



# **Integrated Development Plan**

**2011 / 2012**

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## ACRONYMS

AG	Auditor General
AIDS	Acquired Immune Deficiency Syndrome
AsgiSA	Accelerated and Shared Growth Initiative
BBBEE	Broad-based Black Economic Empowerment
CASP	Comprehensive Agricultural Support Programme
CBO	Community-Based Organization
CIDB	Construction Industries Development Board
CTO	Community Tourism Organisation
DEAT	Department of Environmental Affairs and Tourism
DEDEA	Department of Economic Development Environment Affairs
DLA	Department of Land Affairs
DLGTA	Department of Housing, Local Government & Traditional Affairs
DM	District Municipality
DME	Department of Minerals and Energy
DoA	Department of Agriculture
DoE	Department of Education
DORA	Division of Revenue Act
DoRT	Department of Roads and Transport
DoSD	Department of Social Development
DPLG	Department of Provincial and Local Government
DPW	Department of Public Works
DSRAC	Department of Sports, Recreation, Arts & Culture
DTI	Department of Trade and Industry
DTO	District Tourism Organisation
DWAF	Department of Water Affairs and Forestry
ECDC	Eastern Cape Development Corporation
ECDOH	Eastern Cape Department of Health
ECPB	Eastern Cape Parks Board
ECSECC	Eastern Cape Socio Economic Consultative Council
ECTB	Eastern Cape Tourism Board
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
ESTA	Extension of Security of Tenure Act
EU	European Union
GGP	Gross Geographic Product
GRAP	General Regulations on Accounting Practice
HDI	Human Development Index
HR	Human Resources
ICT	Information and Communication Technologies
IDP	Integrated Development Plan
IDT	Independent Development Trust
IGR	Intergovernmental Relations
IMATU	Independent Municipal and Allied Trade Union
ISRDP	Integrated and Sustainable Rural Development Programme
IWMP	Integrated Waste Management Plan
JGDM	Joe Gqabi District Municipality
JIPSA	Joint Initiative on Priority Skills Acquisition
KPI	Key Performance Indicator
LED	Local Economic Development
LM	Local Municipality
LRAD	Land Redistribution and Agricultural Development
LTO	Local Tourism Organisation
LUPO	Land-Use Planning Ordinance
M&E	Monitoring & Evaluation
MAFISA	Agriculture Microcredit Fund
MFMA	Municipal Finance & Management Act
MHS	Municipal Health Services



MIG	Municipal Infrastructure Grant
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NAFCOC	National African Federation of Chambers of Commerce
NEMA	National Environmental Management Act
NSDP	National Spatial Development Perspective
OTP	Office of the Premier
PDI	Previously Disadvantaged Individual
PGDP	Provincial Growth and Development Plan
PHC	Primary Healthcare
PMS	Performance Management System
PPP	Public-Private Partnership
RDP	Reconstruction and Development Plan
RDS	Rural Development Strategy
RSS	Rapid Services Survey (conducted by Fort Hare for the Office of the Premier in 2006)
SAHRA	South African Heritage Resources Agency
SALGA	South African Local Government Association
SANRA	South African National Roads Agency
SAPS	South African Police Services
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEDA	Small Enterprises Development Agency
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMME	Small, Medium & Micro Enterprises
SPU	Special Programmes Unit
TAS	Turn Around Strategy
TB	Tuberculosis
WSDP	Water Sector Development Plan

## FOREWORD BY THE EXECUTIVE MAYOR

In terms of the Local Government: Municipal Systems Act (Act 32 of 2000), Section 25 (1) each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which, *inter alia*, links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality and aligns the resources and capacity of the municipality. Section 34 of the Act provides for the annual review of the IDP in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demand.

I have pleasure in presenting this Integrated Development Plan (IDP) which is the strategic planning document for the Joe Gqabi District Municipality that have informed the budget and service delivery plans of the District. This IDP represents a last review of the IDP that was adopted by the Council in the 2006/07 financial year. I must highlight and emphasise that this Council remains committed to realise its vision of improved quality of life for all residents of the District, especially improving the conditions of our poor people. This IDP seeks, *inter alia*, to:

- Outline a strategic approach which will be followed by the District in dealing with the key socio-economic development matters confronting our communities throughout the District.
- Provides a clear framework within which all of the stakeholders in the District's future can plan their own activities and it also enables communities of the District to participate in shaping the future of our region.
- Ensure that policies and plans are coherent and integrated across issues, stakeholders and between places.

It is of paramount importance for municipalities to focus on addressing the priority needs of communities and to ensure optimal involvement and participation of communities and all stakeholders in matters of the municipality. It is within this backdrop that the District established various structures and mechanisms with a primary objective of ensuring maximum participation of communities and stakeholders within the processes of IDP and budget compilation, implementation and monitoring. All fora established are functional. Our community participation programmes which include community based planning, Executive Mayor's political Outreach meetings, targeted stakeholder engagement sessions and so forth were successfully held. I must indeed extend my gratitude to all those who participated in all these engagements.

Together with our communities and stakeholders, we remain committed on our eight priority programmes. These include timber, agriculture, tourism, municipal services upgrading, social safety nets, access and linkages, water and sanitation, governance and administration programmes. Our service delivery and social development goals are based on these programmes with a view of deepening local democracy and accountability, improving service delivery, alleviating poverty and unemployment, addressing underdeveloped and promotion of socio-economic development, promotion of growth and sustainable environmental development. A focus on these programmes, in my view, sends a strong message to the community of the District, the country and the world that we are aware of our challenges and we have a clear vision and plans for the future socio-economic development of our region.

As reflected in this IDP document, as a District Municipality we have a multitude of service delivery challenges which can be resolved if we have unity in effort and understanding between the District, our local municipalities, National and Provincial Departments as well as our social partners and civil society. I am confident that these challenges are not insurmountable as we have managed to galvanise support and camaraderie between the District and all these stakeholders and partners.

I therefore present this IDP as our plan which commits the District to work closer with its communities, key stakeholders and partners to achieve and sustain improved quality of life for our communities.

Cllr. Nozibele Mtyali  
EXECUTIVE MAYOR

Comment [FS1]: Add in her initials

## FOREWORD BY THE MUNICIPAL MANAGER

This document is a 2011/12 revision of the Integrated Development Plan (IDP) of the Joe Gqabi District Municipality. The strategic objectives and targets contained in this document were reached subsequent to extensive systematic, structured internal and external consultation through various public participation mechanisms with the community and stakeholders within the Joe Gqabi district Municipality.

Local government, as a sphere of government, has its mandate well delineated in terms of the key issues that the current councils must focus on. These are outlined as follows:

- Service Delivery
- Participatory democracy
- Transformation of apartheid landscape
- Effective management in municipalities
- Maximization of revenue base
- Capacity building of municipalities for effective service delivery
- Local economic development
- Fighting crime, corruption and abuse of women and children
- Job creation, development of small, medium and micro enterprises and skills provision

The Municipal Turn-around Strategy identified what is referred to as the 'Local Government Ten Point Plan'. This plan points to the following matters:

- Improve the quality and quantity of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management
- Enhance the municipal contribution to job creation and sustainable livelihoods through LED
- Ensure the development and adoption of reliable and credible IDPs
- Deepen democracy through a refined ward committee model
- Build and strengthen the administrative, institutional and financial capacities of municipalities
- Create a single window of coordination for support, monitoring and intervention in municipalities
- Uproot fraud, corruption, nepotism and all forms of mal-administration affecting local government
- Deepen a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system
- Develop and strengthen a politically and administratively stable system of municipalities
- Restore the institutional integrity of municipalities

As far as service delivery and socio-economic development trajectory of the District is concerned, there have been various achievements though challenges still remain. As reflected in various plans recently developed by the District over the past years it is evident that there are huge infrastructure backlogs that the District must deal with. This presents a huge challenge for the District due to limited available resources. It will be crucial that the National and Provincial government intervene in order to address the service delivery challenges faced by the communities by making more funds available.

With regard to water and sanitation, the District is committed to deal with dilapidated infrastructure, water leakages and unaccounted-for water. To address these challenges, the District has initiated various interventions which include the reviewal of the Water Services Development Plan (WSDP), development of Water Master Plans, increase capacity of reservoirs and dedicating a larger proportion of the available budget to water and sanitation.

The District municipality has over the last 3 years implemented a permanent water source for Steynsburg area to the amount of R40 million and this project has been completed. The District has further commissioned a water treatment plant and this plant will serve about 5000 households in the Steynsburg area. The District will also allocate in the new budget an amount of 30 million to Steynsburg for a waste water treatment plant.

The District municipality is currently implementing a rural sanitation programme in both Senqu and Elundini municipality's and for this financial year to the amount of R40 million. The District also has an ambitious programme for the next four years to deliver rural sanitation to 37 000 households and the amount to be spent is R280 million. There is also a plan to spend an amount of R386 million over the next four years to provide water to 41 000 households in rural areas.

The Mt Fletcher dam has also been completed at a cost of R90 million. The town of Mt Fletcher and surrounding areas consisting of 7 300 households will benefit from this dam in the short term. The Lady Grey sanitation project is on course for implementation as the contractor was appointed last week.

The District has procured three fire engines. This will help build and strengthen the capacity of the District capacity to deal with fire hazards within the region. The District is also continuing with plans to have proper disaster centres in all municipalities and a consultant has been appointed to deliver on all these centres.

The District is currently implementing roads maintenance in Gariiep and Maletswai municipalities on behalf of the Department of Roads and Transport. The current agreement is for three years from 2010 to 2013 with a budget of R 30 million per year. During the past year the District formalised the appointment of 72 casual workers who have been working in the roads section for some time.

Overall, it is anticipated that these massive infrastructure projects will, as they assist in alleviation of the service delivery backlogs, provide thousands of jobs opportunities in line with the objectives of the new growth path.

Through the established mechanisms and systems for community and stakeholder engagements, the District is committed to engage the public in the affairs of the municipality. The IDP and budget processes are open to the public. Communities have been engaged through the community based planning processes, the various established forums, mayoral community participation programme, etc. The District appreciates all the inputs and engagements from various role players.

The matric pass rate improved in 2010 by 7.3% in the Eastern Cape Province. The District has prioritised education as it is very critical to the eradication of poverty. This will assist to provide better opportunities for employment which leads to household poverty reduction. The low levels of education within the region increases the levels of dependency on government grants and this becomes a vicious cycle of poverty and underdevelopment.

The skills development programme of the District, which includes learnership programmes leads to a skilled youth in the District. The District trained about 345 learners in the past five years in various areas, including animal production, mixed farming systems, water reticulation and new venture creation.

The District continues to suffer high unemployment rate as a result of the lack of viable industry in this District and the distant location of the District from the main areas of economic activity. This presents a challenge for the District. This requires a concerted effort towards a clear local economic development strategy.

The new growth path starts by identifying where job creation is possible, both within and across economic sectors. The aim is to target the limited capital and capacity so as to maximise the creation of decent work opportunities. The state will use both micro and macro economic policies to create a favourable environment.

The state will accelerate job creation through the following ways:

- Short term – direct employment schemes targeted subsidies/or a more expansionary macroeconomic package
- Short to medium term – support labour absorbing activities, especially in the agricultural value chain, light manufacturing and services (Provide inducement and subsidies to private investments in targeted sectors)
- Long term, as full employment is achieved: increasingly support knowledge and capital intensive sectors in order to remain competitive.

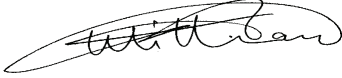
The District has established a development agency as a special purpose vehicle to deal with economic development of the District area. The focus of the development agency is on reviving and exposing the economic development potential of our area.

The District has put aside an amount of 2.4 million for mass job creation in order to respond to the need to create jobs. So far 214 people in the whole District have been appointed with a focus on maintaining water treatment works in terms of grass cutting and maintaining buildings. This programme has improved the image of water infrastructure assets. 25% of those benefiting in this programme are women and 90% is constituted by the youth. The District is determined to continue with the mass job creation plan in the new financial year.

The Provincial Department of Rural Development together with the District and Elundini municipality's have worked together to facilitate the implementation of the pilot site for rural development in the Elundini area. The targeted villages for the pilot programme include Mqokolweni, Siphungquni and lower Sinxako were identified for the project. The District has also entered into a service level agreement with ASGIS Eastern

Cape to plough dry sugar beans in 100 hectors of land and this work has already been completed. In additional, the National Minister of Rural development has been engaged with a view of securing funding for rural development projects with the region.

We therefore invite the comments and feedback from both our social partners, stakeholders and communities on the implementation of this document as one of the mechanisms of monitoring our progress and identifying areas where we can improve. The District believes that through unity in effort and understanding between the District, our local municipalities, National and Provincial Departments as well as our social partners and civil society more can be achieved.



Mr. ZA WILLIAMS  
**MUNICIPAL MANAGER**

## SECTION 1: EXECUTIVE SUMMARY

The Joe Gqabi District Municipality (JGDM), formally known as Ukhahlamba District Municipality, is one of the six District municipalities in the Eastern Cape Province. The JGDM borders the Free State Province and the country of Lesotho to the north. The JGDM is located to the east and south of Alfred Ndzo, OR Tambo and Chris Hani District municipalities. JGDM covers an area of 26,518 square kilometers.

Comment [FS2]: his should have remained

The District accounts for 5.3% of the Eastern Cape's population. The total population of the District is 308,365 as of 2007 from 341,832 in 2001 according to StatsSA. Women constitute 54% of the population, while men comprise 46%. The education levels are low with approximately 25.5% of the population with no form of any training or education and 40.2% having completed grades 3-7. Only 3.3% of the population has completed Grade 12 compared to 6.6% in the Eastern Cape. Only 1.7% of the District population has obtained a tertiary qualification. The majority of residents have no schooling, or who only have primary schooling.

Of the potential economically active population, 34% are working, wishing to work and actively looking for work. This accounts for 19% of the total District population. A further 42% of the population falls within the under fifteen year's age group.

JGDM is one of the six District municipalities within the Eastern Cape, which due to its economic status, potential and the challenges was declared one of the 13 nodes within South Africa. Joe Gqabi District is made up of four local municipalities (LMs) namely:

- Gariep;
- Maletswai;
- Senqu; and
- Elundini.

Of the 13 towns in the District, Aliwal North is the largest with a population of around 20,000. Sterkspruit, Maclear and Mount Fletcher are secondary service and retail centres. Most towns and villages are small service centres providing for the daily needs of agriculture and living in the area.

The JGDM has high level of service delivery backlogs. For instance, Elundini is one of the 18 of 39 municipalities in the Eastern Cape that recorded lower percentages (24, 7%) of households living in formal dwellings compared to the provincial average (54, 7%). Low levels of incomes, unemployment and poverty, low levels of skills and poor economic infrastructure characterize the economy of the District. The District further faces low revenue base and is largely reliant on government grants.

Environmental challenges like snow, proneness to disaster, soil erosion, environmental degradation, as well as socio-economic challenges related to health and HIV and AIDS pandemic are experienced within the District.

The land reform programme and a focus on supporting emerging farmers are critical to a new agrarian economy. Emerging farmers tend to be very dependent on the state for financial support and advice and are usually unable to use land as collateral for obtaining loans. It is for this reason that the District needs to address access to land by its communities and the development of the agricultural economy.

In the past years, the driving sectors of the economy of JGDM have been trade, agriculture, forestry and tourism. Farming is mainly extensive livestock farming of sheep and cattle. There are areas of crop farming and forestry, especially in the wetter eastern area. Commercial farmers are the main economic drivers, complemented by subsistence/emerging farmers in the communal

land areas. There is new forestry potential in the Elundini area, and a large chipboard-manufacturing plant was recently built in the District (at Ugie). Tourism is also a growing industry within Joe Gqabi District and is a growth sector for the District, due to the unique attractions like snow and, hot springs at Aliwal North and the Gariep dam as well as the dramatic scenery.

The District is placing more emphasis on capacity building and financial viability in order to stimulate economic growth through harnessing its agricultural potential within the context of the identified priority issues. These include economic growth, social growth, governance and administration, improved capacity to support local economic development, meeting the basic needs and improving the quality of service delivery. The District remains committed to the eight priority programmes developed and endorsed by all social partners at the Growth and Development Summit held in February 2007, namely:

- Agriculture Programme and improving livelihoods of emerging and subsistence farmers.
- Timber Programme that will create new jobs through new afforestation and timber processing.
- Tourism Programme, which will grow the tourism industry.
- Water and Sanitation Programme aimed at eradicating backlogs in line with national targets.
- Municipal Services Upgrading Programme, which seeks to improve municipal services to create sustainable human settlements.
- Social Safety Net Programme aimed at supporting the poorest, through EPWP, home gardens, etc.
- Access and Linkages Programme focusing on improving roads and access to electricity and ICT, in support of economic development.
- Governance and Administration Programme aimed at improving government's performance, particularly in supporting economic development.

These programmes support the national programme of Accelerated Shared Growth Initiative South Africa (ASGISA) and combine contributions from government, business, civil society, labour and higher education.

The IDP has been reviewed in line with the District Framework and Process Plan through a meaningful involvement of all stakeholders and communities. The District has developed numerous sector plans and embarked on various sector specific initiatives to guide integrated development and investment in the District area. Key issues pertinent to service delivery have been identified. These are briefly outlined below.

### **Water and Sanitation**

- The efforts of the Water Service Authority (WSA) were recognized by the National Department of Water Affairs when the District was nominated at the eWISA Conference for a "Blue Drop Excellence Award for outstanding performance in 2010", in the "Team Performance" category.
- In March 2010, the Water, Sewage and Effluent Magazine, which is distributed country wide, published a positive article on the strides made by the District in its efforts to improve water service delivery to the communities.
- Partnerships were forged with two water boards namely Amatola Water and Rand Water in order to secure additional capacity for the water services function.
- All wastewater treatment facilities were registered with the Department of Water Affairs as required by the Department.
- The WSA initiated and participated in the Department of Water Affairs and Office of the Premier training programmes for water operators. Twenty learners were placed at water treatment plants across the District.
- The WSA took the initiative to draw up detailed Process Controller/ Operator development plans which entailed on-site training.
- The WSA specified and procured water-testing equipment for all the water treatment plants.

- The WSA also initiated a DBSA funded apprenticeship project – to train mechanics and electricians for the water services function.
- The WSA secured funding from DWA for water conservation and demand management project that was implemented across the District focusing on identifying and fixing water leaks and community training on water saving measures.
- The WSA implemented bulk water-metering project across the District to monitor water usage.
- The WSA carried out a Health and Safety audit on all water and wastewater treatment works.
- The WSA carried out a refurbishment backlogs audit on all water and wastewater treatment works in the District.

#### Water and Sanitation Challenges

- The current MTEF MIG allocations are committed to current projects and therefore the target to eradicate the water and sanitation backlog by 2014 will be difficult to meet.
- Sufficient funding is not available for the operation and maintenance of water systems after they have been built.
- Poor water systems, especially in deep rural areas where traditional water sources are still being used, are influencing the health of communities as water quality is at times is compromised.
- Dilapidated water and sanitation infrastructure in certain towns leads to significant water losses as well as interrupted and unreliable service to affected communities.
- Lack of qualified operators at some of the water treatment plants which compromise water quality.
- Lack of funding to deal with the upgrading and refurbishment of existing water and sanitation infrastructure.

#### Water and Sanitation possible solutions

- Significant and continued health and hygiene training of communities are needed to limit potential health problems.
- An extensive water conservation and demand management programme to be implemented to reduce water losses and increase water conservation awareness amongst users.
- Temporary water provision such as water carting and the protection of springs will alleviate drought conditions in some areas.
- Increase MIG allocations in order to meet the eradication of the backlogs target of 2014.
- Secure sufficient funding for operation and maintenance of new and existing infrastructure.
- Secure funding for the refurbishment and upgrading of existing infrastructure.

Challenges confronting the District in terms of the electrification programme can be summed as follows:

- Electricity provision is not the function of the District
- Lack of maintenance in areas managed by municipalities as this impacts on the supply of electricity to pumps in water treatment works and wastewater treatment works.
- There are a number of schools, clinics and other social facilities that do not have a regular supply of electricity (if any supply at all) and this has negative impact on their operations.
- Wards 4,7,8,12,13,14,15,16 of Elundini still have no plans by Eskom for electricity supply. Electricity backlog statistics show that 25 000 households are not electrified and there are no plans in place by Eskom to rectify the situation before 2014.
- The District area will be unable to meet the national electrification targets.

In order to address the identified challenges possible solutions include the following:

- Urgent intervention in the issue of electricity supply in Elundini is needed.



- Some areas will need to be supplied with non- grid electricity particularly in Elundini and Senqu rural areas and support is needed.
- More emphasis should be on ensuring that schools and clinics have access to electricity.

In terms of road maintenance, the District completed the 2<sup>nd</sup> year of a 3-year service level agreement with the Department of Public Works, Roads and Transport. With a budget of R22 million, the DM carried out maintenance on un-surfaced Provincial roads within the local municipal areas of Maletswai and Gariiep.

## **Roads and Transport**

### Roads and Transport achievements

- Area based road maintenance has improved the rural road network through regular maintenance of roads.
- Two major tarred roads have been built in the District area namely the Maclear to Mount Fletcher and the Ugie to Mthatha roads.

### Road and Transport Challenges

- Road classification restricts the various role-players in the maintenance of roads and is therefore not responsive to community needs.
- Municipalities do not have the financial resources in the short to medium term to build up the required fleet to maintain roads, especially as roads are not an income generating service.
- Surfaced roads are deteriorating and insufficient funding is being allocated to ensure their constant and effective maintenance.

### Road and Transport possible solutions:

- Shared fleet between all the role-players in the roads maintenance sphere.
- Financial injection into the District to enable effective provision of services.

## **Waster Management**

The waste management function is performed at the local municipality level. The 2007 Community Survey indicates that the JGDM has low refuse removal levels of only 26% meaning that about 74% of the households within the District do not have access to this service.

### Waste Management achievements

- Elundini Municipality is leading in terms of a public private partnership investigation with National Treasury on outsourcing waste services in some of the municipal area.
- Maletswai has been awarded funding to investigate the economic spin-off from waste recycling.
- Clean up campaigns have been held across the District area and Lady Grey won the cleanest town of the year competition at a Provincial level.
- A total of 102 people were employed in clean up campaigns in Maletswai and have trained them around landscaping and other skills.

### Waste Management Challenges

- Insufficient financial resources to meet the current demands and backlogs.
- Insufficient knowledge within communities on waste management and this leads to pollution and health risks.
- Implementation of bylaws around waste management is a significant challenge.

## Waste Management possible solutions

- Increased awareness around waste management matters.
- Collaborative interventions by the municipalities, Provincial and National Departments that have a role to play in waste management so that a sustainable solution can be found to meet the backlogs and resource constraints.
- Continued support for cleaning campaigns.

## Housing and Town Planning

This function is performed by local municipalities, Department of Local Government and Traditional Affairs and Department of Human Settlement.

### **Housing achievements**

- Housing projects in Maletswai (Aliwal North) have been unblocked and the projects are reaching finalisation.
- Disaster struck houses are being repaired throughout the District area although funding is not adequate.
- Rural housing being implemented at Hillside in Senqu.

### **Housing Challenges per local municipality**

#### Gariep LM:

- Beneficiaries are not occupying the houses leaving them to be vandalized. The Department of Human Settlement should simplify transfer of ownership process so that houses can be occupied by those in need.
- Beneficiaries are using their RDP houses to secure loans.
- People with income that marginally exceeds qualifying quantum, yet cannot afford to secure a home loan.
- Train houses in Venterstad (40), Burgersdorp (60) and Steynsburg (60) are dilapidated.
- The Department of Human Settlement should make available sufficient funds to construct decent roads and storm water drainage for housing developments.

#### Maletswai LM

- Slow registration of properties by the Deeds office.
- Slow capturing of beneficiaries by the Housing Subsidy System at the Eastern Cape Department of Human Settlements.
- The Housing Section at the local municipality is understaffed and requires additional personnel to conduct the beneficiary identification process.

#### Senqu LM:

- Difficulties experience in delivering material to site due to poor condition of access roads.
- Herschel 700 Project: the land claim is stalling the project.

#### Elundini LM:

- The Ilisolomzi 520 Project was cancelled due to rocky conditions. However, the need for housing in the area remains.

## Housing solutions

- The delays in the deregistration of unidentified beneficiaries and the slow pace of housing rectification should be investigated.
- Investigate the appropriateness of other forms of housing such as rental.
- Increase the rural housing programme to meet the demand.
- Assist Elundini local municipality with the unblocking of land and housing projects.

## Spatial Development Planning

The Joe Gqabi District Municipality adopted a reviewed Spatial Development Framework (SDF) in May 2009. Challenges in terms of spatial planning can be summed as follows:

- While there is consultation taking place there is actually very little “integrated planning” taking place. This is due to the emphasis on a tick list based evaluation of the IDP and SDFs and not on the actual integration of planning.
- The Provincial government continues to make land development decisions outside of the recommendations contained in the SDF.
- There are few capacitated personnel within the regional offices that are knowledgeable on spatial planning.

### Integrated development planning possible solutions:

- Greater coordination of spatial planning between Provincial and local government activities should take place centred on the District as a spatial area.
- There should be direct linkages between spatial plans of the District and Provincial level. Provincial sector plans should be applicable to the District.
- Planning capacity should be built within all spheres of government.
- Alignment to the District SDF should be enforced and supported by the Office of the Premier.

Various programmes and projects aimed at making and reversing the challenges faced by the District have developed for implementation during the term of office of this Council. It is anticipated that over the term of office, a remarkable change will have happened in the development landscape (and service delivery) of the District. The District will continue with the financial recovery plan embarked upon during 2008/2009 financial year. The financial recovery plan has yielded positive results in increasing revenue and promoting sound financial management.

The municipality will continue to respond to community needs by incorporating their aspirations and needs in all our planning processes and documents such as the IDP, sector plans, programmes and projects.

The municipality is continuing to commit most of its funding towards infrastructure development more especially water and sanitation, which is a core power and function of the municipality. In addition to this, there will be greater emphasis this year on the on mainstreaming of economic development as a further attempt to ensure the improved quality of life of the residents of the District area.

The District continues to place emphasis on monitoring progress made against its vision, mission, strategic objectives and targets through established monitoring and evaluation tools such as the Service Delivery and Budget Implementation Plan (SDBIP), Performance Management System (PMS) in order to promote a culture of accountability to the public, national and provincial governments and other stakeholders. The monitoring and measuring of municipal progress will occur within the legislative framework and policy imperatives as espoused by the MFMA. In addition, the District promotes governance processes that facilitate effective oversight processes not only by the executive over the administration but also by the legislature over the executive.

## **SECTION 2: INTRODUCTION AND OVERVIEW**

### **2.1 Background**

Integrated development planning entails a process by which the planning efforts of different spheres and sectors of government and other institutions are co-ordinated at local government level through the Integrated Development Plan (IDP) process. This planning process brings together various economic, social, environmental, legal, infrastructural and spatial aspects. The IDP of the Joe Gqabi District Municipality (JGDM) is the over-arching strategic plan for the municipal area. The plan guides development within the area in order to achieve long-term sustainable development within the District area.

The IDP outlines Council service delivery and development path. It is the principal strategic planning instrument that guides and informs all planning, budgeting, management and decision-making in a municipality. As a planning instrument, the IDP sets the agenda for involving citizens and residents in matters of local government. It also serves as a magnet that facilitates coordination, integration and cooperation between all spheres of government, stakeholders and social partners. The IDP gives impetus to the implementation of government's programme of action, National and Provincial strategic and Sector Plans and targets as well as international human development goals.

### **2.2 Legislative Framework**

#### **2.2.1 Constitutional Imperatives**

The Constitution of the Republic of South Africa of 1996 outlines the objectives and developmental duties of municipalities (Sections 152 and 153). As far as the developmental duties of municipalities are concerned, a municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and participate in national and provincial development programmes. The objects of local government are:

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

#### **2.2.2 The White Paper on Local Government**

Within the framework of the Constitution, the 1998 White Paper on Local Government establishes the basis for a new developmental local government system which is committed to working with citizens, groups and communities to create sustainable human settlements which provide for a decent quality of life and meet the social, economic and material needs of communities in a holistic fashion. The developmental local government centres on working with local communities to find sustainable ways to meet their needs and improve the quality of their lives. This is realizable through the integrated development planning.

#### **2.2.3 Compilation of an Integrated Development Plan**

The compilation of IDPs by municipalities is regulated in terms of the Municipal Systems Act (Act 32 of 2000) (MSA) and its subordinate legislation. Section 25 of the Act stipulates that:

*“Each municipal Council must, adopt as single, inclusive and strategic plan for the development of the municipality which:*

- (a) links, integrates and coordinates plans and takes into account proposals for the development of the municipality;*
- (b) aligns the resources and capacity of the municipality with the implementation of the plan;*
- (c) forms the policy framework and general basis on which annual budget must be based;*
- (d) complies with the provisions of this Chapter; and*
- (e) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms legislation.”*

As far as the status an IDP is concerned, Section 35 states that an IDP adopted by the Council of a municipality:

- (a) is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;*
- (b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality’s integrated development plan and national or provincial legislation, in which case such legislation prevails; and*
- (c) binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law.*

In addition, Section 36 of the Act stipulates that “a municipality must give effect to its integrated development plan and conduct its affairs in a manner which is consistent with its integrated development plan.”

#### **2.2.4 Core components of an Integrated Development Plan**

Chapter 5 of the Act prescribes the components of the IDP as follows:

- the municipal Council’s vision for the long term development of the municipality with special emphasis on the municipality’s most critical development and internal transformation needs;
- an assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- the Council’s development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- the Council’s development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- the Council’s operational strategies;
- applicable disaster management plans;
- a financial plan, which must include a budget projection for at least the next three years; and
- the key performance indicators and performance targets determined in terms of Section 41 of the Act.

#### **2.2.5 Annual Review**

Section 34 of the Act states that a municipal Council *must review its integrated development plan annually in accordance with an assessment of its performance measurements in terms of Section 41*, and to the extent that changing circumstances so demand. The Municipal Council may amend its integrated development plan in accordance with a prescribed process.

## 2.2.6 Binding Plans and Planning Requirements

In compiling and reviewing a municipal IDP municipalities must comply government policy frameworks, legislation, regulations and guidelines that seek to plot the path, pace and direction for the country's socio-economic development trajectory. These frameworks as outlined below include the Medium Term Expenditure Framework, National Spatial Development Perspective, Accelerated and Shared growth Initiative for South Africa, Local Agenda 21, Provincial Growth and Development Strategy, Millennium Development Goals and Vision 2014, Integrated Sustainable Rural Development Strategy and District Growth and Development Summit Agreement.

## 2.2.7 Key Legislation

Other key legislative provisions and policy documents which contain reference to the IDP are tabulated in table 1 below.

**Table 1:** Local Government Legislation and Policy provisions

Legislation and Regulations	Policies and Strategic Documents
The Constitution of the Republic of South Africa Act 108 of 1996	The White Paper on Local Government, 1998
Auditor-General Act 12 of 1995	The Reconstruction and Development Programme (RDP)
Development Facilitation Act, 67 of 1995	The National Spatial Development Perspective (NSDP)
National Water Act 36 of 1997	Eastern Cape Province Growth and Development Strategy (ECPGDS)
Housing Act 107 of 1997	Accelerated and Shared Growth Initiative (ASGISA)
The National Environmental Management Act, 1998 (Act 107 of 1998)	The Joint Initiative on Skills Acquisition (JIPSA)
Municipal Structures Act 117 of 1998	Provincial Spatial Economic Development Strategy (PSEDS)
Promotion of Access to Information Act 2 of 2000	Millennium Development Goals (MDG)
Preferential Procurement Act 5 of 2000	Credible IDP Framework
Municipal Systems Act 32 of 2000	Integrated Sustainable Rural Development Programme (ISRDP)
Disaster Management Act 57 of 2002	State of the Nation Address 2010
Municipal Finance Management Act 56 of 2003	State of the Province Address 2010
Local Government: Municipal Planning And Performance Management Regulations, 2001	State of the District Address 2010
Local Government: Performance Management Regulations of Section 57 of 2006	Growth and Development Summit ( GDS)
National Land Transport Act of 2008	The Provincial Growth and development Plan ( PGDP)
	The Rural Development Strategy
	Financial Turn Around Strategy

## 2.2.8 National and Provincial development targets

The Millennium Declaration, signed by world's leaders of 189 countries in 2000, established 2015 as the deadline for achieving most of the Millennium Development Goals. The majority of MDG targets have a baseline of 1990, and are set to monitor achievements over the period 1990-2015.

South Africa is also guided by the International Community Targets, and thus adopted Vision 2014 which is derived from the United Nations Millennium Development Goals. Vision 2014 provides a series of socio-economic development milestones to ensure progressive attainment of development, which can be summed up as follows:

- All households (including villages) should have access to clean potable **water by 2008**;
- There must be decent **sanitation for all by 2010**,
- There must be **electricity** in all households by **2012**;

- **Poverty, unemployment and skills shortages** should be **reduced by 50%** respectively **by 2014**; and
- Services should be improved to achieve a **better National Health Profile** and a **reduction of preventable causes of death** including violent **crimes and road accidents, by 2014**.

At a more detailed level, the following quantified targets for growth and development in the Eastern Cape for the period 2004-2014, with 2004 as the base year, have been developed:

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

Through its IDP, the JGDM is committed to ensuring a progressive realization of these goals. Increased coordination between the spheres of government and key partners and stakeholders will be key in ensuring the consolidation of efforts and resources towards the attainment of these goals.



## SECTION 3: SITUATIONAL ANALYSIS

### 3.1 Brief Socio-Economic Overview

#### 3.1.1 Geography

The Joe Gqabi District Municipality (JGDM) is located within the Eastern Cape Province, borders Free State Province and country of Lesotho to the north as depicted in figure 1. The JGDM is located to the west of Alfred Ndzo, north of OR Tambo and Chris Hani District municipalities and to the east of the Northern Cape Province. The District comprises of four (4) local municipalities, namely Gariiep, Maletswai, Senqu, and Elundini.

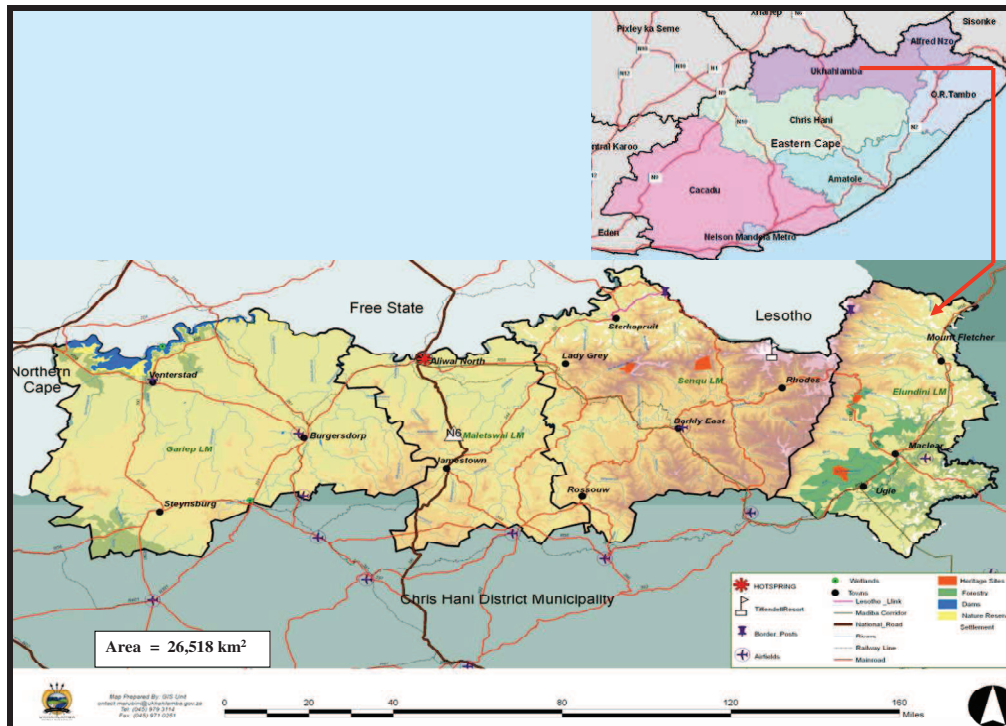


Figure 1: Spatial location of the District

There are several smaller urban service centres within the District, which include Steynsburg, Venterstad, Burgersdorp, Jamestown, Barkly East, Lady Grey, Sterkspruit, Mount Fletcher, Maclear and Ugie. In total, the District has thirteen towns. In addition to the urban settlements, approximately 80% of the land area of the District is made up of commercial farming areas (freehold) and about 20% is made up of dispersed rural settlements.

#### 3.1.2 Demographic Profile

As depicted below, the population of the JGDM makes up 4.7% of the population of the Eastern Cape Province. Table 2 and 3 show population and households as well as population shifts between 2001 and 2007, respectively.



**Table 2:** Population and total households

Municipality	Population	Population as % of District	Population as % of Province	No. of Households	Households as % District
Joe Gqabi DM	308 365	100	4.7	90 309	100
Elundini	123 636	40	1.8	35 553	39.3
Senqu	118 177	38.3	1.8	35 105	38.8
Maletswai	37 305	13.8	0.6	11 443	12.6
Gariep	23 708	7.6	0.3	8 208	9

Source: MDB 2008

**Table 3:** Population shifts 2001 -2007

Municipality	Population Census2001	Population CS2007	Population Change (2001 – 2007)	% change
Joe Gqabi DM	341 813	308 365	-33 448	-10.9
Elundini	137 474	123 636	-13 838	-11.2
Senqu	135 733	118 177	-17 556	-14.9
Maletswai	37 305	37 305	+5 538	12.9
Gariep	31 301	23 708	-7 593	-32.1

Source: MDB 2008

The JGDM experienced a decrease in population from 341 813 in 2001 to 308 365 in 2007. The District is one of the areas of South Africa that has provided substantial migrant labour to the mines, farms and commercial centres of the country. This pattern of migration has resulted in considerable cyclical population movements between the District and the major metropolitan centres.

It is evident from the tables above that the population of the District makes up 4.7% of the population of the Eastern Cape Province. Elundini local municipality has the highest population percentage in the District, as it makes up 40% of the population of the District and 1.8% of the population of the Province. It is followed closely by Senqu local municipality which accounts for 38.3% of the population of the District and 1.8% of the population of the Province. Gariep local municipality has the smallest population percentage in the District as it accounts for 7.6% of the population of the District and 0.3% of the population of the Province. Maletswai local municipality is the only municipality in the District that experienced population growth from 2001 to 2007. The municipality had population growth of 12.9%. The rest of the municipalities had a decrease in population, with Gariep local municipality having the highest decrease (32.1%) in the same period.

The high levels of migration within the District will have significant service delivery implications as the SDF espouses development focused on people and when there are significant migration levels, the infrastructure plans of the municipalities may have to be reviewed. The immigration pressures in the primary nodes such as Maletswai local municipality will have increased service delivery pressures and increased backlog. In addition, the existing infrastructure will have to be expanded to cater for the increased demands. The reviewal of the SDF, water services plans, infrastructure maintenance plans must be aligned with these developments.

### 3.1.3 Demographic Trends and Migration Patterns

The JGDM is experiencing a decrease of the population. This can be the result of out migration. Joe Gqabi District is one of the areas of South Africa that has provided substantial migrant labour to the mines, farms and commercial centres of the country. This pattern of migration has resulted in considerable cyclical population movements between the District and the major metropolitan centres.

The levels of out-migration from Joe Gqabi are higher than the provincial average. At least 18% of District households against 15.2% of provincial households reports of at least one migrant household member. Approximately, 7% of the District population overall migrates from their households, while the provincial migration rate amounts to 5.6% of the provincial population as depicted in table 4.

**Table 4:** Household Migration

Area	Household Migration	
	% of population	% of households
Eastern Cape	5.6	15.2
Joe Gqabi	7	18
Elundini	4.3	11.6
Senqu	12.6	31.9
Maletswai	1.4	5.6
Gariep	2.5	9

Source: RSS 2006

### 3.1.4 Age and Gender Distribution

Approximately 46% of the JGDM population falls between the ages of 20 and 65 years, which are defined as the economically active sector of the population. Males and females account for approximately 46% and 54% respectively of the JGDM population. Again, one can attribute the high percentage of females to the high migration patterns highlighted in table 5 below.

**Table 5:** Age and Gender Profile

LMs	Age and Gender (2007)				
	Male	Female	Youth (<20yrs)	Economic Active (20-65)	Aged (>65yrs)
Elundini	53,134	65,040	65,558	46,381	10,695
	44.96%	55.04%	53.83%	37.51%	8.65%
Senqu	53,134	65,040	61,310	45,261	11,603
	44.96%	55.04%	51.88%	38.30%	9.82%
Maletswai	20,456	22,390	18,110	21,897	2,939
	47.74%	52.26%	42.27%	51.11%	6.63%
Gariep	11,186	12,541	9,982	12,111	1,616
	47.10%	52.90%	42.10%	51.08%	6.82%
Total	137,892	165,011	155,960	125,650	26,753
	45.52%	54.58%	50.58%	40.75%	8.68%

Source: StatsSA Community Survey 2007

### 3.1.5 Educational Levels

According to the community survey 2007, the educational levels within Joe Gqabi District are above the provincial average (34%) and well above the national average of 28%. A relatively large portion of the District (10.8%) has no formal schooling. This level is highest in the Gariep local municipality where 13% of the population has no schooling. Maletswai local municipality has the highest number of people who have completed matric as a percentage of the educated population (11%). It also has the highest number of people with higher education as a percentage of the educated population (7%). Only 9% of the population have completed matric and or have some form of higher education. This is well below both the provincial (13.3%) and national averages (21.6%).

The poor level of higher education in the District could be attributed to the lack of institutions of higher learning in the District. The low level of education amongst the inhabitants of the District clearly has a negative effect on both the employability of the labour force and the attractiveness of the District to external investment. The low average levels of education in the District is attributable to the poor provision of education in the rural areas of the Eastern Cape. The majority of the population is without education due to a number of factors that include but are not limited to inadequate number of schools and institutes of higher learning, affordability and lack of access.

### 3.1.6 Employment and Income

The 2007 StatsSA Community Survey indicated that over 86% of the residents of the area live in poverty. This was based on that the annual household income is below the basic annual substance level of R 19 200 per year. Of those of working age, only 18.3% are employed, 17.9% are unemployed and 41.6% are not economically active (that is that they have not sought work during the past six months).

Of those that are employed over 90% are employed by someone else and only a very small 2.2% are self-employed. This has a significant impact on the “spirit of entrepreneurship” where most people do not have the experience of running their own business and have a history of reliance and dependency on others for employment. There is also a perception among residents in the area that hawking, hairdressing, clothes washing, etc are not “real” jobs and they do not consider that this is a contribution to the economy. Many people still aspire to a government job as it is seen as secure.

Due to the migrant labour system and downturns in the economy elsewhere (such as in the mining industry, Gauteng, Cape Town etc) have an impact on the District. There is still a heavy reliance on income from migrant workers.

According to the census of 2001 there were 12 600 families that have no source of regular income (purely hand to mouth subsistence). This comprised 17% of District households as shown in table 6. Due to the expansion of social grants, this figure has fallen dramatically since then. These high unemployment and low-income levels imply a need for strategies to meet basic needs and to encourage economic development.

**Table 6:** Employment Profile

Settlement Type	Total	% of Total
Eligible workforce (15-65 years)	160,232	52.0%
Employed (or not job seeking)	131,620	82.1%
Permanent Residents - without jobs	35,598	22.2%
Seasonal Farm workers	1,537	1.0%
Temporary Domestic Workers	12,450	7.8%
Permanent Farm Workers	6,853	4.3%
Permanent Industry Workers	4,695	2.9%
Professional Workers	3,754	2.3%
Unemployed	28,612	17.9%
Students	NA	NA

Source: StatsSA Community Survey 2007

The unemployment rate in JGDM is higher than that of the province. A key constraint in planning for infrastructure delivery is household affordability. Knowing the existing situation regarding household incomes is a key part to understanding consumers' affordability levels. These levels should be taken into account when setting service level targets. Approximately 72% of the District Households live below the poverty line (earning less than R800 p/m), with 41.9% households in Elundini earning no steady income at all. There are extremely low levels of employment in the District since only 18.5% of the potential workforce is employed, accounting for 10% of the total in JGDM. Table 7 below shows a breakdown of the number of households in each income bracket.

**Table 7:** Household Earnings

	Household Earnings	No. of Households
01	No income	84,407
02	R1 - R400	7,824
03	R401 - R800	9,312
04	R801 - R1600	22,797
05	R1601 – R3200	4,973
06	R3201 – R6400	4,682
07	R6401 – R12 800	3,879
08	R12 801 – R25 600	956
09	R25 601 – R51200	98
10	R51 201 – R102 400	259

11	R102 401 - R204800	0
12	R204 801+	9

Source: StatsSA Community Survey 2007

It has been notable that there is very high unemployment rate in this District and the majority of the people are very poor. New investment opportunities that will improve the livelihoods of the people by creating opportunities are needed. The following business sectors have potential to offer future employment:

- Agriculture (Livestock farming, crop farming), Forestry, Tourism (Eco, Agri, Cultural, Adventure tourism)
- Construction and mining, Trade and business services, Catering, Accommodation

According to the census of 2001, 12,600 families have no source of regular income (purely hand to mouth subsistence). This comprised 17 % of District households. Due to the expansion of social grants, this figure has fallen dramatically since then. The District has high proportions of households earning an income of less than R1500 per month as depicted in table 8.

**Table 8:** Households with Income of less than R1500 per month

LM	%
Elundini	80.6
Senqu	65.1
Maletswai	58.4
Gariep	58.1

Source: RSS 2006

Taking the extent of poverty situation into account it is unlikely that the mean household income changes over the next five years could result into changes in disposable incomes. It is thus unlikely that the majority of the population will be able to afford higher levels of service.

Employment by the government is the largest economic sector in Joe Gqabi, comprising more than 40% of the GGP. Social grants are a very important component of household incomes. The informal sector is relatively small in the District and mainly relates to the sale of food and household goods.

The District contributes about 3% of the provincial Gross Geographic Product (GGP). There is still a heavy reliance on income from migrant workers.

### 3.1.7 Human Development Index

The low levels of education within the District negatively affects the human development index of the District. A continuous reflection of skills levels, health and income levels are considered by the District and this is manifest through statistics that are collected on HIV and AIDS, skilling of the community and a budget has been approved for implementation, strengthening of municipal health services to also determine levels and extent of different types of illnesses. Through service delivery processes such as water quality monitoring, inspection of food premises, health status of the community and reduction of possible exposure to diseases are some of the strategies implemented by the District to deal with improving the human development index within the District. Moreover, through the various economic programmes of the District such as agricultural programmes, EPWP, CWP and other job opportunity creating intervention, communities are in a position to improve their living standards. Data collection will have to be strengthened in coherent and consistent manner in order to determine progress.

### 3.1.8 Social Grants in Joe Gqabi District

There is a serious reliance on various categories of government grants by both adults and children within the District area. Table 9 shows the trend over a three months period starting from October – December 2010. This can be aligned to the shortage of job opportunities and poverty.

**Table 9:** Total Value of State Monthly Grants

	2010 October	2010 November	2010 December

	No. of Beneficiaries	Expenditure	No. of Beneficiaries	Expenditure	No. of Beneficiaries	Expenditure
Ukhahlamba	95491	R 70 285 625.00	96615	R 70 958 717.00	97093	R 70 971 962.00
Aliwal North	21037	R 15 750 233.00	21186	R 15 847 123.00	21072	R 15 657 880.00
Care Dependency	197	R 217 080.00	198	R 218 160.00	201	R 221 400.00
Child Support (0-18)	10401	R 4 402 500.00	10484	R 4 425 750.00	10531	R 4 446 750.00
Foster Care	1235	R 1 282 260.00	1252	R 1 305 690.00	1113	R 1 121 800.00
Grant in Aid	53	R 13 250.00	53	R 13 250.00	53	R 13 250.00
Old Age	5221	R 5 598 173.00	5269	R 5 647 354.00	5265	R 5 642 194.00
Permanent Disability	3752	R 4 044 670.00	3744	R 4 035 979.00	3717	R 4 005 066.00
Temporary Disability	175	R 189 000.00	183	R 197 640.00	189	R 204 120.00
War Veteran	3	R 3 300.00	3	R 3 300.00	3	R 3 300.00
Mt Fletcher	36863	R 27 316 122.00	37436	R 27 712 710.00	37656	R 27 783 690.00
Maclear	6660	R 5 013 284.00	6819	R 5 132 920.00	6917	R 5 187 280.00
Care Dependency	63	R 68 040.00	67	R 72 360.00	67	R 72 360.00
Child Support (0-18)	3432	R 1 542 750.00	3499	R 1 560 750.00	3551	R 1 585 000.00
Foster Care	475	R 518 300.00	501	R 548 830.00	488	R 516 880.00
Grant in Aid	10	R 2 500.00	11	R 2 750.00	13	R 3 250.00
Old Age	2051	R 2 202 473.00	2091	R 2 246 329.00	2130	R 2 288 449.00
Permanent Disability	590	R 637 101.00	611	R 659 781.00	626	R 675 981.00
Temporary Disability	39	R 42 120.00	39	R 42 120.00	42	R 45 360.00
Mt Fletcher	25569	R 18 976 140.00	25893	R 19 193 612.00	26006	R 19 222 522.00
Care Dependency	213	R 234 360.00	212	R 231 120.00	212	R 232 200.00
Child Support (0-18)	13594	R 6 237 500.00	13667	R 6 216 500.00	13700	R 6 247 500.00
Foster Care	900	R 1 010 330.00	904	R 1 013 170.00	791	R 826 440.00
Grant in Aid	280	R 70 000.00	316	R 79 000.00	346	R 86 500.00
Old Age	8897	R 9 604 110.00	9034	R 9 752 982.00	9222	R 9 956 022.00
Permanent Disability	1640	R 1 771 200.00	1703	R 1 839 240.00	1675	R 1 809 000.00
Temporary Disability	43	R 46 440.00	55	R 59 400.00	57	R 61 560.00
War Veteran	2	R 2 200.00	2	R 2 200.00	3	R 3 300.00
Ugie	4634	R 3 326 698.00	4724	R 3 386 178.00	4733	R 3 373 888.00
Care Dependency	41	R 44 280.00	42	R 45 360.00	41	R 44 280.00
Child Support (0-18)	2657	R 1 200 250.00	2704	R 1 212 750.00	2725	R 1 222 500.00
Foster Care	370	R 399 730.00	381	R 414 640.00	363	R 386 950.00
Grant in Aid	8	R 2 000.00	11	R 2 750.00	12	R 3 000.00
Old Age	1185	R 1 277 829.00	1205	R 1 299 429.00	1213	R 1 308 069.00
Permanent Disability	324	R 349 689.00	332	R 358 329.00	331	R 357 249.00
Temporary Disability	49	R 52 920.00	49	R 52 920.00	48	R 51 840.00
Sterkspruit	37591	R 27 219 270.00	37993	R 27 398 884.00	38365	R 27 530 392.00
Care Dependency	274	R 298 080.00	280	R 305 640.00	286	R 313 200.00
Child Support (0-18)	19617	R 8 031 750.00	19866	R 8 054 750.00	20178	R 8 199 750.00
Foster Care	1780	R 1 803 400	1813	R 1 835 350.00	1636	R 1 574 780.00
Grant in Aid	52	R 13 000.00	56	R 14 000.00	61	R 15 250.00
Old Age	11706	R 12 581 062.00	11793	R 12 672 802.00	11971	R 12 859 430.00
Permanent Disability	3993	R 4 309 438.00	4003	R 4 319 762.00	4043	R 4 362 762.00
Temporary Disability	168	R 181 440.00	181	R 195 480.00	189	R 204 120.00

War Veteran	1	R 1 100.00	1	R 1 100.00	1	R 1 100.00
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Source: South African Social Security Agency (SASSA), February 2011

### 3.1.9 Social Infrastructure

#### a) Health Facilities

**Comment [FS3]:** Have you got an update from Mrs Masiza at DOH

There are 11 hospitals and 50 clinics, with at least 2 clinics in each magisterial District. The most densely populated Mt. Fletcher and Sterkspruit areas have 17 and 16 clinics respectively as depicted in table 10. The District has about 998 hospital beds, with a service supply average of about 328 people per bed. The population of the District receives health services from fixed and mobile clinics and in District hospitals.

There is one fixed clinic for every 6745 people and 1 hospital bed for every 338 people. This is within the norm but the distribution of these facilities leads to inequities in access to health care. The number of clinics and hospitals within the District is reflected in table 10. There is a strong correlation between the incidence of diarrhea among children under 5 years and poor households in case of those without clean water supply and formal sanitation. HIV/AIDS counseling has improved in the District with all fixed clinics in Joe Gqabi now offering Voluntary Counseling and Testing. The problem of re-infection and repeated treatment still exists with the low percent of STI contact tracing.

**Table 10:** Number of Hospitals and Clinics

Local Municipality	Number of hospitals		Number of fixed clinics		Number of mobile services	
Elundini	1	1	17	4	2	2
Senqu	3	1	18	2	4	4
Maletswai	3	2	1	9	2	2
Total	7	4	35	15	8	8
Joe Gqabi Total	11 Hospitals		51 Fixed Clinics		16 Mobile Clinics	

Source: Department of Health

Availability of emergency services is extremely limited in the District area. The service is controlled in Queenstown for Maletswai and Senqu sub District and controlled at Alfred Ndzo District for Elundini Sub District. The District would like to have an ambulance control station within Joe Gqabi District to promote efficiency and easy access to ambulances. Insufficient vehicles and lack of competent staff negatively affect the quality of services provided.

Municipal primary health care services are in process of being provincialised. By the start of the 2011/12 financial year all services will be under the control and management of the Department of Health.

There is a significant concern around the efficiency and effectiveness of emergency services and the state of health infrastructure

#### b) Municipal Health

From 1 July 2006, Health services were centralized to Joe Gqabi District Municipality. Provincial Environmental Health Practitioners will be moving to the District Municipality from the start of the 2011/12 financial year. Municipal Health Services apart from port health, malaria control and the control of substances is the function of Joe Gqabi District Municipal Health Services, the following functions are also performed by municipal health:

- Water quality monitoring, Food Control, Waste Management Monitoring, Health Surveillance of premises
- Surveillance and prevention of communicable diseases, excluding immunizations
- Vector control, Environmental pollution control, Disposal of the dead, Chemical safety

Due to the non-availability of accessible waste sites, there are numerous cases of illegal dumping. At times community members with full knowledge and access to such facilities do this. Air and Noise pollution, especially in urban areas is not effectively monitored.

Sewerage spillages (water and land pollution) are also monitored. These are the most frequent type of environmental pollution. Unfortunately, their frequency is very high due to poor management and insufficient funding for maintenance of sewerage systems at different municipalities

Municipal Health Service prioritized areas for intervention:

- Development of appropriate by-laws and their implementation leading to the control of activities in the Municipal area.
- Water Quality monitoring and management in line with Department of Water Affairs (DWA) Blue Drop water quality systems
- Pollution control relating to sewerage spillages
- Food quality control as well as disposal of the dead
- Increased awareness and capacity building programmes for communities around all topics of municipal health and preventative health
- Strengthening of cooperative governance between all spheres of government so that there can be joint operations, and sharing of knowledge that may have impact on each others programmes
- Effective District and Local Joint Outbreak Committees/Communicable Diseases including identification of coordinators in each municipal area.
- Sitting of any enterprise that could affect water quality (including dip tanks) should be done in consultation with municipal health services.
- Premises inspection especially of early childhood development centers are needed.

**c) Safety and Security**

The prevalence of reported incidents of different categories of crime in the District reflects the general crime patterns seen in the whole of the Eastern Cape. There are 22 police stations in the District area.

Burglary and Assault are the most commonly reported crimes in all the municipalities. These crimes, combined, account for 71% of all crime in the Eastern Cape. Arson and Malicious damage to property is also quite high in this province as shown in table 11. Stock theft will always be a major problem in poor rural communities and is highest in Elundini.

**Table 11: Crime Statistics**

No.	Category	% of Total Crime Reported
1	Residential / Business Burglary	36.84%
2	Assault	33.25%
3	Stock-theft	9.10%
4	Arson / Malicious damage to property	7.00%
5	Robbery	5.44%
6	Rape / Indecent Assault	4.00%
7	Murder	1.91%
8	Vehicle Theft	0.94%
9	Attempted murder	0.74%
10	Residential/Business Robbery	0.32%
11	Neglect / abuse of children	0.24%

**d) Housing**

Table 12 below reflects the housing status quo in all local municipalities in the District. Based on this it can be seen that the majority of informal settlements are in the Maletswai area. It is however anticipated that with the rapid growth of the forestry sector in Elundini municipal area,

this will increase the number of households living in informal housing in the municipality due to immigration of job seekers.

**Table 12: Housing Status Quo in the District**

LM/DM Name	House	Trad	Flat/Clust	BackYr d	InfYrd	Informal	Other	Total
Elundini	5,819	25,953	2390	470	209	137	575	35,192
Senqu	21,380	10,784	1,078	0	410	1,231	224	34,967
Maletswai	7,834	343	508	52	562	1,935	210	11,252
Gariep	6,819	36	100	932	104	206	11	8,208
Total	41,852	37,116	4,076	1,454	1,285	3,509	1,020	89,619

Source: StatsSA Community Survey 2007

The Provincial Housing Development Plan estimated the housing need in the District to be 36,330 households, of which 13,300 are urban families and 23,000 are rural residents needing homes and services. There has been a noticeable oversupply of low cost housing in the Gariep area. This can be attributed to, the impact of HIV and AIDS and the decline in the economy resulting in out-migration.

The local municipalities are currently planning and implementing the following projects as reflected in tables 13 to 15 in order to address the service delivery backlogs.

**Table 13: Estimated Cash Flow for Housing Interventions**

LM/DM Name	Total	2009	2010	2011	2012	2013	2014	2015
Elundini	R 971.5			R 138.3	R 277.8	R 277.8	R 276.2	R 1.4
Gariep	R 139.7	R 40.9	R 94.9	R 3.8	R .0	R .0	R .0	R .0
Maletswai	R 486.7	R 78.8	R 84.3	R 84.3	R 84.3	R 84.3	R 65.3	R 5.4
Senqu	R 659.6	R 216.5	R 111.3	R 113.6	R 93.7	R 57.4	R 42.9	R 24.1
Total	R 2,257	R 336.20	R 290.50	R 340.00	R 455.80	R 419.50	R 384.40	R 30.90

**Table 14: Housing budget**

BUDGET	2011 (R '000 000)	2012 (R '000 000)	2013 (R '000 000)	2014 (R '000 000)	2015 (R '000 000)
Housing	R 357.8	R 478.1	R 423.2	R 383.9	R 31.0

Source (JGDM CIP 2009)

**Table 15: Housing Projects 20010/11-12**

Hss Project Number	Project Name	Conditional Grant Instrument/ Description	PROJECT TYPE	No of units	Serviced	MEC Approval	Activities 2010/2011	Activities 2011/12
CO9090011	Burgersdorp-Mzamomhle	IRDP-Phase	New Projects 2010/2011	140	Yes	New	6 months needed for procurement/ Top Structure(60 units)	Top Structure (Project to be completed this fin year)
CO9100003	Steynsburg-Khayamna ndi	IRDP-Phase	New Projects 2010/2012	530	Yes	New	6 months needed for procurement/ Top Structure(60 units)	Top Structure (Project to be completed this fin year)
CO9090010	Lady Grey-Edgar	-	New Projects 2010/2013	194	No	New	6 months needed for procurement/ Top Structure(60 units)	Top Structure (Project to be completed this fin year)
	Barkly East 802 (Services)	-	New Projects 2010/2014	802	No	01/05/09	Services	
CO9070005	Barkly	IRDP-Phase	New	802	No	27/06/08	Repair Top	Top



	East-802 Subs		Projects 2010/2015				Structure Implementation	Structure (Project to be completed this fin year)
CO1100046	Steynsburg Phase3-R/L 2	Project linked-PHP	Rectification Projects	600	Yes	15-Sept-09		
CO1100045	Venterstad Nozizwe Phase 2	Project linked-PHP	Rectification Projects	500	Yes	15-Sept-09	Repair Top Structure Implementation	
	Burgersdorp		Rectification Projects	955	Yes	15-Sept-09	Repair Top Structure Implementation	
	Rhodes		Rectification Projects	30	Yes	15-Sept-09	Repair Top Structure Implementation	
	Aliwal North Dukathole 172		Rectification Projects	172	Yes	07/01/10	6 months needed for procurement/ Top Structure	
	Hilton 94		Rectification Projects	94	Yes	07/01/10	6 months needed for procurement / Top Structure	
	Jamestown 282		Rectification Projects	282	Yes	07/01/10	6 months needed for procurement / Top Structure	
COO110001	Maclear	Project Linked-PHP	Old /Running Projects	250	Yes		6 months needed for procurement / Top Structure	Top Structure (Project to be completed this fin year)
	Venterstad - 360		Old /Running Projects	360	No	17/10/08	6 months needed for procurement / Top Structure	
	Aliwal North Dukathole 743		Old /Running Projects	743	No	27/11/08	6 months needed for procurement / Top Structure	
	Lady Grey Hillside 1000		Old /Running Projects	397	No	27-June-08	Top Structure	

Source: Joe Gqabi Planning Survey 2009

The state of readiness for the delivery Housing Units is as follows: From the List above Layout Plan, EIS Status, Township Establishment, General Plans, Township Registration, Bulk Infrastructure, NHBRC enrolment, GEO-TECH Phase 1 & 2 have been completed for the above projects. These projects are part of the housing plans.

#### e) Public Facilities

Public facilities such as libraries, halls, sports fields, swimming pools etc are constructed and maintained by municipalities.

#### f) Municipal Public Facilities

**Comment [FS4]:** This is out of date

In all municipalities, there is recognition that municipal facilities are not at standards acceptable to communities. Maintenance of such facilities is one of the largest concerns. Over the past five years, the following facilities have been built:

- Maletswai ward 3 Community Hall

- Jamestown sports field
- Multi-sports complex/facilities in Mt Fletcher and Sterkspruit. Phase 1 of facilities in Burgersdorp, Steynsburg and Dukathole and Venterstad.
- Community Halls in Elundini ( Maclear, Ugie, Wards 1, 7 & 16) and Senqu (Ward 3)
- Library in Mt Fletcher
- Clinics in Barkly East, Lady Grey, Mt Fletcher and Rhodes
- Municipalities are planning to upgrade/build new public facilities: the Library in Aliwal North and Phase 2 of Burgersdorp, Steynsburg and Venterstad Sport Facilities.
- Public Viewing area in Lady Grey for the 2010 world cup

The overall District area does not enjoy an even supply of proper sports and recreation facilities except, those located in the main towns. Even those in towns need upgrading. The sports fields in the townships have been vandalised. This results in some sports teams such as for tennis, netball, cricket, volleyball and rugby, arranging with the schools and/or town facilities. Soccer has limited playing grounds as depicted in table 16.

**Table 16:** Community Facilities in the District

LM	Police Stations	Sports facilities	Halls	Libraries
Elundini	9	2		
Senqu	8	3		
Maletswai	2	12 facilities, soccer, tennis, netball, athletics	5, 1 planned	2
Gariep	3	3 sports fields, Golf course Oviston swimming pool and tennis courts 3 multi sports complexes	10	6

There is a demand to create more space in our libraries in order to enable students to study in a more conducive environment. In addition to creating more space for studying purposes, municipal clinics should also be upgraded including providing adequate facilities to conduct counseling services.

#### g) Education

According to the study prepared by the Monitor Group based on the 2001, Census there is very limited access to higher education facilities in the District.

Joe Gqabi has higher than the national average of people between 5-24 years attending school but lower than the national average for those attending tertiary education. Approximately 25.5% of the District population does not have any form of training or education, with 40.2% only having completed grades 3-7. Only 3.3% of the population has completed Grade 12 compared to 6.6% in the Eastern Cape. Only 1.7% of the District population has obtained a tertiary qualification.

Elundini has the largest proportion of people having only received primary education, while the Gariep area has the highest proportion of people (31.5%) having never received any form of education. Table 17 below shows the number of schools in the District in 2007.

**Table 17:** The number of schools in the District in 2007

Schools	Gariep	Maletswai	Senqu	Elundini	District
Combined	4	4	59	98	165
Primary	23	21	74	78	196
Secondary	4	5	17	19	45

Source: Dept of Education

The Department of Education (DoE) allocated R149m over the present MTEF to upgrade 19 mud schools and 26 others. A new special school is to be built in Aliwal North costing R6.5m. This is insufficient to eradicate the 25 mud structures in Senqu and the 95 mud structures in Elundini, as well as the seven schools affected by disaster in Elundini.

## 3.2 SPATIAL DEVELOPMENT FRAMEWORK

In March 2009, Joe Gqabi District Municipality adopted a reviewed Spatial Development Framework through Council Resolution 012/10/SCM. The Spatial Development Framework has not been reviewed, as there were no major spatial development occurring or planned for the District. However, a review of the current SDF should be reviewed in the 2011/12 financial year to incorporate proposed land uses within the District and incorporation of environmental management plans by other Departments. Thus, the SDF is reviewed on a three-year interval.

From a spatial point of view, Joe Gqabi District cuts across several regions and the administrative boundaries do not enclose logical physical or socio-economic areas. There is wide diversity in physical landscape, disparity in density of land use, diversity in elevation above sea level and even extremities in relative affordability linked to poverty and access to economic opportunity across the District. The spatial character and diversity of the District presents a further challenge to the District Municipality in the vast distances to be traveled to service a relatively low-density population in the west, compared with a larger population need in the east. The economic linkages reflect the spatial disparity of the District, with the western region being orientated largely towards Port Elizabeth, the central and northern area linking more closely with Bloemfontein (and to a lesser extent, Queenstown) and the east being influenced more by Kwa-Zulu Natal (Kokstad and beyond).

### 3.2.1 Natural Environment Analysis

#### a) Rainfall

The District can be divided into four rainfall zones. Some of the higher mountain peaks have between 0.8 meters (m) and 1.2 m of rainfall a year. The eastern part of the District has between 0.6m and 0.8m a year; the central area has between 0.4m and 0.5m; and the western area (Venterstad, Steynsburg and most of Burgersdorp) has less than 0.5m a year. Half a meter of rain a year is regarded as the minimum amount required for sustainable (dry land) crop production.

#### b) Temperature

The District is well known for its temperature fluctuations, with temperatures ranging between 42 C and minus 11 C. On average, there are 150 days of frost during the year, usually between March and November and there is snow, usually in Senqu and Elundini, but the snow has also been known to fall on the higher lying areas of Maletswai and Gariiep. The District is affected by unseasonal frost and cold that has a negative impact on agriculture. The area is only suitable for less sensitive crops due to this harsh climate. Elundini is lower in altitude and experiences warmer winters; this enables this part of the District to be more suitable for cultivation.

#### c) Topography

Approximately 12% of the District area has slopes steeper than 1:8. From Aliwal North large flat plains of land are interspersed with steep mountains and hills. Topography influences the type of agricultural activities that occur. The open flat areas in the west allow for extensive agriculture whereas in the east, agriculture is limited to specific land pockets. Although very little land is suitable for cultivation, grazing for farming stock is feasible. The altitude of the District lies between 1000m and 1500m above sea level. Parts of Senqu and Elundini form part of the southern Drakensberg range. This area, due to its high altitude, is less suitable for farming. From Lady Grey the landscape flattens out towards the west. The mountainous terrain also limits accessibility and therefore hampers service and infrastructure delivery in the region. The southern Drakensberg creates a scenic environment conducive to adventure and nature tourism activities such as mountain biking, hiking, skiing etc.

#### d) Hydrology

The southern Drakensberg Mountains form a watershed that separates the eastern and western parts of the Joe Gqabi District. The Orange River is the most important source of water in the District and it covers most of Gariiep, Maletswai and Senqu Local Municipalities. This catchment area drains towards the Atlantic Ocean. Elundini falls within the Umzimvubu catchment area, draining towards the Indian Ocean. The Gariiep dam is the largest dam in South Africa and is a

major source of water for irrigation in the District as well as for the Fish River scheme (to the south west of the District). Smaller dams also provide the District with water, both for agricultural purposes and human consumption. Dams have a secondary usage and potential for recreational and other economic purposes. Boreholes are used by Barkly East, Burgersdorp and Steynsburg to augment supplies, and Jamestown and Mount Fletcher use boreholes for all their water requirements. Many commercial irrigation ventures are fed from groundwater. A study conducted for the DM concluded that many places in Senqu and Elundini have very high groundwater development potential.

#### **e) Soils**

Soils are generally shallow and weakly developed. Soils in the District are mainly sandy loam and clayey loam. As a broad generalization, there is an increase in soil depth and areas occupied by arable soils from west to east. Crop and horticultural production in Gariep LM and in most of Maletswai LM is severely limited (even with irrigation) due to the dominant soil types. Elundini local municipality is the only area with soils suitable for cultivation. The Senqu area is one of the most degraded areas in the country due to communal grazing lands not being well maintained or protected under the previous dispensation. Degradation is also high in the communal land areas of Elundini, and in small pockets within the Maletswai and Gariep local municipalities, with the primary cause found to be the overstocking of livestock and inappropriate grazing methods. The Department of Agriculture estimates that between 300 and 400 tones per hectare of soil are lost annually in the District. In addition to the provision of infrastructure to enable the practice of controlled grazing, it is necessary to prioritize the rehabilitation of severely degraded areas, in particular in the Senqu area.

#### **f) Vegetation**

Vegetation types represent an integration of the climate, soils and biological factors in a region and are a useful basis for land-use and conservation planning. There are nine vegetation types found in the District covering three biomes. Two of these biomes are of some national significance, namely the Alpine/Maloti mountain-type grasslands in the east and Eastern Mixed Nama Karoo in the west and all provide an interest for tourism development. The different biomes also have an impact on the type of agriculture practiced in the area.

#### **g) Land Capability**

There is only 233 hectares of high potential arable land (class 1) in Joe Gqabi District. Elundini has the highest percentage of arable land (with limitations) in its coverage (42.9%), and this is followed by Maletswai (32.9%). With the low levels of rain-fed arable land for crop production in the District, irrigation schemes and stock farming will play a significant role in agriculture. This is evident in Gariep where only 0.8% of the land is suitable for rain-fed crop production; however, agriculture contributed 38% to the GGP in 2001, in the form of sheep farming and irrigation-based agriculture along the Orange River and Fish River Tunnel.

It is important to note that although Elundini has the highest percentage of arable land, its agricultural sector has the lowest (4%) of GGP contribution. This is due to the subsistence nature of agriculture in the area and highlights the physical potential for commercial agriculture growth.

There is limited land available that can sustain intensive agricultural practices. Land identified as prime and unique agricultural land should be preserved for agricultural use in order to enhance food security and therefore economic welfare. It is therefore important that residential and industrial development does not encroach these areas.

#### **h) Biodiversity**

The Joe Gqabi District Municipality is characterized by a diversity of vegetation types and land features. The eastern and northern areas (Senqu and Elundini) are featured by high lying mountainous terrain associated with high species diversity and unique wetlands. These areas are more specifically, covered by Southern Drakensberg and Lesotho Highland Basalt Grasslands (in the east) as well as Zastron Moist Grassland and Senqu Montane shrubland (in the north). The western parts of JGDM are dominated by Karoo Escarpment Grassland, Aliwal North Dry Grassland, Besemkaree Koppies Shrubland and Eastern Upper Karoo vegetation. All of these vegetation covers are classified as "Least threatened" but are for the most part poorly conserved.

Scattered in the north and east are Eastern Temperate Freshwater Wetlands, while in the west small patches of Lower Gariep Alluvial vegetation, which are classified as vulnerable, can be found.

An opportunity exists to formally protect the remaining intact grasslands, especially those classified as vulnerable and endangered, to ensure the important ecological functions they play in this area are preserved, and to build on the attractive and ecologically important landscape for tourism. One of the most important ecological ecosystem services provided by the study area is the provision of good quality water, and the large numbers of wetlands found in the upper elevations within a range of vegetation types are critically important in this regard. An opportunity to apply Payment for Ecosystem Principles for water resource protection therefore exists to ensure the protection of vegetation types dominated by wetlands.

#### **i) Threats to Biodiversity**

Unsuitable agricultural practices such as increasing irrigation in areas of poor soils and cash crop cultivation in marginal areas, is another threat to biodiversity in JGDM. The continuation of degradation of the District's land cover increases erosion throughout the District. This is especially evident in Senqu and Elundini, but also prevalent in Gariep and Maletswai where there is an increase of the Karoo scrubland. Unsustainable agricultural practices such as increasing irrigation in area of erosive/loose soils also contribute to erosion and undermine cash crop cultivation in marginal areas. Very little is being invested into land-care in proportion to the amount of degraded land. Ongoing urbanization and the growth of informal settlements around urban centres is increasing pressure on the environment and stretching infrastructure beyond capacity limits. The municipal area has no dedicated persons looking at environmental issues. Fire, especially in the grassland areas to the east of the District is another factor affecting the environment. In addition, plantations continue to threaten wetlands and indigenous forest patches.

The District is in the process of developing a Biodiversity Plan for the whole area which will be finalized in the 2011/12 financial year. An Air Quality Management (AQM) Plan is a recognised tool in terms of national policy and legislation for the management of air quality in order to protect human health and the environment.

The main aims requiring to be met by development of the Joe Gqabi Air Quality Management Plan, including:

- Ensuring sustainable implementation of air quality standards throughout the Joe Gqabi District;
- Promoting a clean and healthy environment for all citizens;
- Minimization of negative impacts of air pollution on health and the environment; and
- Ensuring provision of sustainable air quality management support and services to all stakeholders within Joe Gqabi District.

The District has developed a high altitude Conservation Management Plan which focuses on development and conservation of parks and soils for cropping on alluvial soils. This plan was developed in 2009 and adopted by Council. It contains biodiversity information for Senqu and Elundini which are the areas covered by the Southern Drakensberg Diversity Plan.

#### **j) Environmental Opportunities**

Some areas of the District area are endowed with scenic beauty that has significant potential for agriculture and tourism sectors. In addition, a number of endemic species contributes to the potential of the District. In addition, climatic, soil and topographic aspects show that Elundini has an environment more suited to a variety of agricultural activities.

Environmental opportunities could present themselves in the form of aquaculture where farming aquatic species should be investigated. In addition, the production of clean-energy (solar and wind) and the feasibility thereof needs to be determined as it would result in the production of sustainable energy for the District. Opportunities also exist for clean development mechanism projects, directly related to sewage treatment and waste resource management.

To deal with environmental management matters, the District adopted an Environmental Management Plan in 2009, implementation of the working for water and wetlands programmes and an integrated waste management plan. The environmental management plan draft is available and will be finalized during the 2011/12 financial year.

### **3.2.2 Focus Areas for Intervention in Land Use Management**

#### **a) Institutional**

- Establish a sound system for ensuring that spatial planning and land use management is undertaken in a qualitatively sound manner in the District.
- Given the applicable human resource constraints in the District in this regard (within the District Municipality as well as the Local Municipalities), it is possible that a “Shared Service” approach to this issue may be most fruitful as a way forward.
- Provide aesthetic and architectural guidelines for urban development in order to inform building control function.

#### **b) Infrastructure**

- Link development approvals to provision of appropriate level of water services (water supply and sanitation/sewerage system) and waste management services
- New development should not be permitted where services availability are limited.

#### **c) Environment and conservation**

- Ensure environmental issues considered in the decision making process, as it relates to spatial planning and consideration of projects and developments
- Promote eco (nature reserves and game farms) and cultural tourism opportunities.

#### **d) Tourism**

- Promote tourism destinations as a foundation for tourism development and ensure that aesthetic guidelines are incorporated into land use management procedures in these areas

#### **e) Agriculture**

- Agricultural activities should be focused on areas of high agricultural potential.
- Agricultural projects should be located in suitable areas without compromising natural areas and other environmentally sensitive areas

### **3.2.3 Alignment of the IDP with the National Spatial Development Framework**

The National Spatial Development Framework (NSDP) determines the following spatial guidelines:

- Coordination of government action and alignment.
- Maximise overall social and economic impact of government development spending.
- Provide a rigorous base for interpreting strategic direction.

The NSDP make a number of assumptions to guide development decisions:

- Location is critical to the poor in order to exploit opportunities for growth.

- Poor communities that are concentrated around economic centres have a greater opportunity to gain from economic growth
- Areas with demonstrated economic potential provide far greater protection due to greater diversity of income sources.
- Areas with demonstrated economic potential are most favorable for overcoming poverty
- The poor are making rational choices about relocating to areas of opportunity
- Government needs to ensure that the poor are able to benefit fully from growth and employment in these areas

The NSDP therefore suggests that the different spheres of government should apply the following principles when making decision on infrastructure investment and development spending:

- Economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation
- Government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity, health and educational facilities) should thus be focused on localities of economic growth and/or potential. The reason being that private sector investment must be attracted and that sustainable economic activities and/or the creation of long – term employment opportunities must be stimulated.
- Efforts to address past and current social inequalities should focus on people not places. In areas where there are both high levels of poverty and development potential, more fixed capital to provide basic services will be needed to develop the potential of these areas. In areas with low development potential, government spending should focus on providing social transfers, human resource development and labour market intelligence. Consequently people will become more mobile and will be able to migrate to areas that are more likely to provide sustainable employment or other economic opportunities
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres.

Development in Joe Gqabi is aligned with the National Spatial Development Perspective framework. The District has resolved that major developments will take place in areas of high potential and focus will be areas where infrastructure already exists. This decision to focus on areas with high potential and existing infrastructure implies the prioritisation of high potential and primary centres. Areas with low potential with high densities will still be provided with basic service delivery, skills and exposure to labour market opportunities. These guidelines are spatially reflected in figure 2.



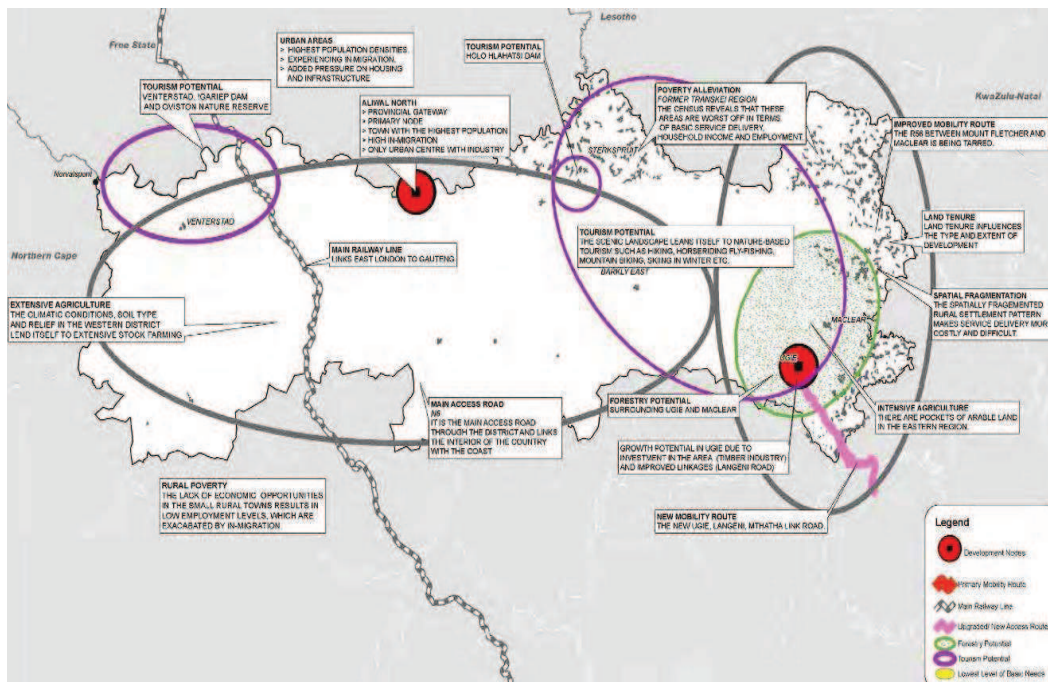


Figure 2: Spatial Priorities

It should be noted that, as the Joe Gqabi District Municipality's range of assigned powers and functions do not extend to the everyday detail spatial planning and land use management, it is the intention of the Spatial Development Framework to present a broad and indicative spatial framework that provides decision-makers with a strategic picture of where limited investment is best targeted in the Joe Gqabi District.

As such, and in accordance with the Local Government Municipal Planning and Performance Management Regulations (R. 796 of 2001) the Spatial Development Framework:

- Identifies the key spatial development features (trends and dynamics) currently applicable in the Joe Gqabi District Municipality;
- Establishes clearly the objectives of the Joe Gqabi 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;
- Identifies the Municipality's strategies and policies that are adopted to achieve its spatial development objectives. These focus on establishing a clear hierarchy of settlement, identifying transport routes of strategic importance, and delineating Special Development Areas, which are:
  - Areas where strategic development intervention is required (areas of particular development potential and/or areas where current development activities represent a development opportunity); and
  - Areas where priority spending is required (areas of special need).
- Illustrates the above information on maps; and
- Sets out basic guidelines for a land use management system in Joe Gqabi District Municipality (i.e. guidelines intended to assist Local Municipalities in formulating their own, more detailed Guidelines in respect of their specific areas).

The reviewed Joe Gqabi District Spatial Development Framework deals with the following matters. The Legal and Policy Framework for the SDF comprise of: -

- The new approach to spatial planning in South Africa and its attendant legislation;



- Policy direction and strategic approaches to managing public investment for development, drawn from the National Spatial Development Perspective, the Eastern Cape Provincial Growth and Development Plan, and the draft Provincial Spatial Development Plan;
- Alignment imperatives with constituent Local Municipal Spatial Development Frameworks, and surrounding municipal Spatial Development Frameworks.

Within the above context, the JGDM focuses on its spatial development with the following development principles:

- The District's locality and extent;
- Its natural resources (bio-physical environment);
- The current status of broad land uses in the District;
- A broad perspective on the status of infrastructure provision
- Developmental indicators, including population estimates and socio-economic data; and current land development and/or related project activities.

The Strategic Framework for managing spatial development in the District, which draws on the strategic approach espoused in the Integrated Development Plan, the identified 8 Priority Programmes, identifies key spatial issues and related spatial objectives and strategies as follows:

- Identify and prioritize areas of greatest need
- Systematically link services and services supply networks to optimize efficiency
- Focus on involvement of all relevant stakeholders.
- Consolidate and densify settlements where appropriate.
- Promote the integration of sprawling settlements.
- Prioritize maintenance and upgrade of strategic link routes.
- Identify nodes and products (i.e. agric produce) that require linkage.
- Identify and prioritise areas where the need for improved access is greatest.
- Prioritise maintenance and upgrade of strategic link routes.
- Support and implement a programme to develop appropriate new Zoning Schemes for Urban and Rural areas, in line with the direction of new legislation.
- Support land reform and settlement upgrade initiatives by identifying zones of opportunity according to land needs
- Implement the principles of Integrated Environment Management.

Table 18 below and figure 3 below deal with key spatial issues, objectives and strategies in the District and environmental issues, respectively.

**Table 18:** Spatial Key Issues, Objectives and Strategies in the District

Key Issue	Objective	Strategy
Addressing Basic Needs	Ensure availability of minimum acceptable level of infrastructure and services throughout the DM Improved capacity in service delivery.	Identify and prioritize areas of greatest need Systematically link services and services supply networks to optimize efficiency Focus on involvement of all relevant stakeholders.
Overcoming Spatial Fragmentation	To create an efficient and integrated settlement pattern in Joe Gqabi.	Consolidate and densify settlements where appropriate. Promote the integration of sprawling settlements. Prioritize maintenance and upgrade of strategic link routes.
Ensuring Good Linkages and Access	Well-structured network system allowing for ease of movement. Efficient and effective links between identified nodes and relevant products and services.	Identify nodes and products (i.e. agric produce) that require linkage. Identify and prioritize areas where the need for improved access is greatest. Prioritize maintenance and upgrade of strategic link routes.
Managing Land Use	An appropriate Land Use Management System in operation across the DM Security of access to land for	Support and implement a programme to develop appropriate new Zoning Schemes for Urban and Rural areas, in line with the direction of new legislation. Support land reform and settlement upgrade initiatives by

	development	identifying zones of opportunity according to land needs
Managing the Environment	Adhere to sound environmental practices in line with legislation. Protect environmentally sensitive areas	Implement the principles of Integrated Environment Management.

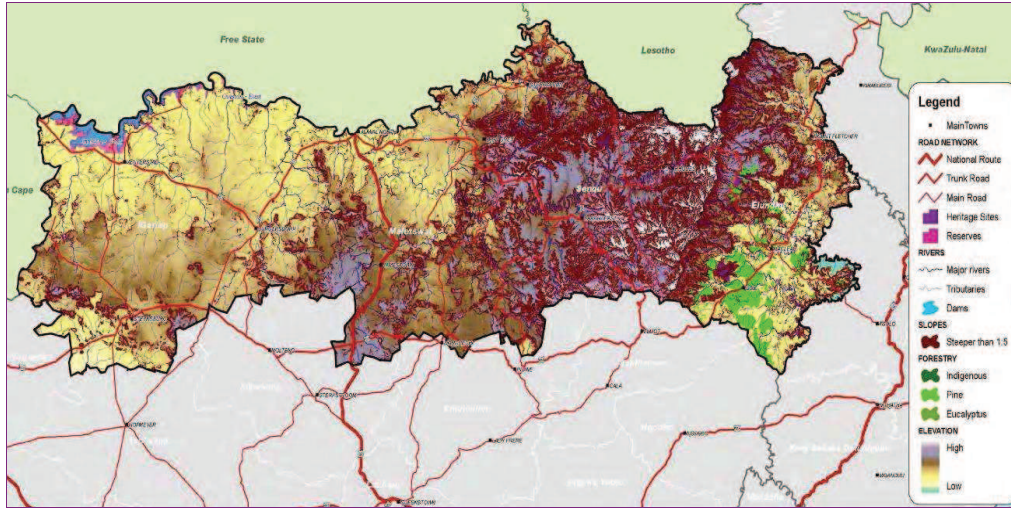


Figure 3: Environmental Issues

Figure 4 below depicts development nodes within the District. These are substantially informed by the strategic direction of the District's eight Priority Programmes identified in terms of the 2007 Growth & Development Summit.

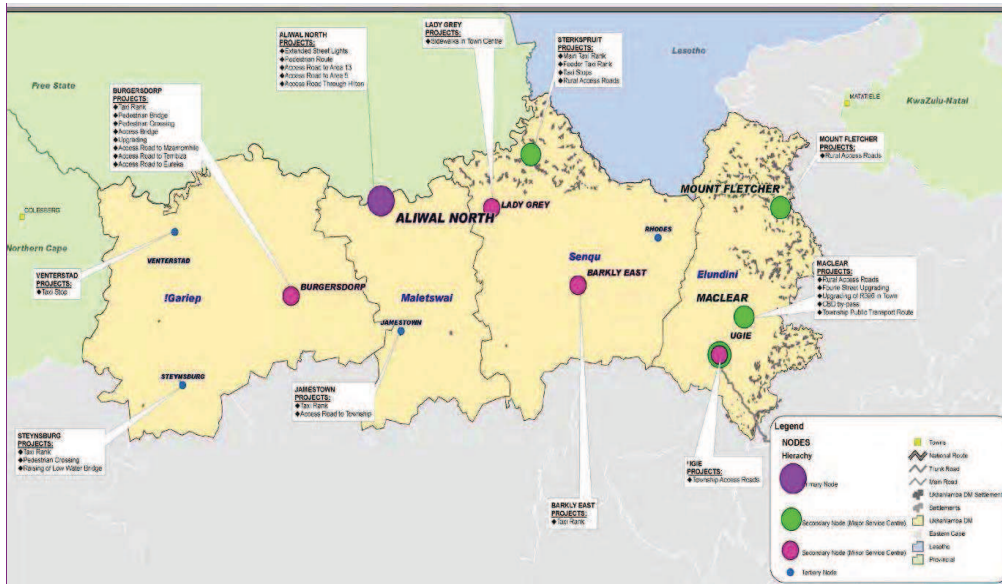


Figure 4: Development nodes within the District

In relation to the Municipal Services Upgrading Programme, the proposed hierarchy of urban settlements, distinguished as "Urban Nodes"; Aliwal North is the Primary Node in the District. Secondary Urban Nodes (Major Service Centres) are identified as: Sterkspruit, Ugie, and Mount

Fletcher & Maclear. Secondary Urban Nodes (Minor Service Centres) are identified as: Burgersdorp, Lady Grey and Barkly East.

The Municipal Services Upgrading Programme further identified *rural nodal settlements* (that is, rural settlements of relatively higher importance in relation to their accessibility and potential for further development of facilities to serve surrounding communities). In the Sterkspruit sub-region of Senqu Municipality these are N dofela, Qoboshane/Telle-B , Hillside-E and Herschel. In the Mount Fletcher sub-region of Elundini Municipality these are Mangolaneng, Katkop and Ngcele.

Through the Access and Linkages Programme the District has identified *Development Corridors* as depicted in figure 5 below, as being the most important transport routes within the District. These nodes are categorised by their specific or potential defining function in terms of developmental objectives as either mobility routes or special routes (e.g. tourism routes).

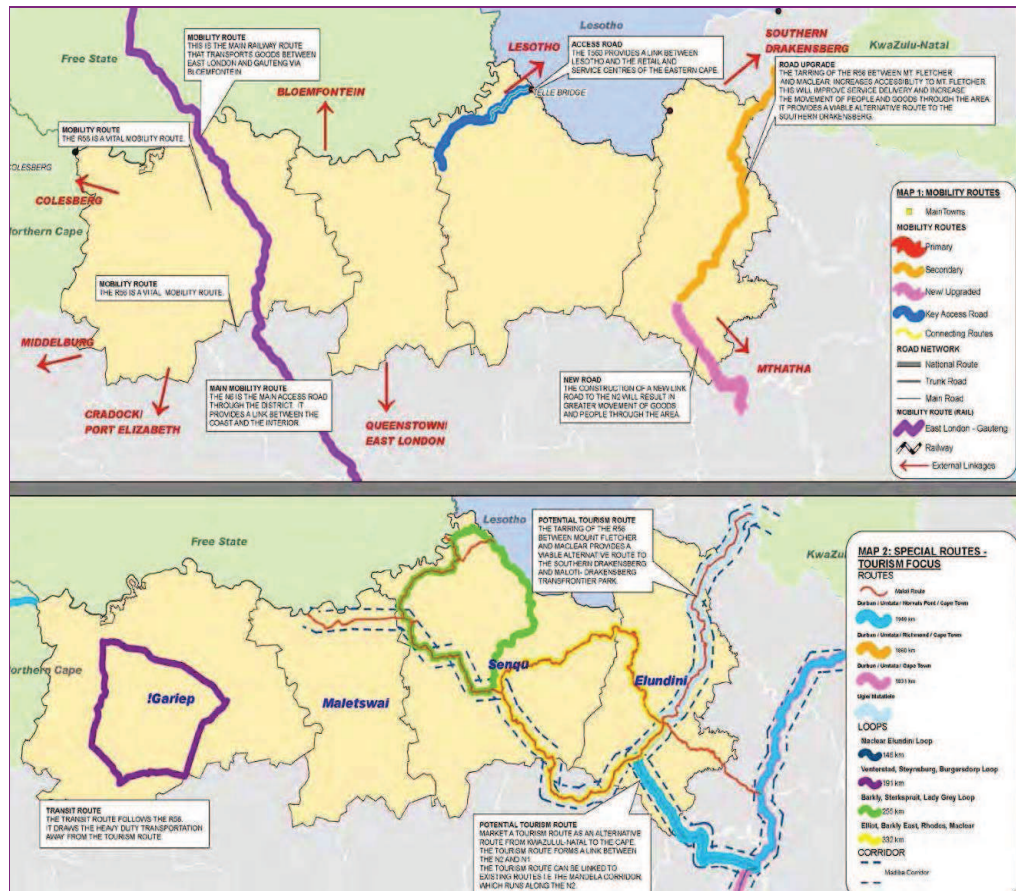


Figure 5: Key Development Corridors

The main tourism corridor identified is the so-called Madiba Corridor, which links the Joe Gqabi District to the current Madiba route via the new Ugie -Langeni road and extends it to the north-west along the R58 to Aliwal North, and along the R56 to the north-east through Mount Fletcher to the Maloti - Drakensberg National Park area.

Special Development Areas as depicted in figure 5 have been identified as areas where a specific development or potential for development based on a comparative advantage is noted as warranting strategic investment and institutional support.

These areas are also defined on the basis of the Priority Programmes in the following manner:



- Areas within the Elundini Municipality and centring on Ugie and Maclear are identified as the main focus areas for the Timber Programme;
- Areas around Venterstad and the Gariiep Dam identified as a Special Tourism Development Area;
- The area incorporating the highlands and including the towns of Lady Grey, Rhodes, Barkly East, Maclear and Ugie, Dam identified as a Special Tourism Development Area; and
- Basic Needs and the upgrade of infrastructure, roads and social facilities remains a priority in the former Transkei areas of Herschel and Mount Fletcher sub-regions as shown in figure 6.

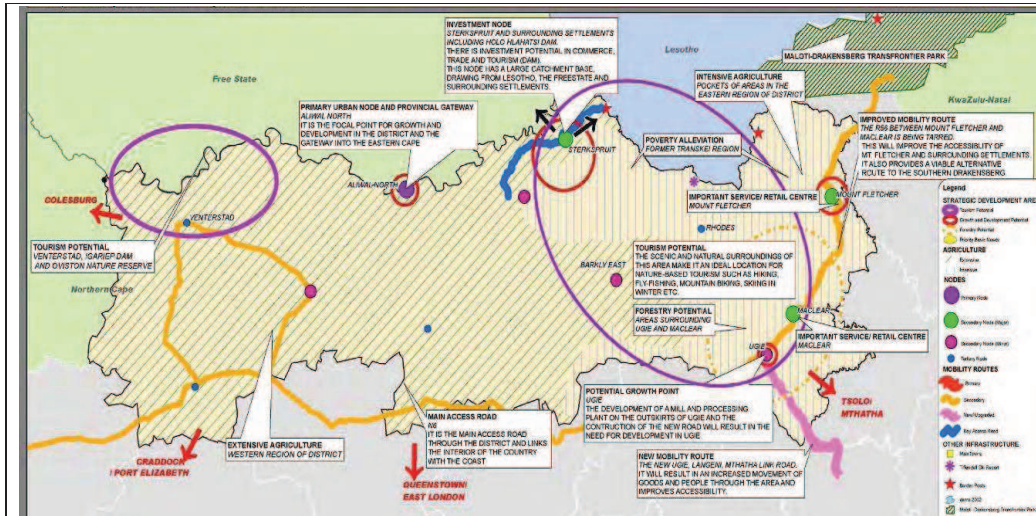


Figure 6: Special Development Areas

The Land Use Management Guidelines contained in the District SDF provide the Local Municipalities in the District with land use directives for the further elaboration on the local and land use management principles.

Proposals related to further implementation of spatial planning and land development, being made up of:

- A proposed “shared service” approach to the provision of spatial planning and land use management services in the District;
- The focus being placed on the distribution of a Land Use Management Procedures Manual and associated training for Local Municipal officials; and
- The identification of some key actions and/or projects for implementation, in order to add detail to the District’s development initiatives and investment programmes.

### 3.3 SERVICE DELIVERY AND INFRASTRUCTURE

#### 3.3.1 Water and Sanitation

The JGDM is the Water Services Authority (WSA) for the area under its jurisdiction. The four local municipalities are the Water Services Providers (WSP) for each of their areas of jurisdiction. Bloem-Water and Sintec were appointed as the WSPs for the rural areas in Senqu LM and Elundini LM respectively. The District is responsible for the planning, ensuring access and regulating the provision of water services in the District area.

The District municipality adopted Water Services Development Plan (WSDP) in September 2008 covering the 2007/2008 to 2011/2012 financial years. The adopted WSDP is being reviewed following a review that took place in 2009/10 financial year. The JGDM has formulated three major WSDP goals that align with the broader IDP developmental goals:

- Delivery of sustainable water services
- Integrated Water Resource Management
- Efficient and effective water services institutional arrangements

From this plan and the SDF, service delivery priority areas have been identified in line with the principles of the NSDP and PSDP as reflected in figure 7 below.

**Comment [FS5]:** The formatting is wrong

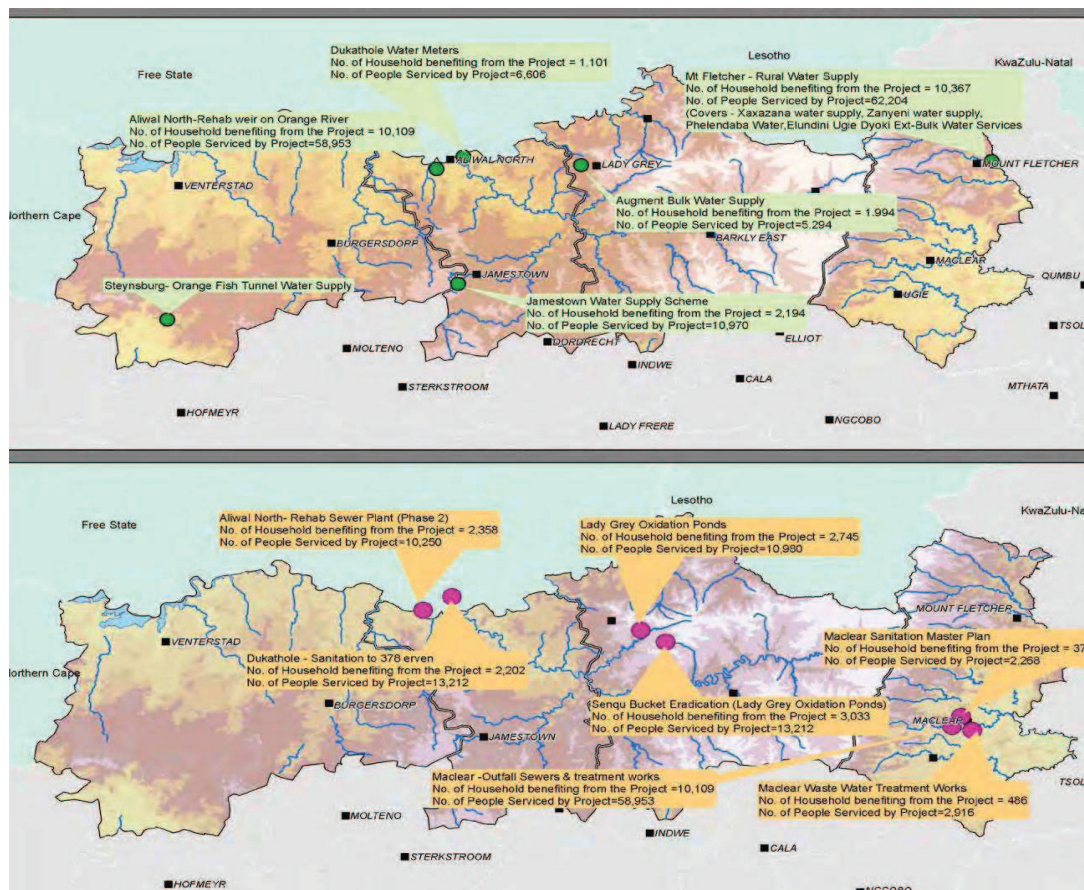


Figure 7: Service delivery priority areas

#### 3.3.1.1 Water and Sanitation backlogs

In the JGDM area, water and sanitation services continue to face critical challenges. These include eradication of bucket system, basic water and sanitation services backlog, achieving the essential targets for reducing water backlog, implementation of FBS, meeting the wastewater effluent standards and thereby reducing the impact on the water quality of urban rivers, asset management and ensuring that infrastructure is extended timeously to meet the development growth demands. Financial sustainability of the service is a particular challenge, ensuring full cost recovery and debt management at a fair tariff and financing of capital investment are some of the challenges.

All towns in the District are characterised by aging infrastructure which is about 50 years old. In terms of new infrastructure investments, there has been slow progress in addressing the existing backlogs as the available budget is consumed by operations and maintenance requirements. This diverts the commitments from dealing with new infrastructure to ensure sustainability of the current infrastructure.

The demand and levels of service provided has also increased for a greater proportion of the population leading to bulk water and sanitation infrastructure operating at over capacity. Inadequacy of resources such as vehicles, shortage of skills relating to operations and maintenance requirements remains a challenge. Nevertheless, in order to optimally achieve this and thus meet key policy and legislative requirements, new and effective institutional arrangements and other strategies continue to be put in place.

The extent of water sanitation service delivery backlogs can be gauged from DWAF Reference Framework for the number of people served to RDP standards. Significant inroads have been made in terms of extending water access in Joe Gqabi. Yet the more populous eastern parts of the District face the greatest challenges as far as water backlogs are concerned as reflected in table 19.

**Table 19: Water backlogs in the District**

Local Municipality	Total Population	WATER					
		Population (Number of HH)			Percentage		
		No Water	Below RDP	Above RDP	No Water	Below RDP	Above RDP
Elundini	123,634	12,205	59,339	52,090	9.9%	48.0%	42.1%
Senqu	118,174	15,586	21,330	81,258	13.2%	18.0%	68.8%
Maletswai	42,846	355	277	42,214	0.8%	0.6%	98.5%
Gariep	23,709	529	311	22,869	2.2%	1.3%	96.5%
<b>TOTAL</b>	<b>308,365</b>	<b>28,676</b>	<b>81,257</b>	<b>198,431</b>	<b>9.3%</b>	<b>26.4%</b>	<b>64.3%</b>

Source: WSDP 2008

It is evident that the District has RDP water service levels of 64.3%. The municipality with the highest water service levels is Maletswai local municipality with 98.5% of its households having access to water; followed Gariep local municipality with 95.6% of its households having access to water and then Senqu local municipality with 68.8%. Elundini local municipality has the lowest water service levels in the District (42.1%).

In addition to water backlogs, there is a significant amount of sanitation backlogs that must be addressed by the District as depicted in table 20.

**Table 20: Sanitation backlogs in District**

LOCAL MUNICIPALITY	TOTAL POPULATION	SANITATION			
		Population		Percentage	
		Served	Un-served	Served	Un-served
Elundini	123,634	50,721	72,913	41.00%	59.00%
Senqu	118,174	69,714	48,460	59.00%	41.00%
Maletswai	42,846	29,908	12,938	69.8%	30.2%

Gariep	23,709	21,775	1,934	91.8%	8.2%
<b>Total</b>	<b>308,365</b>	<b>172, 118</b>	<b>136, 245</b>	<b>56.00%</b>	<b>44.00%</b>

Source: StatsSA Community Survey 2007, Source: JGDM GIS Department, Source: JGDM Service Delivery Report (Sanitation ACIP March 2010)

The District has high RDP sanitation levels with 56% of the households in the District having access to sanitation. Elundini local municipality has the highest sanitation of 59%, with 41% of the households having access to sanitation. It is followed by Senqu local municipality with 59% of the households having access to sanitation and 51% without. In Maletswai local municipality 69.8% of households are served and Gariep has the highest level of access of 91.8%

There has been a light decrease in sanitation backlogs between the periods 2008 to 2009. The population serviced with sanitation has increased from 161 717 to 172 118 from 52.4% to 56 %.

The eradication of sanitation and water backlogs is a national priority that is in line with the National, Provincial targets and the Millennium Development Goals. It is within this context that all attempts should be made in understanding the depth of this problem and the associated financial implications as shown in table 21 and 22. These figures are derived from the developed and Council adopted sanitation and water implementation plans. The sanitation and water implementation plans deals with reticulation backlog and challenges for both urban and rural backlogs. Various sustainability options for the rural sanitation alternative services are further explored.

**Table 21:** Estimated cost of eradicating water backlogs

LM	Rural HH Below RDP	Cost per HH Rural	Urban HH below RDP	Cost per HH urban	Cost backlog eradication
Elundini	14,378	15,000	6,572	11,300	R289,935,089
Senqu	7,419	15,000	3,391	11,300	R149,603,738
Maletswai	0	15,000	185	11,300	R2,090,500
Gariep	0	15,000	246	11,300	R2,779,800
<b>Total</b>	<b>21,798</b>		<b>10,393</b>		<b>R444,409,128</b>

Source: WSDP 2008

**Table 22:** Estimated cost of eradicating sanitation backlogs in Joe Gqabi

LM	Rural HH below RDP	Cost per HH Rural	Urban HH below RDP	Cost per HH urban	Cost of backlog eradication
Elundini	13, 925	5,000	7,018	7,700	R 123,663,503
Senqu	9, 852	5,000	5,038	7,700	R 88,051,795
Maletswai	0	5,000	2,685	7,700	R20,674,500
Gariep Total	0	5,000	1,834	7,700	R14,121,800
<b>Total</b>	<b>23, 777</b>		<b>16,575</b>		<b>R 246,511,598</b>

Source: JGDM WSDP 2008

In the light of limited and insufficient funding to eradicate backlogs as reflected in table 23, the national targets cannot be met. To meet the national targets will require the injection of financial and human resources as stipulated above and with due consideration of escalations. The backlogs and the budget include bulk infrastructure development. The WSDP and CIP address the bulk infrastructure development.

**Table 23:** Backlog Eradication funding needs

	2008/09 (R 000)	2009/10 (R 000)	2010/11 (R 000)	2011/12 (R 000)	2012/13 (R 000)	2013/14 (R 000)	2014/15 (R 000)	2015/16 (R 000)
WATER	R152,691	R178,082	R89,699	R55,699	R55,699	R55,699	R55,699	R55,699
SANITATION	R67,246	R29,523	R34,199	R32,549	R34,176	R35,885	R38,038	R9,732
<b>TOTAL</b>	<b>R219,937</b>	<b>R207,605</b>	<b>R123,898</b>	<b>R88,248</b>	<b>R88,248</b>	<b>R91,584</b>	<b>93,737</b>	<b>R65,431</b>

Source: WSDP 2008

In terms of the Drinking Water Quality Monitoring and Management area, the District performed well with respect to drinking water quality, water resources quality and WWTW releases. Water quality is monitored in urban and rural areas in terms of compliance with SANS 241 standards for



drinking water quality and affluent. The audited 2009/10 annual outcome shows that most failures occur outside the managed schemes, such as unprotected rural schemes, hospitals and police stations that own water storage sources that are beyond the WSAs control. In the few cases where there have been failures in towns on managed urban schemes this has been due to the poor management by Water Service Providers that include no chlorination and insufficient disinfections processes. To resolve these challenges, WSPs need to enforce stricter controls over water service providers around chlorination and water quality. WSPs should, inter alia, implement the actions identified to improve water quality and provision during the WSA strategic session, improve asset management controls and separate uncontrolled sources from compliance testing and reporting. These should be included in the operational testing programme and be part of the remedial action plan.

In terms of sanitation services, sewerage spills are monitored and compliance enforced. Sewerage spills have been identified and their rectification is being monitored albeit this occurs inconsistently. WSPs will have to improve on the consistency of sewerage spill monitoring, fast track acquiring critical spills and implement issues related to the blue drop system.

### **3.3.1.2 Water Resource Management**

Water resource planning and the implementation of augmentation options is a DWAF competency, although JGDM is responsible to implement and manage water use and reuse initiatives. Therefore the strategies of JGDM in this regard are the following:

- Verify the yields of all surface water sources and yields of all boreholes.
- Compile maintenance plans for all surface water and groundwater sources.
- Compile maintenance plans
- Conduct dam safety inspections.
- Compile dam operating rules for all surface water sources.
- Establish a comprehensive groundwater monitoring plan for the monitoring of water levels and groundwater quality – rural and urban
- Introduce pollution awareness-, leak and meter repair programmes
- Improve water resources information to assist in the preparation of a water balance.
- Ensure licensing of all wastewater treatment works.

Quaternary Catchment Areas across the JGDM area are shown in figure 8 below.





Figure 8: Quaternary Catchment Areas

Studies conducted show that within five years all the major towns in the JGD Metropolitan Area will have access to surface water and thus the groundwater will be used to augment the water supply. Water supply to the rural areas of the JGD Metropolitan Area (Senqu and Elundini) will be served by groundwater sources and this will be a trend for other towns. Schemes will be mostly stand alone scheme and separated.

Mechanisms to monitor borehole levels are currently not in place. A pilot study is planned for Lady Grey that includes the installation of a telemetry system that will allow for the monitoring of the boreholes around the town. A pilot study was conducted in the Sterkspruit area that focussed on groundwater monitoring in the rural context. This approach should be extended to all the rural groundwater schemes. A comprehensive groundwater monitoring plan is currently being developed in partnership with DWA with the objective of addressing the weaknesses in groundwater monitoring in the Eastern Cape. The outcome of this project will be incorporated into the JGD Metropolitan Area's water monitoring programme.

The District is currently finalising a review of the WSDP and this process should identify the required strategic decisions in terms of the following:

- Capability of the river systems in JGD Metropolitan Area to accommodate more dams
- Monitoring of groundwater levels and water quality
- Ensuring of water use efficiency by the end users
- Quality of effluent discharge from wastewater treatment works into natural streams are not measured and do not comply to special or general standards limits.
- Address poor sanitation conditions in rural areas.
- Introduce adequate catchment management plans.
- Proper management of solid waste facilities lacking.
- Improve quality of treated water focusing on the following factors:
  - Condition of water treatment plants.
  - Quality of operators responsible to operate water treatment plants.
  - Adequate supervision of maintenance and operational staff to manage and maintain infrastructure.

- Improved management of reticulation reservoirs
- Improve health conditions around communal taps.

It is proposed that the focus of the future goals and strategies should be structured around a consistent effort to address some of the failings identified by the Blue and Green Drop Assessments. The goals in terms of water quality within the respective rivers within the JGDM are the following:

- All discharges from the respective wastewater treatment works within the JGDM to comply with general or special standards, as required in terms of their permitted use.
- All rural households to be provided with rural sanitation facilities and appropriate services on an ongoing basis.
- Improve levels of communication to residents during times of poor water quality.

Wastewater schemes are currently restricted to the urban centres with isolated schemes restricted to the rural areas being restricted to a few local “hospital” schemes. This is influenced by limited water supply and affordability constraints in the rural areas. The current performance of the urban wastewater treatment plants at Mount Frere, Cederville, Matatiele and Mount Ayliff is not satisfactory. If the trend of dysfunction that has been identified in the Green Drop Assessment continues then the situation for wastewater quality, community health and the general environment will be compromised. The Green Drop Assessment does however represent an opportunity in that it specifies goals and criteria that could be used as the basis of an “action plan” to address gaps in the sector.

### **3.3.1.3 Water Conservation and Demand Management interventions**

The National Water Act (Section 2(h) (iii)) requires WSAs to prepare water conservation and water demand management strategies in order to achieve more efficient use of water. Many of the elements of such a strategy are part of the WSDP requirements. The WSDP identifies the following as key activities that could be embarked on to ensure more efficient use of water:

- Water resource management
- Distribution management
- Consumer / end user demand management
- Effluent / return flow management

The implementation of water conservation and water demand management strategies do not only refer to measures that reduce water wastage and inefficient use, but also include measures to effectively manage and sustain efficiency targets. Some of the priority requirements are to install systems that measure and identify certain key parameters such as minimum night flows and systems to enable detailed and regular water audits and water balances.

The Water Conservation and Demand Management Strategy should address the following main water conservation issues:

- Water Loss Control programme
- Asset Operations and Maintenance programme
- Catchment erosion prevention and mitigation programme
- Management and rehabilitation of wetlands programme
- Alien vegetation removal programme
- Accounting and Cost Recovery systems improvement programme
- Capacity building programme
- Public Information and consumer education programme
- Development of bylaws that will support the sustainable management of all water and sewage related resources

- Institutional arrangement establishment

#### 3.3.1.4 Bucket Eradication

The bucket eradication programmes that Joe Gqabi District Municipality has been engaged in made 100% coverage of sanitation in the urban areas. A total of R175, 844,175.00 was spent to address bucket eradication in formal areas (at current prices). The buckets were eradicated in all formal housing areas in the District by the end of December 2007.

**Comment [FS6]:** This is something achieved in the past – should it still be in?

#### 3.3.1.5 Water and Sanitation Challenges

Challenges in terms of water and sanitation services can be summarized as follows:

- The current MTEF MIG allocations are committed to current projects and therefore the target to eradicate the water and sanitation backlog by 2014 will be difficult to meet.
- Sufficient funding is not available for the operation and maintenance of water systems after they have been built.
- Poor water systems, especially in deep rural areas where traditional water sources are still being used, are influencing the health of communities as water quality is at times is compromised.
- Dilapidated water and sanitation infrastructure in certain towns leads to significant water losses as well as interrupted and unreliable service to affected communities.
- The extended drought of 2009 in some areas of the District caused major disruptions in water services and limited funding was available to deal with the disaster.
- Lack of qualified operators at some of the water treatment plants which compromise water quality.
- Lack of funding to deal with the upgrading and refurbishment of existing water and sanitation infrastructure.

#### 3.3.1.6 Water and Sanitation possible solutions

- Significant and continued health and hygiene training of communities are needed to limit potential health problems.
- An extensive water conservation and demand management programme to be implemented to reduce water losses and increase water conservation awareness amongst users.
- Temporary water provision such as water carting and the protection of springs will alleviate drought conditions in some areas.
- Increase MIG allocations in order to meet the eradication of the backlogs target of 2014.
- Secure sufficient funding for operation and maintenance of new and existing infrastructure.
- Secure funding for the refurbishment and upgrading of existing infrastructure.

#### 3.3.1.7 Operation and Maintenance

Operation and maintenance is funded by revenue generated by local municipalities from user charges for services to communities as well as from the equitable share allocations. However, due to low collection levels the District provides additional funds from grant funding to provide for shortfalls. Equitable share covers the costs of the indigent. Tariffs have previously been below the cost of producing and delivering water and sanitation across the District and there was a process during the preparation of the draft budget to reassess the existing tariffs to ensure that the service could be sustainable. Tariffs now address funding for the operation and maintenance of water and sanitation systems and to ensure that there is a capital replacement fund. While the proposed

water tariff cost per kiloliter is higher than previous years the availability has been reduced. This strategy enables the consumer to control their water usage largely and encourages water conservation. In monetary terms, an amount of R60 million has budgeted for operation and maintenance from own funds.

#### **3.3.1.8 Free Basic Services for Water**

Free basic services (FBS) are implemented in the District area by the local municipalities and District municipality when providing services to communities. In terms of the District municipality, an indigent policy exists that guides the implementation of free basic services to people receiving water and sanitation services. The local municipalities have indigent registers and policies in place and implement free basic services for energy as well as waste disposal. The District municipality provides FBS within the provisions of the Indigent Policy. A process to update the indigent registers is underway in local municipalities (the DM uses the same registers for the implementation of FBS, as it is the LMs that are currently the Water Service Providers.

#### **3.3.1.9 Waste Water Treatment Programme**

Semester chemical samples are taken of final effluent from each wastewater treatment works (WWTW). Insufficient analysis of surplus currently takes place due to the lack of proper database. Twenty-two permitted WWTW located in the four local municipalities (Elundini 6, Senqu 9, Maletswai 2, and Gariep, 5). They consist of oxidation ponds and activated sludge systems. The staff is deployed to the local municipalities to perform this function and the District budgets for this function within waste management budget.

#### **3.3.1.10 Water Quality Monitoring Programme**

Water quality monitoring forms an integral part of the mandate of the municipal health services, which is a power and function for the District municipality. The District Municipality municipal health service section has implemented a water quality monitoring programmes since October 2005. Since then monthly microbiological samples are taken from 120 domestic water sampling and monitoring points throughout the entire Joe Gqabi District Municipal area.

The database for the microbiological samples was internally developed. Currently health indicators (DWAF minimum requirements - E.coli), and operational indicators are measured to determine the health risk and to direct the management decisions with regard to operational issues at water treatment works. While E.coli results are often within the norm the largest challenge exist in the improvement if operational indicators.

#### **3.3.1.11 Infrastructure Investment Planning and Backlog Eradication**

With a view of dealing with all these challenges as they relate to bulk and reticulation, the District has managed to assess the budgetary and institutional requirements for provision and sustainability of supply for all these services. Key issues identified include institutional requirements, financial requirements and sustainability matters. Through development of comprehensive infrastructure delivery plans such as the CIP, WSDP, ITP, LED Strategy, water and sanitation plan and so forth, it is evident that the District has a clear and comprehensive understanding of infrastructure delivery requirements. The CIP of the District is the main document that informs infrastructure development needs within the District. The annual reviewal of the CIP takes into cognizance new information from sector plans.

To deal with medium infrastructure investment requirements, the District has undertaken a medium term investment projected as reflected in the budget and projects section of this document. The planned investment planning incorporates all budget sources including MIG and own funds as reflected in the budget section. In the current year, MIG funding amounted to R 109 million and own funding which is dedicated to operations and maintenance a budget of R60 million was made available from the equitable share. This budget is ring fenced for water and sanitation expenditure ranging from services and infrastructure.

As far as funding challenges, sustainability and service efficiency matters are concerned, the District has commissioned service providers for the development of a financial turn around strategy in line with the WSDP and water and sanitation implementation plans. Included in this exercise will be the assessment of external funding sources and an implementation strategy.

As a regulator, the Department of Water Affairs does support the District in its endeavor of dealing with water and sanitation challenges.

### **3.3.2 Roads and Transport**

#### **a) Integrated Transport Plan**

The current Integrated Transport Plan (ITP) which was adopted in 2008 is now being reviewed and will be presented to Council for adoption by April 2011.

#### **b) Rank Facilities**

The District has three formal Taxi/Bus ranks in Aliwal north, Mt Fletcher, Maclear. In other towns, there is a dire need for these rank facilities. The Bus shelters are available in Barkly East Lady Grey and Venterstad.

#### **c) Rail Infrastructure**

A section of one of the premier rail lines in the country (East London to Bloemfontein), cross through the Joe Gqabi area. Some 111 km of this electric line (Bethulie to Stormberg) is located in the study area. The residents of Burgersdorp thus have access to the passenger trains of Shosholoza Meyl (National Department of Transport), on this route. Two former branch lines have now been closed in totality, namely: Rossmead – Stormberg (through Steynsburg) and Molteno – Jamestown. (In the case of the latter, the physical rails have been removed). One other branch line still enjoys very limited freight workings, namely the Burgersdorp – Aliwal North line. Aliwal North – Barkly East as well as the Sterkstroom – Ugie – Maclear lines have both been abandoned, but the rails are still in place.

#### **d) Road Network/ National Roads**

About 103 km of national road, the N6 from Aliwal North to the other side of the Stormberg Pass, fall under the jurisdiction of the South African National Road Agency Limited. This road section is in a good condition and being maintained on a regular basis.

#### **e) Provincial Roads**

There are 3 314 km of road under the jurisdiction of the Eastern Cape Provincial Department of Roads, Transport and Public Works in the District municipal area. These roads are classified as Trunk Roads and Main Roads The most important trunk roads are Burgersdorp – R56. The significant main roads within the District that are surfaced are:

- R58 - Norvalspont – Venterstad – Burgersdorp – Aliwal North Lady Grey – Barkly East.
- R56 - Ugie – Maclear – Mount Fletcher
- R56 - Steynsburg – R391
- R393 - Lady Grey – Sterkspruit
- R391 and R390 Orange River – Venterstad – Steynsburg

The condition of this road is now seriously deteriorating due to the increase in heavy loads and other traffic volumes especially during school holiday. This road was initially constructed for temporal usage during the construction of the Gariep dam.

The Sterkspruit – Tele Bridge (Lesotho) and Maclear – Mount Fletcher have been categorized as strategic road links and were been upgraded during the previous financial years.:

In terms of pavement conditions, the Bethulie – Venterstad – Steynsburg road is considered to be in poor to very poor condition. The same is also true of the Lady Grey – Sterkspruit road. Most of the other provincial roads, with the exception of isolated sections, are in a fair condition.

Periodic road maintenance contracts are being implemented by the DRPW on trunk roads (paved) and gravel roads in Elundini and Senqu municipalities.

#### **f) Other Roads**

In terms of the 2009 ITP, the 10 455 km of roads, currently classified as Access Roads, other than national and provincial roads, are the responsibility of the four local municipalities with only contracted help by the District Municipality. It is at this level that a chronic lack of funding has retarded the development of much needed access roads.

#### **g) Road Maintenance**

Joe Gqabi District Municipality manages a number of road maintenance teams a roving re-gravelling team in its area of responsibility. Joe Gqabi District Municipality has entered into a service level agreement with the Eastern Cape Department of Roads, Transport and Public Works to provide certain specified road maintenance activities on the Proclaimed Provincial Gravel Roads in the LM areas of Gariep and Maletswai as well as certain sections in Senqu. The Roads Section that includes a Mechanical Section will carry out these works: R 96m was provided for the maintenance of roads for the MTEF period starting from 2007/8- 2009/10. The SLA with the Department of Roads and transport was recently renewed for a three-year period covering 2010 to 2013. Budget commitment for the 2010/11, 2011/12 and 2012/13 financial years are R28 million. R31 million and R34 million respectively covering a total amount of R93 million over the contract period.

#### **h) Airfields**

The following information is provided on the South African aviation website with regard to airfields and landing sites in the study area:

The airfields exist in Aliwal North Aliwal, Barkly East, Burgersdorp, Maclear and Ugie. A new airstrip primarily aimed at the tourism market for the Rhodes and alpine tourism area was planned previously. The site was identified to be between Barkly East and Rhodes adjacent to proclaimed Provincial Gravel road Number MR0073 albeit could not be realized due to lack of funding. An EIA was done.

#### **i) Non Motorized Transport**

The following pedestrian related problem areas have been identified within the District in the following area:

- Burgersdorp - Pedestrian bridge across the trunk road between Burgersdorp and Steynsburg, raising of low water bridge in Mzamomhle
- Trunk road crossing and raising of low water bridge in Khayamnandi Steynsburg
- Pedestrian route and extension of street lighting entering Aliwal North from Burgersdorp – Aliwal North

#### **j) Freight Transport**

The following are the characteristics of the movement of freight in the Joe Gqabi DM area:

- The only large generator of freight is the timber industry in the Ugie – Maclear area. The heavy-duty haulage trucks transports the wood to the P.G. Bison plant just outside Ugie. The new Ugie – Mthatha road is seen as a future distribution road for wood products. However, rail transportation should not be excluded from the available options.
- The N6 road corridor through Aliwal North and the primary electrified rail line through Burgersdorp are both very important conduits of freight through the Joe Gqabi DM area and must be maintained as such.



- There are no other freight routes of specific importance in the area, although the newly upgraded R56 can develop as a new freight route through the area.

Freight infrastructure is the one that is lacking most through out the District. There are no weighbridges through out the District.

#### k) Scholar Transport

The demand for scholar transport service outweighs the supply. This has surfaced strongly and eminently during the ward planning exercise.

**Comment [FS7]:** This is out of date. Scholar transport is in crisis

#### i) Public Transport And Facilities

Truck stop is planned at Ugie, Elundini for the new Ugie/Langeni road. There is still a need to improve public transport facilities in Senqu especially at Sterkspruit. Related to provision of public transport is the need for basic essential services such as water, sanitation and shelters at key facilities. There is a need to provide these services at all the nodes (rural and urban) as defined in the Spatial Development Plan. Areas with high dependency on public transport especially the primary and secondary nodes should receive priority.

**Comment [FS8]:** This is out of date – it has been built

In the District area there are ten taxi associations with 595 members, 340 vehicles and 147 permits. Only between 25% and 50% of vehicles are currently operated legally. In the District there is the large percentage of people not making use of public transport because of unemployment and high poverty levels.

Access roads are a problem (or the lack thereof) in many communities in the area, especially in the mountainous areas of the northeast. Because of this, the few operators offering services under these conditions are experiencing wear-and-tear. As a result, the unsafe “bakkies” taxis are predominantly in use in these areas.

#### m) Road Signage

Signage has been improved in some places. However, direction signage to the Gariep Dam remains confusing. Correct signage in general required upgrading.

#### n) Streets

Streets within towns are the responsibility of the relevant local authority.

#### o) Pavement Management System

During 2005/6 a pavement management system was developed for the District to set in place a system for effective maintenance of streets within urban areas. The plan covered an estimated 320km of unpaved roads and 80km of paved roads, and revealed that the condition of the urban road network of the District is generally poor. However, due to lack of resources the system has not been fully utilised.

**Comment [FS9]:** Is this still relevant, is anyone using it.

#### p) Storm Water Drainage

Storm water drainage forms part of the maintenance of roads and as such is included in the budgets of the local municipalities for roads. The District through funding from the DBSA supported the local municipalities in the development of pavement management systems.

### 3.3.3 Electricity

The major constraint in this regard is the lack of funds and capacity to develop the plan and lack of response and support from Department of Energy. The District municipality is in the process soliciting support and financial resources for developing the electricity plans. The other problem

with this service is its administration by service agent which is located in other provinces (KZN, Free State, and Northern Cape) something, which makes it even more difficult to plan and manage this function. Electricity providers within the District are depicted in table 24 below. Some 16% of households in Joe Gqabi have been linked to the electricity grid between 2001-2006 with 70% and more households in Senqu, Maletswai and Gariep now accessing electricity. Elundini however again faces the greatest challenges as far as a backlog is concerned.

**Table 24:** Electricity service providers

<i>Municipality</i>	<i>Provider In Urban Areas</i>	<i>Provider In Rural Areas</i>
Elundini	Elundini Municipality	Eskom
Senqu	Senqu Municipality	Eskom
Maletswai	Maletswai Municipality	Eskom In Farms
	JAMESTOWN ESKOM	ESKOM IN FARMS
Gariep	Eskom	Eskom In Farms

Gariep local municipality is in the process of taking over the electricity service provision from ESKOM. Eskom is the provider in the rural areas and some farms.

**a) Electricity Backlogs and budget**

Electricity provision is not a function of the District. However, backlogs are provided in table 25 below.

**Table 25:** CS2007 Electricity backlog

<b>Municipality</b>	<b>RDP Electricity Access</b>	<b>RDP Electricity Access %</b>	<b>RDP Electricity Backlog %</b>	<b>RDP Electricity Backlog as % of District</b>
Joe Gqabi DM	53589	59.3	40.6	100
Elundini	10136	28.5	71.4	99.2
Senqu	27619	78.6	21.3	20.3
Maletswai	8352	72.9	27	8.4
Gariep	7481	91.1	8.8	1.9

The Community Survey 2007 indicates that 59.3% of the households in the District have access to electricity as shown in table 26. Gariep local municipality has the highest percentage of households that have access to electricity (91.1%); followed by Senqu local municipality with 78.6% and then Maletswai local municipality with 72.9% of the households having access to electricity. Elundini local municipality has the lowest percentage of households that have access to electricity (28.5%).

The District has an electricity backlog of 40.6% and accounts for 6.7% of the backlog of the province. Elundini local municipality has the largest electricity backlog (71.4%) and contributes 69.2% to the backlog of the District and 4.6% to the backlog of the province. It is followed by Maletswai local municipality which has an electricity backlog of 27% and contributes 8.4% to the backlog of the District and 0.5% to the backlog of the province. Gariep local municipality has the smallest electricity backlog (8.8%) and contributes 1.9% to the backlog of the District and 0.1% to the provincial backlog.

Support from Eskom Southern Region towards rectifying backlogs is noticeable; however support from the Eastern Region which services Mount Fletcher is noticeably absent. The Elundini municipality is now attempting to proceed with off grid electricity provision in these areas.

In terms of alternative energy sources, a descriptive analysis for the District is shown in table 26 below. It is evident that a slight improvement between 2001 and 2006 was observed in terms of access to electricity. It is however equality important to explore other sources of energy geared towards sustainable development as only less than two % of the households relied on solar energy in 2006. This therefore required investment strategies to focus on alternative energy sources that are sustainable.



**Table 26: Energy Sources for lighting in Joe Gqabi for 2001-2006**

	Electricity		Gas		Paraffin		Candles		Solar and other	
	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006
	%	%	%	%	%	%	%	%	%	%
Eastern Cape	49.7	67.1	0.3	0.4	23.3	14.0	25.9	18.3	0.8	0.2
Joe Gqabi	43.1	59.8	0.3	0.2	18.9	15.7	36.7	24.1	1.1	0.1
Elundini	11.6	28.4	0.2	0.0	23.9	12.2	62.5	59.1	1.9	0.3
Senqu	62.1	78.7	0.3	0.3	14.9	16.3	22.1	4.7	0.6	0.0
Maletswai	57.5	70.7	0.3	0.0	22.7	27.4	19.0	1.9	0.4	0.0
Gariep	74.8	89.2	0.3	1.4	11.0	9.4	13.7	0.0	0.3	0.0

Source (RSS 2006)

The Commercial farming community, as well as the urban areas, enjoy a relatively high level of access to electricity, while the rural settlements have limited access. The District has the third lowest rate of household electrification in the Eastern Cape (26%). The majority of households (72%) use candles and paraffin. The biggest backlogs are in the former Transkei areas in Elundini where 90% of households make use of candles and paraffin.

### b) Budget for Electrification

The funding for electrification is provided by the Department of Energy to ESCOM and providers. With large manufacturing development occurring in Ugie, Eskom has built new line from KwaZulu Natal to the area to serve the electrical demand. This may have other positive spin-offs in the area. A new 90km 132kV line at an estimated cost of R58 million is required from Mt Frere to Mt Fletcher to provide additional capacity required to eradicate backlogs in the Mount Fletcher areas. It is envisaged that the line would take four years to construct, subject to funding being available and completion of an EIA which would include possible expropriation processes. The Government's target is universal access to electricity by 2012. In order to meet the target in Joe Gqabi District alternative energy supplies such as solar systems will have to be considered, specifically in Elundini and Senqu rural areas which have the greatest backlogs as grid electrification is unlikely to cover them by the target date.

### c) Free Basic Services: Electricity

The providers are providing free basic services but there is a challenge to those receiving electricity in the commercial farming and rural areas that do not have this service.

### d) Electrification challenges

Challenges confronting the District in terms of the electrification programme can be summed as follows:

- Electricity provision is not the function of the District
- Lack of maintenance in areas managed by municipalities as this impacts on the supply of electricity to pumps in WTWs and WWTWs.
- There are a number of schools, clinics and other social facilities that do not have a regular supply of electricity (if any supply at all) and this has negative impact on their operations.
- Wards 4,7,8,12,13,14,15,16 of Elundini still have no plans by Eskom for electricity supply. Electricity backlog statistics show that 25 000 households are not electrified and there are no plans in place by Eskom to rectify the situation before 2014.
- The District area will be unable to meet the national electrification targets.

In order to address the identified challenges possible solutions include the following:

- Urgent intervention in the issue of electricity supply in Elundini is needed.
- Some areas will need to be supplied with non- grid electricity particularly in Elundini and

- Senqu rural areas and support is needed.
- More emphasis should be on ensuring that schools and clinics have access to electricity.

#### e) Electrical prioritized areas of intervention

All the nodes as identified in the spatial development framework (rural and urban nodes) must be effectively supplied with an efficient service. The District Municipality should be supported by the Department of Minerals and Energy in developing an electrification plan.

#### f) Alternative energy sources and options

The District Municipality is exploring and considering generating electricity from the wind. Currently wind data is being sourced from P.G. Bison which will provide a clear indication on the feasibility of this option. Non-Grid electricity in form of solar system is another option which is being explored. Discussions are underway between the District municipality and the Department of rural development and land reform as this type of energy would necessitate some hectares of land.

#### g) Regional Electricity Distribution

The permission to perform this function has been given to EDI holdings however, processes have not started around any transfer of services.

### 3.3.4 Waste Management

#### a) Waste management services backlog and challenges

The District municipality has prioritized the development of the environment and Waste Management Plan. The existing plan dates back to 2005. The District has an adopted Waste Management Plan that was developed in 2005 and the plan is in the initial stages of review. Refuse collection is not the function of the District. Currently Waste Management Services (WMS) are rendered on a weekly basis to most of the residents in urban areas of the District by the four local municipalities, but there are substantial backlogs as shown in table 27.

**Table 27:** CS 2007 – Refuse collection backlog

Municipality	Refuse removal Access	Refuse removal Access %	Refuse removal Backlog %	Refuse removal Backlog as % of District
Joe Gqabi DM	23 597	26.1	73.8	100
Elundini	3835	10.7	89.2	47.5
Senqu	3950	11.2	88.7	46.7
Maletswai	9312	81.3	18.6	3.1
Gariep	6502	79.2	20.7	2.5

The District has low refuse removal levels of only 26.1%. Maletswai local municipality has the highest refuse removal service levels in the District (81.3%); followed by Gariep with 79.2% of the households having access to refuse removal services. Elundini local municipality has the lowest refuse removal service levels in the District with only 10.7% of the households having access to refuse removal services. The District municipality has high refuse removal backlogs. The District has a refuse removal backlog of 73.8% and contributes 7% to the backlog of the province. Elundini local municipality has a refuse removal backlog of 89.2% and contributes 47.5% to the District backlog and 3.3% to the provincial backlog; followed by Senqu local municipality with a refuse removal backlog of 88.7% and contributes 46.7% to the District backlog and 3.2% to the provincial backlog. Maletswai local municipality has the lowest refuse removal backlog of 18.6% and contributes 3.1% to the District backlog and 0.2% to the provincial backlog.

It is evident that most backlogs occur in Elundini and Senqu. In Elundini, waste management services are rendered in the town of Mt Fletcher and only to the commercial sector. In Ugie, areas such as Mandela Park, Soccer field, Dyoki and other former black areas similarly have no service.

The same applies to certain residential areas in Maclear e.g. Vincent Park and Peter Mokaba. In Senqu, the biggest backlogs are found in Sterkspruit where only 268 houses have a regular WMS and the residents of some 2,300 other houses in and around the town is left to their own devices. In areas where waste management services are rendered, the collection and transportation aspects are done to a reasonable standard, although certain problems do occur with the disposal function, especially in the Elundini and Maletswai and certain areas of Gariep. Most waste disposal sites are permitted. In Gariep, garbage collection services are provided with convenient and affordable ways of collection like distribution of garbage bags to all households, actual refuse removal.

Public awareness campaigns regularly held with the assistance of DEDEA on health and safety hazards of illegal dumping and available options for garbage disposal. Cleanup of existing dumps and continuous erection of no dumping signboards are done. Clean up illegal dumpsites to discourage other people from dumping is done on a continuous basis coupled with improved community awareness of the problem. Enforcement of by laws is still a greatest challenge as these bylaws are not yet effected therefore severe punishments cannot be imposed to offenders.

The District Municipality is supporting *Elundini* on waste services. The District Municipality is also assisting in the process of developing Public Private Partnerships for dealing with waste.

### **b) Management of Solid Waste Sites**

This service is rendered with relatively few staff members with the suitable qualifications therefore capacity needs to be enhanced. Due to problems in Gariep and Senqu and opportunities of waste recycling in Maletswai there has been some discussion about the need for a Regional Waste site, possibly located in Aliwal North. This site could potentially assist the three municipalities with their staff capacity issues and management problems.

### **c) Environmental Management**

Joe Gqabi District Municipality has an environmental plan, which dates back to 2005. The information contained in this document is based on that document, however Joe Gqabi is in the process reviewing the existing environmental management plan. The draft plan will be presented to Council in April 2011.

As far as evaluation and Implementation of Environmentally Friendly Practices is concerned, the recycling programmes that exist within the District are in Elundini - Mt Fletcher, and Senqu - Sterkspruit. Maletswai has been active in attempting to improve services in Aliwal North and has received funding to plan and implement waste recycling initiatives. The District has been the winner of Provincial cleanest town awards for two consecutive years in Lady Grey and Aliwal North respectively. Through the greening programme parks are being upgraded and developed in Elundini and Maletswai. In addition:

- Clean up campaigns have been held across the District area and Lady Grey won the cleanest town of the year competition at a Provincial level.
- Through the support and monitoring of the District Municipality the Senqu local municipality won third place in the Greenest Town competition for the 2009/10 financial year. This accolade means that systems are in place around waste management and disposal and pollution control.

As far as climate change matters are concerned, the District's Environmental management Plan deals with the matters that may lead to climate change. In addition to Integrated Waste Management Plan, the planned Air Quality Management Plan will also strengthen the efforts of the district towards a strategic approach to management of matters that may lead to climate change.

### **3.3.5 Disaster Management**

The District Municipality has a Disaster Management Policy and Framework. The District Disaster Management Centre has been established to develop the District's capacity to deal with disasters.

**Comment [FS10]:** This is out of date, you should reflect on the new plan

**Comment [FS11]:** Bring in more in this section on the green economy

The roles and responsibilities of the centre is to coordinate, plan, capacity building, prevention and mitigation of potential disasters that the area is prone to such as tornados, floods, thunder storms, snow, swine fever, cholera and diarrhoea. In addition, local offices have been established by the District to perform the function at local municipality level. A proper and well equipped District disaster centre which meets all the requirements is in the process of being established in Barkly East and four satellite centres in Maclear, Burgersdorp, Aliwal North and Sterkspruit. Funding for these establishments has been sourced from MIG and Department of Corporative Governance and Traditional Affairs. The contractor was appointed in March 2011. This funding will not be sufficient for making these centres function optimally hence further investment in this good cause would be very much appreciated.

The District will increase the number of available fire fighting personnel. Twenty were selected for training which number consists of ten were selected from the community and ten selected from the District municipality's staff. Training will take place through a partnership with the Buffalo City Municipality. Fire and rescue internships are being rolled out.

The District does not have an uninterrupted power supply unit. However, systems such as a back-up generator are in place to cater for power failures. The District Municipality is undergoing a building extension of the Disaster Management Centre and the Council approved a Resolution that the construction of the center be prioritized.

In addition the JGDM has an infrastructure and Incident Command System which is utilised as the communication system but it is not connected to the early warning system. The District was a pilot for the GM3 System installed by the Province but it is not linked to other municipalities as it is the first of its kind and does not match with existing systems.

In terms of dealing with risks, the District is in the process of developing a Scientific Risk Assessment Plan in partnership with the University of the Free State. This plan will inform the Disaster Management Plan.

The Disaster Centre has signed a Cross Border Aid Agreement with departments and other municipalities offering disaster and fire services in an attempt to cater for risks and community vulnerabilities.

Joe Gqabi District Municipality operates full time Disaster and Fire-fighters in the Senqu and Maletswai Municipal areas and due to a lack of resources, operates on official hour basis and after hours on standby in the areas of Elundini and Gariiep.

The municipality will conduct a comprehensive disaster risk assessment to identify and quantify the various risks the area is exposed to, and develop strategies on how prevention, mitigation and responses should be arranged and managed by all stakeholders. The outcome of the study will form an integral part of the reviewed disaster management plan. The disaster management centre is manned by seven employees (4 Disaster management officers, Technical advisor disaster reconstruction projects, the Disaster Manager). The organogram provides for eight disaster management posts but due to insufficient funds and limited physical office space. The District municipality has installed an early warning system of disasters as a pilot project for provincial management centre. The disaster housing reconstruction programme is in progress with 49 houses completed. The District Municipality is also running a programme of 110 temporary structures in areas which were struck by disasters. The disaster management units have been established with a District centre and four satellite offices in each municipality, however this is not adequate considering the vastness of the municipal areas.

### **3.3.6 Fire Fighting**

The District is prone to runaway veld fires as well as man made fires that affect properties and buildings. In performing its function with regard to fire fighting, the District municipality purchased fire fighting equipment which includes small fire engines for each local municipal area and two medium fire fighting engines for the areas with the highest fire risk namely Aliwal North and Ugie. Local government in the area currently has inadequate capacity to undertake their responsibilities

in terms of fire fighting. The situation is as a result of the function not being prioritised sufficiently by municipalities and therefore no budget appropriation thereof. Similarly, local government has limited ability to respond in cases of fire in the process making the District risky for any potential investment. The fact that infrastructure associated with the function such as fire hydrants do not exist in most settlements increase the risk even further.

Fire fighting is a shared service between the District and the local municipalities but currently only the District is budgeting for this service. JGDM is in the process of signing up Fire Fighting Service Level agreements with neighbouring District municipalities to take care of villages adjacent them.

The District municipality is trying to increase capacity to deal with fire incidents through establishing and training community fire fighting units in strategic areas. The staff complement is increasing in the unit as 29 fire fighters have been appointed. The District still lack search and rescue unit to deal with risks associated with drowning and structures that collapse. Various policies and bylaws have been developed which deal with fire related incidents namely tariffs, events management, fire dispensation policy, occupancy certificates and community safety bylaw. The services provided by the fire and rescue services centres are in accordance with the Fire Brigade Services Act of 1989.

The District entered into mutual Aid Agreement with neighbouring municipalities. The District initiated a process of acquiring fire fighting equipment in 2009 and an amount of R9 million was committed to customise the procured fire fighting vehicles. Rapid intervention vehicle will be delivered in March 2011 and training will be provided to the relevant personnel.

Community safety fire plan was adopted and gazetted. Eight employees were trained in the last financial year.

With regard to fire fighting, the District has secured funding from the Working in Fire programme. Twenty four trained fire-fighting personnel will be stationed at Sterkspruit.

### **3.3.7 Telecommunications**

Urban areas receive the best service. Parts of the commercial farming areas and rural areas are provided with telephone services based on radio linkages to towers, driven by solar panel technology. Cell phone services are used by a large proportion of the population. However this service does not cover the whole area. The mountainous nature of the area affects reception. Communities have raised the issue of improved telephone services as a key priority. There are also still police stations, clinics and schools without any telephone service and these impacts on their ability to deliver services. The more remote areas of Elundini and Senqu are the worst affected.

Investigation into the possibility of providing broadband internet connections in the District was funded by Thina Sinako. This service is felt to be a way of supporting economic activity in the District and it would then enable the District to attract labour-intensive activities such as call centres. This also supports the process being undertaken by the Department of Trade and Industry around the creation of Rural Industry Development Zones.

With regard to Information Communication Technology, telephone and cellular phone reception is better in urban areas; however this is not the situation across the whole District area as the mountainous nature of the area affects reception. Of note is the fact that television coverage is poor in parts of Senqu, Elundini and Gariep where some communities are not covered. For instance, Venterstad only receives one TV channel and in Steynsburg there are areas with no reception at all. This poses a challenge in these areas as the ability of communities to see and hear about development is limited.

### **3.3.8 Comprehensive Infrastructure Plan**

The District municipality has a Comprehensive Infrastructure Plan (CIP), which was adopted by Council in 2009. The District municipality, local municipalities and government Departments fully participated in the development of the Comprehensive Infrastructure Plan for the District. For the investment plan Joe Gqabi utilizes, MIG grant over the MTEF period. Currently the District Municipality is dependant on grants as source of income for infrastructural programmes. The CIP currently covers the capital budget as reflected in table 28.

**Table 28:** District Municipal Infrastructure Budget

Intervention	2009 (R'mil)	2010 (R'mil)	2011 (R'mil)	2012 (R'mil)	2013 (R'mil)	2014 (R'mil)	2015 (R'mil)	Total (R'mil)
Housing	R 212.8	R 289.1	R 357.8	R 78.1	R 23.2	R 83.9	R 31.0	R 2,284.8
Roads: new	R 151.8	R 334.4	R 381.7	R 399.6	R 273.0	R 201.3	R 49.1	R 1,791.0
Sanitation Backlogs	R 120.7	R 124.0	R 71.5					R 316.2
Sanitation Bulk	R 2.5							R 2.5
Sanitation Refurbishment	R 18.0	R 2.0	R 2.7					R 22.6
Sanitation Treatment Works	R 2.1							R 2.1
Water Backlogs	R 36.5	R 78.3	R 78.9					R 193.8
Water Bulk	R 49.2	R 117.5	R 49.7					R 216.5
Water Refurbishment	R 13.3	R 16.4	R 6.9					R 36.6
Water Treatment Works	R 3.2	R 8.3	R 2.3					R 13.8
<b>Total</b>	<b>R 610.10</b>	<b>R 970.00</b>	<b>951.5</b>	<b>877.7</b>	<b>696.2</b>	<b>585.2</b>	<b>80.1</b>	<b>4879.9</b>

Source: JGDM Comprehensive Infrastructure Plan

Roads upgrading, Electricity Distribution, Electricity Refurbishment, Electricity Substations, Taxi facilities have no indicative figures and have been excluded from the list (see CIP).

### 3.3.9 Alternative Service Delivery Mechanisms

The District Municipality is the process of establishing a special purpose vehicle which will focus on the economic development of the District area especially investor promotion and the development of public private partnerships. Joe Gqabi Development Agency will be utilized as a "Special Purpose Vehicle" to principally focus on catalytic (high impact) projects that would meaningfully contribute to the economic development and prosperity of Joe Gqabi District. The purpose of the Development Agency is to facilitate sustainable investment and economic growth and social transformation to the benefit of the whole Joe Gqabi District. The Development Agency would therefore initiate, promote and manage private and public investment and economic infrastructure programmes intended to transform the entirety of Joe Gqabi District into a growth and prosperity point in the Eastern Cape Province. The broad objectives of the Development Agency are:

- To promote economic growth through the initiation, promotion and facilitation of economic development and investment projects throughout Joe Gqabi District;
- To regenerate small towns and decaying areas of the District, so as to enhance their ability to contribute to the economic development of the District and the quality of life of its people;
- Generally act as the business arm or vehicle of Joe Gqabi District, acting for and on behalf of the entirety of Joe Gqabi District;
- To act as agent for and on behalf of Joe Gqabi District in the implementation and management of infrastructure, economic development, social and environmental projects;
- To effectively market and promote Joe Gqabi District as an attractive investment destination; and
- Present to all stakeholders an integrated economic and social perspective in respect of investment opportunities and projects.

The key anchor projects proposed for implementation by the Development Agency at inception phase are:

- Revival and Rejuvenation of the Aliwal Spa, +- R100 million;

- Aliwal North Private Hospital, 200 – 250 bed full service Private Hospital +- R250 million;
- Senqu Plastics Project +- R250 million;
- Commercial property development +- R100 million
- Residential Property Development District wide +- R150 million

The Board for the agency has been appointed and the CEO is in process of being recruited. The agency received a clean audit report for the 2009/10 financial year.

### 3.3.10 Expanded Public Works Programme

The District Municipality is implementing Expanded Public Works Programme (EPWP) projects. There are nine Vukophile leaner contractors currently on their third and last project, which was completed in June 2009. Road Maintenance within Joe Gqabi is done through EPWP principles focusing on labour intensive strategies. In the District area, most government Departments implement EPWP and some of the programmes include community health workers.

### 3.3.11 The Community Works Programme

This program is having a profound impact on the micro economy of the areas involved .The Community Works Program (CWP) is currently being implemented in a number of wards in Senqu LM, Elundini LM and now Gariep, employing 3090 people 8 days per month over 18 months. The first module of the Community Work Program started in July 2009 in Walaza, Thaba Lesoba, Ndofela areas in Senqu. The programme largely focused on food gardens to assist with food security among poverty-stricken communities. A total of 1 254 gardens have been established in either the form of a key hole garden or a trench garden. The programme is being expanded in partnership between the JGDM and TEBA Development. The programme will be implemented in Jamestown during this financial year. The programme will be expanded to cover other wards in other municipalities and to include livestock improvement programme. Table 29 shows the community works programme output summary as at February 2010.

**Comment [FS12]:** This is a year out of date

**Table 29:** Community Work Programme Work Output Summary

	PEOPLE EMPLOYED		GARDENS	
	workers	supervisors	keyholes	Trenches
Senqu 1	1000	40	150	401
Senqu 2	960	40	114	342
Elundini (known by National Treasury as Senqu 3)	960	40	40	130
Gariep	480	20	4	83
TOTAL	3400	140	308	956

### 3.3.12 Local Government Work Programme

The municipalities of the District area have developed a concept document to rollout job creation programmes linked to infrastructure development and municipal services to contribute towards poverty alleviation. This programme is implemented following similar principles to the community work programme. The record of the District in this programme is as follows:

- Maletswai local municipality: 56 employed
- Gariep local municipality: 62 employed
- Senqu local municipality: 39 employed
- Elundini local municipality: 57 employed

**Comment [FS13]:** Get info on what Robert is doing with this



### **3.4 LOCAL ECONOMIC DEVELOPMENT**

#### **3.4.1 Institutional Arrangements**

The JGDM has a responsibility for ensuring that local economic development does occur within its area. The economic and infrastructure cluster is in place and functional. Joe Gqabi District Municipality has an LED Section within the Department of Community Services. The Section is catered for in the organogram. Currently the Section is composed of the LED Manager (socio-economic manager), coordinators for agriculture and forestry, tourism and marketing, social coordinator. The post of an LED specialist has been filled with an Economic Planner. The Department of Economic Development and Environmental Affairs and Tourism, offers and facilitates the implementation of the following programmes:

- LED projects and Enterprise Development
- Business Facilitation and Development

There is also a coordination system for economic activities by government these include the District LED Forum, the District support team (composed of all LED practitioners in the District including sector Departments, Agric Forum, Round table forum for forestry for as well as the Economic and Infrastructure Cluster. LED is a mainstreamed is mainstreamed within the institution and hat all Departments and organizations have a role to play in the creation of an enabling environment.

#### **3.4.2 Partners for LED**

The District Municipality is partnering with local municipalities, DEDEA, DEAT, Department of Local Government and Traditional Affairs, TEBA Development, Thina Sinako, Industrial Development Corporation, SEDA, DBSA and some private sector organizations.

The District supported the establishment of the Small Enterprise Development Agency satellite offices in Maletswai and Senqu in order to ensure that SMMEs are assisted to develop business plans so that they can be able to access funding from various development finance institutions established by government. That District also championed the re-opening of the ECDC in the region and recently an office was opened in Aliwal North although not all the required personnel have been appointed. However, the community of the District can now access business opportunities nearer than Queenstown.

The District through the NGO, TEBA Development, initiated the job creation project from the Presidency which led to the appointment of more than 960 workers and 40 supervisors in the areas of Senqu which include Walaza, Thaba Lesoba, Macacuma, Mbobo, Bikizana and Ndefela.

The programme established 543 gardens and this is aimed at ensuring food security. During the second phase of the programme 960 workers and 40 supervisors were appointed. The areas covered in this programme are wards 1, 2 and 3 which involve the following villages: Gcina, Makalakaleng, Qhimira, Qhobosheane, Storom, Dulciesnek, Ekra, Hohobeng, Mpoki, Musong and Ndingishe.

The programme has been extended to Elundini municipality and 960 workers and 40 supervisors were also appointed. The focus of the operation was on establishment of gardens for food security. The programme has also been initiated in Gariep municipality. It is envisaged that 500 jobs will also be created. This programme has a profound impact on the economy of all the areas involved. However the high standards of construction and preparation of gardens must be maintained and outputs must continue at present levels to maintain the impetus of the project.



The skills acquired at the facilitator, supervisor, worker and beneficiary levels are an enabling factor for long term sustainability of homestead food security.

Some of the cooperatives have made the District proud by winning awards from the female farmer of the year competition. This encourages emerging farmers to succeed in their business.

Our partnership with TEBA Development in the Elundini area around livestock improvement has also borne great fruits with individual small farmers being able to increase their annual cash income from as little as R1,400 to R20,000 per annum. The net financial gain of all the project farmers adds up to more than R6 million per annum. This successful programme has now been taken on by the Department of Agriculture as the model of livestock improvement across the rest of the Eastern Cape.

### **3.4.3 Agriculture Improvement Strategies**

An Agricultural Skills Centre is being initiated in Aliwal North in order to broaden the skills base around Agriculture in the District. The Agriculture forum actively participates in the land reform processes of the District including pro-actively offering farms to the land reform process and enhancing relationship with government.

The Agricultural Forum is a unique institutional structure that is driven jointly by the private and public sector whereby organised agriculture is represented by Agri – Eastern Cape and National African Farmers Union (NAFU) as well as Department of Agriculture, Department of Land Affairs and Rural Development and Local Government. The District is extremely proud of the positive working relations within agriculture and the willingness of experienced commercial farmers to mentor and assist new and emerging farmers.

### **3.4.4 Progress Towards Achieving The LED Key Objectives**

#### **a) Improve public and market confidence**

- In terms of red tape reduction in support of local economic development, the District has been improving on its function of Municipal Health Services. This service directly impacts on many businesses of the District area by developing systems and protocols for the inspection of premises, reporting of incidents and certification of premises to perform various functions. However as the systems are all still paper based the turn around time for inspection reports and certificates of acceptability are not at the desired levels. Staff turnover in the section have also had a negative impact on the service. However with the approval at the end of the financial year of a new organogram this will assist to alleviate some of the staffing constraints. The delegation of Municipal Health Services from the Provincial Department of Health has also been delayed and this has an impact on the coordination of services between the spheres of government and delivery on the ground.
- Inspections of government premises as well as funeral parlours, crèches and establishments that sell food to the public were undertaken to ensure compliance with legislation. The inspections create market confidence and trust in the systems of government.

- Through the support and monitoring of the District Municipality the Senqu local municipality won third place in the Greenest Town competition for the 2009/10 financial year. This accolade means that systems are in place around waste management and disposal and pollution control.
- The LED strategy also focused on red tape reduction as one of the strategies to improve market confidence across the District area.
- Efforts were initiated to reduce challenges in the procurement processes. During the year under review the Manager Supply Chain Management was appointed and a full section created to oversee the improvement of supply chain processes. A supply chain turn around has been initiated
- Bylaws for passenger transport and fire services were developed during the year to assist in the regulation of these municipal functions. Training of Peace officers was also initiated so that the implementation of the bylaws can be done by staff members.
- In terms of improving market confidence the Agricultural Forum participated actively in the preparation of the LED strategy, as well as the Area Based Plan for land reform and in addition assisted in the development of terms of reference for the Agricultural Plan. This public involvement assists with market confidence.
- A tourism sector strategy that included the comments and ideas from the tourism community of the District area assisted to build market confidence as it gave value to the ideas and submissions from various tourism related parties was implemented. A marketing strategy was developed and District wide brochures developed by the end of the financial year. A new brand called the Eastern Cape Highlands was implemented to coordinate and represent the tourism products of this District.
- The transport forum functioning, especially in the Gariep and Maletswai areas where Joe Gqabi is delivering the gravel roads maintenance service, has shown to be very productive and there has been an improvement in confidence in the ability of the municipality to provide this service and support the economy of this area.
- Support and advice for any organisation wishing to develop a business plan for accessing external funds such as Thina Sinako funds were offered and this created the enabling environment for many of the applications to be successful. The sourcing of funds for feasibilities and assessments increases the marketable opportunities for products of the District.
- Customer satisfaction surveys undertaken within the Primary Health Section showed that on the whole the public was pleased with the service offered, and where there were challenges with the service these related to staff availability or the condition of the infrastructure which was beyond the municipalities' control. Health services are a key underlying factor supporting the growth of the economy and ensuring social stability.

**b) Exploit comparative and competitive advantage for industrial activities**

The District has significant advantages in the areas of tourism, agriculture, conservation and trade but these are located in different areas and have different magnitudes of effect on the economy.

- The forestry sector plan was developed during the year under review so as to take advantage of the potentials identified by DWA. In addition, the District partnered with an NGO, Teba Development for the development of a Forestry Out growers Programme in the Elundini area. As the water services authority, Joe Gqabi District Municipality was responsible for providing bulk water and sanitation services for the new board plant in Ugie as well as the PG Bison housing project in Prentjiesberg.
- The agricultural sector plan was also developed and a partnership with the University of the Free State to develop a plan for the exploitation of the competitive and comparative advantages of the area. Support for the Livestock Improvement Programme continued and this programme initiated many years ago through a partnership with the Goldfields Foundation and the District. Participation in the District Screening Committee for land reform as well as land reform planning also took place in conjunction with stakeholders. The road maintenance provided by the District also assisted to support the exploitation of agricultural potentials in the District area.
- The Tourism strategy was approved towards the end of the financial year and for the first time a clear programme of action for the delivery of the service was determined that enables the coordination of the shared service between District and local municipalities as well as organised tourism and the general public. Awareness campaigns were undertaken at schools across the District area (except in Maletswai) to encourage learners to understand the impact of tourism, opportunities for tourism careers, and how they can assist in tourism development. The brand for the area was determined in line with the branding strategy of the Province and as a way to exploit the comparative advantages that the Joe Gqabi area has over other parts of the Province. Applications for funding were submitted to Thina Sinako for the investigation into the potentials of Alpine tourism so as to exploit this unique advantage. Coupled with this was the application for the feasibility of a High Altitude Conservation area in the Senqu and Elundini areas to exploit the pristine natural habitat and create a market for the wider growth of tourism.
- During the year under review the Industrial Development Corporation for the pre-establishment of a Development Agency was implemented. An internal driver drove the programme and the pre-establishment phase was completed to a large extent. This has resulted in the identification of catalytic projects (focusing at first on the Aliwal Spa) and processes to establish a legal entity separate to the municipality.
- In terms of trade, support has been provided through training of hawkers on food hygiene and a hawker development programme was initiated in Aliwal North. Certificates of Acceptability were issued. Formal food premises were inspected and if not complying corrective measures were outlined.
- In terms of conservation and environmental management the Grassland National Park feasibility study was initiated.

**c) Support Social investment program**

In creating sustainable communities the following activities were undertaken by the municipality during the year under review.

**d) Skills development to build community competence and capacity**

- Unemployed persons were given opportunities through the skills development programme to increase their employment potential.
- Health and hygiene training for communities was undertaken in areas where water was potentially compromised or where health risks were high. Programmes within the poorer communities of Barkly East were established with street committees and structures so as to assist the local municipality with ensuring that the environment was healthy and hygienic.
- Support was given to all applications to Social Development for the funding of crèches, so as to support women to have an opportunity to work

### **3.4.3 LED Strategy**

The reviewed LED Strategy of the District was adopted in January 2010. The District has supported the development of LED plans for the four municipalities within the District area. The development of the District LED Plan is based on the National Local Economic Development Framework, Growth and Development priorities as agreed upon by the social pact and compact, the PGDP pillars as well as the National Spatial Development Perspective principles. This is further entrenched in the activities of the clusters (government Departments, organs of the state and donors) and all the IGR structures operating in the District. The LED plan is based on the existing information emanating from the policies as reflected upon above.

- The objective of the LED Strategy is to contribute towards meeting the following targets:
- Reduce by 60-80% the number of households living below the poverty line
- Increase the number of jobs created locally through all municipal-run capital projects
- Increase the percentage of budget spent on implementing economic development programmes for a particular financial year in terms of the IDP
- Stimulate economic growth through government and private sector investment
- Increase the proportion of development activities that take into account the interests of vulnerable groups (i.e. women, elderly, youth and the disabled)
- Increase the amount of funds injected to the District Municipality by sector Departments and other development agencies.

### **3.4.4 SMME and Cooperatives**

The institution has developed an SMME and Cooperatives Strategy which is focusing on targeted support for smmes and cooperatives. Seda will be utilised as a special vehicle for the implementation of the strategy. Currently smmes are supported through a collaborative effort between the District, local municipalities, ECDC, DEDEA and SEDA. This strategy encompasses matters pertaining to business expansion and retention.

### **3.4.5 Platform for Participation**

A number of LED related stakeholder forums existed during the year including the Agricultural Forum and the District Tourism Organisation. Due to the nature of the District engagements focus is placed on forestry, cooperatives and social development matters. In addition, the Economic Cluster was established during the year and is chaired by the DEDEA. A District Support Team for LED was redefined (previously the LED practitioners network) after the changed mandate following the end of the Thina Sinako Programme.

The following platforms or means are utilized for participation:

- Government Departments , community, donors, economic and infrastructure cluster Members
- Community Based Planning, representative forum, steering committee,
- Area Based Planning , District Led Forum, Co-operatives forum, SMME forum
- Tourism organizations , P. G. Bison Elundini forestry forums
- Joe Gqabi Agricultural Forum, Land Reform Screening Committee, District Support Team.
- Elundini Economic Development round table forum

### 3.4.6 Economic Profile

#### a) Gross Geographic Product

The Joe Gqabi Gross Geographic Product (GGP) growth rate between 1996 and 2007 averaged 3.1%. This figure was in line with the provincial growth rate (3.1%) but below the national growth rate of 3.7%. It should however be noted that this growth is calculated off a low base. Total GGP for 2007 was R2.06 billion with the largest contributing local municipalities being Maletswai and Senqu. The government and community services sector is by far the largest contributor to GGP. Other significant contributors to GGP are the manufacturing and trade sectors. The Joe Gqabi economy exhibits a strong comparative advantage in the agricultural sector and a relative comparative advantage in the mining construction and government services sectors.

The agricultural sector is the largest private sector employer in Joe Gqabi. Livestock farming dominates throughout the District, with limited crop farming in Senqu and Elundini. Forestry is also a key growth point in the area. It is estimated that there are 56,681 hectares of good forestry potential and 133,363 hectares of moderate forestry potential in Elundini. The secondary and tertiary industries in the region are underdeveloped. A limited amount of agricultural processing occurs in the District with most products transported by larger centres for processing. This suggests the need to encourage the establishment of manufacturing enterprises and stimulate private sector investment. Tourism is a growing industry. The economic impact of tourism has been small so far. It is however a growth sector for the District, due to the unique attractions: the only ski resort in southern Africa, hot springs and the largest dam in South Africa. The tourism industry in Joe Gqabi is fairly small and undeveloped with most tourism products concentrated in Senqu (around Alpine tourism) and Maletswai, which captures the business tourism and transient markets. The District however has not yet exploited the full potential of the various tourism products throughout the District.

Sectoral contribution into the economy of the region is depicted in table 30 below. It is evident that Government Services is the key sector within the region which contributes 40.5 percent followed by manufacturing at 18.8%.

The total Gross Geographic Product (GGP) of the Joe Gqabi DM is R1 452.7 million, which the second lowest in the Eastern Cape. Joe Gqabi contributes about 2.6% to the total GGP of the Eastern Cape (R55 133.5 million). In Joe Gqabi, the public sector is dominant, with education making the largest contribution (30%) to GGP. Agriculture contributes 17.5%, higher than in other provinces.

**Table 30:** Sector contribution to GGP

Sector	% Contribution
Government Services	40.5%
Financing and business Services	13.0%
Trade, Catering, Accommodation	14.1%
Agriculture	6.6%
Manufacturing	18.8 %
Transport	8.3%
Construction	4.4%
Electricity and Water	1.9%
Mining	0.4%

Source Joe Gqabi LED Strategy

### **b) Contribution by Sector to Employment**

The government employs 42.9% (up from 40.1% in 1996) of employed individuals in Joe Gqabi District, making it by far the largest employer. The economy is therefore highly reliant on the non-productive government sector to provide employment. This indicates that the private sector is underdeveloped as a sector that should be driving job growth.

- The agricultural sector is the second largest employer, employing 16.3% of the population. This sector is also the main private sector employer in the area; however, it has experienced a 7.8% decrease in number of individuals employed since 1996. The large proportion of employment in the agricultural sector is significant in part because agriculture is a labour intensive sector; however, it is also characterized by low skilled and low paying jobs. The labour intensiveness of this sector would account for the dominance of this sector in employing local residents.
- Other than government services only two sectors, namely the trade and financial and business services sectors, have shown employment growth since 1996. This can be attributed to the poor level of education in the District. Furthermore, the poor literacy rates and the low education levels serve as a deterrent for new economic ventures.
- The manufacturing, construction, mining and transport sector have all shown a decline in employment since 1996. It should however be noted that Figure 5.6 only illustrates formal employment in the District. The informal sector, not captured in the graph, is large as many people rely on subsistence farming and informal trading (e.g. hawking) for their livelihoods.
- Although the primary and secondary sectors have shown contraction in employment levels since 1996, the tertiary sector has exhibited employment growth of 11.5%, and now employs almost 70% of the workforce. This is a positive sign as it indicates that the more productive, value adding sectors are expanding. It should however be noted that the high contribution of the tertiary sector is probably attributable to the inclusion of the Government sector which accounts for 42.9% of total employment.

### **c) New Investment Snap Short**

The key anchor projects proposed for implementation by the Development Agency at inception phase are:

- Revival and Rejuvenation of the Aliwal Spa, Modern Hotel, Entertainment facilities +- R100 million;
- Aliwal North Private Hospital, 200 – 250 bed full service Private Hospital +- R250 million;
- Senqu Plastics Project +- R250 million;
- Commercial and Residential Property Development District wide +- R150 million
- Regeneration of declining economies: Two towns Barkly East, Mt Fletcher have been identified for regeneration of rural economies. In Barkly East is identified as having declining economy that needs to be developed. Mt Fletcher has been identified as the regional service centre. Seven (7) million has been budgeted from the Department of Housing Local government and traditional affairs

#### d) Opportunities to Enhance Local Competitiveness

The Competitiveness report also states that the provision of economic infrastructure and services that enhance factor mobility, reduce transport costs, promote linkages with neighbouring regions and reduce time spent in survivalist activities, such as collecting fuel and water, is the salient need in terms of Joe Gqabi's economic competitiveness. The District's stark topography and undisturbed landscapes in conjunction with low reported crime levels, creates the potential for tourism.

#### e) Agriculture

**Comment [FS14]:** Does this relate to the new Agricultural Plan?

Agriculture within the Joe Gqabi area has distinct characteristics based on geographic location. There is the "above the mountain", "below the mountain" distinction, related to the divide created by the escarpment between Senqu and Elundini municipal areas. Additionally there is a biome differentiation between the east and west of the District which impacts on the type of agriculture.

Further to this there is an important distinction between commercial agriculture (practiced in 80% of the District) and subsistence agriculture (practiced in 20% of the District). In the Gariiep, Maletswai and part of Senqu municipal areas, commercial farmers are mainly small stock farmers (sheep and limited numbers of goats) but there is also some cattle farming. There is also some game farming especially to the west and this has positive synergies with the conservation areas of the Nama Karoo (Oviston Nature Reserve). In the wetter Elundini area more cultivation is practised, mainly maize and potatoes mixed with livestock farming.

The economy of Joe Gqabi is highly dependent on agriculture, as indicated by its large contribution to the GGP. Communal agricultural is practised in Elundini and to a small extent in Senqu, but for the most part the area is characterized by commercial agriculture and in some parts forestry.

The deterioration of road networks is impacting very negatively on farming in the whole region. Farmers are struggling to get their produce to the markets and farm workers have to pay higher taxi fees due to the bad condition of the roads. The closing down of the railway system also increases transport costs because all inputs and products now have to be transported by road. This places an ever-increasing burden on the road infrastructure.

In the communal farming areas of the Elundini and Senqu local municipalities, maize production is very important out of a food security perspective. Due to the high rainfall in these areas the potential for maize production is very good, but current production activities are such that very low yields are obtained in the most instances. This is mainly due to a lack of funds with which to buy inputs as well as the absence of mechanization. Projects like the financing of maize production through village banks can be considered as a solution to this problem.

The other main farming activities in communal areas are livestock farming and vegetable production. Poverty, a fundamental lack of skills, and difficulties in accessing loan funding pose enormous challenges in these areas.

Livestock farming is the most important activity with cultivation and cropping of secondary importance. The high incidence of stock theft in the region has forced many livestock farmers to change their focus from sheep to cattle farming. Cattle farming is also less labour intensive, but the returns are normally lower than for sheep farming.

Livestock in the area is field reared, resulting in a good quality product. Animals that are not sold directly via marketing agents for slaughter often leave the area for feedlots close to the main markets of South Africa. Most livestock is sold to markets outside of the District. The continued incidence of stock theft (and deaths due to small predators) has resulted in many farmers changing their focus from small stock to large stock (cattle) and game which require fewer input costs and are relatively easier to manage.



Wool is transported to Port Elizabeth for sale. Wool is sold into a global market and it has been difficult in the past to make an impact in this area.

Crop farming in Elundini area has high input costs (fertilizer, irrigation, harvesting) and tends to be quite labour intensive due to the low level of mechanization (such as potato harvesting). There is very little processing of agricultural products in the District. The downsizing of the commercial dairy in Aliwal North has reduced milk that is processed locally. This has resulted in a collapse of the local dairy industry and only those strong enough, and with sufficient capital have been able to transform and process their own dairy products.

Niche markets are starting to develop but are still in their infancy, such as walnuts along the Orange River and berries in Barkly East. There are also investigated potentials for soya beans, sugar beet and rape in Elundini.

Farmers having obtained land through land reform are struggling in the District. They lack farm infrastructure, often carry large debts, cannot afford input costs, are fearful of risks involved in agriculture, do not carry sufficient stock to make the enterprise viable and often lack skills and experience.

#### **f) District Competitive and Comparative Advantage**

Comparative advantage and associated opportunities do exist in the agricultural sector as a result of labour surpluses, pockets of fertile land under-utilised irrigation potential. An opportunity for new policies, projects and programs arises within regions, countries and globally, because of substantial differences between comparative advantage and competitiveness. This means that activities elsewhere in the Province directly influence the decisions for new projects and investments in JGDM. Wool processing (in Maletswai - which is advantaged by the N6 link to East London, and Gariep), livestock husbandry (Elundini and Gariep), maize (Elundini, and Senqu) and dry land Lucerne (Senqu) have all shown signs of being suitable. But commercialising these activities and enhancing productivity remains a major challenge. The relative humidity (particularly in Senqu and Elundini) and abundance of water creates the potential for forestry (wattle) enterprises in Elundini and for an expansion of the irrigated agricultural sector, provided the supporting infrastructure is available.

#### **g) Employment in the Agricultural Sector**

Very low formal employment numbers are recorded for Joe Gqabi, again reflecting low literacy and education levels. The major employer in the Eastern Cape is community services, which provides 32% of formal jobs. In the Joe Gqabi District, 35% of the people in formal jobs work in community services. The sector is particularly dominant as an employer in the former homeland areas of Mount Fletcher and Sterkspruit, where 60% of working people are in community services. Approximately 83% of the population in Joe Gqabi earns less than R1500 per household per month. A large proportion of the population is therefore living below the poverty line.

#### **h) Communal Land Areas**

On the communal land, there are different types of farming taking place. There is subsistence farming, which tends to be hand to mouth involving small amounts of cultivation, low input costs (high in kind human costs), and little profitability. There is also small scale commercial farming, whereby farmers may not have agriculture as their main source of income but use what they produce to bring income to the household. They may sell goods when in excess and plan to have excess to sell. There are very few fully commercial agricultural activities taking place in the communal land areas. This is due to the lack of ownership of land and therefore lack of control of its management. There is a lack of access to farm infrastructure such as fencing, water points, tractors etc.

The massive food production programme is being implemented in the Elundini area and is focusing on maize production. Where it is successful there is a need for storage facilities and value addition. Livestock improvement programmes especially in the wool/mutton sector are



occurring to a large extent in the Elundini area and to a lesser extent in the Senqu area (mainly due to the better quality of stock in the Senqu area). It has been identified that Senqu has better wool sheep than Elundini and this should possibly influence livestock programmes between these areas. There has been support from the National Wool Growers Association and the Gold Fields Foundation in the improvement of livestock in these areas. There is still a shortage of agricultural facilities such as dipping tanks, loading ramps, sheds, water points and fences.

#### **i) Commonage Areas**

Commonages are agricultural areas around towns that are reserved for use by the poorest of the poor and which are owned and controlled by municipalities. These areas are very poorly managed, extensively overgrazed and poorly maintained. There are many instances whereby large stock owners (well beyond subsistence farmers) utilize the commonage land for profit at the expense of subsistence farmers. Commonage agriculture tends to be very biased towards large stock owned by men. Women have very little access to commonage areas.

Plans have been developed for some commonage areas but lack of buy-in and unwillingness to change current practices has resulted in very few ideas being implemented.

#### **j) Agricultural Skills**

The requisite agricultural skills within the established commercial farming sector are quite extensive. However there are few skilled middle level workers and a large proportion of unskilled labour. There are no public agricultural training facilities within the District and people need to leave the area in order to get skills. The lack of public agricultural training facilities has led to a low skills base that impacts negatively on productivity and efficiency and therefore on profitability. In addition as the result of the District's remoteness it is also hard to attract skilled professions to the area.

There are moves afoot in Aliwal North to establish an agricultural skills centre that should assist with building this skills base.

#### **k) Land Reform**

The prime purpose of the country's land reform programme is to address the skewed land ownership patterns that were given effect by the 1913 Land Act. The key objectives of the land reform programmes are:

- (a) Redistribution of 30% of white owned land by 2014 for sustainable agricultural development.
- (b) Provision of tenure security to create socio-economic opportunities for those who have less formal forms of tenure.
- (c) Provision of land for sustainable human settlements, industrial and economic development.
- (d) Provision of efficient state land management that supports development.
- (e) Provision of efficient land use and land administration services.
- (f) Settlement of all outstanding land claims by 2008 and implementation of restitution awards.
- (g) Development of programmes for empowerment of women, children, disabled, People Living with Aids, youth and the aged within DRD & LR mandate.

**Comment [FS15]:** Does this include info from the draft Area Based Plan for land reform?

#### **l) Land Reform and Agriculture**

The government envisaged that Land Reform Programme would stimulate an agrarian economy. On the contrary, evidence suggests that there has been a high rate of failure of agricultural enterprises set up through the land reform programme. This is attributable to a number of interdependent factors such as:

- Limited post-settlement support in terms of both redistribution and restitution due to poor co-ordination between National Department of Rural Development & Land Reform and Provincial Agriculture on LR projects.
- Lack of agricultural management experience by the new land owners.
- The sector is skills intensive and in most instances beneficiaries lacked these skills.
- Entry into the agricultural sector requires intensive investment in medium term finance for equipment, and short-term operating finance for production that beneficiaries cannot access or afford, and thus require further subsidies from government.
- The beneficiary groups are often not a cohesive group as originally presented resulting in social conflicts that undermine the project objectives.
- The land acquisition tools applied, such as Land Redistribution for Agricultural Development Grant (LRAD) subsidises individuals at an amount that ranges between R20 000 and R100 000. This has not changed since 2001 despite land price hikes. The net effect of this is that a large number of beneficiaries are settled on land that previously supported a single commercial farmer and labour force, which has implications for its carrying capacity and consequently its productivity.
- The change of emphasis from land rights based reform to production based commercial farming also now sees a number of earlier projects as failures against the new criteria.
- Commonages are frequently poorly managed and as result they don't serve their purpose of providing training to emerging farmers.

#### m) Redistribution Strategy

Although PLAS should be the major tool in accelerating land acquisition and redistribution, it is important that the other redistribution programmes (LRAD, State Land Disposal, and Commonage Extension) are also accelerated. Similarly, rural restitution settlements also need to be urgently completed.

Pre-requisites for an accelerated, sustainable redistribution programme in each Local Municipality are to:

- Complete a land needs survey;
- Quantify the 30% target in hectares as illustrated in table 31 below;
- Locate the LR focus areas as identified in Chapter 5;
- Identify farms for sale with the help of farmers / farmer's associations/ Agri-EC;
- Identify and match potential beneficiaries to farms.
- 30% target in hectares per local municipality to 2014

**Table 31:** Land Redistribution

	GARIEP	MALETSWAI	SENQU	ELUNDINI	JGDM
30% TARGET (ha)	263 500	129 000	166 000	61 000	620 000
per annum	52 000	26 000	33 000	12 000	124 000
Number Farms per annum	26	10-15	25	6-10	75
Acquisition Cost per annum (R2500/ha)	R132 mill	R65 mill	R83 mill	R30 mill	R310 mill per annum

The potential land redistribution projects within the Joe Gqabi District are shown in table 32 below.

**Table 32:** Potential projects in Joe Gqabi district

	Municipality	Name of the Project	Project Description	Funders	Economic Sector
1	Elundini	Tofile CPA			Agriculture
2	Elundini	Mapikana CPA			Agriculture
3	Elundini	Southern Storm Properties 244			Agriculture
4	Senqu	Holo Hlahatsi Dam Irrigation	Crop production		Agriculture
5	Senqu	Mangali Agricultural Project			Agriculture
6	Senqu	CW Properties			Agriculture
7	Maletswai	Nutri Gardens	Crop production		Agriculture
8	Gariep	Lake Gariep Irrigation	Crop and fodder production		Agriculture
10	Elundini	Umnga Farmers Cooperative	Livestock and crop production	Thina Sinako	Agriculture
11	Elundini	Elundini Livestock Improvement Programme		Private - TEBA	Agriculture
12	Elundini	Masifuye Farmers Project	Livestock and crop production		Agriculture
13	Elundini	Woolclip Project	Wool production	WGSA	Agriculture

Source: AREA BASED PLAN 2010

**n) Forestry**

**Comment [FS16]:** Does this relate to the new forestry sector plan

Forestry plantations in Joe Gqabi total 25,487 ha and represent 20% of the plantations in the Eastern Cape. These plantations cover 1% of the total land area of the Joe Gqabi District. Forestry plantations in Joe Gqabi are located exclusively in the Elundini Local Municipal area and cover 5% of the total land area of Elundini Municipality. There are also three state owned forestry plantations in the area which are managed by the Department of Agriculture Forestry and Fisheries (DAFF), the Ntywenka, Fort Usher and Lehana plantations. The largest of these plantations is the Ntywenka Forestry Plantation, which is situated 25 km from Maclear. This forestry plantation comprises mainly pine trees, which account for about 65% of the plantation's total plantable area of 1,045 hectares. The remainder of the plantation is planted with gum trees. The Fort Usher and Lehana are eucalyptus plantations as well as being community plantations. They are both significantly smaller than Ntweenka at only 250 and 94 hectares respectively

**o) Timber Production**

The PG Bison chipboard plant in Ugie started production in April 2008. The current intake of the board mill is 317,000 tons /annum and produces 650 m<sup>3</sup> of finished boards daily. Forestry ownership statistics within the District are shown in table 33.

**Table 33:** Forestry Ownership

District Municipality	Local Municipality	Private Ownership	State Ownership	Community Ownership	Total
Joe Gqabi	Elundini	23907	1476	54	25437

Source: Eastern Cape Forestry Profile, DWAF, 2007

It is estimated that 2,430 people are currently employed in the forest sector in the Joe Gqabi District, of which 2,060 are directly or indirectly employed by PG Bison. This estimate is based on the following information sourced through key informant interviews:

- The chipboard factory currently employs 231 permanent staff and 60 contractors. These contractors include SMMEs to conduct waste management, gardening and cleaning at the chipboard plant. A total of 100 people are employed by these SMMEs.
- PG Bison employs 1,670 people directly and indirectly in the plantation operations. All PG Bison's harvesting, transport and security operations are done in-house. However, PG

Bison does employ five contractors (3 black and 2 white on 5 year contracts) to do silviculture work and fire management. PG Bison has also contracted

- Private growers and small saw millers employ no more than a total of 25 people.
- State plantations employ 125 people
- The Working for Water (WfW) programme in the District currently employs 12 emerging contractors to remove alien trees. These contractors employ teams of between 15 and 20 workers, who are recruited locally. These contractors receive mentorship and training under the EPWP programme and many of them have become established small-scale entrepreneurs that also service the commercial forestry industry.

PG Bison has publicly committed itself to create 3000 direct and indirect jobs in the local forest sector by 2013 and a further 940 jobs would need to be created to reach this target<sup>1</sup>.

The contribution of the forestry sector to the province's economy has yet to be fully established. Without detailed analysis of the income statements and costing reports of companies and government Departments, the impact can be partially estimated with regard to revenues generated, and salaries and wages. The Eastern Cape Forestry Sector Plan calculates that annual revenues of almost R1 billion (R 902 million) were generated by the forest sector in the Eastern Cape in 2007.

The most significant private investment in the forest industry in Joe Gqabi has been the construction of the PG Bison chipboard mill in Ugie in Elundini. This investment was worth more than R1.4 billion and created an estimated 1,600 direct jobs during the construction phase. The board mill produces chipboard and laminated panels. The current intake of the board mill is 317,000 tons /annum. At full rotation the plantations owned by PG Bison this will produce an estimated 460 000m<sup>3</sup>/annum, but the plant need 560 000 m<sup>3</sup>/annum to run at full capacity. Currently the plant produce 650 m<sup>3</sup>/day of finished boards, but can produce 1000 m<sup>3</sup>/day.

Chipboard for export is transported to Durban, while chipboard for domestic sale is transported to Johannesburg and Cape Town. Other timber processing activities in the District are limited to 2 small sawmills that produce wet off-saw timber products. In the past wattle was used to manufacture charcoal. However, all charcoal operations in the District have come to an end.

#### **p) Rural Development Programmes**

Forestry is also regarded as a catalyst for rural development and therefore its development needs to talk to policy directives in this regard. Rural development is seen as a function that cuts across government Departments and different spheres of government. In this context, government has highlighted the need for collaboration between the Departments Rural Development and Land Reform and Agriculture, Forestry and Fisheries.

#### **q) Asgisa-EC**

The AsgiSA-EC is working with the DAFF in fast tracking the forestry licensing process and in identifying opportunities for new afforestation linked to the rehabilitation of existing state forest plantations. Two areas being investigated in this regard are the Katkop-eLundi area northeast of Maclear and the area surrounding the Ntywenka plantation

#### **r) Tourism**

Joe Gqabi District Municipality has adopted its District tourism plan in October 2009. The tourism sector within the District is comparatively underdeveloped in relation to other Districts within the Eastern Cape. According to statistics provided by the Eastern Cape Tourism Board (2007 Statistics), there are 153 of which 30%, 60, 1 % and 9 % are 2, 3, 6 star and un-graded respectively. They fall in three distinct categories, self-catering, bed and breakfasts and lodges/hotels. There are few formalized tourism products (apart from accommodation) in the area. There are few skilled people participating within the tourism sector due to lacking training facilities providing tourism related skills.

Most visitors (52%) come from the Eastern Cape and Gauteng (23%). Joe Gqabi is sometimes used as an overnight stay between Gating and the Eastern Cape coast. This kind of accommodation tends to be easily accessible. The towns benefiting from this include Aliwal North, Venterstad and Steynsburg.

The market for ecotourism and adventure tourism tends to be fairly affluent. People tend to stay several nights. The Elundini and Senqu areas tend to benefit from this. In Aliwal North (but also in some limited other venues) there is a government sector market for people attending meetings and conferences. This tends to be during the week. There are two main route developments in the District namely: the Maloti and the Friendly N6 Tourism Routes. There is a smaller Lake Gariep Dam Route around the Gariep Dam. It is done in conjunction with the Free State and Northern Cape. The Friendly N6 stretches from Bloemfontein in the Free State through the Joe Gqabi District to East London. The Maloti Route is a cross border effort in conjunction with Free State and Lesotho.

The most active tourism node is that of mountain tourism. Tiffindell ski resort forms a key node within this sector. There are linkages to the Rhodes, Barkly East, Maclear, Ugie and Lady Grey areas. This node tends to be seasonably active. There is strong winter adventure tourism as well as Christmas and Easter activities.

The Aliwal North tourism node tends to focus on a different market: government officials and travellers. The Gariep Dam area is a developing tourism area and is strongly linked to conservation initiatives and establishment in the area as well as the Gariep Dam.

There are limited tourism opportunities within the Sterkspruit and Mount Fletcher areas. However the Sterkspruit CTO is operational and accommodation is provided for government officials and short stay visitors. There is no tourism accommodation in Mount Fletcher. It is expected that the Holo Hlahatsi dam in the Sterkspruit part of Senqu may provide some limited tourism attraction.

**s) Led Marketing and Communication**

Through the tourism plan the District municipality has initiated marketing of the District. Funding (R1, 2m) to implement this plan have been received from Thina Sinako. There are few challenges confronting the District, which can be summed as follows:

- The biggest challenge facing the development of tourism in the District is the quality of roads and the area's accessibility.
- Few community based tourism enterprises have not succeeded and have not been sustainable, mainly due to a lack of skills, a lack of market, high establishment costs and community challenges.
- There is very little being invested in tourism development where there has been investment by government in tourism development it has not necessary been sustainable, well planned and executed.
- As tourism organisations are usually run by volunteers and the tourism industry is not yet a large income generator, it is difficult to keep people involved and driven, especially for issues that may not directly benefit their own tourism establishment. Lack of long term commitment to tourism is a significant challenge. For more information please refer to the tourism plan

**u) Joe Gqabi District Municipality GDS**

Table 34 below reflects the achievements of the District Municipality and its key stakeholders though only highlights are reflected and not an exhaustive list.

**Table 34:** GDS progress to date by Joe Gqabi District Municipality

Priority programme	Actions to be taken	Progress to date
Timber cluster	Fast-track access to suitable housing, health care, public transport, recreation, water and sanitation in support of the	Water and Sanitation is being implemented but there is still a need to still upgrade the PHC. Housing has been provided but there is still a

	Ugie-Maclear Forestry development, and in anticipation of a significant influx of people into the area in anticipation of the 3000+ jobs.	need for more housing. The land for the PHC had been identified by the Elundini LM Public Works will be informed as they are the ones who will construct the PHC.
Timber cluster	Installation and commissioning of water and sanitation to the PG Bison Plant and residential development needs.	Infrastructure to the plant is installed; water and sanitation issues in Ugie will be complete in the new financial year.
Timber cluster	LED strategy for Elundini municipal area.	Completed.
Tourism Cluster	Create a dedicated fund for the upgrade and maintenance of tourism infrastructure, and roads.	Being considered in the new budget.
Tourism Cluster	Expedite the revitalization of Aliwal North Spa.	Currently DEAT funding is utilized to upgrade Aliwal SPA, for infrastructure upgrade Thina Sinako application is suggested which can include "public infrastructure"
Tourism Cluster	Establishment and revival of functional tourism institutions such as District, local and community tourism organizations.	LTO's revived but functioning on varying degrees. DTO established and CTO's operational.
Tourism Cluster	Improve Tourism expertise in municipal institutions.	The District's building capacity : this year on monitoring and evaluation of programmes
Tourism Cluster	Develop a District tourism strategy	The tourism strategy was completed and adopted in October 2009.
Tourism Cluster	Improve data management around tourism and undertake research around tourism in the Joe Gqabi District.	database being developed as part of the strategy
Tourism Cluster	Identify and collect information around heritage sites within the District area, and motivate for their declaration as heritage sites.	Completed.
Tourism Cluster	Initiate and prioritize processes that will lead in the identification of issues and opportunities arising from the 2010 World Cup	Work streams established. The District is doing coordination.
Tourism Cluster	Collaborate on destination planning, product development, quality management and marketing the District as a tourism destination.	Forms part of the tourism strategy.
Tourism Cluster	Set targets for mainstreaming in tourism enterprises.	Mainstreaming strategy should be implemented this year.
Tourism Cluster	Drive the processes around the amalgamation and possible expansion of provincial parks around the Gariep dam initiative and explore possibilities around the expansion and coordinated development with the adjacent provinces.	Business plan on the table for lake Gariep
Agricultural cluster	Expand support for emerging farmers and household food production through efficient implementation of massive food production programmes, homestead food production and livestock improvement programmes.	District is implementing livestock programme - will be finishing this year. Continuation of the programme is through Thina Sinako funding. The Thina Sinako funding for the programme finished and programme completed. The implementation of massive food and household production programmes implemented by Asgisa-EC and the Department of Agriculture, Forestry and Fisheries.
Agricultural cluster	Increase investment in agricultural infrastructure.	Information will be collected as part of the agricultural plan. The Agricultural Sector Plan is still under development.
Agricultural cluster	Establishment of an all encompassing District wide agricultural structure	The District Agricultural forum established and functional, but still having a challenge with the agricultural forums in Local Municipalities, they need to be revived.
Agricultural cluster	Implement SDF, Land Use Planning, Management and Land Care programmes in the District that seek to preserve the natural wealth of the land.	Spatial Development Framework for the District reviewed.
Agricultural cluster	Investigate the Umzimvubu Mega Basin Programme.	Elundini and JGDM working together with Mhlontlo and AsgiSA.
Agricultural cluster	Cognizance of environmental issues are taken into account in planning, implementation and monitoring of all	The Environmental Plan is still under review.

		programmes	
Agricultural cluster		Enforce compliance with environmental legislation and by-laws along the lines of best practice.	By laws under review in some municipalities. Implementation and compliance still a challenge.
Water and Sanitation		Lobby National Government for additional MIG funds.	Motivations submitted
		Enhance capacity local government to plan, project manage, implement and spend funds effectively and efficiently for water and sanitation service delivery.	Resources obtained to support a process of improve implementation of effective water and sanitation delivery.
Water and Sanitation		water and sanitation backlogs eradication	Bucket eradication target achieved, cannot meet the water target 2008.
Municipal upgrading	Service	Upgrade and refurbish water and sanitation infrastructure	Maximum budget being given for water and sanitation infrastructure.
		Ensure efficient and effective operations and maintenance of the water and sanitation infrastructure	
Municipal upgrading	Service	facilitate the provision of mass housing programmes and create sustainable human settlements in their areas of jurisdiction	District providing water for housing projects.
		implement environmental management systems in their areas of jurisdiction	Reviewing the environmental management plan.
		develop by-laws on land management and administration for their areas of jurisdiction and develop systems for the management and expansion of urban area	
Municipal upgrading	Service	Planning for middle income housing in the primary and secondary nodes	Water and sanitation being planned for urban expansion
Municipal upgrading	Service	Improvement in health and hygiene among hawkers through training and monitoring.	Programme underway.
Municipal upgrading	Service	Enforcement of by-laws to create a conducive trading environment for the retail sector.	Municipal Health services are currently implementing bylaws that relate to health and hygiene.
Municipal upgrading	Service	Improve capacity among municipalities to enforce by-laws.	Little progress as yet, EHPs trained as peace officers.
Access and linkages		Increase the number of Thusong (Multi Purpose) Service Centres in the District.	Included in the communications plan.
Access and linkages		Support the local media in the dissemination of information.	Budget suggested for the new year to increase use of local media.
Access and linkages		Prioritize road infrastructure as the basis for economic growth.	Included in the roads plan.
Access and linkages		Participate in the District roads forum as coordinated by the JGDM.	Underway.
Social safety net		Remain organized, increase their representation, improve their lobbying skills, and undertake their own fundraising.	District structures still functioning to varying extents.
Social safety net		Issues of vulnerable groups are integrated or mainstreamed into their programmes.	Mainstreaming strategy should be implemented this year.
Social safety net		Integrate and mainstream HIV and AIDS in all programmes.	Should be part of the mainstreaming plan.
Social safety net		Develop a District multi-sectoral plan for HIV and AIDS	Strategic plan for the next 5 years in place.
Social safety net		Develop and implement workplace HIV and AIDS programmes, and extend these into the community where the employees live.	EAP planned in the budget and in the organogram. EAP activities in place.
Social safety net		Implement the labour-intensive Expanded Public Works Programme (EPWP) in rolling out the priority projects and programmes in this agreement.	DM implementing: contractors on water and sanitation projects as well as using CHW in primary health services.
Social safety net		Develop a coordinated EPWP programme	Limited information from all sectors.
Social safety net		Intensify skills development and skills transfers within the EPWP.	Limited information from all sectors.
social safety net		Develop a cooperative development and support strategy.	Sourced funds from Thina Sinako for a strategy to be undertaken by the cooperatives organization. National LED strategy



		emphasizes the use of cooperatives so further development is needed.
social safety net	Promote cooperatives as a form of enterprise in the District and agree to procure goods and services from cooperatives where possible.	Strategy should deal with this.
social safety net	Developing and strengthening disaster risk management and mainstreaming disaster risk assessment into strategic development programmes.	Workshops held around disaster management to improve understanding. Framework plan being updated.
social safety net	All stakeholders agree to participate in Disaster Management Forums	Poor attendance at meetings at present.
Governance administration and	Strengthening the District and local municipality IDPs,	Capacity is being provided: training and funding.
Governance administration and	Improving the operation of the IGR structure in the District area.	Structures nearly all established.
Governance administration and	Implement a pilot community-based planning process for planning and IDP development at local municipal and ward level	Implemented.
Governance administration and	Strengthening public participation in all matters of municipal planning and governance through training of ward Councillors and officials and strengthening community capacity.	Ward committee functioning funding is provided. Public participation funding is suggested and budgeted for
Governance administration and	Revised Local Economic Development (LED) Strategy	Programme underway.
Governance administration and	Fill section 57 posts and critical service delivery posts by July 2007.	All underway.
	Review municipal organograms in line with powers and function and objectives of this agreement.	
	Accelerate the implementation of workplace skills plans within the public service.	
Governance administration and	Arrange economic development training for the representatives of all stakeholders to further understanding of economic development within the District.	Have engaged Thina Sinako to assist and the IDT.
Governance administration and	Develop a skills retention strategy for the Joe Gqabi District.	Draft for the DM in place.
Governance administration and	Identify and agree on the skills needed for growth and development across the priority sectors in the District.	Skills plan completed, forum established, alignment to NSF and JIPSA established, PPPs participating in programme.
	Finalize a District skills development plan,	
	Establish a District Skills Development Co-coordinating forum	
	Facilitate learner ships in the identified sectors	
	Increase investment within public and private sector in apprenticeships, internships, and skills programmes.	
Governance administration and	Engage the higher education sector and Thina Sinako around research, knowledge management, and best practice in growth and development.	Engaged ECSECC and Thina Sinako, and tender out for best practice recording.
Governance administration and	Local procurement of goods and services.	Must be in the review of the SCM policy and LED strategy.
Governance administration and	Develop and implement a supply chain management and procurement policy that targets local contractors and	Must be in the review of the SCM policy and LED strategy.
Governance administration and	Implement national economic empowerment Sector Charters targets and agree to adhere to the principles of Broad Based Black Economic Empowerment.	Used in the SCM policy.
Governance administration and	Improve registration of businesses operating in the District and ensure payment of taxes and levies through use of local government by-laws.	MHS has a database and is able to certify businesses -- the payment of this is still an issue.

Governance administration	and	Expand business affiliation networks to all sectors in business, resulting in municipal wide and then District wide business structures	District in process of engaging key roll players about the matter
Governance administration	and	Implement the principles of Batho Pele and zero-tolerance of corruption, characterized by the desire to provide quality services.	Workshops with municipal officials on Batho Pele undertaken.
Governance administration	and	Implementing the national LED guidelines.	District activities in line with the policy.
Governance administration	and	Promote the creation of sustainable decent jobs.	SCM and HR practices in place.

#### v) Achievements against Thina Sinako Programmes

The District municipality has numerous programmes that are funded by the European Union through Thina Sinako as an agent for implementing these programmes. The status of projects awarded in 2009/10 financial year is reflected in table 35 below.

**Table 35:** Status of Thina Sinako projects awarded in 2009 and 2010

Project Name	Beneficiary	Fund	Progress To Date
Thaba Lesoba Tourism Cultural and Heritage economic strategy	Yezinyanya Research cc	LCF ID and Design	Successfully closed out
Tiffindell Women's Aquaculture	Yezinyanya Research cc	LCF ID and Design	Successfully closed out
Development of Tourism opportunities for Rhodes tourism node	Walkerbouts Country Retreat (Pty) Ltd	LCF ID and Design	Successfully closed out
Forestry outgrowing development	Teba Development	LCF ID and Design	Successfully closed out
Feasibility study for the development area within Joe Gqabi District	S.A National Parks Board	LCF ID and Design	In progress
Strategic Planning assessment of alpine tourism	JGDM	LGSF	In progress
Development of a strategic competitive action plan for Gariep Municipality	Gariep Local Municipality	LGSF	In progress
Waste Management and LED	MSDA	LGSF	In progress
Elundini Hawkers Project	Elundini Local Municipality	LGSF	In progress
Upper Tsitsa falls Tourism and Agriculture	Landmark Foundation	LCF Implementation	Terminated
Rhodes Airfield Implementation	Walkerbouts Country retreat	LCF Implementation	Terminated
Automated Invoice-Based Finance to increase participation in Joe Gqabi Municipality contracts	JGDM	LGSF	In progress
Heritage Management Plan	JGDM	LGSF	In progress
Stimulation of the local economy through the marketing and promotion of tourism in Joe Gqabi	JGDM	LGSF	In progress
Ukhahlamba Heritage and Tourism Strategy for Museums in Joe Gqabi	JGDM	LGSF	In progress

#### 3.4.7 Proposed key projects for the Joe Gqabi Economic Development Agency

The District has established a development agency as a special purpose vehicle to deal with economic development of the District. The focus of the development agency is on reviving and exposing the economic development potential of the area. Five key projects for the development agency have been identified focusing on the following principles:

- Large economic and social impact

- Incorporate meeting the needs of the poor
- Spread across the district area
- Exploit existing opportunities
- Involve quick-wins and long-term economic growth

#### **a) The Aliwal North Private Hospital**

A Group of private investors and private hospital operators made a proposal to Maletswai Local Municipality and Joe Gqabi District municipality in April 2009. Maletswai Local Municipality started process of identifying and ring-fencing suitable land for the project and the Council of that municipality resolved on site for the envisaged Private Hospital in September 2009. The land designated for the development measures approximately 4.8 hectares and is on un-serviced land, previously zoned 'industrial'. The process to appropriately zone the site and amend the Municipality's Spatial Development Framework has been initiated. A pre-feasibility study has been undertaken by the Development Agency. Following finalization of the feasibility study a business plan will be developed.

#### **b) The Aliwal North Spa**

This facility which is owned by the Maletswai Municipality has been underutilized for more than a decade and is deteriorating and draining funds from the municipality. In its heydays, it was an icon tourism facility for central South Africa. Business plans have been developed in the past but interest from private investors was not secured. A new approach to unlocking the potentials of the Spa needs to be determined. Following finalization of the feasibility study a business plan will be developed.

#### **c) Senqu Plastics Plant**

This facility is currently being developed by Senqu Municipality with support and involvement of the local community and a private sector mentor. Land has been allocated and some equipment purchased. However, the municipality does not have the ability to run an industry and needs an external agency to take over the roll out of the plant, sourcing additional funding, management etc. Following finalization of the feasibility study a business plan will be developed.

#### **d) Property Development: Commercial Land**

This is a plethora of smaller projects which when viewed as a collective will have a positive economic impact on the community of Joe Gqabi District. This project involves the development of commercial property (shops and offices) for the district area. Each parcel of land could have a different approach and arrangement around administration and development. This could be using either private property or municipal or state land to develop for commercial enterprises. One of the models could be the development of incubators for small enterprises (similar to the Transido model), another could be the development of permanent hawker stands and or the renting out of hawker space and the management and servicing of such space, shopping center development in key nodes could be an additional possibility. The development of commercial property space will create an enabling environment for the development of the economy. A Market Assessment and Analysis as well as Terms of Reference for the Development need to be undertaken.

#### **e) Property Development: Housing**

Across the district area there has been lower income housing developed but very little initiation of middle income housing or housing that is still partially subsidized. The issue has been raised over years by employed people who do not qualify for an RDP house but which are still in need of housing. This programme could involve a number of land parcels across the district area and different models depending on the land-owner. Further to this, there is an identified need for rental housing that has not been addressed in any of the municipalities to date. The development of housing will satisfy a basic need in the District area. A Market Assessment and Analysis; Alternative self sustainability models as well as Terms of Reference for the Development need to be undertaken.



### **3.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

#### **3.5.1 Political Governance**

The legislative and executive authority of District municipality lies with the Council. The Joe Gqabi District Municipality has an Executive Mayoral system. The Executive Mayor is the political champion of the IDP and budget processes and chairs the District Mayors' Forum. The Executive Mayor reports on the progress of implementation of Council resolutions to Council which is chaired by the Speaker of the Council. The political component consists of the Executive Mayor, the Speaker, and 23 Councillors including the portfolio Councillors.

The District has four standing committees that report to the Mayoral Committee. The Standing Committees are chaired by portfolio Councillors who head different portfolios. These are:

- Community services and planning;
- Corporate services;
- Finance; and
- Technical Services.

Listed below are the committees that assist Council in carrying out its responsibilities:

- Oversight Committee;
- Rules and Ethics Committee;
- Performance and Audit Committee;
- District Mayors' Forum; and
- Mayoral Committee.

These committees are function as depicted in the audited result of the 2009/10 financial year which found that there were eight Council meetings, ten standing Committee meetings and ten meetings of the Mayoral Committee. These committees continue to function.

#### **3.5.2 Planning Process**

The District adopted a District IDP Framework and Process Plan in September 2010 in terms of Council Resolution 018/10/OCM. All four local municipalities within the District also adopted their respective Process Plans subsequent to adoption of the District Framework Plan.

The adopted Framework Plan of the District outlines the following:

- identifies plans and planning requirements binding in terms of national and provincial legislation on the District municipality and the local municipalities;
- identifies matters to be included in the Integrated Development Plans (IDP) of the District municipality and the local municipalities that require alignment;
- specifies the principles to be applied and co-ordinate the approach to be adopted in respect of those matters; and
- determines procedures for consultation between the District municipality and the local municipalities during the process of drafting their respective IDPs.

The Process Plans deals, *inter alia*, with:

- A programme specifying the timeframes for the different planning steps;
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities and other role-players in the IDP drafting process; and
- The identification of all plans and planning requirements binding on the municipality in terms of National and Provincial legislation

#### **3.5.3 Roles and Responsibilities**

The IDP process requires that all role-players are fully aware of their responsibilities as well as

responsibilities for all stakeholders in the execution of the IDP process. The roles and responsibilities of the various spheres of government and other relevant stakeholders are tabulated in table 36.

**Table 36:** Institutional Roles and Responsibilities

Actors	Roles and Responsibilities
<b>The Municipal Council</b>	<p>Political decision making body</p> <p>Consider, adopt and approve process plan, IDP, budget, policies and by-laws</p> <p>Enable the municipality to obtain access to development resources and outside investment;</p> <p>Enable the municipality to provide clear and accountable leadership and development direction;</p> <p>Enable the municipality to develop a cooperative relationship with its stakeholders communities; and</p> <p>Enable the municipality to monitor the performance of officials</p>
<b>Mayoral Committee</b>	<p>Recommend the Process Plan to Council</p> <p>Overall management, coordination and monitoring of process and drafting of IDP</p> <p>Approve nominated persons to be in charge of the different roles, activities and responsibilities</p> <p>Overall management and coordination of planning process and public participation</p> <p>Ensure the annual business plans, budget and land use management decisions are linked to and based on the IDP</p>
Local Municipalities (Including Ward Councillors/Ward Committees and Assisted by CDWs)	<p>Major link between municipal government and residents</p> <p>Link the planning process to their wards or constituencies</p> <p>Organizing public consultation and participation</p> <p>Play a key role in mobilizing communities for public participation</p> <p>Documenting ward related activities</p> <p>Serve as local government structure within communities, which prepares for the proper running of Community Based Planning and prioritization processes.</p>
<b>Municipal Manager / IDP Manager</b>	<p>Prepare the Framework and Process Plan</p> <p>Undertake the overall management and co-ordination of the planning process;</p> <p>Ensure that all relevant actors are appropriately involved,</p> <p>Nominate persons in charge of different roles;</p> <p>Be responsible for the day- to-day management of the drafting process;</p> <p>Ensure that the planning process is participatory, strategic and implementation orientated and is aligned with and satisfies sector planning requirements;</p> <p>Respond to comments on the draft IDP from the public, horizontal alignment and other spheres of government to the satisfaction of the municipal Council;</p> <p>Ensure proper documentation of the results of the planning of the IDP document; and</p> <p>Adjust the IDP in accordance with the MEC for Local Government's proposals.</p> <p>The Municipal Manager may delegate some of these functions to the IDP Manager</p>
<b>Heads of Departments and Officials</b>	<p>Must provide relevant technical, sector and financial information for analysis for determining priority issues</p> <p>Must contribute technical expertise in the consideration and finalization of strategies and identification of projects</p> <p>Must provide Departmental operational and capital budgetary information</p> <p>Must be responsible for the preparation of project proposals, the integration of projects and sector programmes</p> <p>Must be responsible for preparing amendments to the draft Integrated Development Plan for submission to municipal Council for approval.</p>
<b>National and Provincial Sector Departments and Social Partners</b>	<p>Allocation of resources and implementation of sector projects in line with approved municipal IDPs</p> <p>Participate in municipal programmes, IDP and Budget processes</p>

<b>Local Municipalities</b> (Including Ward Councillors/Ward Committees and Assisted by CDWs)	Major link between municipal government and residents Link the planning process to their wards or constituencies Organizing, facilitate and ensure public consultation and participation
<b>Communities and Other Stakeholders</b>	Inform the Council what their development needs are, and to participate actively in determining the municipality's development direction Represent their interests, contribute knowledge and ideas Analyze issues, contribute in setting of priorities, negotiate and reach consensus Discuss and comment on the draft IDP, budget, policies and by-laws Monitor IDP-budget performance and implementation

### 3.5.4 Mechanisms and Procedures for Community and Stakeholder Participation

#### a) Mechanisms for public participation

The IDP preparation process requires an extensive consultation and participation of communities, all role players and key stakeholders in order to achieve shared understanding of the municipal development trajectory and alignment. Although municipalities are expected to establish participation structures, it will however be critical to consider utilising existing arrangements, and adapt them if necessary, and avoid duplication of mechanisms.

There has been effective and efficient operations of structures such as DIMAFU, IDP and Budget Representative Forum, IDP and Budget Steering Committee, Ward Committees, IGR Structures (District Technical Support Group and the four clusters). Table 37 depicts presents the District wide institutional arrangements focusing on a structure, composition and terms of reference aspects.

**Table 37:** IDP Institutional structures

Structure	Composition	Terms of reference
District Mayors Forum (DIMAFU)	Mayors and Municipal Managers of all municipalities Sector Departments	Monitor progress of preparation and implementation of IDPs and Budgets Ensure intergovernmental co-ordination and alignment between local and District municipalities' IDPs, Sector Departments plans, budgets and related activities. Sector Departments to focus on providing financial resources and technical expertise on sector plans and issues as requested by DIMAFU.
IGR Clusters	Government representatives, identified stakeholders	Facilitate inter-governmental coordination in terms of planning, budgeting, implementation and monitoring
IDP and Budget Representative Forum	Chairperson: Mayor Councillors Representatives of Wards ( in the case of the local municipalities) Representative of municipality wide organizations Government Departments	Represent the interests of constituents in the IDP and budget processes Provide an organizational mechanism for discussion, negotiation and decision making between the stakeholders including the municipal government Ensure communication between all stakeholder representatives including the municipal government. Monitor the performance of the planning and implementation processes. Participate in the process of setting up and monitoring "key performance indicators" in line with the Performance Management Manual.



Structure	Composition	Terms of reference
Traditional Leaders Forum	Traditional leaders Political leadership Other co-opted stakeholders	Facilitate integration of community development Needs in municipal planning
IDP and Budget Steering Committee	Chairperson: Municipal Manager CFO/BTO IDP Manager Political leadership - Mayoral Committee, Executive Committee or Council depending on local circumstances In the case of the District, it should include Municipal Managers from Local Municipalities	<p>Considers the Budget and IDP Process Plan for the municipality</p> <p>Ensures that parameters are set and met</p> <p>Agrees on budget principles to be adopted</p> <p>Reviews budget submissions</p> <p>Monitors adherence to the Budget Process Plan</p> <p>Ensures public participation</p> <p>Provide ToR for the various planning activities</p> <p>Commissions research studies</p> <p>Considers and comments on:</p> <ul style="list-style-type: none"> <li>inputs from sub-committee, study teams and consultants</li> <li>inputs from provincial sector Departments and support providers</li> </ul> <p>Processes, summarizes and documents outputs</p> <p>Makes content recommendations</p> <p>Prepares, facilitates and documents meetings that sit at least 4 times per year</p> <p>The Budget Technical Committee should be responsible for the establishment of the Budget Local Consultation Forum by:</p> <ul style="list-style-type: none"> <li>▪ Defining terms of reference and criteria for members of the Budget Local Consultation Forum;</li> <li>▪ Informing the public about the establishment of the Budget Local Consultation Forum and request submission of applications from stakeholders/community groups indicating goals, objectives, activities, number of members, and constitution;</li> <li>▪ Identifying: <ul style="list-style-type: none"> <li>• Additional stakeholders and marginalized/underrepresented groups that may need an “advocate” to represent their interests;</li> <li>• Potential advocates;</li> <li>• Resource persons: ;</li> <li>• Senior officials;</li> <li>▪ Selecting potential groups/members based on the agreed criteria;</li> <li>▪ Submitting proposed groups/members to Council for consideration; and</li> <li>▪ Nominating members and informing the local community</li> </ul> </li> </ul>

## b) Community Consultation

Various community and stakeholder participation initiatives were undertaken. The Executive Mayor’s Community consultation programme with the community was conducted in October and November 2010 in all four municipalities. Community Based Planning (CBP) meetings were also conducted in each ward. Ward Committees have played a major role in the preparation of the ward-based plans. The outcome from these meetings was an improved understanding of the development aspirations of communities within the District. Key priority development needs from the wards have been considered in the priority projects of the District. These range from matters District and local municipality competence to those of other spheres of government.

### c) Schedule of Meetings

The established structures and other mechanisms established within the District are outlined in table 38.

**Table 38:** Schedule of Meetings and activities

No.	Type Of Meeting And Activities	Date
1	Council Meeting (To adopt Process Plan and Framework)	28 August 2010
2	Representative Forum	23 September 2010
3	Mayoral community consultation programme in all four local municipalities	October - November 2010
4	Steering Committee	November 2010
5	Community Based Planning meetings in all four local municipalities	January – March 2011
6	Steering Committee	15 February 2011
7	Representative Forum	17 February 2011
8	Council Meeting (approval of draft IDP and Budget)	31 March 2011
9	Steering Committee meeting	April 2011
10	Representative Forum	April 2011
11	Standing Committee	April 2011
12	Council Meeting (approval/ adoption draft IDP and Budget)	April 2011

### d) Public Participation Strategy

The District Council adopted a Public Participation Strategy, which outlines the programme for public participation. The strategy guides community participation and engagement in the District. The strategy promotes a number of participation mechanisms to enhance meaningful community involvement in matters of the Council. At the District level, these mechanisms include community based planning, political outreach and stakeholder engagement sessions.

The Joe Gqabi District Municipality has a Council approved public participation strategy. The strategy was adopted in October 2008 and is currently being implemented. It outlines the processes to be followed in communicating with the public and modes for communication. The municipality utilizes ward committees and Community Development Workers, traditional leadership and special programmes forums, Local economic development forums, and agricultural forums for public participation. The ward committee meetings are held on a quarterly basis for reporting progress to communities. The municipalities within the District ensure community consultation through Community Based Planning and constant report backs. The following methods are being utilized for reaching out to communities:

- IMBIZO focus weeks are set by the cabinet and enable the community to interact with politicians and officials, from all spheres and to discuss the service delivery and government programmes and opportunities available for the public. The local municipalities and the District municipality work together in planning these events and liaise with the Office of the Premier and Government Information Systems for the deployment of Ministers and MECs. Outreach programmes are held twice a year in August and February to interact with the public around service delivery and development issues
- In line with the legal prescripts of the Municipal Systems Act, the establishment of the Representative forum is advertised in local newspaper calling upon interested parties to be part of these forums.
- Language use is observed to limit the language barrier that could cause the public not to participate fully in matters of government. Four languages are being utilized in communicating with the public namely (English, Africans, Xhosa, and Sotho)
- IDP Budget outreach programmes are conducted after the draft IDP and Budget has been finalized for comment by the public.
- The Ward Committees, the CDWs, the community liaison officers and ward Councilors assist in mobilization of communities towards ward meetings.
- The comments of the public to the IDP and Budget are noted and the responses to the public comments are recorded for further feedback.

- These comments are further disseminated to other government Departments through intergovernmental relations structures to take appropriate actions.
- The public is further consulted through other forums and following methods: Information days, Advertisements, Agricultural forum, District Tourism Organisation, District Roads Forum, District Health Advisory Committees, District Mayors forum, Standing committees, ward meetings and Special Program forum Meetings. Community Based Planning, Disaster Management meetings and outreach, Area Based Planning Meetings. IDP Representative Forum. The District Councilors are deployed to local municipal areas to support local municipal public participation processes. All stakeholders had an opportunity to participate effectively in all the phases of the IDP process.

To ensure effective participation the following structures were entrusted with the following tasks:

- Municipal Manager – To co-ordinate participation by all structures
- Council – To ensure the democratic involvement of people in governance
- Steering Committee – To serve as a resource to the representative forum by advising and integrating the forum input
- Representative Forum – To serve as a public forum for debates where various interests groups influenced government decisions.

#### **e) Community Development Workers**

The ratio of Wards to CDWs is 1:1. There is a CDW for each ward. The CDWs support the Community Based Planning processes. The functioning for this structure and the reporting systems needs to be improved to ensure integration of efforts and its management.

#### **f) Ward Committee Involvement in the Development of the IDP**

The District Municipality does not have wards; it gets information for the preparation of the IDPs from the Local Municipalities, which involve the Ward Committees in their activities. Ward Committees have played a major role in the preparation of the ward-based plans.

#### **g) Involvement of Traditional Leaders**

The traditional leader's forum is in place. Its main purpose is to bring on board traditional leadership and ensure that participation of traditional leadership to matters of local government does take place. The Communications and Public Participation strategies outline issues pertinent to involvement of traditional leaders and their communities in the IDP process. The municipality involves traditional leaders through its representative forums and targeted engagements. Two traditional leaders summits were also held during the 2010/11 financial year and these meetings are facilitated provincially by the District.

The IGR structures within the District have proposed that traditional leaders be part of the DIMAFU. This is the direction which is being mooted for which is unique and highly supported by the District TSG.

#### **h) Communication Strategy**

Joe Gqabi District Municipality developed and approved a communication strategy in November 2008. The strategy covers 2008-2011. Yearly the communication plan is reviewed to incorporate new priorities for the year ahead. The 2010/2011 communication plan was reviewed in November 2010 and will be adopted in March 2011. The communication strategy has been developed in line with planned meetings that were arranged with the communicators from local municipalities and sector Departments. Some of the activities from the strategy were implemented with the assistance of both the Provincial and National governments. Part of the strategy involves the dissemination of information through CDWs, utilization of District communicators' forum and ward Councillors as well as ward committees. The objective of the communication strategy is to raise

awareness amongst citizens in the District about initiatives aimed at bettering the lives of people through job creation, agrarian reform and poverty eradication programmes.

#### **i) Institutions for Communicating**

The municipalities, libraries, tribal authorities, Thusong centres, ward committees, communication offices schools, clinics, radio are utilized for communication with the communities ward committees, CDWs and on a limited basis papers are utilized for communication with communities. The District currently has three community radio stations; eKhephini covering Barkly East, Rhodes, Rossouw, parts of Sterkspruit and Elundini; Takalani covers the Aliwal North, Jamestown, Burgersdorp, Lady Grey and parts of Sterkspruit; and Radio Unique covering Gariep municipality. In the District there have been two locally based print media which are Barkly East Reporter and Aliwal Weekly which circulated within the District.

The Joe Gqabi Media Board was launched in 2009. Electronic and print media are part of the board. It also acts as an information management tool for the District.

#### **j) The Thusong Centres**

The District has two Thusong Centres which are located in Sterkspruit and Burgersdorp respectively. The Thusong centre in Sterkspruit is a first generation type while the one in Burgersdorp is a second generation Thusong centre. These centres are aimed at providing information and services closer to the communities. Most towns and communities have requested Thusong centres as value is seen in the services they offer in bringing services closer to communities. Funding however for the establishment of the infrastructure for these centres is a challenge.

#### **k) Complaints Management System**

The District has an established complaints management system. This includes complaints book and suggestion boxes. These complaints are attended to by the Communication Section within the Office of the Municipal Manager. The other methods of dealing with customer complaints are outreach programmes where the complaints are noted and dealt with through finding information and evidence. These are addressed to all affected stakeholders for them to supply responses. Feedback to communities is done through different types of meetings with communities. The District has also developed and adopted a Service Delivery Charter in March 2011 to further enhance its responses rates and effectiveness.

In line with the Presidential hotline which aims to encourage an all-round improvement in citizen care and liaison and introduce a culture of putting the citizen first in all government Departments as well as municipalities, the District has dedicated personnel to deal with petitions and related matters. The purpose of this initiative is to ensure that government is more interactive, accessible and responsive to the needs of the communities.

A pilot customer service center is being established in Senqu Municipality to deal with water and later other municipal service complaints. It is expected that this will service the whole District area as a shared service with all the municipalities.

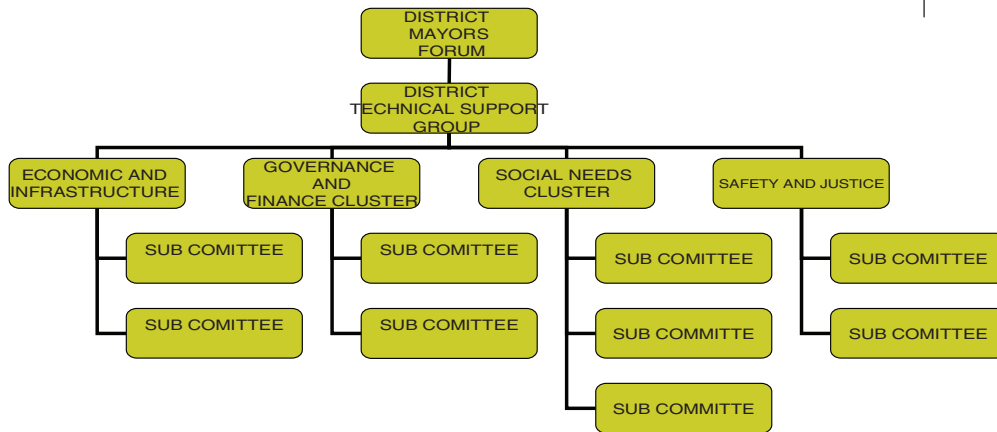
Posts have been included in the organogram to oversee and facilitate customer service related issues in each of the local municipal areas where District services are delivered. While there is currently insufficient budget to fill these posts these will in time be filled.

#### **l) Intergovernmental Relations**

An intergovernmental relations framework policy was adopted by Joe Gqabi District Municipality as a means to strengthen relations between all spheres of government. The Intergovernmental Structures within the District are in place. The clusters that are functional and reporting are the social needs cluster, the economic and infrastructure cluster, and the safety and Justice cluster. The governance cluster is in the process of reorganizing itself.

All clusters have started to sit bi-monthly while their subcommittees meet monthly to discuss service delivery, policy issues, integration, coordination, monitoring, and evaluation issues. All clusters have terms of reference in place and clearly spelt out roles and responsibilities. The other existing and functional structures are District Technical Task Group and the District Mayors Forum (DIMAFU). These structures meet quarterly to align key programmes and have special meetings as and when required. The same process is being cascaded to the local municipalities.

DIMAFU was established as a Section 79 Committee made up of Councillors (in this case the Mayors of the local municipalities and the Executive Mayor of the District). DIMAFU deals with issues relating to budget and IDP planning and implementation, communications, IGR, Special Programmes dealing with Women, Youth, Disabled, People living with AIDS, Elderly and Children as well as internal audit functions and statutory compliance issues.



**m) Other Committees within the District**

- Tri-District Alliance is a forum between the municipalities of the three provinces bordering Gariep Dam.
- The District Liaison Committee deals with the cross boundary issues with Lesotho and involves the SAPS, Department of Home Affairs. The committee is concerned with livestock theft.
- Joe Gqabi District Home Affairs Forum was established to facilitated accesses to government services through targeted interventions. The focus is on Department of Home Affairs services.
- Intercluster interaction within Joe Gqabi has also been initiated though this has not functioned as envisaged. Provincial clusters do not meet on a regular basis and so there is little coordination between sectoral programmes. There is some micro level cooperation but when it is at the regional level this seems to be poor.

**n) State Institutions within the District**

Many National Government Departments do not have regional offices within the District, which makes it difficult for the communities to access some services. The alignment of some provincial Departments to municipal boundaries is still a problem and most of them combine the municipalities of Gariep and Maletswai into one area. Additionally the Department of Education has a separate regional office in the Elundini area, and administers the Senqu, Gariep and Maletswai areas from Sterkspruit. It also came out clearly from engagement with communities and stakeholders that the Department of Housing is not visible within the District and its participation in municipal processes is very limited. The Department should have offices within the District.

### **o) HIV and AIDS Mainstreaming**

The HIV and AIDS Plan are in place. This strategy was adopted in September 2008 and the review adopted in March 2011. The strategy captures Nutrition, Treatment, Care and support for people living with HIV and aids, Care and support for Orphans and vulnerable children, Promotion of Human rights and Justice. The plan specifies the budget and time framed activities aimed at dealing with HIV and AIDS pandemic. Joe Gqabi District Municipality is aligned to the main streaming framework. Joe Gqabi and Nelson Mandela have been utilized as pilots for HIV and AIDS mainstreaming.

The executive Mayor in the state of the District address stressed that “everyone in the Joe Gqabi DM has a responsibility to do their part in making an impact on this massive national crisis. Some municipalities still appear to see HIV and AIDS as not being their responsibility or part of their mandate, or believe that HIV and AIDS is a 'soft' issue or a health issue. However it must be much higher on the local government priority list than it is at the moment. The broad scope of the known remedies to the impact of HIV and AIDS suggests the need for active multi-sectoral approach in halting and reversing the epidemic. As the District, we have done a lot of work to fight the spread of HIV and its impact. We have implemented quite a number of awareness campaigns. We have developed an HIV and AIDS multi-sectoral strategic plan (2008 - 2011), which is now being implemented by all stakeholders. “

Joe Gqabi District Municipality and Nelson Mandela Metro were in the Eastern Cape Province as pilots for HIV and AIDS mainstreaming to implement the Framework for an Integrated Local Government Response to HIV and AIDS. The process of implementing this programme is at the introductory phase. All, Mayors, Councilors, Municipal Managers, Directors and managers will receive training on the framework for an Integrated Local Government Response to HIV/AIDS and the new handbook for facilitating development and governance response to HIV/AIDS.

The District has six accredited ARV sites as follows: Senqu (Empilisweni hospital, Umlamli hospital, and Cloete Joubert hospital); Maletswai (Aliwal North hospital); Gariep (Burgersdorp hospital) and Elundini (Tailor Bequest). We are planning to open three more ARV sites in Maclear, Steynsburg and Lady Grey during the current year 2010. We also have seven down referral clinics and we planned to have twenty clinics to implement down referral this year 2010. The District recently launched a High Transmission Area programme in all three sub-Districts of Elundini, Senqu and Maletswai-Gariep. Prevention of Mother to Child Transmission Accelerated plan in Senqu is implemented to decrease the infection rate from positive mothers. Within the District, HIV and AIDS prevalence rate has dropped from 29, 9% down to 27, 9% according to the District Information System (DHIS). The District's message is clear: “We have to stop the spread of HIV & AIDS”.

### **p) Special Groups and Gender Mainstreaming**

Gender equity is considered in lined with the Employment Equity Plan albeit equitable and desired levels have not been reached as yet. Management has been workshopped on gender mainstreaming approaches to ensure that pertinent matters are incorporated into all the plans and programmes.

The special programmes are currently being mainstreamed within the procurement processes of the municipality. The institutional arrangements supporting the youth, women, disabled, the elderly and the children (special groups) exist within the municipality. The Special programmes unit is in place and requires more funding to implement some of the programmes necessary for these groups. The youth, People with Disability and Women Development plans exist but have to be reviewed. The plans for developing the special groups have to be revised as the special group needs and aspirations must have changed over time. The review of these plans will have to be considered in the current budget.

The mainstreaming strategy was approved by Council in March 2011 and this contains activities, plans and programmes that are aimed at improving the conditions of the special groups. The activities linked to the special groups are funded and monitored by the Office of the Executive

Mayor. All special group fora are in place and functional and participate actively in IDP processes.

The special groups are accorded special preferential procurement treatment and mainstreamed in the supply chain management policy of the institution. The programmes which are as result of the activities of the special groups in development are tiresome project for the disabled, Multipurpose Youth Centre, and Community Garden in Venterstad. The activities of the special groups and the review of their plans have been budgeted for in the 2009/10 budget.

To enhance the long term view and a greater understanding of mainstreaming matters within the District a Mainstreaming Strategy was developed and approved by Council in March 2011

**q) Anti Corruption**

The District Municipality has a Council adopted anti- corruption policy / strategy. This policy was adopted in November 2008. The aim of the policy is to ensure that the Council concentrates its efforts in preventing fraud and corruption, rather than responding to it. The policy requires all role-players within the municipality and dealing with the municipality to refrain from committing fraud and other acts of dishonesty against the institution assist in the nurturing of a fraud free environment at the work place, maintain absolute integrity in all dealings with the institution, comply with all internal controls, adhere to the principles and directives of the Code of Conduct and the Code of Ethics and the law.

**r) Approval, Monitoring And Evaluation Tools**

Monitoring tools for the implementation of the IDP will include, Monthly Budget Statements that will be submitted to the Executive Mayor and Provincial Treasury, Quarterly reports to Council reporting on service delivery and the financial state of the municipality, mid year budget and performance assessment report and Annual Report as shown in table 39 below. These reports, once adopted by Council, are public documents and are made available to ward communities through ward Councillors. They will also be published in the municipality’s website.

**Table 39: Approval, monitoring and Evaluation Tools**

Frequency		Contents	Submitted to
Budget Statement	Monthly	Municipality’s monthly expenditure, revenue, borrowings and income.	Executive Mayor & Provincial Treasury
Quarterly Reports	4 Quarters of the financial year	Quarterly progress on service delivery and financial state of the municipality.	Council
Mid-year Budget and Performance Assessment report	Half yearly-by 25 January of each year	Municipality’s service delivery performance during the first half of the financial year.	Executive Mayor, National and Provincial Treasury
Annual Report	End of each financial year	Municipality’s annual performance on service delivery.	Council

The performance Management system is in place for monitoring performance in line with the IDP. This system will also be utilized for monitoring, measuring and evaluating performance against set objectives, strategies, targets, programmes and projects. The community participation programmes such as CBP, Mayoral Political programme, stakeholder for a, and so forth will enable the Mayor measure and evaluate the performance of projects and programs and impact of services rendered on the ground. The community sessions are conducted in an interactive manner which allows for maximum participation and contribution by the communities. Reflections are made on all services offered by government, including other spheres and social partners. In cases where service challenges relate to other spheres of government the Executive Mayo will follow up with the affected Departments. In this manner the integration and coordination of services is improved.

**s) IDP Approval and Marketing**



The draft IDP, PMS Policy, SDBIP and the draft Budget were tabled before Council for adoption on the 31<sup>st</sup> March 2011. This process follows a joint standing committee of all sections within the District municipality, the mayors of local municipalities and the members of the executive committees from local municipalities to precisely check and agree on the contents of the IDP. The marketing of these documents will be undertaken through physically delivering them to libraries, to the municipalities, tribal authorities, and announcing their availability in convenient and accessible places. The community's members who are not able to write their comments will be assisted by the IDP offices, CDWs as well as the ward committee members.

#### **t) Internal Audit And External Audit**

The internal audit function is performed internal as the internal audit unit has been strengthened. This function is being performed within the parameters of the audit charter, which was approved by Council on the 29 September 2008. The function covers risk assessment, internal control, compliance and regularity audit, and performance auditing etc. There is a code of ethics for this function, policies, procedures which are implemented in line with the prescripts of external audit.

The District Municipality received a qualified audit report from the Auditor General during 2009/10 financial year. Services of external auditors are being utilized to supplement the capacity of the audit function. The organogram has also been reviewed to identify critical positions required to implement the audit function effectively.

**Comment [FS17]:** Out of date

#### **u) The Audit Committee**

The Audit Committee is an independent statutory committee appointed by the Council of the Joe Gqabi District Municipality to perform the duties as required by section 166 of the Municipal Finance Management Act of 2003. The Audit Committee also deals with auditing of performance information.

The Audit Committee adopted appropriate formal terms of reference and an Audit Charter. The Charter regulates the affairs of the Committee in compliance with legislation, international standards and best practice. The terms of reference for the performance audit function, which was approved by Council in March 2011, have also been approved.

The audit committee's role and responsibilities include statutory duties per the MFMA and further responsibilities assigned to it in terms of the adopted Charter.

Effectiveness of internal controls, Quality of Reports Submitted, Performance Management, Risk management, Effectiveness of the internal audit function, Evaluation of Financial Statements and performance information are some the matters that the audit committee deals with. The committee meets quarterly and as when required.

#### **v) Performance Appraisal Committee**

The performance appraisal committee was appointed by the Council on the 23 September 2008. It was established in terms of section 27 (4) (d) & (e) of the local Government Municipal Performance Regulations. It comprises of the Executive Mayor, Chairperson of the performance Audit Committee, the mayoral committee, the Mayor of Amathole District Municipality and the member of the ward committee.

It meets to discuss the annual performance report, reports by the internal auditor on performance implementation, and to assess and appraise the performance of section 57 managers and make recommendations to Council if performance bonuses are to be paid.

#### **w) Oversight Committee**

Joe Gqabi District Municipality has the oversight committee in place. The role of this committee is to ensure compliance with MFMA in so far as the submission of annual reports, dealing with reportable items, adjustment budgets and the general monitoring of the implementation of Council resolutions. The oversight reports are available for reference purposes.

The draft annual report was adopted by the Council in January 2011 and subsequently advertised for community comments in public spaces including municipalities, libraries and the website. The Mid Year Performance reports have been prepared and submitted to Council in January 2011 and this assessment has informed adjustment budgeting processes.

### 3.6 FINANCIAL VIABILITY AND MANAGEMENT

#### 3.6.1 State of Financial Administration in Local Municipalities

Comment [FS18]: This is out of date

##### a) Senqu Local Municipality

Within the Joe Gqabi District, the most stable municipality in terms of financial administration and security has been Senqu. This has been due to historic as well as current management factors. The stability of finances in a municipality has a positive impact on the ability of the municipality to deliver services. The staff can be contented and respond effectively to community needs. This municipality received a clean audit for the 2009/2010 financial year. The income base can be increased if water meters to capture consumption can be implemented as part of the infrastructure development

##### b) Gariep Local Municipality

This municipality had challenges around the amount of income available for them to deliver services. There have been times for more than past five years when the financial viability as municipality has been questioned. Due to the small population size they receive only an amount of equitable share that should be sustainable. The total revenue collected versus the budget is affected by the payment of services of only 15%. This is coupled with the fact that they have urban areas with old infrastructure, which is of a high level of service, but which still needs to be maintained. The municipality is not drawing in much income from the sale of services to these communities. The tax basis must be addressed as they have not managed to implement systems around levying rates on the commercial farmland and this has negatively affected their income.

##### c) Maletswai Local Municipality

In general the financial affairs of this municipality improved as stricter financial control is now exercised although the municipality received a Disclaimer Opinion from the Auditor General for the 2009/2010 financial year. Financial reporting and monitoring is contributing to keep expenditure within the limits of what the municipality can afford. Challenges were experienced around the spending of funds in this municipality, which has been more skewed towards the previously disadvantaged, has meant that maintenance of some of the higher level services in other areas (such as tarred roads in Aliwal North) have deteriorated beyond reasonable repair. This impact on the ability of the municipality to attract and or retain commercial enterprises that could generate income for the municipality.

##### d) Elundini Local Municipality

In Elundini there has been income (higher population and that means higher equitable share) but the efficient and strategic management of the funding has in the past been a challenge. The turn around of Elundini financial management status is in process and this is expected in turn to have an improved impact on service delivery to communities. The Elundini municipality received a qualified opinion and this was limited to water stock.

Comment [FS19]: Out of date

#### 3.6.2 Status of the Financial Position of Joe Gqabi

##### a) Accumulated Surplus/Deficit

A surplus of R500 836 was budgeted in the 2010/11 financial year. An adjustment Budget for 2010/11 was tabled to council with an adjusted surplus of R49 964. Taking into account the audited opening surplus of R64 612 112 the total expected surplus of the municipality will be R72 687 741 at 30 June 2011.

According to the 2011/12 Annual Budget to be submitted to council for approval, the budgeted surplus for the year will be R23 555. The offset of depreciation of assets funded from Government Grant Reserve of R8 025 666 must be taken into account and therefore an accumulated surplus of R72 711 296 is envisaged at 30 June 2012.

The total amount of assets of R376 986 757 as stated in the Annual Financial statements ending 30 June 2010, does not reflect the actual value of assets of the municipality. The Joe Gqabi District Municipality as a Water Service Authority must include all Assets relating to the water and sanitation function. All these assets, totalling R320 million as pertained in the adjusted asset register are now concluded in 2011/12.

According to the submitted financial statements the projected accumulated surplus of R64 612 112 have been achieved at 30 June 2010. The Auditor General concluded the 2009/10 Audit Report on 14 December 2010, and the amounts in the Annual Financial Statements are confirmed.

The result of the 2009/10 Financial Statement is now known and the result of the Financial Position can be derived from the 2010/11 Adjustment Budget as well as the proposed 2011/12 Draft Budget. The result will show the projected Balance of the accumulated surplus at year-end, 30 June 2011 and 30 June 2012.

### 3.6.3 Net Balance Accumulated Surplus

The net result of Accumulated Surplus will be R72 687 741 (2010/11) and R72 711 296 (2011/12) is shown in table 40 below.

**Table 40:** Accumulated Surplus

Accumulated Surplus	Adj Budget	Budget	Increase %	Budget Year +1	Budget Year +2
	2010/11	2011/12	10/11 - 11/12	2012/13	2013/14
Opening balance – Acc (Surplus)/Deficit	64 612 112	72 687 741	112.50%	72 711 296	73 790 199
Plus: Total Revenue	440 184 326	380 564 482	86.46%	423 055 050	454 671 924
<b>Sub total</b>	504 796 438	453 252 223	89.79%	495 766 346	528 462 122
Less: Operational Expenditure	-279 236 880	-229 964 243	82.35%	-183 476 147	-192 713 687
<b>Sub total</b>	225 559 558	223 287 981	98.99%	312 290 199	335 748 436
Less: Capital Budget – Funded from revenue	-160 897 483	-150 576 684	93.59%	-238 500 000	-261 194 000
<b>Sub total</b>	64 662 075	72 711 296	112.45%	73 790 199	74 554 436
Offsetting of depreciation	8 025 666	-			
<b>Balance Accumulated (Surplus)/Deficit</b>	72 687 741	72 711 296	100.03%	73 790 199	74 554 436

### 3.7 INSTITUTIONAL ARRANGEMENTS

#### 3.7.1 District Political Structure

Joe Gqabi District Municipality is a category C municipality with four municipalities within its jurisdiction. The District has a history of stable Councils. The political structure is depicted in figure 9 as follows:

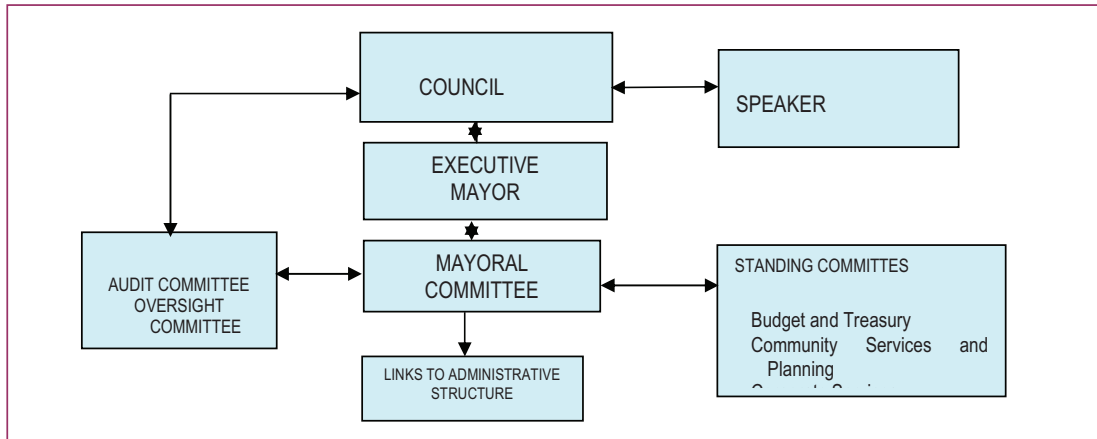


Figure 9: Political structure of the District

#### 3.7.2 Management Structures and Systems

A meeting of Top Management comprised of all the Section 57 managers occurs monthly. This meeting flows into the preparation of the agenda for the standing committees, which then flow into the Mayoral committee agenda, which flows into the Council agendas. The Council meets quarterly excluding special Councils, which meet as and when necessary. Standing committees meet monthly.

#### 3.7.3 Delegation Framework

Joe Gqabi District municipality has a Council adopted delegation framework which was adopted on the 26 November 2009. The framework was further reviewed in 2010. The framework covers the delegation of functions between the political and administrative arms of the institution.

#### 3.7.4 Administrative Structure

The administrative structure of Joe Gqabi District municipality consists of the Municipal Manager and four directorates. The Municipal Manager and the Directors have performance contracts signed with the institution and are reviewed annually in line with the IDP.

The administrative structure of Joe Gqabi District municipality is currently consisting of the Municipal Manager (the accounting officer) four directorates as depicted in figure 10 below. All position on the approved organogram are funded. The Director Corporate Service must ensure that all positions are filled and report quarterly to Top Management and Council.

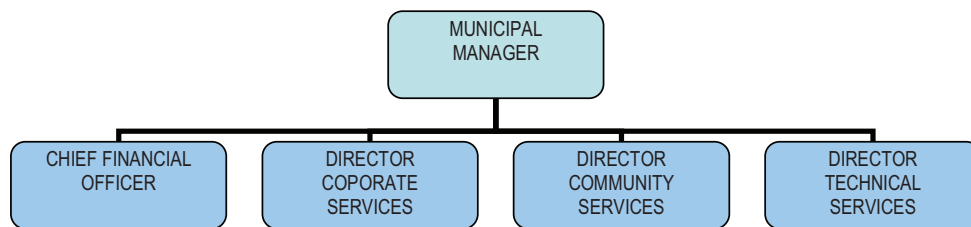


Figure 10: High-level organogram

The District Municipality has assessed its short to medium strategic and operational objectives and has developed an organogram that would satisfy the functional needs of the institution. A post has been created for a Manager in the office of the Municipal Manager to oversee the day to day functioning of the IDP and PMS Section, Internal Audit, Communication Section and Special Programmes Unit.

The local municipalities' high-level structure is developed in the same fashion as that of the District. This means that all the local municipalities have Municipal Manager heading five directorates namely Corporate Services, Finance, Technical Services, Community Services as well as Strategic Support. The directorates are headed by Section 57 directors below them are various sections and units. For the detailed reviewed organizational structure, reference should be made to the approved organogram, which is available in request.

It has been determined through the financial strategy that posts that are funded through grants will be contractual posts as well as posts in environment section where there is insecurity about the future need, future funding or ability to attract staff to the posts.

The current organogram which was adopted in May 2010 and it was reviewed and confirmed to be still relevant in 2011. The organogram is informed by the powers and functions of the District as well as the IDP and budget of the District. The adopted organogram is available for inspection.

Through continuous assessment of the organogram within the context of the IDP, the District is working closely with the to ensure that it is more realistic and related to the financial constraints confronting the institution. It is anticipated that once there is the restructuring of the water services function some of the financial constraints on the institution may be lessened but this will be assessed as part of the long-term financial plan of the institution.

Critical posts to be filled in the new financial year are in the areas of fire services, water and sanitation services, LED, Municipal Health Services, financial management, Council support/auxiliary services, communication and risk management

The Municipal Demarcation Board conducted municipal capacity assessment in 2008 where it reflected on annual staffing levels for municipalities. The assessment shows an increase in all municipalities as shown in table 41. The trend in annual staffing reflects the upwards and downward movements at the beginning and later in the years an increasing trend.

Table 41: Annual Staffing Levels 2003 – 2009 (Actual Results)

Municipality	Employees 2003	Employees 2004	Employees 2005	Employees 2006	Employees 2007	Employees 2008	Employees 2009
Joe Gqabi	224	318	394	394	281	321	334
Elundini	164	146	138	132	158	235	246
Senqu	152	171	164	180	190	179	187
Maletswai	248	256	280	274	238	276	283
Gariep	199	181	161	204	215	235	241

Source: MDB Assessment 2008

The current staff has many of the competencies to deliver on the municipality's mandate however there are a number of areas that need to be filled. It was identified during this past financial year that there was a large gap between the operational staff and the senior management and this impacted on supervision and management. The new organogram attempts to deal with this by ensuring that there is a spread of posts across post levels so that there can be upward mobility and better management of staff.

It has also been identified that there are some lower level essential staff that are on contract and that these should be converted to permanent posts so as to retain the skills in the institution.

There were no areas identified in the assessment of the organisational structure where staff was superfluous and as issues such as retraining are not necessary to be considered. However efforts have been made to ensure that skills transfer takes place when external service providers are providing support to the institution so that there can be the ongoing growth of staff competency levels.

The draft employment equity plan for the 20010/11 financial year has indicated that there is a shortage of women and some racial groups in the makeup of the institution and this will therefore influence the type of HR demand for the MTEF period. There are currently 84% black, 6% coloured and 10% white staff members and of all staff employed 34% are women. There are also some areas where there are definite shortages of skills such as male health professionals and female technicians and engineers.

**Comment [FS20]:** Was this not approved??

It must also be recognized that staff within the institution are also affected or infected by HIV and Aids and this is likely to amount to about 25% of the staff. Over time, this may have an impact on the staffing of the institution and the turnover of staff.

Whilst it must be acknowledged that there are shortages of skills within the market generally, it must also be acknowledged that there are very specific challenges attached to sourcing specific work related skills within small towns, as compared with larger cities – where career opportunities for families as a whole may be far more prevalent.

Additionally, recruitment is not simply about the attraction of suitable staff. It is also about ensuring that staff is retained and every effort must be made to ensure that strong retention strategies are in place, in order to ensure that this occurs.

The following positions within Joe Gqabi are generally considered to be in short supply:

- Technical staff e.g. Technicians (all levels) within water and civil engineering.
- Artisans – within the fields of plumbing, welding, mechanical and operational environments.
- Municipal Town Planning (within civil engineering and IDP planning).
- Safety and Health Practitioners – within the areas of municipal health services and HIV/AIDS.
- Information Technology
- Financial Management Skills

In terms of critical posts, all Section 57 positions have been filled and in this year within the Water Service Function, the Head Water Services provision, Water Quality Scientist, project technicians, Project Management Unit technicians were appointed.

**Comment [FS21]:** This is out of date

While these represent generally accepted levels of scarcity nation wide, it must be reiterated that skills scarcity issues within JGDM are further exacerbated by the need to attract skilled personnel to the District especially as the municipality is too remote and is not necessarily in close proximity to large towns or cities. In this regard, what may not necessarily be regarded as a scarce skill nationally may be experienced as such locally due to the difficulties associated with attracting and retaining staff within this location.



From a skills competency basis, the DPLG Skills audit assessment undertaken of S57 Managers at the end of 2008 places the District municipality in a higher competency level than most other Districts. Of the nine areas assessed the District had only 2% within the below basic area, 43% in the basic area, 48% in the intermediate area and 7% in the advanced area.

At the beginning of 2011 there were one hundred and forty nine (149) vacant positions and two hundred and seventy eight (278) filled positions at Joe Gqabi District Municipality. This means that 65% of all approved and budgeted positions were filled compared to 46% in the previous year. This is a major improvement. Skills gaps and audit have also been identified in the Workplace Skills Plan as well as the Employment Equity plan

### 3.7.5 Powers And Functions

The JGDM is legislated to perform a number of functions as shown in table 42. The core service delivery functions of the District municipality are water, sanitation, Municipal Health Services, disaster management and transportation planning. In addition the District shares the responsibility on tourism, planning, and fire fighting with its local municipalities. The District is also responsible as per legislation for the provision of some District wide services (if applicable) such as District wide waste sites and abattoirs but as no such activities exist within the District and these functions are not being performed.

Additional powers and functions are allocated to the District municipality through service level agreements:

- Roads is a function of the DoRT and through a service level agreement the District Municipality will provide a service in the Gariep and Maletswai areas and regravelling in the rest of the District.
- Primary health care is a function of the Dept of Health which is regulated by a service level agreement. The District mainly provides services to the commercial farming communities across the District area as well as fixed clinics in Barkly East, Maclear and Ugie.

**Table 42:** Powers and Functions of the Joe Gqabi and its Local Municipalities

FUNCTION	JOE GQABI	ELUNDINI	MALETSWAI	SENQU	GARIEP
Air pollution		Yes	Yes	Yes	Yes
Building regulations		Yes	Yes	Yes	Yes
Child Care facilities		Yes	Yes	Yes	Yes
Electricity reticulation		Though agreement with Eskom			
<b>Fire Fighting</b>	<b>Yes</b>	Yes	Yes	Yes	Yes
<b>Local Tourism</b>	<b>Yes</b>	Yes	Yes	Yes	
Municipal airports		Yes	Yes	Yes	Yes
<b>Municipal Planning</b>	<b>Yes</b>	Yes	Yes	Yes	Yes
<b>Municipal Health Services</b>	<b>Yes</b>	No	No	No	No
Municipal Public Transport	<b>Regulation</b>	Yes	Yes	Yes	Yes
Pontoons and Ferries					
Storm water		Yes	Yes	Yes	Yes
Trading regulations		Yes	Yes	Yes	Yes
<b>Water (potable)</b>	<b>Yes</b>				
<b>Sanitation</b>	<b>Yes</b>				
Schedule 5 part b					
Beaches and amusement facilities		NO	NO	NO	NO
Billboards and the display of adverts in public places		Yes	Yes	Yes	Yes

Cemeteries, Crematoria and funeral parlors		Yes	Yes	Yes	Yes
Cleansing		Yes	Yes	Yes	Yes
Control of public nuisances		Yes	Yes	Yes	Yes
Control of undertakings that sell liquor to the public		Yes	Yes	Yes	Yes
Facilities for the accommodation, care and burial of animals		Yes	Yes	Yes	Yes
Fencing and fences		Yes	Yes	Yes	Yes
Licensing of dogs		Yes	Yes	Yes	Yes
Licensing and control of undertakings that sell food to the public		Yes	Yes	Yes	Yes
Local amenities		Yes	Yes	Yes	Yes
Local sport facilities		Yes	Yes	Yes	Yes
Markets		Yes	Yes	Yes	Yes
Municipal abattoirs		Yes	Yes	Yes	Yes
Municipal parks and recreation		Yes	Yes	Yes	Yes
<b>Municipal roads</b>	<b>Yes</b>	Yes	Yes	Yes	Yes
Noise pollution		Yes	Yes	Yes	Yes
Pounds		Yes	Yes	Yes	Yes
Public places		Yes	Yes		Yes
Refuse removal, refuse dumps and solid waste disposal		Yes	Yes	Yes	Yes
Street trading		Yes	Yes	Yes	Yes
Street lighting		Yes	Yes	Yes	Yes
Traffic and parking		Yes	Yes	yes	Yes
<b>ADDITIONAL FUNCTIONS PERFORMED</b>					
Licensing of vehicles		Yes	Yes	Yes	Yes
<b>Primary Health Care</b>	<b>No</b>	No	No	No	No
<b>Road maintenance</b>	<b>Yes (Agent: DORT)</b>				
Libraries		Yes	Yes	yes	Yes

### 3.7.6 The Role of the District Municipality

#### a) Support to Local Municipalities

The District Municipality has provided technical and financial support in Community Based Planning, Legal Services, Information Technology, and technical assistance around water services management to local municipalities. The District municipality is also supporting in developing inclusive plans and policies such as public participation strategies, PMS strategies and LED plans for some municipalities. The District is in the process of commissioning a study aimed at assessing service delivery gaps and identifying the service delivery requirements of the local municipalities. This process is being conducted in partnership with the Development Bank of Southern Africa. This process is expected to culminate into the targeted support for the local municipalities which the District will utilize for sourcing funding. The District has further exposed three IDP managers to IDP training and PMS trainings as part of the broad skilling of local municipalities. The focus on the support to local municipalities in the 2010/11 financial year will be on improving audit reports.

**b) Coordination of Activities in the District Area**

The District has established IGR clusters as mentioned earlier. The municipality also coordinates through the development of higher level strategies such as LED strategies, waste plans etc which then are localised by the local municipalities. Efforts are made through the development of District strategies to also include sections for each local municipality so that the plans are easy to read and understand by the local municipalities.

It is important to note that the District does not see itself as a gatekeeper of the local municipalities and they are encouraged to develop linkages with outside bodies and funders. The District is also keen to see that funding goes direct to local municipalities as resolved by per District Council. It has been identified that it is very difficult for the District to become the implementer of projects within local municipal areas as the local municipality has the contact with the ward committees and local structures. Therefore the District enters into service level agreements and transfer funding to local municipalities if it is relevant for them to implement the activity.

The District is also at present developing a District wide PMS so that there can be the monitoring of the coordinated activities across the District area.

**c) Human Resource Strategy**

The District Municipality has a Draft Human Resource Strategy. The Human Resource Development Strategy has been developed to support a holistic approach to human resource training and development in the JGDM. The HRD Strategy aims at regulating the development of competencies of staff through education, training and development. The following programmes serve as a guide for the type of programmes that could be instituted to address the problem of skills shortage in the District age among other activities learnership, skills programmes, and voluntary internships, specialized training to support relevant sectors and local organizations. The strategy seeks to address the institutional requirements and challenges in the short, medium and long term. District-wide institutional issues are shown in table 43 below.

**Table 43: Institutional Issues**

INSTITUTIONAL ISSUE	JOE GQABI	ELUNDINI	MALETSWAI	SENQU	GARIEP
Staff establishment	427	379	424	304	379
Vacancies and posts budgeted for	149	1449	12 (budgeted) 148	125	144
Filled Positions	278	235	276	179	235
	65%	62%	65%	58%	65%
Salaries As a % of Total Budget.	29.53 %	29.3%	30.77%		57%
Free basic Services	Yes	Yes	Yes	Yes	Yes
By Laws	Yes	Yes	Yes	Yes	Yes
Audit Committees	Yes	Yes	Yes	Yes	Yes
Revenue Collection	No	Yes	Yes	Yes	Yes
AFS	Yes	Yes	Yes	Yes	Yes
Budgets	Yes	Yes	Yes	Yes	Yes
Audit Reports	Yes	Yes	Yes	Yes	Yes
MFMA Compliance	Yes	Yes	Yes	Yes	
GRAP Compliance	Yes	No	No	No	In Progress
SCM Compliance	Yes	Yes	Yes	Yes	Yes
Asset Register	Yes	Yes	Yes	Yes	
MM	1	1	1	1	1
CFO	1	1	1	1	1
Section 57 Managers	4	4	4	4	4

**Comment [FS22]:** Needs to be updated

**Comment [FS23]:** Needs to be updated

**Comment [FS24]:** Need to update this, things have changed this year

Information Management System	Yes	Yes	No	Yes	No
Delegations	Yes	Yes	Yes	Yes	Yes
PMS	Yes	Yes	Yes	Yes	Yes
Skills Development Plan	Yes		Yes	Yes	Yes
Employment Equity Plan	Yes	Yes	Yes		Yes
Employee Assistance Programme	Yes	No	No	Yes	No
Occupational Health and Safety	Yes	Yes	Yes	Yes	Yes
Website	Yes	Yes	Yes	Yes	Yes
Communication Plan	Yes	Yes	Yes	Yes	Yes
Indigent Policy	Yes	Yes	Yes	Yes	Yes
HIV Aids Plan	Yes	Yes	Yes	Yes	Yes
Clusters	Yes				
Disaster Management Plan	Yes	N/A	N/A	N/A	N/A
Organizational Structure	Yes	Yes	Yes	Yes	Yes
Capital expenditure Budget	Yes	Yes	Yes	Yes	Yes
Operational Budget	Yes	Yes	Yes	Yes	Yes

#### **d) Workplace Skills Development Planning**

The institution has a Work Skills Development Plan in place and it was submitted to LGSETA by 30 June 2010. The plan identifies training needs aligned to the scarce skills and IDP implementation processes. The Work Place Skills plan also addresses the scarce skills. The scarce skills in this District mainly revolve around technical, planning, financial and municipal health issues.

Joe Gqabi District Municipality has a skills development unit whose role is to provide accredited tuition, trainings and workshops to employees of all municipalities, Councillors and the community members. This service is provided with due adherence to the Skills Development Act No. 97 of 1998, Employee Equity act No 55 of 1998 , and South African Quality Assurance Act No. 58 of 1995.

The following training has been undertaken within the municipality in an attempt to improve the programme implementation, monitoring and evaluation. The trainings have focused on Councilors, senior management and the staff. Members of the public have also been trained on entrepreneurship skills.

#### **e) Employment Equity Planning**

Joe Gqabi District Municipality addresses the Employment Equity requirements through continuous assessment and improvement in employment equity and provides reports on constant improvements to the Council and the Department of labor. Departments within the municipality are required to align themselves with employment equity and as such, recruitment processes are monitored in line with the employment equity requirements. The employment equity report is being submitted for perusal. The District municipality acknowledges the need to develop a comprehensive employment equity report and as soon as the resources become available, this plan will be developed.

#### **f) Recruitment, Selection and Appointment Policy**

Joe Gqabi has a Council approved recruitment selection and appointment policy. The overall aim of the recruitment, selection and appointment process is to attract, obtain and retain people with required competencies at minimum cost in order to satisfy the Human Resources needs of the Council. The policy is aimed at giving effect to the Affirmative Action Policy Principles and adheres to the Employment Equity Act and the Labour Relations Act 66 of 1995. The policy covers fair and equitable recruitment, recruitment processes, recruitment procedure, selection and appointment process, as well as screening.

#### **g) Code of Conduct and Enforcement**

The institution adheres to the codes of conduct for municipal officials and Councilors. It also implements the disciplinary code of practice as defined by the South African Local Government Bargaining Council. These codes of conduct are signed by new employees and placed in their personnel files. Discipline is done in line with the SALGBC process and sanctions are implemented as recommended either through line function disciplinary processes or through formal disciplinary processes where hearings are held. Most disciplinary matters relate to absenteeism.

There is concern in the wider public about the process undertaken when an official is suspended. No such incident occurred in Joe Gqabi during the past year. The institution implements this sanction if it is suspected that his presence would affect availability of evidence or the investigations to be conducted. Such a person is usually suspended with immediate effect with full pay or without pay depending on the seriousness of the offence and usually without notice.

#### **h) Scarce Skills and Retention Strategy**

The scarce skills and retention policy for JGDM has been in existence since Council approval on 27 September 2008. The Policy Purpose is to provide suitable incentives and recognition to staff in order to facilitate the provision of a working environment which is conducive to meeting the needs of staff and which will ensure that required talent is sourced, acknowledged and retained.

#### **i) Succession Planning**

The incumbent and immediate Supervisors/Managers are required to identify skills gaps and gaps in experience in order to determine the necessary steps to be taken, which will ensure that these incumbents achieve the necessary skills and experience necessary, to be able to be eligible for future positions of this nature. Formal Personal Development Plans are established and incorporated into the Performance Management System thereby ensuring every effort is made towards realizing these aspirations and potential.

#### **j) Employee Assistance Programme**

The municipality as an employer is committed to look after the physical, emotional, psychological and social well being of its employees. To this end, an Employee Assistance Programme (EAP) was established in HRM to provide support to employees. The proposed organogram also provides a dedicated person to assist with the implementation of this function.

#### **k) Human Resource Policies**

To improve the management of the institution policies adopted include Recruitment and Selection Policy, IT Policy, Overtime, Relocation, Health and Safety, Harassment policies, Alcohol and Drug, Working Hours policy, Attendance Register Policy, Gifts and Gracia Policy, Rent Subsidy policy, Promotion and transfer policy, Employee Assistance Policy, Standby Policy, Subsistence and travel, Uniform and protective clothing, Supply Chain Management Policy. This is not an exhaustive list of the policies available for the better management of the institution. The Human Resource policies are reviewed on an annual basis and during the 2009/10 financial year the policies are also being assessed by the DLGTA support team so as to ensure that all gaps and cross referencing is compliant and congruent.

### **l) Occupational Health and Safety**

The District municipality is committed to the safety of all its customers and employees and considers that in all circumstances safety is critical to the well being of its customers and employees. It is the aim of the policy to prevent as far as possible any accident or injury to customers or employees. On the other hand, the District Municipality believes that it is the personal duty of every employee to avoid injury to customers, to themselves and to others and to bring to the attention of the management any potential hazard that may exist. The District will strive at all times to improve safety conditions and handling methods in consultation with its customers and employees. This will be achieved through adherence to policy Occupational safety and health policy imperatives. The District municipality has an Occupational Health and Safety Policy in place. Within the organisational structure, the HR manager is the designated Occupational Health and Safety officer and further to that within the technical services Department, there is a dedicated post for OHS related to the implementation of capital infrastructure projects.

### **m) Organizational PMS**

The Organisational Performance Management System (OPMS) was reviewed and adopted by Council in March 2011 and it is implemented. The OPMS is aligned with annual IDP and annual plan indicators. The OPMS is currently only implemented at the level of S57 managers and is being cascaded to lower levels within the institution. Currently sectional heads are assessed through the SDBIP reports provided on a quarterly basis. The capacity of the District on PMS has been increased.

Performance reviews in terms of the strategic score cards are being adhered to. The District scorecard has been adopted while the strategic (organizational scorecard) is being implemented and reviewed quarterly.

The 2009/10 annual performance report was compiled and tabled with the Consolidated Annual Financial Statements (CAFS). These were presented together with the Annual Report before Council in January 2011.

### **k) HR Structures to Support Labour Relations**

At the District Municipality the Local Labour Forum has been established in terms of the bargaining Council agreement. It meets monthly. District has two unions operating; South African Municipal Workers Union (SAMWU) and IMATU. These unions are also present in all the local municipalities. In both cases there are no full time shop stewards.

### **l) Legal Services**

The institution has a Legal Services Section which forms part of Corporate Services Directorate. The section composed of Manager legal services , legal services practitioner, and legal services clerk. This is the section that deals with the development of contracts, service level agreement and checking legal compliance, monitoring the progress of litigations, provides legal advice to Council. The litigations are dealt with by external service providers while the internal legal services section monitor progress of litigations. Three bylaws have been developed published and adopted namely the Water, Fire and Transport bylaws. Three litigation cases are being dealt with.

### **m) Workplace HIV And AIDS Policy**

A Workplace HIV and AIDS Policy is being revised and developed into a Workplace HIV and AIDS plan so that action can support the implementation of the policy. The Special Programmes Unit HIV and AIDS unit together with the HR section are working on this document at present. These documents will then localise the Multi sectoral HIV and Aids strategic plan for the District area into a document suitable for the municipality as an institution.

## n) Information Management

**Comment [FS25]:** Have you included the finding of the IT audit in here and actions that are needed to be undertaken.

IT systems in place are as follows:

- Financial Systems, Payroll System, document management system, GIS System Application, Productivity suite ( both open source and propriety software)
- Antivirus system, Internet Access Management and Control system, Website (Content management system)
- Costing System, Calendaring, File sharing, Backup systems
- Security System (network access control system),
- Intrusion detection system, IT Disaster recovery system

The current financial system, SAMRAS, will assist in addressing matters raised by the AG and other parties to provide a credible accounting structure for the Municipality covering the following areas:

- Adequately meet the requirements for Generally Accepted Accounting Practices
- Ensure that adequate separation of duties could be implemented
- Manage the Asset register within the financial system.
- Ensure bank reconciliation's could be managed in a satisfactory manner
- Manage an electronic procurement system.
- Ensure integration of any modules that may be used by other Departments such as HR module
- Allow the Municipality to extract data if required to pass through to external systems in order that this process could be automated and not done on a manual basis or vice versa

An IT disaster recovery plan is preparation and it is proposed that an IT Master Plan be undertaken in the new financial year. This plan will assess the suitability of the current systems for the size, function and responsibility of the institution, its expected growth or change over time and then within this context develop plans to ensure maximum efficiency and effectiveness of the IT system.

The IT systems are where possible open source systems.

The new organogram is proposing more staff for the IT unit so that there can be greater separation of functions between the IT systems management and the IT user support

In terms of the 2009 adjustment budget an amount was allocated for the purchase of a new server system, as IT was experiencing two key problems

- The disk space required to maintain an effective backup system was insufficient to cater to the needs of the Municipality.
- A diverse infrastructure in terms of Operating System availability was required in order to cater to the needs of those Departments that had procured systems that required a Microsoft Windows Server infrastructure to function.

To this end, a Server with an external storage system was procured. This included VMW virtualisation infrastructure software. This allowed the Municipality to leverage the use of the new and more advanced hardware systems in a more efficient manner.

This virtualised server environment has now has been configured to:

- Manage 1 Microsoft Windows 2003 servers
  - Technical Services MIG reporting software
  - Sophos Antivirus corporate edition
- Manage 2nd Microsoft Windows 2003 servers
  - Terminal server services
- Manage 1 Linux Server
  - Internet Mail services
  - Internet website services



- Intranet web services
- Manage a 2nd Linux Server
  - Internal network security services
  - Internet proxy management services
  - User accounting services (in terms of internet access)

An offsite server infrastructure was procured from MWEB. This server is located on the MWEB network infrastructure and serves the following function

- Offsite backups of the data from the Financial and HR systems.

This offsite storage of critical data is required in case of a catastrophic or similar occurrence that would make the Joe Gqabi server infrastructure unavailable.

Out of office connectivity requirements

- 3G solution was procured in order to supply the required connectivity options to Municipal employee's that were required to work out of office. This in order that communications could be facilitated for those staff that required this service.
- This service was preferred as a management option accompanied the data bundles, where user level management of data usage can be monitored and controlled.

Security Software procured

- Sophos Antivirus corporate solutions was procured and installed as a solution to control the virus problems experienced by the users of MS Windows as an OS.

In terms of the Municipalities Statutory obligations, the IT infrastructure allows the Municipality to comply with all legislative requirements:

- The keeping of financial records
- HR management
- Financial reporting
- The production of all statutory reports etc

During the year under review, the following issues were identified as needing attention.

The IT management structures such as the District IT steering committee, consisting of the directors of each department and the IT Manager of the institution, was established and it is operational. The Steering Committee is tasked with the overall responsibility for overseeing IT planning and development. This in order that all the institutions IT needs can occur in a coordinated fashion and serve the best interests of the Municipality, while taking into account the need to comply with other level of governments policy and developmental requirements.

The Institutions IT policies continue to be developed in line with the changing needs of the Municipality taking into account the growth and development of the systems, which are required for adequate management of the various functions of Departments within the Municipality.

The absence of a Master Systems Plan for future IT development in the Municipality was considered a concern, and approaches were made to the Nelson Mandela Metropolitan Universities (NMMU) IT Governance specialists in order to identify and suggest improvements to the IT governance structures of the Municipalities IT infrastructure. This required that a budget be sourced before the appointment of the specialist.

It has been noted that an offsite storage system was required in order that system backups could be stored on a site that is remote from Joe Gqabi DM to ensure that the risks associated with loss due to any disaster may be mitigated by the distance between the sites.

To this end, a remote offsite server was procured from MWEB. This server is located in the MWEB secure server room in Johannesburg. This server is completely under the control of the Joe Gqabi IT management, with no access from anyone that is not authorised. All reasonable

measures have been put in place so that data that resides on this server will not be compromised. All critical data is transferred to this server on a weekly basis, where it remains for as long as is required.

#### **o) Stakeholder and Community Priorities**

Priority issues as raised by stakeholders across the municipality over the past few years include the following issues. These priorities should be addressed by all in the community.

#### **i) Stimulation of the Economy**

- Sustainable employment creation linked with skills training, and mentorship
- Plugging the leaks in the local economy
- Establishment of cooperatives
- Access to credit and banking services
- Business support services
- Marketing of the District
- Co-ordination, integration and alignment of budgets to enable comprehensive environmental planning that can stimulate economic growth
- Bringing marginalized groups into the mainstream of the economy;
- Diversification of the economy and broadening of the tax-base (develop clear strategies to deal with informal economy: hawkers);
- Focus areas: Agriculture (livestock improvement, agro-processing), Tourism (transformation and development), Labour-based programmes, Small and Medium business development (by-laws and support), Forestry.

#### **ii) Skills Development**

- Increase skills levels especially among women, youth and the disabled
- Lack of access to further education
- Lack of technical skills e.g. engineers etc, as well as the retention of skills
- Focus skills development in areas of potential economic and social development
- Improve coordination between the Seta's

#### **iii) Environmental Protection**

- The natural environment must be taken into account in all stages of project cycles
- Environmental sustainability must be taken into account.
- Efforts be made to conserve and rehabilitate land, biodiversity and historic places
- The protection of the environment is key to the economic growth of the area
- Waste Management, food hygiene, cleanliness and health safety should receive attention

#### **iv) Economic Infrastructure**

- Access to telecommunication services especially in remote areas
- Facilities to support economic development, including among others, agricultural infrastructure, hawkers shelters, taxi facilities, airfields, SMME business premises, etc
- Fast-tracking the pace of electricity connections especially in rural areas
- Maintenance of electricity reticulation.
- Access to safe reliable water supplies
- Water for irrigation and agriculture
- Exploring alternative methods of service delivery

- State of streets in urban areas
- State of provincial trunk and main roads both tarred and gravel
- State of access roads in rural areas
- The need for the reclassification of roads
- The provision of accessible roads, especially to all social facilities and also, to the areas of high economic potential;
- The co-ordination of road maintenance, functional integration and alignment of budgets and programmes; and
- Emphasis on roads in the Elundini and Senqu municipal areas.

**v) Water And Sanitation Provision Across The District**

- Eradication of the bucket system
- Provision of potable water
- Improved Operation and Maintenance of all water and sanitation schemes;
- Extension of water services to those areas where there is a high risk of waterborne disease
- Provision of improved sanitation where there are currently bucket systems or dense rural communities
- Drought relief
- Recovery of payment for services
- Sourcing of additional funds in order to meet targets

**vi) Social Infrastructure**

- Facilities to support social development including among others sports fields, housing, libraries, clinics, hospices, schools etc
- Accessibility to basic facilities by the elderly and disabled
- Maintenance of social facilities such as clinics and schools
- Exploring alternative methods of service delivery

**vii) Addressing Of Social Issues**

- Mainstreaming of HIV and AIDS issues in a holistic manner, taking into account the dimensions of poverty, health, prevention and effective treatment of disease
- Land Reform; including commonage issues, acquisition of land for black farmers (particularly women), and land claims
- Welfare services especially in support of people accessing Identity Documents and social grants
- Provision of adequate sporting opportunities and facilities
- Facilities or systems development for the care of elderly, orphans, vulnerable children and youth
- Safety and security issues, addressing crime and the prevention of disasters
- Ensure the social plight of women, youth and disabled receive attention and that programmes are responsive to their needs
- Protection of the socio-economic rights of residents (as defined in the constitution, including housing, healthcare, food, water, social security, education and just administrative action)
- Effective response to disasters
- Improvement of health services to all communities
- Retraining and attracting qualified professionals especially doctors, nurses and teachers

### **viii) Building of Partnerships, Relations and Improving Cooperation and Coordination**

- Co-ordination of sector Department activities, functional integration and alignment of budgets and programmes;
- Streamlining of programmes between government Departments so that the impact on the ground is larger
- Realignment of some government Departments and community activities to fit the District boundary (e.g. Department of Justice and Constitutional Affairs and Correctional Services)
- Co-ordination of other District municipalities activities, functional integration and alignment of budgets and programmes;
- Co-ordination of local municipality activities, their functional integration into District-wide systems and alignment of budgets and programmes between the local municipalities;
- Functional integration of specific interest groups into municipal affairs
- Support and capacity building to the four local municipalities.
- Building of partnerships with external organisations especially in the areas of economic development.
- Use of joint ventures to enable local organisations to partner with other larger external partners when procuring

### **ix) Access To Information**

- Improved communications from government
- Improved communication between spheres and sectors of government
- Improved awareness by communities around programmes being implemented

### **x) Institutional Capacity Development**

- Improve systems and processes to support local government and the way communities operate
- Organisational restructuring of government to address the priority needs
- Financial efficiency of government improved to facilitate conduits for flows of money
- Build better customer relationship with the public, government and other stakeholders
- Improve the way in which government money is being spent to maximize its impact.
- Increase the proportion of women, youth and disabled being employed in government
- Support the development of District wide organisations
- Increase the ability of government to deliver on its mandates
- Improve the capacity which traditional leaders and designated groups

### **xi) Democratic Governance**

- Support for the improvement of democracy and Local Government leadership
- Improve the ethics used in management and governance
- Improve skills in governance
- Improved understanding of developmental local government
- More participation in affairs of government by communities
- Stronger political drive in implementation of programmes

## p) Priorities Emanating through Community Based Planning

Public and community participation processes achieved through 2011 Community Based Planning have revealed that the communities within the Districts have the following needs/priorities.

Concerns raised during the outreach that had impact on the District emanating from the Outreaches to Communities March 2010, include:

- Water and sanitation – quality, availability, reliability, plans for future years
- Education and skills development initiatives
- Economic development, SMME and cooperatives support
- Shopping facilities
- Sports and recreational facilities
- Scholar transport
- Police visibility
- Youth development and empowerment
- Maintenance of community facilities
- Rectification of RDP houses
- Health
- Maintenance and fencing of cemeteries
- Maintenance, surfacing of roads and access roads
- Creation of job opportunities and employment
- Public toilets in towns
- Support to special programmes
- Construction and or expansion of clinics and hospitals
- Construction and or maintenance of schools
- Refuse removal
- Improved ambulance services
- Electrification
- Access to information and Information and Communications Technology
- Social security

**Comment [FS26]:** This is out of date

The above issues cut-across activities and mandates of various Sector Departments and stakeholders. Consequently, it will be critical that all plans and programmes of government do respond directly to these issues. At a District level, the following issues have been prioritised:

- Special programmes
- Electronic communications
- Economic development and skills development
- Job opportunity creation and support to SMMEs
- Water and sanitation backlog eradication
- Drinking water quality monitoring and management
- Waste management and pollution control
- Agriculture and rural development
- Sports (Mayoral projects)
- HIV and AIDS
- Disaster management

## SECTION 4: VISION, MISSION, VALUES AND COUNCIL PRIORITIES

### 4.1 Vision and Mission

#### Vision:

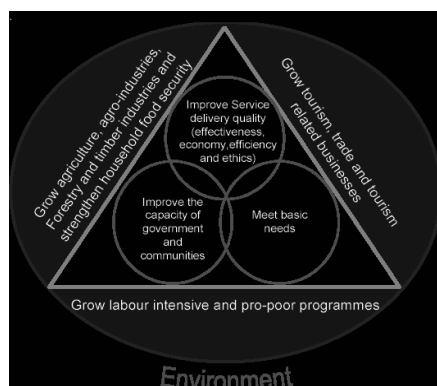
**“An improved quality of life for all residents”**



#### MISSION:

**“Fight poverty through stimulating the economy and by meeting basic needs, improving service delivery quality and capacitating government and communities within a sustainable environment.”**

The mission is shown diagrammatically as reflected in figure 11 below.



**Figure 11:** elements of the mission of the District

## 4.2 Values of Joe Gqabi District Municipality

The Joe Gqabi District Municipality will adhere to the following values:

- Integrity
- Honesty
- Teamwork
- Communication
- Perseverance
- Competence

## 4.3 Alignment to Key New National Strategies

### 4.3.1 Rural Development Strategy

The Rural Development Strategy is based two goals and six objectives, which give rise to six pillars namely:

#### Goal 1: Socio-economic and ecological development and transformation of rural areas

- Objective 1: Implement agrarian reform programmes
- Objective 2: Increase the rate of implementation of the land reform programme
- Objective 3: Create decent jobs through farm and non-farm employment outside urban areas. The strategic priorities of this pillar are agro-processing, forestry, marine and aquaculture, tourism, and LED and small scale industry
- Objective 4: Fast track development of social and economic infrastructure
- Objective 5: Growing the agricultural sector, ensure household food security for all and contribute significantly to national food security

#### Goal 2: Enabling institutional environment for rural development

- Objective 6: Create necessary institutional capacity to implement the rural development strategy

The main pillars on which the RDS rest are Land Reform; Agrarian Transformation and Food Security; Non-Farm Rural Economy; Infrastructure, Social Protection and Enabling Environment, Institutions, Capacity and Resources. Given the social, political, ecological and economic situation in the Eastern Cape and South Africa rural development should address the following issues

- Ownership: rural development should contribute to changing the ownership patterns of natural resources and assets, particularly land. However, transformation should not be limited to ownership, but also the relations of production.
- Employment: Rural development interventions should be aimed at creating decent and sustainable jobs or interventions that enable people to generate an income that is equal or more than what they would have earned in the labour market.
- Poverty and inequality: Rural development should aim to end the reproduction of racial and class inequality in rural areas.
- Social development and basic rights: As a minimum, the strategy should aim to meet the constitutionally granted rights of people in rural areas. Rural development needs to be anchored on social and human development in its broadest sense, where people live dignified lives.
- Entrepreneurship and beneficiation: Rural development should have a particular focus on local beneficiation and value-add. The vision of rural development is not one of concentrated ownership, value extraction and a mass of labourers. Rural economies are made up of both farm and non-farm economies as well as multi-faceted livelihoods strategies.



- Natural resource access, use and management: Who controls, uses and distributes natural resources are central questions in rural development and should be addressed by a rural development strategy.
- Organization and mobilization: Rural development should address the process of demobilization of people that has taken part due to dispossession and oppression. The organization or re-organisation of people and communities through democratic processes is essential for any process of rural development. The state should facilitate partnerships and create an enabling environment for development to take place. Community institutional reconstruction programmes with high level of organization should be encouraged and supported by the state, for example cultural heritage, sport and recreation activities.

#### **a) Alignment of the Rural Development Strategy and the IDP**

The vision for the Rural Development Strategy (RDS) and the one of the District are tightly aligned as they both have a specific focus on improving the quality of life for all. A diagrammatic depiction of the mission of the District as shown in figure 9 shows a direct link with environmental considerations of the RDS.

The two goals of the RDS can be seen reflected in the mission through the element “fight poverty through stimulating the economy, meeting basic needs” and through the more detailed objectives that talk specifically to the transformation of the socio-economic environment as shown in the next section. The goal in the RDS of an enabling institutional environment for rural development aligns to the element of the mission “capacitating government and communities”. It is also further detailed in the objectives.

There is a clear alignment between the six objectives of the RDS and the objectives of the District especially as the IDP reflects on the economic priorities of agriculture, forestry and tourism as well as infrastructure development and institutional capacity development of local government. It therefore can be concluded that the IDP links and supports the direction of the rural development strategy.

#### **b) Implementation of the Rural Development Strategy**

The Rural Development Pilot of Joe Gqabi District Municipality has identified Elundini Local Municipality in Ward 6 Three villages have been identified namely:

- Mqokolweni,
- Siqungqwini and
- Lower Sinxako.

The programme will incorporate Agrarian transformation and food security, infrastructure, social and human development, non -farm rural economy and land reform. The focus will be on agriculture, agro processing, construction and linkages to forestry and tourism sectors.

#### **4.3.2 Local Government Turnaround Strategy**

The Local Government Turnaround Strategy (LGTAS) launched in January 2010 has five key strategic objectives of the LGTAS, namely:

- a) Ensure that municipalities meet the basic service needs of communities
- b) Build clean, effective, efficient, responsive and accountable local government
- c) Improve performance and professionalism in municipalities
- d) Improve national policy, oversight and support
- e) Strengthen partnerships between local government, communities and civil society

#### **a) LGTAS Implementation Framework**

The LGTAS is ‘everybody’s business.’ This refers to each sphere of government, working both vertically and horizontally, and with key stakeholders, to realize the objectives of the LGTAS. This

means that detailed intergovernmental reporting will be required for the immediate pre-2011 and post 2011 implementation.

The implementation will comprise of the following:

- A Short term focus up to March 2011
- A Medium term focus March 2011 to 2014

#### **Immediate: pre-2011**

- Address immediate financial and administrative problems in municipalities
- Regulations to stem indiscriminate hiring and firing
- Ensure & implement a transparent municipal supply chain management system
- Strengthen Ward Committee capacity & implement new ward committee governance model
- National and provincial commitments in IDPs
- Differentiated responsibilities and simplified IDPs (agreement with each municipality on the ideals scope of functions to be provided and how best the State can support service delivery through intergovernmental agency arrangements).
- Funding and capacity strategy for municipal infrastructure (funding and capacity strategy for municipal infrastructure in rural areas including extending MIG grant to 2018 and utilising annual allocations to municipalities for repayment of loans in order to accelerate delivery)
- Intergovernmental agreement with metros on informal settlement upgrade including alignment of MIG (Cities) and Housing Subsidy grants
- Review and rearrange capacity grants & programmes, including Siyenza Manje support for a more effective support and intervention programme including Rapid Response Teams and Technical Support Units
- Upscale Community Works Programme to ensure ward based development systems;
- Implement the Revenue Enhancement – Public Mobilisation campaign
- Launch the “good citizenship” campaign, focusing on governance values to unite the nation and mobilize involvement in local development affairs
- Preparations for next term of local government inspire public confidence including commitment by political parties to put up credible candidates for elections.

#### **Post 2011 priorities:**

- A. A single election for national, provincial and local government (benefits: single manifesto, one financial year, single public service, common 5 yr medium term planning, aligned human resource and budgeting frameworks)
- B. All citizens must have access to affordable basic services
- C. Eradication of all informal settlements
- D. Clean cities, through the management of waste in such a way that it creates employment and wealth
- E. Infrastructure backlogs should be reduced significantly
- F. All schools, clinics and hospitals and other public facilities have access to water, sanitation and electricity;
- G. Each of the wards has at least one sporting facility
- H. Each municipality has the necessary ICT infrastructure and connectivity
- I. All provinces and municipalities should have clean audits
- J. Violent service delivery protests are eliminated
- K. Municipal debt is reduced by half
- L. Empowered and capacitated organs of people’s power (Street, Block / Section, Village & Ward Committees)
- M. Trained and competent Councillors, traditional leaders, officials, Ward Committee members, CDWs and community activists

## b) Progress on Implementation of Turn Around Strategy

### Financial Viability and Management

Priority Turn Around Focal Area	What is the situation of each area listed below by January 2010?	Target	Capacity challenges identified during the assessment	Municipal Action	Progress (March 2011)
<b>Revenue enhancement strategy</b>	<p>Outstanding Levies. The collection of RSC officially ended now. All levies handed over received</p> <p>Sundry levies (100% collection of invoices R518 000)</p> <p>Water charges (24% collected by Lm's)</p> <p>Sanitation charges (24% Collected by LM's)</p>	<p>June 2011 Nil</p> <p>June 2011 <math>\geq</math> R274500 (50%)</p> <p>June 2011 <math>\geq</math> R13,100,000 (50%)</p> <p>June 2011 <math>\geq</math> R7,100,000 (50%)</p>	<p>Default RSC Levy payers handed over collection ended</p> <p>Invoiced as the service is required/rendered therefore no challenge</p> <p>No control over the water fees collection strategy</p> <p>No control over the sanitation fees collection strategy</p>	<p>% of revenue collected as against projection No additional action</p> <p>Finance Department cleaned up debtors</p> <p>Per SLA</p> <p>Per SLA</p>	<p>All levies collected</p> <p>Billing now done on Samras on monthly basis</p> <p>SLA revised to include credible budget</p> <p>SLA revised to include credible budget</p>
<b>Debt management (creditors)</b>	Creditors are paid within 30 days from receipts of invoice. At month end the only creditors are for statutory payments e.g. VAT, UIF and PAYE etc	All payments done within 30 days of receipt of invoice	Creditor's reconciliation. As suppliers do not submit statements	% of municipal debt reduced	Samras system produces reports on outstanding invoices
<b>Cash flow management</b>	<p>The DM has a positive cash flow</p> <p>Revenue at 28/02/2011 R282 996 682 (645% of total budget of R440 million)</p> <p>Expenditure at 28/02/2011 R327 774 000 (75 % of total operational budget of R440 million)</p>	June 2011 = 100 % of R440 million	<p>Procurement Process now corrected and more efficient</p> <p>Turn around time little affected by Bid Committees not sitting as required</p> <p>Under staffing of the SCM Unit now done has been resolved</p>	<p>% of expenditure against income</p> <p>Chain Mngt unit - 5 vacancies to be filled in 2011</p>	<p>New Supply Chain Manager appointed to attend to new centralized unit</p> <p>Training on Samras SCM system</p> <p>Vacant posts filled by rotating existing personnel</p>
<b>Capital expenditure</b>	The actual expenditure at 28/02/2011 is 36 % (R57 million of R158 million)	June 2011 = 100%	See above Communication problem between Technical Service and Finance Department regarding payments of contractors' invoices.	% of capital expenditure	New Centralized SCM Unit will solve the problem
<b>Audit Action plan</b>	% of issues raised ( in April 2010) cleared	June 2011 = 100%		% of issues raised by the AG attended to	Active Audit Action Plan and steering committee
<b>Submission of Annual Financial Statements</b>	The AFS for the 2009/2010 year were submitted on 31 August 2010 on time	31 August 2011	As a result of capacity limitation to compile GRAP compliant AFS, a consultant will be appointed to draft the	Timely submission of AFS	

<b>MIG expenditure by end of financial year</b>		June 2011 = 100%	AFS	% of MIG expenditure	
<b>Asset register developed.</b>	Asset register does now fully comply to GRAP 17	June 2011	Unbundling of Water & Sanitation Assets Recognition of Assets Re-valuation at Fair Value Presenting Asset Register in format required by Auditor General	GRAP compliant Asset register developed	After Aurecon inputs and Baud Asset Register correct to be integrated with Samras System
<b>Supply Chain Management policy.</b>	Policy approved in 2009 Currently being revised No irregular processes reported	Reviewed Policy by June 2011  0 irregular tenders		Council approval of the reviewed policy  Number of irregular tender processes reported AG or whistle blowers	
<b>Audit Committee</b>	Audit Committee Established in July 2008 Meetings held at least quarterly	Dec 2011	Committee members need to comprehend GRAP standards	Appoint members with capacity to understand GRAP standards Appoint additional member	
<b>Internal Audit Unit</b>	Outsourced Internal Auditors Appointed January 2010. Internal Auditor appointed in	June 2011	Internal capacity to perform Internal Audit function now established	Appointment of permanent official as Internal Auditor  To be capacitated by Outsourced Internal Auditors	

## Municipal Administration and Human Resource Development

Priority Turn Around Focal Area	What is the situation of each area listed below by January 2010?	Target	Capacity challenges identified during the assessment	Municipal Action	Progress (March 2011)
Recruitment and selection policies and procedures developed  Policy on suspension of employees developed	Policy in place  Managed i.t.o the disciplinary procedure collective agreement; 25 other HR policies also adopted	July 2011	None  None	Review the recruitment policy  Managed by SALGBC	Presented to LLF in March 2011. Road shows conducted to all staff in the District in February 2011. To be adopted by June 2011
Vacancies in S57 positions	All S57 posts filled	Dec 2010		Vacancy rate in Section 57 Managers positions	All Section 57 posts were filled
Vacancies technical positions (Planners, Engineer)	GIS technician	Dec 2010		Filing of the GIS Technician  Adopted scarce skills policy	GIS position was filled by Dec 2010  Scarce skills policy was adopted by Dec 2010
All S57 with signed performance Agreements and submitted to the Department	Agreements signed as at 01 July 2009	June 2010	None	100% of performance agreements signed and forwarded to the Department	All signed in July 2010
Development of a Performance Management System Framework	PMS Framework is in place. The municipality is in the process of cascading it down to all levels	July 2011	Funding and attraction of suitable incumbents for PMS posts.	Appointment of service provider to assist with cascading PMS  Capacity Building on PMS	Service provider appointed. Cascading process will be completed by April 2011
Skills development plan for employees (2009/10)	Skills development Policy has been developed. It is being scrutinized by Senior Management for tabling to the council Skills Audit was conducted by the internal skills audit committee.	Dec 2010	Job descriptions are not in place as per DCOGTA requirements	All Job descriptions have been completed and submitted to the bargaining council for a final evaluation	Discussed in LLF and being dealt with at local level due to expiry of National Bargaining agreement  Skills Audit was done in January 2011
a) LLF meetings convened as planned	Convened monthly.	Dec 2010	LLF powers and functions	Monthly meetings held as per annual schedule approved.  To develop a municipal LLF	LLF meetings are convened monthly  Constitution of LF is being reviewed. LLF policy to be developed in the next financial year

## Good Governance and Public Participation

Priority Turn Around Focal Area	What is the situation of each area listed below by January 2010?	Target	Capacity challenges identified during the assessment	Municipal Action	Progress (March 2011)
Functionality of Ward Committees	Each local municipality has its own ward committees and they are functional. Out of 414 ward committees 90 were trained.	June 2011	Payment of stipend or compensation, transportation  LM do not report on usage of funds	Training on roles and responsibilities  324 ward committees will be trained  LM to report the funds utilised	Training will be undertaken after the re-launching of ward committees after 2011 elections
	One CDW per ward CDWs only report to the Province	June 2011	Vastness of wards is a challenge for CDWs. Cooperation between CDWs and ward committees CDWs should report to municipalities	MOU between Province and the District signed	Local Government and Traditional Affairs is initiating a process of drafting the MOU
Broader public participation policies and plans	No Public Participation policies in place	June 2011	Understaffed Speaker's office Plenary system in LMs is a challenge	Public Participation policy adopted by the Council	Current public participation strategy was developed linked to the term of Office of Council. The strategy will be reviewed by the new Council
Public Communication systems	There is communications Unit in the District and local municipalities	June 2011	Unit is not fully fledged as only one person employed  Availability of funds to appoint the staff is a challenge	Organogram to be revised and populated	Manager Communications post was filled in January 2011. Revised organogram is being considered within the context of IDP and Budget
Petitions /complaint management	Not effective and no resources in place  Complaints and compliments book is available	June 2011  Dec 2010	No toll free number  No customer care policy  No suggestion boxes	Strengthen the system  By Dec 2010 suggestion boxes will be in place  Policy for petitions will be in place by June 2011	Complaints/compliments book is in place.  Suggestion boxes have been procured  Petitions Policy linked to Service Delivery Charter which was adopted by Council in March 2011 will be developed by June 2011
Audit Committee	Audit Committee Established in July 2008 Meetings held at least quarterly	Dec 2010	Committee members need to comprehend GRAP standards	Appoint members with capacity to understand GRAP standards  Appoint additional member	Additional member with CA designation was appointed in April 2010.  The Audit committee met four times in the 2009/10 financial year and it continues to meet quarterly
Internal Audit Unit	Outsourced - internal auditors appointed January 2010	June 2011	No internal capacity to perform Internal Audit function	Appoint permanent official as Internal Auditor  To be capacitated by Outsourced Internal Auditors	A qualified internal auditor was appointed in June 2010  The organogram has been reviewed and a post for Risk Officer and two internal auditors were identified to be filled

## Disaster Management and Fire Services

Priority Turn Around Focal Area	What is the situation of each area listed below by January 2010?	Target	Capacity challenges identified during the assessment	Municipal Action	Progress (March 2011)
Development of Disaster Management Plans	The district has developed TOR and a Bid Document to conduct a Scientific Risk Assessment Study for development of Disaster Management Plan.	June 2011	Inadequate Funding for the project.  Slow supply chain management process  Inappropriate Management of the Contract.	Adequate funding is provided Tender advertised and adjudicated as per set time frames  Technical Advisory Committee established  Service level agreement is signed by both parties.  Project management steering committee is established with clear terms of reference  The risk assessment report will be adopted by the Council and the service provider presents a closing report.	Proposal from University of Free State has been approved. The project will be completed in six months period after acceptance of appointment  Technical Advisory Committee will be established after acceptance of appointment  The report will be presented to Council after the six month period of the project. The will be followed by development of Risk Management Plan
Implementation of Disaster Management Policy Framework	Policy Framework developed and tabled to the Council but not yet adopted.	Sept 2010	The document is not ready to be adopted by council.	Policy framework adopted.	Policy Framework was adopted in February and gazetting process has been initiated
Implementation of Disaster Management Policy Framework	Policy Framework developed and tabled to the Council but not yet adopted.	Dec 2010	None	The JGDM Council to adopt the policy and to facilitate the processes of gazetting and implement the policy framework by Sept 2010	The Policy is in process of being gazetted which will be followed by workshops with stakeholders in preparation for implementation.



<p>Establishment of Disaster Management Centres</p>	<p>The district has been funded with R10 million for the development of Main disaster management centre in Barkly East and four satellite centres in each local municipality. Bid document has been developed.</p>	<p>June 2011</p>	<p>The Bid document for the centres includes the New Office Buildings of the District Municipality.</p> <p>Slow Supply Chain Management process</p> <p>Inadequate funds for the Main centre</p>	<p>Council resolution on the prioritisation of Disaster Management Centre project over the office construction project</p> <p>Adequate funding is provided for the Main Disaster management centre.</p> <p>Tender advertised and adjudicated as per the set time lines</p> <p>GeoTech report support development of the projects.</p> <p>Service level agreement is signed by both parties.</p> <p>Project management steering committee is established with clear terms of reference</p> <p>Inspection and progress reports are presented as per milestone to the council.</p>	<p>Resolution was passed in January 2010</p> <p>R5.1 Million was approved for the main centre</p> <p>Tender document has been drafted and it will be tabled to Bid Specification Committee for approval in March 2011</p> <p>GeoTech was completed in January 2011 Service</p> <p>Level Agreement has been signed Steering Committee to be established prior to appointment of a contractor</p>
<p>Establishment and functioning of emergency and fire services along strategic routes</p>	<p>The district has established within the existing satellite offices, fire and rescue services</p> <p>Recently the district has employed 29 fire fighters with 12 in Maletswai, 12 in Senqu, 3 in Gariep, 2 in Elundini.</p> <p>The infrastructure and equipment also presents challenges district wide,</p> <p>Currently the district has 1 Medium Pumper + 1 Rescue Vehicle in Maletswai; 1 Medium Pumper; 1 Skid unit + 1 Rescue vehicle in Senqu; 1 Skid unit in Garie; 1 Skid unit in Elundini.</p> <p>Considering the distances between towns for response operations the district is unable to reach its Target of &lt;30 Min to an incident.</p>	<p>June 2011</p>	<p>In adequate personnel and equipment.</p> <p>Lack of funding for the day-day running of the service.</p> <p>None contribution from the LM's with regards to planning and funding provision despite signing of service level agreements.</p> <p>Responsible for statutory functions of the Local Municipalities as per the Fire Brigade Services Act</p>	<p>Provide adequate funding to meet the district statutory requirements.</p> <p>The DM to consider employing an aggressive drive for funding to procure fire fighting equipment from strategic partners.</p> <p>The DM to devise a legal intervention with the intention of ensuring that LMs prioritise rendering of fire services within their budgets.</p> <p>Resuscitate service level agreements with local municipalities with clear roles and responsibilities.</p>	<p>R9.2 million was secured for the equipment. 3 Fire engines were procured and delivered. 1 rescue response vehicle has been procured and delivered</p> <p>10 people have been recruited and are currently undergoing a learnership programme on Fore Services and Rescue training. A partnership with Working on Fire has also been established where a team of 24 was recruited and trained and are currently stationed in the Senqu area in Lady Grey</p> <p>Engagements were held with LMs. Due to budget limitations little progress has been realised. LMs are being engaged on this matter</p>

### Basic Service Delivery

Priority Turn Around Focal Area	What is the situation of each area listed below by January 2010?	Target	Capacity challenges identified during the assessment	Municipal Action	Progress (March 2011)
Access to water	42186 hh - 64.3% with access to basic services out of 65609	December 2010 = 12 111 HH  June 2011 = 3600 HH	Supply chain is under staffed and this results in supply chain processes being too lengthy and delay the implementation processes  Municipal funding needs to be increased Bulk infrastructure is in need for upgrade and refurbishment	Appoint more people to capacitate the Water Services section  Municipality is looking at other avenues to access funding including O & M  Investigating other avenues of sourcing funding	59 508 (90.7%) have access  Additional staff has since been appointed to capacitate the Water Services section.
Access to sanitation	34379 (52.4%) households with access to sanitation	December 2010 = 3500 HH  June 2011 = 3500	Supply chain is under staffed and this results in supply chain processes being too lengthy and delay the implementation processes  Municipal funding needs to be increased  Bulk infrastructure is in need for upgrade and refurbishment	Appoint more people to capacitate the section  Municipality is looking at other avenues to access funding  Investigating other avenues of sourcing funding	37008 (56.4%) Households have access

## Local Economic Development

Priority Turn Around Focal Area	What is the situation of each area listed below by January 2010?	Target	Capacity challenges identified during the assessment	Municipal Action	Progress (March 2011)
Regeneration of declining local economies	In process of establishing a Development Agency . Developing an Agricultural Plan, Forestry Plan and an SMME and Cooperatives Strategy as sub sectors of the LED strategy	July 2011	None	In process of developing Forest Sector Plan; Agric Sec Plan and SMME Plan.  District applied to the IDC for funding for business retention programme Development Agency to be functional from the start of the 2010/11 financial year. District has co-funded the establishment of the Agency  Brochures and marketing available by Dec 2010  Study to determine retention needs by Dec 2010	Forest Sector Plan; Agric Sec Plan and SMME Plan have been adopted by Council  IDC funding for establishment phase was secured CEO of JoGEDA is in process of being appointed. However the budget for JoGEDA was cut during the adjustment budget process Five initial high Impact Projects have been identified.  Tourism marketing brochures were developed and used at 3 large marketing shows. These highlight the tourism brand.  Funding was not received from the IDC for the business retention strategy , but agreement on sourcing alternative funding has been reached
Facilitation of ward based economic planning	None	July 2011	None	DLGTA to train LMs and DM on ward Based economic planning as well as provide hands on assistance. Connection to the CBP process and the community infrastructure processes should also be aligned by the department.	Training by the Department has not yet taken place
Staff vacancy rate	6 Vacancies in the LED unit. In Supply Chain Management unit 5 vacancies. A process is underway to recruit 10 LED interns for the district area to be funded by LGSETA	July 2011	Long delay in filling posts.	Feasibility study on staff rental accommodation 10 LED interns to be employed	Study completed and recommendations being considered Education, Training and Development (ETDP Seta) funded 14 interns and 2 funded by the District
Facilitation of ward based economic planning	None	July 2011	None	DLGTA to train LMs and DM on ward Based economic planning as well as provide hands on assistance. Connection to the CBP process and the community infrastructure processes should also be aligned by the department.	Training by the Department has not yet taken place
Staff vacancy rate	6 Vacancies in the LED unit. In Supply Chain Management unit 5 vacancies. A process is underway to	July 2011	Long delay in filling posts.	Feasibility study on staff rental accommodation 10 LED interns to be employed	Study completed and recommendations being considered Education, Training and Development (ETDP Seta) funded 14 interns and 2

	recruit 10 LED interns for the district area to be funded by LGSETA				funded by the District
Policies/ regulations	SCM Policy is in place but there are no economic related by-laws SLA are in draft but not signed by the LMs  No policy support from local government on the activities relating to Municipal Health Services Strategy, Agric Plan and forestry sector plan, and no comments received on the draft plans.	75% of programme implemented by July 2011  Completed by – laws by July 2011	Need to ensure SCM policy is developmental.	Revamp Finance system to improve SMME payment.  Municipal Health By-laws to be finalized.  SLA to regulate relationship between DM and LM around shared services (tourism) and direct economic services in an LM area (Municipal Health Services) to be concluded.	A new financial system has been procured and implemented.  Budget was cut during adjustment  No progress on the SLA, however there have been discussion in a number of local municipalities on tourism and MHS functions. This will assist with the crafting of the SLA
Co-ordination of functional partnerships	Agric Forum active and Forestry Forum; 4 Local Tourism Forums but poor district forum functioning; co-operative forum established; no district-wide chamber of business, 2 LMs have LED forums; Hawker forums in 2 towns; Economic and Infrastructure Cluster is active to some extent; District support Team is active; Tri district Alliance; Engagement with PG Bison	July 2011	Participation of local municipalities; Absence of a District -wide LED Forum and Business Chamber Lack of fully functional district Tourism Forum	4 meetings held by tourism, agricultural forestry, trade, construction, cooperatives Facilitate the resuscitation and strengthen of the poor District LED Forum Tourism and Chamber of business	LM tourism structures are operational, agricultural plan – 2 meetings out of three were held DEDEA convenes the cooperative structure and meetings are being held. A contractors forum has been initiated in the district  Due to staff turnover in the LED unit, there has not been continuity in the reestablishment of the LED forum and the Chamber of business. With the imminent replacement of the staff member, this will be a key focus of their programme
Public awareness and access to policies/ regulations	Little proactive dissemination of policy information, however the District requested public comment on LED Strategy, Agric Plan and forestry sector plan, but no comments were received.	75% of programme implemented by Dec 2010	None	Disseminate information	The District utilises its website and local newspapers to public information on policies and other information
SCM Processes		June 2011	Slow Processes	To transform the SCM process (Thina Sinako funded programme) will included awareness initiative.	The project is underway. Suppliers information days have been held, marketing and communication of the programme initiated. The process to register suppliers is about to commence

**c) Alignment between Local Government Turn Around Strategy and the IDP**

The vision for TAS and that of the district are clearly aligned as both visions look at an improvement from the current circumstances to the future. The IDP mission is more focused on meeting basic needs goal of the TAS. Improving service delivery quality aligns to the statements of improved performance and professionalism in municipalities as well as to the goal to build clean, effective, efficient, responsive and accountable local government. Capacitating government and communities aligns to the strengthening of partnerships between local government communities and civil society.

The priorities in the TAS are at a mixed level, at times a project level and at times a high-level objective. Despite this, there is a clear alignment between the IDP and the TAS. The IDP also focuses on a wider range of activities than just those of the TAS and more detail is included in the IDP activity lists and the SDBIP.

As it will be seen in the next section, the strategic objectives and strategies of the District are aligned to both the MUTAS and 12 outcomes of government. Outcome 9 relates to all TAS priority areas and the linkages are clearly outlined. The MUTAS implementation plan is outlined in table 44 below.

**Table 44:** TAS Implementation Plan

Priority	Intervention
Ward committee strengthening	DPLG to provide stipend and funding for training
Water infrastructure backlogs and refurbishment	Strategy on how to access unspent infrastructure funds from National Treasury. Assistance required to access the regional MIG from DWA.
Supply chain is under staffed and this results in supply chain processes being too lengthy and delay the implementation processes. Municipal funding needs to be increased. Bulk infrastructure is in need for upgrade and refurbishment	National treasury should review and streamline SCM processes in order to accelerate service delivery
Access to free basic water 26.4% Access free basic sanitation 30% inaccessibility of electricity is major concern in rural areas of Elundini and Senqu	More funds will be requested from national treasury to deal with both free basic water and free basic sanitation backlogs.
Establishment of disaster management centres	An additional R3 million is required to enable the projects to be carried out. (min mig)
The uncertainty regarding the recognition of water and sanitation assets	Appoint an asset manager to coordinate all aspects of assets
Grap compliant asset register	Funds to be made available for valuer by DLGTA, DWA, DBSA

**Comment [FS27]:** This all seems to be in bold



## SECTION 5: STRATEGIC OBJECTIVES AND STRATEGIES

### 5.1 Strategies for Development

Based on agreeing on the future vision for the District and the quantification of this vision into high-level targets, the strategy for how to achieve the vision was determined. This strategy is closely aligned to the Provincial Growth and Development Plan as well as to the District economic potentials identified. It also takes into account all the priority issues.

The strategy for development in Joe Gqabi is based on six key elements. Three are strongly connected to the economy, while and three are connected as a support for the growth of the economy. Economic growth forms the basis for the development strategy of the Joe Gqabi area. The goal is to change the economic direction of the District, to bring in more investment to the area. This will have an impact on poverty through retention of existing job opportunities as well as the creation of an environment in which new investments can occur, so more jobs can be created. The intervention looks at the District economy as a whole rather than micro focuses on projects. For this to work there needs to be cooperative effort focused on key areas of potential. The economy is not based on only one sector, Department or sphere but a collective effort by all.

In order to stimulate the District economy to fight poverty and increase economic benefits, there needs to be a supportive environment. This will be achieved through supporting existing business and helping the establishment of new community-based enterprises. For this to happen, Municipalities will have to focus on increasing economic development support capacity, coordinating economic effort, District marketing, and facilitating access to funding.

It is emphasized that poverty eradication will only be achieved through a coordinated effort focused on the outstanding District opportunities in the agriculture and tourism sectors. Land reform and productive land programmes, skills and mentorship are fundamental to achieving this strategy. The objectives set out in the PGDP form overarching targets that guide the strategic goals for the development of Joe Gqabi District Municipality.

### 5.2 District Priority Programmes

Based on a comprehensive analysis of the District and the Strategic Goals and Objectives, the District has adopted eight "Priority Programmes" to drive growth and development in the District over the next five to ten years. These priority programmes were endorsed by all the social partners at the Growth and Development Summit held in February 2007 as well as in subsequent public meetings. The Strategic IDP objectives presented in the following section are aligned to the eight priority programmes, MTAS and the 12 Outcomes of Government. The eight priority programmes are:

- **Agriculture Programme:** Aims to improve livelihoods of emerging and subsistence farmers.
- **Timber Programme:** Aims to create new jobs through new afforestation and timber processing
- **Tourism Programme:** Aims to grow the tourism industry
- **Water and sanitation Programme:** Aims to eradicate backlogs in line with national targets
- **Municipal Services Upgrading Programme:** Aims to improve municipal services to create sustainable human settlements, particularly in the seven new rural nodes.
- **Social Safety Net Programme:** Aims to support the poorest, through EPWP, home gardens etc
- **Access and Linkages Programme:** Access Aims to improve roads and access to electricity and ICT, to support Economic development.

- **Governance and Administration Programme:** Aims to improve Government's performance, particularly in supporting economic development and improving service delivery (co-ordination, health, education etc).

### 5.3 Objectives and Strategies

The strategic objectives, key performance indicators, and annual targets as contained in the IDP are as follows:

#### a) KPA 1: Infrastructure Development and Service Delivery

Strategic Objective	IDP	Programme	Programme number	Key Performance Indicators	Outcomes of Government priority area
To maintain and expand water purification works and waste water treatment works in line with growing demand	Water and Programme	Sanitation	SD1	compliance with SANS 241 for drinking water quality	Outcome 9
	Water and Programme	Sanitation	SD2	compliance with SANS 241 for effluent water quality	
	Water and Programme	Sanitation	SD3	Development of District water and sanitation refurbishment Master Plan by June 2012	Outcome 9
	Water and Programme	Sanitation	SD4	expenditure of appropriated budget on operation and maintenance of all waste water treatment works	Outcome 6
To improve water and sanitation quality and ensure continuity of services	Water and Programme	Sanitation	SD5	expenditure of appropriated budget on operation and maintenance of all water purification works	Outcome 6
	Water and Programme	Sanitation	SD6	Achieve Blue drops	Outcome 9
To develop and implement water management plans to reduce water losses	Water and Programme	Sanitation	SD7	Development of Water Safety Plans for water system for two towns by June 2012	Outcome 10
To implement the working for water and Working for wetlands programme	Water and Programme	Sanitation	SD8	expenditure of the budget for Working for Water as per the National financial year.	Outcome 10
	Water and Programme	Sanitation	SD9	expenditure of the budget for Working for Wetlands as per the National financial year	Outcome 10
To meet basic needs and eliminate backlogs in water and sanitation by 2014	Water and Programme	Sanitation	SD10	households provided with basic level of water in 2011/12 financial year	Outcome 9
	Water and Programme	Sanitation	SD11	households provided with basic level of sanitation in the 2011/12 financial year	Outcome 9
To improve municipal health services within the District	Access and linkages		SD12	formal urban waste sites evaluated	Outcome 2
	Access and linkages		SD13	formal food premises that were evaluated and issues with a certificate of acceptability	Outcome 2
To develop a plan for electrification to facilitate improvement on access to electricity	Access and linkages		SD14	Development of Electrification Plan by April 2012	Outcome 9
To improve maintenance of municipal road networks	Access and linkages		SD15	expenditure of the budgeted appropriated in terms of the SLA with DoRT	Outcome 6
To facilitate improvement of waste management	Municipal upgrading	Services	SD16	Development of Waste Management Plan	outcome 9



services in the District area				
To expand municipal services to rural nodes	Municipal Services upgrading	SD17	Signing of Fire Fighting SLAs with neighbouring district municipalities	
To develop Waste management Plan and Air Quality Plan	Access and linkages	SD18	Review of Spatial Development Framework	Outcome 6 and 8
	Municipal Services upgrading	SD19	Development of Air Quality Plan	Outcome 10

## b) KPA 2: Local Economic Development

IDP Objective	Programme	Programme number	Key Performance Indicators	Outcomes of Government priority area
To create job opportunities through Expanded Public Works programme, Community Works Programme, LED and capital projects	Social Safety Net	LED01	job opportunities created through EPWP	Outcome 2 and 4
	Social Safety Net	LED02	expenditure of the approved LED budget	Outcome 7
	Social Safety Net	LED03	jobs created through Community Works Programme and number of wards benefited	Outcome 9
	Social Safety Net	LED04	job opportunities created that are associated with functional cooperatives	Outcome 9
	Social Safety Net	LED05	jobs created through local economic development initiatives including capital projects	National KPI
Promote home production to enhance food security	Social Safety Net	LED06	agricultural initiatives implemented	Outcome 7
To plan for medium to long term development of the local economy	Social Safety Net	LED07	Growth and development Summit held	Outcome 7
	Social Safety Net	LED08	expenditure of the budget appropriated for Business retention and expansion	Outcome 7
	Social Safety Net	LED09	expenditure of budget appropriated for supporting establishment of JOGEDA	Outcome 7
	Social Safety Net	LED10	Review of the LED Strategy	Outcome 7
	Social Safety Net	LED11	expenditure of budget appropriated for SMME development spent	Outcome 7
To support rural development programme	Agricultural Programme	LED12	expenditure of budget appropriated for rural development spent	Outcome 7
To facilitate agricultural development and food security	Agricultural Programme	LED13	expenditure of budget appropriated for agricultural development and food security spent	Outcome 7
To facilitate development of the timber industry	Timber programme	LED14	expenditure of budget appropriated for timber industry development spent	Outcome 7
To facilitate development of the tourism industry	Tourism Programme	LED15	expenditure of budget appropriated for tourism development spent	Outcome 7

**c) KPA 3: Financial Viability and Management**

IDP Objective	Programme	Programme number	Key Performance Indicators	Outcomes of Government priority area
To develop and implement annual budget	Governance and administration	FV01	Development and approval of annual budget by end May	Outcome 12
To obtain clean audit report by 2013	Governance and administration	FV02	resolution of audit issues identified by AG	Outcome 9
	Governance and administration	FV03	Attain unqualified Audit opinion	Outcome 9
To improve procurement systems to eliminate corruption and ensure value for money	Governance and administration	FV04	Annual review of Supply Chain Management policy	
	Governance and administration	FV05	Review of Fraud and Anti-corruption Strategy	Outcome 4 and 9
To improve financial management and reporting	Governance and administration	FV06	expenditure of all grants.	Outcome 7
	Governance and administration	FV07	Submission of MFMA Section 52, 66 and 71 and 72 reports to Council	Outcome 12
	Governance and administration	FV08	Opex budget actually spent on repairs and maintenance	Outcome 9
	Governance and administration	FV09	Preparation of Consolidated Annual Financial Statement	Outcome 12
	Governance and administration	FV10	Sign with WSAs	
	Governance and administration	FV11	Development of Investment Strategy	Outcome 9
	Governance and administration	FV12	Review all financial policies	Outcome 9
	Governance and administration	FV13	debt coverage	Outcome 12
	Governance and administration	FV14	cost coverage	Outcome 12
	Governance and administration	FV15	Compliance with Finance Turn Around Strategy	Outcome 9
To ensure that capital budget is spent or committed before the end of June 2011	Governance and administration	FV16	Development of Revenue enhancement Strategy	Outcome 9
	Governance and administration	FV17	capital budget actually spent in terms of integrated development plan	Outcome 9
To improve financial management and reporting	Governance and administration	FV18	expenditure of budget appropriated for the Mayor's Discretionary Fund	

**d) KPA 4: Institutional Development and Transformation**

IDP Objective	Programme	Programme number	Key Performance Indicators	Outcomes of Government priority area
Improved human resource capacity of the District	Governance and administration	ID01	budgeted vacant positions filled	
	Governance and administration	ID02	Perform an internal organization / employee climate survey	
	Governance and administration	ID03	intern and work experience programmes implemented	
	Governance and administration	ID04	expenditure of the budget spent on implementing the workplace skills plan	
	Governance and administration	ID05	expenditure of budget appropriated for the Mayor's Bursary Fund	

	Governance administration	and	ID06	people from employment equity target groups employed in 3 highest levels of management in compliance with a municipality's approved EE Plan	
	Governance administration	and	ID07	Facilitate resolution of all transfers of staff for the water function	
	Governance administration	and	ID08	expenditure of the budget appropriated for the extension of the main office building	
	Governance administration	and	ID09	scheduled Council meetings sitting	
	Governance administration	and	ID10	scheduled Mayoral Committee meetings sitting	
	Governance administration	and	ID11	Development of the Comprehensive IT Strategy	
	Governance administration	and	ID12	IT audit issues resolved	
	Governance administration	and	ID13	Annual review of Delegation Framework	

**e) KPA 5: Good Governance and Public Participation**

IDP Objective	Programme		Programme number	Key Performance Indicators	Outcomes of Government priority area
	Internal audit function capacitated		GG01	Capacitation of internal audit function	
To strengthen internal control systems	Internal audit function capacitated		GG02	Performance and Audit Committee sitting	Outcome 9
To manage and coordinate IDP processes within the District and local municipalities	Governance administration	and	GG03	IDP and Budget Framework and Process Plan approved	Outcome 9
	Governance administration	and	GG04	IDP adopted by the Council	Outcome 9
To develop and implement performance monitoring and management systems	Governance administration	and	GG05	Compilation of Annual Performance report	Outcome 12
	Governance administration	and	GG06	Development of Annual Report	Outcome 12
	Governance administration	and	GG07	Compilation of Mid-year Performance Report	Outcome 12
	Governance administration	and	GG08	Review of Performance Management Policy	Outcome 12
	Governance administration	and	GG09	SDBIP approved	Outcome 12
	Governance administration	and	GG10	Performance Agreements of Section 57 Managers signed by July 2011	
	Governance administration	and	GG11	PMS cascaded to middle management	
	Governance administration	and	GG12	Development of District-wide scorecard	Outcome 12
To promote the District	Governance administration	and	GG13	Development of Marketing and Branding Strategy	Outcome 9
	Governance administration	and	GG14	cluster meetings sitting	Outcome 9
To promote and facilitate inter-governmental relations	Governance administration	and	GG15	IDP Forum meetings sitting	Outcome 9
	Governance administration	and	GG16	Traditional Leaders forum meetings sitting	Outcome 9
	Governance administration	and	GG17	DIMAFU meetings sitting	Outcome 9
To encourage and support ward committees to participation in municipal processes	Governance administration	and	GG18	Ward Committee Summit held	Outcome 9

To encourage participation of the communities in municipal processes	Governance and administration	GG19	Conduct Community Based Planning in each local municipality	Outcome 9
	Governance and administration	GG20	Conduct Mayoral outreach programme in each local municipality	Outcome 9
To implement special programmes including HIV and AIDS programmes	Governance and administration	GG21	expenditure of budget appropriated for special programmes including HIV and AIDS programmes	Outcome 2
To develop Biodiversity Plan	Municipal Services upgrading	GG22	Development of Biodiversity Plan	Outcome 10

## SECTION 6: PRIORITY PROGRAMMES AND PROJECTS

The projects and programmes reflected on this section cover a wide range of stakeholders. This is critical to note as the District will only implement and monitor 'JGDM Projects'. These are the projects that will be reported on in the Council's performance monitoring through the SDBIP. In other words, projects of local municipalities, Sector Departments and all key stakeholders will be outlined in this IDP albeit implementation and reporting will be the responsibility of the implementing agent. The same process will be followed with regard to the District-wide scorecard. Though the District scorecard will be coordinated and reported on by the District, the District as an institution shall not be held accountable for implementation of programmes and projects belonging to other institutions and stakeholders.

### 6.1 Programmes and Projects

This section deals with projects and programmes to be implemented by various stakeholders within the District. The first section deals with JGDM projects. All budgetary requirements for projects requiring Environmental Impact Assessments, fees and other related approvals are included in the project costing. The second section deals with programmes and projects from various stakeholders. The third section deals with projects extracted from local municipal IDPs which will be implemented by the respective municipalities. As mentioned above, the Joe Gqabi District municipality's SDBIP will focus on projects in the former section while the latter will be reported on in terms of the District-wide scorecard.

#### 6.1.1 JGDM Projects

##### a) Service Delivery and Infrastructure projects and programmes

Programme	Project name	Project Location	Funding source	Budget 11/12 (R)	Budget 12/13 (R)	Budget 13/14 (R)
Water and Sanitation Programme	MIG Aliwal North 13 Sewerage Ph2	Maletswai – Aliwal North	MIG	2 192 982	-	-
Water and Sanitation Programme	MIG Maclear Waste Water Treatment Works	Elundini - Maclear	MIG	-	-	-
Water and Sanitation Programme	MIG Steynsburg Waterborne Sanitation	Gariep - Steynsburg	MIG	2 762 268	9 000 000	11 000 000
Water and Sanitation Programme	MIG Jamestown Eradication Bucket Sanitation	Gariep - Jamestown	MIG	3 816 679	11 000 000	2 000 000
Water and Sanitation Programme	MIG Barkly East Bucket Eradication	Senqu - Barkly East	MIG	614 035	-	-
Water and Sanitation Programme	MIG Lady Grey Kwezi Naledi San	Senqu – Lady Grey	MIG	7 017 544	1 500 000	-
Water and Sanitation Programme	MIG Senqu Rural Sanitation Program	Senqu	MIG	20 507 456	35 000 000	45 000 000
Water and Sanitation Programme	MIG Aliwal North Bulk Sewer	Maletswai – Aliwal North	MIG	-	-	-
Water and Sanitation Programme	Jamestown Bucket Eradication PH2	Gariep - Jamestown	MIG	-	-	-
Water and Sanitation Programme	MIG Lady Grey Bulk Water Infrastructure	Senqu – Lady Grey	MIG	1 754 386	10 000 000	8 000 000
Water and Sanitation Programme	MIG Steynsburg Waterborne Sanitation	Gariep - Steynsburg	MIG	-	-	-
Water and Sanitation Programme	ECDC Ugie New Dam	Elundini - Ugie	MIG	-	-	-
Water and Sanitation Programme	ECDC Ugie Truck Stop Booster P	Elundini - Ugie	MIG	-	-	-
Water and Sanitation Programme	ECDC Ugie Truck Stop Sew Conn	Elundini - Ugie	MIG	-	-	-
Water and Sanitation Programme	ECDC Ugie Truck Stop Reticulation	Elundini - Ugie	MIG	-	-	-
Water and Sanitation Programme	ECDC Ugie Project	Elundini - Ugie	MIG	-	-	-

Water and Sanitation Programme	MIG Orange Fish Tunnel Pumping Scheme	Gariep	MIG	2 631 579	500 000	-
Water and Sanitation Programme	MIG Mt Fletcher Villages Bulk	Elundini - Mt Fletcher	MIG	19 298 246	-	-
Water and Sanitation Programme	MIG Sterkspruit Upgrade WTW	Senqu - Sterkspruit	MIG	13 157 895	15 000 000	2 500 000
Water and Sanitation Programme	MIG Burgersdorp Water Serv Plan	Gariep - Burgersdorp	MIG	-	-	-
Water and Sanitation Programme	MIG PVA Bulk Water Meters	All LMs	MIG	1 315 789	1 500 000	1 500 000
Water and Sanitation Programme	MIG PVA Sterkspruit Serv New H	Senqu - Sterkspruit	MIG	-	-	-
Water and Sanitation Programme	Aliwal North WTP Upgrade	Maletswai - Aliwal North	MIG	7 017 544	5 000 000	694 000
Water and Sanitation Programme	Aliwal North Tower	Maletswai - Aliwal North	MIG	3 000 000	-	-
Water and Sanitation Programme	Sterkspruit Upgrading of Treatment P	Senqu - Sterkspruit	MIG	2 631 579	10 000 000	5 000 000
Water and Sanitation Programme	Ugie Sanitation Infrastructure	Elundini - Ugie	MIG	4 385 965	-	-
Water and Sanitation Programme	Senqu Rural Water Programme	Senqu	MIG	7 456 140	25 000 000	40 000 000
Water and Sanitation Programme	MIG Rural Sanitation Program		MIG	20 507 456	35 000 000	45 000 000
Water and Sanitation Programme	Elundini Rural Water Programme	Elundini	Dept Human Settlement	7 456 140	25 000 000	40 000 000
Water and Sanitation Programme	RHIP: Senqu Rural Water & Sanitation	Senqu	Dept Human Settlement	4 500 000	10 000 000	15 000 000
Water and Sanitation Programme	RHIP: Elundini Rural Water & Sanitation	Elundini	MIG	4 500 000	10 000 000	15 000 000
Water and Sanitation Programme	Drinking Water Quality Monitor	JGDM (all wards)	MIG	599 630	629 612	661 092
Water and Sanitation Programme	Drinking Water Quality Monitor	JGDM (all wards)	MIG	400 000	428 000	457 960
Water and Sanitation Programme	Water Quality Management - Baseline Survey	Senqu LM (wards 1-19)	MIG	700 000	749 000	801 430
Water and Sanitation Programme	Database establishment	JGDM	MIG	200 000	214 000	228 980
Municipal Services upgrading	Health Surveillance of premises	JGDM (all wards)	MIG	0	-	-
Governance and administration programme	Pollution Control		MIG	0	-	-
Municipal Services upgrading	[Service Delivery] Baseline data	JGDM	MIG	0	-	-
Governance and administration programme	IDP - Air quality plan	JGDM	MIG	0	-	-
Governance and administration programme	IDP - Biodiversity plan	JGDM	MIG	0	-	-
Governance and administration programme	IDP - Waste plan	JGDM	MIG	0	-	-
Governance and administration programme	Spatial Development Framework Review	JGDM	MIG	0	-	-
Municipal Services upgrading	Disaster Man Relief	JGDM	MIG	1 000 000	1 070 000	1 144 900
Water and Sanitation Programme	MIG - Planning Studies	JGDM	MIG	2 500 000	-	-
Water and Sanitation Programme	Sewerage network	JGDM	MIG	743 400	787 261	834 496
Water and Sanitation Programme	Free Basic Services	JGDM	MIG	139 461	147 689	156 550
Water and Sanitation Programme	Water Conservation & Demand Management	JGDM	MIG	350 000	-	-
Water and Sanitation Programme	MIG - PVA - Water laboratory	JGDM	MIG	600 000	-	-

Water and Sanitation Programme	Planned maintenance contract	JGDM	MIG	5 000 000	-	-
Water and Sanitation Programme	Technical Support to WSA	JGDM	MIG	600 000	-	-
Water and Sanitation Programme	Water Services Development Plan	JGDM	MIG	300 000	-	-
Water and Sanitation Programme	Mt Fletcher WTP O&M	Elundini – Mt Fletcher	MIG	3 000 000	-	-
Water and Sanitation Programme	Water Purification & Networks	JGDM	MIG	637 200	674 795	715 282
Water and Sanitation Programme	Water Meters	JGDM	MIG	212 400	224 932	238 428
Water and Sanitation Programme	Steynsburg O&M	Gariep - Steynsburg	MIG	2 500 000	-	-
Municipal Services upgrading	Maintenance of gravel roads	District-wide	DoRT	31 000 000	34 000 000	-

### b) Local Economic Development projects and programmes

Programme	Project name	Project Location	Finding Source	Budget 11/12 (R)	Budget 12/13 (R)	Budget 13/14 (R)
Social Safety Net programme	Heritage Management & Strategy	Senqu LM	JGD M	482 289	-	-
Social Safety Net programme	Heritage Management Plan	Senqu LM - Barkly East	JGD M	459 823	-	-
Social Safety Net programme	Rural Development Program	Senqu and Elundini LMs	JGD M	0	-	-
Social Safety Net programme	Business Information Directory	JGDM	JGD M	0	-	-
Social Safety Net programme	Business retention & expansion	Maletswai LM – Aliwal North	JGD M	0	-	-
Social Safety Net programme	Burgersdorp Ostrich Abattoir	Gariep LM - Burgersdorp	JGD M	0	-	-
Social Safety Net programme	Community Work Programme (Livestock)	Senqu LM	JGD M	0	-	-
Social Safety Net programme	Community Works Programme	Gariep - Jamestown	JGD M	0	-	-
Social Safety Net programme	Craft Development	JGDM	JGD M	0	-	-
Social Safety Net programme	Development Agency	JGDM	JGD M	3 000 000	3 210 000	3 434 700
Social Safety Net programme	Employment creation	JGDM	JGD M	3 000 000	3 210 000	3 434 700
Social Safety Net programme	Environmental Forums		JGD M	0	-	-
Social Safety Net programme	Forestry outgrow	Elundini LM	JGD M	0	-	-
Social Safety Net programme	SEDA	JGDM	JGD M	500 000	535 000	572 450
Social Safety Net programme	Agriculture School	Maletswai - Aliwal North	JGD M	0	-	-
Social Safety Net programme	Studies and feasibilities	JGDM	JGD M	0	-	-
Social Safety Net programme	Tourism Awareness	JGDM	JGD M	0	-	-
Social Safety Net programme	Tourism Capacity Building	JGDM	JGD M	0	-	-
Social Safety Net programme	Tourism marketing	JGDM	JGD M	500 000	535 000	572 450



**c) Financial Viability projects and programmes**

Programme	Project name	Project Location	Funding source	Budget 11/12 (R)	Budget 12/13 (R)	Budget 13/14 (R)
Governance and administration programme	Audit	JGDM	JGDM	320 000	342 400	366 368
Governance and administration programme	Capacitation Staff	JGDM	JGDM	0	700 000	700 000
Governance and administration programme	Asset management system	JGDM	JGDM	0	-	-
Governance and administration programme	Fleet Management System	JGDM	JGDM	0	-	-

**d) Institutional Development and Transformation projects and programmes**

Programme	Project name	Project Location	Funding Source	Budget 11/12 (R)	Budget 12/13 (R)	Budget 13/14 (R)
Governance and administration programme	HRD Strategy	JGDM	JGDM	0	-	-
Governance and administration programme	Job evaluations	JGDM	JGDM	1 000	1070	1 145
Governance and administration programme	Performance Management System	JGDM	JGDM	0	-	-
Governance and administration programme	PMS cascading awareness	JGDM	JGDM	0	-	-
Governance and administration programme	PMS cascading in LM's	All LMs	JGDM	0	-	-
Governance and administration programme	Municipal Bylaws	JGDM	JGDM	0	-	-

**e) Good Governance and Public Participation projects and programmes**

	Programme	Project Location	Funding Source	Budget 11/12 (R)	Budget 12/13 (R)	Budget 13/14 (R)
Governance and administration programme	IDP - Ward committee support	JGDM	JGDM	0	-	-
Governance and administration programme	IDP - DM	JGDM	JGDM	250 000	267 500	286 225
Governance and administration programme	Equitable Share Public Participation	JGDM	JGDM	0	-	-
Governance and administration programme	Mayoral Cup	JGDM	JGDM	0	-	-
Governance and administration programme	Media relations	JGDM	JGDM	0	-	-
Governance and administration programme	Newsletter	JGDM	JGDM	0	-	-
Governance and administration programme	MIR & Protocol	JGDM	JGDM	0	-	-
Governance and administration programme	Service delivery charter	JGDM	JGDM	0	-	-
Governance and administration programme	Traditional leaders	JGDM	JGDM	286 200	311 958	330 675
Governance and administration programme	Mayoral Projects (including Special programmes)	JGDM	JGDM	692 180	754 476	799 745
Governance and administration programme	Children: Children's Day Event	JGDM	JGDM	0	-	-
Governance and administration programme	Disable Programme: Support Organisation	JGDM	JGDM	0	-	-
Governance and administration programme	Elderly: Elderly Programme	JGDM	JGDM	0	-	-
Governance and administration programme	Mainstreaming Strategy	JGDM	JGDM	0	-	-
Governance and administration programme	Women Programmes	JGDM	JGDM	0	-	-
Governance and administration	Youth Programmes	JGDM	JGDM	0	-	-

programme					
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### 6.1.2 Government Department Programmes and Projects

These programmes and projects will be available in April 2011 as reported by Sector Departments.

#### Rural Development and Agrarian Reform

Project Name & Description	Local Municipality	Area	Budget	Completion Period
Vezamafa: Fencing	Senqu	14	R 220 000.00	2012/03/31
Khiba: Dipping Facilities	Senqu	13	R 100 000.00	2011/03/31
Walaza: Dipping Facilities	Senqu	1	R 350 000.00	2011/03/31
PELANDABA: Landcare	SENQU	6	R 1 530 000.00	2012/03/31
Umnga Farms: Fencing	Elundini	1	R 500 000.00	2012/03/31
Glencole: Irrigation	Elundini	1	R 400 000.00	2012/03/31
Glencole: Animal Handling Facilities	Elundini	1	R 360 000.00	2011/03/31
Glencole: Multipurpose Shed	Elundini	1	R 350 000.00	2011/03/31
Kendal: Multipurpose Shed	Elundini	15	R 550 000.00	2012/03/31
Maqalaneng: Dipping Facilities	Elundini	15	R 477 000.00	2011/03/31
Pitseng Farms: Fencing	Elundini	15	R 450 000.00	2012/03/31
Qurana Farm: Fencing	Elundini	6	R 400 000.00	2011/03/31
Ntlangano Farm: Fencing	Elundini	6	R 400 000.00	2011/03/31
Mncetyana: Fencing	Elundini	6	R 400 000.00	2011/03/31
Sinxako: Dipping Facilities	Elundini	6	R 477 000.00	2011/03/31
Border Glen: Animal Handling Facilities	Maletswai	1	R 500 000.00	2011/03/31
Tubela Farm: Stockwater	Maletswai	1	R 210 000.00	2012/03/31
Vaalbank: Fencing	Maletswai	1	R 450 000.00	2011/03/31
Vaalbank: Stockwater	Maletswai	1	R 250 000.00	2012/03/31
Goedehoop: Fencing	Maletswai	1	R 479 000.00	2011/03/31
Goedehoop: Stockwater	Maletswai	1	R 250 000.00	2012/03/31
Kareedouw&Sandbult: Fencing	Gariep	1	R 490 000.00	2011/03/31
Kareedouw&Sandbult: Stockwater	Gariep	1	R 273 000.00	2011/03/31
Vukani Mangwe: Irrigation	Senqu		R 3 494 000.00	2012/03/31
Phambili Makhesa: Fencing	Senqu	14	R 125 000.00	2012/03/31
Phambili Makhesa: Stockwater	Senqu	14	R 80 000.00	2012/03/31
Vezamafa: Fencing	Senqu	14	R 200 000.00	2012/03/31
Vezamafa: Animal Handling Facilities	Senqu	14	R 300 000.00	2012/03/31
Hlomendlini: Multipurpose Shed	Senqu	12	R 550 000.00	2012/03/31
Skhisazana: Fencing	Senqu	13	R 206 250.00	2012/03/31
Usherwood: Stockwater	Elundini	15	R 250 000.00	2012/03/31
Usherwood: Animal Handling Facilities	Elundini	15	R 500 000.00	2012/03/31
Qurana: Dipping Facilities	Elundini	6	R 550 000.00	2012/03/31
Umnga Farms: Fencing	Elundini	1	R 608 750.00	2012/03/31
Lubisini: Dipping Facilities	Elundini	13	R 550 000.00	2012/03/31
Border Glen: Fencing	Maletswai	1	R 100 000.00	2012/03/31
Elsieskraal: Stockwater	Maletswai	1	R 370 500.00	2012/03/31
Elsieskraal: Fencing	Maletswai	1	R 370 500.00	2012/03/31

Kleinklipkraal: Multipurpose Shed	Maletswai	1	R 400 000.00	2012/03/31
Kleinklipkraal: Animal Handling Facilities	Maletswai	1	R 300 000.00	2012/03/31
Tubela Farm: Fencing	Maletswai	1	R 600 000.00	2012/03/31
Venterstad Piggery: Piggery	Gariep	1	R 500 000.00	2012/03/31
Dunkeld: Fencing	Gariep	3	R 300 000.00	2012/03/31
Dunkeld: Stockwater	Gariep	3	R 300 000.00	2012/03/31
Pilgrimsrest: Stockwater	Gariep	2	R 350 000.00	2012/03/31
Vaalrand: Multipurpose Shed	Gariep	1	R 400 000.00	2012/03/31
Vaalrand: Fencing	Gariep	1	R 200 000.00	2012/03/31

## Department of Environmental Affairs

Project name	Description	Local Municipality	Focus area	Budget
Land Rehabilitation Project	Erosion control and land rehabilitation including fencing of rehabilitated land	Senqu	Sustainable land based livelihoods	R12 000 000
Pitseng Upper tsitsona Alien Clearing	Removal of alien invasive trees from the Luzi and Tsitsa catchment areas	Elundini	Sustainable land based livelihoods	R2 700 000

### 6.1.3 Local Municipalities' projects and programmes

These programmes and projects will be available by end of March as reported by Local Municipalities.

### Maletswai Local Municipality: BUDGET AND PROJECTS

#### 5.1 Municipal Capital Projects 09/10 & 10/11

PROJECT	STATUS	Cost	Total	Source of funding
Phase 2 Joe Gqabi	Implementation	R5 124 627.47		MIG
Aliwal North Private Hospital	Planning		R60 000 000.00	
Upgrading of Aliwal North Water Treatment Works	Phase 3 – Phase 4 & 5 have been approved	R 8 497 542	R21 724 609.00	JGDM
MV/LV Reticulation for Areas and House Service Connection	On-going: Substation (Area 13) Phase2/Electricity	R0	R3 675 000	Own funding
Hospital Access Road	Implementation	R4,692,828,43		MIG
Jamestown Cemetery		R770,000,00		
<b>Municipal Capital Projects BSD MIG Funded Projects 11/12</b>				
PROJECT	STATUS	Cost	Total	Source of funding
Aliwal Spa Revitalisation	Implementation	R20 million	R32 million	Department of Tourism DEDEA
Maletswai Waste Management for LED	Implementation		R9 million	Thina Sinako DEDEA
Area 13 access road		R7,000,000,00		MIG
Sewer Network and House Connections		R38 million		JGDM
Maletswai Sports fields		R4,982,343,41		MIG
Upgrading of Juanna Park	Planning	R 60,000,00	R400 000.00	JGDM & own funding
Fencing of cemeteries			R450 000.00	Grant funding
<b>Municipal Capital Projects BSD MIG FUNDED PROJECTS 12/13</b>				
Maletswai Paving		R15 336 000.00		MIG

**Sector Departments (Maletswai):**

Department of Agriculture 2011/2012				
Project Name	Source of Funding	Area/Farm	Budget	
Maletswai Fencing	CASP	1.BORDER GLEN 2.TUBELA FARM	R 100 000.00 R 600 000.00	
Animal Handling Facilities	CASP	1.KLEINKLIPKRAAL	R 700 000.00	
Maletswai Stock water System	CASP	1.ELSIESKRAAL	R 741 000.00	
Maletswai Siyazondla	Voted		R 100 000.00 R 10 000.00	
Maletswai Siyakhula Livestock	Voted		R 267 000.00	
Total			R 2 518 000.00	
Department of Social Development 2011/2012				
Programme	Sub-Programme	Project	Beneficiaries	Funding
Developmental Social Welfare Services	Substance Abuse	TADA	Aliwal North/Jamestown	R 44 000.00
Developmental Social Welfare Services	Care and Support Services to older persons	Support	Ikhwezi Mphatlalatsane Service Centre (Aliwal North)	R 4 200.00 p.m average
Developmental Social Welfare Services	Care and Support Service to older persons	Support	Masakhane Services Centre (Jamestown)	R 6 000.00
Developmental Social Welfare Services	Care and Support Service to older persons	Support	Huis Van Der Horst Old Age Home (Aliwal North)	Not Specified
Developmental Social Welfare Services	Crime Prevention and Support	RAR Centre	Aliwal North	R500 000.00
Developmental Social Welfare Services	Crime Prevention and Support	Skills Development Programme	Aliwal North	R 300 000.00
Developmental Social Welfare Services	Services to People with Disabilities	Service to People with Disabilities	Vukuzenzele Special Day Care Centre	Not Specified
Developmental Social Welfare Services	Child Protection Services	Badisa	Aliwal North	Not Specified
Developmental Social Welfare Services	Child Protection Services	CMR	Aliwal North	Not Specified
Developmental Social Welfare Services	Child Protection Services	Subsidy	Child and Family Welfare Society (Aliwal North)	Not Specified
Developmental Social Welfare Services	Child Protection Program	Subsidy	Emanuel Pre-School (Aliwal North)	R12 per day per child
Developmental Social Welfare Services	Child Protection Program	Subsidy	Joan Oberholzer Pre-School (Aliwal North)	R12 per day per child
Developmental Social Welfare Services	Child Protection Program	Subsidy	Khulani Pre-School (Jamestown)	R12 per day per child
Developmental Social Welfare Services	Child Protection Program	Subsidy	Masibulele Pre-School (Jamestown)	R12 per day per child
Developmental Social Welfare Services	Child Protection Program	Subsidy	Fezeka Pre- School (Jamestown)	R12 per day per child
Developmental Social Welfare Services	Child Protection Program	Subsidy	St. Francis Pre-School (Aliwal North)	R12 per day per child
Developmental Social Welfare Services	Child Protection Program	Subsidy	Luthando Pre- School (Aliwal North)	R12 per day per child
Developmental Social Welfare Services	Child Protection Program	Subsidy	St. Paul Pre- School (Aliwal North)	R12 per day per child
Developmental Social Welfare Services	Child Protection Program	Subsidy	Sacred Heart Pre-School (Aliwal North)	R12 per day per child
Developmental Social Welfare Services	Victim Empowerment Programme	Maletswai One Stop Centre	Aliwal North	R 300 000.000
Developmental Social Welfare Services	Victim Empowerment Programme	Aliwal North Victim Support Centre	Jamestown	R 85 000.00
Developmental Social Welfare Services	HIV/AIDS Programme	Noncedo HCBC	Jamestown	R 469 300.00
Developmental Social	HIV/AIDS	Living Waters	Aliwal North	R469 300.00

Welfare Services	Programme	HCBC		
Development and Research	Youth Development	Zithande Garden and Maintenance	Aliwal North	R 500 000.00
Development and Research	Youth Development	Masupa Tsela Youth Pioneer	5 Youth per town contracted	
Development and Research	Sustainable Livelihood – Women Cooperatives	Uphumlo Ma - Africa	Jamestown	R 500 000.00
Development and Research	Sustainable Livelihood – Women Cooperatives	Masimanyane Makhosikazi Butchery	Jamestown	R 250 000.00 pending their proving sustainability
Development and Research	Food Security	Reathusana Group	Aliwal North	R 750 000.00

### Department of Sports Recreation Arts and Culture 2011/2012 (Maletswai)

Programme	Sub-Programme	Project	Beneficiaries	Funding
Arts & Culture	Dance and Drama	Auditions	Maletswai Towns	R10 000.00
Arts & Culture	Choral Music and Jazz	Workshop	Aliwal North	R10 000.00
Arts & Culture	Advanced Interpreting	Workshop	Aliwal North	R26 000.00
Libraries & Information Services	Library promotion	Promotion of Libraries and Culture of Learning	Maletswai - Braamspruit	R40 000.00
Libraries & Information Services	Special Services to Libraries	Provision of Braille Material for the blinds	Old Age Homes and Hospices	Conditional Grants
Libraries & Information Services	Allocation of Library Materials to Libraries (5)	Provision of library material i.e. books and other formats to public libraries.	Maletswai	Conditional Grants
Recreation Development	Wellness Programme: Public Sector Sports	Promotion of recreation activities in the communities and public Sector Departments	Aliwal North	R20 000.00
Sports Development	Mass Participation	Football explosion (5 aside festival) District football festival	Maletswai	R25 000.00
Sports Development	Mass Participation	Squad Camps- Soccer, Rugby, Netball and Athletics	Aliwal North	R60 000.00
Sports Development	2010 Mobilisation	Fly Flag for Football	Aliwal North	R200 000.00
Sports Development	2010 Mobilisation	Four Nations Cup: under14 Gariep, Motheo, Prixley Ka Seme & Joe Gqabi	Aliwal North	R60 000.00
Sports Development	Capacity Building	Coaching and Refereeing Courses level 4	Aliwal North	R70 000.00
Mass Participation Programme	Capacity building in Communities	Coaching Clinics	4 LM's	R 50 000.00
Mass Participation Programme	Sports Promotion in Communities	Hub Festival	1 hub. Jamestown	R19 090.90
Mass Participation Programme	Sports Promotion in Communities	League Matches in Hubs and Clusters	Maletswai	R 4 545.45
Mass Participation Programme	Movement for all	Special Community Competitions	Aliwal North	R 25 000.00

Department of Safety and Liaison 2011/2012			
Activity	Area of Implementation	Project	Funding
Convene Police Cluster Accountability Meetings	Jamestown	<ul style="list-style-type: none"> <li>Police accountability meeting</li> <li>Accountability Meetings</li> </ul>	R 5 000.00
Evaluate Service Delivery at Identified Police Stations	<ul style="list-style-type: none"> <li>Jamestown</li> <li>Floukraal</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate Police stations</li> <li>Oversight Reports Consolidation</li> <li>Service Delivery Reports Consolidation</li> </ul>	R 1000.00 (Jamestown) R 1000.00 (Floukraal)

### Elundini Local Municipality

Project Name	Ward No	EXTENT OF WORKS	STATUS	Project Value	National Financial Years		
					2011/2012	2012/2013	2013/2014
					R 22 466 000	R 27 317 000	R 28 819 000.00
Project Management Unit	-	-		-	R 0.00	R 1 365 850	R 1 440 950
Construction of Ntabalanga - Nkamane Road Link	8	12.8km	Complete	R 7 128 028	R 120 000		
Upgrading of Ugie streets	2	12km	tender stage	R 43 000 000	R 12 000 000	R 2 000 000	
Construction of Mahayaneng Access Road & Bridge	12	4.5km	defects liability stage	R 3 700 000	R 120 000		
Access Road & Bridge to Lenana High School	9	20km	defects liability stage	R 4 741 297	R 120 000		
Alterations and Renovations to Maclear Town Hall	3	1hall	under construction	R 997 039	R 95 000		
Upgrading of Mount Fletcher Access Road	9	4.7km	under construction	R 1 827 250	R 150 000		
Construction of T83 to Matugulo via Tsikarong	4	6.9km	under construction	R 7 671 144	R 500 000		
Construction of Mangoloaneng East Access Road	12	6.9km	tender stage	R 6 473 303	R 3 350 000	R 3 000 000	
Construction of Maroqa to Sophania Access Road	7	12.5km	construction stage	R 11 995 374	R 1 600 000.00		
Construction of Lehana to Upper Tokoana Access Road	15	23.5km	Planning stage	R 13 718 961	R 3 287 700	R 3 000 000	
Construction of access road from R56 to Dengwane Access Road	11	6.6km	Planning stage	R 3 901 895	<b>R 0.00</b>	R 2 500 000	R 3 000 000
Upgrading of Mount Fletcher sportfield	9		tender stage	R 3 419 979		R 4 000 000	
Construction of Nondzaba- Chevy Chase Access Road	16	2km	Planning stage	R 1 500 000		R 2 100 000	
Construction of access road from T78 to Zanyeni	14	4km	Planning stage	R 4 895 398		R 4 895 298.00	
Upgrading of Popopo Access Road	12	6.7km	Design and Tender Stage	R 1 566 849		R 1 566 849	
Construction of Mount Fletcher Open Market	9	1unit	Design and Tender Stage	R 2 599 610		R 1 800 000	

Construction of access road from T83 to Platana	4	6km	Planning stage	R 4 485 000		R 2 700 000	
Construction of Mhlontlo JSS to Koloni SPS Access Road	16	6km	Planning stage	R 3 491 930			R 3 491 930
Construction T18 to Pitseng Access Road	1	6.2km	Planning stage	R 4 739 73			R 4 739 800
Construction of Vuvu- Nkumandeni Access Road	14	7km	Planning stage	R 8 342 061			R 8 342 061
Construction of Ugie Open Market	2	1 unit	Design and Tender Stage	R 2 389 950			R 2 389 950
Upgrading of Zamuxolo Access Road	10	2km	Design and Tender Stage	R 1 200 395			R 1 200 395
Upgrading of Kinirapoort Access Road	12	4.5km	Design and Tender Stage	R 1 937 573	R 0.00		R 1 937 573
Deat Led Projects					R 10 993 306	R 0.00	R 0.00
Dedea Projects					R 3 899 220	R 0.00	R 0.00
Solid Waste Contracted Services					R 2 000 000	R 0.00	R 0.00
National Electrification Regulator					R 1 000 000	R 0.00	R 0.00
Sports Facilities					R 500 000	R 0.00	R 0.00
Municipal Buildings					R 700 000	R 0.00	R 0.00



## SECTION 7: FINANCIAL PLAN

### 7.1 Financial Management Strategy

**Comment [FS28]:** This must be updated with the change to SAMRAS and the new water services agreement

#### a) Institutional level

The JGDM reviewed its financial policies and the reviewed policies were adopted with the draft IDP and Budget in March 2011. A tariff restructuring for water and sanitation function has been implemented since 2007/8 so that income at least matches expenditure (and so that there is funding for replacement costs and maintenance). The District is also in a process of investigating possibility for the recovery of some service costs for Municipal Health Services through the implementation of fines and certificate of acceptability (MHS policies to be developed and linked to bylaws).

As an improvement measure, all critical posts that relate to collection and management of revenue should be filled. Training should be provided to those involved in this process so that their skill and competency level is increased and contracts with service providers should ensure that skills are transferred to the appropriate personnel.

Currently the District has concluded and signed all service level agreements (SLAs) with WSPs around the supply, maintenance and revenue control of the provision of water and sanitation. Financial management issues are addressed within the SLAs. The key issue relates to financial viability in terms of cost recovery, metering, and billing wherein currently the services are run at a loss. The financial turn around plan which will be developed in terms of the WSDP will examine this matter and provide alternative solutions.

The JGDM has identified that the asset register should be reviewed continually and that they be a true reflection of the actual value reflected in the records. All unused, irrelevant or obsolete assets should be disposed of.

#### b) Financial environment

Training of staff on effective usage of the financial system is a priority for the District. High staff turnover is a challenge that leads to capacity gaps. To deal with this challenge there are ongoing programmes aimed at training staff on the finance system.

The debtors on the financial system have been reduced significantly as historical unrecoverable debts were written off. It was also identified by the municipality that large debts were outstanding from Provincial Government for agency services. The Department of Roads and Transport owed the municipality R31 million and Dept of Health R4, 5 million. The non-payment of this revenue has impacted on the viability of the institution and required a special intervention at the level of the Premier to resolve the matter. The municipality will continue to attempt to recover these debts.

The reduction in wasteful or fruitless expenditure also enhances the revenue of the institution. This can include basic issues such as interest charged by creditors for late payment of accounts. Joe Gqabi has strict controls to prevent the payment of interest on overdue accounts.

It has been noted in the past that the recovery of VAT was fairly poor and ad hoc or when recovered lots of mistakes were made that in some cases limited the amount that could be claimed. As this is a fairly routine matter, once corrected appropriate VAT recovery will improve. A VAT audit was undertaken to recover under claimed VAT. Systems have also been put in place to ensure that all invoices where the creditor is a VAT vendor can be reclaimed from SARS.

#### c) Service delivery

Service delivery in itself is another area that has an impact on financial management. If services are not delivered to an area, that community cannot be billed (even if it is by a Water Service Provider). To manage perceptions it is recommended that customer satisfaction surveys be



undertaken on a regular basis and that customer care services be improved so that interaction with potential payers is improved. This issue was also thoroughly discussed in the strategic planning session of the District Municipality in November 2008 and December 2009.

In some cases, services are provided to residents but there is no way of measuring the service and therefore billing. This is experienced in most of the townships of the Joe Gqabi District there are no bulk or individual meters for water so bills for this service cannot be distributed to those who can pay. To better manage this is service delivery of infrastructure that can be billed for (as identified in the IDP) should be implemented in the shortest time possible and meters should be installed for water

Poor service delivery results in inefficient services or waste of resources from which costs could be recovered. This includes issues such as water which due to poor maintenance is allowed to flow freely from broken pipes, dripping taps etc which if better managed could be kept in the system therefore reducing the amount of water processed and reducing costs. The Water Services Authority must implement water demand and conservation management systems to reduce water loss and conserve existing water resources.

Indigent registers are significant area that affects revenue enhancement and financial management. In the case of water and sanitation service delivery the Joe Gqabi has standardized the free basic services policy across the municipalities and has engaged the Water Services Providers ( who also bill for the water used) to check the indigent registers on a yearly basis.

#### **d) Expenditure Management**

In respect of Cash Outflow (expenditure side), the following is critical because how the municipality spends is just as important as collecting revenue. Responsible spending is important and the following are questions Joe Gqabi uses to determine the relevance of the expenditure.

Joe Gqabi District Municipality went through severe financial crisis in 2006/7 financial year and had to dramatically enhance its financial management. Some of the expenditure related issues that were addressed that enhanced the revenue of the municipality are as follows:

- Focusing on Core powers and functions (Water and Sanitation, Disaster Management, Fire Fighting, Municipal Health Services and Tourism) and only contributing minimally to unfunded mandates such as special programmes, economic development and HIV and Aids,
- If a grant allocation was received and it was for a core power and function then they could staff the function linked to the duration of the grant but if a grant was received for a non-core power and function then staff could not be sourced and the section then had to rely on the current structure. This was to ensure that staff employed by the institution were focused on the core powers and functions and not the “fluff” of nice to have issues
- Cut overtime to only emergency issues and pre-approval would need to be obtained by a senior manager prior to this happening. Overtime was also not paid as cash but rather in kind by crediting the leave register.
- Significantly reduced leave encashment (it was limited to only when the employee left the institution)
- A moratorium was placed on the filling of “new posts” (meaning posts that are new on the organogram) instead the institution had to make use of staff rotation, succession planning and redeployment.
- All luxuries were cut including meals for meetings and all entertainment allowances were stopped.
- Insistence on sharing of transport by officials and Councillors to reduce travel costs
- Payments were only made 30days from the date of invoice so that the maximum amount of interest could be achieved by the institution before payment
- Strict budgetary control and fiscal discipline was implemented so that no expenditure could occur unless budgeted and the funds received and no over expenditure was allowed.

#### **e) Result 2011/12 MTREF Draft Budget**

In terms of the Municipal Finance Management Act (Act 56 of 2003), the MFMA, Amendment Act to the Local Government Transition Act, Second Amendment Act, 1996, local authorities are not permitted to budget for an accumulated deficit.

**f) Projected Budget**

As no deficit is envisaged, this Act does not apply and the Joe Gqabi District Municipality is financially sound according to the budget and the projected accumulated surplus as depicted in table 45.

**Table 45:** Budget projection

Nett Result (Surplus)	Adj Budget	Budget	% of Total	Increase %	Budget Year +1	Budget Year +2
<b>Expenditure</b>						
Operational Budget	279 236 880	229 964 243	60.39%	-17.20%	183 476 147	192 713 687
Capital Budget - Funded from Revenue	160 897 483	150 576 684	39.61%	-5.77%	238 500	261 194 000
<b>Total Expenditure</b>	<b>440 134 363</b>	<b>380 540 927</b>	<b>100.00%</b>	<b>-13.02%</b>	<b>421 976 147</b>	<b>453 907 687</b>
<b>Revenue</b>						
Total Revenue sources	-440184326	-386 564 482	100.00%	-13.02%	-423 055 050	-454 671 924
<b>Total Revenue</b>	<b>-440 184 326</b>	<b>-382 862 811</b>	<b>100.00%</b>	<b>-13.02%</b>	<b>-395 721 807</b>	<b>-426 572 307</b>
<b>Surplus</b>	<b>-49 963</b>	<b>-23 555</b>	<b>73.90%</b>	<b>-26.10%</b>	<b>-1 078 902</b>	<b>-764 237</b>

**g) Alternative Mechanisms to deal with global economic crisis**

The District Municipality opted for the front loading approach for investing on infrastructure backlogs. In this approach, the municipality makes loans based on the commitments from the outer years of the division of revenue. Discussions with the Development Bank of Southern Africa (DBSA) have been entered into.

**h) Annual Capital Expenditure**

The audited outcomes from the 2009/10 financial year indicate 66.5% expenditure at the end of the year. For the 2010/11 financial year, in March 2011 the District had collected about 64% of the projected revenue of R440 184 000 of which an amount of R282 996 000 was spent. As far as expenditure is concerned, the percentage of expenditure against income, an amount of R177 945 000 was spent, equating to 63%.

**i) Operational Budget**

Assumptions were made to compile the 2011/12 Budget, but the main criteria of National Treasury per their Circular 54 and 55. The Economic climate and inflation rates given were applied.

The estimated operating expenditure budget for the 2011/2012 financial year is R229 964 243. This is a decrease of 35.18% on the previous year's adjustment budget. The expenditure per GFS function is shown in table 46.

**Table 46:** Expenditure per GFS function

Expenditure by GFS Function	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre Audit outcome	Budget Year 2011/2012	Budget Year +1 2012/2013	Budget Year +2 2013/2014

	Rand	Rand	Rand	Rand	Rand	Rand	Rand	R'000	Rand	Rand
	A	B	C	D	E	F	G	H	I	J
Executive & Council	13 716 128	11 470 917	11 829 855	17 422 365	15 538 819	15 538 819	15 538 819	14 684 614	16 588 597	17 766 137
Budget & Treasury Office	15 906 735	12 637 652	9 281 465	15 040 516	11 744 608	11 744 608	11 744 608	11 570 630	13 171 199	14 146 405
Corporate Services	11 061 954	12 357 231	15 097 309	20 887 179	19 234 216	19 234 216	19 234 216	19 048 387	20 381 854	21 817 988
Planning & Development	3 914 897	3 253 446	2 117 296	3 794 871	2 564 904	2 564 904	2 564 904	2 266 715	2 434 674	2 616 120
Health	13 303 141	17 105 550	18 768 962	21 149 014	20 573 773	20 573 773	20 573 773	11 638 260	12 515 719	13 462 520
Community & Social Services	20 747 272	25 213 201	27 511 669	45 308 863	42 321 720	42 321 720	42 321 720	25 440 537	23 058 035	24 802 570
Housing	0	0	0	0	0	0	0	0	0	0
Public Safety	0	0	0	0	0	0	0	0	0	0
Sport & Recreation	0	0	0	0	0	0	0	0	0	0
Environmental Protection	0	0	0	0	0	0	0	0	0	0
Waste Management	9 892 684	38 111 804	31 965 671	38 356 239	21 905 809	21 905 809	21 905 809	24 216 949	13 408 393	11 530 249
Road Transport	32 468 773	23 434 778	29 418 545	32 235 726	32 235 704	32 235 704	32 235 704	29 811 761	32 040 527	34 437 016
Water	38 357 096	101 518 727	87 574 176	84 122 372	71 222 533	71 222 533	71 222 533	67 535 820	28 246 017	30 092 325
Electricity	0	0	0	0	0	0	0	0	0	0
Other - PMU. Water/Wetlands	24 474 867	25 575 787	27 325 922	45 587 662	41 894 794	41 894 794	41 894 794	23 750 570	21 631 134	22 042 357
<b>Total Expenditure</b>	<b>183 843 547</b>	<b>270 679 093</b>	<b>260 890 870</b>	<b>323 904 807</b>	<b>279 236 880</b>	<b>279 236 880</b>	<b>279 236 880</b>	<b>229 964 243</b>	<b>183 476 147</b>	<b>192 713 687</b>

## j) Capital Budget

As shown in the tables below, the main content of the JGDM 2011/12 Capital Budget is based on infrastructure programs funded from MIG for Water and Sanitation backlogs.

The capital budget for 2011/2012 is an amount of R150 576 684. This comprises mainly of Water and sanitation projects funded from MIG Grant and represents a 5.77% decrease compared to the 2010/11 Adjustment Budget amount. Capital budget by vote and capital expenditure per GFS function are shown in table 47.

**Table 47: Capital budget by vote**

Capital Expenditure by GFS Function	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre Audit outcome	Budget Year 2011/2012	Budget Year +1 2012/2013	Budget Year +2 2013/2014
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	R'000	Rand	Rand
	A	B	C	D	E	F	G	H	I	J
Executive & Council	0	7 806	611 225	58 000	160 454	160 454	160 454	0	0	0
Budget & Treasury Office	144 149	445 702	163 123	1 875 721	1 382 721	1 382 721	1 382 721	0	0	0
Corporate Service	0	0	287 307	5 627 000	2 780 000	2 780 000	2 780 000	8 033 000	0	0
Planning & Development	0	38 909	157 674	108 000	95 000	95 000	95 000	0	0	0
Health	3 158	1 239 088	230 661	1 207 000	1 424 533	1 424 533	1 424 533	320 000	0	0
Community & Social Services	767 618	519 765	125 484	17 094 314	17 042 314	17 042 314	17 042 314	4 500 000	5 000 000	500 000
Housing	0	0	0	0	0	0	0	0	0	0
Public Safety	0	0	0	0	0	0	0	0	0	0
Sport & Recreation	0	0	0	0	0	0	0	0	0	0
Environmental Protection	0	0	0	0	0	0	0	0	0	0
Waste Management	75 903 965	0	2 353 156	28 484 182	29 484 182	29 484 182	29 484 182	36 910 965	86 500 000	88 000 000
Road Transport	0	0	0	27 000	27 000	27 000	27 000	1 200 000	0	0
Water	40 972 028	9 195 854	84 917 514	112 492 279	108 492 279	108 492 279	108 492 279	99 612 719	147 000 000	172 694 000
Electricity	0	0	0	0	0	0	0	0	0	0
Other	0	0	46 999	18 000	9 000	9 000	9 000	0	0	0
Total Capital	117 790 918	11 447 124	88 893 143	166 991 496	160 897 483	160 897 483	160 897 483	150 576 684	238 500 000	261 194 000

As the Joe Gqabi District Municipality is a Water Services Authority, all projects related to water infrastructure will be included in the capital programme, as these projects will become the asset of the JGDM. The 2011/12 Capital Budgeted amounts shown in the above table now show the projects previously included in the Operational Budget.

### k) Capital Funding

The District has also utilised its own income for funding capital programmes. These include data projectors, furniture, other small items, communications equipment and most importantly major infrastructural projects. The allocated amount from internal funding is R1 315 789. R1.5 million has also been allocated for rural development.

### l) Revenue

The estimated revenue budget for the 2011/12 financial year is R382 682 811. This is a decrease of 13.02% on the previous year's adjustment budget. The decrease is the result of the indicated Grant Funding to be received from National and Provincial Government.

The Joe Gqabi District Municipality has very few significant sources of discretionary or sustainable revenue. With the abolishment of RSC Levies, which was the main revenue source, the JGDM is totally dependant on Grant Funding from National and Provincial Government. Table 48 below shows revenue sources budgeted by source.

**Table 48: Revenue sources budgeted by source**

Revenue by Source	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre Audit outcome	Budget Year 2011/2012	Budget Year +1 2012/2013	Budget Year +2 2013/2014
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	R'000	Rand	Rand
	A	B	C	D	E	F	G	H	I	J
Property Rates	0	0	0	0	0	0	0	0	0	0
Property Rates - Penalties imposed/charges	0	0	0	0	0	0	0	0	0	0
Service Charges	0	443 896	15 358 017	41 758 659	0	0	0	7 184 753	7 608 653	8 065 173
Regional Service Levies – Turnover	0	0	0	50 000	5 000	5 000	5 000	0	0	0
Regional Service Levies – Remuneration	0	0	0	20 000	2 000	2 000	2 000	0	0	0
Rental of facilities and equipment	18 816	6 342	0	11 660	11 660	11 660	11 660	0	0	0
Interest earned - External investments	4 234 645	6 155 312	4 870 140	8 900 000	6 570 000	6 570 000	6 570 000	1 200 000	6 000 000	6 000 000
Interest earned - Outstanding Debtors	3 160	24 734	0	207 000	3 000	3 000	3 000	10 000	10 000	10 000
Dividends Received	0	0	0	0	0	0	0	0	0	0
Fines	164 580	5 350	300	106 000	106 000	106 000	106 000	0	0	0
Licenses and permits	0	0	0	0	0	0	0	0	0	0
Income for agency services	1 306 240	1 455 738	0	1 584 918	0	0	0	0	0	0
Government Grants and Subsidies - Capital	292 599 648	253 963 455	299 363 409	428 835 998	430 057 484	430 057 484	430 057 484	205 100 556	225 246 637	275 472 449
Government Grants and Subsidies - Operat								166 761 774	183 882 220	164 816 609
Other Income	6 609 601	32 526 587	362 032	1 064 102	3 429 182	3 429 182	3 429 182	307 399	307 539	307 693
Public contributions and donations	0	0	0	0	0	0	0	0	0	0
Actuarial gains	0	0	5 543 047	0	0	0	0	0	0	0
Internal Recoveries	7 954 945	7 955 742	0	8 858 419	0	0	0	0	0	0
<b>Total Revenue By Source</b>	312 891 635	302 537 156	325 496 945	491 396 756	440 184 326	440 184 326	440 184 326	380 564 482	423 055 050	454 671 924

The Joe Gqabi District Municipality has very few significant sources of discretionary or sustainable revenue. With the abolishment of RSC Levies, which was the main revenue source, the JGDM is totally dependant on Grant Funding from National and Provincial Government.

In addition, there are four areas of particular concern to the municipality:

- Service charges
- Equitable Share
- Municipal Infrastructure Grant (MIG)
- RSC Replacement Grant

#### m) Service Charges

Joe Gqabi District Municipality is the Water Services Authority (WSA) and the local municipalities in the district are the Water Services Providers (WSP's). A service level agreement was entered between the two parties to provide water for the community. After the new SLA agreement was developed, a subsidy is paid to the WSP's.

The disclosure of Service charges will in future be shown in the JGDM financial records. The financial transactions will now appear on the WSA's records. This will be changed on submission of the 2009/10 AFS to there Auditor General.

**n) Billing**

The District is a WSA and local municipalities are water service providers. Process are in place for the billing function to be taken over by the District from other local municipalities. Income from tariffs (water and sanitation services) is used to run the water and sanitation services. Through the agreement with the District local municipalities also deal with operations and maintenance issues which is funded by the revenue although available funding remains inadequate.

**o) Equitable share**

While previous financial models have been based on the premise that the JGDM Equitable Share would increase at similar rates to the increase in national funds for this purpose, this has not proved to be the case. Unless these funds can be increased, JGDM will be very restricted in the range of services and support it can deliver.

The equitable share allocation to the local sphere of government takes account of the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities, to the extent that such information is available. An additional amount is granted for the increases in Councillor’s remuneration as shown in table 49.

**Table 49:** Equitable share allocation

Financial year	As per formula	Council Remuneration	% increase
2007/2008	54,626,000	822,000	
2008/2009	63,339,000	857,000	15.78%
2009/2010	87,573,000	1,140,000	38.19%
2010/2011	111,705,000	1,278,000	27.36%
2011/2012	133 460,000	1,444,000	19.48%
2012/2013	147 788 000	1,525 000	10.05%
2013/2014	157 462 000	1613 000	6.8%

The Division of Revenue Act DORA 2010/2011 does reflect a significant increase over the next three financial years as shown in table 50.

**Table 50:** DORA allocations

Government Grants and Subsidies - Allocations	Division of Revenue Bill - 2010/11	DoRA Budget (2011/12 Allocations)
1. Equitable share (Formula)	111,705,000	1333460000
2. Equitable share (Contribution Cllr allowances)	1,278,000	1444000
3. Equitable share (RSC Replacement levy)	12,960,000	14127000
4. MIG	119,694,000	143 957
5. FMG	1,000,000	1250000
6. MSIG	750,000	790000
7. Rural transport	0	1688000
8. EPWP	5,215,000	5214000
9. Drought relief	7,756,000	0
<b>Total - National Grant Allocations</b>	<b>260,358,000</b>	<b>301 930000</b>

No additional funding from National or Provincial Government have been indicated in promulgated legislation

**p) Regional Services (RSC) Levies Replacement Grant**

No RSC levies may be raised and all outstanding amounts from debtors recovered. The Districts are compensated with the RSC replacement Levy Grant and the allocations to the JGDM are shown in table 51.

Table 51: RSC replacement Levy Grant

Financial year	RSC replacement Amount	% increase
2007/2008	9,898,000	
2008/2009	11,136,000	12.51%
2009/2010	11,889,000	6.76%
2010/2011	12,960,000	9.01%
2011/2012	14,127,000	9.00%
2012/2013	15,398,000	9.00%
2013/2014	16 784 000	9.00%

#### q) Municipal Infrastructure Grant

The largest infrastructure transfers over the MTEF years – are through the MIG, which supports government's objectives of expanding the delivery of basic services to poor households and alleviation of poverty. The grant also seeks to stimulate local economic development and job creation over the medium term. Municipalities are required to dedicate a portion of their capital budgets to labour-based infrastructure methods to meet the objectives of the expanded public works programme. This grant is listed on Schedule 4 of the Division of Revenue Bill, as it supplements municipal allocations for infrastructure.

In the past years, these grants (MIG) have been allocated to JGDM, which has in turn managed these projects prior to handling them over to the LM's. To this end, a Project management Unit (PMU) was established within JGDM, which was funded by a 10% fee for managing projects. The 2011/12 allocations are shown in the table 52 below. In the 2009/10 audited outcomes 100% of the MIG budget was spent.

Table 52: 2011/12 MIG allocations

Financial year	MIG Amount	% increase
2007/2008	92,880,000	
2008/2009	85,002,000	-8.48%
2009/2010	107,174,000	26.08%
2010/2011	119,694,000	11.68%
2011/2012	143,957,000	20.27%
2012/2013	175,038,000	21.59%
2013/2014	184 665 000	5.5%

#### r) Other Grants Awarded by the Division of Revenue Act

The Division of Revenue Act made provision for additional Grant funding for specific purposes. These Grants are listed below:

- The Expanded Public Works programme (EPWP): This is a grant for jobs created. The number of jobs as per the DoRA is indicated as 213.
- Drought relief: As a result of the ensuing drought especially in the eastern part of the district, a once-off grant was approved in the DoRA the previous year but none for 2011/2012
- Finance Management Grant (FMG): This grant will be used to employ interns in the Budget and Treasury office and to fund the improvement of financial records. The allocation on the FMG is shown in table 53.
- The Municipal Systems Improvement Grant (MSIG): This grant is allocated to the JGDM for projects included in submitted business plans. The allocation is shown in table 54.

**Table 53:** FMG allocation

Financial year	FMG Amount	% increase
2007/2008	500,000	
2008/2009	500,000	0.00%
2009/2010	750,000	50.00%
2010/2011	1,000,000	33.33%
2011/2012	1,250,000	25.00%
2012/2013	1,250,000	0.00%
2013/2014	1 500 000	20%

**Table 54:** MSIG allocation

Financial year	MSIG Grant Amount	% increase
2007/2008	1,000,000	
2008/2009	735,000	-26.50%
2009/2010	735,000	0.00%
2010/2011	750,000	2.04%
2011/2012	790,000	5.33%
2012/2013	800 000	1.26%
2013/2014	900 000	12.50%

### s) Donor Funding

In the light of the funding uncertainties described above, Council is keen to pursue options for accessing other funds notably from donors, both internal (i.e. Development Bank of South Africa) or external (overseas aid such as through the Thina Sinako programme). It needs to be noted, however, that even if the JGDM should prove successful in its attempts to ensure such funds, they can only ever be regarded as short term and unsustainable sources of revenue.

### t) Expenditure by Type

The decrease is the direct result of the limitations set by grant funding and to correct GRAP principles but to facilitating functions allocated to the Joe Gqabi District Municipality. Expenditure by type is shown in table 55.

**Table 55:** Expenditure by type

Operating Expenditure by type	Adj Budget	Budget	% of Budget	Increase %	Budget Year +1	Budget Year +2
Bad debts	-	-	-	-	-	-
Bulk Purchases	-	-	-	-	-	-
Contracted Services	20 447 782	22 163 081	9.64%	8.39%	4 343 519	1 918 130
Depreciation	8 025 666	6 476 645	2.82%	-19.30%	6 527 795	6 583 165
Employee related costs	69 799 557	73 810 427	32.10%	5.75%	79 151 775	85 572 495
Remuneration of councillors	4 131 991	3 197 593	1.39%	-22.61%	3 485 376	3 694 499
Finance charges - Interest paid	815 000	810 000	0.35%	-0.61%	805 000	798 000
Repairs and Maintenance	21 534 708	26 222 835	11.40%	21.77%	20 892 019	22 338 749
Grants and Subsidies Paid	111 570 971	56 550 085	24.59%	-49.31%	19 584 612	19 828 492
General expenses	42 911 205	40 733 577	17.71%	-5.07%	48 686 051	51 980 157
<b>Total Operating Expenditure by type</b>	<b>279 236 880</b>	<b>229 964 243</b>	<b>100.00%</b>	<b>-61.01%</b>	<b>183 476 147</b>	<b>192 713 687</b>

There are three aspects of expenditure that deserves special attention:

- Salaries (Employee related costs)
- Repairs and Maintenance
- Unfunded mandates



#### u) Salaries

Not taking into account the costs of projects that are included in the operational budget under general expenses and maintenance costs, salaries are the largest expenditure of the municipality. Care is therefore taken that the budget for salaries is accurate.

The source document for the salary budget is the approved organogram. This vital document is currently being revised. Care is taken that all the tasks functions that must be performed by personnel to fulfil the JGDM mandate are incorporated.

New critical posts to be financed in the 2011/12 year include a critical post identified by each department

As can be seen from the above table, the Employee Costs (Salaries and allowances) comprises 32.10% of the total operational expenditure. This percentage falls well into the norm of 33%.

#### v) Repairs and maintenance

As the Joe Gqabi DM is the Water Services Authority of the district all water assets have been identified and included in the financial records of the municipality. These assets will need a substantial maintenance budget as part of the operational budget. Proper maintenance programmes and an Asset Maintenance Policy will have to be adopted. Care will be taken to take the norm into account that 15% of the value of the assets should be included as maintenance costs for assets.

#### w) Unfunded mandates

Unfunded mandates of the past that drained the funds of the municipality has now been addressed. No expenditure of this nature is included in the 2011/2012 Budget

#### x) Cash Flow Projection

The cashflow projection for the JGDM in the 2011/12 financial year is shown in table 56 below.

Table 56: Cash Flow Projection

Revenue	2011/2012	2012/2013	2013/2014
Property Rates	-	-	-
Property Rates - Penalties imposed/charges	-	-	-
Service Charges	7 184 753	7 608 653	8 065 173
Regional Service Levies – Turnover	-	-	-
Regional Service Levies – Remuneration	-	-	-
Rental of facilities and equipment	-	-	-
Interest earned - External investments	1 200 000	6 000 000	6 000 000
Interest earned - Outstanding Debtors	10 000	10 000	10 000
Dividends Received	-	-	-
Fines	-	-	-
Licenses and permits	-	-	-
Income for agency services	-	-	-
Government Grants and Subsidies - Capital	205 100 556	225 246 637	275 475 449

Government Grants and Subsidies - Operat	166 761 774	183 882 220	164 816 609
Other Income	307 399	307 539	307 693
Public contributions and donations	-	-	-
Actuarial gains	-	-	-
Internal Recoveries	-	-	-
<b>Total Revenue</b>	<b>380 564 482</b>	<b>423 055 050</b>	<b>454 671 924</b>
<b>Non-cash items</b>			
Depreciation	6 476 645	6 527 795	6 583 165
<b>Total revenue</b>	<b>387 041 127</b>	<b>429 582 845</b>	<b>461 255 089</b>
<b>Expenditure</b>			
Contracted Services	22 163 081	4 343 519	1 918 130
Employee related costs	73 810 427	79 151 775	85 572 495
Remuneration of councillors	3 197 593	3 485 376	3 694 499
Finance charges - Interest paid	810 000	805 000	798 000
Repairs and Maintenance	26 222 835	20 892 019	22 338 749
Grants and Subsidies Paid	56 550 085	19 584 612	19 828 492
General expenses	40 733 577	48 686 051	51 980 157
<b>Total Operating Expenditure</b>	<b>223 487 598</b>	<b>176 948 352</b>	<b>186 130 522</b>
<b>Capital Expenditure</b>			
Total Capital Expenditure	150 576 684	238 500 000	261 194 000
<b>Nett Cash Flow</b>	<b>12 976 846</b>	<b>14 134 492</b>	<b>13 930 567</b>

#### y) TARIFFS

On closer examination of the water tariffs, it was decided to investigate the current tariffs raised by the local municipalities, as the district was realizing a deficit on its water account. Maintenance and replacement of infrastructure is essential. Therefore, the water tariffs will have to be revised to include the above-mentioned costs.

The Water and sanitation tariffs, to be more cost effective had to be raised with 11% as proposed in the 2011/2012 Draft Budget. All other tariffs be increased with 6% as follows:

- Tariffs for plant hire
- Tariffs for Corporate Services
- Tariffs for Community Services

#### z) Debt Control and Collection

The municipality has instituted processes to monthly reconcile the debtors of the municipality. In terms of water services provision the local municipalities who are also the water services providers are responsible for the collection of water and sanitation levies. The policy to collect this has been developed by the District Municipality but is implemented by the WSPS. There is a significant concern that the local municipalities are not effectively implementing the policy and discussions are underway at present through the IGR structure to manage this. Part of the concern is that services (water and sanitation) cannot be cut off due to the health and hygiene issues that can arise.

As part of this issue the auditor general raised the concern about the placement of the risk and reward, as up until now the risks around water related debtors was with the district while reward was with the local municipalities. This has been corrected in the adjustment budget of 2010/11.

#### **aa) Spatial Development Budget**

In the District Municipality's budget for the 2011/12 financial year and beyond, cognizance has been taken of the spatial development strategy. It is however at times difficult to actually state the exact amount of funding allocated for each of the spatial development dimensions and as such the description below will focus on where or how they are budgeted for and not the actual budget. Nodal areas are budgeted for under the capital projects such as water upgrading in Ugie and in Aliwal North. Nodal areas are also targeted for other municipal services such as water quality monitoring, fire fighting services, disaster management services and many of the urban nodal areas are covered by the full extent of the municipal health services function.

Corridors have been budgeted under the roads section (but only for the gravel roads in the Gariep and Maletswai areas, which are the Districts agency function). Special development areas have been included through support to the economic sectors such as tourism, agriculture and forestry. The lesser developed areas of the previous Transkei have also been addressed through water and sanitation schemes such as the one being implemented in the rural areas of Mount Fletcher. In assessment of the budget and its relationship to the Spatial Development Plan, there is a very strong correlation between the two and there are no issues in the budget not related to the SDF.

#### **ab) Budget for community Participation**

The budget has taken into account the need for community participation and empowerment in the activities of the District Municipality and a number of budgetary amounts have been included that cater for this need. There is over R3 000 000 provided for this activity across various votes.

There is a specific allocation under the communications section for public participation, but there are also budgetary amounts for supporting Women, Youth, Disabled, the elderly and children (over R2 million). Budgets have also been set aside for the economic forums such as the LED forum, Agricultural Forum, District Tourism Organisation and Cooperatives Activities have also been included such as the functioning of, support for ward committees as well as the coordination of EPWP processes, which also involve community participation.

Budgets have been set aside for communication related issues such as implementation of communication strategy, media and publicity to disseminate information as well as for events and Imbizo's. These assist in community participation as information enables interaction and engagement. Public participation is seen as an essential part of good governance and as such is included in the activities and plans in that area of the IDP and SDBIP.

#### **ac) Budget for support to local municipalities**

Within the budget of the Joe Gqabi District Municipality there are a number of areas where support is provided to local municipalities (these are unspecified as support to local municipalities). Some of these issues include tourism awareness, audit, training of fire fighters, performance management, involvement of women youth and disabled and integrated development planning. There are also those that are specific allocations to local municipalities. In the area of water and sanitation, direct allocations for the function is included in the budget and these allocations are to cover the implementation of the indigent policy for water and sanitation.

The New SLA between the WSA and ESP will determine the subsidy paid.

In addition, a amount is budgeted for the development of ward committees in local municipalities from the MSIG grant and this will be distributed to local municipalities.

An amount of R800 000 has been set aside to assist local municipalities with the improvement of their audit processes in line with the LGTAS. This funding is for the benefit of the local

municipality but is not likely to be transferred, rather the services of support persons will be procured by the district for the benefit of the LM.

The District Municipality is not in a financial position whereby it can fund the operations of the local municipalities or implement projects or processes that are of their request. As the municipality has a very large dependency on grants, it is not possible for the District to make many of its own decision about the use or allocation of funding to local municipalities as funds are covered by grant conditions.

## **7.2 FINANCIAL PRUDENCE BY COUNCIL**

Whilst these points have been highlighted previously in this finance plan, to achieve this plan the Council must be committed to:

- All outstanding valuation and identification of assets to be concluded.
- All moveable assets to be managed to ensure that they are being used productively
- That obsolete equipment be sold.
- Effective budget management to provide cost savings where at all possible
- The introduction of a revised organogram and still achieving the target of staff expenditure not being more than 33% of total budgeted operational expenditure
- Clearing the debtor's ledger that only supports collectable accounts.
- Paying all creditors within 30days as the projected positive cash flow. Is positive
- Compile a five-year maintenance plan to ensure that equipment is always in a good condition.
- Finalizing the Financial Turn Around Strategy of the municipality
- The budget strategy is always to follow a Zero based budget
- Conservative approach to budgeting linked to critical needs that have significant positive impact on the institution and/ or community
- Portion of equitable share to be used for infrastructure projects
- Surplus required as a end result of the budget process
- Equitable share is an unconditional grant used for the implementation of DM powers and function

## **7.4 Financial Policies**

### **7.4.1 Indigent Assistance**

The District municipality has an indigent assistance policy because of the level of unemployment and subsequent poverty in the municipal area; there are households, which are unable to pay for normal municipal services. The Municipality has therefore adopted this indigence management policy to ensure that these households have access to at least basic municipal services.

### **7.4.2 Asset Management Policy**

The policy is reviewed on a yearly basis. The municipality has a an asset policy that is to facilitate the effective management control and maintenance of assets

It will:

- Ensure the accurate recording of asset information
- The accurate recording of asset movement
- Excising strict physical control over all the assets
- Provide correct and meaningful information
- Ensure that insurance is provided for all assets
- Ensure maintenance of Council assets

### **7.4.3 Credit Control and Debt Collection Policy**

The municipality has a credit control policy to ensure with the MFMA and MSA. The policy is reviewed on a yearly basis. The Council is committed to the recovery of outstanding debt regarding the provision of services. To achieve this goal, procedures have been implemented to

control and manage the recovery of outstanding debt due to Council. This policy largely relates to the activities of the Water Services Authority but is also applicable to the rest of the institution.

#### **7.4.4 Banking and Investment Policy**

The Council is the trustee of the public revenues, which it collects, and it therefore has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently.

The Council therefore has a responsibility to invest these public revenues knowledgeably and judiciously, and must be able to account fully to the community about such investments.

The investment policy of the municipality is therefore aimed at gaining the optimal return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The policy is reviewed on a yearly basis. The effectiveness of the investment policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus.

#### **7.4.5 Budget Policy**

The purpose of the policy is to set out the budgeting principles, which the Council will follow in preparing each annual budget as well as the responsibilities of the chief financial officer in compiling each budget. The policy defines the process, the public participation, the institutional structures and the principles to be utilized in budgeting. The policy is reviewed on a yearly basis

#### **7.4.6 The Fraud and Anti-Corruption Policy**

This Anti-Corruption Strategy and Fraud Prevention Plan have been developed because of the expressed commitment of Government to fight corruption. It is also an important contribution to the National Anti-Corruption Strategy of the country and supplements both the Public Service Anti-Corruption Strategy and the Local Government Anti-Corruption Strategy.

This policy is established to facilitate the development of controls, which will assist in the prevention and detection of fraud and corruption, as well as provide guidelines as to how to respond should instances of fraud and corruption be identified. This policy is also established to give effect to the various legislative instruments as described in the previous section. The policy is reviewed on an annual basis.

#### **7.4.7 Tariff Policy**

The District adopted a Tariff policy which is reviewed on an annual basis. The objective of the tariff policy is to ensure the following:

- The tariffs of the Municipality conform to acceptable policy principles;
- Municipal services are financially sustainable;
- There is certainty in the Council, of how the tariffs will be determined;
- Tariffs of the Municipality comply with the applicable legislation; and
- Tariffs should take into consideration relief to the indigent.

#### **7.4.8 Supply Chain Policy**

The Policy will achieve the Empowerment goals of the institution by providing employment opportunities to HDI's and communities, enabling socio-economic transformation objectives to be linked to fair, transparent, equitable, competitive and cost effective procurement practices. In this regard, the following empowerment goals are proposed to be used as measures by Council in assessing the impact of its policy in realizing the socio-economic transformation agenda of government in all spheres. The policy is reviewed on an annual basis.

### **7.5 Audit Reports**

The history of audit reports for the District for the past years is reflected in 57 table below.

Table 57: History of audit reports

Financial Year	JGDM	Gariep	Senqu	Maletswai	Elundini
2009/10	Qualified	Qualified	Unqualified	Qualified	Qualified
2008/9	Disclaimer				Disclaimer
2007/8	Qualified				
2006/7	Adverse				

The District has significantly improved in the areas of asset management especially those assets related to the water services authority function. The District has to ensure that the agreements it has with its water service providers are in terms of recognized accounting standards. The improvement in the audit result of the District for the 2009/10 financial year was due to the fact that the District takes seriously the issues raised by the AG. Adherence to the Audit Action plan has been the contributing factor in improving the audit result.

Presented below is the summary of issues raised in the audit report as well as high-level corrective steps undertaken to rectify matters. Over and above these corrective actions, an Audit Action Plan with timeframes has been developed for the new financial year to prepare for audits and cover issues not directly related to the previous year's audit.

#### 7.6 Auditor General's Report And Managements Plan of Action For The 2009/10 Financial Year

**Qualification issue:** Employee costs - Expenditure - Casual Wages not accounted for correctly.

In accordance with GRAP 1, expenditure should be classified in accordance with the nature thereof.

**Plan of action:** Journals will be done. SDL outstanding will be determined and resolved with SARS. It will be ensured that casual workers are on payroll in future.

**Qualification issue:** Immovable assets - Property, plant and equipment - Support for valuation calculations not provided for audit purposes. The calculations and supporting documentation for the valuations performed on Land and Buildings were not available for audit purposes.

**Plan of action:** Necessary support will be provided in the future.

**Qualification issue:** Immovable assets - Property, Plant and Equipment - Property on title deed search not recorded in FAR. Land recorded in the financial statements may not be complete.

**Plan of action:** The Institution disagrees with this finding.

**Qualification issue:** Movable assets - Property, Plant and equipment - Valuation of Infrastructure assets.

**Plan of action:** Invoices were produced. Slight adjustments on infrastructure asset register are to be made. These modifications are underway. Invoices were inspected and it was found that two invoices were recorded in duplicate.

**Qualification issue:** Payables – completeness. Trade and Other Payables are materially misstated and a limitation of scope exists as a result of the following findings:

1. Mvula Trust credit note.
2. Amatola Water creditor

3. Creditors reconciliations were not performed by the Municipality with regards to the following specifically selected creditors.

**Plan of action:** Mvula Trust credit note and Amatola creditor in accruals will be recognised. Creditors reconciliation will be done monthly. All suppliers will be required to provide monthly statements.

**Qualification issue**

Cash and Cash Equivalents - Cashbook entries prematurely posted / not posted.

It was noted that the outstanding payments reflected as reconciling items on the year-end bank reconciliation was only paid on 15 July 2010. As these mostly relate to Electronic Fund Transfers, it is evident that the EFTs was only made well into the next financial year.

**Plan of action:** Adjustments to records will be made so that they relate to the bank statements.

**Qualification issue:** Various - Various components - Agency agreements not correctly accounted for. The annual financial statements are materially misstated, as the agency agreements were not accounted for correctly. This will result in qualifications in respect of revenue, expenses, VAT and water stock related to the provision of water and sanitation services

**Plan of action:** Maletswai records will be included into the AFS. Possibility of other municipalities for prior year is still being confirmed.

**Qualification issue:** Commitments: Disclosure and Other Matters - Capital Commitments. Capital commitments was found to be overstated by R 10 944 961.

**Plan of action:** Capital commitment register will be modified. An SOP on capital commitments will also be finalised.

**Qualification issue:** Contingent liabilities: Disclosure and Other Matters - Contingent Liabilities.

1. The provision for the performance bonuses of the Municipal Manager and all the section 57 managers.
2. The shortfall in annual earnings in the Cape Joint Pension Fund.
3. Employee Benefits - bi annual actuarial assessment.

**Plan of action:** Performance bonuses, shortfall to Cape Joint and the information from the actuarial assessment have been included.

**Qualification issue:** Employee costs: Employee Cost - No actuarial valuation performed. To formal actuarial valuation was performed in the current year to value the Defined Benefit Obligations. An informal actuarial assessment was obtained for the current year. Given that the economy is currently recovering from a recession, there were changes to assumptions used to calculate the discount rate, health care inflation rate and general salary inflation rate. The actuaries is of the opinion that the impact of these changes could result that the liability may be understated with an estimated R 2 004 797.

**Plan of action:** Actuarial valuation was done.

**Qualification issue:** Disclosure and Other Matters: Disclosure and Other Matters - Fruitless and Wasteful Expenditure. No supporting documentation / breakdown could be provided to audit the opening balance of fruitless and wasteful expenditure of R 4 976 670.

**Plan of action:** Minutes of Council were provided to auditors in October 2010.

**Qualification issue:** Disclosure and Other Matters: Disclosure and Other Matters - Irregular Expenditure. Council approved / condoned Irregular Expenditure that did not meet the definition of Irregular Expenditure per section 1 of the Municipal Finance Management Act. Management did not present accurate and complete information to Council.

**Plan of action:** Minutes of Council were provided to auditors in October 2010.

**Qualification issue:** Movable assets: Property, plant and equipment - Amounts disclosed in AFS does not agree to asset register. A reconciliation was performed between the cost, accumulated depreciation and net book values recorded in the fixed asset register of Other Assets and the balances disclosed in the financial statements.

**Plan of action:** The Institution disagrees with this finding.

**Qualification issue:** Operating expenditure: Property, plant and equipment - Incorrect classification of repairs and maintenance. The municipality acquired management software for the monitoring of water quality during the financial year. This software meets the definition of an intangible asset. The purchase of this asset was expensed through the Statement of Financial Performance and not capitalized.

**Plan of action:** Road Maintenance expenditure will be removed to contracted services. Intangible asset register will be created. Purchased roads assets will be identified. Expenditure on plant hire and diesel will be moved to the correct places.

**Qualification issue:** Taxes: Value Added Taxation - VAT Reconciliation. During the year of assessment, it was noticed that the following VAT 201 Returns did not agree to the general ledger, resulting in the over / (under) claimed amounts. There is an unexplained amount of R 4 378 779 (credit), relating to prior years, in the reconciliation. As a result, due to the scope limitation, we are unable to verify the VAT receivable of R 6 177 374.

**Plan of action:** Reconciliation will be performed in the future.

**Qualification issue:** Property, plant and equipment - Completeness of proof of payments. As a result we were unable to satisfy ourselves as to the completeness and valuation of Infrastructure Assets.

**Plan of action:** Information provided elsewhere

**Qualification issue:** Immovable assets: Property, plant and equipment - Repairs and Maintenance. There is a risk that payments to LMs that should have been capitalised to infrastructure assets were expensed as repairs and maintenance through the statement of financial performance.

**Plan of action:** Local municipalities will be informed of consequences of purchasing assets from repairs and maintenance funds.

**Qualification issue:** Investment property: Property, plant and equipment - Investment property not accounted for. It was determined that the municipality does not have formal procedures in place to identify land with a currently undetermined use. Investment property is not accounted for in terms of GRAP 16 and Directive 3.

**Plan of action:** Information on investment properties will be included and an SOP on investment properties will be developed.



## IT Audit: Information Technology Governance

**Audit finding:** Lack of a risk and control framework and the risk register is in draft.

**Plan of action:** Despite there being no formal approval during the year under review, the issues in the risk assessment were in the process of being addressed. However since then the Risk report was approved Council in September 2010, Council Resolution **140/10/MC**.

**Audit finding:** Lack of service level performance reports.

**Plan of action:** Since the audit, the institution has been able to obtain service performance reports from its key suppliers - SAMRAS (1) and Firewalk (2). As it will not be using the ABAKUS system, Payday and BAUD in the new financial year, corrections to the issue of service performance reports for these areas were not sourced. In terms of contract performance management, the best practice guideline for contract performance management was approved in October 2010 as the SOP for performance management of contracts.

## IT SECURITY

**Audit finding:** The existing IT security policy is not comprehensive

**Plan of action:** The matters have been rectified through the new IT policy as already provided for the IT audit. The reviewed IT policy was approved by Council... Responsibility for IT security: Within the IT policies there is now a specific server room access policy which includes a section on physical access. Software authorisation and licensing: an addendum to the policies has been tabled on Monday 4 Oct 2010 to Top Management to cover this matter.

## APPLICATION AND OPERATING SYSTEM USER ACCOUNT MANAGEMENT

### Audit finding

Lack of user account management procedures.

### Plan of action

User account management procedures have been documented through an SOP for SAMRAS that was approved by Management in October 2010. This SOP includes a formal request procedure and forms that can be kept as evidence. The issue of the past year has also been dealt with through the conversion of the finance systems to SAMRAS which has stricter user account management systems.

**Audit finding:** The activities of the system controllers are not monitored.

**Plan of action:** Due to the weaknesses in ABAKUS, Payday and BAUD the institution is replacing them this financial year with SAMRAS. Currently the set-up of SAMRAS is still taking place. A dedicated official will provide the systems controller function which will reviewed daily, weekly and monthly

**Audit finding:** Inappropriate user access on the applications.

**Plan of action:** Through the replacement of the Payday and ABAKUS systems with SAMRAS this matter is being resolved. The approved SOP on user account management procedures also addresses this matter.

**Audit finding:** Segregation of duties conflicts.

**Plan of action:** Through the replacement of the Payday and ABAKUS systems with SAMRAS this matter has been resolved and the risk dramatically reduced. SAMRAS administration will be done in-house with less reliance on external service providers. The approved SOP on user account management procedures will also address this matter.

**Audit finding:** Weaknesses in the password parameter settings of the applications.

**Plan of action:** An approved SOP on user account management for SAMRAS also deals with passwords. Focus in the SOP is on those that are high risk users with payment, authorisation or system administration rights. The SAMRAS system has a more controlled system of access which will also limit the risks related to the finance system.

**Audit finding:** Lack of physical access security policies or procedures.

**Plan of action:** The new IT policy that was approved by Council includes a section on physical access security and the control environment requirements.

**Audit finding:** The Uninterruptible Power Supply (UPS) not in working condition.

**Plan of action:** The repair to the UPS is now complete.

**Audit finding:** IT continuity and disaster recovery.

**Plan of action:** The IT Disaster Recovery plan was approved by Council. The training schedule was developed and the designations, with clear responsibilities and letter of instruction from the Municipal Manager were undertaken. A Business Continuity Plan was prepared and it should be complete and implemented during the 2010/11 year.

**Audit finding:** Inadequate management of operating system user accounts.

**Plan of action:** The problem identified related to the ABAKUS system and its server. The software required groups to be in place before the software would run on the server. With the move to a new server with the installation of SAMRAS, all the user groups are being redefined taking into account the comments raised by the auditors. The passwords are changed as required by the SOP. To start with in the year, while SAMRAS is still being established, the passwords may not be changed as regularly but once there is full system integration this will take place.

**Audit finding:** Telnet service is being used at the municipality.

**Plan of action:** The Telnet service related to the ABAKUS system. With the conversion to SAMRAS this has been replaced with a Secure Shell (SSH) which is an encrypted service with then resolves this matter.



## **SECTION 8: PERFORMANCE MANAGEMENT SYSTEM**

During the 2010/11 financial year, Joe Gqabi District Municipality reviewed its Performance Management System. This review has been done in line with Municipal Systems Act, Municipal Planning and Performance Management Regulations (2001) and in the 2006 Regulation for Municipal managers and managers reporting directly to Municipal Managers. Performance management is currently managed in line with the Performance management Policy which was adopted by Council with the draft IDP and Draft budget in March 2011.

### **8.1 Purpose of the Policy**

- To develop an easy reference guide, which will assist JGDM to implement performance management in line with legislation requirements;
- To enable JGDM to plan, monitor, measure, review, report and improve both, District organizational and individual performance;
- To facilitate the creation of a performance management culture and improve service delivery through the successful implementation of a District's IDP and budget;
- The Policy will be the authoritative manual on the implementation of Performance Management System in the District.

### **8.2 The Joe Gqabi District Municipal Performance Management Model**

International experience in both the private and the public sectors has shown that traditional approaches to measuring performance, which have been heavily reliant on only financial measures, are severely lacking. It has become well accepted that in order to assess an organization's performance, a balanced view is required; incorporating a multi-perspective assessment of how the organization is performing as seen by differing categories of stakeholders. To ensure this balanced multi-perspective examination, the District has adopted a "Municipal Scorecard Model" to guide the performance management in the entire municipal organization.

#### **a) Why the Municipal Scorecard Model?**

The Municipal Scorecard Model is a conceptual framework that provides guidance as to what aspects of the municipality's performance should be measured and managed. The model has proved useful in performance management for it provides balance, simplicity, mapping of inter – relationships and alignment to the Integrated Development Planning processes of the municipalities.

The Municipal Scorecard Model that will be used in the area is:

- Tightly aligned to the strategic planning and IDP processes of the municipality;
- Directly relevant to the notion of developmental local government;
- A balanced view of performance based on municipal inputs, outputs, outcomes and process;
- A simple portrayal of performance, where relationships can be mapped (municipal-wide, sectoral/departmental and unit/programme levels);
- Compliant with the requirements of the Municipal Systems Act (2002) and its subsequent regulations (2001 and 2006);
- Based on the five (5) Key Performance Areas for Local Government as determined in the Five Year Local Government Strategic Agenda and used in the Regulations and Vuna Awards for Performance Excellence.

The adoption of the model will require the need for the District stakeholders and District Municipality to reorganize or fine tune their systems and internal structures in order to make optimal use of scorecards during the PMS cycle, which includes performance planning, implementation, performance measurement and analysis, performance reviews, auditing and reporting. The Structure of the PMS model adopted by the District is depicted in figure 10 below.

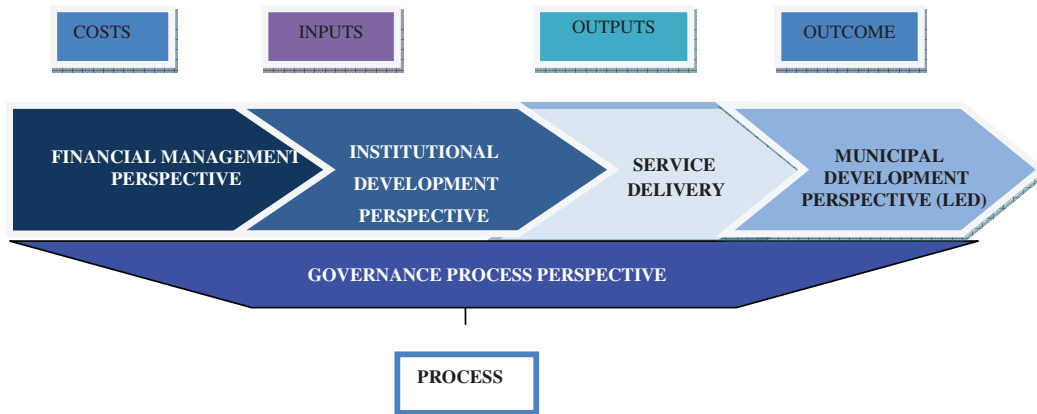


Figure 12: Schematic representation of the Municipal Scorecard Model

### 8.3 Key Performance Areas for the JGDM

The JGDM will make use of the five (5) Key Performance Areas for Local Government which are:

- Infrastructure Development and Service Delivery
- Local Economic Development;
- Municipal Financial Viability and Management;
- Municipal Transformation and Organizational Development; and
- Good Governance and Public Participation.

### 8.4 Key Performance Indicators and Targets

The strategic objectives, key performance indicators, and annual targets for the District which covers the 2011/12 financial year are as follows:

#### a) KPA 1: Infrastructure Development and Service Delivery

Strategic IDP Objective	Programme	Key Performance Indicators	Annual target	Outcomes of Government priority area
To maintain and expand water purification works and waste water treatment works in line with growing demand	Water and Sanitation Programme	% compliance with SANS 241 for drinking water quality	97%	Outcome 9
	Water and Sanitation Programme	% compliance with SANS 241 for effluent water quality	80%	
	Water and Sanitation Programme	Development of district water and sanitation refurbishment Master Plan by June 2012	Water and Sanitation Refurbishment Master Plan Developed.	Outcome 9

	Water and Sanitation Programme	% expenditure of appropriated budget on operation and maintenance of all waste water treatment works	100%	Outcome 6
To improve water and sanitation quality and ensure continuity of services	Water and Sanitation Programme	% expenditure of appropriated budget on operation and maintenance of all water purification works	100%	Outcome 6
	Water and Sanitation Programme	Number of blue drops achieved	2	Outcome 9
To develop and implement water management plans to reduce water losses	Water and Sanitation Programme	Development of Water Safety Plans for water system in each of the towns by June 2012	Water Safety Plans for Water Systems in two towns developed	Outcome 10
To implement the working for water and Working for wetlands programme	Water and Sanitation Programme	% expenditure of the budget for Working for Water as per the National financial year.	100%	Outcome 10
	Water and Sanitation Programme	% expenditure of the budget for Working for Wetlands as per the National financial year	100%	Outcome 10
To meet basic needs and eliminate backlogs in water and sanitation by 2014	Water and Sanitation Programme	Number of households provided with basic level of water in 2011/12 financial year		Outcome 9
	Water and Sanitation Programme	Number of households provided with basic level of sanitation in the 2011/12 financial year		Outcome 9
To improve municipal health services within the District	Access and linkages	% of formal urban waste sites evaluated	100%	Outcome 2 Outcome 2 and 9
	Access and linkages	% of formal food premises that were evaluated and issues with a certificate of acceptability	100%	Outcome 2
To develop a plan for electrification to facilitate improvement on access to electricity	Access and linkages	Development of Electrification Plan by April 2012	Electrification Plan Developed	Outcome 9
To improve maintenance of municipal road networks	Access and linkages	% expenditure of the budgeted appropriated in terms of the SLA with DoRT	100%	Outcome 6
To expand municipal services to rural nodes	Municipal Services upgrading	Signing of Fire Fighting SLAs with neighbouring district municipalities	Fire Fighting SLAs with neighbouring district municipalities signed	

#### KPA 2: Local Economic Development

IDP Objective	Programme	Key Performance Indicators	Annual target	Outcomes of Government priority area
To create job opportunities through Expanded Public Works programme,	Social Safety Net	Number of job opportunities created through EPWP		Outcome 2 and 4

Community Works Programme, LED and capital projects	Social Safety Net	% expenditure of the approved LED budget	100%	Outcome 7
	Social Safety Net	Number of jobs created through Community Works Programme and number of wards benefited		Outcome 9
	Social Safety Net	% of job opportunities created that are associated with functional cooperatives		Outcome 9
	Social Safety Net	Number of jobs created through local economic development initiatives including capital projects	200	National KPI
Promote home production to enhance food security	Social Safety Net	Number of agricultural initiatives implemented		Outcome 7
To plan for medium to long term development of the local economy	Social Safety Net	Growth and development Summit held	Growth and Development Summit held	Outcome 7
	Social Safety Net	% expenditure of the budget appropriated for Business retention and expansion	100%	Outcome 7
	Social Safety Net	% expenditure of budget appropriated for supporting establishment of JOGEDA	100%	Outcome 7
	Social Safety Net	Review of the LED Strategy	LED Strategy reviewed	Outcome 7
	Social Safety Net	% expenditure of budget appropriated for SMME development spent	100%	Outcome 7
To support rural development programme	Agricultural Programme	% expenditure of budget appropriated for rural development spent	100%	Outcome 7
To facilitate agricultural development and food security	Agricultural Programme	% expenditure of budget appropriated for agricultural development and food security spent	100%	Outcome 7
To facilitate development of the timber industry	Timber programme	% expenditure of budget appropriated for timber industry development spent	100%	Outcome 7
To facilitate development of the tourism industry	Tourism Programme	% expenditure of budget appropriated for tourism development spent	100%	Outcome 7

### KPA 3: Financial Viability and Management

IDP Objective	Programme	Key Performance Indicators	Annual target	Outcomes of Government priority area
To develop and implement annual budget	Governance programme	Development and approval of annual budget by end May	Annual Budget approved by May	Outcome 12
To obtain clean audit report by 2013	Governance programme	% resolution of audit issues identified by AG	100%	Outcome 9
	Governance programme	Attain unqualified Audit opinion	unqualified audit report obtained	Outcome 9
To improve procurement systems to eliminate corruption and ensure value for money	Governance programme	Annual review of Supply Chain Management policy	Supply Chain Management Policy reviewed	

	Governance programme	Review of Fraud and Anti-corruption Strategy	Fraud and anti-corruption strategy reviewed	Outcome 4 and 9
To improve financial management and reporting	Governance programme	% expenditure of all grants.	100%	Outcome 7
	Governance programme	Submission of MFMA Section 52, 66 and 71 and 72 reports to Council	MFMA Section 52, 66 and 71 and 72 reports submitted to Council	Outcome 12
	Governance programme	% of Opex budget actually spent on repairs and maintenance	100%	Outcome 9
	Governance programme	Preparation of Consolidated Annual Financial Statement	Consolidated Annual Financial Statement prepared	Outcome 12
	Governance programme	Conclude SLAs with WSAs	SLAs with WSAs concluded	
	Governance programme	Development of Investment Strategy	Investment Strategy developed	Outcome 9
	Governance programme	Review all financial policies	All financial policies reviewed	Outcome 9
	Governance programme	debt coverage ratio	4.00	Outcome 12
	Governance programme	cost coverage ratio	2.00	Outcome 12
	Governance programme	% Compliance with Finance Turn Around Strategy	100%	Outcome 9
	Governance programme	Development of Revenue enhancement Strategy	Revenue enhancement Strategy developed	Outcome 9
To ensure that capital budget is spent or committed before the end of June 2011	Governance programme	% of capital budget actually spent in terms of integrated development plan	100%	Outcome 9
To improve financial management and reporting	Governance and administration	% expenditure of budget appropriated for the Mayor's Discretionary Fund	100%	

#### KPA 4: Institutional Development and Transformation

IDP Objective	Programme	Key Performance Indicators	Annual target	Outcomes of Government priority area
Improved human resource capacity of the District	Governance and administration	% of budgeted vacant positions filled	100%	
	Governance and administration	Perform an internal organization / employee climate survey	Internal organisation / employee climate survey performed	
	Governance and administration	Number of intern and work experience programmes in municipalities	27	

	Governance and administration	% expenditure of the budget spent on implementing the workplace skills plan	100%	
	Governance and administration	% expenditure of budget appropriated for the Mayor's Bursary Fund	100%	
	Governance and administration	Number of people from employment equity target groups employed in 3 highest levels of management in compliance with a municipality's approved EE Plan	3 (2 African Females and 1 African male)	
	Governance and administration	Facilitate resolution of all transfers of staff for the water function	All water function staff to transferred from LMs to DM by December 2011	
	Governance and administration	% expenditure of the budget appropriated for the extension of the main office building	100% (R5 million spent)	
	Governance and administration	Number of scheduled Council meetings sitting	4	
	Governance and administration	Number of scheduled Mayoral Committee meetings sitting	4	
	Governance and administration	% of IT audit issues resolved	100%	
	Governance and administration	Annual review of Delegation Framework	Delegation Framework reviewed	

**e) KPA 5: Good Governance and Public Participation**

IDP Objective	Programme	Key Performance Indicators	Annual target	Outcomes of Government priority area
To strengthen internal control systems	Internal audit function capacitated	Number of Performance and Audit Committee sitting	4	Outcome 9
To manage and coordinate IDP processes within the District and local municipalities	Governance and administration	IDP and Budget Framework and Process Plan approved	IDP and Budget Framework and Process Plan approved	Outcome 9
	Governance and administration	IDP adopted by the Council	IDP adopted by the Council	Outcome 9
To develop and implement performance monitoring and management systems	Governance and administration	Compilation of Annual Performance report	Annual Performance report compiled	Outcome 12
	Governance and administration	Development of Annual Report	Annual Report developed	Outcome 12
	Governance and administration	Compilation of Mid-year Performance Report	Mid-year Performance Report Compiled	Outcome 12
	Governance and administration	Review of Performance Management Policy	Performance Management Policy reviewed	Outcome 12
	Governance and administration	SDBIP approved within 28 days after budget approval	SDBIP approved within 28 days after budget approval	Outcome 12



	Governance and administration	Conclude Performance Agreements of Section 57 Managers by July 2011	Performance Agreements of Section 57 Managers concluded by July 2011	
	Governance and administration	PMS cascaded to middle management	PMS cascaded to middle management	
	Governance and administration	Development of District-wide scorecard	District-wide scorecard developed	Outcome 12
To promote the District	Governance and administration	Development of Marketing and Branding Strategy	Marketing and Branding Strategy developed	Outcome 9
	Governance and administration	Number of cluster meetings	4	Outcome 9
To promote and facilitate inter-governmental relations	Governance and administration	Number of IDP Forum meetings	4	Outcome 9
	Governance and administration	Number of Traditional Leaders forum meetings	4	Outcome 9
	Governance and administration	Number of DIMAFU meetings	4	Outcome 9
To encourage and support ward committees to participation in municipal processes	Governance and administration	Ward Committee Summit held	Ward Committee Summit held	Outcome 9
To encourage participation of the communities in municipal processes	Governance and administration	Conduct Community Based Planning in each local municipality	Community Based Planning conducted in each local municipality	Outcome 9
	Governance and administration	Conduct Mayoral outreach programme in each local municipality	Mayoral outreach programme conducted in each local municipality	Outcome 9
To implement special programmes including HIV and AIDS programmes	Governance and administration	% expenditure of budget appropriated for special programmes including HIV and AIDS programmes	100%	Outcome 2

## 8.5 Different Scorecard Levels

In the 2011/12 financial year, the Joe Gqabi District Municipality will implement four (4) levels of the scorecard. These are a District-wide, an organisational, Departmental and Sectional Scorecards. Each of these levels is briefly described below.

### a) The Joe Gqabi District Wide Scorecard

The District Wide Scorecard will be used to report implementation progress on projects/programmes and activities of all spheres of government and social partners being implemented within JGDM area. This scorecard is for the whole of the JGDM area, meaning that annual service delivery implementations plans of all Sector Departments, local municipalities and partners within the District must provide their plans for incorporation and reporting.

The District will monitor this scorecard through presentation of reports to the IDP representative forum and the IGR structures. This should be a phased approach due to the fact that Sector departments do not submit information as success of this reporting tool will depend on availability of information, which is technically not within the control of the District.

## **b) The Institutional Scorecard**

The Institutional Scorecard will be used to measure performance of the District municipality in terms of implementation of the District's service delivery and budget implementation plan. The institutional scorecard will provide an overall picture of performance of Council as a whole, reflecting performance on its strategic priorities. This will also constitute the scorecard of the Chief Accounting Officer. This scorecard will be concerned with the overall performance of the Joe Gqabi District Municipality in relation to giving effect to objectives, key performance indicators and targets as defined in the Joe Gqabi Integrated Development Plan and budget. The format of the Institutional scorecard is attached as Appendix A.

The service delivery indicators and targets must be aligned to the twelve outcomes of Government as outlined in Circular 54 of National Treasury and the Provincial In line with the Programme of Action (POA) of the government, an outcomes based approach has been adopted. This resulted in twelve outcomes approved by the Cabinet to address the main strategic priorities of the government. Each outcome has a set of measurable outputs and clear targets. These outputs should be the strategic focus of all spheres of government between 2011 and 2014

The Municipal Manager will use it as a basis for reporting to the Executive Mayor, Council and the general public through quarterly reports, mid-year budget and performance and Annual Report. The Municipal Manager is primarily responsible for the performance on the Strategic Scorecard and it forms the largest component of how his performance will be managed.

## **c) The Departmental Scorecards**

The Departmental Scorecard will measure and monitor performance of the line Departments. This will also constitute the scorecard of the Directors. This provides a comprehensive picture of the activities of each department. It consists of objectives, indicators and targets derived from the institutional scorecard (which is also linked to the budget and the IDP). Performance in the form of a quarterly service scorecard will be reported to the Municipal Manager. This will happen quarterly.

## **d) Sectional Scorecards**

The Sectional Scorecard will measure and monitor performance of Sections within Departments. This will constitute the scorecard of the Unit Managers. Section heads within Departments will be reporting to the Directors. The compilation and report on the Sectional Scorecards will be considered at monthly and quarterly Section meetings or Departmental meetings constituted at least by the Director and Section Heads. The Chief Accounting Officer will be consulted prior to approval of Sectional Scorecard and will have the final approval authority. Section planning must be informed by the Strategic and Departmental Scorecards and performance reporting must feed into the same.

Sectional Scorecards will be monitored by the Section head. Performance in the form of a quarterly service scorecard will be reported to the Director of the Department. This will happen quarterly.

## **8.6 Performance Auditing**

The Office of the Chief Operations Officer will be required on an ongoing basis to co-ordinate and ensure good quality of reporting and reviews. It will be the responsibility of this Office to ensure conformity to reporting formats and check the reliability of reported information, where possible. In case of consistent unconformity and presentation of unreliable data, a report will be presented to the Chief Accounting Officer of the District for intervention.

Performance auditing will focus on:

- The reliability of reported information
- The extent of performance gaps from targets

- The reasons for performance gaps
- Appropriateness of reasons for variance and corrective actions

**a) Internal Auditing of Performance Measurements**

Council's internal audit function will be continuously involved in auditing the performance measurements of the municipality. As required by the regulations, the internal audit submits quarterly reports on their audit to the Municipal Manager and Performance and Audit Committee.

Currently the District has functional Audit Committee which has also been tasked with dealing performance information through a Resolution of Council. Detail and other matters are addressed under Section 8.

**b) Auditing of Performance Measurements by Performance and Audit Committee**

The District Performance and Audit Committee may communicate directly with the municipal Council, Municipal Manager or the Internal; and external auditors. The role of the audit committee will be to assess

- Review reports submitted by the Internal Audit
- Review the functionality of the municipality's performance management system and make recommendations to Council
- Review adherence of the system to the Municipal Systems Act
- Review the extent to which performance measurements are reliable
- At least twice during a financial year submit an Audit Report to the Municipal Council

## **SECTION 9: SECTOR PLANS**

This section outlines Sectoral Plans developed by the District recently and reviewed in the past few years. These have informed the various sectoral strategies contained in this document.

### **9.1 The Disaster Management Plan**

Joe Gqabi District Municipality embarked on a process of developing a District disaster management plan, with the assistance of suitably qualified service providers in the field. Subsequent to that a Generic Disaster Management Plan and a Corporate Disaster Management Plan was developed. At present the Joe Gqabi District Municipality continues to use the Generic Disaster Management Plan and the Corporate Disaster Management Plans to enforce its powers and conduct its duties in disaster management. The Joe Gqabi District Disaster Management Centre in 2006 has embarked on a process to develop and establish a Scientific Based and Proven District Disaster Management Plan, by how to identify, classify, ensure proper prevention, mitigation and response mechanisms should be arranged and managed by all stakeholders.

The Joe Gqabi District Disaster Management Centre in 2006 has embarked on a process to develop and establish a Scientific Based and Proven District Disaster Management Plan, by conducting a Scientific Disaster Risk Assessment throughout Joe Gqabi District Municipality. The process has been embarked upon solely to identify and quantify the various risks to which the District is exposed to, and develop strategies on how to identify, classify, ensure proper prevention, mitigation and response mechanisms should be arranged and managed by all stakeholders.

The outcome of the study will form an integral part of the District disaster management plan that will follow it.

### **9.2 Area Based Plan for Land Reform**

The Department of Land Affairs has come up with a new strategy for land reform, which conceptualizes land reform as a multi faceted process aimed at creating sustainable economic development and improving the quality of life of the previously disadvantaged. This strategy is a result of deliberations from the Land Summit held in 2005 which provided for an inclusive review of land and agrarian reform with a view to accelerate the pace of delivery. The land summit was subsequently incorporated by the Department of Land Affairs into GDS agreements. They have also provided funding and procured service providers to prepare these plans for the District Area. Area Based Plans are land plans for municipal areas that deal with the needs of land for economic development and transformation. The framework makes planning for land and agrarian reform central to the formulation of Integrated Development Plans by local government. Land reform must be informed by Integrated Development plans with implementation occurring at a municipal level. Alignment between sector Departments, parastatals and the municipal development agenda is critical in ensuring a holistic and sustainable development outcome from land and agrarian implementation programmes.

The Plan is aimed at redistributing 30% of land to the land less for development. The objectives of the plan are:

- Redistribute 30% of white-owned agricultural land by 2014 for sustainable agricultural development.
- Provide tenure security that creates socio-economic opportunities for people living and working on farms and in communal land areas
- Provide land for sustainable human settlements, industrial and economic development.
- Provide efficient land use and land administration services.
- Provide efficient State Land management that supports development.
- Provide skills development framework for land and agrarian reform to all relevant stakeholders

- Development programmes for the empowerment of women, children, people with disabilities and those living with HIV/ AIDS and older persons within the context of the Department's mandate

### 9.3 Integrated Transport Plan

According to the guidelines for the Preparation of Integrated Transport Plans in the Eastern Cape Province, the Joe Gqabi District Municipality is classified as a Type 2 Planning Authority and needs to prepare a District Integrated Transport Plan. Linked to this requirement the provincial Department of Roads and Transport has supported the Joe Gqabi District Municipality through preparing a transport plan in the past. This responsibility currently lies with the District Municipality for Direct implemented and funding thereof. The 2010/11 review of the ITP has been funded by the District.

The transport plan of the District covers, *inter alia*, backlogs, implementation plan in terms of the following aspects:

- Ranking facilities and
- Public Transport Facilities
- Rail infrastructure
- Road network aspects and maintenance
- Airfields
- Non-Motorized Transport, Pedestrian bridge infrastructure and street lighting –
- Freight Transport and Infrastructure
- Scholar Transport and Public transport facilities

### 9.4 Integrated Waste Management Plan

The District municipality have prioritized the review of the Waste Management Plan for 2009/10 financial year. Due to the lack of funds and the necessary capacity and support from the relevant Departments the review of this plan has delayed. Currently Waste Management Services (WMS) are rendered on a weekly basis to most of the residents in urban areas of the District by the four local municipalities, but there are substantial backlogs. Most backlogs occur in Elundini and Senqu. In Elundini, waste management services are rendered in the town of Mt Fletcher only to the commercial sector, and no residents enjoy WMS. In Ugie, areas such as Mandela Park, Soccer field, Dyoki and other former black areas similarly have no service. The same applies to certain residential areas in Maclear e.g. Vincent Park and Peter Mokaba. In Senqu, the biggest backlogs are found in Sterkspruit where only 268 houses have a regular WMS and the residents of some 2,300 other houses in and around the town is left to their own devices. In areas where waste management services are rendered, the collection and transportation aspects are done to a reasonable standard, although certain problems do occur with the disposal function, especially in the Elundini and Maletswai and certain areas of Gariep. The recycling programmes that exist within the District are in Elundini in Mt Fletcher and in Senqu in Sterkspruit

### 9.5 WATER SERVICES DEVELOPMENT PLAN

Progress has been made in JGDM area since the last draft of the WSDP (2005), but Water and Sanitation Services continues to face critical challenges. These include eradication of bucket system, basic water and sanitation services backlog, achieving the essential targets for reducing water demand, implementation of FBS, meeting the wastewater effluent standards and thereby reducing the impact on the water quality of urban rivers, asset management and ensuring that infrastructure is extended timeous to meet the development growth demands. Financial sustainability of the service is a particular challenge: ensuring full cost recovery and debt management at a fair tariff, and financing of capital investment. In order to optimally achieve this and thus meet key policy and legislative requirements, new and effective institutional arrangements and other strategies continue to be put in place.

The national Strategic Framework for Water Services, Sept 2003, is a critical policy document setting out the future approach to the provision of water services. Of the national targets set, the most critical for JGDM are:

- All people are to have access to functioning basic water supply by 2008, this has subsequently been changed to all people have access to some water by 2008 and all people has access to basic water supply by 2010
- All people are to have access to functioning basic sanitation by 2010
- Investment in water services infrastructure should total > 0,75% of GDP
- Annual reporting on key performance indicators to be started.

From the information contained in this WSDP, it is clear that in order to meet the above targets; additional grant funding will have to be sourced. The current estimated figures are much higher than the annual MIG allocations. Following the current trends, availability of Funding and resources, water and sanitation backlogs will only be eradicated by 2014.

## **9.6 PAVEMENT MANAGEMENT PLAN**

The pavement management system was developed in 2006 for all the streets in towns in the District. Conditions assessments were done on some of the existing streets and the software was subsequently loaded onto computers of the four local municipalities

The pavement management system was primarily provided to the local municipalities for planning purposes with regard to streets in town. There is a need that the PMS software be extended to capture condition of rural roads as well.

## **9.7 HIV AND AIDS PLAN**

Joe Gqabi District Municipality embarked on a process of Developing a multi-sectoral HIV and AIDS plan that seek to ensure:

- Collective identification of challenges, areas of great need, integration of programmes and involvement of all sectors in response to HIV and AIDS;
- The development of common approaches based on common and shared vision;
- The development of practical and realistic strategic implementation plans based on practical experiences of various role-players;
- Mobilization and identification of roles and responsibilities force various stakeholders; and

Improve sectoral collaboration and commitment with emphasis on implementation.

## **9.8 Joe Gqabi Women Development Plan**

The women Development Plan is in place as developed by the Joe Gqabi Women Economic Empowerment forum. The Council endorsed the plan in August 2007.

Its purpose is to set targets and guidelines to facilitate economic empowerment of women and to package support programmes for emerging women entrepreneurs within the area.

## **9.9 Communication Strategy**

Joe Gqabi District Municipality developed and approved a communication strategy in November 2008

The communication strategy has been developed in line with planned meetings that were arranged with the communicators from local municipalities. Some of the activities from the strategy were implemented with the assistance of both the Provincial and National governments. The Communications strategy was reviewed during this financial year. Part of the strategy involves the dissemination of information through CDWs and ward Councillors. The objectives of the communication strategy are to raise awareness amongst citizens in the District about initiatives aimed at bettering the lives of people through job creation, agrarian reform and poverty eradication programmes. To provide a framework for strengthened coordination and cooperation of various spheres and sectors of government and to ensure that all residences/communities of the District, especially the poor and rural, are part of, and participate in programmes aimed at

bettering their lives. The communication strategy outlines the stakeholders to be communicated with; the channels of communication, the time framed communication plan, the institutional arrangements and modes of communication. There is provision for engagement with communities through information days, political outreaches and support and assistance to local municipalities. Communication to the public is done through media (Takalane community radio stations coverage, which includes Maletswai, Gariep, Senqu and Elundini Community Radio Station. Unique Community Radio Station in Burgersdorp is operating and covering the Burgersdorp area of Gariep. Mayors have bought time slots and at times get community interest slots for free in all Community Radio Stations. The community Outreach Programme of the District is communicated through the community Radio.

#### **9.10 Workplace Skills Development Plan**

The institution has a Work Skills Development Plan in place. Joe Gqabi District Municipality submitted a work skills plan for 2010/11 financial year to the LGSITA, and the 2011/12 Work Place Skills plan is in place, awaiting submission on 30 June 2011. The plan identifies training needs aligned to the scarce skills and IDP implementation processes. The work place skills plan addresses the scarce skills. The scarce skills in this District mainly revolve around technical, planning, financial and environmental practitioners. To address the question of rewarding the scarce skills the contract option is resorted to ease the remuneration of such employees possessing these scarce skills. Additional incentives are being provided for in order to attract scarce skills like rental allowance.

#### **9.11 Employment Equity Plan**

Joe Gqabi District Municipality addresses the Employment Equity requirements through continuous assessment and improvement in employment equity and provides reports on constant improvements to the Council and the Department of labour. Departments within the municipality are required to align themselves with employment equity and as such recruitment processes are monitored in line with the employment equity requirements. The employment equity report is being submitted for perusal. The District municipality acknowledges the need to develop a comprehensive employment equity report and as soon as the resources become available, this plan will be developed.

#### **9.12 Human Resources and Institutional Development Plan**

The District Municipality has developed a Human Resource Strategy which will be adopted as a draft for comment on the 30 March 2010. The Human Resource Development Strategy was adopted to support a holistic approach to human resource training and development in JGDM and to enable it to actualize its constitutional mandate of ensuring creation of jobs. The HRD Strategy aims at regulating the development of competencies of staff through Education, Training and Development. The following programmes serve as a guide for the type of programmes that could be instituted to address the problem of skills shortage in the District among other activities: learnership, skills programmes, voluntary internships, specialized training to support relevant sectors and local organizations. The strategy seeks to address the institutional requirements and challenges in the short, medium and long term. The District Municipality has assessed its short to medium strategic and operational objectives (as contained in other sections of the IDP) and has developed an organogram which is believed would satisfy the functional needs of the institution.

#### **9.13 Tourism Plan**

The Joe Gqabi District Council has adopted a tourism plan for the region. Major tourist attractions for Joe Gqabi range from the scenic beauty of the District, Tiffendell the only mountain ski resort in SA, Aliwal hot SPA, to areas renowned for hunting, fishing, hiking, mountain biking and other adventure tourism activities. Tourism has been identified as a growth sector within Local Economic Development, and has the potential to increase economic opportunities, be a source of employment to many and lower poverty levels within the District. Thus, tourism is of vital importance to the District and has enormous potential for job creation with direct benefits to local



communities, as well as economic benefits for the region as a whole. Joe Gqabi has developed a tourism plan, which focuses on product development, marketing, infrastructure development, human resource development, enabling environment, the tourism marketing and development. The tourism strategy identifies the tourism products and the financial and human resources for the each financial year. The District tourism programmes budget is R38, 877,500 covering the next five financial years. R34 233, 000 out of R38 877,500 is the capital budget and the rest is the operational budget.

Tourism has been identified as growth sector in the LED and thus has the potential to increase economic opportunities, be a source of employment to many and lower poverty levels within the District. Thus, tourism is of vital importance to the District and has enormous potential for job creation with direct benefits to local communities, as well as economic benefits for the region as a whole. The proposed vision to drive the Joe Gqabi District Tourism Plan is

“To develop the Joe Gqabi District to become a leading tourist destination where all tourists can experience its unique natural and cultural heritage in a secure and unspoiled environment, and where the tourism sector operates in a coordinated, integrated and all inclusive manner for the benefit of all citizens”

The tourism objectives are amongst others the following:

- The establishment of tourism routes and tours, with a clustering of tourism products that explore the diverse natural and cultural heritage within the District
- Development of Meetings, Incentives, Conventions, Exhibitions and events tourism in the District
- Development of iconic products in the District to attract more tourists
- Develop the arts and crafts sector in the District
- Further develop and market cultural/heritage/historical attractions in the District
- Development of tourism service providers.
- Encouragement of budget tourism in the District
- Promote and assist the development of the Freedom Trail and the Freedom Challenge
- Promote adventure, nature based and sports tourism in the District.
- Development and promotion of rail tourism

The following programmes will be implemented

- Assist in tourism development along the Maloti Route.
- Facilitate the development of scenic and mountain pass routes in the District. The Joe Gqabi District has a number of scenic and mountain pass routes within its boundaries.
- Facilitate the development of a heritage tour within the District.
- The Joe Gqabi District has a diverse cultural heritage and the development of a heritage tour that encompasses all these unique cultures and histories could include the following:
- Anglo Boer war heritage, Freedom fighter history, San culture and heritage, Xhosa culture and heritage, Paleontology etc.
- Incorporate township tours into the tourism sector.
- Facilitate the development of historical, cultural and architectural walking tours within main towns within the District.
- Facilitate the establishment of yearly events, especially in low season months, and assist in the promotion of existing events in the District
- Facilitate the development of exhibition venues in the District.
- District to promote sports tourism products and sports events.
- Facilitate the development of more conference facilities in the District.
- Renewed development of the Aliwal North Spa.
- To develop mountain/alpine tourism in the District
- To facilitate the development of Lake Gariep as a key tourist destination in the District (Gariep Complex Project). Lake Gariep is the largest fresh water lake in South Africa and has significant potential for further
- Facilitate the development of craft hubs in the District. For more programmes, (please make a reference to the tourism plan).



## 9.14 Local Economic Development Strategy

It is worth stating that the District has supported the development of led plans for the four municipalities within the District area. The final LED Strategy for Joe Gqabi District Municipality has been adopted at the end of February 2010. The development of the District is based on the National Local Economic Development Framework, Growth and Development priorities as agreed upon by the social pact and compact, the PGDP pillars as well as the National Spatial Development Perspective principles. This is further entrenched in the activities of the clusters (government Departments, organs of the state and donors) and all the IGR structures operating in the District. The LED plan is based on the existing information emanating from the policies as reflected upon above.

The objective of the LED Strategy is e to contribute towards meeting the following targets:

- Reduce by 60-80% the number of households living below the poverty line
- Increase the number of jobs created locally through all municipal-run capital projects
- Increase the percentage of budget spent on implementing economic development programmes for a particular financial year in terms of the IDP
- Stimulate economic growth through government and private sector Investment
- Increase the proportion of development activities that take into account the interests of vulnerable groups (i.e. women, elderly, youth and the disabled)
- Increase the amount of funds injected to the District Municipality by sector Departments and other development agencies

The LED Strategy identifies the following projects

- Develop and implement District marketing and development plans around key sectors agriculture, Forestry, tourism, and skills development
- Value chain analysis around Tourism and other sectors
- SMME and Micro-enterprises Strategy
- District LED Support Structures (i.e. Tourism Organizations, Chambers of Commerce, Agricultural Associations)
- Local procurement and supply chain policies
- Tourism Routes
- Implement Tourism Sector Plan
- Expansion of EPWP (i.e. working for water, working for wetlands)
- Identify and support strategic partnerships
- CBD Revitalization in Primary Node and Secondary nodes
- Needs assessment of government Departments
- Signage

## 9.15 Environmental Management Plan

The District municipality developed an environmental plan in 2005 it was then adopted and currently is in the process of reviewing the plan. The Environmental management Plan covers:

*The Physical and Biophysical Environments (physiography, geology, soils, climate, hydrology and soil erosion, fauna and flora, the land use, land cover, land capability and conservation and the built environment).*

The information in the plan was provided to enable the identification of environmental aspects that cause impacts on the natural and social environment. The identification of cause and effect is an important step in developing an Environmental Management System, as it focuses attention on the specific components of the environment and/or human actions (or the lack thereof) that require some form of management intervention. This management would be required to either reduce or minimize any harmful effects on the environment, by ensuring that appropriate actions are taken, or it could be used to optimize or improve the current situation with respect to natural and other resource users.

The environmental management forum has been established. The environmental plan is currently being reviewed. An Environment Enabling the identification of environmental aspects

**Comment [FS29]:** Where is the info from the new environmental management plan

that cause impacts on the natural and social environment. The identification of cause and effect is an important step in developing an Environmental Management System, as it focuses attention on the specific components of the environment and/or human actions (or the lack thereof) that require some form of management intervention.

- Emergency Management System (EMS) is a formalized and structured framework that will enable an organization to improve its environmental performance through the systematic control and management of an organization's environmental risks and responsibilities. It assists organizations to:
- Formulate an environmental policy and prioritize environmental risks and responsibilities over which it has control;
- Develop action plans and procedures to respond to and manage significant environmental risks and responsibilities;
- Facilitates compliance with environmental policy and legislative requirements.
- Provides a framework for measuring progress in achieving better environmental performance

### 9.16 Agricultural Plan

The main farming activities on commonages and traditional land are sheep, goat and cattle farming. The contribution of these sectors is seldomly reflected in official data, but thousands of families depend on income from this sector. In the communal farming areas of the Elundini and Senqu local municipalities, maize production is very important out of a food security perspective. Due to the high rainfall in these areas, the potential for maize production is very good, but current production activities are such that low yields are obtained in the most instances. This is mainly due to a lack of funds with which to buy inputs as well as the absence of mechanization. The massive food program and Asgisa contributed much to increase production outputs the past few years. The main commodities produced in JGDM are wool, mutton, and meat (cattle) followed by grains (maize, soybeans, dry beans, wheat) in the Elundini District and ostriches in the Gariep District and game farming in !Gariep and Maletswai Districts. Commercial Agriculture in JGDM is very stable with few land transactions due to the low risk nature of farming.

A conservative estimate of GGP contribution from Agriculture shows that more than R1, 45 billion is contributed by agriculture. The survey amongst businesses in JGDM shows that out of their 2009 turnover of R1, 8 billion, agriculture contributes 72%. It is therefore clear that the economy of most towns depend on agriculture. Agriculture is the next largest employer and, as indicated in Table 9, provides 16.3% of formal jobs (Down from 24.1% in 1996). Alarming is the decline in agricultural jobs versus the increase in government jobs.

The composite competitive index for competitive advantage in Joe Gqabi District is low (43.55%), and only better than OR Tambo, and Alfred Ndzo in the Province. Within the District, Maletswai (52.45) and Gariep (55.44), display significantly more competitive capacity than Elundini (39.97) and Senqu (47.33), and are less poor. Unemployment is high at 60.4% and 82.94% of District residents live in poverty. Forty three per cent of the population live on less than R 1,000 per month. The main reason for the region's lack of competitive activity appears to be the dearth of basic services and economic infrastructure. Only 43.1% of the population has access to electricity and almost 60% of the population does not have access to reticulated water. Further constraints on the District's competitiveness include prevailing tenure insecurity and ambiguous tenure arrangements, which act as a deterrent to private sector investment and complicate public sector efforts to address the infrastructure backlog. There is a clear need for an approach to communal tenure that is conducive to attracting investment.

The municipal economies of Joe Gqabi District are highly concentrated. There is excessive reliance on two sectors - agriculture and government and community services. This renders these economies dependent on outside goods and services (sixty per cent of purchases are produced and manufactured outside of the region) and vulnerable to change. Gariep is the only municipality that does not rely on community services as the primary contributor to revenue and employment. Comparative advantage and associated opportunities do exist in the agricultural sector because of labour surpluses, pockets of fertile land under-utilised irrigation potential. An opportunity for new policies, projects and programs arises within regions, countries and globally, because of

substantial differences between comparative advantage and competitiveness. This means that activities elsewhere in the Province directly influence the decisions for new projects and investments in JGDM.

According to the 2003 official data, JGDM contributes about 2.6% to the total GGP of the Eastern Cape and that contribution declined to 2.34% for 2007 (URBAN-ECON, 2009).

The total of land transferred or sold to black farmers until 2010 is 2.528123 hectares of which 2.463, 581 is agricultural . The total number of transferred farms is 111 farms.

Summary of opportunities and recommendations for commercial agriculture

Opportunities	Action plans	Costs
Feedlot	Due-diligence Must be a private sector initiative. Municipality should provide enabling environment such as electricity, access to roads and services.	R100,000  Private sector investment of R45 mil.
Abattoir	Cost benefit analyses to either upgrade current smaller abattoirs or build large abattoir near proposed feedlot.	
Grain silos in Elundini	Due diligence of best method and place for storage. Also private sector investment. OVK or ECAC might be interested to invest. Asgisa also possible agent to drive process	R100,000  Private sector investment of R30 million depending size.
Grain mill	Investigate possibility of small mills in hands of small entrepreneurs or one large mill. Whatever the case; marketing of products should be of high quality and establish combined marketing Cooperative if micro mills option is followed. Again, a large mill should be privately owned.	Small mills R100,000 up to millions depending on size and additional infrastructure
Apple production at selected locations	Agree and adopt strategy to produce apples between private sector and investors. Obtain interest from commercial producers and or companies. Decide on action plans and prepare detailed business plans	Buss. Plan: R1 mil. Investment: R150, 000 per ha x 200 ha minimum = R30 mil. Small packhouse: R10 mil.
Agri tourism	<ul style="list-style-type: none"> <li>• Integrated planning</li> <li>• Develop routes</li> <li>• Branding of area</li> <li>• Upgrade facilities</li> </ul>	
Production of niche products such as berries or other high value produce for the export market	<ul style="list-style-type: none"> <li>• Identify markets</li> <li>• Develop business plans</li> <li>• Branding of region and products</li> </ul>	
Small scale processing for niche and processed products	<ul style="list-style-type: none"> <li>• Small-scale processing of wool, weaving of special products and marketing at international markets. Need for hand-made products are huge in Europe</li> </ul>	
Medicinal plants and essential oils	<ul style="list-style-type: none"> <li>• Explore possibilities, find markets and develop business plans for implementation</li> </ul>	

Cultivation methods adapted to new technology	<ul style="list-style-type: none"> <li>• Increase in fertilizer and high fuel prices increased inputs. Adoption of new technology such as minimum or no tillage on cultivated land should be promoted and implemented. This will increase biological activity in soil with net positive effect in long run – and reduction in input costs.</li> </ul>	
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### 9.17 Forestry Plan

The development of the Eastern Cape Forestry and Timber Processing sector has been identified as an ASGISA initiative and as being central to realizing the Provincial Growth and Development Plan (PGDP) targets of achieving a 6% growth rate and halving unemployment by 2014. The importance of the forestry and timber-processing sector for the rural Eastern Cape economy is also highlighted in other policy processes, including the National Industrial Policy Framework (NIPF), the Industrial Policy Action Plan (IPAP) as well as the Regional Industrial Development Strategy for the Eastern Cape.

The Joe Gqabi Municipal District has the potential to play a key role in the Eastern Cape Forestry and Timber Processing sector. In the Elundini Local Municipal area 25,500 hectares is already under plantation forestry, while the Strategic Environmental Assessment for the Umzimvubu Basin identified a further 24,000 hectares as having a high potential for forestry in this area<sup>1</sup>. The construction by PG Bison of a major timber processing plant at Ugie that opened in 2008 has firmly established a forestry market in the area.

### 9.18 SMMEs and Cooperatives Development Strategy

#### Potential for New Afforestation

The eastern portion of the Eastern Cape has large areas which are biophysically suitable for commercial forestry. In 2003, the former DWAF (now DAFF) commissioned a Strategic Environmental Assessment (SEA) of areas that are biophysically suitable for forestry in Water Management Area 12 (WMA12) (Umzimvubu – Keiskamma). This area covers large portions of the District municipalities of Amathole, Joe Gqabi, Alfred Nzo, O. R. Tambo and Chris Hani.

**SUMMARY OF SECTOR PLAN RELATED INFORMATION**

NO	SECTOR PLANS & POLICIES	STATUS OF THE PLAN	YEAR OF REVIEW	COUNCIL APPROVAL
1	SPATIAL DEVELOPMENT FRAMEWORK	REVIEWED	2009	YES
2	THE DISASTER MANAGEMENT PLAN	OLD		YES
3	AREA BASED PLAN (ABP) FOR LAND REFORM	New	2010	YES
4	INTEGRATED TRANSPORT PLAN (ITP)	New	2009	YES
5	TOURISM PLAN	New	2010	Yes
6	ENVIRONMENTAL MANAGEMENT PLAN	REVIEW IN PROGRESS	2009	YES
7	WATER SERVICES DEVELOPMENT PLAN (WSDP)	New	2009	YES
8	INTEGRATED WASTE MANAGEMENT PLAN	BEING REVIEWED	2004	Yes
9	PAVEMENT PLAN	DEVELOPED	2005	YES
10	PUBLIC PARTICIPATION STRATEGY		2008	Yes
11	HIV AND AIDS PLAN	New	2011	YES
12	JOE GQABI WOMEN'S DEVELOPMENT	New	2008	YES
13	COMMUNICATION STRATEGY	New	2008	YES
14	WORKPLACE SKILLS DEVELOPMENT PLAN	REVIEWED	2008	YES
15	GENDER MAINSTREAMING STRATEGY	New	2011	Yes
16	SOUTHERN DRAKENSBERG SUSTAINABLE PLAN		2005	Yes
17	EMPLOYMENT EQUITY PLAN	REVIEWED	2010	YES
18	HUMAN RESOURCES AND INSTITUTIONAL DEVELOPMENT PLAN	UNDER PREPARATION		
19	PERFORMANCE MANAGEMENT PLAN	REVIEW	2011	Yes
20	RECRUITMENT, SELECTION STRATEGY	New	2011	YES
21	SCARCE SKILLS AND RETENTION STRATEGY	New	2011	YES
22	SUCCESSION PLAN	New	2011	YES
24	ORGANIZATIONAL PERFORMANCE MANAGEMENT SYSTEM	New	2011	YES
25	EMPLOYEE ASSISTANCE PROGRAMME	New	2011	YES
26	TOURISM STRATEGY	NEW	2010	YES
27	OCCUPATIONAL HEALTH AND SAFETY PLAN	New	2011	YES
28	ANTI CORRUPTION STRATEGY	REVIEWED	2011	YES
29	ORGANIZATIONAL STRUCTURE	REVIEWED	2011	YES
30	LED STRATEGY	New	2009	YES
31	BRAKENSBERG HIGH ALTITUDE PLAN		2005	YES
32	COMPREHENSIVE INFRASTRUCTURE PLAN	New	2009	YES
34	HR, FINANCE POLICIES		2011	YES
35	HIGH LEVEL AND DETAILED BUDGET		2011	YES
36	PROCESS PLAN AND FRAMEWORK PLAN		2010	YES
37	DELEGATION FRAMEWORK	NEW	2010	YES
38	SDBIP		2011	YES
40	AGRICULTURAL PLAN	New	2011	YES
41	FORESTRY PLAN	New	2011	YES
42	ENVIRONMENTAL MANAGEMENT PLAN	BEING REVIEWED	2008	YES
43	JGDM WOMENS DEVELOPMENT PLAN	OLD	2008	Yes