



LOCAL MUNICIPALITIES



*Umkhanyakude District Municipality
Integrated Development Plan (IDP) Annual Review for 2011/12
FINAL*

Office of the Municipal Manager: IDP/PMS Unit

Tel: 035 573 8613 Fax: 053 573 8730

Harlingen No. 13433, Kingfisher Road, Mkhuze, 3965

"To meet the basic needs & improve quality of the community in a democratic and sustainable manner"

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PHASE 00: INTRODUCTION

1. INTRODUCTION AND OVERVIEW

Umkhanyakude District Municipality is located in the far North of KwaZulu-Natal Province, South Africa (**Latitude 27°37'21.63"S, Longitude 32°01'47.14"E**). At 12 818 km² and with a population totaling 614 046, the District is the 2nd largest District in KwaZulu-Natal, in terms of size, behind its neighbouring District, Zululand District Municipality. On one hand the District shares its borders with Swaziland and Mozambique, and on the other, with other Districts, i.e. Zululand and uThungulu District Municipalities. The Isimangaliso Wetland Park encompasses the entire coastline. The District is one of the poorest not only in the Province but also in the country. The Map below indicates the boundaries of the 5 local municipalities and the District Management Area (DMA) (ZDMA 27) within the Umkhanyakude District. The District consists of the following municipalities:

- Umhlabuyalingana Municipality - KZ 271 3693 km²
- Jozini Municipality - KZ 272 3082 km²
- The Big 5 False Bay Municipality - KZ 273 1191 km²
- Hlabisa Municipality - KZ 274 1417 km²
- Mtubatuba Municipality - KZ 275 705 km²
- The District Management Area (KZDMA27), which is 2760 km²

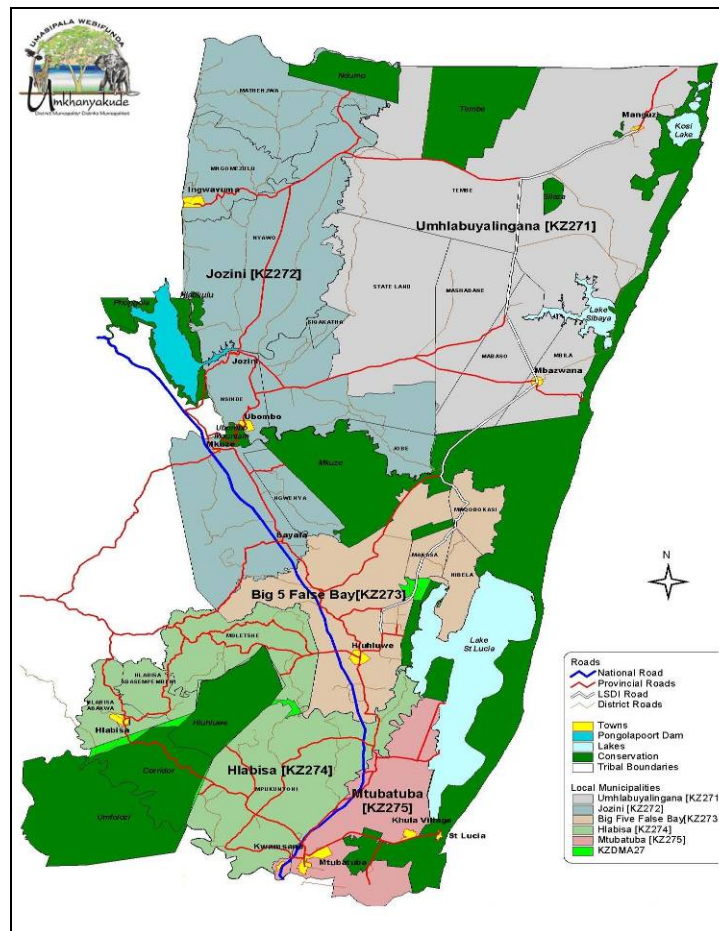


Figure 1: DC 27 Map

1.1. Municipal Boundary Shifts

The Municipal Demarcation Board (MDB) has completed the process to prepare for the wards delimitation, which would be effective after the expiry of the term of office for the current municipal Councils (2 March 2011). The upcoming local government elections in 2011 would be based on new wards demarcation. As such, major shift in municipal boundaries is inevitable for Umkhanyakude District Family of municipalities, wherein:

- 1) The DMA, currently under the jurisdiction of the District, will cease to exist, and will be geographically split among three (3), i.e. The Big Five False Bay; Mtubatuba and Umhlabuyalingana municipalities; and
- 2) Areas to be integrated in KZ 273 include the portion of the DMA; portion of kwa-Jobe; Portion of Mbazwana (South). Regarding Hlabisa and Mtubatuba, Hlabisa will surrender all its Mpukunyoni wards (12 wards), which will be amalgamated to Mtubatuba. Hlabisa will only be left with eight wards, which translates to 16 councilors for Hlabisa. Such an occurrence will see Hlabisa losing most of its population because the most populated wards at the Municipality are Mpukunyoni wards. Furthermore as far as Mtubatuba is concerned another positive note is that the DMA boundary cutting through Dukuduku area will vanish. Presently, half the population of Dukuduku falls under the DMA and they vote in Ward 4.

Therefore a new map indicating new municipal boundaries, and new population figures as per local municipalities would be provided in the final document. In terms of the new municipal ward demarcation, Umkhanyakude District family of municipalities would be as follows:

Figure 2: Effects of Municipal Boundary shift within DC 27

MUNICIPALITY	No. of COUNCILLORS (2011)	No. of WARDS (2011)
KZ271	34	17
KZ272	40	20
KZ273	07	04
KZ274	16	08
KZ275	38	19
DC 27	29	00

This document is structured into thirteen (13) Chapters:

Chapter 1: Looks at the overview of the District Municipality. It also touches on the municipal boundary shift.

Chapter 2: Focuses on the Review Process. It focuses on institutional arrangements that drives the IDP process; comments from the MEC (COGTA). It also outlines National Delivery agreements, specifically delivery outcome 12 in respect of local government. Public participation also forms part of this chapter.

Chapter 3: Focuses on the key development analysis that informs all planning in the District, and provides a glimpse of the socio-economic profile of the Umkhanyakude region. Service levels; levels of unemployment etc are outlined in this chapter. Analyses in this chapter is structured and presented in terms of Key Performance Areas (KPAs). This is because the OPMS is based on the KPA model. The chapter then concludes by outlining the District-wide priority issues.

Chapter 4: Speaks to the heart of the IDP and highlights the vision, mission, and values of the Municipality. It looks at issues that inform the strategic focus.

Chapter 5: Outlines strategic objectives of Council. This chapter also outlines the link/alignment of District's strategic objectives to key national plans.

Chapter 6: Outlines the Spatial Development Framework of the District.

Chapter 7: Highlights the District's disaster management plan.

Chapter 8: Looks at the implementation plan. It also highlights projects that seek to address the needs identified in Chapter 3. These projects are linked to seven Key Performance areas.

Chapter 9: Outlines the District Municipality's financial plan

Chapter 10: Looks at the status quo of various sector plans. It also focuses on integration of projects and activities within the Municipality; between the District and the five local municipalities; and between the District and sector departments and other stakeholders. It also looks at the status quo of various sector plans

Chapter 11: Focuses on Sector Departments' involvement and support to the Municipality. It also outlines, where possible the 3-5 years programme for the respective departments in the District

Chapter 12: Outlines the District 2011/2012 Organizational Performance Management System (OPMS)

Chapter 13: Concludes by looking at the Draft Service Delivery and Budget Implementation Plan (SDBIP) for 2011/2012

Annexure list is at the end of the document.

2: IDP REVIEW PROCESS

The IDP is the five year strategic plan to advance development in the District municipal area. Development cuts across human, physical and economic aspects. The IDP is also the tool to co-ordinate actions across sectors and spheres of government. After the IDP 5 (five) year plan is drafted, it has to be reviewed annually.

This document represents the last review of the 2006-2011 Integrated Development Plan (IDP) of the Umkhanyakude District Municipality and is drafted in compliance with section 34 of the Municipal Systems Act (Act 32 of 2000).

Section 34 of the said Act stipulates that:

A Municipal Council:

(a) Must review its Integrated Development Plan-

i) Annually in accordance with an assessment of its performance measurements in terms of section 4; and

ii) To the extent that changing circumstances so demand; and

(b) May amend its Integrated Development plan in accordance with a prescribed process.

2.1. CONTEXT OF 2011/2012 IDP REVIEW

This review coincides with the end of the term of office for the current municipal council. A term for the new council will commence immediately after the upcoming local government elections (date not yet confirmed). This implies that the IDP Review and process would on one hand, be driven by the outgoing council and on the other hand, by the newly elected council.

2.1.1. The Existing/Outgoing Council

IDP Work done just Prior to 2011 local government elections:

1. Municipality would have started the Review of its 2006 IDP by adopting a Process Plan in July/August 2010
2. In line with that Process Plan,
 - The status Quo analysis would have been updated
 - Public Participation would have been done
 - Development strategies would have been reviewed
 - Consultation with various stakeholders and Government Departments would have been done
 - A draft Reviewed IDP would have been noted by council in March 2011

2.1.2. The Newly Elected Council

IDP Work to be done Post 2011 local government elections:

1. Would review an existing Draft IDP and consider it as an interim Plan of new council
2. Effect urgent and necessary adjustments such as those caused by the shift of boundaries
3. Undertake a Final Public Participation Process including the 21 Day Public Notice in terms of Municipal Systems Act
4. Adoption of the Reviewed Plan whose implementation period is effective from 1 July 2011 to 30 Jun 2012.
5. The municipal manager of a Municipality must submit a copy of the integrated development plan as adopted by the council of the Municipality, and any subsequent amendment to the plan, to the MEC for local government in the province within 10 days of the adoption or amendment of the plan.

2.2. BASIS FOR 2011/2012 IDP REVIEW PROCESS

The preparation and review of the IDP is a continuous process providing a frame for development planning activities in the District. As such the IDP is not only annually assessed in terms of delivery and the prevailing conditions in the Municipality, but also improved upon each and every year. The following aspects informed the 2011/2012 IDP Review process:

- Responding on the Outcome Delivery Agreement (Outcome: 12) and its seven (7) outputs, as signed by the Minister (COGTA); all nine (9) Provincial COGTA MECs and all Mayors on the 1st of October 2010;
- Responding to issues raised during the provincial and own assessments (SWOT);
- Responding to the comments and issues raised by the MEC for COGTA (KZN) on the 2010/2011 IDP;
- Responding to issues identified as part of the Municipal Turnaround Strategy;
- Reviewing the current vision, mission, objectives, strategies, programmes and projects;
- Alignment of IDP, Budget and PMS activities of the District with those of the local municipalities
- Updating baseline information to ensure sound decision-making in addressing service delivery gaps;
- Strengthening focused community and stakeholder participation in the IDP processes; and
- Aligning Sector Departments' strategic plans to the District-wide priorities and service delivery programmes.

This IDP document has also been informed and is aligned to the following strategic documents and National and Provincial strategic objectives:

- The National Spatial Development Framework (NSDP);
- Millennium Development Goals;
- Medium Term Strategic Framework;
- Provincial Growth and Development Strategy;
- Municipal Turnaround Strategy; and
- National Delivery Outcome Agreements (especially outcome nine (9) in relation to Local government and municipalities).

2.2.1. The National Spatial Development Framework (NSDP)

The National Spatial Development Framework (NSDP) is based on the following principles:

Principle 1: Rapid Economic Growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, amongst which poverty alleviation is key.

Principle 2: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.

Principle 3: Beyond Principle 2 above, Government Spending on fixed investment should be focused on localities of economic growth and/or economic potential, in order to gear up private sector investment, stimulate Economic activities and create long-term employment opportunities.

Principle 4: Focus on people, not places, in efforts to address past and current social inequalities.

Principle 5: In order to overcome the spatial distortions of Apartheid, future settlements and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centres.

2.2.3. The Provincial Growth and Development Strategy (PGDS)

The Provincial Growth & Development Strategy (PGDS) is based on the following programmes:

Programme 1: Governance and Administration: A People-focused, responsive, accountable and efficient governance delivering timely and quality sustainable services.

Programme 2: Economic Development: Improve economic growth and development; increase formal jobs and enhance skills development.

Programme 3: Community and Social Infrastructure: Maintain and increase the provision of sustainable, integrated basic service infrastructure development.

Programme 4: Human Capacity Development: Improve and invest in skills and education to develop provincial Human Capacity

Programme 5: Health & Social Support: Improve the livelihoods of the poor, reduce vulnerability to infectious diseases (especially HIV & AIDS), healthcare services; provide social safety nets and build unified, safe communities

Programme 6: Crosscutting Priorities: HIV/AIDS and SMME development; Sustainable environment, Human Rights, Integration, Capacity building; Innovation and technology; Poverty alleviation, and Risk Management.

2.2.4. The Millennium Development Goals (MDG)

South Africa is a signatory of the Millennium Development Goals with other concerned countries.

The Millennium Development Goals (MDG) initiative was aimed at attaining the following goals. Each goal has specific target (s):

Goal 1: Eradicate Extreme Poverty & Hunger

Target 1: Halve between 1990 and 2015 the proportion of people whose income is less than 1\$ per day.

Target 2: Halve between 1990 and 2015 the proportion of people who suffer from hunger

Goal 2: Achieve Universal Primary Education

Target 3: Ensure that by 2015, children everywhere, boys & girls alike, will be able to complete a full course of primary schooling

Goal 3: Promote gender equality & Empower Women

Target 4: Eliminate gender disparity in Primary and secondary education, preferably by 2005 and in all levels of education by no later than 2015

Goal 4: Reduce Child Mortality

Target 5: Reduce the under-five year child mortality rate by two thirds, between 1990 and 2015

Goal 5: Improve Maternal Health

Target 6: Reduce the maternal Mortality ratio by two thirds, between 1990 and 2015

Goal 6: Combat HIV/AIDS, Malaria and other diseases

Target 7: Have halted and began to reverse the spread of HIV/AIDS by 2015

Target 8: Have halted and began to reverse the spread of malaria and other infectious diseases by 2015

Goal 7: Ensure Environmental Sustainability

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

Target 10: Halve the proportion of people without sustainable access to safe drinking water & sanitation by 2015

Target 11: By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers

Goal 8: Develop a Global Partnership For development

Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system, including a commitment to good governance, development and poverty reduction, both Nationally & Internationally

Target 13: Address the special needs of the least Developed Countries, including tariff- and quota free access for Least Developed Countries exports, enhanced programme of debt relief for heavily indebted poor countries and cancellation of official bilateral debt and more generous official development assistance for countries committed to poverty reduction

2.2.5. The Medium-Term Strategic Framework (MTSF)

Section 152 (1) of the Constitution of the Republic of South Africa (1996) states that 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 organizations in the matters of local government.

Section 152(2) prescribes that a Municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

Section 153 determines that to fulfill its developmental duties 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.

This implies that the local sphere of government should align its strategies and priorities to that of national and provincial government. A number of key documents and role players influence the setting of strategies and priorities within municipalities.

The Medium Term Strategic Framework (MTSF) which outlines the priorities, strategic objectives and targets of government for the period 2009 – 2014, indicates National Government’s Strategic intent to improve the quality of life of South African communities. An extraction of these priorities as provided in a document issued by the Office of the

Presidency: *Together Doing More and Better Medium Term Strategic Framework: A framework to guide government's programmes in the electoral mandate period (2009-2014)*¹, can be summarized as follows:

- **Strategic Priority 1:** Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.
- **Strategic Priority 2:** Massive programme to build economic and social infrastructure.
- **Strategic priority 3:** Comprehensive rural development strategy linked to land and agrarian reform and food security.
- **Strategic Priority 4:** Strengthen the skills and human resource base.
- **Strategic Priority 5:** Improve the health profile of all South Africans
- **Strategic Priority 6:** Intensify the fight against crime and corruption.
- **Strategic Priority 7:** Build cohesive, caring and sustainable communities.
- **Strategic Priority 8:** Pursuing African advancement and enhanced international cooperation.
- **Strategic Priority 9:** Sustainable Resource Management and use.
- **Strategic Priority 10:** Building a developmental state including improvement of public services and strengthening democratic institutions.

In addition to the above, the Office of the Presidency published the *Green Paper on National Strategic Planning* (2009)² which provides ideas on planning and co-ordination with the aim of achieving the identified national priorities. In relation to the above, the South African government is taking drastic steps toward improving strategic planning, performance and monitoring within all spheres of government. This was symbolized by its decision to establish the following two crucial institutions:

- National Planning Commission – to do the overall planning and give direction to all spheres of government
- Performance Monitoring, Evaluation and Administration in the Office of the Presidency – to monitor and evaluate the performance of government in all three spheres.

At the onset of the fourth democratic government, The Department of Provincial & Local Government was re-structured as the Department of Co-operative Governance and Traditional Affairs (COGTA). In terms of the Green Paper COGTA is placed at the centre of Government as a key partner to the National Planning Commission and the Monitoring and Evaluation Unit in the Presidency. COGTA is further responsible for aligning its priorities to that of National Government. Its key priority areas as set out in the MTSF and Strategic Plan 2009-2014³ include:

- Building the Developmental State in Provincial and Local Government that is efficient, effective and responsive.
- Strengthen Accountability and Clean Government.
- Accelerating Service Delivery and supporting the vulnerable.
- Improving the Developmental Capability of the Institution of Traditional Leadership.
- Fostering Development Partnerships, Social Cohesion and community mobilization.

¹ The Presidency Republic of South Africa. 2009. Together doing more and better. Medium term strategic framework. Available at: http://www.thepresidency.gov.za/docs/pcsa/planning/mtsf_july09.pdf

² The Presidency. Republic of South Africa. 2009. Green Paper: National Strategic Planning. Available at: <http://www.thepresidency.gov.za>.

³ Department Cooperative Governance and Traditional Affairs. 2009. Strategic Plan FY 2009-2014. Available at: http://www.thedplg.gov.za/index.php?option=com_docman&task=cat_view&gid=118&Itemid=27

2.2.6. The Local Government Turnaround Strategy (LGAS)

Cabinet approved a comprehensive Local Government Turnaround Strategy (LGAS) on the 2nd of December 2009⁴.

The **five strategic objectives** of the LGAS are to:

1. *Ensure that municipalities **meet basic needs** of communities.* This implies that an environment is created, support provided and systems built to accelerate quality service delivery within the context of each Municipality's conditions and needs;
2. *Build **clean, responsive and accountable** local government.* Make sure that systems and structures and procedures are developed and enforced to deal with corruption, maladministration and ensure that municipalities communicate and account more to communities;
3. *Improve **functionality, performance and professionalism** in municipalities.* Ensure that the core administrative and institutional systems are in place and are operational to improve performance;
4. *Improve **national and provincial policy, support and oversight to local government**;* and
5. *Strengthen **partnerships** between local government, communities and civil society.* Ensure that communities and other development partners are mobilized to partner with municipalities in service delivery and development.

The progress report on the Umkhanyakude's Municipal Turnaround Strategy is available as annexure 3 to this document.

2.2.7. National Outcome Delivery Agreements

Government has agreed on 12 outcomes as a key focus of work between now and 2014. Each outcome has a limited number of measurable outputs with targets. Each output is linked to a set of activities that will help achieve the targets and contribute to the outcome. Each of the 12 outcomes has a delivery agreement which in most cases involves all spheres of government and a range of partners outside government. Combined, these agreements reflect government's delivery and implementation plans for its foremost priorities.

Each outcome has been broken into various outputs that stipulate activities to be undertaken towards the achievement of a particular outcome.

The 12 National Outcome Delivery Agreements are as follows:

Outcome 1: *Improved quality of basic education;*

Outcome 2: *A long and healthy life for all South Africans*

Outcome 3: *All South Africans should be and feel safe; there should be decent employment through inclusive growth*

Outcome 4: *Decent Employment through Inclusive Economic Growth;*

Outcome 5: *An efficient, competitive and responsive economic infrastructure network;*

Outcome 6: *There should be vibrant, equitable, sustainable rural communities with food security for all;*

Outcome 7: *Vibrant, equitable and sustainable rural communities with food security for all.*

Outcome 8: *Sustainable Human Settlements and Improved Quality of Household Life*

Outcome 9: *A responsive, accountable, effective and efficient Local Government System.*

Outcome 10: *environmental assets and natural resources that are valued, protected and continually enhanced*

⁴ Department Cooperative Governance and Traditional Affairs' Local Government Turnaround Strategy, November 2009. Available at: http://www.dplg.gov.za/index.php?option=com_docman&task=doc_download&gid=476

Outcome 11: *Create a better South Africa and contribute to a better and safer Africa and World;* and

Outcome 12: *An efficient, effective and development oriented Public Service and An empowered, fair and inclusive citizenship.*

The outcome as the Department Of Co-operative Governance and Traditional Affairs (National and Provincial departments) and all municipalities is Outcome 9: **A responsive, accountable, effective and efficient local government system.** Notwithstanding; all National Outcome Delivery Agreements talk to local government, due to an understanding that local government is where the tyre hits the road on service delivery. It is therefore crucial that there should be thorough coordination and alignment between local municipalities and sector departments towards the realization and attainment of the targeted results.

Outcome 9 has been broken down into seven (7) outputs:

Output 1: Implement a differentiated approach to municipal financing, planning and support

Output 2: Improving access to basic services.

Output 3: Implementation of the Community Work Programme

Output 4: Actions supportive of the human settlement outcome

Output 5: Deepen democracy through a refined Ward Committee model

Output 6: Administrative and financial capability

Output 7: Single window of coordination

The effective implementation of the service delivery agreement will assist in achieving the following imperatives:

- Creating a radical paradigm shift in the management of the public service by aligning service delivery with the values and needs of the public;
- Ensuring a focus on customer value proposition which should entail evaluation of service delivery through the eyes of the customer;
- Providing strong feedback mechanisms on quality and timeliness of service delivery.
- Creating of strong public/private partnerships through involvement of the private sector and civil society in the broad process of policy determination and implementation,
- Unprecedented improvement of the image of government in the eyes of the public by enthusiastically embracing and supporting the process and culture of performance.

Through the service delivery agreement; COGTA and municipalities commit to the following:

- The extension of basic services which include water, sanitation, electricity and waste Management;
- Creation of job opportunities by 2014 through the Community Works Programme;
- Transformation of administrative and financial systems in the municipalities which includes Supply Chain Management and the integration and streamlining all of our internal software systems to ensure uniformity, linkages and value for money;
- The filling of six critical senior municipal posts in various municipalities namely Municipal Manager, Chief Financial Officer, Town Engineer, Town Planner, Human Resources Manager and Communications manager as the basic minimum for every Municipality;
- That all municipalities in the province will achieve clean audits by 2014;
- Building municipal capacity to enable municipalities to collect 90% of their revenues;
- Strengthening the organizational performance management systems for improved service delivery and accountability to the communities;
- Improving our interaction with the institutions of traditional leaders and integrating the ward-based system of planning and governance with the programme of traditional councils, where they exist.

These talk to the five (5) National Key performance Areas (KPA's) and should form basis for every Municipality's strategic objectives.

Through the service delivery agreement; the Honorable Mayor of all municipalities commit themselves to the following:

- That they will play their role as outlined in the Municipal Finance Management Act by monitoring the prudent management and utilization of their municipal finances;
- That they will monitor the execution of their municipal Service Delivery and Budget Implementation Plans (SDBIPs) for improved and accelerated service delivery;
- That they will take personal responsibility and accountability for non-delivery to communities;
- That they will ensure every rand spent in their municipalities does what it is earmarked for;
- That they will advocate and actively work towards corrupt-free municipalities;
- That they will lead by example in their various communities by adhering to ethical standards and professional conduct in their public and private lives;
- That they will render unwavering support to the effective functionality of their newly established Municipal Public Accounts Committees and Audit Committees to ensure that corruption, fraud and mismanagement is uprooted
- That, working with our esteemed traditional leaders, they will work tirelessly in restoring the confidence of the people in the system of local government as we move towards the 2011 local elections.

2.3. COMMENTS FROM THE MEC ON 2010/2011 INTEGRATED DEVELOPMENT PLAN

Umkhanyakude District Municipality once again received positive feedback from Ms. N. Dube (MEC for Co-operative Governance and Traditional Affairs). However it is believed that such feedback and comments do not match the overall rating achieved by the District. Upon reading the comments by the MEC, one would be forgiven to expect improved ratings in as far as 2010/2011 IDP compared to 2009/2010 IDP is concerned.

The District will, however continue responding not only to the MEC's comments, and also to comments/inputs by other stakeholders towards the compilation and production of a credible IDP.

The MEC's comments were based on the following National Key Performance Areas:

- Municipal Transformation and Institutional Development;
- Local Economic Development;
- Basic Service Delivery and Infrastructure Investment;
- Financial Viability and Financial Management;
- Good Governance and Community Participation; and
- Spatial Development Framework.

The following outlines and deals with the concerns raised by the MEC regarding the District's IDP (2010/2011). While the District intends maintain the positive aspects identified by the MEC; it also intends addressing the negative

MEC's COMMENT	UMKHANYAKUDE DISTRICT MUNICIPALITY's RESPONSE
KPA 1. MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	
<p>While the District Municipality was commended at the way it presented its Organizational Performance Management System (OPMS); however it was requested to provide a report on the monitoring results emanating from the system in the 2011/2012 IDP Review. The MEC indicated that she would like to see the following issues addressed by the Municipality:</p> <ul style="list-style-type: none"> ➤ Filling of vacant and critical posts; and ➤ The status quo of anti-corruption policy 	<p>The full results for the 2010/2011 OPMS will be outlined in the final documents. The said financial year is in its 3rd quarter; hence we rather wait for the end of the financial year before we could have a clear picture.</p> <p>The municipal Manager post has been filled. The advert for a CFO post has also been issued. In terms of 2011/2012 OPMS, one of the activities would be to fill critical vacant posts. The target is to fill 20 of those posts by the end of the financial year.</p> <p>The development of an anti-corruption strategy is one of the main activities. The intention is to have the policy by the end of the 2nd quarter.</p>

MEC's COMMENT	UMKHANYAKUDE DISTRICT MUNICIPALITY's RESPONSE
KPA 2. LOCAL ECONOMIC DEVELOPMENT	
<p>It is recommended that the LED strategies be aligned with the PGDS and PSEDS. It is strongly recommended that the District fills the vacant post of the LED Manager.</p>	<p>The recommendation regarding LED strategies is noted. In terms of the Municipal turnaround strategy, DC 27 should recall Planning, Social & Economic Development Director: Ms. J.K. Bhengu from Umhlosinga Development Agency. As such Ms Bhengu will be recalled by the end of the current FY (2010/2011).</p>
KPA 3. BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT	
<p>The is no clear reference to the housing sector plans of the constituent local municipalities in IDP to support the identification of regional infrastructure and other implications of housing delivery.</p>	<p>The comments have been noted and addressed in the current IDP.</p>

MEC's COMMENT	UMKHANYAKUDE DISTRICT MUNICIPALITY's RESPONSE
KPA 4. FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	
<p>DC 27 is requested to include a detailed three-year capital investment programme in its 2011/2012 IDP Review.</p> <p>It is recommended that the Auditor General's report or comments be included in the 2011/2012 IDP</p>	<p>Regarding the inclusion of a detailed 3-year capital investment programme; refer to the Financial Plan in (chapter 8)</p> <p>Umkhanyakude District could not submit its financial statements on time. The AG's report will be included as an annexure in the Final document.</p>

KPA 5. GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	
It is imperative that the HIV/AIDS strategy is reviewed.	The review of HIV/AIDS strategy is one of the interventions for 2011/2012

MEC'S COMMENT	UMKHANYAKUDE DISTRICT MUNICIPALITY'S RESPONSE
KPA 6. SPATIAL DEVELOPMENT FRAMEWORK	
It is acknowledged that the Spatial Development Framework (SDF) of the Municipality was developed in 2008 and is in need of review. It is also with concern that once again the Municipality has failed to express its Capital Investment Framework (CIF) in a spatial manner as part of the SDF. This impedes the assessment of the Municipality's budget spent on provincial priority corridors and nodes.	<p>Development Planning Shared Services (DPSS) Facility has undertaken to review its Spatial Development Framework (SDF) Plan in the 2011/2012 financial year. Although the actual review is planned to commence in the new financial year commencing in July 2011, however, it is worth mentioning that, the project planning and preparation phase has already been completed. In this regard, the following key planning activities/deliverables have been achieved:</p> <ul style="list-style-type: none"> • A Detailed Project Process Plan has been compiled • A Detailed Project Terms of Reference has been compiled (i.e. inclusion of the Capital Investment Framework (CIF) as part of the SDF) <p>The District-wide SDF Review Project Team has been assembled</p>
GENERAL COMMENTS	
<p>The flow of the IDP is very good and the Municipality is encouraged to maintain this standard in production of the IDP document</p> <p>The SDF must be reviewed and greater effort needs to be placed on the spatial expression of the CIF</p> <p>The filling of critical vacancies must be undertaken as a matter of urgency while simultaneously undertaking to finalize the HR strategy to the end of staff development and retention.</p>	Comments were noted and considered.

2.4. INSTITUTIONAL ARRANGEMENTS TO DRIVE THE IDP PROCESS

It is the primary responsibility of Council, its Councilors, officials and staff to ensure that integrated planning is undertaken. The Umkhanyakude District Council is responsible for the approval of the IDP for the District and the responsibility cannot be delegated. Clear accountability and management of the IDP process belongs to the Municipality and thus, should be owned and controlled by the Municipality. Councilors, senior officials, local municipalities, sector departments and parastatals, and civil society amongst others, have distinct roles to play during integrated development planning processes.

The Executive Mayor is responsible for driving the whole IDP process. He provides leadership in the development and reviews of the IDP. The day-to-day management of the IDP process has been delegated to the Office of the Municipal Manager who consistently chairs the IDP Steering committee. The IDP Manager deals with coordination of the day-to-day issues relating to the IDP. These include adherence to IDP Framework/Process plan, coordination of stakeholders, support to Local municipalities and documentation of the IDP.

The IDP Manager further chairs the District Development Planning Forum which forms the link between District and Local municipalities in terms of IDP. The District Development Planning Forum comprises of IDP Managers/Coordinators, development/town planners, Performance management officers of all five municipalities in the District. Sector Departments are sometimes invited to attend District Development Planning Forums and to make presentations.

One of the major challenges that faced the Municipality was failure of a section of senior management to attend the IDP steering Committee meetings. The IDP Steering Committee is a technical working team of dedicated senior management officials, who together with the Municipal Manager and/or the IDP Manager must ensure a smooth compilation and implementation of the IDP. To ensure full participation, IDP Steering Committee meetings have been aligned with the Management Committee meeting (MANCO).

The IDP Manager compiles the IDP document through consultation with various sets of information and directs its output to the IDP Representative Forum for debates and further inputs and refinement of the plan. The IDP Representative Forum is the structure that provides a platform for public participation through involvement of different community structure representatives, political leaders, traditional leaders and government entities which provide support throughout the planning process.

2.5. PROCESS OVERVIEW: STEPS AND EVENTS

Through the Umkhanyakude 2010/2011 IDP Review Framework/Process Plan, a District-wide events calendar with all important dates, such as dates for IDP Representative Forums meetings was prepared, but broadly, Municipalities (including the District) have not fully adhered to the IDP Review Framework and process plans due to the broad challenges of inter-municipal relations among others.

The activities that transpired during the Umkhanyakude District Municipality IDP review process thus far are presented in a table below:

ACTIVITY	PURPOSE	DATE
IDP Steering Committee	Discussion and drafting of the Draft 2011/2012 Reviewed IDP Framework/Process plan	19 July 2010
Development Planning Forum	Discussion on IDP Framework plan (2011/2012) for the District	04 August 2010
IDP Steering committee	Progress report on IDP/PMS	07 September 2011
IDP Representative Forum	Discussion and drafting of the Draft 2011/2012 Reviewed IDP Framework/Process plan	22 September 2010
Development Planning Forum	IDP Alignment issues	26 October 2010
IDP Steering Committee	Implementation update (IDP 2010/2011); Discussion on the draft IDP 2011/2012	08 November 2010
IDP Representative Forum	Implementation update (IDP 2010/2011); Discussion on the draft IDP 2011/2012	24 November 2010
IDP Steering Committee	Discussing outstanding information on the 2011/2012 Draft IDP	10 January 2011
Development Planning Forum	IDP Alignment issues; discussion on the Progress made by LMs on their IDP preparation. Hands-on support to be provided by the District to municipalities where there is lack of capacity.	12 January 2011
Institutional Analysis meeting requested by the new MM	Departmental presentations on the KPA, status quo analyses. Challenges and Planned intervention	08 February 2011
Development Planning Forum	IDP alignment issues	23 February 2011
IDP Steering Committee	Review and development of strategic objectives. Development of the OPMS as per the National KPA	07 March 2011

Figure 3: IDP Review-related activities

Alignment between the District and its 5 local municipalities; and among all 5 local municipalities has been entrenched in the framework plan. The aim has been ensuring that the District and sector departments fully participate in IDP activities at local municipalities. As such, an effort was made to ensure that IDP dates do not clash among municipalities. That implied whenever Municipality A has an IDP-related meeting; no other Municipality within the District would be conducting an IDP-related activity.

The summary of a District-wide IDP/PMS Dates for 2010/11 s therefore outlined below. This outlines critical meetings and events towards the compilation of the 2011/2012 IDP Review.

MONTH	IDP Steering Committee	Development Planning Forum	IDP Representative Forum	Public Consultation	PMS
JULY	19/07/2010 (DC27)				
AUGUST	02/08/2010 (KZ272) 16/08/2010 (KZ274)	04/08/2010 (KZ271)			Performance Report (31 August 2010)
SEPTEMBER	06/09/2010 (DC27) 13/09/2010 (KZ271)		22/09/2010 (DC 27) 08/09/2010 (KZ274) 28/09/2010 (KZ272)		
OCTOBER	18/10/2010 (KZ274)	26/10/2010 (KZ272)	06/10/2010 (KZ271)		1 st Quarterly Review (13 October 2010)
NOVEMBER	01/11/2010(KZ 273) 08/11/2010 (DC 27) 09/11/2010 (KZ272) 26/10/2010 (KZ271)		04/11/2010 (KZ 273) 10/11/2010 (KZ274) 24/11/ 2010 (DC 27)		
DECEMBER			04/12/2010 (KZ272)		
JANUARY	10/01/2011(DC27) 24-01-2011(KZ 273)	12/01/2011 (KZ273)	25/01/2011(KZ 273)		2 nd Quarterly Review and mid-term Review (13 January) Annual Report (2009/2010 FY) (20 January 2011)
FEBRUARY	07/02/2011 (KZ274) 08/02/2011 (KZ271) 20/02/1011 (KZ272) 21/02/2011(KZ 273)	23/02/2011 (KZ274)	16/02/2011 (KZ274) 21/02/2011 (KZ271) 24/02/2011(KZ 273)		
MARCH	07/03/2011(DC27)		10/03/2011 (KZ272)		
APRIL	04/04/2011 (KZ274) 06/04/2011 (KZ272)	20/042011 (KZ275)	14/04/2011(DC 27) 20/04/2011 (KZ274)		3 rd Quarterly Review (07 April 2011)
MAY	12/05/2011 (KZ271) 16/05/2011(DC27)	25/05/2011 (DC 27)	05/05/2011(KZ272) 26/05/2011 (KZ271)	10, 11, 12, 13, May 2011	
JUNE	20/062011(KZ 273)		09/06/2011 (DC 27) 22/06/ 2011(KZ 273)		4 th Quarterly Review/Annual Review (14 July 2011)

Figure 4: District-wide IDP/PMS dates

PHASE 1: SITUATION/STATUS QUO ANALYSIS

In reviewing the situation analysis, Umkhanyakude District would consider the following:

- Recommendations made during the last IDP assessments (2010/2011);
- Comments from the MEC;
- The available statistical data and baseline information in terms of backlogs; and also
- Community and stakeholders' inputs obtained through various forms of communicating mechanisms. Local municipalities' priority needs would also be stressed against what is considered to be the current status quo especially in terms of service delivery analysis.

It is crucial to understand the powers and functions of the District when analysis the status quo and identifying priority issues. This is because in most cases priority issues are identified and of those some fall outside what is legally the role of the District Municipality.

2.7. POWERS AND FUNCTIONS OF THE UMKHANYAKUDE DISTRICT MUNICIPALITY

The powers and functions of the Umkhanyakude District Municipality, tabled in terms of sections 83 and 84 of the Municipal Structures Act, are as follows:

- 1) Integrated Development Planning for the District Municipality as a whole, including a framework for integrated development plans for the local municipalities within the area of the District Municipality, taking into account the integrated developments plans on those local municipalities,
- 2) Bulk supply of water that affects a significant proportion of municipalities in the District
- 3) Bulk supply of electricity that affects a significant proportion of municipalities in the District.
- 4) Municipal Health Services serving the area of the District Municipality as a whole
- 5) Fire Fighting services serving the area of the District Municipality as a whole

The following functions are shared by both the District and its family of municipalities:

- 1) Promotion of local Tourism;
- 2) Fire fighting services;
- 3) Municipal airports;
- 4) Municipal planning;
- 5) Municipal public transport;
- 6) Cemeteries, funeral parlors and crematoria;
- 7) Refuse removals, refuse dumps and solid waste removals;
- 8) The establishment conducts and control of fresh produce markets and abattoirs; and

Municipal roads which form integral part of a road transport system for the area of the District Municipality as a whole.

The Umkhanyakude District Municipality's OPMS is based on the prescribed key performance areas (KPA's). As such the situation analysis would also be based and structured in terms of the KPA's. There are five prescribed National KPA's, and based on the recommendations and on the letter comments from the MEC (which consists of six KPA's), the Umkhanyakude District Municipality added its own KPA in order to ensure that all issues are covered. Therefore the situation phase is structured according to the following seven KPA's:

- Good Governance, Public Community Participation, and Ward Systems;
- Improved Service Delivery and Infrastructure Investment;
- Sustainable Local Economic Development;
- Municipal Transformation and Institutional Development;
- Municipal Financial Viability and Management;
- Spatial Planning and Environmental Management; and
- Social Development.

A demographic profile of the Municipality would be presented first before an in-depth analysis on developmental analysis could be made

2.8. DC 27 DEMOGRAPHIC PROFILE

Umkhanyakude District Municipality is home to 614 046 people that translates to 114 973 households (Community Survey: 2007). Table 1 reflects the population figures in the District as per the total number of persons and as well as the total number of households. The majority of the population is concentrated in Jozini, Umhlabuyalingana, and Hlabisa Municipal areas, with Jozini and Hlabisa municipalities adding to more than half of the total population of the District. Such population pattern is likely to change in these municipalities especially Hlabisa due to the newly planned demarcation of municipal boundaries to take effect from March 2011.

Figure 5: Population figures within DC 27 (stats-SA: 2007)

MUNICIPALITY	MALES	FEMALES	PERSONS	HOUSEHOLDS
KZ271	73828	89866	163 694	27006
KZ272	95918	111330	207 250	38530
KZ273	16432	18558	34 991	6657
KZ274	67919	82634	150 557	29260
KZ275	22929	23666	46 596	11339
DMA	5916	5045	10 958	2184
DC 27	282941	331099	614 046	114976

Figure 6: Household size per LM (StatsSA: 2007)

MUNICIPALITY	01-03	04-06	07-09	10+
KZ271	8623	9249	6325	2810
KZ272	13222	13283	8254	3771
KZ273	2938	1789	1173	756
KZ274	7572	11214	7003	3471
KZ275	5353	3935	1589	463
DMA	931	715	371	167
DC 27	38639	40183	24715	11439

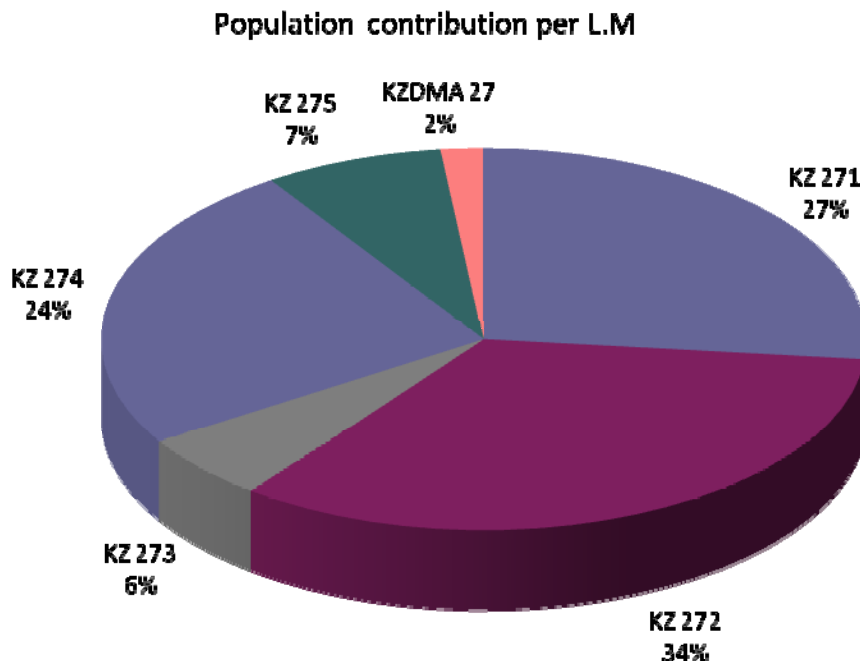
The figure below indicates a significant increase in the total number of both the persons and households in the District. On one hand the total number of person increased from approximately 573 341 in 2001 to 614 046 in 2007; and on the other, total number of households increased from 101 563 in 2001 to 114 973 in 2007.

Figure 7: Comparatives statistics for population and households figure (StatsSA: 2001 & 2007)

MUNICIPALITY	TOTAL NUMBER OF PERSONS		TOTAL NUMBER OF HOUSEHOLDS	
	Census:2001	CS:2007	Census:2001	CS:2007
KZ271	140 958	163 694	25 959	27 006
KZ272	184 052	207 250	33 534	38 530
KZ273	31 291	34 991	6 183	6 657
KZ274	176 890	150 557	26 876	27 260
KZ275	33 612	46 596	7 472	11 339
DMA	6 538	10 958	1 539	2 181
DC 27	573 341	614 046	101 563	114 973

The population contribution (%) per Municipality is presented below (figure:10):

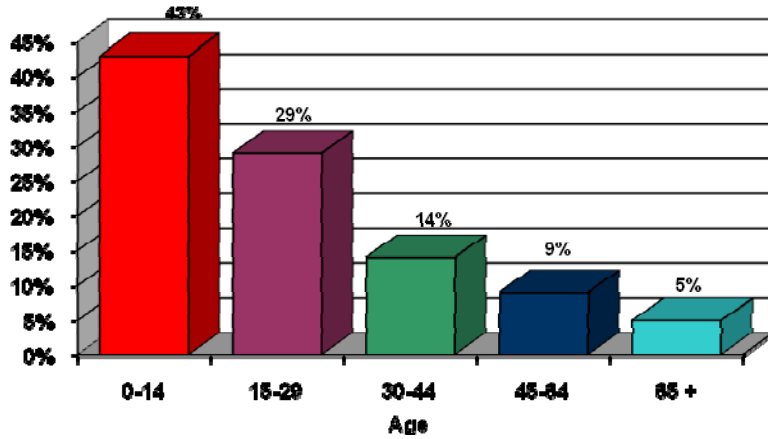
Figure 8: Population Distribution per LM (StatsSA, 2007)



2.8.1. Population breakdown: By Gender, Race and Age.

The social demography of the UDM reveals an imbalance mix of races. This trend is similar to the national demography, whereby most of the population is black. There are no more than 3000 whites in the District as a whole, less than a thousand coloureds and about 390 Indians/Asians. An analysis of the demographics of the District indicates that about 70% of the population comprises of youth. More than 70% of the total population is less than 29 years of age, whereas 35% are aged 19 or under.

Figure 9: Population characteristics by Age (Cs-2007, StatSA)



There is also a slight imbalance regarding male to female ratio, with females outnumbering males. Females account for about 55% whereas males are about 45% of the District's population. Despite the fact that this is indicative of the provincial and national trends; such an imbalance could be attributed migration of most males to the urban areas in search for employment.

Therefore a high proportion of young people and high number of females imply that programmes geared at developing all people will special emphasis to women and youth, hence a need for greater emphasis on schools, skills training, recreational facilities, and most of all, job creation.

DC 27 Population by Gender (StatSa:2007)

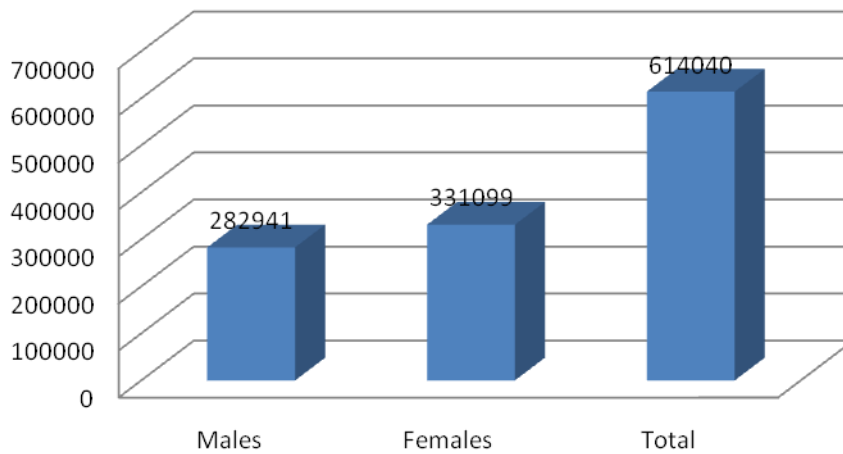
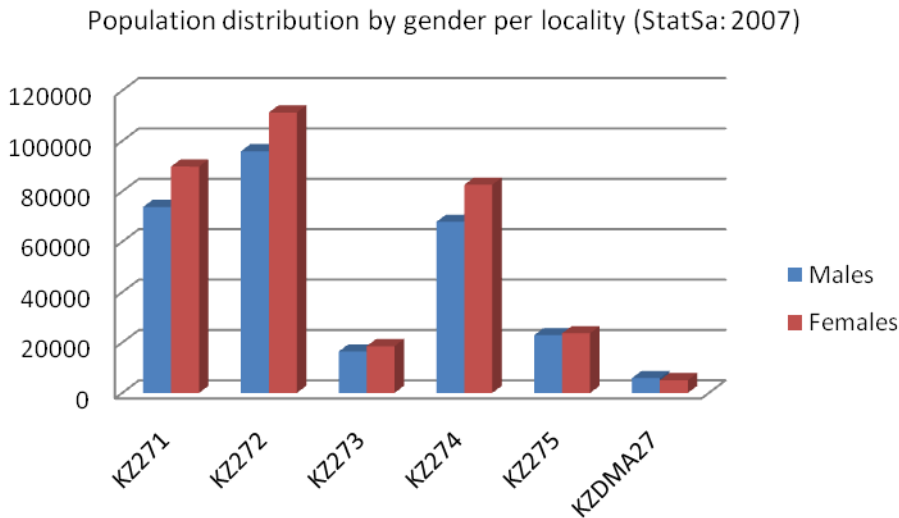


Figure 10: Population Distribution by gender per locality (StatSa, 2007)



There is severe discrepancy between living standards in the urban centers and the rural communities. Although there are relatively high levels of unemployment in the major nodes (towns); the situation is far worse in the remote areas where there are extremely limited employment options. Illiteracy is highest in Jozini Municipality particularly in areas such as Manyiseni (Ngwavuma), while relatively high levels of literacy are to be found in Mtubatuba Municipality in areas such as St. Lucia.

A District-wide social demography is also characterized by an imbalanced geographic concentration of these races, whereby whites are predominantly located in the urban centers, especially in the coastal towns such as St. Lucia. Those whites that are located inland (in the rural centers) are either farmers or owners of businesses mostly tourism-related businesses. The majority of the black population is concentrated in rural areas and in the outskirts of the major towns within the UDM.

While Mtubatuba is the 4th most populated Municipality in the District, it also has the largest concentration of whites, coloureds and Indian/Asian population. White population at Mtubatuba is predominantly concentrated around St. Lucia, whereas Indian/Asian population around Mtubatuba town.

Figure 11: Population by race

Municipality	Blacks	Whites	Coloureds	Indian/Asians	Total
KZ271	163 828	48	85	03	163 964
KZ272	206 375	510	239	126	207 250
KZ273	34 103	673	128	87	34 991
KZ274	150 276	88	172	19	150 552
KZ275	44 680	1941	629	345	46 595
DMA	10 919	39	-	-	10 958
DC27	599 256	3258	1 253	580	603 657

3. SITUATION ANALYSIS

3.1. GOOD GOVERNANCE, PUBLIC TRANSFORMATION AND WARD SYSTEM

"Good corporate governance can be equated to having clear corporate values which are stated and enacted, and ensure that the company is governed in a way that is efficient, responsible, accountable, transparent and with probity. Furthermore, it recognizes the legitimacy of interest of defined key stakeholders, and engaging in long-term relationships." (The King Report: 2002 (Corporate Governance for South Africa).

In the municipal environment, corporate governance is all about how municipalities set their priorities (as per the IDP), conduct their business (through the performance management system and the SDBIP process), and relate to the community they serve (as per the IDP and performance management system). As such this KPA concerns itself with public participation and traditional leadership involvement in the affairs of the Municipality. This KPA will also highlight the participation of the District in inter-governmental structures; cross-boundary planning.

3.1.1. PUBLIC PARTICIPATION

The process of public participation at Umkhanyakude District Municipality has had a multi-faceted approach. Public participation is mainly done through ward committee system as it is the institutionalized form of communication forum. Despite that, other forms of participation, such as IDP Representative Forum meeting were utilized in order to strengthen the link between the Municipality and its community.

The local municipalities also held their IDP Representative Forum meetings whose outputs inform the District IDP process. Local municipalities involved ward committees in conducting ward surveys in the respective local municipalities. Public participation in respect of IDP, Budget and PMS offered a good platform for the communities to add value to the final commitment of the Council in the approval phase.

Umkhanyakude has engaged Sector Departments on their infrastructure Plans and projects. The usual challenge has been that Sector Departments identify projects without addressing issues prevailing in the municipalities. It is hoped

that the concern will be lifted as the Provincial task team visited Umkhanyakude in 15 July 2010, interacting with officials and political principals with respect to development issues crucial to the District. There is also a need for the development of an inter-governmental monitoring mechanism to ensure accountability with regard to the implementation of sector departmental projects as submitted for inclusion in the IDP.

One of the comments made by the MEC on the District's 2010/2011 IDP was the unavailability of the public participation strategy. While there is a thin line between the said strategy and the communication strategy; there is a need to develop the public participation strategy. Even the available communication strategy needs to be reviewed and be linked to the public participation strategy.

3.1.2. IDP/BUDGET CONSULTATIVE MEETINGS

Municipalities have a legal obligation in terms of S23 of the MFMA to discuss business of the IDP and budget with its communities before final adoption by the Council. As such Umkhanyakude District Municipality arranged and conducted its consultative meetings around the District covering all local municipalities within the District.

The meetings were held jointly between the District and local municipalities, whereby Mayors of District and the hosting municipalities share the platform on the day of the scheduled meeting in outlining the IDP/Budget to the members of the ward committees. In return members of the ward committees are provided an opportunity to make inputs, raised concerns regarding the IDP and budget before the final adoption the Council.

The 2011/2012 IDP/Budget consultative meetings were organized and held as follows:

Figure 12: Dates for IDP/Budget consultative meetings

DATE	MUNICIPALITY	VENUE	TIME
14 March 2011	KZ 271	Makhasa	10H00
15 March 2011	KZ 272*	A: Bhambanana	10H00
		B: Jozini Sports Ground	10H00
16 March 2011	KZ 273	To be confirmed	10H00
17 March 2011	KZ 274	Town Hall	10H00
18 March 2011	KZ 275	To be confirmed	10H00

*Jozini; Mhlabuyalingana and Mtubatuba municipalities' meetings had to be rescheduled due to that at a time of the initial schedule the Municipality had not completed its draft budget.

3.1.3. INTER-GOVERNMENTAL RELATIONS

UDM is responsible for facilitating inter-governmental relations within its area of jurisdiction. In line with the Intergovernmental Relations Framework Act, UDM has taken upon itself to improve intergovernmental engagements to ensure that proper intergovernmental planning guides public, private and donor investment in the District.

The District Municipality is the convenor of the District Manager's Forum "a key forum for strategic alignment, coordination and integration" that serves as an inter-governmental structure where the Sector Departmental Managers in the District meet with their municipal counterparts.

The relationship between the District Municipality, the local municipalities and sector departments in Umkhanyakude is improving. There are also inter-municipal structures (i.e. District Planning Forum; Municipal Managers' Forum) that discuss and resolve on issues cutting across all municipalities. There are, however, grey areas on how the

hierarchical inter-municipal and inter-governmental structures should cross feed into each other's programmes and be measured in terms of performance. For example, UDM cannot hold any sector department accountable for the non-implementation of projects which are submitted for inclusion in the IDP document.

The following are political and non-political inter-governmental structures that facilitate inter-governmental relations among the District, province and local municipalities:

The key Inter-governmental structures within Umkhanyakude District Municipality are as follows:

- Mayors' Forum, which is responsible for co-ordination of inter-municipal relations (District and Local Municipalities). This body is composed of Executive Mayors and Municipal Managers from five local Municipalities and Umkhanyakude District's Executive Mayor and Municipal Manager.
- Municipal Managers' Forum, co-coordinating inter-governmental relations at District level between municipalities and sector departments.
- District Development Planning Forum responsible for the alignment of IDP process;
- LED Forum, which is responsible for co-ordination and promotion of the District's local economy.

In addition to the above-mentioned structures, there are also:

- Liaison & Conservation Forum
- Umkhanyakude Inter-municipal Forums; and
- Chief Financial Officers' (CFO) Forum.

These forums are fully functional.

Participation in the above-said structures has been hampered by the financial crisis the District Municipality finds itself in. The most functional IGR structure is the District Development Planning Forum, which has managed to consistently meet as per its schedule. There is a need to revive the District-wide LED Forum, but such relies on the filling of the vacant post for LED manager. The issue of the vacant LED post was raised in the MEC' comments and was also identified as a priority in the Municipal Turnaround strategy, whereby it was decided that the Municipality should recall Ms K. Bhengu from Umhlosinga Development Agency.

3.1.4. CROSS-MUNICIPAL BOUNDARY PLANNING

Umkhanyakude District Municipality recognizes its interrelatedness with its neighbouring District municipalities; hence it formally engages itself with such municipalities on cross border issues, i.e. issues that can have impact on more than one Municipality and that need to be attended into by a collective of municipalities.

Umkhanyakude District Municipality has been involved in a series of cross border alignment meetings with the following Districts municipalities:

- Umzinyathi District Municipality;
- Ilembe District Municipality;
- Uthungulu District Municipality; and
- Zululand District Municipality.

As such, neighbouring municipalities as well as provincial sectors are invited to cross border meetings, whereby issues of cross border development nature are discussed such as projects that have a service delivery or developmental impact across municipal boundaries, e.g. water networks, transportation systems, tourism etc.

Some of the issues dealt with at the meetings include water related issues and disaster management issues, which are a main challenge for Umkhanyakude District Municipality. Regarding water related issues the focus has been on one hand, the possibility of Umkhanyakude District Municipality to utilize water from Pongola-Port dam (Zululand District Municipality) as its source for potable water supply and on the other hand, Uthungulu District Municipality allowing Umkhanyakude District Municipality to utilize Umsunduzi River as a source of water, supplying water to Umkhanyakude areas that in close proximity such as Mtubatuba.

With regard to Disaster management the discussion has been on whether disaster management should be border-lined or not. There is a concern that disaster management in some municipalities is poor or non-existent. This then requires the neighbouring Municipality to take responsibility for its counterpart's disaster management needs.

3.1.5. TRADITIONAL COUNCILS AND THEIR ROLES

The status and role (though not clearly defined) of traditional leaders has been recognised in terms of sections 211 and 212 of Act 108, of 1996. In an Umkhanyakude District Municipality context, The Traditional Authorities own about 50% of the land, whereby further 30% falls within the District Management Area (DMA).

Therefore the traditional authorities play have a major influence in the manner in which land is made available to individuals for settlement, as well as the use thereof for economic purposes (e.g. agriculture, tourism, etc.).

It is therefore against this backdrop that Umkhanyakude District Municipality has sought to implement communication strategy, as an effort towards ensuring and the improvement of public participation in municipal processes. The main focus of the communication strategy is preparation of procedures for community participation processes including direct communication with Traditional Councils. This is based on one of the Municipality's Key Performance Objectives, that is, *to build sustainable partnerships with Traditional Authorities to ensure convergence in meeting the developmental needs and challenges in our communities.*

Traditional Authorities are stakeholders and part of the IDP Representative Forums both at a local and District levels. The IDP Representative Forum is the structure that provides a platform for public participation through involvement of different community structure representatives, political leaders, traditional leaders and government entities which provide support.

Traditional Council Areas within Umkhanyakude District

- At KZ 271, Traditional Councils own about 87% of the land:
 - KwaMashabane TC
 - KwaMbila TC
 - KwaTembe TC
 - KwaMabaso TC

- At KZ 272, Traditional Councils own about 70% of the land:
 - KwaNgwenya TC
 - KwaNsinde TC
 - KwaJobe TC
 - Sqakatha TC
 - KwaNyawo TC
 - Manyiseni TC
 - Nkungwini TC

- At KZ 273, Traditional Councils own about 23% of the land:
 - KwaMakhasa TC
 - KwaNibela TC
 - Mnqobokazi TC

Most land at KZ 273 belongs to farmers who grow pineapple and timber.

- At KZ 274, Traditional Councils own about 95% of the land:
 - Hlabisa TC
 - Mpembeni TC
 - Mdletsheni TC
 - Mpukunyoni TC, which extends to KZ 275

3.2. IMPROVED SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

This KPA looks at the core functions of the Umkhanyakude District Municipality. It concerns itself with the provision of basic services, such as water, sanitation and electricity. It also focuses on roads and transport infrastructure development. Central to this KPA is the availability of a functional and implementable Water Services and Development Plan. The available WSDP has never been reviewed since it was developed in 2007. It is being currently reviewed on behalf of the Municipality by Ms. H Wright (Isikhungu Sethu Consultants). A discussion document was presented in February 2011 and it is hoped that the plan would be ready before the end of the 2nd quarter (2011/2012 FY).

3.2.1. INFRASTRUCTURE AND SERVICES ANALYSIS

Provision of portable water, sanitation and electricity are some of the main functions of the Umkhanyakude District Municipality. With the provision of water and sanitation having been a major hindrance for the District; it would be appropriate for the District's budget to consider such District's main functions. Therefore this calls for a budget that is directed more at addressing infrastructural challenges, which means more infrastructural project need to be identified.

Figure 13: Access to Infrastructure and Services per LM (CS-2007, StatSA)

Municipalities within the District	Number of Households with access to:			
	Water	Sanitation	Refuse	Electricity
Umhlabuyalingana (KZ271)	17 457	17 883	19 672	19 291
Jozini (KZ272)	20 992	22 761	25 240	24 593
The Big Five False Bay (KZ273)	2 973	3 107	3 458	3445
Hlabisa (KZ274)	13 916	13 995	16 298	12 257
Mtubatuba (KZ275)	1 088	1 867	2 919	1 183
DMA	645	732	792	642
Umkhanyakude (DC27)	57 071	60 345	68 379	61 411

3.2.2. WATER AND SANITATION

Umkhanyakude District Municipality is characterized by low rainfall. This results in limited water sources culminating in severe water shortages and regular drought conditions. Subsequently, there is stiff competition between the different water users such as agriculture. To this end, water use for domestic purposes becomes critical. Due to drought conditions, the main surface water sources in the District such as rivers, and catchments have all run dry. Water supply in the District is characterized by borehole water schemes in various stages of full development to all consumer points. Though water supply scheme clusters are well defined and the service area boundaries are well established, major upgrading and refurbishment are needed at most schemes.

In some areas, the supply of water is below the RDP level⁵. The most affected areas include Manyiseni (Ngwavuma) at Jozini Municipality (CGE,2009). The reason why the supply of water is below the RDP level is because there is a shortage of pipeline reticulation within villages. It could also be attributed to the fact that these areas are spatially scattered, resulting in difficult and expensive processes to provide water supply pipelines in the villages.

It is also deduced that the major factor contributing to shortage of water is related to social aspects. These aspects are mainly vandalism of infrastructure, especially water schemes and illegal connections of pipelines by communities. Such problems are mainly observed in rural.

Communities within Umkhanyakude District Municipality hardly pay for water. That can be attributed to various factors, including:

- Most people are indigent;
- bungling billing system; and
- Non-existence of meter reading.

To eradicate the water backlog in the District, a Water Service Development Plan (WSDP) is being prepared. Through WSDP Umkhanyakude District prioritize water services as the first service among all the other services. Bulk water supply will be enhanced by the utilization of Jozini Dam as the main water source. In the meantime the optimization and conservation of existing water schemes is the main priority for the District.

3.2.3. INFRASTRUCTURE PROJECTS – 07/08 TO 10/11

The projects reflected in the tables above represent the amount of work done in the previous financial years. Infrastructure projects reported on cover the period from the 2007/2008 FY to 2010/2011 FY. Projects for 2011/2012 FY still remain in the planning phase and have been included in the IDP as they are. The value of these projects might still change, depending on the approved MIG business plans. More details on 11/12 FY are contained in page 123 of this document.

In the next two pages, there is summarised information regarding infrastructure projects that have been implemented during the era of the previous Council.

⁵ 25 litres per person per day.

ABRIDGED MIG REPORT – 2007/2008 TO 2011/2012

2007/2008 Financial Year				
Agent	Project Title	Total Project Value	MIG Annual Value	Status
DC27 - Umkhanyakude	BHAMBANANA SPORT COMPLEX	15,257,963.00	R 892,530.68	In Progress
DC27 - Umkhanyakude	Enkanyezini B & C	61,280,928.00	R 18,169,233.99	In Progress
DC27 - Umkhanyakude	Ezibayeni 2 CWS	41,895,535.00	R 13,235,129.71	In Progress
DC27 - Umkhanyakude	Hluhluwe Phase 3	23,431,930.00	R 7,898,480.08	In Progress
DC27 - Umkhanyakude	Jozini Water	21,112,916.00	R 5,758,435.41	In Progress
DC27 - Umkhanyakude	KwaNgwanase Water Phase 3	102,657,991.00	R 9,507,341.19	In Progress
DC27 - Umkhanyakude	Mabhokisini Water Project	3,829,962.00	R 2,539,035.40	In Progress
DC27 - Umkhanyakude	Makhasa Sport Field	16,574,507.97	R 2,583,840.77	In Progress
DC27 - Umkhanyakude	MANGUZI SPORT COMPLEX	R 14,674,600.00	R 822,678.38	In Progress
DC27 - Umkhanyakude	MDLETSHE SANITATION	2,224,110.00	R 6,265.10	Complete
DC27 - Umkhanyakude	Mpopomeni Comm Water supply phase 1	4,038,840.00	R 26,392.45	Complete
DC27 - Umkhanyakude	Mpopomeni Comm Water supply phase 2	38,715,718.00	R 6,268,998.61	In Progress
DC27 - Umkhanyakude	MTUBA WATER UPGRADE	1,400,000.00	R 107,461.46	Complete
DC27 - Umkhanyakude	Mtubatuba Sports Complex	13,081,916.00	R 3,003,600.99	In Progress
DC27 - Umkhanyakude	OTHOBOTHINI WATER PHASE 2	9,202,943.61	R 717,288.60	In Progress
DC27 - Umkhanyakude	SHEMULA SANITATION PHASE 3	16,428,023.00	R 739,355.00	In Progress
DC27 - Umkhanyakude	Phelandaba San Phase 1	7,200,000.00	R 1,721,979.18	Complete
DC27 - Umkhanyakude	Phelandaba Water Supply Scheme	57,158,751.36	R 15,159,068.12	In Progress
DC27 - Umkhanyakude	MPUKUNYONI WATER PHASE 3	4,252,291.00	R 98,752.73	In Progress
TOTAL			R 89,255,867.85	

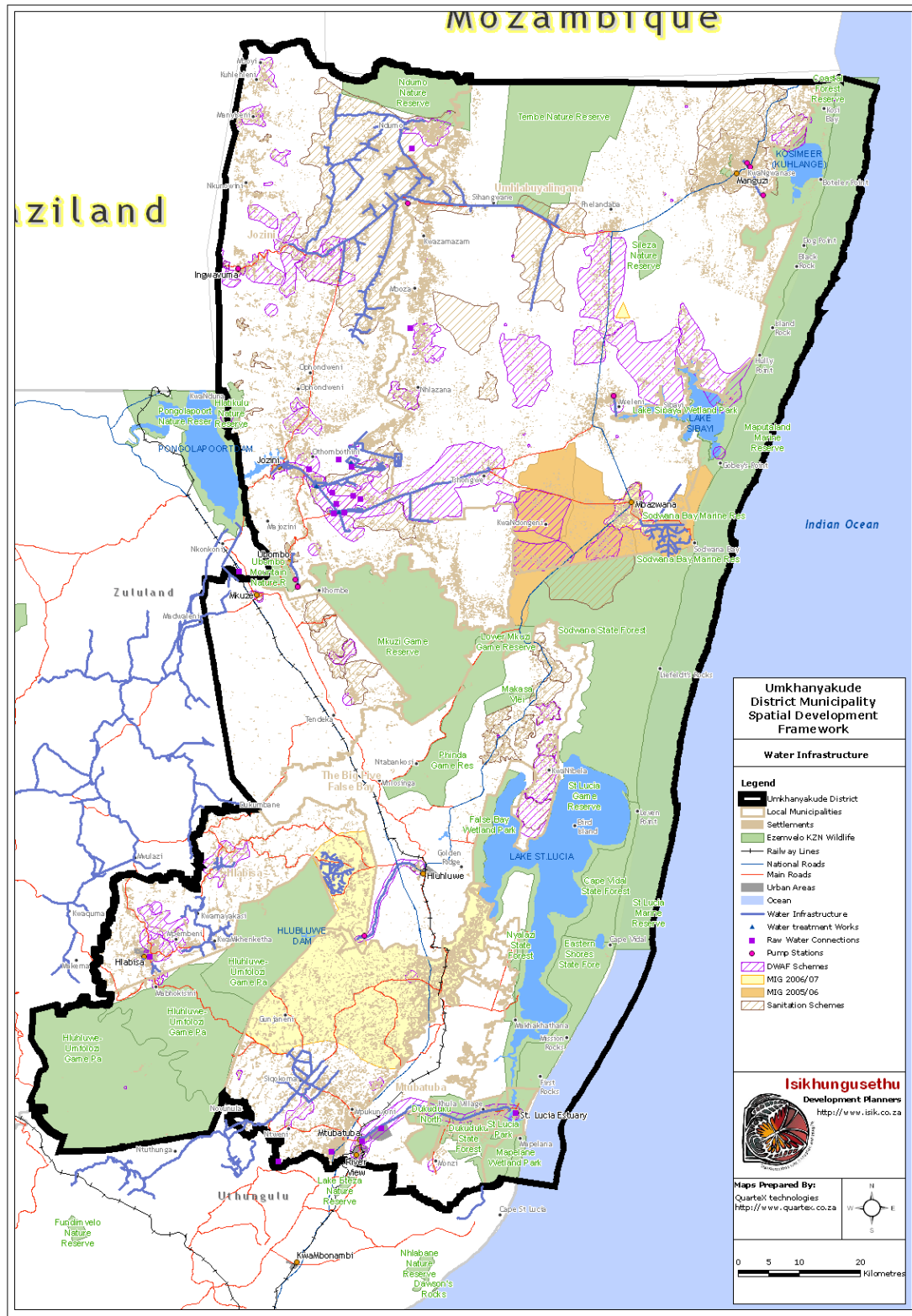
2008/2009 Financial Year				
Agent	Project Title	Total Project Value	MIG Annual Value	Status
DC27 - Umkhanyakude	Enkanyezini B & C	61,280,928.00	15,262,774.25	In Progress
DC27 - Umkhanyakude	ESIHLANGWINI WATER	7,300,005.00	4,103,727.20	In Progress
DC27 - Umkhanyakude	Ezibayeni San 2	6,368,400.00	5,620,146.22	In Progress
DC27 - Umkhanyakude	Ezibayeni Water Supply Phase 2	41,895,535.00	13,845,577.00	In Progress
DC27 - Umkhanyakude	HLUHLUWE RETICULATION PHASE 3	41,895,535.00	1,517,867.51	In Progress
DC27 - Umkhanyakude	KwaNgwanase Water Phase 3	102,657,991.00	27,188,656.82	In Progress
DC27 - Umkhanyakude	Mabhokisini Water Project	3,829,962.00	743,060.08	Complete
DC27 - Umkhanyakude	Makhasa Sport field	16,574,507.97	144,180.78	In Progress
DC27 - Umkhanyakude	Mpopomeni Water Phase 2	38,715,718.00	10,021,526.89	In Progress
DC27 - Umkhanyakude	Mtuba Water Treatment Upgrade	1,380,584.00	624,936.84	Complete
DC27 - Umkhanyakude	Mtubatuba Sports Complex	13,081,916.00	605,517.50	Complete
DC27 - Umkhanyakude	Othobothini sanitation		275,692.86	In Progress
DC27 - Umkhanyakude	Othobothini water Phase 2	9,202,943.61	8,275,044.91	In Progress
DC27 - Umkhanyakude	Phelandaba Sanitation Phase 2	19,882,940.16	130,410.79	In Progress
DC27 - Umkhanyakude	Phelandaba Water Supply Scheme	57,158,751.36	5,097,750.99	In Progress
DC27 - Umkhanyakude	Shemula Sanitation phase 3	16,428,023.00	7,113,792.37	In Progress
DC27 - Umkhanyakude	Zamazama Sanitation phase 2	7,210,182.00	5,703,794.00	In Progress
DC27 - Umkhanyakude	Jozini Water	21,112,916.00	2,192,403.67	Complete
DC27 - Umkhanyakude	Manguzi sports field	14,674,600.00	1,051,321.00	Complete
DC27 - Umkhanyakude	BHAMBANANA SPORTS FIELD	15,257,963.00	336,619.00	Complete
TOTAL			R 109,854,800.68	

UMKHANYAKUDE DISTRICT MUNICIPALITY (2011/2012 IDP REVIEW)

2009/2010 Financial Year				
Agent	Project Title	Total Project Value	MIG Annual Value	Status
DC27 - Umkhanyakude	Enkanyezini B & C	61,280,928.00	21,493,106.35	In Progress
DC27 - Umkhanyakude	Ezibayeni Water Supply Phase 2	41,895,535.00	4,717,879.16	In Progress
DC27 - Umkhanyakude	Ezibayeni sanitation		1,351,390.15	Complete
DC27 - Umkhanyakude	KwaNgwanase Water Phase 3	102,657,991.00	25,100,000.00	In Progress
DC27 - Umkhanyakude	Mpophomeni Water Phase 2	38,715,718.00	12,062,761.71	In Progress
DC27 - Umkhanyakude	Phelandaba Water Supply Scheme	57,158,751.36	6,790,430.14	Stopped - no power supply
DC27 - Umkhanyakude	Othobothini water Phase 2	16,227,587.89	7,235,344.38	In Progress
DC27 - Umkhanyakude	Zamazama Sanitation phase 2	7,210,182.00	2,309,199.00	Complete
DC27 - Umkhanyakude	Phelandaba Sanitation Phase 2	19,882,940.16	7,000,000.00	In Progress
DC27 - Umkhanyakude	Mtubatuba Sports Complex	13,081,916.00	7,117,495.08	In Progress
DC27 - Umkhanyakude	Makhasa Sport field	16,574,507.97	10,613,594.57	In Progress
DC27 - Umkhanyakude	Shemula Sanitation phase 3	16,428,023.00	8,326,535.96	In Progress
DC27 - Umkhanyakude	Makhathini Sanitation Phase2	4,389,682.00	4,389,682.00	Never commenced
DC27 - Umkhanyakude	Mtuba halls	1,200,000.00		Transferred to Mtuba LM
DC27 - Umkhanyakude	Ntshongwe/Malobeni 2	4,026,004.00	1,584,123.08	In Progress
DC27 - Umkhanyakude	Othobothini sanitation Phase 2	5,200,000.00	5,200,000.00	In Progress
DC27 - Umkhanyakude	Phumlani Storm water	1,400,000.00	1,400,000.00	In Progress
DC27 - Umkhanyakude	Isihlangwini water	7,300,005.00	3,196,277.80	In Progress
DC27 - Umkhanyakude	Hluhluwe water	23,431,930.00	8,588.87	Complete
TOTAL			R 129,896,408.25	

2010/2011 Financial Year				
Agent	Project Title	Total Project Value	MIG Annual Value	Status
DC27 - Umkhanyakude	Enkanyezini B & C	61,280,928.00	6,808,718.44	Complete
DC27 - Umkhanyakude	KwaNgwanase Water Phase 3	102,657,991.00	27,000,000.00	In Progress
DC27 - Umkhanyakude	Mpophomeni Water Phase 2	38,715,718.00	6,334,979.01	In Progress
DC27 - Umkhanyakude	Phelandaba Water Supply Scheme	57,158,751.36	380,223.66	Stopped - no power supply
DC27 - Umkhanyakude	Phelandaba Sanitation Phase 2	19,882,940.16	9,827,220.48	Complete
DC27 - Umkhanyakude	Mtubatuba Sports Complex	13,081,916.00	2,719,741.94	Complete
DC27 - Umkhanyakude	Makhasa Sport field	16,574,507.97	2,914,256.16	Complete
DC27 - Umkhanyakude	Shemula Sanitation phase 3	16,574,507.97	1,814,942.40	Complete
DC27 - Umkhanyakude	Makhathini Sanitation Phase2	4,389,682.00	4,389,681.96	Not started - Business Plan not done
DC27 - Umkhanyakude	Mpukunyoni Water Phase 3	4,252,291.00	4,153,538.28	Not started - Business Plan not done
DC27 - Umkhanyakude	Jozini rural roads & sanitation phase 2	2,583,393.00	2,583,393.00	Not started - Business Plan not done
DC27 - Umkhanyakude	Hlabisa mandlakazi pipeline	29,000,000.00	29,000,000.00	Not started - Business Plan not done
DC27 - Umkhanyakude	Mtuba water works	73,486,384.00	38,519,836.32	Not started - Business Plan not done
DC27 - Umkhanyakude	Thembaletu sanitation	3,600,000.00	3,600,000.00	Not started - Business Plan not done
DC27 - Umkhanyakude	Ndlovu village sanitation	1,580,873.00	1,380,872.00	In Progress
TOTAL			R 141,427,403.65	

Figure 14: Water Infrastructure at DC 27



3.2.4. OPERATION AND MAINTENANCE

One of the main hindrances in the Municipality's efforts to provide portable water to its communities is poor operation and maintenance of infrastructure already in place. In most instances the issue is not about absence of infrastructure, but equipment or infrastructure failure due to operational or maintenance-related issues. The Municipality does not have a fully-fledge stall for maintenance and service equipments. Notwithstanding the financial crisis faced by the Municipality, in order to effecting address the operation and maintenance issues; having a fully-fledge stall for technical service department should be a priority. A full-time electrician and a fitter must be employed as a matter of urgency.

3.2.5. WATER SERVICES LEVELS

Service levels for water supply are provided under the following categories:

- RDP and above;
- Dysfunctional schemes;
- Unreliable source; and
- No scheme.

The definition of "RDP and above" is obvious and refers to that sector of the population that generally receives at least the minimum level of services or above. "Dysfunctional" means that the respective area is covered by a scheme which is dysfunctional to such an extent that the minimum RDP level of service is not achieved. It could be as a result of equipment or infrastructure failure or operational and maintenance issues. The term "unreliable source" refers to those areas which are covered under a scheme but sporadic, seasonal or continuous failure of the raw water source results in below RDP level of service.

The tables below reflect the current estimated service levels associated with water supply.

Figure 15: DC 27 overall profile (water service level)(DC 27 IWSMP, 2008)

SERVICE LEVEL		LOCAL MUNICIPAL AREA					
		KZ271	KZ272	KZ273	KZ274	KZ275	KZDMA
Scheme Areas	RDP & above	45 130	71 398	4 899	63 234	-	10 958
	Dysfunctional scheme	7 890	14 362	-	13 550	-	-
	Unreliable source	37 437	20 518	-	1 506	16 187	-
No Scheme	Below RDP	73 237	100 972	30 092	72 267	30 409	-
	TOTAL	163 694	207 250	34 991	150 557	46 596	10 958

Figure 16: DC 27 Scheme services Level (DC 27 IWSMP, 2008)

SERVICE LEVEL		TOTAL	%
Scheme Areas	RDP & above	195 619	31.9%
	Dysfunctional scheme	35 803	5.8%
	Unreliable source	75 648	12.3%
No Scheme	Below RDP	306 977	50%
TOTAL		614 046	100%

3.2.6. SANITATION SERVICES

Sanitation is one of the major challenges facing Umkhanyakude District Municipality. On one hand, the situation is worse in the rural areas, and on the other, it is not up to standard in the urban centres. Based on DC27 Integrated Water Services Master Plan (November, 2008); figures demonstrated below are an illustration of known coverage of sanitation services in urban areas and communities in rural areas where VIP projects were implemented.

Figure 17: DC 27 Sanitation Service Level (DC IWSMP, 2008)

Municipality	Total Households	Households with access to sanitation	Backlog
KZ 271	27,005	12,795	14,210
KZ 272	38,529	15,540	22,989
KZ 273	6,658	5,317	1,341
KZ 274	29,260	7,098	22,162
KZ 275	11,339	7,437	3,902

* DMA statistics not available.

Various methodologies are applied in the urban areas which in some cases presents a combination of VIP structures septic tanks and conventional water borne system with treatment. In terms of PSEDS, identified growth centres/nodes would require appropriate effluent treatment as determined by legislation. Therefore the existing facilities at Mtubatuba, Hluhluwe, Mkhuze, Jozini and Mbazwane would need to be upgraded to facilitate appropriate treatment technologies, such as activated sludge and/or biofiltration.

3.2.7. ELECTRICITY

The supply of electricity remains one of the biggest challenges for the Umkhanyakude District Municipality. The area is vast and is one of the biggest Districts in the province. The majority of the population is rural and households are scattered across the countryside adding to the complexities and cost of service delivery. There are currently large areas that do not have any form of electricity supply and other areas that experience intermittent supply. Progress in the alleviation of the backlog has been hampered in recent times by the countrywide supply crisis that has struck Eskom.

There are currently three suppliers of electricity within the Umkhanyakude boundaries; Local Government, Eskom and Nuon RAPS Utility (Pty) Ltd (NuRa). Local Government and Eskom are supply authorities licensed by the National Electricity Regulator (NER) to distribute grid electricity to customers. NuRa is one of the five national consortia which have been given a concession by National Government through its Department of Minerals and Energy to supply off-grid customers.

Generally the areas supplied are:

- Jozini Municipality - Ingwavuma area
- Mtubatuba Municipality - KwaMsane area
- Eskom — Rural areas outside the above two supply areas and the urban areas of Mtubatuba, Riverview, St Lucia, Hluhluwe, Mkuze, Jozini and Manguzi.
- Nuon RAPS Utility (Pty) Ltd (NuRa).

Ingwavuma takes a 1,2 MVA bulk supply point from Eskom off their Makhathini NB43 network while Kwamsane takes 2.1 MVA.

3.2.8. Current supply sources

Eskom supply the bulk of electricity in Umkhanyakude. A 132kV sub-transmission network has been developed through Umkhanyakude along a route which generally follows the N2 national road. The sub-transmission network comprises a single 132kV line which in turn supplies four 132/22kV substations, Mtubatuba, Hluhluwe, Mkuze and Makhathini. These 4 sub-stations supply a total of 19 000 electrification, small and large power user customers, through a total of 22 distribution (11kV and 22kV) networks made up of both overhead line and cable with a combined network length in excess of 2400 kilometres.

Figure 18: DC 27 Electricity Delivery Status, 2008, StaSA, 2007)

Municipality	DME, 2008 Total Households	DME, 2008 Household Access to Grid	DME, 2008 Household Access to Grid (%)	DME, 2008 Households below basic level of service /backlogs	DME, 2008 Households below basic level of service /backlogs (%)
KZ 271	28,955	1,840	6.4%	27,115	93.6%
KZ 272	37,394	5,223	14.0%	32,171	86.0%
KZ 273	6,866	2,091	30.4%	4,775	69.6%
KZ 274	29,971	11,220	37.4%	18,752	62.6%
KZ 275	8,739	7,734	88.5%	1,005	11.5%

The baseline information in terms of access to basic services is highlighted below. This data indicates backlogs in terms of basic services and is based on the DWA 2010 IDP figures and the state infrastructure report. This should provide the Municipality with the necessary baseline information. Therefore planning to deliver basic services would be aimed at increasing the number of households with access to basic services. As such it should be a difficult task to populate the performance management data sheets.

Figure 19: Electricity access in DC 27

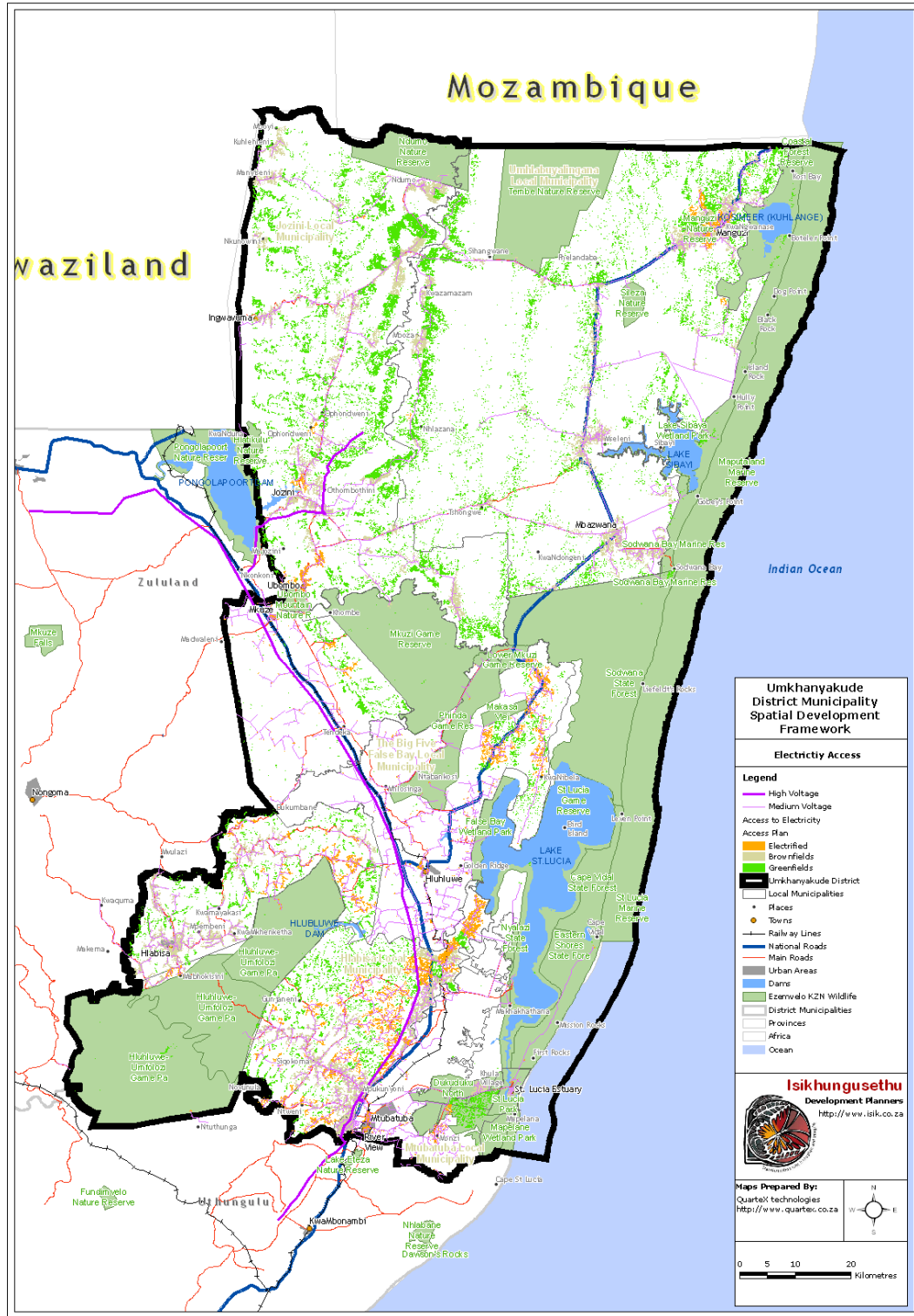


Figure 20: DC 27 Services Backlogs (DWAf: 2010)

SERVICES BACKLOGS AT UMKHANYAKUDE MUNICIPALITY											
Municipality	WATER				SANITATION				ELECTRICITY		
	Households with access	% access	Backlogs based on DWA 2010 IDP Figures and aligned to state infrastructure report 2010 (Households unserved mid-year 2010) CoGta re-calculated	Households without access (100-access %)	Households with access	% access	Backlogs based on DWA 2010 IDP Figures and aligned to state infrastructure report 2010 (Households unserved mid-year 2010) CoGta re-calculated	Households without access (100-access %)	Households with access	% access	Households without access (100-access %)
KZ 271	16,873	50.1	16,818	49.9	22,671	67.3	11,020	32.7	1,770	5.3	94.7
KZ 272	25,186	64.6	13,806	35.4	25,315	64.9	13,676	35.1	1,971	5.1	94.9
KZ 273	6,447	89.2	783	10.8	6,716	92.9	514	7.1	582	8	92
KZ 274	20,421	63.4	11,793	36.6	16,681	51.8	15,533	48.2	6,473	20.1	79
KZ 275	6,825	94.3	412	5.7	6,944	95.9	293	4.1	3,670	50.7	49.3
DC 27	75,752	63.5	43,611	36.5	78,326	65.6	41,037	34.4	14,466	12.1	87.9

SERVICES BACKLOGS AT UMKHANYAKUDE MUNICIPALITY											
Municipality	WATER				SANITATION				ELECTRICITY		
				Households without access (100-access %)				Households without access (100-access %)	Households with access	% access	Households without access (100-access %)
KZ 271				49.9				32.7	1,770	5.3	94.7
KZ 272				35.4				35.1	1,971	5.1	94.9
KZ 273				10.8				7.1	582	8	92
KZ 274				36.6				48.2	6,473	20.1	79
KZ 275				5.7				4.1	3,670	50.7	49.3
DC 27				36.5				34.4	14,466	12.1	87.9

Figure 21: Eradication costs for Service Backlogs (DWAF: 2010)

Municipality	ERADICATION COSTS FOR SERVICES BACKLOGS AT UMKHANYAKUDE DISTRICT MUNICIPALITY							Total Eradication costs (rounded) in millions
	WATER		SANITATION		WATER & SANITATION	ELECTRICITY		
	Households without access (%)	Eradication costs (rounded) in millions	Households without access (%)	Eradication costs (rounded) in millions	Eradication costs for water and sanitation rounded) in millions	Households without access (%)	Eradication costs (rounded) in millions	
KZ 271	49.9	R939.07	32.7	R102.63	R1,041.70	94.7	R478.82	R1,517.52
KZ 272	35.4	R770.93	35.1	R127.37	R898.30	94.9	R898.29	R1,796.59
KZ 273	10.8	R43.70	7.1	R4.79	R48.49	92	R48.49	R96.98
KZ 274	36.6	R658.48	48.2	R144.66	R803.14	79	R803.14	R1,606.28
KZ 275	5.7	R22.98	4.1	R2.73	R25.71	49.3	R25.71	R51.42
DC 27	36.5	R2,435.16	34.4	R382.18	R2,814.34	87.9	R2,254.45	R5,017.37

3.2.9. TRANSPORT AND ROAD NETWORKS

Transport and road networks vary enormously across the District. The majority of citizens rely on foot for daily transport needs (89.1%-Stat SA: 2001). Although some national roads (such as N2 freeway) do bisect the District; the road network is made up of primarily provincial, District and access roads, the majority of which are in poor condition. Such has been a concern for the District.

The road networks in the District is as follows"

- There is one national road (N2) cutting across the District's 4 local municipalities (Jozini, The Big Five False Bay Hlabisa and Mtubatuba municipalities.
- There are 37 Provincial Roads. These road networks serve as the main connectors of the five local municipalities. They also connect the primary nodes in the District. Most of them are in satisfactory condition with the exception of the few, such as:
 - ✚ P522-1 between Jozini town and Mbazwana;
 - ✚ P443 between Bhambanana and Ngwavuma;

These roads are characterized by potholes and livestock roaming the roads.

- The District Municipality has a total of about 63 District Roads. These roads serve as a major connection between major centers, towns and their respective rural settlement areas, and among the settlement areas. These roads are characterized by poor maintenance and most of them are gravel roads; making it difficult to used during rainy seasons.
- There are about 103 Artery Roads which despite being graveled are in an appalling state.

Public transport is relatively underdeveloped because the number of people traveling from the outer parts of the Municipality is so low. The District is characterized by poor transportation linkages and therefore poor mobility with the road infrastructure essentially limited to the N2 which passes through the District and some smaller roads. Even though the N2 is a national route, in the District it is a single lane road that in some segments not in a good shape.

Movement on this and the few others in the District is perceived to be dangerous, due to (1) the bad state of the roads, (2) free-roaming animals, (3) the weak state of roadworthiness of many of the vehicles in the area and (4) opportunistic criminal activities. Public transport is poor and dangerous. As many of the roads are inaccessible for buses and taxis, "bakkies" are illegally used for public transport.

The poor conditions of the road network in the District determine the access to transportation by the communities. Due to the conditions, taxi and bus transportation is not accessible to the neediest of the communities. Such communities are spatially placed in the outskirts of the major centers or towns and are connected to these centers/towns by either District or artery roads whose conditions are not conducive for taxis and buses to drive through.

It is for that reason that Umkhanyakude District is characterized by an increasing number of "Bakkie Routes", which puts the lives of bakkie commuters at risk.

3.3. SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT

3.3.1. ECONOMIC ANALYSIS

To undertake a proper analysis of the political economy of the District, it becomes important to consider the background of the South African economy in general. Thus, the District economy needs to be viewed as an integral part of the provincial economy that is linked to the national economy.

South Africa's Economic Overview

South Africa is a middle-income developing country with an abundant supply of natural resources, well-developed financial, legal, communication, energy and transport sectors, a modern infrastructure, and a stock exchange which rank among the 10 largest in the world. Its economic policy over the past nine years has been shaped by the government's development strategy in areas of education, health, social development, security, land reform and poverty alleviation. The government's policy decisions have been designed to promote sustainable economic growth, and to ensure that the benefits of growth are shared across an increasingly greater spectrum of society.

The country's economic policy is based on the macro-economic policy called Growth, employment and Redistribution (GEAR). It aims to find a balance between promoting economic growth on one hand, and social service delivery and job creation on the other. Gear combines the goals of deficit reduction, reprioritization of government expenditure to enhance poverty reduction, and embarking on macro-economic reforms to promote job creation.

The social transition that has accompanied the demise of apartheid has seen a vast increase in economic participation. Factors underlying this have included an increase on female participation in the economy, as well as migration to urban areas by the rural poor. South Africa also has a dual agricultural economy: a well-developed commercial sector and a predominantly subsistence oriented sector in the traditionally settled rural areas, of which Umkhanyakude District is constituted.

This is probably one of the glaring factors that provides for the South African economy as consisting, on one hand, of the 1st economy and the 2nd economy on the other. These two economies are separated from each other by a structural fault. The second economy emerged during the long period of colonialism and apartheid as a result of the deliberate imposition of social, political and economic exclusion of the African majority by a racist state.

Whilst exacerbated by the imperatives of globalization, the restructuring of the economy also reflect, to some degree the response of capital to the extension of citizenship and economic rights to the previously disenfranchised. This restructuring has segmented the labour market into three overlapping zones, namely core workforce, non-core workforce and the peripheral workforce.

The core workforce consist of workers that benefit directly from global integration, advances in worker rights and other forms of inclusion in social, economic and political institutions. Formal sector workers are generally highly organized in the trade union movement, although new jobs created in the formal sector tend to be associated with lower levels of worker organization.

Though the size of the formal sector workforce has diminished, it still constitutes more than half of the economically active population. While they enjoy higher salaries, secure employment and good working conditions, growing numbers of people depend on their wages. Men rather than women are more easily absorbed into this core of labour market.

The restructuring of the workforce is increasing the levels of a typical employment. This includes casualization, fixed term contracts and working from home. Those pushed into these more precarious and intensive working conditions

become part of non-core workforce. Because of the temporary nature of their work, union organization is much harder amongst the non-core workforce. The rights won by workers in the core of the economy are difficult to realize in an environment of poorly organized temporary workers, where women are more likely to find work.

The peripheral zone consists of those who have been excluded from the formal economy and engage in informal income generating activities on the margins, or depend on the support of friends and family and/or social grants. This includes the street traders and hawkers who sell basic commodities to the poor, memorabilia to the tourists and food to urban workers.

While some of those operating in the urban economy are able to secure relatively stable niches in markets created by formal sector economic activity, others find themselves excluded from such markets altogether and hence survival through dependence on welfare grants and the barter of goods and services.

Locating UDM economy within the Provincial economy

Umkhanyakude District has a relatively small economy, which contributes only 0,6% to the economy of the province while the population of the District is only 4% of the provincial population. The economic activities of the District are concentrated in two main economic sectors, namely agriculture and tourism (trade) sectors. These two sectors together contribute 55% to the total economy of the District. Agriculture is responsible for 32% and trade contributes a further 23%.

The structure of the economy of the District differs considerably from that of the rest of the province. The average contribution of the provincial agriculture sector to the economy for the province is in the order of 5%. The 32% contribution of the agriculture sector in the District is therefore about 6 times greater than in the case of the province. Likewise, the average contribution of the trade sector to the economy of the province is in the order of 15%. The 32% contribution of the trade sector in the District is significantly higher than that of the province average.

The District offers a special variety of cultural and environmental assets to the tourists, which have been discussed in a previous section of the report. These features provide the basis for Umkhanyakude to become an international tourist destination. Hence, the tourism contribution to GDP is in the main attributed to the above mentioned District facilities and assets.

It is interesting to note that all local municipalities seem to be dependent on services, retail and tourism sectors. However, there are still a limited number of District-wide projects aimed at taking advantage of the District latent economic potential

Economic Sector Analysis

The economic activities of the District are concentrated in two main economic sectors, namely agriculture and tourism (trade) sectors. These two sectors together contribute 55% to the total economy of the District. Agriculture is responsible for 32% and trade contributes a further 23%.

Tourism

Umkhanyakude District Municipality, branded as the Elephant Coast, is a unique Safari destination that combines the best of both land and Marine natural ecosystems. The natural attractions are underpinned by the Hluhluwe-Imfolozi Park and the Isimangaliso Wetland Park, World Heritage Site which have been under formal conservation since 1895 and 1999 respectively. Coupled with these are magnificent public and private Game Reserves such as Tembe Elephant Park, Ndumo Game Reserve, Mkuze Game Reserve, Thanda and Phinda private game reserves. Different communities within Umkhanyakude are tapping into the lucrative conservation business by establishing Community Conservation Areas (CCAs). Some established CCAs include Tshanini, Usuthu Gorge, Mabaso, Makhasa, Mpembeni and Bartlow Combine Community Conservation Areas.

Key cultural sites such as Border Caves, Ghost Mountain, Dingane's Grave, Usuthu Gorge, and the 700 year-old fish traps at Kosi Bay, point to a rich history of Umkhanyakude. The mixture of the Zulus, Swazis and Thonga tribes presents a myriad of significant opportunities for further exploration of cultural and community-based tourism initiatives.

There are numerous major tourism initiatives currently underway within Umkhanyakude District Municipality. These include, inter alia, the Lubombo Spatial Development Initiative, Pongolapoort Dam Tourism Development, and the Lubombo Transfrontier Conservation Area (TFCA), and the development of Mkhuze Regional Airport.

The Lubombo Transfrontier Conservation Area, branded as The Lubombo Route, was launched at the Tourism Indaba 2006 by the Ministers from Mozambique, South Africa and Swaziland. The TFCA links tourism development initiatives of South Africa, Swaziland and Mozambique and highlights a joint commitment by each of the three countries to ensure that tourism helps to further stimulate the economic strength of the region. The extraordinary biodiversity of this TFCA, coupled with its magnificent scenery, makes the area of Umkhanyakude yet another significant new Southern Africa destination. Plenty of opportunities exist for infrastructure development and for private sector investment in the tourism industry.

Umkhanyakude District Municipality is also engaged in a number of programmes and projects aimed at stimulating tourism entrepreneurship among the previously disadvantaged local communities. These include, among others, Tourism Awareness Programme, Tourism Business workshops, SMME development, product development, promotion of cultural tourism, Craft Enterprise Development Programme, establishment of CTAs and CTOs and various marketing initiatives.

Tourism is considered the most important growth sector in the District's economy. It constitutes a larger part of the trade sector in the District than it does in the province. While it is particularly strong in the coastal sides (Sodwana Bay and St. Lucia); it is also very strong inland whereby it is associated with the Game Reserves.

Although tourism can create employment and bring investment in the District; the following issues are problematic:

- Lack of involvement and benefit from tourism by local communities;
- Limited access by communities to tourism opportunities and craft markets;
- Constraints on development due to poor infrastructure;
- The perception that the District is a low-income, cheap holiday destination;
- Perceptions of high crime rate;
- Malaria, which is under control; and
- High leakage of tourism revenue from the District.

Agriculture

Various other sectors contribute to the District's economy. Agriculture, which is along with tourism are considered the key economic drivers in the District mostly informal and seasonal employment in the UDM. The most northern part of Umkhanyakude District is almost without exception an area in which traditional agricultural methods are practiced. Traditional agriculture is mostly based on livestock and small scale sugarcane and cotton farming. In the southern areas agricultural activities are more commercial which include sugarcane, pineapples, forestry, livestock, game, and to a lesser extent, citrus and vegetable farming.

The agricultural potential of the District is high but limited by, amongst other, its inability to compete effectively with other parts of the country due to its relative isolation and high cost of maintaining sustainable marketing channels. The importance of both tourism and agriculture as economic drivers of the District's economy has brought about the

development of Makhathini Integrated Master Development Plan as part of a multi billion rand Lebombo SDI. An overview of all the activities around Makhathini is dealt with in this document.

THE MAKHATHINI INTEGRATED DEVELOPMENT PLAN

The Makhathini Integrated Master Development Plan is a plan focusing on the development of two local Municipalities i.e. Jozini and Umhlabuyalingana municipalities in the District of Umkhanyakude. The plan was developed on the instruction of the MEC oversight Committee for the Lebombo SDI and Economic Cabinet Cluster. The plan aims to integrate all government activities and develop the two main economic driving sectors in the area, i.e. agriculture and tourism. The planning process will ensure that an integrated plan is developed for the spatial planning of the area which is consistent and part of the IDP's of the two municipalities concerned. This is a multi billion rand project both private and public sector will invest in agriculture and tourism. There is also a component of infrastructure development attached to the project.

The project is in line with rural development initiatives. A steering committee to oversee the entire planning process for the project has now been established. Umkhanyakude District Municipality has been requested to host all steering committee meetings for the project. The District is also the co-chair of such meetings with the Department of Agriculture Environment and Rural Development.

The fact that this is the area has a subtropical climate and water available for the irrigation of around 10000 ha from the Jozini Dam is well known. This means that crops can normally only be grown during the rainy season in the summer rainfall areas of South Africa, can be grown throughout the year on the Makhathini Flats under irrigation. A further benefit is that some crops grown on this area can reach the market 3 to 4 weeks before those grown in other areas of South Africa because of the favourable heat units of the area.

Extensive research has been done over many years on the irrigable areas. What is not well done, is the fact that this subtropical area of KwaZulu-Natal is not just limited to this irrigable area of around 10 000 to 13 000ha. The total area of what is generally known as Makhathini (Jozini and uMhlabuyalingana Local Municipalities) totals over 450 000ha, which a recent study has shown to include just over 407 000ha of grazing area and possible area of around 33 000ha on which appropriate rain-fed crops can be produced in the summer.

To unlock the economic potential of the area on a sustainable basis (economical, environmental and social) with agriculture and tourism being the main drivers of the economy of the area, will require an integrated and coordinated effort by all stakeholders. These include the appropriate provincial, national and local government departments and organizations responsible for agriculture, environment, conservation, land, water, electricity, traditional affairs, roads, education, health, housing, economic development, etc.

The process must form part of the existing institutional structures for integrated governance in the province. The Provincial Spatial Economic Development Strategy (PSEDS) is such a coordinating institutional structure and it is proposed that the Makhathini Integrated Development Steering Committee will form a sub-committee of Maputo Corridor Sub-committee of the PSEDS.

The Makhathini Integrated Development plan will furthermore form part of the Umkhanyakude District and Jozini and uMhlabuyalingana Municipalities' IDPs and this is already happening as information is currently being reflected accordingly. The final result of the integrated planning and implementation of the Makhathini Plan will be:

- The optimal and sustainable use of the agricultural and tourism potential of the District areas of Umhlabuyalingana and Jozini;
- Agricultural development; and

- The development of adequate support infrastructure.

Progress to date

There has not been any substantial implementation progress with regard to this plan, but the SDF has been completed and in place (Refer to annexure2).

3.3.2. EMPLOYMENT AND INCOME ANALYSIS

About 12, 7% of the total population is formally employed. At the same instance, more than 70% of the population lives at less than R800-00 per month. Over 80% of the population lives below poverty line.

Sources of employment for most of the people in the Umkhanyakude District Municipality include:

- Farming;
- Trade;
- Government;
- Transport; and
- Tourism

The majority of people in the District live in rural areas and the majority of these rural residents are poor. Income in rural areas is constrained by the rural economy that is unable to provide people with decent jobs or self-employment opportunities. It seems the majority of people in the District have no income, and therefore indigent.

Figure 22: DC 27 Employment Status (CS-2007, StatSA)

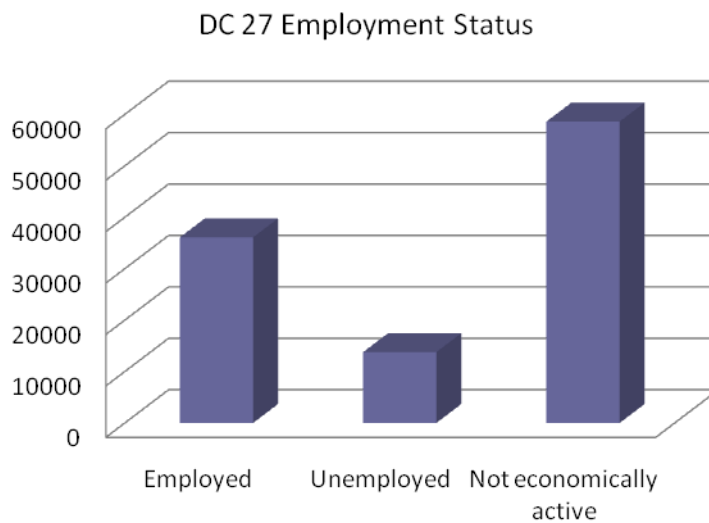


Figure 23: Employment Status per locality (CS-2007, StatSA)



District Employment Distribution

It is evident that the District economy is experiencing negative formal employment growth. The services sector as a major contributor to the GDP has created a number of employment opportunities in the District. This clearly exhibits high dependency of the economy on government services. The community services and retail sectors have also experienced increased level of labour absorption within the District. Low representation of the agricultural and manufacturing sectors indicates a low level of development and economic diversification.

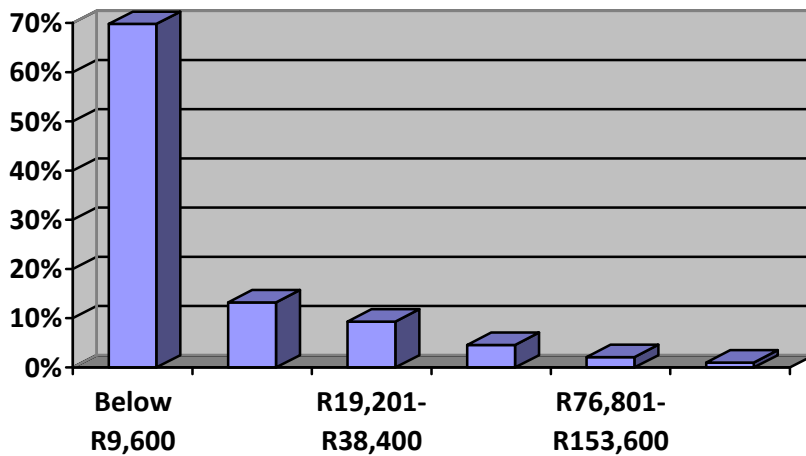
It is worth noting that tourism has experienced significant growth in terms of GDP, nevertheless the contribution of this sector towards eradicating prevalent unemployment is still very minimal. It therefore stands to reason that the District has a challenge to devise strategies that would couple the experienced sector based growth with the desired employment rate.

It is reported that 31.5% of the employed are involved in various types of elementary activities or unskilled work which do not require any formal training of skills level. Skilled and technical and professional workers accounts for 3435 (10.7%), 1368 (4.26%) and 4396 (13.7%) respectively. 4381 (13.3%) of the total labour force, works in the craft and trade related industries. This clearly indicates general lack of appropriate skills for economic diversification. It also highlights a need for skills training in order to position the labour force to exploit the emerging economic opportunities.

District Income Distribution

An analysis of the income profile of the population suggests that poor low income communities dominate Umkhanyakude District. The largest percentage of households earns less than R1 500 a month. 25.7% of households have no formal income, which suggest a high dependency on subsistence activities for survival. A key contributor to the low-income levels is the high rate of unemployment and the low wages paid in specifically the agricultural sector. (Source: Stats 2007).

Figure 24: Annual Household income: CS-2007, StaSA)



The majority of households live below the poverty line. Approximately 42% of the households have family members of between 4 and 7, while 24, 7% have more than 8 members in the household. On the other hand, it is reported that 69% of the households earn an income of below R9600 per annum. This clearly explains why the District is among the Presidential nodes which call for immediate attention in terms of socio-economic interventions.

3.4. MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

This KPA concerns itself with the capacity of the Municipality to respond and address community issues and concerns. It is concerned about whether the Municipality is in a position to implement what is indicated in the IDP, hence the issue of the OPMS. It focuses on the relation between the OPMS in terms of implementation of the IDP and the availability of manpower to implement such IDP. The department within the Municipality that is most expected to drive this KPA is Corporate Services. Under this KPA issues such as the organizational structure of the Municipality both political and management structures will be highlighted. Municipal departmental analysis, i.e. key challenges and recommendations will also be highlighted.

MANAGEMENT STRUCTURE

The Municipal Manager of the District Municipality is responsible for the following departments:

- Corporate Services Department
- Financial Services Department
- Technical Services Department
- Social, Planning and Economic Development (SED) Department
- Community Services Department

The total number of staff is 274 excluding councillors. This number is inclusive of 170 community water scheme staff members that were incorporated into the District Municipality's payroll as from.

There has been a delay with regard to the finalization and approval of the Human Resource Strategy that will address issues of skills development, training and staff retention. The approval of the HRD strategy will pave the way for the Municipality to develop itself into an organization able to meet its developmental mandate.

Some of the critical posts that had been vacant have been filled. These include the post of The Executive Director: Technical Services Department. Other posts were advertised towards the end of 2009, and due to unforeseen delays, short-listing for those posts is yet to take place. The process of filling these posts will be in line with the institutional transformation and gender equity, including women empowerment.

DEPARTMENTS' KEY CHALLENGES

On the 7th of February 2011, all departments within Umkhanyakude District Municipality presented and outlined their key performance areas. The key focus of the presentations was to conduct a self assessment and status quo of the respective departments. In so doing challenges were highlighted and recommendations as per the challenges were also outlined. The following is an in-depth analysis of all DC 27 departments:

OFFICE OF THE MUNICIPAL MANAGER

The office of the Municipal Manager consists mainly of the IDP/PMS Unit, Communication Unit, legal and audit units (refer to the organogram below). The IDP/PMS Unit is the only functional section within the Municipal Manager's office with all posts in the unit filled. The audit and legal unit posts are vacant. The Communication Unit's functionality has been hampered by the prolong illness of the communications manager and that the post for the communications officer has always been vacant. The dysfunctionality of this unit has cost the Municipality on the extent it communicated with the community it serves. Such example is when there communication breakdown between the community of Kwa-Msane and the District Municipality regarding the imminent water supply cut which ended in a community march that could have been avoided had there been a early communication with the affected community.

The break in communicational lines between the Municipality and the community has been raised during some of the local municipalities' ward participation meetings (Mtubatuba draft 2011/2012 IDP: Priority Issues per ward, p.58) and the District acknowledges that the issue of communication with the community it serves should be treated as a priority.

The IDP/PMS Unit embodies the core business of the Municipality. It functions across departments expressing the strategic direction of the Municipality. It is also responsible for monitoring, evaluating & reporting of performance progress.

Unit's Key Performance Areas: Integrated Development Plan (IDP) and Performance Management System (PMS).

Challenges:

The Unit's capacity is overstretched. This is due to fact that the unit is partly responsible for other areas that are not within its scope or the key performance areas. The absence of the LED manager provides a burden to the IDP Manager for he is then responsible for LED issues such as corridor development. Another irregularity is that the development of SDBIPs and compilation of annual reports rest solely with the IDP/PMS Unit.

There is poor integration between the internal departments, which is caused by the absence of a communication strategy that would define the communication lines among departments. IDP/PMS monitoring and evaluation loosely managed due to partial commitment by departments.

Proposed Interventions/recommendations:

- Three workshop sessions with the broader MANCO to address IPD/PMS imperatives.
- A communication strategy to deal not only with communication issues between the Municipality and the District, but also within the Municipality's internal departments needs to be developed.

FINANCIAL SERVICES DEPARTMENT

The Key Strategic Objective of the Treasury and Budget Office is to ensure sound financial management and financial viability of the Municipality.

The Department is divided into four units:

- Revenue & Cash Management (Income)
- Procurement and Logistics (Supply Chain Management)
- Expenditure Management (Grants & Expenditure)
- Financial Planning & Reporting (Budget and Reporting)

The Key Strategic Areas for this department are:

- Accurate and timeous billing of customers;
- Prompt collection of all monies due to the municipal in line with debt management and credit control policy;
- Safeguarding of funds collected (timeous banking);
- Proper cash flow management and;
- Responsible investments.

Challenges:

- Two Sections i.e. Income & Expenditure without Managers;
- Only a single staff in Payroll sub-Section, irrespective of organizational growth;
- Dual reporting of Meter Readers⁶;

⁶ Ito the organizational structure, Meter reading falls within Technical Department, yet meter readers have to report to Finance Department.

- No Credit Controllers, resulting in the escalation of debt;
- Difficulty in communicating with satellite offices due to unavailability of network;
- Cash Flow deficit;
- Illegal connections;
- Interference or non-clarity of roles within departments, e.g. Fleet Management, Asset Management, Risk Management (insurance) & SCM.
- Non-compliance with Supply Chain Management (SCM) policy, regulations and procedures of the Municipality and MFMA provisions by departments;
- Lack of Resources due to Cash Flow challenges;
- Incompatible or non-integrated reporting systems.

Proposed Interventions/recommendations:

- DC process involving the CFO be expedited;
- The two senior Interns be permanently absorbed by the Department at entry level positions of Clerks: Asset Management and Accounts Payable;
- Staff be reshuffled within the department, including those located at the Water Schemes;
- Billing and enquiries be decentralized to small towns closer to the customers and the schemes;
- GRAP training be provided to strategic finance staff to enable them to prepare 2010/11 AFS internally;
- A systems review be commissioned, and identified gaps be closed with immediate effect; with a view to change the current financial reporting system and other systems;
- Fleet Management, Asset Management, Risk Management (insurance); and SCM be exclusively located and managed by Finance Department;
- Meter Reading brought back to report to Billing sub-Section, under Finance Department;
- Stringent measures should be put on spending to reduce the deficit.
- Cash Flow Management Committee be revived;
- SCM Deviation should be the prerogative of the MM only.
- Illegal connections, where capacity of the scheme allows be metered and formally brought into the billing system.

CORPORATE SERVICES DEPARTMENT

The **Corporate Services Department** is the portal of entry and exit from the Municipality and supports the functions of all the other departments in the Municipality. The Department provides support services and generally ensures that all administrative functions of the Municipality are properly coordinated and instances of delays, wastages and poor productivity are greatly minimized.

Key Performance Areas:

The Department aligns its activities with and responds to two (2) National Key Performance Areas (KPA), namely:

- Good Governance and Public Participation; and
- Transformation and Institutional Development

The Department is broken down into:

1. Human Resources Management
 - Recruitment and Selection
 - Conditions of Service
 - Skills Development
 - Labour Relations
 - Occupational Health and Safety
 - Employee Assistant Programme
2. General Administration
 - Fleet Management
 - Registry Management
 - Auxiliary Services
 - Committee Support
 - IT Management

Challenges:

- Poor or non-existence of communication strategy of the Municipality, internally and externally;
- Inability to respond to departments' needs for filling of vacant posts, due to cash flow;
- Inability to implement HR plans such as the Work Place Skills Plan due to Cash Flow problems
- Poor management of leave by management;
- Outdated IT systems
- Inactivity of the Website not active due to financial constraints.

Proposed Interventions/recommendations:

- Communication strategy of the Municipality be urgently reviewed and implemented, and be formally communicated with employees, councillors and community prior to implementation;
- To prioritize filling of all critical vacant posts in 2012/2012;
- HR to organize a workshop for employees on all types of leaves;
- LGSETA Grant to be cashed back and be utilized as per Work Place Skills Plan;
- Revamp the Information Technology (IT) system; and
- Activate the District's website.

COMMUNITY SERVICE DEPARTMENT

This department serves as a mouthpiece of the Municipality. It plays a central role in organizing community participation events such as IDP/Budget Roadshows. The functions of this department cover social service programs, including services to vulnerable women, children, the aged and people with disability. It also focuses on youth development programs, hence sports and recreation.

Key Performance Areas:

- Environmental health services
- Disaster management
- Disability
- Art and culture
- Women, children, senior citizens and gender
- Youth and sports
- HIV/AIDS

Challenges:

- There is a lack of coordination and working together as a District family of municipalities. This is due to unavailability of a platform to discuss community services issues at a District Level.
- Lack of funding to implement short and long-term projects for the vulnerable.
- Management and Councilors seem to have partial understanding of the dynamics of Disaster Management

Proposed Interventions/recommendations:

- Establishment of a District-wide Community Services Forum
- The Departments should communicate with Provincial and National relevant departments so as to implement programmes and projects directed to the vulnerable at a local level.
- The department should coordinate Management and Councilor training on disaster management.

SOCIAL AND ECONOMIC DEVELOPMENT (SED) DEPARTMENT

This department is considered to be the economic engine of the Municipality. It concerns itself with improving the lives of Umkhanyakude District communities socially and economically.

Key Performance Areas:

- Local Economic Development (LED);
- Tourism
- Poverty Alleviation
- Planning (Spatial)

Challenges:

- Critical posts are vacant; as such the department is operating on skeleton staff.
- Failure of the Municipality to retain its staff has affected the department. The skills required in the department are of high demand; as such the Municipality cannot compete with other municipalities/sector. Hence it tends to lose its staff due to better offers from somewhere else.

Planned Interventions:

- As would be determined by the availability of budget; critical vacant posts would be filled.
- Corporate Services Department should develop and implement a retention strategy.

TECHNICAL SERVICES DEPARTMENT

The Technical Services Department manages the delivery of infrastructure (services) and the technical affairs of the Municipality. The department provides strategic support by facilitating the continuously updating of sectoral plans to inform integrated development planning. The department manages and monitors the implementation of projects emanating from the IDP, in accordance with policies adopted by the Municipality. The department also reports on the projects executed and maintains control systems for each phase of project implementation.

The Department is divided into four (4) sections, namely:

- Project Management Unit (PMU)
- Energy Section
- Water Services Authority
- Water Services Provision

Key Performance Areas:

- Bulk Water and Wastewater Management
- Electricity
- Project Management
- Rural and Urban Reticulation

Challenges:

- Vandalism of infrastructure and illegal connections result to massive water loss
- Poor operation and maintenance due to financial constraint
- Shortage of resources, such as laptop, vehicles
- IT system inadequate MIG-MIS system not update and reporting not done
- Vacant critical posts. WSA position not filled since 2006, therefore affecting planning for water services.

Proposed Interventions/recommendations:

- Legalize connection all illegal connections through metering.
- Development and implementation of operation and maintenance plan

DEVELOPMENT PLANNING SHARED SERVICES (DPSS)

In view of the impending changes in development planning legislation in the province involving devolution of planning powers and functions to local government level; *i.e. The Planning and Development Act (PDA)*; limitations on capacity in Local Government to perform planning and development functions; limitations on funding in many municipalities to engage qualified and suitably experienced planning staff; the need to extend all development planning functions across the full area of jurisdiction of local municipalities; and to strengthen the coordination function to be performed by District Municipalities; the Umkhanyakude Family of Municipalities in partnership with the KwaZulu Natal Provincial Department of Cooperative Governance and Traditional Affairs (COGTA) has recently (2008/2009 Financial Year) committed itself into the establishment and implementation of the Development Planning Shared Services (DPSS) Initiative as part of its institutional arrangement.

The main purpose for the establishment and implementation of the District-wide Development Planning Shared Services (DPSS) component is to perform a range of development planning functions throughout the District municipal area with particular focus on the following Key Performance Areas (KPA's):

Key Performance Areas (KPAs):

- Spatial Planning;
- Municipal Strategic Planning (IDP);
- Development Administration Control
- Performance Management System (PMS); and
- Geographical Information Systems (GIS).

In addition, *the Environmental Planning and Management; Building Inspections and Control; Housing & Land Reform* Key Performance Areas/functions were considered to form part of the DPSS initiative, but do not form part of the original Development Planning Shared Services negotiations between COGTA and Umkhanyakude Family of Municipalities. These will have to be identified for further discussion once the planned shared service has been established and is fully functional in the future.

Despite some of the challenges listed below, (including the slow pace in filling of the vacant posts and lack of operating requirements) overall it is appropriate to mention that the Umkhanyakude's Development Planning Shared Services (DPSS) Initiative which came into effect in January 2010, is indeed functional and has made meaningful strides in delivering to its mandate as outlined in its implementation performance plan.

One of the major achievements of the newly created DPSS Component among others is the creation of the necessary awareness and knowledge about the need and importance of Development Planning function in municipalities.

- Inability of the District to retain the appointed DPSS Staff negatively affected the DPSS Unit functionality when it lost three of its initial staff due to resignations;
- Lack of operating resources such as Laptops, 3G Cards, etc...
- Lack of needed support and cooperation by the participating Local municipalities in the full implementation of the DPSS Business Plan and MOA resulting in non-compliance to the provisions of the MOA, i.e. Failure by the LMs to transfer their own contributions as per the MOA; etc...
- Delays in filling of the vacant post for the DPSS Component;
- The unfavorable Financial position of the District Municipality directly affecting the operations of the Component;
- Continued differing perceptions about the relationship between the DPSS and the existing Planning capacity within the Family of Municipalities;
- Lack of clarity on the roles and responsibilities in the implementation of the DPSS Initiative within the family;
- The challenge of high expectations versus the real mandate and scope of the DPSS Initiative especially by the participating Municipalities;
- Inadequate awareness and knowledge about the DPSS facility throughout the District, especially to the Development Planning role-players and Stakeholders;
- Lack of clarity on the management responsibility of the DPSS;
- Lack of effective communication mechanisms for the DPSS facility; and
- Lack of Long-term strategic importance of DPSS within the District Family in developing and sustaining development planning function within the District Family.

Proposed Intervention/ Recommendations:

- Filling of the vacant DPSS Posts;
- Upscale Communication efforts about the DPSS Initiative aimed at profiling the need and value of the Facility throughout the District Municipal Area;
- Work towards clarification of roles and responsibilities about the purpose and mandate of DPSS to various role-players and stakeholders;

- Make the much needed operating resources and requirements available to enable the component to deliver on its expected mandate as contained in its Business Plan;
- Solicit both leadership and management support and commitment of the participating municipalities into the implementation of the DPSS initiative;
- Clarify the management responsibility of the Initiative;
- Solicit high level leadership and management support/ and buy-in towards the strategic importance of the DPSS initiative by viewing the DPSS as their initiative and not necessarily COGTA's initiative. In other words, at a very strategic level, a very bold decision must now be taken to prioritize including Development Planning function into their respective organizational structures which must continue to exist post DPSS; and
- The DPSS facility shall be used to develop and sustain the Development Planning function within the family of Municipalities.

UMHLOSINGA DEVELOPMENT AGENCY (UMDA)

In response to the challenges regarding Economic Development the Umkhanyakude District Council decided to establish the Umhlosinga Development Agency. With the financial assistance of the Industrial Development Corporation which is running a Local Economic Development Agency program the UMDA was established in 2006.

The UMDA speaks to 5 major Key objectives of the IDP

1. Poverty
2. Unemployment
3. Local Economic Development
4. Infrastructure Development
5. Capacity Building for SMMEs

The UMDA functions as a Local Economic Development Agency (LEDA) growth and development in the sub region. The District Municipality has formally mandated the agency, to:

- a dedicated entity responsible for the planning and implementation of a program of sustainable economic that acts as an agent, for and on behalf of the Umkhanyakude District Municipality, for the purposes of implementing an integrated and sustainable program of economic development in the area;
- To identify, plan and manage the implementation of economic development projects in the Districts of Umkhanyakude, as agreed to with the District and/or local municipalities of the District;
- To acquire, own and manage land and buildings, and/or rights to land and buildings, on behalf of the Districts and/or local municipalities, to be used for economic development purposes;
- To act as a receiver, manager and/or coordinator of technical assistance and development funding from donor, public and private sector institutions/organizations for the discharge of its mandate; and
- To raise, receive and hold funds, from any lawful source and to manage, administer and disburse those funds in pursuance of the objects of the agency.

The UMDA has an independent Board appointed by EXCO to oversee the mandated as given by the Council. In April 2007 an acting CEO was appointed and the UMDA finalized its Pre Establishment. The full time CEO was appointed in January 2008 and the UMDA moved into Establishment phase in Identifying lead projects to investigate towards Economic Development.

The UMDA moved into 1st Operational phase in 2009 and established five economic intervention Programs that talk to the IDP i.e. 1) Agribusiness, 2) Tourism, 3) Industry, 4) Property Development, and 5) Business Support and Development.

The UMDA was requested by parent body to investigate 2 Lead projects that would have long term benefits to the District Economic growth and Development. Those projects are 1) The Mkuze Regional, and 2) The Jozini Hydro. The activities of the agency are highlighted in the OPMS in this document.

3.4.2. SWOT ANALYSIS OF THE MUNICIPALITY

Having identified the departmental challenges, Umkhanyakude therefore outlined its SWOT analysis. The purpose of defining the Strengths, Weakness, Opportunities, and Threats allows the Municipality to see, realistically, what factors are likely to work for or against the District Municipality. This information would then help the institution as it identifies the individual steps for achieving its goals/objectives.

How solid are we? (The Strengths):

The filling of vacant municipal manager post provides the Municipality with a functional municipal leadership. The municipal manager has instilled discipline, commitment and dedication to the heads of department. There is now willingness to go an extra mile so as to serve people with basic services. There is now a strong emphasis on improved fiscal management, through among others, Financial Recovery Plan.

...But we do lack in some aspects (Weaknesses)

Although there has been an improvement, there is still poor communication within and amongst municipalities. The District is also characterized by shortage or lack of skills base. The District does have skilled staff, but not optimally utilized and in some instance there is a shortage of staff in key positions, due to inability to retain staff. Some departments within the Municipality have become "ghost departments".

Uncoordinated/Disintegrated Planning is one of the main weaknesses of the District. Other weaknesses include:

- Small revenue base forcing the Municipality to be dependent on grants;
- Closely related to small revenue base is poor collection of rates and taxes.

Other weakness points include:

- Poor record keeping and filing, as a result poor reporting on the achievements reached due to lack of supporting evidence;
- There is poor communication and coordination among internal departments, due to lack of unity in the management;
- While there is limited funding to implement programmes; there is also a lack of capacity and willingness to utilize available funds, to such an extent that some funding are taken back by the funder; and
- Political instability, which is also characterized by some employees whose minds are divided between political allegiances and providing services to the people.

...Seizing the Opportunities

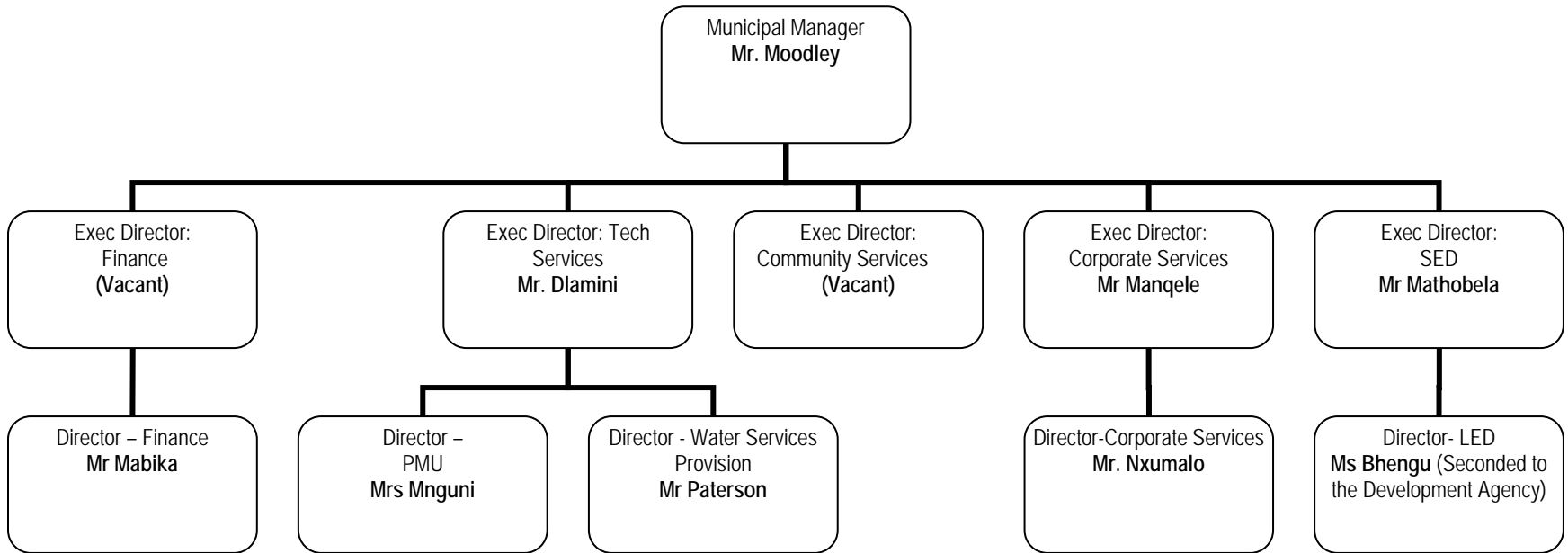
- N2 Road and LSDI Network/Corridor;
- Presence of Jozini Dam;
- Inter-sectoral collaboration;
- Umkhanyakude District has been declared a Presidential node;
- Revival of Railway line to Golela;
- Development of the Airport in Mkuze;

- Utilisation of Lake Sibhayi as a tourist attraction;
- Promotion of nature reserves e.g. Transfrontier conservation area;
- Establishment of Waste Management can have an influence in economy by creating additional employment opportunities;
- Tourism development which could be in the form of Bed and Breakfast outlets, Cultural Village and Curio stalls etc.
Investment opportunities with a view of locals having some ownership in the investment of B&Bs, filling stations, tourism centre;
- Agribusiness development such as:
 - Processing Plant such as *Sclerocarya caffra* Marula fruit jam and vegetables.
 - Establishment of Ilala project - *Hyphaene natalensis*
- The availability of the following medicinal plant but not limited
 - African Viagra-Ubangalala
 - *Trichilia emetica*-Umkhuhlu
- Establishment of a nursery for flowers, forests and vegetables.

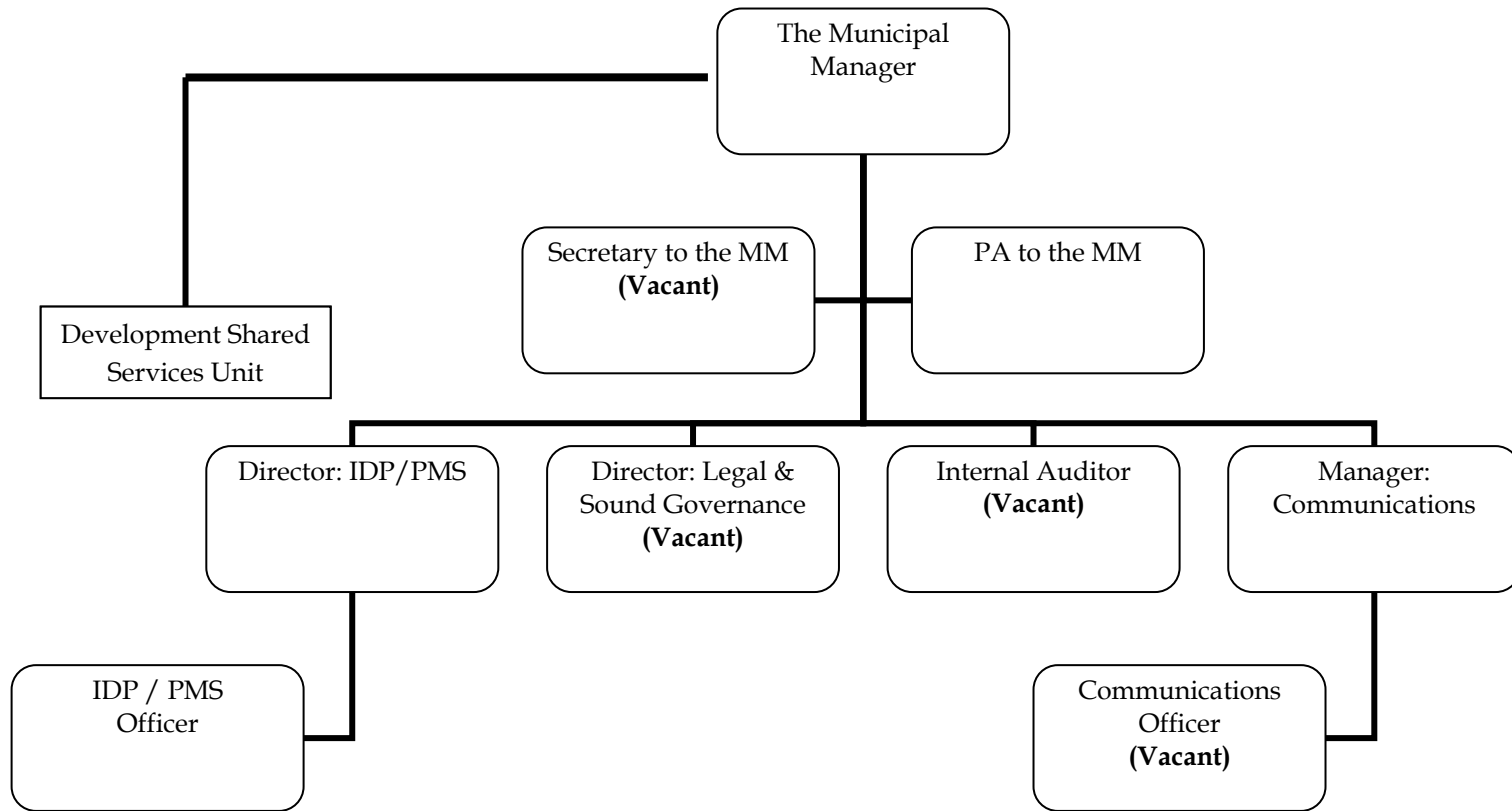
...Impediment we are likely to face as we move forward. (Threats)

- HIV and AIDS;
- Malaria and other diseases such as waterborne diseases;
- Poor safety and security and in general, criminal activities that pose threatened tourism in the District
- Land ownership – most of land are either under the control of Traditional Authorities (Ingonyama Trust) or in private ownership. This hinders the pace of development;
- Land Restitution, lack of strategies for sustainability of successfully claimed land;
- Vulnerability to disasters such as drought, floods, storms, fire, chemical spills);
- Illiteracy, lack of skills amongst community members and poverty;
- Insufficient water sources and bulk supply;
- Influx of illegal immigrants; and
- Lack of infrastructure such as roads, water, sanitation and electricity

Below is the Organogram of the top management structure:



Below is the structure for the Office of the Municipal Manager:



REFER TO ANNEXURE 1 FOR THE APPROVED MUNICIPAL-WIDE ORGANOGRAM

3.5. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Amongst the number of internal and external factors that impacted on the Umkhanyakude District Municipality's service delivery effort; financial management has been one of the internal factors. The huge infrastructure backlogs in the context of inadequate financial resource to meet the identified needs in terms of the IDP are some of the critical issues regarding financial viability of the Umkhanyakude District Municipality.

3.5.1. MUNICIPAL STATE OF FINANCES

The financial situation the Municipality finds itself in is appalling to say the least. Currently, the Municipality's revenue collection is standing at 32% of the total billed amount as at 30 June 2010. This collection is very low and is also one of the contributing factors to the current financial crisis that the Municipality is experiencing. These have not only impacted on ongoing financial sustainability but have also impacted on the delivery of basic services.

The Municipality's budget needs to be balanced. Services need to be provided at affordable levels and the full costs of delivery needs to be recovered but also taking into account the effect of the indigent residents within the Municipality.

While banks and other lending institutions like DBSA provide an additional mechanism to access financial resources. But at this point, Umkhanyakude is not in a position to borrow in order to fund the deficit. The current cost of borrowing as a percentage of total operating expenditure is currently sitting at 4%, yet the Municipality is still finding it difficult to make repayments on time.

3.5.2. THE ABSENCE OF THE CHIEF FINANCIAL OFFICER (CFO)

The Umkhanyakude District Municipality is in a process to employ a CFO. The municipal CFO had been until recently on suspension for a year or so, and his case had been dragging on and on without any tangible conclusion. The post of the CFO is one of the critical posts in a Municipality therefore one that a Municipality cannot afford to operate without. Unfortunately due to the pending case, the post had to be filled on an acting capacity.

Failure to comply and submit on time could be associated to instability in the management of the Municipality, where at a time there were three critical posts⁷ had acting personnel

3.5.3. COMPLIANCE ISSUES

Having acknowledged the financial turmoil in the Municipality, The Mayor and the then Acting Municipality took a decision to request the Honourable MEC for finance, Ina Cronje to assist the Municipality by providing a team that would give support on financial management challenges that the Municipality was facing. This initiative worked very well.

The result for such action was the move from a disclaimer into an unqualified audit report (FY 2009/2010). Another area where the Municipality has been lacking was compliance especially with the prescripts of the MFMA. Despite the presence of the in-house support, the District failed to submit its financial statements for the year that ended June 2010, thereby contravening Section 126 of the Municipal Finance Management Act, No. 56 Of 2003 (MFMA).

It is issues such as these that put a dent in the image of the Municipality, and as such the financial strategic objective for 2011/2012 FY ought to seek to address these short-comings. It is worth noting that on its acknowledgement that the financial crisis required immediate actions, the Umkhanyakude District Municipality developed a "Financial

⁷ The Municipal Manager, The Chief Financial Officer, and HOD: Community services

Recovery Plan” (Refer to annexure 4). The plan identifies areas where there is high expenditure, such as telephone usage. In turn stringent measures are put into operation against such expenditures.

3.6. SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT

3.6.1. SPATIAL ANALYSIS

The spatial analysis exercise provides a visual picture of the existing spatial pattern (that is nodes, networks and areas) that has emerged in the municipal area. This analysis serves to describe the municipal area in spatial terms and understand how space is utilized in the District. It looks at settlement patterns and growth points (nodes), population concentration areas, land claims and their socio-economic implications. All these aspects have a bearing on future land usage, infrastructure investment, establishment of sustainable human settlements, public transport and local economic development. (Refer to page?? for a District Map illustrating local municipalities and District Management Areas (DMAs). A dedicated section on the District’s SDF is available in this document.

The main characteristics of the municipal area are listed below and are further outlined in the map below:

Umhlabuyalinga Municipality (KZ 271)

The Umhlabuyalingana Municipality is one of the five local municipalities located in the Umkhanyakude District Municipality (DC27) and is approximately 3 693 km². It has Mozambique along its northern boundary, the Indian Ocean to the east and the local municipalities of Jozini to the west and The Big 5 False Bay and KZDMA27 to the south. The urban areas include towns such as Mbazwana, Sodwana Bay and KwaNgwanase (Manguzi). Ingonyama Trust land which members of the Tembe, Mashabane, Mabaso and Zikhali traditional councils dominates the area of jurisdiction of the municipal area.

The main road structure is made up of the N2 which traverses the District in the southwest. To the east of the N2 is a main road which runs from the N2 through to Jozini and Manguzi into which the SDI road (MR 439) links from Hluhluwe and the N2 thus form a circular route.

Economic growth points at Umhlabuyalingana Municipality are as follow:

Economic Growth Points in terms of:	PGDS	DC 27 SDF	KZ 271 SDF
Primary Nodes			Manguzi & Mbazwana
Secondary Nodes		Mbazwana & Manguzi	Mseleni, Sikhemelele & Mboza
Tertiary Nodes		Phelandaba & Mseleni	Phelandaba, Manaba & Monzi

Jozini Local Municipality (KZ 272)

Jozini Municipality is located in the Northern Kwa-Zulu Natal and borders of Swaziland and Mozambique. Jozini Municipality covers 32% (3057 km²) of the total area of 13859 km² of Umkhanyakude District Municipality. The Municipality comprises of six towns; which are:

- Ingwavuma Town
- Jozini Town
- uBombo Town
- Bhambanana Town
- Mkuze Town and
- Ndumo Town

There appear to be a dominance of agricultural and government sector services in Jozini. Investigation is required into the development of sectors such as tourism and the strengthening of the agricultural sector through the diversification of outputs and beneficiation. There is a great disparity between the level of service and infrastructure provision between settlement nodes, such as the towns of Mkuze and Jozini, and the surrounding rural areas.

Economic growth points of Jozini Municipality are as follow:

Economic Growth Points in terms of:	PGDS	DC 27 SDF	KZ 272 SDF
Primary Nodes		Mkhuze	Mkhuze & Jozini
Secondary Nodes		Jozini	Ingwavuma, uBombo & Bhambanana
Tertiary Nodes		Ingwavuma, uBombo, Bhambanana	Ophansi, Manyiseni, Ndumo, Makwakwa, and Mhlekezi area.

The Big Five False Bay Municipality (KZ 273)

The Big 5 False Bay Municipality is situated directly north of the Mtubatuba Municipality and it stretches as far north as the Mkuze game Reserve, with the Hlabisa Municipality comprising its western boundary and the Isimangaliso Wetland Park/False Bay Park its eastern boundary.

The Big 5 False Bay Municipal area can be divided into three distinct portions, namely. The private game farms, the three tribal authorities and the commercial farm land. The population settlement density is generally below 150 people per km². A higher population density is found in Ward 1 (Makasa Traditional Authority area). Higher densities are also found at the rural nodal areas (identified in the previous IDP SDF) of Mngqobokasi, Nibela and KwaMduku.

In terms of accessibility, the N2 is the main link between Durban, the KZN North Coast, Gauteng and Mpumalanga. It traverses the area on the west. The SDI road to Mbazwana and Manguzi is the main access to the eastern portion of the Municipality.

Economic growth points of KZ 273 Municipality are as follow:

Economic Growth Points in terms of:	PGDS	DC 27 SDF	KZ 271 SDF
Primary Nodes		Hluhluwe	Hluhluwe
Secondary Nodes			Kwa-Mduku & Mngqobokazi
Tertiary Nodes		Kwa-Mduku	Nibela

Hlabisa Municipality (KZ 274)

Hlabisa Municipality shares its borders with The Big 5 False Bay Municipality, Mtubatuba Municipality, Nongoma Municipality and Uthungulu District Municipality. Hlabisa Municipality is predominantly rural and characterized by expansive rural settlements spread unevenly in space. As such, its structure reflects a typical KwaZulu-Natal rural settlement with relatively dense settlements occurring along major.

Hlabisa CBD is centrally located in respect of its municipal area and is well connected by virtue of the P235 between Nongoma and St Lucia and Mtubatuba which is currently being upgraded. The town lacks structure and form. It lacks services appropriate for an urban area, for instance, it has gravel roads, no sewer system, no refuse removal system, etc. The R168 is the primary transportation route through the area with the other roads being in reasonable to poor condition due to the gravel roads.

Economic growth points of KZ 274 Municipality are as follow:

Economic Growth Points in terms of:	PGDS	DC 27 SDF	KZ 271 SDF
Primary Nodes			Hlabisa
Secondary Nodes		Hlabisa	Somkhele, Mfekayi & Mthekwini
Tertiary Nodes		Somkhele	

Mtubatuba Municipality (KZ 275)

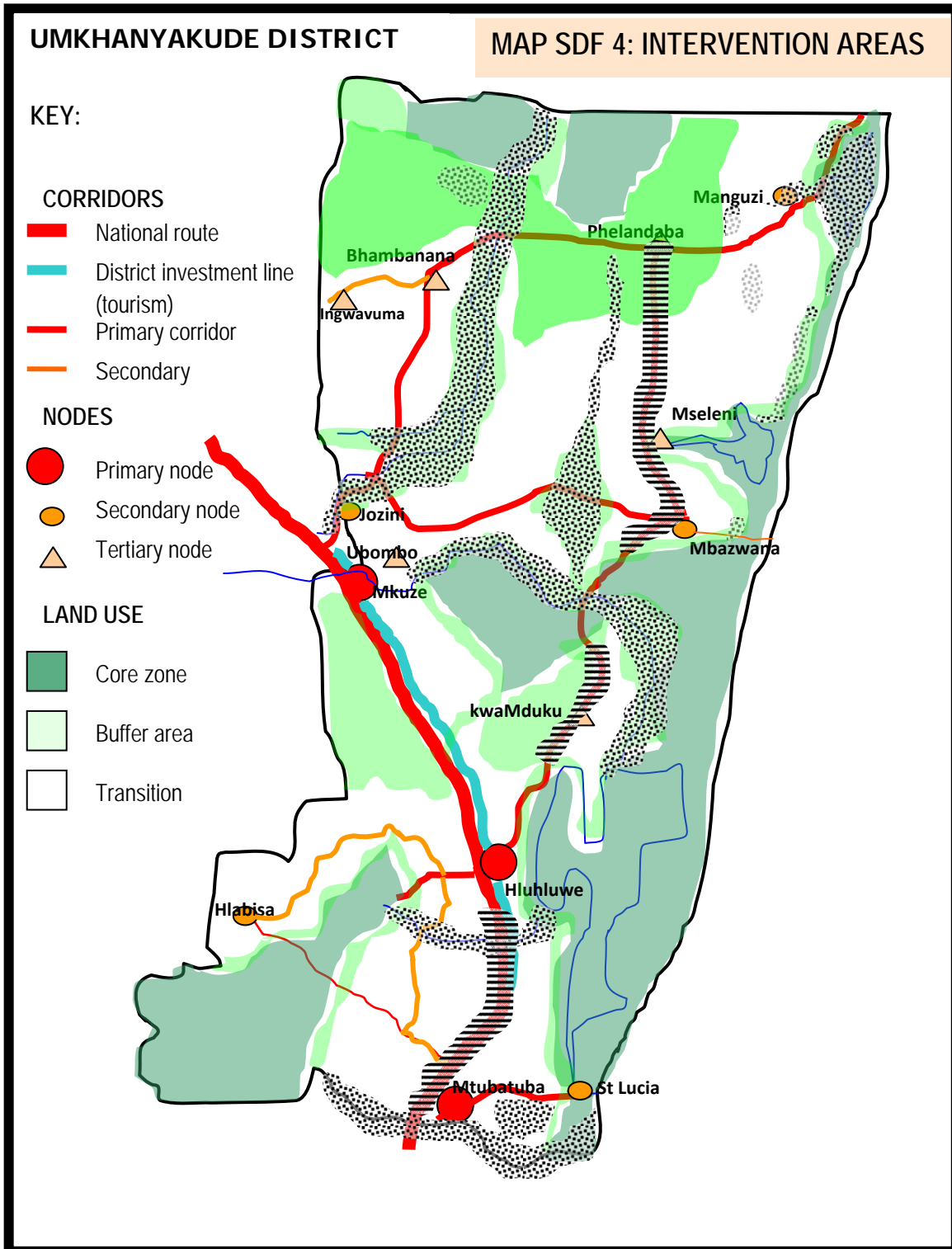
The Mtubatuba Municipality (KZ275) is situated on the coastline of north-eastern KwaZulu-Natal. The Municipality is composed of two main towns: Mtubatuba and St. Lucia. The land area of Mtubatuba is not very large in comparison with the dispersed nature of the other four local Municipalities within the Umkhanyakude District, which are also more rural in nature.

In Mtubatuba there is an intense competition for its scarce land resources, particularly in the south, where most of the human settlement has occurred. Much of the competition for land has intensified because of the land needs of the Park, the communities and above all for facilitating sound economic growth and job creation. The uses on the land therefore have to be carefully planned and allocated. In this regard, the Municipality has firmed up on its 'Urban Edge Area' which area is to be developed and serviced in order to cope with the development applications within Mtubatuba and, very importantly to protect the agricultural land with the valuable commercial forestry and sugar cane growing areas. The N2 national road follows approximately half of the western boundary of the Municipality, as does the railway line to Golela on the Swaziland border to the north. Most of the human settlement occurs within the southern portion of the Municipality astride the N2 at Kwamsane, within the Msane Traditional area, at Indlovu Village, at Mtubatuba / Riverview, along the main road to St Lucia at Nordale, Khula Village and Dukuduku, at Ezwenelisha Village and Monzi and, ultimately St Lucia.

Economic growth points of KZ 275 Municipality are as follow:

Economic Growth Points in terms of:	PGDS	DC 27 SDF	KZ 271 SDF
Primary Nodes		Mtubatuba	Mtubatuba
Secondary Nodes		Isimangaliso Wetland Park	Isimangaliso Wetland Park
Tertiary Nodes			Monzi-Ezwenelisha, Khula village

Figure 25: DC 27 Intervention areas and nodes



3.6.2. ENVIRONMENTAL ANALYSIS

Umkhanyakude District has a good climate and is well endowed with natural resources whose comparative advantages are: Mean annual rainfall decreases from an average 1200 - 1400mm along the coastal region to an average of 650mm inland. Similarly mean annual temperatures decrease varies from 21 degrees Celsius along the coast to 18 degrees Celsius inland. Relative humidity is high, and for much of the year it exceeds 90%.

This coupled with the hot summer temperatures which results in a relatively high discomfort index during the summer months, especially from January to March. Evaporation rates are high, especially during the drier winter and early spring periods. The annual average evaporation in the coastal zone is approximately 1,300 mm, ranging from 160 mm in January to 60 mm in June. In the drier interior, the annual average is 1,660 mm, ranging from 190 mm in January to about 80 mm in June.

Umkhanyakude District has a unique biodiversity and cultural heritage. There is a world heritage site, the Isimangaliso Wetland Park, with a scenic pristine environment and the coastal atmosphere thus creating more opportunities for tourism development which attracts a number of tourists internally and internationally.

Umkhanyakude District environmental needs are:

- Economic Growth
- Protection of the natural environment
- Ensure sustainability in meeting the basic needs for people
- Incorporate environmental aspects into the strategic planning and development.

Environmental management

Local municipalities are required in terms of the National Environmental Management: Biodiversity Act, No. 10 of 2004, to protect biodiversity within their municipal areas through the implementation of environmental management plans, sustainable development policies and Spatial Development Frameworks (SDF). This includes the protection of specific ecosystems and species, with an emphasis on the bio-prospecting, equitable sharing and the sustainable use of indigenous biological resources.

Sustainable development principles are precedence at Umkhanyakude District to ensure the sustainable utilisation and protection of natural resources. All project planning and implementation in the District complies with the Environmental Management Act of 1998. Environmental scoping reports and environmental impact assessments (EIAs) are undertaken when required and approval conditions are adhered to.

Biodiversity

Biodiversity in the District is under pressure because of land conversion, climate change, unsustainable harvesting of natural resources and the wide spread of alien species. Natural resources provide opportunities for economic empowerment through sustained agriculture, ecotourism, indigenous plant use etc.

Nature conservation

Umkhanyakude District has a number of protected areas that are managed by Ezemvelo KZN Wildlife. Also included are community game reserves. The nature conservation in the District is championed by Ezemvelo KZN Wildlife who also participates in the IDP representative forums which promote good intergovernmental relations and stakeholder engagement.

The Wetland

Umkhanyakude District have a number of wetlands, the greatest being the Isimangaliso Wetland Park with a wide variety of habitats such as marshes, peatlands, floodplains, rivers and lakes, and coastal areas such as salt marshes, mangroves that are found in Sodwana Bay. Wetlands are under pressure because of invasive alien species and increasing population growth as well as development, which result in the loss of habitat, ecological and hydrological functions.

A number of river systems or portions occur at Mkhanyakude District Municipality, most of which are part of Lake St Lucia system. The largest, the uMkhuze and iMfolozi Rivers have the major portion of their catchments areas situated to the west in the hinterland of the Isimangaliso Park, with only a relatively small part of their lower reaches in the Park. Both have large delta swamps. The iMfolozi Swamp was once the largest fluvial plain in South Africa, but has been significantly reduced through agricultural development. The hydrology of the iMfolozi floodplain portion has been severely altered by the establishment and maintenance of several artificial canals.

The District spatial development framework (SDF 2008) clearly articulates environmental sensitive areas. The SDF ensures that sensitive environment are managed and protected. Below is the map showing sensitive environment at Umkhanyakude District Municipality

Alien species

The impacts of invasive alien species are a major problem in the District. They are causing considerable environmental, economic (especially tourism industries) and social impacts.

These are some of the environmental challenges caused by the invasive alien plants at Umkhanyakude District:

- Impacts food security because they compete with crops
- They decreases grazing capacity
- Livestock poisoning: e.g. lantana
- Alien plants Increases intensity of fires

However some works are taking place regarding alien plant control in the District for example programmes by DAEA, Ezemvelo and Isimangaliso. There are a number of activities in the District regarding environmental awareness for example Arbor Day activities and school environmental club where children participate on environmental education and other related programmes.

Waste Management

Waste management is still a challenge at Umkhanyakude District Municipality because of poor solid waste disposal which pose a threat to human's health. However Integrated Waste management Plan (IWMP) was developed in 2004 and the appointment of the service provider for the reviewing of the District IWMP is at the advanced stage.

Figure 26: DC 27 Environmental Sensitive areas

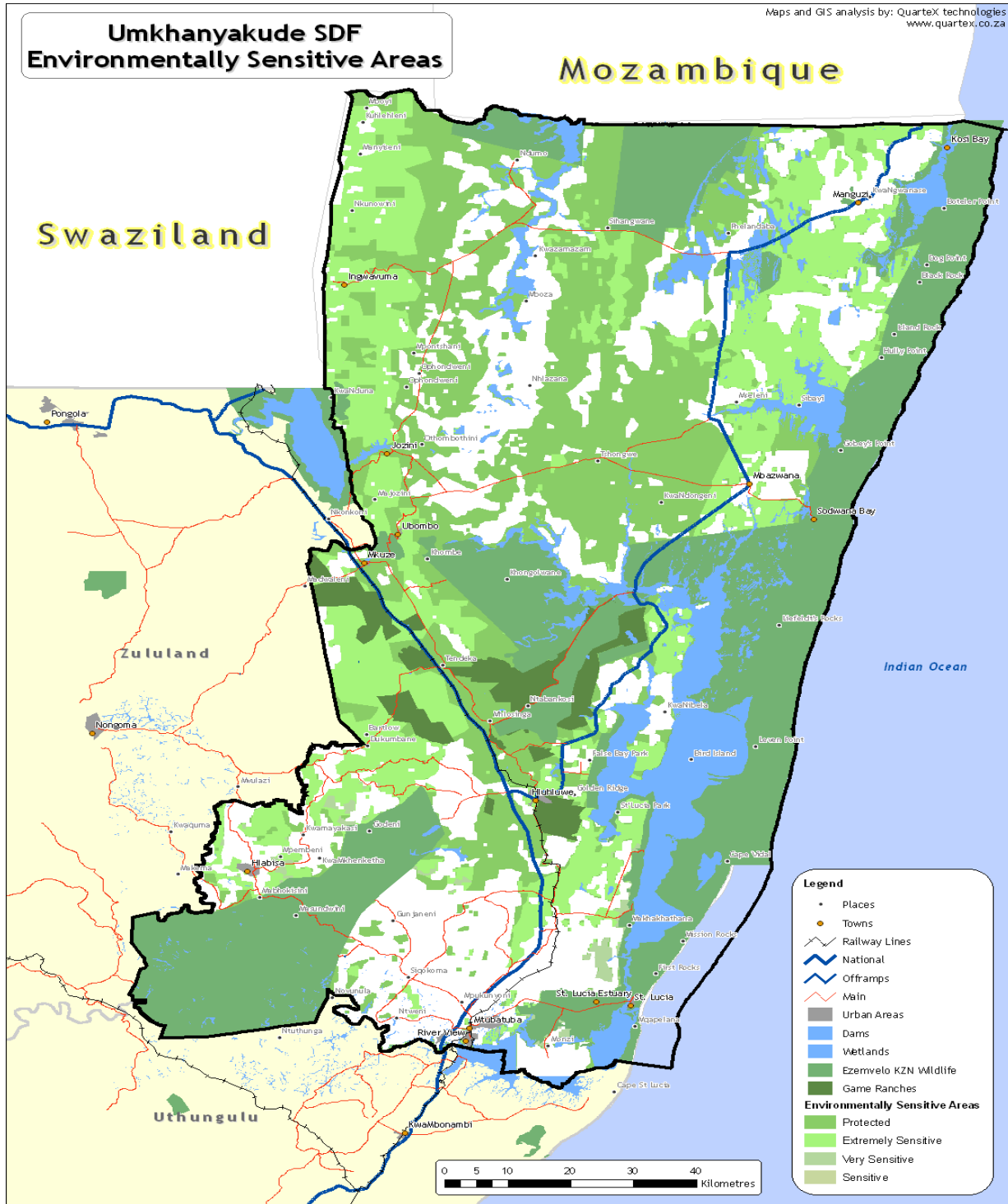


Figure 27: Summary of managed waste quantities and characterisation: IWMP, 2004)

	Solid Waste Volume Per Month in m3	Solid Waste Tons Per Month in Tons	Monthly Volume of General Waste to Landfill (m3)	Tons Per Month Landfilled (Tons)	Monthly Volumes Recycled (m3)	Tons Per Month Recycled (Tons)	Monthly Volume of Garden Refuse (m3)	Monthly Tons of Medical Waste (Tons)**
Mtubatuba	3890	778	2246	449	1644	329	350*	0
Hlabisa	124	25	72	14	52	10	0	8.37
Big Five	206	41	124	25	82	16	unknown	0
Jozini	1159	232	718	144	441	88	unknown	8.54
uMhlabuyalingana	266	53	156	31	110	22	V.Little	9.6
Total Volume - DC 27	5645	1129	3316	663	2329	466	Unknown	26.51

Responses to Environmental Challenges

The District is working on integrating environmental issues into poverty reduction strategies. The District plans are that of promoting capacity-building activities, including pilot projects on land rehabilitation, wetland restoration and soil conservation in order to strengthen and support the work of community based projects. Some work has been initiated by KZN Wildlife and DAEA on alien plants clearing and the District is part of programme expansion.

Environmental management sector plans

The environmental management sector plans are still a major challenge to most of the municipalities because of the budget constrain. Umkhanyakude District Municipality developed the Integrated Waste management Plan (IWMP) in 2004, the IWMP is in the reviewing process. Umkhanyakude District is rich in biodiversity therefore the District Municipality is at the advanced stage regarding the development of Environmental Management Framework (EMF).

Environmental sustainability principles

Environmental, economic and social goals can be compatible, and are interrelated in such a way that one goal cannot be effectively pursued at the expense of another. In other words, the availability of natural resources and a clean and healthy environment are essential for production capability, and conversely, our ability to address environmental and social issues often depends on a strong and vibrant economy.

Johannesburg Summit on Sustainable Development In 2002

The Umkhanyakude District is rich in biodiversity therefore it is working on achieving significant reduction in the loss of biological diversity. The understanding of sustainable development was broadened and strengthened as a result of the Johannesburg Summit on Sustainable development in 2002, particularly the important linkages between poverty, environment and use of natural resources.

Link with Millennium Development Goals

The Environmental sustainability Goal 7: is that of ensuring environmental sustainability and to ensure environmental sustainability of land and air. The District is determined on ensuring that all the proposed development activities are not harmful to the state of environment.

Disaster Management

Umkhanyakude District Municipality faces increasing levels of disaster risk. It is exposed to a wide range of natural hazards, including severe storms that can trigger widespread hardship and devastation. The District's extensive forestry industry, coupled with the major transportation routes, inside the District as well as those leading to other major centres, presents numerous catastrophic and hazardous materials threats.

In addition to these natural and human-induced threats and despite ongoing process to extend essential services to the poor urban and rural communities; large number of people live in conditions of chronic disaster vulnerability, in underdeveloped, ecologically fragile or marginal areas- where they are faced with recurrent natural and other threats that range from flooding to fires.

A Policy Framework for Disaster Management has been prepared for Umkhanyakude District Municipality to act as a legal instrument, by providing a coherent, transparent and inclusive policy on disaster management appropriate for the District as a whole. Such framework recognizes a diversity of risks and disasters that occur or may occur in the District area of responsibility, and gives priority to developmental measures that reduce the vulnerability of disaster-prone areas, communities and households.

3.7. SOCIAL DEVELOPMENT

3.7.1. SOCIAL ANALYSIS

WOMEN, CHILDREN, YOUTH, SENIOR CITIZENS AND PEOPLE WITH DISABILITY

An analysis of the demographics presented in chapter 2.8 of this documents indicates that about 70% of the population comprises of youth, whereby more than 70% of the total population is less than 29 years of age, and 35% are aged 19 or under. In addition to that and consistent with both provincial and national trends, female population outnumbered that of males.

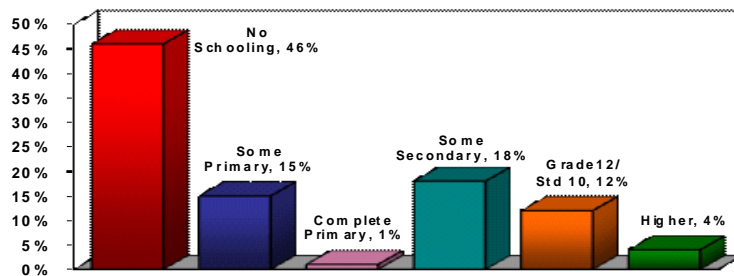
Therefore a high proportion of young people and high number of females imply that programmes geared at developing all people will special emphasis to women and youth, hence a need for greater emphasis on schools, skills training, recreational facilities, and most of all, job creation.

Umkhanyakude District is committed in addressing the plight of the vulnerable, i.e. children, women, and people with disability. There are two full time coordinators at the employ of the Municipality, one's focus is on women and children and the other, people with disabilities. Due to financial constrains, not all programmes earmarked for these people materialized. There is therefore a need for the District Municipality to engage and liaise with Provincial and National spheres of government for the implementation of programmes directed to these people.

LEVELS OF EDUCATION

Umkhanyakude District Municipality is characterized by low literacy levels. At present, about 46% of the population has never been to school⁸ In terms of functional illiteracy rate, about 20% of the total population is functionally illiterate, while only a fraction (about 37, 870) have some primary education. There is also a high drop-out rate of school going children.

Figure 28: DC 27 Levels of Education (StaSA, 2007)



Financial constraints compounded by poverty rate could be some of the factors that contribute to high illiteracy rate. The high drop-out rate could be attributed to long distances majority of children have to walk for schooling. About 90% of school children walk long distance to attend schooling, with about 50% has to walk as far as 30 km daily for schooling.

The level of education provides an indication of the degree to which the population is employable in specific sectors of the economy. Umkhanyakude District Municipality has a very low, but improving, level of education with 41.9% of the population older than 20 years having no education in 1996, improving to only 37.8% in 2001. This paints a gloomy picture that many people in the District have a poor level of education and therefore lack proper skills and

⁸ The national figure stands at 15%

knowledge needed in the formal labour market. This has a bearing on their employability, the general economy and their ability to pay for services, etc.

LEVELS OF CRIME

The District is characterized by criminal activities such as, stock theft, robbery, and housebreaking. Gender-related crimes such as rape, attempted rape, are also prevalent in the District. There has been an increase in the number of car hijackings along the N2 freeway, particularly between Mtubatuba and Hluhluwe.

The South African Police Service (SAPS) is responsible for the safety and security in the District. The number of Police Stations in the District is ten, in other words roughly 1.7 police stations per 100 000 (of the population). This is about average for the rural parts of the country, and with four courts in the District it would seem the District is adequately provided in terms of safety and security.

Granted, Umkhanyakude District Municipality is one of the main tourism nodes in South Africa. Therefore, in order for the District to enhance its status, thereby achieving its economic growth through tourism, the District must address the negative perception associated with it being an unsafe destination due to high levels of crime. The promotion of safety and security translates to attraction of investments and thus poverty alleviation through job creation.

In response Umkhanyakude District Municipality is in a process of developing a Social Crime Prevention Strategy that responds to the crime in the District.

3.7.2. HEALTH ANALYSIS HEALTH RELATED ISSUES

Umkhanyakude is made up of five health wards. Each health ward has one hospital with a number of clinics and mobile stopping points:

Hospital	Number of Clinics	Number of Mobile Stopping Points
Bethesda Hospital	8	25
Hlabisa Hospital	15	35
Manguzi Hospital	9	30
Mosvold Hospital	10	34
Mseleni Hospital	8	18

The table below provides an indication of the number of households in the region that have access to clinics and hospitals, as well as an indication of the number of households which do not have access to health facilities. These figures were calculated by applying a buffer area of 10 000m around clinics, and 50 000m around hospitals. All households which fell within these buffer zones are assumed to have access to the health facilities, whilst all those falling outside of the buffer are assumed not to have access to the health facility.

Figure 29: Levels of access to health facilities in DC 27

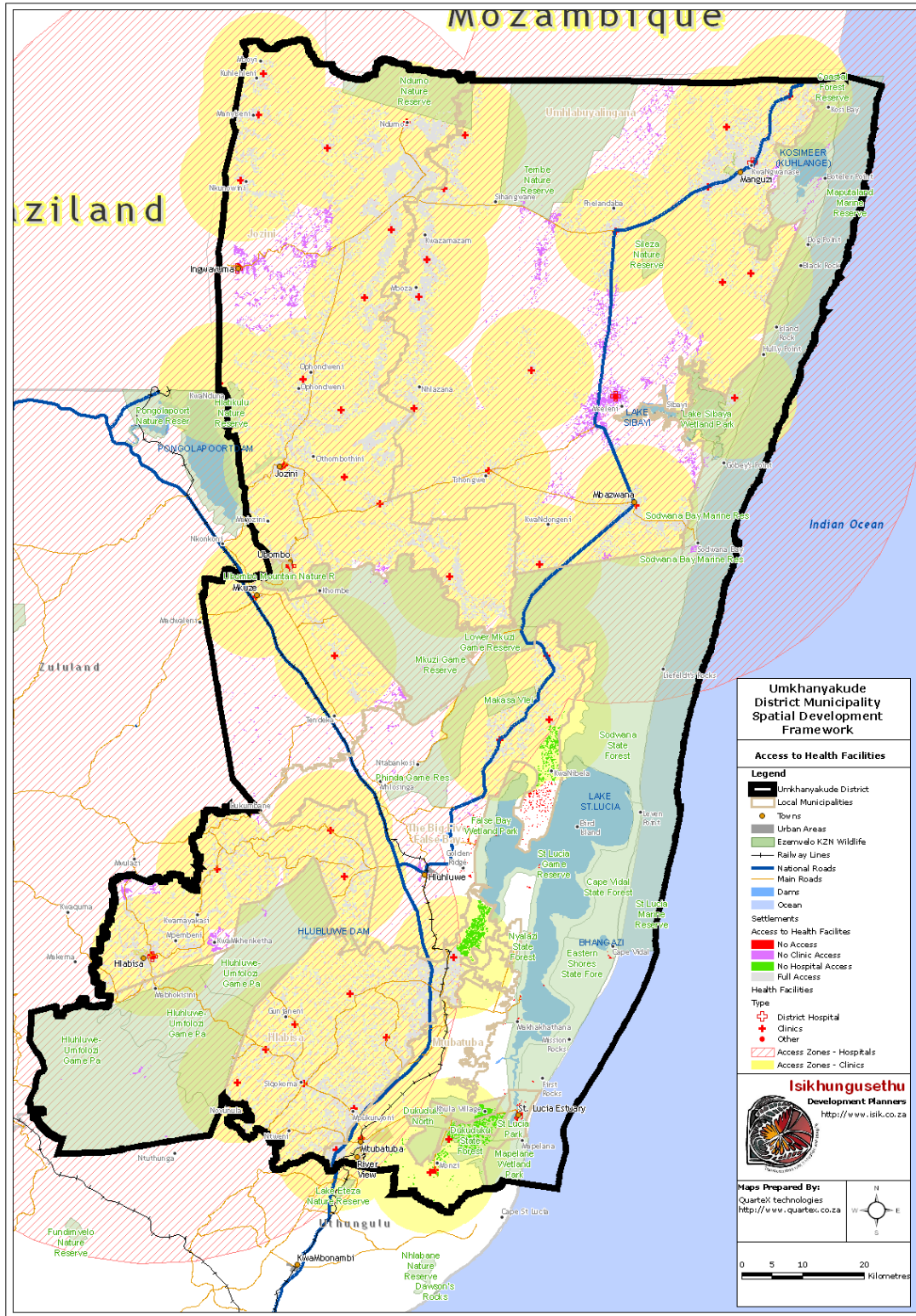


Figure 30: Levels of access to Health facilities

Municipality	Not Served		Total	%	Served		Total	%	Total
	Clinics	Hospital			clinics	Hospital			
Hlabisa Municipality	656	958	1614	1	26404	26102	52506	26	54120
Jozini Municipality	2750	0	2750	1	27561	30311	57872	29	60622
Mtubatuba Local Municipality	334	2217	2551	1	5126	3243	8369	4	10920
The Big Five False Bay Local Municipality	1120	761	1881	1	2853	3212	6065	3	7946
Umhlabuyalingana Local Municipality	5054	0	5054	3	25379	30433	55812	28	60866
Protected	615	642	1257	1	1454	1427	2881	1	4138
Total			15107	8			183505	92	198612

The provision of health facilities in the District demonstrates that the District is no worse served than other rural areas of the country. The people of Umkhanyakude have access to a reasonable number of clinics and hospitals as well as a number of mobile clinics. However, provision of adequate health care in the District is hampered by minimal/lack of water or electricity. Shortage of doctors is another major problem affecting the quality of care in the District.

LEVELS OF HIV/AIDS

Umkhanyakude District Municipality is faced with high levels of HIV infection. The increasing prevalence of HIV/AIDS across the province, which is the highest prevalence rates when compared with the other eight provinces, is contributing to the challenges facing the District.

High prevalence rates could well have a disastrous impact on attempts to alleviate poverty in the District, not only from the perspective of decreasing the life expectancy rate in the District but also in decreasing an already small economically active population in the District.

HIV/AIDS COORDINATION

Umkhanyakude District Municipality could not review its HIV/ Aids strategy, and such efforts were also impeded by a sudden resignation of an HIV/AIDS Coordinator. Notwithstanding, the District has a functional District Aids Council (DAC). The DAC constitutes of the following members: 5 Local Municipalities and the District Municipality, Government Departments, Civil Society, Private Health sector and the Traditional leaders. Funding for HIV/ AIDS remains a challenge.

The Umkhanyakude District Municipality should sustain its recently launched HIV/AIDS Community Programme aimed at intensifying community education regarding HIV/AIDS by among others utilizing volunteers to disseminate information on how to prevent the spread of HIV/AIDS, how to take care of people living with HIV/AIDS and how to live positively.

The Municipality also needs to review its HIV/AIDS strategy, but in order to do that it needs to fill the vacant post of an HIV/AIDS coordinator. There should also be fulltime coordinators at local municipalities for hand-on and monitoring of the program.

3.7.3. SOCIAL COHESION SOCIAL EXCLUSION

Social exclusion can be described as a shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, unfair discrimination, poor housing, high crime, bad health and family breakdown.

It is important to understand that social exclusion is not the same as poverty. It is often caused by poverty but there are people living above the poverty line who can be socially excluded, for example frail older people. The term social exclusion seeks to capture the less tangible aspects that we associate with being poor, such as low morale, isolation from social or spiritual networks or cultural resources.

Whilst there are close links to poverty, money can often alleviate an individual's problems, for example, in being able to pay for professional care, social inclusion encompasses larger issues such as citizenship and developing stronger communities.

Social exclusion affects everybody, not just those directly experiencing these difficulties. It is economically inefficient; it can affect people's health and that of the next generation, resulting in increased costs of welfare and health services, which may impact on society as a whole by escalating problems such as crime and drugs.

In the case of Umkhanyakude District Municipality the severe discrepancy between living standards in the urban centers and the rural communities and relatively high levels of unemployment in the major nodes (towns) contribute to social exclusion. The situation is far worse in the remote areas where there are extremely limited employment options. Illiteracy is highest in Jozini Municipality particularly in areas such as Manyiseni (Ngwavuma), while relatively high levels of literacy are to be found in Mtubatuba Municipality in areas such as St. Lucia.

Geographical location of an area in relation to services provision and access to such service also contribute to social exclusion. If a ward within a Municipality does not have access roads, health services, employment; water and sanitation; that ward is social excluded from the Municipality's goals and vision.

The following groups are considered to be at high risk of being social excluded:

- Children;
- Women, especially those in the outskirt (deep rural);
- Disabled people;
- Old people (the aged); and
- The ailing (especially those infected and affected by various diseases such as HIV/AIDS)

Others include:

- Female headed households
- The unemployed; and
- Low-skilled, uneducated individuals.

TOWARDS A COHESIVE COMMUNITY

A cohesive community is one where:

- there is a common vision and a sense of belonging for all communities;
- the diversity of people's different backgrounds and circumstances are appreciated and positively valued
- those from different backgrounds have similar life opportunities and;
- Strong and positive relationships are being developed between people from different backgrounds in the workplace, in schools and within communities.

In order to address social exclusion and promote inclusive and cohesive society, The Umkhanyakude Municipality must develop a Social Cohesion Strategy. Such a strategy should form the basis and inform all planning activities as to where the services are mostly needed.

3.7.4. MIGRATION ANALYSIS

Migration Patterns

A thorough research on migration patterns was conducted during the preparation of 2008 SDF for Umkhanyakude District Municipality. The Demographic Report looks at key research undertaken in recent times to unpack migratory patterns and the various impacts of migration and the ways in which geographical areas are affected. It is understood that the movement of people into and out of various areas plays a significant role in determining the level and type of services that are provided to an area. In the case of the Umkhanyakude District, it is imperative to understand where people are settling and why is this so? This will directly impact on the future planning for the District.

The complexities of migration make this a term that cannot take on a single definition that can be applied in all contexts. When "migration is referred with respect to the human population, reference is usually made to a range of patterns of movement"⁹. There are two broad types of migration: involuntary migration, where individuals or households are forced to move, for example forced removals; and voluntary migration, where individuals or households choose to migrate although it takes place within a constrained set of options. In the contemporary South African context the term is used to reflect major social changes like the movement of people from rural to urban areas. This dynamic is widely believed to drive urbanization. In SA migration is also associated with labour migration i.e. the oscillation of workers between their homes and distant employment opportunities.

Geographic proximity

The fact that Umkhanyakude District shares its borders with Swaziland and Mozambique makes the District a gateway for immigrants, both legal and illegal. Normally illegal immigrants retain a certain loyalty to their country of origin. Hence they may wish to visit their loved ones now and again. Therefore, South Africa as a neighbouring country provides the best destination and allows illegal immigrants to go back to their countries when they wish.

Economic reasons

While geographic proximity may play a role in the influx of immigrants to the region. Economic variables also play a role in the migration of people from Mozambique to Umkhanyakude. Even though in a South African context, Umkhanyakude District is one of the poorest regions in South Africa¹⁰; such sentiments are non-existent to someone from outside the country. Besides, Umkhanyakude is seen by many as the gateway to South Africa. South Africa,

⁹ Kok, Donovan, Bouare and Van Zyl (2004). Post-Apartheid Patterns of Internal Migration in South Africa, HSRC Publishers, South Africa

¹⁰ Hence was identified as one of the presidential nodes.

particularly, serves as a magnet to those seeking employment, a higher living standard and brighter economic prospects. The size of the South African economy makes the allure of the country almost overwhelming to many.

The Impact of Illegal Migration

The general characteristics of illegal immigrants in South Africa are:

- that the migrants in South Africa are a young and growing population;
- the dependency ratio (that is, the number of people under the age of 15 and over the age of 64 relative to all others in the population) is very high;
- a greater percentage of them are women of a child-bearing age;
- most do not have more than three years of formal education; and
- most do not have other work skills than those of subsistence agriculture.

From the above it can be deduced that the costs of hosting an illegal population with such a demographic profile are prohibitively high.

This is made clear by the strain illegal immigrants place on the health services. For example, clinics and hospitals in which have been established to serve the needs of South African citizens are overstretched due to the demands placed on them by illegal Mozambicans residing in the area, including those who come here merely for health purposes. Due to the fact that these illegal immigrants are mostly destitute, they usually need much more attention than local people. This care comes at the expense of South Africa's own citizens.

A functional relationship also exists between illegal aliens and the crime rate. It is expected that in South Africa for every crime committed, an illegal immigrant is involved. These include serious crimes such as rape, murder, theft, burglary, etc. Police note that fourteen per cent of crimes within the borders of South Africa involve illegal immigrants.

While Umkhanyakude has been identified as a gateway to South Africa; in terms of criminal activities, it provides an easy access thus allowing illegal immigrant to hijack cars from South Africa to Mozambique. The coastal beach of Kosi Bay remains the principal route for high-jacked and stolen car from South Africa to Mozambique.

Illegal immigrants also have a negative impact on the domestic labour market. They are generally active in the following sectors of the economy:

- agriculture
- hotel and restaurant
- construction
- domestic
- informal trading

Dealing with the issue

South Africa is clearly being overwhelmed by large numbers of illegal immigrants crossing the country's porous borders to seek better living standards; as a result employment opportunities for South African citizens are lost, the health system is overburdened by demands from illegal foreigners, and soaring crime rates are given an added boost. Therefore, there is a pressing need to curb this illegal influx, but unilateral control and accommodation measures have already proved to be unsuccessful. What is needed is the adoption of strategic perspectives which combine elements of interventionist and control measures within a bilateral context. The underlying rationale for this is obvious: there can be no reduction in the illegal influx of people unless the socio-economic and political conditions in neighbouring states are stabilised. However, these are necessarily long term interventionist measures. The question which must be raised is what could be done in the short term. Here, the attention must be turned to control measures, such as increased border patrols and enforced repatriation. Once more, in order to make these control measures more effective, and to minimize any diplomatic fall-out which could sour regional relations, this should be undertaken in a bilateral context.

3.8. PRIORITY ISSUES

Priority issues as identified by all five local municipalities within Umkhanyakude District Municipality are outlined in the table below:

Figure 31: Identified Priority issues per LM

LOCAL MUNICIPALITIES' PRIORITY ISSUES AND NEEDS					
PRIORITY	KZ 271	KZ 272	KZ 273	KZ 274	KZ 275
1.	Electricity	Water	Electricity	Water	Communication lines between the Municipality and community
2.	Housing	Electricity	Water (quality);	Sanitation	Water
3.	Water	Road infrastructure	Education (High schools and finishing schools);	Energy (Electricity)	Electricity
4.	Clinics	Community gardens	Low-cost housing;	Job creation	Sanitation
5.	Roads	Community dams	Community facilities crèche, old-age home	Road infrastructure	Housing
6.	Schools	Clinics (Mobile clinics)	Storm water drainage	Transportation	Road Infrastructure
7.	Jobs	Job opportunities	Roads	Community facilities	Sports and Recreation
8.		Tertiary institution	Cattle dams	Poverty alleviation	Skills Development & Training
9.		Provision of health services		Sports and Recreation	Job Creation
10.					Community facilities
11.					Poverty Alleviation

The above-outlined priority issues are municipal-wide identified issues that emanated from the ward priority issues as identified during the ward participation meetings conducted by local municipalities. For in-depth ward analysis and needs identification, refer to the Local Municipalities' IDP documents.

3.8.1. DISTRICT-WIDE PRIORITY ISSUES

“Four main priorities for the people of Umkhanyakude are:

1. *Water;*
2. *Water;*
3. *Water; and*
4. *Water.” (S.R. Mathobela)¹¹*

It is a general understanding that government does not have sufficient resources to address all the issues identified by communities. Prioritization of service delivery issues assists government, and in this case, the District Municipality, in allocating scarce resources to those issues and needs highlighted as most urgent.

In order to assist this process, a criterion was developed to guide the Municipality in ranking the many issues requiring attention for

- 1) the well being of the community and
- 2) the sustainability of the Municipality.

Central to the development of the criterion was the Umkhanyakude District Municipal powers and functions and also functions that are shared between the District and its local municipalities. This was done in full recognition that the UDM is not responsible and does not have the means to attend to all the identified issues. However, the fact that provincial and national line departments and parastatals are, in some cases, the ones that have to provide the service or funding, does not make the issue more or less worthy of attention.

A) Criteria for determining District-wide priorities

In light of the fact that the UDM is responsible for the IDP for the District Municipality as a whole, and the local municipalities for the IDPs for their respective municipal areas, it was decided that the District-wide priorities would largely be compiled from priority issues submitted by the local municipalities as determined during their IDP processes.

The rationale behind this decision is that local planning and District planning differ by role and function rather than by location, meaning that the District Municipality and sector departments deliver services in the same areas as the local municipalities. The difference lies not in the concern, but in the respective competencies, powers and functions in attending to the identified issues.

This does of course not in any way depart from the key role of the District Municipality in steering and guiding the economic development and spatial and sectoral focuses/foci of resource allocation in the District. Given these assumptions, the criteria by which District-wide priorities were decided upon, is/are the following:

- The applicability of an issue to more than one local Municipality;
- Issues not identified at local level, but instrumental to service delivery;
- The potential for poverty alleviation, cost recovery and job creation; and
- Key issues falling within the powers and functions of the District Municipality.

¹¹ The HOD (Social & Economic Department) was speaking to Maputoland Community Radio Station during DC 27 IDP Road show hosted by Jozini Municipality(06 December2009). The status quo still remains regarding water being the main priority issues at the Umkhanyakude District Municipality.

The following issues have been identified as being of high importance to the community of Umkhanyakude:

- Improvement of communication lines between the Municipality and the communities
- Provision of water and sanitation services;
- Provision of energy (Electricity);
- Poverty alleviation and job creation;
- Curbing HIV/AIDS;
- Curbing corruption;
- Provision of health services;
- Safety and security;
- Growing the economy (Local Economic Development);
- Provision of roads and public transport;
- Provision of social amenities;
- Provision of infrastructure and social services;
- Promoting the interests of marginalized groups;
- Provision of environmental management services.

PHASE 02: DEVELOPMENT STRATEGIES

4. DC 27 STRATEGIC FOCUS

The strategic phase comprises of the Umkhanyakude District Municipality's vision and a mission statement. It spells out the direction the Municipality intends taking, both on a short and long term. It also outlines values upon which the Municipality ascribe to; the strategies, interventions and key performance indicators. This is in response to the status quo analysis and prioritized needs identified in the previous phase (Analysis phase).

The strategic focus of the Umkhanyakude District Municipality is to build on a vision formulated. The IDP focus on the development of programme and projects that will work towards the achievement of the different focus areas identified as priority issues that contain milestones and deliverables. Such deliverables will work towards the achievement of the Umkhanyakude District Municipality's vision.

The **VISION** of the Umkhanyakude District Municipality is:

“To meet basic needs and improve quality of the community in a democratic and sustainable manner”

MISSION

As its mission Umkhanyakude District Municipality is committed:

“To deliver basic services to its people, support local municipalities to become viable; and good governance”

In pursuit for its mission, Batho-Pele principles forms basis and core values for Umkhanyakude District Municipality.

Umkhanyakude District Municipality believes that core to realizing the development of its community and their vision is tackling poverty. Hence it has been (and intends to continue) working with its community, and all stakeholders to create a culture of best practice in service provision and streamline service delivery.

Umkhanyakude advocates people-centred development by maximizing the involvement of the community in order that communities become empowered and equipped through the transference of skills to drive their own economic development.

CORE VALUES

- **Integrity:** We are honest in everything we do
- **Equity:** We are equitable in the distribution of resources and opportunities
- **Transparency:** We are open, accountable and communicate with all our stakeholders
- **Team work:** we work together to achieve a common goal and purpose.
- **Respect:** We will be courteous and show high regard to our clients and those that we serve
- **Accountability:** We are responsible, responsive and accountable to our citizens and stakeholders
- **Peace:** We promote a harmonious life and security for all our citizens

4.1. WHAT INFORMS THE MUNICIPALITY'S STRATEGIC FOCUS?

The District's strategic focus is characterized by seven Key Performance Areas, namely:

- Good Governance, Public Community Participation, and Ward Systems;
- Improved Service Delivery and Infrastructure Investment;
- Sustainable Local Economic Development;
- Municipal Transformation and Institutional Development;
- Municipal Financial Viability and Management;
- Spatial Planning and Environmental Management; and
- Social Development.

Specific strategies and priority focus areas are prescribed at National and Provincial level and the Municipality has to ensure that it is aligned and integrated with these strategies and priorities. The nature and the structure of the government system in South Africa required alignment among all three spheres of government. This implies that the local sphere of government should align its strategies and priorities to that of national and provincial government.

A number of key strategic documents influence the setting of strategies and priorities within municipalities. These have been discussed in chapter one of this document, and are herein mentioned:

- The Medium Term Strategic Framework (MTSF)
- Local Government Turnaround Strategy (LGTAS); and
- National Outcome Delivery 9 (refer to the sub-heading: **Development Strategies**, below in chapter 4)

The strategic focus of Umkhanyakude District is also guided by the Government's Programme of Action as well as the Millennium Development Goals.

5. DEVELOPMENT STRATEGIES

Central to the Umkhanyakude Development strategies is **Outcome 09** of the 12 **National Outcome Delivery Agreements**; i.e. "A responsive, accountable, effective and efficient Local Government System." This outcome talks to the crux of local government sphere, and for it to be achieved at a national level; municipalities need to develop or review their developmental strategies, so as to align themselves with the targets and the expectations of the outcome.

As already been mentioned in chapter 1 of this document; **National Outcome Delivery 9** comprises of seven (7) outputs:

Output 1: Implement a differentiated approach to municipal financing, planning and support

Output 2: Improving access to basic services.

Output 3: Implementation of the Community Work Programme

Output 4: Actions supportive of the human settlement outcome

Output 5: Deepen democracy through a refined Ward Committee model

Output 6: Administrative and financial capability

Output 7: Single window of coordination

The Umkhanyakude District Municipality has taken all the above into account as well as SWOT analysis, constraints and development priorities when the strategies for the Municipality were reviewed to ensure alignment and integration to national and provincial priorities and strategies and to ensure that priority areas specific to the Municipality are addressed. The alignment will be indicated in a matrix further on in the document.

5.1. STRATEGIC OBJECTIVES

Umkhanyakude Municipality's strategic objectives are as follow:

KPA 1: Good governance; community Participation and ward systems

- Ensure Section 152 of the Constitution & Chapter 4 of the Municipal Systems Act;
- Established feedback mechanisms in order to ensure responsiveness to communities;
- Continuous and special attention to historically marginalized communities;
- Effective intergovernmental Relations; and
- To fight and eliminate corruption

KPA 2: Improved Service Delivery and Infrastructure Investment

- To improve access to quality, affordable and reliable municipal services (e.g., water, sanitation, electricity, refuse removal, transportation), and to provide free basic service.
- Regular investment in Infrastructure; in order to improve on operations and maintenance

KPA 3: Sustainable Local Economic Development

- Thriving to create a growing local economy and sustainable neighborhoods
- Development of an employable and skilled citizenry
- Facilitation of job creation and access to business opportunities
- Continuous and positive interactions with all key economic anchors and actors

KPA 4: Municipal Transformation and Institutional Development

- To provide an effective and efficient Human Resources Management Services aimed at achieving a skilled workforce that is responsive to change;
- To Improve corporate image of the Municipality;
- To ensure credible Integrated Development Plan (IDP);
- To ensure accountability to the community and stakeholders at large;
- To ensure effective implementation of Customer Satisfaction Programme
- To ensure effective and efficient IT System

KPA 5: Financial Viability and Management

- Efficient and effective cash flow management
- Sound Supply Chain Management (SCM) System
- Efficient expenditure Management
- Sound Financial Planning and reporting

KPA 6: Spatial Planning and Environmental Management

- To facilitate and coordinate the rendering of spatial planning services;
- To facilitate and coordinate the rendering of Geographic Information System services within the District family of Municipality
- To facilitate and coordinate the rendering of effective Development Administration and Control services within the District family
- To facilitate and coordinate the rendering of effective Environmental planning and management services

KPA 7: Social Development

- To Improve the livelihoods of the poor, vulnerable groups by supporting initiatives that are aimed at reducing infectious diseases such as HIV/AIDS, Tuberculosis, etc;
- To ensure support and coordination of special programmes (Gender, Women, Youth, elderly, children, people living with disability, sport recreation and Arts & Culture);
- To support initiatives aimed at ensuring safety and Security of communities and maximize the capacity of the Municipality to manage Disasters; and
- A clean, safe and healthy environment

KPA	DC 27 DEVELOPMENT STRATEGIES	MEDIUM-TERM STRATEGIC FRAMEWORK (MTSF: 2009-2014)	NATIONAL OUTCOME DELIVERY: (OUTCOME 9)
NATIONAL KPA 4	<ul style="list-style-type: none"> ➤ To provide an effective and efficient Human Resources Management Services aimed at achieving a skilled workforce that is responsive to change; ➤ To Improve corporate image of the Municipality; ➤ To ensure credible Integrated Development Plan (IDP); ➤ To ensure accountability to the community and stakeholders at large; ➤ To ensure effective implementation of Customer Satisfaction Programme ➤ To ensure effective and efficient IT System 	<ul style="list-style-type: none"> - A developmental state including improvement of public services 	<ul style="list-style-type: none"> - <i>Output 6: Administrative and financial capability</i> - Building municipal capacity to enable municipalities to collect 90% of their revenues - Creating a radical paradigm shift in the management of the public service by aligning service delivery with the values and needs of the public - The filling of six critical senior municipal posts in various municipalities - Strengthening the organizational performance management systems for improved service delivery and accountability to the communities - Unprecedented improvement of the image of government in the eyes of the public by enthusiastically embracing and supporting the process and culture of performance
NATIONAL KPA 5	<ul style="list-style-type: none"> ➤ Efficient and effective cash flow management ➤ Sound Supply Chain Management (SCM) System ➤ Efficient expenditure Management ➤ Sound Financial Planning and reporting 	<ul style="list-style-type: none"> - Sustainable resource management and use - The fight against crime and corruption 	<ul style="list-style-type: none"> - <i>Output 6: Administrative and financial capability</i> - Transformation of administrative and financial systems in the municipalities which includes Supply Chain Management
NATIONAL KPA 6	<ul style="list-style-type: none"> ➤ To facilitate and coordinate the rendering of spatial planning services; ➤ To facilitate and coordinate the rendering of Geographic Information System services within the District family of Municipality ➤ To facilitate and coordinate the rendering of effective Development Administration and Control services within the District family ➤ To facilitate and coordinate the rendering of effective Environmental planning and management services 	<ul style="list-style-type: none"> - Rural development, food security and land Reform 	<ul style="list-style-type: none"> - <i>Output 4: Actions supportive of the human settlement outcome</i>

KPA	DC 27 DEVELOPMENT STRATEGIES	MEDIUM-TERM STRATEGIC FRAMEWORK (MTSF: 2009-2014)	NATIONAL OUTCOME DELIVERY: (OUTCOME 9)
NATIONAL KPA 7	<ul style="list-style-type: none"> ➤ To Improve the livelihoods of the poor, vulnerable groups by supporting initiatives that are aimed at reducing infectious diseases such as HIV/AIDS, Tuberculosis, etc; ➤ To ensure support and coordination of special programmes (Gender, Women, Youth, elderly, children, people living with disability, sport recreation and Arts & Culture); ➤ To support initiatives aimed at ensuring safety and Security of communities and maximize the capacity of the Municipality to manage Disasters; and ➤ A clean, safe and healthy environment 	<ul style="list-style-type: none"> - More inclusive economic growth, decent work and sustainable livelihoods; - Improved Health care - Cohesive and sustainable communities - The fight against crime and corruption 	

6. HIGH LEVEL SPATIAL DEVELOPMENT FRAMEWORK

Legislative Framework

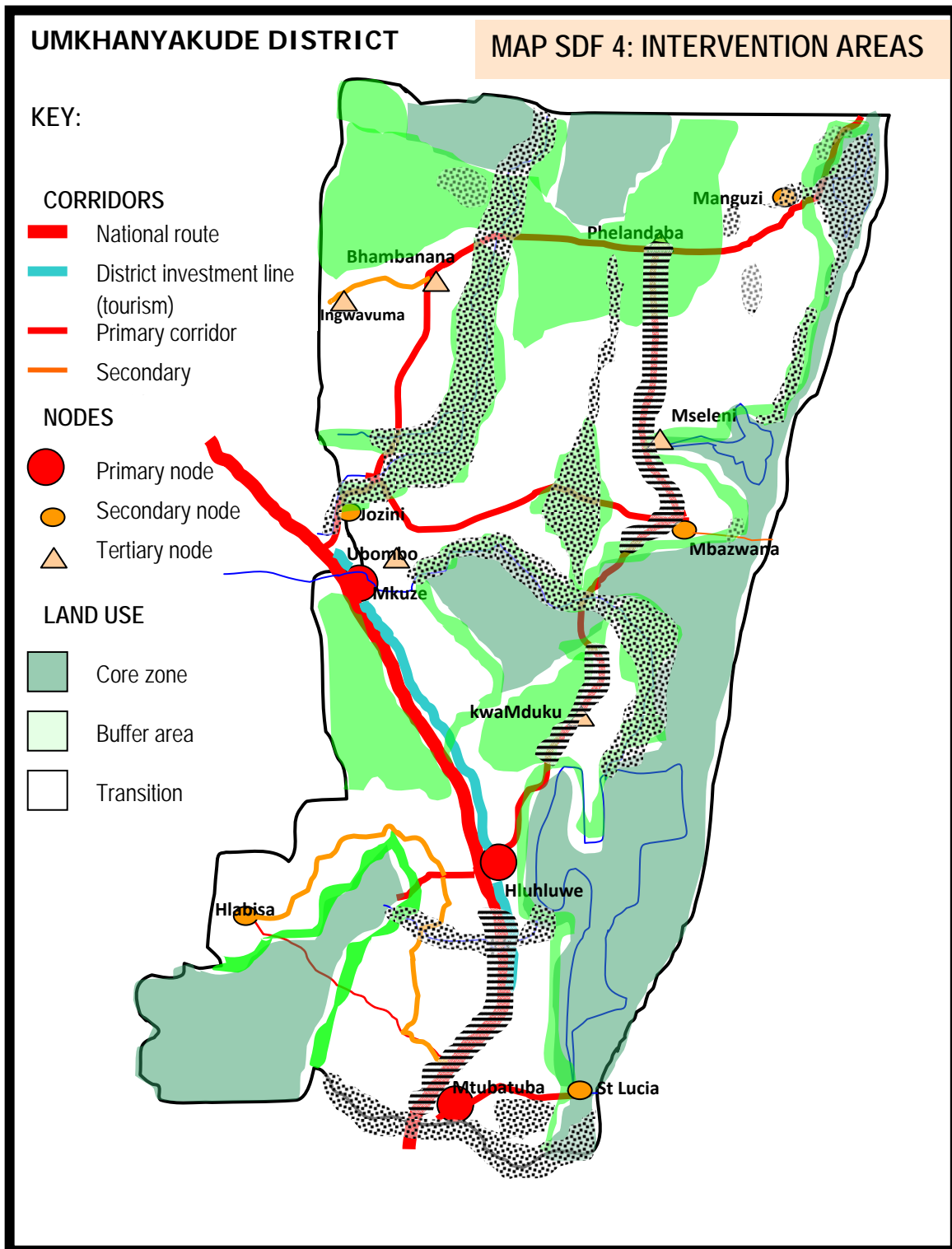
The Municipal Systems Act obligates all municipalities to prepare an Integrated Development Plan (IDP) as the primary and overriding management tool. As an integral component of the IDP the SDF must also adhere to the requirements of the Local Government: Municipal Planning and Performance Management Regulations, 2001 (Government Notice 22605, 24 August 2001).

These regulations state that a Spatial Development Framework (SDF) must give effect to the Chapter 1 principles of the Development Facilitation Act (Act 67 of 1995) and achieve a number of outcomes and requirements reflected in the table below:

SDF Legislative Compliance

Legislative requirements	SDF compliance
Set out objectives that reflect the desired spatial form of the Municipality	YES
Contain strategies and policies regarding the manner in which to achieve the objectives	YES
Set out basic guidelines for a land use management system	Local municipalities
Set out a capital investment framework for the Municipality's development programs	
Identify programs and projects for the development of land within the Municipality	YES
Provide a visual representation of the desired spatial form of the Municipality, including: Identification where public and private land development and infrastructure investment should take place Delineation of the urban edge if feasible	See figure 6.3 below & Annexure 7.2
Priority spending areas	See figure 6.3. Below

Figure 32: DC 27 Desired Spatial pattern, SDF, 2008



The Historical Perspective

The aim of planning in a municipal context is to try and unravel the decades of colonial and apartheid legislation which negatively impacted on the urbanisation process in South and southern Africa. This is undertaken in order to improve the quality of life of residents and ensure long term sustainability. This resulted in burgeoning population and settlement growth in rural traditional areas.

These were set aside in the 1860s and subsequently entrenched by apartheid legislation from the 1950s onwards. Growing population in often marginal agricultural areas accompanied by the imposition of taxes gave rise to labor migration. This in turn 'triggered' the growth of 'informal settlements' in and around formal urban and industrial core centres where people gained access to formal and informal employment. Over time rural traditional areas became places of social security for the aged, women with families and the unemployed to reside on communal land. In contrast the working aged (initially men but increasingly women) provided labour to fuel the growing agricultural and mining economy which characterised the latter and early part of the 19th and 20th centuries in South Africa.

These early migration trends subsequently gave rise to the growth of the manufacturing and retail sectors which in turn entrenched established movement patterns and fuelled new migration and urbanisation trends.

In the post apartheid era research of movement has identified a wide range of mobility patterns including but not limited to:

- Labor migration:
 - traditional long term migration to primary extractive industries (eg mines)
 - shorter term periodic migration weekly and monthly from home to place of work
 - daily movement to place of work
- Residential migration:
 - progressive intergenerational movement of extended families from rural to urban areas – centres with access to improved services;
 - opportunistic movement of nuclear families and individuals from one regional center to the next in search of improved employment opportunities
 - inter-regional violence owing to ethnic conflict
 - political dislocation of people
- Conservation and recreational migration:
 - historically, large tracts of land were set aside from the late 19th century to make provision for conservation of biological diversity in the region
 - seasonal movement of large numbers of people from inland centres to the coast for recreational purposes
- Underemployment and HIV/AIDS:
 - declining demand for labour in industry accompanying globalization, unionization and labour legislation has resulted in unemployment on the formal sector and a movement back to rural areas of workers with limited skills (including farm workers)
 - individuals with HIV/AIDS and without some form of financial basis for survival are also returning home to rural areas to take advantage of the social security system which characterises these areas and communities
 - recognition among migrants that large metro areas tend to be unsafe and with limited economic advantage

Some of the earliest pressure for land in the District related to conservation and relocation. Conservation involved the movement of people out of protected areas including for example: Ndumu Game Reserve, Kosi Bay Nature Reserve, Coastal Reserve, Sileza, the Greater St Lucia Wetland Park, Dukuduku Forest and Mkhuze and Hluhluwe reserves. Proclamation and protection of these areas led to conflicts with local people over access to natural resources. Establishment of these areas, while critical for biodiversity purposes, led to loss of habitat to traditional peoples and growing pressures on remaining areas of the District for subsistence survival.

Without sophisticated technology much of the District has limited agricultural production potential. Subsistence peoples without this technology 'know how' and access to markets, were not able to adapt their subsistence agricultural practices to accommodate limited access to natural resources. Their survival depended upon developing multiple risk strategies involving subsistence, natural resource harvesting, migrant labour, underemployment etc.

Relocation of people into this area mainly related to apartheid where tribal groups were moved out of areas in the province to make way for commercial agriculture, industrial development etc. and they were 'dumped' in parts of the District such as KwaMsane, Makhatini and the Pongola flats. Relocations placed additional pressures on an ever decreasing land resource in the District which in turn raised questions around survival strategies of traditional households.

A further major impact on the District was the establishment of the Pongolapoort dam and the flood control of the Pongola river system. Regulation of flooding led to greater certainty in terms of where households could locate along the floodplain resulting in greater encroachment of livestock and cultivation into sensitive areas of the river system. A further impact of the regulation of the river system was on the fish resources of the system. Prior to the dam construction there was seasonal flooding and breeding of a variety of fish species.

Local tribal people were fully reliant on the managed harvest of these fish species using traditional fishing systems. The dam negatively impacted on seasonal fish breeding cycles and modernization of the fishing system (accompanying population pressures on the area) has resulted in the destruction of this fundamental resource for future generations.

Pressures on rural areas in the District were also seriously impacted by the war in Mozambique and the factional conflicts in the province of KwaZulu-Natal. The northern areas of the District were perceived as being 'safe' with large numbers of families moving into the region from Mozambique, Swaziland and the main centres in the province. This resulted in a rapid expansion in rural population over a short space of time from the late 1970's to the late 1980s which in turn placed major pressures on 'fragile' habitats (eg Manguzi swamp forest). This has subsequently resulted in destruction of natural resources and major pressures on conservation areas for resources to supplement survival strategies. These inter-regional conflicts served to compound the earlier politically motivated movement and displacement of people from other regions in the province such as Makhathini Flats, DukuDuku, Kwamsane etc.

In current times people are returning to the District from the region's major centres due to retrenchment, unemployment, HIV/AIDS and to take advantages of increasing local economic opportunities emerging in the District. Home for those seeking social security could be the 'deep' rural areas, but increasingly as people have moved to achieve improved accessibility to services it could equally be along transport routes or in the centres in the District.

This phenomenon of returning home is placing further pressures on the resources of the District since utilization of natural resources forms a fundamental part of the often complex survival strategy adopted by each household and individual located therein. While there is a general trend of movement to areas of improved accessibility the historical patterns of 'deep' rural settlement remain linked to a variety of traditional and cultural issues. These factors have a major influence on where people returning home elect to locate in current and future generations.

Issues

Owing to the history of this area and to its relative isolation Umkhanyakude has been and is currently subject to all of the above movement trends. Each trend produces a set of demands on space and the resources of the District to ensure survival of each individual in the social economy. Movement patterns identified in this brief review of spatial trends means little change to the current spatial pattern of settlement for the future. However, where national policies are linked, by local government, to current movement trends then it is probable that there will be an increasing focus in settlement terms on:

- major transportation corridors;
- nodes; and
- service centres.

This is likely, particularly among the younger generation accompanying the unbundling of extended families which characterised the past settlement trends. Thus we are likely to see increasing growth of settlement along transportation corridors and in nodes.

National Perspectives on Spatial Development

There are a plethora of national policies and guidelines, with every department setting out their framework and direction that the provinces and local government should look to for guidance. The most important for the purposes of this SDF is the National Spatial Development Perspective. The NSDP was drawn up in 2003 and updated in 2006. This section briefly explains the purpose of the NSDP and extrapolates the essential points that need to be considered when managing spatial development at local level.

The NSDP is specifically trying to address more equitable and sustainable development. These last two concepts – equitable and sustainable – have become buzzwords which are often used to paper over development actions that are distinctly inequitable and unsustainable. The challenge within local government spatial frameworks is to treat these terms with genuine respect and find ways to direct development to locations where there is greater chance of economic, social and environmental sustainability

To provide some perspective, the NSDP identified, throughout the whole of the country, only 26 centres or nodes which provide the engines for the country's economy. It points out that these areas (and their 60 km hinterlands) hold 84.5% of the population generate 95.6% of the Gross Value Added (GVA) and yet are still home to 77.3% of all people living below the minimum level. The only "engine" close to Umkhanyakude is Richards Bay, which contributes 1.5 % of the GVA of the country at 7th position following: Gauteng – 40%, Cape Town/Worcester – 13%, Pietermaritzburg / Durban – 12%, Witbank / Secunda 4.6%, Port Elizabeth – 3%, Rustenburg – 2.9% and then Richards Bay at 1.5%. Umkhanyakude needs to recognise its strengths, but also its limitations within this wider perspective.

It cannot afford to try and go for "spatial equity" or what the NSDP calls a "watering can approach".¹² It has to focus on its own economic engines, existing and potential and develop those centres and the links between them. It also needs to look at how it can link into KZN's engines of growth – primarily Richards Bay due to its proximity, but also Pietermaritzburg / Durban and to a lesser extent, Newcastle.

¹² "It makes no sense to distribute the money indiscriminately with a watering-can"... it would be better "to concentrate the resources granted on those locations with the best potential for growth" (NSDP, p 7)

The NSDP recognised six categories of development potential which cover the spectrum of economic functions in a modern economy:

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

Umkhanyakude relies mainly on two of these: public services and administration and tourism.

Main principles and assumptions of the NSDP

NSDP PRINCIPLES

Principle 1: Rapid economic growth that is sustained & inclusive is a pre-requisite for the achievement of other policy objectives, among which is poverty alleviation

Principle 2: Government has a constitutional obligation to provide basic services to all citizens wherever they reside

Principle 3: Beyond that provision of basic services, government spending on fixed investment should be focused on localities of economic growth / potential in order to stimulate private sector investment and create long term employment opportunities

Principle 4: Efforts to address inequalities of the past should focus on people, not places – in other words, human capital

NSDP ASSUMPTIONS

- Location is critical for the poor to exploit growth opportunities.
- The poor that are in economic centres have greater opportunities
- Areas with demonstrated economic potential provide greater livelihood and income protection due to diversity
- Areas with greater economic potential are therefore more favourable for overcoming poverty
- The poor make rational choices about relocating to areas with greater economic opportunities, and
- Government must ensure policies & programmes are in place so that the poor can benefit fully from growth.

It is important to note that the NSDP drew on “**institutional economics**” which suggests that beyond the usual sources of comparative advantage (human and natural resource endowment and strategic locality), the **institutional capacity** of a locality will determine whether development is sustainable or not. The **potential** relies strongly on the presence of institutional capacity.

Institutional capacity section is drawn from: The Presidency, 2004, The Presidency produces the National Spatial Development Perspective, IDP Nerve Centre web site update, www.idp.org.za

Another issue which the NSDP raises is of particular importance to note for Umkhanyakude¹³ which is usually viewed as almost entirely “rural” in character. This is the differentiation that is usually made between “Urban” and “Rural”. These concepts have little meaning where the so-called rural areas are dependent Institutional Capacity section is drawn from: The Presidency, 2004, The Presidency Produces National Spatial Development Perspective, IDP Nerve Centre (www.idp.org.za)

Another issue which the NSDP raises is of particular importance to note for Umkhanyakude which is usually viewed as almost entirely “rural” in character. This is the differentiation that is usually made between “Urban” and “Rural”. These concepts have little meaning where the so-called rural areas are dependent with up to 85% of their transfers on so-called urban centres (national figure). This pattern is reinforced by significant social interaction between the two. It is worth noting that the statistical definition of urban is based on definitions of proclaimed urban areas. There are, however, many dense rural settlements that operate now as urban but outside of the statistical definition.

Other National Legislation

Other legislation which has an impact on the preparation and implementation of an effective SDF includes:¹⁴

(a) Land Reform

Up until recently the different pieces of Land Reform legislation which have been promulgated to protect land rights have been applied by the Department of Land Affairs outside of planning frameworks formulated by Municipalities. The affect has been to confound application of national, provincial and local spatial development planning principles aimed at shaping future development of the province.

However, this shortcoming has been recognized by DLA and it is currently in the process of initiating the preparation of Area Based Plans which are designed to integrate the land reform process into the Integrated Development Planning process at District and Local Municipality levels.

(b) National Environmental Management Act (107 of 1998) and Associated Regulations

This piece of legislation replaced the earlier Environmental Conservation Act both of which provide a comprehensive framework for the protection and management of the environment to achieve constitutional principles of sustainability, improved quality of life and equity in terms of access to a wide range of resources and services.

The mechanism formulated for the implementation of this act is contained in the regulations. “The Minister of Environmental Affairs and Tourism has in terms of section 24(5) read with section 44 of the National Environmental Management Act, 1998 (Act No. 107 of 1998), made regulations. The purpose of these Regulations is to regulate procedures and criteria as contemplated in Chapter 5 of the Act for the submission, processing, consideration and decision of applications for environmental authorisation of activities and for matters pertaining thereto”.

¹³ The Presidency, 2004, The Presidency produces the National Spatial Development Perspective, IDP Nerve Centre web site update, www.idp.org.za

¹⁴ Department of Land Affairs 2007 – 2010 Strategic Plan – March 2007

(c) Bio-Regional Planning

The basis for bio-regional planning is contained within the NEMA (107 of 1998). Environmental assessment should occur within the context of a regional or sub-regional plan shaping the future development of an area. Provision for such plans include Strategic Environmental Assessments (SEA) as part of the Bio-regional Planning Process : SEA is a process whereby environmental implications are integrated into decision making (forum for economic & environment).

National Perspective Issues

The following issues are noted for this SDF from the NSDP and associated legislation:

- the essentially rural character of Umkhanyakude;
- limited formal urban development – large areas of non-formal urban development;
- economically dependent area on the region’s economic centres;
- economic opportunities lie in services provision, agriculture and tourism;

The NSDP advocates::

- investment in centres with potential for economic growth;
- low key investment in areas without growth potential;
- local government needs to provide the framework for investment by the private sector.

Provincial Issues

While provincial policy documents identify Umkhanyakude as being an economically depressed rural area it nonetheless has inherent agricultural and tourism potential. Accordingly the following opportunities and constraints are identified for the development of this District:

Opportunities	Constraints
<ul style="list-style-type: none"> ▪ production, processing and marketing (export) of agricultural produce; ▪ enhancing the tourism experiences available in Umkhanyakude through diversification in the type and range of facilities available; ▪ improving and focusing investment in the services sector following both national and provincial policy frameworks: <ul style="list-style-type: none"> • improved services in centres and nodes; • basic services in surrounding areas. 	<ul style="list-style-type: none"> ▪ loss of productive agricultural land; ▪ destruction of bio-diversity of the area; ▪ lack of focus by municipalities on investment goals.

Policy Implications for Umkhanyakude

In the light of the national and provincial spatial policies there needs to be a commitment from District and local government to invest in the upgrading and development of identified nodes and centres to accommodate future demand for urban residential development. The emphasis should not be to continue to invest virtually all of the capital and operational budgets on the provision of high level services to communities located in 'deep' rural areas of the District.

As noted in the NSDP, these households can only be allocated the most basic form of service with the focus being on investment in growth centres where services can be provided more cost effectively and residents can gain access to services and opportunities more effectively. In essence the subsistence systems have, to all intents and purposes, failed due to over population and exploitation on an ever decreasing resource base. The future is dependent upon a level of specialisation in the District economy. The key drivers are commercial agricultural production and processing, commercial retailing, biodiversity management and eco-tourism.

The Municipality needs to invest in creating the framework conducive to investment in these sectors by the private sector. Development in these sectors in the local economy would serve to drive higher levels of specialization and provide concomitant employment opportunities for local people who are sufficiently skilled to take on these opportunities. Over time specialization and diversification in the local economy would serve to lighten the subsistence load on the already stressed natural resource base of the District. In order to bring the above scenario into a reality the District would need to be broadly zoned into the following types of areas:

- **restricted areas / core areas** for future development (residential and otherwise) as being the *first driver* for sustained growth and development in the District. These areas need to be carefully selected, linked through bio-diversity corridors, and then subject to rehabilitative management to ensure that there is a sound biodiversity framework for the resource harvesting and eco-tourism development for current and future populations;
- **areas set aside for a variety of tourism opportunities** ranging from low impact wilderness experiences to high impact high density holiday accommodation, retail and market facilities as the *second driver*;
- **areas for low density subsistence and residential use** where the emphasis is on livestock and limited subsistence cultivation of traditional crops. This needs to be low density because of the often harsh production conditions and the low carrying capacity of much of the District for this type of activity;
- **areas set aside for commercial agricultural production** as the *third driver* of the local economy, where soils are good and technology can be used to overcome harsh production conditions – mainly rainfall and accessibility – in these areas provision needs to be made for outsourcing from core estates to small farmers to involve them in the value chain and thereby reduce reliance on subsistence production systems;
- **areas with good accessibility** set aside for processing and packaging of commercial crops as a *fourth driver* of the local economy, particularly in relation to specialisation;
- **Identifying localities with high potential for retail business** in the local economy as the *fifth driver*¹⁵. These locations should also be linked with a wide range of services such that there is incentive for people operating in the more specialized sectors to locate and live in these centres. Improved levels of

¹⁵ Retailing is more of an indirect driver in the sense that it is generally not a wealth generator in local economy unless the goods are produced locally and tends to result in income leakage. However benefits to the local economy from retailing lie in the support services required for successful retailing.

wealth translate into a variety of locally produced goods and services being required by residents of these higher order centres;

- **reinforcing corridor development** through identifying, differentiating, formalizing and establishing selected strategies for investing in the existing types of corridors in the District:
 - developmental corridors;
 - retail corridors;
 - services corridors;
 - tourism corridors;
 - agricultural corridors.
- **areas set aside for formal residential development** with defined urban edges
- **areas set aside for small holder residential / agricultural use:** this is a step between subsistence production and full-scale commercial production.

The Spatial Development Framework has never been reviewed since its adoption by the Council in June 2008. Initially, it was intended that the Framework be reviewed internally. The intention was to utilize the availability of the Development Planning Shared Services to review the SDF; but due to internal problems at the Municipality and resignation of some of the DPSS personnel; it had been difficult to fill the vacant posts in the DPSS, thus rendering it semi-functional.

The review of the SDF remains a priority in the Development Planning Forum agenda.

7. DISASTER MANAGEMENT PLAN

In terms of Disaster Management Act (57 of 2002); Disaster Management is a continuous and integrated multi-sectoral and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery, and rehabilitation.

A Policy Framework for Disaster Management has been prepared for Umkhanyakude District Municipality to act as a legal instrument, by providing a coherent, transparent and inclusive policy on disaster management appropriate for the District as a whole (Disaster Management Plan for Umkhanyakude District Municipality has been provided as an annexure to this document)

Such framework recognizes a diversity of risks and disasters that occur or may occur in the District area of responsibility, and gives priority to developmental measures that reduce the vulnerability of disaster-prone areas, communities and households.

In terms of the Disaster Management Act, Umkhanyakude District Municipality is required among other to take the following action:

- Prepare a disaster management plan for its area according to the circumstances prevailing in the area;
- Regularly review and update its plan; and
- Such a plan must form integral part of the IDP.

7.1. DISASTER RISK ASSESSMENT AND RISK REDUCTION PLANNING

Umkhanyakude District Municipality faces many different types of risk on a daily basis, including health risks, environmental risks, financial risks and security risks. However, disaster risk specifically refers to the likelihood of harm or loss due to the action of natural hazards or other external threats on vulnerable structures, services, areas, communities and households.

Disaster risk assessment is the first step in planning an effective disaster risk reduction programme. It examines the likelihood and outcomes of expected disaster events. This would include investigating related hazards and conditions of vulnerability that increase the chances of loss.

Disaster risk assessment planning requires identification of key stakeholders, as well as consultation with them about the design and/or implementation of the assessment and the interpretation of the findings.

Disaster risk assessments, supported with good monitoring systems, are essential for:

- Effective disaster risk management and risk reduction planning.
- Sustainable development planning.
- Identifying potential threats that can undermine a development's success and sustainability, making it possible for appropriate disaster risk reduction measures to be incorporated into the project design prior to implementation.
- Shaping focused disaster risk reduction programmes for specific threats.
- Identifying high-risk periods and conditions.
- Activating preparedness and response actions.

Relevant municipal departments must execute systematic disaster risk assessments in the following instances:

- Prior to the implementation of any disaster risk reduction, preparedness or recovery programme.
- As an integral component of the planning phase for large-scale housing, infrastructure or commercial/industrial developments.
- As an integral component of the planning phase for significant initiatives that affect the natural environment.
- When social, economic, infrastructural, environmental, climatic or other indicators suggest changing patterns of risk that increase the likelihood of significant disaster impacts.

Situations requiring a disaster risk assessment

Disaster risk assessments must be undertaken to:

- Anticipate and plan for known hazards or disasters in order to prevent losses and to limit the impact on communities and infrastructure; and to
- Ensure that development initiatives maximize their vulnerability reduction outcomes.

Undertaking disaster risk assessments for specific known hazards or disasters

A Threat or Hazard Analysis is compiled by analyzing official records and historic information gathered from communities concerning:

- The different types of hazards or threats that have occurred in the area in the past and that are likely to occur again in the future;
- The frequency with which the identified hazards or threats are likely to occur; and
- The magnitude of the effect or impact that the identified hazards or threats have and/or are likely to have on the area or community.

Steps involved in a disaster risk assessment

Disaster risk assessment is a process that determines the level of risk by:

- Identifying and analyzing potential hazards and/or threats;
- Assessing the conditions of vulnerability that increase the chance of loss for particular elements-at-risk (that is, environmental, human, infrastructural, agricultural, economic and other elements that are exposed to a hazard, and are at risk of loss);
- Determining the level of risk for different situations and conditions; and by
- Helping to set priorities for action.

A reliable disaster risk assessment for a specific threat should answer the following questions:

- How frequently can one expect an incident or a disaster to happen?
- Which areas, communities, households or infrastructure are most at risk?
- What are the most likely consequences of impacts?
- What are the vulnerability or environmental and socio-economic risk factors that increase the severity of the threat?
- What capabilities or resources exist to manage the risk?
- Is the risk becoming more serious?
- Is the risk undermining development progress in the areas, communities and households it affects?
- If so, is the management of the risk a development priority?
- In the areas and communities affected by the risk, are there any other significant risks?

Undertaking a disaster risk assessment

There are many different methods for carrying out disaster risk assessments. These vary, depending on the type of risk being assessed, the specific characteristics of the population-at-risk, as well as those related to the area, infrastructure, service or business concerned. Methods used are also determined by the urgency for the assessment and the availability of relevant hazard and vulnerability information, as well as appropriate specialist and other resources to undertake it.

The general process for assessing disaster risk involves the following stages, namely:

- Stage 1:** This initial stage involves identifying the specific disaster risk to be assessed
- Stage 2:** The second stage involves analyzing the disaster risk concerned.
- Stage 3:** The third stage requires an evaluation of the disaster risk being assessed usually in relation to other risks. It involves undertaking much more comprehensive assessments of specific threats and establishes priorities for action.
- Stage 4:** The fourth stage is required to inform ongoing disaster risk assessment and planning. It involves monitoring disaster risks and the effectiveness of risk reduction initiatives. It also involves updating disaster risk assessment information and disseminating this information to all stakeholders.

Umkhanyakude District standard for assessment of priority disaster risks

The Umkhanyakude District Disaster Management Policy Framework gives priority to the establishment of a uniform approach to disaster risk management. This is necessary for managing cross boundary risks and for consolidating risk and disaster loss information from different sources. In this context, the framework foresees the development of standards for the assessment of priority disaster risks as well as guidelines, developed for assessing priority disaster risks in national, provincial and municipal spheres.

7.2. DISASTER RISK PROFILE FOR UMKHANYAKUDE

Consolidating information across disciplines, sectors and government spheres

Disaster risk assessment information generated by Umkhanyakude District Municipality must be consolidated to provide an Indicative Disaster Risk Profile of the Municipality. This risk profile must include maps that represent priority disaster risks affecting the Municipality.

In this context, geographic information systems (GIS), provides a powerful tool for spatially representing hazard, vulnerability and consolidated risk information. The information, represented in GIS format, must be validated and sufficiently robust for inclusion in the profile. The process of auditing and compiling information must be inclusive.

7.3. MONITORING, UPDATING AND DISSEMINATING DISASTER RISK INFORMATION

Monitoring disaster risks

Just like other risks, disaster risks are not static. They change seasonally and over time. To recognize such changes, and to strategically adjust programmes accordingly, all provincial and municipal departments must have monitoring systems in place that are relevant to their specific functional responsibilities.

These systems form the basis for sounding timely warnings of, or alerts for, impending significant events or disasters. They are also essential for monitoring the effectiveness of ongoing disaster risk reduction efforts.

Risk monitoring systems involve:

- Hazard tracking;
- Vulnerability monitoring; and
- Disaster event tracking.

Updating a comprehensive disaster risk assessment

Disaster risk is driven by a combination of hazard and vulnerability processes, including changing patterns of land use, infrastructure development/maintenance, urban growth and settlement densification. Similarly, household size and composition, health status and level of livelihood security, affect household potential for loss. Some risks, particularly those triggered by climate processes, must be reviewed seasonally prior to the rainy season or hot summer months. Other risks, such as flood risk, require extensive flood hydrology investigations.

Provincial and municipal organs of state must seek technical advice from recognized risk specialists to determine the need for updating a comprehensive assessment for a specific threat. Umkhanyakude District municipal organs of state with responsibilities for reducing and managing specific risks must review the Umkhanyakude District Disaster Risk Profile for their functional areas annually to determine if risk conditions have changed detrimentally. If physical, atmospheric, environmental, health or socio-economic conditions have worsened considerably, or if there are increasing disaster losses reported from small and medium-size events, the assessment and profile must be updated.

7.4. DISASTER RISK REDUCTION

Disaster Risk Reduction Planning

Although Umkhanyakude faces a broad range of Disaster Risks, it is not possible to address all potential threats at once. Effective disaster risk management planning by all municipal departments as well as by other essential external role-players, requires careful identification of priority disaster risks and the areas, communities, households and infrastructure most vulnerable to the identified risk.

The Disaster Risk Assessment conducted in terms of Key Performance Area 2 will play a critical role in informing the process of Priority Risk identification

Identifying Priority Disaster Risks.

Disaster priority identification is informed by three important considerations:

- The expected magnitude (or impact) for specific disaster types on communities and/or infrastructure.
- The expected frequency of specific types of disaster
- The expected manageability of specific types of disaster at municipal and District levels.

While a wide range of different disaster events can occur in the Umkhanyakude District, these would only be relevant as District or Provincial disaster risk management planning priorities when disaster risk assessments and/or ongoing risk monitoring processes indicate that:

- a disaster event or process affects more than one Municipality or exceeds the capabilities of a single Municipality to manage it effectively;
- the same type of disaster event or process occurs repeatedly and at different times in more than one Municipality with significant cumulative impacts on lives, property and the natural environment, but is not necessarily classified as a provincial disaster.

Identifying the most vulnerable areas, communities and households

Not all areas, communities and households face the same disaster risks. In undertaking disaster risk management planning, priority must be placed on those areas, communities and households that are exposed to natural or other threats, and have the least capacity to resist and recover from the resulting impacts.

Priorities for focusing disaster risk protection efforts

For disaster risk management planning purposes, all municipal organs of state must, according to their functional area of jurisdiction, give priority to protecting;

- strategic infrastructure or services whose damage or disruption during disaster events would result in serious and widespread consequences
- critical economic, commercial, agricultural and industrial zones or sites whose damage or disruption would have serious and widespread consequences
- fragile natural ecosystems and environmental assets that offer protective environmental services and which, if damaged or destroyed in a disaster event, would result in serious natural and economic losses
- communities in areas exposed to extreme weather and/or other natural and technological hazards and which are therefore likely to sustain serious human and property losses in the event of a disaster
- poor and underserved rural and urban communities, including informal settlements, especially those located in fragile ecological areas, that sustain repeated losses from recurrent small, medium, and large disaster events, and who lack insurance coverage to facilitate recovery
- highly vulnerable households at-risk with limited capacity to resist or recover from external shocks, particularly child-headed households or those headed by the elderly or households affected by chronic illness.

Where possible, this process must take place in consultation with those most at risk.

Strategic planning: disaster risk reduction

In keeping with the Act's emphasis on vulnerability reduction and the use of international best practice in this regard, strategic planning must focus efforts on reducing disaster risks. This includes the identification of strategies and measures that would lessen the likelihood of harmful losses by avoiding endangering hazards or reducing vulnerability, as well as those that increase capacity to prepare for and enable timely response and recovery.

Disaster risk management involves a wide range of role players, especially since it requires both developmental efforts that reduce the risk of disasters as well as strengthened capabilities for preparedness, response and recovery. In this context, the disaster risk management plans of different role-players will necessarily differ in their emphasis on disaster risk reduction or on more operational response issues, depending on their respective functional areas.

7.5. PREVENTION AND MITIGATION AS CORE DISASTER RISK REDUCTION PRINCIPLES

All disaster risk management plans must give explicit priority to the core principles of disaster prevention and mitigation. Disaster prevention, mitigation and preparedness are referred to as disaster risk reduction measures because they lessen the likelihood of harmful losses by avoiding endangering hazards or reducing vulnerability. In this way, prevention and mitigation are central to achieving the goal of disaster risk reduction in which vulnerabilities and disaster risks are reduced and sustainable development opportunities strengthened.

It is often difficult to decide whether an intervention is preventive or mitigative. For this reason, it is more practical to refer to them jointly as disaster risk reduction measures, because both minimise the risk of disasters.

Disaster prevention

Disaster prevention refers to actions that provide 'outright avoidance' of the adverse impact of hazards and related environmental, technological and biological disasters. Many disasters can be prevented through effective land-use planning, basic public works and effective municipal services that factor in the frequency and severity of natural or other hazards as well as human actions. Examples include:

- replanting indigenous grasses or trees on a recently burned slope near roads or dwellings to stabilise the soil and prevent damaging land subsidence;
- locating critical rail, road and telecommunications structures behind a coastal 'setback' line in areas exposed to storm surges to prevent disruption to critical services during violent storms; and
- careful positioning of storm-water drainage and its ongoing maintenance, along with protection of natural wetlands, to prevent destructive flooding during heavy rain.

Unfortunately, many small, medium and large disaster events cannot completely be prevented. Their severity can be reduced, however, through ongoing disaster mitigation efforts.

Disaster mitigation

Disaster mitigation refers to structural and non-structural measures that are undertaken to limit the adverse impact of natural hazards, environmental degradation and technological hazards on vulnerable areas, communities and households. These efforts can target the hazard or threat itself (for example, a fire break that stops a fire spreading close to residential areas). This is often referred to as 'structural mitigation', since it requires infrastructure or engineering measures to keep the hazard away from those at risk.

Disaster mitigation efforts can also target people who are at risk, by reducing their vulnerability to a specific threat (for instance, promoting community responsibility for controlling fire risk in an informal settlement). This is often called 'non-structural mitigation', as it promotes risk-avoidance behaviours and attitudes.

7.6. DISASTER RISK REDUCTION PLANNING AND THE DC 27 IDP

The alignment of Disaster Risk Reduction Plans with the Municipal I.D.P. **does not** mean the whole Plan document must be submitted to the IDP Committee without any further input from Disaster Management. On the contrary, the IDP is the Municipality's internal platform from which possible funding for Disaster Management Risk Reduction projects may be accessed.

The Plan that must be aligned with the IDP is, in fact, a **Risk Reduction Plan** which identifies Communities or infrastructure at risk from known disaster threats and contains recommendations on possible developmental projects that are in line with the principals of the IDP and which could reduce the risk of the threat to a particular community at Risk.

The sectoral status of Disaster Management in the Development Planning structures of the Municipality has been established and therefore Disaster Management plays an integral role in the development planning process of the IDP and the Municipality.

7.7. DISASTER RESPONSE AND RECOVERY

The Umkhanyakude District disaster risk management policy must also incorporate elements of preparedness, response and recovery appropriate to the respective functional areas of different organs of state.

Preparedness

Preparedness contributes to disaster risk reduction through measures taken in advance to ensure effective response to the impact of hazards, including timely and effective early warnings and the temporary evacuation of people and property from threatened areas.

Preparedness enables the Municipality and other institutions involved in disaster risk management, including the private sector, communities and individuals to mobilise, organize, and provide relief measures to deal with an impending or occurring disaster, or with the after-effects of a disaster. Preparedness differs from prevention and mitigation as it focuses on activities and measures taken in advance of a specific threat or disaster.

Preparedness actions include:

- planning for seasonal threats, such as heavy rainfall, flooding, strong winds, veld or informal settlement fires, and communicable disease outbreaks
- anticipating and planning for the potential dangers associated with large concentrations of people at sporting, entertainment or other events
- establishing clear information dissemination processes to alert communities at risk of an impending seasonal threat, such as a potential outbreak of cholera during the rainy season
- identifying evacuation procedures, routes and sites in advance of expected emergencies, including the evacuation of schools in areas exposed to flash-floods
- developing, in advance, clear communication processes and protocols for different emergency situations, including the dissemination of an early warning for an impending extreme weather threat to isolated or remote communities.

These actions are key components of the contingency plans that should be developed for specific threats as part of the Umkhanyakude disaster risk management plan.

Disaster response

Disaster response refers to the provision of assistance or intervention during or immediately after a disaster to meet the life preservation and basic subsistence needs of those people affected. It can be of an immediate, short-term or protracted duration.

Disaster recovery

Disaster recovery (including rehabilitation and reconstruction) focuses on the decisions and actions taken after a disaster to restore livelihoods, services, infrastructure and the natural environment. In addition, by developing and applying disaster risk reduction measures at the same time, the likelihood of a repeated disaster event is reduced.

Disaster recovery includes:

- rehabilitation of the affected areas, communities and households
- reconstruction of damaged and destroyed infrastructure
- recovery of losses sustained during the disaster event, combined with the development of increased resistance to future similar occurrences.

Disaster recovery initiatives present excellent opportunities to incorporate disaster risk reduction actions. Following a disaster event, there are usually high levels of awareness about the risk factors that increased the impact. These present opportunities to introduce disaster risk reduction efforts consultatively with the affected communities and key stakeholders in order to reduce the likelihood of future loss.

Co-ordination of response and recovery efforts

Responsibility for co-ordinating response to specific known rapid- and slow-onset significant events and disasters must be allocated to a specific organ of state. For example, flood response and recovery efforts would involve the combined efforts of many stakeholders, but the primary responsibility must be allocated to a specific organ of state with the other stakeholders assuming supportive responsibilities. In the case of river floods, for example, the Department of Water Affairs and Forestry could bear primary responsibility. In the case of drought, the Department of Agriculture could be the primary agency, and in the case of extreme weather events, the Umkhanyakude District Disaster Management Centre would assume primary responsibility.

The operational plans and guidelines of the various response agencies that contribute to field operations must be considered when allocating responsibilities for response and recovery. In this regard, primary and secondary responsibilities must be allocated for each of the operational activities associated with disaster response, for example, evacuation, shelter, search and rescue, emergency medical services and fire fighting.

Response and recovery operations must also make provision for the delegation of responsibilities of the Head of the centre and the assignment of alternate arrangements for a disaster management centre as a contingency in the event that the particular disaster management centre itself is affected and unable to continue to operate.

Resources

Mechanisms for the activation and mobilization of additional internal as well as external resources for response and recovery measures must be clearly set out in operational plans.

Incident Management System

Incidents and emergencies handled on a daily basis by emergency and essential services personnel are routinely managed by an incident commander of a particular agency in terms of that agency's internal line-function policies. However, in the case of significant events and disasters which occur or are threatening to occur, a response management system must be developed and implemented to ensure a systematic co-ordinated approach to the effective utilisation of facilities, personnel, equipment, resources, procedures and communication.

An Incident Management System provides for the clear allocation of roles, responsibilities and mechanisms for strategic, tactical and operational direction and a participative approach to the management of the event. Umkhanyakude District Disaster Management must therefore develop an incident command system which complies with the requirements of the national standard for response management systems.

The system must identify specific roles and responsibilities for each response and recovery activity included in the operational plans of the various agencies participating in response and recovery efforts. It must also provide for mechanisms to determine the level of implementation of response and recovery measures according to the magnitude of the event or disaster and the capacity of an agency to deal with it, using only their own resources.

The system must be introduced in all municipal departments and in all spheres of governance situated within the area of responsibility of Umkhanyakude District Municipality. It should also make provision for the development of partnerships, for the purpose of enhancing capacity, between external agencies involved in response and recovery, including the private sector, NGOs, traditional leaders, technical experts, communities and volunteers.

Each agency identified in the incident management system must establish standard operating protocols or procedures (SOPs) for co-ordinating response and recovery operations and for ensuring government and business continuity. The SOPs must be consistent with the requirements of relevant legislation, regulations and standards.

The Incident Management system must clearly identify the stakeholders responsible for the operational command, control and co-ordination of an event at both, the on-scene and Incident Management Committee levels.

The system must take into account conditions where frequent significant events occurring on a daily basis require extraordinary measures but do not necessarily justify the declaration of a local state of disaster.

The system must provide for a mechanism to track escalation of incidents and facilitate the reporting of 'trigger' indicators. 'Trigger' indicators must be clearly identified and must be reported to the disaster management centres in the various spheres. Examples include the routine reporting of all veld and forest fire incidents to the disaster management centre when fire danger rating indices are at certain levels, or the reporting of all incidents that require a predetermined level of response.

7.8. ENABLERS

Information Management

Disaster risk management is a collaborative process that involves all spheres of government, as well as NGOs, the private sector, a wide range of capacity-building partners and communities. It requires capabilities to manage risks on an ongoing basis, and to effectively anticipate, prepare for, respond to and monitor a range of natural and other hazards.

Integrated disaster risk management depends on access to reliable hazard and disaster risk information as well as effective information management and communication systems to enable the receipt, dissemination and exchange of information.

It requires systems and processes that will:

- provide an institutional resource database, including a reporting and performance measurement facility
- facilitate information exchange between primary interest groups
- facilitate risk analysis, disaster risk assessment, mapping, monitoring and tracking
- guide and inform focused risk management and development planning and decision making
- facilitate timely dissemination of early warnings, public awareness and preparedness, especially for at-risk people, households, communities, areas and developments
- enable timely and appropriate decision making to ensure rapid and effective response and recovery operations
- facilitate integrated and co-ordinated multi-agency response management
- record and track real-time disaster response and recovery information
- facilitate education, training and research in disaster risk management
- facilitate the funding and financial management of disaster risk management.

The system must have the capabilities to acquire, sort, store and analyse data for the purposes of targeting information for primary interest groups. In addition, it must include GIS (geographical information systems) mapping and information display applications, as well as standardised multimedia communication capabilities.

In order to provide a comprehensive information service, Umkhanyakude Disaster Management must undertake the following:

- develop an information database;
- establish a library or resource centre on disaster risk reduction; and
- make provision for easy access to the information database.

Education, Training, Public Awareness and Research

Sections 15 and 20(2) of the Act specify the encouragement of a broad-based culture of risk avoidance, the promotion of education and training, and the promotion of research into all aspects of disaster risk management.

This enabler addresses the requirements for the development and implementation of a national education, training and research needs and resources analysis and a national disaster risk management education and training framework, the development of an integrated public awareness strategy, including effective use of the media, the development of education and training for disaster risk management and associated professions, and the incorporation of disaster risk management in school curricula. It also outlines mechanisms for the development of a disaster risk research agenda.

Responsibility for conducting an education, training and research needs and resources analysis

It is the responsibility of the National Disaster Management Centre (NDMC) to undertake a national education, training and research needs and resources analysis and to facilitate the process. In order to achieve the KPIs within the national framework all provincial and municipal disaster management structures, including Umkhanyakude District Municipality will be required to participate in this initiative.

Responsibility for developing a disaster risk management education and training framework

The NDMC is responsible for the development of a national education and training framework which must be completed within two years of the implementation of the national disaster management framework. The NDMC must ensure that all education and training standards and qualifications comply with the requirements of the South African Qualifications Authority Act, 1995 (Act No. 58 of 1995) and the guidelines prescribed in the NQF.

Training programmes for communities

Training programmes for communities must focus on disaster risk awareness, disaster risk reduction, volunteerism and preparedness. Local indigenous knowledge needs to be incorporated into training programmes aimed at local communities. Where appropriate, communities must be given the opportunity to modify and enhance training programmes through the inclusion of indigenous knowledge, practices and values, and the incorporation of local experience of disasters and disaster risk management. Indigenous knowledge must also be harnessed and incorporated into needs analyses and course development processes.

Responsibility for the development of training programmes

The Provincial Disaster Management Centre (PDMC) is responsible for promoting, facilitating and overseeing the development and implementation of training programmes and materials for practitioners in disaster risk management and associated fields. Provincial and municipal organs of state must plan, organise and implement training programmes relevant to their respective areas of responsibility in consultation with local communities.

Schools

The Disaster Management Centre of Umkhanyakude District Municipality must seek to establish links with existing community risk awareness programmes in schools for the purposes of disseminating information on disaster risk management and risk avoidance. The creation of programmes in schools, focusing on relevant and appropriate aspects of disaster risk management, must be encouraged.

Research

The Act calls for ongoing research into all aspects of disaster risk reduction and management. Umkhanyakude District Municipality, through a process of consultation, must develop a strategic disaster risk reduction research agenda to effectively inform disaster risk management planning and implementation in the Municipality. Research initiatives must also be linked to the IDP processes. Research is the responsibility of each and every role player in the disaster risk management arena.

Funding Arrangements

Section 7(2)(k) of the Act requires that the national disaster management framework makes provision for 'a framework within which organs of state may fund disaster risk management with specific emphasis on preventing or reducing the risk of disasters, including grants to contribute towards post-disaster recovery and rehabilitation.

Given the provisions of the Act, funding arrangements must be designed in a manner that ensures that disaster risk management activities are funded adequately and in a sustainable way. This enabler describes the disaster risk management funding arrangements for organs of state in the national, provincial and local spheres of government and builds on the recommendations made by the Financial and Fiscal Commission (FFC) on funding arrangements in its Submission on the Division of Revenue 2003/04

Legislative framework for funding arrangements

The following primary legislation provides the context within which funding arrangements for disaster risk management should be designed

- Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Disaster Management Act, 2002, (Act No. 57 of 2002)
- Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA)
- Municipal Finance Management Act, 2003 (Act No. 53 of 2003) (MFMA)
- Municipal Systems Act, 2000 (Act No. 32 of 2000).

The Constitution assigns exclusive or concurrent functions to different spheres of government. Schedule 4 of the Constitution designates disaster risk management as a concurrent national and provincial competence. However, the Act places the responsibility for certain disaster risk management activities squarely within the local government sphere. For example, section 23(7) of the Act states that until a disaster is classified as either a national or a provincial disaster, it must be regarded as a local disaster.

In terms of section 10A of the Municipal Systems Act as amended, the disaster risk management function imposes new constitutional obligations on local government. These obligations are that the responsible Cabinet member, MEC or other organ of state must take appropriate steps to ensure sufficient funding and capacity-building initiatives as may be needed for the performance of the assigned function. Since disaster risk management at municipal level encompasses a wide range of activities (including disaster risk reduction, preparedness, response and recovery), funding mechanisms must be designed to allocate optimal resources to each of these activities.

Chapter 6 of the Disaster Management Act outlines two principles that should be applied to funding the cost of a disaster when such an event is declared. Firstly, section 56(2) of the Act states that in the event of a disaster, 'national, provincial and local organs of state may financially contribute to response efforts and post-disaster recovery and rehabilitation'. Secondly, the Act assigns the responsibility for repairing or replacing infrastructure to the organ of state responsible for the maintenance of such infrastructure. Section 57 of the Act, however, provides some leeway for a Municipality or provincial government to request financial assistance for recovery and rehabilitation from national government.

The Act attempts to encourage budgeting for disaster recovery and rehabilitation through threshold funding. Section 56(3) allows the Minister to prescribe a percentage of the budget of a provincial or municipal organ of state as a threshold for accessing national funding for disaster response efforts. The extent to which an organ of state has implemented disaster risk reduction efforts will be taken into account when requests for disaster response and post-disaster rehabilitation funding are considered.

The broad funding guidelines set out in sections 56 and 57 of the Act make access to disaster recovery and rehabilitation funding contingent on organs of state earmarking funds for disaster risk reduction activities. This

principle reduces the risk of moral hazard behaviour on the part of provincial or municipal organs of state by ensuring that they budget for all disaster risk management activities. In this way, national government does not implicitly guarantee the provision of financial assistance to organs of state for disasters that could have been reasonably prevented or reduced in some way.

Apart from the Act, there are other legislative provisions that govern the release of funds for disaster recovery and rehabilitation. Sections 16 and 25 of the PFMA allow the Minister of Finance or relevant MEC to appropriate funds from their respective revenue funds for use in emergency situations. Funds released in terms of these provisions must be reported to either Parliament or the provincial legislature, as the case may be, and to the Auditor-General within 14 days of their authorisation. In addition, these funds must be attributed to a vote when the adjustments budget is passed.

Similarly, section 29 of the MFMA allows the Mayor of a Municipality to authorize unforeseeable and unavoidable expenditure in an emergency. Such expenditure must be ratified by the council in an adjustments budget within 60 days of the expenditure having been incurred. Furthermore, section 29(2) (b) of the MFMA states that unforeseeable and unavoidable expenditure may not exceed a percentage of the budget. This restricts the amount of funds available to respond to emergencies. This percentage must be prescribed by National Treasury in regulations.

Principles underpinning funding arrangements

Any funding arrangement must be consistent with the principles set out in the Act and any other related legislation (see section 7.1 above). Furthermore, the management of intergovernmental transfers must be grounded in public finance theory. Anwar Shah, in his seminal book, *The Reform of Intergovernmental Fiscal Relations in Developing and Emerging Market Economies* (published in 1994), points out that the design of any funding mechanism should ensure that the objectives of the relevant legislation are safeguarded, and that the recipients of the funds are held accountable for implementation of the legislation. According to Shah, the important criteria against which any funding mechanism should be evaluated include:

- **Adequacy.** Municipalities should have adequate resources to perform their functions effectively. In relation to disaster risk management, all organs of state should have access to sufficient funding to be able to discharge their legislative responsibilities.
- **Equity.** Funding mechanisms should ensure that legislation is implemented equitably across provinces and municipalities. This would help to avoid inter-jurisdictional spillovers arising from uneven and inequitable implementation.
- **Predictability.** Any funding mechanism that includes intergovernmental transfers should ensure predictability by making allocations from national to provincial and local organs of state over the term of the Medium-term Expenditure Framework (MTEF). Any allocations to municipalities should be disclosed timeously so that municipalities are able to take cognisance of these allocations in their annual budgets.
- **Administrative efficiency.** The cost of administering the funding mechanisms should be kept to a minimum. Ideally, the funding mechanisms should not impose new reporting obligations on municipal organs of state. Rather, the reporting process should be integrated into the existing reporting cycle.
- **Incentive effects.** Funding mechanisms should be designed in such a way that they provide incentives for sound fiscal management and reduce the likelihood of inefficient fiscal practices. In this way, perverse incentives in the system may be minimized and the risk of moral hazard behaviour by recipients of the funds discouraged.
- **Autonomy.** The assignment of functions or the transfer of funds between spheres of government should not undermine the constitutionally mandated autonomy of municipal organs of state. The autonomy criterion should be viewed within the context of co-operative governance.

7.8. RISK POOLING

The cost of a disaster can become so substantial that no single provincial and municipal organ of state is able to fund recovery efforts on its own. In such cases, funding mechanisms should make provision for post-disaster recovery costs to be shared across the widest possible population rather than being a burden on the affected population.

In addition, it should be borne in mind that disaster risk management has certain unique characteristics which differ markedly from other public services such as education and street lighting. Disasters are by their very nature unpredictable and require an immediate and decisive response. It is vital, therefore, that a balance is struck in the financing framework between the need for financial controls and oversight and the need to ensure that rapid response and recovery are not compromised. Section 214(2) (j) of the Constitution explicitly mentions 'the need for flexibility in responding to emergencies or other temporary needs' as one of the criteria for the equitable division of nationally collected revenue among the three spheres of government.

PHASE 03: IDENTIFICATION OF PROJECTS

8. PROJECTS

KPA 1: GOOD GOVERNANCE; COMMUNITY PARTICIPATION AND WARD SYSTEMS					
District-wide priority needs	Strategic Objectives	Programme	Projects	Budget	Source of Funding
Improvement of communication lines within the Municipality and between the Municipality and communities; Curbing corruption	To ensure Section 152 of the Constitution & Chapter 4 of the Municipal Systems Act	Community Participation & Relations	Public Participation strategy	None	
	Established feedback mechanisms in order to ensure responsiveness to communities		Communication strategy	None	
	Effective intergovernmental relations	IGR		None	
	To fight and eliminate corruption	Anti-corruption	Anti-corruption strategy		

KPA: 2. IMPROVED SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT					
District-wide priority needs	Strategic Objectives	Programme	Projects	Budget (MIG Funding)	Budget / LM
Provision of water and sanitation services; Provision of energy (electricity); Provision of roads and public transport; Provision of infrastructure and social services.	To improve access to quality, affordable and reliable municipal services (e.g., water, sanitation, electricity, refuse removal, transportation), and to provide free basic service.	Basic Services provision	Enkanyezini	R1 524 440	KZ 271 <u>R29,398,685</u>
			KwaNgwanase Water Ret.	R20 874 245	
			Phohlo, Bangizwe, Nyamazane	R5 500 000	
			Mbazwana Sewerage/Sanitation	R1 500 000	
			Jobe Water Supply	R15 000 000	KZ 272 <u>R49,698,591</u>
			Othobothini Sanitation	R1 653 410	
			Makhathini Sanitation	R 4 389 682	
			Jozini Reticulation	R11 000 000	
			KwaNgwenya-nsinde Water	R5 000 000	
			Shemula to Madleni	R11 155 499	
			Jozini Low Cost Housing Sewerage	R1 500 000	
			Hluhluwe Stormwater Drainage (ret.)	R111 315	KZ 273 <u>R366,003</u>
			Hluhluwe Phase 3 (retention fees)	R254 748	
			Ezibayeni Phase 2	R2 768 003	KZ 274 <u>R41,268,003</u>
			Mpophomeni Phase 2	R3 500 000	
			Hlabisa/Mandlakazi Reticulation	R29 000 000	
			Odakaneni, Mthekwini, Qhoqhoqho	R6 000 000	
			Mtuba Water Treatment Works	R40 671 320	KZ 275 <u>R57,498,588</u>
			St Lucia Bulk Water Supply	R10 000 000	
			Hluhluwe Phase 3 (retention)	R254 748	
			Nordale Sewerage upgrade	R572 520	
			KwaMshaya – electricity reticulation	R6 000 000	
Mtuba Water Treatment Works	R40 671 320				
Total		R218, 901,250			

KPA 3: SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT					
District-wide priority needs	Strategic Objectives	Programme	Projects	Budget	Source of Funding
Growing the economy (LED) Poverty alleviation and job creation	Thriving and vibrant local economy and neighborhoods	Tourism	Route 22 (Cultural and Tourism Route)	R300 000	IDC
			Renewable Wind Energy project		IDC
			Tshaneni Regional Airport Development	R10m	Dep. of Envir. Affairs
		Industry	Lebombo Rail Corridor	R100 000	IDC & Dep. of Envir. Affairs
		Property Development	Uhlaza Housing Development	N/A	Private Sector
	Development of an employable, educated and skilled citizenry Facilitation of job creation and access to business opportunities	Business Support and Development	Tourism Learnerships	N/A	LGSETA
			Financial Service Board Learnerships	N/A	LGSETA
			Skills Development Learnerships	N/A	LGSETA
			Thembela (procurement and job seekers IT programmes)	N/A	LGSETA
			Funjwa Lodge/Mabaso Game Reserve	R4 800 000	Dep. of Envir. Affairs
			Hluhluwe-Umfolozi Park Community Development	R8 500 000	Dep. of Envir. Affairs
			Usuthu-Tembe Transfrontier Conservation Area Development	R20 000 000	Dep. of Envir. Affairs

KPA. 4 : TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT					
District-wide priority needs	Strategic Objectives	Programme	Projects	Budget	Source of Funding
Improvement of communication lines between the Municipality and the communities	To provide an effective and efficient Human Resources Management Services aimed at achieving a skilled workforce that is responsive to change	Capacity Building & Training	<ul style="list-style-type: none"> - Development of HR Strategy - Implementation of WSDP 	None	
	To Improve corporate image of the Municipality			None	
	To ensure credible Integrated Development Plan (IDP)	Integrated Development	Development of the 2012/2013 municipal IDP	None	
	To ensure accountability to the community and stakeholders at large			None	
	To ensure effective implementation of Customer Satisfaction Programme			None	
	To ensure effective and efficient IT System	Information Technology	Development of a municipal website	None	

KPA. 6 : SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT					
District-wide priority needs	Strategic Objectives	Programme	Projects	Budget	Source of Funding
Provision of environmental management services	To facilitate and coordinate the rendering of spatial planning services	Spatial Planning and Land-use management	Spatial Development Framework (SDF)	None	
	To facilitate and coordinate the rendering of the Geographical Information System (GIS) services within the District Family			None	
	To facilitate and coordinate the rendering of effective Development Administration and Control services within the District family			None	
	To facilitate and coordinate the rendering of effective Environmental planning and management services	Environmental Planning	Environmental Management Framework (EMF)	R1 500 000	Dep. of Envir. Affairs

KPA. 7 : SOCIAL DEVELOPMENT					
District-wide priority needs	Strategic Objectives	Programme	Projects	Budget	Source of Funding
	To Improve the livelihoods of the poor, vulnerable groups by supporting initiatives that are aimed at reducing infectious diseases such as HIV/AIDS, Tuberculosis, etc;			None	
	To ensure support and coordination of special programmes (Gender, Women, Youth, elderly, children, people living with disability, sport recreation and Arts & Culture);			None	
	To support initiatives aimed at ensuring safety and Security of communities and maximize the capacity of the Municipality to manage Disasters			None	
	A clean, safe and healthy environment			None	

9. FINANCIAL PLAN

Introduction

This financial plan reflects the Municipality's ongoing effort to provide the highest quality of service in daily operations. Thus the Municipality recognized that in order for the services to be provided at the best level possible the financial plan must be linked to the IDP. Furthermore it was recognized that without the financial plan, the IDP would be incomplete since the financial plan will give an indication of the financial ability of the Municipality.

The financial plan together with the IDP is reviewed annually as per S21 of the Municipal Finance Management Act no 56 of 2003 and S34 of the Municipal Systems Act no32 of 2000. As a result of the financial crisis that the Municipality is currently facing, the Municipality has resolved in eliminating unnecessary expenditure, paying off creditors and maximizing debt recovery. This annual review is as a result of the relevant regulations and priorities which are reviewed from year to year. The information contained in these tables is based on the information available at the time of drafting this document and these estimates could therefore possibly change once the budget has been approved.

Operating and Capital budget estimates

The five year financial plan includes an operating budget and capital investment programme per source of funding for the five years ending June 2014.

Budget Assumptions

The influencing factors were taken into account when compiling the budget:

- Normal inflatory increases and pressures.
- Zero based and incremental budgeting for 2011/2012.
- Maximum increment of 6% for increases
- Electricity tariffs for revenue are based on the guidelines on tariff communicated by NERSA. Bulk purchases for electricity have been increased by 20.38% for 2011/2012.
- Provision of 10% for salaries

Operating Budget Estimates

The table below reflects the operating budget estimates starting from 01 July 2009. (Table 1)

	2009/10 Budget	2010/11 Budget	2011/12 Budget	2012/13 Budget	2013/14 Budget
<u>Revenue per source</u>					
Property Rates	595 558	629 605	667 275	668 534	707 978
Service Charges	42 439 555	31 439 164	28 402 000	33 102 819	36 067 653
Investment revenue	1 339 472	1 500 000	1 500 000	1 000 000	1 059 000
Transfers recognized - operational	147 424 927	142 721 672	157 842 166	169 243 488	183 372 297
Other own revenue	689 490	100 741	101 220	183 000	194 000
Total Operating Income	192 489 002	176 391 182	188 512 661	204 197 841	220 188 247
<u>Expenditure per category</u>					
Employee costs	57 202 605	65 714 088	61 925 194	66 879 210	80 328 437
Remuneration of councillors	2 428 090	6 582 102	7 377 028	7 967 191	5 282 100
Depreciation & Asset Impairment	3 857 812	1 114 078	1 180 923	1 251 778	1 252 957
Finance Charges	3 050 468	2 339 366	2 479 728	2 628 512	3 406 046
Materials and bulk purchases	43 058 230	14 791 000	20 687 000	18 392 000	19 310 000
Other expenditure	82 891 797	78 594 000	86 625 833	79 684 714	78 319 714

Total Operating Expenditure	192 489 002	169 135 595	180 275 706	176 803 405	187 899 254
Surplus/(deficit) for the year	-	7 255 587	8 236 955	27 394 436	32 288 993

Capital Budget Estimates

The table below reflects the capital budget estimates per sources of funding: (Table 2)

	2010/11 Budget	2011/12 Budget
Own funds	6 000 000	4 071 500
Grant Funding Municipal Infrastructure Grant Expanded Public Works Programmes	188 829 991 0	157 004 565 27 771 000
Total (funding sources)	194 829 991	188 847 065

The table below reflects the capital budget estimates per project: (Table 3)

	2010/11 Budget	2010/12 Budget
Water and sanitation projects	188 829 991	152 233 863
Purification Plants	0	4 000 000
Sports Development	0	3 105 702
Community Halls	0	1 665 000
Other projects	6 000 000	27 771 000
Furniture and Equipment	0	71 500
Total (per project)	194 829 991	188 847 065

Debt Management Framework

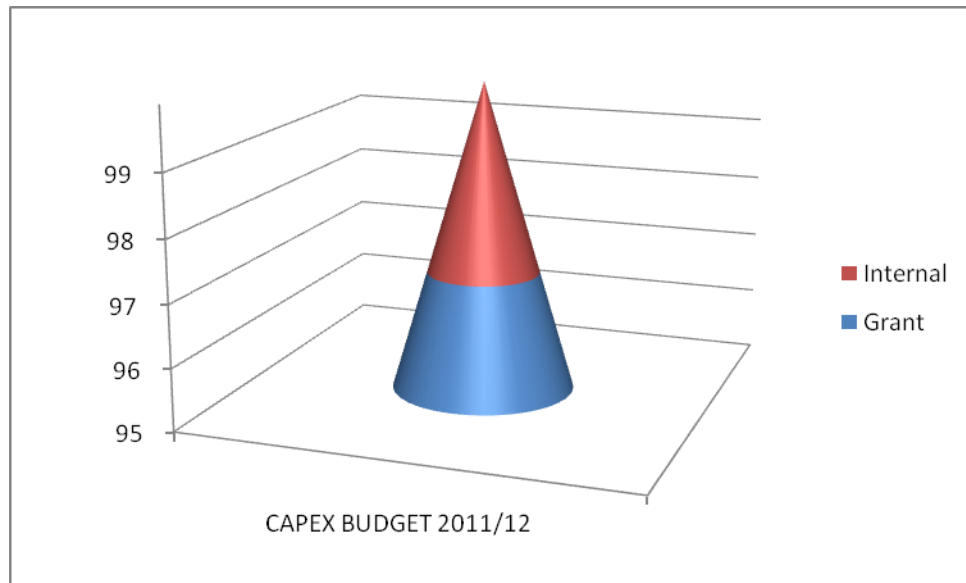
The table below provides the details of the Debt Management Framework as at 30 June 2010: (Table 3)

DBSA Loan

	2011/12 Budget
Opening balance	13 530 009
Less: Capital repayments for the year	1 728 907
Closing balance	11 801 102

Graphical Illustrations

Capital Estimates by Type of Funding:



Financial Strategy

Revenue adequacy and certainty

It is critical for the Municipality to access sufficient sources of revenue from its operations and intergovernmental transfers so that it can be able to carry out its functions. Currently, the Municipality's revenue collection is standing at 32% of the total billed amount as at 30 June 2010. This collection is relatively very low and is also one of the contributing factors to the current financial crisis that the Municipality is experiencing. These have not only impacted on ongoing financial sustainability but have also impacted on the delivery of basic services.

A financial recovery plan was tabled at Council on the 9 of February 2011 (refer to annexure 4) taking into account the requirements of section 142 of the MFMA which states that the financial recovery plan must be designed to place the Municipality in a sound and sustainable financial condition as soon as possible.

Cash and Liquidity position

Cash and liquidity management is of the essence for the short term and long term survival of any organisation. The benchmarks that can be used to assess the liquidity position of the Municipality are: The current ratio, which expresses the current assets as a proportion to current liabilities. Current refers to those assets which could be converted into cash within 12 months and those liabilities which can be settled within 12 months. A current ratio of 2:1 and more is considered to be healthy. Based on the 2009/10 Annual Financial Statements, the Municipality is currently sitting at 0.12:1 which is relatively very low, which is also a confirmation to the financial challenge to the Municipality.

Sustainability

The Municipality's budget needs to be balanced. Services need to be provided at affordable levels and the full costs of delivery needs to be recovered but also taking into account the effect of the indigent residents within the Municipality. For the 2011/12 financial year, the Municipality has budgeted for a surplus and strict controls will be adhered to ensure that the budgeted amount is not exceeded.

Borrowing

Banks and other lending institutions like DBSA provide an additional mechanism to access financial resources. But at this point, Umkhanyakude is not in a position to borrow in order to fund the 2009/10 deficit. The current cost of borrowing as a percentage of total operating expenditure is currently sitting at 4%, yet the Municipality is still finding it difficult to make repayments on time.

Financial Management Strategies and Programmes

The following significant have been identified:

- **The implementation of the financial recovery plan.**
This basically includes all finance section to improve the financial management of the Municipality.
- **Implementation of credit control & debt collection policy**
The policy has procedures that need to be followed to ensure that the Municipality collect what is due to them.
- **Implementation of an indigent policy**
This will help measure the qualification criteria for an indigent and the level of free basic services to be enjoyed by the indigent household. The indigent register should be reviewed annually as the status of the indigent can change.
- **Enhance budgetary controls and timelines of financial information**
This includes the improvement of the budget and treasury office in terms of reporting and monitoring the budget variances. National Treasury published ver.2.3 of the budget schedule in which the entire Municipality's need to comply with when preparing the annual budgets.
- **Training and development of financial and other staff**
Ensure that the finance and other staff receive the training they require to ensure a cost effective and efficient service to the City.
- **The review of a computerized financial system.**
The Municipality is currently on Abacus financial system and a review will be conducted to assess if this system is in line with the GRAP requirements.
- **Annual Financial Statements**
Audit opinions for the past three years (2006/2006; 2007/2008; 2008/2009) have been a disclaimer opinions. The Municipality is now doing the best to ensure that the Municipality improves on its audit opinion. For the 2009/2010 financial year Umkhanyakude District Municipality has managed to improve the results to a qualified audit opinion. Although this is not the best results it shows that the Municipality is taking the step towards the right direction.

With all the above mentioned strategies in place, the Municipality's aim is to achieve a strong financial position with the ability to adjust efficiently to the community's changing service requirements, effectively maintain, improve and expand the District's infrastructure and manage the District's budget and cash flow to the maximum benefit of the community.

Financial Management Policies

➤ **Budget Policy**

The annual budget establishes the level of services to be provided by each department. This budget, as per S71 of the MFMA, is subject to monthly control and be reported to Council with recommendations of action to be taken to achieve the budget's goals. This budget is also subject to a mid-term review which might result in an adjusted budget which is in terms of S28 of the MFMA.

➤ **Credit Control Policy**

This policy provides a direction in areas of credit control, collection of amounts billed to customers and procedures for recovery of arrear accounts.

➤ **Indigent Policy**

This policy lays out the procedures which need to be followed to ensure that the individual qualifies as an indigent. This register should be updated manually as the indigent customer can be deregistered if an audit or verification concludes that the financial circumstances of the indigent customer have changed. The indigent may, at any time request de-registration. The consumers are currently receiving 6kl of free water.

➤ **Investment Policy**

In terms of S13 (2) of the MFMA, every municipal council and its body is required to draft the Municipality's Investment Regulations. The primary objective of this investment policy is to gain the highest possible return, without unnecessary risk, during periods when excess funds are not being used.

➤ **Asset Management Policy**

The objective of the asset management policy is to prescribe the accounting and administrative policies and procedures relating to property, plant and equipment. This fixed asset is to be maintained in a GRAP compliant format and any other accounting requirements which may be prescribed.

PHASE 04: INTEGRATION

This phase involves reviewing all the draft projects proposals to see how they fit in with the overall development plan. It also means that the activities of all departments within the Municipality, and any provincial and national involved in funding and service delivery must be coordinated. For an example, a project to health needs must take account of the courses of the health problems. If they relate to water pollution, there must be coordination with water services. If they relate to malnutrition, there must be coordination with welfare and economic development support.

Successful integration also depends on effective communication. At integration stage, everyone on the project task team and everyone they need to work with must understand their role, must know what is supposed to happen at each stage and be kept informed of problems, delays and developments.

This is the phase whereby Umkhanyakude District Municipality ensures that identified projects are in line with the strategies and objectives. Through this phase, UDM ascertained that identified projects correlate with the identified needs as per the status quo analysis.

In a nutshell, having outlined the developmental (socio-economic) analysis, spatial analysis, infrastructure (water and sanitation and electricity) analysis, and environmental analysis; this phase is about responses to the priority issues that constitute the District's challenges. This phase also focuses on sector departmental activities within the District. This phase is divided into two parts, the first dealing with integration of draft projects and activities; and the second part outlining the sector plans.

10. INTEGRATION OF PROJECTS AND ACTIVITIES

10.1. MUNICIPAL HOUSING SECTOR PLANS AND PROJECTS

According to Section 9 (1) of the National Housing Act No. 107 of 1997, every Municipality must as part of the Municipality's process of Integrated development plan take all reasonable and necessary steps to ensure that the inhabitants within its area of jurisdiction have access to adequate housing by setting housing delivery goals, identifying suitable land for housing development and planning, facilitating, initiating and co-ordinating housing development within its functional area.

10.1.1. UMHLABUYALINGANA LOCAL MUNICIPALITY (KZ 271)

The Umhlabuyalingana Municipality's Spatial Development Framework (see section 8) ranks areas/towns as different types of investment points. These include the following:

- Primary Investment Points – Manguzi and Mbazwana
- Secondary Investment Points – Mseleni, Sikhemelele and Mboza; and
- Tertiary Investment Points – Phelandaba, Manaba and Mozi.

LAND SUITABLE FOR HOUSING DEVELOPMENT

Sites at which housing delivery can take place and which have been identified include the following:

- Site 1: Madonela and Welcome
- Site 2: Mbangweni
- Site 3: Bhekabantu
- Site 4: Hangaza
- Site 5: Zama Zama
- Site 6: Olakeni
- Site 7: Kwa Sonto

It should be noted that all of the above sites are located on tribal/traditional authority land (in-situ upgrade).

The housing projects that are currently underway in the urban areas of the Umhlabuyalingana Municipality are as follows:

PROJECT NAME	REF	WARD	NO. OF SITES	PROJECT VALUE	AMOUNT SPENT	BUDGET 2008/09	BUDGET 2009/10	BUDGET 2010/11	BUDGET 2011/12
Kwangwanase	20010011	1,4,10, 11, 12	2000	74 156 600	40 729 212	3 904 320	6 573 783		
Mabaso	k04010009	5, 2 & half of 3	2500	108 261 875	111 736	27 037 534	28 049 670	29 519 190	30 701 200
Mbazwana		2	500	16 516 010	15 236 532	1 279 478	0	0	0
TOTAL			5000	198 934 485	56 077 480	32 221 332	34 622 453	29 519 190	30 301 200

PLANNED HOUSING PROJECTS 2008/09 TO 2012/13:

PROJECT NAME	PROJECT TYPE	TRADITIONAL AUTHORITY	PROJECT VALUE (R)	NO OF SITES	PLANNED IMPLEMENTATION DATE
Madonela-Welcome	Rural	Mashabane	R 43 506 000	1000	08/09
Mbangweni	Rural	Mashabane	R 43 506 000	1000	08/09
Mashabane Rural Housing (16 Sub Ward)	Rural	Mashabane		1000	09/10
Bhekabantu	Rural	Tembe	R 43 506 000	1000	08/09
Mbila Rural Housing (9 Subwards)	Rural	Mbila	R 43 506 000	1000	10/11
Zama Zama	Rural	Tembe	R 43 506 000	1000	11/12
Olakeni	Rural	Mbila	R 43 506 000	1000	12/13
Kwa Sonto	Rural	Mabaso	R 43 506 000	1000	12/13

10.1.2. JOZINI LOCAL MUNICIPALITY (KZ 272)

The statistics received from the Department of Land Affairs' survey conducted in 2006, and it revealed that there are 30 311 households in the Jozini municipal area. This translates to a 30% increase compared to a 21 000 households recorded in 2001.

Land suitable for Housing Development

The Umkhanyakude's Spatial Development Framework (SDF) identifies Mkhuze as one of the primary nodes in the District. Jozini is identified as a secondary node. But within the Jozini Municipality's Spatial Development Framework both these areas are identified as primary nodes. Jozini SDF identifies some areas/towns as different types of nodes. These include the following:

- Jozini and Mkhuze – main economic development nodes;
- Ingwavuma, Bhambanana, and Ubombo – economic development nodes; and
- Ndumo, Msiyane and Makhathini – service nodes.

Areas at which housing delivery can take place and which have been identified include the following:

LOCATION	OWNERSHIP	ACCESS TO SERVICE	SDF LINK (LM)	SDF LINK (DM)
MKHUZE	Private	YES	Primary node	Primary node
UBOMBO	KZ 272	YES	Secondary node	Tertiary node
JOZINI	Ingonyama Trust	YES	Primary node	Secondary node
INGWAVUMA	State land	YES	Secondary node	Tertiary node
BHAMBANANA	State land	YES	Secondary node	Tertiary node
NDUMO	State land	YES	Tertiary node	-
MAKHATHINI	State land	YES	Service node	-
MSIYANE	Ingonyama Trust	YES	Service node	-

UHLAZA (Green Village Development): MKHUZE TOWN

The location of this development is aligned and has been informed by both the Districts' and Jozini local Municipality's SDFs, whereby in both SDFs the area of Mkhuze is identified as primary node.

This private sector initiative will see the Mkhuze being established as a fully-fledged Town and Capital of the District. The upgrade of sewer and water supply, roads and storm water is among the infrastructure investment that will be made in the entirely new suburb. The development will see the construction of 1200 middle to upper middle income housing consisting of 10 designs of 2 to 4 bedroom houses.

Complimenting the housing development will be the construction of a shopping mall which will see the establishment of a 36000m² retail area and 30 light industry sites. Several offices for private and government sector use will be constructed. This will include the satellite campus building and a private clinic. The establishment of at least 3 large low emissions industrial sites will see the location of companies such as Eskom and other large industrial companies to the town due to the central location. The suburb will be the first of its kind to incorporate low income housing as part of the security network that is set up in the town's parameters. The integration of all communities regardless of income is a common occurrence in the District and will for the first time be formalized.

The town will utilize 2 watering systems one for drinking and one 'grey water' system with a bio-recycling system that will feed among others a large man-made lake in front a new 60 bed Budget Hotel. This development will feed into the Tshaneni airport development and will form the basis of a completely new and first world standard town and center for commercial activity and basis of the local government seat in the region.

Integration and role players

Infrastructure development:

Private sector (developer) will be responsible for the implementation of water and sanitation infrastructure. The developer and Jozini Local Municipality will be responsible for Roads and storm water investment.

10.1.3. THE BIG 5 FALSE BAY LOCAL MUNICIPALITY (KZ 273)

Prioritized Housing Projects

At present, the Big 5 False Bay Local Municipality has no fully completed housing projects although three rural housing projects have been approved for implementation by the Provincial Housing Department. The rural housing projects that have been approved are in Wards 1, 2 and 4, covering the total area of each ward. The projects are *in-situ* projects, and have already commenced with construction.

One Slums Clearance Project, adjacent and to the east of Hluhluwe town is awaiting approval from the Provincial Housing Department. The Municipality has appointed four (4) housing implementing agents to establish housing development within the Municipality. The application for these housing projects was done in terms of the Department of Local Government and Traditional Affairs: Assessment of In-Situ Housing Projects on Ingonyama Trust Land Information Document, (September 2005). This report seeks not to duplicate the work that is already done by implementing agents.

Housing Projects Linked to Housing Demand

The current housing demand (see Section 5 above) is estimated at 3089 units. This demand is only for people residing in traditional and informal dwellings, as per the findings of the 2007 Community Survey conducted by StatsSA.

The Provincial Housing Department has already approved the development of 3000 rural *in-situ* units. It has also approved, in principle, the replacing of informal units, in terms of its Slums Clearance Programme, with 500 formal housing units. Thus, 3500 units are currently catered for, of which 3000 is already under construction.

Areas Suitable for Housing Development

It is proposed that the following areas be excluded as possible suitable green field housing development sites:

- Areas that are further than 30 minutes travel time, by public and other transport, from main roads;
- Areas that are further than 30 minutes travel time, by public and other transport, from development nodes;
- Areas that are further than 20 minutes travel time, by public and other transport, from facilities and other areas;
- Areas where the population density is less than 80 people per km².

10.1.4. HLABISA LOCAL MUNICIPALITY (KZ 274)

A District-wide SDF identifies Hlabisa as one of the secondary nodes of the District, and Somkhele as one of the tertiary nodes. In terms of the Hlabisa Municipality's SDF, Hlabisa has been identified as a primary node and Somkhele, as a secondary node.

The Hlabisa Municipality's Spatial Development Framework identifies some areas/towns as different types of nodes. These include the following:

- Hlabisa – main economic development nodes;
- Mpukunyoni – economic development nodes;
- Mdletshe – service nodes; and
- Mpembeni – service node

Areas where which housing delivery can take place and which have been identified include the following:

- Area 1: Hlabisa Town
- Area 2: Hlabisa Tribal
- Area 3: Mpukunyoni Tribal
- Area 4: Mpembeni
- Area 5: Mdletshe Tribal

It should be noted that, land set aside for housing is located on tribal/traditional authority land (Ingonyama Trust land). The land has been identified as suitable for housing development in the municipal area as it is currently settled. Land is predominantly owned by Ingonyama Trust, and therefore means that all qualifying beneficiaries must have a Permission To Occupy (PTO) or Lease Agreement in order to qualify for a rural housing subsidy.

Planned Projects (2010/11 to 2016/17)

PROJECT NAME	LOCATION	STATUS	IMPLEMENTATION DATE	FUNDING SOURCE
Hlabisa/Matshamnyama Phase 1	Ward1	registered	31-12-2010	Dept. of Human Settlements
Hlabisa/Matshamnyama Phase 2	Ward 2	registered	31-12-2010	Dept. of Human Settlements
Mpembeni Phase 2	Ward 3	registered	31-12-2010	Dept. of Human Settlements
Mdletshe TA Phase 1	Ward 4	registered	31-12-2010	Dept. of Human Settlements
Mdletshe TA Phase 2	Ward 5	registered	31-12-2012	Dept. of Human Settlements
Mpukunyoni TA Phase 1A	Ward 13 &16	registered	31-12-2011	Dept. of Human Settlements
Mpukunyoni TA Phase 2	Ward 8	registered	31-12-2012	Dept. of Human Settlements
Mpukunyoni TA Phase 3	Ward 9	Unregistered	31-12-2012	Dept. of Human Settlements
Mpukunyoni TA Phase 4	Ward 17, 18 & 19	Unregistered	31-12-2013	Dept. of Human Settlements

10.1.5. MTUBATUBA LOCAL MUNICIPALITY (KZ 275)

STATUS QUO: HOUSING

There is a general shortage of affordable housing in Mtubatuba with an estimated 45% having access to formal housing, and approximately 60% in informal housing (2001). Some of the challenges with regard to the provision of housing in Mtubatuba include the following:

- The need to devise a program to expedite dealing with problems associated with existing housing projects in Khula, Ezwenelisha and Indlovu in particular;
- Administrative systems must be put in place for the management of the housing delivery process
- Quality control mechanism must be developed and monitored
- Community understanding of the housing delivery system through relevant structures is important to try and minimize problems associated with allocation and ownership.
- Development of effective communication system involving all stake-holders.
- Identification of target groups for different categories of subsidy schemes

ALIGNMENT OF HOUSING STRATEGIES

The Municipal Housing Strategies must be aligned in the following manner in order to maximize housing delivery and utilisation of scarce resources:

- Mtubatuba Demography: This provides for the assessment of the extent of current and future housing needs. It also involves the identification of strategic land to promote urban integration, which in turn would facilitate maximum utilisation of Mtubatuba's resources.
- Affordability: This entails the categorisation and classification of beneficiaries according to the government subsidy scheme on the basis of household income, indigent and health statuses (HIV/AIDS).
- Prioritization of Housing Projects: The development of municipal housing profile enables the prioritization of projects in terms of set criteria. For Mtubatuba, this means devising an overall strategy for prioritizing current housing projects which involves in-situ upgrade (TA areas and Dukuduku Forest); completing existing projects (Indlovu, Ezwenelisha, Khula Village); infill housing (KwaMsane); HIV/AIDS housing need; and new Housing developments.

SECTORAL INTERGRATION

There are two levels of integration that must take place in order to maximize service delivery i.e. vertical and horizontal integration. Ultimately, both are relevant for the building of sustainable communities. Vertical integration takes place among National, Provincial, and Municipal strategies. At national level is the National Spatial Development Perspective (NSDP). The NSDP puts emphasis on among other things, the development of people in areas with low economic potential, emphasizes investment on those areas with economic potential, and addressing spatial distortions of apartheid through channeling economic development into nodes and activity corridors adjacent to main growth centres.

The Provincial Growth and Development Strategy (PGDS) in turn articulate the principles of the NSDP at provincial level, which among other things include sustainable economic development and job creation, integrating investments in community infrastructure, developing comprehensive response to HIV/AIDS, and fighting poverty and hunger.

The programmes outlined within the municipal IDP and SDF must in turn be aligned with the objectives of PGDS. The provision of housing must operate within this framework, set by this hierarchy of policies. Horizontal integration involves for example LED and the environment sector plans, all at municipal level. The Land Use Management System (LUMS) is fundamental in ensuring that the system functions in a harmonious manner.

INTEGRATION

Housing delivery should not occur in isolation. A successful housing delivery project should not only provide a residential site or a site and top-structure, but associated infrastructure and services as well. The delivery of housing should create livable communities. The communities should have access to safe water and sanitation. In addition to this, the provision of power (electricity or gas etc), transportation network, social services (education, community facilities such as halls, libraries, etc.) and access to economic opportunities are important considerations in providing integrated, holistic living environments.

It is key that the local authority considers, and aligns with, District initiatives in housing projects. This is also beneficial to the local communities in expediting projects in areas where the District Municipality is implementing infrastructure or services. The local authority can prioritize housing projects that have been identified in areas that are in the short-term going to be serviced by the District, in terms of their plans and budgets.

It is acknowledged that the current housing plan requires greater alignment with the District plans. However, based on the information given to date, this has been limited.

10.2. SECTOR PLANS

IDP concerns itself with the integration of departmental plans, i.e. their implementation. As such the presence or the absence and failure to review these plans can have a negative effect on the credibility of the IDP and eventually its implementability. The status of critical sector plans for Umkhanyakude District Municipality is outlined below:

10.2.1. UMKHANYAKUDE DISTRICT LED FRAMEWORK

In the absence of a reviewed LED Strategy, the District developed a District-wide LED Framework outlining short and long-term economic issues. The framework is still a draft and is not an alternative to the Local Economic Development Plan. However the LED strategy will be based and informed by this LED framework.

The purpose of this draft strategy is:

- To give effect to the objectives of the IDP of Umkhanyakude District Municipality; especial the LED component of the IDP;
- To develop a roadmap that will dictate or inform a long term development trajectory of the municipal area (2011-2029);
- To galvanize and rally all relevant stakeholder around one BIG idea;
- To harness the human, technical, natural and financial resources at the disposal and control of all stakeholders to the process.

The draft framework is based on District's Sustainable Local Economic Development (KPA 3) strategic objectives as outlined in the IDP, i.e.:

- Thriving and vibrant local economy and neighborhoods;
- Development of an employable, educated and skilled citizenry;
- Facilitation of job creation and access to business opportunities;
- Continuous and positive interactions with all key economic anchors and actors; and
- Protection of the vulnerable through food security.

In terms of legislative and policy context, the framework is based on:

- The Constitution of the Republic of South Africa (1996);
- National Growth Path;
- KZN Growth and Development Strategy;

Institutionalization

Umkhanyakude District Municipality: Section 152 of the Constitution of the RSA states:

- That the local government shall promote economic and social development;
- This it shall do within the resources that are at its disposal;
- The municipal shall establish structures and systems that will ensure the achievement of the stated and adopted objectives;

Umhlosinga Development Agency (UMDA): Established by the Municipality.

- The entity is charged with the responsibility to facilitate, coordinate and implement macro-economic development in the District;
- The entity shall develop and submit to the Municipality a proposal of economic development programmes and projects for consideration; support and approval;
- Form itself into a business entity that will be economical and financially viable;

- Enter into strategic partnership linkages and networks with a view to realize the District's LED-related strategic objectives through this strategy;

Delegation

Based on the founding statement and document of the entity, and with the Municipality being the sole shareholder; the entity (Board of Directors and management) is delegated to represent and speak on behalf of the parent Municipality on matters of economic development as articulated in this framework and this is in a form of Service Level Agreements and other applicable documentation.

Programmes and projects

Strategic Objective	Activities	KPI's	UMDA's Role	Programme	Project	Allocated Budget (FY)	Time Frame (FY)
Thriving and vibrant local economy and neighborhoods	Finalization of the feasibility study		Facilitation and Coordination	Tourism	Route 22 (Cultural and Tourism Route)	R300 000-00	August 2011
	First report of the wind study		Facilitation and Coordination	Industry	Renewable energies (Wind Energy)		October 2011
	Development of critical infrastructure		Facilitation and Coordination	Property Development	Uhlaza Housing Development	R25 000-00	September 2011
	Signing of the PPP to develop the airport	Signed PPP agreement with DC 27	Management and Development	Tourism	Tshaneni Regional Airport Development		August 2011
	Development of a market plan	First draft of the plan presented to the Board of Directors	Facilitation, Coordination and Development	Industry	Lebombo Rail Corridor	R100 000-00	August 2011
	Signing of the MOU	Signed MoU	Facilitation, Coordination and Development	Agribusiness	MoU with Mjindi (Pty) Ltd (marketing and facilitation on agricultural activities)		August 2011
Development of an employable, educated and skilled citizenry	Commencement of the programme	70 learners	Facilitation	Business Support and Development	Tourism Learnerships		August 2011
		70 learners	Facilitation		Financial Service Board Learnerships		
	Commencement of the programme	70 learners	Facilitation		Skills Development Learnership		August 2011
Facilitation of job creation and access to business opportunities	Recruitment of SMMEs, job seekers and viable businesses	5 000 people	Facilitation, Coordination and Implementation		Thembela (procurement and job seekers IT programmes)		August 2011
Continuous and positive interactions with all key economic anchors and actors	Ongoing recruitment and registration of business people within the District	+/- 600 people	Facilitation		Umkhanyakude Chamber of Commerce		August 2011

Monitoring and Evaluation

- Objectives and targets of the framework to form part of the HOD – SED and the CEO of UMDA's performance plans for each particular financial year;
- Regular reports to be submitted to the SED Portfolio Committee and UMDA's Board of Directors as per applicable Performance Management System;
- Overall accountability on programmes and projects undertaken to be reflected upon in the annual financial statements and annual reports of both the parent Municipality and the Entity (MFMA 2003); and
- Meeting the reporting obligations to donors; e.g. IDC.

Funding Model

Funding for the implementation of the programmes and projects that are part of this strategy shall be borne by the following organizations:

- Umkhanyakude District Municipality to provide sede funding as per the founding business plan of the Entity;
- The IDC to provide the running costs;
- Generation of income through management and administration on projects implemented on behalf of other organizations.

Milestones towards adoption of the Strategy

PLANNING PHASE	First draft of the strategy	25 January 2011
	DC 27 and UMDA to study the first draft seperatly in order to give further input	15 February 2011
	Compilation of the final draft	28 February 2011
CONSULTATION PHASE	Joint workshop between SED and UMDA staff	10 February 2011
	Presentation at the SED Portfolio Committee	15 March 2011
	Distribution to local municipalities for comments and inputs	11 March 2011
	Incorporation of inputs received from above	14 March 2011
APPROVAL PHASE	Presentation of final draft to EXCO and Board for adoption	24 March 2011

10.2.2. WATER SERVICES DEVELOPMENT PLAN (WSDP)

The preparation of a Water Service Development Plan by a Municipality is a legal requirement in terms of the Water Services Act (Act 108 of 1997). The WSDP is a sectoral plan that falls within the inter-sectoral umbrella plan of the IDP and responds to the water and sanitation challenges raised in the analysis phase. It has already been mentioned in this document that the Umkhanyakude District Municipality's WSDP was last reviewed in 2007 and that it is currently being reviewed on behalf of the District Municipality by Isukhungu Sethu consultants. Upon its finalization, the plan will ensure proper planning in terms of water supply within the District Municipality.

10.2.3. PUBLIC TRANSPORT PLAN (PTP)

Public Transport Plan has been reviewed on behalf of Umkhanyakude District Municipality by Siyazithula Consultants. The focus of the public transport system is on the main centres in each local municipalities and it follows corridor routes between main centres.

10.2.4. HIV/AIDS STRATEGY

Umkhanyakude District Municipality with Traditional leaders, Civil Society and other Private and Public Sector developed an HIV/ Aids strategy for Umkhanyakude Node. In July 2004 the Node appointed the District HIV/ AIDS co-ordinator who has now assisted the node in establishing the District Aids Council. The DAC constitute of the following members: 5 LMs and the District Municipality, Government Departments, Civil Society and Private Health sector and the Traditional leaders. Funding for HIV/ AIDS remains a challenge.

The District has launched an HIV/AIDS Community Programme. This is in response to the HIV/AIDS Symposium held at Hlabisa Municipality in December 2008. So huge was the responses to that Symposium that a number of people were brave enough to come forward and publicly disclose their HIV/AIDS status, with some advocating the use of ARVs as the only mechanism to prolong the lives of those infected with the virus. The HIV/AIDS Programme shall intensify community education regarding HIV/AIDS by among others utilizing volunteers to disseminate information on how to prevent the spread of HIV/AIDS, how to take care of people living with HIV/AIDS and how to live positively.

The HIV/AIDS strategy will be reviewed in the 2011/2012 FY. The reviewing of this strategy will be aligned with the HIV/AIDS National Strategic Plan and the Elements of strategic priority 5 of the MTSF, particularly "element 40.4¹⁶".

10.2.5. INDIGENT POLICY

Umkhanyakude District Municipality has an operational indigent policy in place. Its main purpose is to provide basic services to the destitute within the financial and administrative capacity of the Municipality. It provides criteria for qualification as indigent. It also outlines the extent of indigent support, such that subsidies will be limited to water, refuse removal, electricity and sewerage disposal services. One of the UDM's strategies is to ensure supply of free basic services. Key performance indicators for such a strategy include adherence to free basic services and indigent policies. The financial crisis the Municipality is in has hampered the implementation of the indigent policy.

¹⁶ Implementation of a comprehensive plan for the treatment, Management and care of HIV and AIDS so as to reduce the HIV-incidence rate by 50% by the year 2011 and ensuring that the target of reaching 80% of those in need of ARV treatment by 2011 is achieved.

10.2.6. COMMUNICATION STRATEGY

The available communication strategy needs review and that has been earmarked for 2011/2012 FY. The communication will be two-folds; 1) it will focus on internal communication lines, i.e. communication among internal departments; and 2) it will focus on strengthening communication lines between the Municipality and the community it serves. The aim is to popularize the DM programme of Action and mobilize communities to lend a hand in the implementation of the programme especially in relation to fighting poverty, creating employment and growing the economy.

10.2.7. PUBLIC PARTICIPATION STRATEGY

The absence of the Public participation and the need for its development was raised by the MEC on her comments on the 2010/2011 IDP. Umkhanyakude District Municipality has therefore indicated the development of the Public Participation strategy as one of its planned activities for 2011/2012 FY. As such the Public Participation strategy would have been developed by the end of the 1st quarter (2011/2012 FY) for it to be implemented throughout the financial year.

10.2.8. PERFORMANCE MANAGEMENT SYSTEM (PMS)

The Performance Management System (PMS) Framework which will be used as a tool for measuring the performance of the institution has been compiled. This is in line with the Performance Management guideline, which states that the IDP and PMS should appear to be seamlessly integrated; on one hand the IDP fulfils the planning stage of the PMS, and on the other PMS fulfils the implementation and monitoring stages of the IDP.

The Service Delivery Budget Implementation Plans (SDBIP's) as prescribed by the MFMA are also done and reviewed. Section 57 contracts are in place and annual agreements between the Municipal Manager and the Section 57 employees are being signed.

10.2.9. OTHER SECTOR PLANS

The following plans are in the development process or reviewed during the 2010/11 financial year:

- District Environmental Management Framework (EMF);
- Human Resource Strategy;

Umkhanyakude is one of the areas in South Africa that are known the world over for its biodiversity and ecological riches. To avoid any depletion of the environment, the DM has decided for a development of a framework that will be used to protect and preserve the natural heritage of the District. This is in line with S152 of the Constitution, which states that local government must promote a safe and healthy environment; and S11(4) of the National Environmental Management Act (NEMA) No.107 of 1998 requires that all organs of the state including local government must develop Environmental Management Implementation plans for their areas of jurisdiction.

The finalization and approval of the Human Resource Strategy has been delayed due to unexplained reasons. This in the meantime means that the DM has no framework or policy in place to address the issue of staff retention. However issues of skills development and training are dealt with through the Workplace Skills Plan.

The summary and status of Umkhanyakude District Municipality sector plan is as follows:

Sector Plan	Status of the Plan
HIV/AIDS Strategy	To be reviewed in 2011/2012
Water Services Development Plan	Under review
Performance Management System	Developed in 2009, to be reviewed
Integrated Waste Management Plan	Developed in 2004, currently under review
Spatial Development Framework	Last Reviewed in June 2008, to be reviewed in 2011/2012 FY
Public Transport Plan	Reviewed in October 2009
Work Place Skills Plan	Reviewed 2009
Local Economic Development Strategy	Under review
Human Resource Strategy	Its finalization has been delayed
Communication Strategy	Reviewed in 2008, to be reviewed in 2011/2012 FY
Indigent Policy	Operational
Disaster Management Plan	Policy Framework developed in September 2009
Electricity Services Development Plan	Last Reviewed in 2005
Environmental Management Framework (EMF)	An advert for the appointment of a service provider has been issued. The Framework will be developed in 2011/2012 FY
Coastal Management Plan	To be developed in 2011/2012
Public Participation Strategy	To be developed in 2011/2012. Should be completed by the end of the 2 nd quarter.

11. SECTOR INVOLVEMENT AND SUPPORT

Sector involvement remains a major challenge, and this is the case not only at a District level, but also at a local municipal level. While sector departments attend to the IDP Representative Forum meetings, their involvement in integrated development planning remains minimal.

In an ideal context and spirit of integrated development planning, the development and review of strategic objectives to address the identified list of priority issues should be conducted jointly by the Municipality and sector departments. Reality is that the Municipality through IDP steering committee and MANCO meetings review and develop strategic objectives on its own. As a result it struggle to coin strategic objectives that seek to address issues that falls outside of its areas of functions and responsibilities.

When the Municipality decides to present the strategies at the IDP-RF meeting for discussion and inputs; the junior staff (sent to represent most departments), mostly interns without any decision-making powers could not have a meaning contribution into coining strategic objectives that represent government as one broad church.

Most departments were unable to provide the Municipality with their respective planning interventions for the District. As such the District Municipality struggled to get necessary information, such as various departments' three to five year programme. This problem was highlighted several times on the local municipalities, IDP-RF notably at Hlabisa Municipality, where it was emphasized and departments were requested to provide the Municipality with their respective 3 to 5 year investment programme.

Most department cited lack of synergy in terms of planning and budgeting as the main cause for them failing to provide the municipalities with relevant information, such as projects planned for a particular Municipality in the next financial year. It is however hoped that such information would be available in the final IDP document to be submitted end of June 2011.

So far the involvement and support by various sector departments is outlined below:

11.1. KZN HUMAN SETTLEMENT DEPARTMENT

Involvement and support: The department is committed in assisting the District family of municipalities' development and review of their respective Housing Sector Plans in respect of National Delivery outcome 8: *Sustainable Human Settlements and Improved Quality of Household Life.*

A workshop attended by both municipal officials and councilors; initiated by the Department was held on the 15th of February 2011 at Umkhanyakude District Municipal offices. One of the main outcomes of that workshop was the proposed forum of engagement, where issues pertaining to human settlement can be planned and discussed, A District-wide Human settlement planning.

Sustainable Human Settlement Strategy

- Premised on the Spatial Economic Development Strategy (PSEDS)
- Nodes and Corridors
- Breaking New Ground (BNG)
- MDG's
- Quality of Life

Objectives:

- Achieve horizontal and vertical alignment of plans and their implementation
- Improve spatial planning
- Ensure the provision of land for settlements
- Intervene in the property markets for the benefit of the poor
- Utilize all instruments of the housing and related policies
- Inform and empower the citizens to make use of government programmes

Outcome 8 Targets

- Informal Settlement Upgrades – 76,200
- Affordable Rental Units – 15,240
- Supply of Affordable Housing Finance – 114,300

The following table depicts the department of Human settlement's budgetary plan for local municipalities within the Umkhanyakude District:

MUNICIPALITIES	MTEF(2011/12) R'000	MTEF (2012/13) R'000	MYHDP (2013/14) R'000	MYHDP (2014/15) R'000
KZ 271	48,315	57,172	68,051	75,318
KZ 272	41,882	49,560	58,990	65,290
KZ 273	19,839	23,476	27,943	30,927
KZ 274	26,095	30,879	36,755	40,680
KZ 275	6,391	7,562	9,002	9,963
TOTAL (DC 27)	142,522	168,649	200,741	222,178

11.2. DEPARTMENT OF AGRICULTURE, ENVIRONMENTAL AFFAIRS AND RURAL DEVELOPMENT

Involvement and support: The DAEA&RD has committed one million five hundred thousand rand (R1 500 000-00) to assist the Umkhanyakude District Municipality to compile an Environmental Management Framework for the entire municipal area. A memorandum of agreement entered into by and between the DAEA&RD and Umkhanyakude District Municipality has been signed by both parties representatives.

Key Performance Area supported by this programme: KPA 6 (Spatial Planning & Environmental Management)

Mission: The Department, together with its partners and communities, champion quality agricultural, environmental and conservation services and drives integrated comprehensive rural development for the all the people of KwaZulu-Natal

3-5 year programme: Not provided

PHASE 5: APPROVAL

This phase will only be completed in the final IDP document. It will illustrate all the necessary steps taken by the District Municipality towards the approval and adoption of the IDP. Such steps include but not limited to:

- Publishing of the document, whereby members of the public would have 21 days to make comments;
- A full Council meeting to consider the comments made on the IDP document; and also to approve the IDP;
- Send back to the Steering Committee serious concerns and objections before the approval of the IDP.

A Council resolution for the approval and adoption of the IDP would then accompany the document, when submitted to KZN-COGTA.

Publishing of the document:

A public notice of the draft integrated Development Plan (IDP) and the annual Budget for Umkhanyakude District Municipality for 2011/2012 Financial year has been issued in terms of the Municipal Systems Act, Act 32 of 2000 and the Municipal Finance Management Act, Act 56 of 2003.

The advert was advertised in the ILANGA newspapers (dated 07-10 March 2011). In terms of the notice, the draft IDP and Budget would be made available for public comments at Umkhanyakude District Municipal offices from the 07th of March until the 07th of April 2011. Copies of the said documents would also be made available at the following local municipal offices:

- Umhlabuyalingana Municipality, Kwanganase;
- Jozini Municipality, Jozini;
- The Big Five False Bay, Library Building, Hluhluwe;
- Hlabisa Municipality, Hlabisa; and
- Mtubatuba Municipality; Mtubatuba

Upon receiving public comments, a council meeting will consider those comments and make changes in both the IDP and the Budget as per the comments' consideration

PHASE 06: IMPLEMENTATION

12. ORGANIZATIONAL PERFORMANCE MANAGEMENT SYSTEM (OPMS)

The Umkhanyakude District Municipality's OPMS (2011/2012) is based on the above-illustrated strategic objectives, which are based on National Key Performance areas. Initially there are five (5) National Key Performance Areas (KPA); Umkhanyakude District has added two more Performance Areas, i.e. Spatial Planning and Environmental Management and Social Development.

Addition of Spatial and Environmental Management KPA has been informed by on one hand comments from the MEC, which are based on six KPAs (including Spatial Planning and Environmental Management) and on the other hand, the presence of the Development Planning Shared Service Unit, whose main tasks include spatial planning within the District.

This OPMS will form basis for the performance agreements to be signed by Section 57 employees, i.e. the Heads of the departments within Umkhanyakude District Municipality. It will also inform the preparation of Service Delivery & Budget Implementation Plans for each department.

The OPMS is structured in the following format:

- The Key Performance Area (KPA) is indicated;
- Municipal Strategic Objectives per each KPA are outlined;
- Planned interventions, i.e. activities in relation to the strategic objectives are indicated;
- These are followed by Key Performance Indicators (KPI), which are the outputs from activities taken as per the strategic objectives;
- Targets are also indicated to illustrate the timeframe under which a certain activity is to be completed; and
- All these have a department, which is responsible for the execution of the said activity towards the achievement of the said target.

The onus will be then on the Heads of the Department to manage their respective departments and drive them towards the achievement of the municipal strategic objectives, and eventually the vision of the Municipality.

The Umkhanyakude District Municipality's Organizational Performance Management System for 2011/2012 is outline below and is based on the following seven KPAs:

- Good Governance, Public transformation and Ward Systems
- Improved Service Delivery and Infrastructure Investment;
- Sustainable Local Economic Development
- Transformation and Institutional Development;
- Municipal Financial Viability and Management;
- Spatial Planning and Environmental Management; and
- Social Development.

KPA 1: GOOD GOVERNANCE; COMMUNITY PARTICIPATION AND WARD SYSTEMS					
STRATEGIC OBJECTIVES	PROGRAM	PLANNED INTERVENTIONS ACTIVITIES (2011/2012)	KEY PERFORMANCE INDICATORS	PERFORMANCE TARGET & TIMELINE	RESPONSIBILITY
To ensure Section 152 of the Constitution & Chapter 4 of the Municipal Systems Act	Community Participation & Relations	Develop Public Participation Strategy	Council-approved Public Participation strategy	31 December 2011	Office of the MM
Established feedback mechanisms in order to ensure responsiveness to communities	Community Participation & Relations	Review of Communication Strategy	Council-approved communication strategy	31 March 2012	Office of the MM
		Staging of IDP/Budget Consultative meetings	# of IDP/Budget consultative meetings	5 meetings (1 per LM) by 31 May 2012	Office of the MM
		Staging of IDP Representative Forum meetings	# of IDP-RF meetings	4 meetings by 30 June 2012	Office of the MM
		Extend invitation to Traditional Authorities to attend IDP-RF meetings	# of invitation letters sent to the House of Traditional Leadership	4 invitation letters (1 per each IDP-RF) by 30 June 2012	Office of the MM
		Respond to complaints received from community, clients and stakeholders at large.	# complaints acknowledged within 7 working days of receipt / # complaints received as %		Corporate Services
Effective intergovernmental relations	IGR	Attend to Municipal Managers' forum meetings	# of meetings	4 meetings by 30 June 2012	Office of the MM
		Attend to District' Mayor's forum meetings	# of meetings	4 meetings by 30 June 2012	Office of the MM
To fight and eliminate corruption	Anti-corruption	Develop an Anti-corruption Strategy	Council-approved anti-corruption strategy	31 December 2011	Corporate Services
		Attend to all corruption-related cases reported	# of cases reported / %/# of cases successfully dealt with		Corporate Services

KPA: 2. IMPROVED SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT					
STRATEGIC OBJECTIVES	PROGRAM	PLANNED INTERVENTIONS ACTIVITIES (2011/2012)	KEY PERFORMANCE INDICATORS	PERFORMANCE TARGET & TIMELINE	RESPONSIBILITY
To improve access to quality, affordable and reliable municipal services (e.g., water, sanitation, electricity, refuse removal, transportation), and to provide free basic service.	Basic service provision	Review the Water Service Development Plan (WSDP)	A council-approved WSDP	30 June 2012	Technical Services
		Installation of new water connections to households	# of households connected	30 June 2012	Technical Services
		Installation of new electricity connections	# of households connected	30 June 2012	Technical Services
		Installation of new sanitation connections	# of households connected	30 June 2012	
		Provision of free basic services	# of households provided free basic water	30 June 2012	Financial Services
			# of households provided free basic electricity	30 June 2012	Financial Services
			# of households provided free basic sanitation	30 June 2012	Financial Services
		Provision of basic sanitation	# of households provided with basic sanitation	30 June 2012	
	Water quality Management	Conduct monthly water quality tests	# of water quality reports	12 reports by 30 June 2012	Technical Services Department
	Sanitation quality management	Conduct monthly sanitation air-fluent quality tests	# of sanitation air-fluent quality reports	12 reports by 30 June 2012	Technical Services Department
Regular investment in Infrastructure in order to improve on operations and maintenance	Operations and Maintenance	Implementation of Operations and Maintenance Plan	# of schemes rehabilitated into O&M Plan.	10 schemes (2 per LM) rehabilitated by 30 June 2012	Technical Services Department

KPA 3: SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT					
STRATEGIC OBJECTIVES	PROGRAM	PLANNED INTERVENTIONS ACTIVITIES (2011/2012)	KEY PERFORMANCE INDICATORS	PERFORMANCE TARGET & TIMELINE	RESPONSIBILITY
Thriving to create a growing local economy and sustainable neighborhoods	Tourism	Finalization of the feasibility study of Route 22 (Cultural and Tourism Route)	Feasibility report submitted and discussed at SED portfolio committee meeting	31 August 2011	UMDA
	Industry	Compilation of report of the wind energy study	wind energy study report submitted and discussed at SED portfolio committee meeting	October 2011	UMDA
	Tourism	Sourcing support for the development of the Mkuze Regional Airport	Five (5) formal commitments from public and private sector stakeholders	by 30 June 2012	SED/UMDA
Development of an employable and skilled citizenry	Business Support and Development	Implementation of Tourism learnership programme	# of learners enrolled	70 learners enrolled by August 2011	UMDA
		Implementation of Skills Development Learnership	# of learners enrolled	70 learners enrolled by August 2011	UMDA
Facilitation of job creation and access to business opportunities	Agri-business	Signing of MoU with Mjinji (Pty) Ltd (marketing and facilitation on agricultural activities)	Signed MoU	August 2011	UMDA
	Poverty alleviation	Address poverty alleviation through the Expanded Public Works Programme	# of jobs created	100 jobs created by 30 June 2012	SED
Continuous and positive interactions with all key economic anchors and actors	Local economic Development and IGR structures	Conversion of the District LED Forum into the District LED Coordinating Forum	Established Local District LED Coordinating Forum	31 March 2012	SED
		Sway public and private sector stakeholders into signing a pledge to achieve the LED objectives for the District	One (1) District wide Public-private sector workshop	30 June 2012	SED

KPA: 4. TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT					
STRATEGIC OBJECTIVES	PROGRAM	PLANNED INTERVENTIONS ACTIVITIES (2011/2012)	KEY PERFORMANCE INDICATORS	PERFORMANCE TARGET & TIMELINE	RESPONSIBILITY
To provide effective and efficient Human Resources Management Services aimed at achieving a skilled workforce that is responsive to change.	Capacity Building & Training	Develop HR Strategy	Council approved Human Resources Strategy	30 June 2012	Corporate Services
		Implement the Work Place Skills Plan	# of employees trained ito WPSP	30 Employees trained by 30 June 2012	Corporate Services
		Implement Employment Equity Plan	Employment equity report submitted to DG (Department of labour) in accordance with EE Act Regulations	30 August 2012	Corporate Services
To improve the corporate image of the Municipality	Personnel Provision	Identification and filling of vacant and critical posts	# of vacant/critical posts identified and filled	20 posts filled by 30 June 2012	Corporate Services
To ensure credible integrated development planning.	Integrated Development Planning	Review Integrated Development Plan (2012/2013)	A Council Approved 2012/2013 IDP Framework and Process Plans.	30 August 2011	Office of the MM
			A Council approved 2012/2013 IDP by 30 June 2012	30 June 2012	
		Staging of IDP Steering Committee meetings	# of IDP steering committee meetings	6 steering committee meetings by 30 June 2012	
		Staging of the District's Development Planning Forum meetings	# of Development Planning forum meetings	6 meetings by 30 June 2012	
	IGR	Establishment of District-wide Community Services Forum	Terms of reference	December 2011	Community Services
		Establishment of District-wide Corporate Services Forum	Terms of reference	March 2012	Corporate Services
To ensure accountability to the community and stakeholders at	Organizational Performance	Review of the Performance Management System	A Council Approved PMS	30 August 2011	Office of the MM

large.	Management	Cascade PMS to/across all managers in the Municipality (This requires the preparation of managers' performance plans in line with HOD's performance plans.	Signed managers' Performance Plans	All managers would have signed their performance agreements with their respective HODs by 30 August 2011	All Departments
		Develop an IDP/PMS-linked SDBIP	Council-approved departmental SDBIPs	30 August 2011	All Departments
			% SDBIP performance information completed within one week of end of quarter		All Departments
To ensure effective implementation of Customer Satisfaction Programme	Batho-Pele	Implement Batho-Pele principles			
To ensure effective and efficient IT System	Information Technology	Website development	Full-functional website	30 March 2012	Corporate Services
		Review of a computerized financial system	Reviewed computerized financial system	31 December 2011	

KPA: 5. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT					
STRATEGIC OBJECTIVES	PROGRAM	PLANNED INTERVENTIONS ACTIVITIES (2011/2012)	KEY PERFORMANCE INDICATORS	PERFORMANCE TARGET & TIMELINE	RESPONSIBILITY
Improved revenue and cash management capability	Revenue Management	Accurate and timeous billing of customers	R-value billed as %		Financial Services
		Prompt collection of all monies due to the Municipality	R-value collection from billings		Financial Services
		Timeous banking of funds collected			Financial Services
Sound Supply Chain Management (SCM) System	Supply Chain	Implementation of Supply Chain Management Policy	# of supply chain reports to Council	4 reports by 30 June 2012	Financial Services
			Procurement of goods and services as per the SCM Policy		
Efficient expenditure Management	Expenditure Management	Capital Budget expenditure monitoring and reconciling	% Capital budget spent in a year	100% by 30 June 2012	Financial Services
		Operating Budget expenditure monitoring and reconciling	Salaries & Wages as a % of Operating Budget		Financial Services
Sound Financial Planning and reporting	Budget and Reporting	Preparation of budget in line with the IDP	Council-approved Annual Budget	30 June 2012	Financial Services
		Preparation of MFMA S72 report	Municipal Performance assessment report submitted to the Mayor, PT & NT	25 January 2012	Financial Services
			Council-approved Mid-term/mid-year budget	25 January 2012	
		Preparation and submission of MFMA S77 statements	# of monthly budget statement submitted to the Mayor and PT	12 reports submitted by 30 June 2012	Financial Services
		Preparation of a municipal financial plan	Financial Plan included in the draft IDP	30 March 2012	Financial Services
		Preparation and compilation of MFMA S121 report	Council -approved annual report	31 August 2012	Financial Services
		Preparation and compilation of MFMA S122 statements	Council-approved financial statements	31 August 2012	Financial Services
		Compilation of reports on MFMA S52 (d) reports	# of reports submitted to the Council on the implementation of budget and the state of affairs of the Municipality	4 MFMA S52 (d) reports submitted by 30 June 2012	Financial Services
		Compilation of MFMA S66 reports	# of MFMA S66 reports submitted to the Council	2 MFMA S66 reports submitted by 30 June 2012	

KPA: 6. SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT					
STRATEGIC OBJECTIVES	PROGRAM	PLANNED INTERVENTIONS ACTIVITIES (2011/2012)	KEY PERFORMANCE INDICATORS	PERFORMANCE TARGET & TIMELINE	RESPONSIBILITY
To facilitate and coordinate the rendering of spatial planning services	Spatial Planning and Land-use management	Review of the District-wide SDF	A Council Approved Reviewed SDF	30 June 2012	DPSS
		Development of a programme for the preparation of LUMS in terms of PDA throughout the family	A Council approved Terms of Reference and Process Plan for the preparation of the LUMS in terms of PDA	30 June 2012	DPSS
To facilitate and coordinate the rendering of the Geographical Information System (GIS) services within the District Family	Spatial Planning and Land-use management	Setting up of an information and GIS 'Hub' in the family to provide information to all participating municipalities planners desks	# of GIS 'Hubs' established within the family	30 June 2012	DPSS
		Facilitate for the establishment of a spatial database in the municipalities	A council approved spatial database	30 June 2012	DPSS
To facilitate and coordinate the rendering of effective Development Administration and Control services within the District family	Spatial Planning and Land-use management	Formulation and Adoption of Delegations for all LMs into PDA	# of Approved and gazetted Delegations & Structure Fees in the family.	30 June 2012	DPSS
		Establishment of Standing Committees for PDA Applications	A council-approved Terms of Reference for the development of the two Standing Committees	30 June 2012	DPSS
		Setting up pro-forma application forms for all sections of the PDA	Council approved PDA Pro-forma applications Forms	30 June 2012	DPSS
To facilitate and coordinate the rendering of effective Environmental planning and management services	Environmental Management	Development and Adoption of the District-Wide Environmental Management Framework (EMF)	A Council approved EMF Plan	30 June 2012	DPSS

KPA: 7. SOCIAL DEVELOPMENT					
STRATEGIC OBJECTIVES	PROGRAM	PLANNED INTERVENTIONS ACTIVITIES (2011/2012)	KEY PERFORMANCE INDICATORS	KEY PERFORMANCE TARGET	RESPONSIBILITY
To Improve the livelihoods of the poor, vulnerable groups and support initiatives to reduce vulnerability of infectious diseases, especially reduce the impact of HIV/AIDS on communities	HIV/AIDS	Review HIV/AIDS strategy	Reviewed HIV/AIDS strategy	30 December 2011	Community Services
		Implement District, Provincial and National HIV/AIDS programmes	# of HIV/AIDS programmes implemented	2 programmes by 30 June 2012	Community Services
	Vulnerable Group	Develop a Disability Action Plan	Council-approved Disability Action Plan	30 June 2012	Community Services
		Implement District, Provincial and National Disability programmes	# of Disability programmes implemented	2 programmes by 30 June 2012	Community Services
		Process applications for indigent support	% of indigent support verified (# of applications received/# of application checked)	100% of the received applications for indigent support processed by 30 June 2012	Financial Services
		Development of a Social Cohesion Plan	Council-approved Social Cohesion plan	30 June 2012	Community Services
		Develop a Gender Action Plan	Council-approved Gender Action Plan	30 June 2012	Community Services
		Staging of District-wide Disability Forum	# of Disability forum meetings conducted	4 meetings by 30 June 2012	Community Services
		Implement District, Provincial and National Gender programmes	# of Gender programme implemented	30 June 2012	Community Services
To ensure support and coordination of special programmes (Gender, Women, Youth, elderly, children, people living with disability, sport recreation	Sports And Recreation	Coordination and staging of District Sports and Recreation initiatives.	# of District Sports and Recreation initiatives conducted.		Community Services
		Participation in National, Provincial and Sports and Recreation initiatives	# of Provincial and National initiatives the District participated in.	30 June 2012	Community Services

and Arts & Culture)	Vulnerable Group	Implement District, Provincial and National programmes for the aged	# of District , Provincial and National programmes implemented for the aged	1 programme implemented by 30 June 2012	Community Services
		Implement District, Provincial and National programmes for the children	# of District , Provincial and National programmes implemented for the children	1 programme implemented 30 June 2012	Community Services
To support initiatives aimed at ensuring safety and Security of communities, and maximize the capacity of the Municipality to manage Disasters	Disaster Management	Develop a District-wide Disaster Management Plan	Council-approved and adopted DMP	Completed by 31 March 2011	Community Services
		Introduction of disaster preventive measures	# of disaster preventive measures introduced and implemented	3 awareness campaign by 30 June 2012	Community Services
		Construction of a Disaster Management Centre	Disaster Management Centre completed as per the Disaster Management Act	Disaster Management Centre Completed by 30 June 2012	Community Services
		Disaster Management Advisory Forum	Meetings to be held as per the disaster management act	4 meetings to be held by 30 June 2012	Community Services
		Response preparedness to incidents and disasters	Time taken to respond to disasters and incidents/arrival at the scene	30 minutes the maximum time to arrive at the scene	Community Services
		Procurement of equipment and goods of assisting during times of incidents and disasters	Equipment/goods procured	30 August 2011	Community Services
A clean, safe and healthy environment, and To ensure maximum capacity of the Municipality to manage Environmental Health Services	Environmental Health	Conduct environmental health campaigns	# of campaigns conducted	2 campaigns by 30 June 2012	Community Services
		Coordinate the transfer to DC 27 of Municipal Health Services (MHS) from KZN Department of Health	Section 78 findings	Municipal Health services transferred to DC 27 by 30 June 2012	Community Services
			Signed Service level agreement between both parties		
Environmental Health Bylaws	Council approved by-laws	30 June 2012	Community Services		

13. SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN (SDBIP)

Period: 2011/2012														
Programme	Interventions	Key Performance Indicator	Performance Target and Timeline	Vote No	Budget Allocation	Source of Funding	September 2011		December 2011		March 2012		June 2012	
							Projected Q1	Actual	Projected Q2	Actual	Projected Q3	Actual	Projected Q4	Actual
Community Participation & Relations	Develop Public Participation Strategy	Council-approved Public Participation Strategy	31-Dec-11		R 0.00		50%		50%					
	Review of Communication Strategy	Council-approved communication strategy	31-Mar-12		R 0.00		10%		50%		40%			
	Staging of IDP/Budget Consultative meetings	# of IDP/Budget consultative	5 meetings (1 per LM) by 31 May 2012		R 212,000.00								5	
	Staging of IDP Representative Forum meetings	# of IDP-RF meetings	4 meetings by 30 June 2012		R 0.00		1		1		1		1	
	Extend invitation to Traditional Authorities to attend IDP-RF meetings	# of invitation letters sent to the House of Traditional Leadership	4 invitation letters (1 per each IDP-RF) by 30 June 2012				1		1		1		1	
	Respond to complaints received from community, clients and stakeholders at large	% of complaints acknowledged within 7 working days of receipt	100% of complaints received, acknowledged by June 2012										100%	
		% of complaints received, successfully addressed	100% of complaints received, successfully addressed by June 2012									100%		
Intergovernmental Relations	Attend to Municipal Managers' forum	# of meetings	4 meetings by 30 June 2012											
	Attend to District Mayor's forum	# of meetings	4 meetings by 30 June 2012											
Anti-corruption	Develop an Anti-corruption Strategy	Council-approved anti-corruption strategy	31-Dec-11											
	Attend to all corruption-related cases reported	% of cases successfully dealt with	100% by June 2012											
Basic service provision	Review the Water Service Development Plan (WSDP)	A council-approved WSDP	30-Jun-12											
	Installation of new water connections to households	# of households connected	1000 households connected by 30 June 2012		R 188,823,991.00				500				500	
	Installation of new sanitation connections	# of households connected	1000 households connected by 30 June 2012											
	Installation of new electricity connections	# of households connected	5000 hh connected by 30 June 2012		R 6,000,000.00				2500				2500	
	Provision of free basic services	# of households provided free basic water	1000 hh with access to free basic water by 30 June 2012						500				500	
		# of households provided free basic electricity	5000 hh with access to free basic electricity by 30 June 2012						2500				2500	
	# of households provided free basic sanitation	1000 hh with access to free basic sanitation by 30 June 2012						500				500		

UMKHANYAKUDE DISTRICT MUNICIPALITY (2011/2012 IDP REVIEW)

Period: 2011/2012														
Programme	Interventions	Key Performance Indicator	Performance Target and Timeline	Vote No	Budget Allocation	Source of Funding	September 2011		December 2011		March 2012		June 2012	
							Projected Q1	Actual	Projected Q2	Actual	Projected Q3	Actual	Projected Q4	Actual
Water quality Management	Conduct monthly water quality tests	# of water quality reports	12 reports by 30 June 2012				3		3		3		3	
Sanitation quality management	Conduct monthly sanitation air-fluent quality tests	# of sanitation air-fluent quality reports	12 reports by 30 June 2012				3		3		3		3	
Operations and Maintenance	Implementation of Operations and Maintenance Plan	# of schemes rehabilitated ito O&M Plan	10 schemes (2 per LM) rehabilitated by 30 June 2012		R 5,000,000.00		2		3		2		3	
Tourism	Finalization of the feasibility study of Route 22 (Cultural and Tourism Route)	Feasibility report submitted and discussed at SED portfolio committee meeting	31-Aug-11				1							
	Sourcing support for the development of the Muzes Regional Airport	Five (5) formal commitments from public and private sector stakeholders	5 commitments secured by 30 June 2012										5	
Industry	Compilation of a report for the wind energy study	Wind energy study report submitted and discussed at SED portfolio committee meeting	Report submitted by 31 October 2011						1					
Business Support and Development	Implementation of Tourism learnership programme	# of learners enrolled	70 learners enrolled by August 2011				70							
	Implementation of Skills Development Learnership	# of learners enrolled	70 learners enrolled by August 2011				70							
Agri-business	Signing of MoU with Mjini (Pty) Ltd (marketing and facilitation on agricultural activities)	Signed MoU	MoU signed not later than 31 Aug 2011				1							
Poverty alleviation	Address poverty alleviation through the Expanded Public Works Programme	# of jobs created	100 jobs created by 30 June 2012		R 3,000,000.00				500				500	
Capacity Building & Training	Develop HR Strategy	Council approved Human Resources Strategy	HR Strategy developed by 30 June 2012										1	
	Implement the Work Place Skills Plan	# of employees trained ito WPSP	30 Employees trained by 30 June 2012		R 850,000.00				15				15	
	Implement Employment Equity Plan	Employment equity report submitted to DG (Department of labour) in accordance with EE Act Regulations	31-Aug-11				100%							
Personnel Provision	Identification and filling of vacant and critical posts	# of vacant/critical posts identified and filled	20 posts filled by 30 June 2012						10				10	
Integrated Development Planning	Review Integrated Development Plan (2012/2013)	A Council Approved 2012/2013 IDP Framework and Process Plans	30-Aug-11				100%							
		A Council approved 2012/2013 IDP	30-Jun-12										100%	
	Staging of IDP Steering Committee meetings	# of IDP steering committee meetings	6 steering committee meetings by 30 June 2012				1		2		1		2	
	Staging of the District's Development Planning Forum meetings	# of Development Planning forum meetings	6 meetings by 30 June 2012				1		2		1		2	

UMKHANYAKUDE DISTRICT MUNICIPALITY (2011/2012 IDP REVIEW)

Period: 2011/2012														
Programme	Interventions	Key Performance Indicator	Performance Target and Timeline	Vote No	Budget Allocation	Source of Funding	September 2011		December 2011		March 2012		June 2012	
							Projected Q1	Actual	Projected Q2	Actual	Projected Q3	Actual	Projected Q4	Actual
Organizational Performance Management	Review of the Performance Management System	A Council Approved PMS	31-Aug-11											
	Cascade PMS to/across all managers in the municipality (This requires the preparation of managers' performance plans in line with HOD's performance plans)	Signed managers' Performance Plans	All managers would have signed their performance agreements with their respective HODs by 30 August 2011				100%							
	Develop an IDP/PMS-linked SDBIP	Council-approved departmental SDBIPs	30-Aug-11				100%							
Batho-Pele	Implement <i>Batho-Pele</i> Principles	Council-adopted <i>Batho-Pele</i> Principles	31-Aug-11				100%							
Implementation of Supply Chain Management Policy	# of supply chain reports to Council	# of reports submitted to Council	4 reports submitted by 30 June 2012				1		1		1		1	
Capital Budget expenditure monitoring	% Capital budget spent in a year	% compliance by 30 June 2012	100% by 30 June 2012										100%	
Operating Budget expenditure monitoring and reconciling	Salaries & Wages as a % of Operating Budget	% compliance by 30 June 2013	35% by 30 June 2012										35%	
Budget and Reporting	Preparation of budget in line with the IDP	Council-approved Annual Budget	30-Jun-12										100%	
	Preparation of MFMA S72 report	Municipal Performance assessment report submitted to the Mayor, PT & NT	25-Jan-12								100%			
		Council-approved Mid-term/mid-year budget	25-Jan-12								100%			
	Preparation and submission of MFMA S77 statements	# of monthly budget statement submitted to the Mayor and PT	12 reports submitted by 30 June 2012											
	Preparation of a municipal financial plan	Financial Plan included in the draft IDP	30-Mar-12								100%			
	Preparation and compilation of MFMA S121 report	Council -approved annual report	31-Aug-12				100%							
	Preparation and compilation of MFMA S122 statements	Council-approved financial statements	31-Aug-12				100%							

UMKHANYAKUDE DISTRICT MUNICIPALITY (2011/2012 IDP REVIEW)

Period: 2011/2012

Programme	Interventions	Key Performance Indicator	Performance Target and Timeline	Vote No	Budget Allocation	Source of Funding	September 2011		December 2011		March 2012		June 2012	
							Projected Q1	Actual	Projected Q2	Actual	Projected Q3	Actual	Projected Q4	Actual
Spatial Planning and Land-use management	Review of the District-wide SDF	A Council Approved Reviewed SDF	30-Jun-12											
	Development of a programme for the preparation of LUMS in terms of PDA throughout the family	A Council approved Terms of Reference and Process Plan for the preparation of the LUMS in terms of PDA	30-Jun-12										1	
	Setting up of an information and GIS 'Hub' in the family to provide information to all participating municipalities planners	# of GIS 'Hubs' established within the family	30-Jun-12											
	Facilitate for the establishment of a spatial database in the municipalities	A council approved spatial database	30-Jun-12										1	
	Formulation and Adoption of Delegations for all LMs in PDA	# of Approved and gazetted Delegations & Structure Fees in the family	30-Jun-12											
	Establishment of Standing Committees for PDA Applications	A council-approved Terms of Reference for the development of the two Standing Committees	30-Jun-12										1	
	Setting up pro-forma application forms for all sections of the PDA	Council approved PDA Pro-forma applications Forms	30-Jun-12										1	
Vulnerable Groups	Develop a Disability Action Plan	Council-approved Disability Action Plan	30-Jun-12										1	
	Implement District, Provincial and National Disability programmes	# of Disability programmes implemented	2 programmes by 30 June 2012						1				1	
	Process applications for indigent support	% of indigent support verified (# of applications received/# of application checked)	100% of the received applications for indigent support processed by 30 June 2012										100%	
	Development of a Social Cohesion Plan	Council-approved Social Cohesion plan	30-Jun-12										100%	
	Develop a Gender Action Plan	Council-approved Gender Action Plan	30-Jun-12										100%	
	Staging of District-wide Disability Forum	# of Disability forum meetings conducted	4 meetings by 30 June 2012					1		1		1		1
	Implement District, Provincial and National Gender programmes	# of Gender programme implemented	2 programmes by 30 June 2012			R 100,000.00				1				1
	Implement District, Provincial and National programmes for the aged	# of District, Provincial and National programmes implemented for the aged	1 programme implemented by 30 June 2012			R 100,000.00						1		
Implement District, Provincial and National programmes for the children	# of District, Provincial and National programmes implemented for the children	1 programme implemented 30 June 2012			R 100,000.00				1					

UMKHANYAKUDE DISTRICT MUNICIPALITY (2011/2012 IDP REVIEW)

Period: 2011/2012														
Programme	Interventions	Key Performance Indicator	Performance Target and Timeline	Vote No	Budget Allocation	Source of Funding	September 2011		December 2011		March 2012		June 2012	
							Projected Q1	Actual	Projected Q2	Actual	Projected Q3	Actual	Projected Q4	Actual
Vulnerable Groups	Develop a Disability Action Plan	Council-approved Disability Action Plan	30-Jun-12										1	
	Implement District, Provincial and National Disability programmes	# of Disability programmes implemented	2 programmes by 30 June 2012						1				1	
	Process applications for indigent support	% of indigent support verified (# of applications received/# of application checked)	100% of the received applications for indigent support processed by 30 June 2012										100%	
	Development of a Social Cohesion Plan	Council-approved Social Cohesion plan	30-Jun-12										100%	
	Develop a Gender Action Plan	Council-approved Gender Action Plan	30-Jun-12										100%	
	Staging of District-wide Disability Forum	# of Disability forum meetings conducted	4 meetings by 30 June 2012				1		1		1		1	
	Implement District, Provincial and National Gender programmes	# of Gender programmes implemented	2 programmes by 30 June 2012		R 100,000.00				1				1	
	Implement District, Provincial and National programmes for the aged	# of District, Provincial and National programmes implemented for the aged	1 programme implemented by 30 June 2012		R 100,000.00						1			
	Implement District, Provincial and National programmes for the children	# of District, Provincial and National programmes implemented for the children	1 programme implemented 30 June 2012		R 100,000.00				1					
Environmental Management	Development and Adoption of the District-Wide Environmental Management Framework (EWMF)	A Council approved EMF Plan	30-Jun-12										1	
HIV/AIDS	Review HIV/AIDS strategy	Reviewed HIV/AIDS strategy	30-Dec-11							1				
	Implement District, Provincial and National HIV/AIDS programmes	# of HIV/AIDS programmes implemented	2 programmes by 30 June 2012		R 1,200,000.00					1			1	

UMKHANYAKUDE DISTRICT MUNICIPALITY (2011/2012 IDP REVIEW)

Period: 2011/2012														
Programme	Interventions	Key Performance Indicator	Performance Target and Timeline	Vote No	Budget Allocation	Source of Funding	September 2011		December 2011		March 2012		June 2012	
							Projected Q1	Actual	Projected Q2	Actual	Projected Q3	Actual	Projected Q4	Actual
Sports and Recreation	Coordination and staging of District Sports and Recreation Initiatives	# of District Sports and Recreation initiatives conducted	2 initiatives by 30 June 2012		R 750,000.00						1		1	
	Participation in National, Provincial and Sports and Recreation initiatives	# of Provincial and National initiatives the District participated in	2 initiatives by 30 June 2012						1		1			
Disaster Management	Develop a District-wide Disaster Management Plan	Council-approved and adopted DMP	Completed by 31 March 2011								1			
	Introduction of disaster preventive measures	# of disaster preventive measures introduced and implemented	3 awareness campaign by 30 June 2012							1		1		1
	Construction of a Disaster Management Centre	Disaster Management Centre completed as per the Disaster Management Act	Disaster Management Centre Completed by 30 June 2012											1
	Disaster Management Advisory Forum	Meetings to be held as per the disaster management act	4 meetings to be held by 30 June 2012				1		1		1			1
	Procurement of equipment and goods of assisting during times of incidents and disasters	Equipment/goods procured	30-Aug-11				100%							
Environmental Health	Conduct environmental health campaigns	# of campaigns conducted	2 campaigns by 30 June 2012						1					1
	Coordinate the transfer to DC 27 of Municipal Health Services (MHS) from KZN Department of Health	Section 78 findings	Municipal Health services transferred to DC 27 by 30 June 2012											100%
		Signed Service level agreement between both parties												100%
					R 750,000.00									

14. LIST OF ANNEXURES:

ANNEXURE: 1. ORGANOGRAM

ANNEXURE: 2. MAKHATHINI SDF

ANNEXURE: 3. MUNICIPAL TURNAROUND STRATEGY

ANNEXURE: 4. FINANCIAL RECOVERY PLAN

ANNEXURE: 5. ANNUAL REPORT AND FINANCIAL STATEMENTS (2009/2010 FY)

ANNEXURES

ANNEXURE: 1. ORGANOGRAM

ANNEXURE: 2. MAKHATHINI SDF

ANNEXURE: 3. MUNICIPAL TURNAROUND STRATEGY

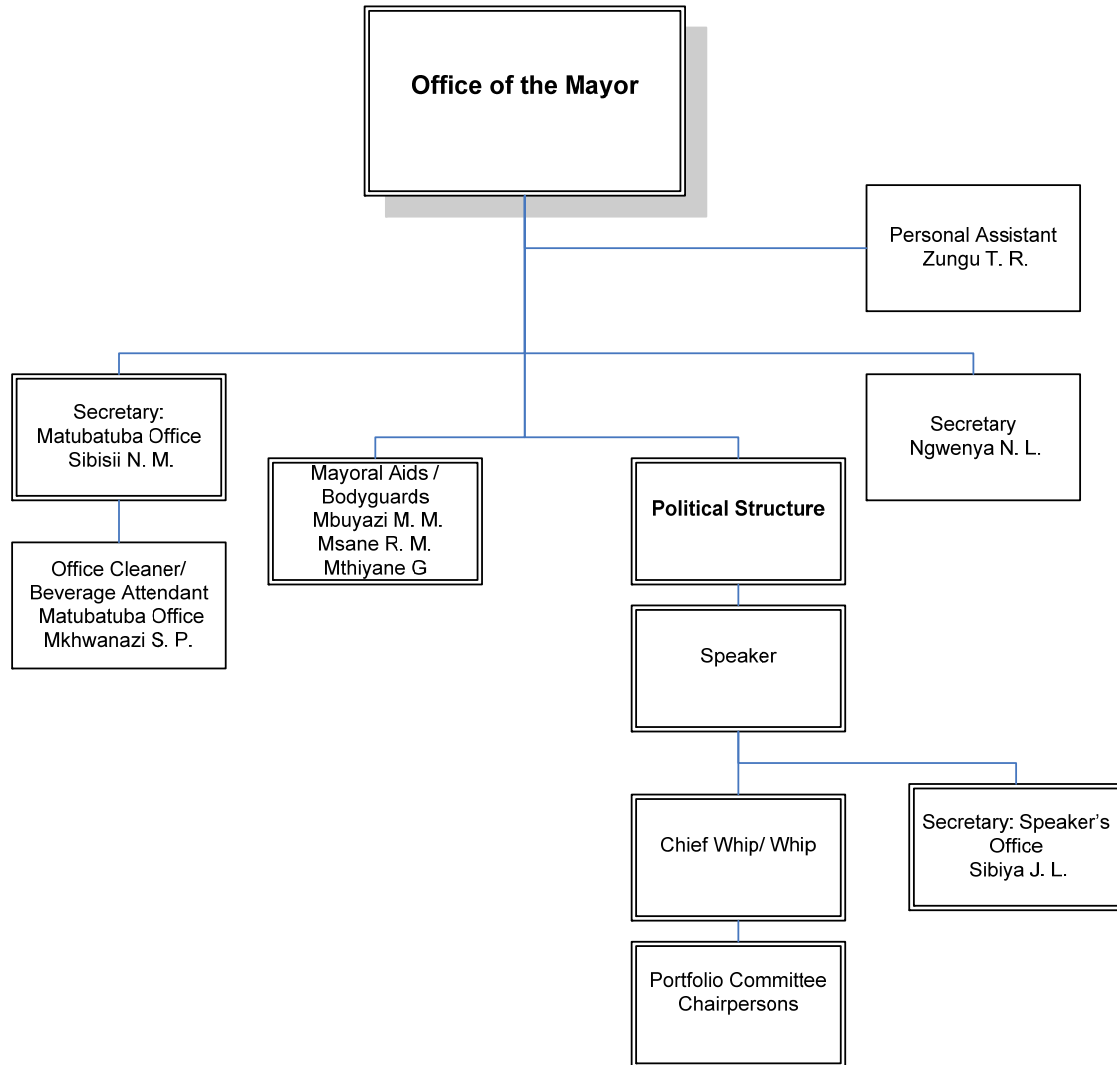
ANNEXURE: 4. FINANCIAL RECOVERY PLAN

ANNEXURE: 5. ANNUAL REPORT AND FINANCIAL STATEMENTS (2009/2010 FY)

ANNEXURE: 1. ORGANOGRAM

Office of the Mayor: DC 27

ANNEXURE A1

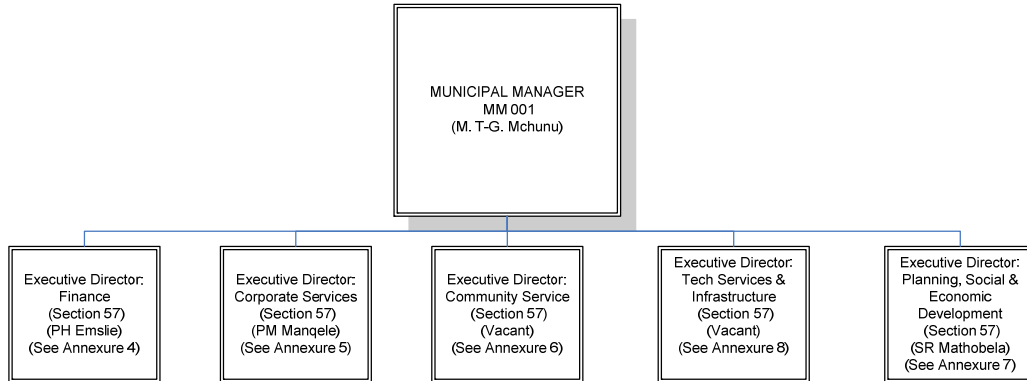


NB: Staff in this section offer administrative support to the Office of the Mayor. They are accountable to the Manager: Office of the Municipal Manager on operational matters.

UMKHANYAKUDE DISTRICT MUNICIPALITY

Top Management Structure

Annexure A2

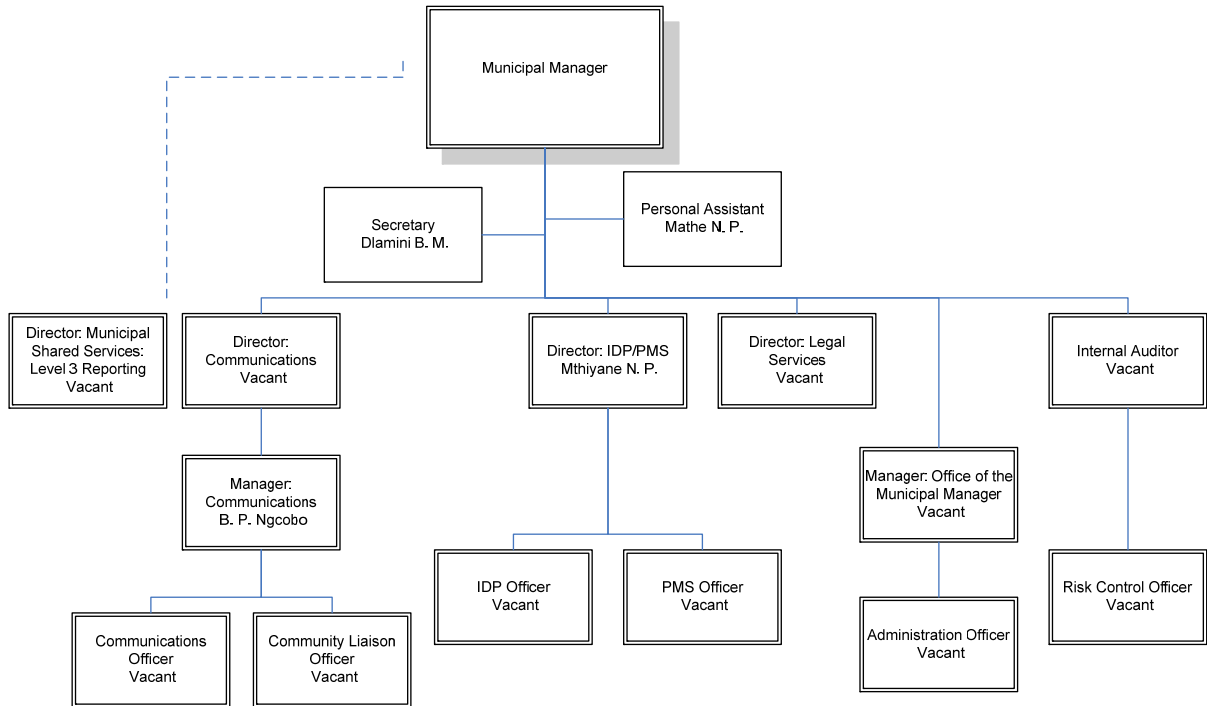


NOTES:

1. The top structure indicates a best fit for service delivery and work flow and processes. Hence five (5) Directorates have been identified.
2. Executive Directors are Section 57 Designated Employees.
3. Directors are non-Section 57 Employees. All Directors roles and responsibilities shall be clearly defined in agreed job descriptions.
4. Post Identification Numbers meeting the SALGBC requirements have been identified. These have been done in alpha-numeric sequence where the alphabets reflect the Departmental code e.g. "ESD" being Social & Economic Development and the numbers follow in sequential order.
5. Designations are consistent with SALGBC National Designations.
6. A maximum of seven (7) reporting levels have been identified with the relevant span of controls being considered.
7. The current staff establishment shall determine new and vacant posts and the associated costs thereof.

Office of the Municipal Manager: DC 27

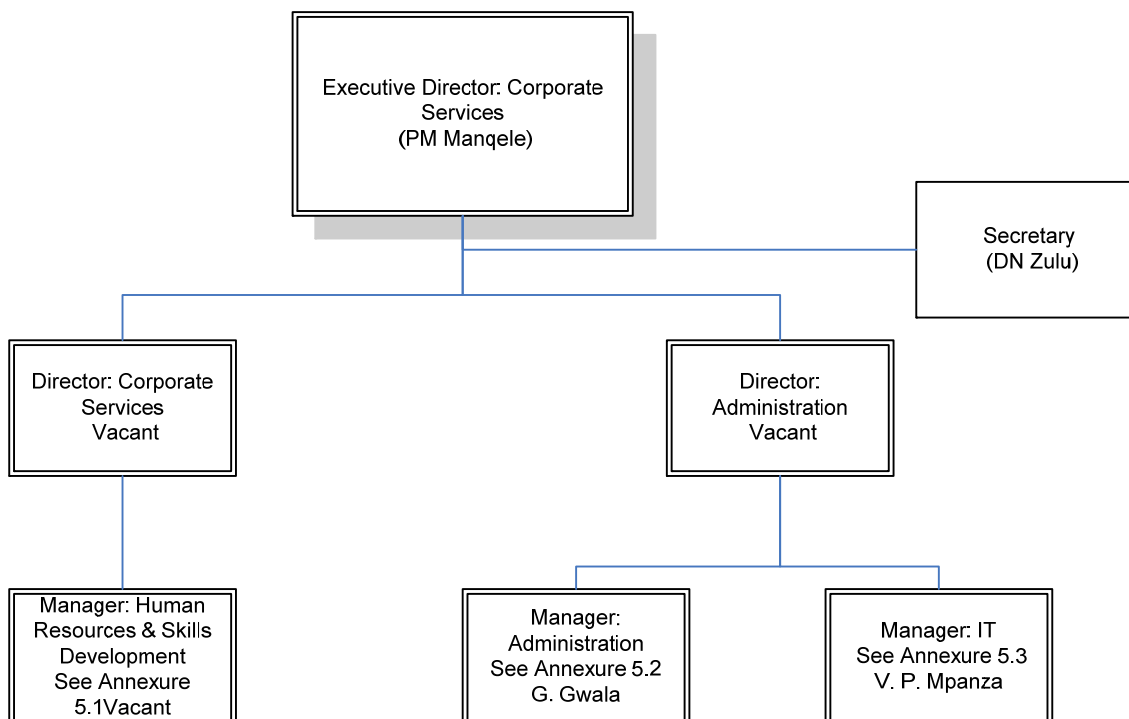
ANNEXURE A3



NB: Staff assigned to the Office of the Mayor are accountable operationally to the Manager: Office of the Municipal Manager.

CORPORATE SERVICES

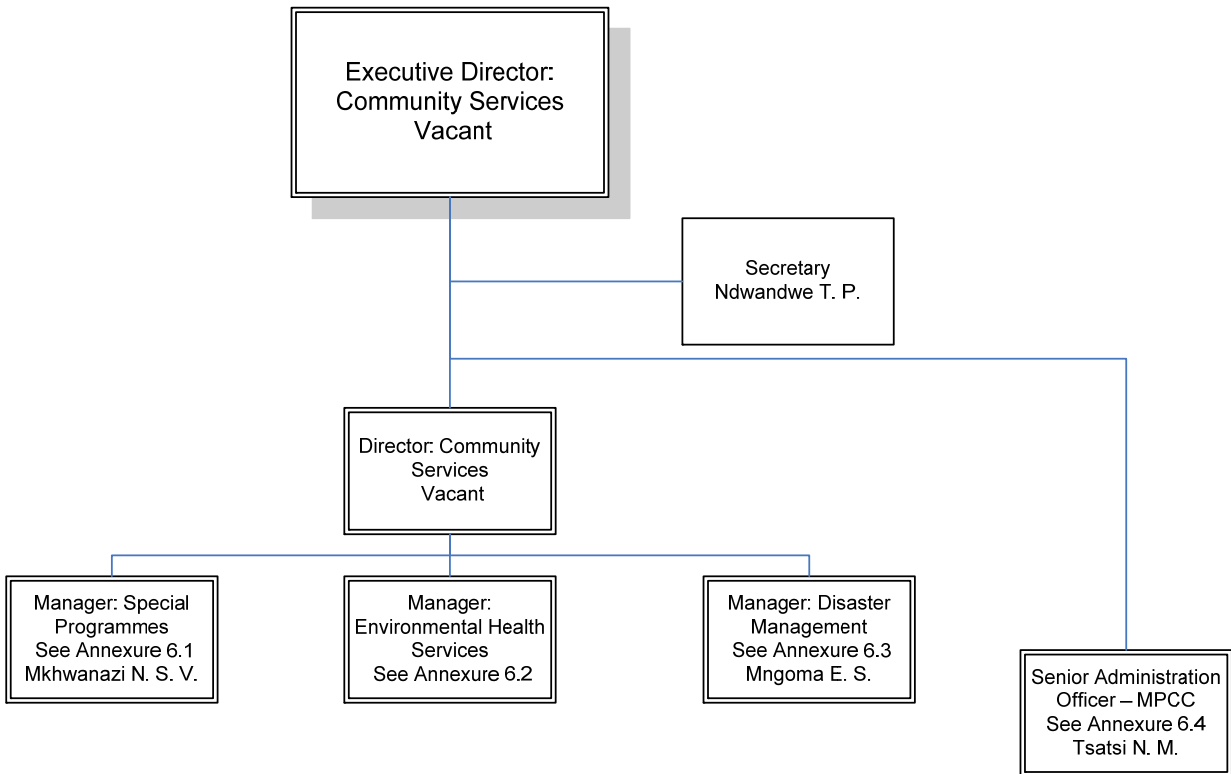
TOP MANAGEMENT STRUCTURE: DC 27
ANNEXURE A4



Community Services

TOP STRUCTURE

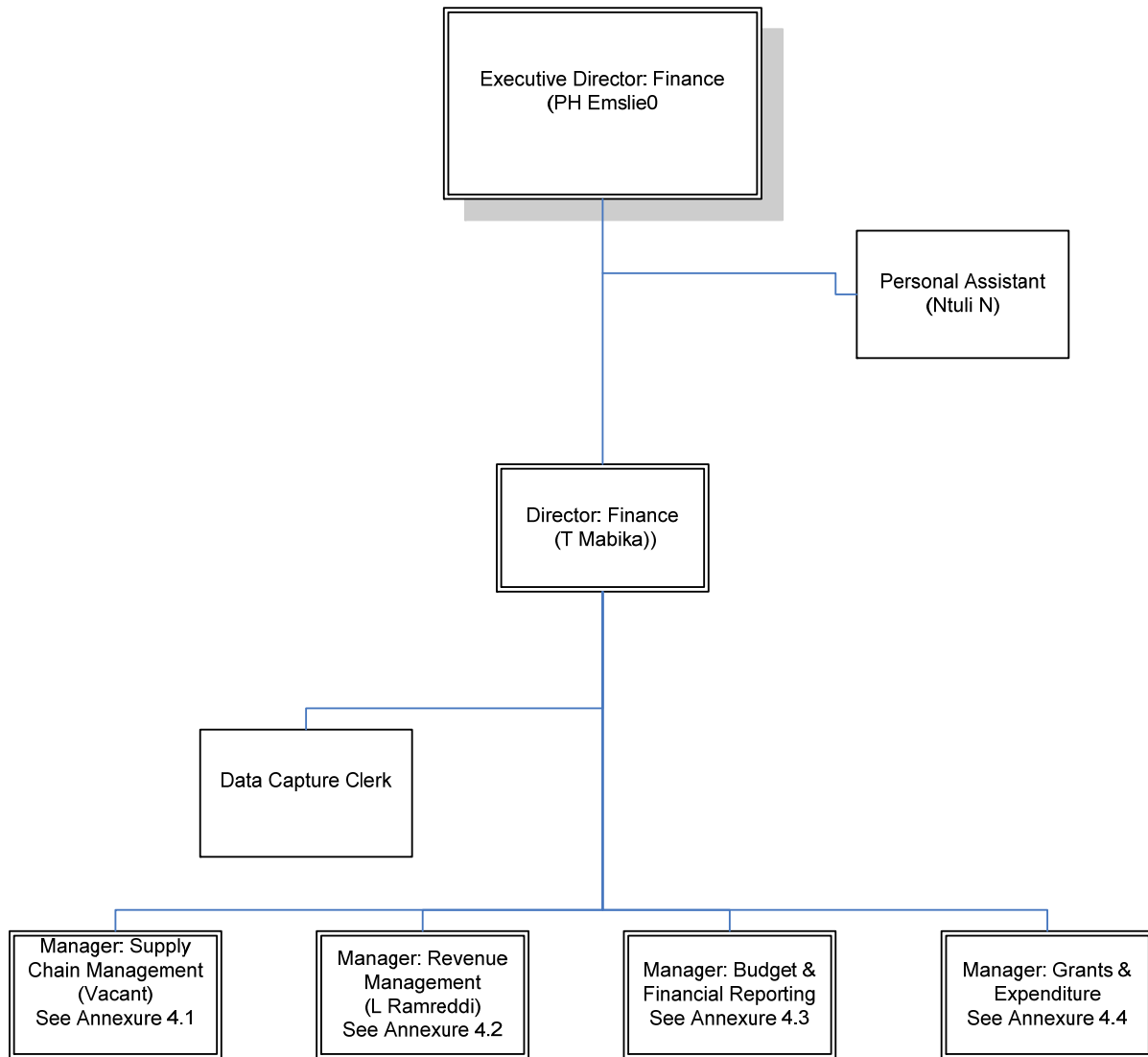
ANNEXURE A5



FINANCE: Budget & Treasury: DC 27

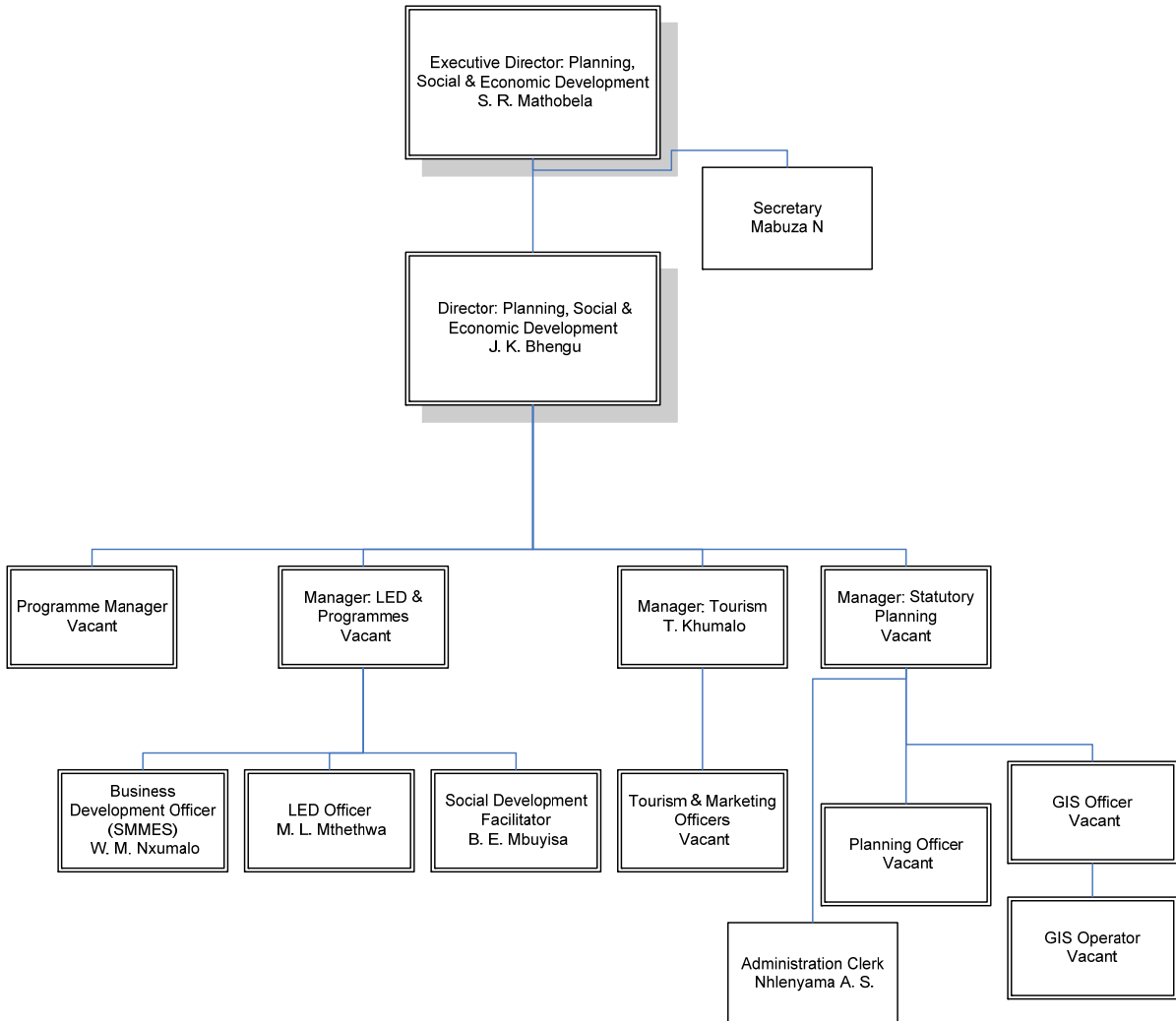
TOP MANAGEMENT STRUCTURE

ANNEXURE A6



Planning, Social & Economic Development: DC 27

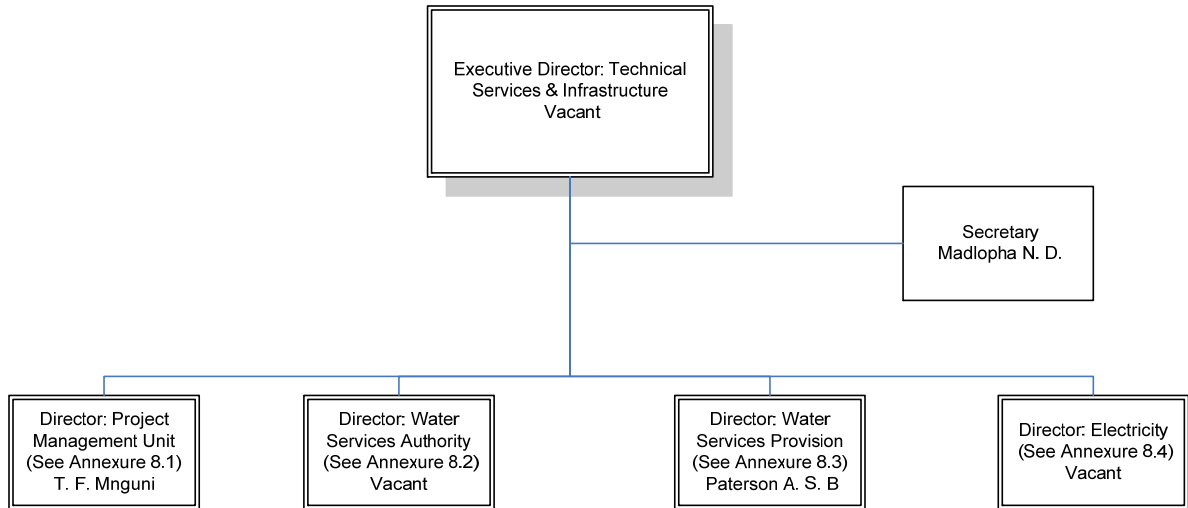
ANNEXURE A7



Technical Services & Infrastructure: DC 27

Top Structure

ANNEXURE A8



ANNEXURE: 2. MAKHATHINI SPATIAL DEVELOPMENT FRAMEWORK

1.1 BACKGROUND, PURPOSE AND OBJECTIVES

The Umkhanyakude District Municipality appointed the RCR-Urban Econ Project Team on 8 December 2009 for the preparation of the Makhathini Spatial Development Framework. The appointment was based on a proposal submitted to the municipality in March 2009.

The main purpose of the plan is to **provide physical / spatial guidance for the future development** of the area. In doing so the Makhathini SDF will inter alia **express the development intentions identified in the Umkhanyakude IDP and SDF, the Jozini IDP and SDF, the Umhlabuyalingana IDP and SDF, the Makhathini Integrated Development Plan, the Makhathini Tourism Plan and a range of provincial and national guide plans.** As such the SDF will interrelate the various envisaged activities attempting to ensure **a co-ordinated sequence of activities contributing** to the improvement of living conditions in the study area.

Forming part of the LSDI-Maputo Corridor, the Makhathini SDF will both provide strategic spatial guidance as well as detailed area-based plans to enable the identification of concrete development projects. As consequence the Makhathini SDF is expected to guide and contribute to the economic and social upliftment of the area.

Following the initial project inception report, this **development perspective report represents the second step** in the process of creating the SDF. It identifies and analyses the context in which the existing development of the study area has taken place, it evaluates each development aspect within the study area and establishes, on the basis of an understanding of development opportunities and constraints, a development vision and potential development concepts and approaches. While forming a solid basis for the establishment of the SDF, it **starts identifying the direction for the future development of the region.**

Following this introduction, the development perspective report is structured as follows:

Section 2 discusses and analyses the **context** within which the development of the Makhathini area is taking place.

This is followed by an analysis the **individual development categories and issues within the study** area in **section 3.**

Section 4 provides a **summary of the major issues** suggested to influence the development of the Makhathini area.

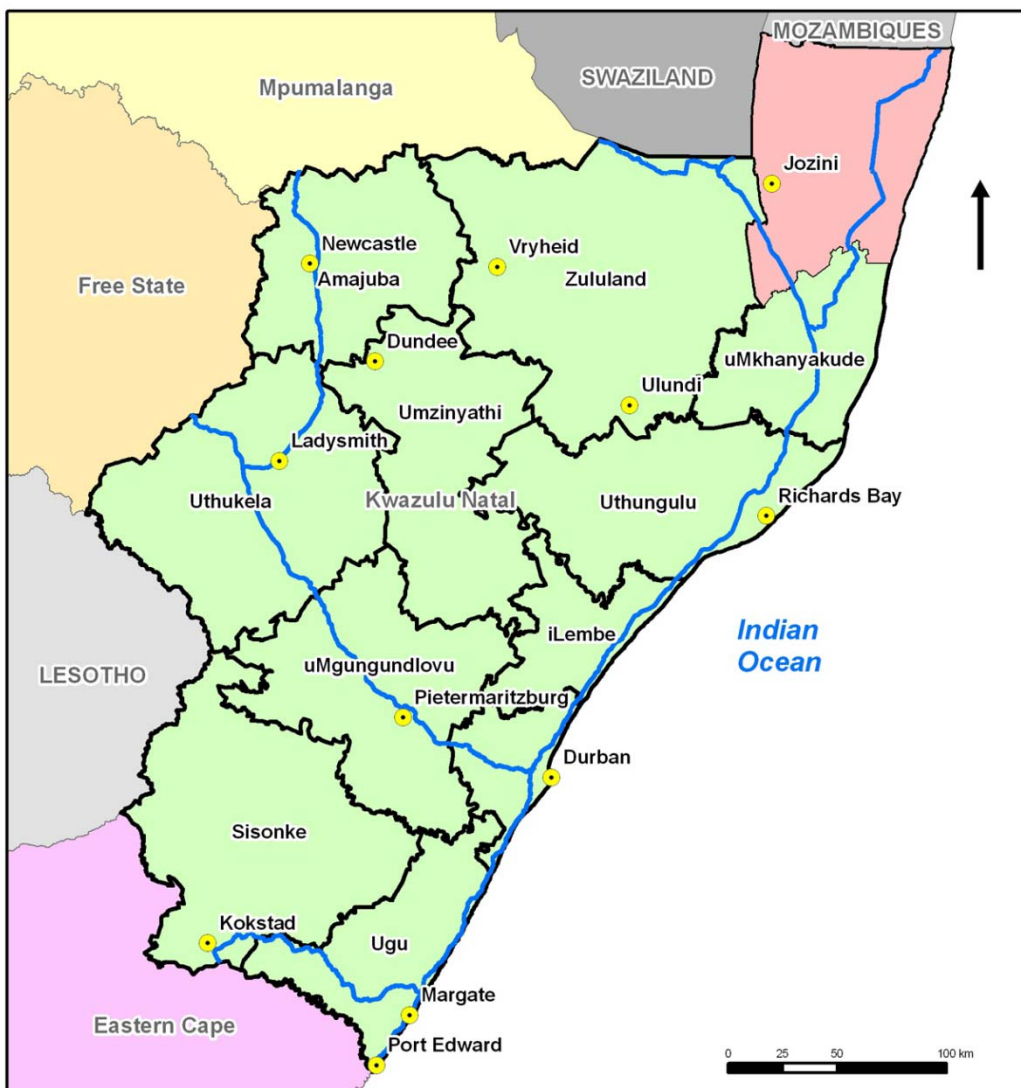
Sections 5, 6 and 7 take the understanding gained in the analysis one step further by identifying **development principles** and approaches, suggesting a **development vision** and establishing potential development concepts.

Sections 8 and 9 lastly describe the **way forward** in terms of the envisaged planning process as well as identifying **input and comments** received during the discussions.

2. CONTEXTUAL ANALYSIS

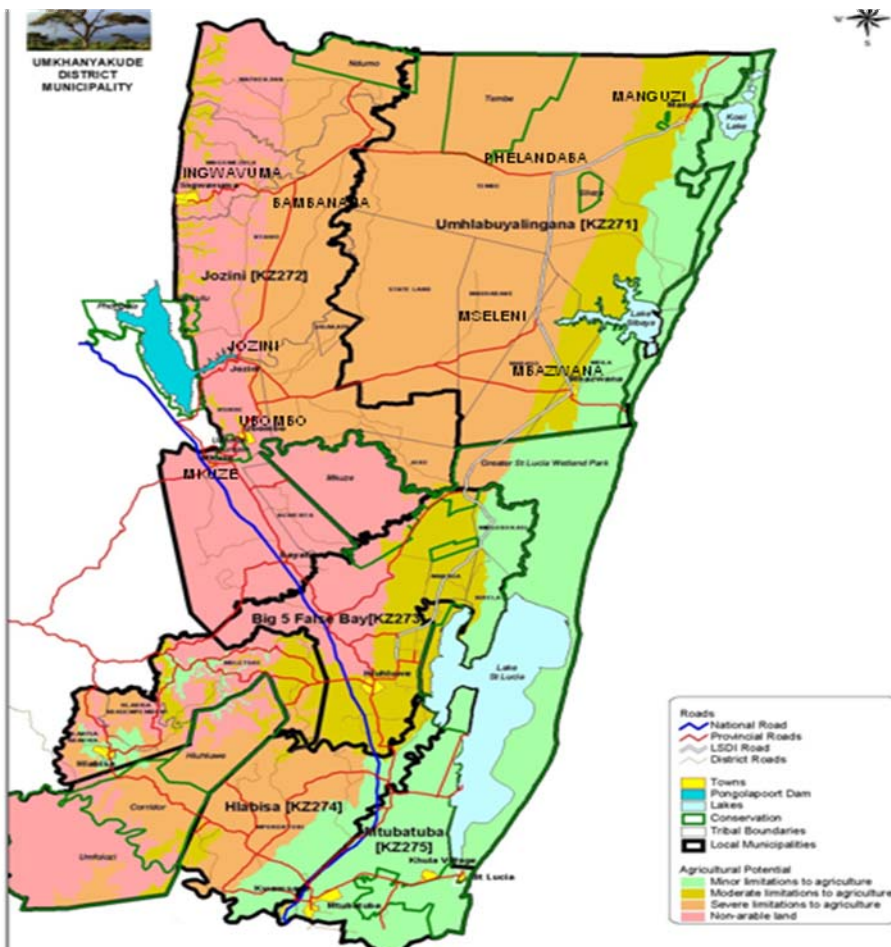
2.1 NATIONAL AND PROVINCIAL CONTEXT

- Relatively isolated location
- However containing a long seafront and bordering onto Mozambique in the north and Swaziland in the west.
- Accommodating the Greater Saint Lucia Wetlands Park and a range of nature / game reserves, the area contains a variety of attractions.
- The existence of adequate linkages to the surrounding areas and opportunities plays a significant role.
- This has been recognised inter alia in the establishment of the LSDI route.
- The district has been the focus of a range of national and provincial planning intentions to improve local living conditions and the economic development of the area, however comparatively little development has taken place.
- Much of such lack of development may be attributed to complicated development processes, unrealistic expectations, limited local capacities and slow community processes.



2.2 DISTRICT CONTEXT

- The Makhathini study area represents the northern part of the Umkhanyakude District covering in the region of 50% of the district area.
- It accommodates in the region of 55% of the population of the district, it accommodates Mkhuze, the district administrative centre and is linked via the N22 to Hluhluwe and the N2 in the south and west,
- While the study area accommodates a significant part of the district seafront and its nature conservation areas, the location of the Lebombo Mountain range makes direct linkage to the west difficult,
- Although located to the largest extent in the adjacent Uphongolo Municipality, the location of the Pongolapoort / Jozini Dam is of great significance for the development of Makhathini,
- This includes both the existing and potential additional agricultural irrigation projects as well as the tourism potential of the dam,
- Development implications relating to the area's position within the district include the utmost importance of appropriate road linkages for tourism and agricultural development as well as the improvement of the local communities' living conditions.



2.3 LOCAL MUNICIPALITY CONTEXTS: UMHLABUYALINGANA

- Covering the eastern part of the study area, the municipality is in extent of approximately 3600km² accommodating in the region of 140 000 people. Manguzi, located in the north-east, functions as the administrative centre of the area.
- While much of the remainder of Umhlabuyalingana consists of very low intensity rural settlement, Mbazwana and to some extent Mseleni and Phelendaba represent densifying settlements. Densification is also taking place in the vicinity of the Pongola River in the west of the municipality.
- Significant nature and game reserves consist of the GSLWP covering the entire eastern and seafront area and the Tembe Elephant Park on the northern border.
- Linkages to the surrounding areas in the north, west and south are of utmost significance for the improved economic development of the municipality.
- Although the economic development of Umhlabuyalingana is strictly limited, the area accommodates substantial economic development opportunities mainly in terms of a range of agricultural and tourism opportunities.
- The appropriate co-ordination of development with surrounding authorities and institutions, including the GSLWP is of importance for Umhlabuyalingana.

2.4 LOCAL MUNICIPALITY CONTEXTS: JOZINI

- The municipality is in extent of approximately 3000km² extending from the Big Five Municipality in the south to the Mozambique and Swaziland borders in the north.
- Jozini accommodates a mostly rural / traditional community of in the region of 185 000 people including the towns of Jozini, functioning as the municipal centre and Mkhuze, the centre of the district municipality.
- The area is characterised by the Lebombo Mountain range extending throughout the municipality from south to north, creating on the one hand significant tourism opportunities, while on the other hand making east-west linkage more difficult.
- The location of the N2 in the west and the Jozini / Pongolapoort Dam in the adjacent Uphongolo Municipality, provide significant development opportunities, the latter in particular in terms of tourism potential and irrigation potential for the further economic development of areas surrounding the Pongola River.
- In addition to the mountainous areas of the Lebombo Mountains, Jozini accommodates the Mkhuze and Ndumo Nature reserves as well as the small Hlatikulu Reserve adjacent to Swaziland.

3 LOCAL STATUS QUO ANALYSIS

3.1 LAND FORM ANALYSIS

- The land of the study area is broadly characterised by two extremes, the flat to gently rolling countryside of the eastern, central and south-western parts of the area and the Lebombo Mountain range describing much of the western boundary of Makhathini.
- Elevation therefore ranges from a low of 38m asl in the east to a high of 614m asl in the mountains.
- Topographic conditions have several direct and indirect influences on the development opportunities of the area including:
 - ✓ temperature range
 - ✓ rainfall
 - ✓ soil conditions
 - ✓ vegetation etc
 - ✓ irrigation potential
 - ✓ accessibility
 - ✓ Landscape attraction and tourism etc.
- While the topographic conditions of the mountainous region of Makhathini produce severe limitations in terms of agricultural development, they provide dramatic and scenic landscapes relating to tourism opportunities, on the other hand much of flattish countryside of the area exhibits limited agricultural carrying capacity relating to soil conditions, water supply, temperature etc.
- Steep slopes, having a negative effect on development, only occur in the Lebombo Mountain range in the heart of the Makhathini area.

3.2 ECONOMIC DEVELOPMENT ANALYSIS

- The district is characterised by low education levels and high unemployment rates.
- Agriculture and tourism are the most important economic drivers and plans are being established for the appropriate growth of both sectors.
- Necessity to devise strategies for the promotion of economic growth and development of existing and future nodes.
- Strategically located region to benefit from both national as well as international development initiatives.

3.3 AGRICULTURAL DEVELOPMENT, EXISTING

- The existing agricultural development in the Makhathini study area is actually fairly limited and includes:
 - Irrigation areas producing sugar cane, cotton and a range of vegetables,
 - Forestry areas mainly in the Umhlabuyalingana Municipality,
 - Cotton being also grown adjacent to the Ndumo Reserve in the north,
 - Some aquaculture production in the Jozini Dam and along the Pongola River,
 - Cashew nuts being grown also in the Umhlabuyalingana Municipality,
 - Community and market gardens occur in the denser settlement area adjacent to the Pongola River,
 - Cattle and goat grazing taking place throughout much of the area.
 - Considering the amount of planning and discussions that have taken place around the potential and need for agricultural development, the actual extent of development appears surprisingly small.

3.4 AGRICULTURAL DEVELOPMENT, PROPOSED

- The following additional agricultural development proposals have been identified:
 - Ground nut farming in the area north of Manguzi,
 - Production of Cassava in the Phelandaba region,
 - Rehabilitating and upgrading the existing irrigation scheme,
 - Potential for significant expansion of the irrigation scheme
 - Potential for expanding the existing aquaculture activities
 - Potential for farming cane for bio fuel.

3.5 AGRICULTURAL DEVELOPMENT, POTENTIAL

- The following additional agricultural potentials have been identified:
 - Game ranching in particular in the area around the Ndumo and Tembe Parks
 - Fruit farming in large areas mainly in the Umhlabuyalingana Municipality
 - Homestead micro farming
- Low lying areas in the vicinity of the Pongola River and around the N2 in the south-west exhibit a high agricultural potential.

3.6 TOURISM PROJECTS, EXISTING

- The KZN Tourism Authority has identified some key principles for tourism projects in the region including:
 - High quality products
 - Middle to high income target market
 - Low density tourism
 - Exclusive individual beach and wildlife destinations
 - Key existing tourism products including:
 - Kosi Bay,
 - Lake Sibaya,
 - Sodwana Bay,
 - Isimangaliso Wetland Park,
 - Mapelane,
 - Tembe Elephant Park,
 - Ndumo Game Reserve,
 - Jozini Dam and Gorge,
 - Ghost Mountain Reserve,
 - Mkhuze Game Reserve,
 - Border Cave,
 - Dingaan's Grave.
 - Major tourism centres at the main towns of Mkhuze, Jozini, Mbazwana, Manguzi.

3.7 TOURISM PROJECTS, POTENTIAL

- Additional tourism products have been identified including:
 - Island Rock, coastal resort north of Lake Sibaya
 - Mabosa Lodge, Lake Sibaya, accommodation
 - Kosi Bay Coastal Forest Reserve
 - Mgobozeleni, beach accommodation Sodwana
 - Kwamvutchane development, community resort Kosi Bay
 - Mabibi beach accommodation, Sodwana
 - Sodwana National Park, heritage and culture tourism
 - Amanzimyama, beach accommodation Kosi Bay
 - Banga Nek, beach accommodation, coastal forest
 - Kosi Bay Bush Camp, wildlife related bush camp
 - Sizela Forest Reserve, wildlife lodge
 - Kwadapha Camp, beach resort Kosi Bay
 - KwaJobe Trading Market, guest house and lodge
 - Sibaya South, beach accommodation Lake Sibaya
 - Lubombo Adventure Route, heritage and culture tourism
 - Maputaland Tourism and Development Association, Jozini
 - Identification of primary tourism routes,
- Establishment of secondary tourism products and locations.

4. DEVELOPMENT VISION

4.1 UMKHANYAKUDE DEVELOPMENT VISION

“TO MEET BASIC NEEDS AND IMPROVE THE QUALITY OF THE COMMUNITY IN A DEMOCRATIC AND SUSTAINABLE MANNER”

“UMKHANYAKUDE IS COMMITTED TO DELIVER BASIC SERVICE DELIVERY TO ITS PEOPLE, SUPPORT LOCAL MUNICIPALITIES TO BECOME VIABLE, AND GOOD GOVERNANCE”

4.2 UMHLABUYALINGANA DEVELOPMENT VISION

“WE WANT TO SEE OURSELVES AS THE MOST DEMOCRATIC AND DEVELOPMENTAL MUNICIPALITY IN SOUTH AFRICA THAT WILL ENHANCE SOCIO-ECONOMIC GROWTH FOR ALL PEOPLE”

“TO CREATE AN ENABLING ENVIRONMENT AND SUSTAINABLE DEVELOPMENT WHICH PROMOTES EQUALITY AND FREEDOM, POVERTY REDUCTION AND QUALITY OF LIFE FOR OUR COMMUNITIES”

4.3 JOZINI DEVELOPMENT VISION

“ADEQUATE / APPROPRIATE INFRASTRUCTURE, EMPLOYMENT AND INVESTMENT OPPORTUNITIES, SOCIAL EMPOWERMENT IN AN ENVIRONMENTALLY SUSTAINABLE MANNER”

“WE ARE AS A MUNICIPALITY COMMITTED TO ACCOUNTABLE GOVERNANCE, CHAMPIONING DEVELOPMENT AND SERVICE DELIVERY”

4.4. POTENTIAL SDF VISION

“PROVIDING GUIDANCE FOR THE CO-ORDINATED AND INTEGRATED DEVELOPMENT OF THE MAKHATHINI AREA, CONTRIBUTING TO THE BETTER USAGE OF THE AREA'S DEVELOPMENT OPPORTUNITIES, AND THEREFORE THE CREATION OF IMPROVED LIVING CONDITIONS FOR THE LOCAL COMMUNITIES”

5 COMPONENTS OF A SPATIAL FRAMEWORK

5.1 STRUCTURING ELEMENTS

The following are considered the main components making up the Spatial Development Framework:

- NATURAL STRUCTURING SYSTEMS forming the basis of sustainable development both in environmental, economic and human terms,
- EXISTING SETTLEMENT STRUCTURE to be accommodated and integrated appropriately into any future development of the area,
- POTENTIAL FUTURE SETTLEMENT EXPANSION, unless future development is a complete failure, it can be expected that accommodation needs to be made for future settlement expansion both internally and externally,
- HIERARCHY OF ACCESS ROUTES, identifying a functional hierarchy of access and development corridors, including the establishment of potential new routes and the upgrading of existing ones,
- HIERARCHY OF ACTIVITY AND SUPPORT NODES, identifying a functional hierarchy of development support nodes, including the potential upgrading of existing and the establishment of new realistic activity nodes,
- EXISTING AGRICULTURAL ACTIVITIES AND PROJECTS, identifying, analyzing and mapping existing agricultural activities and realistic agricultural projects already identified,
- POTENTIAL FUTURE REALISTIC AGRICULTURAL PROJECTS, identifying, analyzing and mapping potential additional agricultural activities,
- EXISTING TOURISM ACTIVITIES AND PROJECTS identifying, analyzing and mapping existing tourism activities and realistic tourism projects already identified,
- POTENTIAL FUTURE REALISTIC TOURISM PROJECTS identifying, analyzing and mapping potential additional tourism-related activities,
- ECONOMIC DEVELOPMENT FRAMEWORK, ENVIRONMENTAL FRAMEWORK, INFRASTRUCTURE DEVELOPMENT FRAMEWORK, SOCIAL AND INSTITUTIONAL DEVELOPMENT FRAMEWORK, integrating into the SDF the spatial implications of the above non-spatial development frameworks.

5.2 NATURAL STRUCTURING SYSTEM

The natural environment forms the basis for a functioning environment in terms of agriculture, tourism and – not at least – the human environment. It is therefore essential to maintain a healthy natural environment, to protect and appropriately manage it. Components of the natural environment are suggested to include:

- all river and stream valleys at least within the 100year flood line,
- all areas of natural intact indigenous vegetation,
- sensitive eco systems identified,
- specific historical and cultural landscapes,
- the Coast,
- the surroundings of the Pongolapoort Dam,
- existing and potential future nature and game reserves.

5.3 EXISTING SETTLEMENT STRUCTURE

The structure of the existing settlement pattern forms an important component of any future guiding development framework. Within the context of a substantially traditional settlement approach it appears to be based on a series of influences including:

- tradition
- accessibility
- agricultural opportunities, access to water etc

In broad terms three settlement densities are distinguished:

- **urban settlements** including Mkhuze, Jozini, Manguzi and Mbazwana, this may also include future formal settlements such as Phelandaba, Bambana etc
- **peri-urban / semi-rural settlement**, largely previous rural settlements in highly accessible and prominent locations, i.e. in proximity of urban settlements, along major access routes and in areas of agricultural opportunity, **low intensity rural settlement**.

5.4 POTENTIAL FUTURE SETTLEMENT EXPANSION

- Unless future development is controlled and managed more vigorously, it is expected that present trends in terms of densification and additional rural settlement will continue,
- Such management appears essential if the remaining natural environment, existing and future areas for agricultural development and areas of existing and future tourism are to be retained and protected.
- In addition future settlement and settlement densification should be guided by opportunities to provide appropriate physical and social support services, employment opportunities etc.
- In order to achieve this, it appears absolutely essential that the local communities and the traditional structures form an integral part of the planning process, being informed and being able to support the development intentions.

5.5 A HIERARCHY OF ACCESS ROUTES

- A hierarchy of access routes provides a system of functional linkages of the various development components of the area including **primary routes** connecting the major developments with each other, **secondary routes** representing collector routes feeding into the primary routes, as well as **tertiary routes** providing strictly local access within settlement and development areas.
- **Primary routes** are suggested to consist of the N22, P522 and the P444, including the linkage to Ingwavuma,
- **Secondary routes** are suggested to include the linkage from Jozini to Ubombo and Mkhuze, the linkage from Jozini to the N22, the linkage from the P444 to Mbazwana, the linkage from the P522 to Ndumo, the road on the eastern side of the Pongola River and its linkage to the P522 in the south, and potential additional routes to be identified,
- **Tertiary routes** consist of all other access routes.

5.6 A HIERARCHY OF ACTIVITY AND SUPPORT NODES

- The existing nodal hierarchy consists of the following:
- Mkhuze as the administrative **centre of the district**,
- Jozini, Manguzi and Mbazwana as **primary nodes**,
- Ubombo, Bambanana, Ingwavuma, Phelandaba and Mseleni as **secondary nodes**,
- Potential **additional local tertiary nodes** could be located as follows (containing at the same time agricultural hubs):
- East of the Pongola River in the vicinity of the river crossing linking into the P522,
- In the vicinity of the Ndumo Reserve,
- On the from Jozoni to the N22
- What the nodes will contain

5.7 EXISTING AGRICULTURAL ACTIVITIES AND PROJECTS

- The existing agricultural activities of significance consist of the following:
- The Makhathini Irrigation project producing mono crops including sugar, cotton and vegetables,
- The irrigated sugar farming in the Mkhuze area,
- Cotton adjacent to the Ndumo and the Mkhuze Reserves,
- Forestry around Mbazwana, south-east of the Sileza Reserve and around Manguzi,
- Cashew nuts south of the Sileza Reserve,
- Market gardening along the Pongola River plain.

5.8 POTENTIAL FUTURE REALISTIC AGRICULTURE PROJECTS

- Potential additional realistic agricultural activities are suggested to include:
- Fruit tree products including Mango, Marula, Coco Nut, Lala Palm,
- Game ranching areas,
- Potential additional commercial irrigated agriculture,
- Potential additional irrigated agriculture – micro farming
- Potential homestead micro farming
- Grazing

5.9 POTENTIAL AGRICULTURAL SUPPORT CENTRES

- Establishing a hierarchy of agricultural support centres and hubs,
- Located primarily at existing nodes

5.10 EXISTING TOURISM ACTIVITIES AND PROJECTS

Key existing tourism products including:

- Kosi Bay,
- Lake Sibaya,
- Sodwana Bay,
- Isimangaliso Wetland Park,
- Mapelane,
- Tembe Elephant Park,
- Ndumo Game Reserve,

- Jozini Dam and Gorge,
- Ghost Mountain Reserve,
- Mkhuze Game Reserve,
- Border Cave,
- Dingaan's Grave,
- Tourism information and orientation centres at the main towns

5.11 POTENTIAL FUTURE REALISTIC TOURISM PROJECTS

Additional tourism projects are suggested to include:

- Usuthu Gorge Development
- Nkonkoni Gateway at the N2 / P522 intersection
- Paleo Tourism
- Sodwana Bay Development
- Lake Sibaya Development
- Kosi Bay Development
- Kosi Border Gateway
- Muzi Pan
- Swaziland Border Post re-opening
- Additional Tourism / Craft Hubs
- Establishment of Primary Tourism Route
- Establishment of Secondary Tourism Activities
- Upgrading existing facilities

6 THE SPATIAL DEVELOPMENT FRAMEWORK

Based on the structuring elements identified in the previous sections, the Spatial Development Framework consolidates and interrelates the development components in one map including:

- **NATURAL STRUCTURING SYSTEMS** forming the basis of sustainable development,
- **EXISTING SETTLEMENT STRUCTURE** to be accommodated and integrated,
- **POTENTIAL FUTURE SETTLEMENT EXPANSION**
- **HIERARCHY OF ACCESS ROUTES**, identifying a functional hierarchy of access and development corridors,
- **HIERARCHY OF ACTIVITY AND SUPPORT NODES**, identifying a functional hierarchy of development support nodes,
- **EXISTING AGRICULTURAL ACTIVITIES AND PROJECTS**,
- **POTENTIAL FUTURE REALISTIC AGRICULTURAL PROJECTS**,
- **EXISTING TOURISM ACTIVITIES AND PROJECTS**,
- **POTENTIAL FUTURE REALISTIC TOURISM PROJECTS**
- **SPATIAL IMPLICATIONS OF THE ABOVE NON-SPATIAL DEVELOPMENT FRAMEWORKS.**

6.1 DESCRIPTION OF THE SDF COMPONENTS

The following provides a description and explanation of the development components identified in the Spatial Development Framework.

ROADS AND RAIL

1. **N2**, located on the south-western periphery of the Umkhanyakude District providing essential regional and national linkage for the district. The envisaged Nkonkoni Gateway, located at the intersection of the P522 with the N2 is expected to provide information and orientation as well as a range of supporting activities. Mkhuze is located in close proximity of the N2 including the envisaged airport upgrading.
2. **P522**, one of the major arterial roads in the Makhathini area providing linkage to the N2 and establishing access to Jozini, Manguzi and the Mozambique border as well as a series of tourism and agricultural activities. While the linkage road alignment between the N2 and Jozini crosses the Lebomobo Mountains and is therefore narrow and full of curves, the remainder of the road is straight and level. In parts, the road needs severe upgrading.
3. **N22**, the LSDI route linking to Hluhluwe and the N2 in the south to Mbazwana, Manguzi and the Mozambique border. The road provides a good quality north-south linkage and easy access to coastal amenities. If the P522 is not upgraded, the N22 represents a serious alternative access.
4. **P444**, primary link road between Jozini and the P522 and the N22 at Mbazwana, important road to provide internal east-west linkage within the Makhathini study area, upgrading to primary road.
5. **P443**, primary road providing linkage between the P522 at Bambanana and the Swaziland border at Ingwavuma, important link road to connect Makhathini to Swaziland as well as Swaziland to the coast, upgrading where required.
6. **NORTH COAST RAIL**, located parallel and just east of the N2, providing mostly goods transportation between Durban and the south of the province, Swaziland and potentially Johannesburg and Maputo, the potential of creating rail transportation for commuters and tourists should be investigated.
7. **D1834**, secondary road east of the Pongola River linking into the P444 in the south and the P522 in the north, important local and subregional for the densifying settlements in the area, their existing market garden activities as well as potential future agricultural developments, upgrading of existing road.
8. **D2210/D2375**, secondary road linking the above road across the Pongola River to the P522, again an important link road to facilitate access from the P522 to communities and activities east of the Pongola River, upgrading of existing road required.
9. **P435**, upgrading of existing secondary road to the Ndumo Game Reserve as well as surrounding communities and activities. It is expected that a local tertiary node will be developed in the area serving the densifying local community as well as the game reserve, including a local agricultural hub.

10. **P447**, secondary short-cut between the P444 and the N22 providing access to Mbazwana and the coast at Sodwana Bay. Existing road to be appropriately upgraded.

11. **D820/D1830**, secondary road between the P444 south of Jozini and the N22 east of the Mkhuze Game Reserve, providing inter alia access to the densifying settlement of Ophansi, surrounding agricultural activities as well as existing and future tourism activities, road upgrading required.

12. **P236**, link road between the P444 south of Jozini, Ubombo and Mkhuze, important short-cut and access into the Lebombo Mountain area, road requires upgrading.

ACTIVITY NODES

13. **MKHUZE DISTRICT NODE**, administrative centre of the Umkhanyakude District located strategically adjacent to the N2, accommodating a growing commercial component and envisaged to provide access to high level facilities and amenities serving the entire district, its relatively isolated location from much of the district may however prevent this function, on the other hand the envisaged upgrading of the existing airfield to a regional airport accommodating commercial aircraft may provide new development impetus.

14. **JOZINI PRIMARY NODE**, serving the Jozini Municipality as administrative centre, located adjacent to the picturesque Pongolapoort Dam and gorge and at the edge of the Lebombo Mountains, gateway to much of the rural development, existing and envisaged agricultural activities and tourism opportunities of the Makhathini Flats, intended to accommodate a high level of community support facilities, commercial development, tourism accommodation as well as tourist information and orientation. Urban Design Framework for the upgrading of the town into a more functional and attractive centre.

15. **MANGUZI PRIMARY NODE**, serving the Umhlabuyalingana Municipality as administrative centre, located along the P522 in proximity of the Mozambique border and the Kosi Bay nature and tourism resort area. Because of its location Manguzi is realistically primarily serving the northern part of the municipality in terms of community support facilities, commercial development and tourism information facilities. Planned densification is in progress.

16. **MBAZWANA PRIMARY NODE**, second primary node serving the southern part of the Umhlabuyalingana Municipality, located on the N22 as well as link roads to Jozini and the P522, providing access to the coast and the tourism resorts of Sodwana Bay. Upgrading and further development of the node required. The node is surrounded by existing timber production as well as future additional afforestation and fruit production. Location of agri hub and tourism centre, planned formalisation and densification of residential development in progress.

17. **PHELANDABA SECONDARY NODE**, secondary node at the intersection of the N22 with the P522, development of the node and surrounding residential formalisation and densification in progress.

18. **BAMBANANA SECONDARY NODE**, secondary node along the P522 serving the surrounding communities, agricultural activities and tourism amenities, location of local agricultural hub and tourism information centre.

19. **INGWAVUMA SECONDARY NODE**, secondary node on the road from Bambanana to the Swaziland border, serving the surrounding communities, agricultural activities and tourism amenities.

20. **MSELENI SECONDARY NODE**, secondary node along the N22 between Mbazwana and Phelandaba, serving the surrounding communities, its densifying residential development, agricultural activities and tourism amenities, location of local agricultural hub.

21. **UBOMBO SECONDARY NODE**, secondary node along the road from Jozini to Mkhuze, located in picturesque Lebombo Mountain context in proximity of the Ubombo Mountain Reserve, serving the surrounding communities and potential tourism activities.

22. **OPHANSI TERTIARY NODE**, proposed new local node along the D820 serving the surrounding densifying communities, potential tourism activities and agricultural activities, location of local agricultural hub.

23. **MADONELA TERTIARY NODE**, proposed new local node along the D1834 in the vicinity of the intersection with the road across the Pongola River, serving the surrounding densifying communities and agricultural activities, location of local agricultural hub.

24. **NDUMO TERTIARY NODE**, proposed new local node along the P435 linking the Ndumo Game Reserve to the P522, serving the surrounding densifying communities, potential tourism opportunities as well as local agricultural activities, location of local agricultural hub.

NATURAL ENVIRONMENT

25. **PONGOLAPOORT DAM NATURE RESERVE**, existing nature reserve surrounding the dam including suitable adjacent areas forming the escarpment of the dam, including its viewshed, including suitable areas surrounding the gorge and its tributaries, including portions of the relevant viewsheds, appropriate protection and management of the natural and scenic resources.

26. **LEBOMBO MOUNTAIN ESCARPMENT**, covering the mountain escarpment south of the P522 and extending to the Ubombo Mountain Reserve, including suitable areas of the viewshed, appropriate protection and management of the natural and scenic resources.

27. **PONGOLA RIVER**, covering the 100year floodline and appropriate wetlands buffers, appropriate protection and management of the natural resources.

28. **NDUMO GAME RESERVE**, upgrading the existing game reserve including providing improved access, support facilities and accommodation, potential future linkage to game reserves in Mozambique.

29. **TEMBE ELEPHANT PARK**, upgrading the existing game reserve including the provision of appropriate support facilities and accommodation, potential future linkage to game reserves in Mozambique.

30. **SILEZA NATURE RESERVE**, important grassland.

31. **KOSI BAY AREA**, coastal lakes and estuaries, coastal forests, dune forests, hippos, crocodiles, small game.

32. **LAKE SIBAYA AREA**, freshwater lake, no linkage to sea, surrounded by dune forests, wildlife consisting of hippos, crocodiles, birds and game.

33. **SODWANA BAY AREA**, diving and fishing, major dunes.

34. **ISIMANGALISO WETLANDS PARK**, marine sanctuary extending to St Lucia, wetlands and grasslands.

35. **MKHUZE GAME RESERVE**, accommodating the big five, upgrading of the existing game reserve including providing appropriate access, support facilities and accommodation.

36. **UBOMBO NATURE RESERVE**, providing suitable access accommodation and support facilities and establishing appropriate protection and management.

POTENTIALLY DENSIFYING SETTLEMENTS

37. **NONDABUYA / OTHOBOTHINI**, encouraging, planning and managing the densification of the existing settlement in suitable areas providing good access and adequate physical and social support services, including the appropriate recognition of development opportunities along the main roads and along the river.

38. **BAMBANANA**, encouraging, planning and managing the densification of the existing settlement in suitable areas, providing good access and adequate physical and social support services, including the appropriate recognition of development opportunities along the main roads. See also Secondary Nodes.

39. **NDUMO**, encouraging, planning and managing the densification of the existing settlement in suitable areas providing good access and adequate physical and social support services, including the appropriate recognition of development opportunities along the main road, see also Tertiary Node.

40. **PHELANDABA**, encouraging, planning and managing the densification of the existing settlement in suitable areas providing good access and adequate physical and social support services, including the appropriate recognition of development opportunities along the main road, see also Secondary Node.

41. **MANGUZI**, encouraging, planning and managing the densification of the existing settlement in suitable areas providing good access and adequate physical and social support services, including the appropriate recognition of development opportunities along the main road, see also Primary Node.

42. **MSELENI**, encouraging, planning and managing the densification of the existing settlement in suitable areas providing good access and adequate physical and social support services, including the appropriate recognition of development opportunities along the main road, see also Secondary Node.

43. **MBAZWANA**, encouraging, planning and managing the densification of the existing settlement in suitable areas providing good access and adequate physical and social support services, including the appropriate recognition of development opportunities along the main roads , see also Primary Node.

44. **OPHANSI**, encouraging, planning and managing the densification of the existing settlement in suitable areas providing good access and adequate physical and social support services, including the appropriate recognition of development opportunities along the main road, see also Tertiary Node.

EXISTING AGRICULTURAL ACTIVITIES

45. **COTTON PRODUCTION**, adjacent to Ndumo Reserve.

46. **MARKET GARDENS ALONG PONGOLA RIVER**, existing informal small scale market gardens in the flood plain, investigating potential need for local support and management, potential establishment of local market opportunities and linkage to agricultural hubs, road upgrading necessary.

47. **MAKHATHINI FLATS IRRIGATION SCHEME**, existing development for sugar cane, cotton and some vegetables, location of existing Mjindi agricultural processing facility with cold storage, prior to any potential expansion of the scheme, present problems, including inter alia salination need to be addressed.

48. **MAKHATHINI FLATS IRRIGATION SCHEME**, (southern area) producing mainly sugar cane, expansion potential and salination as for 47 above.

49. **SUGAR CANE AROUND MKHUZE AND N2**, existing irrigated substantial commercial sugar cane farming.

50. **SUGAR CANE NORTH OF MKHUZE GAME RESERVE**, existing small scale sugar cane farming.

51. **FORESTRY NORTH OF MBAZWANA**, existing afforestation consisting of Eucalyptus and Pine.

52. **CASHEW NUTS PRODUCTION**, existing production west to the Manzengeyenya Forest.

53. **COMMUNITY WOODLOTS**, located adjacent Manguzi.

53 (A). **AQUACULTURE PONGOLAPOORT DAM**, existing activity in the gorge area producing Tilapia and Tiger Fish, potential for expansion.

POTENTIAL FUTURE AGRICULTURAL ACTIVITIES

54. **EXPANSION OF MAKHATHINI FLATS IRRIGATION SCHEME**, suggested in the Agriculture Development Plan.

55. **BIOFUEL PRODUCTION**, potential location south of the Makhathini Flats Scheme identified by the Agriculture Development Plan.

56. **FRUIT PRODUCTION COASTAL BELT**, the area has the potential for ground and cashew nuts production, the area is known as the "palm belt" because palms naturally grow in the area, potential for Lala Palm growth, potential also for Coconut development, in particular north of Manguzi, Raphea Palms may also be an option for a small scale weaving industry. There exists also the opportunity for the expansion of woodlots which can provide material for building, firewood, small scale production for the paper industry etc.

57. **GAME RANCHING**, areas west of the Ndumo Reserve are very rugged accommodating virtually no settlement, the area has very limited agricultural potential, but would be good for game farming in conjunction with community tourism. The Mbangweni Corridor between Ndumo and Tembe also have low agricultural potential and could therefore also be used for game ranching and community tourism. The area south of the P522 and east of the Pongola River exhibits terrain and vegetation similar to the Tembe Reserve. Since there is again virtually no settlement, the area could also be utilised for game ranching and community tourism.

58. FRUIT PRODUCTION, the areas in question accommodate a natural distribution of Marula Trees and some introduced Mango Trees. Selected expansion of these and similar fruit trees in a more “natural” setting allows for the “stacking” of activities. While the area is used for game and tourism, seasonal harvesting of fruit consist of a low impact activity and the trees are too big to have the fruit consumed by game. These areas also have the potential for sustainable and managed growth and harvesting of medicinal plants.

59 GROUND NUT PRODUCTION, suggested in the Agricultural Development Plan.

60 CASSAVA PRODUCTION, suggested in the Agricultural Development Plan.

61 FRUIT PRODUCTION suggested in the Agricultural Development Plan.

62 AFFORESTATION, potential expansion of existing activity.

A. AGRICULTURAL HUB, suggested to be located in a series of strategic positions throughout the area, providing agricultural information, assistance, storage and market facilities, appropriate linkage to central hub suggested to be located in the vicinity of the Makhathini Flats and Jozini.

EXISTING TOURISM PRODUCTS

63. KOSI BAY, the flood plains and lake areas, and in particular the Kosi Bay lake system are used by the local fishing industry, using special fish traps or kraals. Tourist can view these ancient and fascinating fish farming methods unique to the area. There are more than 150 species of estuarine and marine fish and this is also the only area in South Africa where all six Mangrove species exist. Studies have suggested the formalisation of the fish kraals and the connection of these with accommodation potentials. Access tp the kraals in particular could be integrated into a tour operated by local communities and appropriately marketed.

64. LAKE SIBAYA, the lake is a designated Ramsar site representing an important link between Kosi Bay and St Lucia. The water surface was proclaimed as a nature reserve in terms of the KwaZulu Nature Conservation Act in 1994. Lake Sibaya is one of South Africa’s largest fresh water lakes and is separated from the Indian Ocean by a strip of coastal dunes.

The lake contains the second largest population of hippos and crocodiles n KwaZulu-Natal. The IDP suggests that, given the deterioration of the area, other herbivores need to be introduced in conjunction with controlled burning to restore the natural balance of the area.

65. SODWANA BAY, the area is renowned for its excellent scuba diving sites, great fishing opportunities and the chance to see rare turtles laying their eggs. It is thought to be the premier dive site and the only tropical dive site in South Africa. Sodwana is also one of the few places in the world where dive sites are reached by walking through breaking waves. The reefs of Sodwana are believed to be the southermost coral reefs in the world and have wide variety of attractions.

66. ISIMANGALISO WETLANDS PARK, the park covers the entire area of the Maputaland Marine Reserve and the Kosi Lake system, effectively covering the entire Umhlabuyalingana coast line. The park acts as a major source for attracting tourists to the area and it appears essential to build appropriate relations between the park and the municipality to attract tourists to other activities in proximity of the park.

67. MAPELANE NATURE RESERVE, not within the study area.

68. TEMBE ELEPHANT PARK, being in extent of 30 000ha, the park borders in the north onto Mozambique, in the south onto the P522 and is located within the Tembe traditional settlement area. It covers largely the area containing the last free roaming elephants in KZN and accommodates in the region of 140 animals.

69. NDUMO GAME RESERVE, bordering in the north onto Mozambique, the reserve was established in 1924 to protect the dwindling number of hippos. It was subsequently designated as a wetland containing a series of floodplain pans being fed by the Pongola and Usuthu Rivers. The area contains a large number of fish, crocodiles, hippos, game and birdlife.

70. JOZINI DAM AND GORGE, a large and significant dam on the eastern border of the study area covering four distinct landscape areas including the meandering rolling countryside at the confluence of the Pongola River into the dam, the wide open spaces of the dam and the western area, the escarpment of the Lebombo Mountains forming the eastern extent of the dam, and the dramatic and picturesque gorge extending to the Dam wall at Jozini. While much of the western side of the dam is occupied by upmarket private game reserves, much of the escarpment form past of a nature reserve. It is understood that the dam was erected in the and was intended to feed the Makhathini Flats irrigation scheme.

71 GHOST MOUNTAIN RESERVE, located east of Mkhuze in the Lebombo Mountains a stony peak stands 529m high and the area is legendary for its strange lights, flickering fires and weird noises. On the slopes of the mountain is located a tomb of the descendents of the Shangaan Gasa family. The area is rich in Zulu history and is infamous for the may battles fought in it.

72 MKHUZE GAME RESERVE, major tourism attraction providing the "big five", accommodation in camps or chalets, also location of swamp areas as part of the Mkhuze River and its unique flora and fauna.

73. BORDER CAVE, a site of significant archeological importance housing human remains dating back to more than 100 000 years. Proposed developments are aimed at increasing the length of stay of visitors as well as providing supporting

74 DINGAAN'S GRAVE, an important cultural site requiring both protection and supporting facilities. The site has the potential to become an important component of the Zulu route being developed by TKZN through the northern parts of the province.

75 TOURISM INFORMATION AND ORIENTATION CENTRE, at present there are two tourism centres operating in the Jozini Municipality, others are planned at Mbazwana, Manguzi, Bambanana etc. they are intended to be strategically located to entice tourists who are passing to stop and inquire about attractions and facilities. The offices are also aimed at providing a sense of well-being to tourist who are venturing into the area for the first time.

POTENTIAL FUTURE TOURISM PRODUCTS

- 76 **USUTHU GORGE**, suggested to have the significant potential for developing adventure tourism products including hiking, water activities, rock climbing etc. There is also a potential for establishing a lodge and camp site, both of which are important because of the relative remoteness of the area.
- 77 **NKONKONI GATEWAY**, proposed gateway development at the intersection of the N2 and the P522 with the primary intention to channel tourist into the study area. Providing information and assistance to tourists, the facility would become part of various tourism routes.
- 78 **PALEO TOURISM ROUTE**, the study area is rich in fossil sites, the most important of which is the Border Cave. The deposit represents a continuous sequence of occupation spanning about 200 000years.
- 79 **SODWANA BAY DEVELOPMENT**, the area is capable of offering world-class surfing, diving, hiking, horseback safari, biking and river rafting opportunities, a five star hotel has been proposed to be locate between Sodwana and Kosi Bay. The development is intended to target international and national upmarket tourist including facilities such a conference centre and golf course.
- 80 **LAKE SIBAYA DEVELOPMENT**, the area is scenic and has great recreation potential, lending itself to the development of wilderness-type camps, boat trips on the lake and trails through the relatively undisturbed shore vegetation. The establishment of camp sites and restaurants have been proposed.
- 81 **KOSI BAY DEVELOPMENT**, the improved access to the area via the LSDI route and the opening of the Mozambique border post have suggested plans including the establishment of the Kwadapha Camp, a beach camp at Kosi Bay, the Kosi Bay Bush Camp, the KwaMvutshane Development, the Utshwayelo Camp site, the Kosi Bay Community Resort etc.
- 82 **KOSI BAY BORDER GATEWAY**, the establishment of the Mozambique border post and the LSDI route proposes the opportunity to create a gateway and the surrounding area as a prime tourist destination.
83. **MUZI PAN DEVELOPMENT**, consisting of a 15km stretch of water forming the natural boundary between the Isimangaliso Park and the KwaJobe Traditional Authority area, accommodating a wide variety of bird species, game as well as numerous hippos. Proposed developments the upgrading of infrastructure and providing facilities for canoeing and hiking.
84. **SWAZILAND BORDER POST RE-OPENING**, while the old informal Ingwavuma border crossing is at present closed, its re-opening would significantly improve tourism circulation for the study area.
- 85 **ADDITIONAL TOURISM/CRAFTS HUB**, the production of arts and crafts is an important source of livelihood for thousands of people in the study area. The proposed craft hubs are intended to alleviate some of the present constraints, to develop the area's comparative advantage in indigenous craft production and to provide central points for local tour operators, guides and crafters to meet and distribute their products.
86. **PRIMARY TOURISM ROUTE**, consisting of an amalgamation of primary tourism attractions along the primary roads, including secondary tourism attractions and specific route developments such as the Cultural and Heritage Route, the Royal Route and the Lebombo Tourism Route.

87. SECONDARY TOURISM ACTIVITIES, including guided tours and activities such as agricultural tours birding tours etc.

88. UPGRADING OF EXISTING FACILITIES, many of the existing facilities are poorly serviced and maintained while the development of tourism in the study area relies on an appropriate infrastructure which services a tourist's needs and encourages the investment of private sector products. This includes adequate road infrastructure, services such as water, sanitation, electricity etc, the provision of appropriate accommodation, restaurants, built attractions, tours and transportation.

89. HLATIKULU TRAIL, CAMP AND LODGE, the **HLATIKULU FOREST** consists of interesting remnants of mountain forest, hiking trails and accommodation within the indigenous forest are in the process of being implemented. While this project brings local communities into the tourism sector, it also contributes to creating a better geographic spread of tourism products in the study area beyond the present concentration on the coast and the game / nature reserves.

7. WAY FORWARD

The objective of the Makhathini SDF is primarily the identification and spatial location of development issues and components and their appropriate interrelation to each other. In so doing, the SDF has analysed the present development, accommodating existing developments and realistic projects and has suggested realistic additional future economic development projects.

It is now expected that the local authorities involved will support the SDF and integrate its findings into the existing set of development guidelines such as district and local IDPs, SDFs and sector plans. In order to approve this SDF, the district and local municipalities are expected to ensure a broad understanding and support for the contents of the SDF by all relevant stakeholders, provincial authorities, potential funding sources and, not at least, local communities.

As discussed during the course of preparing the SDF, it is suggested that, since the overwhelming majority of the land covered by the SDF is in the ownership of the Ingonyama Trust, the integral involvement of the traditional authority structures is essential for the success of this SDF.

ANNEXURE: 3. DC 27 MUNICIPAL TURNAROUND STRATEGY (PROGRESS REPORT)

Period: July 2010 to December 2010

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
Service Delivery								
Access to basic (or higher) water		Nr of households with access to basic (or higher) water	To implement water projects	8217	8582	Slow supply chain process to appoint consultants to do business plans	Speed up SCM processes	SCM training
Access to basic (or higher) sanitation		Nr of households with access to basic (or higher) sanitation	To implement sanitation projects	5267	4000	Slow supply chain process to appoint consultants to do business plans	Speed up SCM processes	SCM training
Access to basic (or higher) electricity		Nr of households with access to basic (or higher) electricity	To implement electricity projects	300	0	Project funding given to local municipalities	Funding to be given to district municipality	Clarification meeting to take place between district municipality, local municipalities and ESKOM

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
Access to basic (or higher) refuse removal and solid waste disposal		Nr of households with access to basic (or higher) refuse removal	N/A	N/A	N/A	N/A	N/A	N/A
Access to municipal roads		Km of new municipal roads constructed	N/A	N/A	N/A	N/A	N/A	N/A
		2.7. N. Number of Bulk Infrastructure Projects funded through the Bulk Infrastructure Fund	Implement funded projects	3	3	Lack of capital funds	Do business plans	Assist identify funding sources
		2.8. P Adopted WSDP	Revise WSDP and submit it to Council for adoption	WSDP adopted by March 2011	Consultants gathering data	Data not easy to come by	UDM staff assist produce required data	DWA is funding the revision of the WSDP
		2.10. P. Adopted	Submit CIP to Council for	CIP adopted by	CIP adopted	None	None	None

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		CIP	adoption	March 2011				
Access to free basic water		Nr of households with access to free basic water	No data	No data	No data	No data	No data	No data
Access to free basic electricity		Nr of households with access to free basic electricity	No data	No data	No data	No data	No data	No data
Formalisation of informal settlements		Nr of households in informal settlements provided with water	N/A	N/A	N/A	N/A	N/A	N/A
		Nr of households in informal settlements provided with sanitation	N/A	N/A	N/A	N/A	N/A	N/A
		Nr of households in informal settlements provided with electricity	N/A	N/A	N/A	N/A	N/A	N/A

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
Disaster Management		Number of disasters prevented, mitigated and preparedness	No data	No data	No data	No data	No data	No data
Repairs and maintenance		Service delivery Interruptions per type of service (time per month) and nr of households affected	Maintain and improve the Functionality / Condition of Infrastructure			No Call Centre	Establish Call centre	Funds required to get the call centre up and running
Financial and Administrative Capacity								
Revenue management		Monthly collection rate on billings			R103,170,092.00			
		Percentage growth in revenue			No data			

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		collected by the municipality as a % of projected revenue target.						
		% of budgeted revenue for property rates collected (Implementation of the Municipal Property Rates Act, 2004 (Act no. 6 of 2004))			R128,698.00			
		Grants as a % of revenue received			99%			
Debt management		R debtors outstanding as a % of own revenue			27%			
		% of debt over 90 days			No data			

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		Percentage of debt collected as a percentage of money owed to the municipality			53%			
Expenditure Management		Monthly operational expenditure as a percentage of planned expenditure			No data			
		Monthly capital expenditure as a % of planned capital expenditure			No data			
		% of operational budget spent on repairs and maintenance			No data			
		MIG expenditure a % of annual allocation			25%			
Unqualified audit		Audit opinion			Still pending (unofficially – Qualified Opinion)			

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
Integrated development planning		Timeous adoption of IDP			10/11 IDP was submitted on time and achieved a credibility score of 67.14%			
		Timeous adoption of budget			Yes			
		Timeous adoption of SDBIP			Yes			
		1.11. P Adopted clear Rural Development and Agrarian Reform focus and targets	N/A					
		1.12. P Integrated Flagship targets in IDPs	N/A					
		1.14. P Integrated safety	No					

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		submission of annual financial statements						
		Timeous submission of annual reports	No data	No data	No data	No data	No data	No data
		Updated and credible asset register	No data	No data	No data	No data	No data	No data
		Functional OPMS			Yes. Adopted by Council			
Administration		Updated and credible indigent registers	No data	No data	No data	No data	No data	No data
		Financial controls applied to ensure usage is monitored / limited to indigent policy	No data	No data	No data	No data	No data	No data
Reduced corruption		Functional supply chain	Supply chain management	A transparent municipal	Functional unit in place			

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		management system	policies implemented and monitored	supply chain management system				
		Anti-corruption strategy implemented by target date	Implement the anti-corruption strategy		None			
Human Resources Management								
Recruitment and selection		% of critical posts filled	Critical Positions filled with competent employees	12 Posts by 30/06/2011	Five posts of Financial Interns filled on 01/10/10	Financial constraints	To provide budget in 11/12 Financial year	Financial support
		% of critical posts with signed performance agreements	Performance Management systems Implemented	6 Section 57 employees	3 signed performance agreements by 31/05/10	2 section 57 employees on suspension 1 vacant post	Finalize 2 outstanding disciplinary cases and fill 1 vacant post	1 post to be budgeted for in 11/12 Financial Year

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		Have quarterly performance assessments of S56/57 Managers been carried out	Performance assessments for 3 S57 employees done by 30/09/10	6 S57 Performance assessments	3 S57 employees assessed by 30/09/10	2 section 57 employees on suspension 1 vacant post	Finalize 2 outstanding disciplinary cases and fill 1 vacant post	1 post to be budgeted for in 11/12 Financial Year
		Have the two assessing committees for S56/57 Managers been constituted			Shortlisting of the committee still pending			
		Have any performance bonuses been paid to S56/57 Managers for the previous financial year.			No			
		Has the institutional performance management system been implemented?			No			

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		1.5 (N)Number of municipalities complying with the professionalisation framework	No data	No data	No data	No data	No data	No data
		Level of functionality of Local Labour Forum (LLF)	To coordinate sitting of LLF	To coordinate sitting of 2 LLF meetings	Nil	Members did not make a quorum	New forum to be established	Council support needed
Governance / Public Participationw								
Governance		1.8. P Implementation of revised, adopted governance frameworks, policies and guidelines.	To review and develop policies	12 policies	7 policies reviewed and 2 developed	Financial constraints	To appoint a Consultant	To allocate budget
		6.10. P. municipal SCOPA			Oversight committee in place			

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		political structures						
		(ten point plan) Established Rapid Response Team	No data	No data	No data	No data	No data	No data
Public Participation		% of functional ward committees in terms of the new model	N/A					
		Number of ward committee management meetings held and percentage attendance by members	N/A					
		Number of community meetings held			None (5 will be held in March 2011)			
LED/ Enabling Environment								
Enabling environment for growth and development		Nr of job opportunities created through the CWP	N/A					

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		Number of wards per municipality implementing the CWP	N/A					
		Nr of cooperatives established and still functional in wards where the CWP is implemented	N/A					
		LED strategy adopted	Received technical assistance from the KZN Department of Economic Development and Tourism.		Public and private stakeholders met to finalize the Draft Terms of Reference that will guide the development of the LED Strategy (review).	None.	Process to form part of the 2011/2012 SDBIP of the SED Department.	<ul style="list-style-type: none"> Continued support from the KZN DEDT; Capacitation of LED Internal Units (accredited training).
		3.3. P. Number of working District and Local Rural Development working committees	Coordination of a District LED Forum.	At four (4) meetings per annum.	Two meetings were held thus far.	Clashing of dates of the District and Local Municipalities (local	Meeting to be aligned with the IDP processes and dates.	One day workshop to be conducted by either the province or national Economic

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
						priorities).		Development Department.
		3.4. P. Number of partnership agreements initiated with other local economic development programmes	Participating at the following provincial initiatives: <ul style="list-style-type: none"> • Dukuduku Onsite Resettlement; • Makhathini Development; etc. 	Attending meeting as and when invited.	Alignment of programmes and projects.	None.	None.	None.
		3.5. P. Number of municipalities planning, packaging and implementing LED and cooperative initiatives	Coordinated the effort to strengthen the District secondary cooperative movement.	Ongoing	Regular contact with the leadership of the cooperative.	Cashflow challenge hinders the provision of financial support; e.g. provision of skills; etc.	Partnership with the national and provincial sector department to achieve the intended objectives.	Meeting to be arranged with the relevant departments.

PRIORITY AREA	BASELINE	INDICATORS	ACTION	TARGETS	PROGRESS ACHIEVED	BLOCKAGES	CORRECTIVE MEASURES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
Enabling environment for growth and development		LED strategy and plans are aligned with PGDS	Participation and submission of input to the IDP RF.	To ensure the alignment of the current LED Strategy with the PGDS.	Ongoing exercise of completing the alignment process.	None.	None.	None.

ANNEXURE: 4. FINANCIAL RECOVERY PLAN

Purpose of this Financial Recovery Plan

The Umkanyakude District Municipality has experienced significant financial challenges. These have not only impacted on ongoing financial sustainability but have also impacted on the delivery of basic services. The financial challenges have largely centred on the Municipality failing to make payments as and when due, has defaulted on financial obligations for financial reasons and is more than sixty days late in submitting its annual financial statements. The service delivery challenges have emanated from contractual arrangements that appear onerous to the Municipality and have resulted in certain communities withholding rates and service charges from the Municipality.

Content of a Financial Recovery Plan

The legislated content of a Financial Recovery Plan is set out in Section 142 of the Municipal Finance Management Act and is summarised below: -

142. (1) A financial recovery plan must be aimed at securing the municipality's ability to meet its obligations to provide basic services or its financial commitments, and such a plan, whether for a mandatory or discretionary intervention—

(a) must—

(i) identify the financial problems of the municipality;

(ii) be designed to place the municipality in a sound and sustainable financial condition as soon as possible;

(iii) state the principal strategic objectives of the plan, and ways and means for achieving those objectives;

(iv) set out a specific strategy for addressing the municipality's financial problems, including a strategy for reducing unnecessary expenditure and increasing the collection of revenue, as may be necessary;

(v) identify the human and financial resources needed to assist in resolving financial problems, and where those resources are proposed to come from;

(vi) describe the anticipated time frame for financial recovery, and milestones to be achieved; and

(vii) identify what actions are necessary for the implementation of the plan, distinguishing between actions to be taken by the municipality and actions to be taken by other parties; and

(b) may—

(i) provide for the liquidation of specific assets, excluding those needed for the provision of the minimum level of basic municipal services;

(ii) provide for debt restructuring or debt relief in accordance with Part 3 of this Chapter;

(iii) provide for special measures to prevent unauthorised, irregular and fruitless and wasteful expenditures and other losses; and

(iv) identify any actual and potential revenue sources.

This Financial Recovery Plan has been prepared taking these requirements into account.

Strategy One: Restructure the Budget

Firstly, the financial challenge facing the Municipality is the deficit of R 17 457 453 at the end of the 2009/2010 financial year. This can be ascribed to many factors of which financial control, the lack of internal capacity and inaccurate financial records. It has been noted that the current budget reflects various items budgeted for and reveal no expenditure. An adjusted budget will be necessary to stop unnecessary expenditure.

Secondly, the following focus areas have been identified.

These are: -

- Water
- Sanitation
- Electricity

The budget restructuring needs to reprioritise the functions listed above as these functions should receive the majority of the funding. The budget cuts required will be mainly funded by all other Departments and functions.

Thirdly, the budget has to address the non-payment by debtors. The provision for non-payment by debtors' is too low and needs to be increased to current payment levels. If this is not done, the budget will not be cash-backed.

A cost-cutting exercise will be needed to reduce non-essential expenditure. It is strongly suggested that the following be submitted to Council for consideration and approval.

- *Immediately cut on all catering – No catering should be allowed.*
- *Selling leave days must be frozen.*
- *Overtime work must be stopped.*
- *The issue relating to acting allowances must be addressed.*
- *No agencies must be used.*
- *All cell phone contracts must be stopped.*
- *3 G cards issued incorrectly should be stopped.*
- *Logbooks of council vehicles must be submitted weekly in order to minimize possible abuse.*
- *Telephone accounts must be reconciled per pin holder weekly.*
- *Security contracts should be stopped immediately.*
- *No consultants must be appointed for work to be performed until the situation has improved.*
- *That each department prepare a list of equipment which they still need to improve service delivery.*
- *No internal funded projects should start until such time.*

These recommendations need to be expanded to include the freezing of posts in non-essential service delivery and administrative support areas as well as a ban on temporary staff used in non-essential service delivery and administrative support areas.

Strategy Two: Revise Tariff Policies and Tariffs

There is a need to review the tariff policies and the tariff increases that have been proposed in the 2011/12 budget. These tariffs will not be adequate to address the financial challenges facing the Municipality. Just as a reduction in costs is critical to address financial challenges, so too is an increase in revenue. There are some legal issues to address as tariffs can only be increased in terms of a Financial Recovery Plan and National Treasury will provide guidance in this regard.

There are opportunities to increase tariffs in sewerage but more limited opportunities in water and electricity residential as these tariffs appear high. Benchmarking is a useful and necessary exercise; however, it is also important to look at the cost of rendering these services.

Strategy Three: Revenue Enhancement

From a Financial Recovery Plan perspective, it is recommended that the following strategy be implemented.

Short Term (to be completed within four months)

- Collection of outstanding debtors' balances – including the Top 1000 customers.
- Revenue maximizations – including the identification of areas where the municipality is not billing or billing incorrectly.

- Service Costing and tariff review – including bulk contribution levies and basic charges.
- Indigent Management – including a far more vigorous indigent management policy.
- Management, improvement and accuracy of the meter reading and billing – specifically focussing on the accuracy of meter readings.
- Service Agreements and SLAs – including enforcement of more vigorous deposit policies and better information on new agreements.
- Illegal connections –including stricter action required.
- Increasing current collection rates – including the introduction of pro-active collection strategies.
- Customer Care
- Internal Controls – including the prevention of fraud by consumers.

Medium Term to long Term (to be completed within five to twelve months)

- Un-metered areas – including the need to target Bulk Service Contributions.
- Revenue enhancement communication strategy – focussing on cost effective communication
- Eliminating internal inefficiencies – including looking at the way those services are rendered.
- Improving the image of the municipality – including customers and suppliers

Strategy Four: Sale of Non-Essential Assets

The purpose of this strategy is to identify non-essential assets (including land and buildings) that can be sold and the proceeds used to repay the loan. It is important to note that the assets to be identified is not the disposal of redundant assets through public auction but more bold, such as the sale and leaseback of Municipal Buildings and the outright sale of vacant land that has commercial or residential potential.

Strategy Five: Financial Administration and Discipline (SCM)

Based on discussions with the officials of the Municipality, there is a need to strengthen the overall financial administration and discipline within the Municipality. The following areas have to be addressed: -

- All procurement has to be done through a centralised Supply Chain Management Unit. No procurement outside the Unit should be permitted. Proper Supply Chain Management processes need to be enforced.
- Delegations regarding spending, budget control and contracting need to be reviewed and revised until the financial challenges facing the Municipality have been addressed.
- Deviations to supply chain management policies need to be terminated. No deviations should be permitted. Directorates have to do proper planning.
- Over-spending against budget should no longer be permitted. Spending without budget is unauthorised expenditure and will be recoverable from the official concerned.
- Payment terms to suppliers will need to be revised. In some contracts, the payment terms are too favourable to suppliers and not within industry norms. All contracts and purchase orders must now state appropriate payment terms. No emergency payments to be made.
- General controls around spending, procurement, and contracting as well as supplier management are now required.

Attention has to also be given to improving in-year management reporting.

Strategy Six: Cash management strategy

A cash management strategy is required to ensure that cash flow planning is undertaken and that unspent grant funds are properly safeguarded. A cash flow committee must be established to keep effective control and monitoring over existing funds.

The creditors listing as at 31 January 2011 reflect an amount of R 18 128 515.95. It is with concern that the cover for short term insurance has not been paid and does not reflect on the creditors listing. The internal audit fees have to date not been paid and are also not on the creditors listing. Considering that the creditors as at 30 June 2010 were R 60 070 274, it is assumed that some R 42 m has been paid to creditors during this period, which appears unlikely.

Associated with this strategy is the need to organise a meeting with creditors to confirm amounts owed and then to put proposals, prepared in good faith, to creditors. The outcome of these negotiations will have a significant impact on the cash management strategy. The measure of successful implementation of this strategy will be if the cash coverage ratio is equal to or exceeds 3 months as at 30 June 2011.

Strategy Seven: Human Resource Management

There is a need to review the Municipality's approach to human resource management. Firstly, there is a need to sensitise employees, specifically the Unions that the Municipality is in financial distress and has prepared a Financial Recovery Plan. The Municipality will need to meet with senior union officials to communicate the challenges that the Municipal is facing and what role the unions can play. Furthermore, the municipality may need to apply to the bargaining council for relief or partial relief from the recent salary increases that have been awarded nationally to municipal employees.

A need and process to verify employees has been identified. The municipality's organigram needs to be adjusted so as to meet only the functional responsibilities. A dire need exists for a review of the organisational structure as there are currently 385 persons appearing on the payroll versus 284 approved posts of which 106 are vacant.

Strategy Eight: Credit Control and Debt Management

It is necessary to undertake an assessment of the debt collection and credit control policy, to identify the list of debtors with the highest outstanding debts which can be recovered speedily. Implement credit control to recover debt not yet recovered. An indigent policy exists and needs to be implemented.

Strategy Nine: Internal Capacity

A legislated requirement of a Financial Recovery Plan is that the human and financial resources required to implement the Plan must be identified. This Plan places significant implementation responsibility on the Chief Finance Officer who will need additional human resource assistance. These will be in the area of budgets and revenue management at an operational level. The DBSA has committed a resource to assist in the short-to medium term and this resource will need to be supported by key appointments within the Budget and Treasury Office of the Municipality.

There is a risk that there is insufficient capacity to implement the various strategies in this Plan within the required timeframes or at all. It is not possible to easily mitigate this risk other than by ensuring that the CFO receives the full support and co-operation of the senior management team of the Municipality

Considering that the CFO is on suspension, the Finance Budget and Treasury section, have 40 approved posts of which 29 are reflected as vacant. The posts Manager: Revenue and Manager: Grants and Expenditure are currently both vacant and should be advertised and filled with competent persons.

In order to ensure effective financial recovery, two additional service providers are to be deployed in Finance Budget and Treasury and in Human Resources. The reason for this will be to assist with investigating the billing system and H/R matters.

There is no need or possibility for significant grant funding. The strategies set out in this Plan have taken into account the limited financial resources available to the Municipality and will not create an additional financial burden on the Municipality.

Strategy Ten: Financial Reporting

This is a requirement of the MFMA and all monthly, quarterly, and the Mid Year Assessment report are to be accurate and timely.

Strategy Eleven: Annual Financial Statements

It was noted that the AFS were submitted late. Credible Annual Financial Statements are to be submitted before 31/08/2011. To be able to comply with this requirement, a service provider is to be appointed timeously to ensure an accurate version of the municipal records, if the municipal staff does not have the necessary experience and acumen.

Strategy Twelve: Review of Financial System

It has emanated from discussions held with staff that the ABACUS financial system is out dated and manual, which proves to be time consuming and ineffective. It thus requires a review and suitable service providers are requested to present various financial systems.

Strategy Thirteen: Payroll Administration

Our assessment of the payroll administration revealed that salary suspense accounts are not being done and the supporting documents are not being filed properly.

Strategy Fourteen: Reconciliations

Our assessment on Creditors revealed that reconciliations existed but that not all supporting documentation is attached. Debtor's reconciliations are non-existing with no supporting documentation and have a low frequency. The inventory assessment reveals that only emergency stocks are maintained by Technical Services and quality and frequency are non-existent. The quality and frequency of the salary reconciliations was found to be below standard. The valuation roll assessment revealed that it was still in process and the quality and frequency were non-existent.

Strategy Fifteen: Risk Management

It is relatively easy to devise strategies in a Plan such as this. However, there may be potential barriers to the implementation of such strategies and this will undermine the success of this Plan. Furthermore this Plan has been prepared based on a number of assumptions. For example, there is an assumption that management have the skills, capacity and/or determination to ensure that the desired outcomes of this Plan are achieved.

This section of the Plan identifies such risks and proposes strategies that will need to be implemented to mitigate such risks. Whilst risks have been identified at the outset of drafting this Plan, there will always need to be a process to update risks on a continual basis and ensure that appropriate mitigation strategies are implemented timely.

The purpose of this section of the Plan identifies those risks that have been identified at the outset and this section will need to be updated once implementation of the Plan commences. A risk assessment and a risk management plan will be needed and Treasury has indicated to be of assistance in facilitating a workshop with all senior management.

Strategy Sixteen: Training

No training plan for individual employees exist and a plan should be implemented without delay.

A skills audit is needed throughout the municipality and a credible service provider should be appointed to perform the necessary skills audit. It was indicated by the finance staff that they required training on GAMAP/GRAP.

Strategy Seventeen: IT and Email

There is no email server operating and the IT section is manned by one IT Support Officer. To be effective and efficient, it will be necessary to review the current network and implement an email service provider.

Poor accounting and record keeping

A key risk is that the outcomes of this Plan may not be measured accurately because of poor accounting processes and the non-updating of accounting records timely. Processes to update the accounting records timely and to ensure that they remain up-to-date are required in order to mitigate this risk. Unless this is done, the extent that this Plan has addressed financial challenges may not be determinable.

Implementation change management processes

From a change management perspective, urgent action is required to address some of the unacceptable practices that may have been occurring for many years. The enforcement of accounting discipline will be extremely important and this should drive the change management processes within the Municipality. If this is not done, then the implementation of this Plan will not succeed.

There is a need to strictly enforce new procedures without exception. In this way, behaviours can be changed.

The only way that these risks can be mitigated is a demonstration by the acting CFO that the new procedures will be fully implemented without exception. If this is not done, this Plan will fail.

Labour relations and engagement with the unions

This Plan has a significant adverse impact on labour and therefore discussions will need to be held with senior union officials and the Bargaining Council. Communication with these stakeholders is essential and the need for open and frank discussions on the serious financial position of the Municipality will be required. The support of the Executive Mayor, DBSA representative and the unions will be required to mitigate the risk that labour relation actions may defer or undermine the implementation of this Plan.

Community and ratepayer risks

There is a risk that there may be community and ratepayer resistance to certain aspects of this Plan. Specifically, budget cuts and the need to possibly increase tariffs may result in a high level of resistance and the withholding of rates and service charges. This is a difficult risk to manage and mitigate.

There will need to be a comprehensive external communication strategy that provides relevant and appropriate information to external stakeholders, particularly community members and ratepayers. If there is a better understanding of why the Plan has been prepared and the positive implications of its implementation, this risk can be adequately safeguarded. Councillor support for the Plan is also required to ensure that there is not political undermining of the Plan when Councillors engage with community members.

Successful negotiation of settlement terms with creditors

The Municipality will need to negotiate in good faith with creditors and propose settlement terms that are appropriate taking into account the financial position of the Municipality. There is a risk that creditors may take legal action or obtain court interdicts to stop the implementation of certain strategies contained in the Plan. As this risk is external, it is difficult to mitigate. However, the approach and seriousness of the Municipality towards negotiations with creditors may assist to mitigate this risk. There is also a need to initiate an ongoing communication strategy with creditors to ensure that creditors are continually updated on the financial affairs of the Municipality. Importantly, it will be critical that the Municipality implements the terms and conditions of negotiated settlements otherwise creditors will dismiss further negotiations that will result and may rather seek redress through legal processes.

Summary of risks and the mitigation thereof

The risks that have been identified in this section of the Plan can be mitigated and should not undermine the implementation or expected outputs/milestones that can be expected from such implementation.

There will need to be a regular review of the risks identified to ensure that should additional risks arise, timely mitigation strategies can be put in place.

Importance of monitoring and evaluation

A Plan has no value if it is not implemented. A Plan is also of no value if the intended results of its implementation are not monitored and measured. The purpose of this section of the Plan is to set out a monitoring and evaluation process to ensure that the Plan is implemented and that the milestones and outputs specified in the attached **Strategies A to R** are realized.

Regularity of reporting

Reporting on the Plan should be done on a fortnightly basis to the Provincial Treasury and CoGTA until the end of July 2011. Thereafter, the frequency of reporting, if still required, can be changed.

Updating of the Plan

The Plan will need to be modified as and when better information is obtained, where identified strategies need to be updated and when risks and implementation barriers that have not been anticipated arise. The responsibility for updating the Plan will be that of the Municipality.

STRATEGY ONE – RESTRUCTURE THE BUDGET FOR 2010/11

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
Restructuring the current budget	<ul style="list-style-type: none"> Adequate provision made in the budget for non-payment by the Municipality's debtors. 	DBSA and CFO	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> A credible cash funded budget that reflects revenue that will be received in cash.
	<ul style="list-style-type: none"> A cost cutting and cost saving exercise to be implemented. The existing draft proposals need to be expanded and implemented as soon as possible. 	DBSA and CFO	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> July 11 	<ul style="list-style-type: none"> Cost savings that are implementable and which will result in better use of cash.
	<ul style="list-style-type: none"> Changes to the budget must be done through the adjustment budget process 	DBSA and CFO	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> An adjustment budget
	<ul style="list-style-type: none"> Ensure that the following services are sufficiently financed to ensure that there is an improvement in service delivery: <ul style="list-style-type: none"> Water Sanitation Electricity 	DBSA and CFO	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> These core services must be fully funded and must be allocated sufficient funding to operate at an acceptable level.
	<ul style="list-style-type: none"> Allocate adequate funding to the water and sanitation functions to ensure that these services are able to operate within legislative and standard operating procedures. 	DBSA, CFO and Section 57 Managers	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> Regulatory compliance in respect of water and sanitation related legislation.
	<ul style="list-style-type: none"> Budget cuts to ensure that a surplus will be generated must be effected in all Directorates/ Departments/Functions taking into account personnel and other operating and maintenance costs. 	DBSA, CFO and Section 57 Managers	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> The non-core services can only operate within the budget allocations that are available to the Municipality. There will then be sufficient resources available to the financing of core services.
	<ul style="list-style-type: none"> Implementation and monitoring of the restructured budget. 	DBSA and CFO	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> Strict budget monitoring processes to ensure that the budget is implemented. Adherence to the budget by all managers.

STRATEGY TWO – REVIEW TARIFF POLICIES AND TARIFFS 2011/2012

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
<ul style="list-style-type: none"> Appropriate tariffs taking into account the need to increase surpluses, the cost of rendering the service and the affordability of tariffs 	<ul style="list-style-type: none"> Determination of the cost of rendering services and better understanding of why certain functions incur losses. 	<ul style="list-style-type: none"> CFO and affected Section 57 Manager 	Mar 11	July 11	<ul style="list-style-type: none"> Costing of current core services. Quantification of the revenue required to generate a surplus in the restructured budget.
	<ul style="list-style-type: none"> Revised tariff proposals 	<ul style="list-style-type: none"> CFO and all other affected Section 57 managers 	Mar 11	July 11	<ul style="list-style-type: none"> Revised tariff proposals that support the restructured budget (see Annexure B).
	<ul style="list-style-type: none"> Submission of revised tariff proposals to National Treasury 	<ul style="list-style-type: none"> CFO 	Mar 11	July 11	<ul style="list-style-type: none"> National Treasury support for the legal processes to revise tariffs in terms of the MFMA.
	<ul style="list-style-type: none"> Redrafting of tariff policies taking into account the revisions made. Policies to be submitted to DBSA. 	<ul style="list-style-type: none"> CFO 	<ul style="list-style-type: none"> Mar 11 	<ul style="list-style-type: none"> July 11 	<ul style="list-style-type: none"> Revised tariff policies to support new tariffs calculated.
	<ul style="list-style-type: none"> The tariff proposals to take into account the affordability of increases to users. If significant, a three-year phase in to be considered. Include the proposed phasing in of tariff increases in the restructured budget. 	<ul style="list-style-type: none"> CFO 	<ul style="list-style-type: none"> Mar 11 	<ul style="list-style-type: none"> July 11 	<ul style="list-style-type: none"> Proposed phasing-in of high tariff increases that will ensure that services are still affordable to users and which will not undermine credit control policies.

STRATEGY THREE – IMPLEMENT REVENUE ENHANCEMENT STRATEGIES

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
<ul style="list-style-type: none"> Finalise "Revenue Enhancement Strategies" by the Municipality. 	<ul style="list-style-type: none"> Ensure that "Revenue Enhancement Strategies" support this Financial Recovery Plan. 	<ul style="list-style-type: none"> CFO 	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> July 11 	<ul style="list-style-type: none"> A "Revenue Enhancement Strategies" document that supports this Plan.
	<ul style="list-style-type: none"> Allocate timeframes and responsibilities for all strategies identified. 	<ul style="list-style-type: none"> CFO and all Section 57 managers 	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> July 11 	<ul style="list-style-type: none"> Responsibilities for implementation documented together with the person responsible.
	<ul style="list-style-type: none"> Additional costs and revenue to be included in the adjustments budget 	<ul style="list-style-type: none"> CFO 	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> July 11 	<ul style="list-style-type: none"> Budget revised to take into account additional revenue and costs that will be generated or incurred.
	<ul style="list-style-type: none"> In addition to the "Revenue Enhancement Strategies", a process to target the Top 20 debtors in value must be undertaken to collect the amounts outstanding within 2 weeks. The next 20 highest debtors' balances should be targeted and collected during that week. 	<ul style="list-style-type: none"> CFO and Revenue Manager within the Budget and Treasury Office 	<ul style="list-style-type: none"> Feb 11 	<ul style="list-style-type: none"> July 11 	<ul style="list-style-type: none"> Collection of large debtors' balances which should have a positive impact on cash flow.

S STRATEGY FOUR – SALE OF NON-ESSENTIAL ASSETS

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
<ul style="list-style-type: none"> ▪ Liquidate non-essential assets to provide additional capital 	<ul style="list-style-type: none"> ▪ Review the Fixed Asset Register to determine whether there are items of property, plant and equipment that can be liquidated ▪ This could include:- <ul style="list-style-type: none"> ▪ Surplus land and buildings (including sale and leaseback) ▪ Vacant land that may have high commercial values. 	<ul style="list-style-type: none"> ▪ DBSA and CFO DBSA and CFO 	<ul style="list-style-type: none"> Mar 11 Mar 11 	<ul style="list-style-type: none"> July 11 July 11 	<ul style="list-style-type: none"> ▪ The identification of assets not used in providing core services that can be liquidated
	<ul style="list-style-type: none"> ▪ Sale of assets to be done through Supply Chain Management Policy and be aimed at obtaining the highest possible selling price. 	<ul style="list-style-type: none"> ▪ DBSA and CFO 	<ul style="list-style-type: none"> Mar 11 	<ul style="list-style-type: none"> July 11 	<ul style="list-style-type: none"> ▪ Assets sold in terms of legislation and the proceeds thereof
	<ul style="list-style-type: none"> ▪ Ownership of land audit to be done based on latest valuation roll and Deeds Office searches. 	<ul style="list-style-type: none"> ▪ DBSA and CFO 	<ul style="list-style-type: none"> ▪ Mar 11 	<ul style="list-style-type: none"> ▪ July 11 	<ul style="list-style-type: none"> ▪ Accurate information on land owned by the Municipality.
	<ul style="list-style-type: none"> ▪ Once land audit completed, process to identify potential land sales to be undertaken in terms of the activities listed in this strategy. 	<ul style="list-style-type: none"> ▪ DBSA and CFO 	<ul style="list-style-type: none"> ▪ Mar 11 	<ul style="list-style-type: none"> ▪ July 11 	<ul style="list-style-type: none"> ▪

STRATEGY FIVE – ENFORCE FINANCIAL ADMINISTRATION AND DISCIPLINE (SCM)

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
<ul style="list-style-type: none"> ▪ Ensure that appropriate financial controls are developed that take into account the need for financial discipline and which are enforced. 	<ul style="list-style-type: none"> ▪ Goods and services to be procured according to the Municipality's Supply Chain Management policies. All supporting documentation to be in place before goods and services are procured. 	DBSA, CFO and MM	Feb 11	July 11	<ul style="list-style-type: none"> ▪ Adherence to the Municipality's Supply Chain Management policy. ▪ Goods and services procured where the appropriate supporting documentation is not in place to be considered unauthorised and recoverable from the official concerned.
	<ul style="list-style-type: none"> ▪ The procurement of goods and services to be done in accordance with the Municipality's Supply Chain Management Policies. No deviations to these processes to be entertained under any circumstances. 	DBSA, CFO and MM	Feb 11	July 11	<ul style="list-style-type: none"> ▪ No deviations to Supply Chain Management policies. Staff who breach such instruction to be disciplined.
	<ul style="list-style-type: none"> ▪ The CFO to sign all orders to ensure that only goods and services are procured that are affordable and within the cash flow budget of the Municipality. 	DBSA, CFO and MM	Feb 11	July 11	<ul style="list-style-type: none"> ▪ Commitments are only made which are affordable and for which the Municipality has sufficient cash,
	<ul style="list-style-type: none"> ▪ The Supply Chain Management to be done through the SCM Unit within the Budget and Treasury Office. No procurement outside the centralised SCM Unit to be permitted. 	DBSA, CFO and MM	Feb 11	July 11	<ul style="list-style-type: none"> ▪ Only one procurement process in place which are standardised. ▪ Discipline of staff who by-pass the SCM Unit within the Budget and Treasury Office.
	<ul style="list-style-type: none"> ▪ Over-spending against budget eliminated. No over-spending to be entertained. 	<ul style="list-style-type: none"> ▪ DBSA, CFO and Section 57 Managers 	Feb 11	July 11	<ul style="list-style-type: none"> ▪ Procurement of goods and services that are budgeted. No over-spending possible.
	<ul style="list-style-type: none"> ▪ Terms of payment in orders and contracts to be standardised. No supplier to be paid on terms that create a financial and administrative burden to the Municipality. No exceptions to be entertained. 	<ul style="list-style-type: none"> ▪ DBSA and CFO 	Feb 11	July 11	<ul style="list-style-type: none"> ▪ The early payment of suppliers to be discontinued. ▪ Revised orders and contracts that specify standard terms of payment. ▪ No payments made that are prejudicial to the Municipality.
	<ul style="list-style-type: none"> ▪ Review and updating of internal controls on procurement, spending and contracting and supplier management to be put in place. 	<ul style="list-style-type: none"> ▪ DBSA, CFO and MM 	Feb 11	July 11	<ul style="list-style-type: none"> ▪ Credit control and debt collection, indigent and write-off policies implemented to ensure consumers that can pay are paying and those who cannot pay in terms of the indigent policy have been identified.

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
	<ul style="list-style-type: none"> ▪ Past instances of non-compliance with stated policies and procedures to be investigated. Senior officials that have previously transgressed should have legal action taken against them, disciplined and/or held personally liable for these transgressions. 	<ul style="list-style-type: none"> ▪ DBSA 	<ul style="list-style-type: none"> ▪ Feb 11 	<ul style="list-style-type: none"> ▪ July 11 	<ul style="list-style-type: none"> ▪ Officials who have previously disregarded stated policies and procedures held accountable for their actions. ▪ Recovery of past possible fraudulent activities from officials found guilty of such transgressions.
	<ul style="list-style-type: none"> ▪ Basic accounting processes to be improved and applied to ensure that accurate financial information is provided timely and which will provide a measurement of the extent to which financial discipline has been enforced. 	<ul style="list-style-type: none"> ▪ DBSA and CFO 	<ul style="list-style-type: none"> ▪ Feb 11 	<ul style="list-style-type: none"> ▪ July 11 	<ul style="list-style-type: none"> ▪ All backlogs in accounting eliminated and accurate accounting records maintained.

STRATEGY SIX – INTRODUCE A CASH MANAGEMENT STRATEGY

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
<ul style="list-style-type: none"> Manage Financial Commitments and Cash-flow. Unspent grants are also adequately safeguarded. 	<ul style="list-style-type: none"> Compile a cash-flow projection for the remainder of the financial year upon completion of the restricted budget. 	<ul style="list-style-type: none"> CFO, MM, and DBSA 	Feb 11	Feb 11	<ul style="list-style-type: none"> Credible cash flow budget that can facilitate the management of cash flow.
	<ul style="list-style-type: none"> Management of the cash-flow on a daily basis with weekly reporting to the DBSA 	<ul style="list-style-type: none"> CFO, MM and DBSA 	Feb 11	Ongoing	<ul style="list-style-type: none"> Improved cash flow. Cash coverage target of 3 months achieved by 30 June 2011.
	<ul style="list-style-type: none"> Identify all arrear creditors including contracted projects for which financing is not available. 	<ul style="list-style-type: none"> CFO, MM and DBSA 	Feb 11	Mar 11	<ul style="list-style-type: none"> New agreements concluded between Umkanyakude and all arrear creditors on outstanding liabilities
	<ul style="list-style-type: none"> Engage with identified creditors and finalise new payment arrangements. 	<ul style="list-style-type: none"> DBSA, MM and CFO 	Mar 11	Mar 11	
	<ul style="list-style-type: none"> Manage payments in accordance with revised agreements. 	<ul style="list-style-type: none"> DBSA, MM and CFO 	Mar 11	Mar 11	<ul style="list-style-type: none"> Outstanding liabilities dealt with in terms of new agreements
	<ul style="list-style-type: none"> Continue to review committed contracts to determine which contracts have lapsed or which can be cancelled without the risk of legal action against the Municipality. 	<ul style="list-style-type: none"> MM, CFO and Legal Services 	Mar 11	July 11	<ul style="list-style-type: none"> Only commitments that are legally enforceable and within the restructured budget pursued.
	<ul style="list-style-type: none"> Contingent liabilities to be investigated and a meeting with claimants held where legal action can be suspended to resolve claims amicably. 	<ul style="list-style-type: none"> DBSA, MM, CFO and Legal Services 	Mar 11	July 11	<ul style="list-style-type: none"> Resolution of contingent liabilities to the extent possible. Contingent liabilities addressed in accordance with agreements with claimants.
	<ul style="list-style-type: none"> An effective grant management system put in place to ensure that conditional grants are only used for their intended purpose 	<ul style="list-style-type: none"> DBSA, MM and CFO 	Mar 11	July 11	<ul style="list-style-type: none"> Unspent grants safeguarded. Grants used for their intended purposes.

STRATEGY SEVEN – HUMAN RESOURCE MANAGEMENT

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
<ul style="list-style-type: none"> ▪ Employees to be sensitised of the challenges facing the Municipality. Union support obtained for the implementation of this Plan. 	<ul style="list-style-type: none"> ▪ Communication to employees on the financial crisis facing the Municipality to be undertaken and how this will impact on staff set out. 	<ul style="list-style-type: none"> ▪ MM, CFO and HOD Corporate Services 	Feb 11	Mar 11	<ul style="list-style-type: none"> ▪ Staff informed of the challenges faced by the Municipality. ▪ The “business as usual” philosophy of all employees changed
	<ul style="list-style-type: none"> ▪ The DBSA and senior politicians to engage with the unions at a head office level to sensitise the unions of the challenges facing the Municipality and what role the unions can play in assisting the Municipality overcome its financial difficulties. 	<ul style="list-style-type: none"> ▪ DBSA supported by the Executive Mayor 	Feb 11	Mar 11	<ul style="list-style-type: none"> ▪ Unions informed of the challenges faced by the Municipality. ▪ Support from the unions on the actions taken by the Municipality obtained.
	<ul style="list-style-type: none"> ▪ The DBSA to approach the Bargaining Council for relief or partial relief of the new salary increases taking into account the financial position of the Municipality. 	<ul style="list-style-type: none"> ▪ DBSA, MM and CFO 	Feb 11	July 11	<ul style="list-style-type: none"> ▪ Salary increases affordable. ▪ Improved cash flow and expenditure control.
	<ul style="list-style-type: none"> ▪ A change management strategy developed and implemented to change processes as set out in this Plan. 	<ul style="list-style-type: none"> ▪ DBSA, MM 	Feb 11	July 11	<ul style="list-style-type: none"> ▪ Changes to employee behaviours managed effectively.

STRATEGY EIGHT: CREDIT CONTROL AND DEBT MANAGEMENT

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
<ul style="list-style-type: none"> ▪ Credit control and debt management 	Undertake assessment of outstanding debtors and debt collection and credit control policy	<ul style="list-style-type: none"> ▪ DBSA, MM, and CFO 	Feb 11	Mar 11	<ul style="list-style-type: none"> ▪ The billing system to test for accuracy after assessment made. ▪ Debt collection system to test for efficiency
	Identify list of debtors with highest outstanding debts.	<ul style="list-style-type: none"> ▪ DBSA, MM and CFO 	Feb 11	Mar 11	<ul style="list-style-type: none"> ▪ Follow up the accounts to ensure that all these outstanding debts are recovered
	Identify which debtors can be recovered speedily.	<ul style="list-style-type: none"> ▪ DBSA, MM and CFO 	Feb 11	Mar 11	<ul style="list-style-type: none"> ▪ Follow up these accounts immediately
	Implement credit control to recover debt	<ul style="list-style-type: none"> ▪ DBSA, MM and CFO 	Feb 11	July 11	<ul style="list-style-type: none"> ▪ Follow up all outstanding accounts and proceed with legal steps
	Implement indigent policy	<ul style="list-style-type: none"> ▪ DBSA, MM and CFO 	Feb 11	July 11	<ul style="list-style-type: none"> ▪ Application register to be implemented and monitored

STRATEGY NINE: BUILD INTERNAL CAPACITY

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
<ul style="list-style-type: none"> Identify and establish the internal capacity needs 	Determine capacity needed to implement financial recovery effectively	<ul style="list-style-type: none"> DBSA, MM, and CFO 	Feb 11	Mar 11	<ul style="list-style-type: none"> Revenue/Expenditure Manager to be appointed as soon as possible Two additional officials to be deployed to assist with the billing system and HR matters.
<ul style="list-style-type: none"> 	Assess the current organigram of the municipality and make bold decisions	<ul style="list-style-type: none"> DBSA, MM, and CFO 	Feb 11	Mar 11	<ul style="list-style-type: none"> Updated organigram for the municipality
<ul style="list-style-type: none"> 	Appointment of additional staff to perform the functions of the Revenue and Expenditure Managers and billing and H/R matters	<ul style="list-style-type: none"> DBSA, MM, and CFO 	Feb 11	Mar 11	<ul style="list-style-type: none"> Implementation of financial recovery plan effectively

STRATEGY TEN: FINANCIAL REPORTING

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
<ul style="list-style-type: none"> Financial reporting 	Quarterly reports	DBSA and CFO	Feb 11	July 11	To meet with compliance with the MFMA
	Mid year assessment report (Section 72)	DBSA and CFO	Feb 11	Feb 11	To meet with compliance with the requirements of the MFMA
	Monthly reports to be submitted monthly and timely (Section 71)	DBSA and CFO	Feb 11	July 11	To meet with compliance with the requirements of the MFMA

STRATEGY ELEVEN: ANNUAL FINANCIAL STATEMENTS

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
Annual Financial Statements	Submission of timely, credible AFS before 31/08/2011	DBSA and CFO	Feb 11	May 11	To obtain a service provider timeously to submit a credible AFS

STRATEGY TWELVE: REVIEW OF FINANCIAL SYSTEM

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
▪ Review of financial system	Review of the ABACUS financial system	DBSA, MM and CFO	Feb 11	Apr 11	To ensure whether the financial system operates efficiently and effectively.
▪	Service providers to present various financial systems	DBSA, MM and CFO	Feb 11	July 11	To obtain the most appropriate financial system for the municipality.

STRATEGY THIRTEEN: PAYROLL ADMINISTRATION

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
▪ Payroll administration	Financial management	DBSA and CFO	Feb 11	July 11	To ensure sound financial management
▪	Salary suspense accounts to be cleared with supporting documentation being filed properly	DBSA and CFO	Feb 11	July 11	To ensure accurate records with supporting documents

STRATEGY FOURTEEN: RECONCILIATIONS

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
▪ Reconciliations	Creditors Debtors Inventory Salary Valuation roll	DBSA and CFO	Feb 11	July 11	To ensure proper internal control on a monthly basis and reconciliations performed timeously
▪	Training of personnel responsible for the reconciliations above	DBSA and CFO	Mar 11	Jul 11	Capacity building of staff on a one to one basis

STRATEGY FIFTEEN: RISK MANAGEMENT

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
▪ Risk management	Perform a risk assessment	DBSA and Treasury	Mar 11	Apr 11	This is needed for Internal Audit/Audit Committee to base their one and three year Audit Plan.
	Perform a risk management plan	DBSA and Treasury	Mar 11	Apr 11	This will ensure that the risks are properly mitigated.

STRATEGY SIXTEEN: TRAINING

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
▪ Training	Training plan for employees	DBSA	Apr 11	ongoing	Implement and monitor
▪	Skills audit	DBSA	Apr 11	July 11	A credible service provider will ensure deliverables
▪	GAMAP/GRAP	DBSA	Apr 11	July 11	The current staff will benefit with this type of training

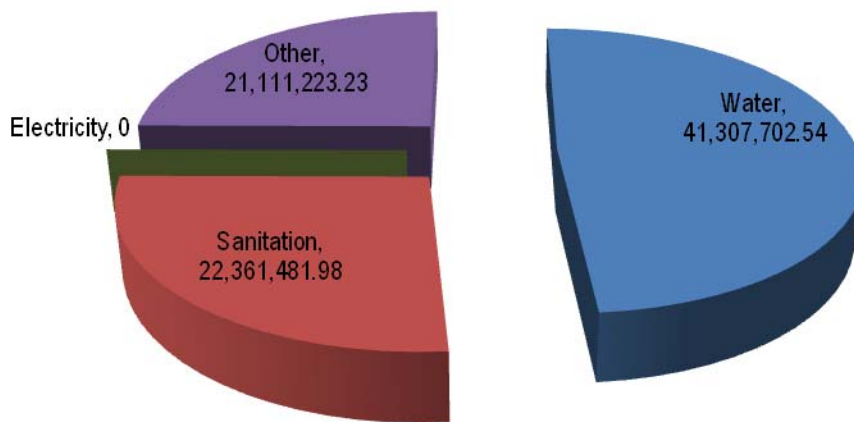
STRATEGY SEVENTEEN: IT AND EMAIL

Key Focus Area	Activities	Responsible	Start Date	End Date	Milestones/ Output
IT email system	Review current IT system	DBSA, MM, CFO and IT	Feb 11	Mar 11	To ensure IT network is effective and efficient.
▪	Implement email	DBSA, MM, CFO and IT	Feb 11	Mar 11	Implement and monitor

ANNEXURE: 5. ANNUAL REPORT AND FINANCIAL STATEMENTS (2009/2010 FY)
PERFORMANCE AND HIGHLIGHTS
INFRASTRUCTURE PROJECTS

The Umkhanyakude District Municipality has been vigorously working towards addressing the needs of the District's communities as been expressed as priority issues through the Integrated Development Plan (IDP). Water and sanitation remained at the top of priority list in terms of the 2009/2010 IDP; as such implementation and focus had to be on responding and addressing those service delivery issues.

It is for that reason water and sanitation related projects became the main focus of implementation. Expenditure on Infrastructure projects for the year under review is portrayed in the graph below. The graph illustrates water, sanitation projects and others, including establishment of sporting complexes, community halls and PMU salaries.



WATER-RELATED PROJECTS

Categorically, water-related projects could include construction of new water schemes, upgrading of water schemes, borehole installation, and extension of water reticulation, installation of water meters, installation of bulk water pipelines and installation of hand pumps.

An amount of R 41,307,702.54 was spent on water-related projects. All but one project (Hluhluwe: CWSS Phase 3 - Reticulation Water Supply) were implemented within what they had been budgeted for. The total expenditure for Hluhluwe: CWSS Phase 3 - Reticulation Water Supply project was R 2,954,256.10; R 654,256.10 more than its initial budget of R 2,300,000.00

PROJECT NAME	TOTAL EXPENDITURE	BUDGETED (09/10)	VARIANCE
Hluhluwe: CWSS Phase 3 - Reticulation Water Supply	R 2,954,256.10	R 2,300,000.00	-R 654,256.10
Phelandaba Water Supply Scheme	R 548,826.07	R 8,400,000.00	R 7,851,173.93
Kwangwanase Community Water Supply Phase 3	R 20,482,633.61	R 23,100,000.00	R 2,617,366.39
Ntshongwe/Malobeni Water Supply Project Phase 2	R 1,281,313.30	R 2,026,004.00	R 744,690.70
Ezibayeni Water Supply Phase 2	R 2,559,276.86	R 3,200,000.00	R 640,723.14
Mpophomeni Community Water Supply Scheme Ph 2	R 8,612,611.94	R 12,356,239.88	R 3,743,627.94
Isihlangwini Phase 2 Water Supply	R 410,775.01	R 2,200,000.00	R 1,789,224.99
Othobothini Water Supply Project (AFA) MIS 167717	R 4,458,009.65	R 7,876,483.00	R 3,418,473.35
TOTAL	41,307,702.54	61,458,726.88	20,151,023.46

SANITATION-RELATED PROJECTS

Sanitation projects include construction of new water sewerage treatment plants, upgrading of existing sewerage treatment plant, extension and/or upgrading of sewer network, storm water drainage, upgrading of bulk water sewerage system, sewer reticulation and construction of VIP toilets.

Regarding sanitation, five (5) projects were initially planned; and three projects were implemented instead. Othobothini Sanitation and Makhathini Sanitation projects had to be halted due to the realization that Phelandaba Phase 2 and Shemula Phase 3 projects' expenditure far exceeded the initial budget by R4, 264,708.96 and R2, 178,815.15 respectively. Umkhanyakude District Municipality remains committed in implementing these projects for they still remain a priority.

Sanitation-related projects were budgeted a total amount of R19, 640,440.84. A total amount of R22, 361,481.98 was spent on three projects.

PROJECT NAME	TOTAL EXPENDITURE	BUDGETED (09/10)	VARIANCE
Phelandaba Sanitation Project Phase 2	R 11,264,708.96	R 7,000,000.00	-R 4,264,708.96
Othobothini Sanitation Project Ph 2	R 0.00	R 2,000,000.00	R 2,000,000.00
Stormwater Drainage and Road Upgrade for Phumlani Village	R 1,133,957.87	R 1,340,000.00	R 206,042.13
Shemula Sanitation phase 3	R 9,962,815.15	R 7,784,000.00	-R 2,178,815.15
Makhathini Sanitation Phase2	R 0.00	R 1,516,440.84	R 1,516,440.84
TOTAL	R22,361,481.98	R19,640,440.84	-R2721041.14

ELECTRICITY PROJECTS

There were no electricity-related projects implemented in the financial year under review. This implies that no houses were electrified during that financial year. The supply of electricity remains one of the biggest challenges for the Umkhanyakude District Municipality. The area is vast and is one of the biggest districts in the province. The majority of the population is rural and households are scattered across the countryside adding to the complexities and cost of service delivery.

There are currently large areas that do not have any form of electricity supply and other areas that experience intermittent supply. Progress in the alleviation of the backlog has been hampered in recent times by the countrywide supply crisis that has struck Eskom. Notwithstanding, electricity remains the main issue, second behind water in terms of communities' priority needs. Therefore, ESKOM as a supplier the bulk of electricity in uMkhanyakude has to build new substations to cater for the demand. ESKOM is being engaged at Portfolio Committee level to enhance services delivery in this regard.

OTHER INFRASTRUCTURE-RELATED PROJECTS

These include construction of community facilities such as sports complexes, community halls etc. Also included there is money put aside for retention. It should be noted that the total expenditure for all projects listed below was well within what they had been budgeted for.

PROJECT NAME	TOTAL EXPENDITURE	BUDGETED (09/10)	VARIANCE
Makhasa Sport Complex	R 3,239,301.83	R 10,500,000.00	R 7,260,698.17
Mtubatuba Sports Complex	R 5,778,662.70	R 7,500,000.00	R 1,721,337.30
Enkanyezini B & C	R 12,093,258.70	R 21,500,000.00	R 9,406,741.30
Mtubatuba Ward 2 Community Hall	R 175,781.25	R 1,200,000.00	R 1,024,218.75
PMU SALARIES	R 1,616,288.44	R 2,922,832.28	R 1,306,543.84
TOTAL	R34,820,770.37	43,622,832.28	20,719,539.36

PUBLIC PARTICIPATION

Chapter 4 of the Municipal Systems Act (32 of 2000) makes provision for communities to take part in the affairs of the municipality. The process of public participation at Umkhanyakude District Municipality has had a multi-faceted approach. The District engaged with all five local municipalities, and their respective communities within the District through Integrated Development Planning process that include but not limited to IDP Representative Forums; budget consultation process; IDP Road shows.

Adhering to this process the District conducted five consultative meetings within each local municipality. Through these meetings, communities were exposed to a District Municipal Plan and were encouraged to make inputs not only on the plan, but also on the budget. Three of four IDP Representative Forum meeting were conducted. Of the six IDP Steering committees meeting initially planned; none of them took place. The Municipality has learned a lot and improved immensely on that regard as it would be evident in annual report following the financial year under review.

The IDP Steering committee meetings were scheduled as follows:

DATES
14 July 2008
15 September 2008
17 November 2008
12 January 2009
16 March 2009
25 May 2009

The IDP Representative Forum meetings were scheduled as follows:

DATES
17 September 2008
26 November 2008
22 April 2009
30 June 2009

The focus of IDP road shows for 2009/2010 was on engaging communities in municipal agenda concerning current issues of development. IDP road shows created opportunities whereby communities could interact directly with their mayors on issues that affect them, especially delivery of basic services. Throughout the road shows issues around provision of water and sanitation were raised by members of various communities.

In an effort to enhance public participation, a special secretarial team was created to do interviews around service delivery issues. This was done mainly because not everyone could have had a chance to raise their concerns to the honorable Mayor due to, among others, time constraints. Through the assistance of the secretarial team, the IDP/PMS Unit recorded all issues/concerns raised by communities. This assisted the unit towards the review of the IDP. During the IDP Road show

Five road shows were held as per schedule on five local municipalities. The purpose of staging the District-wide IDP Road shows was to create an environment whereby a broader community is reached in each local municipality. Furthermore, this process enabled members of the community to interact directly with their Mayors on issues regarding service delivery.

The schedule for IDP road shows for 2009/2010 was as follows:

Date	Municipality	Venue
22 November 2009	Mtubatuba	Kwa-Msane
28 November 2009	Umhlabuyalingana	Manguzi Sports Ground
29 November 2009	The Big 5 False Bay	Nibela-Qomukuphila Primary School
05 December 2009	Hlabisa	Mdletsheni- Engodini
06 December 2009	Jozini	Msiyane Sports Ground

A total amount of R2, 148, 791 was spent on the IDP road shows by the District. At certain instances municipalities covered some extra costs. The total expenditure covered items such as transportation of communities to the events, catering, advertising etc.

Municipality	Total Expenditure
KZ 273	R 352,544
KZ 275	R 405,317
KZ 271	R 416,427
KZ 272	R 430,877
KZ 274	R 543,627
TOTAL	R 2,148,791

DISASTER MANAGEMENT



The Umkhanyakude Disaster Management Plan has been developed by Rural Metro. All but one phase of the plan have been completed. The only phase left concerns filling in the details of stakeholders.

An amount of R2, 500 000 was secured from the Department of Co-operative Governance and Traditional Affairs facilitated by PDMC. Such an amount was therefore deposited to Umkhanyakude District Municipality account in March 2010.

An advert has been drafted for qualified engineers who are going to draw the plan, formulate tender documents and be project managers of the project. The process is now with Supply Chain for publishing.

Even though there is a Disaster Management Advisory Forum; it is not functioning well due to absenteeism. Frequent introduction of new members at each meeting makes it difficult to approve the minutes of the past meetings; hence there is lack of continuity.

There were no major incidents in the year under review, with the exception of storms that ravaged Jozini and surrounding areas in northern KwaZulu-Natal on Friday the 4th of December 2009. The Umkhanyakude District Municipality through COGTA-KZN responded swiftly to the incident. Temporal shelter was provided to 250 affected homes. That was accompanied by food parcels and blankets.

In the year under review the District Municipality embarked on a Disaster Management awareness campaign. All five municipalities and the District were represented by their respective political and administrative structures. Rural metro, South African Police Services (SAPS) and other stakeholders formed part of the awareness campaign. Roadblocks were conducted led by the SAPS and Mayors of the municipalities within the District, teaching and informing people about all forms of disasters that could happen in the District and how to avoid and/or deal with such disaster.

THE FIFA WORLD CUP 2010 LEGACY PROGRAMME

It is now history that South Africa hosted what was considered the best FIFA World Cup soccer event in the history of the organization (FIFA). Umkhanyakude District Municipality is one of the municipal areas that couldn't play any direct role insofar as the hosting of the 2010 FIFA World Cup tournament. This being the case, the District Municipality opted for the idea of affording local communities with an opportunity to share in the tournament's festivities through the development of Public Viewing Spaces. The aim was to make a lasting impression that could form part of the District Municipality's 2010 FIFA World Cup legacy programme.

In its efforts to expose local communities to the FIFA Soccer World Cup hype; Umkhanyakude District Municipality took a giant step forward in the coordination and implementation of Kwa-Msane Public Viewing Space. The District Managed to secure financial and technical support from cell-phone giant MTN through SANRAL amounting to R3000000.00 for the development and maintenance of the kwa-Msane PVS for the period of three years.

Following an approval by EXCO to outsource an amount not exceeding R15000.00 for material and labour, connection of electricity at the Kwa-Msane Sports-field as part of the Public Viewing Space development programme for the Municipality was conducted.

The Kwa-Msane Public Viewing Space operated as a hub of 2010 FIFA World Cup activity for Umkhanyakude District. Entrance to the site was free and matches were beamed live on big screen TV. Even after the World Cup had ended, communities continue to converge to the Kwa-Msane Public Viewing Space to watch local soccer. Communities can now even watch national or provincial events, such as "State of the nation address" on the PVS.

ARTS AND CULTURE

UMKHANYAKUDE DISTRICT MUNICIPALITY SIYAY'SHAY'INGOMA

The area of Umkhanyakude District and its people is endowed with rich heritage and culture. This includes things such as poetry; sculpturing and various others must see attractions. Of particular to this proposal is the idea to stage an Umkhanyakude Siyay'ishay'ingoma event to coincide with the Day of Reconciliation (16 December).

The event was held on the 16th of December and it showcased the four (4) most popular genres of traditional dances which are:

- Isigekle;
- Isishameni sezintombi;
- Isishameni sezinsizwa; and
- Indlamu.

Hosting of the event circulates among five local municipalities within the District; and the 2009 event was hosted by The Big Five False Bay Municipality at KwaMduku just behind Makhasa Hall.

38 groups from all five local municipalities participated in various genres, as mentioned above. R109 000 was budgeted for the event, which covered among others prices for the eventual winners. A total of R90 458.75 was used, therefore R19 041.25 was saved.

Prices for the winners were in the form of livestock (cows and sheep) and also money.

HIV/AIDS COORDINATION

Umkhanyakude District Municipality could not review its HIV/ Aids strategy, and such efforts were also impeded by a sudden resignation of an HIV/AIDS Coordinator. Notwithstanding, the District has a functional District Aids Council (DAC). The DAC constitutes of the following members: 5 Local Municipalities and the District Municipality, Government Departments, Civil Society, Private Health sector and the Traditional leaders. Even though funding for HIV/ AIDS remains a challenge; HIV/AIDS coordination was budgeted an amount of R2, 000, 000.00.

The District also launched an HIV/AIDS Community Programme. The HIV/AIDS Programme aimed at intensifying community education regarding HIV/AIDS by among others utilizing volunteers to disseminate information on how to prevent the spread of HIV/AIDS, how to take care of people living with HIV/AIDS and how to live positively.

As a way forward and in order to sustain the program the District needs to fill the vacant post of an HIV/AIDS coordinator. There should also be fulltime coordinators at local municipalities for hand-on and monitoring of the program. R1, 000, 000.00 was set aside for HIV/AIDS intervention in the financial year under review.

WOMEN, CHILDREN, SENIOR CITIZENS AND PEOPLE WITH DISABILITY

Umkhanyakude District is committed in addressing the plight of the vulnerable, i.e. children, women, and people with disability. There are two full time coordinators at the employ of the municipality, one's focus is on women and children and the other, people with disabilities. Due to financial constrains, not all programmes earmarked for these people materialized. There is therefore a need for the District Municipality to engage and liaise with Provincial and National spheres of government for the implementation of programmes directed to these people.

WOMEN'S DAY CELEBRATION EVENT

Umkhanyakude district Municipality organized a women's day event hosted by Hlabisa Municipality on the 6th of September 2009. The theme and the purpose of the event was "UKUZAKHA NOKUZENZELA", whereby local women were encouraged to do things for themselves; to advise and alert communities about the services that the Umkhanyakude District family of municipality render to women; and to encourage Umkhanyakude women to take a stand in political leadership

The event was championed by Cllr. T.P. Madlopha (Jozini Municipality Mayor) and Cllr. Nhleko. Umkhanyakude District Municipality through the community portfolio committee approved R260, 000.00 for staging of the event.

SENIOR CITIZENS' DAY CELEBRATION

Senior Citizens' Day is celebrated annually at Umkhanyakude District Municipality. This day serves as an awareness day that promotes the importance of senior citizen in the families. Jozini Municipality played host to this annual event, and the event was held at Bhambanana Sports-field. The theme for the day was "SENIOR CITIZENS HAVE RIGHTS TOO". The message for the day was:

- Spend some time with the senior citizens;
- Show appreciation to senior citizens;
- Do volunteer work in support of the elderly;
- Assist care givers of senior citizens

Various stakeholders, such as EMRS, DoH, oS&R and Rural Metro contributed towards the success of the event. Through the Department of Health for instance; eye and BP screening, and physiotherapy were provided to the elderly.

The Department of Sports and Recreation organized some games such as rombas, ropes upon which the elderly participated. Food parcels were given to the elderly. In terms of the Service Delivery Budget and Implementation Plan for Community Services Department; the event was allocated R390, 000.00. The District Municipality overspent that amount by R42, 279. 20. Hence the total amount spent was R423, 279. 20.

SPORTS AND RECREATION

Umkhanyakude District Municipality has contributed immensely to sports and recreation in the District. The District's contribution has been two-folds; on one hand through the implementation of sports and recreation infrastructure projects (e.g. Makhasa and Mtubatuba Sports complexes) at the local municipalities; and on the other hand through hosting of mayoral games, whereby selected youths for various sports codes go on and represent Umkhanyakude District Municipality at annually-conducted KWANALOGA Games. Sport and recreation was provided with R2, 000,000.00 for the financial year under review.

The games were a success and provided a platform for Umkhanyakude youth to showcase their skills in different sport codes. It is worth noting that the provincial netball team is composed of mostly, players from Umkhanyakude whom have also been the champions for the past two years (2008 and 2009). A local soccer player who was part of the soccer team that played and lost the semi-final has since been signed to play professional football with one of the oldest and big teams in South African soccer, AMAZULU F.C.

ECONOMIC DEVELOPMENT

LOCAL ECONOMIC DEVELOPMENT AND TOURISM

Umkhanyakude District Municipality has its own functional economic development agency called Umhlosinga Development Agency (UMDA). The agency was established in 2006 with financial assistance from the Industrial Development Corporation. The UMDA functions as a Local Economic Development Agency (LEDA) growth and development in the District.

The agency is a dedicated entity responsible for the planning and implementation of a program of sustainable economic that acts as an agent, for and on behalf of the Umkhanyakude District Municipality, for the purposes of implementing an integrated and sustainable program of economic development in the municipality.

The UMDA moved into 1st Operational phase in 2009 and established five economic intervention Programs that talk to the IDP i.e. 1) Agribusiness, 2) Tourism, 3) Industry, 4) Property Development, and 5) Business Support and Development. UMDA has identified two Lead projects that would have long term benefits to the District Economic growth and Development. Those projects are:

- 1) The Mkuze Regional, and
- 2) The Jozini Hydro.

CHAPTER 4: UMKHANYAKUDE DISTRICT MUNICIPALITY CONSOLIDATED FINANCIAL STATEMENTS; for the ended 30 June 2010

STATEMENT OF FINANCIAL POSITION

	Notes	2009 R	2008 R
ASSETS			
Current Assets			
Inventories	6	984 719	1 204 803
Other Debtors	7	1 193 004	6 015 088
VAT Receivable	8	246 463	1 619 622
Prepayments	-	-	142 278
Consumer Debtors	9	4 065 201	22 755 735
Cash and cash equivalent	10	8 768 860	13 495 320
		15 58 247	45 232 846
Non Current Assets			
Property, Plant and equipment	2	1 076 506 868	1 047 705 289
Investment in subsidiary	3	100	100
Long-term receivable	4	-	255 071
Investments	5	11 192 954	89 508
		1 087 699 92	1 048 049 968
TOTAL ASSETS		1 102 958 169	1 093 282 814
LIABILITIES			
Current Liabilities			
Trade and other payables	15	59 830 192	62 276 165
Consumer deposits	17	712 741	605 849
Unspent conditional grant and receipts	11	57 945 404	26 909 904
Provisions	12	2 877 512	2 465 107
Current portion of long term liabilities	13	2 097 708	749 839
Current portion of finance lease obligations	14	1 066 680	1 428 381
Bank overdraft	10	3 450 306	-
		127 980 543	94 435 245
Non-liabilities			
Investment loan	3	100	100
Long term liabilities	13	10 497 758	14 625 326
Finance lease obligation	14	287 064	1 373 722
		10 784 922	15 999 148
TOTAL LIABILITIES		138 765 465	110 434 393
NET ASSETS		964 192 704	982 848 420
Net assets			
Reserves			
Accumulated surplus		964 192 704	982 848 420
TOTAL NET ASSETS		964 192 704	982 848 420

STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2009 R	2008 R
REVENUE			
Service charges	17	31 614 377	42 667 869
Property Rates	18	744 448	-
Rental Income		70 865	87 744
Other income		632 579	25 359
Governmental grants	23	187 364 030	234 885 398
Interest received-Investment		809 458	2 488 063
TOTAL REVENUE		221 235 757	280 154 433
EXPENDITURE			
Employee related costs	21	49 539 098	42 504 330
Remuneration of Councilors	22	2 698 646	2 336 665
Depreciation and amortization		47 991 900	57 146 677
Impairment loss/Reversal of Impairment		-	-
Finance costs	24	2 009 233	3 804 533
Provision for doubtful debts		37 098 827	20 400 694
Repair and maintenance		5 136 552	6 750 311
Bulk purchases	26	52 227 457	43 574 348
Contracted services	25	120 249	3 779 473
Grant expenditure		4 676 654	24 376 396
General expenditure	20	38 392 862	28 623 856
TOTAL EXPENDITURE		239 891 479	233 297 283
(DEFICIT) SURPLUS FOR THE YEAR		(18 655 722)	(46 857 150)

STATEMENT OF CHANGES IN NET ASSETS

	Notes	Revaluation Reserve (R)	Government grant reserve (R)	Total reserves (R)	Accumulated surplus (R)	Total net assets (R)
Balance at 30 June 2008			487 569 065	487 569 065	87 795 507	575 364 572
Correction of prior period error	31				29 880 931	29 880 931
Restated balance			487 569 065	487 569 065	117 676 438	605 245 503
CHANGES IN NET ASSETS						
Surplus for the year	31				46 857 150	46 857 150
Revaluation of assets		345 619 008		345 619 008		345 619 008
Offsetting of depreciation		(8 782 076)		(8 782 076)	8 78 076	-
Write off of balance and other correction during the year					(4 809 100)	(4 809 100)
Write off of accumulated depreciation on evaluation and disposal of assets					6 388 056	6 388 056
Transfer of sports complex			(14 996 284)	(14 996 284)	-	(14 996 284)
Automatic transfers incorrectly processed					(1 455 907)	(1 455 907)
Transferred to accumulated surplus			(472 572 780)	(472 572 780)	472 572 780	-
Reversal of revaluation surplus incorrectly recognized previously		(345 619 008)		(345 619 008)	345 619 008	-
Reversal of depreciation offset against accumulated surplus incorrectly recognized previously		8 782 076		8 782 076	(8 782 076)	-
TOTAL CHANGES		-	(487 569 065)	(487 569 065)	865 171 988	377 602 923
Restated Balance as at June 2009	31	-	-	-	982 848 426	982 848 426
Surplus Deficit of the year					(18 655 722)	(18 655 722)
TOTAL CHANGES					(18 655 722)	(18 655 722)
BALANCE AS AT JUNE 2009					964 192 704	964 192 704

CASH FLOW STATEMENTS

	Notes	2009 R	2008 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		245 454 354	285 688 447
Cash paid to suppliers and employees		(160 668 331)	(117 406 359)
Cash generated from operations	27	84 786 023	168 282 089
Interest income		809 458	2 488 063
Finance costs		(2009 233)	(3 804 533)
Net Cash from operating activities		83 586 249	166 965 618
CASH FLOW FROMS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(76 793 480)	(110 812 051)
Prior period errors		-	(50 549 415)
Movement in investment		(11 103 446)	8 689 296
Increase in long term receivables		255 071	(9 598)
Net Cash from investing activities		(87 641 855)	152 681 768
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in long term liabilities		(4 127 568)	(2 440 542)
Movement in Finance lease obligation		(1 086 655)	(618 845)
Movement in current portion of long term liabilities		1 347 870	(2 060 808)
Movement in current portion of finance lease liabilities		(361 701)	1 428 380
Movement in consumer deposits		106 895	239 810
Net Cash from financing activities		(4 121 157)	(3 452 005)
TOTAL CASH MOVEMENT OF THE YEAR		(8 176 765)	10 831 845
Cash at the beginning of the Year		13 495 320	2 663 475
Net increase in cash and cash equivalents		5 318 555	13 495 320