

AMATHOLE DISTRICT MUNICIPALITY



2011/2012

INTEGRATED DEVELOPMENT PLAN

THE EXECUTIVE MAYOR'S FOREWORD

The recent rains towards the end of 2010 have provided a welcome relief to both our citizens and the animals within the Amathole District, even though it came with heavy storms that wreaked havoc in some parts of the district. Although most of the dams are full, we advise our communities to be cautious and to conserve water at all costs as most of the dams are small and we don't know how the precarious weather will respond in the future. Dams in the Fort Beaufort and Butterworth areas remain low and are still cause for concern.

The Amathole District Municipality (ADM) started the new year with a Strategic Planning session held in Chintsa on 16-18 January 2011. Discussions and resolutions centred on the following:

- The unfolding debate about the future of districts – it was resolved that a task team be established to conduct further research on the matter;
- MFMA Circular 54 of 2010 that provides guidance on the IDP and Budget processes in light of the coming elections: it was resolved that option one i.e. “outgoing council approves the IDP and Budget for 2011/12” be followed in order to comply with legislative timeframes. Thus the draft IDP and Budget was tabled at the Council meeting scheduled for 11 March 2011 and the final IDP was adopted at the Council meeting held on 29 April 2011;
- Functioning of the new cluster approach: it was resolved to keep the current arrangement of clusters, however that technical clusters should sit monthly and the full cluster to sit on a quarterly basis.
- Drought status and climate change interventions: The presentation provided a progress report on the drought intervention action plan undertaken by the ADM. Some R78,5 million was made available by the ADM in the past financial year to undertake investigative studies into alternative sources of water including water re-use, water recycling, mobile desalination plants, ground water investigations, EIA studies etc for the various areas that have been hard hit by drought within the district. This also included an extensive communication plan to keep the consumers informed of developments. A Drought Action Team comprising officials from various ADM departments has been appointed to speed up the procurement process and implementation of the plan.
- District socio-economic profile and Spatial Development Framework: It was resolved that the Spatial Development Framework should be the planning source document and that all planning and sector plans should be aligned to it. However, with Buffalo City becoming a metropolitan municipality after the next local government elections, the district's socio-economic profile presents an unfavourable picture and it was resolved that there was a need for linkages between the ADM's Local Economic Development cluster and Aspire (the district's economic development agency). It was further resolved that the LED Unit should be drafting business plans and proposals and start looking for funding in order to grow the local economy of the district.
- It was resolved that the ADM's vision and mission statements should remain unchanged.
- The delegation also deliberated on the future of Aspire and it was resolved that the economic development agency should continue to exist and that the new council, constituted after the elections, had a legal obligation to honour the existing contracts.

- Consensus was also reached on service delivery strategic objectives and strategies for the 2011/12 financial year, which should now also be reflected in this IDP.

The upcoming local government election on 18 May 2011 is bound to bring some profound changes to the ADM, certainly from a political perspective, as I and some of the other Mayoral Committee members will no longer be serving on Council. However, I am happy to report that the administration arm remains strong and steadfast and will welcome the new Council at the end of May 2011.

I would like to take this opportunity to thank my fellow Councillors and the officials of the ADM for their unstinting support and their efforts over the years, to ensure that the ADM remains a well-run municipality.

I have pleasure in presenting this Integrated Development Plan for 2011/12 to our readers.

Sincerely



ALDERMAN SAKHUMZI SOMYO

EXECUTIVE MAYOR

MUNICIPAL MANAGER'S MESSAGE

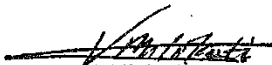
At the strategic planning session held on 16-18 January 2011 at Cintsa, East London, ADM mapped out its strategic plan of action for the 2011/2012 financial year, with clear strategic objectives and strategies that sought to respond to key institutional strategic challenges. From the experiences of the past and lessons learnt, ADM was able to develop and adopt strategies that would ensure that climate change and drought conditions do not have the same effects in the district.

Other crucial issues that were debated at the strategic planning session were, among others, the current national debate on the future of district municipalities within the context of reviewing the two-tier system of local government, the future of ASPIRE given the socio-economic challenges facing the ADM, ensuring the alignment of ADM's development plans with the Spatial Development Framework, and developing strategies to mitigate economic impact on ADM as a result of Buffalo City Municipality becoming a metro. Emphasis was also put on intensifying revenue collection efforts to improve ADM's financial standing.

This year's strategic document is fundamentally different from the previous ones in that it focuses more on strategic objectives and strategies, and leaves operational objectives and other details to departments. This was born out of the realization that more often than not we spent too much time and effort on operational objectives (disguised as strategic) instead of dealing with key matters that make ADM tick. We, as a result, are likely to see an SDBIP (for 2011/2012) with less than 130 KPI's instead of the more than 368 we had in the 10/11 financial year. As a result of teasing out operational objectives and additional details, the IDP document will remain a strategic document addressing high level issues.

The first half of 2011 (calendar year) proved to be a challenging period for South African municipalities in general and ADM in particular due to preparations for the local government elections which coincided with the IDP/budget processes. The provisions prescribed in Circular 54 of the Municipal Finance Management Act 56 of 2003, effectively meant that ADM had to work within tight timeframes to ensure that all the IDP/ Budget processes are completed in time. This exerted a lot of pressure on ADM Councillors, officials, communities and all the other stakeholders. I wish to express my gratitude to all of them for their meaningful contribution in the development of this document. A collective effort by all stakeholders is required to overcome the challenges faced by our municipality.

I trust that this strategic document will serve as a guiding tool for the new Councillors who will start their term of office after the local government elections and will also improve or fast-track service delivery to our communities.



V. Mlokoti

MUNICIPAL MANAGER

THE EXECUTIVE SUMMARY

Background to this Document

This document represents the Integrated Development Plan (IDP) as prepared and adopted by the Amathole District Municipality (ADM). It is submitted and prepared in fulfilment of the Municipality's legal obligation in terms of Section 32 of the Local Government: Municipal Systems Act 32 of 2000.

In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act 32 of 2000 also requires that:

- the IDP be implemented;
- the Municipality monitors and evaluates its performance with regards to the IDP's implementation;
- the IDP be reviewed annually to effect improvements.
-

Section 25 of the Municipal Systems Act deals with the adoption of the IDP and states that:

“Each municipal council must adopt a single, inclusive and strategic plan for the development of the municipality which –

- links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- aligns the resources and capacity of the municipality with the implementation of the plan;
- Forms the policy framework and general basis on which annual budget must be based.”

The Review Process

On 31 August 2010, the Amathole District Municipality adopted an IDP Framework Plan together with the IDP/Budget Process Plan. These plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for the review of the IDP and the development of the Budget.

Organizational arrangements were put in place as per the IDP/Budget Process Plan and all legislative prescripts were adhered to. Of particular note, have been the operations of structures, such as IDP//PMS/Budget Representative Forum, IDP Steering Committee, Budget Steering Committee, IGR, DIMAFO, and Cluster Teams. These have executed their mandates in terms of the adopted IDP/Budget Process Plan and ensured the achievements of key milestones and deliverables.

Particular attention was paid to the MFMA Circular No. 54: December 2010, that guided the 2011/12 IDP and Budget preparation processes. In response to the options proposed by National Treasury, in the light of the coming elections, Council took a decision to take Option 1 : That the outgoing council approves the ADM IDP and the Budget. This involved a revision of the time frames in the IDP Budget Process Plan, which was adopted by Council on 31 January 2011.

In the process of developing the IDP and the Budget, a strategic planning session was held on 16 - 18 January 2011. The session was intended to facilitate provision of a framework that will guide the municipal strategic direction towards 2011/2012.

An analysis was conducted in respect of various sector plans attached to the ADM's IDP. Some were found to be still relevant and required minor update, others required a review, whilst new ones were developed.

ADM approved the draft IDP and Budget for 2011-2012 on the 11th of March 2011. These documents were widely publicised before being tabled before Council for adoption on 29 April 2011.

Report Outline

The structure of the reviewed IDP is as follows:

Chapter 1 : The Planning Process

Chapter one of the IDP outlines the planning process with specific reference to the IDP process, and organisational arrangements. This chapter provides the reader with an understanding of the process followed by the Amathole District Municipality in compiling its IDP.

Chapter 2 : The Situational Analysis

This chapter provides a detailed situational analysis of Amathole District.

Chapter 3 : Cluster Objectives, Strategies and Projects

This chapter provides a concise summary of the municipal vision, mission and values, and a detailed breakdown of objectives, strategies and project programmes for each development cluster. The tables for cluster objectives and strategies and priority areas include indicators, measurement source and frequency, baseline, targets and accountable officials. This is followed by a table for funded projects.

Chapter 4 : Sector Plans

This chapter provides a list of all ADM sector plans and their status, with executive summaries of the newly developed sector plans.

Chapter 5 : Financial Plan

Chapter five provides the District Municipality's financial strategies, medium term expenditure, proposed budget for the 2011/12 financial year as well as the 3 Year Capital Plan.

Chapter 6 : Performance Management System

Section F provides the legal context of the municipality's performance management system, an overview of the monitoring and evaluation process, a background to the ADM Performance Management Framework, as well as the Municipal Scorecard model, as adopted by the District Municipality.

TABLE OF CONTENTS

THE MAYOR'S FOREWORD	ii
MUNICIPAL MANAGER'S MESSAGE	iv
THE EXECUTIVE SUMMARY	v
CHAPTER 1 : THE PLANNING PROCESS	1
1.0 The IDP Review Process	1
1.1 Organizational Arrangements	2
1.2 Schedule of Meetings	5
1.3 Community Involvement	6
1.4 Relevant Documents	7
1.5 Alignment with National and Provincial Programs	7
CHAPTER 2 : THE SITUATIONAL ANALYSIS	13
2.1 Analysis Overview	13
2.1.1 Introduction	13
2.1.2 Demographic Overview	14
2.1.3 Economic Overview	24
2.2 Overview of Key Priority Areas	29
2.2.1 Economic Development	29
2.2.2 Land Reform, Spatial Planning and Human Settlements	51
2.2.3 Infrastructure and Service Delivery	81
2.2.4 Institutional Development	97
2.2.5 Financial Management	111
2.2.6 Strategic Management	122
2.2.7 Basic Health and Protection Services	130
CHAPTER 3 : CLUSTER OBJECTIVES, STRATEGIES AND PROJECTS	138
3.0 The Municipal Vision, Mission, Values and Summary of Objectives and Strategies	138
3.1 Municipal Transformation and Institutional Development Objectives and Strategies	139
3.1.1 Municipal Transformation and Institutional Development Projects	143

3.2	Local Economic Development Objectives and Strategies	145
3.2.1	Local Economic Development Projects	148
3.3	Basic Service Delivery and Infrastructure Investment Objectives and Strategies	152
3.3.1	Basic Service Delivery and Infrastructure Investment Projects	157
3.4	Municipal Financial Viability and Management Objectives and Strategies	160
3.4.1	Municipal Financial Viability and Management Projects	163
3.5	Good Governance and Public Participation Objectives and Strategies	164
3.5.1	Good Governance and Public Participation Projects	170
	CHAPTER 4 : SECTOR PLANS	171
4.0	Introduction	171
4.1	List of Adopted Section Plans	171
4.2	List of New Sector Plans	171
4.3	Status of Sector Plans	172
	CHAPTER 5 : FINANCIAL PLAN	202
5.1	Three (3) Year Financial Plan	190
5.1.1	Budget Statement for 2011/12 to 2012/14	202
5.1.2	Three (3) Year Capital Plan	202
5.1.3	Capital Budget	204
5.2	Financial Strategies	209
5.2.1	Turning Around the Financial Viability of the District Municipality	212
5.2.2	Building the Asset Management Capacity of the District	212
5.2.3	Resolving Outstanding Matters Raised by the Auditor-General	213
5.2.4	Review of Auditor General Reports on Infrastructure Assets	214
5.2.5	Review of Auditor General Reports on Revenue	217
5.2.6	Developing and Implementing an Effective and Accurate Financial Reporting System	221
5.2.7	Supplier Development and Empowerment	225

CHAPTER 6 : PERFORMANCE MANANAGEMENT SYSTEM	227
6.0 Introduction	227
6.1 The Performance Management Framework	227
6.2 The Service Delivery and Budget Implementation Plan Scorecard	227
6.3 Performance Reporting and Review	229

ANNEXURES

- SDF Maps
- Commitments from Sector Departments
- List of Unfunded Projects

CHAPTER 1 : THE PLANNING PROCESS

1.0 The IDP Review Process

Prior to the commencement of the IDP, ADM prepared and adopted a District IDP Framework Plan that served as a guide to the overall process throughout the district, as well as the ADM IDP/Budget Process Plan. Subsequently, ADM approved the draft IDP and Budget for 2011-2012 on the 11th of March 2011. These documents were widely publicised before being tabled before Council for final adoption on 29 April 2011.

❑ **District IDP Framework**

A District IDP Framework was formulated and adopted on 31 August 2010 to serve as a guide to all of the local municipalities within the ADM area of jurisdiction, and for purposes of alignment in the preparation of their respective Process Plans. In brief, the District Framework Plan outlines the time frames of scheduled events/activities, structures involved and their respective roles and responsibilities.

❑ **ADM IDP/Budget Process Plan**

The IDP/Budget Process Plan was also formulated and adopted on 31 August 2010 together with the District IDP Framework. The IDP/Budget Process Plan outlines in detail, the way in which the ADM embarked on its IDP and Budget processes from its commencement in July 2010 to its completion in June 2011.

The IDP/Budget Process Plan outlines the time frames of scheduled events, structures involved and their respective roles and responsibilities.

All these plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for developing the IDP.

Organisational arrangements were put in place as per the Process Plan and all legislative prescripts were adhered to. Of particular note have been the effective and efficient operations of structures such as the Intergovernmental Relations Forum (IGR), District Mayors' Forum (DIMAFo), IDP Representative Forum and the IDP Steering Committee. These have executed their mandates in terms of the adopted Process Plan and ensured the achievement of key milestones and deliverables.

During this review, particular attention was paid to the MFMA Circular No. 54: December 2010 that guided the 2011/12 IDP and Budget preparation processes. The option taken by ADM in response of the MFMA Circular No. 54 necessitated changes and re-adjustment of timeframes in the IDP and Budget process plan. The reviewed IDP and Budget Process Action Plan was adopted by Council on 31 January 2010.

In order to address the IDP comments from Province, these were forwarded to the relevant IDP Cluster teams where they were discussed and used as a basis for improving the credibility of the IDP.

An analysis was conducted in respect of various sector plans attached to the ADM's IDP and some were found to be still relevant and required minor update, others required a reviewal, whilst new ones were developed.

Strict compliance with Regulation 3(5) has been ensured through an ongoing process of consultation between the ADM and all its local municipalities through the operations of the abovementioned structures as well as through the activities of the Municipal Support Unit.

1.1 Organizational Arrangements

❑ **ADM IDP Structures**

Six structures guided the IDP Process within the ADM:

- IDP/PMS/Budget Representative Forum
- IDP Steering Committee
- IDP Budget Steering Committee
- IDP Cluster Teams
- Intergovernmental Relations Forum (IGR)
- District Mayors' Forum (DIMAFO)

❑ **Roles and Responsibilities**

A number of role-players participated in the IDP Review Process. The role-players together with their respective roles and responsibilities are outlined in the table below.

PERSON/STRUCTURE	ROLES AND RESPONSIBILITIES
Executive Mayor	<ul style="list-style-type: none"> ▪ Manage the drafting of the IDP; ▪ Assign responsibilities in this regard to the Municipal Manager; ▪ Submit the draft Framework Plan and Process Plan to the Council for adoption; ▪ Submit the draft IDP to the Council for adoption and approval; <p>The responsibility for managing the drafting of the IDP was assigned to the Municipal Manager, assisted by the Strategic Manager.</p>
Municipal Manager / Strategic Manager	<p>The Municipal Manager had the following responsibilities, assigned to the Strategic manager:</p> <ul style="list-style-type: none"> ▪ Preparation of Framework Plan; ▪ Preparation of the Process Plan; ▪ Day-to-day management and coordination of the IDP process in terms of time, resources and people, and ensuring: <ul style="list-style-type: none"> ➢ The involvement of all relevant role-players, especially officials; ➢ That the timeframes are being adhered to; ➢ That the planning process is horizontally and vertically aligned and complies with national and provincial requirements; ➢ That conditions for participation are provided; ➢ That the outcomes are documented; and ➢ Chairing the IDP Steering Committee;
DIMAFO (District Mayor's Forum)	<p>The DIMAFO is the institutional structure to monitor alignment and integration of the IDP process between ADM, its local municipalities, sector departments and parastatal bodies.</p> <p>Chairperson:</p> <p>The Executive Mayor of Amathole District Municipality</p>

	<p>Secretariat:</p> <p>The secretariat for this function is provided by the IGR Unit</p> <p>Members:</p> <p>Chairpersons of the IDP Representative Forums from the:</p> <ul style="list-style-type: none"> • Eight local Municipalities; • Chairpersons of the IDP Steering Committees, (Municipal/Strategic Managers) from the eight Local Municipalities. • Representatives from sector departments and parastatals. <p>The DIMAFO is responsible for co-ordinating roles regarding district municipality and local municipalities by:</p> <ul style="list-style-type: none"> • Ensuring horizontal alignment of the IDPs of the local municipalities in the district area of jurisdiction; • Ensuring vertical alignment between district and local planning; • Facilitation of vertical alignment of IDPs with other spheres of government; and • Preparation of joint strategy workshops with local municipalities, provincial and national role-players. <p>DIMAFO meetings are always preceded by IGR technical committee meetings.</p>
<p>IDP Steering Committee</p>	<p>The IDP Steering Committee comprised of a technical task team of dedicated officials who supported the Strategic Manager to ensure a smooth planning process. The Municipal Manager was responsible for the process but often delegated functions to the officials that formed part of the Steering Committee.</p> <p>Chairperson:</p> <p>Municipal Manager (or Strategic Manager)</p> <p>Secretariat:</p> <p>The secretariat for this function is provided by the IDP/PMS Unit</p> <p>Members:</p> <p>Heads of Departments (HODs) Spatial Co-ordination Unit (sector plan champs) Municipal Support Unit (MSU) Cluster technical champs Project Managers Chief HR Officer (Training) Budget Officer Internal audit Communication</p>

	<p>Budget pilot champ</p> <p>The IDP Steering Committee is responsible for the following:</p> <ul style="list-style-type: none"> ▪ Commission research studies; ▪ Consider and comment on: <ul style="list-style-type: none"> ▪ Inputs from subcommittee(s), cluster teams; ▪ Inputs from provincial sector departments and support providers. ▪ Process, summarise and draft outputs; ▪ Make recommendations to the Representative Forum; ▪ Prepare, facilitate and minute meetings ▪ Prepare and submit reports to the IDP Representative Forum
IDP/PMS/Budget Representative Forum	<p>District-wide participation took place through a number of related structures. The Rep Forum which was formed in the previous years was resuscitated. The Representative Forum comprised of ADM Councillors and staff and its local municipalities, representatives from sector departments, parastatal bodies, NGOs, business fraternity, traditional leaders, ward committees and other interested organized bodies.</p> <p>Chairperson: The Executive Mayor or a nominee</p> <p>Secretariat: The secretariat for this function is provided by the IDP/PMS Unit</p> <p>Membership: Invitations were submitted to the same members as the previous year, including the representatives of the consultative fora.</p>
Cluster Teams	<p>Cluster teams were established in the Institutional Strategic Planning session to develop objectives and strategies and identify projects and a set of programmes based on the development priorities and the preferred district-wide strategies. Each team was headed by a political and a technical champion and consisted of senior officials. The 5 clusters are aligned to the 5 local government key priority areas.</p>
Service Providers	<p>Service providers were not utilised for this IDP, instead, the IDP/PMS unit provided support for the following:</p> <ul style="list-style-type: none"> ▪ Methodological/technical support on the development of objectives, strategies, projects and programmes. ▪ Budget alignment and other ad hoc support as required; ▪ Coordination of planning workshops as required.

In addition to the structures reflected in the table above, the following structures were also involved:

- IDP/PMS/Budget Task Team
- Budget Steering Committee
- Project Task Team

1.2 Schedule of Meetings

The outline of the public participation process with specific reference to meetings and workshop dates of the various role players are reflected in the table below.

ADM ACTION PLAN	
PARTICIPATION STRUCTURES & MEETING DATES	
PRE-PLANNING (July – August)	
Councillor workshop on the IDP review process	30 July 2010
IDP Steering Committee workshop to outline the review process	05 August 2010
IGR Forum meeting to outline the review process	23 August 2010
Budget Steering Committee to discuss the new budget legislation and membership	31 August 2010
IDP/PMS/Budget Representative Forum [district-wide launch]	23 September 2010
ANALYSIS (September – November)	
IDP Steering Committee to review implementation progress and discuss analysis	02 September 2010
District Mayors' Forum (DIMAFO)	14 September 2010
IDP Managers' workshop (Prioritization of local needs and issues)	15 September 2010
Councillor workshop on situational analysis and prioritization of needs	13-15 October 2010
IDP Steering Committee - clusters to present draft situational analysis	07 October 2010
IGR Forum to give feedback on the situational analysis	25 October 2011
Budget Steering Committee to present progress and update	30 October 2010
IDP Steering Committee to present final situational analysis	04 November 2010
IDP/PMS/Budget Representative Forum [district-wide development priorities]	22 November 2010
District Mayors' Forum (DIMAFO)	29 November 2010
OBJECTIVES; STRATEGIES and PROGRAMMES (December – March)	
IDP Steering Committee to prepare reports for Strategic Plan	13 January 2011
Strategic Planning session (mid-year term review and strategic goals)	16 – 18 January 2011
IDP Steering Committee (refine objectives, strategies and draft projects)	10 February 2011
Budget Steering Committee to approve draft budget allocation (IDP/Budget link)	28 February 2010
Intergovernmental Relations Forum (IGR)	08 March 2010
IDP Representative Forum (present draft IDP, Budget and SDBIP)	25 February 2011
IDP Steering Committee to check alignment and sector specific guidelines	03 March 2011

IGR Forum to discuss the draft IDP and Budget	07 March 2010
Council workshop on draft IDP & Budget	10 March 2010
Council approval of the draft IDP & Budget and Annual Report	11 March 2010
District Mayors' Forum (DIMAFO)	18 March 2011
APPROVAL (April – June)	
IDP/ Budget road shows (public presentation hearings at LMs)	14 – 25 March 2011
Council Open Day (present final draft)	31 March 2011
IDP Steering Committee to discuss and incorporate comments into the IDP	08 April 2011
IDP/PMS/Budget Representative Forum	21 April 2011
Council Meeting (IDP and Budget final adoption)	29 April 2011
IGR Forum meeting	13 May 2011
IDP/PMS/Budget Representative Forum meeting (present final draft)	20 May 2010
District Mayors' Forum (DIMAFO)	27 May 2010
Council Meeting (Final Adoption)	28 May 2010
IDP Steering Committee to present the IDP and Budget to the new Councillors	07 June 2011
Council workshop to present IDP, Budget and SDBIP to the new Councillors	24 June 2011

1.3 **Community Involvement**

The following is an outline of the public participation process with specific reference to transparency and community involvement during the IDP review process.

EVENT	VENUE	DATE
Handover of water tanks	Tyinira Great Place, Nqileni	6 August 2010
Report back at Nqolosa	Lower Nqolosa	06 September 2010
Launch of ADM-Home Affairs forum	Lower Nqolosa	13 September 2010
ADM Women's Day	ICC Regent EL	24 August 2010
ADM-UFH Women's dialogue	UFH	
Launch of progressive Women's Movement	ICC Regent	5 and 6 August 2010
Hogsback Christmas in July	Hogsback	16-18 July 2010
Unveiling of tombstone	Ntselamanzi(Alice)	17 July 2010
Launch of Bongweni water scheme	Bongweni village (Mnquma)	10 September 2010
Cleaning of heritage sites in Nkonkobe	Nkonkobe	14- 16 July 2010
Mandela Day	Ngqushwa	18 July 2010
Elderly Workshop	Port Alfred	
Launch of IDP Rep Forum	Osner Hotel	23 September 2010
Balfour water meeting	Balfour (Nkonkobe)	7 August 2010
ADM Wellness Day	Caxton House EL	24 June 2010

EVENT	VENUE	DATE
Launch of treatment works	Kei Road	08/10/2010
Bedford Garden Festival	Bedford	22/10/2010
Willowvale tanks handover	Willowvale	12/11/2010
Business Expo Unlimited	Hemmingsway EL	15-17/11/2010
Mnquma 16 days of Activism	Centane	22/11/2010
Caba tanks handover	Caba	26/11/2010
Funeral undertakers workshop	Osner	30/11/2010
World Aids Day		30/11/2010
Cooperatives Indaba	Osner	01/12/2010
Beach Festival	Cintsa	10-12/12/2010
Mnquma World Aids Day	Butterworth	14/12/2010
Christmas party for elderly	Ngqushwa	15/12/2010
Launch of Platform Hall	Platform	15/12/2010
Komga Wolrd Aids Day	Komga	14/12/2010
SEK Mqhayi Day	WSU (Berlin)	22/11/2010
Cleansing ceremony	Tholeni	06/10/2010

1.4 **Relevant Documents**

The following documentation should be read with the IDP:

- Municipal Systems Act and relevant regulations
- IDP Guide Pack, with specific reference to Guide 3 and Guide 6
- District IDP Framework Plan
- ADM IDP/Budget Process Plan
- ADM IDP (2007 - 2012) and 2008/2009, 2009/2010, 2010/2011 Reviewed IDPs
- Various sector plans and programmes
- Category B IDP's (2007 - 2012) and 2008/2009, 2009/2010, 2010/2011 Reviewed IDPs
- ADM Performance Management Framework
- Provincial Growth and Development Plan (2004-2014)

1.5 **Alignment with National and Provincial Programs**

The following National programs informed the IDP review process:

- State of the Nation Address (SONA)
- Green Paper on National Planning Commission (revised).
- State of Local Government in South Africa
 - Municipal Demarcation Board Reports
- COGTA : Local Government Turnaround Strategy (LGTAS)
- COGTA : Operation Clean Audit 2014
- Powers & Functions :
 - Municipal Demarcation Board
 - Local Government MEC
- ANC Manifesto
- ANC January 8th Statement
- King III Report & Code on Good Governance for South Africa

- 12 Outcomes of Government – Role of Local Government
- National and Provincial Spatial Development Plans (NSDP & PSDP)

The following table depicts how ADMs 5 key performance areas are aligned with the national and provincial programs:

Key Performance Areas	Manifesto 2009	10 National Priorities	8 Provincial Priorities	12 Outcomes
Good Governance and Public Participation	5. Fight against crime and corruption	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all
		Build cohesive, caring and sustainable communities	Building cohesive and sustainable communities	9. Responsive, accountable, effective and efficient Local Government system
		Pursuing African advancement and enhanced international co-operation		12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship
		Building a developmental state including improvement of public services and strengthening democratic institutions		11. Create a better South Africa, better Africa and a better world
Municipal Financial Viability and Management	5. Fight against crime and corruption	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	9. Responsive, accountable, effective and efficient Local Government system
Municipal Transformation and Institutional Development	5. Fight against crime and corruption	Strengthen skills and human resource base	Strengthen education, skills and human resource base	1. Quality basic education
	2. Education	Pursuing African advancement and enhanced international co-operation		5. Skilled and capable workforce to support an inclusive growth path
		Building a developmental state including improvement of public services and strengthening democratic institutions		3. All people in SA are and feel safe
Basic Service Delivery and Infrastructure Investment	3. Health	Improve health profile of the nation	Improve the health profile of the province	6. An efficient, competitive and responsive economic infrastructure network
		Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	2. A long and healthy life for all South Africans
		Massive programme to build economic and social infrastructure	Massive programme to build social and economic and infrastructure	8. Sustainable human settlements and improved quality of household life

		Sustainable resource management and use	Building a developmental state	10. Protect and enhance our environmental assets and natural resources
Local Economic Development	1. Creation of decent work and sustainable livelihoods	Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods	Speeding up growth & transforming the economy to create decent work and sustainable livelihoods	4. Decent employment through inclusive economic growth
	4. Rural development, food security and land reform	Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	6. An efficient, competitive and responsive economic infrastructure network
			Massive programme to build social and economic and infrastructure	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all
			Building cohesive and sustainable communities	8. Sustainable human settlements and improved quality of household life
			Building a developmental state	10. Protect and enhance our environmental assets and natural resources

CHAPTER 2 : THE SITUATIONAL ANALYSIS

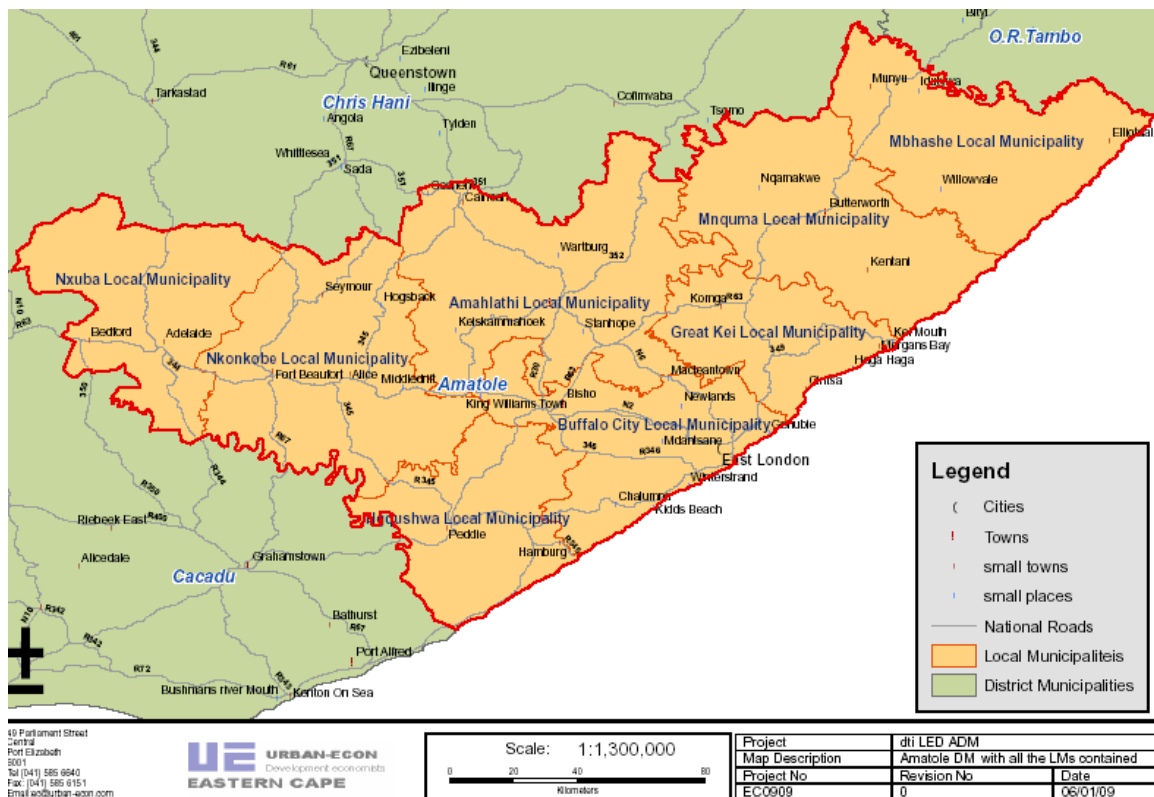
This Chapter provides a detailed summary of the District Municipality’s situational analysis.

2.1 ANALYSIS OVERVIEW

2.1.1 Introduction

The Amathole District Municipality is situated within the Eastern Cape Province, between Port Alfred and Port St John’s, and includes the city of East London. The district stretches from the Indian Ocean coastline in the south to the Amathole Mountains in the north. The District includes the large parts of the former Ciskei and Transkei homeland areas, which means the district has large disparities within its borders. It is bordered by the Cacadu, Chris Hani, and OR Tambo municipalities. The District covers a land area of roughly 23,577.11km².

Map of Amathole District Municipality



Source: Urban-Econ Eastern Cape, 2009

The **Amathole District Municipality**’s area of jurisdiction is made up of eight local municipalities, as follows:

- **Buffalo City Municipality**, comprising the city of East London, the main town of King William’s Town and surrounding urban centres (including the Provincial Capital, Bhisho, Dimbaza and Mdantsane), a number of coastal towns, numerous peri-urban and rural settlements; Buffalo City Local Municipality will become a Category A or Metro after the 2011 Municipal Elections .

- **Amahlathi Municipality**, comprising the towns of Stutterheim, Cathcart, Keiskammahoek and Kei Road, numerous peri-urban and rural settlements;
- **Nxuba Municipality**, comprising the towns of Bedford and Adelaide and surrounding rural areas;
- **Nkonkobe Municipality**, comprising the towns of Alice, Fort Beaufort and Middelrift, the smaller towns of Hogsback and Seymour, numerous peri-urban and rural settlements;
- **Ngqushwa Municipality**, comprising the town of Peddie, the coastal town of Hamburg, numerous peri-urban and rural settlements;
- **Great Kei Municipality**, comprising the town of Komga, the small coastal towns of Kei Mouth, Haga Haga, Morgan Bay and Cintsa, and a number of rural settlements;
- **Mnquma Municipality**, comprising the main town of Butterworth, the small towns of Ngqamakwe and Centani, numerous peri-urban and rural settlements; and
- **Mbhashe Municipality**, comprising the towns of Idutywa, Elliotdale and Willowvale, and numerous peri-urban and rural settlements. Demographic Overview

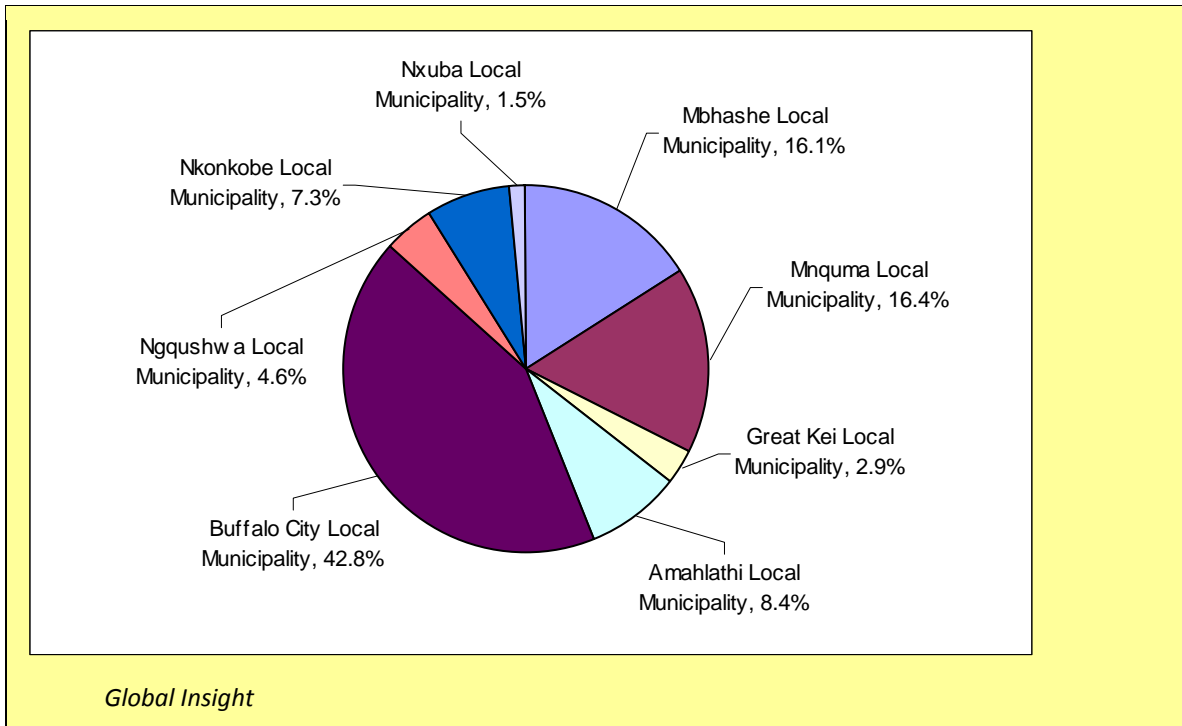
2.1.2 Demographic Overview

Population

According to Statistics South Africa (*Community Survey, 2007*), the **population** of the Amathole District was about 1,635,433 in 2007. The population is unevenly distributed among the eight Local Municipalities. The number of households is 458,582.G159

The majority of the Amathole District population reside within the Buffalo City LM (42.8%), followed by Mnquma LM (16.4%) and Mbhashe LM (16.1%). The two Local Municipalities with the smallest percentages of the Amathole District population are Nxuba (1.5%) and Great Kei (2.9%).

Population distribution, ADM, 2009



Population Group

Population Group, ADM, 2007

	Black	Coloured	Indian or Asian	White
Amathole	91.89%	2.90%	0.26%	4.94%
Mbhashe LM	99.70%	0.15%	0.02%	0.13%
Mquma LM	99.61%	0.17%	0.07%	0.15%
Great Kei LM	90.25%	1.62%	0.00%	8.14%
Amahlathi LM	95.22%	1.76%	0.12%	2.90%
Buffalo City LM	85.48%	4.59%	0.51%	9.42%
Ngqushwa LM	99.54%	0.33%	0.13%	-
Nkonkobe LM	94.43%	4.76%	-	0.82%
Nxuba LM	76.42%	15.41%	-	8.18%

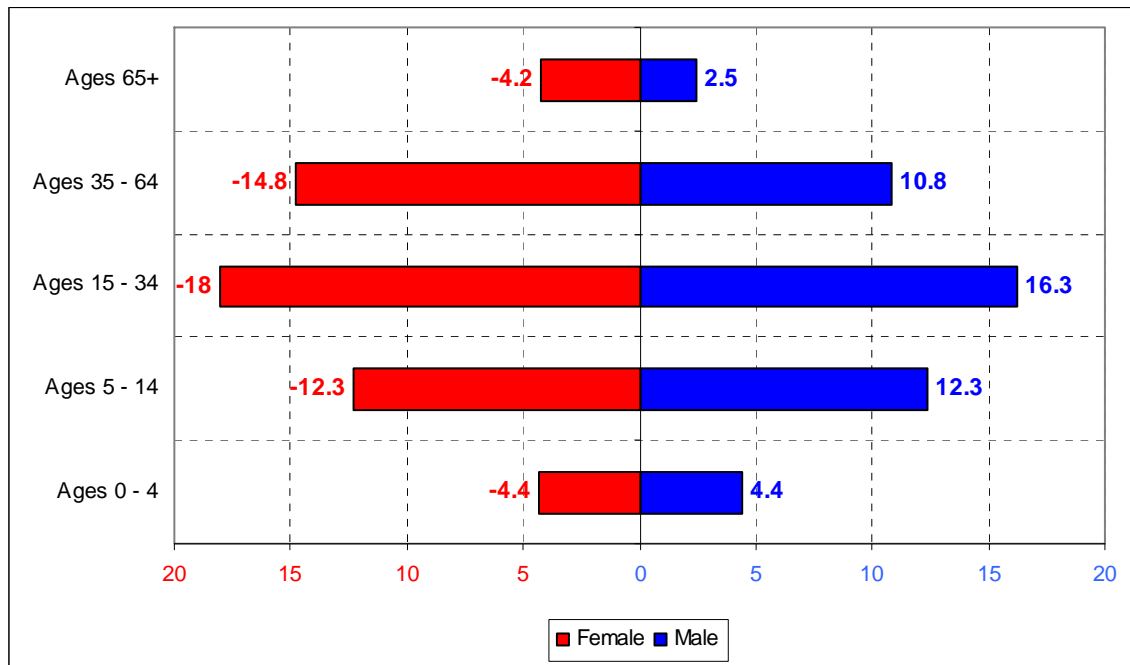
Source: Quatec, Community Survey 2007

The ADM is made up predominately by Black South Africans (91.9%), this is followed by White South Africans (4.9%) then Coloureds (2.9%) and finally Indian or Asians (0.3%).

Age and Gender

- In terms of **gender**, the Amathole District has a fairly equal distribution as measured in the 2007 Community Survey, at 46.3% male and 53.7% female.
- In terms of the **age structure**, 66.61% of the Amathole District population in 2007 fell within the economically active population (EAP) range. 33.39% of the population (such as children and the elderly) is dependent on the economically active population for their subsistence.

Age and gender structure, ADM, 2007



Source: Statistics SA (Community Survey 2007)

Population density

The **population density** within the Amathole District has steadily decreased since 2002. While the population density was 70.4 people per square kilometer in 2002, it decreased to 69.3 people per square kilometer in 2009.

Population density within the ADM, 2009

Area	People per KM ²
Amathole District municipality	69.3
Mbhashe Local Municipality	86.1
Mnquma Local Municipality	81.2
Great Kei Local Municipality	27.7
Amahlathi Local Municipality	32.2
Buffalo City Local Municipality	277.2
Ngqushwa Local Municipality	33.5
Nkonkobe Local Municipality	32.0
Nxuba Local Municipality	9.0

Citizenship

- According to Community Survey 2007 data, 99.8% of people residing in the Amathole District were South African citizens.
- Of those that are not South African citizens a large percentage are from neighbouring Southern African countries who migrated to the area in search of economic opportunities.

Citizenship of ADM residents, 2008

	Amatole
South Africa	99.8%
SADC countries	0.1%
Rest of Africa	0.1%
Europe	0.1%
Asia	0.0%
North America	0.0%
Central and South America	0.0%
Australia and New Zealand	0.0%

Source: Statistics SA (Community Survey 2007)

Migration trends

- An average of 1.5% people residing in the ADM had moved there within the 1996 – 2001 period. This figure gives an indication of the migration rate into the District.
- The Local Municipality that experienced the highest in-migration rate according to this measure was Buffalo City, with 3.5% of residents who moved to the area in 2001.

Population density within the ADM, 2009

Percentage of migrants that moved to the area within each year, 1996 – 2001						
Area	1996	1997	1998	1999	2000	2001
Amathole	0.3%	1.4%	1.6%	1.7%	1.9%	2.3%
Mbhashe LM	0.2%	0.4%	0.4%	0.4%	0.6%	0.8%
Mnquma LM	0.2%	0.7%	0.8%	0.9%	1.2%	1.6%
Great Kei LM	0.3%	1.4%	1.3%	2.8%	2.4%	2.8%
Amahlathi LM	0.3%	1.0%	1.3%	1.5%	1.7%	1.5%
Buffalo City LM	0.5%	2.3%	2.7%	2.7%	3.0%	3.5%
Ngqushwa LM	0.1%	0.4%	0.4%	0.4%	0.5%	0.6%
Nkonkobe LM	0.3%	0.9%	1.0%	1.1%	1.4%	2.5%

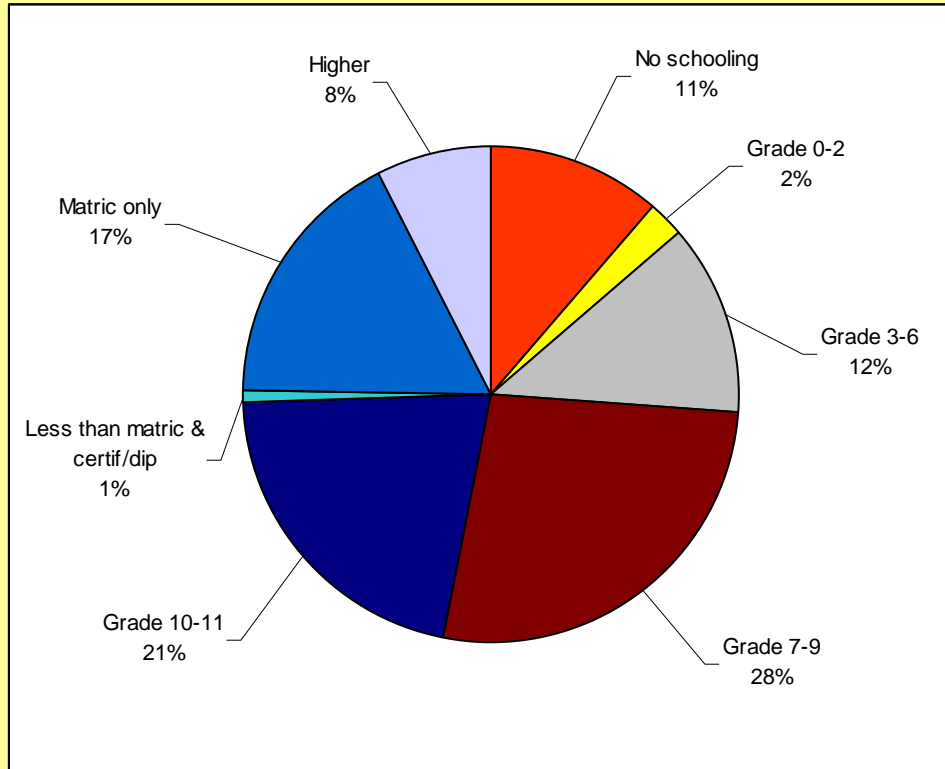
Nxuba LM	0.2%	1.2%	1.6%	1.1%	1.7%	1.6%
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Source: Statistics South Africa (Census 2001)

The above data seems to indicate a fairly low rate of migration in and out of the Amathole District, with people settling in the area for relatively long periods of time before moving on to a new locality.

Education

Education profile, ADM, 2009



Source: Global Insight

According to figures provided by Global Insight for 2009, only 17% of the adult population (20 years+) had completed Grade 12, while only 8% had a tertiary/higher education qualification. The majority of the adult population had some secondary level education, but had not completed their matric. 12% had completed primary level education up to Grade 7, while 14% had only some primary level education. 11% of the adult population, as measured in 2009, had no schooling whatsoever.

Tertiary institutions

Academic institutions in the district include the University of Fort Hare, Walter Sisulu University, Lovedale College, Fort Cox College, the FET college, and a number of good high schools.

The primary challenges facing the tertiary institutions, many of which were previously “homeland” institutions, include the following:

- Institutional transformation and the integration of multiple institutions;

- Curriculum transformation through diversification and upgrading of course offerings;
- Question of access and equity;
- Improvement of standards.

Factors which fuel these challenges include income levels of poor households, bursary access and the transformation of secondary education. Poor secondary education standards and language challenges also impact on the institutions.

The following points further sum up the ADMs Human Capital

- There are a number of good schools producing sports, academic, business and political leaders in the ADM
- Positive economic and cultural values in a diverse population
- Higher literacy rates and quality
- Basic grounding in science, maths and logical reasoning skills
- Increased secondary or tertiary level skills
- Increase in Skills suitable for participating in the economy
- Reduce risks from environmental and social disasters and crime
- Programmes such as “Seeds for the future” civil-society support programme, are actively addressing non-academic development for a quality future workforce and build “social” capital.

Human Development Index (HDI)

ADM HDI, 2009

	1996	2000	2008	2009
Amathole DM	0.50	0.51	0.51	0.51
Mbashe LM	0.36	0.36	0.34	0.34
Mnquma LM	0.44	0.44	0.43	0.43
Great Kei LM	0.41	0.43	0.41	0.41
Amahlathi LM	0.43	0.45	0.45	0.45
Buffalo City LM	0.58	0.60	0.60	0.60
Ngqushwa LM	0.40	0.42	0.42	0.43
Nkonkobe LM	0.46	0.48	0.49	0.49
Nxuba LM	0.47	0.49	0.49	0.49

Source: Global Insight

The Human Development Index (HDI) is an indicator which measures development. It measures life

expectancy, literacy and income of a particular district. It is measured on a scale of 0 to 1 and an HDI should preferably be above 0.50 to represent an acceptable level of development. With an increase in all LMs from 1996 to 2009, it is a clear indication that the quality of life in the ADM has improved. Buffalo City has the highest HDI of all the LMs, 0.60. The Buffalo City's increased HDI can be explained by the presence of good education facilities within the area, the areas good economic performance compared to the rest of the LMs and better health facilities. However these figures indicate that more interventions are needed to develop most of the LMs in the ADM that are outside of Bu

Main Demographic Challenges

- The region is challenged with a higher demand for basic services as well as housing.
- There has been a growth in informal settlements in Amathole which negatively influences the health and environmental status of the district.
- Services such as education, reproductive health, youth development and development projects to address poverty remain a challenge for local government and government departments.
- The District Municipality is made up of a few former homelands where limited or no development has taken place over a number of years. This has translated in Amathole experiencing high levels of poverty across the District.
- The public sector dominates the region's economy, which indicates the challenge of a limited production base in the area, and limited private investment growth into the ADMs economy.
- Economic situation in terms of lack of income and unemployment of the population is increasing.

Poverty and Inequality

Household income

Annual Household Income, ADM, 2009

	1995 (%)	2000 (%)	2005(%)	2009(%)
R500-R1000	22.9	17.4	15.7	10
R1001-R3500	44.1	45.6	44.9	40.3
R3501-R6000	9.4	10.5	13.8	18.4
R6001-R11000	6.7	6.5	8.3	12.3
R11001-R16000	3.5	3.4	3.7	5.1
R16001-R30000	1.9	3.2	4.8	6.4
R30001-R50000	0.7	1.5	2.1	3.3
R 50,000	0.2	0.4	1.1	2.3

Source: Global Insight

The table above depicts the distribution of annual household income among the different income groups in the Amathole District, as at 2009

- a. According to the above table, the majority of households in the ADM earn less than R6 000 per month. About 50 percent are below the poverty line of R3500 for a family
- b. The average weighted income (AWI*) as measured in 2001 was as follows:

	2001	2008
SA	R 4,265.03	R 7,122.11
EC	R 2,623.53	R 4,380.98
Amathole	R 2,535.22	R 4,233.52

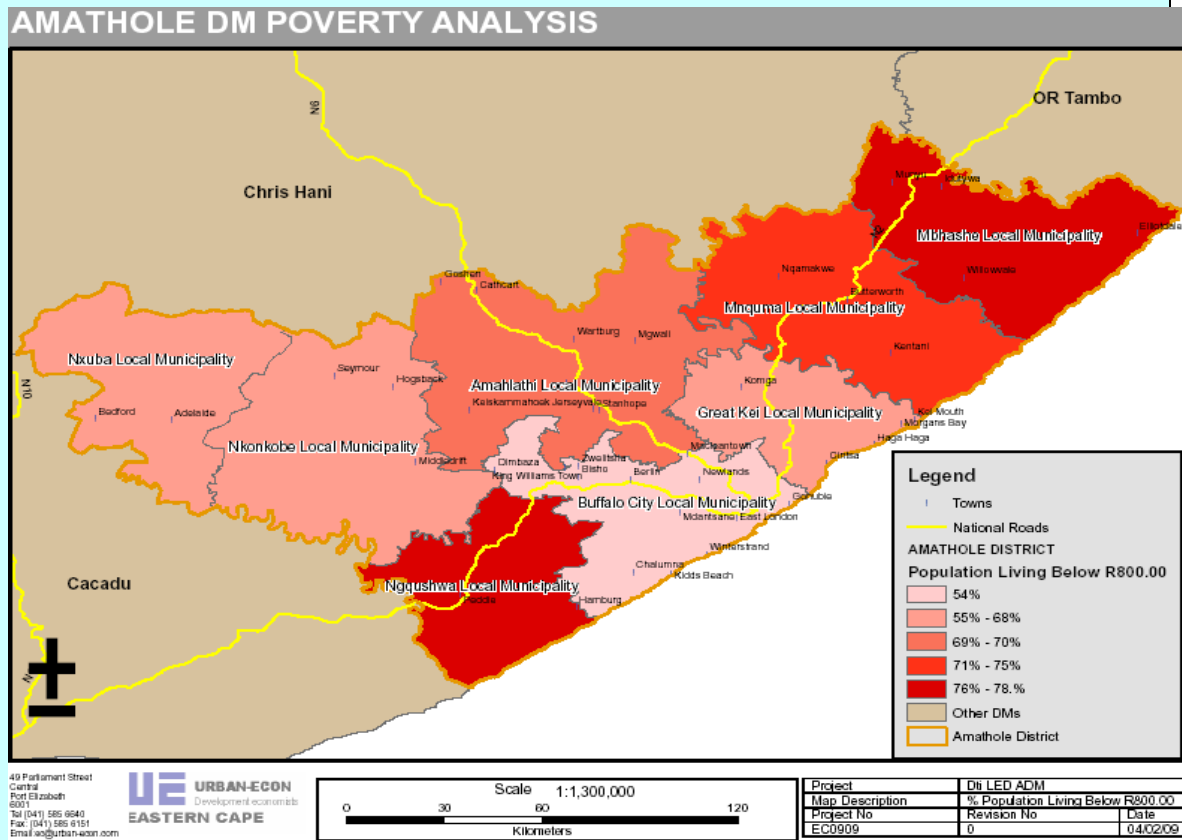
Statistics SA (Census 2001) and Urban-Econ Calculations

**AWI is the average income of households, taking into account the distribution of households across income categories.*

- c. The number of people in poverty is an indicator of household members who reside in households whose total income falls below a particular level. The level used here is based on Global Insight data which uses the Bureau for Market Research (BMR) Minimum Living Level (MLL) that ranges from R893 for a single person household to R3314 for an eight person household.
- d. The Mbhashe LM and Ngqushwa LM experienced the highest poverty levels. Buffalo City, being the

DMs primary node, has the lowest poverty percentage, 54%.

e. Figure 1.2 is a map indicating poverty levels in the ADM.



Gini Coefficient

	Black	White	Coloured	Asian	Total
1996	0.45	0.46	0.5	0.49	0.60
1998	0.58	0.47	0.51	0.51	0.63
2000	0.59	0.45	0.51	0.51	0.64
2002	0.60	0.46	0.51	0.51	0.65
2004	0.61	0.46	0.52	0.52	0.66
2006	0.61	0.46	0.52	0.52	0.66
2008	0.61	0.46	0.53	0.53	0.65
2009	0.60	0.45	0.53	0.53	0.64

The Gini coefficient is a summary statistic of income inequality, which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income and other households earn nothing). In practice the coefficient is likely to vary from approximately 0,25 to 0,70. The figures for Amathole indicate that inequality has been increasing in Amathole in the period from 1996 even though it has started to level out since 2006. Inequality is even more pronounced in the black community. The total Gini Coefficient for the Eastern Cape and the rest of

South Africa was 0.65 for 2009 indicating that inequality is a countrywide problem.

The following points about the poverty in the ADM have been summarized from the ADM IDP 09/10:

- A large number of ADM residents survive on pension or grant from the government. Furthermore, the percentage of people living under the poverty line is slightly higher than that of the Eastern Cape as whole.
- Low affordability levels in the ADM and the increased levels of poverty within ADM have resulted in a further rise in inadequate basic services to households. The common diseases and health problems in the district are related to socio-economic factors such as overcrowding and poor resistance due to poverty and illiteracy.
- The implication of the increased levels of poverty is that the majority of schemes will require subsidization through the equitable share from National Government to remain sustainable and future prospects for cross subsidization are limited unless current economic patterns improves.

Social grants

Household grant dependence is higher in Amathole (66%) than the average for the Eastern Cape (64%) as a whole. Only Buffalo City (53%) and Nxuba (59%) fall below the district and provincial averages with the remaining local municipalities recording 2/3 and more of households which depend on at least one social grant. The number of people who receive social grants give an indication of the number of people who earn a household income below a certain level and therefore qualify for social grant support.

Social grant support, 2007

	Amatole
Old age pension	7.9%
Disability grant	3.1%
Child support grant	18.8%
Care dependency grant	0.5%
Foster care grant	0.1%
Grant in aid	0.1%
Social relief	0.1%
Multiple social grants	0.2%
NA	67.9%
Institutions	1.4%

Source: Statistics SA (Community Survey 2007)

Child support grants are by far the most common type of social grant support received by ADM residents (18.8%).

2.1.3 Economic Overview

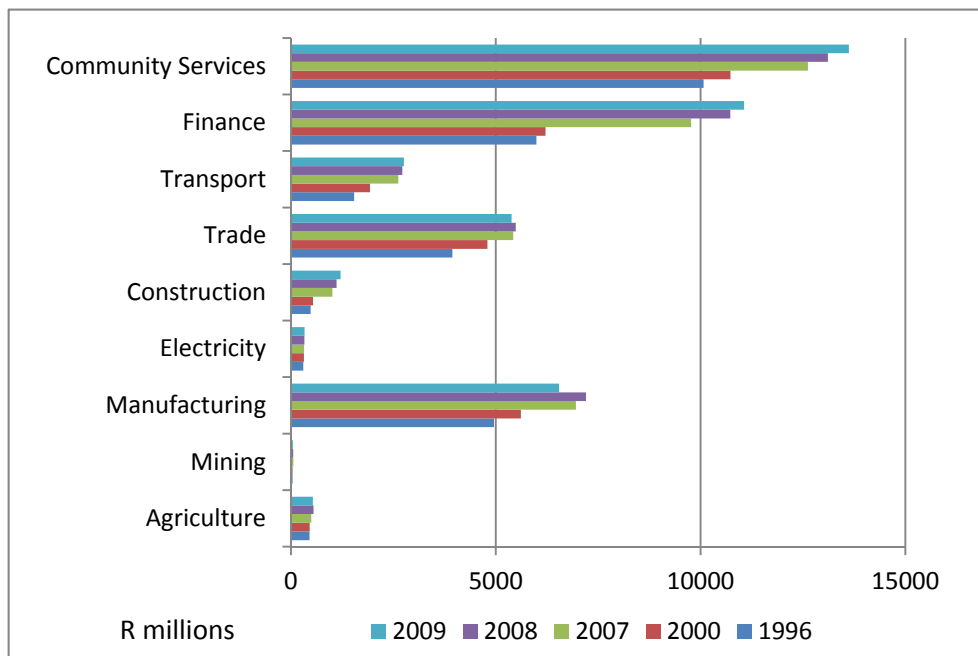
ADM has 2nd largest economy in the Province, contributing 33 % (percent) to the Provincial economy.

East London, Bisho, Butterworth and King Williams Town are areas of significant economic activity in the Amathole District. Economic activity in the District is concentrated mainly within the Central Business Districts of these major towns. These towns also function as centres of economic activity for surrounding areas and smaller towns, with manufacturing, trade, finance and community services sectors dominating the district's economy. As a result of its central location in the province, the district has good economic links with neighbouring districts.

A growing modern economy linked to global production chains in East London is contrasted with an extremely poor rural economy in former homeland areas. An unemployment rate of 30% was recorded in the area in 2009 and 50 percent of the population in the district were estimated to be living below the minimum living level threshold.

High levels of poverty and inequality exist especially in the eastern part of the district. There is a substantial need for investment in social and economic infrastructure throughout the district, but especially in the former homeland areas.

Sectoral production structure of the ADM economy, 2009



Source: Global Insight

- 1) The economy of ADM is dominated by the community services sector which contributed 33% to the GGP of ADM in 2009. The dominance of this sector which includes the government sector is partly attributed to the location of the Provincial Government Head Offices which are located in Bisho in the BCM Local Municipality. This sector also is the major employer in the District as it accounted for 38.3% of all formal jobs in 2009. If BCM is excluded from the statistics this sector accounts for 48 percent of all the jobs in ADM. This means outside of BCM almost half of the people that are employed work in the government sector
- 2) The second most important sector is the finance and business services sector which contributed 26% to the GGP of in 2009. However this sector is not labour intensive as it contributed only 6 % of the formal jobs in the District in 2009.

- 3) The third most important contributor to the GGP of the Amathole District is the manufacturing sector, which accounted for 18% of ADM's GGP in 2009. This sector is also a major employer as it contributed 23% of ADM formal jobs in 2009
- 4) The contribution of the agriculture as well as mining sectors has been very minimal in the period from 1996 to 2009.

Implications of the Metro Status of Buffalo City Municipality on the economy of the Amathole District Municipality.

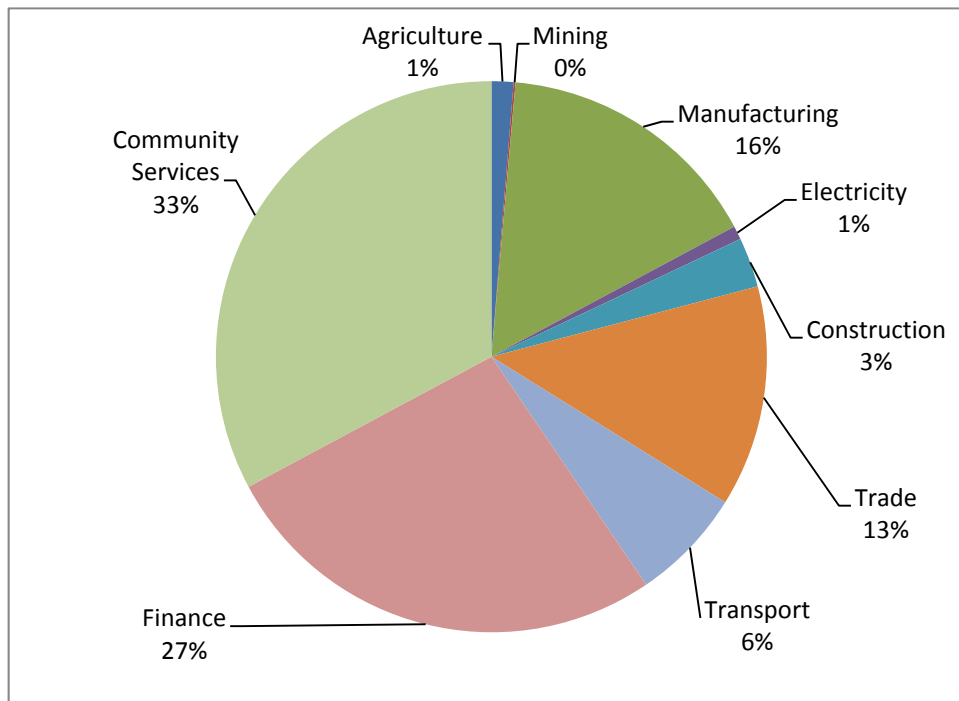
After the 2011 Municipal Elections, Buffalo City Municipality became a Metro or Category A municipality. This means that some of the statistics mentioned in the caption above will change. Without Buffalo City Municipality, the Amathole District Municipality will become the 3rd largest economy in the Eastern Cape after the two Metros (Nelson Mandela Metro) and Buffalo City Municipality . Amathole District Municipality will have an estimated GVA of R11.7 billion, making it the 3rd largest contributor to the Eastern Cape Economy.

The economic dominance of the community services sector will be more profound as analysis of the Amathole Economy reveals that without Buffalo City Municipality, this sector will contribute 45 percent to the Gross Geographic Product of the area. This sector will also be the major employer as it will contribute 51 percent of the total jobs in the District from the current 44 percent. Other important sectors will be finance (20 percent), manufacturing (13 percent) and trade 13 percent.

Despite the change in the economic profile, the links with Buffalo City Municipality will not be severed. Buffalo City will continue to feature prominently in economic activities engaged by those that reside outside of the city. This municipality will also continue to be the major industrial regional hub that services the region. This means that the economic fortunes of both the Amathole District and Buffalo City Municipality will continue to be linked and will not be hindered by the Metro Status of the Buffalo City Municipality which is mainly an administrative issue.

With or without Buffalo City, the major socio economic challenges that characterize the area will remain. Poverty, unemployment and inequality will remain high. The issue will be how the interventions in the IDP address these socio-economic ills.

Sectoral Contribution to GGP, ADM 2009



Source: Global Insight

ANALYSIS OF TRENDS IN THE VARIOUS SECTORS.

Agriculture

- 1) Agriculture in most parts of the ADM has not yet developed beyond subsistence because of constraints facing agriculture in rural areas.
- 2) The prospects of agriculture currently look dim because of the lack of inputs, resources and a lack of interest from the youth.

Mining

- 1) The mining sector is the lowest performing sector in the ADM
- 2) Furthermore the sector has been struggling over the past 9 years, suffering a continuous downward trend.
- 3) As a result of its small share in the ADM economy, the mining sector has no meaningful impact on overall growth.
- 4) The mining sectors employment trend is consistent with its decreasing low performance output trend as it accounted for 0.1 percent of total employment in the district in 2009.

Manufacturing

- 1) From 1995 to 2008, production growth in manufacturing has been consistently been escalating, even though its started decreasing from 2009
- 2) Improvement in the sector mainly has to do with the shift to hi-tech sub sectors.
- 3) Manufacturing in Amathole is slightly more import dependent than export orientated
- 4) The sector contributes about (18 percent) of the district's employment

Utilities (Electricity and Water)

- 1) The utilities sector is the second smallest contributor to the ADM economy.
- 2)
- 3) This sectors contribution to employment in ADM has averaged around 0.4 percent in the period from 1996 to 2009

Construction

- 1) The construction sector has shown positive growth over the past 10 years
- 2) Success is attributed by an increase in both public infrastructure investment and private property development.
- 3) Currently the sector contributes 2 percent to GGP output.
- 4) This sector currently accounts for 6 percent of the formal jobs at ADM.

Trade

- 1) This sector has produced a firm increase in production over the past decade.
- 2) It is however only the 4th largest contributor to ADM,s GGP
- 3) Employment in the sector has experienced a positive increase, contributing about 23 percent of formal employment in ADM in 2009

Transport and Communications

- 1) This sector currently contributes 6 percent of GGP of the ADM.
- 2) After declines in the period from 2000 to 2004, this sector has since been making positive contributions to the district's GGP.
- 3) This sector currently contributes about 5 percent to formal employment of the district.

Finance and Business Services

- 1) As the second largest contributor to GGP, the sector has shown increasingly positive growth in the period from 1996 to 2009
- 2) Currently this sector contributes 27% to the GGP of the ADM economy.
- 3) This sector however only contributes 6 percent of the formal jobs in the ADM. This can be attributed mainly to the intellectual as well as high tech nature of finance and business services

Community and government services

- 1) This sector has dominated the ADM economy between in the period under review from 1996 to 2009
- 2) Currently this sector contributes about 33% to the GGP of the ADM.
- 3) This sector is also the largest contributor to formal jobs in the ADM , contributing about 38 percent of the formal jobs in ADM

Key issues emanating from the socioeconomic profile of the Amathole District Municipality

- Unemployment, inequality and poverty remain the major economic challenges in the District. The close link between these three social ills means that interventions from Government and other developmental partners should directly and indirectly tackle these issues. The causes of this situation are mainly structural in nature.
- The economy of the District is overreliant on the community services sector (government) to provide jobs. There is thus a need to diversify the economy of the region.
- Outside of the Buffalo City Municipality, there is very little investment in economic infrastructure that can lead to economic growth and development in these areas. Initiatives designed to attract investment into these areas should therefore be regarded as a priority
- The de-industrialisation that happened in the mid 1990s in Dimbaza and Butterworth have reduced the manufacturing base of the area. While not seeking to resuscitate these ares in their old form, attention needs to be given to broadening and building the industrial base of the area. This will lead to economic growth and development of the area.

- Retail services and finance are sectors of economic importance as illustrated by their contribution to the economy of the District. Efforts should therefore be made to understand and exploit the advantages and niche markets that come with these sectors.

Economic Research

Congruent with the key issues arising from the socio economic profile, the District has a programme on economic research to constantly update and improve on the economic statistics that it uses for economic planning purpose. As demonstrated by the socio economic profile, unemployment, poverty and inequality continue to characterise the economic landscape of the District. The research programme is thus designed to understand the causes of this situation as well as recommend measures that will improve the situation. The research thus focuses on the constant update and review of the LED Strategy to ensure its relevance to the prevailing economic climate. The prioritisation of competitive industries is also a new area of focus with the release of industrial strategies by both the national and provincial government. It is important for the District Municipality in the development arena to upgrade the competitive and comparative advantage of industries in its area of jurisdiction, hence its intention to develop an industrial strategy.

The District has also noted that while it is involved in supporting local economic development initiatives, it does not have any information on whether these interventions are having the desired impact. The District has thus started a research process on an impact assessment of LED initiatives that it is supporting. The purpose of this is to inform its planning processes on initiatives that have worked in the past, or are likely to yield greater impact. The support of LED initiatives would then be justified, based on the study that has been undertaken.

The economic research agenda of the Amathole District Municipality is also in line with that of other stakeholders in the development arena. It is thus important that the institution forms strategic partnership with institutions like the the Universities and Further Education and Training Institutions. Such areas include but are not limited to SMME and Cooperatives Development, microfinance, economic research and training of officials in LED related materials..

Challenges

- ❖ Lack of funding for research programmes.

2.2 OVERVIEW OF KEY PRIORITY AREAS

2.2.1 ECONOMIC DEVELOPMENT

A) ENTERPRISE DEVELOPMENT

Small, Medium and Micro Enterprise Development

Amathole District Municipality (ADM) identified enterprise development - Small, Medium and Micro Enterprise (SMME) - as its priority area. ADM has a mandate to promote enterprise development within its area of jurisdiction with the aim to boost local economic development. In 2008, District signed a Memorandum of Understanding (MOU) with the National Small Industries Corporation that is based in India and is charged with SMME development in that country. The reasoning for the MOU included the development of the District's SMME strategy.

In 2009/2010 financial year, the SMME strategy was developed and adopted by Council. There are a number of programmes and activities coming from the strategy as guided by the implementation plan.

Incubation Centres

Incubation centres by their own nature are integral part of enterprise development. Hence, there has been a growing need for them within the District. There are two envisaged incubation centres – the Eastern Cape Information and Technology (ECIT) in East London and Skills Development Center in Butterworth. The vision is to monitor the development of SMME's to established business. ADM has established partnership with ECIT to house five (5) Information, technology and communication SMME's; and three (3) film makers. These SMME's shall be housed following criteria as set by ECIT. Their progression shall be monitored as there is a plan to that effect during and after their stay.

The Butterworth Skills Development Centre is still under construction and operational business plan is almost complete.

SMME Profile

It has been identified that most enterprises are trading informal and micro in nature. Consequently to that, there are few in the small and medium size category. Micro business are in majority, they earn about R5000 per month and are VAT vendors as register for VAT and income tax. Retail and service enterprises dominate the SMME sector followed by manufacturing related businesses. Many SMME's operate in urban areas as compared to rural areas, and there is inadequate infrastructure for SMME development in rural areas.

Notwithstanding the success of some micro sector businesses, it was identified that these enterprises are not growing – graduate to small business category. It was also identified that there is no available comprehensive inventory (databank) for SMME units within the District.

It has also emerged that most SMME's products are in poor quality. In improving the quality of their products, the District has intervened by organizing product development sessions that were conducted by Small Business Enterprise Development Agency (national office) where both SMME's and Cooperatives were trained on ISO 9001:2000 and Hazard Analysis and Critical Control Points (HACCP). The training on HACCP focused on food safety and was attended by 20 accommodation establishments within the District. The training on ISO 9001:2000 covered the quality awareness, and was attended mostly by co-operatives businesses.

As has been identified that most enterprises operate informally, the District is in the process of conducting a survey which will determine the causes and other related matters. The survey will also document the challenges faced by these informal traders so that a clearly defined support programme and possible solutions could be formulated.

In trying to coordinate the business interest and government goals, the municipality has established the Mayoral Business Advisory Forum formed. The Forum aim at creating conducive environment for business to thrive and thereby improving the livelihood of the people of the district and grow the district's economy.

Challenges faced by SMME's in the District

- **Market**
- **Marketing support**
- **Financial Support**
- **Technology Support**
- **Policy/Regulatory and institutional environment**

- **Human Resource Development and Capacity Building**
- **Timely payment of SMME's**

Key Issues

There following are key issues coming from the current status:

- ❖ Market access;
- ❖ Marketing material;
- ❖ Access to finance;
- ❖ Sustainable and vibrant enterprise;
- ❖ Skills acquisition and managerial expertise.

B) CO-OPERATIVES DEVELOPMENT

Amathole District Municipality (ADM) identified enterprise development - Co-operatives Development - as its priority area. Co-operatives Development has potential to positively contribute to the economic development of the District. This has been identified through a number of studies that have been conducted by various institutions. Over the past years, the District has supported – financially and non-financially - many co-operatives in different economic sectors. ADM is in a process of developing a co-operatives strategy which shall outline the District's plan for development of co-operatives. A baseline study on co-operatives has been conducted which has identified that most co-operatives are operating in the Agricultural sector, followed by manufacturing and beadwork.

Guided by national and provincial legal instruments for cooperatives development, ADM is committed to the growth and development of powerful, vibrant, viable and sustainable cooperatives within its area of jurisdiction. This shall go a long way in addressing the social and economic ills of the district.

In 2009, ADM commissioned the Cooperatives and Policy Alternative Centre (COPAC) to do a study of twenty different cooperatives within the district with the aim to know their status and needs. The twenty (20) cooperatives came from across the district and from various economic sectors. Through the findings of the study there are three categories of cooperatives in the district. These are as follows:

- ❖ Commercially viable;
- ❖ Self developing; and
- ❖ Marginal.

A number of cooperatives in the district are in the last category of marginal as they are struggling. This, therefore, means that cooperatives development pathway ought to inform the support provided to cooperatives as required by their state.

In 2010, ADM commissioned the Co-operatives and Policy Alternative Center (COPAC) to conduct a research and produce a case study booklet for at least 20 successful co-operatives within the District. The study covered the following aspects, a detailed background of the co-operative, their detailed activities, success factors, wider impacts and challenges, financial management, and skills audit of each co-operative. These co-operatives operations are in different economic sectors and are at various stages of business development. Based on the study, the District shall develop a structured programme of support for these co-operatives as informed by their needs.

Credit Union

Credit unions have long history and tradition in various parts of the world and a number of successful stories. In 2010, ADM has ventured into this area of operation and as such it is in a process of establishing its employee based credit union. In line with this, ADM has visited some of the countries that have strong credit union tradition and there are many lessons learnt with regard to this matter. Credit unions can assist with start up capital for both SMME's and Co-operatives as most of them struggle to get financial assistance from bank. Within ADM credit union movement has untapped opportunities which may promote, among other things, saving culture.

Challenges faced by Co-operatives

The challenges faced by co-operatives not different from those faced by SMME's in the District that include: lack of commitment amongst co-operatives and state grant dependence syndrome.

Key Issues

There following are key issues coming from the situation analysis:

- ❖ Structured support for three identified types of Cooperatives (commercially viable, self developing and marginal co-operatives) that exist in the district;
- ❖ Market linkages (market research – supply and demand analysis)
- ❖ Marketing material;
- ❖ Procurement practice that favour co-operatives access;
- ❖ Education and training;
- ❖ Access to finance;
- ❖ Sustainable and vibrant enterprise.

C) HERITAGE RESOURCES MANAGEMENT

The objective for Heritage Resources Management for within the district is to comprehensively safeguard the available heritage resources for present and future generations. Thus, the approach for heritage management for the district is twofold - heritage resources management and socio-economic development through heritage.

The heritage resources management activities that the district engages on are governed the following pieces of legislations: national heritage resources act of 2005, National Environmental Management Act of 2008, Human Tissues Act, Eastern Cape Heritage Resources Act of 2003, Pan South African Language Board Act of 1995, Culture Promotion Amendment Act, 1998 and Geographical Place Names Act of 2006.

The Eastern Cape Province in general and Amathole area in particular is hailed for having played a significant role in the attainment of South Africa's liberation. Many sites linked to the strides by individuals, sites of memory, sites of remembrance, event sites exist in this space. As such the National Liberation Heritage Route is bringing new model of heritage preservation. It coins in an approach that incorporates public knowledge, sites, events, people/icons and collective experiences. These sites do not only need recognition but also they need profiling, protection and grading as heritage sites. The role of the municipality with regard to the liberation route is stipulated as follows:

- Facilitate research
- Identification of district sites that have national appeal
- Facilitate local stakeholders to nominate sites

- Create awareness about the liberation heritage route
- Maintenance of sites listed to the liberation heritage route
- List sites to be declared
- Facilitate declaration of the route with provincial and national departments, and South African Heritage Resources Agency.

Equally important is the collection of personal stories. People with experiences on traditions, culture, names, local histories etc need to be documented. To date approximately 100 personal testimonies have been collected. To that effect an exhibition was produced and DVD about Nokhaya Mnyimba was produced. She turned 100 years on 27 April 2010. Her turning 100 also necessitated the municipality to create a database of old people.

There are also international heritage legislations that South Africa is also bound by as it signed international protocols like United Nations education, Scientific Cultural Organization (where the liberation route concept is derived from) and World Heritage Convention.

The Amathole District Municipality is rooted in a profoundly rich and diverse history and heritage dating back centuries ago. This rich and diverse history and heritage is consisting of various layers which make the district a unique one as it offers a choice to various audiences. The available heritage resources have socio-cultural, spiritual and non spiritual, aesthetic, historical and political value, intrinsic meanings. Being the first area to possess education institutions it offered a platform for Africa to deliberate hence a variety of African leaders flocked to this area as early as early 19th century.

Despite this rich history and heritage, there is no heritage cartellistic project that echoes that within the district. Hence two or three national projects are needed to project this rich heritage. For instance, as the district was a microcosm of political history a national project depicting that needs to be developed and nurtured. It produced great leaders who became instrumental in attaining of freedom, and the general history of the armed struggle. The proposed Armed Struggle Living Museum is a relevant project to detail the underground military activities.

The district is also home to great African leaders who became influential in many respects of community development, African education, traditions, politics and language promotion. Of these people names like John Tengo Jabavu, John Knox Bokwe, WBM Rubusana, DDT Jabavu, ZK Mathews, SEK Mqhayi, Tyamzashe's, Makhiwanes, P. Mzimba, W. Qgoba etc. A series of books they were published and their contribution in various spheres of life are testimony to their contribution. Houses of some of these leaders exist though in a dilapidated form. For instance, ZK Matthews House in Alice. This is where the draft of the Freedom Charter was first made. Again, the house of JT Jabavu in Middledrift is also in a bad condition. The same could be said about some of the sites associated with them. The Mqhayi precinct in Berlin and other precincts in the district also need proper conservation. This therefore requires conducting of integrated conservation management plans, site and cultural mapping.

The existing and traceable forts in the district tell a story of physical confrontation between AmaXhosa and the Europeans. In long drawn wars that lasted 100 years from 1778 to 1878, these forts are a testimony to that heritage. A challenge to this period is the absence of weaponry used by both sides which would clearly tell a comprehensive story about this period.

Though the District over the years has installed signage and interpretation boards, there is still great work that needs to be done. Other heritage structures ought to also play their part in this regard. Signage is one element that is missing in many areas especially when it comes to heritage destinations. Signage can also be linked to access, relevant information about a destination. These enable the visitors' easy access to heritage sites. This is also related to the inventory of existing heritage sites to understand what exists and their conditions.

Naming of places is another activity that has proliferated in most recent years and it needs sensible engagement with those affected. While not necessarily suggesting changing of place names it ensures that communities take part in naming their localities after a consultation process. Through this programme social transformation can be achieved and attach to it economic development.

Throughout the country there is a new trend where heritage festivals, craft events and musical events are staged. This has a contribution in terms of exposing the area concerned. For instance, these events are used to expose the area's heritage, tourist destinations, and locations for film development.

AMATHOLE HERITAGE INITIATIVES

Through the Amathole Heritage Initiative a number of heritage sites have been identified. Four heritage routes were then established. They are: King Phalo, King Sandile, Chief Maqoma and Makhanda. In each route signage, interpretive text and access road were done to other sites but not to others. In the same context Visitor Information Centres exist in the district where they package, position and market available heritage resources, events, destinations and festivals in each local municipality.

As part of this initiative heritage sites were audited and an inventory created. An audit of these sites was done with the aim to have better understanding. To date more than 300 heritage sites have been identified. The sites are available and can be viewed on municipal website. People can also suggest and identify other sites and submit through the website.

Maqoma Route (Nkonkobe and Nxuba)

This consists of Fort Beaufort, Alice, Hogsback, Seymour and Balfour areas in Nxuba and Nkonkobe Municipalities. The following are sites that have been identified as the core of the route and they are in clusters as follows:

- **Fort Beaufort**
 - Fort Beaufort Museum
 - Officers Quarters
 - Martello Tower
 - Fort Fordyce
 - Healdtown
- **Balfour**
 - Post Retief
 - Fort Armstrong
 - Dutch Reformed Church
 - Olive Schreiner's House
 - Hertzog Church
 - Ntsikana's Grave
 - Phillipton Mission
- **Seymour**
 - Eland's Post

2 Alice

- 2.1 Fort Hare University
- 2.2 Lovedale
- 2.3 Nkonkobe Garden of Remembrance
- 2.4 Fort Woburn
- 2.5 Christmas Day Massacre Memorial

Makana Route (Ngqushwa Municipality)

The route encompasses Peddie, Double Drift Game Reserve and Hamburg areas and the West Bank portion of Buffalo City. The following are sites that have been identified as the core of the route and they are in clusters as follows:

- ❖ Fort White
- ❖ Ann Shaw Mission
- ❖ Keiskamma Graves
- ❖ Milkwood Tree (Umqwashu)
- ❖ Fort Peddie Watch Tower and Barracks
- ❖ Battle of Gwangqa
- ❖ Fort Willshire
- ❖ Keiskamma Barracks

Sandile Route (BCM and Amahlathi)

The route includes King William's Town, Stutterheim, Dimbaza, and Keiskammahoek in Amahlathi. The following are sites that have been identified as the core of the route and they are in clusters as follows:

- ❖ St. Matthews Mission
- ❖ Castle Eyre
- ❖ Boomah Pass Memorial
- ❖ Fort Mitchell
- ❖ Fort Cox
- ❖ Burnshill Wagon Disaster
- ❖ House of Professor JT Jabavu
- ❖ Chief Kama's Grave
- ❖ Ann Shaw Mission

Phalo Route (Great Kei, Mnquma And Mbashe).

It entails Komga, Butterworth, Dutywa, Centane and Willowvale. The following are sites that have been identified as the core of the route and they are in clusters as follows:

- ❖ Bawa Falls
- ❖ Ngcayechibi's House
- ❖ King Phalo's Monument
- ❖ Battle of Umzintshane (Ngunduzza)
- ❖ Rev. Tiyo Soga's Grave
- ❖ Fort Centane (Battle of Centane)
- ❖ Nongqawuse's Pools
- ❖ Nqadu Great Place
- ❖ King Hintsas's Grave (Mbashe)

As per the routes identified many historical sites are situated in areas that need improvement. Challenges like access road, and signage etc continue to pose challenge to consumption of knowledge. Other sites are in areas where there are no sanitation services, water and other amenities required. While others have been occupied i.e. Z.K. Matthews house in Alice.

POSSIBLE SITES FOR DECLARATION

Despite the existence of such rich heritage landscape, sites and cultural icons there are no officially declared heritage sites in the district, except the Steve Biko sites and those that were declared during the National Monuments Council era which have been down graded to be of provincial importance. This is also linked to ownership and maintenance of renovated sites. Currently, families and local municipalities do not take full ownership and maintenance of the renovated sites. This creates a challenge as a

rehabilitation site even continues to degrade after renovation because of hesitation by families and other municipalities.

As such the municipality wishes to categorise sites that are eligible for nomination to be declared heritage sites in the next three years.

- **Houses**

- John Tengo Jabavu
- Ngcayechibi's house
- ZK Matthews
- Sithembele Zokhwe

Graves

- WBM Rubusana
- King Hintsa
- John Knox Bokwe
- A slave in Alice
- Clements Kadalie
- King Ngqika

Sites of memory

- Sites linked to wars of land dispossession
- Ntaba ka Ndoda

Precincts

- SEK Mqhayi
- Ntselamanzi
- Mgwali

Forts

- Malan in Willowvale
- Bowker in Willowvale

Heritage Sites Rehabilitation Framework

The Heritage Sites Rehabilitation Framework takes into cognizance of how the approach should be when dealing with sites especially that there are sites that are owned by families.

The paradigm shift caused by the new strategic direction will, among other things, enhance the approach and execution of the project for the betterment of heritage resources management in the district. The implementation of the Heritage Sites Rehabilitation Framework necessitates a rigorous effort and contribution by various stakeholders.

Key issues:

- ❖ Lack of capacity at local level, both the community stakeholders and LM's;
- ❖ Repatriation of South African heritage estate still located in European and other African states
- ❖ Absence of a national heritage facility;
- ❖ Promotion of indigenous language
- ❖ Rehabilitation of heritage sites

CHALLENGES FOR HERITAGE RESOURCES MANAGEMENT

The following are the challenges that have been experienced in safeguarding heritage resources and executing heritage development initiatives:

- Lack of funds;
- Lack of capacity in LM's with regards to Heritage Resources Management;
- Limited knowledge in community about certain heritage issues; and
- Processing of permits by mandated heritage structures.
- Location of vast heritage artefacts in African and other European countries
- Sites located in privately owned land
- Erasing perception about sites linked to certain histories (e.g. Ntaba ka Ndoda)

D) TOURISM DEVELOPMENT

The history of our district contains a multitude of diverse stories and lessons and so also the journey of our tourism industry. Our industry has been enriched by the hard work and contributions of the tourism role-players ranging from government institutions and organized business to the informal trader or local guide interacting with a tourist. The diversity of our people, history and experiences have brought a treasure trove of variety to the tourism industry and no doubt contributed to our success.

Tourism Vision

To be “the most accessible, unique and pristine coastal and mountainous environment and the most authentic heritage and cultural experience in South Africa attracting eco-tourists, nature lovers, cultural tourists, adventure seekers, sport and business people”.

GROWTH AND ACHIEVEMENTS OVERVIEW

The tourism sector continues to contribute significantly to the South African economy and outperforms most economic sectors in terms of entrepreneurial opportunities and the creation of jobs. Foreign arrivals reached an all time high of 9.6 million in 2008, with 500 947 more foreign arrivals in South Africa than in 2007. The 5.5 percent increase exceeds the global growth rate of 1.3 percent and brings the compound average growth rate of arrivals to South Africa between 2002 and 2008 to 6.9 percent. The good performance of this sector has been further boosted by the various international sporting events that took place and South Africa's hosting of the 2010 World Cup.

OVERVIEW OF TOURISM

The outstanding performance ADM in terms of attracting visitors to our shores is underscored by the fact that tourism continues to make a growing contribution to our economy. It has been reported that it contributes approximately about 8% of national GDP. The annual report of Tourism South Africa indicates the following tourism expenditure for 2005;

- Of the R53.4 billion spend by the 7.37 million foreign tourists in SA, 7.6 % (3.3 billion) was spent in the Eastern Cape, equating to R590 per day per spent in the province. Of the 21.2 billion of the 2.3 billion was spent by the domestic tourists in the Eastern Cape which closer to foreign visitors that are visiting the province. This shows the importance of investing on promoting domestic tourism within our district.

According to ADM's tourism industry study report 2009-2010, the results thus far show that ADM is also benefiting through the tourism industry. Using a national multiplier of 2, 26 (source: Coningarth) for the wholesale and retail trade, catering and accommodation sectors and an estimated provincial multiplier for the same sector, the following economic impact on tourism industry was discovered.

In terms of employment the industry has generated an amount of R657, 5 million in 2008 and 6 260 annual jobs or work opportunities were created by the industry. On average ADM receives 79% domestic visitors while 21% is foreign visitors. (ADM tourism survey report 2009)

Based on the indications of turnover provided by the surveyed respondents, it is estimated that the tourism industry of the Amathole District Municipality generates approximately R650 million towards the economy each year. The comparison was made out of the agriculture, transport and electricity sectors it is likely that the tourism sector provides a GVA of between 4% and 5% to the district economy. This means therefore, out of 3.3 billion spent in the Eastern Cape Province, an amount of R650 million was spent within the district equating to R299 per day per spent in the district.

The findings of domestic tourism in Amathole District reveal that, VFR (Visiting Friends and Relatives) travel results in high volumes of tourists coming in. The greatest value however is derived from the holiday market despite significantly lower volumes.

TOURISM INDUSTRY CHALLENGES

ADM is truly committed in developing the tourism industry, as it is one of the priority areas that it has identified in its Integrated Development Pan. In an attempt to address the above mentioned challenges, it is in the process of developing a tourism marketing strategy that will address the marketing related challenges. The issues shown above focus on the sector and are development needs.

The following are opportunities for the forthcoming year;

- Information and transactional fulfillment
- Accommodation
- Tour Operators
- Tour Guides
- Crafts products
- Transport and tourist safety
- Skills and service levels
- Sport tourism events

Tourism Routes

- The Eastern Cape has six tourism routes and four of these routes starts and/or end at Amathole District. The four routes which are part of Amathole District are the following:

Wild Coast

- A portion of the 280 kilometres stretch of the Wild Coast lies within Amathole District. Much, however, lies outside the area. The area north-east of Coffee Bay (just beyond the Amathole border) is better known and promoted than the area within Amathole. The Wild Coast Route includes the Great Kei, Mnquma and Mbhashe Municipalities and covers places of interest like Chintsa, Haga-Haga, Morgan's Bay and Kei Mouth, Mazepa Bay, Centane and Willowvale. Untamed and untouched, the Wild Coast is just as its name describes! Vistas of lush green hills dotted with the tiny turquoise mud huts of Xhosa villages and a tempestuous coastline, the area is characteristically rural, offering an escape to the madness of the city life.

- Friendly N6

The Friendly N6 route traverses right through Amahlathi Municipality from Buffalo City Municipality and creates a route through many inland towns of the Eastern Cape Province, leading to Bloemfontein in the Free State. The Amathole District section of the friendly N6 starts on the outskirts of East London and ends in Cathcart, passing through Sutterheim along the way. Stop off the Python Park, the Lion Park to see the rare white lions, the Calgary Transport Museum and Mpongo Private Game Reserve.

- Amathole Mountain Escape

The Amathole Mountain Escape includes Nkonkobe, Amahlathi and Nxuba Municipalities and it towers over the lush landscape of this route, valleys and forests adding the rustic charm and mystique. Amathole is a Xhosa name and it means “the calves” referring to the larger mountain range to the North of East of the District. It also indicates how close to nature the people of the district live, having for centuries brought their cattle to graze at the foothills of the Amathole. This route starts from King Williams Town to Bedford and into Hogsback village. It meanders onward to the historical town of Alice where South Africa’s first black president Nelson Mandela and other notable African leaders, received their education at Fort Hare University.

- Sunshine Coast

The Sunshine coast embraces the Nqgushwa Municipality and stretches from Port Elizabeth to East London. A large portion of the route falls within the Amathole District. The area has a subtropical climate, with temperatures in winter reaching an average of 21⁰C while summer temperatures climb to an average of 28⁰C. Leisure activities centre around the beaches, ocean and rivers as, even in winter, this region is lavishes in a mild climate. The towns and villages of Hamburg, Kayser’s Beach and Kidds Beach all offers and host watersports, adventure sports and boat trips. The route has sub-routes such as Makana Route which tells the historical, cultural, political heritage of the area.

- Gateway City

The Gateway City represents the Buffalo City Municipality which incorporates the towns of East London, Gonubie, King Williamstown, Bhisho and Mdantsane. The East London is the economic heart of the Amathole District with the country’s only river port and plays host to a thriving automotive industry. The location of the Industrial Development Zone here bodes well for the future of this thriving town.

- Summer Season Festival
- Port Festival
- Crafters Support
- Craft Market Development

Challenges

The following are challenges facing tourism industry within the district:

- ❖ Inadequate Tourism infrastructure,
- ❖ Product development
- ❖ Quality of tourism products.
- ❖ Branding and marketing

E) FILM INDUSTRY DEVELOPMENT

Amathole District Municipality identified the development of the Film and Video Industry as one of the key economic sectors that have a potential to make significant contribution towards economic development.

Further, a framework that will support the long term sustainable growth of the film and video industry and to identify areas of focus and opportunity, highlight key catalytic projects that can stimulate growth, including and recommend the appropriate institutional arrangements to ensure delivery was developed. Through the eventual implementation of the Strategy, the goal is to create jobs, stimulate entrepreneurs, and give voice to the unique stories of the district through film.

The opportunities that drive forward-thinking municipalities to build supportive environments for the film sector are as follows:

- ✓ Travelling
- ✓ Spending
- ✓ Job creation
- ✓ Professional opportunities
- ✓ “upping of skills” for Locals
- ✓ Permit fees benefits
- ✓ Beautification
- ✓ Industrialization

CREATING A FILM OFFERING IN AMATHOLE DISTRICT MUNICIPALITY

There are a number of requirements that must be in place if any city or region wants to successfully engage the film industry. These include:

- High-calibre skilled professionals
- Filming facilities & equipment
- Filming locations
- Good communications and transport infrastructure
- Well-developed leisure industry close to the filming site
- Hospitable political and social environment
- Finance

Plus

- Great stories
- Audiences for local product

Amathole District Municipality, offers all the above, but to differing degrees of depth and quality. However, the region is well-placed to develop a programme of co-ordinated Film Activity due to the following:

F) STATE OF THE ENVIRONMENT IN THE AMATHOLE DISTRICT

The objective of the environmental management within ADM is to conserve all natural resources that exist within its area of jurisdiction. Its function is derived and governed by a range of legislations including, but not limited to, Environmental Management Act of 1998, Environmental Laws Rationalization Act of 1997, Environmental Conservation Act of 1989, Development Facilitation Act of 1995, Air Quality Act of 2004.

ADM is located in a scenic, cultural and floristically unique part of South Africa. With its ocean and mountain boundaries, ADM comprises of a valuable and rich mix of cultural and natural resources. These support the development industries of the region, which in turn stimulate the economy of the district and help to create jobs and alleviate poverty. A medicinal production project was embarked on by the Imingcangathelo development trust, following the inappropriate utilization of renewable resources, highlighted in the ADM State of The Environment Report.

Pelargonium is indigenous to South Africa. It belongs to a group of shrubby, tender flowering plants, the Geranium family (Genus *Pelargonium*). *Pelargonium sidoides* is a slightly aromatic rosette-like plant with crowded leaves and a system of thickened underground roots. The aerial parts are sparsely branched from the base of the flowers are very dark reddish-purple to almost black as compared to the lighter version of the reniforme plant. Their distribution ranges from the Eastern Cape, Lesotho, Free State, Southern and South-Western Gauteng.

The ADM has embarked on continuous initiatives as an effort to establish market linkages with the *Pelargonium* industry in Nkonkobe Local Municipality. Parceval pharmaceutical has further more confirmed their interest in purchasing the plant material from the beneficiaries of the project and they donated seedlings to ensure continuous growing and constant supply.

There are, however, many environmental, social and economic challenges facing this area. These are largely the result of the growing population of people which is mostly under 65 and youthful and the need for bulk infrastructure, services, jobs, housing, transport, tourism and education. Chapter 40 of Agenda 21 calls for improved availability of environmental information for decision-making, environmental education and raising awareness. State of Environment (SoE) reporting has since become the globally accepted means of reporting on environmental issues, and of measuring progress towards sustainable development in the countries which have adopted the principles contained in Agenda 21. In terms of Environmental Education and awareness within the district, ADM is coordinating environmental management events such as Arbour Week in September; Weedbuster Week in October; Marine Week in November; Water Week in March and Environmental Week in June.

Climate and climate change

The climate of the Amathole District varies from mild temperate conditions (14-230C) along the coastal areas to slightly more extreme conditions (5-350C) among the inland areas. The mountains on the northern border of the district experience winter snows and summer rainfalls. However, data on various climatic elements such as radiation, moisture, precipitation, winds and pressure is difficult to ascertain and will have to be investigated.

Climate change, as related to human induced changes, is a consequence of multiple forcing factors, principal among which is that arising from changes in atmospheric greenhouse gas concentrations. This is a change in the global forcing factors with regionally dependent manifestation, modulated by other factors such as land use practice, urbanization, and complex feedback mechanisms. These modulating factors may readily give rise to regional change of comparable magnitude to that due to the globally forced changes. Within Africa vulnerability is high to a broad range of climate change manifestations. As noted by the African Development Bank, et al. (2003), "climate change poses a serious risk to poverty reduction and threatens to undo decades of development efforts." This is an issue that is possibly the single largest long-term threat to development.

The regional manifestation of change is most often viewed in terms of the primary climate variables of temperature and precipitation; a perspective that often avoids issues of other important changes that might not be taking place. For example, changes in wind (with relevance to dust storms and land degradation), or sea level rise. Moreover, it is the temporal nature of changes that are often neglected, yet may be critical aspect of regional impacts. In this respect it is issues of seasonality, dry spell duration,

intensity, recurrent heat waves, or reductions in diurnal ranges that may have as big or bigger impact as simple changes in the mean. For example, changes in diurnal (daily) range can be critical for certain crops which need “chill units” – days below a certain temperature – or reductions in frost which can have significant biological impacts on crop diseases and, importantly other human diseases such as the presence of malaria.

In light of the complexity of the system, and considering the current state of understanding of the future regional climate, it is a strong recommendation that before all else, an understanding of sensitivity be first undertaken with regard to any given impact sector. Following this, the historical change may be considered, although there is no guarantee that the future will follow the historical trend; feedbacks or threshold in the system may readily change the trend. Finally, the future projections may be considered as a basis for adaptation and response.

ADM proudly hosted the first provincial climate change conference/summit which was well attended by all spheres of government, public organizations and business.

ADM Climate Change Summit

The summit “The Heat is on the Time to Act is Now” brought together persons and organisations with an interest in or involved in matters to do with climate change. The event was attended by approximately 140 persons over the two days from both the Amathole District, the Eastern Cape Province and Nationally. The aims of the Summit were to:

- Assist Local Government to create awareness of climate change issues as they affect local government;
- Exchange information of practical value to help combat the effects of climate change; and
- To share best practice opportunities and the benefits offered by implementing programmes relating to climate change.

. However, there was commitment to the following actions:

- Increased interagency discussion on policy development, for example, incentives for urban households, promoting tradition zero waste farming in rural areas, developing a climate change policy for Amathole District
- Encouraging ongoing scientific research which is relevant to the District and which informs decision and policy making
- Focusing on education and awareness programmes
- Conducting a vulnerability assessment for the region
- Actively engaging in dialogue with and between agencies
- Consideration of the viability of collective clean development mechanisms projects which could generate revenue for the region through carbon trading.

As a result of the above an Action Plan was developed.

OPPORTUNITIES OF CLIMATE CHANGE

- Usage of alternative energy like : Solar power-trapping constant sunlight.
- Wind energy-generating electricity through wind power in ideal areas like Ngqushwa and Bedford.
- Usage of solid waste to create biogas like methane.
- Using desalination technique to convert sea water into drinkable water.

National Summits

The ADM attended two National Conferences. The first was the Local Government Indaba on Environment and climate change and was held at the Indaba Hotel, Johannesburg, over 22-23 July 2009. The opening and welcome addresses were done by various dignitaries including the Minister of Water and Environmental Affairs the Honorable Buyelwa Sonjica and the Deputy Minister of Cooperative Governance and Traditional Affairs the Honorable Mr Y Carrim.

The main points emanating from the addresses were as follows:

- Local Government has a responsibility to do more to combat climate change with its projects and premises.
- Green procurement methods should be developed and followed
- Local Government must strive to become energy efficient
- IDP's should be environmentally friendly, sustainable and must contain an SEA (Strategic Environmental Assessment) for mitigating its SDF.

It highlighted the importance of sustainable job creation through green approaches has huge potential and should be investigated. Furthermore the cleanest town competition as it had been known would now become the cleanest township/village competition. It was also highlighted that municipalities should be developing environmental by-laws in line with national legislation. The use of indigenous knowledge as a conservation method was highlighted.

In conclusion, the following points were given as a summary of the events:

- Air quality and climate change need to be given more attention by municipalities
- There is a need for municipal classification
- Roles and responsibilities need to be classified
- Public awareness needs to be created around these issues
- Municipal capacity needs to be built up in these areas
- Services and procurement by municipalities need to reflect a green agenda

African Local Government Climate Roadmap Pre-Copenhagen Summit

The second conference attended was the African Local Government Climate Roadmap Pre-Copenhagen Summit and took place from 29-31 July 2009 in Pretoria.

The aim of this summit was "to mobilise African Local Governments, to build consensus and capacity, to understand the process and to join efforts towards a strong and global post-2012 climate agreement". This is done through developing a common, participatory position(s) by Local Governments on their contribution(s) and future role in a post-2012 climate agreement."

The conclusion of the summit resulted in a declaration being drafted.

Drought

In July 2009 the ADM was declared as a disaster area owing to the ongoing drought conditions being experienced in the region. Although some good rains have fallen in parts of the district, certain areas remain critical. Currently severe drought conditions are still being experienced in the Nxuba towns of

Bedford and Adelaide, as well as Dutywa, while the dam levels in Hogsback, Cathcart, Kei Mouth and Cintsa East are critically low.

Freshwater Environment

There are four major drainage regions in the ADM. Priority Rivers within each drainage are shown in brackets:

- Great Fish River catchment (Great Fish, Koonap & Kat Rivers)
- Amathole catchments (Keiskamma, Buffalo, Nahoon & Gqunube Rivers)
- Great Kei River basin (Great Kei, Kubusi, Klipplaat & Tsomo Rivers)
- Mbhashe River basin

About 17 alien fish species are in existence in ADM. Endangered fish species are present as well. Illegal fishing is rife in rural coastal areas like Dwesa and Khobonqaba and abalone in Ngqushwa. Water supply schemes are fairly well in the central and western ADM, with inadequate water services provision in the Eastern part of ADM.

The main impacts on fresh water system or environment resulting from the pressures include:

- Soil erosion
- Solid waste pollution (Poor management of waste sites)
- Organic waste pollution
- Industrial pollution (eutrophication)
- Changes in health status of aquatic systems
- Drought due to lower seasonal rains recorded
- Sediment loading from irrigation systems
- Poor sanitation, Industrialisation
- Climate change effects have resulted in drying of dams in Nxuba, Amahlathi and Mbhashe and lower levels in other dams in the district recorded never

Terrestrial Biodiversity

The Amathole District has a high diversity of plant species because of biogeographic complexity. Five biomes and 21 vegetation types are represented in the area. It is located almost completely within the Centre of Floristic Endemism and has a relatively high species richness level of endemism which is indicative to why there is such a high level of exploitation of medicinal plants by pharmaceutical companies and traditional medicine practitioners. The majority of larger animal species are extinct from the area. Invertebrates, herpetofauna and amphibians face many pressures, primarily resulting from habitat destruction from human related pressures.

The ADM comprises of 2.8% of South Africa's surface area yet supports 15% of its species diversity. Many species and ecosystems are threatened as a result of increased pressure on natural populations and their habitats. There are not many protected areas in the District and the vegetation is not protected to the extent that is generally recommended. The few protected areas occurring in the ADM are extremely important for the protection of some plants and animals.

The terrestrial resources of the Amathole District are subjected to various aspects or pressures, associated primarily with increased population pressure and continued reliance on natural resources to sustain human needs. Pressures result in major transformation of vegetation types and a threat to biodiversity.

The main aspects (causes) or pressures include:

- Increased rural urbanization.

- Unsustainable use of terrestrial resources for fuel, medicines and grazing.
- Utilization of land by the agricultural and forestry sectors.
- Overgrazing
- Indigenous species harvesting (e.g. Pelargonium and Aloe)
- Subsistence cultivation
- Spreading urbanization
- Commercial activities, especially plantation forestry

Within the ADM only Eastern Cape Coastal Thicket is conserved, with 16% of its surface area within a conservancy. Other vegetation types are, in general, poorly conserved in the ADM.

Main Impacts are:

- Water shortages due to alien vegetation infestation
- Habitat loss
- Habitat degradation
- Fragmentation
- Alien infestation (influenced also by the commercial forestry plantations)
- Soil erosion

Coastal and Marine Environment

The Amathole District Municipality's coastline stretches over 251km (26% of the provincial coast), which includes Buffalo City, Ngqushwa, Great Kei, Mnquma and Mbhashe Municipalities. The Amathole District Municipality is well renowned for its scenic coastline (Wild Coast and Sunshine Coast), beaches and wealth of marine biodiversity. The coastal environment of the ADM consists of beaches, rocky shores, estuaries, sand dunes and coastal vegetation and the offshore environment. Much of the area is in a pristine condition, but faces pressure, which threaten the ecological systems and biodiversity.

The key causes (aspects) or pressures include:

- Industrial activities and development.
- Subsistence and non-subsistence exploitation of marine invertebrates.
- Recreational, subsistence and commercial fishing.
- Residential, resort and tourism development.
- Pollution and waste management.
- Mining.
- Alien species infestation.
- Climate change

Impacts resulting from these pressures include:

- Over exploitation of invertebrate animals on certain areas of the coastline (e.g. abalone, limpets, mussels) in certain estuaries.
- Over exploitation of offshore, inshore and estuarine fish species. Some populations have collapsed, (e.g. Red stumpnose).
- Organic pollution of estuaries and beaches due to poor sanitation in certain resort and coastal developments, poor sanitation in townships and informal settlements and inadequate water treatment.
- Organic or inorganic chemical pollution of estuaries due to industrial and storm water run-off.
- Pollution of ocean from outfall pipes.
- Silting up of rivers and estuary mouths due to water flow restrictions.
- Destruction of coastal forests due to uncontrolled removal of wood by subsistence gatherers.
- Blow-outs in sand dunes due to uncontrolled beach access, poorly planned developments and sand mining activities.

- Alien vegetation infestation.
- Sea level rise

Air Quality

Air quality management as it is the case with environmental resource management in general has a lot of human development dynamics as it is dependent on socio-economic and political conditions or factors at the regional (e.g. SADEC or African Union) or international scale (e.g. overseas countries). For example the non-ratification of the Kyoto protocol by the United States of America is caused by America looking to protect its economic development which is mostly based on industrial activities. The challenge however, is that air pollution knows no boundaries as pollutants travel from one locality to another or influences climatic conditions not only of the area of the source but those of other localities as well.

The change in air quality management approach has also seen a change in the responsibility for air quality management being devolved down from the national level to the local authority level (district and metropolitan municipalities). The major roles and responsibilities for local authorities under the new Act are summarized below:

- Standards – under the new Act the local authority may set by-laws for ambient air quality and emission standards, with the provision that they must be stricter than any existing national or provincial standards.
- Licensing – under the new Act the local authority is responsible for the licensing of listed activities undertaken within the boundaries of the authority, with the exception if the local authority is the applicant or the local authority does not have the capacity to fulfill this obligation. In this case the province becomes the licensing authority.
- Ambient Air Quality Monitoring – under the new Act the local authority will be responsible for monitoring ambient air quality within its boundaries. This includes siting, commissioning and operation of the stations and the reporting of the data.
- Enforcement and Compliance – under the new Act the local authority will be responsible for the enforcement and compliance monitoring of the conditions contained within emission licenses issued by the local authority.
- Municipal Air Quality Officer – under the new Act each local authority will need to appoint a municipal air quality officer to act as a focal point for air quality related matters within the local authority.
- Air Quality Management Plan – under the new Act each local authority will be responsible for the development and implementation of an air quality management plan as part of their Integrated Development Plans (IDP).

The Amathole District municipality does not have serious air pollution challenges but the industrial sector, as it is throughout the country, is the primary producer or cause of air pollution in the district. However, the economy of the district area has very limited industrial development relative to its neighboring localities such as Nelson Mandela Metro Municipality and other provinces bordering the Eastern Cape such as the Western Cape and Kwa-Zulu Natal.

Pressures or aspects (causes)

- Industrial Emissions – Buffalo City contains a number of industrial clusters, such as the East London IDZ, the West Bank Industrial Complex, Berlin Industrial Area, Wilsonia Industrial Park, Fort Jackson Industrial Area, R102 Industrial Corridor and the Dimbaza Industrial Area. The types of industries vary from light commercial to heavy industrial.
- Traffic – Buffalo City has the highest traffic densities within ADM and vehicle emissions have been identified as a significant source of air pollution in the area.
- Quarries, Borrow Pits and Mines – the district has a number of these sources of dust emissions scattered throughout the municipality.

- Unpaved Roads – Dust emissions from unpaved roads was identified as a significant source especially outside of the main urban centres.
- Wildfires and Biomass Burning – Wildfires were identified as a source of air pollution within the municipality including scheduled burning of firebreaks and highway verge burning.
- Indoor Air Pollution – This issue was raised due to the use of wood and paraffin and a source of heating and lighting energy, however this issue falls outside of the scope of our audit.

Impacts

Pollutants	Main Contributing Sources	Key Impacted Areas
PM ₁₀	<ul style="list-style-type: none"> • Household fuel combustion • Traffic (primarily diesel vehicles) • Industrial (fossil fuel combustion) • Other sources (wildfires, unpaved roads, quarries) 	Localised and sub-regional areas affected. Significant health impacts in the informal and rural residential areas.
NO _x	<ul style="list-style-type: none"> • Traffic (petrol and diesel vehicles) • Industrial (process emissions) • Other sources (wildfires, domestic fuel combustion) 	Localised effects especially in close proximity to roads
SO ₂	<ul style="list-style-type: none"> • Industrial (fossil fuel combustion) • Traffic (petrol and diesel vehicles) • Other sources (wildfires, domestic fuel combustion) 	Localised effects especially around industrial complexes and informal residential areas
O ₃	<ul style="list-style-type: none"> • Secondary pollutant associated with NO_x and other precursors (i.e. VOCs) • Traffic (petrol vehicles) • Industrial (process emissions) • Other sources (wildfires, domestic fuel combustion) 	Sub-regional and regional areas affected
CO	<ul style="list-style-type: none"> • Traffic (petrol and diesel vehicles) • Industrial (process emissions) • Other sources (wildfires, domestic fuel combustion) 	Localised effects especially in close proximity to roads
VOC's	<ul style="list-style-type: none"> • Traffic (petrol and diesel vehicles) • Industrial (process and fugitive emissions) • Other sources (wildfires, domestic fuel combustion) 	Impacted areas to be determined following ambient monitoring

Environmental Governance

Environmental governance in the country focuses on resource conservation and utilization, as well as on waste management and pollution and is a competency of National, Provincial and Local Spheres of government. The National Environmental Management Act, act 107 of 1998 provides the framework for environmental governance and cooperation between various government agencies and provides various tools for environmental governance such as the Environmental Implementation Plans (EIP) and Environmental Management Plans (EMP).

In terms of NEMA the EIPs are meant to be developed by government agencies that have functions that have an impact on the environment such as the Defense force, Water Affairs and Forestry and the Department of Local government and Housing etc. and EMPs are meant to be developed by agencies that have a role in setting standards or regulations for environmental management such as the Departments of Health, Water affairs and Environmental Affairs and Agriculture etc.

NEMA enforces compliance by the state and the public at large with its environmental principles. Of importance is the principle of sustainable development which it defines as the integration of social, economic and environmental factors into planning, implementation and decision making. NEMA therefore enforces the integration of sustainability principles in other resource use legislations such as the Water Act, Minerals and Petroleum resources Act and the Local government: Municipal Systems Act, 32 of 2000. NEMA further requires that:

- All organs of state and the public must comply with NEMA principles
- S 16(1) (a) Every organ of State must exercise every function it may have, or that has been assigned or delegated to it, by or under any law, and that may significantly affect the protection of the environment, substantially in accordance with the environmental implementation plan or environmental management plan prepared, submitted and adopted by that organ of state.....Provided that any substantial deviation from an environmental management plan or environmental implementation plan must be reported forthwith to the Director General and the National Committee for Environmental Coordination.

G) AGRICULTURAL DEVELOPMENT

The agriculture development intends to creation of an enabling environment to assist all the District's small-scale and established commercial farmers to flourish, through the provision of critical infrastructure (Including: transport, communication, bulk water, energy, information, training and marketing support). While also creating an enabling environment to assist all role players involved in the District's agricultural development to align, prioritise and optimise their planning, organisational, financial and skills capacity.

Functions of the unit derived and govern by a numbe of legislations including the following: Municipal Structures Act of 1998 (Section 83 and 84), Municipal Systems Act 32 of 2000 (section 24), Constitution of the Republic of South Africa (section 27), Millennium Development Goals, PGDP, Agricultural development Act of 1999, Intergovernmental Relations Framework Act, Eastern Cape Rural Development Strategy of 2010, National Comprehensive Rural development Plan, National Industrial Policy Framework, Strategic plan of the Provincial Department of Agriculture, Provincial industrial Action Plan, ADM agricultural Development Plan of 2005 and AREDS.

Functions of the District in agriculture development include the following:

- ❖ Facilitate and coordinate agricultural development within the district.
- ❖ To facilitate that planning and budgeting of agricultural stakeholders in the district and local municipalities is informed by integrated development planning.
- ❖ To facilitate alignment of municipal planning with other spheres of Government as far as Agricultural Development is concerned.
- ❖ To support Local Municipalities in all areas of agricultural development.

Diversity Characterises of ADM Resource Base

The ADM area has **diverse natural resources** in terms of topography, climate, soils, gradient, vegetation, temperature and rainfall. These natural resources are generally **limited in agricultural potential**, particularly with regard to intensive agricultural enterprise development. The exceptions are the coastal strip with its higher rainfall and deeper soils and some 7,900 ha of developed irrigation in the district. The greater part of the district is however restricted to low income, **extensive livestock production** utilizing natural vegetation.

Selection of Significant Agricultural Enterprises

A process of selection of the most significant agricultural enterprises within the ADM has been made in terms of existing production and potential. This is based on an assessment of the natural resources and a Relatively Homogeneous Farming Area (RHFA) analysis has identified the following enterprises in an approximate order of importance to the economy of the ADM.

- **Livestock - Sheep and beef:** Generally farmed together for pasture management, there is declining profitability in real terms with a shift from small stock to beef and to game in the commercial sector. However, together this is the largest sector in terms of land area, economic contribution and participation and has primary strategic value in both economic and socio-political benefits within the ADM.
- **Dairy (Milk Production):** This specialised sector, largely along the coastal strip and where irrigation exists inland, exists primarily in the mainstream commercial sector. . There is limited potential for expansion as a commercial enterprise due primarily to market surpluses.
- **Game Farming:** Increasing growth, along with the trends provincially, but at lower growth rates (some 5% p.a.) than neighbouring districts due to physical resource limitations. Game farming has significant potential for further growth, but is limited in communal areas by challenges linked to land consolidation and high capital investment costs.
- **Citrus:** The only fruit with any potential for increased production over and above the 3000ha in the district. Citrus is a long-term investment, with high capital costs and high management requirements and profitability is closely linked to the exchange rate, making it currently marginal. A possible crop for new farming enterprises entering mainstream commercial terrain, but viability is not favourable at current exchange rates and even if viable, would require extensive mentoring and marketing support.
- **Tunnel / Hydroponic production:** Tomatoes, cut flowers and high value vegetables dominate this rapidly growing industry, limited to the coastal strip (7km from the sea). Water is limiting, but growth is positive and foreign investor confidence is growing. Management, finance and market complexity and very high investment costs (R1.5million / ha) along with high risks limit potential for impacting large numbers of people, though relative economic impact is significant.
- **Vegetables and Irrigated crops:** Typically, irrigation crops are medium to high value vegetables. The former 9 parastatal schemes covering 2200 ha and impacting directly on some 6000 people are utilised at some 20% to 30% of potential. Revitalisation strategies which invest in skills development, organisational growth, market linkages as well as physical repairs have shown substantial success nationally and could be replicated within ADM. Impact could extend to 24,000 new jobs and some R90 Million in turnover per annum with secondary benefits of homestead food production through parallel initiatives in surrounding villages. Potential for multiple small schemes (20 to 50 ha) exists in the eastern half of the ADM (former Transkei), with higher rainfall, good alluvial soils and high population densities creating favourable resource and market situation.
- **Field crops:** The primary field crop is maize and though the province contributes less than 1% to the countries total production it is widely prevalent, impacts a large number of people and is particularly valuable as a food crop when traditionally intercropped with pumpkins and beans. Maize is subject to large fluctuations in prices and combined with declining yields in communal areas presents both risk and opportunity for intervention. The Massive Food Production program targets maize and future programs need to be aligned with and learnt from this initiative. New

possibilities, such as in-field rainwater harvesting developed by the Agricultural Research Council, which reduce the risk of crop failure by up to a factor of 9, show increased yields and also introduce fertility improving low-till planting and mulching have significant potential to meet food production and poverty alleviation objectives.

- **Poultry – Broilers and Layers:** A number of commercial poultry units are operational in the ADM. These are intensive and highly sensitive to national market fluctuations and require high levels of management which are associated with high risk. Small-scale poultry production has been widely attempted but without the anticipated returns or levels of success and may have relevance at a micro-project level.
- **Pineapples:** The conditions for pineapple cultivation are sub-optimal along the ADM coast and the industry has been in decline over the last 4 decades. While some recent joint venture success in Ngqushwa LM is reported and presents a case for optimism, there remains uncertainty about further investment given the export market dependence and links to the exchange rate.
- **Acquaculture / Mariculture:** There is some potential for aquaculture and good potential for mariculture in the ADM. The tourism industry linked to trout in the higher-lying dams is significant and more important than the value of the fish themselves. Abalone, oysters and kob present opportunity for both industrial and small-scale community initiatives and could be established at Qolora or the IDZ.

The relative importance of these enterprises differs in terms of contribution to employment, poverty alleviation and numbers of people impacted. It is important that for any sector, there are substantial variations between the predominantly commercial farming systems and the communal farming areas which have a mix of farming styles with varying agricultural contribution to livelihoods.

Land Use and Land Reform

The ADM region is characterized by **diverse land use and ownership** linked to natural resources as well as past political systems and boundaries. Areas of the former Ciskei and Transkei are mainly communally owned with high population densities. These exist alongside privately owned commercial farm land with much lower population densities and very different agri-enterprises.

The process of **land reform is critically linked to transformation** of agriculture and there is a need to align the Agricultural Development Plan with the Land Reform and Settlement Plan.

Communal Agriculture

The communal farming areas are characterised by low technical input, low cost, low yield enterprises with poor infrastructure and support services. The agricultural enterprises are very limited in their potential to increase the contribution to the Gross Domestic Product of the area due to a number of constraints, which include :

- Increased rural population densities.
- The economies of scale, control and management of breeding, grazing, nutrition and disease, are restricted through the lack of private land ownership and the resultant limited access to the means of production by the more successful farmers.
- The ratios of large stock to small stock and of productive to unproductive animals in a given environment are, under the communal systems, difficult to optimise.
- Overstocking, particularly in sensitive sweetveld, steep and erodible areas, have resulted in degradation of the natural resources and a resultant reduction in economic return and

sustainability.

- Poor infrastructure and limited access to such infrastructure, services and information.

While the potential to impact on GDP is limited, agriculture (both livestock and crop production) has significant potential to reach large numbers of people who engage in agricultural activities as part of the mix of their livelihood strategies. The impact on risk reduction and nutritional security through intensive homestead food gardening and support to small livestock for example are linked directly to benefits for children, all within the locus of control of women (within the homestead) and is a clear strategic socio-economic opportunity.

Commercial Agriculture

Commercial agriculture is characterised by private ownership, larger more viable farming units, higher levels of technical input and expertise, higher cost structures, higher yields and access to better infrastructure and support systems.

Institutional Coordination

The lack of adequate integration of planning activities and objectives between role players within the agriculture sector (ADM, LMs, Department of Agriculture etc.) and the **lack of co ordination of activities**, services and support measures, has been identified as **a major constraint** within the sector.

The need to identify specific institutional roles between the DM, the LM's and the Department of Agriculture among others, is central to optimising the limited capacity and financial resources and to successfully implement any strategic plan for agriculture in the District.

KEY FOCUS AREAS PER SECTOR

- Livestock improvement
- Food security
- Provision of cropping machinery
- Agro processing
- Manufacturing
- Agrarian Reform
- Rural development
- High impact investment programmes and projects
- Formation of partnerships
- Drought relief intervention plan
- Support to LMs

2.2.2 LAND REFORM, SPATIAL PLANNING AND HUMAN SETTLEMENTS

The government's priority since 1994 has been to meet the basic needs for millions of South Africans living in poverty. Land Reform, proper Spatial Planning and provision of adequate Sustainable Human Settlements are amongst those that ensures government mandate is realised. The objectives of the components for these programmes include matters related to :

- Ensuring accessibility to land as enshrined in the Constitution (Chapter 2, Section 25 of the Constitution of the Republic of South Africa, 1996 Act 108 of 1996), driven through the Land Reform Programmes, as per the National Land Policy 1997 and relevant legislations;
- Strategic identification of key Spatial Development main nodes and zones of potential development, natural, systems and environmental areas where development had to be

managed. This being performed through a guide to areas regarding their great need and priorities for investment in development and associated interventions and management principles for spatial planning decision making process (es) and direction of growth.

- Provision of adequate, viable and sustainable human settlements, including housing in line with the provision of both the National and Provincial policy and legislative prescripts as well as ensuring organized method of land development, including settlement planning and other land administration processes, through applicable and acceptable land development laws.

□ A) LAND REFORM

Amathole District Municipality developed a “*Land Reform and Settlement Plan*” in its IDP (revised and reviewed in 2009/10), which was prepared specifically to address the key land issues relating to land reform and settlement development in the District.

The Policy on Land Redistribution for Agricultural Development (2000) makes an explicit provisions for the district municipalities to play a role, and the involvement of local role – players to assist in the application process specifically the planning for land reform should occur in close co – operation with district and local municipality role players. As such, ADM has proactively engaged with land reform programmes and its operation through its Land Reform and Settlement Plan.

The Land Reform & Settlement Sector Plan therefore forms part of the ADM IDP document, as a Chapter like all Sector Plans.

The **purpose** of the LR&SP is:

“To enable the ADM to undertake its core function to assist local municipalities within its area of jurisdiction to meet the need for land reform, land and settlement development and related land use management within the Amathole District and to achieve integrated and sustainable socio-spatial development.”

The complexity of the Land Reform environment has been acknowledged throughout the LR&SP, with specific reference to the identified challenges located within the areas of **land access, land tenure, and land administration**.

It is clear that land reform must be seen as a **composite suite of issues** and interlocking components, the precise make up of which differ from one Local Municipal Area to the other.

Some of these components include :

- land identification,
- land acquisition,
- in-situ upgrade and tenure upgrade,
- land planning for residential and productive uses,
- Land-legal issues (eg. land rights audits, title adjustments, land survey, registration of ownership, etc.),
- post implementation livelihoods support,
- post implementation land use management, and
- Infrastructure/asset maintenance and operation issues.”

As implicated above, in terms of White paper on Land Policy most land reform activities tend to exclude municipalities in favour of the provincial and national spheres of government. Nevertheless, the issue of Constitutional division of powers and functions to be performed by the three spheres of government, as well as the division of powers of functions between the Category Bs and Category C Municipalities, is clearly indicated in the recommendations of the Municipal Demarcation Board in terms of the Local Government: Municipal Demarcation Act 27 of 2000.

It is acknowledged that land reform is a specific functional competency of the National Department of Rural Development and Land Reform. However, it has been the policy of the National Department to ensure that the implementation of the delivery of land reform “products” is undertaken at the local level of government.

Within the ADM area of jurisdiction, the municipal assignment of powers and functions has resulted in the following division:

- Municipal Planning – assigned to the Category B municipalities;
- Settlement Planning, planning for land development and land use management – assigned to Category B municipalities;
- Capacity Building (in relation to abovementioned functions) – Category C municipality (ADM).

This effectively means, that within the context of the ADM LR&SP, the principle role in driving land reform processes and initiating land and settlement planning resorts with the local municipalities, whilst the ADM would only render support and assistance to these municipalities, in relation to the performance of these functions, when a specific need arises, or when called upon to do so by the relevant local municipality. A visible manifestation of the implementation of the above will clearly be found in the Implementation Plan dealing with the areas of Support and Capacity Building for local municipalities.”

It is important to add that a legislative imperative exist in specifically the Local Government: Municipal Systems Act 117 of 1998, in terms of which the District Municipality is charged with the duty to build the capacity of local municipalities within its area of jurisdiction to ensure that such municipalities are capable of performing their duties and functions (Section 83).

In broad terms, the ADM Land Reform Plan has since had substantial changes as when it was reviewed in 2005. These changes were effected due to changes in the applicable policy and legislation, most notably, the promulgation of the Communal Land Rights Act 11 of 2004 as well as policy changes relating to the acceptance of the validity of land claims made in cases of loss due to betterment planning.

However , in terms of progress made to achieve key objectives proposed the following can be highlighted:

- ❖ The strategic partners critical for assisting with the implementation of the Plan – The LR&SP Management Forum inaugurated
- ❖ ADM is engaged in an ongoing support for project implimentation and capacity building for local municipalities.
- ❖ Tools to ensure effective land administration at local and district level are in place

The key challenge for the District in Land Reform process is to deal effectively with the injustices of land dispossession, equitable distribution of ownership, reduction of poverty and economic growth, tenure security as well as System of Land Management which will support sustainable land use patterns. This is further exacerbated by the ineffectiveness of Communal Land Rights Act (ClARA) of 2004 and its repeal eventually. ClARA was a piece of legislation that was meant to make a legal provision for the transfer of

land to communities or individuals and for conditions of transfer. The process is now being reviewed through Green Paper in Land Reform.

Further, areas requiring some attention during this analysis phase of review is:

- specifically the capacity building and support mechanisms in relation to project planning, management and implementation
- Co-ordination of the monitoring and valuation function to ensure ongoing measurement of land reform implementation(linked to the ADM's legislative duties and obligations in relation to Land Reform, as more fully explained here above).
- Clear guidelines for role of ADM with regard to National mandate of Rural Development through the Comprehensive Rural Development Programme(CRDP) Framework as well as the alignment of the Provincial Rural Development Strategy to CRDP.

Linkages and impact analysis

Apart from the ADM LR&SP, other Municipal Plans compiled by the ADM, have linkages and impact to a lesser or greater extent in the Land Reform Plan. These include :

- Integrated Local / Regional Economic Development Strategy;
 - Agricultural Development Plan;
 - Integrated Water Services Development Plan;
 - Integrated Housing Strategy;
 - District Spatial Development Framework.
- *District Spatial Development Framework*

The District Spatial Development Framework (DSDF) is to serve as a guide to the ADM and all local municipalities within the ADM's area of jurisdiction regarding the spatial areas of greatest needs and priority for investment in development and associated interventions. It is linked to the identified areas for land reform and settlement development as identified in the LR&SP.

DSDF is more than aligned to the ADM Land Reform Programme as it is made up of building blocks that are derived from the proposals in the LR&SP as well as proposals contained in the other sector plans completed by the ADM and forming part of the reviewed IDP.

- **Broad Development Context**

Nationally the following developments occurred and the analysis phase managed to touch base on such so as to ensure alignment and opportunities and these include :

❖ *National Development Frameworks*

- ASGI-SA
- JIPSA
- OPERATION CLEAN AUDIT
- New Strategic Vision for Land & Agrarian Reform

❖ *The National Land Summit*

Part of the Resolutions includes convening of a National Land and Agrarian Forum to bring stakeholders on board and which would be cascaded down to municipalities with the aim:

- Secure agreement on a National Implementation Plan
- Identify legislative & Policy reforms required
- Review institutions tasked with implementing Land Reform

- Monitor implementation

Areas of alignment of this initiative to the ADM Land Reform include matters as outlined hereunder:

- Building partnerships
- Ensuring linkages exist with National Land Audit
- Input into legislative review processes

❖ *Strategic Vision For Agrarian And Land Reform –*

The strategic objectives of this Strategy include:

- Claims to be finalised by 2012
- 30 % agricultural land redistribution by 2014
- Land summit recommendations to be implemented
- Effective participation by women and youth
- Enhancing delivery capacity of State Machinery in relation to Land Reform

❖ *Comprehensive Rural Development Programme*

This framework advocates for a holistic approach to rural development and poverty alleviation, focusing on local democracy, rural local economic development and provision of rural infrastructure. The comprehensive Rural Development programme sets out a vision to “create vibrant, equitable and sustainable rural communities through a three-pronged strategy based on:

- A coordinated and integrated broad-based agrarian transformation;
- Strategically increasing rural development;
- An improved land reform programme.

❖ *Provincial Growth and Development Plan (PGDP)*

Core objectives include:

The four Strategic objectives of LR&SP were all found to be PGDP compliant in terms of public sector and institutional transformation as well as Human Resource Development. It integrated well in relation to agrarian transformation, household food security and systematic poverty eradication as well as infrastructure development. The PGDP stresses the need to secure land access for rural communities. This strategic focus reinforces the components of model 2 type settlements as set out in the LR&SP. In particular the approach stresses the integration of housing elements with livelihood elements in project planning and implementation.

❖ *The Provincial Spatial Development Plan*

This plan forms part of the PGDP to provide a framework for future development within the Eastern Cape.

❖ *Land Reform Area Based Plan*

Upon approval the plan will complement the existing ADM Land Reform and Settlement Plan.

The objectives of the Area Based Plan are:

- To improve the alignment and sustainability of the land reform projects;

- To promote sector alignment: agriculture, LED, Integrated Sustainable Human Settlements, tenure security/upgrade linked to the provision of basic services
- To promote the objectives of intergovernmental relations with municipalities and sector departments;
- To empower communities to participate actively in project formulation and implementation of land reform projects.

This analysis was undertaken to determine the exact progress to date, to identify challenges and to propose remedial actions.

KEY ISSUES AS IDENTIFIED

During the analysis the following issues were identified:

- Land reform initiatives largely remain geographically focused and limited to certain types of interventions, to the detriment of a preferred, holistic implementation of the complete land reform package;
- Land Redistribution Planning Needs have focused on certain areas where eg. commonage needs are extensive throughout the district;
- Implementation capacity is viewed as a serious challenge in land reform implementation throughout the area and specifically communication of the deliverables and the rate of implementation have been of concern;
- Breakdown of Land Administration Systems (in respect of both the legislative, regulatory and administrative aspects thereof) throughout the district has led to uncertainty and tensions;
- Tenure insecurity remains prevalent with the recent repeal of Communal Land Rights Act No.11 of 2004, to be addressed on the proposed Green Paper on Land Reform,
- Weak integration of existing land reform initiatives into the process of developing livelihoods and land productivity (It was specifically noted that projects appear to be addressing beneficiary needs in terms of housing *or* in terms of livelihoods, but often not in an integrated, sustainable manner);
- A need has been identified for a “clear and workable institutional framework for the delivery of land reform in its various components throughout the district. This emanates from unclear roles between relevant sector departments Traditional leaders and municipalities with regard to demarcation of sites in rural areas.

The above information explicitly demonstrate that Land reform is essential to permit economic progress and to ensure that the required redress does in fact take place, and that women and youth also receive the necessary support.

It thus acknowledges that development should be more than the striving for material improvement, but that "Ubuntu" should form an integral part of such development strategy which will imply a striving for:

- Social Justice
- comprehensive consultation and joint decision-making
- the alleviation of all forms of suffering (or satisfaction of basic needs)

- respect for the local eco-system & local and cultural patterns, and the advancement of people through their own endeavours-freedom of expression

As such everybody had to remain committed to ensure that ultimately the IDP & LR&SP that will translate in "improved humanness" for all communities will succeed.

The land development initiatives on Land Reform for the District are clearly outlined in the Revised Land Reform and Settlement Plan.

□ B) SPATIAL PLANNING

The **ADM SPATIAL DEVELOPMENT FRAMEWORK** is:

"A clear Strategic tool of identification of key Spatial Development main nodes and zones of potential development, natural, systems and environmental areas where development had to be managed properly."

In terms of Section 26 (e) of the Municipal Systems Act (Act no. 32 of 2000), a Spatial Development Framework (SDF) in respect of a Municipality's area of jurisdiction is a legally required component of a Municipality's Integrated Development Plan (IDP).

In terms of the Act, the SDF, once approved by the Municipal Council, has the status of a statutory plan that serves to guide and inform all decisions made by the Municipality with regard to spatial development and land use management in its area of jurisdiction.

The 1st Generation of Amathole District SDF is essentially a component of one of the District Municipality's key sector plans, the Land Reform & Settlement Plan (or LRSP), which was developed along with a number of other sector plans in a concerted planning process in 2003. The LRSP was reviewed and updated in 2005.

With the commencement of a new 5-year IDP cycle in 2007, the Amathole District Municipality resolved to approve the District SDF as an alone-standing document in its own right and to undertake a concerted review of its SDF annually in line with the IDP review process.

BACKGROUND

In accordance with the Local Government Municipal Planning and Performance Management Regulations (R. 796 of 2001) made in terms of the Municipal Systems Act, the reviewed Amathole District SDF sets out to:

- *Identify the key spatial development features (trends and dynamics) currently applicable in the Amathole District Municipality;*
- *Establish the objectives of the Amathole District Municipality in relation to spatial development in its area of jurisdiction, with particular emphasis on clarifying the principles to be followed in the management of such spatial development in the area;*

- *Identify the Municipality's strategies and policies that are adopted to achieve its spatial development objectives. These focus on:*
 - ✓ Establishing a clear depiction of specific development corridors and development nodes; and
 - ✓ Delineating Special Development Areas, which are: -
 1. Areas where strategic development intervention is required (areas of particular development potential and/or areas where current development activities represent a development opportunity); and
 2. Areas where priority spending is required (areas of special need)

The ADM SDF illustrates the above information on maps; and set out basic guidelines for a land use management system in Amathole District Municipality, with due acknowledgement of the fact that the District Municipality itself is not a land use regulator in the first instance.

FEATURES OF SDF

The Amathole District Municipality is not a land use regulator in the first instance. Therefore, given that the District Municipality has as one of its core functions the responsibility of supporting Local Municipalities within the Amathole district to carry out their assigned responsibilities and statutory functions, the District SDF is designed to: -

- Act as a ***spatial expression*** of the District Municipality's IDP in so far as it aims to illustrate:
 - The spatial dimensions of the key strategic focus areas of the District Municipality
 - The key informants to spatial development at a district level, including: -
 - ✓ Programme/Investment Priorities of the ADM
 - ✓ Areas of Identified development potential
 - ✓ Areas of identified development need (basic needs)
 - ✓ Environmental Considerations (that is, natural systems and areas of environmental value, which require spatial development to be managed and/or limited)

It is important to note that, at this juncture, each of the Local Municipalities in the Amathole District has in place a Spatial Development Framework, either approved as an alone-standing document or as a component of their IDPs.

This means that the District SDF is not formulated to duplicate the information contained in the LM SDFs but rather to establish at a broader level key principles and guidelines that could be used by Local Municipalities to inform the prioritisation of development and related investment decisions on a spatial basis.

OVERVIEW

Initially the Amathole District SDF formed a component of the Amathole District Land Reform & Settlement Plan. It was compiled as one of the outcomes of the LRSP, with inputs from a number of Sector Plans that were developed concurrently, which included the District Environmental Strategy, the District Integrated Transport Plan, the District LED Strategy, etc.

KEY ELEMENTS

The ADM SDF has a strong focus on the spatial elements of development, which were informed by the spatial elements derived from other Sector Plans developed in tandem, as listed above. The following is a brief description of the key elements making up the current ADM SDF: -

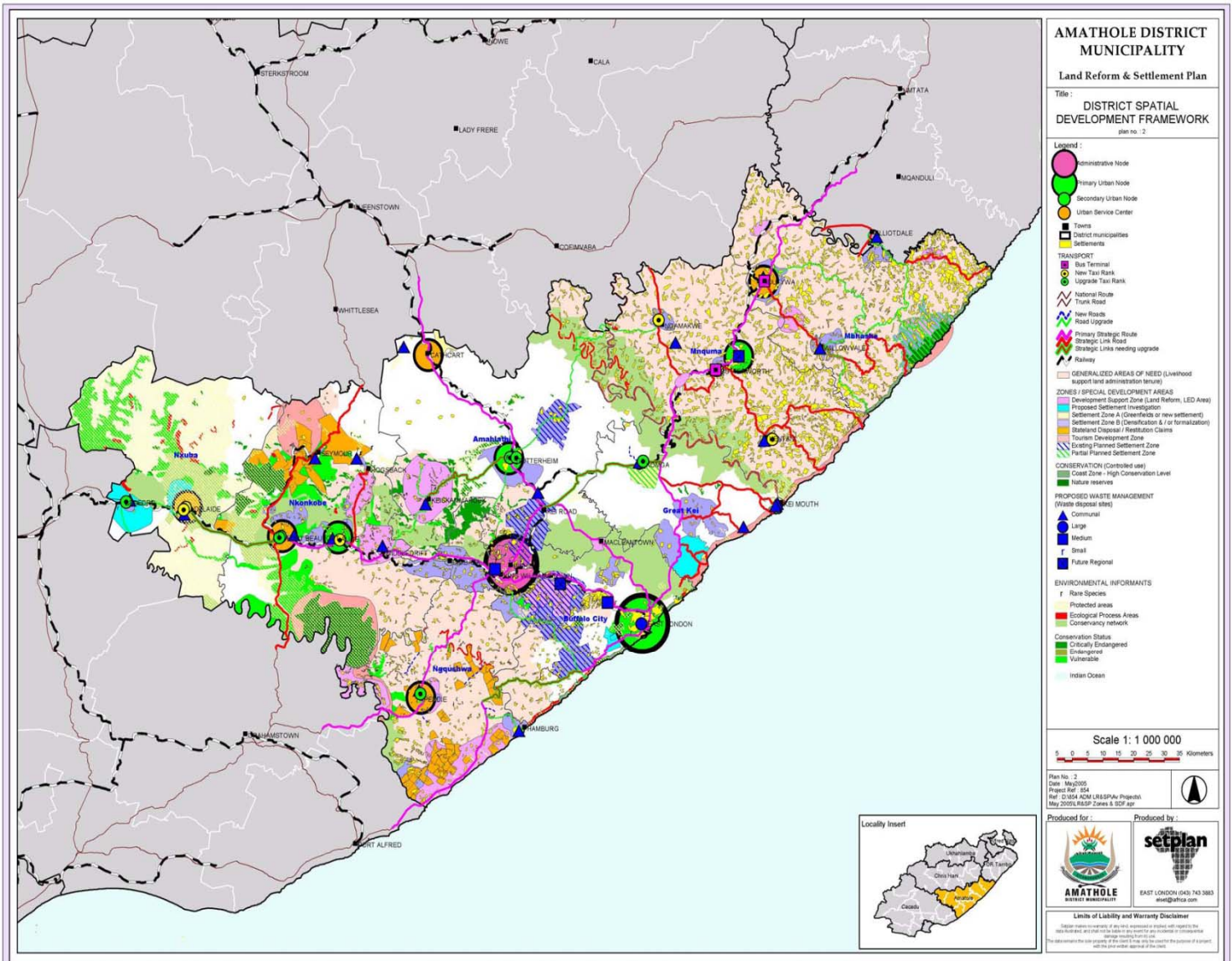
Structuring elements

The current SDF identifies a number of spatial structuring elements (that is, spatial areas or features that provide a structure and/or a pattern to inform development initiatives and associated financial and human resource investment).

These Structuring Elements are set out in the SDF component of the LRSP as: -

- A Hierarchy of Settlements
- The Identification of Special Development Areas
 - ✓ Land Reform & Settlement Zones
 - ✓ Tourism Development Zones
- Key Transport Routes
- Cross-Boundary Infrastructure & Facilities
- Generalised Areas of need
- Environmental Informants/Conservation

The District Spatial Development Framework is illustrated below :

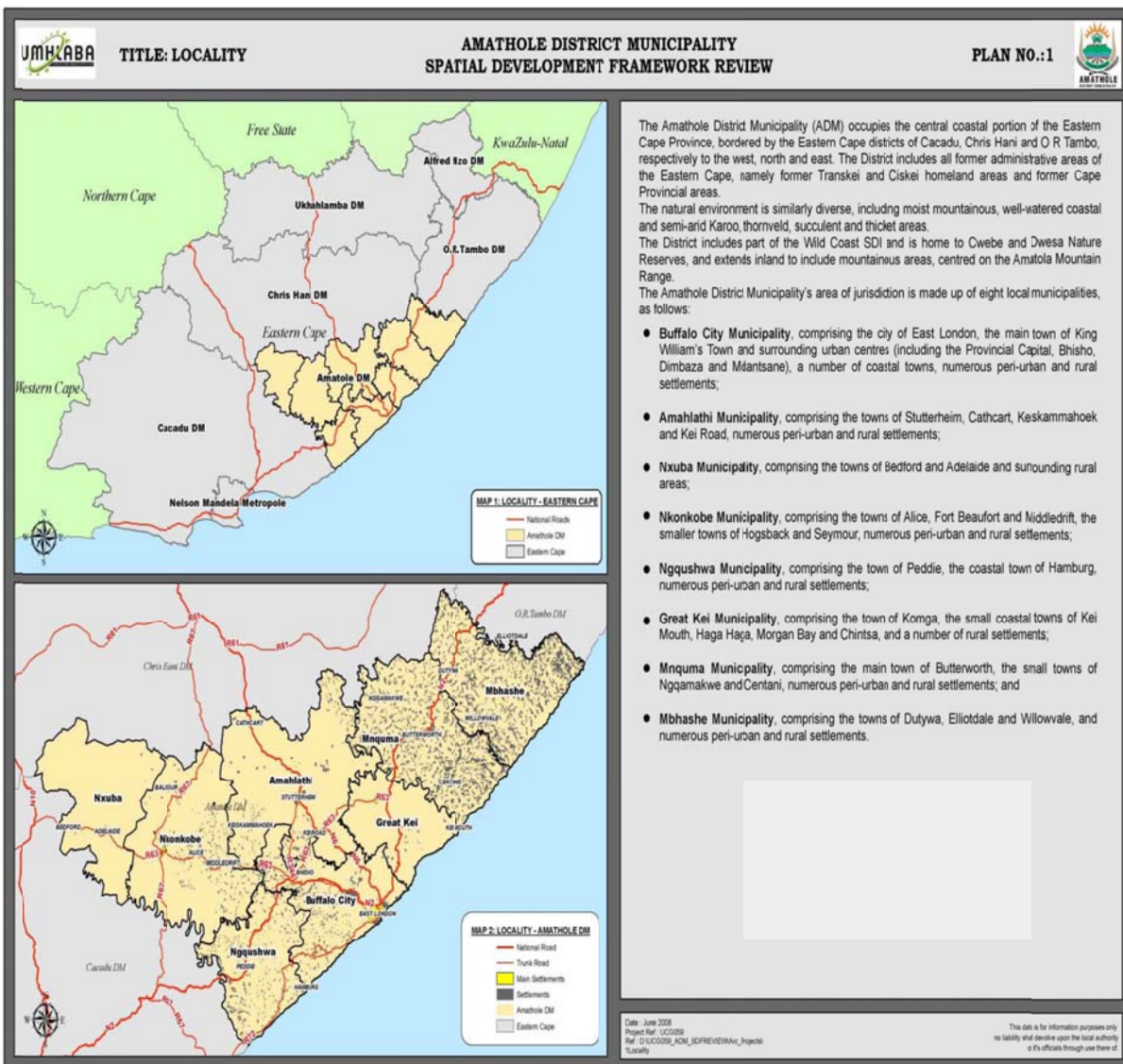


- A brief overview of current Development Status Informants, which form the planning context within which key focus areas for the Review are to be identified
- Key Current Policy and Legal Informants
- Strategic Framework for SDF Review
- SDF proposals
- LUMS Guidelines
- Comment on Implementation

THE SPATIAL ANALYSIS AS PER MAPPING PROCESS

These are focussing on

- ❖ *Locality*
- ❖ *Natural environment*
- ❖ *Bio-physical environment*
- ❖ *Demographics*
- ❖ *Land Use (Land Cover)*
- ❖ *Basic infrastructure*
- ❖ *Social infrastructure*
- ❖ *Socio-economics*
- ❖ *Land issues and*
- ❖ *Key environment informants [SEE MAPS BELOW]*



KEY FOCUS AREAS OF DEVELOPMENT

Based on a consideration of the information set out in various Plans as well as a perusing documents listed in the IDP, the following are taken as key focus areas for spatial development in the Amathole district: -

- As a Water Services Authority and Water Services Provider in seven Local Municipalities, the focus of ADM's efforts in the provision of water and sanitation services falls on:
 - Ensuring a basic minimum level of service to all communities resident in the areas of the seven LMs (i.e. excluding the area of Buffalo City Municipality, which is a WSA for its own area). Given the status of current Level of Service (LOS) for water provision, these areas are mainly located in the municipal areas of Mbhashe and Mquma.

**LIST OF SECTOR DEPARTMENT'S COMMITMENTS TO AMATHOLE DISTRICT
MUNICIPALITY'S IDP FOR 2011/2012 FINANCIAL YEAR**

ECPTA – Eastern Cape Parks & Tourism Agency			
LM AND SERVICE DELIVERY PLAN: Nature Reserve	Project name/PRIORITY AREAS	BUDGET ALLOCATION	Project Description
ADM & BCM	ELNCNR	R8,000,000	Up-market ported hiking trail through the East London Coast
Great Kei & Ngqushwa	Cape Morgan Hamburg	R12,000,000	Up market self catering units Conference facility Artists Retreat Centre
Nkonkobe Fort Fordyce	International Hunting	R8,000,000	Up market accommodation for international hunters
Nxuba	Development concept	R18,000,000	Conference facility with mid market accommodation units
Nxuba, Ngqushwa & Nkonkobe	Theme Lodge	R35,000,000	Up market Lodge and Conference facility
Mbhashe Dwesa Cwebe	Self Catering Units Lodge	R11,000,000 R32,000,000	Demolish old chalets and build self catering units Fully catered lodge

National Department of Environmental Affairs

LM AND SERVICE DELIVERY PLAN: 11-14	Project name/PRIORITY AREAS	BUDGET ALLOCATION	Project Description
Amahlathi	Wattle Eradication	R7, 500, 000,00	Clearing of black wattle along rivers and rivulets
Amahlathi	Rehabilitation of wetland	R4,900,000,00	Removal of wattle in an area of 100Ha, construction of gabions and wooden paths along wetland
Ngqushwa (Hamburg and coastal areas around)	EC – Wftc Keiskamma to Kenton-on-Sea	R8,500,000	Beach clean up and rehabilitation
Great Kei & Buffalo City	EC – Wftc Keiskamma to Kei Mouth	R11,000,000	Beach clean up and rehabilitation
Mbashe, Mnquma (Qolora and surrounding coastal areas)	EC - Wftc Mbashe to Kei Mouth	R7,000,000	Beach clean up and rehabilitation
Nkonkobe (Fort Fordyce)	Clearing of Wattle and other alien invasive vegetation within the reserve	R14,820,000	Rehabilitation of Eco systems at Fort Fodyce Nature Reserve
Great Kei (Kei Mouth)	Municipal Recreational Park	R5, 000,000	Beautification and revamping of infrastructure through the development of recreational facility for the community
Buffalo City (Mdantsane)	Mdantsane Composting Site	R3, 000,000	Establishment of a composting site at Mdantsane Nursery
Buffalo City (Kwelerha)	Establish Botanical Garden	R30, 000,000	Establish and construct a new Botanical Garden in Kwelerha
Great Kei	Upgrade of a Camping facilities at Double Mouth Nature Reserve	R4, 900.0000	Upgrade ablution facilities, water reticulation and sewage disposal system, construct laundry room and

			construction of a facility for day visitors at Double Mouth Nature Reserve
Mbashe (Nqabara)	Dwesa - Cwebe Nature Reserve		Construct a cultural village comprising of 20 rondavels for two, construction of ablution facilities, signage and erection
Buffalo City (Mdantsane & Duncan Village)	Eco Parks: Mdantsane and Duncan Village	R15, 000,000	Landscaping & planting of grass and trees in Mdantsane & Duncan village
Buffalo City & Great Kei (King Williams Town & Komga)	Street Cleaning: King Williams Town & Qumra	R8,000,000	Sweeping, instalation of bins, tree planting
Ngqushwa (Peddie)	Street Cleaning: Peddie & Grahamstown	R8,000,000	Litter picking installation of street furniture & planting of trees
Mbashe (Dutywa)	Street Cleaning & beautification in Dutywa	R5,000,000	Litter Picking, installation of street furniture & planting of trees
Nxuba (Adelaide & Bedford)	EC Nxuba Greening and Beautification	R20,000,000	Greening & landscaping, installation of entrance signs
Mnquma	EC Greening Mnquma Municipality	R17,000,000	Alien removal, Wetland rehabilitation, landscaping, Signage, Gateways beautification, Tree planting
Nkonkobe	EC Nkonkobe Land and Wetland Rehabilitation	R17,000,000	Alien removal, Wetland rehabilitation, landscaping, Signage, Gateways beautification, Tree planting
Mnquma (Butterworth)	EC Street Cleaning and Greening Mnquma Municipality	R40,000,000	Tree planting, street market pedestrianization, upgrade storage facility, street cleaning and sweeping, bins and street cleaning equipment, public

			awareness, upgrade ablution facility, composting and food gardens, Integrated waste management Plan
Alice - Ext 1-5	-	1 099 885	Nkonkobe Municipality
Alice - Nze/ Hillcres	-	3 179 173	Nkonkobe Municipality
Fort Beafort: Newtown - R/L - (662)	-	7 295 121	Nkonkobe Municipality
Middledrift 311	-	7 141 797	Nkonkobe Municipality
Seymour (Php) - (232)	-	6 993 404	Nkonkobe Municipality
Seymour (Php) - (465)	-	14 871 453	Nkonkobe Municipality
Adelaide: Phase 2 - R/L 1 - (624)	-	8 172 450	Nxuba Municipality
Adelaide: Phase 2 - R/L 2 - (481)	-	6 081 815	Nxuba Municipality
Bedford: Zink Houses - (172)	-	5 205 986	Nxuba Municipality
Bedford: Goodwin Park - R/L 1 - (200)	-	4 083 515	Nxuba Municipality
Adelaide Mudhouses 428	-	15 715 454	Nxuba Municipality
Macleantown	-	1 064 472	ADM
Lillyvale	-	543 840	ADM
Mt Pleasant	-	15 700 000	Nkonkobe Municipality