mquma viz. N2, R409 towards the North and R409 towards Centane, thus responding to accessibility. In this way, the economic development is concentrated along these routes and the towns (See the pink shaded areas).

Tourism is concentrated along the coast (See the blue-shaded area). Because of favourable climatic conditions, diverse agricultural activities are undertaken.

The formulation of the LED Strategy does not take place in a vacuum. Hundreds of strategies and initiatives exist which are impacting on economic development.

The challenge is to identify important global, national, provincial, district, and local strategies which have implications for the Mquma LED Strategy.

The purpose of doing this is to identify opportunities to:

- Align the actions of the three spheres of government
- Inform the prioritization and allocation of government resources of all three spheres; and
- Identify existing resources which can support the implementation of the LED strategy.

The community of the area is basically using indigenous and traditional methods of production which are more survivalist in nature.

Land, the most basic asset central to economic development is not easily accessible particularly to the disadvantaged members of the community.

The land tenure system is diverse and archaic characterized more by right to occupy instead of ownership.

RED TAPE REDUCTION

Red tape is defined as a rule, regulation or procedure which is formalized but no longer effective in achieving the purpose it was created for and its compliance burden exceeds the value of its benefits.

It creates unnecessary costs for both public and private sectors.

Red tape can be identified either in service delivery and the governance issues.

Red Tape Reduction is a mechanism employed to mitigate the consequences of red tape in the business environment by:-

- Creating and strengthening public private relations
- Remove bottlenecks that hamper the local business expansion and retention
- Assess and improve communication and back office processes and
- Overall improvement of the local business environment.
- Hereunder is the list of classical examples of red tape:

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SECTION 3.

Making an Impact: Economic Development Vision, Objectives and Strategies for Shared and Accelerated Growth

This section discusses an economic development vision, set of objectives, strategies, and key initiatives which impact on the achievement of this economic development vision.

In its efforts to achieve a sustained period of economic growth, job creation and poverty reduction, Mquma needs to address the constraints to growth in the local economy by pursuing focused, accelerated and creative investments in superior health and education service delivery, skills development, infrastructure, housing development and basic services delivery.

The 2025 Vision of Mquma articulates the following as its broader goals:-

- A region that is distinguished nationally as a leader in the implementation of proactive renewable energy and service delivery practices for sustainable development
- A society in which poverty has been drastically reduced and the economy which has successfully absorbed the previously large numbers of structurally unemployed
- A society that has beaten the HIV and AIDS epidemic
- A community in which children receive a good start in life and live healthy, productive lives

- A tourist destination of choice based not only on the region's scenic natural environment and unique cultural assets but on competitive product offerings in the form of events, conferences and exhibitions
- A substantial food producing region through the region's efforts to foster food gardens, urban agriculture and community gardens
- A net exporter of high value, organic agricultural products
- A competitive agro-processing region in dairy, leather, fruit and other niche products
- A region that is drastically improving the quality of life and attracting mobile skilled workers tired of life in the big cities
- A destination that is reducing the cost of doing business and hence attracting external investments in growth sectors
- A region that is opening up new nodes and corridors to economic activity in an environmentally responsible manner
- An administrative area that is growing the municipal revenue base so as to ensure Mquma Municipality is able to play a leadership role in facilitating development in the region
- A society that is participating in the broadband revolution

In essence, our Vision is one of a sustainable, equitable, productive, accessible, prosperous and globally competitive Mquma.

Critical to the vision of this LED strategy is to clearly capture the three scourges of economic retrogression that has hitherto been bedeviling this Municipality viz.:-

- Poverty
- Unemployment and
- Economic growth

The abovementioned 2025 vision projects itself so far away in terms of time and quite competitive in nature. This makes it very appropriate as a foundation of this strategy but we must also seek to deal with the short to medium term by encapsulating the abovementioned scourges.

On the other hand the Amathole Regional Economic Development Strategy is anchored on the principle of "systemic competitiveness". This requires that the systems and actions be focused on creating an environment that enterprise can flourish in, actions that focus on removing blockages to growth and development and that enterprises succeed because they are competitive. This principle diverges from the approach that tries to stimulate growth by focusing on directly intervening in selected production, sectors or enterprises, or by unsustainable incentives that distort long-term decision-making.

- Apart from competitiveness, other principles proposed in the strategy include
- Spatial integration of the district economy through building linkages between the established coastal economy and the rural areas

- Equity and economic empowerment
- Beneficiation and value addition
- Building a synergistic relationship between Local Economic Development and Social upliftment
- Social, Economic & Environmental integration is interdependent and will always be the first test when evaluating opportunities. (i.e. triple bottom line)

In this respect it sees its economy as a competitive, adaptable and transformed economy that enables citizens to sustain themselves through quality employment and equitable ownership of economic assets.

I Purpose is to develop an economy

- with higher GVA,
- with sustainable and quality employment and
- Equitable ownership and opportunities

Having advanced all the abovementioned points, the following is proposed as the vision of this Mquma LED strategy

“ An economy that substantially reduces poverty, creates sustainable and quality employment and attains consistent and competitive economic growth”

STRATEGIC APPROACHES [PRIORITIZATION]:

The MasterPlan of Mquma together with the SDF and the SEA has facilitated the prioritization of the area’s economic drivers of which Agriculture and Tourism are taking first places. While there is no consensus between the two about which one should take the first place, according to the table below which was extracted from the MasterPlan, Tourism is occupying a place of importance.

Besides identifying the important economic drivers of the area, it has also become imperative to identify the necessary initiatives in order to facilitate implementation of the strategies/sector plans that are flowing from this LED strategy.

It is incumbent upon the developers of the strategy to simplify the strategy making it easy to understand and implement. In this way we will be assured of a simple and vibrant document.

Consequently, hereunder is a list of strategies, sector plans and initiatives that will need to be undertaken in order to ensure that we have developed a dynamic document.

NAME OF FOCUS AREA: Economy			
Name of Strategy	Description	Objective	Next Steps

<p>Strategy 1: Tourism Sector</p>	<ul style="list-style-type: none"> • Improving tourism retention, growing market share and daily spend • • Open up new tourism niches using existing underutilized assets • • Improve transport and access for tourists to visit <ul style="list-style-type: none"> • Reduce seasonal nature of occupation • • Improve branding marketing and booking systems • • Improve tourism/hospitality skills and training locally • • Become a tourism education and entrepreneurs hub for the Wild Coast <ul style="list-style-type: none"> • Supply lifestyle tourist demand. 	<p>Job creation Poverty reduction Guiding sector strategy</p>	<ul style="list-style-type: none"> • Initiate local tourism forum, determine TOR for forum: where, what, who, how? • • Seek funding for tourism sector strategy. Strategy to include: skills, marketing, SMME & supplier development, infrastructure and technology requirements • • Mobilise forum behind managing strategy process, and then become implementation champion
<p>Strategy 2: Agriculture sector</p>	<ul style="list-style-type: none"> • increase local food production through building on homestead production • • diversify to higher value crops that support processing • • improve livestock farming infrastructure and organization • • improve access to communal land for investment • • assess feasibility of a medium-term fibre cluster • • improve commercial farming skills locally • • develop an experimental farm and 	<p>Job creation Poverty reduction Guiding sector strategy</p>	<ul style="list-style-type: none"> • Initiate local agricultural forum, determine TOR for forum: where, what, who, how? • • Seek funding for agricultural sector strategy. Strategy to include: skills, marketing, SMME & supplier development, infrastructure and technology requirements • • Mobilise forum behind managing strategy process, and then become implementation champion

	agro-processing zone with WSU • improve access to and quality of agricultural extension services		
Strategy 3: Manufacturing Sector	<ul style="list-style-type: none"> • Finalize industrial property ownership issues • Work with ECDC to attract processing industries to Butterworth • Develop agro-processing hub, based on locally produced raw materials and maximize spin-offs 	Job creation Poverty reduction Guiding sector strategy	<ul style="list-style-type: none"> • Initiate local manufacturing forum, determine TOR for forum: where, what, who, how? • Seek funding for manufacturing sector strategy. Strategy to include: skills, marketing, SMME & supplier development, infrastructure and technology requirements • Mobilise forum behind managing strategy process, and then become implementation champion

NAME OF FOCUS AREA: Economy			
Name of Strategy	Description	Objective	Next Steps
Strategy 4: Mining sector	<ul style="list-style-type: none"> • Municipal infrastructure support for mining • Mine rehabilitation, and life after mining • Mining and tourism cohabitation 	Job creation Poverty reduction Guiding sector strategy	<ul style="list-style-type: none"> • Initiate local mining forum, Determine TOR for forum: where what, who, how? • Seek funding for mining sector strategy. Strategy to include: skills, marketing, SMME & supplier development, infrastructure and technology requirements • Mobilise forum behind managing strategy process, and then become implementation champion

Strategy 5: Aquaculture Sector	<ul style="list-style-type: none"> reassess Perlemoen farming potential develop a PPP for fish farming along the coast 	Job creation Poverty reduction Guiding sector strategy	<ul style="list-style-type: none"> Initiate local aquaculture forum, determine TOR for forum: where, what, who, how? Seek funding for aquaculture sector strategy. Strategy to include: skills, marketing, SMME & supplier development, infrastructure and technology requirements Mobilise forum behind managing strategy process, and then become implementation champion
Strategy 6: Investment Policy	<ul style="list-style-type: none"> Develop a policy to guide investment in key nodal areas (e.g. Bawa Falls, fertile areas around Centane, coastline), and render the process transparent On the banks of Kei River 	Job creation Poverty reduction Guiding transparent policy	<ul style="list-style-type: none"> Partner with local and regional business associations and ECDC to formulate policy process
Strategy 7: Trade policy	<ul style="list-style-type: none"> Develop a policy to guide trade direction and link up key nodal areas (e.g. Bawa Falls, fertile areas around Centane, coastline) 	Job creation Poverty reduction Guiding transparent policy	<ul style="list-style-type: none"> Partner with local and regional business associations and ECDC to formulate policy process

NAME OF FOCUS AREA: Economy

Name of Strategy Tourism	Description	Objectives	Key activities, next steps	Costs, funding, partners
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<p>Initiative 1: Improving tourism retention, growing market share and daily spend</p>	<p>Keep tourists entertained for longer in the area, increasing attractiveness of destination and return visitors.</p>	<p>Increase number of tourists visiting the area Increase daily tourism spend Increase the number of sustainable tourism jobs</p>	<p>Initiate local Tourism forum, seek funding and partners</p>	<p>Partners: ECTB, Wild Coast Holiday Association, Fair Trade in Tourism SA, ECDC, Aspire Costs: forum logistics, strategy development, implementation Funding: Fair Trade in Tourism, DBSA</p>
<p>Initiative 2: Open up new tourism niches using existing underutilized assets</p>	<p>Open up lucrative backpackers market using existing coastal cottages</p>	<p>Work with DLA to remove PTO restrictions on cottages to allow for economic use Create additional sustainable jobs in tourism</p>	<p>Approach DLA to set out process</p>	<p>Partners: DLA, Fair Trade in Tourism, Wild Coast Holiday Association Costs and funding: negligible, a champion is needed however</p>
<p>Initiative 3: Improve transport and access for tourists to visit</p>	<p>Assess feasibility of using EL-Umtata rail passenger link to expand access to coastal resorts</p>	<p>Increase number of tourists visiting the area Diversify tourist access options which become part of the destination experience</p>	<p>Engage Kei-Rail project managers to explore feasibility</p>	<p>Partners: Kei Rail, Wild Coast Holiday Association, Asgisa EC, ECTB Costs: Feasibility study, business plan, facilitation Funding: Asgisa EC, ECDC, Seda</p>

Initiative 4: Reduce seasonal nature of occupation	Attract more out-of-season visitors to increase occupancy rates in non-peak seasons	Lesson seasonality of tourism jobs and income: render tourism less cyclical and its jobs more permanent	Work with partners to attract out-of-season events to the area, aim to establish an annual calendar of established events	Partners: ECTB, Wild Coast Holiday Association Costs and funding: Negligible, could be carried by tourism forum. A champion is required
Initiative 5: Improve branding marketing and booking systems	Develop branding and marketing, booking systems etc to ease access to small tourism businesses along the coast	Increase the number of visitors to the area, thereby increasing jobs Compete favorably with other international beach destinations for market share	Work with partners to develop branding, marketing and support systems	Partners: ECTB, Wild Coast Holiday Association Costs: research, branding, marketing, systems development, technology Funding: ECTB? Fair Trade in Tourism
Initiative 6: Improve tourism/hospitality skills and training locally	Improve tourism study options at WSU or ECT to supply industry with skills	Train local people to work in the tourism sector and encourage entrepreneurship	Work with partners to develop courses and internships	Partners: WSU, ECT, ECTB, Wild Coast Holiday Association, DOA Costs: Education funding (staff etc) Funding: DOA,

NAME OF FOCUS AREA: ECONOMY				
NAME OF STRATEGY: TOURISM				
Name of Initiative	Description	Objectives	Key activities, next steps	Costs, funding, partners SETA, Dept of Labour

Initiative 7: Become a tourism education and entrepreneurs hub for the Wild Coast	Attract learners and potential entrepreneurs to the area through tourism training ground excellence Offer unique practical tourism skills building initiatives, such as internships with local resorts	Increase tourism skills available locally Improve the quality of local tourism offerings Promote diversification of tourism enterprises locally	Work with partners to promote the vision	Partners: WSU, ECT, ECTB, Wild Coast Holiday Association, DOA Costs: Education funding (staff etc) Funding: DOA, SETA, Dept of Labour
Initiative 8: Supply lifestyle Tourist demand	Develop lifestyle attractions including a five star hotel/spa	Expand market share by offering high standard luxury destination to people willing to pay	Package information to make the business case for a large investment in luxury tourism	Partners: ECDC, Asgisa EC, PPP Costs and funding: Project development and packaging – ECDC and Asgisa EC

NAME OF FOCUS AREA: ECONOMY				
NAME OF STRATEGY: AGRICULTURE				
Name of Initiative	Description	Objectives	Key activities, next steps	Costs, funding, partners
Initiative 1: Diversify to high-value crops that support processing and export	Scientific trials to assess feasibility of new high-value crops (pomelo, bamboo etc)	•Select new crops of high value that can increase farming cash income to the area Feed manufacturing and agroprocessing capability in Butterworth with raw materials	•Initiate contacts with ECDC and DOA, Dohne to fund trials •Seek project drivers and private sector funding Seek funding and partners to test crops, draft business plan	Partners: ECDC, DOA, Aspire, Surudek, Asgisa EC (public) Private sector specialist funding (with strings), Clive Teubes for essential oils Costs: project management, land lease, technical services, scientific services, farming inputs, labour, supervision, business plan compilation with financial forecasts Funding: ECDC DOA, Aspire, Surudek, Asgisa EC. Private

NAME OF FOCUS AREA: ECONOMY				
NAME OF STRATEGY: AGRICULTURE				
Name of Initiative	Description	Objectives	Key activities, next steps	Costs, funding, partners
			and secure land	sector specialist funding Clive Teubes for essential oils
Initiative 2: Increase local food production through building on homestead production	Scale-up homestead gardens through support and expansion to increase local productivity and meet the needs of the local market (food)	<ul style="list-style-type: none"> •Increase household food security and health •Meet local supply needs (import less into the area) •thereby improving cash circulation in the local economy •Condition farmers and potential farmers to value organic farming and reward local knowledge 	<ul style="list-style-type: none"> •Mobilise community groupings to organize for economies of scale •Partner with NGO's to develop programme of support Seek funding For implementation 	Partners: Border Rural Committee, Fair Trade in Agric, CBOs (incl. women's groups, church groups, schools) TRALSO Costs: determined by nature of support programme Funding: Surudek Donors
Initiative 3: Improve livestock farming infrastructure and organization	Assess infrastructure and organizational landscape for livestock farming in Mnquma to assess gaps	Baseline information available to design intervention and find partners to implement support	Approach Commark to Replicate Alfred Nzo project in Butterworth	Funding: Thina Sinako LCF Partners: Commark, DOA, ADM, Ruliv Costs: baseline research, proposal development, project design and packaging
Initiative 4: Improve	Identify and pilot a means of	Encourage investment:	Identify NGO's and	Funding: Donors (GTZ)

NAME OF FOCUS AREA: ECONOMY				
NAME OF STRATEGY: AGRICULTURE				
Name of Initiative	Description	Objectives	Key activities, next steps	Costs, funding, partners
access to communal land for investment	fast racking access to communally owned land for PPP investment (risk averse). Reduce red-tape and legal issues to ensure easier for investors and protection for communities who understand their rights and limitations	Increase productivity of underutilized land	land experts to assist	Partners: DLA, ADM, Aspire, Tralso, Private Sector agriculture Costs: study of current red-tape and facilitation of reduction process
Initiative 5: Assess feasibility of a medium-term fibre cluster	Produce range of appropriate fibers for feeding into manufacturing at Butterworth (bamboo, hemp, jute, sisal etc)	Diversify crops produced in the area Improve farming income with higher value crops Feed raw materials into manufacturing hub at Butterworth	•Feasibility of crops to be tested with trials Link with investors wanting to open processing plant (e.g. bamboo – ECDC)	Partners: Private sector Funding and costs: ECDC for trials and business planning, seeking investors
Initiative 6: Improve commercial farming skills locally	Partner with WSU to develop agricultural curriculum and innovation training	•Train commercial farmers from resident matriculants youth Promote agriculture as a desirable economic opportunity	Approach WSU and secure funding for offerings	Partners: DOA, WSU, UFH Costs and funding: DOA, SETA, Dept of Labour
Initiative 7: Develop an experimental	Develop agriprocessing Precinct and a	•Cluster and support agriprocessing with suitable sites and technical expertise	•Work with WSU and funders to	Partners: WSU, funders, DOA Costs: Proposal development and project

NAME OF FOCUS AREA: ECONOMY				
NAME OF STRATEGY: AGRICULTURE				
Name of Initiative	Description	Objectives	Key activities, next steps	Costs, funding, partners
farm and agriprocessing zone with WSU	PPP agribusiness unit locally Establish experimental and innovation farm attached to WSU	from WSU •Identify and pilot/trial higher value agricultural crops suitable for local conditions	develop proposals	packaging Funding: DOA, donors, Dept of Labour, Seta
Initiative 8: Improve access to and quality of agricultural extension services	Develop agriculture extension hub for farmers and provide access to information (linked to experimental farm)	•Make access to information and technical support more accessible •Improve agricultural output of the area •Encourage optimal use of available resources to create wealth	•Work with WSU, DOA and ADM to develop an approach	Partners: WSU, DOA, ADM Funding: DOA, ADM Costs: project packaging and sourcing of funds
Initiative 1: Revisit Perlemoen business plan (outdated)	Assess current feasibility and financial sustainability of perlemoen farming at Qolora	•Initiate aquaculture project to produce high-value export goods •Utilise coastal natural resources sustainably to create jobs	Approach DBSA (original funder) to update financials on perlemoen business plan for Qolora, and revitalise partnership with private sector	Partners: DBSA, GTZ, ECDC Costs: Business plan review and redrafting Funding: DBSA, GTZ, ECDC, GTZ
Initiative 2: Grow out facility for Kobb on the coast	Facilitate PPP for developing a Kobb spat grow-out facility using new technology partners	•Create a functional fish-farm to feed the local market and national market for line fish (growing)	Approach ECDC and Espadon Marine (EL IDZ) to explore	Partners: Espadon Marine, ECDC, GTZ Costs: Business plan development, facilitation Funding: GTZ,

NAME OF FOCUS AREA: ECONOMY				
NAME OF STRATEGY: AGRICULTURE				
Name of Initiative	Description	Objectives	Key activities, next steps	Costs, funding, partners
		<ul style="list-style-type: none"> •Reduce pressure on wild fish stocks along the coast •Create sustainable farming jobs that are less vulnerable to natural conditions and climate change •Improve diet locally 	<p>partnership options</p> <p>Find a driver to lead the project</p>	ECDC, Asgisa EC, ECDC

NAME OF FOCUS AREA: Economy				
NAME OF STRATEGY: MINING				
Name of Initiative	Description	Objectives	Key activities, next steps	Costs, funding, partners
Initiative 1: Municipal infrastructure support for mining	<ul style="list-style-type: none"> •Municipality should investigate ways in which to make mining more attractive in the area, infrastructure development being the suggested incentive given the poor state thereof currently 	<ul style="list-style-type: none"> •Investigate types and location of infrastructure development that will attract mining companies to the area and at the same time service local communities 	<p>Seek partners and funding to prepare proposals</p>	<p>Costs: studies, proposal development, facilitation</p> <p>Partners: Aspire, ECDC, Asgisa EC, Dept of Minerals and Energy</p> <p>Funding: Dept of Minerals and Energy</p>
Initiative 2: Mine rehabilitation, and life after mining	<ul style="list-style-type: none"> •The municipality needs to establish a policy and guidelines to ensure that those who mine in the area restore the 	<ul style="list-style-type: none"> •Be proactive: develop rehabilitation and monitoring guidelines and provide the capacity to enforce them •Protect local assets: Identify mining no-go areas (sensitive natural assets vital to 	<p>Seek partners and funding to initiate strategy</p> <p>Establish local mining forum</p>	<p>Costs: studies, policy development, facilitation</p> <p>Partners: Aspire, ECDC, Asgisa EC, Dept of Minerals and Energy</p> <p>Funding: Dept of Minerals and Energy</p>

	<p>vegetation as closely as possible to its former natural state. With this should be a monitoring protocol and resources for the staff member(s) responsible for monitoring</p> <p>•Early planning of post-mining activities is crucial, exploring potential uses of the land and infrastructure once mining has ended</p>	<p>tourism)</p> <p>•Engage constructively: Devise alternative uses of land that could become degraded beyond the possibility of rehabilitation or as a trade-off to costly rehabilitation</p>		
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NAME OF FOCUS AREA: Economy				
NAME OF STRATEGY: Manufacturing				
Name of Initiative	Description	Objectives	Key activities, next steps	Costs, funding, partners
Initiative 1: Finalise industrial Property ownership issues	Finalise donation of ECDC smaller noncore properties to the local municipality	•Take ownership of potential SMME property portfolio and develop property management strategy to encourage small business tenants	Finalise legalities of property transfer, identify responsible manager and initiate internal planning	Partners: ECDC, Aspire, local and regional business associations Costs and funding: develop self financing model to ensure economic sustainability using internal resources
Initiative 2: Work with ECDC to attract processing	Discuss opportunities for processing plant investors to be attracted to	•Optimal utilization of industrial property for processing using labour intensive production •Encourage more productive	Meet with ECDC to define terms of collaboration	Partners: ECDC, Seda, Aspire, Asgisa EC, ECSECC, local and regional business associations Costs: facilitation, logistics, investment promotion and

NAME OF FOCUS AREA: Economy				
NAME OF STRATEGY: Manufacturing				
Name of Initiative	Description	Objectives	Key activities, next steps	Costs, funding, partners
industries to Butterworth	Butterworth, starting with low hanging fruit (bamboo fibre processing plant)	use of industrial property rather than simply as storage facilities		policy development Funding: ECDC, ECSECC
Initiative 3: Develop Agro-processing hub, based on locally produced raw materials and maximize spin-off	Attract agriprocessing Investors directly related to raw materials coming out of the agricultural sector in the medium to long Term. Maximize agriprocessing spin-offs, including tourism attraction potential	<ul style="list-style-type: none"> •Value addition for local commodities which create stable jobs •Increase tourism activities and generate additional income for the area 	Identify supply/productivity levels and potential to package information for investors Link with tourism operators and establishments to market and brand factory and farm visits once operational	Partners: ECDC, Asgisa EC, Aspire, Business Associations, Wild Coast Holiday Association, ECTB, local and regional business associations Costs and funding: ECDC

NAME OF FOCUS AREA: Economy				
NAME OF STRATEGY: Trade				
Name of Initiative	Description	Objectives	Key activities, next steps	Costs, funding, partners
Initiative 1: Trade policy formulation	Develop a policy to guide trade direction and link up key nodal areas (e.g. Bawa	<ul style="list-style-type: none"> •Identify infrastructural and logistics gaps •Forecast future trade growth prerequisites •Lay the foundations for increased trade internally as 	Determine policy process and seek technical expertise	Partners: ECDC, local and regional business associations

	Falls, fertile areas around Centane, coastline	well as externally		
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NAME OF FOCUS AREA: Economy				
NAME OF STRATEGY: INVESTMENT				
Name of Initiative	Description	Objectives	Key activities, next steps	Costs, funding, partners
Initiative 1: Develop Investment policy for key nodes	Develop a policy to guide investment in key nodal areas (e.g. Bawa Falls, fertile areas around Centane, coastline), and render the process transparent	<ul style="list-style-type: none"> •Influence investment to maximize local job creation •Create a common development vision that cuts across ideological/political lines •Set criteria for decision-making and approvals which are transparent and consistently understood 	Determine policy process and seek technical expertise	Partners: ECDC, local and regional business associations

The strategies and initiatives outlined above, as has already been indicated flow from the Master Plan of Mquma and will therefore complement and be complemented by the rest of the strategies of the organization particularly those relating to the provisioning of the infrastructure, land reforms and environmental protection and opportunities.

SECTION 4.

Getting Things Done in Partnership

This section proposes institutional arrangements, roles and responsibilities which are required to implement the LED Strategy.

2. Institutional Arrangements

To implement strategies and make a meaningful impact on objectives, the Mquma Local Municipality will need to strengthen and facilitate the establishment of wide partnership initiatives to leverage resources and

expertise beyond the municipal budget to address the economic development challenges of accelerated and shared economic growth and job creation in the Mquma Municipal Area.

Specific institutional partnerships need to be initiated in parallel to the LED Strategy process in order to provide an institutional framework to maintain momentum in implementing the LED Strategy. These institutional mechanisms will help to ensure that both private and public sector synergies and partnerships are maximized. The existence of such partnerships will help to enhance stakeholder relations, investor confidence, and leveraging of substantial resources.

Growth in the area is hampered by the general poverty of the region, the high level of dependence on state funds and the very real challenges of contemporary institutional amalgamation and/or arrangements. The sector has only limited R and D capacity and its contribution to these aspects of local development is limited. Many students struggle to find employment locally, concerns over standards have been raised and a range of locally required skills are not locally available (e.g. high level engineering /medicine / maritime studies). Of particular significance is the finding from the business survey that the shortage of key skills is one of the key barriers to efficient economic operations.

2.1 The LED Unit

The Municipality currently drives its economic development through the abovementioned Unit which, at best of times, is manned by a manager, coordinator, Tourism Development Officer, Sustainable Rural Development (Agricultural) Officer and three interns. It is located in the directorate of Strategic Management. The Unit has mostly found itself hampered by capacity and relied on the intervention of the other stakeholders' viz. district municipality and sector departments precisely because the expectations are that it has to be both strategic and operational – an impossible task when one considers the sectors of which the unit is responsible.

2.2 Special Purpose Vehicle

It is important that the Unit be placed more on a strategic footing whereby it would look on critical issues and give the direction for the local economic development of the area. For this to be realized, a special purpose Vehicle (SPV) in the form of a development agency has to be established.

It is, therefore, proposed that, as a parallel process, an economic development agency be established to perform at the operation level of the local economic development within the administrative precinct of strategic management and working closely with the LED Unit.

Terms of reference for the proposed agency will be available on request.

2.4 Mquma Municipal Stakeholders

In terms of the Municipal Systems Act No. 32 of 2000, a municipality includes “the local community within the municipal area, working in partnership with the municipality’s political and administrative structures”. All of these groups share responsibility for the Municipal LED strategy and should participate in the process of its development and implementation, as summarized hereunder:-

Stakeholder	LED responsibility
Municipal Council (Acting through the LED Portfolio Head)	<ul style="list-style-type: none"> • Approve LED strategy development process plan • Monitor drafting process for LED strategy • Adopt LED strategy (Including Budget) • Monitor implementation of LED strategy
Councillors	<ul style="list-style-type: none"> • Link LED process to their constituencies/wards • Support the organizing and facilitation of public participation
Municipal Manager Acting through the LED manager/officer	<ul style="list-style-type: none"> • Prepare and manage a process plan for the development of the strategy • Compile inputs from stakeholders and draft LED strategy for presentation to Council • Establish and ensure participation and representation in LED consultation and forums of all stakeholders ad interested groups especially the poor and marginalized
Municipal Officials and Technicians (LED unit to take the lead and coordinate inputs of other officers)	<ul style="list-style-type: none"> • Provide technical/sector expertise and information • Ensure alignment with municipal and sector policies • Prepare draft project proposals an budgets • Serve as secretariat to LED Forum
ADM (Acting through Aspire)	<p>Must seek to achieve an integrated, sustainable and equitable social and economic development of its area as a whole by-</p> <ul style="list-style-type: none"> • Ensuring integrated development planning for the district as a whole • Promoting bulk infrastructural development and services for the district as a whole

	<p>Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity lacks</p> <ul style="list-style-type: none"> • <p>Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.</p>
<p>Business Organizations, Organized Labour and Civil Society organizations (NGOs women's organizations youth, unemployed, community groups, etc)</p>	<ul style="list-style-type: none"> • <p>Commit to participate in LED strategy</p> <ul style="list-style-type: none"> • <p>Organize and represent own group interests</p> <ul style="list-style-type: none"> • <p>Build institutional capacity for effective participation</p> <ul style="list-style-type: none"> • <p>Contribute knowledge, ideas and resources</p> <ul style="list-style-type: none"> • <p>Co-manage implementation, monitoring of strategies</p>
<p>LED Forum (or other representative forum for LED strategy & planning) Representatives of Council, key admin and other technical officers, provincial departments, business, labour and civil society organizations.</p>	<ul style="list-style-type: none"> • <p>Formulate LED vision</p> <ul style="list-style-type: none"> • <p>Integrate inputs from different sectors and sub-groups, and align complementary activities of forum constituents.</p> <ul style="list-style-type: none"> • <p>Monitor LED Strategy development process, plus implementation of LED Strategy</p> <ul style="list-style-type: none"> • <p>Participate in, and learn from annual review, and other evaluation of LED Strategy</p> <ul style="list-style-type: none"> • <p>Build own capacity and support capacity-building of constituent organization in LED</p>
<p>Dept of Local Govt and Traditional Affairs (DLGTA)</p>	<ul style="list-style-type: none"> • <p>Co-develop and facilitate adoption of provincial framework of guidelines and principles for LED Strategy, guided by relevant national and provincial framework</p> <ul style="list-style-type: none"> • <p>Support resourcing of LED Strategy development and implementation, including financial provision, training and building capacity of DMs and LMs.</p> <ul style="list-style-type: none"> • <p>Optimize investment-absorptive and utilization capacity of DMs and LMs, and co-lead advocacy for LED-focused investment programming by provincial and national departments and parastatals, especially entities with significant development budgets.</p> <ul style="list-style-type: none"> • <p>Co-monitor LED process, including co-assessment (with DEDEA) of LED strategies of LMs, DMs and Metros</p> <ul style="list-style-type: none"> • <p>Ensure IDP development and review processes- inclusive of LED strategy- align with</p>

	<p>provincial as well as regional growth and development priorities.</p> <ul style="list-style-type: none"> • Facilitate sound institutional linkages to enhance the development of local economies. • Facilitate co-ordination between DMs and LMs, as well as alignment of LED strategies and • Provide on-going developmental feedback to municipalities as they grow through LED evolution process over time.
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<p>Chapter 5 Department of Economic Development and Environmental Affairs (DEDEA)</p>	<ul style="list-style-type: none"> • Provide principal leadership for economic policy formulation and strategy development processes in the province. • Co-develop and facilitate adoption of provincial framework of guidelines and principles for LED strategy, guided by relevant national and provincial frameworks. • Co-support resourcing of LED strategy development and implementation, including provision of financial support. • Mobilize other departments with significant local investment potential around focused local development strategy, including Department of Public Works as well as Roads and Transport • Co-monitor LED process, including co-assessment (with DLGTA) of LED strategies of LMs, DMs and Metros • Provide leadership in implementing economic policy and strategy. • Facilitate alignment with key frameworks and programmes • Facilitate sound institutional linkages to enhance the development of local economies and • Provide ongoing developmental feedback to municipalities as they grow through LED process over time
<p>Provincial Department of Agriculture (DoA)</p>	<ul style="list-style-type: none"> • Provide principal leadership for rural and agricultural economic development • The DoA is an important entity in leading economic development through agriculture, forestry and rural development, especially given the rural character of the Eastern Cape

	<p>economy. Its primacy is also recognized in the objectives of the PGDP.</p> <ul style="list-style-type: none"> • Co-support LED strategy development processes, and co-monitor implementation with the lead LED department (DEDEA and DHLGTA) • Provide on-going developmental feedback to municipalities- especially on agricultural economic development – as they grow through LED evolution process over time
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Departments of Public Works + Roads and Transport	<ul style="list-style-type: none"> • Lead integration of LED-focused programming in infrastructure development strategy and expenditure. • Lead development of human capital – investment in skills – to optimize capacity of local sphere to absorb and boost local economies through infrastructure investment.
Office of the Premier (OTP)	<ul style="list-style-type: none"> • Mobilise departments and other entities around strategy and programmes for focused support to development of local economies. • Lead broad monitoring and evaluation within strategic M&E framework of provincial development programming • Provide strategic advice to departments and local government on efficacy of economic planning and implementation. • Ensure intergovernmental and inter-sectoral alignment and integration
Provincial Treasury	<ul style="list-style-type: none"> • Set out clear budgetary and financial management arrangements • Support strategy and optimal budget planning for integrated and efficient LED investment and programming • Monitor expenditure patterns, analyze local development impact and advise on strategic improvements and • Ensure effective audit and control procedures
Economic Development Public Entities (ECDC, SEDA, Aspire etc.)	<ul style="list-style-type: none"> • Alignment of strategic objectives, plans and resources in support of provincial and local economic development agenda • Broad support of implementation activities, including support for institutional development of municipalities to effectively carry out LED strategy

National Department of Provincial and Local Government (DPLG)

- Develop and consolidate shared framework of guidelines and principles for LED strategy
- Institutional development for provincial departments and local government
- Regular and updated support packs for training

3. COORDINATION

Previous attempts to coordinate the stakeholders of Mngquma Local Municipality have always been weak characterized by poor attendances and low responses.

The legislation provides for establishment of such coordinating structures as the IGR-Forum and sector fora within the municipal area.

The Municipality has successfully instituted the IGR-Forum through the Communications Unit and LED Unit has engaged in an intensive campaign to establish sector fora. In line with this exercise, it has also become important to develop sector plans for each economic driver. It is believed, that this is a good approach best suited to better inform the development of each sector.

More importantly, it has become imperative that an LED Forum as an overall informant for our economic development be formed as a matter of urgency.

SECTION 5

Conclusions and Moving Forward

This section summarizes the way forward and motivates for ongoing cooperation and collaboration between key role-players in order to sustain momentum in taking forward Mngquma's economic development including evaluation and monitoring mechanism.

STRATEGY INTERVENTIONS

The key interventions of the strategy, which is to develop a globally competitive economy in Mngquma, were identified from desktop research combined with growth theory, a process of interaction with the business sector, and competitiveness theory. The trends and issues from these sources aligned well. The proposed strategy has identified five main intervention areas namely Governance, Land reforms, High Impact Investment, Human Capital Development and Communication and Interactions.

As depicted in the above diagram the Governance underpins all the other interventions as the priority area in the economic development

RESULT AREAS

1 High impact investment

For purpose of this strategy the “high impact investment” is central to growth, and it is here that most of “hard” interventions will be located. Five result areas combine to the achievement of high impact investment:

- Locality development to address infrastructure, spatial development (including access and linkages), protection and development of the environmental assets, urban renewal, tourism facilities and even lifestyle facilities
- Subsector development, which includes diversification of the economy, value chain development and business retention, all focused on development of the competitive advantage of the locality. This will include the intensification of small towns regeneration with special focus to Centane and Nqamakwe Units, the areas along N2 and R.409 and the coastal belt under the auspices of N2 corridor development to strengthen the integration of the economy and support value chain development across the municipal area.
- Public goods investment: this refers primarily to investment in land, the environment, economic assets, production facilities, machinery, equipment and other productive assets that are used by multiple stakeholders. An example may be the development of public buildings in the city centre to provide improved shopping environment, the development of produce market, small business hives, agricultural show grounds, etc.
- Municipal venture capital fund: while it is not necessary that such a fund be limited to the municipality, or “owned” by anyone in the municipality, it is necessary such investment funds be available to underwrite economic risks and respond to criteria that address the constraints of investors in the area. A good example is “Kwa-Drabo” trust investment undertaken with Wiphold and which is not accounted for within the municipal systems.
- Stimulate new sectors: public and private investment is required to stimulate sectors which build on the advantages (strengths) of the district. The approach should be to stimulate a diversity of sectors to see which “take” – i.e.: which sectors find champions and investors. Sectors include high-technology products, innovative products, knowledge sectors, arts (visual, performance and written), experiential tourism, alternative technology, banking, business process outsourcing, education and sports development. In this strategy framework “high impact investment” is the most easily defined area.

2. Human Capital Development

Other areas that must be further developed are, as in education, not necessarily core mandate of local government and are therefore only outlined. The Municipality will play a facilitative role in any further development undertaken by other partners in the growth of the area.

This is the strategic intervention which focuses on knowledge, learning and growth. It has five result areas, namely:

- Collaboration to improve competitiveness. This result area addresses aspects such as networking of similar companies to learn from each other and share experiences and research and will result more in institutional development than individual development.
- Targeted vocational training. This includes improvement of academic skills development to meet the needs of the economy, lifelong education and training, to improve skills and education of those already in the workforce and the unemployed to allow for improved employability, and improvement programmes for management in both public and private sectors.
- Targeted skills attraction and retention
- Targeted capacity development within the public sector to undertake economic development
- Business development support, especially to new business
- Development of a subsector research and innovation capacity.

Two additional areas deserve mention, but can be classified as “social” development rather than purely “economic” development. These impact on programmes undertaken in other sector plans of the IDP. Nevertheless, for longer term sustainability of the economy and management of the risks associated with certain of the threats identified in previous sections. These are:

- Improvement of longevity, health and security of workforce. This area covers service delivery.(Employee Wellness Programmes)
- “Seeds for the future” civil-society support programme to address nonacademic development for a quality future workforce and build “social” capital.

3 Governance

This strategy intervention has seven main result areas, namely:

- Reduced red tape – i.e.: decision-making criteria are clear and processes are efficient and effective. Legislation and bylaws are clear and are implemented equitably, effectively and efficiently
- Needs-specific operational planning and budgeting: Improved planning and budgeting at all levels to meet the identified economic development needs. This area includes effective

co-ordination between public sector role players in planning, budgeting and implementation

- Effective land-use management: Land use planning and management balance economic development with social and environmental needs, have clear criteria and are efficient. Also, land claims are finalized to transfer
- Transparent and principled government. This would include availability of information on government decisions, and cost-effective recourse against inappropriate, ad-hoc or damaging decisions
- Effective public procurement and investment to stimulate economic development
- Organizational responsibility is aligned to interventions – the appropriate organizations undertake interventions, and organizations are structured, resourced, have systems and activities appropriate to their mandates

Quality, current and accessible economic and investment data. This result area is placed under the governance intervention because it is a public good and affects decision-making within the public sector and the private sector. It does overlap somewhat with the “learning” intervention and with the monitoring and evaluation function of the “collaboration” intervention.

1.3.5.4 Stakeholder communication and interaction

This is the intervention which provides a framework for support interactions between stakeholders, a communication service and supports a planning and monitoring function. It has five result areas, namely:

- Facilitate and support an LED Forum. The Forum will act as an advisory structure to the Municipality, and act as a structure for co-ordination and share problem identification, planning and monitoring between public and private sectors.
- Inter-governmental relations forums to promote joint planning, budgeting and aligned implementation
- Promotion of organization of private sector stakeholders across sectors and localities
- Support to policy and programme linkage: provision of analysis, advocacy and access to decision-makers to influence policy to improve the business environment in the area, and draw down support from existing programmes to support municipal initiatives
- Partnership programme to promote PPPs and business-business partnerships, including partnerships to optimize use of public assets, monitoring and evaluation of economic development.

5. Land Reforms

In our area, probably because of its nature, large tracts of land are owned by entities other than the municipality. ECDC for instance owns most of the land in Butterworth while the rural land is almost all “owned” by traditional leaders. There are also intimidating “land claims” in the areas abutting the towns of Centane and Nqamakwe thus putting outward expansion of these towns in distress. The systems of tenure do not allow for an enabling factor that would see the “land” as collateral for investment.

Three results areas identified are:

- Hosting a Land Summit that will result in consensus in investment on land
- Decisive Settlement of Outstanding Land Claims by Department of Land Affairs
- Improvement of the Land Tenure System in the rural areas to unlock the land for investment.

CONCLUSION

Key opportunities for accelerating shared economic growth, job creation and transformation arising from national, provincial, and local strategies include the following:

- Accelerating infrastructure expenditure in key transport logistics connections which can enhance growth prospects for the agricultural and manufacturing sectors (as well as service sectors with backward linkages)
- Strengthening partnerships with the FET and HE institutions in terms of skills training linked to regional growth sector needs as well as in areas of research and innovation related to the development of the agricultural sector
- Linking with national, provincial, and local initiatives to invest in and expand affordable local access to Telecommunications Networks and reduce the Digital Divide
- Accelerating infrastructure investments by State Owned Enterprises in transport, electricity, and water infrastructure
- Accelerating job creation impacts of infrastructure investments through increasing use of Expanded Public Works methodologies and opportunities in housing, road maintenance, home-based care, and new venture learnerships
- Accelerating growth prospects in key current and potential future services sectors such as tourism, film, and business process outsourcing by tapping into national resources and sector-specific strategies.
- Initiating private-public partnerships to ensure efficient service delivery and economic growth and
- Review of obsolete beaurocratic measures that tend to retard economic growth i.e. Red Tape Reduction and
- Enhancing and strengthening service delivery in the economic sector by strengthening the LED Unit and establishing a special purpose vehicle namely Economic Development Agency.

The Municipality has recently facilitated the development of its MasterPlan through which areas of critical intervention have been identified.

The N2 Corridor Strategy has been developed with the assistance of Aspire to cover the area stretching from Great Kei Municipality through Mnquma to Mbhashe Municipality

What is becoming clear from these strategic documents is that:

- Firstly, proper systems in the form strategies, sector plans ,policies etc must be completed in the next 6 to 12 months
- Secondly, the relevant structures necessary to advise and drive economic development should be established in the next 6 to 12 months
- Thirdly, the existing partnerships including IGR should be strengthened and new ones be created for purposes of accelerating the shared economic growth
- A concise and simple implementation plan to be developed for each sector.
- Building the capacity of the LED Unit is becoming imperative if the abovementioned goals are to be achieved

Of critical importance, is that a strategy needs to constantly evolve in response to an increasingly rapidly changing global and national environment. This strategy document therefore needs to be institutionalized in different ways.

Importantly also a strategy must lend itself to monitoring, evaluation and review that must result in necessary adjustments.

(1) Context

Growth and development strategy of the local area anchored on the Regional, Provincial, National strategies.

(2) Process

Local Economic Development Strategy will be reviewed after the Growth and Development Summit to ensure alignment at economic level of broader Growth and Development programme.

SPATIAL DEVELOPMENT FRAMEWORK

8.1 Preface

The Mquma local municipality formulated a comprehensive Integrated Development Plan (IDP) in 2005, as well as a Spatial Development Framework (SDF), as is required in terms of the Municipal Systems Act, no. 32 of 2000. While elements of the IDP have been reviewed during annual reviews as required by legislation, the SDF has not been reviewed since 2005. The municipality had subsequently commissioned a review of its 2005 SDF, yet after assessment of the document it was found that a review would not suffice, due to the lack of clear spatial proposals and strategies in the 2005 SDF.

The initial SDF review was subsequently re-commissioned as a full SDF, after agreement by the municipality, to the request of the consulting team. A full SDF compilation was deemed necessary to form part of the district's 2008/09 to 2013/14 IDP process. The company NPM Planning was appointed during August 2008 to assist the Mquma municipality, with the compilation in alignment with a strategic assessment (SEA) and town planning scheme (TPS) being conducted by other independent professional consultants, upon the appointment of such consultants.

The Mquma Spatial Development Framework was adopted by Council on the 09th December 2009, and currently the institution is pursuing development of the Local SDF's prior to reviewing the existing framework.

8.2 Legislative context

A spatial development framework is a statutory requirement to give spatial effect to programmes and projects identified in the municipality's IDP, firstly in terms of the Municipal Systems Act no. 32 of 2000, and secondly to follow the general principles for development contained in the development facilitation act, no. 67 of 1995

Municipal Systems Act, 2000

The regulations promulgated in terms of the Municipal Systems Act, 2000 set out the following requirements for a spatial development framework:

"a Spatial development framework reflected in a municipality's Integrated Development Plan must:

- (a) Give effect to the principles contained in chapter 1 of the development facilitation act, 1995 (act no. 67 of 1995);
- (b) Set out objectives that reflect the desired spatial form of the municipality;

- (c) Contain strategies and policies regarding the manner in which to achieve the objectives referred to in paragraph (b), which strategies and policies must-
 - (i) indicate desired patterns of land use within the municipality;
 - (ii) address the spatial reconstruction of the municipality; and
 - (iii) provide strategic guidance in respect of the location and nature of Development within the municipality.
- (d) Set out basic guidelines for a land use management system in the municipality;
- (e) Set out a capital investment framework for the municipality's development programmes;
- (f) Contain a strategic assessment of the environmental impact of the spatial development framework;
- (g) Identify programmes and projects for the development of land within the municipality;
- (h) Be aligned with the spatial development frameworks reflected in the Integrated Development Plans of neighbouring municipalities; and
- (i) Provide a visual representation of the desired spatial form of the municipality, which representation
 -
 - (i) must indicate where public and private land development and infrastructure investment should take place;
 - (ii) must indicate desired or undesired utilization of space in a particular area;
 - (iii) may delineate the urban edge;
 - (iv) must identify areas where strategic intervention is required; and
 - (v) must indicate areas where priority spending is required”.

The principles contained in the Development Facilitation Act (DFA) Chapter 1 of the DFA sets out a number of principles, which apply to all land development. The following principles would apply to the formulation and content of a spatial development framework.

- (a) Policies, administrative practice and laws should:
 - (i) provide for urban and rural land development;
 - (ii) facilitate the development of formal and informal, existing and new settlements;
 - (iii) discourage the illegal occupation of land, with due recognition of informal land development processes;
 - (iv) promote speedy land development;
 - (v) promote efficient and integrated land development in that they:
 - (i) promote the integration of the social, economic, institutional and physical aspects of land development;
 - (ii) promote integrated land development in rural and urban areas in support of each other;

- (iii) promote the availability of residential and employment opportunities in close proximity to or integrated with each other;
 - (iv) optimize the use of existing resources including such resources relating to agriculture, land, minerals, bulk infrastructure, roads, transportation and social facilities;
 - (v) promote a diverse combination of land uses, also at the level of individual erven or subdivisions of land;
 - (vi) discourage the phenomenon of “urban sprawl” in urban areas and contribute to the development of more compact towns and cities;
 - (vii) contribute to the correction of the historically distorted spatial patterns of settlement in the republic and to the optimum use of existing infrastructure in excess of current needs; and
 - (viii) encourage environmentally sustainable land development practices and processes.
- (b) Members of communities affected by land development should actively participate in the process of land development.
- (c) The skills and capacities of disadvantaged persons involved in land development should be developed.
- (d) Policy, administrative practice and laws should promote sustainable land development at the required scale in that they should –
- (i) Promote land development which is within the fiscal, institutional and administrative means of the republic;
 - (ii) Promote the establishment of viable communities;
 - (iii) Promote sustained protection of the environment’
 - (iv) Meet the basic needs of all citizens in an affordable way; and
 - (v) Ensure the Safe utilization of land by taking into consideration factors such as geological formations and hazardous undermined areas
- (e) Each proposed land development area should be judged on its own merits and no particular use of land, such as residential, commercial, conservational, industrial, community facility, mining, agricultural or public use, should in advance or in general be regarded as being less important or desirable than any other use of land.
- (f) Land development should result in security of tenure, provide for the widest possible range of tenure alternatives, including individual and communal tenure, and in cases where land development takes the form of upgrading an existing settlement, not deprive beneficial occupiers of homes or land or, where it is necessary for land or homes occupied by them to be utilized for other purposes, their interests in such land or homes should be reasonably accommodated in some other manner.

- (g) A competent authority at national, provincial and local government level should coordinate the interests of the various sectors involved in or affected by land development so as to minimize conflicting demands on scarce resources.
- (h) Policy, administrative practice and laws relating to land development should stimulate the effective functioning of a land development market based on open competition between suppliers of goods and services.

Chapter 1: introduction

The purpose of the spatial development framework

As is contemplated in section 26 (e) of the Municipal Systems Act, the Mngoma spatial development framework forms part of the municipality's Integrated Development Plan (IDP). (Fig 1: Legal & Policy Context of SDF)

The guidelines of spatial planning as given by the provincial department of Local Government & Traditional Affairs states that, the spatial development framework is a framework that seeks to guide overall spatial distribution of current and desirable land uses within a municipality, in order to give effect to the vision, goals and objectives of the municipal IDP.

The aims of the spatial development framework are to:

- Promote sustainable functional and integrated settlement patterns in order to:
 1. Discourage low density urban sprawl;
 2. Generate social and economic opportunities for people; and
 3. Promote easy accessibility to those opportunities.
- Maximize resources efficiency for example:
 1. Ensure the protection of the available environmental resources within a municipality;
 2. Protect productive land for agricultural purposes.
- Enhance regional identity and unique character of place
- Ensure conformance with the neighbouring municipality's and provincial spatial development framework.

Chapter 5 of the Local Government: Municipal Systems Act, 2000 (Act no. 32 of 2000 Systems Act) requires that all municipalities, both district and local, undertake their planning and development in co-operation with other municipalities and organs of state, while participating in national and provincial development programmes and aligning with their policies and principles.

While the Mnquma Spatial Development Framework has statutory status and represents the approved vision directing spatial development and land use in the Mnquma area, it is, nevertheless, a normative, principle-led plan that is open to change as it seeks to guide and not prescribe decision making. It is not set in stone hence being inflexible to the outcomes of land development.

Chapter 2: geographical characteristics, settlement planning status and general

Land Use

Mnquma Municipality (EC122) is a Category B municipality within the Amathole District Municipality (Category C) located in the Eastern Cape Province. Mnquma Municipality is also one of the coastal municipalities forming the Wild Coast of South Africa. Mnquma municipality is the southernmost municipality within the Wild Coast, and stretches from the Great Kei river to the south to the Qolora river to the north. The entire municipal area falls within the former Transkei and covers an area of approximately 32, 995,240 km² with a total population of about 287 770, and comprises 31 administrative wards. The main urban and peri-urban centres in Mnquma include: Butterworth, Centane, Nqamakwe, Manubi, Mazeppa Bay, Qoboqobo, Qolora Mouth and Wavecrest.

In terms of agrarian land uses and primary activities, according to the Kei Development corridor integrated development strategy, a large part of land surrounding the Butterworth town is suitable for crop farming (dry crop) and also to some extent in Nqamakwe and to a lesser extent in the Centane area.

Chapter 3: demographics, services and infrastructural realities

Demographics

Various estimates for the population of the Mnquma municipality exist, depending on the sources used. For the purposes of this situation analysis the official census 2001 and Community Survey 2007 results produced by statistics SA will be used, as these figures are widely used within all spheres of government.

The population of Mnquma municipality from the above sources is as follows:

Population		Households	
Census 2001	Community survey 2007	Census 2001	Community survey 2007
286307	297663	66843	75410

Table 1 - Demographic Profile

From the above statistics, the following general deductions can be made:

- An annual population growth of 0.65% over the six year period.
- A total population increase of 3.96% over the six year period.
- An average household size of 4.3 persons in 2001 and 3.9 in 2007.

Although the purpose of the SDF is not to explore the demographic trends in detail, the following should be noted:

1. The population growth rate is considered a medium growth scenario, which is the preferred method used by statistics SA, but the growth rate is well below the national average of 1.5% in 2001 to 1.02% in 2007.
2. If the national trend of a steady decline in population growth is applied to Mquma municipality, then it can be assumed that population growth rate for the municipality will significantly decline in future.
3. The steady decline in population is attributed by statistics SA to the decline in fertility rate from 2.9 to 2.4 children per women.
4. A contributory factor for the low population growth rate of Mquma municipality is the probable migration of people to bigger urban centres (metropolitan areas), which is an observed trend, however which is not specifically measured for Mquma municipality.

The implications of the demographic trend for the municipality is of importance for the spatial development framework and the IDP of the municipality, as it informs various sectoral plans in terms of what engineering and social infrastructure investments will have to be made by government and the local municipality. In this regard housing, services provision and related spatial development initiatives will have to take cognisance of the anticipated population growth decline. An important fact to note is that although the rate of growth has declined, the actual annual population growth rate is still positive, meaning that the population is still increasing on a yearly basis. The bulk of the municipality's population is within the 0-29 age range (66%), with a much smaller percentage in older age groups. There is also a slightly higher percentage female population (55%) than male, but this is generally equivalent to the national statistics as well.

Infrastructure

Transport - the Mquma area is transgressed by the N2 national road which provides strong linkages between the markets that are found around the province of Eastern Cape and that of KwaZulu-Natal as freeway connects Mquma with the East London harbor and economic hub, particularly made stronger by the creation of the East London Industrial Development Zone that has been tasked with uplifting economic development within the Amathole district and beyond.

Other major roads within the municipality are the road linking the N2 with Nqamakwe and Tsomo further to the north, as well as road linking Butterworth to Centane and the coastal resorts and rural villages. The municipality is also transgressed by the Kei Rail railway line, connecting Mthatha and East London.

The rural hinterland is generally lacking good road infrastructure, with limited access to social services, employment and economic opportunities as well as general mobility due to the poor level of transportation infrastructure, even more so in rural communities. A mere 8% of roads is estimated to be hardtop surfaced, the rest (92%) being gravel roads of differing levels of service.

Energy - Eskom is the main electricity supplier to the Mquma area, with currently only 44% having access to electricity, thus highlighting a huge backlog within the area. Households without access to electricity use a range of alternatives for lighting and cooking, such as candles, gas, paraffin, and solar forms of energy.

Water resources – from the 2001 census of the municipality it was highlighted that 29% of households do not have access to piped water, of those that do have access to piped water, only 7% have access to it within their dwelling or immediate property. About 11% of households access water through community standpipes and a further 38% obtains water from rivers, dams and rainwater tanks.

Sanitation – the Mquma Im is one faced with many challenges and some of the basic developmental goals being the eradication of the bucket system which is prevalent in many settlements across the municipal area.

Chapter 4: Economic, Environmental and Sectoral Characteristics

The regional characteristic of the Eastern Cape as one of the country's poorest provinces and its current state of backward development (when compared to other provinces) is largely attributed to the legacy of apartheid and the negative impact of isolation from development opportunities. This has led to poor infrastructure development and severe backlogs in service delivery and the neglect in the upgrading of transportation infrastructure. Poor transportation infrastructure hampers mobility systems within the region and thus directly impacts on utilization of economic potential, this disturbs proper planning practice as more and more individuals find themselves forced into informal settlements in order to be close to employment opportunities as there are no means of commuting from their formal homes.

According to the current Mquma spatial development framework, between 75% and 90% of people of Mquma live below the poverty line, with an unemployment rate of 70%. Many households are in poverty with 75% of households earning less than r800 per month. This must be taken into account as it will have an adverse impact on the ability of the residents' ability to afford most services provided by the municipality.

Economy of the local municipality

An examination of the status quo assessment contained in the Mquma Integrated Development Plan (IDP) 2007 – 2012 shows the following:

- The municipality's economy is dominated by 3 main urban areas (Butterworth, Centane & Nqamakwe) that contribute largely towards its total gdp.
- Butterworth contributes about 77%, followed by Centane and Nqamakwe with 12% and 11% respectively, in terms of gdp.

- The labour force graph indicates a relatively high level of professionals to be found in the municipality at 32% followed by what is being called elementary or unskilled labour at 24%. Many skilled workers are employed in the public sector, particularly in government institutions, thus highlighting the need for community services, primary only offered by the state, hence little economic activity in the municipal area. Services work force (private sector) compromise 10% of the labour market and only 2% of the Mquma work force is found in the agricultural sector.

Chapter 5: Land Tenure, Housing, Settlement and Land Claims

The key informant of the following component – housing, is the Mquma housing sector plan. According to document, the population number of Mquma from different institutions, there seems to be a decline in the number of people in the local municipal area, figures taken from the 2001 census indicate a population number of 287, 700, down from the previous estimate of 292, 200 as reached in census 1996. The Department of Water Affairs and Forestry has an estimated figure of 366, 000.

That means there is a negative growth rate in Mquma and this is attributed largely to a high death rate, low birth rate and emigration (out-migration). This has a direct impact on the household sizes, which have seen a mean decline from an average of 4.9 members per household to 4.3 members. Yet it is interesting to note that inadvertently there has been observed a significant increase in the number of households because the average household size has strongly decreased. According to the 2005 ADHDS the Mquma Municipality has the second strongest increase in the number of households (after Buffalo City Municipality) in the Amathole District municipal area.

Chapter 6: Institutional, Administrative and Financial

Mquma local municipality is a Category B municipality, established in terms of provincial proclamation 80 of 27 September 2000. It is an amalgamation of the former towns of Butterworth, Nqamakwe and Centane and their surrounding rural areas. The rural areas or magisterial districts had been administered differently from the urban areas through the transitional representative councils.

Institutional governance of Mquma consists of the Municipal Manager (MM) who serves a double role of administration head for the local authority and also as an accounting officer. The mm is then accountable to the political head that would then be the Executive Mayor, by giving report on the performance of the municipality's entire administration.

A District Municipality bears the responsibility of promoting the overall development of the district area (Municipal Structures Act, section 83(3)).

In terms of this responsibility, it must:

- Ensure Integrated Development Planning for the district area as a whole.
- Promote the bulk infrastructural development and the provision of bulk services for the area.
- Where needed, build the capacity of local authorities in its area.
- Promote the even distribution of resources between the local municipalities in its area.

This Act continues with a list of specific functions and powers of a District Municipality (section 84(1)). These include, among others, matters such as those described in table 6.1 below.

Table 6.1: District Municipality functions in terms of the Municipal Systems Act

Category of function	Functions	Legal provision in section 84
Integrated Development Planning		84(1)(a)
Bulk infrastructure	Water	84(1)(b)
	Electricity	84(1)(c)
	Sewage disposal	84(1)(d)
	Roads	84(1)(f)
District-wide services	Solid waste disposal, affecting the district as a whole	84(1)(e)
	Municipal health services serving the district	84(1)(i)
	Regulation of passenger transport	84(1)(g)
	Fire fighting serving the district	84(1)(j)
District-wide facilities	Municipal airports serving the district	84(1)(h)
	District-wide fresh produce markets and airports	84(1)(k)
	District-wide cemeteries and crematoria	84(1)(l)
	Municipal public works	84(1)(n)
Economic development	Promotion of tourism	84(1)(m)
Financial redistribution	Receipt and distribution of grants	84(1)(o)
	Imposition and collection of taxes and levies	84(1)(p)

* Source: the role of district municipalities: final report, 1 October 2003

Chapter 7: Spatial Structuring Elements

The municipality is generally rural in character, with numerous rural villages of low density scattered throughout the area. The rural areas are in turn served by the three urban centres of Butterworth, Ngamakwe and Centane. Also evident is a coastal zone, where resorts and holiday housing are built along the various estuaries and beaches.

The natural environment ranges from heavily impacted to pristine. The accompanying SEA will inform where environmental sensitive areas are located.

In order to classify the spatial structuring elements, the following general elements can be used. This will then also serve as the basis for the spatial proposals to be adopted in next section of the spatial development framework.

Nodes:

Nodes can be considered areas of concentrated activity and development, and are normally associated with settlements; however, various forms of nodes can be classified. For the purposes of the SDF, the following classification will be used:

- a. Primary nodes, being the predominant activity centres within the study area, serving a wide area (regional), and displaying a broad range of different development patterns and economic activity.
- b. Secondary nodes, being smaller in scale than primary nodes, and serving the immediate area surrounding the node (sub-regional). These nodes have more limited range of activities, and in many instances only have limited business/economic activity, while having a higher percentage of administrative functions, e.g. Government services.
- c. Coastal nodes, in the context of the Mngquma municipality, due its location on the coast, can be considered a specialized type of node due to its location at the coast, and will be mostly associated with a coastal resort and holiday housing. These nodes are generally smaller in scale than the primary and secondary nodes and display very specific tourism related functions, although some ancillary government services may be present.

Activity corridors:

Activity corridors can be defined as areas of more intensified economic activity along certain roads, predominantly linking nodes of varying scales. A sub-category of an activity corridor is classified as an activity street, which is similar to a larger activity corridor, but a localized level, serving a local neighbourhood.

Transportation networks:

The various types of roads can be classified according to their function into different levels within a hierarchy, for example local access roads, major arterial roads, district roads, and national roads. Each type of road performs different functions and has different implications for development and thus will be assessed based on its level within the road hierarchy.

Roads are the basic structuring element to an urban area, as it provides access to economic activity and thus determines accessibility.

Railway lines are the second major type of transportation network prevalent, but it has a much more limited impact on spatial form and function than the road network

Other types of transportation infrastructure include harbours and airports/airfields.

Urban renewal areas:

Urban renewal areas can be classified as areas within the municipality which has shown signs of decay over time, due to declining investment and economic activity, and thus require an intervention to promote its regeneration. In many instances formal urban renewal areas have been identified through formal projects, but other urban renewal areas can also be identified if needed.

Other types of structuring elements:

Although the purpose of an SDF is not to provide an exhaustive analysis of spatial structure and classification, some other structuring elements that could be prevalent within an area are:

- a. Industrial development areas.
- b. Mining activities.
- c. Military, police or correctional services facilities.
- d. Engineering infrastructure installations, e.g. Sewerage treatment works, water purification works and electrical sub-stations.
- e. Solid waste disposal sites.
- f. Agricultural land in need of preservation.
- g. Nature conservation areas.
- h. Statutory exclusion zones/buffer zones.
- i. Topographical features, e.g. River valleys, watersheds and steep slopes.

Urban edge:

The urban edge is a structuring element to be defined as part of the SDF, indicating the boundary or edge of where urban development will be permitted. It is required to indicate to the municipality where higher levels of engineering services could be provided, as well as to define the urban structure and future growth of the urban areas.

Chapter 8: Needs and Issues Analysis and Critical Priorities

Access to social services, access to employment and other economic opportunities, and access to educational opportunities are restricted because of the following factors:

- Lack of transport infrastructure, particularly poor road conditions and missing links in rural areas (this becomes a critical issue when looking at why there is continued lack of development in rural areas, it is difficult for backward and forward linkages to bear fruit when there is no platform in the

form of infrastructure, to allow growth to happen. Markets need to have connections and hence agrarian land uses need urban markets to sell produce to and in consequence sustain the livelihood of rural communities.

- Few strategic routes, i.e. Road and rail are suitable for freight.
- Poor transport services limits access to social services and economic opportunities.
- Limited provision for informal trading or businesses at public transport facilities.

Poor social and economic conditions are a serious concern in the district particularly in the rural areas. Briefly, these include:

- Limited access to social services in remote rural areas.
- High poverty levels.
- High unemployment.
- Low education and skills levels.
- Low income levels.
- High migration from ADM to other parts of the province and country.

The Mngquma area is burdened with serious areas of concern such as insufficient transportation networks and lack of development. These are issues that were highlighted in the currently adopted SDF document yet were not addressed due to the following highlighted constraints:

- Complex land ownership patterns – land being in the ownership of provincial organizations or traditional authorities.
- Lack of land use management system, zoning scheme and plans which should guide development hence the unplanned naturally occurring (ad hoc) development.
- Skills shortage in the understanding and implementation of forward planning processes.
- There is also the critical socio-economic factor of limited income in the area and hence there is little affordability for services and rates. Poor transportation infrastructure makes the process of service delivery that much more difficult.

The Eastern Cape provincial growth and development plan (2004-2014) has identified the following strategic focus areas for addressing the development needs of the region:

- The systematic eradication of poverty.
- Transformation of the agrarian economy.
- Develop and diversify manufacturing and tourism sectors.
- Building human resource capital.
- Infrastructure – eradicate backlogs and enable infrastructure for economic growth and development.
- Public sector and institutional transformation in support of improved service delivery.

The primary tasks of the Mquma SDF is to align with the provincial growth and development strategy and in order to achieve this within reason desired utopia, the following activities, among many need to be performed:

- Review of the current SDF (yet in order to meet this requirement, a full SDF has been commissioned and subsequently also highlights the municipalities commitment to the solution of identified problems facing the municipality).
- Alignment of the SDF with various sector plans (such as transport, housing and land) and the municipal IDP document.
Detailing the activities to be performed in identified structuring elements.

Critical needs include services and social infrastructure.

It is the role of the municipality to provide services for local communities and these services vary from physical infrastructure such as roads, telecommunication networks, and Sanitation / refuse removal etc. To social needs infrastructure such as education, health, sports and recreational facilities among many others.

It has been stated briefly in Chapter 3 above that there is a lack in good road infrastructure, there is limited access to social services, employment and economic opportunities as well as general mobility. This is largely attributed to the Mquma area's poor transportation routes especially in remote rural areas, currently only 8% of roads in the municipality have hard black top surfacing and of those that do, an even lesser percentage are in efficient working order.

They are characterized by potholes, cracks, indistinct road markings and poor signage.

Electricity supply is experiencing backlogs, with currently on 44% of households having electricity and others using a variety of energy sources such as paraffin, solar or gas.

Water supply is another area of serious concern showing a disturbing figure of over 38% of households gaining water from rivers, dams and rain-water tanks.

Access to Sanitation services is a direct link to the availability of water services to the relevant community. At present only 12% of households in the municipality have access to water-borne sewerage, a further 34% of households use other means of Sanitation (such as, pit/bucket latrine, vip or chemical toilets) a pitiful 54% do not have access to Sanitation services.

Solid waste disposal is carried out by the local municipality and is conducted by and-large in the three urban centers of Butterworth, Centane and Nqamakwe. Typically rural communities have no waste collection service, this poses a great health hazard on those rural communities and hence intervention needs to be sought.

Telecommunication services are almost non-existent, with only 2% of households having a landline telephone in their homes, 16% have access to a cell phone.

Social needs infrastructure is the cluster of services offered to communities via the area based planning 'concept' which is directly addressing the immediate social needs of an area which requires government services in order to have social order and development the human development index, these services include educational, welfare, health-care, community halls, safety facilities and other local amenities.

Among the most important of all social facilities is education, there is no way of developing an area or the human being without education hence the presence and state of such infrastructure is important. Fortunately for Mquma there is no skills shortage in that there is an abundance of qualified teachers and overpopulated class rooms, the matter to be addressed in this strategic document is the creation of more schools with better equipment in terms of Sanitation facilities, electricity and water to improve learning environments.

With the 21st century challenge of HIV/AIDS facing the world and more specifically our country South Africa, there is an urgent need to address the impact of HIV as it has a far-reaching effect on every South African and on the landscape; this is evident in the full capacity reaching of our cemeteries. SDF compilations have a very significant role in trying to over-come these spatial inequalities and in-efficiencies in order to rescue the natural assets of the different locales in our country.

CHAPTER 9: OPPORTUNITIES AND CONSTRAINTS

Introduction

This section of the Mquma SDF will identify the major opportunities and constraints evident within the municipality, based on the outcome of the investigations of the consultant team, and also on the input of the officials who have been key members of the project thus far. Although the aim of the identification of opportunities and constraints is not to create an exhaustive list of all possible factors to consider, a wide range of different issues facing and influencing spatial development within the Mquma municipality has been identified.

Opportunities Analysis

Tourism

There is general consensus that the foremost opportunity for the future development of the wild coast in general and the Mquma municipality specifically is presented in the tourism potential of the area. In this regard the natural environment, which is unspoilt in many instances, offers a unique attraction, which could lead to future investment in the municipality, and accompanied with such investment, job creation and skills transfer to the local communities. The natural environment as a tourism attraction for the wild coast has been identified in the wild coast tourism development policy, published by the Eastern Cape department of environmental affairs, economic development and tourism in 2001.

The key factor to consider in terms of a spatial development framework for the Mquma municipality is the type of development that would be suitable in the context of the existing development of the municipality, in terms of the provision of engineering services, and the environmental sensitivity of the location of the development proposal. In this regard, it is proposed that the Mquma municipality conduct a detail assessment of the tourism potential in the municipality, in terms of the spatial context provided by the SDF and SEA, in order to further clarify the types of development that would be considered as tourism related projects.

The findings of such a study could be adopted by the municipality as a policy, which in turn could address issues such as land tenure, environmental impact, socio-economic costs and benefits, as well as the sustainability of the type of development. The scope of the spatial development framework does not allow for detailed policy proposals to be produced for each development type or area, although general guidelines will be provide in terms of the land use management guidelines, as well as spatial priority for different nodes or areas where public investment in social and engineering infrastructure may be required to reach the desired development outcomes.

A further opportunity for the municipality related to tourism and future tourism infrastructure development is the fact that tourism in the municipality is currently somewhat underdeveloped, and consists of mainly coastal resorts of limited impact, and some areas of natural or cultural attraction that may lead to future development. In this regard, this current state of underdevelopment in the tourism sector provides the municipality with the opportunity to prepare adequate policies and procedures to manage tourism related development. It can also be seen as an opportunity to provide for incentives to promote the desired types of tourism development to take place in the most desired locations. The growth of the tourism industry can thus be managed and the correct interventions be put in place, according to the policies of the municipality.

Heritage

A key component of the tourism sector is the cultural and historical significance of the municipality, and more specifically certain areas within the municipality. The municipality boasts a traditional isiXhosa rural lifestyle, the historical significance of the Phalo route, as well as various battles that took place during the frontier wars.

The heritage of the Mquma Municipality thus presents a specific focused area of importance that could be addressed by appropriate interventions, to enhance the development of specific sites of importance from a heritage perspective.

The Mquma Municipality would thus have to prepare a sectoral plan for the development of heritage sites and areas as part of a broader tourism plan, which should include more detailed spatial development guidelines to guide development of such areas. It is also required that the municipality identifies specific heritage sites/areas where it will invest in infrastructure development as part of its Integrated Development Plan.

Natural Attractions

As mentioned above, the Mngquma municipality is located on the wild coast, which in itself is the primary natural attraction for tourism development. Within the SDF, a framework is provided for the future spatial development of coastal areas, in the form of nodes and special areas for more focused projects and development opportunities.

Somewhat more unknown, however, is the various other types of attractions that exist within the municipality, for example bawana falls, the Kei river valley and the natural forests. All of these attractions are capable of being promoted as destinations, albeit at possible limited scales. The municipality will need to prioritise these natural attractions as part of a broader tourism Master Plan, which would include spatial development guidelines, and an accompanying development programme.

Other Attractions

Apart from heritage and natural attractions, there are also further attractions of various origins, which may be able to serve as further destinations to enhance future tourism development of the municipality. In this regard, the following can be noted:

- a. The jacaranda shipwreck
- b. The strandloper hiking trail
- c. The pontoon ferry at the Kei river mouth.
- d. Recreational angling
- e. Annual Sardine run along the east coast.
- f. Sports tourism and recreation

Again it is to be noted that these attractions need to be investigated as part of a broader tourism Master Plan, which will provide more detail on the sectoral and spatial development opportunities that these attractions present, as well as a development programme to facilitate the desired development of the key tourism infrastructure required enhancing these attractions.

Transportation Linkages

The Mngquma municipality is located on and traversed by the N2 national road, which serves as the primary linkage between Durban, Mthatha, East London, Bisho and Port Elizabeth. This presents a vital opportunity for the future economic development of the municipality, in that the municipality is readily accessible for the import and export of products into and out of the local economy.

As a primary spatial structuring element, the N2 does, however, affect the spatial development of the town of Butterworth and its surrounding suburbs significantly, and as such the structure of development along the N2 needs to be managed to promote land uses compatible with the advantages and disadvantages of being located adjacent or in close proximity to the N2. The spatial structure derived from the N2 as a structural element is discussed in detail in the SDF, however, it needs to be noted that the exact impact and the associated policy interventions required as a result of the N2 traversing the municipality will be the subject of future studies in the form of more detailed local spatial development frameworks.

A further transportation linkage within the Mquma municipality is the Kei rail railroad, which has been redeveloped by the Eastern Cape department of transport, in an effort to promote alternative modes of transport within the eastern half of the Eastern Cape. The Kei rail currently serves a regular passenger service between Mthatha and East London, as well as some freight services, but in general the rail service is facing some challenges to promote the use of the rail service instead of motorized transport. The key challenge facing the Kei rail is its schedule of service, and associated long trip times, which implies that it presents less flexibility to passengers to utilise the service as a primary means of transport, instead of vehicular transport.

Primary Economic Activities

Forestry

Commercial forestry is a primary economic activity which may expand in future. Forestry activities are based on natural forest, as well as commercial plantations. Plans have been expressed by the department of water affairs and forestry to expand its forestry operations, specifically around the Centane urban settlement.

It is thus essential to incorporate the future forestry activities into spatial development proposals, due to the importance of this type of activity for economic development and job creation. The strategic environmental assessment will further guide the spatial forward planning in identifying natural and planted forests and the impact of the future spatial development of these forests on the natural environment.

Agriculture

The Mquma Municipality is generally characterized by a rural settlement pattern, linked to mainly traditional subsistence farming, with the urban settlements of Butterworth, Centane and Ngqamakhwe. The agricultural sector of the economy, in terms of its spatial extent, is clearly the most predominant spatial element of the municipality.

In order to strengthen the existing agricultural base of the local economy, the agricultural land use pattern is viewed as a key spatial component to be addressed in the spatial development framework. If agricultural land of importance for the local economy can be identified, it needs to be protected by suitable development control measures, in the form of an urban edge limiting urban development in these agricultural areas, as well as a land use management system that contains development parameters for development in the agricultural areas. This will be expanded upon in the spatial proposals section of the SDF.

Of further importance as an opportunity in the agricultural sector, is the possibility for aquaculture. In this regard, some opportunities exist for fish farming around the Qolora coastal node. The exact extent and scale of such aquaculture activities will be determined by specific studies at a local scale, however the municipality will have to consider the spatial implications in terms of locality of such aquaculture activities.

Secondary Economic Activities

The relatively large undeveloped or derelict areas of industrial land in and around the primary node of Butterworth, namely the Ibika industrial area, can be considered a primary opportunity for the future development of the Butterworth node. The industrial area of Ibika has experienced a constant decline in activity over time, but at present it represents a unique opportunity to attract industrial development to the municipality, in the form of manufacturing and secondary processing of agricultural and forestry related products.

In this regard, the municipality will need to identify a specific programme to incentivize development in this area, which may include reduced rates, a rates incentive or other means of attracting development. The industrial/manufacturing sector of the local economy cannot be addressed in detail within the scope of an SDF for the whole municipality, and as such further specific studies will be required to facilitate the development of industrial land around Butterworth.

The spatial implications of the above will be incorporated into future local spatial development frameworks, and other policies of the municipality. At the scale of the SDF for the municipality, it should be noted and allocated an appropriate designation as a key structuring element that needs to be incorporated into future planning undertaken by the municipality.

Mnquma is further located relatively closely to the larger urban settlements of East London and Mthatha, in that the transportation of manufactured goods from and to these urban centres can be done relatively cost-effectively. As mentioned above, the accessibility provided by the N2 and Kei rail network further strengthens the position of Mnquma municipality as a potential manufacturing hub.

Constraints Analysis

Economic Constraints

The primary and most pressing constraints identified as part of this study, are related to economic factors prevalent within the municipality. The spatial implications of these constraints are not immediately apparent, however, if a strategy is adopted by the municipality to actively build on and invest in the opportunities identified above, the spatial pattern that emerges will be rather linked to opportunities that the economic constraints.

The most important economic constraints that have been identified for the Mnquma municipality are as follows:

- Low levels of economic development outside of the primary node (Butterworth).
- Low levels of employment.
- Lack of new investment in secondary activities, i.e. Manufacturing and processing.

The economic constraints facing the municipality will have to be addressed firstly by an economic development strategy and plan, which should further emphasize the spatial implications of such a strategy,

for example the location of urban renewal areas, new industrial and commercial development and the rejuvenation of existing industrial areas (Ibika).

Transportation

The largest constraint from a transportation perspective is the lack of accessibility of the majority of the municipality by a road network of a high level of service which is well maintained. This is most prevalent outside of the primary and secondary nodes. It is a primary requirement for the physical and economic development of the municipality that the hinterland of the primary and secondary nodes must be readily accessible to ensure an efficient flow of products, services and the movement of people.

Furthermore, of key importance for the development of the tourism industry, the coastal zone and its resorts will have to be made more accessible via an upgraded road network. In this regard the spatial proposals will define areas of priority, with an associated programme for the upgrade of the most vital roads to be upgraded.

Attention should also be brought to the public transport networks serving communities within the municipality, as well as inter-city public transport. A transportation plan for the municipality will provide guidance on the provision of public transport facilities and modal interchange facilities. Such a plan will have to assess the municipality holistically and be linked to the spatial implications of its proposals from a land use planning perspective.

Engineering Service Provision

A further key constraint identified in this study is the generally low level of engineering services provision at consumer level, as well as general capacity constraints at the bulk provision of service level. As a vital component of an integrated development strategy for the municipality, areas of priorities for services provision should be linked to the spatial development proposals contained in the SDF.

Most importantly the provision of engineering services within the proposed future urban edge of the various nodes identified should be a priority for the municipality, as the relative cost to serve higher density urban development is much lower than the servicing of lower density rural areas.

Land Use Management

Currently the Mquma Municipality does not have land use management system (lums) to provide development control measures for future development. This is obviously an undesirable situation, as the municipality has virtually no control over land development within its boundaries.

This is further complicated by the complex traditional leadership arrangement in the predominantly rural areas of the municipality, where land use management is required to be addressed in a more collective and localized decision making process, in conjunction with the traditional leaders of the areas.

The municipality needs to prioritise a clear framework for the implementation of an all-inclusive SDF for the municipality as a whole, in order to be in a position to effectively implement the proposals contained in the SDF and subsequent local SDFs.

Land Tenure and Administration

The Mquma Municipality is subject to an immensely complex system of tenure and administration of public land. Various role players exercise control of different forms over public land, and accompanied to that, most land outside of the primary and secondary nodes are not cadastrally defined or registered.

This can be considered a key constraint to be managed and improved by a land reform programme, which needs to be instituted by the municipality. The effectiveness of the implementation of the proposals and programmes contained in the SDF and IDP depends to a great extent on the facilitation of such

Proposals via a land acquisition and assembly process. In the absence of such clear land tenure programmes, many future development proposals and programmes may be hindered by tenure and land administration complications.

Chapter 10: Development Strategy and Proposals

Development Strategies

In order to provide the municipality with a clear process plan on the implementation of the following development strategies, it is proposed that the development strategies list is not too comprehensive that the focus of the basic principles for these strategies is lost. Instead, the core strategies for the future spatial development of the municipality will be identified, and integrated into the spatial proposals section of the SDF.

The development strategies for the municipality are based on the existing situation in respect of physical development, existing opportunities and constraints and the economic activities that drive the local economy of the municipality. The following development strategies are thus proposed for the development of the Mquma Municipality:

- a. Build on the opportunities identified as the key drivers of the future development of the municipality.
- b. Address the constraints identified, in order to achieve a more sustainable long term development pattern.
- c. Enhance the key economic sectors within the municipality by providing appropriate spatial proposals.
- d. Adopt policies and create by-laws and other statutory mechanisms to facilitate the control over implementation of the SDF proposals.
- e. Development should prevent urban sprawl and fragmentation, and conserve environmentally sensitive areas and prime and unique agricultural land.

Spatial Development Proposals

The spatial development proposals contained in this section draw from the strategies for spatial development and the opportunities and constraints identified. The structuring elements are defined for the context of the Mquma Municipality in the situational analysis report, and will be expanded upon in this section.

The key structural elements identified are as follows:

- Proposed Structural Elements:
 - Primary node:

Butterworth, to retain its status as the primary economic activity centre within the municipality, and to be expanded upon in future development scenarios.

- Secondary Nodes:

Centane and Ngamakwe are logical secondary nodes, with predominantly service functions to the surrounding rural areas.

Centane has the further opportunity of serving as a gateway service centre to the various coastal resorts, which will enhance the provision of amenities and services related to the tourism industry.

Ngqamakhwe is orientated more towards institutional services provided to the surrounding rural area, in the form of social infrastructure (government departments), as well as limited business development.

- Coastal Node:

It is proposed that Qolora be allocated the status of a coastal node, but with specific emphasis on the development of the tourism and heritage facilities at this node.

The intent is not to have Qolora develop as another urban service centre, but rather to have limited business activities linked to the immediate rural hinterland and the resort and other tourism facilities at the node itself.

- Special Coastal Area:

Cebe is identified as a special coastal area, in that it is a focus area of municipal and provincial local economic development projects. This area is specifically not identified as a node, but rather an area in which specific conservation related tourism development activities should be permitted.

The specific nature of such development activities should limit environmental impact, of a relatively low density, and should be sustainable from an economic, engineering services and environmental perspective.

- Coastal Resorts:

The existing coastal resorts along the coast of Mnquma municipality are noted as resorts, within which no further development should be permitted in the short to medium term. The municipality should rather focus its programmes and policies on the identified Qolora coastal node, in order to ensure incremental development of the coastal zone of the municipality.

It is proposed that the development of the Qolora coastal node be reviewed and in future further coastal nodes may be identified where necessary.

- N2 Activity Corridor:

The development of an activity corridor between Butterworth and the R409 junction with the N2 is viewed as desirable in the short to medium term. This section of the N2 is used extensively by residents traveling within the boundaries of the municipality, and development pressure is evident for business and other non-residential uses along the N2.

It should be noted that special provisions should be made for access roads off the N2, as direct access off the N2 to any development abutting the N2 will be potentially unsafe and undesirable.

- Urban Edge:

Draft urban edges have been defined for the primary, secondary and coastal nodes. These urban edges are required to guide the municipality in the short to medium term, in identifying where urban type development of concentrated activity and higher density can be feasibly developed in terms of engineering serviceability.

The urban edge is also required to prevent encroachment of urban development onto environmentally sensitive areas (e.g. At the Qolora coastal node), as well as prime and unique agricultural land (e.g. Around Nqamakwe).

The urban edge around the Centane secondary node is also defined in terms of the forestry activities that surround the town of Centane, and is designed to prevent encroachment into these forests.

Although an urban edge has been defined for areas mentioned above, the definition thereof is limited by the regional scale at which the SDF proposals are aimed, as well as a lack of other detail parameters, e.g. Slopes and watercourses, that may lead to a more accurately defined urban edge. It is thus proposed that an urban edge study be undertaken as a separate project, or as part of future local spatial development frameworks for the areas identified in terms of the implementation programme.

- Urban Renewal Areas:

An urban renewal zone/area is proposed to facilitate the regeneration of urban areas that have shown consistent disinvestment and decline over a period of time. An urban renewal area will require a specific intervention by the municipality in order to promote new development of these areas, which will lead to the general improvement of the identified urban renewal areas.

The following urban renewal areas have been identified for Mngquma Municipality:

- A. Butterworth central business district, in which development of the CBD should be analysed and assessed and an appropriate development scenario adopted. The municipality should also provide further guidelines on the types of development, pedestrian and vehicular traffic management, and architectural guidelines for development.
- B. Ibika industrial area, in which a strategy should be adopted to promote the redevelopment of Ibika as an industrial/manufacturing hub.

Spatial management areas:

In order to provide the municipality with a spatial sub-regional assessment and land use management mechanism, three sub-regions have been identified as “spatial management areas”:

- A. Coastal spatial management area
- B. Butterworth spatial management area
- C. Ngqamakwe spatial management area

The purpose of providing these spatial management areas is primarily to enable the municipality to have a more focused approach to these regions in terms of land use management and the desired outcomes in each area, but also to provide for an institutional mechanism in aligning staff resources, and capital and operational expenditure to these demarcated areas.

Land use management guidelines

A prerequisite of a spatial development framework is to provide a set of guidelines for a land use management system for the municipality. In the case Mngquma Municipality, there is no existing land use management system in operation at present; although a town planning scheme is being prepared in conjunction with the SDF project. These land use management guidelines should be normative, in guiding the application of the specific land use management system in operation, which may be a town planning/zoning scheme or any other form of land use control that may be applicable.

The following land use management guidelines are proposed based on the analysis of the municipality, the opportunities and constraints, as well as the spatial proposals:

- A. Development within the urban edge of Butterworth, Centane and Ngqamakwe should be of urban densities, to limit urban sprawl and spatial fragmentation. Densification should be a key

- consideration in all types of development within these urban edges, in order to ensure more economical servicing costs.
- B. Development within the urban edge of the Qolora coastal node should be focused on tourism related activities, for example resorts, and associated tourism shops and conveniences. The Qolora coastal node should not be developed as coastal town which is characterized by permanent residential dwellings with permanent occupation thereof.
 - C. Environmental impact will be the key determinant of the permitted development scale and density within the coastal zone, which is defined as the area within 1km from the coast.
 - D. Urban renewal is to be promoted through appropriate policies and possible less restrictive land use control measures within the identified urban renewal areas.
 - E. The land use management system must make provision for different housing typologies and densities, with a more detailed distinction between rural and urban housing models, as well as public and private funded housing types.

Spatial Management Areas

In order to provide the municipality with a spatial sub-regional assessment and land use management mechanism, three sub-regions have been identified as “spatial management areas”:

- Coastal spatial management area.
- Butterworth spatial management area.
- Nqamakwe spatial management area.

The purpose of providing these spatial management areas is primarily to enable the municipality to have a more focused approach to these regions in terms of land use management and the desired outcomes in each area, but also to provide for an institutional mechanism in aligning staff resources, and capital and operational expenditure to these demarcated areas.

The benefit of adopting these spatial management areas is that local spatial development frameworks in these areas can be undertaken with a specific reference framework based on more localized conditions and subsequently more specific land use management guidelines and desired outcomes for development in each area.

Land Use Management Guidelines

A prerequisite of a spatial development framework is to provide a set of guidelines for a land use management system for the municipality. In the case Mnquma municipality, there is no existing land use management system in operation at present, although a town planning scheme is being prepared in conjunction with the SDF project. These land use management guidelines should be normative, in guiding

the application of the specific land use management system in operation, which may be a town planning/zoning scheme or any other form of land use control that may be applicable.

The following broad land use management objectives are proposed based on the analysis of the municipality, the opportunities and constraints, as well as the spatial proposals:

- Development within the urban edge of Butterworth, Centane and Nqamakwe should be of urban densities, to limit urban sprawl and spatial fragmentation. Densification should be a key consideration in all types of development within these urban edges, in order to ensure more economical servicing costs.
- Development within the urban edge of the Qolora coastal node should be focused on tourism related activities, for example resorts, and associated tourism shops and conveniences. The Qolora coastal node should not be developed as coastal town which is characterized by permanent residential dwellings with permanent occupation thereof.
- Environmental impact will be the key determinant of the permitted development scale and density within the coastal zone, which is defined as the area within 1km from the coast.
- Urban renewal is to be promoted through appropriate policies and possible less restrictive land use control measures within the identified urban renewal areas.
- The land use management system must make provision for different housing typologies and densities, with a more detailed distinction between rural and urban housing models, as well as public and private funded housing types.
- Land use management decisions should be based on the principles contained in the development facilitation act, and be informed by its impact on promotion of the following:
 - A. Heritage
 - B. Tourism
 - C. The natural environment
 - D. Economic development
 - E. Urban regeneration
 - F. The preservation of prime and unique agricultural land

Land use management guidelines can be considered from various perspectives, but in order to integrate the various other planning informants, for example the public funded housing programme, the wild coast spatial development framework, and the sea being conducted in conjunction with this SDF, it is proposed that the land use management contained herein be integrated with these documents.

As such, the following environmental considerations are considered specific land use management guidelines to be adopted, as taken from the wild coast SDF, as adapted to the context of the spatial analysis in this SDF:

Land Use Type	Name	Statements of Intent	Key Issues / Priorities	Land Use Management Guidelines
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Primary Node.	Butterworth	Fully serviced town with higher densities and full range of facilities.	<p>Provision of full range facilities and services for local and visiting communities.</p> <p>Promote tourism and encourage the development of a greater diversity of tourism product, facilities and enterprises.</p> <p>Protection of sensitive, vulnerable, highly dynamic or stressed ecosystems.</p>	<p>Land Uses:</p> <p>Residential, business, industrial, public service, infrastructure, sport, leisure and recreation, small-scale agriculture, tourism facilities including higher order tourism and recreation facilities and a full range of tourist accommodation, including hotels, resorts, bed and breakfast accommodation, backpacker lodges, camp sites and caravan parks, walking and horse-riding trails.</p> <p>Marinas and boat launching sites may be considered subject to a full EIA and the full involvement of DWAF, DEAET and their relevant divisions and agencies including Marine and Coastal Management and the provincial Coastal Management Sub-directorate.</p> <p>Golf courses and airstrips subject to full EIA.</p> <p>The Land Use Management System for First Order Nodes should address inter alia the following management elements:</p> <ul style="list-style-type: none"> • Coverage (to prevent over development of a site); • Height (Safety, climatic control – shade caused by high buildings, effect of wind, protection of views); • Floor area ratio requirements (to control the size of buildings); • Building density limits (to ensure that the area is not overdeveloped causing strain on social facilities and services); • Side and rear space requirements and building lines (to ensure access to the rear of properties for fire Safety purposes and to lay service infrastructure, space around buildings to ensure unrestricted airflow, adequate lighting, privacy, an area for recreation, and possibly future road widening); • Parking and loading requirements (to ensure that vehicles can Safely be accommodated off the street to facilitate smooth traffic flow); • External appearance of buildings (to promote a sense of place); • Erection of signage (for Safety and aesthetic reasons); • Existing indigenous vegetation (to ensure that the clearing of indigenous vegetation is limited to what is
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			<p>absolutely necessary) and storm water runoff (to reduce the impact of increased storm water runoff). 25% of the area of any site should have a permeable surface, preferably existing or rehabilitated indigenous vegetation.</p> <p>Level of infrastructure and Services:</p> <ul style="list-style-type: none"> • <p>Water – municipal water reticulation with individual connections to all properties</p> <ul style="list-style-type: none"> • <p>Only Water borne sewerage or Septic Tanks in the urban area. Minimum plot size where septic tank is used to be determined through geo-technical study. See Wild Coast Tourism Policy (2001) section 3.5.4 Guideline 7. Approved VIP systems permitted in peri-urban areas.</p> <ul style="list-style-type: none"> • <p>Solid Waste – municipal collection to transfer station and from there to a licensed disposal site.</p> <ul style="list-style-type: none"> • <p>Road Access – tar and gravel</p> <ul style="list-style-type: none"> • <p>Electricity – full reticulation. Supplementation through use of solar panels should be encouraged</p> <ul style="list-style-type: none"> • <p>Telecommunication – full telecommunication and cellular network</p> <ul style="list-style-type: none"> • <p>Measures to deal with increased run-off due to development to the Satisfaction of the relevant managing authority. See Wild Coast Tourism Policy (2001) section 3.5.4 Guideline 6</p> <ul style="list-style-type: none"> • <p>Off-site impacts of all infrastructure development must be considered in any development application (power lines, roads, water abstraction, sewer lines and treatment works, solid waste transportation and disposal, telecommunication lines and masts).</p>
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Land Use Type	Name	Statements of Intent	Key Issues / Priorities	Land Use Management Guidelines
				<p>Built form/ aesthetic / design guidelines:</p> <ul style="list-style-type: none"> • Small towns often develop in an ad-hoc manner that can be “messy” and un-coordinated. It is therefore recommended that an urban design plan be prepared for each town This plan should have as its primary aim the creation of a sense of place and orderly development that will attract investors and tourists and enhance quality of life for residents of the town. • Special attention should be given to the coastal frontage, which is a dynamic environment where human activities need to be carefully managed. In particular the urban design plan must address the need for appropriate public parking and public ablution facilities, lighting, approaches to the beach, boat launching sites and the provision of refuse bins. • In preparing or revising existing Schemes particular attention must be given to the height of buildings near the coastal frontage to ensure that views are Safeguarded and sunlight and shadows are considered. The municipality may want to consider using a step-back or angle approach whereby buildings near the coast are single storey with the height increasing as distance from the coast increases. <p>Other:</p> <ul style="list-style-type: none"> • Development must not impact on any special features or symbols of the Wild Coast and should not limit access to these features. • Urban edge / urban fence/ limit to development of towns needs to be determined through detailed planning and public participation. The interface area around towns needs to be determined and managed to protect adjacent important areas of biodiversity and other sensitive areas. •

				<p>Emphasis should be on clustering development within existing built-up areas and maximising the natural open space provision.</p> <ul style="list-style-type: none"> • A linked open space system should be embedded in detail plans to ensure the operation of ecological corridors as development in the area intensifies.
Secondary Nodes.	Centane and Nqamakwe.	Provision of services and facilities for the convenience of residents of rural settlement areas and farming communities.	Service provision. Protection of sensitive, ecosystems through the containment of infrastructural development in established nodes.	<p>Land Uses: Government and municipal offices, community halls, commercial, multi-purpose centre, taxi and/or bus rank, police station, magistrate court, pension pay point and information centre, worship, cemetery (subject to geo-tech conditions), community health centre, clinics, hospitals, multi-media centre, technikon, training college, schools, special care facilities, library, sports fields, sports complexes, stadia, all forms of residential uses.</p> <p>Level of Infrastructure and Services:</p> <ul style="list-style-type: none"> • reticulated water supply. • waterborne Sanitation. • electricity. • telephones. • solid waste management system.

<p>Coastal Nodes and resorts</p>	<p>Qolora Cebe</p>	<p>Coastal nodes that are less densely developed than First Order Nodes and which cater for family holiday resorts, with cottages, cluster developments and family hotels. Private sector investment encouraged in a diverse range of holiday products, facilities and enterprises. Focused on 'family holiday' tourism and recreation amenities provided by both the built and natural environments.</p>	<p>Promote Tourism and encourage the development of a greater diversity of tourism and holiday products, facilities and enterprises. Strategic upgrading of access, electricity and bulk water provision. Protection of sensitive, vulnerable, highly dynamic or stressed ecosystems. The outer limits of these nodes should be defined, surveyed and the area administered by the responsible local municipality.</p>	<p>Land Uses: Family holiday resorts with cottages, cluster developments and family hotels, campsites and caravan parks, backpacker lodges, B&Bs and guest-houses. Free standing shops, bottle stores, petrol stations should be kept to a minimum number to Satisfy holidaymakers' needs only and should be accommodated within resorts as far as possible. Permanently occupied residential development limited to existing legal structures and logical infill. Exceptions may be made in the coastal growth points identified in the SDF, where new residential sites may be created for permanent occupation and limited commercial infrastructure may be allowed. Marinas and golf courses prohibited. Boat launching sites may be considered subject to a full EIA and the full involvement of DWAF and DEDEA and its relevant divisions and agencies including the provincial Coastal Management Sub-directorate. Airstrips not favoured and would be subject to full EIA. If the internal cadastral layout of these nodes has been determined, the municipality should address similar management elements as for towns and First Order nodes. Where there is a lack of cadastral definition within the boundary of the node the Scheme would include guidelines and policy statements to regulate development.</p> <p>Level of Infrastructure and Services:</p> <ul style="list-style-type: none"> • Water – either from boreholes, springs, rainwater collection or centralised on-site purification works subject to the Satisfaction of DWAF and DEAET. Any proposed growth that would require full water reticulation must ensure that this can be installed without negative environmental impacts. • Septic tanks with a minimum plot size to be determined through geo-technical study. See Wild Coast Tourism Policy (2001) section 3.5.4 Guideline 7. • Solid Waste - municipal collection to transfer station and from there to a licensed disposal site. • Road Access – surfaced or gravel road. Internal traffic flow should be minimized and pedestrian access
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		(WCTDP)	<p>prioritised.</p> <ul style="list-style-type: none"> • Public parking to be provided in appropriate locations that do not compromise the 100m coastal buffer zone. • Electricity – full reticulation. Supplementation through use of solar panels should be encouraged. • Telecommunication where appropriate. Cellular connection not essential except in bigger resorts. • Increased storm water run-off should be minimised and measures to deal with increased run-off due to development must be to the Satisfaction of the relevant managing authority. See Wild Coast Tourism Policy (2001) section 3.5.4 Guideline 6. • Off-site impacts of all infrastructure development must be considered in any development application (power lines, roads, water abstraction, French drain discharges, solid waste transportation and disposal, telecommunication lines and masts). • Building form/ aesthetic / design guidelines. • Coastal nodes often develop in an ad-hoc manner that can be “messy” and un-coordinated. It is recommended that an urban design plan be prepared for each node. This plan should have as its primary aim the creation of a sense of place and a framework for orderly development that will provide investors with a level of certainty and attract visitors to the node. • 'Eastern Cape beach house' architectural vernacular to be encouraged or enforced through the introduction of a building code; • Minimum set-backs or interface area to be used to protect environmentally sensitive areas. A 100m buffer must be maintained between the high-water mark and any development site. No clearing of coastal forests or disturbance of dunes or dune vegetation is permitted in this coastal buffer zone. A 15m buffer must be
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				<p>maintained between any new development site boundary and the edge of any river, wetland or estuary.</p> <ul style="list-style-type: none">• <p>Developments should not to disturb/break existing tree lines i.e. height restriction – maximum 2 storey.</p> <ul style="list-style-type: none">• <p>Development should be planned so as to avoid impacting on the skyline and prominent open hillsides and should not be visibly intrusive from popular tourism view sites or from the beach.</p>
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<p>Coastal Nodes and resorts.</p>	<p>Qolora Cebe</p>	<p>Coastal nodes that are less densely developed than First Order Nodes and which cater for family holiday resorts, with cottages, cluster developments and family hotels. Private sector investment encouraged in a diverse range of holiday products, facilities and enterprises. Focused on 'family holiday' tourism and recreation amenities provided by both the built and natural environments.</p>	<p>Promote Tourism and encourage the development of a greater diversity of tourism and holiday products, facilities and enterprises. Strategic upgrading of access, electricity and bulk water provision. Protection of sensitive, vulnerable, highly dynamic or stressed ecosystems. The outer limits of these nodes should be defined, surveyed and the area administered by the responsible local municipality.</p>	<ul style="list-style-type: none"> • Development should be designed to blend into the landscape. The use of natural/local building materials are encouraged where the extraction of such materials does not have negative environmental impacts. • Minimal development / building footprint to be encouraged. • The clearing of indigenous vegetation should be limited to what is absolutely necessary for development. • Any potential increase in storm water runoff due to the development must be addressed on site through suitable water attenuation mechanisms. • Facilities to be tailored to the specific characteristics of the local geographical area. • Cut and fill levelling of sites should be avoided wherever possible. <p>Other</p> <ul style="list-style-type: none"> • Development must not impact on any special features or symbols of the Wild Coast and should not limit access to these features. • The limit to development of each node needs to be determined through detailed planning and public participation. The outer limit proposed in this SDF represents the recommended cadastral footprint for development; see section 7.6.2 of this report. • New developments are subject to an EIA, which must include landscaping (indigenous) and construction management and rehabilitation plans to mitigate impacts of construction activities. • The interface area around nodes needs to be determined and managed to protect adjacent important areas of biodiversity and other sensitive areas.
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		(WCTDP)		<ul style="list-style-type: none">• A linked open space system should be emended in detail plans to ensure the operation of ecological corridors as development in the area intensifies. <p>Carrying Capacity:</p> <ul style="list-style-type: none">• To be determined for each node and not to be exceeded (constraints to include facilities, bed numbers, day visitors, size of beach, capacity of the services infrastructure etc).
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<p>Nature Tourism Area Includes declared Protected Areas.</p>		<p>Nature-based tourism (“eco-tourism”) and cultural tourism with low environmental impact. Amenity is provided primarily by the natural environment.</p>	<p>Protection of sensitive, vulnerable, highly dynamic or stressed ecosystems. Promote nature tourism and cultural tourism. Development sites within this area only at locations approved through the procedure described in Table 8.8.</p>	<p>Land Uses: Overnight accommodation only at sites approved as suitable for Nature Tourism development in terms of the WC SDF definition. No private ownership; all developments by concession or lease. The release of concessions will be managed jointly by the Local Municipality and DEAET or its managing agent. Existing rural settlement, associated small-scale agricultural uses (vegetable gardens) and sustainable use of natural resources such as medicinal plants, thatching grass and grazing. Expansion of settlement areas should be discouraged. Free standing shops, bottle stores, petrol stations strictly prohibited. Community facilities (such as schools), facilities dedicated to commercial uses, Sand or heavy minerals mining, stone quarrying, and cell phone masts, high voltage power lines and substations, intensive and extensive agriculture, are prohibited uses.</p> <p>Level of Infrastructure and Services:</p> <ul style="list-style-type: none"> • Access – existing roads only. No new roads permitted even temporary roads for construction purposes. Other forms of access such as walking, cycle paths, horse trails or boat access may be considered subject to a full EIA. • All services managed locally, on site, with the exception of solid waste disposal. • No electrical grid or permanent telecommunications. Use of solar panels should be encouraged. • Sewerage: septic tank or approved VIP system. • Solid waste – Temporary storage on site in room or containers that are inaccessible to foraging animals. To be transported to a municipal transfer station and / or a licensed disposal site. <p>Building form / aesthetic / design guidelines:</p> <ul style="list-style-type: none"> • Development should not be permitted on the skyline, on prominent open sites, or be visibly intrusive from
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			<p>popular view sites or from the beach.</p> <ul style="list-style-type: none"> • Development should be designed to blend into the landscape. Building forms and clusters which emulate local traditional styles should be encouraged. • Limited to single storey. Maximum 30% of the area below the main floor level may be enclosed for uninhabitable service rooms only. • Minimal development/building footprint to be enforced. • Design of accommodation facilities should enhance sense of privacy, seclusion and refuge. • All facilities to be tailored to the specific characteristics of the local geographical area. • Cut and fill levelling of sites should not be permitted. • Development must not impact on any special features or symbols of the Wild Coast and should not limit access to these features. • The clearing of existing vegetation should be limited to what is absolutely necessary to develop the facilities. <p>Carrying Capacity:</p> <ul style="list-style-type: none"> • To be determined individually for each development site. • Subject to the RoD for any SEA or EIA, the maximum carrying capacity for any proposed development is 36 beds. • Visitor numbers to be strictly controlled to limit cumulative impact.
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				<p>Other: All development applications subject to full EIA. 100m coastal buffer zone must be maintained between the high-water mark and any development site and strictly enforced. No clearing of coastal forests or disturbance of dunes or dune vegetation is permitted in this buffer area.</p>
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No Development Zone.	As identified in the SEA.	Protection and conservation of a sensitive, vulnerable and highly dynamic eco-systems Includes: Areas of special biological communities; Areas of great ecological sensitivity; Special breeding, nursery or migratory stop over areas; Areas of special palaeontological interest; Areas of special archaeological interest; Areas of special historical, social or cultural value; Areas of special or traditional	Protect sensitive, vulnerable and highly dynamic eco-systems. Protect sites of archaeological, palaeontological, historical, cultural and social significance, special resource areas, and sites that represent the special features and symbols of the Wild Coast. Boundaries of the No Development Zone as depicted in the SDF are to be used as a guideline and should be refined and verified through field survey.	<p>Land Use:</p> <ul style="list-style-type: none"> No buildings, tented camps or huts. Only walking and horse-riding trails. Includes a 100m coastal buffer zone above the high-water mark. No agricultural uses. <p>Level of Infrastructure and Services:</p> <ul style="list-style-type: none"> No infrastructure or services. ONLY management activities should be maintenance of the trails, collection of litter, control of alien vegetation at disturbed sites and protection/management of sites of cultural and historical significance. Access along existing paths/trails only. No roads permitted. <p>Carrying Capacity of trails:</p> <ul style="list-style-type: none"> To be determined on the basis of Limits of Acceptable Change. Impacts must be monitored and visitor numbers limited through access controls where necessary. Consideration must be given to visitor experience as well as environmental impacts. Subject to the recommendations of any SEA or EIA the following guidelines could be used: Interpretive, educational nature trails: 2-4 km long, maximum 20 persons per km of trail per day. Hiking trails: If >12 km long then overnight stops at Nature tourism development sites will be required. Maximum 2 persons per km of trail per day.
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		resource use or access; Areas of outstanding natural scenery.		<ul style="list-style-type: none"> Horse riding trails: 3 horses per km of trail per day.
100m No Development Zone From High Water Mark.	Coastal frontage of the entire study area, excluding existing legal developments.	Protection and conservation of sensitive, vulnerable and highly dynamic eco-systems.	Protection of the coastal interface – dunes, rocky shores, coastal forests, cliffs.	Applies to all areas along the coast. No structures, recreational facilities, infrastructure or services at all – only access paths to the beach area. Clearing of coastal forests or disturbance of dunes or dune vegetation is prohibited in this coastal buffer zone.
Heritage Assessment area.	Coastal frontage of the entire study area.	Promotion of important historical and cultural sites and events which Satisfy the cultural needs of resi-dent communities and enhance tourism development potential.	Protection of sites of historical and cultural significance.	<ul style="list-style-type: none"> Most of the Stone and Iron Age sites in the area such as shell middens, caves and fish traps are located within 300 metres of the high water mark but have not been mapped. Within a distance of 300m from the coastal high water mark, all development applications and building plan approvals must include a heritage assessment study. If any heritage assessment reveals sites of heritage significance these must be mapped on the District and Local Municipal GIS for future reference purposes and inclusion in the SDFs.
Rural		Rural residential	Food security,	Land Use:

Settlement and Emerging farming areas.		and small-scale agricultural activities.	housing and income generation.	<p>Scattered rural settlement, vegetable gardens, grazing, crops, woodlots, medicinal plants, thatching grass, Sand winning, stone quarrying, natural areas, various social and recreational facilities, private burial areas, community cemeteries, spaza shops, taverns and other small-scale commercial activities.</p> <p>These areas have to be included and managed as part of the municipal Scheme. Where there is cadastral certainty, zones should be applied to each parcel of land. Where there is a level of cadastral uncertainty the use of guidelines or policy plans should be used to guide development. Land allocation procedures managed by the Traditional Leaders must be taken into account in preparing the guidelines and policies. Through co-operative governance agreement on the ongoing management of land use must be negotiated between the Traditional Leaders and the Local Municipalities.</p>
Commercial Agriculture, Mari-culture and Plantation Forestry.	Coastal SMA.	The identification, protection and reservation of land which has agricultural value and that should be optimally utilised in accordance with national and provincial legislation, policy and guidelines related to sustainable development, agricultural production and	Food security and economic development. Optimal use of resources.	<p>Areas within the municipality must be identified and zoned in the Scheme for either intensive or extensive agricultural use or forestry plantations.</p> <p>Extensive Agriculture includes extensive grazing of livestock, crop production and other agricultural pursuits where there is less impact on the environment in terms of traffic, noise, dust, odour, run-off, and underground water.</p> <p>Intensive agriculture includes land and buildings used for the intensive production of poultry, eggs, livestock, crops, nursery, agricultural products and may include, as an ancillary component, the processing and sale of these commodities. Due to the intensive nature of the uses, there is likely to be an impact on the environment in terms of traffic, noise, dust, odour, run-off, and underground water.</p> <p>Mari-culture is an intensive activity – the water-based equivalent of intensive agriculture – which generates potentially high order externalities particularly where the growing medium is discharged into rivers or estuaries.</p> <p>Forestry plantations normally involves monoculture of exotic trees and includes non-commercial afforestation such as woodlots introduced as a fuelwood resource.</p>

		use and/ or protection of natural resources to ensure food security and economic development.		
Public Access to the Coast.	Coastal frontage of the entire study area.	Protect the rights of access to the SEA shore.	Preclude the reservation of public amenity for exclusive use. Provide facilities for day visitors and traditional festivals.	Detailed planning of towns and nodes must make provision for unimpeded public access to beaches and facilities to promote responsible use of the environment. Public access to the Beach is a requirement of all development applications. Identified sites within the Nature Tourism Area need to be developed to promote responsible use by day visitors and at traditional festival times through the provision of parking areas, ablution facilities, designated braai areas and refuse bins.
Paths to Beach.	Coastal frontage of the entire study area.	Provide access to the Beach in an environmentally sustainable manner.	Protection of Dune area.	Ensure that access paths to the beach are not aligned with the prevailing direction of the wind and that the forest canopy is maintained as a closed canopy. The direction of the path must be as close to 90 degrees in relation to the prevailing wind directions as possible.
River corridors and estuaries.	All rivers and estuaries in the study area.	Protection of riverine and estuarine ecosystems.	Preserve natural systems for attenuation, sediment and water flows.	Municipal Schemes must make provision for a buffer area surrounding all rivers to be zoned as open space / environmental management area where no development is permitted. In terms of the National Water Act No. 36 of 1998: No development is permitted within 15 metres either side of a river; Any development adjacent to an estuary is subject a full EIA and SEA. Where ever possible in the study area, no property alienated either by lease or freehold title should have a river as a boundary. The boundary should be set back from the river by at least 15m and preferably further

				<p>depending on the specific circumstances.</p> <p>Wetlands may not be dammed, drained or altered in any way without the prior permission of the relevant authorities.</p> <p>Roads should not be allowed to traverse a wetland. If no viable alternative route exists then it should be ensured that the road has minimal effect on the flow of water through the wetland.</p> <p>Ensure that any artificial breaching of estuary mouths is done in accordance with guidelines and regulations in the SEA Shore Act, the National Water Act and the WC SDF (Appendix 1). Estuaries classified as ECA and EPA should not be artificially breached.</p>
Floodlines.	All rivers and estuaries in the study area.	Protection of resident communities.	Protection of riverine and estuarine eco-systems; protection of communities from flooding risks	<p>No development below the level of the 50 year floodline.</p> <p>Any development below the level of the 100 year floodline only with input from suitably qualified engineers.</p> <p>Any existing residents in these areas must be informed by the municipality that they are located in the 100 year flood plain.</p>
Overly Steep Land and Un-stable Land.		Identification of land unsuitable for development purposes.	Protect sensitive, vulnerable and highly dynamic eco-systems. Preserve sense of place.	<p>No development on land where the gradient is steeper than 1:5 or where land has been identified as potentially unstable, provided that specific exceptions may be identified by the municipality in the Scheme where development is subject to the positive outcome of a geotechnical investigation and the foundations and structure being designed and certified by a suitably qualified professional engineer.</p>
Roads.	Applicable to all roads in the study area.	Access	Protect sensitive, vulnerable and highly dynamic eco-systems. Preserve sense of place.	<p>Discourage the use of informal tracks by identifying and promoting desirable routes and maintaining these.</p> <p>Full EIA required for all new roads and upgrading of existing roads.</p> <p>No roads to be constructed parallel to the coastline within 5km of the coast.</p>

Sand Mining.	Applicable to all sites in the study area.	Building materials sourced from appropriate locations in an environmentally sustainable manner.	Local economic development. Protect sensitive, vulnerable and highly dynamic eco-systems. Preserve sense of place.	All Sand mining activities must be considered as a special consent application by the municipality. A positive RoD for an EIA and a permit from DME are a pre-requisite for such an application. Any operation without an approved EIA or DME permit should be considered illegal. Managed construction of legal roads to legal Sand mining sites will significantly reduce the incidence of illegal activities and the environmental degradation associated with Sand mining.
Heavy Minerals Mining.	Prospecting at Wavecrest and Centane.	Extraction of natural resources for commercial gain at appropriate locations and in an environmentally sustainable manner.	Local economic development, land use alternatives. Protect sensitive, vulnerable and highly dynamic eco-systems. Preserve sense of place.	All applications must await government investigation into coastal mining in general. All require bankable feasibility, full EIA and permit from DME. All require special consent of Municipality, which will not be considered unless a full EIA, including a cost-benefit analysis of the proposed development and alternative land uses, has been conducted and approved by the relevant environmental authority.

The following land use management guidelines have been adopted from the accompanying sea and are presented as an additional set of land use management considerations, which can be represented as overlay zones applicable to the following categories of environmental landscapes:

Category 1: No Development Zones	(Highly Sensitive Areas), Wetlands and Estuaries
Category 2: Sensitive Landscapes	Include very steep slopes and sensitive vegetation areas.
Category 3: Functional Landscapes	These are major areas for which clear land use recommendations and guidelines are set out. The fourth identified landscape, namely:
Category 4: Degraded Landscapes	These occurs within each of the above-mentioned three category landscapes and land use guidelines for these areas are set out in this report according to the larger category landscapes within which they occur or are adjacent to. These landscapes are all impacted by human activities to varying degrees, and act as buffers and development potential areas within the larger bioregional context within which they occur.

Specific land use management guidelines are presented below, for each of these categories:

Landscape Category	Description	Ideal and Recommended Land-use	Allowable Land-use under Strict Conditions	Conditions for Land-use
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Landscape Category	Description	Ideal and Recommended Land-use	Allowable Land-use under Strict Conditions	Conditions for Land-use
<p>Category 1: No Development Zone - (Highly Sensitive Landscapes).</p>	<p>Includes all areas that are of High Biodiversity value, and that are still relatively intact. This area includes all critically endangered vegetation types identified by STEP, and by the ECBCP, all critically endangered forest patches in terms of the National Forest Assessment and forest clusters critical in the forestry planning process (Berliner et al., 2006), and all areas essential for meeting biodiversity targets for biodiversity features (Berliner & Desmet, 2007). The area also includes a 100m No-Development Buffer zone around all Rivers and a 50m buffer zone around all Wetlands.</p>	<ul style="list-style-type: none"> • Effectively a No – Development Zone. • Ideally utilised as Wilderness (untouched) areas within a larger biosphere reserve. • Conservation with limited and local proven sustainable resource use by local communities for subsistence. • Ideal situation would be to proclaim the whole area as a statutory protected area with limited and proven sustainable resource harvesting and very low-key eco- and cultural tourism as main land-use. 	<p>Very Low Impact Game Farming/Eco-tourism under the condition that no lodges or infrastructure are to be located on Category 1 areas but rather on adjacent already impacted Category 4a areas. Local communities should derive main benefits from all Game farming/Ecotourism ventures that have access to these areas.</p>	<ul style="list-style-type: none"> • Landscape-wide sustainability assessments of: • Population density and position and size of existing settlements. • Present Extent of Resource harvesting. • Participatory Forest Management potential. • Communal Livestock Carrying Capacities. <p>Landscape area should be actively monitored for degradation and other ecosystem patterns including climate change.</p> <p>All villages and communities inside and immediately surrounding these landscapes should be actively targeted for training in sustainable land use practices, and assisted with achieving sustainable land-use practices and unlocking other opportunities involved with Category 1 landscapes surrounding them.</p> <p>Implementation of sustainable resource use and motivation of local communities.</p> <p>All proposed usage of the area for low key Eco-Tourism/Game Farming activities should undergo formal EIA procedures. All such uSAge should be continuously monitored for compliance on a regular basis.</p> <p>Landscape-wide continuous monitoring programme to monitor activities, population densities and</p>

Landscape Category	Description	Ideal and Recommended Land-use	Allowable Land-use under Strict Conditions	Conditions for Land-use
Category 1: Wetlands and Estuaries.	Includes all areas coloured blue on the Land Use Guideline Maps The different river systems are coloured on the Land-Use guideline maps according to their NSBA (2004) conservation status.	<ul style="list-style-type: none"> • Conservation. • Proven sustainable harvesting by local communities. • Some potential for recreational use but under condition of EIA processes to be followed. • Restoration of all Endangered and Vulnerable rivers. • Restoration of Mangroves. • Restoration of sub quaternary catchment areas that affect critical estuaries. 	<ul style="list-style-type: none"> • Controlled local fishing and harvesting. • Recreational fishing. • Tourism. 	<p>All wetlands to be protected and at least a 15-50m buffer be made around them.</p> <p>Biodiversity and River Health studies to be conducted with all proposed developments (as part of EIA) that may impact water quality and stream habitats. This includes further degradation of important catchment areas (see fig. 8) through proposed mining ventures.</p> <p>Studies need to be initiated (with the help of WSU?) to assess the sustainability levels of current harvesting of estuarine and river resources, including mangroves.</p> <p>Communities need to be educated with regard to river and estuarine resource harvesting.</p>
Category 2: Sensitive Landscapes.	Includes all areas that are of High Biodiversity value and that have the potential to be rehabilitated to Natural Landscapes, but is in their current state degraded. It also includes areas that are to	<ul style="list-style-type: none"> • Conservation. • Forest Restoration. • Participatory Forest Management. 	<ul style="list-style-type: none"> • Game Farming. • Eco-Tourism. • Sustainable Communal Livestock Grazing are ideal 	<p>All proposed developments in these areas should undergo formal EIA procedures.</p> <p>All proposed developments should be continuously monitored if authorised in these areas.</p> <p>All proposed developments should contribute to</p>

Landscape Category	Description	Ideal and Recommended Land-use	Allowable Land-use under Strict Conditions	Conditions for Land-use
	function as ecological corridors to connect critical biodiversity areas (ECBCP, STEP, Wild Coast SEA) The 1 km coastal buffer strip identified by the Wild Coast SEA, Endangered and other Forest Patches in terms of the National Forest Assessment and Endangered Ecosystems identified by the NSBA.	<ul style="list-style-type: none"> Restoration for Carbon Credit Projects (CDM). 	<p>land-uses.</p> <ul style="list-style-type: none"> Community Eco- and Cultural tourism projects. 	<p>active ecosystem restoration during and after their operational phases --Landscape-wide sustainability assessments of:</p> <ul style="list-style-type: none"> Population density and position and size of existing settlements. Present Extent of Resource harvesting. Participatory Forest Management potential. Communal Livestock Carrying Capacities. <p>All villages and communities inside these landscapes should be actively targeted for training in sustainable landuse practices, and assisted with achieving sustainable land-use practices and help with unlocking other opportunities involved with Category 1 landscapes surrounding them.</p> <p>Implementation of sustainable resource use and motivation of local communities.</p>
Category 3: Functional Landscapes.	Includes all areas that are coloured grey on the Land-Use Guideline Maps. Includes all vegetation types that are identified as vulnerable by	<ul style="list-style-type: none"> Conservation. Game Farming. Eco-Tourism. Communal farming. Farming Projects. 	<ul style="list-style-type: none"> Settlements. Commercial Livestock Farming. Dry Land Cropping. Irrigated Cropping. 	<p>All proposed developments in these areas should undergo formal EIA procedures.</p> <p>All proposed developments should be continuously monitored if authorised in these areas.</p>

Landscape Category	Description	Ideal and Recommended Land-use	Allowable Land-use under Strict Conditions	Conditions for Land-use
	STEP, ECBCP and Mucina & Rutherford (2006) and all other remaining vegetation types and natural areas.	<ul style="list-style-type: none"> • Forest & Ecosystem Restoration Projects. • Participatory Forest Management. • Restoration for Carbon Credit. 	<ul style="list-style-type: none"> • Dairy Farming. • Timber production. • Mining. <p>are permissible only under strict conditions.</p>	<p>All proposed developments should contribute to active ecosystem restoration during and after their operational phases.</p> <p>All mining and quarry operations that are authorised.</p>
Category 4a: Degraded Highly Sensitive Landscapes.	Includes all areas that are marked yellow on the map and that are mostly surrounded by No Development Zones (Highly Sensitive Landscapes), Wetlands and Estuaries. It includes existing villages and settlements within No Development Landscapes and associated cultivated lands, woodlots, plantations etc. and all other degraded areas found within Natural Landscape (Category 1) Areas.	<ul style="list-style-type: none"> • Conservation. • Game Farming. • Indigenous Plant Nurseries for Restoration and Medicinal Plant Industry. • Forest Restoration. • Restoration for Carbon Credit Projects (CDM). • Proven and Monitored Sustainable Communal Livestock Farming. • Existing village subsistence farming and settlements to be assisted with sustainable land use practices. 	<ul style="list-style-type: none"> • Settlements. • Commercial Livestock Farming. • Dry Land Cropping. • Irrigated Cropping. • Dairy Farming. • Timber production. <p>are permissible only under strict conditions and pending formal EIA procedures.</p>	<p>All proposed developments in these areas should undergo formal EIA procedures.</p> <p>All proposed developments should be continuously and regularly monitored if authorised in these areas.</p> <p>All proposed developments should contribute to active ecosystem restoration (such as alien plant control, active indigenous replanting/gardening, etc.) during and after their operational phases.</p> <p>All villages and communities inside these landscapes should be actively targeted for training in sustainable landuse practices, and assisted with achieving sustainable land-use practices and help with unlocking other opportunities involved with Category 1 landscapes surrounding them.</p>

Landscape Category	Description	Ideal and Recommended Land-use	Allowable Land-use under Strict Conditions	Conditions for Land-use
		<ul style="list-style-type: none"> Community cultural and Ecotourism projects. 		<p>Landscape-wide sustainability assessments of:</p> <ul style="list-style-type: none"> Population density and position and size of existing settlements. Present Extent of Resource harvesting. Participatory Forest Management potential. Communal Livestock Carrying Capacities. <p>Implementation of sustainable resource use and motivation of local communities.</p>
Category 4b: Degraded Sensitive Landscapes.	Includes all areas that are marked yellow on the map and that are mostly surrounded by or adjacent to Category 2: Sensitive Landscapes It includes existing villages and settlements within Sensitive Landscapes and associated cultivated lands, woodlots, plantations etc. and all other degraded areas found within or adjacent to Sensitive Landscape (Category 2) Areas.	<ul style="list-style-type: none"> Conservation. Game Farming. Eco-Tourism. Communal farming. Farming Projects. Forest & Ecosystem Restoration Projects. Participatory Forest Management. Restoration for Carbon Credit Projects (CDM). 	<ul style="list-style-type: none"> Settlements. Commercial Livestock Farming, Dry Land Cropping. Irrigated Cropping. Dairy Farming. Timber production. <p>Are permissible only under</p>	<p>All proposed developments in these areas should undergo formal EIA procedures.</p> <p>All proposed developments should be continuously monitored if authorised in these areas.</p> <p>All proposed developments should contribute to active ecosystem restoration during and after their operational phases.</p> <p>All villages and communities inside these landscapes should be actively targeted for training in sustainable land use practices, and assisted with achieving sustainable land-use practices and help with</p>

Landscape Category	Description	Ideal and Recommended Land-use	Allowable Land-use under Strict Conditions	Conditions for Land-use
		<ul style="list-style-type: none"> • Proven Sustainable Communal Livestock Grazing. 	strict conditions and pending formal EIA procedures.	<p>unlocking other opportunities involved with Category 1 landscapes surrounding them.</p> <p>Implementation of sustainable resource.</p>
Category 4C: Degraded Functional Landscapes .	Includes all areas coloured yellow on the Land Use Guideline Maps that are adjacent to Category 3: Functional Landscapes.	<ul style="list-style-type: none"> • Conservation. • Game Farming. • Eco-Tourism. • Communal farming. • Farming Projects. • Forest & Ecosystem Restoration Projects. • Participatory Forest Management. • Restoration for Carbon Credit Projects (CDM). • Proven Sustainable Communal Livestock Grazing. 	<ul style="list-style-type: none"> • Mining. 	<p>All proposed developments in these areas should undergo formal EIA procedures.</p> <p>All mining and quarry operations that are authorised should be actively rehabilitated after closure.</p>

Landscape Category	Description	Ideal and Recommended Land-use	Allowable Land-use under Strict Conditions	Conditions for Land-use
		<ul style="list-style-type: none"> • Settlements. • Commercial Livestock Farming. • Dry Land Cropping. • Irrigated Cropping. • Dairy Farming. • Timber production. 		

promote the general wellbeing of the people of the area in the most effective manner. This section of the SDF has been prepared to address this objective.

THE PLANNING FRAMEWORK

Spatial planning at the intermediate level is a component within the planning framework of the municipality. It is closely related to the principles of the Integrated Development Planning (IDP) approach and the linkage to the Spatial Development Framework (SDF) is emphasised. Furthermore, the role of the sustainable community unit planning is to provide a basis for the detailed planning and sector planning initiatives. In this way the different levels of spatial planning will be appropriately inter-linked and also connected to the financial and budgetary planning as well as to the implementation programmes.

THE PLANNING PROCESS

Planning and implementation are sequential and interconnected. Both involve parallel activities by a network of actors, and it is essential to establish project structures and clarify roles, participation, and communication processes.

Intermediate level planning includes spatial and non-spatial aspects, and requires co-ordination of planning, implementation and co-operation among all stakeholders.

The planning process has three main phases linked to each other.

Diagram 2:



The Programming Phase involves the groundwork for the Planning Phase and consists of the:

- Plan Initiative.
- Planning Preamble.
- Planning Programme.

In this phase the overall programme for the planning process is developed and approved, including the project background, needs, scope, goals, schedule of work and resources. This requires political commitment to planning the project and commitment of the necessary financial resources.

The Plan Initiative

When a municipality decides to prepare a community area spatial plan (in the context of IDP and SDF plans for long-term spatial development), the plan initiative:

- Describes the project purpose.
- Re-states sdf recommendations.
- Outlines the vision for development of the area.
- States the general principles to be applied.

The municipal department leading the planning process presents the plan initiative as an initial proposal and motivation to politicians for discussion and approval, after which a cross-functional task team and steering committee should be established for the project. Already at this stage the involvement of the community representatives should be prepared and information should be provided to the community.

The Implementation Phase

The Implementation Phase will vary depending on the scope and nature of the development project. It includes a strategy, detailed planning, identification of development projects and actual construction, monitoring and maintenance. The link between planning and implementation is an important aspect of the IDP process. At the Sustainable Community Unit level the implementation programme will be detailed and concrete.

Implementation programme

The Implementation Programme provides the strategy and timing for the realisation of the plan proposals. It will facilitate efficient co-operation between municipal departments and involve other stakeholders. An implementation programme includes:

- A schedule for implementation and construction.
- A detailed development planning schedule.
- Action plans and responsibilities.
- Cost estimates and funding arrangements.
- Institutional requirements.
- Stakeholder roles and responsibilities.
- A community participation process.

- Co-ordination of inputs by municipal departments, other government agencies, consultants, developers, landowners, contractors, NGOs and community.
- A monitoring and review plan.
- A maintenance and land use management plan.

In the Implementation Phase, the planning team becomes or is replaced by the project management team, with an appropriate shift in membership to include key managers from departments central to implementing projects, e.g. engineering, housing and transport, also provincial departments such as health, welfare and education.

The steering committee could be expanded to include new actors, as the focus shifts from planning to implementation. A workshop involving all stakeholders should approve the Implementation Programme. The unit managing implementation is responsible for:

- Co-ordination of the project management team.
- Detailed planning of sub projects.
- Ensuring financing of infrastructure.
- Overseeing construction work.
- Overall monitoring and quality control.
- Chairing the steering committee.
- Organising stakeholder participation.

Monitoring and Plan Review

Monitoring methods are identified in the programming phase, and monitoring starts during the planning phase, as an aspect of project management. Monitoring is based on outcomes of different stages of the planning and implementation process, specified in work programmes, schedules and budgets. A feedback and reporting system keeps all actors and stakeholders informed on progress and any problems that arise.

Maintenance and Land Use Management

Maintenance and land use management occur after implementation, but sustainable community principles should guide on-going regulation of development, zoning and land use. Maintenance and its cost need to be taken into account at the planning stage, and included in cost recovery estimates. If implementation and maintenance involve community participation and cost-sharing, this needs to be agreed and included in the implementation programme and financial plan.

Project Structures

The structures responsible for planning and implementation have a determining influence on the planning approach and implementation. Co-ordination and co-operation between municipal departments, government departments and other stakeholders is essential. The initial stage of the planning process establishes the project administration structure, involving relevant municipal actors. Project management responsibility needs to be clearly located, and a steering committee, planning team (project management) and inter-departmental task team are formed early in the process.

The Steering Committee

The project steering committee includes appropriate political and senior departmental representatives who meet regularly during the planning and implementation process and at particular milestones when:

- Reports and results are considered.
- Key workshops mark the beginning and completion of process stages.
- Specific plans and proposals are finalized.

The steering committee reports to official municipal committees and decision makers.

The Planning Team

The planning team manages the overall project including the planning process, communication strategy and co-ordination of inputs from other departments and stakeholders. They carry out, delegate or contract out aspects of actual planning. The role of the planning team changes on completion of the Planning Phase, and its composition is reviewed in the Implementation Phase, as responsibility shifts from planners to those who manage implementation.

The Task Team

The task team includes representatives from relevant departments and coordinates the planning process and plan preparation. Its composition may change during the process phases, depending on who is most needed. The lead department and planning team are responsible for project management, including overseeing the task team representing:

- Spatial Planning.
- Housing.
- Transport.
- Infrastructure Engineering.
- Environmental Services.
- Economic Development.
- Any other relevant Stakeholder.

Inter-departmental co-operation

The integrated approach to planning and development requires close cooperation and links between departments with technical, social and financial responsibilities such as:

- Technical – Infrastructure Engineering, Housing, Land Acquisition, Transport, Roads, Parks, Water and Sanitation,
- Social – Health, Environmental Services, Economic and Enterprise Development,

Tourism and Agriculture, Safety and Security, Sport, Culture and Recreation, Community Development, Urban Agriculture, Social Services

- Financial – Budget and

Key Issues Addressed the SDF

Numerous key issues emerged from the planning process, the various IDPs and the maps and data base provided. In order to facilitate coherent planning, key issues were categorised into four key categories for ease of reference. The implementation programme is the mechanism to achieve the desired spatial forms as outlined in the previous chapters and thus provides an impetus to effect the SDF in general. The table 1 illustrates the various key categories.

Table 1: Key analysis categories of the SDF

KEY CATEGORY	FEATURES
NATURAL ENVIRONMENT:	Protected Nature Areas and Conservation-Worthy Natural Areas <ul style="list-style-type: none"> • Natural Resources • Rocks, soils and minerals • Water • Flora • Fauna
HUMAN-MADE ENVIRONMENT:	<ul style="list-style-type: none"> • Cultural Resources • Rural Development • Urban Development
ECONOMIC SECTORS:	<ul style="list-style-type: none"> • Tourism • Agriculture • Forestry • Fishing • Manufacturing
COMMUNITY DEVELOPMENT:	<ul style="list-style-type: none"> • Disaster Management

	<ul style="list-style-type: none"> • Bioregional Management • Spatial Planning Information System • Performance Management • Neighbourhood Area Planning and Management • Development Facilitation and Funding
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IMPLEMENTATION OF THE SDF

Introduction

The Mquma Municipality sees its SDF as the first step towards the implementation of holistic and integrated regional planning and management throughout the Municipality. In this regard, the municipality believes that the SDF will promote the ideals of sustainable development through the strategies and programmes proposed in the document.

It is recognised that the SDF is by no means completed or final. However, it presents the opportunity for all I&APs to assist with the preparation of a model development and management framework, which will over time, ensure a sustainable future for all the people.

The municipality however recognises that the SDF is not the solution in itself and that its ultimate success will depend on a range of factors, in particular, the following:

- A structure being adopted that will enable successful implementation of Spatial Planning projects and ensure successful management;
- Institutional realignment to be able to implement/manage the SDF programme.
- Funding for institutional alignment to meet the SDF.
- Funding for projects.
- Interested and affected party involvement.
- Collaboration and co-operation (internally and between government departments).
- Research and monitoring.

Spatial planning addressed in the SDF

In order to ensure that successful spatial planning is ensured in future, it will be necessary to focus on the following four key areas of Planning:

Forward Planning: These projects primarily consist of strategic planning documents which will serve to guide the future development with the Mquma Municipality.

Settlement planning: These projects are primarily of a capital nature and represent projects to be implemented over a 5 year period, as a first step in achieving desired spatial form in relation to the various settlement nodes.

Land use management: the projects under this programme aim to produce management plans and documentation which will assist in regulating development and promoting valuable and effective sustainable development.

SDF OPERATIONAL AND IMPLEMENTATION STRUCTURE

The structures responsible for planning and implementation have a determining influence on the planning approach and implementation. Co-ordination and co-operation between municipal departments, government departments and other stakeholders is essential.

The initial stage of the planning process establishes the project administration structure, involving relevant municipal actors. Project management responsibility needs to be clearly located, and a project steering committee (project management and overarching authority for all SDF related projects) planning team (individual project), and inter-departmental technical task team should be formed early in the process.

The Project Steering Committee (PSC)

The project steering committee includes appropriate political and senior departmental representatives who meet regularly during the planning and implementation process and at particular milestones when:

- Reports and results are considered.
- Key workshops mark the beginning and completion of process stages.
- Specific plans and proposals are finalized.

The steering committee reports to official municipal committees and decision makers.

The Planning Team

The planning team manages the overall project including the planning process, communication strategy and co-ordination of inputs from other departments and stakeholders. They carry out, delegate or contract out aspects of actual planning. The role of the planning team changes on completion of the Planning Phase, and its composition is reviewed in the Implementation Phase, as responsibility shifts from planners to those who manage implementation.

The Technical Task Team

The task team includes representatives from relevant departments and coordinates the planning process and plan preparation. Its composition may change during the process phases, depending on who is most needed. The lead department and planning team are responsible for project management, including overseeing the task team representing:

- Spatial Planning.
- Housing.
- Transport.

- Infrastructure Engineering.
- Environmental Services.
- Economic Development.
- Any other relevant stakeholder.

Inter-departmental co-operation

The integrated approach to planning and development requires close cooperation and links between departments with technical, social and financial responsibilities such as:

- Technical – Infrastructure Engineering, Housing, Land Acquisition, Transport, Roads, Parks, Water and Sanitation.
- Social – Health, Environmental Services, Economic and Enterprise Development, Tourism and Agriculture, Safety and Security, Sport, Culture and Recreation, Community Development, Urban Agriculture and Social Services.
- Financial – Budget and Treasury.

INSTITUTIONAL LINKAGES

The IDP process emphasises that not only should there be integration at the municipal administrative level, but close co-operation and co-ordination should also be effective between different spheres of government. In the initial stages, linkages with relevant provincial and national authorities should be reaffirmed, contact persons identified and methods of communication agreed upon.

It is essential to involve national or provincial departments with local responsibilities such as education, health, welfare policing and environmental protection, as they need to contribute to area planning, and incorporate it in their own plans and budgets.

The Breaking New Ground Strategy of the National Government, also known as the Comprehensive Plan for the Development of Sustainable Human Settlements, is very clear on the principle that services infrastructure is more than the provision of water, roads, electricity, Sanitation, etc.

There is a need to move towards the more holistic development of human settlements, including the provision of social and economic infrastructure. It is therefore essential that the need for such social/community and economic facilities should be identified in the audit and planning stages. A multi-purpose cluster involving various stakeholders should plan the provision of facilities such as parks, playgrounds, sport fields, crèches, community halls, taxi ranks, satellite police stations, municipal clinics and informal trading facilities. Cluster agencies could include, but are not limited to:

Government Departments, National and Provincial:

- Agriculture and Land Affairs, responsible for rural development and land management.
- Arts & Culture – the development of the economic potential of cultural activities.
- Education – responsible for the provision of educational facilities and programmes.
- Environmental Affairs and Tourism – the use and protection of natural resources, EIA's.
- Health – health service provision.
- Housing – housing delivery policies and programmes.
- Provincial and Local Government – integrated governance.
- Minerals and Energy – energy efficiency, renewable energy and energy planning.
- Public Works – management of state property and implementation of public works programme.
- Safety and Security – prevention of crime, maintenance of public order.
- Social Development – poverty reduction, social welfare, etc.
- Sport and Recreation – promotes participation in sport and recreation.
- Trade and Industry – facilitates access to sustainable economic activity and employment for all through higher level of investment.
- Transport – facilitates provision of an affordable, Safe and sustainable transport system.
- Water Affairs and Forestry – ensures availability and supply of water.

Parastatals

Eskom, Telkom, Post Office, Transnet.

Private Sector

The local Chambers of Commerce and Industry (NAFCOC), and the Amathole Economic Development Agency, and any other local agencies that could play a role in sustainable community planning.

NGO's and CBO's

Group Development Trusts and Church Groups.

IDENTIFIED KEY PROJECTS

The following tables A and B summarizes the identified key projects which are linked to specific sustainability parameters, the key issues facing the municipality, and the strategic spatial planning resources within the Municipality, over the next 5 years until 2014. Table A provides projects associated directly with the SDF and Table B projects that indirectly have an impact on the SDF, but are considered crucial for successful implementation of all projects:

TABLE A: Identified priority projects IDP 2009/2010 to 2013/14

Priority No	Project title	Project Description	Responsibility	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	Funding Source
1.	SDF/Town Planning and GIS related Institutional Restructuring, and staff training programme.	Institutional and Training Programme for Town Planning procedures, GIS, Spatial Planning, Settlement Planning & Land Use Management. Provision of GIS software, aerial photos, contours, training and loading onto computers.	Town Planning.	120, 000					Mnquma DBSA
2.	Butterworth and Nqamakwe (Inland) LSDF (Including a pre-feasibility study and applicable flood lines, slope analysis).	This important Local Spatial Development Framework is deemed to be strategically important for the future development of the town and will entail an in-depth study, including engineering and environmental team members.	Town Planning.	600, 000					LG&TA Mnquma ADM DBSA
3.	Housing Sector Plan Review.	Review of the out-dated housing Sector Plan is required and including public funded housing programme is needed. GIS Mapping to be provided as well, spatially.	Housing, Town Planning and Engineering.	300, 000					Provincial Housing Department Mnquma and ADM
4.	Settlement Planning Programme.	A detailed Settlement Planning Programme is needed, after the Housing Sector Plan	Town Planning.	450, 000					Mnquma LG&TA

Priority No	Project title	Project Description	Responsibility	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	Funding Source
		has been completed. This will include land reform, land claims, informal / rural areas and priority areas for formalisation.							DBSA ADM
5.	Land Use Management System.	Formulation of a land use management system and software including GIS linkages and engineering.	Town Planning and	200, 000					DBSA ADM
6.	Coastal LSDF including Centane and coastal areas (Including a pre-feasibility study, slope analysis and all flood lines).	This important Local Spatial Development Framework is deemed to be strategically important for the future development of the coastal corridor and will entail an in-depth study of this coastal area.	Town Planning.		650, 000				LG&TA DBSA ADM
7.	Urban Edge Study.	This Urban Edge Study (detailed) is deemed to be strategically important for the future development of the Urban Edge and will entail an in-depth study of urban edge areas.	Town Planning.		400, 000				Mnquma LG&TA DBSA ADM

Priority No	Project title	Project Description	Responsibility	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	Funding Source
8.	Acquisition & transfer of unregistered state land to Mquma, including tenure upgrading, municipal commonage and Land Management Policy.	Land banking for future development and housing projects. Acquisition of unregistered state land within the urban edge and areas identified for future development including housing, residential and general projects. Legal, town planning and land survey members. Transfer and professional costs. This study is required to ensure that tenure upgrading and land management including municipal commonage can be managed appropriately.	Town Planning and Land Administration.		250,000	280,000	310,000	350,000	DBSA ADM LG & TA Mquma
9.	Human Settlement Feasibility Studies.	Three regions within Mquma have been identified for detailed feasibility studies that will assist the Housing and Settlement Planning Programmes. These include Coastal, Inland and the area within the Butterworth Urban Edge.	Town Planning Environment & Engineering.		300,000	330,000	370,000	400,000	Mquma LG&TA DBSA ADM & Housing
10.	Land Disposal Policy.	This study is required to ensure that municipal land can be disposed correctly and be managed appropriately.	Land Administration and Town Planning.				200,000		Mquma LG&TA DBSA ADM

Priority No	Project title	Project Description	Responsibility	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	Funding Source
11.	Development Levy Policy.	Formulation of a development levy policy so that the capital investment programme of the municipality can meet its budgetary requirements.	Engineering and Town Planning.				200, 000		Mnquma LG&TA DBSA
12.	SDF Review.	Review of the Municipal Spatial Development Framework Plan.	Town Planning.					400, 000	Mnquma LG&TA DBSA
13.	LUMS System Review.	Review of the land use management system, including legislation review and streamlining of development processes.	Town Planning.					300, 000	Mnquma LG&TA DBSA
14.	Housing Sector Plan Review.	Review of the outdated housing Sector Plan is required and including public funded housing programme is needed.	Housing, Town Planning and Engineering.					400, 000	Mnquma LG&TA & DBSA
15.	Settlement Planning Study Review.	Review of the land use management system, including legislation review and streamlining of development processes.	Town Planning.					400, 000	Mnquma LG&TA DBSA

TABLE B:

FURTHER DESK-TOP STUDIES REQUIRED IN ORDER TO COMPLETE THE PRELIMINARY SDF

Based on the terms of reference and scope of work for Phase I, this Preliminary SDF is submitted which complies with this financial year, ending 30 June 2009. The comments submitted by the DBSA and the additional inputs required, the project team proposes that the initial appointment be extended for and phase II the appointment that an SDF Review process (phase 2) be conducted where all these additional studies can be incorporated. This can then be adopted as part of the IDP process. The project team could not fund an engineer, housing and nor agricultural specialist with the initial budget. We recommend that the below mentioned appointments be made during July 2010, in order to complete Phase II of the SDF.

Project	Project title	Amount/Budget	Financial Year
1	Desk-top engineering and infrastructure status report.	R 80,000.00 plus Vat	2010/2011
2	Desk-top housing report and programme.	R 60,000.00 plus Vat	2010/2011
3	Detailed SDF projects programme and incentivization study within the urban edge.	R 150,000.00 plus Vat	2010/2011
4	Agricultural desk-top report and study on land, soil status and feasibility.	R 55,000.00 plus Vat	2010/2011
5	Co-ordination of the SDF Phase II and over a 3 month period.	R 45,000.00 plus Vat	2010/2011
6	Phase II of the Spatial Development Framework after completion of the above studies.	R 60,000.00 plus Vat	2010/2011
TOTAL		R 450,000.00 plus Vat	2010/2011

This additional estimated budget to enable DBSA bottom line issues being achieved is approximately R 450 000.00 plus Vat. It is estimated that 2 months will be needed to finalise the desk-top studies from appointment and a further 6 weeks to synthesize and compile a consolidated and final Phase II SDF, total of 14 weeks for the above. This could then follow the IDP process including public participation.

TABLE C:

ASSOCIATED IDENTIFIED STUDIES REQUIRED THAT ARE CRUCIAL TO SDF IMPLEMENTATION
Programme M

Project	Project title	Amount / Budget	Financial Year
1	Bulk Infrastructure Status and Upgrading Study and Programme.	R500 000.00	2010 / 2011

2	Shopping Centre Feasibility and Economic Demand Study.	R100,000.00	2010/2011
3	Urban Renewal Study for Ibika Industrial Area.	R300 000.00	2010/11
4	Tourism and Heritage Sector Study with Spatial Components.	R250 000.00	2010/11
5	Agricultural study on land, soil status and feasibility.	R200 000,00	2012/11
6	Review of the Integrated Transportation Plan.	R200,000.00	2011/12
7	Cemeteries and crematoria plan.	R250,000.00	2011/12

CHAPTER 12: CONCLUSION

The Mquma SDF 2009 has been conducted within a limited time frame, and budget, and as such it was not possible to address all issues identified in the process in great detail. The primary focus of this SDF has been to identify the key strategies, in conjunctions with the key opportunities and constraints for the spatial development of the Mquma Municipality to guide its spatial development.

In the process, an assessment of the institutional capacity of the Municipality was also conducted, and proposals made to improve this capacity. The final implementation programme also proposes a clear project list which will have to be implemented incrementally, in order to ensure that this SDF is augmented with more detailed studies for the specific programmes that have been identified.

As mentioned in this document, the SDF was conducted simultaneously with a Strategic Environmental Assessment. This methodology is not unprecedented in the South African context, but it can be regarded as a best practice in terms of producing SDFs for other Municipalities, as the environmental and physical development realms are addressed simultaneously and in an integrated manner.

This has the advantage that all proposals from a spatial perspective are aligned with the environmental constraints and objectives for conservation of environmental biodiversity and sensitive environmental biomes.

The final SDF and SEA thus present a combined effort in trying to address the physical development needs of the Municipality and the environmental strategies and sensitivities that will be required to ensure environmentally sustainable development for the Municipality.

This document further presents a high-level assessment of the spatial development required and proposed for the Municipality, which was done on a regional to sub-regional scale. Understandably not all detailed issues can be addressed at this scale, and as such, it is proposed that this document serves as a guiding document to enable the Municipality to conduct further detailed spatial and environmental planning as prioritised in the preceding chapter, in order to give effect to the vision for development of the Municipality.

STRATEGIC ENVIRONMENTAL ASSESSMENT

EXECUTIVE SUMMARY REPORT

Introduction

Mnquma Municipality has identified the need to develop a Strategic Environmental Assessment (SEA) with specific recognition that this tool has very significant implications on the goal to promote sustainable development and sustainable living with the municipality, it will inform the Spatial Development Framework (SDF) and the Integrated Development Plan (IDP) of the Municipality, which are both currently under review. Mnquma Municipality appointed USK Consulting (Environmental & Waste) to provide professional consulting services for conducting a Strategic Environmental Assessment (SEA).

Purpose and Objectives of the Strategic Environmental Assessment

Mnquma Municipality has also recognized the significance of the current pressures on the natural environment, and together with the need to comply with national legislation, has identified the need for a more in depth and strategic evaluation of the implications of environmental issues on spatial planning. As a consequence it was decided that a Strategic Environmental Assessment (SEA) was essential to inform the spatial planning process. Therefore, the purpose of this SEA will be to assist Mnquma Municipality in ensuring that the concept of sustainability is integrated into the objectives and outcomes of the SDF. Furthermore, it will guide and inform their planning and decision-making process in the preparation of the SDF for the Municipal area. As such, this SEA will enable the municipality to:

- Streamline their environmental impact management.
- Achieve a long term sustainable vision.
- Prepare Environmental Management Frameworks to facilitate appropriate development.

Definition of the Strategic Environmental Assessment

- Strategic Environmental Assessment (SEA) is defined by Tonk and Verheem (1998) as “a structured, proactive process to strengthen the role of environmental issues in strategic decision-making” (DEAT and CSIR, 2000).
- “SEA is a process to assess the environmental implications of a proposed strategic decision, policy, plan, programme, piece of legislation or major plan (White Paper on Environmental Management Policy for South Africa, 1998: 169)”.

The SEA for Mnquma Municipality, seeks to capture the spirit behind the concepts and principles encapsulated by each of the above definitions.

Furthermore the Strategic Environmental Assessment (SEA) aims at facilitating decision-making by entrenching the concept of sustainability in the strategic planning of a project. It facilitates the development

of a sustainability framework to guide the development of plans and programmes and/or to assess an existing plan or programme (DEAT, 2004).

Hence the SEA for Mquma Municipality will seek to entrench and foster:

Broadly the objectives of the SEA for Mquma Municipality include:

- To proactively inform development of the municipality's SDF by identifying the opportunities and constraints that the environment places on development and resource use.
- To review the sustainability of alternative options for development and resource use and recommend the most desirable spatial distribution of developments and resource uses across the planning domain.
- Provide inputs into the management guidelines and the identification of limits of acceptable change or thresholds of potential concern for each preferred land use option.
- To provide a decision support framework for forward land use planning and development planning within Mquma Municipality

The Link between the SEA and Spatial Development Framework (SDF)

The Municipal Planning and Performance Management Regulations of 2001, promulgated in terms of the Municipal Systems Act, No 32 of 2000, require that 'a Spatial Development Framework (SDF) reflected in a municipality's Integrated Development Plan (IDP) contain a strategic assessment of the environmental impact of the SDF'. Further to this the white paper on Spatial Planning and Land use management states that "Municipalities must incorporate a strategic environmental assessment into their SDFs, forming part of their IDPs. If environmental concerns are expressly incorporated into the IDP process, and are then reflected in the controls and mechanisms forming part of the land use management system that would immediately resolve many environmental and planning conflicts". (White paper on Spatial Planning and Land use Management, 2001). It is therefore understood that the SDF and IDP represent a final decision by municipality but it must be informed by a SEA. The relationship between SEA, SDF, IDP and other Environmental management tools is illustrated in figure 3 below.

SITUATION ANALYSIS

During the situation analysis phase of the SEA, detailed study and assessment of the biophysical, social, economic, institutional and infrastructural environment within Mquma municipality was undertaken.

Biophysical Environment

The biophysical environment refers to the biological and physical features or characteristics of an area or region. The biological features refer to the fauna and flora found in an area as well as the biodiversity² of these organisms. The key characteristics of the biophysical environment of the Mnquma municipality can be summarized as follows:

Climate

Transitional between subtropical and the warm temperate Rainfall varies from between 600 – 800mm per annum north western and western regions to higher rainfall between 800-1000mm per annum in the mid central, south and south eastern and coastal regions.

Air Quality

Very Good Air Quality, typically rural types due to limited industrial activity, with small pockets of moderate air quality due to quarrying activities close to densely populated areas, particularly in Butterworth.

Soils and Geology

Mnquma Municipality is mainly underlain by red and grey mudstones and Sandstone of the Burgersdorp formation and Kartberg formation, both of which are part of the Adelaide and Tarkastad Subgroups of the Beaufort group and the Karoo super group. Certain areas of Mnquma are also characterized by intrusion of Karoo dolerite dykes and sills. The soils in the inland areas of the municipality are generally highly leached soils.

Topography

The topography of Mnquma municipality is varied, generally characterized by steep and undulating relief with rugged coastal areas. Slope analysis indicates that large areas of Mnquma municipality fall within the category that is greater than 1:5 (20%) and especially the western and southern regions are steep areas above 1:3 (33%).

Hydrology and Water resources

Mnquma municipality falls within Water Management Area (WMA) 12 and is drained by two primary catchments: the Great Kei (S) catchment in the southern and western region and the Transkei (T) primary catchment in the northern and eastern region. The table below lists the catchment. In terms of surface waters, Mnquma is blessed with a number of rivers flowing into the Indian Ocean. In terms of Groundwater, the majority of Mnquma municipality is located in an area of adequate supply of good quality groundwater.

Wetlands

Mnquma also has a number of small to medium sized wetlands particularly in grasslands in the Wavecrest area provide an important habitat for the crowned crane which has a vulnerable Red Data species status.

Estuaries and Coastal feature

Mnquma also has a number of estuaries a total of 13 estuaries, the majority of which are still on pretty good and undisturbed condition. These estuaries are key habitats for a number of endangered and rare fauna and flora in the region.

Vegetation and Biodiversity

The table below provides a summary of the spatial extent of the various Biomes and vegetation types within Mnquma Municipality.

Table 2: Vegetation Type distribution in Mnquma Municipality

Vegetation Type	Instances	Area (ha)	Cons, Status	% of Municipality
SAvanna Biome				
Bisho Thornveld	1	94797.3131	Least threatened	28.73%
Eastern Valley Bushveld	8	85373.2132	Least threatened	25.87%
Grassland Biome				
Mthatha Moist Grassland	1	99857.0935	Endangered	30.26%
Drakensberg Foothill Moist Grassland	1	8252.8516	Least threatened	2.50%
Tsomo Grassland	2	4830.3537	Vulnerable	1.46%
Albany Thicket Biome				
Buffels Thicket	1	837.7461	Vulnerable	0.25%
Forests				
Scarp Forest	9	2406.0045	Least threatened*	0.73%
Southern Coastal Forest	1	139.9922	Least threatened	0.04%
Southern Mistbelt Forest	12	1042.7913	Least threatened	0.32%
Coastal Vegetation				
Subtropical Coastal Lagoons	4	61.4456		0.02%
Subtropical Dune Thicket	5	478.3088	Least threatened	0.14%

Cape Estuarine SAIt Marshes	1	160.3627	Least threatened	0.05%
Subtropical Estuarine SAIt Marshes	2	22.5673	Least threatened	0.01%
Subtropical SEAshore Vegetation	8	150.5283	Least threatened	0.05%
Indian Ocean Coastal Belt				
Transkei Coastal Belt	9	31591.2538	Vulnerable	9.57%
Afrotemperate, Subtropical and Azonal Forests				
Mangrove Forests	3	??	Critically Endangered	???
Total	65	330001.8257		100.00%

Mapping of Sensitive Environments

For purposes of the available budgetary and time resources available for the project, six areas within Mquma Municipality were selected as focus or priority areas for analysis. These priority areas include Butterworth, Centane, Kei Mouth/Qolora, Manubi/Mazeppa Bay/Qora Mouth, Nqamakwe, and Nxaxo/Wavecrest. The six focus areas are mainly characterized as of Existence of high biodiversity areas; Urban Centres; Potential for conflict between resource use; Growing population densities; and Sensitive geographical location. The sensitivity maps for the six priority or focus areas have been included in the SEA Report.

Social and Economic Environment

Socio-economic indicators and demographic data for local Municipality derived from Census 2001, the Municipal IDP and available sector plans and documents were reviewed. The general picture presented is as follows:

Demographics and socio-economic indicators:

- Mquma Municipality has approximately 287,770 people.
- 54% are female and 46% are male population age distribution data shows that the bulk of the population in Mquma are children (0-19 years) contributing over 55%, the economically active group (20-64 years) contributes approximately 38.7% and the remaining 6.3% lies in the pension group (56 years +).
- The data shows that there is a high dependency ratio.
- Mquma municipality is mainly rural type settlement patterns with low population density in the rural coastal areas and small towns typically between 0 – 500 and 501 – 1000 respectively. Higher densities in central Butterworth and the townships around Butterworth lie between 1500 – 2500 and 2500 – 4000 respectively.
- Generally very low income level, with very high unemployment rates.
- Very low skills base.

- Rural Livelihoods, typically surviving on subsistence farming.

Cultural and Heritage Features

Mnquma Municipality has a wealth of heritage, historical, cultural and archaeological resources that landmark the history and cultural value of the region. These sites include pre-colonial, post colonial sites and paleontological era artifacts and sites.

Anthropogenic Resources	Natural Resources and artifacts
<ul style="list-style-type: none"> • Old Buildings • Forts and Military Buildings • Monuments, Memorials and Shrines • Great Places • Museums • Bridges • Graves • Rock Art • Shipwrecks • Fossils 	<ul style="list-style-type: none"> • Trees • Stones/Rocks • Mountains • Water • Battle Sites

However the majority of these are in dilapidated state and their value and potential has not been maximized. A map showing the location of these resources has been included in the SEA Report.

Economic Development

The main economic development drivers in Mnquma is Agriculture, Mining and quarrying and Forestry. However smaller sectors such as Tourism, Building and construction, Transport facilities, Indigenous forests and plantations, Manufacturing and SMME, Mari-culture/Fishing and Medicinal plants are fledgling in the area. A number of studies and reports indicate that all these sectors have great potential to grow, particular Agriculture, Forestry, Mining and Tourism. This SEA has recognized these potentials, however cautions that there is likely to be a number of conflicting issues in pursuing these sectors in some of the sensitive areas which have been recognized as potential areas for promoting these sectors. This SEA therefore calls for detailed investigation and environmental studies such as Environmental Impact Assessment prior to pursuing some of the ventures, particularly in the 6 priority areas identified in this SEA.

Infrastructural Environment or the Built Environment

Socio-economic indicators and demographic data for local Municipality derived from Census 2001, the Municipal IDP and available sector plans and documents were reviewed. The general picture presented is as follows:

Demographics and socio-economic indicators:

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Institutional Arrangements

Socio-economic indicators and demographic data for local Municipality derived from Census 2001, the Municipal IDP and available sector plans and documents were reviewed. The general picture presented is as follows:

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- Mnquma Municipality has approximately 287,770 people.
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- Very low skills base.
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Planning Frameworks and Policy

All Policy and Planning Frameworks in Mnquma Municipality must be aligned to the overall vision for Mnquma Municipality which states that “Mnquma Municipality will uphold the principles of democracy, create an enabling environment that facilitates the empowerment of the community economically, socially and legislatively to ensure sustainable and affordable services.” , and Mission which is to “ Create a democratic,

responsive, effective, efficient and self-sustaining municipality able to deliver affordable quality services; Generate revenue and stimulate economic growth through investing in human capital; Ensure the optimal use of resources in a manner that will ensure active community participation and cooperative governance resulting in sustainable growth and development of our Municipality (Mnquma Municipality, 2008).

The above vision and mission contains some key words which are some of the key tenets upon which this SEA is based. These include a holistic understanding of the environment and sustainable development.

It is therefore critical that all development plans, policies, programmes and initiatives taking place within Mnquma take the SDF, SEA and other relevant spatial planning and environmental requirements into consideration in the earliest stages of planning and decision making. This is the only realistic way in which the municipality will be able to achieve its vision and mission.

The Integrated Development Plan (IDP)

The main planning document of the Municipality, the IDP (2008/2009) had clustered the municipal development priorities into 4 major clusters including Socio-Economic Development, Municipal Transformation and Institutional Development, Infrastructure and Service delivery, and Good governance and public participation. The findings of the IDP Review process and proposed development plans and strategies from the IDP suggest that there is a number of gaps and needs, as well as backlogs that need to be addressed in each of the clusters. However if the municipality is to achieve the set targets and objectives in a sustainable manner planning must take into consideration the recommendations made in the SDF and the SEA.

Sector Plans

Mnquma municipality is in the process of developing and updating a number of its sector plans which will enable it to meet and address a number of the issues addressed in the IDP. These include the Local Economic Development Plan (LED) sector plan, Water Sector Plan (WSP), and the Integrated Transport Plan (ITP). However there is still a number of sector plans or strategic planning documents for key areas addressed in the IDP that have not been prioritized or where there is no immediate plan to develop such plans. These include the Integrated Waste Management Plan to address the Solid Waste Management problems within Mnquma, an Environmental Implementation Plan or Management Plan, a Land Reform and Settlement Plan (LRSP). Mnquma Currently relies on Amathole District Municipality for such plans, and this is not an ideal situation as the ADM Plans are very superficial in terms of addressing on the ground issues within Mnquma Municipality.

Spatial Development Framework (SDF)

Mnquma Municipality has embarked on the development of the Spatial Development Framework (SDF) and this process is running alongside the development of this Strategic Environmental Assessment. These two

strategic documents must be incorporated the into the municipality's Integrated Development Plan (IDP).
The SDF shall:

- Facilitate the social, economic and environmental sustainability of the area.
- Provide transparent spatial reasoning that would facilitate private sector decisions on investment in the built environment.
- Provide a framework for dealing with key issues such as natural resource management, land reform, subdivision of rural land and the conservation of prime and unique agricultural land.
- Operate as a strategic, analytical and flexible forward planning tool, to guide decisions on land development.
- Provide a understandable and rational framework for spatial development where the government sectors (Local, District, Provincial, National and Para-statal) would invest in infrastructure provision and support certain forms of development in the short to medium term.
- Provide policy, principles and an approach to the administration of spatial development, which is clear enough to direct decision-makers in determining development applications.

Because the new SDF has been prepared along side the SEA, it incorporates the strategic thinking and approaches proposed in this SEA, as well as other regional planning and strategic environmental assessments including:

- Wild Coast Tourism Development Policy.
- European Union Wild Coast Support Programme.
- Wild Coast Conservation and Sustainable Development Project including:
 - Wild Coast Spatial Development Framework.
 - Wild Coast Strategic Environmental Assessment.
 - Wild Coast Biodiversity Action Plan.

Brief Description of the new SDF

A number of key structuring elements for the SDF for Mquma Municipality have been identified and these form the basis for the Spatial Development Framework proposals made by the new SDF. These structuring elements include:

Nodes

These are areas of concentrated activity and development including settlements. The SDF for Mquma has identified the following types of Nodes:

Primary Nodes: These are the predominant activity centres within the region which display a wide ranging variety of economic activities and development patterns. The SDF proposed that Butterworth should retain its Primary Node status and should be expanded upon in future development plans.

Secondary Nodes: These are smaller in scale compared to Primary Nodes and characteristically secondary nodes serve immediate surrounding areas of the node (sub regions) and have a limited variety of economic activities and development patterns. These are mainly administrative centres. The SDF proposes that Centane and Nqamakwe should retain their Secondary Node status, with Centane providing an opportunity to serve as a gateway and service centre to the coastal tourism and holiday areas. Nqamakwe on the other hand is more orientated towards being an administrative and institutional centre for the surrounding rural areas in the northern part of Mquma Municipality, with limited business development.

Coastal Nodes: These are specialised nodes due to the location of Mquma Municipality along the coast and are typically smaller in scale compared to Secondary and Primary Nodes. These nodes are mainly tourism and holiday resorts with very limited economic activity, and administrative services. The SDF proposes that Qolora is designated as Coastal Node. Development in Qolora must be limited due to the presence of sensitive environments e.g. estuary, primary dunes and the 1km coastal belt which is a statutory exclusion zone.

Activity Corridors

These are areas of intensified economic activity and development including settlements along a linear route e.g. particular road linking nodes of varying scales. The SDF proposes Ndabakazi (N-2/R409 Junction) – Butterworth route along the N-2 Highway as an activity corridor which links Butterworth to Nqamakwe.

Urban Edge

The urban edge is a structuring element of an SDF which indicates the edge or boundary of node where urban development will be permitted. The urban edge is required to indicate areas where higher levels of engineering services could be provided as well as define the urban structure and future growth of urban areas.

The designation of an urban edge is guided by the following principles:

- Limiting of urban development in prime and unique agricultural land.
- Feasibility of provision of bulk engineering services by the municipality.
- The protection of sensitive environments and areas with unique character.

The SDF has proposed Urban edges for the Primary Node (Butterworth), Secondary Nodes (Centane and Nqamakwe), and the Coastal Node (Qolora).

Other Structuring Elements

Other structuring elements identified in the Mquma Municipality SDF include:

- Industrial development areas.
- Agricultural Land in need of preservation.
- Nature Conservation Areas.
- Bulk Engineering services Infrastructure including Wastewater Treatment Works, Water Purification Works, Electricity substations, Solid Waste Sites etc.
- Mining Areas.
- The protection of sensitive environments and areas with unique character.
- Statutory exclusion areas/Buffers Zones.
- Topographical features such steep slopes and river valleys.

Strategic Environmental Assessment of the SDF

It is important to note that the proposed SDF still has a number of environmental impacts and an assessment of these strategic impacts can be including Impact of Biodiversity, Cultural Heritage, Social and Economic Impacts, Impact on sense of place and aesthetic values, particularly for coastal towns and rural areas. These potential impacts have been discussed in the SEA report and counter or mitigation measures have been proposed.

STRATEGIC ASSESSMENT

Biophysical Assets, Opportunities and Constraints

ENVIRONMENTAL RESOURCES/ ASSESTS	ENVIRONMENTAL ADVANTAGES / OPPORTUNITIES	ENVIRONMENTAL THREATS / CONSTRAINTS
<p>Climate</p> <ul style="list-style-type: none"> • The coastal areas of Mnquma and immediate hinterland areas have warm temperate climate. • The Inland areas near Nqamakwe tend to have lower temperatures in the winter months with frost conditions, but warm to hot in the summer. • Rainfall inland varies from 600 – 800mm p.a. whereas at the coast areas and the immediate hinterland experience higher 	<p>Climate</p> <ol style="list-style-type: none"> 1. The temperate climate makes the coastal areas of Mnquma favourable for holiday makers and for tourism. 2. Medium - High Rainfall along the coastal belt and in the immediate hinterland up as far as Centane make the area conducive for agriculture. 	<p>Climate</p> <ul style="list-style-type: none"> • Because Rainfall peaks during the October – December Period, it coincides with the beginning of the holiday Season and this might deter tourism. • Strong ocean currents along the coast limit the distribution of marine organism, making them vulnerable for overexploitation.

ENVIRONMENTAL RESOURCES/ ASSESTS	ENVIRONMENTAL ADVANTAGES / OPPORTUNITIES	ENVIRONMENTAL THREATS / CONSTRAINTS
<p>rainfall (800 – 1000mm). Peak Rainfall is generally received during the summer months October and November.</p>		
<p>Geology, Soils and Topography</p> <ul style="list-style-type: none"> • Beaufort and Ecca group geological formations. • Steep Slopes. • Undulating hills. • Deeply incised River Valleys. • Coastal Dunes. 	<p>Geology, Soils and Topography</p> <ol style="list-style-type: none"> 1. The topographical features of the municipality have contributed to its unique features and also the preservation of the regions pristine and unspoilt environment. 2. The geology of the area has resulted in the formation of a wide belt of Sand dunes and beautiful scenery such as river valleys, estuaries, beaches and dunes, which offer a range of ecosystem services. 3. The soils make it suitable for grasslands suitable for grazing and this create high potential for animal farming (beef farming, goats and sheep). 4. Geological processes have resulted into the availability of heavy mineral Sands in certain areas such Titanium near Wavecrest. 	<p>Geology, Soils and Topography</p> <ul style="list-style-type: none"> • The Geology of Mnguma municipality especially the coastal areas results in limited potential for groundwater supply. • Soils derived from the Ecca and the Beaufort group is highly susceptible to soil erosion. This means that the area requires careful planning and management to reduce soil erosion and its cumulative impacts. • The soils are highly leachable. • Mineral deposits in economically exploitable concentrations such as heavy mineral Sands near Wavecrest, occur in sensitive

ENVIRONMENTAL RESOURCES/ ASSESTS	ENVIRONMENTAL ADVANTAGES / OPPORTUNITIES	ENVIRONMENTAL THREATS / CONSTRAINTS
		<p>ecological areas such as coastal dune forest and mangrove forest areas. The exploitation of these minerals will result in degradation of these sensitive ecosystems.</p> <ul style="list-style-type: none"> • Steep slopes especially in the inland areas are a major limitation to intensive agriculture. • Steep slopes and hilly topography also make the provision of services very costly.
<p>Air Quality</p> <ul style="list-style-type: none"> • Very Good Air Quality in Rural and Coastal Areas. • Good - Medium Air Quality in the urban centre of Butterworth. 	<p>Air Quality</p> <ol style="list-style-type: none"> 1. Limited health impacts as result of poor air quality. 2. Good air quality is attractive to tourists. 	<p>Air Quality</p> <ul style="list-style-type: none"> • The areas of concern especially in Butterworth at the Landfill sites and dsut from quarries are a potential for negative health impacts.

ENVIRONMENTAL RESOURCES/ ASSESTS	ENVIRONMENTAL ADVANTAGES / OPPORTUNITIES	ENVIRONMENTAL THREATS / CONSTRAINTS
<p>Marine Coastline (Ocean, Beaches and Rocky Shores)</p> <ul style="list-style-type: none"> • Approximately 43km of coastline. • Indian Ocean. • Beaches. • Rocky shores. 	<p>Marine Coastline (Ocean, Beaches and Rocky Shores)</p> <p>1. The marine coastline of Mnquma offers a number of Ecosystem Services.</p> <p>a) Tourism and Ecotourism – the ocean, beaches and rocky shores represent a unique amenity for tourism and ecotourism related development, nature-based activities and education. There a number of small resorts that can be further developed to boost tourism along the</p> <p>b) Harvestable resources – subsistence fishing, mussels, etc. provide local food security, fishing is a popular recreational activity for tourists. There is potential for commercial mariculture e.g. abalone farming has been investigated at Qolora Mouth.</p> <p>c) Stability – the interface between the marine and terrestrial environments plays an important role in protecting land and estuaries from SEA erosion, storm surf and ocean wind.</p> <p>d) Waste assimilation – the marine coastline is the ultimate receiving environment for water-based outputs of development in the Mnquma Municipality and inland areas. This dilutes wastes and pollutants from some 15 river catchments, including the significantly large Kei catchment.</p> <p>e) Biodiversity importance – local genetic conservation importance and educational value in the marine environment.</p> <p>f) Climate regulation – the marine environment regulates local climate, providing an environment that fosters tourism, agricultural production and development.</p>	<p>Marine Coastline (Ocean, Beaches and Rocky Shores)</p> <ul style="list-style-type: none"> • Over-exploitation of some inter-tidal / sub-tidal organisms (including abalone) is occurring, jeopardising local biodiversity amenity and future prospects for natural resource harvesting. • Inappropriately located and serviced cottages and tourist / recreational amenities may threaten environmental quality and future development prospects in certain areas. • Discharges from rivers into the coastal zone, particularly large rivers such as the Kei, may threaten the integrity and quality of the coastal zone as a result of water pollution, high silt loads, and floods. • No protection of marine resources and no capacity for encouraging sustainable harvesting of natural products threatens local resources.

ENVIRONMENTAL RESOURCES/ ASSESTS	ENVIRONMENTAL ADVANTAGES / OPPORTUNITIES	ENVIRONMENTAL THREATS / CONSTRAINTS
<p>Estuaries</p> <ul style="list-style-type: none"> • There are 13 estuaries within the Municipality covering 638ha. • The majority of the estuaries in Mnquma are in excellent condition. • The estuaries include: <ul style="list-style-type: none"> • Great Kei. • Gxara. • Ngogwane. • Qolora. • Ngcizele. • Kobonqaba. • Cebe. • Nxaxo. • Ngqushi. • Gqunqe. • Zalu. • Ngqwara. • Qora. 	<p>Estuaries</p> <p>1.</p> <p>The Estuaries offer a number of general ecosystem services including but not limited to the following:</p> <p>i)</p> <p>Harvestable resources – fishing provides important local food security opportunity and provides attraction for recreational use with added economic benefits. Estuaries provide fibre / wood harvesting opportunities for local use.</p> <p>ii)</p> <p>Amenity value – the estuaries represent a unique amenity for tourists and related development, nature-based activities and education. Estuaries are Safe swimming areas along the coast.</p> <p>iii)</p> <p>Ecological productivity - estuaries support the regional regeneration of fish stocks and aspects of marine biodiversity.</p> <p>iv)</p> <p>Genetic diversity – local endemism with high genetic conservation importance and educational value.</p> <p>v)</p> <p>Waste assimilation – estuaries receive water-based outputs of development in the municipal area and inland, providing cost-SAVings and development opportunities, and protecting near-shore ocean quality.</p> <p>vi)</p> <p>Sediment supply – estuaries regulate sediment flows onto beaches and into the near-shore environment. (SRK, 2006)</p> <p>2.</p> <p>More specific opportunities include:</p> <p>i)</p> <p>The Nxaxo / Ngqusi contain mangroves, which are among the most southerly occurring group on the Wild Coast and on the African continent (mangroves have very high conservation value).</p> <p>ii)</p> <p>The Nxaxo Estuary is a unique landscape feature with potential for Natural Heritage Site status.</p> <p>iii)</p> <p>There are townships or holiday cottages at virtually all estuaries and two hotels (SEAgulls and Trennerys) at Qolora Mouth; Kob Inn at Qora Mouth;</p>	<p>Estuaries</p> <ul style="list-style-type: none"> • The open / closed nature of the majority of the estuaries limits their capacity for waste assimilation / water pollution purification and constrains Sand supply function. • There are high threats to the Kei and Qora due to catchment degradation. • Illegal cottages at Trennerys limit future development opportunities in this zone. • Inappropriately located and serviced cottages and tourist facilities threaten estuarine integrity. • High rates of resource harvesting from estuaries appear to be unsustainable and are impacting on estuarine biodiversity and resource supply sustainability. • No estuaries in the municipality are protected, thus no ecological regeneration capacity is secured along this stretch of coastline.

ENVIRONMENTAL RESOURCES/ ASSESTS	ENVIRONMENTAL ADVANTAGES / OPPORTUNITIES	ENVIRONMENTAL THREATS / CONSTRAINTS
<p>Rivers, Floodplains and Wetlands</p> <ul style="list-style-type: none"> • There are some 15 rivers in the municipal area. • All rivers are associated with floodplains and riverine wetlands. 	<p>Rivers, Floodplains and Wetlands</p> <ol style="list-style-type: none"> 1. Fresh water for Domestic purposes - There are opportunities to develop freshwater supply schemes on the larger rivers such as the Qora, Qolora and Kei. Most of the rivers still have good quality water and this can be utilised to provide portable water to the many communities. 2. Water for Irrigation purposes - The presence of many rivers provides opportunities for irrigation. 3. Water for Livestock watering – The presence of many rivers provides opportunities for livestock watering, which in turns makes commercial dairy/ beef and other livestock farming a possibility. 4. Water regulation – floodplains and wetlands play a key role in regulating water flows, securing year-round water supplies to users. Attenuation of floodwaters generated from upstream catchment areas, particularly with the larger rivers, and protecting the integrity of estuaries. 5. Waste assimilation – rivers and associated ecosystems assimilate and dilute wastes from urban, rural settlement and agricultural land uses. This assists in protecting the marine and coastal assets. 6. Sediment supply – rivers are the conduit for Sand / soil that replenishes floodplains, estuaries and beaches. Wetlands and floodplains regulate the flow of sediments to the coastal zone. Sand is also an important natural product harvested from river areas. 7. Harvestable resources – fishing provides an important local food security opportunity. Wetlands and floodplains provide natural fibres and food resources for subsistence use. 	<p>Rivers, Floodplains and Wetlands</p> <ul style="list-style-type: none"> • Increasing development and land degradation in the catchments threaten future availability / viability of water resources to supply local needs with little / no treatment. This will result in social and economic costs. • Abstraction potential from rivers (for domestic use and agricultural irrigation) in the municipality may be limited, particularly the smaller rivers (such as the Nxaxo and Ngqusi), and rivers with estuaries having a high conservation potential. • Limited Sanitation and solid waste servicing in the municipality threatens water resources and biodiversity. • There are few sites on the rivers suitable for dam building, and most rivers do not have sufficient low Season flow to sustain agriculture. • Large rivers such as the Kei and Qora may pose high flood risks, limiting opportunities for, and costs of, coastal developments.

ENVIRONMENTAL RESOURCES/ ASSESTS	ENVIRONMENTAL ADVANTAGES / OPPORTUNITIES	ENVIRONMENTAL THREATS / CONSTRAINTS
<p>Biodiversity</p> <p>1. Vegetation The vegetation in Mnquma mainly falls within the following Biomes as defined by SANBI and the vegetation map (Mucina, et al., 2006). See section 2.7.</p> <ul style="list-style-type: none"> • Grassland. • Savannah. • Forests. • Albany Thicket Biome. • Azonal Vegetation. • Indian Ocean Coastal Belt. <p>2. Fauna The fauna in Mnquma described includes:</p> <ul style="list-style-type: none"> • Avifauna (Birds). • Herptofauna. • Aquatic Invertebrates. • Reptiles, • Mammals, 	<p>Biodiversity</p> <p>The diverse biodiversity of Mnquma municipality offers a number of opportunities and ecosystems services including the following:</p> <p>1. General:</p> <p>i) Grasslands provide opportunities for livestock farming (grazing fodder).</p> <p>ii) Forests – Provide opportunities for commercial and communal forestry.</p> <p>iii) Forests also provide opportunities for Carbon sequestration.</p> <p>iv) Thicket and forests provide harvestable resources for agriculture (food and fodder), herbs for traditional medicine and cultural value.</p> <p>v) Vegetation and soil covers affects soils and soil capability – vegetated areas secure the soil and prevent erosion, protecting the productivity of the landscape and the integrity of the Receiving River / estuarine environments.</p> <p>vi) Tourism, Ecotourism and Education – forests and grasslands represent an important amenity for tourists and ecotourism, nature-based activities and education. E.g. Hiking Trails, Forest reserves and research centres etc.</p> <p>vii) The varied biodiversity of Mnquma municipality including critically endangered, endangered and vulnerable ecosystems offers opportunities for formal and community conservation.</p> <p>viii) Water regulation – areas under natural vegetation play a role in regulating water flows to streams and</p>	<p>Biodiversity</p> <ul style="list-style-type: none"> • Biodiversity associated with Kobonqaba-Wavecrest-Nxaxo is regarded as highly valuable, but threatened by high levels of resource harvesting and mining interests. • The grasslands along the coast are overgrazed and continual use of these areas for grazing will lead to erosion. • There are no formal nature reserves in the municipal area, thus little opportunity for conserving local biodiversity or managing natural resource use. • High levels of natural product harvesting from forests and grasslands is threatening genetic resources and ecosystem functions. • Conflicts may arise where tourism / residential / agricultural development zones overlap with areas of important biodiversity.

ENVIRONMENTAL RESOURCES/ ASSESTS	ENVIRONMENTAL ADVANTAGES / OPPORTUNITIES	ENVIRONMENTAL THREATS / CONSTRAINTS
	<p>2. Specific issues:</p> <p>i) Mnquma is blessed with some ecosystems, which are habitats for certain species that are listed as critically endangered and on the Red data list. These include Crowned Cranes in wetlands near Wavecrest, Dwarf Cameleon etc. Such need to be preserved.</p> <p>ii) Kei River priority area (37, 789ha) includes several priority forests and globally endangered species are found in large numbers on the northern bank of the river (10-20 km upstream of the estuary mouth).</p> <p>iii) The Transkei Coastal priority area (2, 371ha) follows the coast eastwards from the Kobonqaba estuary to the Sihlontlweni estuary and incorporates Transkei coastal grasslands and forests.</p> <p>iv) The Nxaxo River mangrove populations here represent the southern most distribution of large natural mangrove forests. The priority area incorporates the state owned Centane Forest Reserve and the Kobonqaba Dune Forest Complex.</p> <p>v) Manubi Forest priority area (3, 918ha) is a large, intact expanse of indigenous state forest, which is an important centre of diversity for plants, mammals and birds.</p> <p>vi) Qora River priority area (1, 347ha) incorporates the Qora estuary and river and a section of the Qwaminga River. This priority area includes Transkei Coastal Grassland and forest, with areas of Palm Thicket and Valley Bushveld, as well as several priority forests.</p> <p>vii) There are small areas of alluvial land developed for irrigated crop production along rivers, with the potential for more areas to be developed.</p>	

Institutional Assessment for Environmental Management

A questionnaire was developed and used to interrogate the current situation of institutional arrangements related to environmental management within Mngquma Municipality. The table below summarizes the current situation.

Question	Current Situation	Opportunities
Where is Environmental Management situated within the structure of the municipality?	Environmental Management falls under the Strategic Environmental Issues Division under the Directorate of Infrastructural Development and Planning.	Mngquma Municipality is a large municipality with a number of strategic environmental resources, as well a number of environmental challenges. In order to effectively address and meet challenges the municipality should give more weight to Environmental Management. Possibly call the Directorate: Infrastructure, Development Environment and Planning. Or Split and Create: Planning and Environment.
Is this felt to be at the appropriate level to enable effective enforcement of environmental management?	Development and Infrastructure has direct impact on the environment, and it therefore poses a good argument for having all the three under one Directorate.	Detailed analysis of the Directorate show that little or no attention is currently given to Environmental Management. There is an opportunity to lift its status within this directorate.
What are the current and desired staff resources for environmental management?	Although there is a division called Strategic Environmental issues under the Directorate of Infrastructural Development and Planning, there is currently no designated staff resources dedicated to environmental management within the municipality. No Qualified staff for Environmental Management and Planning.	The Municipality should: <ul style="list-style-type: none"> • Address the staff resources gap within the Environmental Planning Division. • Employ qualified staff for Environmental Management. • Send current staff for environmental training

Question	Current Situation	Opportunities
		courses for environmental managers and continuous professional development.
Who is responsible for environment issues and how is that responsibility accounted for?	No dedicated staff.	See above.
What authority does the Environmental Manager have and how does the Environmental Manager implement the duties/responsibilities?	No dedicated staff.	See above.
What environmental legislation is used to carry out/enforce the environmental duties and responsibilities?	There are currently no Municipal bylaws or environmental legal register within the municipality.	<ul style="list-style-type: none"> • Create a environmental bylaws, waste management bylaws etc. • Develop an Environmental legal register for the municipality. • Train environmental managers in environmental law.
What is the considered status, applicability and effectiveness of the bylaws?	Currently very limited.	See above.
What tools, training and resources are currently available to assist in environmental management?	Currently no tools for environmental management.	<p>The Municipality needs to first address the human resources and get qualified staff and then seek to address the issue of capacity building and resources such as environmental management tools.</p> <p>Without designated and qualified staff resources within the municipality, there is little or no hope that environmental tools including this Strategic</p>

Question	Current Situation	Opportunities
		Environmental Assessment (SEA) will serve their purpose or even meet their intended objectives.
What would be the desired range of tools, level of training and resources?		<p>These could include:</p> <ul style="list-style-type: none"> • Strategic Environmental Assessment (SEA). • Environmental Management Plans (EMP). • State of The Environment Report (SoER). • Environmental Implementation Plan (EIP). • Environmental Management Systems. • Geographical Information Systems. • Eastern Cape Biodiversity Conservation Plan.
What is the current physical coverage of existing environmental duties and responsibilities? [- i.e. what is the legal jurisdiction and physical application].	Non existent.	See above
What are the reporting procedures.	Non existent.	

Question	Current Situation	Opportunities
What are believed to be the weak points for providing effective environmental management in the municipality?	Environmental Management is currently not a seen a priority issue.	There is great need to train the managers and portfolio councillors on the importance of environmental management and continuously inform and involve. The is a need for capacity building, training and awareness raising in environmental management.
Based on the programmes and projects described in the IDP, what would be the preferred approach towards environmental management in the municipality?		The SEA and SDF should be taken as a critical layer to inform the IDP and other development initiatives within the municipality.
What is considered to be the level of understanding between the municipality's departments/services towards environmental issues, environmental management etc?	Very limited.	There is a gap for interdepartmental environmental awareness and training on their environmental aspects and impacts arising from their activities. Environmental Legal registers should be made available to all managers within the various departments (directorates etc).
What is considered to be the level of cooperation with Controlling Authorities, NGOs and the Private Sector?	There seems to be a great deal of interest and cooperation between Mngquma Municipality and a number of NGOs, Private Sector and Funding agencies etc. these include DBSA, ASPIRE, ECDC, DEAT, DPLG, DWAF etc.	This is very good and a sign of the potential that exists within the municipality. The only challenge is to harness all the various plans and coordinate them through one planning department and have environmental management and planning taken into consideration during the planning and implementation of the various plans and developments fostered by these organisations.

Question	Current Situation	Opportunities
What environmental programmes are currently underway in the municipality – either through the municipality/Environmental Manager or through other organisations? How are these coordinated through the municipality– if at all?	There is currently only few environmental programmes happening within the Mngquma, where the municipality has direct influence and involvement. The most important of these is perhaps the development of a Strategic Environmental Assessment (SEA) and Spatial Development Framework (SDF) i.e. this project.	There is room to develop a number of environmental programmes to sustainability utilise and conserve the strategic resources located within Mngquma Municipality. As part of the SEA a number of strategic programme will be suggested, that the municipality can look to implement in future.
How is environmental management and performance measured in the municipality? Does the municipality have an environmental management system or plan?	Currently Non-existent. No Environmental Management Plan or System.	It is understood that these plans/systems are not currently mandatory for category B municipalities, but are indicative of the level of priority of environmental management within the municipality, and can greatly assist the municipality to improve its performance as well reap other benefits.

Sustainability Development Parameters

In order to achieve the vision and objectives of Mngquma Municipality, a number of sustainability criteria and parameters have been set to guide development within Mngquma and these

Topography and Natural Landscapes
<p>Sustainability Objective: Protect the topography and natural landscape in the Mngquma Municipality:</p> <p>Sustainability Parameters:</p> <ol style="list-style-type: none"> 1. Development should not take place on slopes steeper than 1:5 (20%). Development on steeper slopes must be motivated for on environmental grounds. 2. No development must be accepted on ridges to avoid skyline pollution. 3. Developments within high visually exposed areas should have an unobtrusive architectural design and colour. <p>Sustainability Indicator</p>

1. Percentage of municipal area on slopes steeper than 1:5 that is developed.
2. Percentage of total high-lying areas (including ridges and slopes) transformed (developed) (%).
3. Percentage of development above the 280m contour.

Soils and Geology

Sustainability Objective:

Protect the Soils and geology within Mnquma Municipality:

Sustainability Parameters:

1. Prevent soil erosion and land degradation and developers and landowners should practice erosion control.

Sustainability Indicator

1. Soil Degradation Index for Municipality (National Land care Programme).
2. Avoid contamination of soil by pollutants.

Biodiversity and Conservation

Sustainability Objective:

Protect, Enhance and Biodiversity Conservation in Mquma Municipality:

Sustainability Parameters:

1. Identify areas of undisturbed habitat of high conservation value for inclusion in biodiversity corridors.
2. The establishment of conservancy areas should be encouraged and done as a co-operative venture between the Mquma Municipality, Eastern Cape Parks Board, Department of Economic Development and Environmental Affairs, Department of Water Affairs and Forestry, land Owners and Communities.
3. "Biodiversity Corridors" should be encouraged and planned to minimize fragmentation of habitats. These corridors should, where possible, be linked and contiguous with other well-established corridors. The possibility of establishing an Open Space System within Mquma Municipality should be investigated. Particularly in 3 main urban centers Butterworth, Nqamakwe and Centane.
4. A suitable setback for development from any identified biodiversity corridor shall be determined in the EIA process.
5. No development should be permitted on any coastal dunes, coastal forest, and inland indigenous forests.
6. All landscaping should aim to maintain or restore as many elements of the natural landscape as possible.
7. Where possible all remnants of indigenous vegetation should be retained in development plans.
8. Areas required for the rehabilitation of indigenous vegetation identified in an environmental management plan should be excluded from development.
9. Effective control of alien plants and animals should be addressed by developers and landowners.
10. Development should maintain or improve the conservation status of Red Data Book species and local endemics and not result in the loss of such species.
11. The areas where local endemic plant species occur should be set aside for their conservation.
12. Maintain and review areas for protection and conservation on a regular basis.

Sustainability Indicator

1. Threatened and extinct species per taxonomic group. Endemic Species per taxonomic group. Area (hectares) of sensitive, vulnerable, highly dynamic and stressed ecosystems in the municipal area (by

ecosystem type).

2. Percentage of each of the above which is conserved, protected and degraded or transformed per given term.
3. Physical area with conservancy status (km²).
4. Number of and size (Hectares) of Open Space.
5. Area (hectares) of municipal parks, recreation areas or other open spaces within the municipal area with conservation value.
6. Percentage of this area in-filled by development on an annual basis.
7. Area (hectares) and Percentage of municipal land currently invaded by alien species.
8. Area (hectares) and Percentage of municipal land currently invaded by alien species which has been cleared (in a reporting year).
9. Population trends of selected Red Data species.
10. Area (hectares) of municipal area under 'local protected area' status.
11. Percentage of municipal area under local protected area status.
12. Percentage of land of 'conservation importance' in the municipal area under protected area status.
13. Percentage of local protected areas with a current/adopted management plan and authorized budget.

Freshwater Resources

Sustainability Objective:

Protect and enhance the quality and quantity of Freshwater within Mquma Municipality:

Sustainability Parameters:

1. The abstraction of water for any use from any river within Mquma Municipality must be authorized by DWAF and must conform to the Water Sector Plan and Water Services Development Plan for the Municipality and the District.
2. Areas below the 1 in 100 year flood line should be excluded from development.
3. All areas within 50m of a water course as well as wetlands should be regarded as a no-development zone.
4. Establish trade effluent by-laws and ensure that all discharges into freshwater system are compliant with the DWAF General standards and Special limits for discharge of effluent and the set local standards.
5. Monitor industrial effluent and compliance .Establish a groundwater monitoring programme prior to the construction of industry within Mquma Municipality.
6. Ensure that demand for groundwater does not exceed the sustainable yield of groundwater resources.

Sustainability Indicator

1. Percentage of households with at least a basic level of service as determined by the WSA service levels policy.
2. Number of recorded cases of cholera.
3. Percentage exceedence of DWAF guidelines for selected groundwater quality variables.
4. Percentage exceedence of DWAF guidelines for selected surface water quality variables.
5. Monthly abstraction volume by upstream water users.
6. Surface water quality (Salinity and microbiological indicators).
7. Percentage of storm water drains that are maintained annually.
8. Number of dwellings within the 100 year flood line.
9. Number of dwellings 50m of a water course.
10. Water levels in select boreholes and wells (m).
11. Groundwater quality (Salinity and microbiological indicators).
12. Recharge rate of aquifers (m³/hour)
13. Groundwater abstraction rate (m³/hour)

Marine and Coastal Resources

Sustainability Objective:

Protect and preserve marine and coastal resources within Mquma Municipality:

Sustainability Parameters:

1. No development should be permitted on any coastal dunes, coastal forest, and estuaries.
2. Unauthorized fishing and over utilization of marine and coastal resources should not be permitted.

Sustainability Indicator

1. Vegetated dune ridge and estuaries (monitor changes in area from present situation).

Other Biophysical Resources

Sustainability Objective:

Ensure that the assimilative capacity of the bio-physical environment is not exceeded.

Sustainability Parameters:

1. Air: Establish ambient air quality standards in order to ensure a healthy environment.

Sustainability Indicator

1. Number of industries with scheduled processes.
2. Number of scheduled processes which did not comply with emissions standards and license conditions.
3. Percentage of these for which there was an enforcement response by the authority.
4. Ambient Concentrations of Priority Pollutants.

Sustainability Parameters:

1. Water: Ensure that water demand does not exceed the sustainable yield of water resources.
2. Marine and Transitional Systems: Further studies and detailed guidelines are needed to ensure that development does not exceed the assimilative capacity of the marine and transitional environment (estuarine).

Sustainability Indicator

1. Number of air quality related complaints received by the local authority (no. /year).
2. Environmental Reserve requirements (m³ / annum).
3. Dam levels in relation to Gross storage capacity (Mm3).
4. Nett storage capacity (Mm3).
5. Dam levels in relation to Full Storage Capacity (FSC) (%).

Identified priority projects IDP 2010/2011

The following summarizes the identified Key projects which are linked to specific sustainability parameters, the key issues facing the municipality, and the strategic environmental resources within the Municipality.

- Project 1: Aquaculture and Mari-culture.
- Project 2: Game Farming and Eco-Tourism.
- Project 3: Renewable Energy and Renewable Energy Policy.
- Project 4: Climate Change Adaption Plan and Implementation Strategy.
- Project 5: Communal Forestry and Forestry Regeneration.
- Project 5: Identification and Declaration of conservation areas within the Municipality.
- Project 6: Rehabilitation of sensitive landscapes and Natural resources.
- Project 7: Control of Proliferation of unauthorized Mining and Quarrying activities.
- Project 8: Development of Integrated Waste Management Plan (IWMP) and By-laws for Solid Waste Management.
- Project 9: Capacity Building and Awareness and Training and Eco-school.
- Project 10: Detailed Life Cycle Assessment and Ecological Risk Assessment for the sustainable utilization of Mineral Resources within the Municipality.
- Project 11: Sustainable Utilization of Medicinal Plants, Cultural Plants.

Agriculture

Feasibility Study for Cob Farming near Qolora

A number of studies including the Wild Coast Strategic Environmental Assessment have pointed to Qolora as a potential area for commercial aquaculture. This SEA takes this notion further and suggests that Mquma Municipality prioritize this project and assign budget and resources for the feasibility study of Cob Farm near Qolora.

The suggested objective of the project should be the investigation of suitability of the area and potential for a viable private sector – community trust partnership to develop a commercial cob farming venture in this area.

At the Minimum the feasibility study should address the following:

- Environmental sensitivity of the proposed locations.
- Strategic location of each alternative site in terms of: proximity to towns and villages, proximity to public transport.
- Existing infrastructure, such as road networks and potable water supply will be considered in the feasibility of each alternative site.
- Environmental/resource opportunities at each alternative site.
- Policy guidelines and compliance which may be relevant to all alternative sites.
- Estimated cost feasibility for each alternative.
- The environmental suitability of the site for cob culture and other species.
- Cost benefits analysis.

- Recommendations of feasible approach and way forward etc.

Proposed Budget

- R150, 000

Proposed Funding Sources

- 20% Mquma Municipality
- 80% Development Bank of Southern Africa (DBSA)

Game Farming

Feasibility Study for Game Farming near Mazeppa Bay, Wavecrest and other areas

The suggested objective of the project should be the investigation of suitability of the area and potential for a viable private sector – community trust partnership to develop a commercial Game farming venture within Mquma Municipality.

At the Minimum the feasibility study should address the following:

- Environmental sensitivity of the proposed locations.
- Strategic location of each alternative site in terms of: proximity to towns and villages, proximity to public transport.
- Existing infrastructure, such as road networks and potable water supply will be considered in the feasibility of each alternative site.
- Environmental/resource opportunities at each alternative site.
- Policy guidelines and compliance which may be relevant to all alternative sites.
- Estimated cost feasibility for each alternative.
- The environmental suitability of the site for different stocking species.
- Cost benefits analysis.
- Recommendations of feasible approach and way forward etc.

Proposed Budget

- R150, 000

Proposed Funding Sources

- 20% Mquma Municipality

- 80% Development Bank of Southern Africa (DBSA)

Renewable Energy Projects

Feasibility Study for Renewable energy resources and technologies

The immediate objective of this project would be to provide Mquma Municipality's decision makers and officials with guidance on the potentials of sustainable utilization of the available resources and renewable energy (RE) technologies and potential for the implementation of these technologies.

The study should at the minimum:

- Identify the potential renewable energy sources and technologies available that can be explored by Mquma Municipality.
- Prioritization of identified renewable energy sources and technologies and criteria for prioritization.
- An analysis and a development scenario for each of the selected technologies.
- The Most technically, economically and environmentally feasible alternative to pursue for Mquma Municipality.

The following are just some of the potential renewable energy resources that could be explored:

- Wastewater Treatment and sewage effluent and sludge from the 3 major urban centres, Butterworth, Ngqamakhwe and Centane.
- Landfills and Organic Waste Sources.
- Bio-diesel producing crops such as soya, sunflower, maize, etc.
- Wind Energy along the coastal Areas.

Development of Renewable Energy policy and implementation strategy for Mquma Municipality

Proposed Budget

- R250, 000

Proposed Funding Sources

- 50% Mquma Municipality.
- 50% Development Bank of Southern Africa (DBSA).

Integrated Waste Management Plan and Waste By-laws

The immediate objective of this project would be to provide Mquma Municipality's decision makers and officials with guidance on the potentials of sustainable utilization of the available resources and renewable energy (RE) technologies and potential for the implementation of these technologies.

The study should at the minimum:

- Identify the potential renewable energy sources and technologies available that can be explored by Mquma Municipality.
- Prioritization of identified renewable energy sources and technologies and criteria for prioritization.
- An analysis and a development scenario for each of the selected technologies.
- The Most technically, economically and environmentally feasible alternative to pursue for Mquma Municipality.

The following are just some of the potential renewable energy resources that could be explored:

- Wastewater Treatment and sewage effluent and sludge from the 3 major urban centres, Butterworth, Nqamakwe and Centane.
- Landfills and Organic Waste Sources.
- Bio-diesel producing crops such as soya, sunflower, maize, etc.
- Wind Energy along the Coastal Areas.

Proposed Budget

- R400, 000

Proposed Funding Sources

- 50% Mquma Municipality
- 50% Development Bank of Southern Africa (DBSA)

Climate Change Adaptation Action Plan

Climate change is a global and national concern and priority and it is therefore imperative for each local municipality to develop climate change adaptation and action plans. The set out a framework and principles from which actions to adapt to climate change can be developed and these include:

- Adaptation to short-term climate variability and extreme events is included as a basis for reducing vulnerability to longer-term climate change;
- Adaptation policies and measures assessed in a developmental context.
- Adaptation at different levels of society.
- Both the strategy and the process through which adaptation is implemented are equally important.

- Mnquma Municipality should undertake the development of a climate change adaptation Action and Implementation Plan. At the minimum the Action plan and Implementation strategy.
- Assess current climate trends and future projections within Mnquma Municipality.
- Undertake a climate vulnerability assessment of the Mnquma municipal area.
- Identify current sectoral and cross-sectoral vulnerabilities based on current climate variability risks and trends.
- Identify future potential vulnerabilities based on future projected climate scenarios and future climate risks.
- Capture this information on local vulnerability maps using GIS and other tools. The climate impact assessment would include Sea-level rise, drought and floodprone areas.
- Review current development plans and priorities and align assess their risk in light of the above.
- Overlay development priorities, expected climate change, current climate vulnerability and expected future climate vulnerability using GIS for spatial interrogation, and other participatory and quantitative assessments for further analysis. These various overlays will assist in identifying hotspots where adaptation activities should be focused.
- Develop adaptation options using new and existing consultative tools. These options should integrate climate-sensitive responses with development priorities and focus on areas that are highly vulnerable to climate variability.
- Prioritize the adaptation actions using tools such as multi-criteria analysis and cost benefit analysis.
- Develop programmes and project scoping and design documents together with associated budgets to form part of the Municipal Adaptation Action Plan and Implementation strategy.
- Out of this Municipal Adaptation Action Plan and Implementation strategy, Mnquma Municipality will then implement the priority projects.
- A Monitoring and evaluation and Review plan will have to be implemented at predefined intervals on the interventions on an on-going basis to ensure necessary modifications and improvements of the plans.

Proposed Budget

- R200, 000

Proposed Funding Sources

- 50% Mnquma Municipality
- 50% Development Bank of Southern Africa (DBSA)

ENVIRONMENTAL MANAGEMENT GUIDELINES

For purposes of keeping a regional context the land use Maps linked to environmental management guidelines were compiled using principles and data derived from available sources such as The Eastern Cape Biodiversity Conservation Plan (ECBP), The Wild Coast Strategic Environmental Assessment (WCSEA), and The National Spatial Biodiversity Assessment (NSBA). Four major landscapes were identified within the municipality, of which three of these, namely: Category 1: No Development Zones (Highly Sensitive Areas), Wetlands and Estuaries; Category 2: Sensitive Landscapes; Category 3:

Functional Landscapes; these are major areas for which clear land use recommendations and guidelines are set out. The fourth identified landscape, namely: Category 4: Degraded Landscapes occurs within each of the above-mentioned three category landscapes and land use guidelines for these areas are set out in this report according to the larger category landscapes within which they occur or are adjacent to. These landscapes are all impacted by human activities to varying degrees, and act as buffers and development potential areas within the larger bioregional context within which they occur. The following table and corresponding maps describe the 4 major categories of Land Use and is linked to Maps of the priority areas and identified spatial development nodes in terms of the proposed SDF for Mquma Municipality. The details of these guidelines have been included in the SEA Report.

IMPLEMENTATION, MONITORING AND EVALUATION

It is important to monitor the extent to which environmental objectives or parameters made in the SEA report are being met. Monitoring and auditing of the implementation of the SEA and SDF is required to assess whether the sustainability criteria are being met and the parameters are being adhered to. A monitoring and auditing programme should be developed for this purpose and should ultimately fall under the responsibility of a single individual that is seated within the environmental or planning department of the Mquma Municipality. The sustainability indicators, formulated as part of the SEA, are tools that can be used for monitoring the extent to which the sustainability parameters, objectives and criteria are being met.

The following implementation, monitoring and evaluation mechanisms are proposed:

- Mechanisms for implementation and management of the SDF:
- Compliance with legislation at all levels pertaining to development initiatives or proposals, spatial planning, and various land use options;
- Environmental Management Frameworks (EMFs).
- Project-level Environmental Impact Assessments (EIA's).
- Environmental Management Plans (EMP) and monitoring.

- Ensure the proposed indicators and management guidelines are enforced and complied with.

- Institutional arrangements:
- Defining the roles and responsibilities for various levels of government and other organizations.
- Appoint an environmental scientist to monitor the extent to which environmental objectives or parameters made in the SEA report are being met.
- Undertake a study to determine the current state of the environment and populate the status of indicators mentioned in this report.
- Ensure adequate financial and human resources for effective implementation of the SEA and SDF.
- It is proposed that an individual that is Seated within either the planning or environmental departments be appointed as the SEA Implementer. This individual should ideally be an Environmental scientist that is familiar with the environment within the Mquma Municipality and the SEA, SDF and IDP planning processes.
- The SEA Implementer should further be required to report on the status of the sustainability indicators as a measure of performance by the municipality.

CONCLUSION AND RECOMMENDATIONS

The following conclusions and recommendations are made:

- A lot of effort and resources have been invested into the development of the Strategic Environmental Assessment for Mquma Municipality.
- The SEA has undertaken a detailed situation analysis and assessment of the strategic Environmental Resources within Mquma Municipality.
- Mquma can be divided into 3 major regions namely:
 1. Urban and Sub-urban (Butterworth, Centane Nqamakwe towns in descending order of size and economic activity).
 2. Coastal Region (including all the coastal resorts, and towns along the Mquma coastline from Kei Mouth to Qora River Mouth)
 3. Rural Inland Regions (This is all the inland areas which typically are rural and more culturally oriented communities.
- It is important to note that these 3 major regions exhibit a number of different characteristics and present a diversity of key strategic environmental (Biophysical, social, economic, institutional and infrastructural) resources.
- The SEA recognises that all these resources are critical and important both to the history and future of these regions. Therefore the SEA has proposed a number of measures to ensure that these resources are utilised in a manner that is sustainable and acceptable and in line with the principles of sustainable development, integrated environmental management and in order to achieve the vision of Mquma Municipality.
- The SEA also identified and addressed an number of key issues and resource utilisation which have been conflict areas over the past decade.
- These include the potential for Mining of Titanium in the sensitive coastal region around Wavecrest. The SEA has confirmed the findings of previous studies undertaken by other specialists which identified the highly sensitive biodiversity and ecological sensitivity of the areas which form the footprint of the potential mining areas. The SEA concludes that mining as a land use in these areas would constitute a serious infringement on these sensitive ecological features and would have very high negative impact including irreversible loss of Biodiversity. Other negative impacts of mining would be an irreversible loss of cultural and regional sense of place and aesthetics in these very unique areas of the wild coast.
- The SEA has provided a framework and guidelines for sustainable land use which includes guidelines which are in line with the Eastern Cape Biodiversity Conservation Plan.

- Mnquma Municipality should ensure that the SEA incorporated into its strategic planning frameworks and documents such as the SDF and IDP.

9.1 Introduction

This section of the report will discuss operating income and expenditure projections and capital budget, conclusions and recommendations will be made. This is done through the use of an Excel based spreadsheet model that is designed to make three year financial projections.

The reasons for undertaking this exercise are that:

- Today's strategic decisions have significant longer term financial viability implications and these need to be understood
- There is a need to understand the financial viability and sustainability of municipal finances in the medium term and future plan projections
- The modelling process helps to identify the critical issues, quantifies the implications of choices and helps to inform wise decision-making.

9.2 Budget Assumptions

The selected key assumptions relating to this budget are as follows:

- a) The overall increase on salaries, wages and allowances is 6.08% for employees.
- b) The overall increase for Public office bearers is kept at 5% based on the 2010-2011 gazette no 32, 833.
- c) The overall increase for Section 57 managers of 6% based on projected CPIX in circular 51 of National Treasury.
- d) Parameter increase for Administrative costs to Repairs and Maintenance is 5% for 2011/12, 6.2% for 2012/13 and 5.2% for 2013/14.
- e) Rates tariff have been adjusted and categorised per components of general valuation roll e.g. vacant sites; farms; businesses etc.
- f) The reviewed budget envisages to increase the number of indigent beneficiaries from 10 000-15 000 in the next year.
- g) Equitable share has increased from R112m to R126m.
- h) MIG has increased from R36m to R44m and DME of R10m.

9.3 Capital and Operating Budget Estimates

- The three year financial plan includes an operating budget and capital budget per funding source ending 30 June 2014.

1. Operating Budget 01 July 2011- 30 June 2014

EXECUTIVE I&E SUMMARY	2011/2012 Indicative PROPOSED	2012/2013 Indicative Budget	2013/2014 Indicative Budget
<u>OPERATING REVENUE</u>			
<u>PROPERTY RATES</u>	(13 566 246)	(14 366 655)	(15 214 287)
PROPERTY RATES	(15 773 468)	(16 704 103)	(14 051 498)
REVENUE FOREGONE	2 207 222	2 337 448	2 337 448
PROPERTY RATES-PENALTIES & COLLECTION	-	-	-
<u>SERVICE CHARGES</u>	(1 045 901)	(1 107 609)	(3 328 581)
SERVICE CHARGES-REFUSE	(1 045 901)	(1 107 609)	(3 328 581)
RENTAL OF FACILITIES AND EQUIPMENT	(851 036)	(901 247)	(2 193 076)
INTEREST EARNED-EXT INVESTMENTS	(2 184 446)	(2 313 328)	(1 290 585)
INTEREST EARNED-OUTSTANDING DEBTORS	(674 077)	(713 848)	(713 841)
FINES	(1 419 306)	(1 503 045)	(1 415 296)
AGENCY SERVICES	(2 237 000)	(2 368 983)	(2 003 355)
TRAFFIC SERVICES	(992 622)	(1 051 187)	(1 155 388)
TRANSFERS RECOGNISED- OPERATIONAL	(128 274 747)	(135 842 957)	(143 857 692)
OTHER REVENUE	(550 788)	(583 284)	(348 995)
TOTAL DIRECT REVENUE	(151 796 169)	(160 752 143)	(170 236 519)
<u>OPERATING EXPENDITURE</u>			
<u>EMPLOYEE RELATED COSTS</u>	82 597 455	87 470 705	92 631 477
EMPLOYEE RELATED COST- REMUNERATION	68 349 141	72 381 740	76 652 262
EMPLOYEE RELATED COST-SOCIAL CONTRIBUTION	14 248 315	15 088 966	15 979 214
REMUNERATION OF COUNCILLORS	16 563 958	17 541 231	18 576 164
DEBT IMPAIRMENT	4 381 699	4 640 219	4 913 992
DEPRECIATION & ASSET IMPAIRMENT	192 448	203 802	1215 827
FINANCE CHARGES	2 381 996	2 522 534	2 671 363
BULK PURCHASES	3 500 000	3 706 500	3 925 184
OTHER MATERIALS	7 120 006	7 540 086	7 984 951
CONTRACTED SERVICES	7 381 258	7 816 753	8 277 941
TRANSFERS AND GRANTS	14 268 632	15 110 481	16 097 820
OTHER EXPENDITURE	13 408 265	14 199 353	15 037 115
TOTAL: DIRECT EXPENDITURE	151 795 718	160 751 665	170 331 834
(SURPLUS)/DEFICIT	(451)	(478)	(95 314)
OTHER TRANSFERS AFTER SURPLUS/DEFICIT			
TRANSFERS RECOGNISED-CAPITAL (REVENUE)	(42 587 520)	(45 100 184)	(55 656 066)
CONTRIBUTIONS RECOGNISED- CAPITAL	(22 577 127)	(6 510 398)	(7 610 172)
SURPLUS/(DEFICIT) AFTER CAPITAL TRANSFERS & CONTRIBUTIONS	(65 165 098)	(51 611 059)	(63 170 924)

Summary of MTREF Operating Projects per Directorate 01 July 2011-2014

DESCRIPTION	2011/2012 R	2012/2013 R	2013/2014 R
Executive & Council	661,036	700,037	741,339
Office Of The Municipal Manager Strategic Management	2,544,480 2,081,230	2,694,604 2,204,023	2,853,586 2,334,060
Infrastructural Dev. & Planning	569,400	522,000	522,000
Community Services	3,268,600	3,461,447	3,665,673
Budget And Treasury	2,410,000	2,552,190	2,702,769
Corporate Services	4,508,366	4,774,360	5,056,047
Operating Projects	16,043,112	16,908,661	17,875,474

Below is the Summary of MTREF Operating Projects 2011-2014

MTREF OPERATING PROJECTS 2011-2014							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
OFFICE OF THE EXECUTIVE & COUNCIL							
Office of the Speaker	To maximise participation of citizens in the municipality affairs by 2012	Ensure a fully functional ward committee and community development work system	Community Based Planning	MSIG	250,000	264,750	280,370
Office of the Speaker	To maximise participation of citizens in the municipality affairs by 2012	Ensure a fully functional ward committee and community development work system	Ward committee support	MSIG	240,000	254,160	269,155
Office of the Executive Mayor	To maximise participation of citizens in the municipal affairs by 2012	Facilitate community development work	Community and Stakeholder Visits	Equitable Share	64,836	68,661	72,712
Office of the Executive Mayor	To maximise participation of citizens in the municipal affairs by 2012	Coordinate and facilitate special programmes in an effective and efficient manner	Bursary	Equitable Share	106,200	112,466	119,101
TOTAL EXECUTIVE & COUNCIL					661,036	700,037	741,339
OFFICE OF THE MUNICIPAL MANAGER							

MTREF OPERATING PROJECTS 2011-2014							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Office of the Municipal Manager	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Optimisation and capacitating of Human Resource	PMU	MIG	1,774,480	1,879,174	1,990,046
Office of the Municipal Manager	To have an improved system of municipal governance in line with applicable legislation by 2012	Compliance with legislation and reporting	Risk Management Implementation	Equitable Share	500,000	529,500	560,741
Office of the Municipal Manager	To have an improved system of municipal governance in line with applicable legislation by 2012	Compliance with legislation and reporting	Implementation of internal audit plan	Equitable Share	270,000	285,930	302,800
TOTAL - OFFICE OF THE MUNICIPAL MANAGER					2,544,480	2,694,604	2,853,586
STRATEGIC MANAGEMENT DIRECTORATE							
Strategic Management	To ensure a developmentally-oriented planning by 2012	Develop knowledge base and improve research capacity	Consultation and Engagement of research partners	Equitable Share	0	0	0
Strategic Management	To ensure a developmentally-oriented planning by	Improve research capacity and conduct research	Implement research projects	Equitable Share	30,000	31,770	33,644

MTREF OPERATING PROJECTS 2011-2014							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
	2012						
Strategic Management	To maximise participation of citizens in the municipal affairs by 2012	Establish and maintain relations with other spheres of government and municipal stakeholders	Inter-Governmental Relations	Equitable Share	30,000	31,770	33,644
Strategic Management	To ensure fully functional systems of internal and external communication by 2012	Intensify municipal branding and public relations through innovative communication and marketing initiatives	Municipal Branding and Marketing	Equitable Share	159,300	168,699	178,652
Strategic Management	To ensure fully functional systems of internal and external communication by 2012	Intensify municipal branding and public relations through innovative communication and marketing initiatives	Production of newsletter	Equitable Share	247,191	261,775	277,220
Strategic Management	To increase the level of support to SMMEs by 2012	To facilitate research on the expansion of retail and manufacturing potential	Social facilitation	Equitable Share	620,000	656,580	695,318
Strategic Management	To increase the level of support to SMMEs by 2012	Strengthen and enhance the operations of co-operative and other	Support for Co - cooperatives	Equitable Share	200,000	211,800	224,296

MTREF OPERATING PROJECTS 2011-2014							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
		entities					
Strategic Management	To ensure properly co-ordinated rural and urban development	Operationalization of the Master Plan	Marketing of the Master Plan	Equitable Share	274,739	290,949	308,115
Strategic Management	Revitalize and commercialize the agricultural sector by 2012	Implementation of agricultural strategy	Revamping of agricultural schemes	Equitable Share	520,000	550,680	583,170
TOTAL - STRATEGIC MANAGEMENT DIRECTORATE					2,081,230	2,204,023	2,334,060
INFRASTRUCTURAL PLANNING AND DEVELOPMENT DIRECTORATE							
Infrastructural Planning And Development	Efficient implementation of building control function by 2014	Develop and implement a building /property maintenance plan for the municipality	Audit municipal building improvements	Equitable Share	36,200	120,000	120,000
Infrastructural Planning And Development	To ensure adequate transportation system for the efficient movement of goods and people by 2014	To develop Mnquma CIP in-house for sourcing funding to address the backlogs	Comprehensive infrastructure plan	Equitable Share	50,000	0	0
Infrastructural Planning And Development			Roads maintenance plan	Equitable Share	33,200	0	0

MTREF OPERATING PROJECTS 2011-2014							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Infrastructural Planning And Development	Install street and high mast lights, develop and implement street lights maintenance and operation plan	Street Lights maintenance and operational plan implemented	Electrical maintenance plan	Equitable Share	30,000	0	0
Infrastructural Planning And Development	Effectively manage land issues in a fair and equitable manner	Implement spatial development framework and complete zoning Scheme	Implementation of spatial development framework	Equitable Share	90,000	100,000	100,000
Infrastructural Planning And Development	Effectively manage land issues in a fair and equitable manner	Implement spatial development framework and complete zoning scheme	Development of local SDFs	Equitable Share	0	40,000	40,000
Infrastructural Planning And Development	Effectively manage land issues in a fair and equitable manner	Identify land for future development	Planning and survey fees	Equitable Share	200,000	250,000	250,000
Infrastructural Planning And Development	Facilitate increased household access to appropriate and sustainable housing by 2014	Develop ,where appropriate land for Human settlement (in line with spatial development framework) and in line with the Mquma Housing Sector Plan	Social housing workshop	Equitable Share	0	12,000	12,000

MTREF OPERATING PROJECTS 2011-2014							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Infrastructural Planning And Development	Efficient and effective mechanical workshop	Restructuring of the Mechanical Workshop	Restructuring of mechanical workshop	Equitable Share	50,000	0	0
Infrastructural Planning And Development	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Improve ICT Infrastructure services and institutional system	Data gathering for geographic information system	Equitable Share	80,000	0	0
TOTAL - INFRASTRUCTURAL PLANNING AND DEVELOPMENT					569,400	522,000	522,000
COMMUNITY SERVICES DIRECTORATE							0
Community Services	To improve solid waste disposal by 50% by 2012	To enhance implementation of IWMP	closure and rehabilitation of Magqudwana	Equitable Share	2,662,400	2,819,482	2,985,831
Community Services	To decrease the rate of traffic offences within the municipal area by 50% by 2012	Improve education and awareness on Traffic Safety	Traffic awareness	Equitable Share	106,200	112,466	119,101
Community Services	To improve solid waste disposal by 50% by 2012	To enhance implementation of IWMP	IWMP implementation	Equitable Share	500,000	529,500	560,741
					3,268,600	3,461,447	3,665,673
OFFICE OF BUDGET AND TREASURY OFFICE							

MTREF OPERATING PROJECTS 2011-2014							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Budget and Treasury	To ensure a developmentally-oriented planning by 2012	Implement and Review IDP and Budget in line with legislative requirements	Budget preparation	Equitable Share	70,000	74,130	78,504
Budget and Treasury	To have an effective system of municipal governance in line with applicable legislation by 2012	Develop, implement and review municipal policies, procedures, strategies and bylaws	Asset Register	MSIG	200,000	211,800	224,296
Budget and Treasury	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Optimisation and capacitating of human resource	Internship: salaries and allowances	FMG	700,000	741,300	785,037
Budget and Treasury	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Optimisation and capacitating of human resource	Training : Interns	FMG	250,000	264,750	280,370
Budget and Treasury	To ensure clean audit by 2014	Ensure functioning of structures towards realization of a clean audit by the Municipality	Operation clean audit	FMG	500,000	529,500	560,741

MTREF OPERATING PROJECTS 2011-2014							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Budget and Treasury	Increase the institutions budget and/or revenue enhancement by 20% by 2012	To ensure SCM respond to National legislation and local economic development strategy	SCM awareness	Equitable Share	20,000	21,180	22,430
Budget and Treasury	Increase the institutions budget and/or Revenue enhancement by 20% by 2012	Broadening on of revenue base	Supplementary valuations	MSIG	100,000	105,900	112,148
Budget and Treasury	To have an improved system of municipal governance in line with applicable legislation by 2012	Compliance with legislation and reporting	Indigent verification	Equitable Share	570,000	603,630	639,244
TOTAL BUDGET AND TREASURY					2,410,000	2,552,190	2,702,769
CORPORATE SERVICES DIRECTORATE							
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Optimise the capacity of human resources	Learnerships	Equitable Share	152,928	161,951	171,506

MTREF OPERATING PROJECTS 2011-2014							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Corporate Services	To have an effective system of municipal governance in line with applicable legislation by 2012	Develop, implement and review municipal policies, procedures, strategies and bylaws	Operationalization - business centre	Equitable Share	127,440	134,959	142,922
Corporate Services	To have an effective system of municipal governance in line with applicable legislation by 2012	Develop, implement and review municipal policies, procedures, strategies and bylaws	Records management & automation	Equitable Share	59,158	62,648	66,344
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Intensify customer and community service excellence and improve professionalism protocol and etiquette	Customer care operationalization	Equitable Share	59,158	62,648	66,344
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Improve infrastructure services and institutional system	Maintenance of the clock system	Equitable Share	70,988	75,177	79,612
Corporate Services	To ensure developmentally oriented planning by 2012	Implement, monitor and evaluate municipal performance	Performance awards	Equitable Share	130,000	137,670	145,793

MTREF OPERATING PROJECTS 2011-2014							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Improve infrastructure services and institutional system	Website maintenance	Equitable Share	53,100	56,233	59,551
Corporate Services	To ensure clean audit by 2012	Ensure functioning of structures towards realisation of a clean audit by the municipality	Arrear debt	Equitable Share	1,000,000	1,059,000	1,121,481
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Implement the employee relations wellness and safety programmes	Employee wellness & OHS programme	Equitable Share	118,314	125,295	132,687
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2013	Optimisation and capacitation of human resources	Bursary	Equitable Share	150,000	158,850	168,222
Corporate Services	Ensure a fully functional, responsible, accountable and	Optimisation and capacitation of human resources	Training of councillors & staff	Equitable Share	867,280	918,450	972,638

MTREF OPERATING PROJECTS 2011-2014							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
	responsive administration by 2014						
Corporate Services	Building maintenance	Maintenance of municipal buildings	Renovation of staff houses	Equitable Share	250,000	264,750	280,370
Corporate Services	To ensure a developmentally-oriented planning by 2012	Implement and Review IDP and Budget in line with legislative requirements	Performance management system	Equitable Share	470,000	497,730	527,096
Corporate Services	To ensure a developmentally-oriented planning by 2012	Implement and Review IDP and Budget in line with legislative requirements	IDP Review	Equitable Share	250,000	264,750	280,370
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Implement the employee relations wellness and safety programmes	Municipal sport	Equitable Share	200,000	211,800	224,296
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Review the organogram in line with strategic objectives of the municipality and the powers and functions of the municipality	Job description writing and evaluation	Equitable Share	250,000	264,750	280,370

MTREF OPERATING PROJECTS 2011-2014							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2014	Optimisation and capacitation of human resources	Training logistic (Travelling, Accommodation & meals)	Equitable Share	300,000	317,700	336,444
TOTAL - CORPORATE SERVICES					4,508,366	4,774,360	5,056,047
TOTAL OPERATING PROJECTS					16,043,112	16,908,661	17,875,474

Summary of MTREF Operating Projects per Funding Source 01 July 2011-2014

Operating Projects Per Funding Sources	2011/2012 R	2012/2013 R	2013/2014 R
Equitable Share	12,028,632	12,657,327	13,373,311
FMG	1,450,000	1,535,550	1,626,147
MSIG	790,000	836,610	885,970
MIG	1,774,480	1,879,174	1,990,046
	16,043,112	16,908,661	17,875,474

Summary of MTREF Operating Projects per Cluster 01 July 2011-2014

Operating Project Per Cluster	2011/2012 R	2012/2013 R	2013/2014 R
Good Governance and Public Participation	4,681,125	4,788,222	5,061,759
Infrastructural development and planning	516,200	634,750	650,370
Municipal transformation and financial viability	5,962,448	6,314,233	6,686,773
Socio Economic Development	4,883,339	5,171,456	5,476,572
TOTAL BUDGET	16,043,112	16,908,661	17,875,474

2. Capital Budget 01 July 2011 to 30 June 2014

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
OFFICE OF THE MUNICIPAL MANAGER								
Office of the Municipal Manager	1-31	Provide centralized, adequate and fully resourced municipal offices by 2012	Provide a conducive working environment for employees and councillors to improve productivity	Furniture and Office Equipment - MM's Office	EQUI SHARE	45,000	47,655	50,467
Office of the MM	5	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Booi Farm Access Road	MIG Funding	86,000	0	0
Office of the MM	1-6	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Butterworth Street & High Mast	MIG Funding	2,521,278	4,902,704	4,000,000
Office of the MM	30	To provide basic infrastructure for identified community needs and stimulation of	To facilitate acquisition of funds for the identified community	Centane Street Surfacing	MIG Funding	2,200,000	10,200,000	8,000,000

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
		economic growth by 2014	needs					
Office of the MM	17	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Ciya Kunene Toboyi Access Road	MIG Funding	1,000,000	1,100,000	0
Office of the MM	2-3	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Coloured/Zithulele/Msobomvu	MIG Funding	4,200,000	5,000,000	6,500,000
Office of the MM	29	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Cwebeni Access Road	MIG Funding	1,000,000	258,899	0
Office of the MM	1-31	Increase the institution's budget and / or revenue enhancement by 2014	Broadening of revenue base	Drivers Licence Testing Centre	MIG Funding	2,500,000	3,500,000	4,000,000

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Office of the MM	6	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Ematyeni via Ibika Road (Ibika Phase 2)	MIG Funding	2,500,000	2,584,100	1,350,000
Office of the MM	27	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	GcinaEsingeni Access Road	MIG Funding	2,000,000	0	0
Office of the MM	12	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Gxakhulu Bridge	MIG Funding	2,200,000	500,000	0
Office of the MM	16	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Hilihili Access Road	MIG Funding	80,000	0	0

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Office of the MM	24	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Holela Access Road	MIG Funding	80,000	0	0
Office of the MM	1-31	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Ibika Crematorium	MIG Funding	1,500,000	5,738,296	4,238,296
Office of the MM	13	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Kwa L Access Road	MIG Funding	360,000	0	0
Office of the MM	12	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Lengeni Access Road	MIG Funding	850,000	0	0

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Office of the MM	3	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Lower & Upper Mchubakazi	MIG Funding	2,000,000	8,991,304	10,100,000
Office of the MM	30	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Mdange Access Road	MIG Funding	1,500,000	0	0
Office of the MM	14	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Mgobhozweni-Tyinirha Access Road	MIG Funding	945,000	885,000	0
Office of the MM	18	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Nqamakwe Street Surfacing	MIG Funding	2,200,000	4,000,000	12,200,000

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Office of the MM	1-31	To facilitate the development of sports and recreation facilities in Mnquma by 2017	Solicit funding and development of credible business plans	Rural Sports Fields	MIG Funding	2,675,000	300,000	0
Office of the MM	15	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Rwantsane Bridge	MIG Funding	2,240,000	2,620,000	380,000
Office of the MM	31	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Seku Access Road	MIG Funding	100,000	0	0
Office of the MM	30	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Small Business Development Centre - Centane	MIG Funding	840,000	50,000	50,000
Office of the MM	18	To provide basic infrastructure for identified community needs and stimulation of	To facilitate acquisition of funds for the identified community	Small Business Development Centre-Nqamakwe	MIG Funding	840,000	50,000	50,000

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
		economic growth by 2014	needs					
Office of the MM	30	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Small Town Regeneration - Centane	MIG Funding	840,000	0	0
Office of the MM	18	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Small Town Regeneration- Nqamakwe	MIG Funding	0	100,000	750,000
Office of the MM	28	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Takazi Access Road	MIG Funding	290,242	0	0
Office of the MM	4	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Vuli-Valley Internal Streets	MIG Funding	2,640,000	575,000	0

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Office of the MM	19	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Xilinx Access Road	MIG Funding	1,800,000	1,200,000	0
Office of the MM	10	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Zangwa to Mzitheni Road	MIG Funding	500,000	0	0
Office of the MM	22	To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Zwelandile-Qora Access Road	MIG Funding	100,000	0	0
TOTAL - MUNICIPAL MANAGER						42,632,520	52,602,958	51,668,762
STRATEGIC MANAGEMENT								
Strategic Management	1-31	Provide centralized, adequate and fully resourced municipal offices by 2012	Provide a conducive working environment for employees and	Office Equipment - Strategic Management	EQUI SHARE	15,000	15,885	16,822

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
			councillors to improve productivity					
TOTAL - STRATEGIC MANAGEMENT						15,000	15,885	16,822
BUDGET AND TREASURY OFFICE								
Budget and Treasury Office	1-31	Provide centralized, adequate and fully resourced municipal offices by 2012	Provide a conducive working environment for employees and councillors to improve productivity	Office equipment- BTO	EQUI SHARE	65,000	68,835	72,896
TOTAL - BUDGET AND TREASURY OFFICE						65,000	68,835	72,896
INFRASTRUCTURAL DEVELOPMENT & PLANNING DIRECTORATE								
Infrastructural Development & Planning	2	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Township Roads	EQUI SHARE	6,010,000	6,364,590	6,740,101

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Infrastructural Development & Planning	5	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Procurement of Plant	EQUI SHARE	2,146,302	2,272,934	2,407,037
Infrastructural Development & Planning	5	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Plant hire	EQUI SHARE	1,500,000	1,588,500	1,682,222
Infrastructural Development & Planning		To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Storm water maintenance	EQUI SHARE	400,000	423,600	448,592
Infrastructural Development & Planning		To provide basic infrastructure for identified community needs and stimulation of economic growth by 2014	To facilitate acquisition of funds for the identified community needs	Electrification Programme	DME	10,000,000	15,000,000	15,000,000
TOTAL INFRASTRUCTURE						20,056,302	25,649,624	26,277,952
COMMUNITY SERVICES DIRECTORATE								

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Community Services	1-31	To facilitate the development of 1 sport and recreation facility at National Standards by 2017	To solicit funding for the development of Sport and Recreation facility	maintenance of sport fields	EQUI SHARE	1,337,397	1,416,303	1,499,865
Community Services	1-31	To contribute in community safety programmes within the Municipal area of jurisdiction by 2012	To strengthen the security systems within the municipal premises	Security systems	EQUI SHARE	150,000	158,850	168,222
Community Services	1-31	To contribute in community safety programmes within the Municipal area of jurisdiction by 2012	To solicit funding for the procurement of security equipment	Security equipment	EQUI SHARE	150,000	158,850	168,222
TOTAL - COMMUNITY SERVICES						1,637,397	1,734,003	1,836,310
CORPORATE SERVICES DIRECTORATE								
Corporate Services Directorate	1-31	Provide centralized,adequate and fully resourced municipality by 2012	Provide a conducive working environment for employees and councillors to improve productivity	Office Furniture, Fittings & Equipment	EQUI SHARE	46,068	48,786	51,664

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Corporate Services Directorate	1-31	Provide centralized,adequate and fully resourced municipality by 2012	Provide a conducive working environment for employees and councillors to improve productivity	Msobomvu renovations	EQUI SHARE	100,000	105,900	112,148
Corporate Services Directorate	1-31	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Improve ICT infrastructure, services and institutional systems	ICT Hardware & Software	EQUI SHARE	112,360	118,989	126,009
Corporate Services Directorate	1-31	Ensure a fully functional, responsible, accountable and responsive administration by 2013	Improve ICT infrastructure, services and institutional systems	HR System Installation	EQUI SHARE	200,000	211,800	224,296
Corporate Services Directorate		Provide centralized,adequate and fully resourced municipality by 2014	Provide a conducive working environment for employees and councillors to improve productivity	Renovation of town hall offices	EQUI SHARE	100,000	105,900	112,148

DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2011/2012 R	2012/2013 R	2013/2014 R
Corporate Services Directorate		Provide centralized,adequate and fully resourced municipality by 2014	Provide a conducive working environment for employees and councillors to improve productivity	Renovation of traffic offices	EQUI SHARE	200,000	211,800	224,296
TOTAL - CORPORATE SERVICES						758,428	803,175	850,562
TOTAL CAPITAL BUDGET						65,164,647	80,874,480	80,723,304

Summary of MTREF Capital Budget per Funding Source 01 July 2011-2014

Capital Budget by Funding Source	2011/2012 R	2012/2013 R	2013/2014 R
MIG	42,587,520	52,555,303	51,618,296
Equitable Share	12,577,127	13,319,177	14,105,008
DME	10,000,000	15,000,000	15,000,000
TOTAL	65,164,647	80,874,480	80,723,304

Summary of MTREF Capital Budget per Cluster 01 July 2011-2014

Capital Budget Per Cluster	2011/2012 R	2012/2013 R	2013/2014 R
Infrastructural development and planning	60,143,822	74,704,927	73,896,247
Municipal transformation and financial viability	3,383,428	4,435,550	4,990,747
Socio Economic Development	1,637,397	1,734,003	1,836,310
	65,164,647	80,874,480	80,723,304

9.4 Financial Recovery Plan

Cash and cash management is vital for the short and long-term survival and good management of any organisation. The appropriate benchmarks which can assist in assessing the financial health of the municipality.

Debtors' collection measurements, which have a great impact on the liquidity of the municipality.

The municipality envisaged to take 90 days to recover its debt. The municipality intends to reduce the age debt outstanding to sixty days to meet our target of 4% increase in collection.

The institution will engage debt collectors on a contract basis in ensuring that credit control policy is implemented and a proper revenue strategy will be developed to address the challenges of collection going forward.

9.5 Financial Recovery Strategies

The institution has identified that it needs to review the following policies:

- The review and implementation of a credit control policy. This policy and the relevant procedures detail all areas of credit control, collection of amounts billed to customers, procedures for non-payment etc.
- The review and implementation of an indigent policy- this policy defines the quantification criteria for an indigent, the level of free basic services enjoyed by indigent households, penalties for abuse etc. Mnquma Municipality has reviewed its indigent register and 5000new applicants were received

and declared as indigent a total number of 17 000 indigent households. Strides have been made for the indigent households to benefit from free basic services.

- Below is the table which reflects the number of beneficiaries who have benefitted from Free basic services from July 2010 to December 2010 and the budget that has been spent to this regard.

Free Basic Service	Number of beneficiaries benefitted	Budget
Paraffin	8 400	R1 693 993
Electricity	9882	R 311 699
TOTAL		R 2 005 692

- The development and implementation of a tariff policy – this policy will ensure that fair tariffs are charged in a uniform manner throughout the Mquma Local Municipal area.
- The development and implementation of a property rates and valuation policy – this will ensure that a fair rates policy and an updated valuation roll is applied to the entire Mquma Local Municipal area and will aim to ensure that all properties are included in the municipal record. Furthermore the policy will ensure that evaluations are systematically carried out.
- The review and implementation of an improved payment strategy – this strategy aims at implementing innovative cost effective processes to encourage consumers to pay their accounts in full on time each month, including increasing the methods of payment and implementing on-line pre-payment.
- Training and development of financial and other staff – the aim of this project will be to constantly ensure that the Financial (and other) staff receive the training they require to ensure a cost effective and efficient service to the municipality
- Development of GRAP related policies and ensure compliance to these policies.
- Development of the budget policy – These are principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget to ensure adherence to MLM's IDP review and budget processes.

Audit Report 30 June 2010 and its Action Plan for 2009-2010 Audit Report

AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE MNQUMA MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Mquma Municipality, which comprise the statement of financial position as at 30 June 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of

significant accounting policies and other explanatory information, and the accounting officer's report, as set out on pages ... to

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Statements of Generally Recognised Accounting Practice (Statements of GRAP) and in the manner required by the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

4. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for qualified opinion

Value-added tax (VAT) receivable

5. The municipality could not provide a reconciliation of the net VAT receivable of R2,7 million (2009: R4,6 million) as disclosed on the face of the statement of financial position. Queries noted by the South African Revenue Service indicated that input VAT of R1,2 million (2009: R0,7 million) did not meet the requirements of section 20(4) of the Value-Added Tax Act of South Africa, 1991 (Act No. 89 of 1991) and should not have been claimed. This was as a result of a lack of management control and oversight over the calculation of VAT. As the municipality's records did not permit the application of alternative procedures relating to the VAT receivable, I was unable to obtain sufficient appropriate audit evidence relating to the completeness, accuracy and valuation of the VAT receivable balance as disclosed in the statement of financial position.

Bank overdraft

6. The municipality could not provide a reconciliation of the bank overdraft of R2,7 million (2009: R5,7 million) as disclosed on the face of the statement of financial position. The municipality could not provide documentation, information or explanations to support transactions in the current and prior year to the amount of R2,5 million, as a result of incorrect processing that resulted in the general ledger balance not agreeing with the cash book by this amount. As the municipality's records did not permit the application of alternative procedures, I was unable to obtain sufficient appropriate audit evidence relating to the occurrence, accuracy and valuation of the bank overdraft balance as disclosed in the statement of financial position.

Corresponding figures

7. In the prior year my audit report contained a modification on a number of account balances and classes of transactions. Management processed entries and supplied evidence in order to correct these corresponding figures however no evidence could be obtained that the corresponding figures for revenue (R628 428), trade receivables (R148 725) and trade payables (R574 071) were corrected. As a result my opinion is again modified due to the comparability of these corresponding figures.

Qualified opinion

8. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Mquma Municipality for the year ended 30 June 2010 and its financial performance and its cash flows for the year then ended, are prepared in accordance with the statements of GRAP and in the manner required by the MFMA.

Emphasis of matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Fruitless and wasteful expenditure

10. Fruitless and wasteful expenditure of R162 597 was identified by the municipality and adequately disclosed in the financial statements.

Additional matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

12. The supplementary annexures set out on pages ... to ... do not form part of the financial statements and are presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In terms of the PAA and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with section 45 of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA), and

financial management (internal control).

Predetermined objectives

Material findings on the report on predetermined objectives, as set out on pagesto, are reported below:

Non-compliance with regulatory and reporting requirements

Content of the integrated development plan

The integrated development plan of the municipality did not include the disaster management plans, as required by section 26(g) of the MSA.

Prior year comparisons

The annual performance plan did not include a comparison with the prior year's performance and measures to improve performance, as required by section 46(1)(a) and (b) of the MSA.

Approval of the service delivery and budget implementation plan (SDBIP)

In terms of section 53(1)(c)(ii) of the MFMA, the municipality's SDBIP needs to be approved by the mayor within 28 days after the approval of the budget. No evidence could be obtained that this was done.

Usefulness of reported performance information

The following criteria were used to assess the usefulness of the planned and reported performance:

- Consistency: Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable and time bound?

The following audit findings relate to the above criteria:

The municipality did not report throughout on its performance with regard to its targets as per the approved integrated development plan. Thirty-one objectives contained in the integrated development plan were not reported in the annual performance report.

For the infrastructure planning and development and the socio-economic and environmental programmes, 13 objectives were not specific in clearly identifying the nature and the required level of performance.

The reported performance information included in the annual report was not presented in a simple, accessible format, relevant and useful to the intended user, or in accordance with the requirements of Treasury Regulation 18 or 28.2, MFMA Circular 11 and the relevant guidance applicable to reporting for the financial year-end.

The availability of storm water backlogs planned performance indicator or measure was not clear, with an unambiguous definition to allow for data to be collected consistently.

Compliance with laws and regulations

Municipal Finance Management Act

Expenditure was not paid within the parameters set by applicable legislation

The municipality did not pay creditors within 30 days as required by section 65(2)(e) of the MFMA.

The internal audit unit was not properly established or not functioning properly

The municipality's internal audit division did not fulfil all of its responsibilities as required by section 165(2) of the MFMA.

The audit committee was not properly established or not functioning properly

The audit committee did not dispense with all its duties as required by section 166(1) and (2)(a) of the MFMA.

The financial statements were not prepared in accordance with applicable legislation

The financial statements submitted for auditing did not comply with section 122(1) of the MFMA. Material misstatements were identified during the audit, of which some were corrected by management. Those that were not corrected were included in the basis for qualified opinion paragraphs.

The accounting officer did not adhere to his statutory responsibilities

The accounting officer did not take all reasonable steps to ensure that the fruitless and wasteful expenditure incurred was prevented as required by section 62(1)(d) of the MFMA.

Compliance with other enabling legislation

Environment Conservation Act of South Africa, 1989 (Act No. 73 of 1989)

Section 20(1)(a) of the act states that "No person shall establish, provide or operate any disposal site without a permit issued by the Minister of Water Affairs and that the Minister may issue a permit subject to such conditions as he may deem fit." Permits were not issued for the municipality's landfill sites located in Butterworth.

INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the MFMA and the Division of Revenue Act of South Africa, 2009 (Act No. 12 of 2009) (DoRA), but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies regarding the basis for qualified opinion paragraphs, the findings on the report on predetermined objectives and the findings on compliance with laws and regulations.

- **Leadership**

Management's philosophy was positive, but oversight responsibilities over reporting, compliance with laws and regulations and internal control were not exercised and the accounting officer did not evaluate whether management had implemented effective internal controls with regard to the preparation of the financial statements. Management created a positive and effective environment to

ensure that the municipality was adequately staffed to enable the finance department to function effectively.

- **Financial and performance management**

The financial statements and other information to be included in the annual report were not reviewed for completeness and accuracy prior to submission for auditing. Pertinent information was not identified in a form and time frame to support financial and performance reporting. An adequate working paper file was not prepared to support the financial statements in order for management to determine whether amounts and disclosures included in the financial statements were complete and accurate.

- **Governance**

The internal audit division was not effective in performing its duties and responsibilities as it was understaffed. The annual internal audit plan did not cover important risks to the municipality's operations, such as procurement and predetermined objectives. The plan was also not completed during the year, as five planned audits were not conducted. These limitations affected the adequate discharge of the audit committee's duties during the year under review. Review of the minutes of audit committee meetings revealed limited interaction between the municipality and the audit committee on such matters.

The audit committee did not exercise sufficient oversight over the implementation of the internal audit function, as the internal audit plan was approved late in the financial year and all planned audits were not completed. Furthermore, the internal audit division did not devote sufficient attention to high-risk areas of the municipality's operations. This contributed to the findings mentioned in the preceding paragraphs.

East London
30 November 2010



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence

MNQUMA AUDIT ACTION PLAN FOR THE YEAR ENDED 30 JUNE 2010

REFERENCE	AUDIT FINDING	ROOT CAUSE	CORRECTIVE MEASURES	TIME FRAME	RESPONSIBLE OFFICIAL
Bank and Cash	Financial Statements reflect a bank overdraft of R 2 715 235	<ul style="list-style-type: none"> • System challenges, some transactions were cancelled but are still reflecting on the ledger. • Some transactions that are on the bank vote are reflecting as captured in 2006. 	<ul style="list-style-type: none"> • Sebata to be set and held to timeframes • Information to be shared between institution and Sebata in resolving the issue 	28 February 2011	CFO
	Suspense account is not reflecting a Nil balance	Bank suspense items were not cleared on a monthly basis.	<ul style="list-style-type: none"> • Develop procedures for bank reconciliation • Review procedure manual on bank reconciliations taking into account Consbil. • Reconcile backlog from July to December 2010 		CFO

MNQUMA AUDIT ACTION PLAN FOR THE YEAR ENDED 30 JUNE 2010

REFERENCE	AUDIT FINDING	ROOT CAUSE	CORRECTIVE MEASURES	TIME FRAME	RESPONSIBLE OFFICIAL
	Output vat as per ledger does not agree to VAT 201	VAT 201 was done outside the system(manual)	<ul style="list-style-type: none"> VAT 201 will be done using the systems vat vote and journals for non-taxable supplies will be done on a monthly basis. 	Monthly	CFO
	Input vat as per the general Ledger does not agree to Vat 201	VAT 201 was done outside the system(manual)	<ul style="list-style-type: none"> VAT 201 will be done using the systems vat vote and journals for non-taxable supplies will be done on a monthly basis. 	Monthly	CFO
	Non-taxable expenditure has been included in the input tax paid account in the general ledger	Lack of knowledge about VAT (non-taxable supplies).	A workshop on VAT will be arranged for BTO staff.	15 December 2010	CFO
	VAT per GL differs from auditors recalculation of VAT on GL	VAT 201 was done outside the system(manual)	<ul style="list-style-type: none"> VAT 201 will be done using the systems vat vote and journals for non-taxable supplies will be done on a monthly basis. 	Monthly	CFO

MNQUMA AUDIT ACTION PLAN FOR THE YEAR ENDED 30 JUNE 2010

REFERENCE	AUDIT FINDING	ROOT CAUSE	CORRECTIVE MEASURES	TIME FRAME	RESPONSIBLE OFFICIAL
Corresponding figures	No evidence obtained that the corresponding figures for revenue were corrected	Non-submission of documents supporting prior year figures	<ul style="list-style-type: none"> Supporting Documents will be made available to auditors. 	Chief accountants and CFO	
	<p>Inadequate content of in the IDP</p> <p>The integrated development plan of the Mngquma Municipality did not include the disaster management plans, as required by section 26(g) of the Municipal Systems Act No. 32 of 2000 (MSA).</p>		No sector plan shall be included or listed available or in draft formats until the actual sector plans are made available for inclusion in the IDP	Director Corporate Services	
	<p><u>No evidence of proper approval of the (SDBIP)</u></p> <p>In terms of section of 53(1)(c)(ii) if the MFMA, the municipality's SDBIP needs to be approved by the mayor within 28 days after the approval of the budget</p>		The law requires that the SDBIP be approved by the Executive Mayor within 28days after the approval of the budget; in the beginning of 2010/2011 financial year, it has been proven that the 28days target might not be achieved and as a corrective measure, the SDBIP will be tabled with both the final draft of the IDP and the budget for approval	Quarterly	

MNQUMA AUDIT ACTION PLAN FOR THE YEAR ENDED 30 JUNE 2010

REFERENCE	AUDIT FINDING	ROOT CAUSE	CORRECTIVE MEASURES	TIME FRAME	RESPONSIBLE OFFICIAL
			<p>After each review, a covering letter to the office of the Municipal Manager will be attached as proof of how the review was conducted and will be signed by a person that was conducting the review</p>		
	<p><u>Usefulness of information</u> 1. The following criteria were used to assess the usefulness of the planned and reported performance:</p> <ul style="list-style-type: none"> • Consistency: The municipality has not reported on its performance with regard to objectives, indicators and targets in its approved integrated development plan. • Relevance: There is no clear and logical link between 		<p>Technical support on how the final drafts of the SDBIP's should be protected will be solicited from the IT after the review of the mid-term performance</p> <p>A workshop on indicators, targets and measurability will be provided to all managers, prior to the development and or review of the SDBIP</p>	<p>January 2011</p>	

MNQUMA AUDIT ACTION PLAN FOR THE YEAR ENDED 30 JUNE 2010

REFERENCE	AUDIT FINDING	ROOT CAUSE	CORRECTIVE MEASURES	TIME FRAME	RESPONSIBLE OFFICIAL
	<p>the objectives, outcomes, outputs, indicators and performance targets</p> <p>Measurability: The objectives are not measurable as indicators are not well defined and verifiable. Targets are not specific, measurable and time bound.</p>				
	<p><u>Inconsistently reported performance information</u></p> <p>2. The municipality has not reported throughout on its performance with regard to its targets which is consistent with the approved integrated development plan.</p> <p>The actual performance indicators per the integrated development plan were inconsistent with the targets for 31 objectives</p>		<p>Performance Management System framework activities have since been included in the IDP Process plan, Performance Management System Committee has been established and will be sitting prior to the end of the first quarter</p>	<p>December 2010</p>	
	<p><u>Reliability of information</u></p> <p>3. The following criteria were used to assess the</p>		<p>On a monthly basis, the Performance Management System Coordinator shall go</p>	<p>Monthly</p>	

MNQUMA AUDIT ACTION PLAN FOR THE YEAR ENDED 30 JUNE 2010

REFERENCE	AUDIT FINDING	ROOT CAUSE	CORRECTIVE MEASURES	TIME FRAME	RESPONSIBLE OFFICIAL
	<p>reliability of the planned and reported performance:</p> <ul style="list-style-type: none"> • Validity: The actual reported performance cannot be traced back to source data or documentation • Accuracy: Amounts, numbers and other data relating to reported actual performance has not been recorded and reported appropriately. <p><i>Completeness: All actual results and events that should have been recorded have not been included in the reported performance information.</i></p>		<p>through portfolio of evidence on all activities being reported on, to ensure validity of documentation proving performance</p>		
	<p>Targets not specific, measurable, well defined and time bound</p>		<p>Review of targets will be done in a strategic session to be held in January 2011</p>	<p>January 2011</p>	

MNQUMA AUDIT ACTION PLAN FOR THE YEAR ENDED 30 JUNE 2010

REFERENCE	AUDIT FINDING	ROOT CAUSE	CORRECTIVE MEASURES	TIME FRAME	RESPONSIBLE OFFICIAL
	<p><u>Inadequate presentation of reported performance information</u></p> <p>4. The information presented in the annual performance report is not presented in a simple, accessible format, relevant and useful to the user.</p>		A standard template has since been designed by the provincial department of Local Government & Traditional Affairs and will be utilized for this purpose	End December 2010	

THREE-YEAR CAPITAL PLAN- 2010/2013

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
EXECUTIVE & COUNCIL								
Executive Mayor and Speaker	1-31	Provide centralized, adequate and fully resourced municipal offices by 2012	Provide a conducive working environment for employees and Councillors to improve productivity	Furniture and Office Equipment - Speaker	EQUI SHARE	15,795	16,774	17,764
Executive Mayor and Speaker	1-31	Provide centralized, adequate and fully	Provide a conducive working environment for	Furniture and Office Equipment - Executive	EQUI SHARE	15,795	16,774	17,764

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
		resourced municipal offices by 2012	employees and Councillors to improve productivity	Mayor				
TOTAL - EXECUTIVE MAYOR AND SPEAKER						31,590	33,549	35,528
OFFICE OF THE MUNICIPAL MANAGER								
Office of the Municipal Manager	1-31	Provide centralized, adequate and fully resourced municipal offices by 2012	Provide a conducive working environment for employees and Councillors to improve productivity	Furniture and Office Equipment - MM's Office	EQUI SHARE	31,740	33,708	35,697
TOTAL - MUNICIPAL MANAGER						31,740	33,708	35,697
STRATEGIC MANAGEMENT								
Strategic Management	1-31	Provide centralized, adequate and fully resourced municipal offices by 2012	Provide a conducive working environment for employees and Councillors to improve productivity	Office Equipment - Strategic Management	EQUI SHARE	31,740	33,708	35,697
TOTAL - STRATEGIC MANAGEMENT						31,740	33,708	35,697
BUDGET AND TREASURY OFFICE								
Budget and	1-31	Provide	Provide a conducive	Office	EQUI	100,000	106,200	112,466

DRAFT MTREF CAPITAL BUDGET 2010 - 2013									
DIRECTORATE	WARD NO.	OBJECTIVES		STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
Treasury Office		centralized, adequate and fully resourced municipal offices by 2012	working environment for employees and Councillors to improve productivity	equipment- BTO		SHARE			
TOTAL - BUDGET AND TREASURY OFFICE							100,000	106,200	112,466
INFRASTRUCTURAL DEVELOPMENT & PLANNING DIRECTORATE									
Infrastructural Development & Planning	2	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs		Township Roads	EQUI SHARE	5,000,000	5,310,000	5,623,290
Infrastructural Development & Planning	5	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs		Procurement of Plant	EQUI SHARE	2,021,000	5,125,302	5,427,695
Infrastructural Development & Planning	15	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs		Bongoza via Mpenduza	MIG Funding	130,000	5,008,060	5,303,536
Infrastructural Development & Planning	5	To provide basic infrastructure for identified community needs and	To facilitate acquisition of funds for the identified community needs		Booi Farm Access Road	MIG Funding	863,928	0	0

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
		stimulation of economic growth						
Infrastructural Development & Planning	1-6	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Butterworth Street & High Mast	MIG Funding	2,600,000	5,021,278	4,902,704
Infrastructural Development & Planning		To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Centane Street Lighting	MIG Funding	65,000	0	0
Infrastructural Development & Planning	30	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Centane Street Surfacing	MIG Funding			10,200,000
Infrastructural Development & Planning	17	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Ciya Kunene Toboyi Access Road	MIG Funding	663,302	0	0
Infrastructural Development & Planning	2-3	To provide basic infrastructure for identified community needs and	To facilitate acquisition of funds for the identified community needs	Coloured/Zithulele/Msobomvu	MIG Funding	2,600,000	6,200,000	9,870,000

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
		stimulation of economic growth						
Infrastructural Development & Planning	29	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Cwebeni Access Road	MIG Funding	906,200	952,699	0
Infrastructural Development & Planning	1-31	Increase the institutions budget and/or Revenue enhancement by 20% by 2012	Broadening of revenue base	Drivers Licence Testing Center	MIG Funding	300,000	1,750,000	75,000
Infrastructural Development & Planning	8	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Dyushu-Cerhu Access Road	MIG Funding	22,138	0	0
Infrastructural Development & Planning	6	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Ematyeni via Ibika Road (Ibika Phase 2)	MIG Funding	1,234,100	5,666,667	350,000
Infrastructural Development & Planning	27	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	GcinaEsingeni Access Road	MIG Funding	2,424,476	0	0

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
		growth						
Infrastructural Development & Planning	26	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	GodidiZibunu Access Road	MIG Funding	571,750	0	0
Infrastructural Development & Planning	12	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Gxakhulu Bridge	MIG Funding	3,220,000	175,000	0
Infrastructural Development & Planning	16	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Hilihili Access Road	MIG Funding	745,000	0	0
Infrastructural Development & Planning	24	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Holela Access Road	MIG Funding	1,090,000	30,625	0
Infrastructural Development & Planning	1-31	To provide basic infrastructure for identified community needs and stimulation of economic	To facilitate acquisition of funds for the identified community needs	Ibika Crematorium	MIG Funding	0	0	5,738,296

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
		growth						
Infrastructural Development & Planning	7	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Izagwityi Access Road	MIG Funding	1,025,000	0	0
Infrastructural Development & Planning	13	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Kwa L Access Road	MIG Funding	360,000	0	0
Infrastructural Development & Planning	12	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Lengeni Access Road	MIG Funding	761,476	3,048,951	0
Infrastructural Development & Planning	3	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Lower & Upper Mchubakazi	MIG Funding	0	500,000	10,100,000
Infrastructural Development & Planning	26	To provide basic infrastructure for identified community needs and stimulation of economic	To facilitate acquisition of funds for the identified community needs	Magiqweni Access Road	MIG Funding	170,000	0	0

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
		growth						
Infrastructural Development & Planning	3	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Magqudwana Phase 2	MIG Funding	80,000	0	0
Infrastructural Development & Planning	30	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Mdange Access Road	MIG Funding	728,313	2,435,727	0
Infrastructural Development & Planning	14	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Mgobhozweni-Tyinirha Access Road	MIG Funding	885,000	945,000	0
Infrastructural Development & Planning	21	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Mthawelanga Access Road	MIG Funding	310,000	0	0
Infrastructural Development & Planning	18	To provide basic infrastructure for identified community needs and stimulation of economic	To facilitate acquisition of funds for the identified community needs	Ngcwazi Access Road	MIG Funding	640,000	0	0

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
		growth						
Infrastructural Development & Planning	11	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Ngquthu Access Road	MIG Funding	75,000	0	0
Infrastructural Development & Planning	25	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Nkonkwane Access Road	MIG Funding	62,500	0	0
Infrastructural Development & Planning	18	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Nqamakwe Street Surfacing	MIG Funding			10,200,000
Infrastructural Development & Planning	15	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Nyidlana Access Road	MIG Funding	1,275,000	0	0
Infrastructural Development & Planning	23	To provide basic infrastructure for identified community needs and stimulation of economic	To facilitate acquisition of funds for the identified community needs	Qoboqobo Access Road	MIG Funding	110,000	0	0

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
		growth						
Infrastructural Development & Planning	1-31	To facilitate the development of sports and recreation facilities in Mngquma by (2017)	Solicit funding and Development of credible business plans	Rural Sports Fields	MIG Funding	300,000	2,675,000	0
Infrastructural Development & Planning	15	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Rwantsane Bridge	MIG Funding	3,386,383	4,240,000	380,000
Infrastructural Development & Planning	31	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Seku Access Road	MIG Funding	1,010,000	0	0
Infrastructural Development & Planning	30	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Small Business DvlpmtCenter - Centane	MIG Funding	74,560	840,000	50,000
Infrastructural Development & Planning	18	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Small Business DvlpmtCenter-Nqamakw	MIG Funding	100,000	840,000	50,000

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
Infrastructural Development & Planning	30	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Small Town Regeneration - Centane	MIG Funding	100,000	840,000	50,000
Infrastructural Development & Planning	18	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Small Town Regeneration- Nqamakwe	MIG Funding	100,000	840,000	50,000
Infrastructural Development & Planning	28	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Takazi Access Road	MIG Funding	1,090,000	0	0
Infrastructural Development & Planning	4	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Vuli-Valley Internal Streets	MIG Funding	2,200,000	2,640,000	575,000
Infrastructural Development & Planning	4	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Vuli-Valley Surfaced Road	MIG Funding	180,492	0	0

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
Infrastructural Development & Planning	19	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Xilinx Access Road	MIG Funding	970,943	1,896,573	0
Infrastructural Development & Planning	10	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Zangwa to Mzitheni Road	MIG Funding	615,000	30,000	0
Infrastructural Development & Planning	22	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Zwelandile-Qora Access Road	MIG Funding	1,365,000	1,020,000	0
TOTAL INFRASTRUCTURE						42,431,561	58,030,882	68,945,521
COMMUNITY SERVICES DIRECTORATE								
Community Services	31	Increase the institutions budget and/or Revenue enhancement by 20% by 2012	Broadening of revenue base	dragger machine	EQUI SHARE	150,000	159,300	168,699
Community Services	1-31			Four ton towing truck	EQUI SHARE	500,000	531,000	562,329

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
Community Services	1-31	To have an improved system of municipal governance in line with applicable legislation by 2012	Develop and implement municipal policies, procedures, strategies and bylaws	Municipal Security System (Systems and sound machines)	EQUI SHARE	500,000	531,000	562,329
Community Services		Provide centralized, adequate and fully resourced municipal offices by 2010	Provide a conducive working environment for employees and Councillors to improve productivity	Furniture, Fittings and Equipment - Security	EQUI SHARE	12,116	12,867	13,626
Community Services		Provide centralized, adequate and fully resourced municipal offices by 2010	Provide a conducive working environment for employees and Councillors to improve productivity	Furniture, Fittings and Equipment - Law Enforcement	EQUI SHARE	11,014	11,697	12,387
Community Services		Provide centralized, adequate and fully resourced municipal offices by 2010	Provide a conducive working environment for employees and Councillors to improve productivity	Furniture, Fittings and Equipment - Cleansing	EQUI SHARE	11,014	11,697	12,387
Community Services		Provide centralized, adequate and fully resourced municipal offices by 2010	Provide a conducive working environment for employees and Councillors to improve productivity	Furniture, Fittings and Equipment - Director	EQUI SHARE	13,386	14,216	15,055
Community Services				Mowering Equipment	EQUI SHARE	200,000	212,400	224,932

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
TOTAL - COMMUNITY SERVICES						1,397,530	1,484,177	1,571,744
CORPORATE SERVICES DIRECTORATE								
Corporate Services Directorate	1-31	Provide centralized, adequate and fully resourced municipal offices by 2010	Provide a conducive working environment for employees and Councillors to improve productivity	Office Furniture, Fittings & Equipment	Equitable Share	105,800	112,360	118,989
Corporate Services Directorate	1-31	To have an improved system of municipal governance in line with applicable legislation by 2012	Develop and implement municipal policies, procedures, strategies and bylaws	Hall Furniture, Fittings & Implements	Equitable Share	211,600	224,719	237,978
Corporate Services Directorate	1-31	Provide centralized, adequate and fully resourced municipal offices by 2012	Provide a conducive working environment for employees and Councillors to improve productivity	Business Centre Furniture & Fittings	Equitable Share	31,740	33,708	35,697
Corporate Services Directorate	1-31	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Improve ICT infrastructure, effectiveness and efficiency of information and communication technology systems	ICT Hardware & Software	Equitable Share	105,800	112,360	118,989
Corporate Services Directorate	1-31	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Populate and review the organogram in line with strategic objectives of the municipality and the powers and functions of the	HR System Installation	Equitable Share	250,000	265,500	281,165

DRAFT MTREF CAPITAL BUDGET 2010 - 2013								
DIRECTORATE	WARD NO.	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
			municipality					
Corporate Services Directorate		To ensure proper management and maintenance of municipal properties by 2012	Develop and implement a building maintenance plan	Furniture for Council Chambers	Equitable Share	150,000	159,300	168,699
TOTAL - CORPORATE SERVICES						854,940	907,947	961,517
TOTAL CAPITAL EXPENDITURE						44,879,100	60,630,170	71,698,166

OPERATING PROJECTS 2010-2013

MTREF OPERATING PROJECTS 2010-2013								
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R	
OFFICE OF THE EXECUTIVE & COUNCIL								
Office of the Mayor	To maximise participation of citizens in the municipal affairs by 2012	Ensure a fully functional ward committee and community development work system	Community Outreach Programme	Equitable Share	52,900	56,180	59,494	
Office of the Mayor	To maximise participation of citizens in the municipal affairs by 2012	Ensure a fully functional ward committee and community development work system	Community and Stakeholder Visits	Equitable Share	61,051	64,836	68,661	

MTREF OPERATING PROJECTS 2010-2013							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
Office of the Mayor	To maximise participation of citizens in the municipal affairs by 2012	Ensure a fully functional ward committee and community development work system	Training of Ward Committees	MSIG	135,000	143,370	151,829
Office of the Mayor	To maximise participation of citizens in the municipal affairs by 2012	Ensure a fully functional ward committee and community development work system	Community Based Planning	MSIG	215,000	228,330	241,801
Office of the Mayor	To facilitate the improvement of learning and teaching	to promote and improve completed grade 12 for better education within Mngquma	Bursary	Equitable Share	100,000	106,200	112,466
Office of the Mayor			Pauper Burials	Equitable Share	30,000	31,860	33,740
Office of the Mayor	To facilitate quality disaster services in Mngquma area by 2012	To continuously engage communities in awareness campaign	Disaster Relief	Equitable Share	100,000	106,200	112,466
Office of the Mayor	Ensure efficient and effective coordination of Special programmes	Improve the facilitation of Special programmes	Poor relief	Equitable Share	100,000	106,200	112,466
Office of the Mayor			Mayors Cup	Equitable Share	100,000	106,200	112,466
Office of the Mayor			Cleanest Ward	Equitable Share	100,000	106,200	112,466
TOTAL EXECUTIVE & COUNCIL					993,951	1,055,576	1,117,855
OFFICE OF THE MUNICIPAL MANAGER							

MTREF OPERATING PROJECTS 2010-2013							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
Office of the Municipal Manager			PMU	MIG	1,475,440	1,566,917	1,659,365
Office of the Municipal Manager	To have an improved system of municipal governance in with applicable legislation by 2012	Compliance with legislation and reporting	Internal Audit implementation plan	Equitable Share	200,000	212,400	224,932
Office of the Municipal Manager	To have an improved system of municipal governance in with applicable legislation by 2012	Develop and implement municipal policies, procedures and bylaw	Internal Controls	Equitable Share	100,000	106,200	112,466
Office of the Municipal Manager	To have an improved system of municipal governance in with applicable legislation by 2012	Compliance with legislation and reporting	Risk Management Implementation	Equitable Share	50,000	53,100	56,233
						0	0
TOTAL - OFFICE OF THE MUNICIPAL MANAGER					1,825,440	1,938,617	2,052,996
OFFICE OF STRATEGIC MANAGEMENT							
Planning & Development	To ensure a developmentally-oriented planning by 2012	Review IDP in line with legislative requirements	IDP Review	EQUI SHARE	500,000	531,000	562,329
Planning & Development	Revitalize tourism and heritage by 2012	Develop and implement a Tourism Cluster Plan by June 2011	Tourism implementation plan	EQUI SHARE	150,000	159,300	168,699
Planning & Development	To ensure a developmentally-oriented planning by 2012	Develop knowledge base and improve research capacity	Research and Policy Development	EQUI SHARE	100,000	106,200	112,466
Planning	To ensure fully functional	Intensify municipal branding, and	Municipal Branding	EQUI	150,000	159,300	168,699

MTREF OPERATING PROJECTS 2010-2013							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
&Development	systems of internal and external communication by 2012	public relations through innovative communication and marketing initiatives	and Marketing	SHARE			
Planning & Development	To have an improved system of municipal governance in line with applicable legislation by 2012	Implement, monitor and evaluate municipal performance	Performance Management System	EQUI SHARE	200,000	212,400	224,932
Planning & Development	To maximise participation of citizens in the municipal affairs by 2012	Intensify inter-governmental relations	IGR	EQUI SHARE	73,000	77,526	82,100
Planning & Development	To acquire land for development by 2014	Political engagement of the traditional authorities	Land Summit	EQUI SHARE	600	224,719	237,978
Planning & Development	To ensure fully functional systems of internal and external communication by 2012	Intensify municipal branding, and public relations through innovative communication and marketing initiatives	Production of Newsletter	EQUI SHARE	232,760	247,191	261,775
Planning & Development	To regulate and optimize economic beneficiation through forestry by June 2012	Facilitate regulation of forestry activities.	Develop Mining and Forestry By Law	EQUI SHARE	31,740	33,708	35,697
Planning & Development	To ensure a properly coordinated rural and urban development	Operationalization of the Master Plan and agricultural strategy	Marketing of the Master Plan	EQUI SHARE	258,700	274,739	290,949
Planning & Development	To ensure a properly coordinated rural and urban development	To create sustainable economic development	Promotion of Local economy	EQUI SHARE	800,000	849,600	899,726

MTREF OPERATING PROJECTS 2010-2013							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
TOTAL PLANNING AND DEVELOPMENT					2,496,800	2,875,683	3,045,350
OFFICE OF THE INFRASTRUCTURAL DEVELOPMENT AND PLANNING							
Infrastructural Development & Planning	To facilitate increased household access to appropriate and sustainable human settlements by 2014	To annually review and implement Housing Sector Plan	Audit Informal Settlements	Equitable Share Funding	31,740	33,200	35,000
Infrastructural Development & Planning	To ensure adequate maintenance of municipal properties	To develop and implement building maintenance plan	Audit Municipal Building Improvements	Equitable Share Funding	11,090	116,200	120,000
Infrastructural Development & Planning	To provide basic infrastructure for identified community needs and stimulation of economic growth	To facilitate acquisition of funds for the identified community needs	Infrastructure Investment Plan Development	Equitable Share Funding	50,000	50,000	0
Infrastructural Development & Planning	To provide adequate transportation system for the efficient movement of goods and people by 2014	To develop and facilitate public transport facilities maintenance plans	Roads Maintenance Plan	Equitable Share Funding	50,000	0	0
Infrastructural Development & Planning	To provide and improve lighting in all identified areas by 2014	Development of electrical operational and maintenance plan by 2011	Electrical Maintenance Plan	Equitable Share Funding	30,000	0	0
Infrastructural Development & Planning	To facilitate the development of land in a sustainable manner by 2014	To facilitate implementation of area based planning	Implementation of Spatial Development Framework	Equitable Share Funding	80,000	90,000	100,000
Infrastructural	To facilitate the development of	To facilitate implementation of area	Development of	Equitable	30,000	40,000	40,000

MTREF OPERATING PROJECTS 2010-2013							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
Development & Planning	land in a sustainable manner by 2014	based planning	Local SDFs	Share Funding			
Infrastructural Development & Planning	To facilitate increased household access to appropriate and sustainable human settlements by 2014	To annually review and implement Housing Sector Plan	Vacant Sites Development	Equitable Share Funding	0	0	0
Infrastructural Development & Planning	To facilitate increased household access to appropriate and sustainable human settlements by 2014	To annually review and implement Housing Sector Plan	Planning and Survey Fees	Equitable Share Funding	200,000	200,000	250,000
Infrastructural Development & Planning	To facilitate increased household access to appropriate and sustainable human settlements by 2014	To annually review and implement Housing Sector Plan	Social Housing Workshop	Equitable Share Funding	10,580	11,067	12,000
Infrastructural Development & Planning	To provide adequate transportation system for the efficient movement of goods and people by 2014	Development of electrical operational and maintenance plan by 2011	Restructuring of Mechanical Workshop	Equitable Share Funding	50,000	50,000	0
Infrastructural Development & Planning	To facilitate the development of land in a sustainable manner by 2014	To facilitate implementation of area based planning	Data Gathering for Geographic Information System	Equitable Share Funding	100,000	30,000	0
TOTAL INFRASTRUCTURAL DEV. & PLANNING					643,410	620,467	557,000
OFFICE OF THE COMMUNITY SERVICES							
Community	To facilitate the development of		Sports	EQUI	300,000	318,600	337,397

MTREF OPERATING PROJECTS 2010-2013							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
Services	sports and recreation facilities in Mngquma by 2017		&Recreational Infrastructural maintenance	SHARE			
Community Services	To have an improved system of municipal governance in line with applicable legislation by 2012	Develop and implement municipal policies, procedures, strategies and bylaws	Traffic & security Awareness and Workshops	EQUI SHARE	100,000	106,200	112,466
Community Services	To improve solid waste disposal in all units by 50% by 2012	To solicit funding for the purchase of equipment	Closure and rehabilitation of landfill site	EQUI SHARE	200,000	212,400	224,932
	Ensure provision of Primary Health Care services within a reasonable walking distance by at least 5km by 2014	To facilitate the increase rate of implementation of awareness, prevention, treatment, care and support programmes	Primary health care awareness programmes	EQUI SHARE	200,000	212,400	224,932
TOTAL COMMUNITY SERVICES					800,000	849,600	899,727
OFFICE OF BUDGET AND TREASURY OFFICE							
Budget and Treasury	Increase the institutions budget and/or Revenue enhancement by 20% by 2012	Broadening of revenue base	Implementation of Revenue Strategy	EQUI SHARE	142,830	151,685	160,635
Budget and Treasury	Increase the institutions budget and/or Revenue enhancement by 20% by 2013	Leverage of local, provincial, national and international resources	Development of Credible Business Plans	EQUI SHARE	100,000	106,200	112,466
Budget and	Increase the institutions budget	To ensure that the SCM responds to	Awareness of SCM	EQUI	15,870	16,854	17,848

MTREF OPERATING PROJECTS 2010-2013							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
Treasury	and/or Revenue enhancement by 20% by 2014	National and Local aspirations	Policy	SHARE			
Budget and Treasury	Increase the institutions budget and/or Revenue enhancement by 20% by 2014	Improve the monitoring of assets	Asset Register	FMG	200,000	212,400	224,932
Budget and Treasury	Increase the institutions budget and/or Revenue enhancement by 20% by 2014	Improve the monitoring of assets	Asset Register	MSIG	200,000	212,400	224,932
	To have an improved system of municipal governance in line with applicable legislation by 2012	Compliance with legislation and reporting	Operation Clean Audit	FMG	300,000	318,600	337,397
Budget and Treasury	To have an improved system of municipal governance in line with applicable legislation by 2012	Develop and implement municipal policies, procedures, strategies and bylaws	Workshop on Policies and Bylaws	EQUI SHARE	50,000	53,100	56,233
Budget and Treasury	Increase the institutions budget and/or Revenue enhancement by 20% by 2012	Broadening of revenue base	Supplementary Valuations	MSIG	200,000	212,400	224,932
Budget and Treasury	To have an improved system of municipal governance in line with applicable legislation by 2012	Compliance with legislation and reporting	GRAP Implementation	FMG	200,000	212,400	224,932
Budget and Treasury	To have an improved system of municipal governance in line with applicable legislation by 2012	To have an improved system of municipal governance in line with applicable legislation by 2012	Internship: salaries and allowances	FMG	500,000	531,000	562,329
TOTAL BUDGET AND TREASURY					1,908,700	2,027,039	2,146,636

MTREF OPERATING PROJECTS 2010-2013							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
OFFICE OF CORPORATE SERVICES							
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Build municipal capacity (human capital and systems)	Experiential Learning	Equitable Share	144,000	152,928	161,951
Corporate Services	Increase the institutions budget and/or Revenue enhancement by 20% by 2012	Broadening of revenue base	Operationalisation - Business Centre	Equitable Share	120,000	127,440	134,959
Corporate Services	To have an improved system of municipal governance in line with applicable legislation by 2012	Compliance with legislation and reporting	Records Management & Automation	Equitable Share	55,704	59,158	62,648
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Intensify customer and community service excellence and improve professionalism, protocol and etiquette	Customer Care Operationalisation	Equitable Share	55,704	59,158	62,648
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2013	Improve council processes and systems	Maintenance of the Clock System	Equitable Share	66,844	70,988	75,177
Corporate Services	To have an improved system of municipal governance in line with applicable legislation by 2012	Implement, monitor and evaluate municipal performance	Performance Awards	Equitable Share	111,407	118,314	125,295

MTREF OPERATING PROJECTS 2010-2013							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
Corporate Services	To ensure fully functional systems of internal and external communication by 2012	Intensify municipal branding, and public relations through innovative communication and marketing initiatives	Website Maintenance	Equitable Share	50,000	53,100	56,233
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Populate and review the organogram in line with strategic objectives of the municipality and the powers and functions of the municipality	Arrear Debt	Equitable Share	2,016,548	2,141,574	2,267,927
Corporate Services	To have an improved system of municipal governance in line with applicable legislation by 2012	Compliance with legislation and reporting	Employee Wellness & OHS Programme	Equitable Share	111,407	118,314	125,295
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2012	Build municipal capacity (human capital and systems)	Bursary	Equitable Share	105,800	112,360	118,989
Corporate Services	Ensure a fully functional, responsible, accountable and responsive administration by 2013	Build municipal capacity (human capital and systems)	Training of Councillors & Staff	Equitable Share	816,648	867,280	918,450
Corporate Services	To ensure proper management and maintenance of municipal properties by 2012	Develop and implement a building maintenance plan	Renovation of Staff Houses	Equitable Share	500,000	531,000	562,329

MTREF OPERATING PROJECTS 2010-2013							
DIRECTORATE	OBJECTIVES	STRATEGIES	DESCRIPTION	FUNDING	2010/2011 R	2011/2012 R	2012/2013 R
Corporate Services	To ensure proper management and maintenance of municipal properties by 2012	Develop and implement a building maintenance plan	Flooring of Reception Area (Cnr King & Mthatha Street)	Equitable Share	65,000	69,030	73,103
					4,219,062	4,480,644	4,745,004
TOTAL OPERATING PROJECTS					12,887,363	13,847,627	14,564,563

PERFORMANCE MANAGEMENT SYSTEM

1. INTRODUCTION

This document constitutes a framework for Mquma Municipality's Performance Management System. It arises out of a revision of Mquma's previous performance management framework completed in 2008.

The Municipal Planning and Performance Management Regulations (2001) stipulate that "a municipality's performance management-system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players". This document is in line with this requirement

The framework acts as a municipal policy document that defines its performance management system. It constitutes Council policy with regards to:

- The requirements that a PMS for Mquma will need to fulfill,
- The principles that will inform its development and application,
- A model that describes what areas of performance will be managed, in Mquma Municipality
- What processes will be followed in managing performance
- What institutional arrangements are necessary for this
- Who will take responsibility for parts of the system
- How this links to S57 Performance agreements
- How S57 Managers will have their performance managed

In other words the framework is a documented record of the municipality's performance management system as it will be implemented.

2. POLICY AND LEGAL CONTEXT FOR MNQUMA PMS

2.1 The White Paper on Local Government (1998)

The White Paper on Local Government (1998) suggested that local government should introduce the idea of *performance management systems*.

The white paper acknowledges that, "involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query, others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced" (The White Paper on Local Government, 1998).

2.2 Batho Pele (1998)

The White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight principles for good public service. Our municipality is duty bound to uphold these principles:

(1) Consultation:

Communities should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services which are provided.

(2) Service standards:

Communities should know what standard of service to expect.

(3) Access:

All communities should have equal access to the services to which they are entitled.

(4) Courtesy:

Communities should be treated with courtesy and consideration.

(5) Information:

Communities should be given full and accurate information about the public services they are entitled to receive.

(6) Openness and transparency:

Communities should know how directorates are run, how resources are spent, and who is in charge of particular services

(7) Redress:

If the promised standard of service is not delivered, communities should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made communities should receive a sympathetic, positive response.

(8) Value-for-money:

Public services should be provided economically and efficiently in order to give communities the best possible value-for-money.

Importantly, the Batho Pele White Paper notes that the development of a service-oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations. Local partners can be mobilized to assist in building a service culture. "For example, local businesses or non-governmental organisations may assist with funding a helpline, providing information about specific services, identifying service gaps or conducting a customer survey" - The White Paper on Local Government (1998).

2.3 Local Government: Municipal Systems Act (2000)

The Municipal Systems Act (2000) enforces the idea of local government PMS and requires all municipalities to:

- Develop a performance management system
- Set *targets*, monitor and *review performance* based on indicators linked to their IDP
- Publish an *annual report* on performance for the councilors, staff, the public and other spheres of government
- Incorporate and report on a set of *general indicators* prescribed nationally by the minister responsible for local government
- Conduct an *internal audit* on performance before tabling the report.
- Have their annual performance report audited by the Auditor-General
- *Involve the community* in setting indicators and targets and reviewing municipal performance

The Department of Provincial and Local Government has published national guidelines on performance management systems.

2.4 Municipal Planning and Performance Management Regulations (2001)

The Municipal Planning and Performance Management Regulations set out in detail requirements for municipal PM systems. However the regulations do not sufficiently constitute a framework that fully proposes how the system will work. Each component of the proposed framework in this document is strongly informed by the regulations. The regulations have been attached as Appendix VI.

2.5 Municipal Finance Management Act (2003)

The Municipal Finance Management Act states requirements for a municipality to include its annual municipal performance report with its financial statements and other requirements in constituting its annual report. This must be dealt with by the municipal Council within 9 months of the end of the municipal financial year.

2.6 Municipal Performance Management Regulations (2006)

The Local Government Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers (Government Gazette No.29089, 1 August 2006), sets out how the performance of Section 57 staff will be uniformly directed, monitored and improved. The regulations address both the employment contract and performance agreement of municipal managers and managers directly accountable to municipal managers. It further provides a methodology for the performance management system as well as criteria for performance bonus payments. The regulations also provide an approach for addressing under-performance, should this occur. The regulations will be discussed in greater detail in a later section of this framework document.

3. OBJECTIVES OF PERFORMANCE MANAGEMENT SYSTEM

Beyond the fulfilling of legislative requirements, Mngquma Municipality requires a performance management system that will be constituted as the primary mechanism to plan for performance management, monitor, review and improve the implementation of the municipality's IDP. This will have to be fulfilled by ensuring that we:

3.1 Facilitate increased accountability

The performance management system should provide a mechanism for ensuring increased accountability between

- The communities of Mngquma and the municipal council,
- The political and administrative components of the municipality,
- Each directorate and the office of the municipal manager.

3.2 Facilitate learning and improvement

While ensuring that accountability is maximised, the performance management system must also provide a mechanism for learning and improvement. It should allow for the municipality to know which approaches are having the desired impact, and enable the municipality to improve delivery. It should form the basis for monitoring, evaluation and improving IDP implementation.

3.3 Provide early warning signals

The performance management system should provide managers, the Municipal Manager, Portfolio Committees and the Executive Committee with diagnostic signal of the potential risks that are likely to affect the realisation of full IDP implementation. It is important that the system ensure decision-makers are timeously informed of risks, so that they can facilitate intervention, where it is necessary and possible to do so.

3.4 Facilitate decision-making

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, *particularly in so far as indicating where the allocation of limited resources should be prioritised.*

The functions listed above are not exhaustive, but summarise the intended benefits of the performance management system to be developed and implemented. These intended functions should be used to evaluate the performance management system, periodically

4. PRINCIPLES GOVERNING PERFORMANCE MANAGEMENT

The following principles inform and guide the development and implementation of the Mquma performance management system:

4.1 Simplicity

The system must be a simple user-friendly system that enables the municipality to operate it within its existing capacity of its financial, human resources and information management system.

4.2 Politically driven

Legislation clearly tasks the municipal Council and Executive Mayor as the owner of the performance management system. The Executive **MUST** drive both the implementation and improvement of the system.

Legislation allows for the delegation of this responsibility or aspects of it to the Municipal Manager or other appropriate structure as the Executive may deem fit.

4.3 Incremental implementation

It is important that while a holistic performance management system is being developed, the municipality should adopt a phased approach to implementation, dependent on the existing capacity and resources within the municipality.

It is also important to note that municipal performance management is a new approach to local government functioning and therefore requires adequate time to be given to the organization's process of change. The performance management system will not be perfect from the start it should be constantly improved based on its workability.

4.4 Transparency and accountability

Members of the organisation whose performance will be monitored and measured must ensure that the process of managing performance is inclusive open and transparent. This can only be achieved by taking effective participation in the design and implementation of the system within the municipality.

Again, the process must involve and empower communities so that they are able to understand how the municipality and its directorates are run, how resources are spent, and who is in charge of particular services. Similarly, all information on the performance of directorates should be available for other managers, employees, the public and specific interest groups.

4.5 Integration

The performance management system should be integrated into other management processes in the municipality, such that it becomes a tool for more efficient and effective management rather than an additional reporting burden. It should be seen as a central tool to the ongoing management functions.

4.6 Objectivity

Performance management must be founded on objectivity and credibility. Both the processes of managing performance and the information on which it relies need to be objective and credible. Sources of data for measuring indicators should be scrutinized to enhance credibility of information and therefore objective decision-making.

5. WHAT DO WE MONITOR AND REVIEW?

International experience in both the private and public sectors has shown that traditional approaches to measuring performance, which have been heavily reliant on only financial measures, are severely lacking.

It has become well accepted that in order to assess an organisation's performance, a balanced view is required, incorporating a multi-perspective assessment of how the organisation is performing as seen by differing categories of stakeholders. To ensure this balanced multi-perspective examination of Mquma's performance, a model has been adopted to guide performance management in the entire municipal organisation.

5.1 What is a model?

A model for performance management is a conceptual framework that provides guidance as to what aspects of the municipality's performance should be measured and managed.

5.2 Why do we need a model?

Models have proved useful in performance management for the following reasons. They provide:

5.2.1 Balance

A good model will prompt the organisation to take a balanced view in terms of how it measures and manages its performance. It should prevent bias by ensuring that

performance measurement does not rely heavily on one facet of performance (i.e. financial viability), but rather encapsulates a multi-perspective holistic assessment of the municipality's performance.

5.2.2 Simplicity

A good model should organise simply, what would otherwise be a long list of indicators attempting to comprehensively cover performance, into a set of categories sufficiently covering all key areas of performance. Models differ most significantly in what they assert are the key aspects of performance.

5.2.3 Mapping of Inter-relationships

A good model will map out the inter-relationships between different areas of performance. These inter-relationships relate to the extent to which poor performance in one category would lead to poor performance in other related areas and the converse. These inter-relationships help in both the planning stage and the review stage, particularly in the diagnosis of causes of poor performance.

5.2.4 Alignment to the Integrated Development Planning (IDP) methodology

A good performance management model for a municipality in South Africa will align the processes of performance management to the IDP processes of the municipality. It will ensure that the IDP is translated into performance plans that will be monitored and reviewed. The categories of key performance areas provided by a model should relate directly to the identified priority areas of the IDP.

6. THE REVISED MUNICIPAL SCORECARD MODEL

The Mngquma municipal Council will make use of the Municipal Scorecard Model (as revised in 2006) as its model for performance management. This model is useful for the following reasons.

It 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/directorate and unit/ programme levels)
- Compliant with the requirements of the Municipal Systems Act (2002) and its subsequent Regulations (2001)
- It aligns to 5 Key Performance Areas for Local Government used in the
▽ Regulations

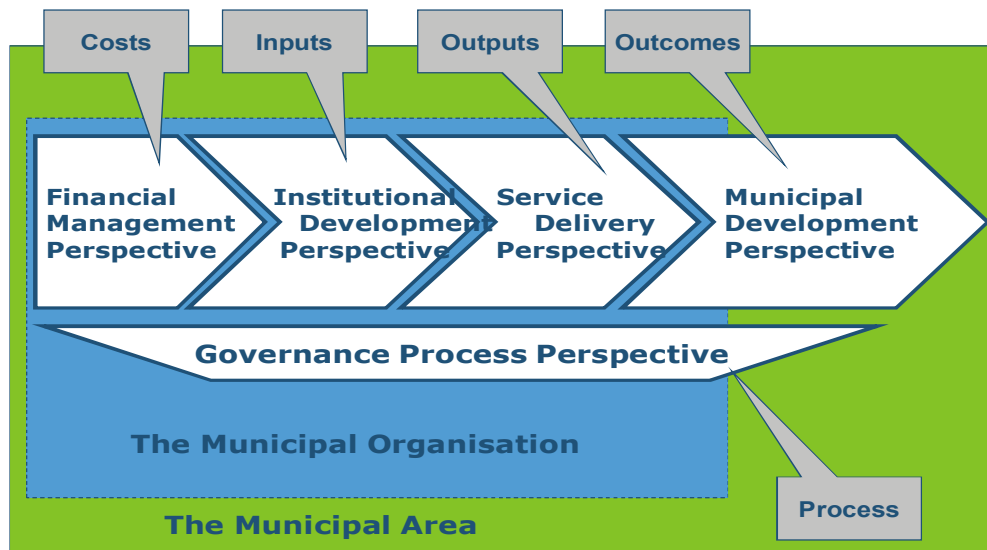
- ▽ Five Year Local Government Strategic Agenda
- ▽ Vuna Awards for Performance Excellence

The 5 Key Performance Areas from the Five Year local Government Strategic Agenda are:

- 1) Municipal Transformation and Institutional Development
- 2) Financial Viability and Management
- 3) Basic Service Delivery and Infrastructure development
- 4) Local Economic Development
- 5) Good Governance & Public Participation

The Municipal Scorecard Model is based on five key perspectives, outlined in figure-1 below.

Figure 1: Structure of the Municipal Scorecard



Source : Palmer Development Group (2006)

(1) The Municipal Development Perspective

In this perspective, the municipality will assess whether the desired development impact in the municipal area is being achieved. It incorporates social, environmental and economic development aspects. This perspective will constitute the development priorities for the municipal area and indicators that tell us whether the desired development outcomes are being achieved. It will be difficult to isolate development outcomes for which the municipality is

solely accountable. It is expected that the development priorities and indicators, will often lie within the shared accountability of the municipality, other spheres of government and civil society. The measurement of developmental outcomes in the municipal area will be useful in telling us whether our policies and strategies are having the desired development impact.

(2) The Service Delivery Perspective

This perspective should tell us how a municipality is performing with respect to the delivery of services and products. This relates to the output of the municipality as a whole.

(3) The Institutional Development Perspective

This perspective should tell us how a municipality is performing with respect to the management of its resources:

- Human Resources
- Municipal Administration
- Information Technology and Systems Management
- Organizational Infrastructure

This relates to the inputs of the whole municipality

(4) The Financial Management Perspective

This perspective should tell us how the municipality is performing with respect to management of its financial resources, including:

- Asset management
- Operating income
- Operating expenditure
- Financing infrastructure investment
- Capital expenditure

This relates to the costs of running the municipality as a whole.

(5) The Governance Process Perspective

This perspective should tell us how a municipality is performing with respect to its engagement and relationship with its stakeholders in the process of governance. This perspective should include, amongst others:

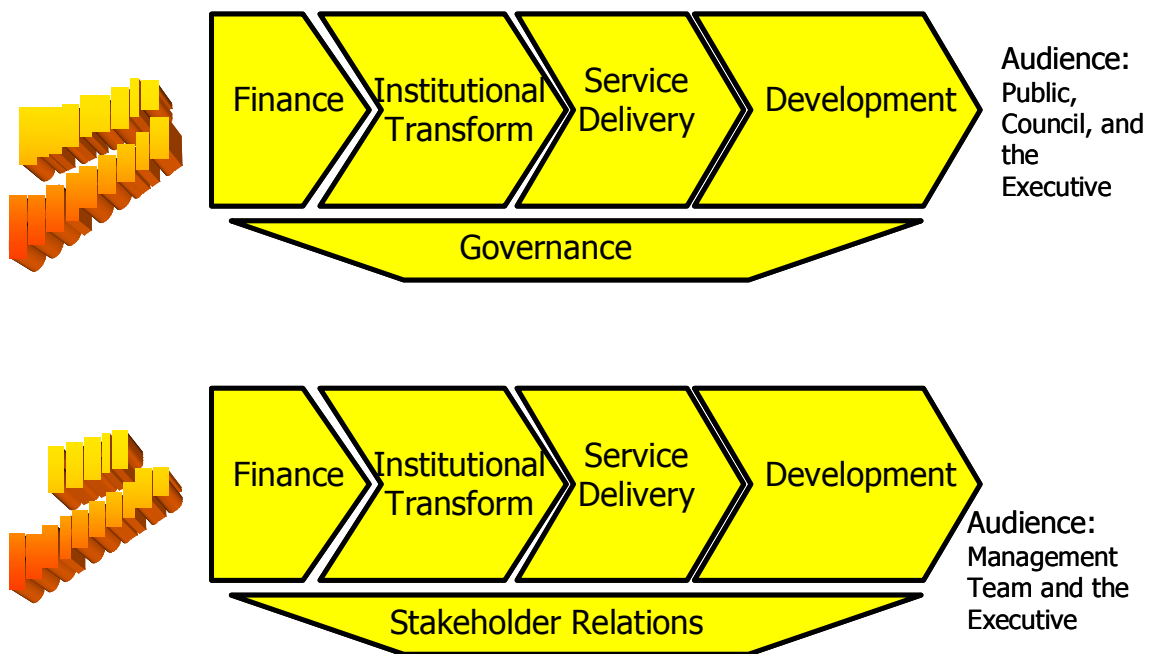
- Public participation, including the functionality and impact of traditional leaders in Council and ward committees
- Functionality and impact of municipal governance structures (Council structures including the offices of the Speaker, portfolio committees and the Executive)
- Communication and access to information
- Intergovernmental relations

This relates to the governance processes of the municipality as a whole.

7. ORGANISATIONAL SCORECARDS AT DIFFERENT LEVELS

There will be two levels of scorecards for Mngquma as depicted in figure-2 that follows.

Figure 2: Two levels of scorecards



7.1 The Strategic Scorecard

The strategic scorecard will provide an overall picture of performance for the municipality as a whole, reflecting performance on the strategic priorities set in the IDP. The development perspective of this scorecard will therefore necessitate that information be collected from other development role players

in the municipal area for reporting purposes. These include other spheres of government, business formations and civil society organisations.

The Municipal Manager and Directors will use it, after review, as a basis for reporting to the Executive Mayoral Committee, Council and the public. It is proposed that it be reported to the Executive Mayoral Committee quarterly, bi-annually to Council and the Public annually for review.

It must be noted that the Municipal Manager is primarily responsible for performance on the Strategic Scorecard. As such, the strategic scorecard is closely linked and forms the largest component of how the Municipal Managers performance will be appraised.

This is dealt with in more detail in the section on employee performance.

7.2 SDBIP Scorecards

The SDBIP scorecards will capture the performance of each municipal directorate. Unlike the strategic scorecard, which reflects on the strategic priorities of the municipality, a service scorecard will provide a comprehensive picture of the performance of that directorate. It will consist of objectives, indicators and targets derived from the service plan and service strategies.

It is crucial to ensure that the SDBIP scorecards do not duplicate current reporting, but rather be integrated as a core component of the municipality's vertical reporting system. It should simplify all regular reporting from directorates to the Municipal Manager and standing committees of Council.

SDBIP Scorecards will be comprised of the following components:

- A development perspective for directorate outcomes, which set out the developmental outcomes that the service is to impact on the development perspective of this scorecard, will seek to assess the extent to which the strategies that are driven by the directorate are contributing towards the intended developments in the municipal area.
- Infrastructure Service Deliverables, which set out the products and services that the directorates involved will deliver. This perspective will include service delivery targets and performance indicators for each quarter.
- Municipal Transformation, organizational development and financial viability perspective, which sets out how the directorates involved will manage and develop its Human resources, Information and Organisational Infrastructure, projections on revenue to be collected, operational and capital expenditure by vote.

- Performance reporting on this section of the scorecard will be in terms of actual against projections
- Stakeholder Relations, which sets out how the directorate will improve its relationship with its key stakeholders

Therefore in addition to the requirements of the MFMA and the National Treasury Guidelines for SDBIPs, the SDBIP scorecard approach thus provides an additional opportunity to set objectives, indicators, and targets for, as well as report against:

- Service Outcomes
- Institutional Transformation Issues
- Stakeholder Relations

Performance in the form of an administrative SDBIP scorecard will be reported to the Municipal Manager and the office of the Executive Mayor for review. Activities in the form of the Political SDBIP will be reported to the Mayoral committee and ultimately the Office of the Executive Mayor for review. It is suggested that this happen quarterly.

It must be noted that each Portfolio Head in the Executive Mayoral Committee will be primarily responsible for political activities associated with the required performance to pursue implementation of the administrative SDBIP Scorecard and that each S57 Manager will be primarily responsible for performance on the administrative SDBIP Scorecard. As such, the administrative SDBIP scorecard is closely linked and forms the largest component of how the S57 manager's performance will be appraised. This is dealt with in more detail in the section on employee performance.

7.3 Scorecard concepts

The strategic and SDBIP scorecards should be presented in a consistent format so that they are easy to use and understand. Proposed formats are attached as appendix I and II. Several concepts that are commonly used in the scorecard concept are defined below:

Objectives:

are statements (often drawn from the IDP) about what a service wants to achieve.

Indicators:

are variables (qualitative or quantitative) that tell us whether we are making progress towards achieving our objectives.

A baseline measure:

is the value (or status quo) of the indicator before the start of the programme or prior to the period over which performance is to be monitored and reviewed. For the purpose of standardising the setting of baselines and for the Sake of clarity, the following descriptions will be used:

- If the indicator is measurable on an annual basis, the baseline will be its measure in the last financial year.
- The baseline for annual targets that are incrementally measurable per quarter or per month will be the measure at the end of the last financial year but the targets can be set incrementally
- The baseline for quarterly targets that are not incrementally contributing to an annual target will be the indicator's measure in the last quarter it was measured unless by its nature it is Seasonally variable in which case it will be an average of the last four quarterly measures
- The baseline for monthly targets, that are not incrementally contributing to a quarterly or annual target, will be its measure in the last month it was measured unless by its nature it varies monthly in which case it will be an average of the last three monthly measurements

A target:

is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period.

The measurement source and frequency:

should indicate where the data for measuring will emanate from, and how frequently the indicator will be measured and reported. This information is crucial for the auditing process.

Indicator custodian:

refers to the person that takes responsibility for the monitoring of change in the indicator and report on it.

7.4 Assessment of Indicators

The performance management plan for Mngquma will have various indicators for the goals that are set in the IDP. These indicators including those that will be further developed for SDBIP scorecards should be assessed against the following criteria.

Criteria for Setting Good Indicators

In developing indicators, the municipality will ensure that adheres to the following principles:

(1) **Focused and Specific**

Indicators should be clearly focused and stated unambiguously.

(2) **Measurable**

An indicator should by definition contain a unit of measurement.

(3) **Valid and Relevant**

Validity is the degree to which an indicator measures what is intended to be measured. This correlates strongly to the relevance of the indicator to the objective being measured. It is also important that the whole set of indicators chosen should be contextually relevant to the Mngquma municipal and South African contexts.

(4) **Reliable**

Reliability is the degree to which repeated measures, under exactly the same set of conditions will produce the same result. This is particularly relevant to those indicators that use ratios (formulas) and figures.

(5) **Simple**

Good indicators will be simple, easy to communicate such that their relevance is apparent.

(6) **Minimise perverse consequences**

Poorly chosen indicators, while nobly intended can have perverse consequences in the behaviors it incentivizes. Chosen indicators should ensure that the performance behaviors likely to emerge from its pursuance are those that are intended to contribute to the objectives.

(7) **Data Availability**

Good indicators will also rely on data that is, or intended to be, available on a regular basis.

8. CORE LOCAL GOVERNMENT INDICATORS

8.1 National Indicators

The municipality's performance management indicators will incorporate the following indicators prescribed by the Minister of Cooperative Governance and Traditional Affairs as per the Municipal Planning and Performance Management Regulations of 2001:

- 1) The percentage of households with access to basic level of water, Sanitation, electricity and solid waste removal;
- 2) The percentage of households earning less than R2 200 per month with access to free basic services;

- 3) The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's Integrated Development Plan;
- 4) The number of jobs created through municipality's local economic development initiatives including capital projects;
- 5) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- 6) The percentage of a municipality's budget actually spent on implementing its workplace skills plan; and
- 7) Financial viability as expressed by the following ratios:

(i)
$$\frac{B - C}{A} = \frac{D}{\text{-----}}$$

A = -----

D

Where -

"A" represents debt coverage

"B" represents total operating revenue received

"C" represents operating grants

"D" represents debt service payments (i.e. interest + redemption) due within the financial year;

(ii)
$$\frac{B}{A} = \frac{C}{\text{-----}}$$

A = -----

C

Where -

"A" represents outstanding service debtors to revenue

"B" represents total outstanding service debtors

"C" represents annual revenue actually received for services;

(iii)
$$\frac{B + C}{A} = \frac{\text{-----}}{\text{-----}}$$

A = -----

D

Where -

"A" represents cost coverage

"B" represents all available cash at a particular time

"C" represents investments "D" represents monthly fixed

operating expenditure.

While there is no legal requirement to incorporate any other local government performance monitoring indicators used by other spheres of government other than those prescribed by the Minister, Mquma municipality will, in addition to indicators prescribed by the Minister, as practically feasible as possible incorporate a core set of local government indicators used by other spheres of government into its performance management system. Among these will be the indicators for the Vuna Awards for Municipal Performance Excellence for the following reasons:

- It will ensure that the municipality is tracking its performance in line with national priorities, at least the indicators that are valued nationally
- It will ensure that the municipality has the performance information on hand to enter the Vuna Awards

It will allow benchmarking and comparison with other municipalities who are also using the same set of indicators.

A core set of Local Government indicators

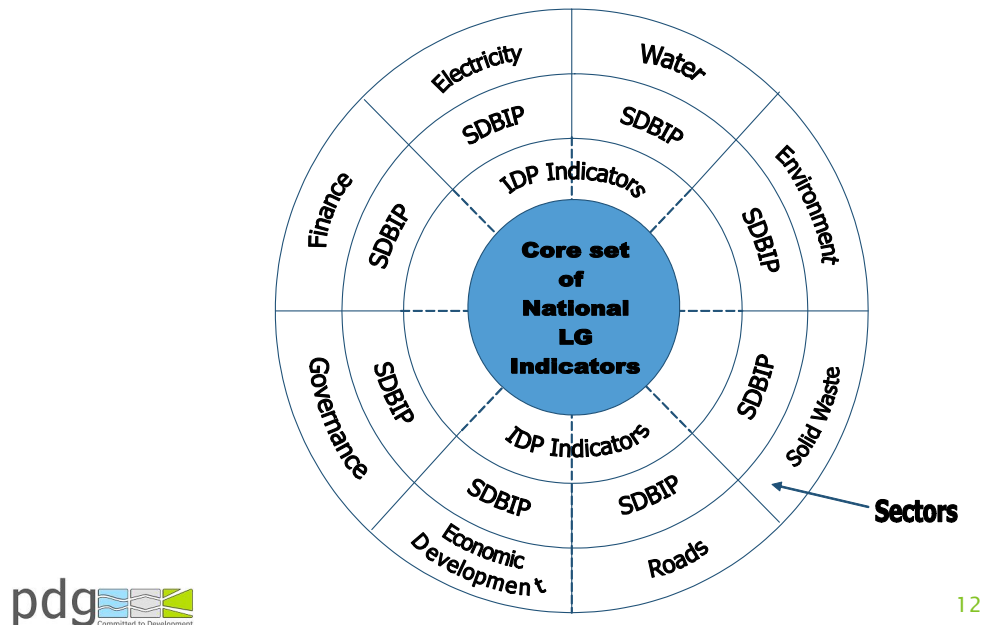


Figure 3: Local Government Indicators

The schematic above suggest an approach to incorporating a core set of LG indicators such as those used in the Vuna Awards into a municipal set of indicators. It notes that they need to be complemented for local use with IDP indicators and SDBIP indicators. Other sets of indicators deemed to be important, in each sector, such as the water sector benchmarking indicators can be included.

There is also a national initiative aimed at establishing a local government M&E system, which intends to include a core set of local government indicators. If these differ from the Vuna indicators, and are available in time, they may be included as part of the municipality's scorecard.

8.2 District Indicators

In order to align with a district PMS the municipality will also include a set of indicators required by the district PMS.

9. THE PROCESS OF MANAGING PERFORMANCE

9.1 Background

The process of performance management is central to modern notions of management i.e. it is inseparable from the things that a manager must do. It is important that performance management is mainstreamed in municipalities as an approach to daily management.



Figure 4: Performance Management as an Approach to Management

The annual process of managing the performance of the Mquma Municipality will involve the following components:

- Co-ordination
- Performance Planning
- Performance Measurement, Analysis
- Performance Reviews & Reporting
- Performance Auditing

For each of these components, this chapter sets out the role stakeholders in the performance management system will play and how these components are to happen.

9.2 Co-ordination

Performance Management within the Municipality is not divorced from the IDP and Budget processes and to enable effective oversight the Municipality established a committee to deal with the three aspects, namely the IDP, PMS and Budget Steering Committee. As the Executive Mayor is the one mandated by the Systems Act to ensure the development, implementation and review, the Committee assists him/her in carrying out this legislative mandate. The IDP, PMS and Budget Steering Committee comprises of the following members:

- Executive Mayor (Chairing)
- Council Speaker
- Members of the Mayoral Committee
- Chief Whips of political parties
- Municipal Manager
- All Directors
- Office Manager: Speaker's Office
- Research and Policy Development Manager
- IDP and PMS Manager
- IDP Coordinator
- PMS Coordinator
- Chief Accountant: Budget and Financial Reporting

The Secretariat for the IDP, PMS and Budget Steering Committee shall be an official from the Corporate Services Directorate of the Municipality duly appointed or delegated such function by the Director Corporate Services.

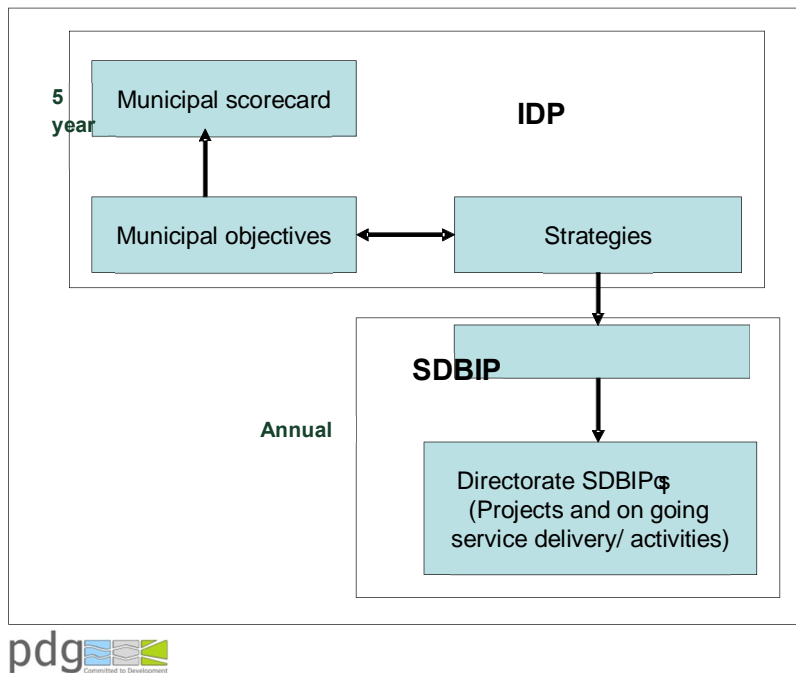
9.3 Performance Planning

The IDP and the Municipal Service Delivery and Budget Implementation Plans constitute the planning components for performance management. Through the IDP review process the priority areas, objectives, strategies and the strategic scorecard will be finalised. The next step is to develop Directorate scorecards that should support the realisation of the objectives and targets set in the strategic scorecard.

These Directorate Scorecards are also known as Service Delivery and Budget Implementation Plans. With these in place, the Municipality is now on track to implement and monitor the implementation of the IDP.

The following diagram shows the link between the IDP objectives and strategies and the SDBIP scorecard

Figure 5: Municipal planning



9.4 Measurement and Analysis

Measurement is the act of collecting data on identified performance indicators while analysis is the act of interpreting the meaning of such data in terms of performance.

For each Municipal Scorecard indicator, a relevant custodian has to be designated. The custodian will not necessarily be accountable for performance he/she will be responsible for conducting measurements of the applicable indicators, analysing and reporting these for reviews.

Analysis requires that current performance be compared with targets, past performance and possibly the performance of other municipalities, where data is available, to determine whether or not performance is poor. It should provide reasons for performance levels and suggest corrective action where necessary.

There may be indicators that would require data gathering on municipal-wide outcome indicators and satisfaction surveys. This may need to be coordinated centrally instead of each directorate doing its own. The Office of the Municipal Manager will be responsible for this.

The Office of the Municipal Manager may also undertake the following annual surveys to provide data for indicators organisationally:

- An annual citizen satisfaction survey conducted for households and business in the Mquma Municipality area.
- An employee satisfaction survey that is conducted internally.

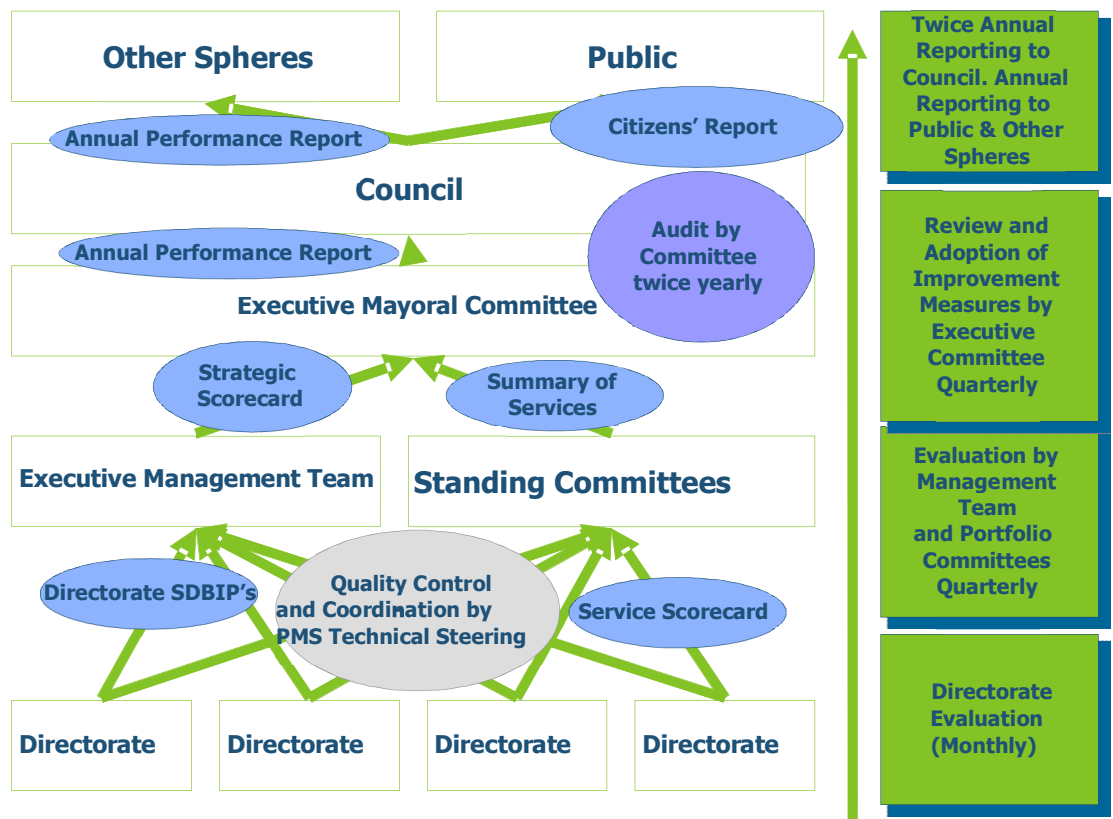
Reviews will be undertaken by the Municipal Manager, a committee of Council delegated a responsibility for performance management, and Council. Prior to reviews taking place, performance reporting will need to be tracked and coordinated. The Municipal Manager's Office will be responsible for this process.

The Municipal Manager's Office will provide an overall analysis of municipal performance, for quarterly and annual reviews. Such an analysis will aim to pick up trends in performance over time and over all directorates.

9.5 Performance Reporting & Reviews

The figure below aims to provide a picture of the annual process of reporting and reviews.

Figure 6: The annual process of reporting and review



Once the system is embedded, a web-based reporting system will be considered in order to enhance the reporting process and simplify it. It must however be noted that a computer based automating system will only enhance the reporting processes within the municipality and potentially improve review processes. Most aspects of performance management still need human beings.

9.5.1 Directorate Reviews

It is intended that directorates review their performance at least monthly, using their directorate SDBIP's. Decision-makers should be immediately warned of any emerging failures to service delivery such that they can intervene if necessary.

Directorates should use these reviews as an opportunity for reflection on their goals and programmes and whether these are being achieved. Minutes of these reviews should be forwarded to the performance management manager to forward to the PMS technical Committee. Changes in indicators and targets may be proposed at this meeting but can only be approved by the relevant PMS committee, in consultation with the IDP/PMS manager. Each Director will then report to the Executive Management for the Municipal Manager to present it to the Executive Mayor and PMS committee. The Chairperson of the PMS Committee will table the report to the Executive Mayoral Committee and Council.

9.5.2 Executive Management Team Reviews

Directors / Divisional managers will then need to report on their performance in the service scorecard format to the Municipal Manager and other Directors. Additional indicators that occur in the strategic scorecard will also be reviewed. The formulation of the strategic scorecard and the process of review will be coordinated by the IDP and PMS Manager and presented to the PMS technical steering committee.

The members of the committee will need to reflect on whether targets are being achieved, what the reasons for targets not being achieved are, where applicable and corrective action that may be necessary. Where targets need to be changed, the Executive Management team can endorse these, for approval by the PMS committee. The Executive management team can delegate tasks to the IDP and PMS unit in developing an analysis of performance prior to Executive Management team reviews. These reviews should at least take place quarterly.

9.5.3 Standing Committee Reviews

Each standing committee will be required to review the performance of their respective directorates against their service scorecard, at least quarterly. The standing committee should appraise the performance of the service against committed targets. Where targets are not being met, standing committees 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 that do not appear in the strategic scorecard may be proposed to and can only be approved by the PMS committee. Changes in indicators and targets that fall within the strategic scorecard will need to be approved by the Executive Mayor.

9.5.4 Mayoral Committee Reviews

On a quarterly basis, the Executive Mayoral Committee should engage in an intensive review of municipal performance against both the SDBIP scorecard (quarterly, half-yearly) and the strategic scorecard (annually), as reported by the Municipal Manager.

Many of the indicators in the strategic scorecard will only be measurable on an annual basis. The quarterly reviews should thus culminate in a comprehensive annual review of performance in terms of both scorecards.

The review should reflect on the performance of services and the strategic scorecard. The Executive Mayoral Committee will need to ensure that targets committed to in the strategic scorecard are being met, where they are not, that satisfactory and sufficient reasons are provided and that the corrective action being proposed is sufficient to address the reasons for poor performance.

The review should also focus on reviewing the systematic compliance to the performance management system, by directorates, standing committees and the Municipal Manager.

9.5.5 Council Reviews

At least twice annually, the Council will be required to review municipal performance. It is proposed that this reporting take place using the strategic scorecard in an annual report. The Municipal Systems Act requires that the annual report should at least constitute a performance report (the strategic scorecard), financial statements and an audit report.

9.5.6 Public Reviews

The Municipal Systems Act requires the public to be given the opportunity to review municipal performance.

The framework makes proposals in addition to the annual report mentioned above, that a user-friendly community's report should be produced for public consumption. The communities' report should be a simple, easily readable and attractive document that translates the strategic scorecard for public consumption.

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:

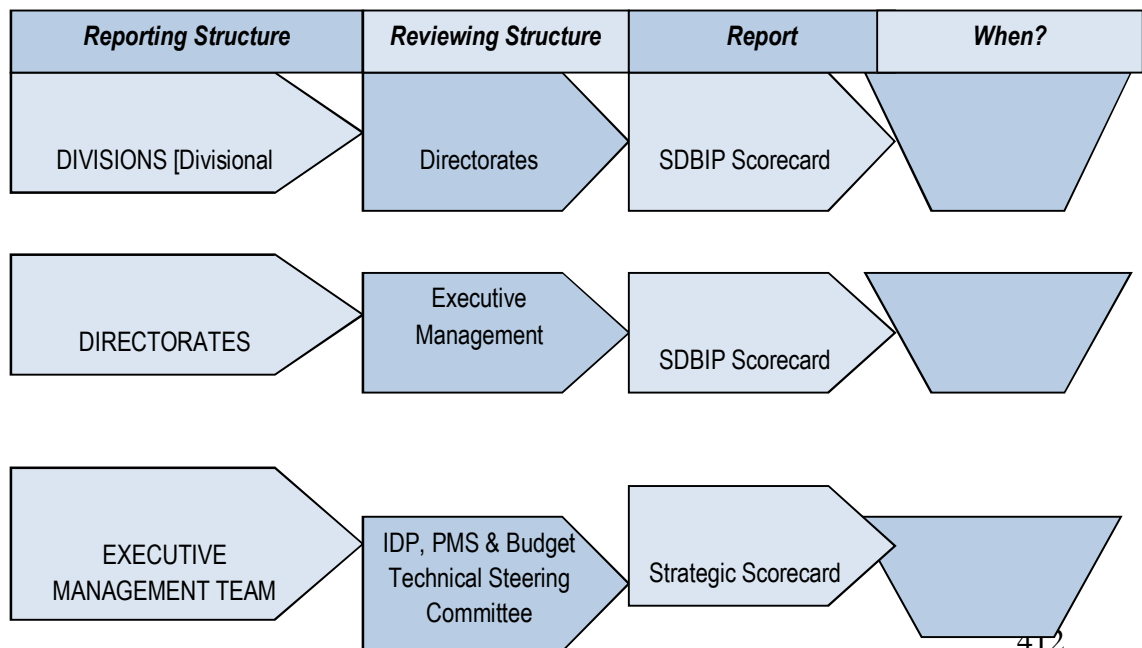
- Ward committees be reported to and submit their review of the municipality to Council. The PMS Technical Steering Committee should be used to summarise this input.
- Various forms of media including radio, newspapers and billboards can be used to convey the report to communities. The public should 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, PMS and Budget Representative Forum.

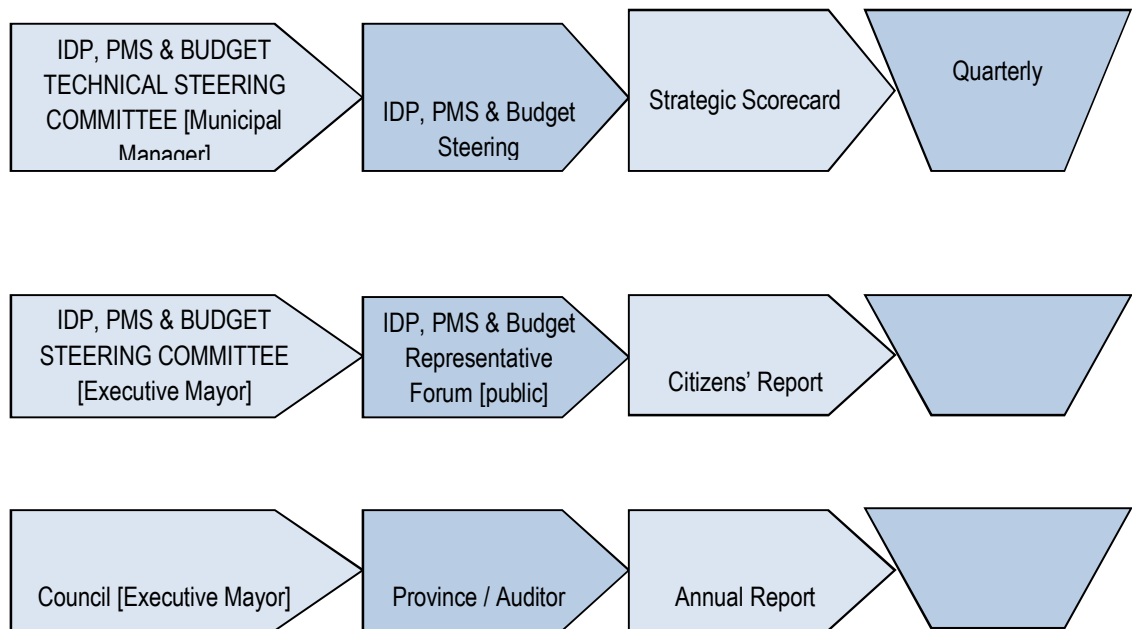
10. REPORTING TO OTHER SPHERES AND AGENCIES OF GOVERNMENT

10.1 Auditor General and MEC for Local Government

- 1) In terms of Section 46 of the Local Government: Municipal Systems Act, 2000 a municipality must prepare an annual report detailing its performance in accordance with performance indicators that it had set to achieve in that financial year;
- 2) Section 132 of the Local Government: Municipal Finance Management Act, 2003 requires that the annual report and the oversight report of the municipality be submitted to the provincial legislature to enable it to exercise oversight. The MEC for Local Government is required to monitor compliance in relation to these submissions by the municipalities.
- 3) The municipality is expected to give written notice of meetings, in which the municipality's annual report, is tabled or discussed by the Council, to the Auditor-General and the MEC for local government.
- 4) The Municipal Manager must also submit copies of the minutes of these meetings to the Auditor-General and the MEC for local government in the province.
- 5) Representatives of the Auditor-General and the MEC for local government in the province are entitled to attend and to speak at such meetings. A copy of the report must be submitted to the MEC for local government in the province and the Auditor-General.

10.1 Diagrammatic Presentation of the Performance Reporting and Review





10.2 *Mnquma and Amathole Performance Management Processes*

The Mnquma Municipality's Performance Management Processes take into consideration the Amathole District Municipality's processes for purpose of uniformity

The Municipality's Strategic Scorecard provides for targets and indicators in line with five national key performance indicators (KPIs) set out in the Local Government Strategic Agenda, namely:

- 1) Socio-economic development
- 2) Infrastructure development and service delivery
- 3) Municipal transformation & organisational development
- 4) Municipal financial viability & management
- 5) Good governance & public participation

11. CRITICAL DATES AND TIMELINES

The municipality commits to influencing its partners and other spheres of government to work towards an annual cycle of municipal performance management with agreed critical dates and timelines for the following activities:

- 1) Development of District Strategic Scorecard (as part District IDP process)
- 2) Development of Mnquma municipal scorecard (as part of the IDP process)
- 3) Finalisation of SDBPIs
- 4) Completion of the first quarter review

- 5) Completion of the midyear/ second quarter review
- 6) Completion of the third quarter review
- 7) Completion of the annual review
- 8) Submission of inputs to the ADM District Strategic scorecard
- 9) Participation in the District Strategic scorecard review as part of the IDP process

12. AUDITING AND QUALITY CONTROL

All auditing will comply with Section 14 of the Municipal Planning and Performance Management Regulations (2001). Mquma Municipal Council established an External Audit Committee. It further resolved to utilise the Audit Committee as the Performance Audit Committee. Auditing of performance reports will be conducted by the internal audit unit prior to submission to the municipality's Performance Audit Committee and auditor-general.

13. QUALITY CONTROL AND CO-ORDINATION

The Office of the Municipal Manager, overseen by and reporting regularly to the PMS Committee will be required on an ongoing basis to coordinate and ensure good quality of reporting and reviews. It will be its role to ensure conformity to reporting formats and check the reliability of reported information, where possible.

14. PERFORMANCE INVESTIGATIONS

The Executive Mayor or Performance Audit Committee will be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. Performance investigations should assess

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies

While the internal audit function may be used to conduct these investigations, it is preferable that external service providers, preferably academic institutions, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the respective committee.

15. INTERNAL AUDIT FUNCTION

The municipality's internal audit function will be continuously involved in auditing the performance reports of SDBIPs and the strategic scorecard. As required by the regulations, they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager and Audit Committee. The capacity of the internal audit unit will need to be improved beyond the auditing of financial information.

Auditing is necessary to prevent:

- Inconsistencies in performance management definition or methodology of data collection;
- Incorrect processing and poor documentation of performance management;
- Biased information collection and reporting by those whose image is at stake in the performance management process.

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 are reliable in measuring performance of the municipality

16. PERFORMANCE AUDIT COMMITTEE

The operation of the audit committee will 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 the 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

On the 18th November 2009, the municipal Council restructured the audit committee and extended its mandate to include performance auditing. In restructuring the Audit Committee the Council, in line with the regulations added the following terms of reference:

- The audit committee will be tasked with assessing the reliability of information reported
- Communicate directly with the Council, Municipal Manager or the internal; and external auditors of the municipality;
- access any municipal records containing information that is needed to perform its duties or exercise 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.
- To advise Council on the functionality of the performance management System.
- To advise Council whether the PMS complies with the Act.
- To advise Council on the extent to which the municipality's performance measures are reliable in measuring performance
- To review the performance management system and make recommendations in this regard to Council.
- To assess whether the performance indicators are sufficient;
- To determine possible reasons for discrepancies between performance and targets

17. THE ROLE OF STAKEHOLDERS

The tabulation below outlines the role of each stakeholder in the municipality's performance management.

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
<i>Community Structures and IDP Forum</i>	<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 indicators and setting of targets 		<ul style="list-style-type: none"> • Be given the opportunity to review municipal performance and suggest new indicators and targets
<i>Council</i>	<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 		<ul style="list-style-type: none"> • Review municipal performance bi-annually
<i>Portfolio (S79) Committees (Standing Committees)</i>	<ul style="list-style-type: none"> • Influence the preparation of SDBIP scorecards • Adopt SDBIP scorecards • Ensure involvement of communities in the setting of municipal targets (IDP) 	<ul style="list-style-type: none"> • Monitor performance of relevant services 	<ul style="list-style-type: none"> • Receive reports from service managers • Review monthly SDBIP scorecards • Report to Mayoral committee • Adopt corrective actions where necessary and recommend to Mayoral committee
<i>IDP, PMS & Budget Steering Committee (Chaired by the Executive Mayor)</i>	<ul style="list-style-type: none"> • Play the leading role in giving strategic direction and developing strategies and policies for the organisation • Manage the development of an IDP • Approve and adopt indicators and set targets • Communicate the plan to other stakeholders 		<ul style="list-style-type: none"> • Conduct the major reviews of municipal performance, determining where goals had or had not been met, what the cause or reasons were and to adopt response strategies

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting & Reviews
<i>Executive Management Team</i>	<ul style="list-style-type: none"> • Assist the Executive Mayoral Committee in providing strategic direction and developing strategies and policies for the organisation • Manage the development of the IDP • Ensure that the plan is integrated • Identify and propose indicators and targets • Communicate the plan to other stakeholders • Develop SDBIPs & Budget 	<ul style="list-style-type: none"> • Regularly monitor the implementation of the IDP, identifying risks early • Ensure that regular monitoring (measurement, analysis and reporting) is happening in the organisation • Intervene in performance problems on a daily operational basis 	<ul style="list-style-type: none"> • Conduct quarterly reviews of performance • Ensure that performance reviews at the political level are organised • Ensure the availability of information • Propose response strategies to the Executive Committee • Report to Exco
<i>IDP, PMS & Budget Technical Steering Committee (Chaired by the Municipal Manager)</i>	<ul style="list-style-type: none"> • Develop service plans for integration with other sectors within the strategy of the organisation 	<ul style="list-style-type: none"> • Measure performance according to agreed indicators, analyse and report regularly • Manage implementation and intervene where necessary • Inform decision-makers of risks to service delivery timeously 	<ul style="list-style-type: none"> • Conduct reviews of service performance against plan before other reviews
<i>Internal Audit</i>			<ul style="list-style-type: none"> • Produce quarterly audit reports for MM and Audit committee
<i>Audit Committee / Performance Audit Committee</i>			<ul style="list-style-type: none"> • Review internal audit reports • Assess system and indicators • Provide audit report twice annually to council

18. RESPONDING TO ORGANISATIONAL PERFORMANCE

This outlines how the municipality may reward good organisational performance and address poor organisational performance.

18.1 Good or Exceptional Organisational Performance

There will be an Executive Mayoral Award for excellent performance that can take the form of rotating trophies or plaques for the best four directorates / units annually. These can be designated:

- Platinum
- Gold
- Silver
- Bronze

An annual entertainment fund can be used to provide funds for at least the Platinum winners to entertain themselves as determined by the Executive Mayor on an annual basis.

18.2 Poor Performance

Poorly performing directorates will be asked to provide an explanation and analysis of poor performance. If this is insufficient, an investigation will be conducted to deepen the understanding of the underlying problems, whether they be policy-related, systemic, structural or attributed to the poor performance of individuals.

This section does not deal with employee performance and rewarding good performance and addressing poor employee performance. These are dealt with at the end of the next section.

19. EMPLOYEE PERFORMANCE

This section focuses on the performance management arrangements for employees of the municipality. The following framework can be used for all employees. However the legal framework that underpins it requires that it be enforced for all Section 57 Managers. The municipality will incrementally roll-out this system for all employees.

The legislation upon which this is based includes:

- *The Local Government Municipal Systems Act, No. 32 of 2000.*
- *The Local Government Municipal Systems Amendment Act, No. 44 of 2003.*
- *Local Government Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006. Regulation Gazette No. 29089.*
- *Draft competency guidelines for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.*

20. ISSUES RELATED TO THE IMPLEMENTATION OF REGULATIONS

The performance regulations, as published in Government Gazette No 29089 on 1 August 2006, seek to set out how the performance of section 57 managers will be uniformly directed, monitored and improved. In the implementation of the regulations, a number of issues may arise that may have an effect on whether an employment contract or a performance agreement has been validly entered into.

This section deals with who bears the responsibility to implement the performance management system, the *ipso facto* (automatic) applicability of national legislation on an employment contract, the effect of a non-existing performance agreement on an employment contract, the legality of a “retrospective” performance agreement, and the legal effect of missing the 90 day deadline.

21. RESPONSIBILITIES FOR IMPLEMENTING SYSTEM

The Municipal Manager, as head of the administration (see section 55 Municipal Systems Act or MSA) or as accounting officer (see section 60 Municipal Finance Management Act or MFMA) is responsible and accountable for the formation and development of an accountable administration operating in accordance with the municipality’s performance management system. She or he is also responsible for the management of the administration in accordance with legislation.

The final responsibility for ensuring that employment contracts for all staff are in place rests with the municipal manager. The final responsibility for ensuring that performance agreements with the relevant managers, including his or her own, are in place, rests with the Municipal Manager.

22. EMPLOYMENT CONTRACT

The Systems Act (see section 57) provides that there must be a written employment contract between the municipality the municipal manager and managers directly accountable to municipal managers (hence the reference, to managers employed in terms of these contracts, as Section 57 Managers).

22.1 *Applicable legislation*

The regulations (see sub-regulation 4(1)) provide that the employment contract must be subject to the terms and conditions of the Systems Act, the MFMA, and other applicable legislation. In the event that the employment contract does not refer to the applicability of other legislation, that omission will not affect the legal validity of the employment contract. The employment contract will, in any event, be subordinate to any legislation even in the case where the parties themselves are unaware of such legislation.

22.2 *Validity of employment contract*

The regulations (see sub-regulation 4(4)(a)) further provide that employment in terms of an employment contract must be subject to the signing of a separate performance agreement within 90 calendar days after assumption of duty and annually within one month after the commencement of the financial year. The question arises whether the validity of the employment contract will be affected in the absence of a performance agreement as per the dictates of the regulation. It is important to bear in mind that both the employment contract and the performance agreement are entered into separately by the parties. In the event that the performance agreement has not been entered into after the expiration of the time limit, it amounts to a breach of the employment conditions and the party responsible for such breach must be put on terms. It is important to emphasise that the failure to enter into a performance agreement does not automatically render the employment contract invalid. The party responsible for this breach must be given an opportunity to remedy the breach. Failure by the party responsible for the breach to remedy the breach may result in the other party initiating a contract termination process if it so feels.

23. PERFORMANCE AGREEMENT

The performance agreement (see sub regulation 8(2) read with sub-regulation 23) provides the basis upon which the municipality will reward good performance on the part of the employee. Performance Agreements form the basis upon which the performance of Section 57 staff are measured and monitored against targets. The performance agreement is put in place to comply with the provisions of Section 57 (1)(b), (4A), (4B) and (5) of the Municipal Systems Act as well as the employment contract entered into between the parties. This agreement must be entered into for each financial year and be reviewed annually in June.

According to the Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006), the performance agreements fulfil the following key purposes:

- specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- monitor and measure performance against set targeted outputs;
- use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- and in the event of outstanding performance, to appropriately reward the employee;
- give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

(a) Retrospectively

The question arises whether it would be possible to enter into a performance agreement retrospectively, even after the end of the financial year for that financial year. The language of the MSA (see section 57(2)) is peremptory in this regard. It provides that a "performance agreement **must** be concluded with a reasonable time after a person has been appointed" (own emphasis). The regulation provides that the performance agreement must be signed within 90 calendar days after assumption of duty. The municipal Council does not have the authority to change these prescripts. The absence of a performance agreement at the end of a financial year will fatally affect the ability of the municipality to pay a performance bonus to the affected employee.

(b) Legal validity after 90 days

Further issue which may arise is the legal validity of a performance agreement that is concluded after the period of 90 days has lapsed. In this regard, it is instructive to consider that the regulation provides that **employment** is subject to the compliance with sub-regulation 4(4)(a). It would appear that one would still be able to enter into a valid performance agreement after the 90 day period provided that there is consensus between the parties that the employment contract is still in force. Thus, where the performance agreement is entered into after the expiry of the 90 day limit, the agreement can still be entered into for part of that financial year (see sub-regulation 24(1)).

It is understood that a performance agreement comprises a performance plan and a personal development plan.

(c) Performance Plan

The performance plan establishes:

- a detailed set of objectives and targets to be met by the Section 57 employee as well as;
- the time frames within which these should be met.

The specifics of the performance plan will be determined by the Executive Management Committee, in consultation with the employee, and will be based on the IDP, SDBIP and the Budget. It shall include the following elements:

- Key Objectives
- Key Performance Indicators
- Targets
- Weightings

In addition, the employee will be measured in terms of their contribution to the goals and strategic planning as set out in the Municipality's IDP. Section 57 staff will be assessed against **two components**, weighted as follows:

(d) *Key Performance Area (KPA) which is weighted at 80%*

The employees assessment will in part be based on his/her performance in terms of outcomes/outputs (performance indicators) identified in the performance plan which are linked to the KPAs. This contributes to 80% of the overall assessment result. The weightings per KPA will be agreed upon between the Executive Committee and the employee. For Managers directly responsible to the Municipal Manager, the KPAs are those related to their key functional areas.

For the municipal manager this will be the organizational scorecard, not dealing with outcomes, representing the IDP. For managers reporting to the municipal manager, this component will be their SDBIP scorecards, without outcomes.

For all other staff that this system will be rolled out to, this component will need to be drawn up for them and align with their job description.

(e) *Core Competency Requirement (CCR) which is weighted at 20%*

The CCRs which are deemed most critical to the employee's specific function will be selected from a list and agreed upon with the employer, with consideration for proficiency levels as agreed between the two parties. Weights will further be assigned to the CCRs selected.

This refers to a separate component dealing with competency and expected behaviour.

Table 1: Core Competency Requirements from Regulations (2006)

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	☐ (Indicate choice)	Weight
<i>Core Managerial Competencies</i>		
Strategic Capability and Leadership		
Programme and Project Management		
Financial Management	compulsory	
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	compulsory	
Client Orientation and Customer Focus	compulsory	
Communication		
Honesty and Integrity ³		
<i>Core Occupational Competencies</i>		
Competence in Self-Management		
Interpretation of and implementation within the legislative and national policy frameworks		
Knowledge of developmental local government		
Knowledge of Performance Management and Reporting		

³ While the regulations leave this requirement as optional, in Mquma it will be regarded as compulsory.

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	□ (Indicate choice)	Weight
Core Managerial Competencies		
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualization, analysis and implementation		
Knowledge of more than one functional municipal field discipline		
Skills in Mediation		
Skills in Governance		
Competence as required by other national line sector directorates		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total percentage	-	100%

(f) Personal Development Plan

As part of the performance agreement, a personal development plan will be included. This section should state the activities, including training, that the employee wishes to undertake to improve themselves or is required to take to better fulfil the needs of the job.

(g) Evaluating performance

The Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006), stipulates in detail how the evaluation process should be undertaken.

(h) Evaluators

For purposes of evaluating the annual performance of the municipal manager, The Executive Mayor must establish an evaluation panel constituted of the following persons:

- Executive Mayor or 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
- Executive Mayor and/or municipal manager from another municipality; and
- Member of a ward committee as nominated by the Executive Mayor.

For purposes of evaluating the annual performance of managers directly accountable to the municipal managers, the Municipal Manager must establish an evaluation panel constituted of the following persons:

- 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
- Municipal manager from another municipality.
- Members of the community

(i) Process & Scoring

Performance will be reviewed on a quarterly basis within two weeks after completion of the evaluation of a unit (directorate or section) to which the employee belongs of managing. The employer will keep a record of the mid-year review and annual assessment meetings. The performance plan will include a Personal Development Plan, in order to address any weaknesses or skills gaps which may have been identified.

In summary, the annual performance appraisal will involve an assessment of results as outlined in the performance plan, discussed below:

(j) *KPA assessment*

1. Each KPA will be assessed according to whether performance indicators have been met
2. An indicative rating on a 5-point scale will be provided for each KPA
3. The applicable assessment rating calculator will be used to add to the scores and calculate the final KPA score based on a weighted average score.

(k) *CCR assessment*

- 1) Each CCR will be assessed according to performance indicators have been met
- 2) An indicative rating on a 5-point scale will be provided for each CCR
- 3) The rating is multiplied by the weighting given to each CCR, to provide a score
- 4) The applicable assessment rating calculator will be used to add to the scores and calculate the final CCR score, based on a weighted average score.

Table 2: Scoring suggested by the Regulations (2006)

Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

The combined KPA and CCR assessment scores, weighted 80% and 20% respectively, will make up the overall assessment score.

The individual managers' scorecards will have three components. The first two components will be scores that are based on performance of the municipality. These will constitute the 80% KPA score. The third component is about the manager competency. The following table shows a weighting that will make up the score of a manager reporting directly to a municipal manager's score.

Table 3 HOD's performance measurement

Component	Weighting	Source
Collective score for municipal performance	20%	Overall municipal scorecard score equally owned by all directors and MM
Score for directorate performance	60%	Overall directorate score scorecard score
CCR score of a manager	20%	CCR appraisal result

Similarly in the case of the municipal manager there will also be three components as shown in the table below.

Table 4 Municipal Manager's performance measurement

Component	Weighting	Source
Collective score for municipal performance	60%	Overall municipal scorecard score
Average of directorate scores	20%	Sum of directorate scores divided by the no. of Depts.
CCR score of a manager	20%	CCR appraisal result

The following table shows a worked example of how a HOD's performance score will be calculated. In this table it is assumed that the weightings given to municipal performance, directorate performance and individual contribution are 35%, 50% and 15% respectively. If the Municipality and the Directorate headed by the HoD concerned achieved 60% and 70% of their targets respectively and the HOD got a 55% in his/ her 360 degrees assessment (by his/ her immediate supervisor (municipal manager), immediate subordinates and Portfolio Councilor) then the score will be calculated as shown in the right hand column of the table.

Table 5 Worked example HOD performance score calculation

Component	Weighting	Performance Score	Weighted score
Collective score for municipal performance	20%	60%	$20\% \times 60\% = 12\%$

Component	Weighting	Performance Score	Weighted score
Score for directorate performance	60%	70%	60% x 70% = 42.5%
CCR score of a manager	20%	55%	20% x 55% = 11%
Final score (sum of weighted scores)			65%

The regulations do not deal with the detail of how to convert the points from the 5-point scale into percentage of performance even though the bonus calculation, as per regulations, will be based on the percentage level of performance achieved.

In Mquma the scoring will take the score obtained and divide it by 3 to reach a % score. In this way a score of 3 from the scale, which means that performance fully meets the standards expected in all areas of the job, will then result to 3/3 which will be 100%; 4/3 will be 133% and 5/3 will be 166%.

(I) Dispute resolution

Any disputes about the nature of the employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or Salary increment in the agreement, must be mediated by –

- (a) In the case of the municipal manager, the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the employee, or any other person designated by the MEC; and
- (b) In the case of managers directly accountable to the municipal manager, the executive Mayor or Executive Mayor within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

Any disputes about the outcome of the employee's performance evaluation, must be mediated by –

- (a) In the case of the municipal manager, the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the employee, or any other person designated by the MEC; and
- (b) In the case of managers directly accountable to the municipal manager, a member of the municipal council, provided that such member was not part of the evaluation panel

provided for in sub-regulation 27(4)(e), within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

24. RESPONDING TO GOOD EMPLOYEE PERFORMANCE

24.1 Bonuses

A performance bonus, based on affordability may be paid to the employees, after:

- (a) the annual report for the financial year under review has been tabled and adopted by the municipal council
- (b) an evaluation of performance in accordance with the provisions of the Regulation
- (c) approval of such evaluation by the municipal Council as a reward for a level of performance deserving of a performance bonus in terms of the bonus criteria
- (d) In addition to the annual cost-of-living increase, the employee shall be eligible to be considered for a performance related increase (pay progression) on an annual basis.

24.2 Performance Bonus criteria

The regulations provide that a performance bonus between 5% and 14% of the inclusive annual remuneration package may be paid to the employee after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the Municipal Council, as a reward for a level of performance deserving of a bonus in terms of the bonus criteria. In determining the bonus payment, the regulations specify that the relevant percentage depends on the overall rating, calculated by using the applicable assessment rating calculator:

- (a) A score of 130% - 149% is awarded a performance bonus ranging between 5%-9%.
- (b) A score of 150% and above is awarded a performance bonus ranging 10% - 15%.
- (c) In addition to what is suggested in the regulations in Mquma a score of 100%-120% should result in a bonus of 0% to 5%.

24.3 Salary Adjustment

The respective employee's Salary can be adjusted if it is understood that the high levels of performance can be sustained and are not once-off. This Salary adjustment is over and above any inflationary adjustment.

24.4 Executive Mayor's Merit Award

The Executive Mayor's merit award will be introduced for all employees who are not on fixed term performance related contracts that perform excellently based on the following awards:

Score obtained on Performance Scorecard	The Employee may be eligible to choose ONE of the options listed below
Platinum (>100%)	Medal plus: a) Employee is granted 6 “free” leave days. or b) The Employee is able to attend a conference/seminar relevant to his/her work that costs a maximum of 6 leave days for that employee or c) The Employee may select a work tool that will enhance his/her ability to perform better in his/her job that costs a maximum of 6 leave days for that employee
Gold (90% – 100%)	Medal plus: a) Employee is granted 4 “free” leave days or b) The Employee is able to attend a conference/seminar relevant to his/her work that costs a maximum of 4 leave days for that employee or c) The Employee may select a work tool that will enhance his/her ability to perform better in his/her job that costs a maximum of 4 leave days for that employee
Silver (80% - 89.9%)	Medal plus: a) Employee is granted 2 leave days or b) The Employee is able to attend a conference/seminar relevant to his/her work that costs a maximum of 2 leave days for that employee or c) The Employee may select a work tool that will enhance his/her ability to perform better in his/her job that costs a maximum of 2 leave days for that employee
60 % - 79.9%	No specific reward
< 60	Compulsory performance counselling

Should an employee who has received a non financial reward in the form of a work tool, leave the employment of Mnquma Municipality and wishes to take the work tool, the employee will be required to pay tax on the value of the tool.

24.5 Special Opportunities

Special opportunities will be created such as special study opportunities and exchange programmes that could benefit high performing employees.

24.6 Promotion

Employees who consistently perform well will be given more responsibility and promoted where opportunities arise.

25. ADDRESSING POOR EMPLOYEE PERFORMANCE

25.1 Section 57 managers

The municipality will base its actions against a poorly performing Section 57 manager on the midyear and annual performance review processes. Having set performance targets in the form of a performance agreement at the beginning of the year and reviewed progress in September as per the Regulations, during the midyear review if a manager achieves a score of less than 60%, an appropriately designated person within the municipality will, together with the managers concerned, develop a Remedial and Developmental Support plan within 30 days of the midyear performance review to assist the employee to improve his/her performance. The design of the plan will be such that there should be performance improvement within 6 months of its implementation. The plan will clearly specify the responsibilities of the employer as well as the responsibilities of the employee with regard to its implementation. If after 6 months, during the end-year performance review, the manager concerned still achieves a score of less than 60% and the municipality has evidence or proof that it met its responsibilities in terms of implementing the remedial and developmental support plan, the municipality will consider steps to terminate the contract of the employee on the grounds of poor performance or operational incapacity.

25.2 Non-section 57 employees

In the case of unacceptable performance by a non-section 57 employee, the municipality shall, together with the employee concerned, develop a Remedial and Developmental Support plan within 30 days of a review in which the employee achieves a score of less than 60%.

The plan will clearly specify the responsibilities of the employer as well as the responsibilities of the employee with regard to its implementation.

The timeframes of the plan shall be determined by the support and remedial needs identified in the plan. After the timeframe determined in the plan has lapsed and based on the targets set in the plan, the performance of the employee will be assessed. If the employee concerned still achieves a score of less than 60% and the municipality has evidence or proof that it met its responsibilities in terms of implementing the remedial and developmental support plan, the municipality will consider steps to terminate the contract of the employee on the grounds of poor performance or operational incapacity.

25.3 Evaluation and Improvement of the Performance Management System

The Municipal Systems Act requires the municipality to annually evaluate its performance management system. It is proposed that after the full cycle of the annual review is complete, the performance management team will initiate an evaluation report annually, taking into account the

input provided by directorates. This report will then be discussed by the Management Team and finally submitted to the Executive Committee for discussion and approval. The evaluation should assess:

- The adherence of the performance management system to the Municipal Systems Act.
- The fulfilment of the objectives for a performance management system captured in section 3 of this document.
- The adherence of the performance management system to the objectives and principles captured in section 4 of this document.
- Opportunities for improvement and a proposed action plan.

It must once again be emphasised that there are no definitive solutions to managing municipal performance. The process of implementing a performance management system must be seen as a learning process, where there is a conscious buy-in to incremental improvement of the way the system works in order to fulfill the objectives of the system and address the emerging challenges from a constantly changing environment.

26. APPENDICES

26.1 Appendix I: Extracts of relevant policies and legislation

(a) The White Paper on Local Government (1998)

The White Paper on Local Government (1998)¹ nationally introduced performance management systems to local government, as a tool to ensure Developmental Local Government. It concludes that

"Integrated Development Planning, budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. It will enable them to focus on priorities within an increasingly complex and diverse set of demands. It will enable them to direct resource allocations and institutional systems to a new set of development objectives".

The White Paper adds that

"Involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query; others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced".

(b) Batho Pele (1998)

Similarly, the White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight principles for good public service:

Consultation:

Citizens should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services that are provided.

Service standards:

Citizens should know what standard of service to expect.

Access:

All citizens should have equal access to the services to which they are entitled.

Courtesy:

Citizens should be treated with courtesy and consideration.

Information:

Citizens should be given full and accurate information about the public services they are entitled to receive.

Openness and transparency:

Citizens should know how directorates are run, how resources are spent, and who is in charge of particular services.

Redress:

If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made citizens should receive a sympathetic, positive response.

Value-for-money:

Public services should be provided economically and efficiently in order to give citizens the best possible value-for-money.

"Importantly, the Batho Pele White Paper notes that the development of a service-oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations. Local partners can be mobilised to assist in building a service culture. For example, local businesses or non-governmental organisations may assist with funding a help line, providing information about specific services, identifying service gaps or conducting a customer survey" - The White Paper on Local Government (1998).

(c) **The Municipal Systems Act (2000)**

The Municipal Systems Act, enacted in November 2000, requires all municipalities to:

- Develop a performance management system
- Set targets, monitor and review performance based on indicators linked to their IDP
- Publish an annual report on performance for the councilors, staff, the public and other spheres of government
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government
- Conduct an internal audit on performance before tabling the report.
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance

(d) Municipal Planning and Performance Management Regulations (2001)

The Municipal Planning and Performance Management Regulations set out in detail requirements for municipal PM systems. However, the regulations do not sufficiently constitute a framework that fully proposes how the system will work. Each component of the proposed framework in this document is strongly informed by the regulations.

(e) Municipal Finance Management Act (2003)

Chapter 12: Financial Reporting and Auditing

Preparation and adoption of annual reports

121. (1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The Council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

2. The purpose of an annual report is –
 - (a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
 - (b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
 - (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.
3. the annual report of a municipality must include –
 - (a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the

- Auditor-General for audit in terms of section 126(1);
 - (b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;
 - (c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal System Act;
 - (d) the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;
 - (e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;
 - (f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 12(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;
 - (g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);
 - (h) any explanations that may be necessary to clarify issues in connection with the financial statements;
 - (i) any information as determined by the municipality;
 - (j) any recommendations of the municipality's audit committee; and
 - (k) any other information as may be prescribed.
4. The annual report of a municipal entity must include-
- (a) the annual financial statements of the entity, as submitted to the Auditor-General for audit in terms of section 126(2);
 - (b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;
 - (c) an assessment by the entity's accounting officer of any arrears on municipal taxes and service charges;
 - (d) an assessment by the entity's accounting officer of the entity's performance against any measurable performance objectives set in terms the service delivery agreement or other agreement between the entity and its parent municipality;
 - (e) particulars of any corrective action taken or to be taken in response to issues raised in the audit report referred to in paragraph (b);
 - (f) any information as determined by the entity or its parent municipality;
 - (g) any recommendations of the audit committee of the entity or of its parent municipality; and
 - (h) any other information as may be prescribed.

(f) Appendix II: Pro forma documents (as separate documents)

- (i) Performa Employment Contract
- ii) Personal Development Plan (PDP)
- iii) Performance Agreement

(g) Appendix III: Scorecard templates with Performance Assessment Calculators (as separate documents)

CHAPTER 11- SECTOR PLANS AND EXECUTIVE SUMMARIES

SOCIO-ECONOMIC DEVELOPMENT

1. Tourism Sector Plan

(1) BACKGROUND

Aspire has recently conducted a strategy process with the three municipalities in the N2 Corridor. One of the outcomes of the process is a recommendation for the development of an Amathole Wild coast tourism cluster. In this case the cluster is defined as complementary interventions in the defined space. Flowing from this, we, in Mngquma have identified our space as being ready for such development after the completion of SDF and SEA and, particularly, the Cebe local SDF sponsored by Aspire.

(2) TOURISM SECTOR OVERVIEW

The tourism sector has been changing over the past few years. While tourist numbers were increasing prior to 2009, the increase was mainly in visitors from Africa. These visitors come to South Africa mainly to shop, and their expenditure therefore benefits the retail sector rather than the tourism sector. There is also an increase in those visiting friends and family. These visitors do not spend significant amounts into the tourism industry. A further trend is that a greater portion of expenditure of tourists is done upfront, in their home destinations (air fares, travel agent fees, packages), and less in the destination country. The duration of visits is also declining.

Early indications are that visitor numbers from our major leisure visitor source countries are down 12% on average due to the current global downturn.

Trends indicate that tourists currently are seeking experiential and meaningful holidays. Eco-tourism is increasingly popular. Furthermore, the modern tourist is seeking a genuine experience, desires to feel a sense of commonality with other cultures, and wants to be seen as an individual. Above all, tourists are seeking a social experience.

One of the most important outcomes of the tourism sector overview is that, while the Wild Coast has a uniqueness which can be built on, it is not well known internationally and has effective competition in countries such as **Brazil, Thailand** and **Australia**.

(3) ISSUES IN WILD COAST TOURISM

Issue identified which negatively impact the development of tourism on the Wild coast include

- ✚ **Poor Product differentiation:** Similar products and experiences are offered at all Wild coast facilities. This results in competition between Wild Coast operations, rather than between the Wild Coast and other destinations. It also affects economies of scale.
- ✚ The Wild Coast **product offerings have not changed significantly** in over twenty years, despite the demand for fresh and diverse experiences.
- ✚ **The area does not target sufficient or appropriate niche markets.** It's current niche's appear to be low cost family beach holidays, low cost international backpacker-type holidays, low cost eco-tourism activities (hiking and fishing), supplemented with limited high cost tour groups. The products available are not suited to the expectations of the latter group.
- ✚ **The area lacks genuine cultural interaction and experiences,** but does provide genuine eco-tourism experiences.
- ✚ **The area does not conform to the mantra of “Right product, place and price”.** Firstly, the area cannot currently be considered to be the right “place” because of the area is remote, has difficult of access and lack of tourism support facilities. Secondly, the product on offer is not sufficient to attract large volumes of tourists. And lastly, prices are high compared to the quality of the offerings.
- ✚ **Operational conditions on the Amathole Wild Coast are unfavourable,** pushing up costs and deterring visitors. This includes poor access and infrastructure, the perception of lack of security, poor environmental management in some areas, seasonality and poor market segmentation. These all result in a lack of competitiveness
- ✚ Certain Wild coast offerings have **poor quality and/or service standards.**
- ✚ **Local towns and settlements are unattractive or reflect high poverty levels,** leading to a sense of insecurity and discomfort in leisure tourists. The result is that tourists stay in the resort areas and the benefits of tourism are not spread to potential entrepreneur-driven complementary products.
- ✚ **Lack of long-term leases and security of tenure** have resulted in under-investment in tourism facilities.
- ✚ **Lack of main attraction.** The key to all successful tourism destinations is the existence draw-card (traffic generator). There must be a reason for people to visit the area. Tourists decide first what they want to do, then find where to do it. The branding of these destinations is generally focused around this key attraction, even if these destinations may now be better known for diverse complementary products.

The Wild Coast lacks a main attraction – the stunning environment is not in itself a tourism attraction able to compete with similar localities around the world.

(4) OPPORTUNITIES FOR WILD COAST TOURISM DEVELOPMENT

Despite the seemingly overwhelming list of issues detracting from the development of Wild Coast tourism, the area has much potential. The following are potential offerings of the area:

- ✚ Unforgettable magic – beautiful terrain, beaches, sea and bush
- ✚ A family favourite – popular for family holidays
- ✚ Tight lines – excellent sports fishing in rivers and the sea
- ✚ Sandy beaches – beautiful unspoiled beaches and bays
- ✚ Garden paradise – diversity and unique flora and fauna
- ✚ Exploring the deep – diving, boat trips
- ✚ Live the history – historical richness and heritage of the area
- ✚ Journey of discovery – nomad's delight
- ✚ A taste of the good life – rich fish varieties, locally grown fruits. Potential for elite products.

The changes in the tourism market preferences and tourist profile also offer opportunities. These changes include:

- A fragmenting market – there is opportunity and desire for new products targeting niches (e.g.: bird watchers, cyclists, fishermen, eco-tourists)
- Information Unlimited – the internet is a powerful marketing and information gathering tool
- Fighting De-personalisation – the desire for something unique, genuine and tailored to individual needs
- Search for Community – the desire for interaction with the community on an equal basis
- Save our World – the desire to contribute to communities and the environment in some way open up opportunities for local expenditure development in partnership with visitors. An example is the Jimmy Carter house building project, where hundreds of volunteers spend ten days building innovative and low cost housing. Volunteers must be accommodated, fed and entertained.
- Simple Abundance – high quality products in understated and natural environments
- Down Aging – catering for the “active retired” market
- Small Indulgences – providing high value services and goods to supplement basic packages (e.g.: massage, fruit baskets)
- Escapism – demand for extreme and unconventional activities.

A comparison of the potential of the Wild Coast with the preference trends shows that the area should be able to offer the right product.

(5) DEVELOPMENT RATIONALE

Sections 2, 3 and 4 above paint a picture of a competitive market, and an uncompetitive area product, but with significant opportunities. What is also clear is that the current approach of scattered products all offering similar experiences is not yielding the level of competitiveness required to ensure a flourishing tourism sector on the Wild Coast.

A review of the competing products and the manner in which areas have developed into high-value tourism destinations gives some direction in the approach needed for the Wild Coast. New tourist products are being developed in an integrated manner and address all the

required support and marketing issues at the same time as providing a major attraction. The rationale for development of Wild Coast tourism is therefore that of cluster development, namely:

Develop a suite of interventions that act together to unlock the sector through

- Developing the market / addressing on market demand
- Providing the enabling environment
- Reducing costs by providing complementary and support services crowded in to serve multiple businesses.

The proposed interventions for development of the cluster are as follows:

1. Facilitate the develop of a major attraction – one or two “must see” all year round destinations
2. Address fundamental competitive factors such as infrastructure (roads, water, electricity, sanitation and waste management).
3. Develop circulation routes and nodes for tourist activities and support services
4. Collaborate to develop and package a diverse mix of experiences.
5. Improve service standards through training, including formal training hotel schools.
6. Collaborate to improve tourist security
7. Brand and market the region as a destination.
8. Support the development of tourist and industry support facilities (eg: petrol stations, banking facilities, public telephones, internet cafes, coffee shops, craft shops, medical resources, guiding, shebeens, laundries, food deliveries, transport services, etc), using the diversity of the value chain to spin-off SME business opportunities.

This approach is in line with the recommendations of the Tourism Strategy of the district, but this project will provide a greater level of detail and costing, as well as project packaging.

(6) ROAD MAP TO REALIZE ECONOMIC INTERVENTIONS

Phase 1: Cluster Feasibility (4 months, estimated cost R150 000-00)

- Conceptual plan for the cluster and products, including:
 - Identification of potential sites for “major attraction” and complementary product identification
 - Identification of potential flow / circulation routes and service nodes
 - Gap identification – additional complementary products and services
- Identification of required infrastructure
- Identification of potential partners
- Identification of suitable partnership, community and SMME participation opportunities and models
- Estimation of potential market for specific products
- Broad Estimation of cluster development costs
- Economic feasibility determination and sensitivity
- Estimation of potential job creation (direct, indirect) and type of skills required
- Identification of key issues in relation to land and compliance

- Potential cross-sectoral development opportunities
- Identification of expected tourism support service requirements.
- Identification of specific short, medium and long-term interventions.
- Identify institutional requirements for the cluster implementation

Only bullet one above will require field work, while bullet four will require interaction with stakeholders. The remaining work is envisaged to be desktop work.

Phase 2: Project feasibility (4 months, estimated cost R300 000-00)

- Prepare a detailed project concept for each of five key interventions and/or nodes
- Prepare illustrative site plans, preliminary specifications
- Prepare refined costing estimations for implementation of five projects
- Outline possible business model for each product.
- Outline institutional model recommended for each product.

Field work will be required for this Phase.

Phase 3: Project packaging (estimated R250 000-00)

- Undertake consultative process with affected communities. Support the ECDC, with technical input, to obtain secure exclusivity agreements with specific communities, municipalities and public sector investors
- Prepare MoU's with public sector for essential infrastructure requirements and support officials with technical input in negotiations
- Prepare investment profile document for each project
- Package the projects and promote them among investors, possibly through a CPP approach.

2. Agricultural Strategy

(1) Executive Summary

Agricultural development is a complex array of challenges requiring attention, all being influenced by local, regional, national and international elements.

These key sectors for intervention/support were identified as:

- The Livestock Industry – Cattle, goats, sheep.
- Dry land and irrigated Crop Industry – Cereals, Vegetables, fruit and high value crops.

In addition the following key support elements were identified as necessary, impacting on all farmers:

- The Enabling Environment – Roads, telecommunications, support services.
- Support to Emerging Farmers – support to a specific target farmer.
- Support for Household Food Production – Basic food security.

- Institutional Coordination – Coordination of the major authorities/institutions engaged in the sector.

The plan envisages changes to the roles and responsibilities of our local Municipality in its work from inception of this strategy. The following are the focus areas of this strategy:

- Coordination of development planning and implementation initiatives to curb duplication and step up impact and promote effectiveness.
- Tighter and more supportive working relationships between the Local Sphere and all other relevant agricultural development stakeholders with the Department of Agriculture being a central figure.
- Implementation, monitoring and evaluation of Municipal level programmes across all our sector departments.
- Implementation and support of strategic 'high impact' projects in the Municipal area for which the individual sector departments and farmer structures do not have the necessary capacity.

Therefore the plan has prioritized project implementation for year one, while stressing the need to partnerships and fundraising for full implementation. In terms of this the plan stresses that support to the agricultural sector cannot be short term, and that to achieve impacts, long term programmes are necessary.

In order to achieve these envisaged impacts the plan requires the active support of mainly the Department of Agriculture, Social Development, ECDC ADM and other key players through constant collaboration with the local municipality

Besides these core partners, achieving synergies in approach with other role players is also important hence the emphasis on the Agricultural Development Forum within the Strategy

This should be done taking into cognisance the existence and tasking of the new ADM Economic Development Agency for taking on implementation of large economically viable projects for which the Municipality has vast potential.

(2) CONCLUSION

It must be acknowledge that it will take time to shift into a new mode of operation, and extensive discussions between the Mquma Municipality and core partner organizations will be required. However with open minded administrative and material support and encouragement the successful implementation of the strategies will be achieved and the dividends for farmers will become apparent within a reasonable period of time.

3. Marine and Coastal Management Plan

(1) INTRODUCTION

DOCUMENT OVERVIEW AND PURPOSE

This document presents a proposed integrated approach to coastal zone management and sets the framework for the management of this unique and valuable asset.

This document:

- Introduces the concept of an identifiable coastal zone as a specific entity requiring management
- Sets the context for coastal zone management in Mquma
- Gives the Legislative Framework
- Strategy role players
- Highlights the value of the coastal zone
- Introduces the concept of “strategy”
- Recognises the importance and role of partnerships
- Identifies the strategic objectives of the Coastal Zone Management Strategy
- Sets the measuring, monitoring and review of the Coastal Zone Management Strategy

Mquma Coastal Area & some of the activities that take place in the area e.g. Boat launching

MNQUMA: COASTAL ZONE MANAGEMENT STRATEGY

1.1. Document Overview

This Coastal Zone Management Strategy, once endorsed by Council will form the management framework, targets and goals for the integrated management of the Mquma coastal zone.

1.2. Definition of a Coastal Zone for the Municipality

There are many definitions for defining a coastal zone. The most broadly accepted definition of the coastal zone, as defined in the National White Paper for Sustainable Coastal Development in South Africa, is “that area where the marine environment interacts, influences and affects the terrestrial environment”.

1.3. Key biophysical features of the coastline in Mquma include:

- Dunes
- Coastal erosion
- Marine biodiversity
- Terrestrial biodiversity
- Estuaries

The coast has multiple uses and provides a variety of goods and services to the communities. These goods and services are central to the economy of the municipality and its wellbeing. The goods and services provided by the coastline include amongst others:

- Tourism and recreation
- Economic and employment opportunities
- Events (e.g. water sports)
- Fishing

1.4. Legislation and Delegation

The coastal zone is administered by a number of government organisations with overlap of jurisdiction and function. In Mquma the marine environment is administered by the Department of Economic Development & Environmental Affairs and Eastern Cape Marine and Coastal Management.

(a) The Constitution of South Africa (Act 108 of 1996)

Section 24 of the Constitution states that all South Africans have the right to a healthy environment which is protected, for present and future generations, from ecological degradation. The Constitution further presents an overarching obligation to sustainable environmental management, which calls for local government to provide services in a sustainable manner, provide a safe and healthy environment for all communities, promote social and economic development and ensure transparent governance.

(b) Municipal Systems Act (Act 32 of 2000)

The Municipal Systems Act (MSA) has certain implications and obligations for environmental management by local government, which must be accommodated and reflected in the institutional framework and policies of the local government authority.

(c) National Policy for Sustainable Coastal Development in SA

The Policy sets out a vision for the coast, and principles, goals and objectives for coastal management, together with a Plan of Action for implementation. In essence, this Policy aims to achieve sustainable coastal development through a dedicated and integrated coastal management approach, in partnership with all South Africans.

(d) National Environmental Management Act (107 of 1998)

The National Environmental Management Act (NEMA) states that local government should develop strategies to protect natural and cultural resources (which constitute and sustain the municipal area) but at the same time proactively address poverty.

(e) Marine Living Resources Act (18 of 1998)

The Marine Living Resources Act principles, amongst others, include the need for sustainable and equitable utilisation of marine resources, the need to promote sustainable

development of the fisheries industry, the need to protect marine biodiversity and improved participation of all stakeholders in decision-making processes.

1.5. Other Acts that relate to local authorities and coastal management

- Atmospheric Pollution Prevention Act
- National Water Act
- Health Act
- The National Environmental Management Biodiversity Act
- Integrated Coastal Zone Management Act

1.6. International Context

South Africa is signatory to a number of specific international agreements, such as the Biodiversity Convention and World Heritage Convention and it is incumbent on local authorities to give local effect to such conventions by adopting appropriate management strategies.

2. Towards Integration of Coastal Initiatives

It is imperative that Mquma Local municipality integrates with both National and Provincial government on coastal management issues and initiatives. Participation by the municipality in various Coast care initiatives, the Provincial Coastal Programme and the formation of the Mquma Coastal committee. This integration and communication will be further enhanced by the participation of the municipality in broader coastal management forums in the District.

3. Strategy Role-players

A successful Coastal Zone Management Strategy will require an integrated and participative approach with input from a wide range of role-players from within Council and external to Council. These role-players will have different levels of input, some driving and owning the process with others participating around specific issues. Distinction between those levels at this point has relevance to responsibilities and degrees of influence and interest through the delegation of roles in the development and implementation of the strategy.

The Driver/custodian of the Coastal Zone Strategy should be Community Services

The following Divisions & Directorates should be considered as key partners in the implementation of the strategy:

- Solid Waste & Environmental Management
- Safety & Security
- Strategic Management
- Local Economic Development and Tourism
- Health Services

- Infrastructure Planning and Development

Key stakeholders in the Coastal Zone Strategy should include amongst others:

- Eastern Cape Department of Economic Development & Environmental Affairs
- Department of Environmental Affairs (Coast care)
- Marine and Coastal Management
- Eastern Cape Parks board
- NGO's (e.g. WESSA)
- Academic and research institutions
- The public

4. THE STRATEGY

VISION

To be a municipality that leads by example through recognising the coastal zone as a unique and significant natural asset. To commit to the management of this resource in an innovative and integrated manner that will ensure the environmentally sustainable functioning of the natural systems while optimising the economic and social benefits.

GOAL

- Effective, efficient and transparent management of the coastal zone
- Sustainable development of the coastal zone
- To ensure that Mquma is recognised as having some of the best beaches in the Country
- The maintenance of an appropriate balance between the built, rural and wilderness coastal areas
- To optimise social and economic benefits from the coastal zone

5. Management structures for the Coastal Zone Strategy

- Political Level
- Council
- Director Community Services

Community Services will be the owner/custodian of the Coastal Zone Management Strategy. The Director will have the following roles and responsibilities:

- Overall coordination and facilitation of the strategy
- Chair of the Coastal Zone Technical Coordinating Committee
- The Coastal Zone Technical Coordinating Committee

This committee will meet Quarterly and will be chaired by the Director: Community Services. The Director may nominate a coordinator of the committee. All line functions within the municipality, that influence, manage or impact on the coastal zone, will be represented on the committee by a nominated official. Committee must include representatives from all other relevant Directorates.

This committee will have the following roles and responsibilities:

- Monitoring of strategy and management
- Advisory function
- Empowerment and expertise support

Coastal Activity Management Themes include:

- Coastal Recreation
- Vendor management
- Safety and security
- Film and event management
- Optimising social and economic opportunities in the coastal zone
- Disaster management

Coastal Features Management Themes include:

- Marine water quality
- Waste management (litter and illegal dumping)
- Coastal Education and Awareness
- Estuaries
- Coastal dune management
- Conservation of natural coastal resources

6. IMPLEMENTATION AND MONITORING OF THE STRATEGY

6.1. Implementation

A number of projects, initiatives and programmes are currently underway that will support or contribute to the strategy. However official implementation of the Coastal Zone Management Strategy will begin on the date that the strategy is adopted and endorsed by the relevant Council committees. The implementation of the strategy is a long-term initiative and implementation and success must therefore be measured in years rather than months.

6.2. Monitoring

The success and implementation of the strategy must be reported on to Council by the lead Directorate, Community Services, in an annual report. For each Strategic Objective, indicators will be identified as part of the Action Plans and Programmes to measure and monitor both the state of the coastal resource as well as the success of the various management programmes implemented.

Monitoring and measuring the implementation and success of the Coastal Zone Management Strategy in its entirety however will be measured through the reporting

7. REVIEW

The Coastal Zone Management Strategy (this document) will be reviewed every five years. Revision to the strategy will be done as required to ensure a cycle and commitment to continued improvement.

8. CONCLUSION

The coastal zone of Mquma is a unique and valuable asset that if managed effectively and correctly will continue to offer a multitude of social, environmental and economic opportunities to local, national and international communities. The management approach presented here is based on the fundamental principle that the coastal zone is a unique and specific entity that requires specific and holistic management.

A successful Coastal Zone Management Strategy will ensure that our unique coastal asset is managed in such a way that the economic and social opportunities it presents are optimised while its environmental integrity is maintained.

For this strategy to be successful, it requires commitment of capacity and resources by Council and the relevant line functions to the management of the coastal zone. Further, a successful strategy will depend on the establishment of solid partnerships with organisations and communities throughout Mquma

4. INTEGRATED WASTE MANAGEMENT POLICY

1. ABBREVIATIONS USED IN THIS POLICY

Abbreviation	Description
BOT	Build, operate and transfer (an MSP option)
CBD	Central Business District
CBO	Community-based Organization
DWEA	Department of Water & Environment Affairs
DEDEA	Department of economic development & Environmental Affairs
IEMP	Integrated Environmental Management Plan
EPWP	Expanded Public Works Programmes
IDP	Integrated Development Plan
IWMP	Integrated Waste Management Plan
MFMA	Local Government Municipal Finance Management Act (Act 56 of 2003)
MSA	Local Government Municipal Systems Act (Act 32 of 2000)
NGO	Non-governmental Organisation
NWMS	National Waste Management Strategy
PPP	Public-private partnership (one of the MSP's)
SABS	SA Bureau of Standards
SANS	SA National Standards
SDF	Spatial Development Framework
WIS	Waste Information System

2. PREAMBLE

In terms of Schedule 5B of the Constitution of South Africa (Act 108 of 1996), waste management is a local government competence that must be executed to protect human and environmental health (Constitution, S.24). The statutory obligation of local government is framed by the Local Government Municipal Systems Act (Act No.32 of 2000), or MSA. The Council recognizes that waste generation occurs either through processes where people, business or industrial entities are involved and are able to control the outcome, or when disasters, accidents, or natural processes produce waste. The waste must be managed through various processes that will ensure a safe, healthy and sustainable environment to ensure that the rights of individuals are protected, as enshrined in S.24 of the Constitution. This right requires that all stakeholders must accept co-responsibility for minimizing waste impacts optimally, to ensure environmental sustainability.

3. RATIONAL OF MINIMISING WASTE

Minimizing solid waste should also be known as waste prevention or source reduction. This should not be misconstrued to mean recycling as these are often confused with each other. Recycling only manages waste materials once they have been generated.

Minimizing solid waste means reduction of the amount of material used and therefore the amount of resulting to waste require to be managed and discarded in line with “Zero Waste to Landfill”, which imply designing and managing products and processes to systematically reduce the volume and toxicity of waste and materials, conserve and recover all resources, not burn or bury them.

4. EFFECT/IMPLICATIONS OF WASTE MINIMISATION

Roll-out/Implementation must:

- Create infrastructure;
- Educate, make all aware;
- Encourage Public/Industry participation;
- Facilitate creation of recycling market (industry);
- Enable job creation through recycling rather than through clean-ups
- Enforce stricter standards

Waste Minimisation Rationale

Various legislative changes have taken place since 2000 due to global agreement on the impacts of waste on human and environmental health. Parliament adopted the “*White Paper on Integrated Pollution and Waste Management for South Africa*” in 2000 as the national policy on pollution and waste management. DEAT has drafted further legislation related to holistic, integrated waste management. These statutory reforms and the declaration at Polokwane in 2000, adopted by DEAT with targets that require the country to conform to global practice, which are aimed at minimizing environmental impacts and waste to landfill to achieve a long-term “zero waste” goal.

Though the municipality intends in future to reach out all wards, but it is currently concentrating in the urban and peri-urban areas. Combined population in these areas and economic growth has resulted in growing consumerism and a net growth in the volume of waste that is generated by private citizens, tourists, commerce and industry. The current trends depict a significant change in solid waste management both in township and in CBD areas but the challenge is the role

supposedly being played by other key role players, viz commerce, public, industries etc . it is therefore imperative to mobilize and conduct advocacy programmes towards the minimization of waste in our areas failing which the municipality will face an environmental and a health crisis that is usually illustrated in various print media. This continues to hinder potential economic development of this area as the illustrated picture drives away potential businesses.

It is against the above statement that Council recognizes its responsibilities to reduce and minimize waste, and impacts on resources and the environment through this policy. Accordingly, the Council is required to regulate the interventions, mechanisms and technologies applied within the municipality's boundaries to minimize and manage waste minimization in a sustainable, effective, equitable and efficient manner that will minimize social, health, environmental and economic impacts as far is practically possible.

IWM and the Waste Management Hierarchy

Integrated Pollution and Waste management is defined as:

Integrated waste management is a holistic and integrated system and process of management, aimed at prevention and minimization at source, managing the impact and waste on the receiving environment and remediating damaged environments.

(White Paper on Integrated Pollution and Waste Management for South Africa, 2000) p.11

The Council subscribes to the co-called Waste Management Hierarchy (per **Figure 2**) of the National Waste Management Strategy (NWMS) as a method of minimizing impacts due to waste that will be land filled. The IWM Plan aligns all waste management services provided in the municipality with the NWMS and will contribute to the implementation of the national and concurrent Provincial strategies to minimize waste at the local level.

Scope of the Policy

The IWM Policy enables the Council to ensure and regulate the provision of waste management services, either through internal or departmental services, or external service mechanisms, where Council has to act as a Service Authority in terms of the MSA, to execute its Constitutional mandate.

The policy shall apply in the urban and peri-urban areas of the municipality to:

1. The management and minimization of waste that will be collected, streamed, diverted, processed or treated, recycled;
2. The management of waste that will be disposed of at a licensed, regulated landfill site inside or any other waste management site under its direct control;
3. All individuals residing or visiting the municipality, and entities doing business and who are providing any form of private, public or community service requiring waste management services;
4. All service providers operating in the waste management industry;

This policy excludes waste originating from sanitation systems of whatever form and waste generated by health services

Overarching Principles and Policies

The following are principles and policies guiding our integrated policy framework and waste minimization targets through an integrated waste management approach.

The key principle's and policies which define responsibilities are:

- **Principles defined in National Government Statutes and Policies:**
 - Constitution, S.24: A clean and healthy environment to be sustained and protected for the benefit of future generations – a collective responsibility;
 - Constitution Schedule 5B, and Local Government Municipal Systems Act: Local government to ensure provision of waste management services;
 - National Environmental Management Act-
 - “Cradle-to –grave” responsibility of manufacturers and users;
 - “The-polluter-pays” principle and responsibility of waste generators.
 - White Paper on Integrated Pollution and Waste Management for South Africa-
 - Duty of care principle;
 - Universal applicability of regulatory instruments.
 - National Waste Management Strategy principles of waste minimization to prevent pollution, save landfill airspace and sustain the environment;
 - National Coastal Management Plan;
 - Batho Pele Principles for service delivery to the public by the public service;
 - Expanded Public Works Programme (EPWP): utilization of local labour on short-term projects, preferably using labour from communities in need.

Purpose of the Policy

The purpose of the IWM Policy is to:

- Provide a platform that enables the integration of mechanisms and functions for maintaining cleanliness standards in the municipality;
- Provide a basis that would be used to regulate waste generation and waste management services, as well as serve as a disincentive where necessary;
- Introduce, facilitate and encourage effective waste minimization and management practices, as per the NWMS Waste Management Hierarchy to:
 - Encourage waste avoidance by all stakeholders that will reduce waste generation at source;
 - Reuse waste in its original form as far as possible;
 - Promote the separation of waste into different streams at source prior to collection for recovery and recycling purposes;
 - Implement waste diversion away from landfill by ensuring that appropriate mechanisms and legalized facilities are in place through relevant permitting or applications, that may include Public-Private Partnerships (PPP);
 - Facilitate the processing or treatment of any recyclable waste in an economical and environmentally-sustainable manner;
 - Enable enterprises involved in the recycling of waste materials;
 - Advocate the reuse of waste materials as far as possible;
 - Dispose the remaining waste responsibly by utilizing processes and methods that will conserve air space to lengthen the life of landfill sites, and methods that will impact minimally on water, ground water, soil or air.

- Improve socio-economic sustainability, public and environmental health by providing equitable and sustainable waste management services that should be available at reasonable tariffs or charges to all stakeholders;
- Facilitate provision of infrastructure and assets, and exercise proper management and control of assets in accordance with Asset Maintenance policy;

Policy Objectives

1. The overall aim of the implementation of the NWMS is also the Council's overall policy objective, inter alia:

To reduce generation of waste and the environmental impacts of all forms of waste, so that the socio-economic development of South Africa, the health of the people and the quality of its environmental resources are no longer adversely affected by effects of waste.

(NWMS)

2. At the local authority level, our specific objectives of the Mquma municipality's IWM Policy are:
 - a) To ensure that all residents, organizations, businesses and other government departments receive a service from a legitimate waste management service.
 - b) To define, design, create and/or facilitate appropriate mechanisms and identify responsibilities of all stakeholders that will reduce waste generation of all kinds, that will make it possible to:
 - Clean and accumulate waste or litter;
 - Separate, stream and store waste of all types in receptacles or containers, subject to agreed standards and applicable town planning, fire, safety, health and environmental statutes, ordinances, regulations and by-laws;
 - Collect and/or transport waste to appropriate waste management facilities with suitably equitably equipped, roadworthy and licensed vehicles or machines,
 - Process or treat waste for recycling and reuse where possible and;
 - c) To set waste minimisation targets that will guide individual waste generators, managers and service providers towards minimizing the volume of waste materials being disposed of at landfill sites in order to lengthen their life cycles;
 - To standardize the different service delivery mechanisms in a balanced way appropriate to managing various classes and types of waste, according to different end-user needs and benefits, and environmental concerns.
 - To set minimum standards of performance in line with the Council's general economic sustainability, efficiency, and effectiveness norms;
 - d) To inform the Integrated Waste Management Plan of the Council, based on waste minimization and sound socio-economic and environmental principles;

Policy Review

The IWM Policy shall be conducted as at when the NWMP and municipal related policies are reviewed and such changes shall be placed before council for adoption.

Conclusion: the directorate has noted that over the past years our municipality has been portrayed as being the dirtiest municipality in the country thus this policy and shall ensure adherence of by all citizens.

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

1. CIP

The comprehensive infrastructure plan is a bulky document and could not be attached in this IDP, but for ease of reference, it is available on the Mngquma Municipality website:

www.mngquma.gov.za

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

1. Research Strategy

EXECUTIVE SUMMARY – RESEARCH STRATEGY

The purpose of the strategy is to ensure that research and technology would address the social, economic and political challenges. The foresight study is also responsible to provide assistance on strategic planning and identify weaknesses and gaps reflecting to our Integrated Development Plan.

It is a long-term programme that intends to support the efforts of government, business, labour and community organizations in the Municipality. This approach of exposing dormant expertise and professional skills will invigorate innovation and accomplishment that will reflect the huge resource base the Municipality has at its disposal in a highly globalised and competitive environment.

The strategy has a vision, mission and values embracing 9 core values.

- **VISION:** To improved effectiveness in the management and use of information, through investment of knowledge, efficiency and organizational change to achieve joint services.
- **MISSION:** The mission statement of research and development is the establishment of a collaborative “Knowledge Management and Research Unit whereby strategic information and knowledge will support the planning initiatives.
- **VALUES:** The establishment of Knowledge Management has become necessary for Mngquma Local Municipality to develop a system that will nurture information and manage knowledge that exists internally and externally to accelerate a process of coherent and consistent planning within the municipality.

The 6 main objectives of the Research and Development Strategy are to:

- Guide the Municipal Research and Innovation System in the formation and operation of local research and development programmes;
- Mobilize resources and enhance their effective use for sustainable municipal research and development;
- Guide the generation of knowledge and information in the Municipal sector;
- Provide a framework for developing research capacity and expertise, funding for institutional research and innovation, focusing local efforts to strategic priorities and areas of comparative advantage; and ensuring effective technology transfer; information sharing and communication to the entire Municipality;

- Provide an institutional framework to enhance participation of all stakeholders in Municipal research and development; and to
- Engender a culture of learning and innovation through human resource development and management.
- Establish research partnerships with Academic, National and International research Institutions

Mnquma Local Municipality research strategy combines breadth of participating with selectivity in targeting and supporting excellence during planning phases.

The strategy has 13 guiding principles which are: Responsibility; Integrity and trust; Efficiency and flexibility; Innovation; Equity; Complimentary; Participation and ownership; commitment to vision, mission, goals and objectives; Mutual benefit; Accountability and impact orientation; Relevance, Elimination of overlaps and duplication; and Transparency.

The strategy has 1 short-term objective which is: Capacity Building for research and policy development staff. It has 5 medium-term objectives which are:

- Integrated development planning;
- Network coverage;
- Skills audit in the entire municipal area;
- Municipal financial viability; and Community participation.

The 13 long-term objectives are:

- Housing Infrastructural Backlogs;
- Contributions to the Economy;
- Rural Development Strategy;
- Economic Profile;
- HIV & AIDS;
- Life Expectancy;
- Policies and Strategies;
- Knowledge Management;
- Intellectual Property,
- Land Audit; and
- Water Quality.

2. Marketing, Communication and Branding strategy

Executive Summary on Marketing, Communication and Branding Strategy

Introduction and background

This strategy guides all the role players on the responsibilities so that there is no ambiguity and provides some uniformity on how the Municipality handles the both internal and external communication.

Mnquma Strategy is guided by the State of the Nation Address (SONA), the State of the Province Address (SOPA) and the National Government Communications Plan as well as the SALGA

National Communications Conference which took place in Tshwane on 8 – 10 May 2006, which put forward a new, consolidated model for local government communications.

It is also guided by legislation such as the Promotion of Access to Information Act 2 of 2000, the Local Government Municipal Structures Act 117 of 1998, the Local Government Municipal Systems Act 32 of 2000, and the Local Government Municipal Finance Management Act 56 of 2003.

The Marketing, Communication and Branding Strategy has been approved by Council and is getting implemented. The Municipal Relations Unit is located at the Strategic Management Directorate and is tasked with championing the strategy. The strategy has the objectives, value statement, target audiences, channels of communication, the tools of communication, role and responsibilities of each role player and the communication cycles.

Embedded in the strategy is also the communication plan that gets implemented and monitored on a monthly basis.

Objectives of the Strategy

- ◇ To market the Mquma brand.
 - ◇ Actively educate and inform the community about the municipality, its practices and its services.
 - ◇ To build confidence of the communities in MLM and its service delivery programmes e.g. by communicating achievements and showcasing success stories.
 - ◇ To communicate MLM's Municipality's IDP and budget programmes as well as projects to its communities and stakeholders
 - ◇ Seek the community's comments and input and involvement in a range of municipal issues as prescribed by legislation, especially in regard to its integrated development plan, budget and its performance management systems as well as the services it is required to provide to the community.
 - ◇ To strengthen and improve an effective internal communication system within the Municipality
 - ◇ To improve public participation in the affairs of the municipality.
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- ◇ Seek the community's comments and input and involvement in a range of municipal issues as prescribed by legislation, especially in regard to its integrated development plan, budget and its performance management systems as well as the services it is required to provide to the community.
- ◇ To strengthen and improve an effective internal communication system within the Municipality
- ◇ To improve public participation in the affairs of the municipality.
- ◇ To strengthen communication in popularizing government's initiatives and what Mquma is doing to implement these e.g. ASGISA, e.t.c.
- ◇ To promote mainstreaming of marginalized groups e.g. youth, gender, disabled and HIV and Aids and to promote a healthier lifestyle.
- ◇ Give equal communication support and attention to all geographical areas covered by the Municipality.
- ◇ Vigorously advertise its business and tourism opportunities in the area
- ◇ Ensure that the councillors and staff are informed of all appropriate decisions, policies, programs, events and issues in a timely, accurate and consistent manner
- ◇ To align communications with the Integrated Development Plan in terms of the cycle for local government.

THE MATIC AREAS ADDRESSED IN THE STRATEGY ARE:

- ◇ **Mquma subscribes to Batho Pele principles – Government that puts people first.**
- ◇ Partnerships for growth and development.
- ◇ Strengthening an effective, responsible, responsive and accountable local government system.
- ◇ Creating space for people to govern [Public Participation]
- ◇ Mquma - place of opportunities [for job creation, EPWP and training initiatives]
- ◇ Partners in accelerating service delivery
- ◇ De-stigmatize HIV and Aids – let's fight it together
- ◇ Let's join hands in preventing crime
- ◇ Partners in improving the health standards of our communities
- ◇ Let's keep Mquma Area clean
- ◇ Government has a plan in place – IDP is the vehicle to realize these plans

The implementation of the strategy is in force and the institution is hard at the work of communicating its developmental agenda.

3. Community Participation Strategy

- 1. PURPOSE**
- 2. REGULATORY FRAMEWORK**

- 2.1.2** Chapter 4 Section 17 of the Municipal Systems Act (MSA), Act No 32 of 2000 requires that a municipality develops mechanisms, processes and procedures for community participation. In terms of Subsection 1 participation by local community must take place through (a) political structures for participation in terms of the Municipal Structures Act; (b) the mechanisms, processes and procedures for participation in municipal governance established in terms of the Act; (c) other appropriate mechanisms, processes and procedures established by the municipality; (d) Councillors; and (e) generally applying the provisions for participation as provided for in this Act.
- 2.1.3** Section 22 of the Municipal Finance Management Act, Act No 56 of 2003 deals with publication of municipal budgets and states that immediately after the budget is tabled to council, the accounting officer must (a) in accordance with Chapter 4 of the MSA, 2000 (i) makes public the annual budget (ii) invite the local communities to submit representations in connection with the budget.

3. WHAT IT SEEKS TO ADDRESS

The legislation as indicated above provides a broad outline that Local Government and in particular a municipality must ensure participatory democracy and establishes mechanisms, processes and procedures for community participation.

This policy seeks to give effect to the requirements of the legislation in terms of establishing mechanisms and processes for community participation. It also seeks to ensure that the community of Mngquma participates in a structured and coordinated manner to the affairs of the municipality.

3.1. LINKS TO OTHER POLICIES

This policy links to the following policies of the municipality:

- Customer Care Policy;
- Complaints Handling Policy;
- Credit Policy and
- The Standing Rules of Order of Council

3.2. WHO USES THE POLICY

The policy is intended for use by councillors, staff and members of the community.

3.3. WHO SHOULD BE CONSULTED UPFRONT IN RESPECT OF POLICY CHANGES

Council is the policy formulator and therefore should there be changes either in the relevant legislation that will affect the policy council will be consulted. The staff as the implementers of the policy and the members of the community as the affected will also be consulted.

3.4. IMPLICATIONS (INTENDED / UNINTENDED CONSEQUENCES) FOR THE POLICY

3.4.1. INTENDED CONSEQUENCES

The policy is intended to assist the members of local communities to have a say in the affairs of the municipality.

3.4.2. UNINTENDED CONSEQUENCES

The municipality might find itself vulnerable to certain members of the communities who will see this policy as a means to interfere with the rights of council to exercise its executive and legislative powers.

4. POLICY STATEMENT

The Mquma Local Council adopts the following as its policy:

Participation by the local community in the affairs of the municipality will take place through:

- 3.1 Political structures in terms of the Municipal Structures Act, Act No 117 of 1998;
- 3.2 The mechanisms, processes and procedures for participation in municipal governance, which are established in terms of the Municipal Structures Act;
- 3.3 Other mechanisms, processes and procedures established by the municipality, councillors and generally by applying provisions for participation provided for in the Municipal Systems Act;
- 3.4 Council will establish mechanisms, processes and procedures for community participation taking into account the special needs of people who cannot read and write, people with disabilities, women and other disadvantaged groups.

5. PROCEDURE FOR COMMUNITY PARTICIPATION

5.1 WHO DRIVES THE POLICY

The Speaker, Executive Mayor Ward Councillors and the Municipal Manager or his delegate will drive the policy. This will be done through the ward committee structures, Integrated Development Planning structures, Performance Management System structures, Imbizos and the outreach programmes of the Speaker and the Executive Mayor.

5.2 MANAGING THE PROCESS

5.2.1 Budgeting

Each year the municipality shall budget for community participation.

5.2.2 IDP Representative Forum

The Executive Mayor through the Municipal Manager shall ensure that the community participates in the IDP development and review process by establishing the IDP Representative Forum;

The municipality shall every year launch the IDP Representative forum;

- Every effort shall be made to ensure that all the stakeholders of the municipality are represented in the IDP Rep Forum;
- The local community and other stakeholders will ensure that their needs and aspirations are channelled through this and other community participation structures.

5.2.3 Performance Management System Structures

- The Executive Mayor will ensure that the municipality develops a performance management committee;
- The committee will be inclusive of the community in a manner to be determined by the municipality and in line with the Performance Management Regulations.

5.2.4 Imbizo's and Community Outreach Programmes

- The Executive Mayor and the Speaker will ensure that the stakeholders of the municipality do participate in the affairs of the municipality by calling imbizos in the various wards of the municipality;
- The people of Mquma shall through these imbizos engage the Executive Mayor on matters of the executive and the Speaker on legislative matters;
- The issues raised at the imbizos will be taken back to the municipality for resolution and/or a process forward and feedback will be given to the communities.

5.2.5 Community-Based Planning

- The Speaker will ensure that planning is done at the ward level by facilitating the establishment of community-based planning structures;
- Every effort shall be made to ensure that the structures mentioned in (1) above enhance the IDP processes to avoid parallelism within the municipality.

5.2.6 Other Mechanisms, Processes and Procedures for Community Participation

- The Municipality will in line with relevant legislation continue to establish other mechanisms, processes and procedures to ensure that communities do participate in its affairs.
- The Municipal Manager will ensure that records are kept for all these processes for ease of reference and to ensure that these are actionable.

- Ward Councillors and Ward Committees will play an important role in the community participation structures of the municipality.

6 APPROVAL

6.1. WHO IS CONSULTED

Councillors, management and staff, and the organized labour shall be consulted.

6.2. FINANCIAL IMPLICATIONS

In implementing the policy the municipality shall incur costs; however, each year the municipality shall budget for community participation to give effect to the policy.

6.3. ADOPTION OF THE POLICY

As the policy formulator the Council of Mngquma Local Municipality will adopt the policy on recommendation of the Executive Mayor.

7 IMPLEMENTATION

7.1. COMMUNICATION

The existence of this policy will be communicated through brochures and circulars as well as work-shopping of the policy.

7.2. SIGN-OFF AND OWNERSHIP

The policy shall be signed off by the Executive Mayor and the Municipal Manager as an expression of commitment to its implementation by both the executive and the administration.

7.3. POLICY REVIEW

The policy will be reviewed annually and/or when changes in the legislation and municipal strategy and objectives warrants such a review.

7.4. MONITORING PROCESS

Successful implementation will be evidenced by the number of structures established for community participation, the sittings of those structures and satisfaction shown by the community and stakeholders on the performance of the municipality.

8 POLICY AUDIT

The policy will be audited for alignment with the municipal strategy; the alignment of policy purpose and process, risk assessment and the impact of policy implementation. An audit report shall be developed with recommendations on the closing of risks identified.

9 VIOLATION AND ENFORCEMENT

The violation of the contents of this policy shall constitute an offence and will lead to disciplinary action taken against the employees and councillors who are found guilty of such an offence.

10 AUTHENTICATION

Policy adopted by Council on the 12 September 2007 as per

Resolution Number OC/07/007.2.1.3(vi).

Sign-Off

Executive Mayor

Municipal Manager

MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT

1. Human Resources Strategy

Preamble

It is through the skill and effort of the employees and excellent leadership and support by Councillors the Mquma Local Municipality that its aims will be achieved. The Mquma Municipality's Human Resources Strategy (HRS) will enable it to attract and recruit staff with qualities that it requires. It also sets out the ways in which it will retain staff through effective rewards, good management, leadership and establishing a culture and environment that encourages well-being.

The aim of the Mquma Local Municipality's HRS is consistent with its vision and mission and is captured as follows: The Mquma Municipality will generate revenue and stimulate economic growth through investing in human capital. The role of Human Resources will flex to include leadership, support and advice.

Legislative background

1. Labour Relations Act, 1995 (Act No 66 of 1995) regulates the relations between the employer and the employee and requires that policies be formulated to regulate the relationship

2. Basic Conditions of Employment Act, 1997 (Act No 75 of 1997) prescribes the minimum conditions that the employers must meet for the employees to work effectively and efficiently. The employer is expected to formulate policies that are not in contradiction with the set minimum standards
3. Skills Development Act, 1998(Act No 97 of 1998) aims to develop the skills of the South African workforce and to improve the quality of life of workers and their prospects of work. To improve productivity in the workplace and the competitiveness of employers and to promote self-employment.
4. Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires that the Municipality exercises its executive and legislative authority by developing and adopting policies, plans, strategies and programmes, including setting targets for delivery

The HR Strategy and the IDP

The Mquma Municipality's IDP 2007 – 2011 identifies people issues as capacity challenges for the municipality. All cluster challenges revolve around lack of capacity in terms of skills, work bodies, culture, etc. The Human Resources Strategy has taken these critical issues into account and in developing solutions both in the long and medium term as well as the short term action plan.

Key Strategic Priorities of the Mquma Municipality's Human Resources Strategy

1. To lead a municipal-wide approach to support, reward, develop and manage staff so that consistent levels of high performance are the norm.
2. The building of the municipal capacity to achieve successful change in the short and the long term through appropriate leadership and support for managers and councilors.
3. The establishment and maintenance of effective relations with staff, individually and collectively and with their recognized trade unions to achieve high levels of employee engagement.
4. The development of an environment that fosters employee wellbeing, respect for diversity and difference and in which there is no tolerance for unfair discrimination.
5. The development and delivery of HR systems, policies, procedures and structure in a way that is cost efficient and consistent with other elements of the HRS.
6. The development of the role of Human Resources staff such that through behaviour and activity every opportunity is taken to model, promote and sustain effective partnerships working with stakeholders.

7. The building and sustaining good municipal image through service excellence provided by our employees

In essence, the aim of this HRS is to deliver a culture and working environment which values:

- High performance
- Fairness of treatment
- Respect for diversity and difference
- Excellence in leadership, management and supervision
- Innovation, creativity and adaptability to changing circumstances
- Team working
- Effective and meaningful employee engagement and involvement
- Responsiveness to diverse needs of our communities and customers, internal and external, in a professional and appropriate manner
- Municipal learning and development through the giving and receiving of constructive feedback
- Image building through service excellence

SWOT analysis of the Municipality

Strengths	Weaknesses
<ul style="list-style-type: none"> • HRM System (Sebata) in place • New employees more skilled and qualified • A well-researched organogram has been adopted • HR Policies in place • Sound Management and Leadership structures • Performance Management System in place 	<ul style="list-style-type: none"> • Reputation of the municipality affecting skilled staff attraction • Financial constraints • Staff shortage (skilled & experienced) • Culture of work (laziness, tardiness and absenteeism)
Opportunities	Threats
<ul style="list-style-type: none"> • Government grants and subsidies for training • Reputation of the Municipality • IT Systems 	<ul style="list-style-type: none"> • Internal and external politics • Non compliance to policies and legislation • Information Management • Financial viability and sustainability (culture of non-payment of rates and services) • Rapid technological development and innovations • Resistance to change • Information gap between politicians and administrators • Poverty and unemployment levels

Human Resources Analysis

In the detailed analysis of the human resources of the municipality the strategy concentrates on COPS (Culture, Organisation, People and HR Systems). It looks at where the municipality is currently and where it wants to be as well as identifying gaps between the reality of the current state and the desired state of affairs.

1. Culture

In this strategy culture refers to the personality of the Municipality, ie, values, norms, attitudes, beliefs, experiences and artifacts of the members of the Mngquma Municipality and the manner in which they behave.

a. The current state of affairs

Currently the Municipality is undergoing change and at the core of this is changing the culture of the municipality so that there is effective leadership. The following are cultural values that are visibly displayed by the majority of members of staff of Mngquma Municipality:

The negatives

- They are free agents who do not value work
- They are lazy
- Lack of discipline
- Lack of customer care
- Low levels of use of technology
- Absenteeism and tardiness
- Lack of respect for authority
- Undefined dress code

The positives

- Strong political leadership and management
- Employees carrying for one another
- Willingness to learn

b. Desired state of affairs

- Highly skilled employees who will work their way up the municipality's ranks
- Stable environment for development and exercise of skills
- Reward and encouragement of individual and collective effort
- High levels of customer care

2. Organisation

In this strategy organization refers to the institutional arrangements of the municipality, ie, the structure, office equipment and facilities.

a. The current state of affairs

The organizational arrangements have not reached the levels that are required by the municipality. There is a recently approved organizational structure and the process of filling in positions is in progress but has its challenges. In terms of existing personnel, there are huge skills gaps between the various levels of the municipality.

The office arrangements are a huge challenge for the municipality both for internal and external stakeholders, which negatively affect customer service.

b. The desired state of affairs

The municipality envisages a structure that is fully or reasonable populated for it to effectively deliver on its mandate. It requires an working environment where effective supervision and management is possible. It also requires an environment where customers, stakeholders and community have access to without being sent from one building to another before they can receive a service.

3. People

In this strategy people means the Councillors and employees of the Mquma Municipality.

a. The current state of affairs

The placement process that was as a result of the amalgamation of the three TLCs and TRCs to form Mquma, resulted in situations where the municipality had to place employees, irrespective of skills and qualification in positions that were determined by the salaries they earned rather than the qualifications they possessed. This in turn resulted in the municipality having people in positions that were not readily productive.

On the other hand the municipality has ensured that new recruits have the necessary qualifications, skills and experience required to perform a function. The challenge that is currently faced in relation to this is that the employees who have the required qualifications, skills and experience are paid the same salary with the person who was placed as a result of amalgamation (if doing the same job). This is despite the fact one is best qualified and best performing than the placed employee. This demoralise the employee and the municipality end up losing best qualified employee to other municipalities. There are; however, a few employees from the old municipal establishments who

are best performing and who possess the required skills, experience and qualifications to perform their jobs.

The issue regarding councillors is different. Councillors are elected to represent the communities and there are neither qualifications nor skills required for a member to become a councillor. Councillors, especially full time councillors, are expected to be crisp with issues at directorate levels so that they are able to provide political direction and guidance.

Another people issue that the municipality is facing is the over-utilisation of temporary, casual and volunteering employees at some instances without the knowledge of the human resources department. This result in creation of expectations for the said group of employees and this becomes a burden of the municipality's human resources department.

b. The desired state of affairs

- An employee recruitment and selection strategy that will ensure that employees that join the municipality are readily productive
- An employee retention strategy to ensure that the municipality does not loosed best qualified, skilled and experienced employees
- An employee capacity building programme to ensure that employees are productive and effective
- A functioning system of performance management aimed at translating the IDP and/or strategic plan of the municipality into operational plans and individual performance agreements.

- A municipality that encourages recognises and rewards good performance at all its levels thereby creating a unifying culture (end of the year functions, sporting and cultural activities, etc)
- A councillor development strategy that will ensure that councillors are able to carry out their mandate effectively and efficiently
- A well-regulated municipal environment in terms of policies and their implementation to ensure consistency and confidence in delivery of services
- An effective and efficient councillor and employee wellness programme that will ensure that professional support and advice is provided to our troubled councillors and employees

4. HR Systems

The Mquma Municipality is currently using the Sebata Municipal Solutions Human Resources Management System, which was installed in 2004 came live in 2005. The system is linked to the Financial Management System and the two systems should talk to each other.

a. The current state of affairs

The municipality is currently under-utilising the system, in that only payroll system is fully utilised. The Electronic Human Resources Management System has the following modules, which are not fully utilised: Capmen,

Most HR activities are performed manually, which means the municipality is not taking advantage of the information technological advancement that could simplify the performance of duties.

The municipality is losing a lot of money through the leave administration system that is not fully utilised resulting in haphazard monitoring mechanisms.

The manual filing of personnel records is also a challenge that with the full utilization of the HRM system could be overcome. Savings could be made in terms of space for files and stationery. The risks related to fire hazards could also be eliminated.

b. The desired state of affairs

The availability of effective and efficient HR system able to meet the human resources requirements of the municipality such as the following:

- Administration of leave
- Managing the training and/or skills development programmes and producing compliance reports
- Managing personnel record (recording and retrieval)
- Managing, monitoring and reporting on individual performance
- Producing reports on compliance issues such as employment equity

7. Identifying Critical People Issues

The SWOT and COPS analysis have highlighted the critical areas that the strategy needs to address. This area of the strategy outlines the people issues that, if not addressed, would impact negatively on municipal service delivery. The following are those people issues:

- Skills and capacity gaps
- Recruitment and selection
- Exodus from the municipal employ of employees with skills and experience
- Uninspired and de-motivated workforce
- Ill-discipline, insolence and disloyalty
- Absenteeism and tardiness
- Performance not managed and monitored properly
- Under-utilised electronic HRM system

8. Developing Solutions

The following issues identified above can be addressed with the commitment of the municipality to carry out the programmes outlined below in the long, medium and short term.

- Development a comprehensive training and/or capacity building programme that is relevant to address the weaknesses and challenges as outlined in the SWOT and COPS
- Develop a well-researched recruitment and selection strategy to ensure that new employees become productive in a short space of time when they join the municipality
- Develop and implement an employee retention strategy through introducing incentives, rewards and providing a conducive work environment
- Develop policies and procedures to address people issues such as recognition of excellence in performance for both Councillors and employees
- Develop a remuneration system that recognises education, skills, experience and loyalty of municipal employees
- Develop a programme to fully utilise the electronic Human Resources Management System for effective work performance
- To roll-out the customer care programme in line with the Customer Care Strategy and Batho Pele principles
- Develop a comprehensive wellness strategy and programme to ensure that the municipal Councillors and employees are fully productive
- Develop a comprehensive programme of employee discipline as a means to correct behaviour rather than a punitive measure
- Develop information management systems
- Develop awareness programme for the human resources function as a municipal-wide issue rather than an individual directorate issue
- Review policies and ensure that in the development of new policies the issue of gender mainstreaming is taken into consideration and that there is practical implementation of those policies

9. Action Plan (Short Term)

KPA	Action	Time Frame
Training	Develop a training programme to address capacity short comings	30 June 2012
Recruitment, Selection, Induction and Retention	Implement strategies and policies related to staff attraction and retention	30 June 2012
Performance Management	Provide support to directorates to make the system work including corporate services	30 April 2012
Information Technology	Implement a comprehensive strategy for information and communication technology	30 June 2012
Wellness of Employees and Councillors	Implement and monitor the employee relations, wellness and safety programmes	30 June 2012

KPA	Action	Time Frame
Security of Information	Ensure that the Records Management Policy is implemented in line with the National Archives Act, 1996 as well as the Access to Information Manual of the Municipality, 2009	Ongoing
Image Building	Incorporate in all the municipality's training programme service excellence to improve the image of the municipality (Customer care and etiquette)	Ongoing
Gender mainstreaming	To ensure that the issue of gender mainstreaming is taken into consideration when policies of the municipality are developed and reviewed	Ongoing

10. Conclusion

The human resources function is an institution-wide function and the support of both council and management is very important for its effective implementation.

All directors are human resources practitioners and the strategy must be internalised by all to be successful.

11. Approval

This HR Strategy was adopted by Council on the _____ as per resolution number:

4. Special Programmes Strategy

1. EXECUTIVE SUMMARY: SPECIAL PROGRAMMES UNIT STRATEGY

2. OBJECTIVES/ RATIONALE:

In the past the needs of the designated groups such as women, children, youth, people with disabilities and those infected with HIV and AIDS were at best neglected and at worst stigmatised, their rights violated and were left to fend for themselves in very trying times of oppression and coercion.

The constitution of the Republic in the Bill of Rights lays the foundations of governance and proposes mechanisms for dealing with the past imbalances. Prominently it guides all development programmes and insists on equal participation therein. All three spheres of government are to

work together to ensure a better life for all people. Since the last phase of the municipal transformation in 2000 all people live in Municipalities, thus rendering this sphere of government the closest to the people and at the coal face where most development policies must be implemented to make a difference to the communities including the designated groups.

Through the constitution the National Government has established what has come to be termed “Chapter 9” structures to act as watch dogs over the implementation of the Bill of Rights, promote and protect the designated groups. In furtherance of this, the government has established a national department responsible for women, youth, and people with disabilities. The initiatives on the mainstreaming of designated groups are largely driven and co-ordinated at national and provincial level and it has always been difficult to manage these programmes at a local level precisely because they have not been institutionally arranged and without policy.

This strategy therefore, seeks to address these weaknesses and draw experiences from national, provincial and district spheres of governments. In the past this Municipality has been engaged in many special programmes initiatives without any guiding document. Therefore, adoption of this strategy by the Municipality would lay foundation in the efforts towards implementation of its special programmes. The strategy will provide a tool for the integration into the IDP and monitoring of the implementation of programmes and projects for the designated groups. This strategy, though cross-cutting, will be sector-specific and the programmes will be developed along the lines of cluster approach. We are mindful of the fact that certain activities may be core mandate of other directorates of the Municipality thus, the approach would be based on cooperation.

This approach indicates that the implementation of these programmes is a governance issue and at best points to their locations in the Executive Mayor’s office. Importantly the strategy will remain a tool through which the Municipality can measure its success in uplifting the status of the designated groups. It will form an integral part of the IDP and the sector plans of the Municipality and its major aims being:

- To build on initiatives to provide all designated groups with meaningful opportunities to unlock their talents and reach their full potential.
- Address major concerns of designated groups and give direction to the work of the Council in relation to special programmes
- It must enable the Council to display a commitment to the National Policy Framework and more specifically the developmental role of local government.
- Sensitise the Council, civil society and other role players towards development of these groups and acknowledge and promote their initiatives.

- At an operational level it must guide the work of administration by providing an enabling environment for these groups to give expression of their needs and interests.
- Finally, this strategy must lay the foundations for the action plans of each of the groups in a spirit of their central theme and priorities “Nothing about us without us”.

2. LEGISLATIVE AND POLICY FRAMEWORK:

In order to ably capacitate the vulnerable groups, the Mquma Local Municipality through this strategy recognises the legislative framework and the Policy context within which the strategy is being implemented. In particular it recognises the following but not limited to those:

1. THE CONSTITUTION OF THE REPUBLIC OF SA, 1996 (ACT. 108 OF 1996)

Section 9 of the constitution advances equality of everyone before the law (see Chapter 2: Bill of Rights). This equality includes full and equal enjoyment of all rights and freedoms. Towards this goal, legislative and other measures designed to protect or advance persons, or categories of persons disadvantaged by unfair discrimination maybe taken. These may include what has come to be known as “Chapter 9” structures. Specifically the section talks against direct or indirect discrimination on grounds of race, gender, sex, pregnancy HIV/AIDS status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, beliefs, culture, language or birth.

2. MUNICIPAL FINANCE MANAGEMENT ACT NO.56 OF 2003

Although there is no explicit reference in the Act for the designated groups, as part of Supply Chain Management Policy formed in terms of section 111, must be included in section that seeks to accommodate the historically disadvantage individuals (HDI's) in what has come to be known as Preferential Procurement Policy Framework (PPPF).

3. MUNICIPAL SYSTEMS ACT NO.32 OF 2000

Chapter 4 section 17 of the Act provides for participation of its communities in encourages the participation of the people with special needs i.e. who cannot read or write, people with disabilities, women and other disadvantaged groups. This includes verbal presentations and rendering conducive environment for participation.

4. NATIONAL GENDER POLICY FRAMEWORK 2005

Seeks to institutionalise a process whereby women and men are equal partners in creating a society where gender and racial equality are a priority, to this end a Gender

Commission has been established in line with chapter 9 of the Constitution.

5. NATIONAL YOUTH DEVELOPMENT POLICY FRAMEWORK 2002-2007

Policy seeks to ensure that young people fully participate in the national and community life. In order to ensure a cadre of future leadership it is necessary to create a united, non-racial, non-sexist and prosperous society in which the youth shall promote national reconciliation and unity, build a new patriotism and foster unity.

6. INTEGRATED NATIONAL DISABILITY STRATEGY 11/08/2008

The vision of the Integrated National Disability strategy proposed by the white paper is “a society for all”. Thus meaning that there must be an integration of disability issues in all government development strategies, planning and programmes. There must be an integrated co-ordinated management system for planning, implementation and monitoring at all spheres of government and complementary thereto, there must be capacity building and the process of wide public education.

7. HIV AND AIDS IN SOUTH AFRICA (2009)

This is the latest amongst protocol documents on the scourge of this pandemic. It is comprehensive in that while it advocated prevention and treatment, in its influence it also highlights the unsavoury relationships between the abusive men and their partners. It also articulates the devastating effects it has on children and families.

8. NATIONAL POLICY FOR THE ELDERLY (2001)

Elderly are defined as those individuals who are 60 years old and above. The intention of a policy is to establish a society of the elderly who are contented, dignified, possessed of a high sense of self-worth and optimising their potential as well as to ensure that they enjoy all opportunities besides being given the care and protection as members of a family, society and the nation.

3. MORAL REGENERATION

Moral Regeneration is the movement at the centre of collective activism for moral regeneration initiatives whose vision is to build an ethical and moral community with a mission to promote positive values. The ultimate objective of this movement is to assist in the development of a caring society through the revival of the spirit of “Ubuntu” and the actualisation and realisation of the

values and ideals enshrined in our constitution, using all available resources and harnessing all initiatives in government, business and civil society.

It is primarily a movement and not an organisation nor does it seek to replace or duplicate any of the existing initiatives and processes aimed at combating moral degeneration. Its mandate is to be a platform for networking for all these various processes and initiatives. Therefore any structures put in place in this regard will emphasise facilitating the envisaged networks and partnerships. They must also seek to promote local action and commitment from within the various communities to that extent there is no coherent policy, as the movement is influenced by various interacts and ethos.

4 DELIVERABLES

Our action will be classified into short, medium and long term interventions. These entail extensive co-ordination being mindful of the previous, albeit unco-ordinated interventions. As indicated elsewhere in this document these will include, but not limited to mobilisation (both of the beneficiaries and resources), skills enhanced, employment, recreation, transport and other facilities, support systems for the families, awareness campaigns and 201Research and Development. 1

Priority	Activity	Remarks
Mobilisation	Formation of forums	
Linkages	Sessions with NGO's and CBO's Relevant Sector Departments	
Development of plans for each group	Engagements with each designated group	
Resource Mobilisation	Engagement of Government, parastatals and other sponsors	
Identification of needs	Engagement with each group	
Awareness Campaigns	Cooperation with other Government and Departments.	

5. FINANCIAL VIABILITY

1. Revenue Enhancement Strategy

REVENUE STRATEGY

EXECUTIVE SUMMARY

Why the Revenue Enhancement Strategy

The going- concern status of any municipality is determined by its ability to collect consumer charges, which is the life-blood of a municipality. It is vital for a municipality to develop a credible, fair and transparent revenue raising mechanism to give effect to the provisions of Section 26 of the Municipal Finance Management Act

Status Quo

Institutionally

The municipality has developed and adopted policies and bylaws to support and guide it on how best to deal with revenue related matters. It has further developed mechanisms of, and proper setting up of municipal tariffs however some gaps were identified which include amongst others lack of understanding of policies and municipal by-laws and lack of fully fledged debt collection centre.

The Billing Environment

This relates to both staff members and the billing system where some challenges have also been identified which include lack of understanding of the financial management system and data integrity.

Service Delivery

The local economic development strategy has been developed but not fully implemented. There are also challenges in dealing with indigent registration and verification. Some vacant sites that are due for disposal could not be sold because the land was not serviced.

Revenue Enhancement Strategy

Institutionally

The institution is to intensify training and workshops to ensure that policies are understood by both councillors and officials. Ensure that the policies are built into the financial system to improve on their implementation. To establish a fully-fledged debt collection centre to ensure that all customer related business is dealt with less than one roof, including billing enquiries, debt management and general customer care.

The Billing Environment

To facilitate training on all components of the billing system, including systematic debt collection, credit control procedures, processes, legislation, customer care and general guidelines. Accurate data cleansing to be done for consumers in the system

Service Delivery

Ensure that the LED strategy implementation plan is developed so as to unleash the economic growth potential of the area. Development of a proper indigent register and monitoring of the processes relating to indigent management. A clear audit of the available land is to be done, identify sources of funding and execute a proper plan of disposing the land for increased internal revenue.

6. SUMMARY OF TRANSPORT PLANS

Mnquma Public Transport Service Plan

Africon Engineering International Pty (LTD) was appointed by the Amathole District Municipality as the consulting engineer for the development of the Mquma Public Transport Service Plan (PTSP).

The scope of the project includes the following:

- Status Quo analysis
- Mobility Strategy
- Service and Infrastructure Plan

The action plan as summarised in the Mquma LM Public Transport Service Plan has been summarised below. The plan does not contain project specific recommendations, but provides recommendations at a higher level. Short, medium and long term strategies were proposed and is summarised in the table and text below.

High Level Prioritisation in Mquma LM

ORIGIN	SHORT	MEDIUM	LONG
District	Detailed needs analysis for public transport services	Establishing of norms and standards for inclusion of sidewalks on all classes of roads	Any public transport vehicle to conform to needs of person with disabilities
	Operating Licence Strategy	Establishing norms and standard for intersection and pedestrian crossings design	Development of a Integrated Infrastructure Plan
	Determination of level of service and scheduling for public transport service	Formalisation and regulation of the taxi transport operations	
Node	Completion of Ngqamakhwe PTI	Finalisation of Butterworth PTI Provision of PT facility in Centane	Detailed study on of Feasibility of Ndabakazi PTI node Public Transport stops on PT corridors.
Links	Implementation of Ibika Township and Msobomvu Public Transport Corridors	Implementation of the remainder of Public Transport Corridors	Secondary and Feeder Public Transport Routes

Source : Mquma Transport Service Plan, August 2006

Short Term Priorities

- The ADM should consider commissioning a study within he region to assess public transport service needs in Mquma.
- Prepare an operating Licence Strategy that will assist the region to manage the process to move from he present permit system to a regulated and formalised taxi industry with an operating licence system.
- The above studies should be followed by the determination of level of service as well as scheduling for public transport.
- The completion of the Ngqamakhwe PTI in accordance to the detailed design need to be executed (ie inclusion of the public toilets)

- The ADM should consider commissioning a detailed assessment study to determine tactical plan for the Ibika Township and Msobomvu Public Transport Corridors.

Medium Term Priorities

- The ADM needs to establish norms and standards for the inclusion or not of sidewalks on all classes of roads throughout the district to promote non motorised transport. Conduct an inventory of existing conditions and prepare a prioritised programme to correct the deficiencies. Priorities should be given to areas to support public transport accessibility improvement programmes. Furthermore, the District needs to ensure that all new construction programmes conform to the established norms and standards.
- In order to address the problems experienced in the taxi operation, the industry needs to be formalised and regulated and law enforcement needs to be improved. This priority is medium term since it needs necessary powers to be vested to ADM.
- The completion of the detailed design of Butterworth Public Transport Interchange coupled with the commission of the start into Public Transport Facility in Centane need to be carried out.
- The ADM should consider commissioning a detailed assessment study to determine tactical plan for the other public corridors, namely Ndabakazi, Cuba, Nkwezela and Centane.

Long term Priorities

- Following the formalisation and the regulation of taxi operations in Mquma LM, ADM need to ensure that any public transport procedure should conform to the needs of persons with disabilities.
- An integrated Infrastructure Plan (IIP) is a high level “route map” that will guide Mquma LM in the optimising the utilisation of, and investment in the infrastructure asset within its jurisdiction.
- The commissioning of a detailed study into the feasibility of Ndabakazi Transport Node.
- The implementation of public transport stops along the public transport corridors as determined in short and medium term link priorities.
- The ADM should consider commissioning assessment study to determine tactical plan for the secondary and feeder public transport routes within Mquma Local Municipality

Funding Strategy and Summary of Programmes

1. Priority Implementation Programmes

There are a number of strategies that the ADM have identified in response to the needs assessment of each local municipality. The short term priorities generally include the following:

- Planning projects and additional investigations that will be required particularly to improve the public transport effectiveness
- Data collection to improve the public transport planning
- Better administration of public transport operating licences
- Enforcement of legal public transport operations

Public transport infrastructure projects

- New roads and road upgrades and maintenance projects

2 Priority Projects

Integrated Transport Plan: Public Transport Project Programmes

Number	Project Title	Project Description	Estimated Capital	Estimated Operating Cost	Target 07/08	Target 08/09	Target 09/10	Responsibility	Funding Source	Comments
MNPT001	Mnquma: Butterworth Bus Taxi Rank	Construction of Multi Modal Public transport facility in Butterworth	R14.8m	R0.05	R14.80m			MM/ADM	ADM/MLM/MIG/DoT	Final Design Stage and Funded by DOT
MNPT002	Mnquma: Ngqamakhwe Rank	Completion of the Ngqamakhwe Public Transport Interchange	R2.6m	R0.01m	R1.1m	R0.5m		MM/ADM	ADM/LM/MIG/DoT	Rank complete, to construct holding area
MNPT003	Mnquma: Centane Rank	Construction of public transport interchange in Centane CBD	R3.5m	R0.02	R2.0m	R1.0m		MM/ADM	ADM/LM/MIG/DoT	Phase 1 complete

Integrated Transport Plan: Maintenance/Upgrade: project Programmes

Number	Project Title	Project Description	Estimated Capital	Estimated Operating Cost	Target 06/07	Target 07/08	Target 08/09	Responsibility	Funding Source	Comments
MNM/U001	Mnquma: Feni Bridge	Upgrade bridge in Feni village	R0.75m					MM	LM/DR&T/MIG	Project not funded within the MTEF Period ending 2009/2010

Number	Project Title	Project Description	Estimated Capital	Estimated Operating Cost	Target 06/07	Target 07/08	Target 08/09	Responsibility		Comments
MNM/U002	Mnquma: Mpenduza Bridge	Upgrade bridge in Mpenduza village	R0.75m					MM	LM/DR&T/MIG	Project not funded within the MTEF Period ending 2009/2010
MNM/U003	Mnquma: Qina Bridge	Upgrade bridge in Qina village	R0.75m					MM	LM/DR&T/MIG	Project not funded within the MTEF Period ending 2009/2010
MNM/U004	Mnquma: Access Road Upgrade	Upgrade kwaNdaba, Toboyi, Ngewanqu, Ibika, Magalakangqa access roads	R1.75m					MM	LM/DR&T/MIG	Project not funded within the MTEF Period ending 2009/2010

CHAPTER 12 – OTHER PROJECTS

Socio –Economic Development Cluster Projects

Social –Economic Development Cluster Projects			
Project Name	Project Description	Budget	Funding Source
Nqamakwe Fire satellite Station	Construction of the Nqamakwe satellite fire station	R1 500 000 (pending confirmation by ADM)	ADM
Disaster Management	Education and awareness programmes	R500 000 (pending confirmation by ADM)	ADM
Building of Formal Schools	Construction of schools and installation of water and Sanitation blocks in all Mquma areas		Department of Education
Building of Health Centres/Clinics	Construction of clinics in the Mquma area (Mgcwe&Mpukane in Ngqamakhwe and Ngqusi in Centane)	R15 000 000	Department of Health
HIV and AIDS	Education, awareness and counselling programmes	R100 000	ADM and Department of Health
Upgrading of DLTC	Resurfacing and painting of the Driver's License Testing Centre at Msobomvu Township	R1 500 000	MIG and Province
Establishment of Pound	Construction of animal pound in the Butterworth area	R800 000	MIG
Internal Security and Equipment	Construction of guardrooms and installation of security equipment in all units of Mquma	R400 000	MIG
Construction of Nursery	Establishment of Nursery and purchase of seed and plant	R700 000	MIG
Community Safety Programmes	Development of community Safety programmes and awareness	R100 000	Not funded
Internal Security	Upgrading of internal security and equipment	R1 500 000	Unfunded
Waste Management	Waste Management	R8,000,000	DEAT
Cebe Camping Site	Accommodation facilities, ablution entertainment facilities	R3 900 000	Unfunded Application submitted to DEAT
Mbhashe to Kei	Coast care and clearing	R2 100 000	DEAT
Butterworth Town Square (Phase 1)	Business, entertainment and leisure facility	R3 500 000	ADM
Sokapase Craft Centre	Development of cultural disciplines	R120 210.	Dept of Sports Arts & Culture
Mechanisation Support Programme	Provision of maintenance and management of machinery provided by ADM	R800 000	Unfunded

Social –Economic Development Cluster Projects			
Project Name	Project Description	Budget	Funding Source
Bongithole Irrigation Scheme	Establishment of scheme for irrigation	R1 000 000	Unfunded
Zibityolo Irrigation Scheme	Establishment of scheme for irrigation	R2 200 000	ADM
Stock Dams and Spring protection	Construction, cleaning and maintenance of stock dams	R1 500 000	Unfunded
Fishing Development	Support fishing initiatives along the coasts and inland	R3 000 000	Unfunded
Forestry Development	Supporting forestry development and processing initiatives	R3 000 000	Unfunded
Butterworth Urban Renewal Programme	Establishment of chalets	R1 500 000	MIG
Environmental Control	Developing capacity and designing strategies, programmes and plans	R1 500 000	Partially funded
Kei River Mouth	Protection of species; revamping of pontoon to be shared with Great Kei	R2 057 142	Unfunded Application submitted to DEAT
Bawa Falls PHASE 2	Construction of chalets and entertainment facilities	R7 500 000	Unfunded DEAT
Mnquma Craft Development Initiative	Construction of the Craft Development Centre	R5 000 000	Unfunded Application submitted to DEAT
Revival of Ikhamanga – Qolora	Revamping of the Ikhamanga Craft Centre	R5 268 350	Application submitted to DEAT
SithembeleZokhwe Arts & Craft Community Tourism Centre	Extension of the SithembeleZokhwe Arts and Craft Community Centre	R4 300 000	Application submitted to DEAT
Establishment of Green shops	Building of Old Mutual, Ned bank and Mutual and Federal in Nqamakwe and Centane	Undisclosed	WHIPHOLD
Production of Essential Oils	Pilot programme on the farming of essentials oils in the Mnquma area	Undisclosed	WHIPHOLD
Farmers' Support Centre	Establishment of the farmer's support centre in Centane	R2 000 000	Department of Agriculture
Heritage Sites	Declaration of Mnquma heritage sites as National Heritage Sites	R1 000 000	Unfunded
Development of Erf. 448	Phase II development of the Butterworth town square	R2 100 000	Amathole District Municipality
Essential oil plants and fruit pilot project	Production of essential oil plants, fruit and establishment of processing plant	Undisclosed amount	Agricultural Research Council
Ntseshe Livestock Improvement	Livestock production (Nguni Cattle and land care)	R800 000	National Department

Social –Economic Development Cluster Projects			
Project Name	Project Description	Budget	Funding Source
		(for each financial year over three years)	of Agriculture
Zazulwana Irrigated Vegetable Production Project	Production, processing and packaging of vegetables	R2 000 000	UnfundedApplication submitted to European Union (EU)
Capacity building	Skills development and enhancement for councillors and staff	Undisclosed amount	DHLGTA and UNDP
Cebe Game Site	Construction of a bridge	Undisclosed amount	Economic Affairs
Electricity	Installation of electricity	Undisclosed amount	Eskom
Township Regeneration	Facelift of townships, Ibika and Msobomvu	Undisclosed amount	NDPG (National Treasury)
Various projects Marketing, Communication and Branding Revenue Enhancement Infrastructure and Township Revitalisation	Backlog Studies	Undisclosed amount	DBSA
Construction of pontoon	Construction of pontoon over Cebe River	R2 000 000	Unfunded
Blythswood Bushmen Caves	Development of concept to enhance Blythswood Bushmen Caves	R1 000 000	Unfunded
Cebe Community Land	Cebe Community Land Development Project	0	Unfunded
Mzantsi Sokapase Arts Centre	Development of Mzantsi Sokapase Arts Centre	0	Unfunded
PhambiliMidaka crafts – Emahemini	Development of PhambiliMidaka Crafts	0	Unfunded

Municipal Transformation and Institutional Development Cluster Projects

Municipal Transformation and Institutional Development Cluster			
Project Description		Funding	Funding Source
Information Technology maintenance, infrastructure, software and system	Maintenance of information technology hardware and systems through service level agreement; IT infrastructure and systems improvement,	R 500 000	Department of Housing, Local Government & Traditional Affairs (DHLGTA)

Municipal Transformation and Institutional Development Cluster			
Project Description		Funding	Funding Source
	information backup, website development and acquisition of computer software and hardware.		
Activity Based Costing	Minimizing of cash flow analysis with the budget	R 500 000	DBSA
Severance Packages	Provision for Packages for officials who would like to retire.	R5 000 000	To be solicited
Leamerships& Internship	To provide more training opportunities to employees	R 300 000	To solicit funds
Study Allowance	To fund employees who would like to further their studies	R 400 000	To solicit funds

OTHER PROPOSED PROJECTS FOR GRANT FUNDING

2011-2012

PROJECT NO	PROJECT	PRIORITY	PROJECT DESCRIPTION
1.	Butterworth By-pass bridge linked to Msobomvu Economic Node	High	This project will link fish farming that will be held at PEP factories, with sports facilities and parks. It would as well include upgrading of road networks at Msobomvu township.
2.	International Convention Centre	Medium	This will attract government organisations to invest at Mngquma local Municipality and will include hotels and other necessary facilities in the ICT. IBika factories will be converted to suite this facility.
3.	Driver's license testing centre, Vehicle testing Centre and weigh bridge	High	This will accommodate truck weights & testing drivers licenses and vehicles
4.	Revamping of all tourists attraction routes	Medium	This will improve tourist areas along the coast and as far as Bawa falls to have easy access. I will include development of Phalo Cultural village
5.	Office Park linked to call centre services	High	This project will house government departments, commercial facilities and some restaurants
6.	Revamping of agricultural schemes and related infrastructure along Kei river	High	This project will include revitalisation of existing agricultural schemes and shall include installation of required infrastructure

Good Governance and Public Participation Cluster Projects

Good Governance and Public Participation Cluster Projects			
Project Description		Funding	Funding Source
Capacity Building – Ward	Capacitation of personnel in order to execute their	R558 789	Internal

Good Governance and Public Participation Cluster Projects			
Project Description		Funding	Funding Source
Committees, Staff and Councillors	functions.		
HIV & AIDS Management Programme	Co-ordination and management of HIV/AIDS in the workplace	R300 000	To solicit funds
Internal Audit Functioning	Establishment of internal audit systems	R230 000	DHLGTA

Infrastructure Development and Service Delivery Cluster Projects

Infrastructure Development and Service Delivery Cluster Projects			
Project Name	Project Description	Funding Allocation	Funding Source
Bulk Services	Provision of bulk services to Breaking the New Grounds Projects (BNG)	R23 000 000	Unfunded
Provision Of services in	Construction of Services such as water, Sanitation and roads in Ngqamakhwe Ext 1, Butterworth Ext 31, Centane Middle income Houses	R18 000 000	Unfunded
Surfacing of Centane Streets	Construction of internal streets	R13 000 000	Unfunded
Surfacing Ngqamakhwe	Construction of internal streets	R13 000 000	Unfunded
Tobotshana	Construction of access road	R3 000 000	Unfunded
Qebeyi	Construction of access road	R3 000 000	Unfunded
Ndoqa Bridge	Construction of access road	R3 000 000	Unfunded
Khumalo	Construction of access road	R3 000 000	Unfunded
MyekiMnyameni	Construction of access road	R3 000 000	Unfunded
Esidutyini Bridge	Construction of access road	R3 000 000	Unfunded
Matshanganeni-Mtshekweni	Construction of access road	R3 000 000	Unfunded
Lower Qorha access road	Construction of access road	R3 000 000	Unfunded
Gwanda – Ndenga Access Road	Construction of access road	R3 000 000	Unfunded
Gwadana – Roma access road	Construction of access road	R3 000 000	Unfunded

Infrastructure Development and Service Delivery Cluster Projects			
Project Name	Project Description	Funding Allocation	Funding Source
Ntshuntshwini access road	Construction of access road	R3 000 000	Unfunded
Blue Sky access road	Construction of access road	R3 000 000	Unfunded
Magalakangqa access road	Construction of access road	R3 000 000	Unfunded
Rhaladiya access road	Construction of access road	R3 000 000	Unfunded
KuJinqa access road	Construction of access road	R3 000 000	Unfunded
Maseleni- SAwutana	Construction of access road	R3 000 000	Unfunded
NgisinindeKomkhulu	Construction of access road	R3 000 000	Unfunded
Xhaxhashimba	Construction of access road	R3 000 000	Unfunded
Gobe	Construction of access road	R3 000 000	Unfunded
Xhobani	Construction of access road	R3 000 000	Unfunded
Qolora	Construction of access road	R3 000 000	Unfunded
Mgobhozi	Construction of access road	R3 000 000	Unfunded
Njingini	Construction of access road	R3 000 000	Unfunded
Dyam-Dyam	Construction of access road	R3 000 000	Unfunded
Ncerhana	Construction of access road	R3 000 000	Unfunded
Mthintsilana	Construction of access road	R3 000 000	Unfunded
Gxojana	Construction of access road	R3 000 000	Unfunded
Zingqayi a/a Area	Construction of access road	R3 000 000	Unfunded
HloboEmazizini	Construction of access road	R3 000 000	Unfunded
MqambeliEmzantsi	Construction of access road	R3 000 000	Unfunded
Mbongendlu	Construction of access road	R3 000 000	Unfunded
Gxakhulu	Construction of access road	R3 000 000	Unfunded
NgquthuMahlubini	Construction of access road	R3 000 000	Unfunded
Building of Council Offices	Building of Council Offices	R25 000 000	Unfunded
Fencing of Mquma Commonage	Fence Centane, Butterworth and Nqamakwe	R15 000 000	Unfunded
Construction of Pounds	Construct Pounds in Nqamakwe, Centane and Butterworth	R5 000 000	Unfunded

Infrastructure Development and Service Delivery Cluster Projects			
Project Name	Project Description	Funding Allocation	Funding Source
Butterworth Transport Interchange	Development of the Butterworth Transport Interchange	R14 500 000	Amathole District Municipality
Butterworth Waste Water Treatment Works	Refurbishment of Butterworth Waste Water Treatment Works	R1 500,000	MIG/ADM
Bulkwater supply	Gcuwa West Water Supply	R500 000	MIG/ADM
Extention of water supply	Njakazi – Centulix extension of water supply	R3 000,000	MIG/ADM
Water meters	Zizamele water metres phase 2	R2,000,000	MIG/ADM
Water supply final phase	EhloboMgcwe&Zingqayi water supply final phase	R11 000,000	MIG/ADM
Water supply	Mtshanyana water supply	R2 000,000	MIG/ADM
Sewer reticulation	Zizamele sewer reticulation phase 2	R4 500,000	MIG/ADM
Area Wide Sanitation project	Provision of Sanitation services in the Rural Areas	R5 000 000	MIG/ADM
Water supply	Bawa falls water supply project	R500 000	MIG/ADM
Water supply	Crouch's Water supply project	R7 500,000	MIG/ADM
Water supply	Ibeka water supply project Phase 1	R1 000,000	MIG/ADM
Water supply	Myoyo water supply project	R10 000,000	MIG/ADM
Demand management system	Demand management system	R500,000	MIG/ADM
Water supply	Ngcizele water supply project	R4 000,000	MIG/ADM
Water supply	Ngqusi water supply project	R11 000,000	MIG/ADM
Solid Waste	Eastern Region Solid West	R500 000	MIG/ADM
Housing engineering services	Teko Housing engineering services	R5 000 000	MIG/ADM
Water Supply	Nqamakwe Regional Water Supply	R600 000	MIG/ADM
Electrification	Nqamakwe PH 5	R16 000,000	Department of Minerals and Energy (DME)
Electrification	Centane PH 4	R25 000,000	DME
Electrification	Butterworth PH 5	R27 000,000	DME
Electrification	Umsobo H/D	R458 000	DME
Electrification	Khothana electrification	R27 000,000	DME
Electrification	Khobonqaba electrification	R25 893,000	DME

Infrastructure Development and Service Delivery Cluster Projects			
Project Name	Project Description	Funding Allocation	Funding Source
Electrification	Chafutweni electrification	R17 000,000	DME
Electrification	Cebe electrification	R19 915 000	DME
Electrification	Mavuso electrification	R22 605 000	DME
Electrification	Takazi electrification	R14 760 000	DME
Electrification	Ncisininde electrification	R20 808 000	DME
Electrification	Mhlahlane Electrification	R20 344 000	
Electrification	Electrification of Mnquma's extensions and infields		DME

12.5 SDF Identified priority projects IDP 2009/2010 to 2013/14

Priority No	Project title	Project Description	Responsibility	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	Funding Source
1	SDF/Town Planning and GIS related Institutional Re-structuring, and staff training programme	Institutional and Training Programme for Town Planning procedures, GIS, Spatial Planning, Settlement Planning & Land Use Management. Provision of GIS software, aerial photos, contours, training and loading onto computers.	Town Planning	90 000					Mnquma DBSA
2	Butterworth and Ngqamakhwe (Inland) LSDF (Including a pre-feasibility study and applicable floodlines, slope analysis)	This important Local Spatial Development Framework is deemed to be strategically important for the future development of the town and will entail an in-depth study, including engineering and environmental team members.	Town Planning	600 000					LG&TA Mnquma ADM DBSA
3	Housing Sector Plan Review	Review of the outdated housing Sector Plan is required and including public funded housing programme is needed.	Housing, Town Planning and Engineering	300 000					Provincial Housing Department Mnquma and ADM
4	Settlement Planning Programme	A detailed Settlement Planning Programme is needed, after the Housing Sector Plan has been completed. This will include land reform, land claims, informal / rural areas and priority areas for formalisation.	Town Planning	450 000					Mnquma LG&TA DBSA ADM
5	Land Use Management System	Formulation of a land use management system and software including GIS linkages and engineering.	Town Planning and	200 000					DBSA ADM

Priority No	Project title	Project Description	Responsibility	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	Funding Source
6	Coastal LSDF including Centane and coastal areas (Including a pre-feasibility study, slope analysis and all flood lines)	This important Local Spatial Development Framework is deemed to be strategically important for the future development of the coastal corridor and will entail an in-depth study of this coastal area.	Town Planning		650 000				LG&TA DBSA ADM
7	Urban Edge Study	This Urban Edge Study (detailed) is deemed to be strategically important for the future development of the Urban Edge and will entail an in-depth study of urban edge areas.	Town Planning		400 000				Mnquma LG&TA DBSA ADM
8	Acquisition & transfer of unregistered state land to Mnquma, including tenure upgrading, municipal commonage and Land Management Policy	Land banking for future development and housing projects. Acquisition of unregistered state land within the urban edge and areas identified for future development including housing, residential and general projects. Legal, town planning and land survey members. Transfer and professional costs. This study is required to ensure that tenure upgrading and land management including municipal commonage can be managed appropriately.	Town Planning and Land Administration		250 000	280 000	310 000	350 000	DBSA ADM LG & TA Mnquma
9	Human Settlement Feasibility Studies	Three regions within Mnquma have been identified for detailed feasibility studies that will assist the Housing and Settlement Planning Programmes. These include Coastal, Inland and the area within the Butterworth Urban Edge.	Town Planning Environment & Engineering		300 000	330 000	370 000	400 000	Mnquma LG&TA DBSA ADM Housing
10	Land Disposal Policy	This study is required to ensure that	Land				200 000		Mnquma LG&TA

Priority No	Project title	Project Description	Responsibility	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	Funding Source
		municipal land can be disposed correctly and be managed appropriately.	Administration and Town Planning						DBSA ADM
11	Development Levy Policy	Formulation of a development levy policy so that the capital investment programme of the municipality can meet its budgetary requirements.	Engineering and Town Planning				200 000		Mnquma LG&TA DBSA
12	SDF Review	Review of the Municipal Spatial Development Framework Plan.	Town Planning					400 000	Mnquma LG&TA DBSA
13	LUMS System Review	Review of the land use management system, including legislation review and streamlining of development processes.	Town Planning					300 000	Mnquma LG&TA DBSA
14	Housing Sector Plan Review	Review of the outdated housing Sector Plan is required and including public funded housing programme is needed.	Housing, Town Planning and Engineering					400 000	Mnquma LG&TA DBSA
15	Settlement Planning Study Review	Review of the land use management system, including legislation review and streamlining of development processes.	Town Planning					400 000	Mnquma LG&TA DBSA

GOVERNMENT DEPARTMENT OPERATIONAL PLANS FOR MNQUMA LOCAL MUNICIPALITY 2011/2012

DEPARTMENT OF HEALTH

PROJECT NAME	REGION	DATE START	DATE FINISH	EPWP BUDGET FOR CURRENT YEAR	TOTAL PROJECT COST	EXPENDITURE TO DATE	TOTAL AVAILABLE 2011/12
Mpukane clinic	Amathole	02-01- 2008	04-01-2011	9	5819	5506	154
Tafalofefe water and sanitation plant upgrade	Amathole	04-01-2011	01-01-2012	150	6500	5000	3847
CME ó Butterworth Hospital Phase ii:Building Renovation	Amathole	08-01-20110	03-01-2013	100	9000	9000	2014
CME- Butterworth: Building Renovations	Amathole	02-01-2009	04-01-2013	75	4700	5600	566
CME- Qancule clinic	Amathole	04-01-2012	04-01-2013	9	300	300	500
CME-Tafalofefe Hospital: Emergency Building Repairs+ Renovations	Amathole	03-01-2009	04-01-2011	105	11000	12500	2786
CME-Gqunqe clinic	Amathole	04-01-2010	04-05-2012	9	300	300	500
CME óMacibe clinic	Amathole	04-01-2010	06-05-2013	9	300	300	500
CME-Mnquma LSA	Amathole	04-01-2010	06-06-2013	9	300	300	500

CME-Mnyibashe clinic	Amathole	04-01-2010	06-07-2013	9	300	300	500
CME-Ndabakazi Clinic	Amathole	04-01-2010	06-09-2013	52	1747	1747	600
CME-Ngcizela clinic	Amathole	04-01-2010	06-10-2013	8	250	250	300
CME-Nggamakwe	Amathole	04-01-2010	06-11-2013	20	650	650	650
CME Ntseshe clinic	Amathole	04-01-2010	06-12-2013	9	300	300	300
CME óQina clinic	Amathole	04-01-2010	06-15-2013	9	300	300	300
CME- Qolora	Amathole	04-01-2010	06-16-2013	9	300	300	300
CME- Sihlabeni clinic	Amathole	04-01-2011	06-01-2013	-	-	-	600
CME óSprings clinic	Amathole	04-01-2010	04-01-2011	35	1155	1155	300
CME-Tafalofefe building repairs-phase 2	Amathole	04-01-2010	06-01-2013	-	-	-	2000
CME-Tutura clinic	Amathole	04-01-2010	04-01-2011	9	300	300	300
CME-Zazulwana clinic	Amathole	04-01-2010	04-01-2011	9	300	300	300
Tafalofefe water and sanitation plant	Amathole	08-01-2010	11-05-2014	8	1000	250	236

maintenance							
Tafalofefe water and sanitation plant operations	Amathole	08-01-2010	11-06-2010	3	1000	100	35

SOCIAL DEVELOPMENT AND SPECIAL PROGRAMME

Project name	Region	Date start	Date finish	EPWP budget for the current financial year	Total project cost	Expenditure to date from previous years	Total available
Ngqamakwe service office	Amathole	06 Apr 2010	09 Apr 2013	2,555	8,000	180	7,077
Butterworth service office	Amathole	14 Apr 2010	31 Mar 2012	320	1200	1200	1,066

DEPARTMENT OF ROADS AND PUBLIC WORKS

Project name	Region	Date start	Date finish	EPWP budget for the current financial year	Total project cost	Expenditure to date from previous years	Total available 2011/12
Butterworth Sub-region office paving &	Amathole	01-09-2010	01-03-2011	-	5000	3000	2000

parking facilities							
Butterworth Training Centre upgrade & additions	Amathole	01-04-2014	01-03-2015	-	10141	-	-
Ngqamakwe to Tsomo River	Amathole	01-08-2010	13-10-2014	-	19200	100	-
Centane to Wavecrest Holiday Resort	Amathole	01-05-2012	13-10-2014	-	40 000	-	-
Butterworth Sub-region office repair and renovations	Amathole	01-04-2011	01-12-2012	-	8700	-	4200
From centane to kei Mouth and qholorha	Amathole	01-04-2011	31-03-2013	-	-	-	25 000

BASIC EDUCATION

Project Name	Region	Type of infrusture	Budget programme name	Total available	MTEF 2012/13	MTEF 2013/14	
Biyana jss	Mnquma	Public secondary school	2	15		-	

Dalukanyo SPS	Mnquma	Public primary school	2	13	-	-	
Dalukanya SPS	Mnquma	Public primary school	2	15	-	-	
Kokolo SPS	Mnquma	Public primary school	2	15	--	-	
Langa JSS	Mnquma	Public secondary school	2	335	--	-	
Lingelethu SPS	Mnquma	Public primary school	2	40	-	-	
Lukanyo JPS	Mnquma	Public Primary school	2	80	-	-	
Mdanjelwa JSS	Mnquma	Public secondary school	2	730	-	-	
Ncenjana SPS	Mnquma	Public primary school	2	91	-	-	
Nqubela SPS	Mnquma	Public primary school	2	35	-	-	
Nyukile jss	Mnquma	Public secondary school	2	200	3220	3220	
Seku sps	Mnquma	Public primary school	2	12	3220	3220	
Siqithin jss	Mnquma	Public secondary school	2	76	1953	4953	

Sobekwa jss	Mnquma	Public secondary school	2	76	1953	4953	
Somane sps	Mnquma	Public primary school	2	12	-	-	
Tembani jss	Mnquma	Public secondary school	2	35	2566	3566	
Thembelihle JSS	Mnquma	Public Secondary school	2	76	2736	5736	
Upper ceru SPS	Mnquma	Public primary school	2	30	2220	3862	
Wili Mtwaku jss	Mnquma	Public secondary school	2	47	-	-	
Zwelandile jss	Mnquma	Public secondary school	2	35	-	-	
Amabele sss	Mnquma	Public secondary school	2	60	-	-	
Blythwood sss	Mnquma	Public secondary school	2	24	-	-	
Blythwood sss	Mnquma	Public secondary school	2	60	-	-	
Blythwood JSS	Mnquma	Public secondary school	2	76		-	
Dabulamanzi jss	Mnquma	Inappropriate structure	2	1606	6080		
Dingiswayo	Mnquma	Public	2	360	-	-	

school		primary school					
Ezingcuka sss	Mnquma	Inappropriate structure	2	67	-	-	
Hlangani JSS	Mnquma	Inappropriate structure	2	2841	6630		
Hlokomile School	Mnquma	Public primary school	2	480	-	-	
Isolomzi SSS	Mnquma	Inappropriate structure	2	88	-	-	
JJ Njeza jss	Mnquma	Inappropriate structure	2	75	-	-	
JJ Njeza JSS	Mnquma	Inappropriate structure	2	88	-	-	
Khulile SPS	Mnquma	Inappropriate structure	2	5240	14079	1480	
Kobonqaba Mouth jss	Mnquma	Inappropriate structure	2	2606	6080		
Kunene jss	Mnquma	Inappropriate structure	2	2606	6080	-	
KwaNtozonke jss	Mnquma	Inappropriate structure	2	66	-	-	
Lundi jss	Mnquma	Inappropriate structure	2	434	4343	3909	
Lusizi jss(civil wrks)	Mnquma	Public secondary school	2	79	-	-	
Manqulo jss	Mnquma	Inappropriate structure	2	434	4343	3909	
Mntla jss (civil wrks)	Mnquma	Public secondary school	2	-	-	-	
Mnyaka jss	Mnquma	Inappropriate structure	2	434	4343	3909	
Mpentsa's jss	Mnquma	Public	2	357	-	-	

		secondary school					
Mpumlo sps	Mnquma	Inappropriate structure	2	395	3953	3558	
Mtawelanga sss	Mnquma	Inappropriate structure	2	538	5382	4843	
Mzamomhle	Mnquma	Public primary school	2	15	-	-	
Mzamomhle jps	Mnquma	Inappropriate structure	2	604	6041	5436	
Ndoqa jss	Mnquma	Inappropriate structure	2	395	3953	3558	
Nkonkwana jss	Mnquma	Inappropriate structure	2	474	4736	4282	
Qombolo sss	Mnquma	Inappropriate structure	2	21	-	-	
Siyabulela sss	Mnquma	Inappropriate structure	2	17	-	-	
Teko springs jss	Mnquma	Public secondary school	2	360	-	-	
Zithulele school	Mnquma	Public primary school	2	600-	-	-	
KuloMbombo sps	Mnquma	ECDC	7	9	-	-	
Qhamile jps	Mnquma	ECDC Centere	7	9	-	-	
The springs jss	Mnquma	ECDC Centere	7	20	-	-	
Cengcuwana jss	Mnquma	ECDC Centre	7	3053	-	-	
Dyantiyi jss	Mnquma	ECDC Centere	7	3093	-	-	

Mavata jss	Mnquma	ECDC Centre	7	3187	-	-	
Bulube jss	Mnquma	ECDC Centre	2	383	-	-	
Gobe Commercial	Mnquma	Public primary school	2	725	-	-	
Lusizi jss(bldngs)	Mnquma	Public secondary school	2	22	--	-	
Mankihlani jss	Mnquma	Public secondary school	2	19	--	-	
Mgwebe jss	Mnquma	Public secondary school	2	33	-	-	
Ncenjani sps	Mnquma	Public primary school	2	33	-	-	
Ngwebe jss	Mnquma	Public secondary school	2	2	-	-	
Sigangala jss	Mnquma	Public secondary school	2	423	-	-	
Daluhlanga sss	Mnquma	Public secondary school	2	148	-	-	
Xilinxsa sss	Mnquma	Public primary school	2	199	-	-	
King Hintsa College (admin)	Mnquma	FET College	5	220	-	-	
King Hintsa College(teko)	Mnquma	FET College	5	9	-	-	-

hostels)							
Butterworth District Office	Mnquma	Admin block	1	1031	8500	-	
Mvumelwane jps	Mnquma	Shools maintenance	2	1	-	-	
Upper mthwaku	Mnquma	Schools maintenance	2	3	-	-	
Jojweni jsss	Mnquma	Schools maintenance	2	3	-	-	
Upper mthwaku jsss	Mnquma	Schools maintenance	2	2	-	-	

DETAILS OF INFRASTRUCTURE

Project Name	Municipality region	Date start	Date finish	EPWP budget for the current financial	Total project cost	Expenditure to date from previous year	Total available
Mthintsilana poultry project	Amathole	01-04-2011	31-03-2014	100	1839	-	500
Mzantsi farmers	Amathole	01-04-2011	31-03-2014	143	1747	-	475
Sinqumeni	Amathole	01-04-2011	31-03-2014	198	2423	-	659
Kali hatchery	Amathole	01-04-2011	31-03-2014	83	10415	7381	825
Nogela	Amathole	01-04-2011	31-03-2014	20	736	-	200
Butterworth swimming pool	Amathole	01 April 2008	30 March 2012	N	7000	-	7000

Centane	Mnquma library & archives centres	01-April 2010	30 April 2011	N	872	12	86
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