



**O.R. TAMBO  
DISTRICT MUNICIPALITY**

# DRAFT INTEGRATED DEVELOPMENT PLAN 2012 -17

## EXECUTIVE MAYOR'S FOREWORD



The Integrated Development Plan (IDP) is a key coordination instrument between National, Provincial, Local Government as well as the organs of state including amongst others Traditional leadership institutions and state owned enterprises. It is indeed our firm understanding the District Municipality being the lead Intergovernmental Relations (IGR) role player and coordinator has an even bigger responsibility to ensure that its IDP is a reflection of such and can thus be a mandatory development planning tool guiding plans and interventions of the other role players in this district. This therefore necessitated our unwavering commitment to ensuring the consultation and involvement of all IGR stakeholders/ partners in the IDP development, implementation and monitoring processes. In the main we are actually making IDP planning, implementation and monitoring central in the IGR agenda in the O.R. Tambo district. We are confident that successful IGR will guarantee ownership and alignment of development issues, priorities as well as resource allocation by the various role-players, which will surely move us forward towards **the common goal of bringing tangible and sustainable delivery of basic services to the communities of O.R. Tambo district.**

This five year strategic plan is presented in full compliance with the relevant legislation including the Constitution of the Republic of South Africa, which sets out the objects of Local Government, the African National Congress (ANC) manifesto, etc. It also takes tune from the achievement of the previous terms of councils, the current council appreciates and acknowledges the achievements made and lessons learnt as reflected in the past 5 year term report so presented to this term as a baton signifying the point from which we are moving forward with the development of the communities of this district. This IDP and budget aligned to it is also developed in full consideration of what the communities have communicated during the various engagements and public participation platforms we have had across the district, which included the need to prioritise the following:-

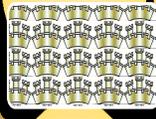
- Connecting more households to basic water services including sanitation, thus reducing service delivery backlog
- Creating employment/ job opportunities for the youth, women and disabled in particular
- Rectification of unfinished/ abandoned projects
- 

### **The O.R. TAMBO District Municipality Coat of Arms**

The coat of arms so presented was adopted by the O.R. Tambo District Municipal council of 2001, and during the past two terms of council until the current the same coat of arms is still regarded as relevant and has not been amended.



## O.R. TAMBO DISTRICT MUNICIPALITY COAT OF ARMS



**CROWN WITH CASTLES:** The constitution of the Republic of South Africa provides for the three spheres of Government which are the distinctive, inter-related and interdependent spheres of Government provided for in the Constitution are the National Government, the Provincial Government and the Local Government. The crown represents the cooperation and the relationship between these spheres.



**GREEN DIAMONDS SIDE BY SIDE:** The O. R. Tambo District Municipality is situated in one of the most beautiful areas in South Africa. The beautiful wild coast and the resorts scattered along the coastline, the major part of which is situated within this District Municipality, is rated as the best by far in the Southern Africa region. The opportunities for agricultural development are enormous, although untapped. The green diamonds in the logo, then, represent the green fields with natural vegetation, agriculture as well as the beautiful wild coast, including the green grass embedded in the mountains of our region.



**THE SUN RISING BEHIND THE GREEN MOUNTAINS:** South Africa has been ravaged by the abominable, corrupt twin systems of colonialism and apartheid for more than three hundred years. The lives lost in the struggles waged by our people to extricate themselves from the yoke of apartheid and colonialism have nurtured the tree of revolution. The sun rising behind the green mountains represents people who have finally conquered the system of apartheid rule and who must now focus their energies on the new challenges facing them, poverty, HIV/AIDS, crime, corruption and many more.



**THE ALOE:** represents the indigenous African people of the district, who were primary victims of apartheid and colonialism. The greenness of the aloe represents the ability of them to be able to overcome their economic hardships and to be able to take advantage of the opportunities of the new South Africa.



**VULTURES:** South Africa is a constitutional democracy. The attainment of political freedom was a significant milestone in the history of the country. This beautiful country, and indeed our district, is facing new hurdles in the form of rampant crime, poverty, HIV/AIDS. The vulture represents the strategies and tactics at our disposal to remove these hurdles.

## LEADERSHIP AND STRATEGIC POSTURE

By Mr. H.T Hlazo, Municipal Manager

O.R. Tambo District Municipality's key development goals for the next five (5) years of the current term of council, have been identified to be as follows:-

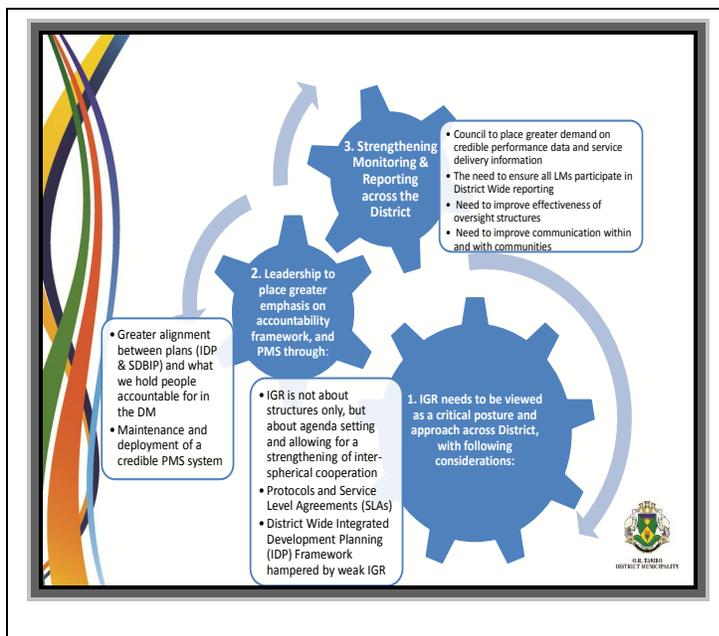
- Provide adequate and accessible infrastructure Coordinate a system of delivering sustainable services to O.R. Tambo district communities for the achievement of shared developmental outcomes by the National, Provincial and Local Government.
- Build a coherent district that is responsive, accountable and promotes clean governance
- Promote economic growth and creating sustainable economic activity through rationalized programmes within the limits of the available natural resource base.
- Promote sustainable community livelihoods and
- Improve the institutional systems and overall capacity

The IDP development process was undertaken within the framework of National, Provincial and District policies and legislation. informed by the following:

- The O.R. Tambo Five Year Term Report - 2006 -2011 -an assessment of IDP implementation
- Ushering in of the new term of Councillor following the 2011 Local Government Elections.
- Update on the Socio Economic Profile of the District
- IDP/Budget Public hearings in May 2011
- Comments from the MEC;
- National and provincial policies and plans.

Presented here, is the integrated development plan containing among others, the development objectives, strategies, indicators, targets as well as projects and programmes that are prioritised for implementation over the five year period. The development of such necessitated an extensive consultative process to maximise the participation of

various community structures as well as other Government sector department and state owned enterprises, which signifies the fact that this 5 year strategic plan is indeed a key strategic plan guiding development by all stakeholders in a local space. Planning for the implementation of this IDP once adopted will take full consideration of the fact



that for a successful service delivery implementation, there are systemic issues that need to be put in place as depicted in the figure below. The three components shown in the picture reflect a conducive environment that needs to be created to ensure that all systems run smoothly to delivering as per the given mandate for the next five years. These include working together with our Local Municipalities, credible planning and performance management (delivering on set targets) as well as compliance, communication and accountability.

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## CHAPTER 1. INTRODUCTION

### 1.1 LEGISLATIVE FRAMEWORK

The Constitution of Republic of South Africa Act 108 of 1996 regulates and directs the operations and existence of local sphere of government. Section 152 of the Constitution clearly sets out the objects of local government that a municipality must strive to achieve the following objects:-

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

Section 153 of the Constitution also stipulates that a municipality must:-

- a) Structure and manage its administration and budgeting and planning process to give priority to the basic needs of the community and to promote the social and economic development of the community and;
- b) Participate in national and provincial development programmes.

In order to realise the above objects, the Local Government Municipal Systems Act (32 of 2000) was enacted. Section 25 of the said Act stipulates that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which—

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

In addition Section 26 of the MSA prescribes the following peremptory components that an IDP must reflect on:

- *The municipal council's vision including the municipal critical developmental and transformation needs;*

- *An assessment of existing level of development in the municipality;*
- *The council's developmental priorities and objectives including its local economic development aims;*
- *The councils' development strategies which must be aligned to national and provincial sector plans;*
- *A spatial development framework which must include the provisions of basic guidelines for a land use management system;*
- *The council's operational strategies;*
- *Applicable disaster management plans;*
- *A financial plan, which must include a budget projection for the next three years; and*
- *The key performance indicators and performance targets determined in terms of section 41.*

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

- *An institutional framework for implementation of the IDP and to address the municipality's internal transformation;*
- *Investment initiatives must be clarified;*
- *Development initiatives including infrastructure, physical, social and institutional development and;*
- *All known projects, plans and programmes to be implemented within the municipality by any organ of state.*

The Municipal Finance Management Act No. 56 of 2003, (MFMA) provides for closer alignment between the Annual Budget and the compilation of the IDP. To give effect to the said mandates, the IDP has been legislated as a planning mechanism to be adopted by municipalities.

This document therefore signifies the start of O.R. Tambo district municipality's third IDP Cycle 2012 – 2017. The IDP as a strategic development plan is developed to guide all development in a municipal area and inform municipal budgeting and resource allocation. It also plays a pivotal role in informing all planning processes of the other spheres of government (National and Provincial) as well as all state owned enterprises. The main purpose of an IDP is to foster more appropriate service delivery by providing the framework for economic and social development within the municipality. In doing so it:-

- i. Contributes towards eradicating the development legacy of the past.
- ii. Operationalizes the notion of developmental local government.
- iii. Fosters a culture of co-operative governance.

## 1.2 ALIGNMENT WITH NATIONAL AND PROVINCIAL PLANS AND PRIORITIES

### 1.2.1 THE NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE

The fundamental aim of the NSDP is to guide the reconfiguration of apartheid spatial relations and the implementation of spatial priorities in ways that meet the Constitutional imperative to provide basic services to all; alleviate poverty and inequality; and to ensure that government investment is able to maximise its impact on growing the country's economy in sectors where there is greatest potential. Important in this is the targeting of government investment in ways that encourage the 'crowding in' of private investment.

The spatial configuration of our country is not only the product of investment and growth, but also of apartheid spatial planning – a disjuncture exists between where people live and where economic opportunities exist. This spatial marginalisation from economic opportunities is still a significant feature of our space economy that needs to be addressed in order to reduce poverty and inequality, and ensure shared growth.

The existing national policy allocates developmental responsibilities across all three spheres of government. The NSDP is intended to guide the three spheres of government to plan and allocate resources to achieve the country's developmental objectives. The NSDP document puts forward a set of principles, which recommend the focusing of government fixed investment in **areas with development potential**. It is argued that these areas present the greatest possibility for both economic growth and poverty alleviation.

In **areas of limited potential**, the NSDP proposes that government takes an approach that ensures that citizens are provided with a package of essential services. Moreover that government concentrates primarily on social investment, such as basic social infrastructure and human resource development, labour market intelligence and social grants. The fact that poverty may be dire in these areas does not mean that it is physically in such areas that poverty can be more effectively addressed.

#### **Intergovernmental planning and resource allocation**

To achieve a common platform for deliberation and decision-making around infrastructure investment and development spending decisions NSDP has 2 key components:

- the defining of the space economy in terms of needs and development potential

- the set of guiding principles, to be utilised by all actors in government when planning, deliberating and budgeting for investment and spending.

This requires a **well co-ordinated and integrated system of planning** in which the plans at a national, provincial and local level inform and are informed by each other. Also that there is agreement on the priority financing targets for both basic needs and economic development, and that the financing streams in the various spheres are targeted at these priorities.

Achieving this requires a strongly co-ordinated interaction between the key planning instruments in each sphere:

- At a national level within The Medium Term Strategic Framework (MTSF) and linked MTEF
- At a provincial level through Provincial Growth and Development Strategies (PGDSs) and Provincial MTEF's
- At a local level through the District and local municipalities, Integrated Development Plans and the Municipal MTEF's District wide agreements

Within this planning framework it is important to differentiate regions and sub regions. From an administrative perspective Districts are important foci of sub regional planning and the point at which the planning of the three spheres can best intersect.

A particular focus of this project is **district wide agreements needed on the district space economy** in terms of need/poverty and development potential. This agreement should not will not only form the base for preparing and reviewing IDP's in the district, but also agreements or implementation protocols on the roles and responsibilities regarding infrastructure investment and development spending in the district.

- Each of these should inform and focus the other in reconciling four fundamental planning imperatives:
  - **Alleviating poverty**
  - **Growing the local, regional and national economies**
  - **In doing so increasing the amount of employment**
  - **Maximising the skills and resources available to contribute to economic development**

## 1.2.2 THE MEDIUM TERM STRATEGIC FRAMEWORK (MTSF) AND OUTCOMES BASED APPROACH

The MTSF is meant to guide planning and resource allocation across all the spheres of government. National and provincial departments had to develop their five-year strategic plans and budget requirements taking into account the medium-term imperatives.

Similarly, informed by the MTSF and their 2006 mandates, municipalities are expected to adapt their Integrated Development Plans in line with the national medium-term priorities. The MTSF is reviewed annually during the mid-year Cabinet makgotla in the light of new developments and experience in actual implementation.

The yearly reviews then inform both the corresponding three-year rolling MTEF's and government's annual Programme of Action.

The 2009 Electoral Mandate of the ruling party identifies the following objectives:

- *Halve poverty and unemployment by 2014.*
- *Ensure a more equitable distribution of the benefits of economic growth and reduce inequality.*
- *Improve the nation's health profile and skills base and ensure universal access to basic services.*
- *Improve the safety of citizens by reducing incidents of crime and corruption.*
- *Build a nation free of all forms of racism, sexism, tribalism and xenophobia.*

To give effect to the above strategic objectives, the MTSF identifies 10 priorities which government work must be centered around:	The Manifesto and the MTSF were further translated into 12 outcomes through which government performance will be monitored:-
<ol style="list-style-type: none"> <li>1) <i>Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.</i></li> <li>2) <i>Massive programme to build economic and social infrastructure</i></li> <li>3) <i>Comprehensive rural development strategy linked to land and agrarian reform and food security</i></li> <li>4) <i>Strengthen the skills and human resource base - access to quality education</i></li> <li>5) <i>Improved health care for all South Africans</i></li> <li>6) <i>Intensify the fight against crime and corruption.</i></li> <li>7) <i>Build cohesive, caring and sustainable communities.</i></li> <li>8) <i>Pursuing African advancement and international relations.</i></li> <li>9) <i>Sustainable resource management and use.</i></li> <li>10) <i>Building a developmental state including improvement of public services.</i></li> </ol>	<ol style="list-style-type: none"> <li>1. <i>Quality basic education</i></li> <li>2. <i>A long and healthy life for all South Africans</i></li> <li>3. <i>All people in South Africa are and feel safe</i></li> <li>4. <i>Decent employment through inclusive economic growth</i></li> <li>5. <i>Skilled and capable workforce to support an inclusive growth path</i></li> <li>6. <i>An efficient, competitive and responsive economic infrastructure network</i></li> <li>7. <i>Vibrant, equitable, sustainable rural communities contributing towards food security for all</i></li> <li>8. <i>Sustainable human settlements and improved quality of household life</i></li> <li>9. <i>Responsive, accountable, effective and efficient Local Government system</i></li> <li>10. <i>Protect and enhance our environmental assets and natural resources</i></li> <li>11. <i>Create a better South Africa, a better Africa and a better world</i></li> <li>12. <i>An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship</i></li> </ol>

Although the outcome that relates specifically to local government is Outcome 9, the local government sphere has a role to play in all the 12 outcomes as shown on the table below.

**Table 1: 12 Outcomes of Government**

<b>Outcome 1: Improve the quality of basic education</b>		
<b>Outputs</b>	<b>Key spending programmes</b>	<b>Role of Local Government</b>
<ol style="list-style-type: none"> <li>1. Improve quality of teaching and learning.</li> <li>2. Regular Assessments to track progress.</li> <li>3. Improve early childhood development.</li> <li>4. A credible outcomes-focused accountability system</li> </ol>	<ul style="list-style-type: none"> <li>• Increase the number of Funza Lushaka bursary recipients from 9300 to 18 100 over the 2011 MTEF.</li> <li>• Assess every child in grades 3,6, and 9 every year.</li> <li>• Improve learning and teaching materials to be distributed to primary schools in 2014.</li> <li>• Improve maths and science teaching</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate the building of new schools by :</li> <li>• Participating in needs assessment s</li> <li>• Identifying appropriate land</li> <li>• Facilitating zoning and planning processes</li> <li>• Facilitate the eradication of municipal service backlogs in schools by extending appropriatebulk infastructure and installing connections</li> </ul>
<b>Outcome 2: Improve health and life expectancy</b>		
<b>Outputs</b>	<b>Key spending programmes</b>	<b>Role of Local Government</b>
<ol style="list-style-type: none"> <li>1. Increase life expectancy to 58 for males and 60 for females</li> <li>2. Reduce maternal and child mortality rates to 30-40 per 1000 births.</li> <li>3. Combat HIV/Aids and TB</li> <li>4. Strengthen health services effectiveness</li> </ol>	<ul style="list-style-type: none"> <li>• Revitalise primary health care</li> <li>• Increase early antenatal visits to 50%.</li> <li>• Increase vaccine coverage.</li> <li>• Improve hospital amd clinic infrastructure</li> <li>• Accredite health facilities</li> <li>• Extend coverage of new child vaccines.</li> <li>• Expand HIV prevention and treatment.</li> <li>• Increase prevention of mother-to-child transmission.</li> <li>• School health promotion increase school visits by nurses from 5% to 20%.</li> <li>• Enhance TB treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Many municipalities perform health functions on behalf of provinces.</li> <li>• Strengthen effectiveness of health services by specifically enhancing TB treatments and expanding HIV and AIDS prevention and treatments.</li> <li>• Municipalities must continue to improve Community Health Services infrastructure by providing clean water, sanitation and waste removal services.</li> </ul>
<b>Outcome 3: All people in South Africa are protected and feel safe</b>		
<b>Outputs</b>	<b>Key spending programmes</b>	<b>Role of Local Government</b>
<ol style="list-style-type: none"> <li>1. Reduce overall level of crime.</li> <li>2. An effective and integrated criminal justice system.</li> <li>3. Improve investor perceptions and trust.</li> <li>4. Effective and integrated border management.</li> <li>5. Improve perception of crime among the population.</li> <li>6. Integrity of identity of citizens and residents secures</li> <li>7. Cyber-crime combated</li> </ol>	<ul style="list-style-type: none"> <li>• Increase police personnel.</li> <li>• Establish tactical response teams in provinces</li> <li>• Upgrade IT infastructure in correctional facilities.</li> <li>• ICT renewal in justice cluster</li> <li>• Occupation – specific dispensation for legal professionals.</li> <li>• Deploy SANDF soldiers to South Africa’s borders.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate the development of safer communities through better planning and enforcement of municipal by-laws.</li> <li>• Direct the traffic control function towards policing high risk violations – rather than revenue collection.</li> </ul>
<b>Outcome 4: Decent employment through inclusive economic growth</b>		
<b>Outputs</b>	<b>Key spending programmes (National)</b>	<b>Roles of Local Government</b>

<ol style="list-style-type: none"> <li>1. <b>Faster and sustainable inclusive growth</b></li> <li>2. <b>More labour-absorbing growth</b></li> <li>3. <b>Strategy to reduce youth unemployment</b></li> <li>4. <b>Increase competitiveness to raise net exports and gross trade</b></li> <li>5. <b>Improve support to small business and cooperatives</b></li> <li>6. <b>Implement expanded public works programme</b></li> </ol>	<ul style="list-style-type: none"> <li>• Invest in industrial development zones</li> <li>• Industrial sector strategies – automotive industry; clothing and textiles</li> <li>• Youth employment incentive</li> <li>• Development training and systems to improve procurement</li> <li>• Skills development and training</li> <li>• Reserve accumulation</li> <li>• Enterprise financing support</li> <li>• New phase of public works programme</li> </ul>	<ul style="list-style-type: none"> <li>• Create an enabling environment for investment by streamlining planning application process</li> <li>• Ensure proper maintenance and rehabilitation of essential services infrastructure</li> <li>• Ensure proper implementation of the EPWP at municipal level</li> <li>• Design service delivery processes to be labour intensive</li> <li>• Improve procurement systems to eliminate corruption and ensure value for money</li> <li>• Utilise community structures to provide services</li> </ul>
<b>Outcome 5: A skilled and capable workforce to support inclusive growth</b>		
<b>Outputs</b> <ol style="list-style-type: none"> <li>1. <b>A credible skills planning institutional mechanism</b></li> <li>2. <b>Increase access to intermediate and high-level learning programmes</b></li> <li>3. <b>Increase access to occupational – specific programmes (especially artisan skills training)</b></li> <li>4. <b>Research, development and innovation in human capital</b></li> </ol>	<b>Key spending programmes (National)</b> <ul style="list-style-type: none"> <li>• Increase enrollment in FET colleges and training of lectures</li> <li>• Invest in infrastructure and equipment in colleges and technical schools</li> <li>• Expand skills development learnerships funded through sector training authorities and National skills Fund</li> <li>• Industry partnership projects for skills and technology development</li> <li>• National Research Foundation centres excellence, and bursaries and research funding</li> </ul>	<b>Roles of Local Government</b> <ul style="list-style-type: none"> <li>• Development and extend intern and work experience programmes in municipalities</li> <li>• Link municipal procurement to skills development initiatives</li> </ul>
<b>Outcome 6: An efficient, competitive and responsive economic infrastructure network</b>		
<b>Outputs</b> <ol style="list-style-type: none"> <li>1. <b>Improve competition and regulation</b></li> <li>2. <b>Reliable generation, distribution and transmission of energy</b></li> <li>3. <b>Maintain and expand road and rail network, and efficiency, capacity and competitiveness of sea ports</b></li> <li>4. <b>Maintain bulk water infrastructure and ensure water supply</b></li> <li>5. <b>Information and communication technology</b></li> <li>6. <b>Benchmark for each sector</b></li> </ol>	<b>Key spending programmes (National)</b> <ul style="list-style-type: none"> <li>• An integrated energy plan successful independent power producers</li> <li>• Passenger Rail Agency acquisition of rail rolling stock, and refurbishment and upgrade of motor coaches and trailers</li> <li>• Increase infrastructure funding for provinces for the maintenance of provincial roads</li> <li>• Complete Gauteng Freeway Improvement Programme</li> <li>• Complete De Hoop Dam and bulk distribution</li> <li>• Nandoni pipeline</li> <li>• Invest in broadband network infrastructure</li> </ul>	<b>Roles of Local Government</b> <ul style="list-style-type: none"> <li>• Ring-fence water, electricity and sanitation functions so as to facilitate cost-reflecting pricing of these services</li> <li>• Ensure urban spatial plans provide for commuter rail corridors, as well as other modes of public transport</li> <li>• Maintain and expand water purification works and waste water treatment works in line with growing demand</li> <li>• Cities to prepare to receive the devolved public transport function</li> <li>• Improve maintenance of municipal road network</li> </ul>
<b>Outcome 7: Vibrant, equitable and sustainable rural communities and food security</b>		
<b>Outputs</b> <ol style="list-style-type: none"> <li>1. <b>Sustainable agrarian reform and improved access to markets for small farmers</b></li> <li>2. <b>Improve access to affordable and diverse food</b></li> <li>3. <b>Improve rural services and access to information to support livelihoods</b></li> </ol>	<b>Key spending programmes (National)</b> <ul style="list-style-type: none"> <li>• Settle 7000 land restitution claims.</li> <li>• Redistribute 283 592ha of land use by 2014</li> <li>• Support emerging farmers</li> <li>• Soil conservation measures and sustainable land use management</li> <li>• Nutrition education programmes</li> </ul>	<b>Roles of Local Government</b> <ul style="list-style-type: none"> <li>• Facilitate the development of local markets for agricultural produce</li> <li>• Improve transport links with urban centers so as to ensure better economic integration</li> <li>• Promote home production to enhance food security</li> </ul>

<p>4. <b>Improve rural employment opportunities</b></p> <p>5. <b>Enable institutional environment for sustainable and inclusive growth</b></p>	<ul style="list-style-type: none"> <li>• Improve rural access to services by 2014: -Water – 92% to 100% -Sanitation – 69% to 100% -Refuse removal – 64% to 75% -Electricity – 81% to 92%</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure effective spending of grants for funding extension of access to basic services</li> </ul>
<b>Outcome 8: Sustainable human settlements and improved quality of household life</b>		
<b>Outputs</b>	<b>Key spending programmes (National)</b>	<b>Roles of Local Government</b>
<p>1. <b>Accelerate housing delivery</b></p> <p>2. <b>Improve property market</b></p> <p>3. <b>More efficient land utilization and release of state-owned land</b></p>	<ul style="list-style-type: none"> <li>• Increase housing units built from 220 000 to 600 000 a year</li> <li>• Increase construction of social housing units to 80 000 a year</li> <li>• Upgrade informal settlement: 400 000 units by 2014</li> <li>• Deliver 400 000 low-income houses on state-owned land</li> <li>• Improve urban access to basic services: -Water – 92% to 100% -Sanitation – 69% to 100% -Refuse removal – 64% to 75% -Electricity – 81% to 92%</li> </ul>	<ul style="list-style-type: none"> <li>• Cities must wait to be accredited for the housing function</li> <li>• Develop spatial plans to ensure new housing developments are in line with national policy on integrated human settlement</li> <li>• Participate in the identification of suitable land for social housing</li> <li>• Ensure capital budgets are appropriately prioritized to maximum existing services and extend services</li> </ul>
<b>Outcome 9: A response and, accountable, effective and efficient local government system</b>		
<b>Outputs</b>	<b>Key spending programmes (National)</b>	<b>Roles of Local Government</b>
<p>1. <b>Differentiate approach to municipal financing, planning and support</b></p> <p>2. <b>Community work programme</b></p> <p>3. <b>Support for human settlements</b></p> <p>4. <b>Refine ward committee model to deepen democracy</b></p> <p>5. <b>Improve municipal financial administrative capability</b></p> <p>6. <b>Single coordination window</b></p>	<ul style="list-style-type: none"> <li>• Municipal capacity-building grants:</li> <li>• Systems improvement</li> <li>• Financial management (target: 100% unqualified audits)</li> <li>• Municipal infrastructure grant</li> <li>• Electrification programme</li> <li>• Public transport &amp; systems grant</li> <li>• Bulk infrastructure &amp; water grants</li> <li>• Neighbourhood development partnership grant</li> <li>• Increase urban density</li> <li>• Informal settlements upgrades</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality</li> <li>• Implement the community work programme</li> <li>• Ensure ward committees are representative and fully involved in community consultation processes around the ID, budget and other strategic service delivery issues</li> <li>• Improve municipal financial and administrative capacity by competency norms and standards and acting against incompetence and corruption</li> </ul>
<b>Outcome 10: Protection and enhancement of environmental assets and natural resources</b>		
<b>Outputs</b>	<b>Key spending programmes (National)</b>	<b>Roles of Local Government</b>
<p>1. <b>Enhance quality and quantity of water resources</b></p> <p>2. <b>Reduce greenhouse gas emissions; mitigate climate change impacts; improve air quality</b></p> <p>3. <b>Sustainable environmental management.</b></p> <p>4. <b>Protect biodiversity</b></p>	<ul style="list-style-type: none"> <li>• National water resource infrastructure programme.</li> <li>• Expanded public works environmental programmes</li> <li>• Biodiversity and conservation</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and implement water management plans to reduce water losses</li> <li>• Ensure effective maintenance and rehabilitation of infrastructure.</li> <li>• Run water and energy saving awareness campaigns.</li> <li>• Ensure development does not take place on wetlandss</li> </ul>
<b>Outcome 11: A better South Africa, a better and safer Africa and world</b>		
<b>Outputs</b>	<b>Key spending programmes (National)</b>	<b>Roles of Local Government</b>
<p>1. <b>Enhance Africa agenda and sustainable development.</b></p> <p>2. <b>Enhance regional integration</b></p> <p>3. <b>Reform global governance institutions</b></p> <p>4. <b>Enhance trade and investment between South Africa and partners</b></p>	<ul style="list-style-type: none"> <li>• Proposed establishment of South African Development Partnership Agency.</li> <li>• Defence: peace support mechanisms</li> <li>• Border control: upgrade inland</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring basic infrastructure is in place and properly maintained.</li> <li>• Creating an enabling environment for investment.</li> </ul>

	ports of entry.	
<b>Outcome 12: A development orientated public service and inclusive citizenship</b>		
<b>Outputs</b>	<b>Key spending programmes (National)</b>	<b>Roles of Local Government</b>
<ul style="list-style-type: none"> <li>• <b>Improve government performance</b></li> <li>• <b>Government wide performance and monitoring</b></li> <li>• <b>Conduct comprehensive expenditure review.</b></li> <li>• <b>Celebrate cultural diversity</b></li> </ul>	Performance monitoring and evaluation Stats SA: Census 2011- reduce undercount. Sports and Recreation: support mass participation and school sport programmes	<ul style="list-style-type: none"> <li>• Continue to develop performance monitoring and management system</li> <li>• Comply with legal financial reporting requirements.</li> <li>• Review municipal expenditures to reduce wastage.</li> <li>• Ensure councils behave in ways that restore trust in local government.</li> </ul>

### 1.2.3 OUTCOME 9 UNPACKED

In line with the Programme of Action (POA ) of this new administration, an outcomes based approach has been adopted. This resulted in twelve outcomes approved by the Cabinet to address the main strategic priorities of the government. Each outcome has a set of measurable outputs and clear targets. These outputs should be the strategic focus of all spheres of government between 2011-2014. Based on the 12 outcomes, the President has signed Performance Agreements with each minister, which in return they have signed with their respective MECs and Mayors.

As part of responsibilities of the new Monitoring and Evaluation Department within the Presidency Office, a performance monitoring and evaluation management system has been introduced so as to continuously monitor the performance of all 12 outcomes. All spheres of government are expected to develop and produce strategic plans that will reflect the outcome based approach, so as to prepare for the realisation and commitment of the outcomes based approach. Provincial Departments of Local Government and Municipalities are guided by Outcome 9 and will be monitored on the performance of the 7 outputs of outcome 9 .

#### **Outcome 9 promotes a responsive, accountable , effective and efficient local government system.**

This outcome arises from the ideals of the best performing municipality as envisaged in the Local Government Turn Around Strategy (LGTAS). This will therefore necessitate that the implementation LGTAS as intended is monitored..

#### **7 Outputs of Outcome 9**

- **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

#### 1.2.4 THE NEW ECONOMIC GROWTH PATH

Government, under the leadership of Minister Ebrahim Patel, on 23 November 2010 released the **Framework of the New Economic Growth Path** aimed at enhancing growth, employment creation and equity. The policy's principal target is to create five million jobs over the next 10 years. This framework reflects government's commitment to prioritising employment creation in all economic policies. It identifies strategies that will enable South Africa to grow in a more equitable and inclusive manner while attaining South Africa's developmental agenda.

Central to the New Growth Path is a massive investment in infrastructure as a critical driver of jobs across the economy. This calls for all spheres of government to prioritise job creation and as such ensure that all programmes that they implement have an element of job creation.

- The framework for the New Economic Growth Path identifies investments in five key areas namely: energy, transport, communication, water and housing. Sustaining high levels of public investment in these areas will create jobs in construction, operation and maintenance of infrastructure.
- The new growth path sees the infrastructure programme as a trigger to build a local supplier industry for the manufacture of the components for the build-programme.
- Specific measures, particularly changes to procurement policy and regulations, are identified to ensure that this is achieved. Risks include the still fragile global recovery; competition and collaboration with the new fast-growing economies; and competing interests domestically.

The New Growth Path identifies five other priority areas as part of the programme to create jobs, through a series of partnerships between the State and the private sector:

- **Green economy:** expansions in construction and the production of technologies for solar, wind and biofuels is supported by the draft **Energy on Integrated Resource Plan**. Clean

manufacturing and environmental services are projected to create 300 000 jobs over the next decade.

- **Agriculture:** jobs will be created by addressing the high input costs and upscaling processing and export marketing. Support for small holders will include access to key inputs. Government will explore ways to improve working and living conditions for the country's 660 000 farm workers. The growth path also commits the Government to unblocking stalled land transfers, which constrain new investment.
- **Mining:** calls for increased mineral extraction and improving infrastructure and skills development. It focuses support for beneficiation on the final manufacture of consumer and capital goods, which can create large-scale employment. It foresees the establishment of a state mining company concentrating on beneficiation and enhanced resource exploitation in competition with a strong private mining sector.
- **Manufacturing:** calls for re-industrialisation in the South African economy based on improving performance through innovation, skills development and reduced input costs in the economy. The document targets a doubling of South Africa's research and development investment to 2% of gross domestic product by 2018.
- **Tourism and other high-level services:** hold employment potential and the framework calls for South Africa to position itself as the higher education hub of the African continent.

### 1.2.5 MILLENIUM DEVELOPMENT GOALS (MDG's)

The Millennium Development Goals (MDGs) – is a blue print agreed to by all nations of the world and by global leaders of strategic development institutions. This is an ambitious vision ever committed to by governments of the 19<sup>th</sup> to the 20<sup>th</sup> century which aims at among other things, halving extreme poverty, halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 – The overall goals are set out as follows:

1. Halving extreme poverty and hunger
2. Access to Universal Education
3. Gender equity
4. Child Health
5. Maternal Health
6. Combating HIV and AIDS
7. Environmental Sustainability, and

## 8. Promotion of global partnerships.

The leaders of the world have galvanized unprecedented efforts to meet the needs of the world's poorest by further committing to an action plan which will guide the implementation of the vision. Such an action plan was adopted in the UN Summit of 2010. A lot has been done in an attempt to address these global challenges however there is still more to be done looking at the road ahead which our IDP is mindful of.

"Eradicating extreme poverty continues to be one of the main challenges of our time, and is a major concern of the international community. Ending this scourge will require the combined efforts of all, governments, civil society organizations and the private sector, in the context of a stronger and more effective global partnership for development. The Millennium Development Goals set time bound targets, by which progress in reducing income poverty, hunger, disease, lack of adequate shelter and exclusion — while promoting gender equality, health, education and environmental sustainability — can be measured. They also embody basic human rights — the rights of each person on the planet to health, education, shelter and security. The Goals are ambitious but feasible and, together with the comprehensive United Nations development agenda, set the course for the world's efforts to alleviate extreme poverty by 2015. " In drafting this document, consideration has been given to the United Nations' Millennium Development Goals and the declaration thereof.

### **1.2.5 THE NATIONAL DEVELOPMENT PLAN (VISION 2030)**

Soon after the promulgation of the Outcomes Based Planning Approach, the State President restructured his cabinet to conform to the set standards. A Planning Commission which reports directly to the Presidency was one of the structures that were established. Its terms of reference were to give planning support and guidelines to all government institutions.

The Commission embarked on a diagnostic process in an effort to establish the planning data and realities on the ground. About eight issues all revolving around poverty and inequality were raised during this stage and they are: Poor education,

- High Disease rate,
- Exclusive Planning
- corruption,
- Ageing infrastructure,

- Poor job opportunities,
- Resource intensive economy,
- Public Services uneven and divided communities.

In a means to address these challenges, the Commission drew up a plan called the 2030 Plan for South Africa which is looking at a total attainment of a prosperous and equity state by the year 2030. This plan proposes a number of issues that need to be considered when doing our planning if we are indeed are to realize the 2030 vision. These areas were all given an honest consideration during the developmental stages of our IDP to ensure proper alignment. A one day session was even conducted with the Commission in a quest to customize the issues with the regional realities. These planning considerations are as follows:

- Creation of Jobs
- Expanding Infrastructure
- Transition to a low-carbon economy
- Transformation of urban and rural spaces
- Education and Training
- Provision of quality Health Care
- Building a capable State
- Fighting corruption
- Transformation and Unity

### **1.2.6 THE PROVINCIAL GROWTH AND DEVELOPMENT PLAN**

The Eastern Cape PGDP (2004 – 2014) provides a strategic framework, and sectoral strategies and programmes aimed at achieving a rapid improvement in the quality of life for the poorest people of the Province. In order to achieve this, the PGDP sets out a vision with quantified targets in the areas of economic growth, employment creation, poverty eradication and income redistribution for the ten-year period 2004-2014.

The strategy framework for growth and development is expressed in terms of six strategic objectives, which are divided further into **three key objectives** and **three foundation objectives**.

The three **key objectives**:

1. Systematic eradication of poverty through a holistic, integrated and multi-dimensional approach to pro-poor programming.
2. Agrarian transformation and strengthening of household food security.

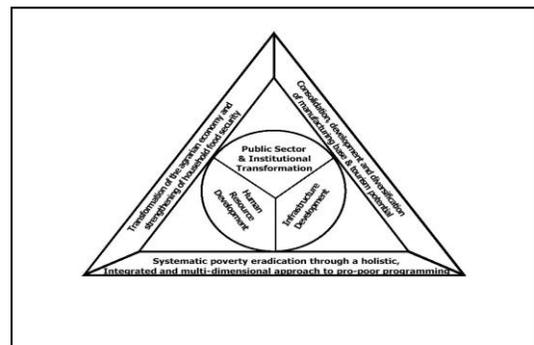
3. Consolidation, development and diversification of the manufacturing base and tourism potential.

These key objectives are supported by the following three **foundation objectives**:

1. Infrastructure development.
2. Human resource development.
3. Public sector and institutional transformation.

It is understood that the PGDP is presently under review. Nevertheless, it has initiated **14 Priority Programmes**, as follows: -

1. *Sustainable homestead food production programme, complemented by promotion of commercial production through programmes such as the Massive Food Production Programme.*
2. *Provincial industrial strategy identifying new opportunities and key sub-sectors in all parts of the province, and including provisions for the facilitation of structured finance for small manufacturing initiatives.*
3. *Integrated infrastructure development programme with a particular emphasis on rural infrastructure and job creation, and on the promotion of input purchase and service provision from local small and medium enterprise suppliers (Community Based Public Works Programme to be part and parcel of this process).*
4. *Programme to build access to productive assets by the poor (including assets such as land, plant, machinery and agriculture).*
5. *A programme of phased decentralization of service provision and facilitation of economic growth from provincial government departments to district and local municipalities, paying attention to the integration of the delegation of powers and functions, the building the capacity of municipalities, and the targeting and management of fiscal resources.*
6. *Integrated human resource development strategy that pays particular attention to skills development initiatives that address the income and asset base of the poor (such as learnerships) while addressing the longer term skills needs that will make the Eastern Cape more competitive.*



### **1.2.7 THE PROVINCIAL STRATEGIC FRAMEWORK (PSF)**

The Provincial Strategic Framework is a high level medium term strategic framework that is responding to the challenges of translating the electoral mandate into a clear and time bound government delivery programme. The central objective and mission of the strategic framework is to set the country and the province in particular on a higher sustained growth trajectory by the end of the mandate period with an expanded and more diversified economic base with unemployment and poverty halved (compared to 2004), with greater equity and social cohesion.

*Taking the tune from MTSF, the Provincial Strategic Framework (PSF) was endorsed by the Provincial Executive in June 2009. It is a **high level medium term strategic framework that** responds to the challenges by translating the electoral mandate into a provincial government programmes. It allows for the cascading of the current national Medium Term Strategic Framework (MTSF) into the province.*

*In the context of the planning in the province, the PSF is a strategic framework that unpacks the strategic objectives, priorities and targets of an electoral term. PSF have links to other planning instruments, which includes the PGDP and the Programme of Action. The PGDP is a blue-print that focuses on a longer term vision of the province. PSF also takes into account changing conditions globally and domestic.*

#### **PROVINCIAL STRATEGIC PRIORITIES**

*Strategic Priority 1: Speeding up growth and transforming the economy to create decent work and sustainable livelihoods*

*Strategic Priority 2: Massive programme to build social and economic infrastructure*

*Strategic Priority 3: Rural development, land and agrarian reform and food security*

*Strategic Priority 4: Strengthen education, skills and human resource base*

*Strategic Priority 5: Improving the Health profile of the Province*

*Strategic Priority 6: Intensifying the fight against crime and corruption*

*Strategic priority 7: Building a developmental state and improving the public services, and strengthening democratic institutions*

*Strategic priority 8: Building cohesive, caring and sustainable communities*

## 1.2.9 ALIGNMENT OF LG KPAS TO STRATEGIC PRIORITIES OF NATIONAL & PROVINCIAL GOVERNMENT

### *Local Government KPA : Basic Service Delivery and Infrastructure Development.*

<i>National Priorities</i>	<i>Provincial Priorities</i>	<i>Outcomes</i>
<p><i>Improve health profile of the nation.</i></p> <p><i>Comprehensive rural development strategy linked to land and agrarian reform &amp; food security.</i></p> <p><i>Massive programme to build economic &amp; social infrastructure;</i></p> <p><i>Sustainable resource management and use.</i></p>	<p><i>Improve the health profile of the province.</i></p> <p><i>Rural development, land and agrarian transformation, and food security.</i></p> <p><i>Massive programme to build social and economic and infrastructure.</i></p> <p><i>Building a developmental state.</i></p>	<p><i>An efficient, competitive and responsive economic infrastructure network.</i></p> <p><i>A long and healthy life for all South Africans.</i></p> <p><i>Sustainable human settlements and improve quality of household life.</i></p> <p><i>Protect and enhance our environmental assets and natural resources.</i></p>

### *Local Government KPA: Local Economic Development*

<i>National Priorities</i>	<i>Provincial Priorities</i>	<i>Outcomes</i>
<p><i>Speeding up economic growth &amp; transforming economy to create decent work and sustainable livelihoods;</i></p> <p><i>Comprehensive rural development strategy linked to land and agrarian reform &amp; food security.</i></p>	<p><i>Speeding up growth &amp; transforming the economy to create decent work &amp; sustainable livelihoods;</i></p> <p><i>Rural development, land &amp; agrarian reform and food security;</i></p> <p><i>Massive programme to build social &amp; economic infrastructure.</i></p> <p><i>Building cohesive &amp; sustainable communities.</i></p> <p><i>Building a developmental state.</i></p>	<p><i>Decent employment through inclusive economic growth.</i></p> <p><i>An efficient competitive and responsive economic infrastructure network.</i></p> <p><i>Vibrant, equitable, sustainable rural communities contributing towards food security for all.</i></p> <p><i>Sustainable human settlements and improve quality of household life.</i></p> <p><i>Protect and enhance our environmental assets and natural resources.</i></p>

### ***Local Government KPA: Good Governance and Public Participation***

<b><i>National Priorities</i></b>	<b><i>Provincial Priorities</i></b>	<b><i>Outcomes</i></b>
<p><i>Intensifying the fight against crime and corruption.</i></p> <p><i>Build cohesive, caring and sustainable communities.</i></p> <p><i>Pursuing African advancement and enhanced international cooperation.</i></p> <p><i>Building a developmental state including improvement of public services and strengthening democratic institutions</i></p>	<p><i>Intensify the fight against crime and corruption.</i></p> <p><i>Building cohesive and sustainable communities.</i></p> <p><i>Building a developmental state including improvement of public services and strengthening democratic institutions</i></p>	<p><i>Vibrant, equitable, sustainable rural communities contributing towards food security for all.</i></p> <p><i>Responsive, accountable, effective and efficient LG System.</i></p> <p><i>An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.</i></p> <p><i>Create a better South Africa, better Africa and a better world.</i></p>

### ***Local Government KPA: Municipal Transformation and Institutional Development***

<b><i>National Priorities</i></b>	<b><i>Provincial Priorities</i></b>	<b><i>Outcome</i></b>
<p><i>Strengthen skills and human resource base.</i></p> <p><i>Pursuing African advancement and enhanced international cooperation.</i></p> <p><i>Building a developmental state including improvement of public services and strengthening democratic institutions.</i></p>	<p><i>Massive programme to build social and economic infrastructure.</i></p> <p><i>Strengthen education skills and human resources base.</i></p> <p><i>Building a developmental state and improving the public service and democratic institutions</i></p> <p><i>Building cohesive, caring and sustainable communities</i></p>	<p><i>Quality basic education.</i></p> <p><i>Skilled and capable workforce to support an inclusive growth path.</i></p> <p><i>All people in SA are and feel safe.</i></p> <p><i>Responsive, accountable, effective and efficient LG System.</i></p> <p><i>An efficient, effective and development oriented public service and an empowered fair and inclusive citizenship.</i></p>

### ***Local Government KPA: Municipal Financial Viability and Management***

<b><i>National Priorities</i></b>	<b><i>Provincial Priorities</i></b>	<b><i>Outcome</i></b>
<p><i>Intensify the fight against crime and corruption;</i></p>	<p><i>Intensifying the fight against crime &amp; corruption;</i></p>	<p><i>Responsive, accountable, effective and efficient Local Government System</i></p>

### **1.2.10 LOCAL GOVERNMENT TURN-AROUND STRATEGY**

Local government in South Africa has contributed to the achievement of a number of significant social and economic development advances since the new democratic municipal dispensation. The majority of the citizens have increased access to a wide range of basic services and more opportunities have been created for their participation in the economy.

Since beginning of 2009 the country has been marred by service delivery protests. These protests were characterised by violence, intimidation, destruction of property (municipal, government as well as property owned by councillors). The Minister of Cooperative Governance and Traditional Affairs then commissioned a Task Team to undertake assessments in all municipalities in the country. These assessments then culminated into the State of Local Government Report.

Despite the valuable role that municipalities have played in the country's democracy, key elements of the local government have shown signs of distress.

All municipalities in the country were then directed to develop turn-around strategies in order to:

- Restore the confidence of the majority of the people in our municipalities as the primary delivery machine of the developmental state at a local level.
- To rebuild and improve the basic requirement for a functional, accountable, responsive, effective, efficient developmental local government.

Like all other municipalities in the country, the O.R. Tambo District municipality developed and adopted its Turn –around strategy in May 2010.

### **1.3 OVERVIEW OF IDP PROCESSES**

The Municipal Systems Act (MSA), 32 of 2000, section 25 (1) stipulates that each Municipal Council, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which, inter alia links, integrates and coordinates plans and takes into account proposals for the development of the municipality and aligns the resources and capacity of the municipality. This strategic plan is the Integrated Development Plan (IDP). As the IDP is a legislative requirement it has a legal status and therefore supercedes all other plans that guide development at local government level. Section 35 (1)(A) of the MSA defines the IDP as; *“a principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality”*.

Section 36 further stipulates that a municipality must give effect to its integrated development plan and conduct its affairs in a manner which is consistent with its integrated development plan. This document represents the IDP of the term of Council which started in June 2011.

### 1.3.1 IDP FRAMEWORK AND PROCESS PLAN

Section 27 of the MSA also stipulates that the development process of the IDP must begin with the formulation of the Framework Plan at the District Municipality level, which also provides an IDP framework for Local Municipalities within its area of jurisdiction. This is done to ensure alignment and coordination between the District and its Local Municipalities' processes. Following the Framework plan, Municipalities are also required to prepare process plans outlining the way in which the development process is to be undertaken to include the following:-

- i. A program with time frames, specifying the different steps to be followed
- ii. Outline of mechanisms, processes and procedures for consultation and participation of communities, traditional leaders, government departments and other roleplayers in the IDP process.
- iii. Layout of organisational arrangements in place for the IDP process
- iv. Binding plans and planning requirements
- v. Mechanisms and procedures for alignment
- vi. Financial requirements for the IDP process

On the 26 August 2011, the O.R. Tambo DM council after due consultation with the local municipalities, approved the framework and the process plans, to guide and inform the processes to be followed in the 2012/17 IDP PMS and Budget review process as prescribed by law.

### 1.3.2 Organisational Arrangements

The Mayor and the Municipal Manager were responsible for managing and drafting the Municipality's IDP. The following role players with the enlisted responsibilities were involved to ensure the success of the IDP Review process.

**Table 3. IDP Role players and responsibilities**

ROLE PLAYER	ROLES AND RESPONSIBILITIES
<b>COUNCIL</b>	<input type="checkbox"/> Approve and adopt the process and framework plans as well as the IDP <input type="checkbox"/> Monitor the implementation and approve any amendments of the plan when necessary
<b>EXECUTIVE MAYOR</b>	<input type="checkbox"/> Overall management, coordination and monitoring of the process and drafting of the IDP, which she assigns to the municipal manager. <input type="checkbox"/> Presents draft framework and process plans to council for adoption <input type="checkbox"/> Political coordination and management of the resulting implementation programme. <input type="checkbox"/> Presents draft reviewed IDP to the council for approval and adoption
<b>IDP REPRESENTATIVE FORUM</b>	<input type="checkbox"/> Provides an organisational mechanism for discussion, negotiation and decision making between stakeholders <input type="checkbox"/> Represents the interests of their constituencies in the IDP review process

	<input type="checkbox"/> Monitor the performance of the planning and implementation process
<b>MUNICIPAL MANAGER</b>	<input type="checkbox"/> Managing and coordination of the entire IDP process as assigned by the Executive Mayor <input type="checkbox"/> Facilitate the horizontal and vertical alignment of the District IDP review <input type="checkbox"/> Chair the IDP steering committee <input type="checkbox"/> Coordinate with various government departments to ensure proper alignment of programme
<b>IDP STEERING COMMITTEE</b>	<input type="checkbox"/> Provide technical and advisory support in the IDP development process <input type="checkbox"/> Monitor and evaluate effective management of IDP <input type="checkbox"/> Ensure strategic management of the implementation programme <input type="checkbox"/> Monitoring programme expenditure against budget <input type="checkbox"/> Commissions research studies and business plans for projects
<b>IDP COORDINATORS FORUM</b>	<input type="checkbox"/> ensure horizontal alignment between the District Municipality and between Local municipalities within the district; <input type="checkbox"/> ensure vertical alignment (through Department Local Government as official point of entry) between municipalities in the O R Tambo District and Provincial Government as well as National Government where relevant;
<b>PROVINCIAL GOVERNMENT DEPARTMENTS</b>	<input type="checkbox"/> Ensure that sector plans are aligned with; and are part of the District IDP
<b>SUPPORT PROVIDERS</b>	<input type="checkbox"/> Ensure that the IDP is aligned with the budget and planning requirement of both Provincial and National Departments. <input type="checkbox"/> Facilitate linkages between local and district municipal IDP <input type="checkbox"/> Provide information of national and provincial planning frameworks <input type="checkbox"/> Provide facilitation secretariat support
<b>SECTOR FORUMS</b>	<input type="checkbox"/> Ensure that each sector's input is incorporated into the IDP. <input type="checkbox"/> Develop sector strategies and programme for the next five years with all the relevant roleplayers.

### 1.3.3 Overview of process followed:

In August 2011 Council adopted the Process Plan, which outlined the process to be followed in conducting a review towards the 2011/12 Integrated Development Plan. Below is a summary of some of the key activities that were carried out during the review and development of IDP and Budget:

DATE	EVENT	ACTIVITY
<b>01 July to 31 August 2011</b>	Preparation of the IDP Review process	Development of District IDP Framework and Process Plan  Advertise for community and stakeholder participation in the IDP Rep Forum.  Establishment and Launch of the IDP Representative Forum
<b>August 2011</b>	IDP Steering Committee	Presentation of the District Framework and Process Plan.
<b>31 August 2011</b>	Council Meeting	Adoption of the Framework and Process plan.
<b>3 October 2011</b>	IDP Representative Forum	
<b>26 January 2012</b>	IDP Representative Forum	Presentation of the draft situational analysis.  Sector Departments reporting on all projects to be implemented in the District in the next financial year.
<b>February 2012</b>	Sector Forums  (Build - up sessions to the 5 Year IDP strategic planning session)	to develop 5 year sector programmes to be implemented by each sector in the 2012-17 IDP.  Identification of strategies, objectives and indicators for each Sector.
<b>5 – 8 March</b>	Five Year IDP Strategic	Identification of development priorities for the next five years.

<b>2012</b>	Planning Session	
<b>23 March 2012</b>	IDP Representative Forum	Agree on and finalise the development priorities for the term.
<b>30 March 2012</b>	Council Meeting	Tabling of Draft IDP & Budget for 2012/13.
<b>25 April – 4 May 2012</b>	IDP and Budget Roadshows	Solicit community inputs before the finalization of 2012/13 IDP and Budget.

### 1.3.4 Mechanisms and Procedures for Public Participation

The IDP Representative Forum is the main organizational mechanism in place for discussion, negotiation and decision-making between stakeholders with the municipal area. It is constituted of Councilors, Mayors and Municipal managers of all constituent municipalities, representative of organised role playing groups, NGO, Senior officials from Government departments and municipal heads of departments. A number of meetings and road shows will be conducted; radio announcements (UNITRA Community Radio, Ikhwezi FM, and Umhlobo Wenene) and local newspaper publications, (Daily dispatch, Pondo News, Ikhwezi news, Mthatha Fever ) will be made as an effort to ensure that the public is actively involved throughout the process.

### 1.3.5 CONSIDERATION OF MEC COMMENTS ON 2011/12 IDP REVIEW

The O.R Tambo DM IDP for 2011/12 was submitted for comments to the MEC for the Department of Local Government and Traditional Affairs in terms of the section 32 of the Municipal Systems Act no.32 of 2000. The department conducted IDP assessments, the outcomes of which are tabulated below, together with an indication of how the O.R. Tambo DM has considered such in the current review process. The gaps identified were taken into consideration and addressed in this review.

**Table 5. Consideration of MEC comments**

FUNCTIONAL AREA	GAPS IDENTIFIED	CORRECTIVE MEASURE/ ACTION UNDERTAKEN
WATER	The WSDP needs to be reviewed.	The DM has embarked on the process of reviewing the WSDP and the first will be available at the end of March 2011.
	The IDP clearly states that there are financial and human capacity constraints. Strategies need to be developed to recruit, retain staff, staff remuneration and skills development.	Process controllers have been trained and the placement process is almost finalised to address capacity constraints
	The IDP states that the WSA is the WSP. However, more details needs to be provided on the sustainability and efficiency of the WSP function	In the 2011/12 IDP review, under the Service Deliver KPA , the function of the WSP has been clearly outlined.

<b>Environmental management</b>	There is no information on the existence of the Environmental Management Plans e.g. EMP, Integrated Waste Management Plan or Strategy , Air Quality management plan and strategic environmental assessment.	Will be covered in the 2012.13 IDP
<b>Forestry Plan</b>	. DM needs to develop a Forestry Plan as well as a greening strategy for the streets.	DM needs to budget for the development of the said sector plan or source funding from the relevant sector departments.
<b>Free Basic Services</b>	There is no indication on the existence of a functional ISD unit in the DM.	Covered in the current IDP.
	IDP does not reflect on issues of water resources development in terms of demand management, water balance issues and ecological reserves.	Covered in the current in the WSDP
	There is no indication of the budget on free basic services	Covered in the current in the WSDP
	No reflection on the status of water quality monitoring with respect to drinking water quality, water resources quality and WWTW releases.	Covered in the current in the WSDP
	No indication of a plan and budget for operation and maintenance of water and sanitation services.	Covered in the current in the WSDP
<b>Disaster Management</b>	Is there a Disaster Management Centre	Yes though not in terms of the legislation. The centre is housed within the municipal premises.
	No indication that Disaster Management by-laws have been adopted.	Covered in the current IDP. Not applicable as there has been no need yet.
	Does a disaster management plan exist	Not yet, process started, plan to be finalised next financial year
<b>Fire Services</b>	The municipality does not mention whether there is fulltime fire service.  Also no mention that the DM has cooperative agreements with other relevant municipalities for the operation of the fire service.	Yes, there is mentioned in the current IDP.
<b>Public Amenities and Community Facilities</b>	No indication whether the DM has performed an audit	Covered in the current IDP.
<b>Local Economic Development</b>	No indication on the business retention, expansion and attraction strategies	Covered in the current IDP.
<b>Stakeholder and community Involvement/ participation</b>	Municipality needs to reflect on the budget for Public Participation to show its commitment	Community and stakeholder involvement is undertaken as per the approved IDP framework and Process plans
	Social Cohesion – this aspect needs to be taken into account.	Traditional leaders are an integral part of IDP & DGDS stakeholder component for IDP processes
<b>Special Programmes (promotion of involvement of people with disabilities, youth and women)</b>	No HIV/ AIDS strategy  No mention/ detail on support initiatives to special groups e.g. disabled, youth.	The DM is implementing programmes that support youth, people with disabilities and women The Office of the Executive Mayor is responsible for performing this function and the unit looking at youth, gender and people with disabilities.
<b>Promotion of Gender equity</b>	There is no indication of status on promotion of gender equity for access to economic opportunity. The municipality should state clearly as to how they promoted access to economic opportunities for special groups.	The DM will introduce a monitoring and evaluation framework that allows reporting on issues of gender equity
<b>Financial Management and Viability</b>	The DM did not include the summary of the three year budget	A three year financial plan will be included in the current IDP review.

	No indication of the municipality's actual expenditure on the capital budget Reflection on the operating and capital budget expenditure  Indication on the IDP & Budget linkages Municipal Budget was not included in the IDP.	Will be included in the current IDP.  The municipal budget will be attached to the IDP as an annexure.
<b>Institutional Arrangement</b>	No reflection on HR plans e.g. HR strategy, Equity plan, Work Skills plan, recruitment, retention, succession etc.	Status quo on the development and review of these plans will be indicated on the IDP.
	No indication on plans to fill vacant posts and also whether vacancies are funded or not.	Plan held by the Placement process which has not yet been completed.
	No indication on whether OPMS is aligned to the IDP. This includes performance indicators as per MSA	Covered in the current IDP

### 1.3.6 CONSIDERATION OF INPUT MADE BY COMMUNITY

IDP and Budget Roadshows were scheduled to take place in April 2012, five areas in each Local Municipality where a minimum of 5 wards will be clustered in each venue. A report on the findings will be compiled and incorporated before final adoption of the IDP.

## SECTION B

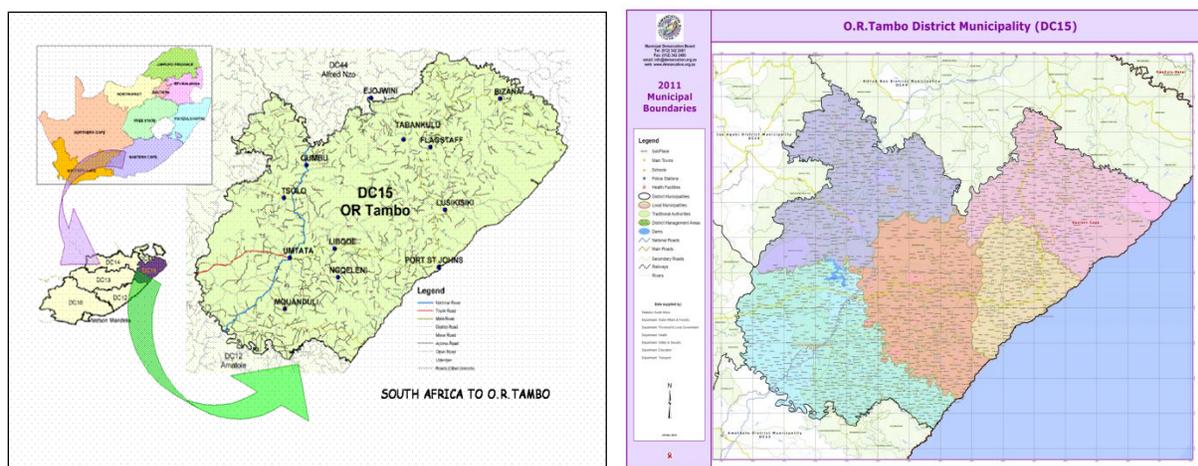
### CHAPTER 2 SITUATIONAL ANALYSIS

#### 2.1 LOCALITY

O.R. Tambo District Municipality (ORTDM) is one of the six district municipalities and one of the four ISRDP nodes of the Eastern Cape Province. It covers less than 80% of what used to be marginalised homeland of Transkei and is formed by five Local Municipalities, namely:-

Municipal Code	Name of the Municipality	No of Wards pre 2011	No of Wards in 2011	Extent (km <sup>2</sup> )
EC 153	Ingquza Hill	27	31	2575
EC 154	Port St Johns	16	20	1239
EC 155	Nyandeni	26	31	4231
EC 156	Mhlonlto	21	26	2868
EC 157	King Sabata Dalindyebo	32	35	3019
<b>TOTAL NO. OF WARDS</b>		<b>122</b>	<b>143</b>	<b>11 064</b>

The O.R. Tambo District is located to the east of the Eastern Cape Province, on the Indian Ocean coastline of South Africa. It is bordered by the Alfred Nzo District Municipality to the north, the Joe Gqabi District Municipality to the northwest, the Chris Hani District Municipality to the west and the Amathole District Municipality to the southwest.



**Figure 1: O.R. Tambo relative to South Africa**

**Figure2: Locality Map**

The O.R. Tambo District Municipality is classified as a Category C2 municipality, indicating a largely rural character (it is estimated that some 93% of the district population resides in rural areas with a consequent dispersed settlement pattern) and low urbanisation rate, as well as limited municipal staff and budget capacity. All, but King Sabata Dalindyebo (KSD), local municipalities are classed as Category B4 (rural, mainly subsistence) reflecting limited institutional capacity and areas characterised by small centres, limited SMMEs and market opportunities, dependence on public support and LED activities that are principally at the level of the small project. KSD is classed as a Category B2 (large core town/s with surrounding agricultural areas) municipality reflecting reasonably adequate budgets and staff, urban centre(s) with associated resources where LED activities are emerging into strategies and programmes to take advantage of economic potential, as well as substantial numbers of SMMEs, considerable market opportunities, but limited private sector business development services.

## **2.2 Overview of the O. R. Tambo District Local Municipalities**

### **2.2.1 INGQUZA HILL LOCAL MUNICIPALITY**

Formerly known as Qaukeni Local Municipality, Ingquza Hill LM had a population of 279 795 people across 48 701 households in 2007.<sup>1</sup> With an average household size of more than 5 people per home and a comparably high population density of approximately 234 people per square kilometre, as well as high levels of unemployment, there are considerable poverty challenges in the area. Despite the high population density in relation to other LMs within O.R. Tambo DM, Ingquza Hill is characterized by limited coastal settlements and more widely dispersed rural settlements in traditional villages. The urban and peri-urban nodes of Lusikisiki and Flagstaff are the economic hubs of the municipal area, linked by the R61 running south from Durban to Mbizana, before crossing Ingquza Hill LM towards Port St. Johns. Tourism, Forestry, and Marine Aquaculture hold considerable economic development potential for the area.

After King Sabata Dalindyebo Municipality and Nyandeni Municipality, Ngquza Hill Municipality has the third largest population within the OR Tambo District Municipal area. The majority of the Ngquza Hill Municipality is predominantly rural with large tracts of underdeveloped arable land and varying

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<sup>1</sup> StatsSA, Community Survey 2007: Basic Results- Eastern Cape, 2007. Pp. 8-10.

residential densities. The municipal area is furthermore characterised by large forest areas in close proximity to the coast line, with a total of ten (10) rivers following through it. The Mkambati Nature Reserve is situated within the coastal zone. The conservation and protection of these river systems and the coast are of extreme importance, both to the future sustainability of the municipality and utilising the environment as an attraction for tourists

### **2.2.2 PORT ST JOHNS LOCAL MUNICIPALITY**

Located along the coastline in the heart of the former Transkei, Port St. Johns is approximately 90km east of Mthatha and has a strong tourism industry, well-supported by the variety of hills, dunes, rivers, and the mountainous terrain that meet its picturesque beaches. Another type B4 municipality, the area is characterized by predominantly rural and distributed settlements patterns of approximately 130 communities/villages, with 90% of all housing considered to be within traditional tribal settlements. Port St. Johns is the only urban area acting as a regional economic centre and is a supply site for the nearby villages and communities that make up this sparsely populated LM, with only 163 773 people distributed across approximately 30 951 households<sup>2</sup> and an area of 1239 km<sup>2</sup>.

Topographically the area is characterised by a high lying northern hinterland with undulating plains decreasing in a southern direction to the coast. Eight prominent rivers traverse the hinterland from north-west to south-east creating prominent and inaccessible ravines. Access to various parts of the Port St Johns Municipal area is made difficult by the undulating topography. The most prominent of the eight rivers is the Umzimvubu River. The Port St Johns town is located at the mouth of the Umzimvubu River.

The topography of the coastal belt is typically flat, whereas the interior is uneven mountainous with steep slopes and with valleys and gorges that has been extensively carved by the main rivers flowing through the area towards the sea.

### **2.2.3 NYANDENI LOCAL MUNICIPALITY**

Nyandeni Local Municipality, like many of the other LMs within O.R. Tambo District, is predominantly rural with widely dispersed traditional and village-type settlements. There is a comparatively smaller proportion residing within formal dwellings and many still rely on subsistence agriculture as a

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<sup>2</sup> StatsSA, Community Survey 2007: Basic Results- Eastern Cape, 2007. Pp. 8-10.

livelihood. It is one of the ISRDP nodes identified by the Presidency. The rural nature of the LM finds it classified as a B4 type municipality, characterised by communal tenure with only a few small towns. Nyandeni provides for considerable agricultural potential, although there has been limited development as an industry in this regard. The Head Municipal Office is located in Libode, approximately 30 km from Mthatha, along the route to the popular tourist destination of Port St. Johns. The LM had a population of 314 273 people in 2007, and was comprised of 56 851 households.<sup>3</sup>

The municipal area ranges in altitude from 1200m above sea level in the north-west to the low-lying coastal area in the south east. It is drained by 4 perennial rivers, the Mngazi, Mngazana, Mtata and Mnenu Rivers.

Valley Thicket occurs along the steep slopes of the periphery of the municipal area, while the coast is characterised by Coastal Bushveld and Grassland and the interior is mainly Eastern Thorn Bushveld and Moist Upland Grassland.

#### **2.2.4 MHLONTLO LOCAL MUNICIPALITY**

Mhlontlo LM is also classified as a B4 municipality and is predominantly rural. The municipality hosts Tsolo and Qumbu as local service centres located near the N2 running southwest to northeast through the municipality. The majority of land is used for agricultural purposes and subsistence farming, with large scale communal tenure and grazing. Mhlontlo has one of the fastest growing populations of any LM within O.R. Tambo district with a population growth of about 2.84%.<sup>4</sup> Population estimates from the Community Survey indicate 237 138 people were spread about 49 861 households in 2007<sup>5</sup>, nearly three quarters of which are considered to be residing in traditional dwellings

#### **2.2.5 KING SABATA DALINDYEBO MUNICIPALITY**

King Sabata Dalindyebo (KSD) Local Municipality is home to Mthatha, the economic centre of O.R. Tambo District Municipality and the host to local and district municipal offices. Comprised of four amalgamated entities, KSD includes both Mthatha and Mqanduli urban and rural magisterial areas. The municipality is classified as a B2 type LM characterized by a prominent regional town and economic

<sup>3</sup> StatsSA, Community Survey 2007: Basic Results- Eastern Cape, 2007. Pp. 8-10.

<sup>4</sup> Mhlontlo LM, Integrated Development Plan 2010-2011, 2010. Pp 25.

<sup>5</sup> StatsSA, Community Survey 2007: Basic Results- Eastern Cape, 2007. Pp. 8-10.

hub, as well as rural and dispersed settlements. According to Community Survey 2007, KSD was comprised of approximately 444 830 people and 94 177 households, measuring approximately 3019 km<sup>2</sup> in area.<sup>6</sup>

At the heart of KSD, Mthatha is a major transport and regional service centre, dissected by the N2 running southwest to northeast through the town. As a gateway to tourism offerings, one of the district’s targeted economic development industries, Mthatha is often a stopping point on the way to the coastal communities of Coffee Bay and Hole-in-the-Wall within KSD, as well as Port St. John’s and Mbotyi in the neighbouring LMs. Linked to East London by the Kei Rail, the municipality is also an economic home to two of the other economic development focus areas in O.R. Tambo DM, that of Forestry and Agriculture.

### 2.3 DEMOGRAPHICS AND SOCIO-ECONOMIC INDICATORS

The total population of O.R. Tambo District amounted to 1,441 120 people in 2007. The population of the O.R. Tambo DM constitutes approximately 22.5% of the total population for Eastern Cape and about 25% of the total number of households. Generally, populations tend to be unevenly distributed within an area.

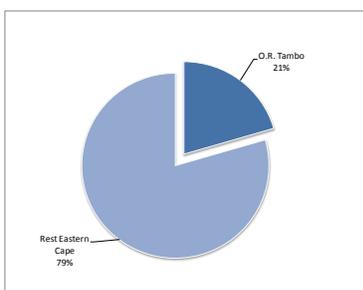


Figure 3: Total population in O.R. Tambo relative to the Eastern Cape 2011, Global Insight

Municipality	Persons		Households	
	Census 2001	CS 2007	Census 2001	CS 2007
Ngquza Hill	254 480	279 795	50 206	48 701
Port St Johns	146 967	165 084	28 869	30 951
Nyandeni	274 416	314 273	54 365	56 851
Mhlonlo	202 851	237 138	43 554	49 861
KSD	416 348	444 830	89 697	93 383
<b>O.R. District Municipality</b>	<b>1 295 062</b>	<b>1 441 120</b>	<b>266 691</b>	<b>279 747</b>

Table 6: O. R. Tambo Population – C.S. 2007

#### 2.3.1 DEMOGRAPHIC TRENDS

The O.R. Tambo District Municipality commissioned Global Insight to do an update on the Socio Economic profile of the District. This update was mainly due to the boundary changes and the two municipalities (Mbizana and Ntabankulu) moving to Alfred Nzo DM.

<sup>6</sup> StatsSA, Community Survey 2007: Key municipal data, 2007. Pp. Ix.

### **Population Distribution**

The total population residing in the OR Tambo District Municipality (ORTDM) was estimated at 1,441 120 (2007) with a total of 279747 households. The average number of people per household is 4.6, although the size of the population has decreased over the years, this number is still relatively high compared to the national average of 4 people per household. The district has the biggest share of the provincial population, the second biggest being the Amathole District.

The District's population represents approximately 21% of the total for the Eastern Cape for 2010 which was about 6.4 million in the same year. In terms of the number of households, the District accounts for approximately 22.5 % of all the households in the Province.

The largest portion of the district population is concentrated in the western part of the district around the main urban centre, Mthatha. The King Sabata Dalindyebo (KSD) Municipality has the largest population in the district with 429 233 people and accounts for 29% of the total district population. It also has the highest population density of 142 people per km<sup>2</sup>. The next largest town in the district is Port St Johns set on the eastern coast about 100kms from Mthatha. In this municipality the density is 118 people per km<sup>2</sup>. People tend to relocate or settle closer to the towns in search of employment. O. R Tambo, with its relatively high population density, could be considered to be over-populated, although the extent to which this is true is highly dependent on factors such as quality of housing available, capacities of existing infrastructure and accessibility to urban facilities and amenities.

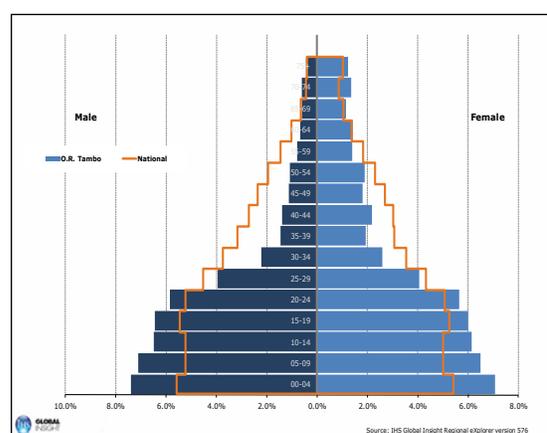
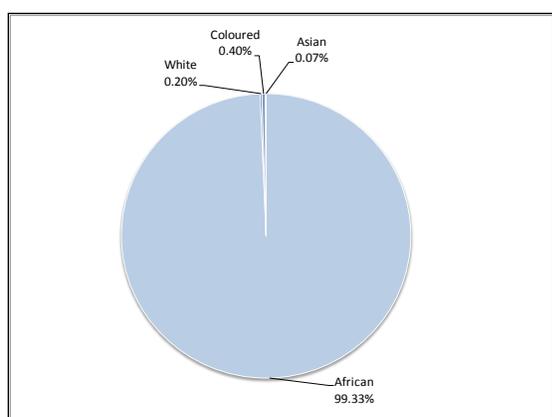
The population growth rate has decreased over the years. According to the statistics provided by Global Insight, between 2004 and 2010 the annual average population growth rate in the District was 0.66% which is lower than that of the Province which is 0.73%. In 2006 – 2007 the District as a whole experienced a negative growth rate of -0.3%. It is anticipated that the net population in the District will continue decline over the next number of years. The high migration rate for economic reasons; poverty conditions that affect health; and the high incidence of HIV/AIDS and TB all contribute to this projected negative annual growth rate.

### **Population by Gender and Age**

Of the 1.4 million people living in O.R. Tambo, 99.33% are African, with the rest of the 0.67% divided between the White, Coloureds and the Asian groups. The racial differences are therefore not very significant in the O.R. Tambo District.

In terms of gender and age, it is estimated that 47.7% of O.R. Tambo District's total population were male and 52.3% were females in 2010. As already stated, the municipality is composed of more females

than males. The table below however reveals that this gender variation is more prominent in the African population than the other population groups. Below is a population pyramid of the African population structure. It clearly reflects a broad base, which includes infants up to the age of about 25 to 29 years. Starting from the age of 29 years, there is a sharp decline in the district population. There could be a number of contributing factors to this population trend in the district, one of them is out-migration, especially for the working class. The working population is moving out of the district to bigger town and metros in search of better opportunities. The National total however (orange line) has a narrower base than that of O.R. Tambo. This is an indication of lower fertility rates or higher mortality rates in the country as a whole compared to that of the district.



Data Source: Global Insight 2011

### Age Spread and dependency levels

The demographic profile of the district emphasises high levels of dependency. In 2007 41.7% of the population was under the age of 15 years and 5.9% of the population was older than 65 years. This leaves the economically active part of the population at 52.4% compared to 60.5% for the Eastern Cape Province.

**Table 8: DEPENDENCY levels of population by LM**

Local Municipality Name	Population Numbers	% 15 – 64 years
King Sabata Dalindyebo	444, 830	56.90%
Ingquza Hill	279,795	50.00%
Mhlontlo	237,138	52.50%
Nyandeni	314,273	51.90%

<b>Port St John's</b>	165,084	49.60%
<b>ORTD - Total</b>	<b>1, 441,120</b>	<b>52.40%</b>
<b>EC PROVINCE</b>	<b>6, 393,259</b>	<b>60.50%</b>

**Data Source: ECSECC 2007**

However the large portion of the population under the age of 15, while increasing the dependency levels at present, can over the years, result in an increase in percentage terms of people in the District of employable age. These could contribute to economic growth if they remain in the District and if they develop the skills required to service economic development of the District.

From the above population analysis it is clear that the District needs to focus its development trajectory on providing or facilitating service delivery for a young population e.g. schools, healthcare and also focus on programmes that will create more job opportunities for the Economically Active Population which tends to leave the District for employment opportunities. Over time this will reduce the high dependency levels the District is currently faced with.

### **2.3.2 MIGRATION PATTERNS**

Historically during Apartheid times, and since, there has been an emphasised pattern of migration both from the District to other parts of the country and within the district from rural to urban and peri urban areas. This migration, for mainly economic and life style reasons, has an important impact on the nature of the district economy and the trajectory for development.

Studies on migration in the Province provide insights that are important in understanding the dynamics of migration in the district. While it is estimated that 5.6% of economically individuals in the Province migrate it is 6.2% in the OR Tambo District. (7).Over 80% of migrants from the Province are from rural areas. Since the early 1990's the bulk of this migration appears to have been aimed at the bigger metropolitan areas, especially Cape Town and Johannesburg, rather than local and regional urban centres. Generally the pattern in the Province shows an increase in the flow from rural areas directly to major metropolitan areas. In this respect Johannesburg is more of a metro target for people from the District than the other major cities.

The studies findings suggest that out-migration from rural areas is slowing down and that most of those who intended or are able to leave have already left. Perhaps it is not a lack of desire, just that the cost of migration has increased and the opportunities to go have decreased since the 1990's making it more difficult to move. But is also a important local 'pull' factor that since basic services are much more

widely available, people do not have to move to the heavily populated peri urban and urban areas to access these.

The migration patterns show an increase in the number of women migrating with the Provincial figures showing that 2 women to every three men migrate compared to the early 1990's when migration was predominantly male. Woman migrants are generally slightly better educated than their male counterparts but most all migrants have low levels of formal education. Women are generally paid less than their male counterparts and are less likely to remit money. Rural areas contribute proportionately more to migration, 4 rural families affected to every 1 family in the urban area. Almost 50% of those migrating are employed and another 25% are actively seeking work. About a quarter of migrants in all areas send home income monthly and 4% weekly, which means that 30% send money home regularly, while a further 10% send it home less often.

An associated problem, however, for service delivery is that, while the number of people moving might be decreasing, the demand for services in receiving localities is not necessarily following this trend. There appears to be a very fragmented response to migration and settlement within the province. The capacity of municipalities to source funds for housing is driving development investment, rather than any clear understanding of where migrants might best be accommodated and secure sustainable livelihoods.

The implications of migration patterns have a significant impact on the ability to deliver basic services. While there would appear to be a slowing down or marginal stabilisation of the migration trends from ORTDM, this should not be construed as a static situation. The problem, however, for service delivery is that, while the number of people moving might be decreasing, the demand for services in receiving localities is not necessarily following this trend. This is because households are proliferating, while population is declining. In many informal settlements near urban centres shacks are inhabited by 1 member households providing a dilemma for the state where the emphasis is on provision for a household and not individual. In OR Tambo this is likely to be a particular problem in and around Mthatha but could in the future become one in any nodal areas where there is rapid economic growth. The pull is not always jobs. "...It is also clear that development infrastructure and the anticipated access to it has become a major driven of migration – people are actively seeking out 'sites of development' rather than jobs per se."

## **2.4 DEVELOPMENT INDICATORS**

All the indicators of poverty and human development demonstrate that the district has some of the highest levels and concentration of poverty in the Eastern Cape and in the country as a whole. Although the Human Development Indicator (HDI) indicates a slight improvement in the quality of life for people

in the District, other poverty indicators point to an increase in poverty. Not only does this pose challenges to the development trajectory for the district it also poses critical challenges to understand why the large investment of the past 15 years has had so little impact.

Generally the indicators show that KSD has the lowest levels of poverty with Mhlontlo generally better off than the other Local municipalities. However within both of these areas there are areas with levels of poverty as high as for the other districts. Ingquza Hill and Port St. Johns are the Local municipalities showing the highest levels of poverty. The Tables below indicate the key poverty indicators per Local municipality in the district.

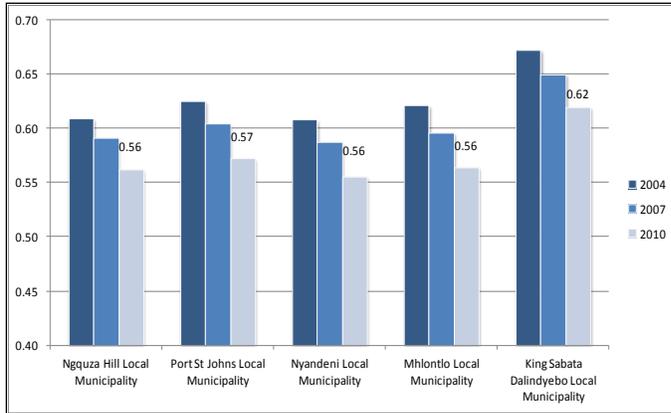
*Table 9 : Key Poverty Indicators Per Municipality*

Local Municipality Name	GINI Coefficient	HDI	Literacy Rate	Poverty Levels
King Sabata Dalindyebo	0.62	0.47	61.9%	54.5%
Ingquza Hill	0.56	0.37	43.6%	68%
Mhlontlo	0.56	0.42	51.0%	54.0%
Nyandeni	0.56	0.39	48.3%	65.5%
Port St John's	0.57	0.36	37.9%	63.2%
<b>ORTD - Total</b>	<b>0.59</b>	<b>0.51</b>	<b>51.6%</b>	<b>72.2%</b>
<b>EC PROVINCE</b>	<b>0.64</b>	<b>0.42</b>	<b>66.4%</b>	
<b>SOUTH AFRICA</b>	<b>0.64</b>	<b>0.58</b>		

**Data Source: Global Insight 2011**

#### **2.4.1 Gini Coefficient**

This indicator of inequality within an area demonstrates that the District Gini coefficient is slightly lower than that for Eastern Cape and South Africa. However, although the coefficient has increased in the district from 0.58 in 1996 to 0.64 in 2007, in 2010 it has shown a decrease to 0.59 reflecting a similar trend to both South Africa and the province. There are very little variations between the municipalities except in KSD with a co-efficient of 0.62 representing the inequalities that characterise areas of economic development in South Africa.



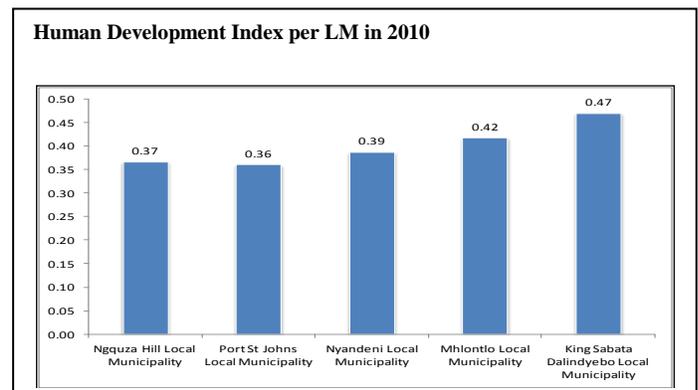
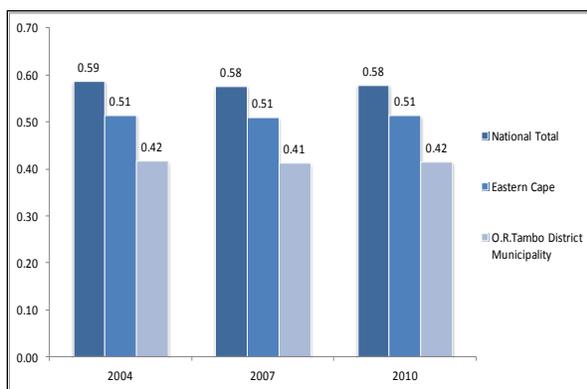
	National Total	Eastern Cape	O.R.Tambo District Municipality
2004	0.67	0.67	0.64
2007	0.66	0.66	0.62
2010	0.64	0.64	0.59

## Gini Co-efficient per LM 2004, 2007 & 2010

### 2.4.2 Human Development Index (HDI)

More significant as an indicator of poverty in the area is the HDI. In 2010 the district HDI was estimated at 0.42 significantly lower than that for the province (0.51) and country as a whole (0.58). Since 1996 it has increased from a low 0.38, possibly a reflection of improved conditions arising from the increase in basic infrastructure, social services and access to welfare grants. However the improvements in the District do not match those in the province and nationally over the same period of time. So while conditions have improved from a relatively low base level, they have improved less than for many other parts of the country during the same period. Port St Johns and Ingquza Hill local municipalities score lowest in the HDI. It would be interesting to better understand whether this is a reflection of larger basic infrastructure backlogs and/or levels of grants take-up in the municipalities.

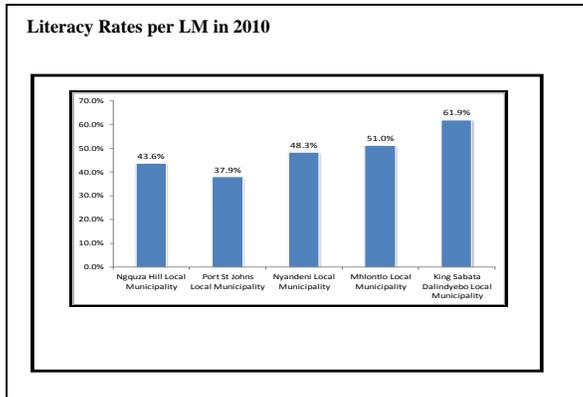
### Human Development Index, 2004, 2007 & 2010



Data Source: Global Insight 2011

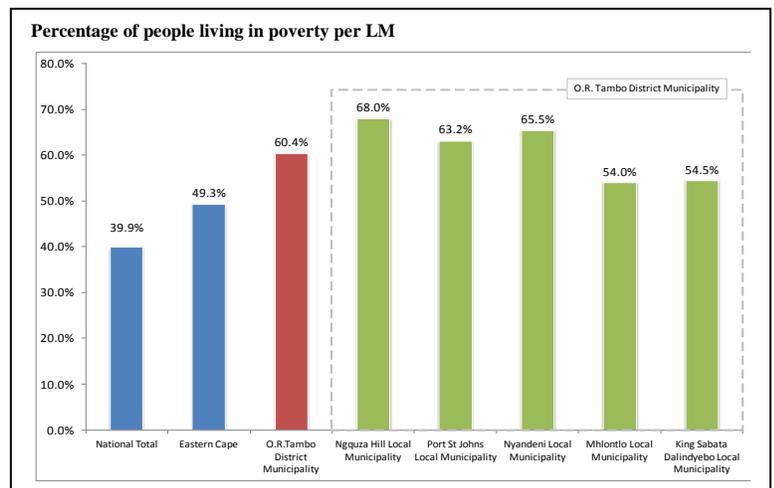
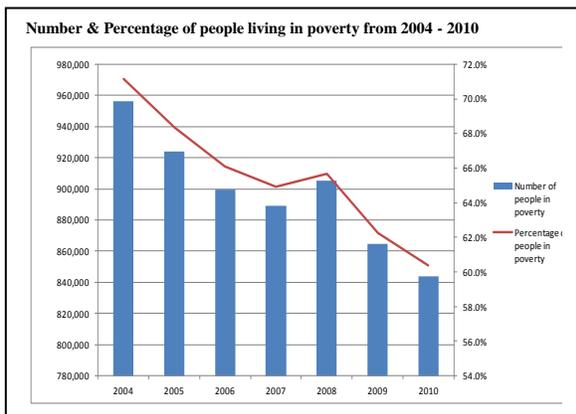
### 2.4.3 Functional Literacy

This is measure of ability read, write and spell at a Grade 7 level and thus have more potential for employment. The literacy rate in the District of 47.3% is significantly lower than for the province (63.5%) and for South Africa as a whole (71.3%). While functional literacy rates did increase in the District by 3% over the ten-year period 1996 – 2007 the increase was significantly lower than for the province (+ 6%) and nationally (+ 6%). A further indicator that, although the situation is improving, it is doing so at a slower rate than the province and the country as a whole.



### 2.4.4 Poverty Levels

Approximately 60.6% (843 839 people) of the municipality’s African population is impoverished in the O.R. Tambo district. This is much higher than that of other population groups. This has however decreased by 2.4% from 864 436 people in the year 2009 and has on average annually decreased by 2.1% between 2004 and 2010. The poverty gap in the district is currently estimated at R2 164 million. This measures the difference between each poor household’s income and poverty line. This is calculated by summing the poverty gaps of each poor household, which is equivalent to the total amount by which the incomes of poor households need to be raised each year to bring all households up to the poverty line and out of poverty.



### 2.4.5 Poverty Gap

A shortcoming of the poverty rate as an indicator of poverty is that it does not give any indication of the depth of poverty i.e. how far the poor households are below the poverty income level. In contrast, the poverty gap proves useful in that it measures the difference between each poor household's income and the poverty line. It thus measures the depth of poverty of each poor household. The aggregate poverty gap is calculated by summing the poverty gaps of each poor household. It is thus equivalent to the total amount by which the incomes of poor households need to be raised each year to bring all households up to the poverty line and hence out of poverty. It is estimated that the poverty gap in O.R. Tambo District Municipality amounted to R2.1 billion in 2010. Although the poverty gap has increased in nominal terms from R1.8 billion in 2004, in real terms this has come down when we include the effects of inflation.

	Total
2004	1,794
2005	1,827
2006	1,787
2007	1,830
2008	2,144
2009	2,145
2010	2,164

### 2.4.6 Grant Dependency

Household dependency on Government grants is undisputed in the Eastern Cape. ORTDM has the highest percentage of households receiving grants (75.1%) in the Province. The large number of households in receipt of grants is in part a result in improved access to such grants for poor households. However it importantly shows the high levels of poverty that make households dependent upon this as a primary income source. Overall welfare grants are a very important component of the household incomes and livelihood strategies of the majority of the families. The grant payments represent approximately 20% of total income in the District. On the one hand the District strategy must attempt to maximise the access to grants for eligible households as an important strand in its anti poverty activities. In the medium term it would want to reduce grant dependency for households by increasing their access to economic development.

### 2.4.7 Income and Expenditure in the District

Personal or household income includes:

- labour remuneration – paid to employees
- profit from business activities - for employers and self-employed

- income from property (including dividend receipts, interest receipts less interest payments, rent receipts less maintenance cost, etc);
- net current transfers (received minus paid);
- net social benefits (received minus contribution paid).

Total disposable income is calculated by subtracting taxes on income and wealth from total personal income.

*Total annual personal income (Current, Rand million) of O.R. Tambo District Municipality*

	2006	2007	2008	2009	2010
* Mbizana Local Municipality	1,898	2,087	2,369	2,573	2,777
* Ntabankulu Local Municipality	1,410	1,549	1,749	1,904	2,057
Ngquza Hill Local Municipality (Quakeni)	2,066	2,286	2,595	2,827	3,061
Port St Johns Local Municipality	1,342	1,487	1,681	1,825	1,979
Nyandeni Local Municipality	2,429	2,670	2,984	3,274	3,553
Mhlontlo Local Municipality	2,260	2,475	2,760	3,023	3,271
King Sabata Dalindyebo Local Municipality	6,070	6,776	7,612	8,035	8,652
O.R.Tambo District (Old 2006 Boundaries)	17,475	19,330	21,749	23,461	25,352
<b>O.R.Tambo District (New 2011 Boundaries)</b>	<b>14,167</b>	<b>15,694</b>	<b>17,632</b>	<b>18,984</b>	<b>20,518</b>
Difference from old boundaries	-3,308	-3,636	-4,117	-4,477	-4,835
% difference from old boundaries	-18.9%	-18.8%	-18.9%	-19.1%	-19.1%

Total personal income decreased with 19.1%, and we have seen that the total population decreased with 23.1% as a result of the boundary changes. Because the two Local Municipalities that O.R. Tambo District Municipality were relatively poorer than those that remained, the net effect has a 5.1% increase in the per capita income for the new municipality.

It is estimated that 43.6% of all households in O.R. Tambo District Municipality were classified as living on R30 000 or less per annum in 2010. From 2004, 71% of all households were classified as living below the R30 000 per annum line. The income brackets above do not take inflation into account. This implies that - over time - movement of households “up” the brackets is natural, even if they are not earning any more in real terms. The table below shows number of households per income category from 2004 to 2010.

	2004	2005	2006	2007	2008	2009	2010
0-2400	6,954	5,198	3,835	2,856	2,048	1,313	569
2400-6000	30,870	23,791	18,173	13,071	8,374	4,210	119
6000-12000	74,325	70,604	66,872	60,885	50,389	43,648	35,948
12000-18000	56,888	60,446	60,858	60,218	54,829	51,157	46,466
18000-30000	55,625	56,560	58,092	59,722	61,558	61,302	60,352
30000-42000	31,360	34,892	39,522	43,847	47,043	50,628	53,664
42000-54000	16,085	19,309	22,148	25,682	30,071	32,364	34,877
54000-72000	11,933	13,788	15,817	18,325	22,423	24,904	27,565
72000-96000	8,141	9,386	10,941	12,746	15,459	17,748	20,240
96000-132000	6,525	7,252	8,234	9,389	11,335	12,792	14,574
132000-192000	6,007	6,725	7,609	8,565	9,858	10,847	12,021
192000-360000	7,189	8,154	9,596	10,712	12,068	12,877	13,847
360000-600000	2,929	3,336	3,734	4,213	5,210	5,214	5,504
600000-1200000	1,163	1,356	1,441	1,577	2,054	2,102	2,309
1200000-2400000	250	303	322	363	501	500	553
2400000+	45	57	60	70	106	99	107
<b>Total</b>	<b>316,292</b>	<b>321,159</b>	<b>327,254</b>	<b>332,242</b>	<b>333,325</b>	<b>331,703</b>	<b>328,716</b>

#### 2.4.8 Total Personal Income

Personal Income is a broader concept than labour remuneration discussed in the economics section above. It profits, income from property, net current transfers and net social benefits. It is estimated that total personal income in O.R. Tambo District Municipality amounted to R20.5 billion in 2010. Of this amount, the majority of R8.6 billion was ascribed to the King Sabata Dalindyebo Local Municipality and R3.2 billion to Mhlontlo Local Municipality.

#### Annual total income per LM

	2006	2007	2008	2009	2010
Ngquza Hill Local Municipality	2,066	2,286	2,595	2,827	3,061
Port St Johns Local Municipality	1,342	1,487	1,681	1,825	1,979
Nyandeni Local Municipality	2,429	2,670	2,984	3,274	3,553
Mhlontlo Local Municipality	2,260	2,475	2,760	3,023	3,271
King Sabata Dalindyebo Local Municipality	6,070	6,776	7,612	8,035	8,652
<b>O.R.Tambo District Municipality</b>	<b>14,167</b>	<b>15,694</b>	<b>17,632</b>	<b>18,984</b>	<b>20,518</b>

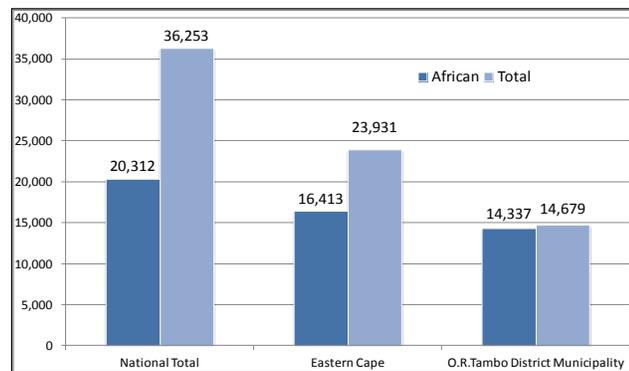
**Data Source: Global Insight**

## 2.4.9 Per Capita Income

Per capita income refers to the income per person and is calculated by dividing the total income per annum equally among the population. Per capita income is often used as a measure of wealth particularly when comparing different economies or population groups - and rising per capita income usually alludes to possible increase in demand for consumption. In O.R. Tambo District Municipality, per capita income amounted to R14 679 across all population groups in 2010.

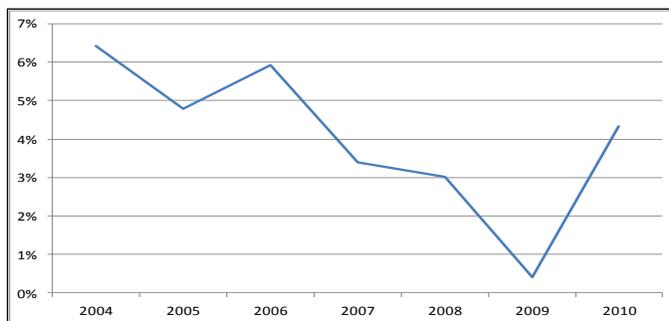
In comparing per capita income for the African population group on national, provincial and district municipal level, large differences are observed. In 2010, per capita income for Africans in the O.R. Tambo District Municipality amounted to R14 337, which is a mere 2% lower than the total per capita income for O.R. Tambo District

Municipality. For the Eastern Cape the difference is 31% and for the national economy the gap is 44%. O.R. Tambo District Municipality, per capita income (in current prices) increased from R8 335 per annum in 2004 to R14 679 in 2010. This is a nominal average increase of approximately 9.9% per annum.



## 2.4.10 Total Disposable income

Total disposable income is calculated by subtracting income tax from total personal income. Income tax is effectively the same as any other household expenditure item. Using the national deflator for disposable income, we can work out the growth in real disposable income. It is estimated that disposable income in 2010 amounted to roughly 90.6% of total personal income.



In 2005, the annual total disposable was R11.8 billion. Even when the effects of inflation were not considered, the District still experienced positive growth over the entire period from 2004 to 2010,

increasing to almost R14 billion in 2010 (as measured in constant 2005 prices). The average real annual growth between 2004 and 2010 was 3.6%.

### 2.4.11 Household Expenditure

For purposes of this document, household expenditure for 2010 was investigated. The model used assumes average expenditure profiles for each of the different household income categories (and population groups), and balances with the total consumption expenditure by product category as measured in the national accounts and published by the South African Reserve Bank.

#### Annual Expenditure by Product Type

In 2010, total household expenditure in O.R. Tambo District Municipality amounted to R20 billion – roughly equal to the total household income. The table below provides an indication of the expenditure on the top-20 products for O.R. Tambo District Municipality. The top-20 products make up about 79% of total expenditure for 2010.

Item	Amount	Percentage
Accommodation	2,435	11.8%
Taxes	1,913	9.3%
Transport Public - day-to-day	1,289	6.3%
Food - Grain	1,257	6.1%
Food - Meat	1,164	5.7%
Transport Private - running	911	4.4%
Medical schemes	792	3.8%
Finance	722	3.5%
Personal care	693	3.4%
Alcoholic beverages - consumed elsewhere	661	3.2%
Transport Private - vehicles	657	3.2%
Food - Other food	561	2.7%
Education self	506	2.5%
Furniture	464	2.3%
Food - Vegetables	430	2.1%
Food - Dairy	422	2.0%
Smoking	374	1.8%
Clothing - Men	348	1.7%
Non-alcoholic beverages - consumed elsewhere	335	1.6%
Clothing - Women	332	1.6%
<b>Total Top 20 products</b>	<b>16,264</b>	<b>79.1%</b>
<b>Total expenditure</b>	<b>20,574</b>	<b>100.0%</b>

The biggest amount spent (11.8% of total expenditure) is on accommodation which is classified as housing or sheltering. The second largest with 9% is paid to government as taxes on income and wealth.

## 2.4.12 Employment

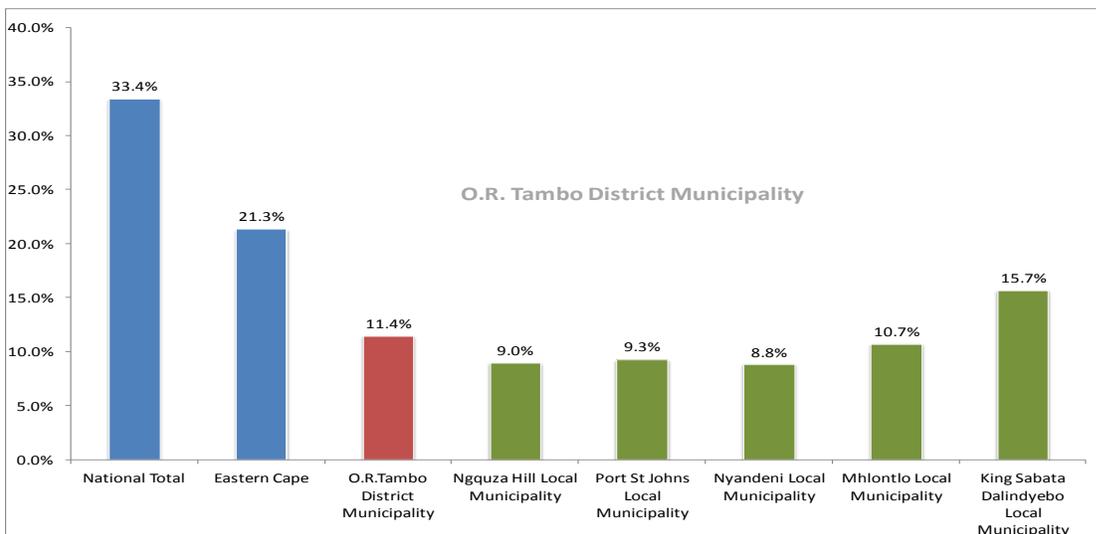
### *Economically Active Population*

The economically active population (EAP) is defined as the number of persons between the ages of 15 and 65 that are able and willing to work. It therefore includes both employed and unemployed persons. IHS Global Insight uses the official definition of the EAP in that persons who consider themselves unemployed but did not take recent active steps to find employment are considered not economically active.

	EAP	EAP as % of Population
2004	152,871	11.4%
2005	161,605	12.0%
2006	162,324	11.9%
2007	163,347	11.9%
2008	165,172	12.0%
2009	160,704	11.6%
2010	159,768	11.4%

O.R. Tambo District Municipality's EAP amounted to 159 768 in 2010 - as opposed to 160 704 the year before. In 2010, the EAP in O.R. Tambo District Municipality constituted 11.4% of its total population of 1.4 million, and roughly 2.3% of the total EAP of the Eastern Cape.

### **Economically Active Population per LM**



The EAP as percentage of total population for O.R. Tambo District Municipality, at 11.4%, is only half that of the Eastern Cape (21.3%) and about one third that of the national total (33.4%).

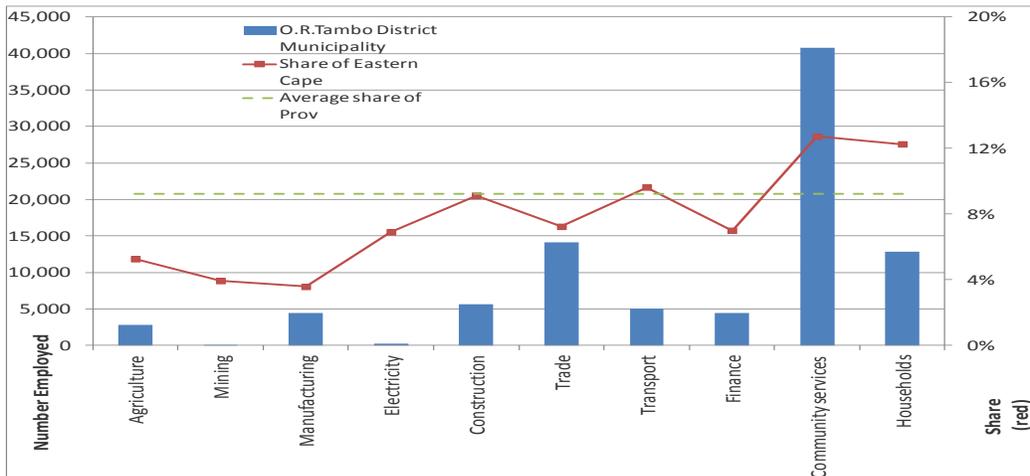
**Total Employment**

Total employment consists of two parts: employment in the official economic sector, or the formal sector, and then employment in the unofficial economic sector or the informal sector.

	2004	2005	2006	2007	2008	2009	2010
Agriculture	3,756	3,457	3,488	3,876	3,829	3,192	2,829
Mining	68	68	66	66	66	65	64
Manufacturing	4,435	4,581	4,703	4,801	4,961	4,502	4,476
Electricity	202	213	227	241	234	224	211
Construction	5,941	6,592	6,169	6,124	6,195	5,519	5,658
Trade	12,787	15,205	15,450	14,584	15,487	14,392	14,152
Transport	3,593	3,849	3,857	3,825	5,054	4,968	5,005
Finance	3,757	3,879	3,995	4,145	4,382	4,610	4,397
Community services	33,117	33,915	34,873	37,342	39,854	40,517	40,797
Households	10,623	10,710	11,229	12,704	13,958	13,574	12,855
<b>Total</b>	<b>78,279</b>	<b>82,469</b>	<b>84,055</b>	<b>87,708</b>	<b>94,021</b>	<b>91,563</b>	<b>90,443</b>

The economic sectors that recorded the largest declines in employment numbers between 2009 and 2010 were (1) households (or domestic workers) down by almost 720 and (2) agriculture down by 362. For the rest of the sectors, only the Construction sector (139) the Transport sector (36) and the Community services sector (280) recorded growth from 2009 to 2010.

**Total employment per sector – numbers & percentage**



The largest employer in the O.R. Tambo District Municipality is the Community services sector (largely consist of the government) which employed 40 979 in 2010. The second largest employer is the Trade sector, which employ 14 152. Relative to employment in the Eastern Cape the, O.R. Tambo District

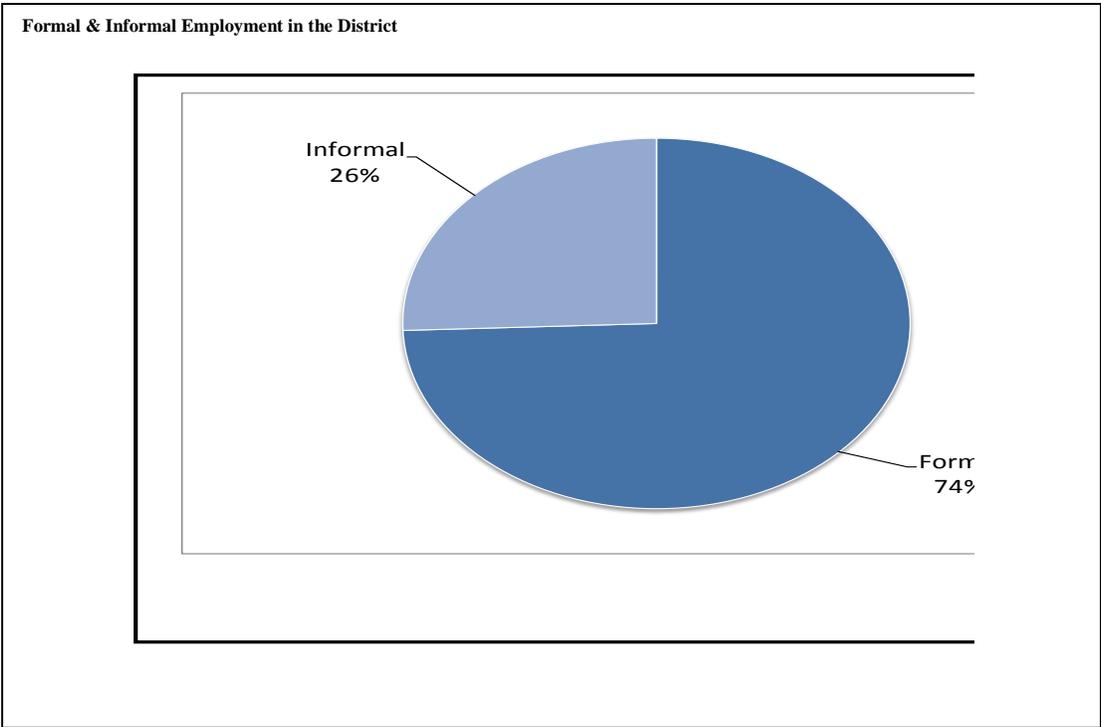
Municipality employs 9% of the total employment in the Eastern Cape, with 12% of total Eastern Cape employment in the Community sector being employed in O.R. Tambo District Municipality.

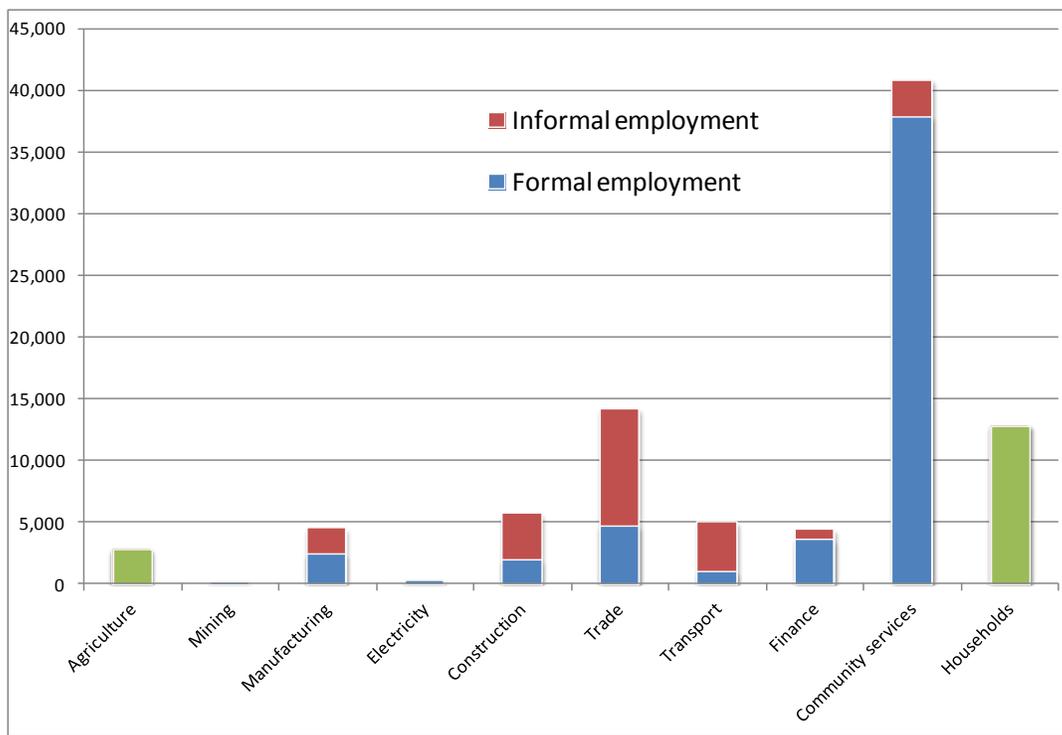
**2.4.13 Formal & Informal Employment**

Total employment can be broken down by formal and informal employment. Formal employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established. Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The following chart is the composition of total employment in the O.R. Tambo District Municipality for 2010; the number of formally employed people in O.R. Tambo District Municipality counted 67 300, which is about 74% of total employment. The number of people employed in the informal sector counted 23 150 which translates into 26% of the total employment.

*Formal & Informal Employment per Sector in the O.R. Tambo District, 2010*





Informal employment in O.R. Tambo District Municipality was estimated at 23 150 in 2010, increasing from 18 700 in 2004 at an average annual rate of 3.6%. The economic sector which recorded the highest number of informal employed people is the Trade sector, with (in 2010) a total of 9 500 workers being informally employed. When looking at the relative contribution of informal employment to the total sector employment, the transport sector is the least formal sector with 80% of the employment being informal. The informal taxi-industry is included in the bigger transport sector. The spaza-shops and informal retailers make up a large percentage of the informal employment, and also a fairly large share percentage of the Trade sector.

### **Total Employment by Economic Sector in the District, 2010**

	Formal Employment	Informal Employment	Total Employment
Agriculture	2,829	-	2,829
Mining	64	-	64
Manufacturing	2,365	2,111	4,476
Electricity	211	-	211
Construction	1,931	3,727	5,658
Trade	4,675	9,476	14,152
Transport	1,014	3,990	5,005
Finance	3,556	841	4,397
Community services	37,790	3,007	40,797
Households	12,855	-	12,855
<b>Total</b>	<b>67,290</b>	<b>23,153</b>	<b>90,443</b>

The informal sector is vital for the areas with very high unemployment, and very low labour participation rates. Unemployed people see participating in the informal sector as a sort-of survival strategy. First price would be to get a stable formal job. But because the formal economy is not growing quick enough to generate enough jobs, the informal sector is used as a survival mechanism.

**2.4.13 Unemployment**

In 2010, the unemployment rate in O.R. Tambo District Municipality (based on the official definition of unemployment) amounted to 41.2%. This was somewhat lower than the 45.0% recorded in 2004.

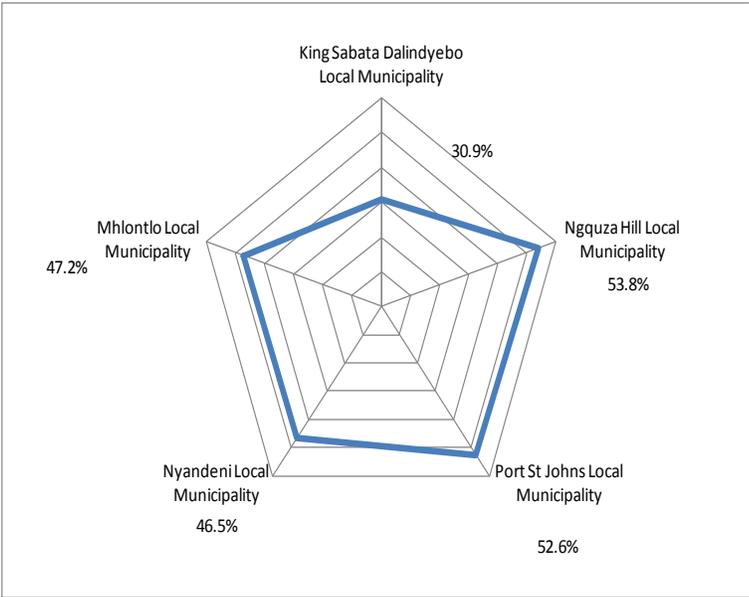
***Unemployment rate in O.R. Tambo (official definition)***

The number of unemployed decreased from 2004 to 2008, after which it started to increase again, due to the impact of the economic slowdown after 2008. The same trend is visible in the unemployment rate which also includes the dynamics of the economic active population and which is driven by the labour participation rates.

**Unemployment Rate per LM, 2010**

In terms of the unemployment rate per local municipality, King Sabata Dalindyebo had the lowest rate of 30.9% in 2010, while Ingquza Hill topped the charts at 53.8%, which is slightly ahead of Port St Johns with 52.6%. Unemployment is certainly less pronounced in regions where the formal as well as the informal sector generates sufficient levels of GVA and employment opportunities.

	Number of unemployed	Unemployment rate
2004	68,721	45.0%
2005	70,836	43.8%
2006	69,527	42.8%
2007	66,040	40.4%
2008	63,390	38.4%
2009	64,362	40.0%
2010	65,846	41.2%



## 2.5 Indicators of economic performance

In order to put the economic state of O.R. Tambo District Municipality in perspective, the municipality is compared on a spatial level with the national, provincial and the neighbouring districts' economies. Furthermore, the local municipalities within O.R. Tambo District Municipality is compared and put in perspective of O.R. Tambo District Municipality as a whole.

When comparing economies and economic states, a good indicator to use is the Gross Domestic Product (GDP). The Gross Domestic Product (GDP) is defined as the total value of all final goods and services produced within the geographic boundaries of a country in a particular period (usually one year). And this is one of the most important indicators of the performance of the economy<sup>7</sup>.

In terms of economic activity for 2010, the Eastern Cape contributed 7.5% to the total GDP of South Africa. This is close to the Mpumalanga and Limpopo contribution of 7.1%. Most of the economic activity in the country is focused in Gauteng, with a contribution of 34% to total GDP.

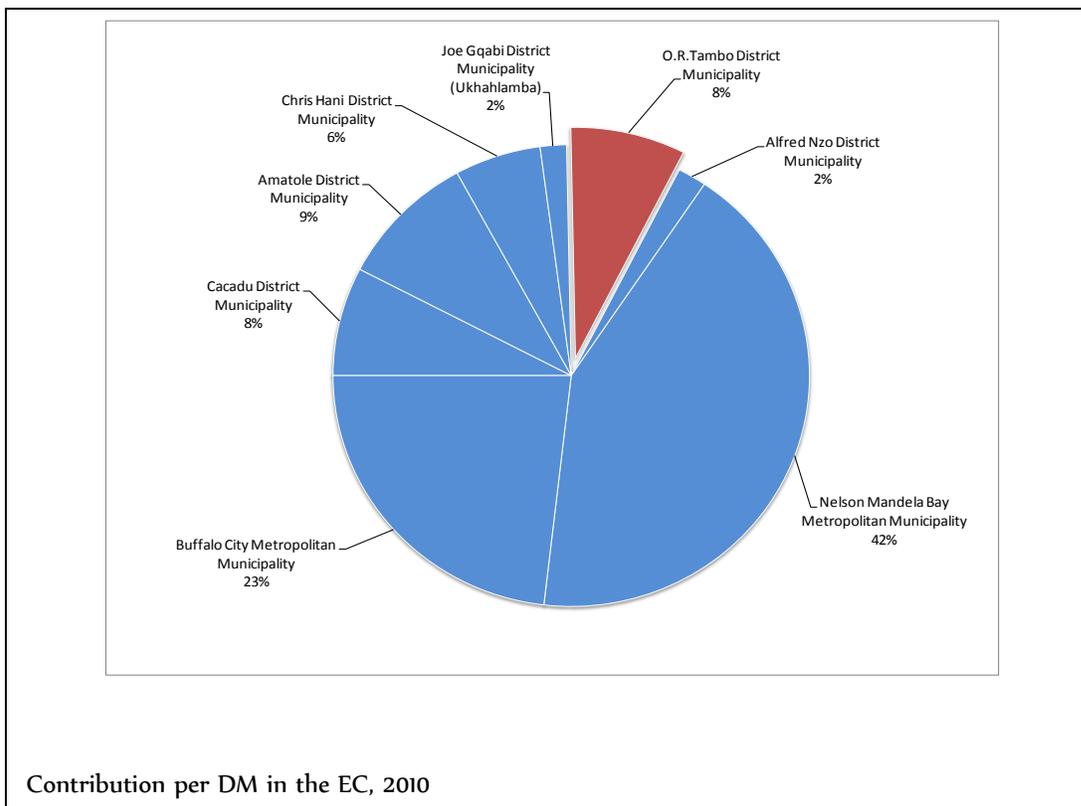
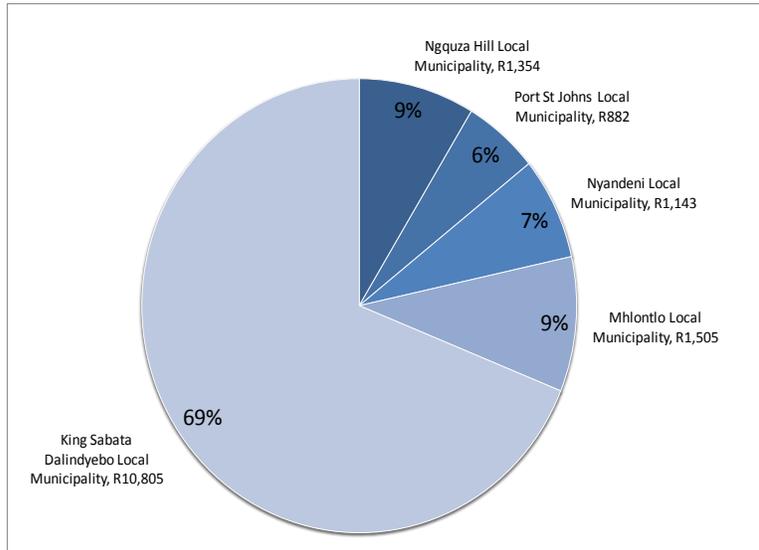
	2010	% Contribution
Western Cape	370.9	13.9%
Eastern Cape	201.0	7.5%
Northern Cape	65.0	2.4%
Free State	142.2	5.3%
KwaZulu-Natal	426.2	16.0%
North-West	165.8	6.2%
Gauteng	916.4	34.4%
Mpumalanga	188.2	7.1%
Limpopo	188.6	7.1%
<b>National Total</b>	<b>2,664.3</b>	<b>100.0%</b>

Looking at the contribution of O.R. Tambo District Municipality, it is relatively similar to that of the other District Municipalities.

### GDP contribution per DM in Eastern Cape, 2010

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<sup>7</sup> Philip Mohr, 2008, Economic indicators, Third edition, Unisa, Pretoria



O.R. Tambo District Municipality is contributing 8% to the GDP of the Eastern Cape Province, with the Metropolitan Municipalities contributing the most. In terms of growth over time, it is noted that the economic recession had an impact on the economy of O.R. Tambo District Municipality, since 2006

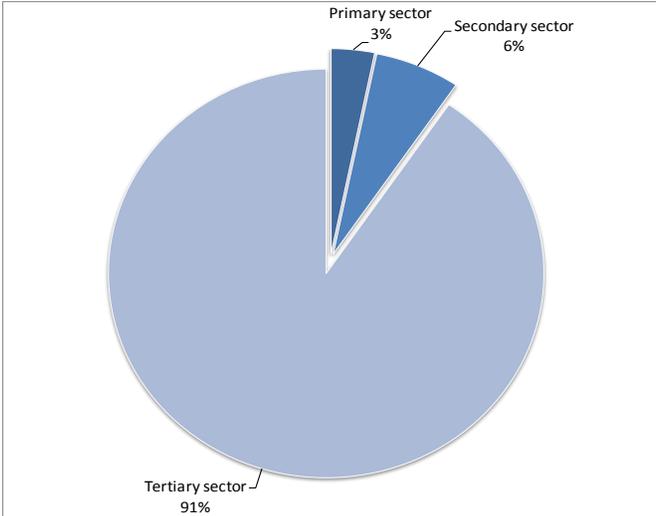
decelerated growth is noted. But relative to the national, provincial level and even the district level it has only seen a growth.

**Local municipality comparison**

The following is an analysis of the GDP at current prices of the local municipalities within O.R. Tambo District Municipality. The greatest contributor to the O.R. Tambo District Municipality economy is the King Sabata Dalinyebo Local Municipality with a relatively large comparative contribution of 69% against the other municipalities which each contribute less than 10%. It is also seen that the economy of King Sabata Dalinyebo Local Municipality is growing at an annual average rate of 2.6% since 2004 at constant prices.

**O.R. Tambo District Municipality’s sectoral composition**

In 2010 O.R. Tambo District Municipality’s economy was dominated by the tertiary sector as a whole, which is primarily focused on community services.



The primary sector employs relatively little skilled labour compared to the tertiary industries. Therefore growth in this sector normally does have a great impact on unemployment as the majority of the unemployed are not very skilled.

Community services accounted for half of the GVA with a 50% contribution to the total economic activity in O.R. Tambo District Municipality in 2010, which is the largest sector contribution to economic activity. The trade sector at 19% is the second largest contributor to the economic activity. The community services consist of public administration (13.8%), education (22.5%), health and social work

(9.0%) and other community services (4.6%). The picture depicted here is not a healthy one in terms of the economic growth of the District. The District needs to seriously consider ways of growing its economy, especially the primary and the secondary sectors.

### **2.5.2 Economic Contribution and Growth by Sectors**

The Tables below shows that the district is over- dependent on the tertiary sector that contributed 89% of the District GDP in 2007 and since 2001 has increased its contribution from 81%. This over reliance on the tertiary sector is further exacerbated by the District's high dependence on the 'Community Services' that contributed 46.8 % of the District GDP in 2007 an increase from 43.3% in 2001. This over reliance on Community Services is a factor across all the Local municipalities in the district.

### **2.5.3 Role of Community Services in District economy**

This is a major problem for the District as the primary source of financing in the 'Community Services' is direct remittances from government in the following forms:

- Capital Infrastructure
- Operational costs of government Employees and Infrastructure in the three spheres of government operating in the district
- **Welfare Grants**

The intention is that such investment, while contributing to poverty alleviation, economic development and employment creation, has so far had little impact on stimulating private sector investment in the District. On the present trajectory it is likely to result in a growing long-term District dependency on such government finance.

A further problem with this dependence on government finance, without the necessary growth in the secondary and primary sector, is that this investment flows out of the district in the following forms:

- Professional fees and material for major infrastructure work – it is estimated that at maximum only 20% of the government's capital investment is absorbed directly into the District economy through wages and salaries to labour, supervisors and some middle management. The rest is lost to the District through primarily outflows for materials, the technical expertise and profits on the infrastructure development that are paid mainly outside of the District.
- Expenditure on foodstuffs and household consumables most of which are brought into the district from outside given the District's lack of a manufacturing sector. In 2007 it was estimated that R3.9bn was spent in the district in the retail sector. While some of it would have

stayed within the retail infrastructure of the province, large portions would have flowed out of the district to pay for the products purchased. A critical challenge for the District is how it can increase the amount of this that remains within the district

## 2.6 Social Indicators

### 2.6.1 Education

The District is characterised by low levels of education. As can be seen from the table below, Port St. Johns, Ingquza Hill and Nyandeni Municipalities show the highest number of people with no formal education. KSD has the highest number of people with secondary and tertiary education probably because of the location of WSU and other many secondary schools in Mthatha.

**Table: Educational levels by Local Municipalities**

Municipality	No Schooling (%)	Primary (%)	Secondary (%)	Tertiary (%)
<b>Ingquza Hill</b>	43.4	35.6	19.9	1.1
<b>KSD</b>	35.5	32.1	29.5	2.9
<b>Mhlontlo</b>	31.2	42.0	25.4	1.4
<b>Nyandeni</b>	41.6	35.1	22.5	0.8
<b>Port St Johns</b>	48.2	35.4	15.6	0.8

### 2.6.2 Educational Facilities

According to the Education Management Information System (EMIS), there are a number of primary and secondary institutions in the ORTDMA. The education levels in the seven municipalities are indicated in Table 3.11 below. The District has a total of 1 337 primary and secondary schools. There is one University in the OR Tambo DM, which is the Walter Sisulu University situated at KSD in Mthatha. There is also an FET college still in the same local municipality.

**Number of schools per Municipality**

Municipality	Primary	Combined	Secondary	FET Colleges	University
Ingquza Hill	68	122	19	1 campus	-
KSD	71	219	39	1 (central admin. and campus)	1
Mhlontlo	72	156	25		-
Nyandeni	72	169	24		-
Port St Johns	58	74	14		-
<b>TOTAL</b>	<b>461</b>	<b>929</b>	<b>153</b>	<b>2</b>	<b>1</b>

### 2.6.3 Health Facilities

OR Tambo District is currently served by approximately 19 hospitals and 108 clinics. The hospitals are generally in urban centres and the clinics are in the more remote locations. The provincial government is currently driving an active programme of clinic construction. In addition it has adopted a policy of prioritising the refurbishment of access roads to rural clinics as well as reconstruction of roads to rural hospitals. The sector is, however, still beset with problems in retaining appropriate staff and medical supplies at the rural institutions. The District Municipality is also prioritising the supply of water and sanitation to clinics and has a programme underway to address this issue.

### 2.6.4 Housing

The average size of a household in the O.R. Tambo District is 4.6 people, this is relatively higher than the size of household in the other Districts of the Eastern Cape province. Housing is predominantly in scattered rural settlements. The greater majority of households in the district live in traditional dwellings. According to Statistics SA in 2001, 24% of households occupied formal dwellings and by 2007 this totalled 26.7% while in 2001 68.1% households were in traditional dwellings with increasing to 70.1% by 2007.

*Table 21: Type of dwelling by municipality*

Local Municipality Name	Formal Dwellings	Informal Dwellings	Traditional dwellings
King Sabata Dalindyebo	30 633	3 945	44 467
Ingquza Hill (Qaukeni)	11 672	282	32 894
Mhlontlo	11 371	1 290	26 088
Nyandeni	8 432	309	41 251
Port St John's	48 710	170	21 387
ORTD - Total	110 818	26.60%	403 617

There is a divergence between these figures and those in the District's Consolidated Infrastructure Plan where it is estimated that 269,275 households were living in inadequate accommodation that is the total district housing backlog. Constructing formal houses to overcome this estimated backlog at a cost of the national government's subsidy of R43 400 would amount to R11,686,531,675.

## NATURAL ENVIRONMENT ANALYSIS

### 2.6.5 Hydrology

The O.R Tambo area has one large river, Umzimvubu and two medium –sized rivers, Mthatha and Umthamvuna as well as a number of smaller coastal rivers with limited catchments that stretch no more

than 60 km inland. It is these smaller coastal rivers and their estuaries that give the Wild Coast much of its character. The nature of the river systems directly impacts on the current environmental threats in various areas in this region.

### **2.6.6 Rainfall**

Most of the O.R. Tambo district receives an annual rainfall of above 800mm, which decreases steadily moving inland. The coastal areas receive a fair distribution of its rainfall throughout the seasons including winter, whereas the more inland areas receive at least 80% of their precipitation in the period between October to March.

### **2.6.7 Temperature**

Temperature range from a mean minimum of 14.3 – 19.8 °C in January and 1.8-13.4 °C in July to a mean maximum in 14.3 – 25.3 °C in January and 19.5 – 21.4 °C in July.

### **2.6.8 Vegetation**

The environment of the O.R. Tambo area has a wide range of habitats, including upland and coastal grassland, afro-montane and coastal forest, valley thicket, thorny bushveld, coastal and marine habitats. Two components are of particular interest, first the coastal forests, bushveld and grassland of the Pondoland area North of Mbotyi has been identified as a ‘Centre of plant endemism’, with more than 130 plant species including the well-known Pondoland coconut palm that occur nowhere else in the world. Secondly, the terrestrial biodiversity is matched by extremely rich marine biodiversity, also with a large number of endemic fish species. The Wild Coast has been identified as one of WWF International’s Global Eco-regions of Global significance.

### **2.6.9 Geology**

O.R Tambo district is underlain by a variety of rock types representing a considerable time span. These include a sandstones and shales, through which magmas have intruded to form dolerite dykes represents the conduits that fed the lavas that form the higher lying areas of the Drakensburg, Kimberlites, diatremes and other centres of volcanic activity also occur at a number of localities within O.R. Tambo. The underlying geology and geomorphology of the region are closely tied to the formation of the soils. As such more arable and productive soils (according to ENPAT data) are located in the Eastern and North- Eastern portion of the District, covering Flagstaff, Bizana and Lusikisiki

### 2.7.6 Environment

Environmental degradation, soil erosion in particular is a major concern in the O.R. Tambo district. This imposes a number of limitations to the possible uses of land and hence the economic viability. The table below depicts the extent of degradation per Local Municipality.

Table 22. Degradation per LM

Local Municipality	Total Area (km <sup>2</sup> )	Degraded Area (km <sup>2</sup> )	% Degraded
King Sabatha Dalindyebo	3027.43	815.50	27
Mhlontlo	2826.19	795.39	28
Ingquza Hill	2477.06	302.37	12
Nyandeni	2474.02	378.11	15
Port St Johns	1291.25	190.12	15
O.R. Tambo District	12095.95	2481.49	24

## 2.7 SPATIAL ANALYSIS AND RATIONALE

The district is situated in the Eastern Cape Province and covers some 80% of the area previously designated as the Transkei. Although it straddles the National Route N2 linking Durban to East London, the Garden Route and Cape Town, the OR Tambo district may, in general terms, be said to be peripheral to the main (central) communication and transport routes linking the economic heart of South Africa, Gauteng, and the major centres of Durban, and Cape Town. This peripheral location is mirrored in the peripheral nature of the economy of the district, which is largely land-based (subsistence) and has been impacted negatively by historic practices of discrimination and marginalisation prior to 1994.

In September 2010, the O.R. Tambo DM council adopted a reviewed Spatial Development Framework (SDF), which is a document that seeks to guide the spatial distribution of current and future desirable land uses/activities within the municipality, in order to give physical effect to the vision, goals and objectives of the municipal Integrated Development Plan (IDP). In effect, the SDF represents a “picture” of where the municipality wishes to direct its efforts in facilitating development. As such, the primary purpose of the SDF is to guide all decisions of the municipality relating to the use, development and planning of land and, at the district level, should guide and inform:

- A hierarchy of settlement to illustrate the relative importance and purpose (function) of different places (towns and settlements);
- The identification of major movement routes;
- The identification of Special Development Areas for specific interventions either to facilitate and/or improve local economic development opportunities or to address special instances of need

- The conservation of both natural and built environments

In so doing, it is hoped that the SDF would become a useful tool whereby other roleplayers in different spheres of government, non-governmental agencies and the private sector would be better informed as to how best to direct their investment and development programme activities in the district, in order to ensure better co-ordination and mutual enhancement of productive outcomes.

In this regard, therefore, the SDF attempts to ensure that public and private sector investment and activities are located in areas that can best:

- Promote economic generation potential
- Maximise opportunities for the poor
- Improve accessibility
- Minimise the cost of physical expansion
- Ensure that people are well located
- Promote a sustainable environment

In addition to the above general purpose, it is also the intention of a SDF to provide the basis to inform the development of a coherent land-use management system. As the SDF provides a broad framework for land use planning, it also includes Land Use Management Guidelines that are to be used to guide the municipality in the management of land and to facilitate the land management process. The SDF thereby further informs development decisions and attempts to strengthen the framework in an attempt to boost investor confidence to facilitate both public and private spending.

The current OR Tambo District Spatial Development Framework is currently undergoing a sectional review to exclude the two municipalities that moved to Alfred Nzo. The O.R. Tambo District Municipality is made up of the following municipalities.

- Ingquza Hill (EC153 – formally known as Qaukeni LM)
- Port St Johns (EC154)
- Nyandeni (EC155)
- Mhlontlo (EC156)
- King Sabata Dalindyebo (EC157)

It must be noted that the ORTDM Spatial Development Framework as it right now, also incorporated Ntabankulu and Mbizana and these two municipalities will fall under Alfred Nzo District after the Local Government Elections. In light of these developments, the DM SDF is currently undergoing a sectional review to exclude these two municipalities.

Below, the Nodes and corridors as identified in our SDF are listed per local municipality.

### **KING SABATA DALINDYEBO LM**

SPATIAL CONCEPT	TYPE	NAME/ DESCRIPTION
NODES	Primary Nodes	Mthatha, Mqanduli
	Tourism nodes	Coffee Bay, Hole in the Wall
	Prioritised secondary nodes	Langeni Forest, Mvezo
	Other Secondary nodes	Viedgesville Qunu Gogozayo Kwaaiman Qokolwen Mthatha Dam Baziya Mpheko Mqhekezweni
ROUTES	Primary Route	The N2
	Secondary Route	Viedgiesville/Coffee Bay corridor link Mthatha and Mqanduli towns. Also serves as a tourism route linking with the node of Kwaaiman and Coffee Bay to the South East
	Tourism Corridor	Langeni / Ugie Route
PRIORITY AREAS	Urban Edge	The development and definition of the urban edge is proposed, in order to minimize the chances of settlement sprawl of low density developments
	Urban Renewal Areas –	Mqanduli Town and Ngangelizwe.
		The urban renewal areas are those with a dire need for upgrading of infrastructure and services
	Corridors/Mobility Routes	The municipality in conjunction with the SANRAL should devise strategies to manage developments along the main corridors and national route
	Forestry Development	Langeni is the main forestry development area. Other small scale forestry development proposals should also be taken into consideration
	Tourism Development	Coffee Bay and Hole in the Wall serve as first order tourism nodes. Facilities and infrastructure needs to be improved.
		Mthatha Dam has also been identified for tourism development but needs improvement with accessibility.
	Commercial Node	A process of rationalisation involving planning and surveying will have to be undertaken in Viedgiesville
	Business and Commercial Development Zones	It is proposed that the municipality should develop more business zones outside the CBD in Mthatha
Settlement Upgrading	Areas along the R62 are currently being upgraded are Mthatha West, Mandela Park, Slovo Park, Chris Hani.	
Agri tourism	Mvezo – Development of irrigation scheme and upgrading of infrastructure to promote the area for tourism development	
PRIORITY ISSUES	<i>Unmanaged Urbanisation, Land Use and Zoning, Livestock Management</i>	

### **NYANDENI LM**

SPATIAL CONCEPT	TYPE	NAME/ DESCRIPTION
NODES	Primary Nodes	Libode and Ngqeleni.
	Transport Nodes	Ntlaza Junction and Canzibe
ROUTES	Primary Route	The N2
	Secondary Route	Existing R61 (from Mthatha to Port St Johns),
	Transport Corridor	Ngqeleni to the R61 junction
PRIORITY AREAS	Tourism Development	Tourism should be promoted and facilitated at Mthatha Mouth, Hluleka – where there is also a nature reserve – and Ntlangano. In these three coastal areas, construction of hotels and any other forms of accommodation such as camping sites as well as any other tourist attractions should be encouraged

	Industrial Development	An area for manufacturing be established west of the Municipality along the N2 road and in the Caranafi Fields
	Service Centres	Spatial development should be facilitated and approved in three service centres of Marubeni in the north, Ntlaza junction in the centre and Canzibe in the south

## MHLONTLO LM

SPATIAL CONCEPT	TYPE	NAME/ DESCRIPTION
NODES	Primary Nodes	Tsolo and Qumbu
	Prioritised secondary nodes	Tsolo Junction; Sulenkama; St Cuthberts; Tsitsa falls; Tina falls; Langeni Forest;
	secondary nodes	Mafusini, Sidwadweni, Tsilitwa Chulunca , Lotana, Cab, a Tholeni, Ka Nomazolwana, Shawbury
ROUTES	Secondary Route	Upgrade access roads –Sulenkama, Tsitsa Falls, Mafusini, Bridge – Caba
PRIORITY AREAS	Tourism Development Areas	Tina Falls, Tsitsa Falls, Shawbury, Tsilitwa
	Agriculture Development Areas	Tsolo School of Agriculture will be revived and developed to provide training and skills development programmes for the identified agricultural cluster projects  Conservation of prime agricultural land, involving the local Department of Agriculture to assist in the identification of land with potential for different types of agricultural production, for example, irrigation.
	Forestry Development Areas	Nqadu, Langeni, Tsilitwa, Ngqukuqeni, Blackhill
PRIORITY ISSUES	Underutilised Land/Low Density development, Security of Tenure, Unmanaged Development, Urban and Rural Development Implementation of infrastructure and economic development projects Tourism Development, Forestry Development, Agriculture Development, Environmental Management	

## PORT ST JOHNS LM

SPATIAL CONCEPT	TYPE	NAME/ DESCRIPTION
NODES	Urban Node	The urban node comprises of the built up areas of the Port St Johns town.
	Peri Urban Node	The Port St Johns Zoning Scheme Boundary forms the outer boundary of the Peri Urban Node
	Administrative nodes	Ntombo Administrative Node, Ntafufu Administrative Node
	Service Nodes	Bambisani Services Node, Isilamela Services Node
	Coastal accommodation nodes	The Singwanana, Mngazan, Mngazi River Mouth, Mntafufu River Mouth and Mauteku

ROUTES	Primary Route	The main spine which connects Port St Johns to Mthatha and Lusikisiki is the R61 Trunk Road. This route also provides access to the Tombo and Ntafufu Administrative Nodes
	Secondary Route	The lower order spines District Roads, need to be upgraded in order to improve the accessibility to the Services, and coastal Accommodation Nodes. These roads areas: <ul style="list-style-type: none"> <li><input type="checkbox"/> DR 08307 – R61 to Mngazi River Mouth</li> <li><input type="checkbox"/> DR 08029 – Tombo to Isilamela &amp; Singwanana</li> <li><input type="checkbox"/> DR 08029 – Tombo to Mngazana</li> <li><input type="checkbox"/> DR 08151 – R61 to Manteku River Mouth</li> <li><input type="checkbox"/> DR 08152 – R61 to Ntafufu River Mouth</li> <li><input type="checkbox"/> DR 08158 – Lusikisiki to Bambisana Mission</li> </ul>
DEVELOPMENT ZONES	The Coastal Zone including the Special Development Area	A special development area zone or low impact eco-tourism zone should be maintained for the remaining strip of coastline not earmarked for nodal development. Spatial development areas are areas where only low intensity environmentally and culturally sensitive development aimed primarily at eco-tourism should occur.
	Urban Area	Port St John
	The River Valley Zone	This area is classified as the lower lying land portions adjacent to the six rivers traversing the study area. The most prominent of these river ree areas is the Umzimvubu loval flood plain traversing the entire study area
	The Highlying Hinterland	This area is classified as the higherlying areas to the north of the riverine valleys. The terrain is characterised by very steep valleys and undulating landscape with portions of flatter plateaux located in the northern portion of the study area

## INGQUZA HILL LM

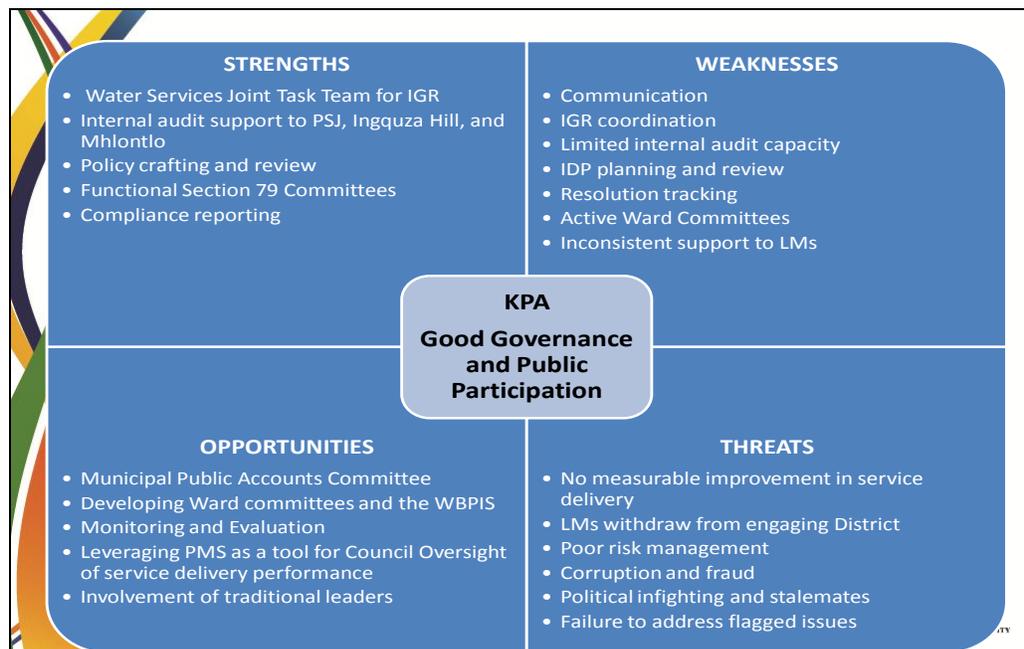
SPATIAL CONCEPT	TYPE	NAME/ DESCRIPTION
NODES	Primary Nodes (1 <sup>st</sup> Order)	Flagstaff and Lusikisiki.
	Tourism nodes	Ingquza Hill; Qaukeni Great Place; The Whole Coastal Area; Mkhambathi; Magwa Falls
	Coastal Nodes (2 <sup>nd</sup> Order)	Mbotyi; Msikaba
	Rural Service Centres	Nkozo; Holy Cross; Mthontsasa
ROUTES	Existing Mobility Route	Trunk Road connecting Lusikisiki to Flagstaff District Road connecting Flagstaff to Holy Cross to Mthontsasa to Msikaba; District Road from Lusikisiki to Qaukeni to Holy Cross to Mbizana; District Road from Mbotyi to Lusikisiki
	Proposed Mobility Routes	N2 Toll Road from Lusikisiki to Mbizana to KZN
PRIORITY ISSUES	<b>Coastal Area</b>	The Coastal Area includes the land above the coast from Mtentu to the Mzintlava Rivers and includes the Coastal Area of Mbotyi and Msikaba.
	<b>Rural Settlement Area</b>	Rural settlements are dominant in the area and in need of access to basic levels of services and development opportunities.
	<b>Urban Area</b>	The urban areas of Flagstaff and Lusikisiki are earmarked for further urban growth where a vast amount of amenities and basic services will be clustered.

## 2.8 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Good Governance and public participation is one of the five (5) Local Government Key performance areas (KPA) and is mainly about ensuring that the municipality is able execute its constitutional mandate and is guided by Accountability, Fairness, Transparency and ensures public involvement in the affairs of council. At least Ten (10) focal areas have been identified as crucial when planning and focusing on ensuring and improve good governance and public participation in O.R. Tambo DM.

1. Functioning of council and council structures/ committees
2. Traditional leadership/ Councils as institutions in Local Government
3. Public participation (focusing on Communities and community structures, ward committees, Community Development workers, various organs of state power and civil society in general.)
4. Functioning of Intergovernmental Relations
5. Monitoring, reporting, and evaluation
6. Communication, branding and marketing
7. Auditing
8. Risk Management
9. Anti-fraud and anti-corruption
10. Legal Services

An analysis of Strengths, weaknesses, Opportunities and Threats was done to capture an understanding of the stakeholders on identifying challenges and improvement areas going forward, whilst appreciating the strengths and opportunities in place in this regard (as tabulated below)



## 2.8.1 FUNCTIONING OF COUNCIL AND COUNCIL STRUCTURES

In terms of Section 12 Notice, O.R. Tambo is a category C municipality which consists of 60 Councillors. Currently the district municipality has 60 Councillors which are composed as depicted in the following table:

<i>Table 23: Composition of ORTDM Councillors</i>		<i>Table 24: Existing Councillors in the O.R Tambo District Municipality</i>			
DESCRIPTION	NUMBER	PARTY MEMBERS	TOTAL NO. OF CLLRS	PART-TIME CLLRS	FULL-TIME CLLRS
Full time councillors	12		60	48	12
Part time councillors	44				
Directly elected councillors	24	ANC members	49	47	10
Indirectly elected councillors	30	UDM members	6	5	-
Females	23	DA	2	1	-
Males	37	Cope	3		

Structurally, the O.R Tambo District Municipality is an executive mayoral type, constituted of political and administrative structure.

*Table 25: Number of indirectly elected councillors per municipality*

NAME OF MUNICIPALITY	NO OF COUNCILLORS
King Sabatha Dalindyebo	12
Nyandeni	7
Port St Johns	4
Ingquza Hill	7
Mhlontlo	6

### Political Management Committee

The Office of the Council Chief Whip has just established a political committee called Troika which consists of the Executive Mayor, Speaker and Council Chief Whip. This committee is coordinated and chaired by the Council Chief Whip and can when needs be invite the Municipal Manager to the meeting. This committee provides strategic leadership for the district municipality to be able to effectively utilize the limited resources to achieve its objectives.

### Whippery Support

Council took a resolution to have a full time Chief Whip and institutionalization of the Office of the Chief Whip. Council Chief Whip performs duties as stated in the Council's delegated authority. The Council Chief Whip meets quarterly with Chief Whips from all five local municipalities to conduct audit of service delivery. In doing this all whips are expected to present a written report on service delivery

challenges, programs / projects taking place, achievements and any other things that may hinder service delivery. A policy on the functionality of the Office of the Chief whip has been developed and adopted by council.

## **SECTION 79 AND 80 COMMITTEES**

The district municipality has four Section 79 Committees which are managed and coordinated by the Office of the Speaker. These committees are fully functional and are meeting quarterly unless there are urgent issues that warrant their attention. These committees assist the Speaker in execution of her duties in line with relevant pieces of legislation and municipal delegation authority. All deliberations and recommendations of these committees are presented to Council for consideration. They have managed to assist Council in taking informed decisions ranging from welfare of Councillors to effective governance and enhancement of public participation.

Both Sec 79 and 80 Council committees do meet and process council reports to other structures of council till adoption and resolution by Council meeting. There is a good working relationship between these committees and sometime they organize combine capacity workshops and information sharing as well as joint sitting of various committees.

### **i. Rules Committee**

The objective of Rules Committee is to review the Standing Orders of Council and recommend to Council. These have been reviewed and adopted by Council.

### **ii. Ethics and Members' Interests Committee**

The committee managed to sit and consider the Gazette on Upper Limits of Councillors as well as facilities to support Councillors in performing their duties.

### **iii. The Municipal Public Accounts Committee**

The Council of O.R. Tambo DM has established a Municipal Public Accounts Committee whose functions are guided in terms of the Local Government Municipal Finance Management Act (MFMA) Section 129, as well as the relevant guidelines issued for this purpose. The committee is chaired by a councillor of an opposition party and has its terms of reference adopted by council. Amongst others, the committee is responsible for considering the Annual report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council.

## **Oversight Role of Council and Section 79 Committees**

In trying to enhance effective Oversight, the

- Municipal Public Account Committee (MPAC) has managed to get its reviewed Terms of Reference adopted by Council. Several training workshops have been conducted on the Functionality of MPAC Committee. After tabling to Council, the Committee has managed to peruse the 1<sup>st</sup> quarter report.
- Ethics and Members Interest Committee – to ensure compliance with the code of conduct for Councillors. This Committee has managed to take three policies to Council for adoption – Code of Conduct for Councillors; Declaration of Interest Policy; and Policy on Councillor Benefits.

### **Challenges on the functioning of council and council structures**

The following challenges have been identified on the functioning of council and council structures

- Capacity gap on the new councillors into oversight responsibilities / particularly council committees
- Role definition between the executive and legislative committees of council
- Remuneration of political office bearers
- Poor administrative support provided for council structures to exercise oversight responsibilities
- No framework guiding location and provision of administrative support for traditional leadership in council
- Political instability hampers proper functioning of councils
- Lack of clarity on the role of whipper in municipalities

### **2.8.2 PUBLIC PARTICIPATION**

Public Participation derives its principles from the Constitution of the Republic of South Africa, which grants all citizens a right to meaningful participation in the country's affairs, thus a right to shape and determine their own destiny. Thus, local government has been entrusted with the responsibility of ensuring involvement of communities, and community (civic) organisations in local government affairs. During 2012/13 financial year the O R Tambo District Municipality calls upon all her citizens to exercise their right to actively participate in the municipality's affairs to the fullest of their abilities, endowments and human dignity.

The objectives of this approach to public participation are as follows:

- To create and strengthen the appropriate community structures required for local governance;

- To establish an appropriate institutional mechanism to ensure the sustainability of such end-user groups and civil society structures;
- To capacitate members of the community structures, relevant end-user groups, councillors and officials to be effectively involved in community participation;
- To build the internal capacity within Council to roll out the training Programme to all community structures;
- To provide support to officials within the DM to ensure implementation of the new way of doing business;

The White Paper on Local Government puts forward the vision of “developmental local government” which it defines as: **“Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve their quality of lives”**.

The vehicle and system for involving the public is given more emphasis in Section 16 of the Municipal Systems Act, which requires that municipalities develop a culture of community participation and create mechanisms, processes and procedures. These mechanisms would involve communities in planning, performance management, budgeting, and service delivery. Municipalities are also required to build the capacity of the local community to participate, as well as the capacity of Councillors and staff to foster community participation.

Public Participation Policy and Public Participation Strategy have been developed and adopted by Council to ensure that communities that are within the area of jurisdiction of O.R. Tambo District Municipality do participate in the policy formulation and implementation processes. The O.R. Tambo District Municipality Strategy is also meant to support and translate into reality the vision, mission and objectives of the municipality.

## **PARTICIPATION IN IDP AND BUDGET PROCESSES**

**To be filled in once the IDP and Budget Roadshows have been undertaken.**

## **WARD COMMITTEES**

Ward Committees are committees established in terms of Section 73 of Local Government: Municipal Structures Act, Act No. 117 of 1998, and they are also referred to as Section 73 Committees. They consist of a Ward Councillor as the chairperson, and 10 other members elected by ward residents in a Ward General Meeting taking into cognisance the balance in terms of gender. They play a major role in IDB/Budget and Oversight processes as they serve as a link to communities. Ward committees have been established in all local municipalities and have been taken through some training in an attempt to orientate them to local government.

## COMMUNITY DEVELOPMENT WORKERS

All five local municipalities under O.R. Tambo district municipality have Community Development Workers who are working with other community structures in ensuring that services are delivered to the people. The intention was to ensure that each and every ward has a Community Development Worker but due to limited resources and other logistics there are wards that still have no CDWs but are being serviced by other CDWs with the coordination of a local coordinator. The district municipality works closely with the five local coordinators who represent all CDWs per municipality in terms of implementation of CDW programs. The district municipality provides support to CDWs in implementation of their programs. Generally there has been some challenges on how CDWs operate on their daily activities and their reporting lines still pose a challenge to municipalities. CDWs have been capacitated in Ward Based Planning and Information System. This program is an upgrade of the existing Socio Economic Survey and in this process each ward will have updated electronic information of each household. The CDWs are very instrumental as people with the knowledge of the wards, in ensuring that information fed on the WBPIS is up to date and reflects what is happening on the ground.

## SUPPORT TO LOCAL MUNICIPALITIES

All Local Municipalities were encouraged to establish oversight committees and were provided with terms of reference for such committee. This was discussed and agreed upon at the level of District Speakers Forum which is the platform coordinated by the Speaker of the District Municipality for all Speakers from different local municipalities within the district. The support given to the local municipalities also include the Community Development Workers programmes; establishment and capacitation of Municipal Public Accounts Committee; establishment and capacitation of Oversight Committee members; Policy development; and compilation of council documents.

## COUNCIL MEETINGS

There is a Council approved Council Calendar that regulated the sitting of Council meetings and Council Committee meetings. The Office of the Speaker has fully complied regarding the sitting of Council meetings. The Office of the Speaker has provided laptops to its councillors as working tools. The intention is to introduce a paper free, electronic council meeting, and minimise transportation and cartridge costs. To assist the process, Councillors have received Computer literacy training.

## DISTRICT SPEAKERS' FORUM

The District Speaker's Forum is an IGR structure whose objectives include the building of common understanding from shared experiences; co-ordination of work in areas of common interest; and the development and management of municipal programmes between local municipalities and district municipalities. O. R. Tambo has a responsibility of co-ordinating its local municipalities in a structured manner for information sharing purposes. The Office of the Speaker has hosted One District Speaker's Forum so far in this financial year and it was held on 11 November 2011 and there is one schedule to take place on 16 April 2011.

## COMMITMENT TO COMMUNITY PARTICIPATION

The O.R. Tambo endeavours to ensure that communities are central to the development of IDPs and that they are aware of their role in local government. To that effect a number of outreach programmes to the local municipalities were held by both the Office of the Executive Mayor and the Office of the Speaker.

Upon assuming his duties, the Executive Mayor visited four of the local municipalities KSD, Mhlontlo, Ingquza Hill and Port St Johns in the months of September and October 2011. What transpired out of these meetings has been used to set the tone for the development priorities for the next five years.

Three Speaker's outreach Programmes were held at Ingquza Hill Local Municipality, Nyandeni Local Municipality and Port St John's Local Municipality. The theme of the outreach was centered around the role of the community in Local Government programs.

## Challenges on Public Participation

- No proper monitoring, reporting and evaluation on the functionality of organs of civil society

- Limited support to functioning of organs of civil society
- Non-collaboration between Traditional leaders and ward councillors.
- Unstructured and poorly coordinated public participation approaches
- No processes for petitions and complaints management (batho pele/ customer care)

### **2.8.3 PETITIONS & COMPLAINTS MANAGEMENT**

In the past there was no system in place for the management of the complaints and petitions in the municipality. The Office of the Speaker has developed a policy which seeks to regulate the manner in which community members and stakeholders lodge their complaints/petitions and how the municipality handles such complaints/petitions. This policy also seeks to encourage community members and stakeholders to exercise their constitutional right as per Section 17 of the Constitution of the Republic of South Africa 1996. This policy is still in draft form, currently being taken through Council structures. It is envisaged that it will be taken to Council by the end May.

In the interim, the District has dedicated personnel who deal with the complaints and related matters received from the Presidential Hotline. This function is currently facilitated through the Office of the Chief Operations Officer.

### **2.8.4 TRADITIONAL LEADERSHIP & COUNCILS**

Traditional leadership and Traditional councils have been identified as an exclusively critical stakeholder in Local Governance and as such, relations between these institutions and the municipalities presents huge opportunities for advancing an impactful service delivery. The key issue identified is that the relations with traditional leadership are currently unstructured/ adhoc, not formalised. Apart from meetings of Traditional Leaders with the Executive Mayor and the IDP Roadshows, the only platform where they could participate in the IDP processes was through the IDP Representative Forum. This hampered the planning and speed of service delivery and reduction of service delivery backlogs as the attendance to these meetings was not good. During this term of council, the traditional leaders are becoming part of municipal councils and as such the O.R. Tambo District Municipality is developing a clear programme focusing on enhancing service delivery through formalised partnerships and programmes with Traditional leadership institutions.

### **2.8.5 SOCIAL COHESION**

The Office of the Executive Mayor together with the Community Services Department are implementing a number of programmes and activities aimed at promoting social cohesion in the communities of O.R. Tambo district. These include moral regeneration programmes – e.g participation in the Inkciyo initiative , sports, arts and cultural activities, support to various community organisations and cooperatives etc.

### **2.8.6 INTEGGOVERNMENTAL RELATIONS (IGR)**

The role of the District Intergovernmental Forum is to serve as a Consultative Forum for the District Municipality and the Local Municipalities, Provincial, National and parastatals in the District to discuss and consult each other on matters of mutual interest, including:-

- i) Draft National and Provincial policy and legislation relating to matters affecting Local Government interests in the District.
- ii) The implementation of National and Provincial policy and legislation with respect to such matters in the District.
- iii) Matters arising in the Premier Intergovernmental Forum or MUNIMEC are affecting the District.
- iv) Mutual support in terms of Section 88 of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998);
- v) The provision of services in the District;
- vi) Coherent planning and development in the District;
- vii) The co-ordination and alignment of the Strategic and performance plans and priorities, objectives and strategies of the Municipalities in the District; and
- viii) Any other matter of strategic importance which affect the interest of the Municipalities in the District.
- ix) Submission and coordination of allocation of resources to MTF budget.

The functioning of the Intergovernmental Relations is improving in the O.R. Tambo district, particularly the various sector fora including those linked to the IDP. Some of the outcomes of the functional IGR environment in the district has been the drafting of the Five Year Sector Strategies which form the basis of this document, outlining what the district wide priorities as adopted by all the municipalities should be, of course guided by the local priorities, the Local Government Turnaround Strategy, as well as other Provincial and National Planning frameworks. The District programme of action was approved with a related District Monitoring and Evaluation Framework.

The most remarkable IGR initiative in the O.R. Tambo is the establishment of a Joint Task Team (JTT) forum, which was established as a result of the declaration of a dispute on water services related issues against the District Municipality by the Minister for the Department of Water Affairs and Forestry. The forum was established to try and address the issues in an IGR environment as against the litigation option.

It must be noted that though there is an IGR Framework in place it needs to be reviewed and IGR Policy to be developed. This review and development of the IGR Framework and Policy is budgeted for in the next financial year.

All IGR structures in place and their functionality in the O.R Tambo DM are listed in the table below:

**Table 29: Functionality of IGR Structures**

<b>IGR structure</b>	<b>Nature (political/Technical)</b>	<b>Required frequency of meetings</b>	<b>Functionality</b>
<b>District Mayor’s Forum</b>	Political – chaired by the Executive Mayor	Once per semester	Functional, with consistent attendance by most Mayors from the LMs
<b>Water Services Joint Task Team</b>	Political – chaired by the MMC for Planning Infrastructure and Services	Bi-Monthly	Functional, with a linked technical task team meeting once a week to ensure follow up on JTT issues
<b>Various IDP sector forums</b>	Political	Quarterly	Not all Sector Forums have been able to sit.
<b>District AIDS Council</b>	Political-chaired by the MMC for Special programmes	Once quarterly	Functional but lack of of consistence in the attendance of DAC members.
<b>Municipal Manager’s forum</b>	Technical – chaired by the Municipal Manager of the DM	Quarterly	Functional, but not all LMs are actively involved
<b>District Communicators forum</b>	Technical – Chaired by the DM manager for communications unit	Monthly	Functional and active
<b>Local Communicator’s forum</b>	Technical- Chaired by the LM heads of communications	Monthly	Functional in some LMs
<b>District Speaker’s Forum</b>	Political – Chaired by the Speaker	Once per quarter	Functional, with consistent attendance by most Speakers from the LMs
<b>District Whippy Forum</b>	Political – Chaired by the Council Chief Whip	Once per quarter	Functional, with consistent attendance by all Chief Whips from the LMs
<b>DWA Bilateral Forum/ Meetings</b>	Combination of both Technical and Political- Chaired by the MMC for Planning, Infrastructure and Services	Bi-Monthly	Functional with consistence attendance by most of relevant department within DWA
<b>MIG District Co-ordination Forum</b>	Technical- chaired by the Senior Manager from DLGTA	Bi-Monthly	Functional and constitute DLGTA, DCoC, PMU’s from all LM’s including the District
<b>MIG District Appraisal Committee</b>	Technical – chaired by the Senior Manager DLGTA	Bi-Monthly	Functional and constitute of all LM’s & DM, DWA, DLGTA
<b>KSD Presidential Intervention</b>	Political- Chaired by the Premier	Bi-Monthly	Functional and constitutes of all sector departments
<b>District LED Forum</b>	Political – Chaired by MMC for LED, Agriculture & Tourism	Quarterly	The forum is partially functional due to the fact that it managed to sit twice in the last financial year and in 2008/2009 the forum was non-functional. However the sub-sector forums (The District Tourism co-ordinating forum, the agriculture fisheries and forestry sector forum and the district support teams) that feed to the LED forum are functional and have managed to sit as scheduled.
<b>District Spatial Planning &amp; Environmental Management forum.</b>	Political -	Quarterly	Not functional. The forum was launched in September 2009 and only the technical team of the forum has managed to sit as scheduled.
<b>District IDP Coordinators Forum</b>	Technical	Monthly	Functional, although in all meetings only about 80% attendance by local municipalities has been achieved.
<b>Corporate Services Forum</b>	Technical (composed of the LMs of the district)	Quarterly or when a need arises	Functional except that it is being overtaken by other pressing matters
<b>Legal Services Forum</b>	Technical	Quarterly	Functional

**Table 30: Existing twinning arrangements and MOA/ MOU**

TWINNING ARRANGEMENT/ MOA/ MOU	AFFECTED INSTITUTIONS	PURPOSE	LEADING DEPARTMENT
Water Services Function	Amatola & Umgeni Water Board	Improvement of Water Services function	Water Services
Development of Water master Plans	DWA & Water-Boards	Development of Sustainable and reliable water resource (development of water master plans)	Infrastructure Cluster
Acceleration of sanitation backlogs	National Department of Human Settlement	Reduction of backlogs through Accelerate of the delivery of Sanitation	Technical Services

### Support to Local Municipalities

The various departments in the O.R. Tambo are implementing a number of programmes in support to the various local municipalities. The major challenge is that up to so far there is no system in place to centrally coordinate the LM support programme, and as such these are not monitored. Currently the DM has limited capacity to ensure central coordination of LM support, mainly due to limited staff component. The table below shows the various LM support programmes implemented by the various departments in the DM.

**Table 31: LM Support Programmes**

Name of Department	Nature of support	Beneficiary Municipalities	Key Milestones/ achievement to date	Challenges
Office of the Executive Mayor	Local AIDS Council	All LMs	Seven Local AIDS Councils had been established	Inconsistence in the attendance of meetings by the members
	Ward AIDS forums	All LMs	Thirty two wards forums had been established	Unavailability of stipend for the members is a hindering effect in the maximum participation of members
	Non governmental organisations/Faith Based and Community based Organisations	All LMs	Community based organisations doing home based care program were given home based care kits.(Faith based organisation : Mthatha)	Funds not enough to provide required support.
	Support groups	HIV positive people in all LMs	162 support groups were supported	Low socio economic status for people living with HIV virus is hindering effect to their maximum participation as most of them depend on conditional grant.
	Community health care centres	Terminal ill and neglected clients in Ntabankulu and K.S.D LMs	Ixabiso lomntu community care centre –Ntabankulu and Temba community based care –Mthatha were given financial support	R120 000 which was given to both centres proved not be enough to address their challenges.
	Non medical HIV Counselling & testing sites	All LMs	25 Non medical HIV counselling & testing sites were supported	Funds not enough to cater for the stipend of retired professional nurses and Lay Counsellors.
	High Transmission Area sites	K.S.D , Mhlontlo, Nyandeni and Port St. Johns	Five High transmission area sites were supported(Mthatha Shell Ultra City, Tsolo junction ,Mbizana , Ngqeleni and Port St. Johns second	NONE

Name of Department	Nature of support	Beneficiary Municipalities	Key Milestones/ achievement to date	Challenges
			beach.	
	Health facilities	All LMs	Professional nurses for communicable diseases were trained for different health facilities.	Mostly on completion of the training, professional nurses become marketable or promoted. Meaning that HIV/AIDS unit had to train new nurses.
	Nurses schools	Mhlontlo and Nyandeni LM	150 young people identified in needy homes were enrolled as in Enrolled nurses and enrolled assistance programs in an attempt to address the shortage of health care workers, unemployment and shortage of skills in the District. 75 young people completed Enrolled nurses assistance program and they are placed in different health facilities.	Lack of infrastructure in these nursing schools limits the annual intake of new student nurses.
	Places of safety	Palmerton – Ingquza Hill , Siyakhana ; Ingquza Hill & K.S.D,	85 vulnerable children and 15 abducted girls were placed in Palmerton child care centre and in nearby Junior and High school to continue with their education.	Shortage of funds has a negative impact in the operations of the centre.
	Orphans and vulnerable children	All LMs	All identified needy children were placed in different schools and tertiary institutions to continue with their education	Lack of integration of programs has serious impact in expanding the program due to the fact that ,the District has to pay for the fees, stationery and uniform whereas they are supposed to be exempted.
	Cooperatives for the vulnerable groups	Zalu Hill: Ingquza Hill , Baziya, Mthatha: K.S.D.,Gxulu: Nyandeni , Hormies furniture : K.S.D LM Xhwili A/A:K.S.D LM	Two women sewing projects in Zalu Hill and Gxulu are currently functioning. Baziya Poultry project for young women is functioning well , Hormies carpentry for young men is operational , Eastern cape magazine for a young woman in Xhwili A/A is operational, Project for carpentry Arts and craft for people with Disabilities in Flagstaff : Ingquza Hill is operational	NONE
	Students finance Program	All LMs	104 tertiary students are currently benefiting in the program. 26 have completed their degree	Funds are not enough to cover needy students .
Office of the Speaker	Support on the Establishment of MPAC and Oversight Committees; -Development of Public participation Policy, Public Participation Strategy and Ward Committee Guidelines; -Compilation of Council Documents, Council Minutes and Resolutions register	All LMs	-All LMs have been workshopped on MPAC Terms of Reference -All local municipalities have been encouraged to participate in the Speakers and Traditional Leaders Summit	Inconsistence in attending meetings convened by the DM.

Name of Department	Nature of support	Beneficiary Municipalities	Key Milestones/ achievement to date	Challenges
Internal Audit	Provide internal audit support to local municipalities on a shared service arrangement.	Port St Johns and Mhlontlo local municipalities.	There has been improvement in audit outcomes with Port St Johns municipality obtaining an unqualified audit opinion in the 2009/2010 financial year.	<ul style="list-style-type: none"> <li>The existing capacity in the district is inadequate to fully service the local municipalities.</li> <li>Past audit issues are not addressed on time resulting in recurring audit issues.</li> </ul>
Municipal Operations	Coordination of development of IDP and PMS	All LMS	Development of Framework and process plans for both IDP and PMS	Limited capacity (staff complement), some LMs do not dedicated personnel for IDP and PMS
Budget and Treasury				
Legal Services	Legal , consultative and sharing of personnel for legal support	Mhlontlo ,Nyandeni, Ingquza Hill ,KSD and PSJ	Successfully defended cases for the municipalities' .Shared skills and legal manual.	Structures do not provide for adequate legal staff, too many litigations and less funding. Less opportunities for meetings
Human Resources	Support for job evaluation , Consultative	Mhlontlo ,Nyandeni, Ingquza Hill ,KSD and PSJ	Job evaluation finalized and implemented in some LMs and in other still in process	Formulation of policies, No uniformity of systems, lack of skilled personnel.
ICTM	Consultation,	Mhlontlo ,Nyandeni, Ingquza Hill ,KSD and PSJ		Formulation of policies, No uniformity of systems, lack of skilled personnel.
Planning and Economic development	Planning	Mhlontlo LM  Mhlontlo Ward 2 & 13 PSJ LM Ward 11	Tsolo Junction SDF being developed. Community Based plans developed.	
	Capacity building and training	All LMs	Training of community members on Tourism Arts & Craft, Business skills, Poultry management & disease management. Public transport operators trained on conflict management, Customer care & financial management.	
Community and Social Services				
Infrastructure Cluster	Engineering Support	All LM's	<ul style="list-style-type: none"> <li>Development of standard tender document that complies with CIDB regulations.</li> <li>Purchase of Design Soft Water for Nyandeni LM.</li> <li>Training on General Conditions of Contract 2010</li> </ul>	N/A

### Challenges identified in IGR.

- Adhoc IGR coordination at local municipalities level
  - Inconsistent , uncoordinated and adhoc support to LMs
  - Ineffective secretarial support for IGR
- Poor linkage between District and Local Municipality
- Lack of commitment by political offices.

- Lack of commitment by senior management to IGR , who send junior officials to IGR meetings
- Poor planning and coordination
- Lack of understand of the role of the district and vice versa
- IGR focus only on mere existence not necessarily focusing on service delivery – IDP implementation not central in IGR agenda.

### **2.8.7 INTEGRATED SERVICE DELIVERY PLANNING, IMPLEMENTATION MONITORING, REPORTING AND EVALUATION**

This focal area is mainly about ensuring credible processes for service delivery planning, implementation monitoring, reporting and evaluation. It is about ensuring alignment of service delivery plans and programmes between National, Provincial Government sector departments and municipalities. It also focuses on the involvement of communities in holding municipal councils accountable for service delivery in their local space. This focal area also looks at ensuring that municipalities have proper governance structures and systems in place to ensure accountability on delivery against set plans and programmes.

Challenges on service delivery planning, implementation monitoring, reporting and evaluation.

- Limited support capacity to the LMs
- Poor participation of LMs in the DM IDP processes
- Alignment of programmes and plans
- Lack of coherent and integrated planning throughout the District
- No proper feedback to communities after IDP Roadshows
- Lack of community involvement in project implementation/ improper introduction of projects to communities
- Lack of monitoring.
  - Ineffective of project steering committees.
  - Poor planning
- Performance monitoring and evaluation not leading to improved service delivery – malicious compliance
  - No monitoring and evaluation on service delivery
  - Poor service delivery reporting/ reporting does not lead to improved service delivery
  - Misreporting
  - Unrealistic reporting expectations by the support departments at provincial and national level
  - Poor MR&E skills/ capacity on councillors and officials

## 2.8.8 COMMUNICATIONS

Government, and municipalities in particular have a responsibility to ensure that they have a Communications unit that empowers and encourages citizens to participate in democracy and improve the lives of all. This helps in ensuring coherence of messages, open and extended channels of communication between municipality and the people, towards a shared vision. Although the District municipality does not have a fully fledged Communications Department a District Communicators Forum (DCF) is has been established and is partially functional. Most municipalities do attend DCF meetings but a few municipalities are not consistent in attending meetings. Issues pertaining to the communication cluster are attended to. Communicators have been inducted on the role that they need to play in their respective municipalities.

The district municipality does have a draft Communication strategy which was never adopted by Council. This Communication Strategy and Plan (including the Media Plan) needs to be reviewed and adopted by Council. The process of the review is in progress, the draft strategy needs to be presented at the District Municipality Policy Workshop being planned for May 2012.

### **Communication challenges related identified**

- Non- Centralised communications.
- Communications units not sufficiently resourced both on Human Resources and financialy (communications units manned by 1 official in Local Municipalities).
- Strategic placement of and use of communications – Heads of communications and officers placed on lower levels in the organogramme.
- Inconsistency in updating information in the municipal websites.
- Negative perceptions from Media
- Inconsistency in attendance of the DCF by some municipalities.
- Lack of Corporate Identity.
- Varying and inconsistent communication (internal and external)
- Internal communication is not done properly
- Communication with external institutions is poorly managed/ channelled
- Service delivery communication to LM and communities
- No clear communication between DM and LM councils (DM &LM council decisions)
- No proper coordination of communication in the district
- no fully fledged communications unit
- No responsive communication strategy

## 2.8.9 AUDIT AND RISK MANAGEMENT

The district municipality has an in-house internal audit function. It was established in year 2003 and has been fully operational since then. This function is also extended to support some of the local municipalities that fall under its jurisdiction.

### **Key challenges related include the following:-**

- Audit issues identified are not attended to, audit action plans not implemented
- Insufficient capacity of internal audit units
- Recommendations made by Internal Auditors not implemented.
- Lack of shared commitment between political leadership and administration (senior management)
- Internal Audit units not proactive to give early warnings.
- Lack of enforcement of all matters raised by the Internal Audit unit
- Past audit issues are not addressed timeously. This may be due to inadequate monitoring and supervision and budgetary constraints.
- There are municipalities in the district that still require support in order to improve their audit outcomes.
- The existing internal audit capacity is inadequate to fully provide the required support.
- Effectiveness of the committee is not continuously monitored.
- Risk management is not yet entrenched in operations of the institutions.
- The existing systems and procedures are not fully effective in mitigating the risk of fraud and corruption.

### **Audit outcomes for the 2010/2011 financial year**

In the past financial year the district municipality received an adverse audit opinion. This is an area of concern for the council of this municipality especially that in the two previous years the district municipality had received qualified audit opinions. Issues that were raised in past audits were not addressed as a result they were raised again during the 2010/2011 financial year. This state of regressing is also observed in two municipalities (Nyandeni and Port St Johns) which had received unqualified audit opinions in the 2009/2010 financial year. In King Sabata Dalindyebo, no improvement has been observed in the last three years, for three consecutive years they obtained disclaimers. Of the five local municipalities in the District, two have shown some improvement, Ingquza Hill has been on a constant road to recovery moving from an adverse opinion to a qualification and then an unqualified audit opinion

from 2008/9 to 2010/11/. These three year results demonstrate that the district must intensify its efforts to towards achieving good financial management and accountability. The table below illustrates the types of audit opinions received by municipalities over the last three years.

**Table 26 : Audit Outcomes**

<b>Name of the organisation</b>	<b>2008/9</b>	<b>2009/2010</b>	<b>2010/2011</b>
<b>OR Tambo District Municipality</b>	Qualified	Qualified	Adverse
<b>Port St Johns municipality</b>	Qualified	Unqualified	Qualified
<b>King Sabata Dalindyebo municipality</b>	Disclaimer	Disclaimer	Disclaimer
<b>Ingquza Hill municipality</b>	Adverse	Qualified	Unqualified
<b>Nyandeni municipality</b>	Qualified	Unqualified	Disclaimer
<b>Mhlontlo municipality</b>	Adverse	Disclaimer	Qualified

Root causes of bad audit reports in the district can be summarized as follows:

- Poor and lack of systems, procedures and policies;
- Vacancies in critical positions;
- Unsuitably qualified people in critical positions;
- Poor record keeping;
- Inadequate management monitoring and supervision;
- High reliance on consultants particularly in areas such as preparation of annual financial statements.
- Non implementation of audit action plans thus issues raised recurring over and over again.

### **Audit committee**

The district municipality has appointed and has a functional audit committee. It was first appointed in 2003. It is appointed for a period of three years. This function is performed within the parameters of the Audit Charter which was approved in 2008. The current committee was appointed in 2009 and its term of office expired in year January 2012 and was extended by one month to the end of February 2012. The District municipality is in the process of concluding the appointment of the new members of the Committee. The Audit committee sits once a quarter and its reports are submitted to Council at the end of each quarter.

Below is the status of audit committees in the municipal entity and local municipalities that fall under the district municipality:

**Table 27: Status of Audit Committees**

<b>Name of the organization</b>	<b>Audit committee status</b>
Ntinga OR Tambo Development Agency	Committee is in place
Port St Johns municipality	Committee is in place
King Sabata Dalindyebo municipality	Committee is in place
Ingquza Hill municipality	Committee is in place – recently appointed
Nyandeni municipality	Committee is in place – recently appointed
Mhlontlo municipality	Committee is in place

Below is the status of the internal audit function at the municipal entity and local municipalities that fall under the district municipality:

**Table 28: Status of Internal Audit Function**

<b>Name of the organisation</b>	<b>Internal status</b>
Ntinga OR Tambo Development Agency	Co-sourced function
Port St Johns municipality	Shared with the district municipality
King Sabata Dalindyebo municipality	In-house function
Ingquza Hill municipality	In-house function
Nyandeni municipality	In-house function
Mhlontlo municipality	Shared with the district municipality

### **2.8.10 ANTI-FRAUD AND ANTI-CORRUPTION**

In OR Tambo District municipality risk management and anti fraud and anti corruption policies are in place. However, the municipality has not yet entrenched risk management in its operations. A policy on declaration of conflict of interest by staff is being developed. The district municipality is already working hard in achieving its key milestone of receiving unqualified audit opinion. In order to achieve this, root cause of audit findings have been identified and comprehensive corrective measures are being developed. Plans are in place to address issues that resulted to a qualified audit opinion in the past year. The audit committee will play a significant role in monitoring the implementations of risk management plans.

#### **Challenges identified**

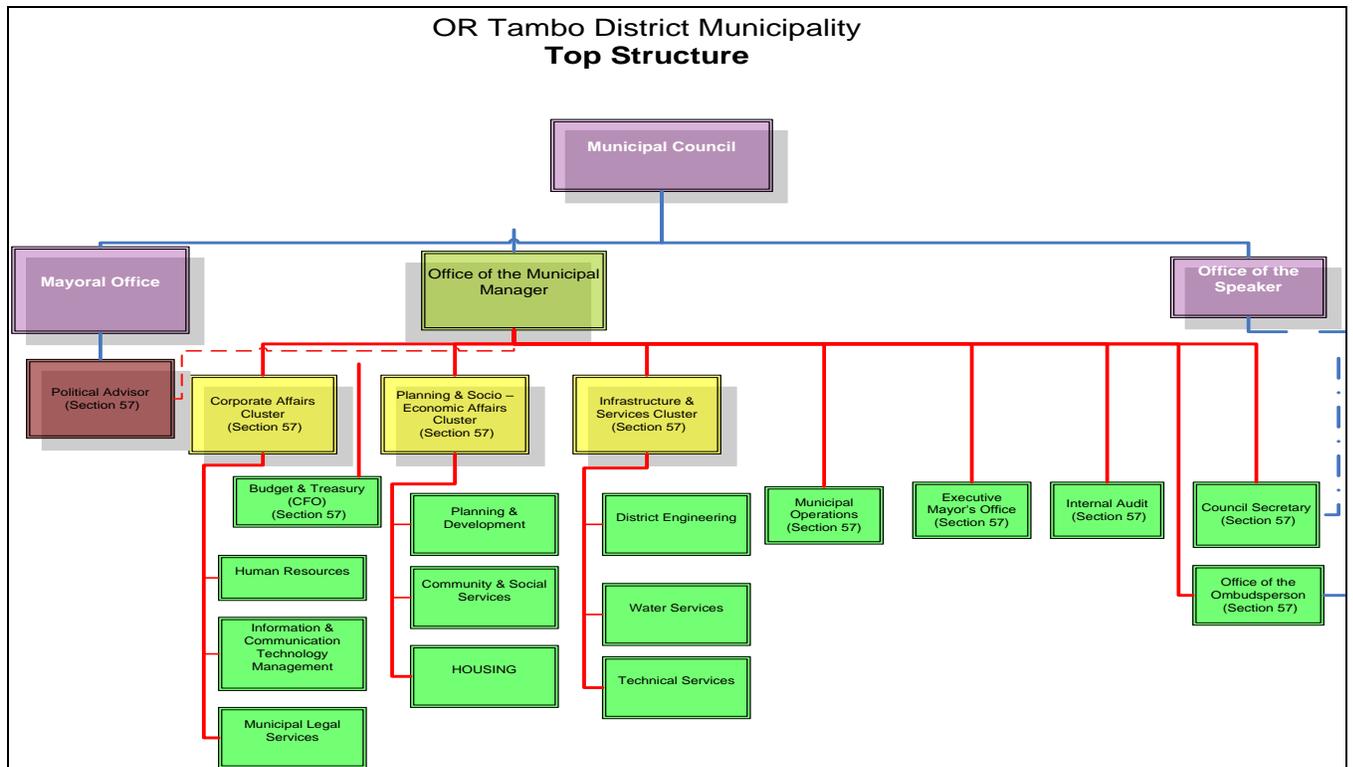
- Non Implementation of policy.
- Reported incidents not followed up, no internal disciplinary measures.
- Policies of the municipality not inculcated to the operations of the institution.

- Control systems not updated.
- Lack of both political and administrative will to resolve fraudulent activities. (Whistle blowers getting discouraged to report matters that are not pursued)
- No protective measures for whistle blowers on fraud and corruption.
- Backlogs on prosecution of reported matters.
- No preventative and detective internal measures against fraud and corruption.
- False alarms on fraud and corruption with a purpose to hide own corruption (camouflage)

## 2.9 INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT

### 2.9.1 Administrative Structure

The O.R. Tambo District Municipality adopted a revised organisational structure in line with its powers and functions. The top structure is presented as follows:



### 2.9.2 Vacancy rate and gender

*Table 33: Staff Complement ORTDM*

DESIGNATION LEVELS	TOTAL NUMBER OF POSTS	POSTS FILLED	NO OF FEMALES	POSTS FILLED AS A %
MUNICIPAL MANAGER	1	1	-	0%
SECTION 57 POSITIONS	10	8	3	80
SENIOR MANAGEMENT	9	8	3	89
HEADS OF SECTIONS	100	44	18	5
GENERAL STAFF Skilled , semi skilled and general assistants	974	772	267	32
<b>TOTAL</b>	<b>1094</b>	<b>833</b>	<b>285</b>	

In terms of the vacancies, it is worth noting that the District municipality has undergone job evaluation and the placement process of the employees has not yet been finalised. Once the placement process has been finalised the Organogram will then be reviewed.

### **2.9.3**

### **TRAINING AND DEVELOPMENT**

The Workplace Skill Development Plan for 2011/12 has been developed and submitted to LGSETA. However, it has not been properly rolled out due to delays in placement, filling of vacancies and budget constraints. This WSP also addresses the development of scarce skills. The most glaring scarce skills in the District are in the areas of Finance, Engineering and Due to limited resources, the Recognition of Prior Learning has also not taken place. Community capacity building has also not been budgeted for and has not taken place except the learnership on IDP as one of our support measures to local municipalities. Planned implementation of the Finance learnership was delayed and intake has only taken place from March 2012.

The learnerships implemented in the previous years have been hampered by the huge number of drop-outs. Skills audit for the officials below section 57 is was conducted to inform the WSP for 2011/12 and to prepare for the relevant implementation of training interventions. A training implementation plan for the WSP 2012/12 has been developed and is currently being rolled out. In the Training implementation plan 741 employees have been identified for various training opportunities. To date about 450 employees of the District Municipality have undergone training.

In terms of community capacity building programmes, there is no adequate information on skills shortage and priority training development interventions required. It is envisaged that the results of the Ward Based Planning and Information Systems (WBPIS) will guide the district on required skills. All Section 57 managers who do not meet the Competency requirements are currently undergoing training. A partnership has been formed with Nelson Mandela Metropolitan University, the first group started in March 2011.

### **2.9.4 LABOUR RELATIONS**

There has been a number of areas of conflict between employer and employee during the financial year (2011/12) and they related to population of the organogram (advertisements, recruitment, placement &

selection processes, study assistance, etc) job evaluation, and remuneration processes. Interaction in the Local Labour Forum (LLF) has increased and has improved communication. New disciplinary cases have increased due to internal capacity constraints (shortage of staff and lack of internal controls). Process flow of dealing with grievances, disciplinary procedures and suspensions should be reviewed and workshopped amongst the officials, managers and council to emphasize that dealing with disciplinary matters starts at departmental level. Two legal advisors have been employed and can be utilised to support the labour relations section.

### **2.9.5 EMPLOYEE WELLNESS**

Two Wellness practitioners have been appointed and the District and the implementation of employee wellness programmes has started. Full compliance with the OHSA has not yet been achieved although processes towards achieving this have been started. The Employee Wellness strategy has been finalised and is currently being implemented according to the approved Implementation Plan. The working conditions for officials in the Water Plants and satellite offices indicate non compliance with the OHSA and the Labour Relations Act. There has been no follow up on the Hazard Identification and Risk Assessment (HIRA) report due to financial constraints and limited training of the OHS committee. There has been little interaction with officials in the satellite offices to monitor the working conditions. The District needs to address this challenge as a matter of urgency.

### **2.9.6 STAFF PROVISIONING**

Huge vacancy rate of 23.86% has remained due to challenges in the population of the organogram and delays in the placement process. Filling of critical posts took place at a slower pace. The oversight / error of judgement in placing the transferred employees has also created challenges and presented a negative picture in terms of vacancies, however, the placement process has been embarked upon to address this challenge although not yet finalised.

#### **Challenges in Institutional Development – HR Policies**

The District municipality has very old HR policies and plans and there has been delays in the review and development of these plans. The district had an HR policy in place but it is draft form. Once the policy has been approved, an HR Plan and Strategy will be also be developed.

With regards to Employment Equity, the District municipality does not have a plan in place but proposal for the development of the plan have been received and are currently being considered for appointment.

With regards to Recruitment, Training and Retention strategy, this is also in draft form.

The DM has acknowledged the lack of these HR policies and they have been prioritised for the next financial year.

## **2.10 LOCAL ECONOMIC DEVELOPMENT**

The O.R. Tambo DM's vision is that of a Municipality responsive to social aspirations for an economically vibrant, healthy, sustainable community. The District faces a declining economy, high levels of poverty, underdevelopment and infrastructure backlogs as well as reliance on the government sector. The O.R. Tambo DM council resolved to drive its Local Economic Development (LED) strategy by establishing special purpose vehicle in a form of a development agency which was later converted into a Municipal Entity by the name of Ntinga O.R. Tambo Development Agency (Ntinga). This entity was first established in January 2003 to be an implementing agent focusing on:

- Agriculture and Food Production;
- Mariculture and Tourism;
- Social Infrastructure and Services;
- Institutional Building;
- Strategic Infrastructure such as rail, dams, electrification, roads (priority surfaced & rural roads);
- Any other Functions delegated to Ntinga by the ORTDM in terms of its powers and functions.

The economy of the O.R Tambo district hinges around the following four key economic drivers, namely:- Agriculture, Tourism, Forestry, as well as Mariculture and Aquaculture.

### **2.10.1 Agricultural Development**

The district's population is largely populated in rural settlements and is considered to have a rich natural resource that gives it a comparative advantage whilst posing developmental opportunities in agriculture. At present, the structure of the O.R. Tambo economy does not promote high rates of economic growth. As a result of historical factors, the district economy is hampered by several blockages, bottlenecks and constraints that limit the level of growth and development.

With the municipality having identified amongst others, agriculture, as a key driver for local economic development, the agricultural sector does not make a large contribution to the district's GDP, and has continued to maintain a small share of 1.8% to the total district GDP. Despite this, the sector retains its position as the backbone of rural livelihoods in the largely un-urbanized areas of O.R. Tambo. The importance of agriculture can therefore not be undermined, as an informal rural based activity. When consideration is made of the rural based agriculture; the sector becomes an integral component of the OR

Tambo district Local Economic Development (LED) landscape, through its ability to provide for community livelihoods, by generating employment and fighting endemic poverty in the district.

Agriculture therefore plays an integral part in the development the district economy but the agricultural sector potential in the district remains largely untapped. Although subsistence farming - essentially maize and stock – is fairly general throughout the area, practices remain less than effective in relation to the potential. Subsistence farming as a remedy to poverty alleviations needs massive support to households within the district. With plans for new dams and associated water supply systems, there may be opportunities for commercial scale irrigated agriculture projects. The communal tenure system results in issues that require creative management approaches and in this respect fencing of arable land may represent improvement. Land claims have affected agriculture production in some areas of the district, a remedy to such challenges will foster developmental goals of the district.

Research trials have been conducted for High Value Crops such as Cotton, Sunflower and Cassava. The Kei Fresh Produce Market (KDMP) seeks to increase potato and banana production in the district working in partnership with AsgisaEC. A Farmer Support Unit has been established within the KFPM so as to assist local farmers develop quality produce and be able to market their produce in the region.

### **Livestock Improvement**

While agriculture makes up only 50% of the Eastern Cape GDP, it provides 12% of the Province’s formal sector employment. Within the Eastern Cape agricultural economy, the livestock and livestock products group is the single biggest sub-sector with an estimated gross income value of R2.4 billion per annum. This represents 70% of the Eastern Cape’s gross agricultural income. Livestock farming within the OR Tambo District Municipality is by far the biggest livestock farming practice in communal farming in the whole country, 631 674 cattle, 732 478 goats and 1 225 244 sheep.

The District Wide Livestock Improvement Programme is composed of the following sections:

- Beef Development Programme;
- Iqhayiya Sheep and Wool Production; and
- Laphumilanga Goat Production Programme.

The objective of the livestock improvement programme or O.R Tambo DM is to increase the income of communal cattle farmers by assisting them to realize higher prices for their cattle through:-

- i) Increasing their participation in the formal marketing channels and
- ii) Improving the quality of the animals marketed by increasing farmer’s access to veterinary and feed input markets.

- iii) Exchange of bulls, heifers and bucks with the local livestock farmers in order to improve their genetic make-up.
- iv) Mentors are appointed from within communities to provide technical advice to ensure care, safety and access through community participation.

This programme seeks to address the fact that livestock in the district is of poor quality as well as the reluctance of farmers to market their livestock. The following strategic activities were implemented to address the above mentioned issues:

- Creation of Awareness on Potential Economic Value of Livestock;
- Beef Production to Supply Quality Livestock to the Abattoir;
- Promotion of Appropriate Veld Management and Land Care Practices;
- Setup Institutional Arrangements to Ensure Co-ordination;
- Training an Animal Health Aspects and Animal Husbandry; and
- Farmer Support and Development.

#### **Challenges and Possible Causes**

- Land tenure system
- Dragging and unresolved land claims
- Lack of physical infrastructure in terms of irrigation systems including availability of water provisioning for Local Economic Development specifically for agriculture.
- Limited access to irrigation water
- Poor coordination and integration of stakeholder interventions

#### **Recommended Intervention**

- Improvements in physical infrastructure
- Improved collaboration between all stakeholders
- Speedily resolution of land claims

### **2.10.2 Tourism**

The untapped natural resources, culture and historic heritage that put the district in the international map are some of the strategic assets that the district possesses. Initiatives pursued under tourism development include:

- Tourism product development facilitation.
- Tourism promotion and marketing.
- Tourism infrastructure deployment facilitation.
- Special focus period local tourism facilitation and co-ordination.
- Facilitation of a district tourism development and promotion plan.

One of the focus areas is the capacity building for Crafters throughout the district. More than 50 Arts and Crafters received training on Craft Development & Design. In order to improve product quality and therefore marketability of these products, 145 performing artists were trained on Art Business

Administration and performing artistry. Tourism marketing for the district has taken place in the form of tourism month held in September of each calendar year and tourism campaigns and brochure distribution within the entire province. Councillor support has been conducted through training of 07 LED councillors on responsible tourism planning. The SA Host Program and Customer Care training was conducted for accommodation providers and /or owners funded by ECTB. There is need to further improve tourism awareness in the district, province, national and even international forums.

### **2.10.3 Forestry and Timber Production**

Existing forestry plantations in the Eastern Cape cover 176 000 ha, a large proportion of which is located in the ORTDM. Of the 100 000 ha considered possible for new Afforestation in the Province, around half of this is within the ORTDM area. With Department of Water Affairs and Forestry (DWAF) withdrawing from operational forestry, the Municipalities have some responsibility to support certain forestry development initiatives.

This role would include creating awareness and acceptability of forestry as a legitimate land use, facilitating and supporting downstream participation by local SMMEs, facilitating collaboration of key stakeholders for mutual benefit and for the benefit of the sector and economy as a whole. In this regard, the private sector is well established and is seeking opportunities to grow and will require support from all spheres of government. The District Municipality, together with DTI, the provincial government, ECSECC and ECDC is currently implementing the Furniture Incubator project in Mthatha to take advantage of the abundant timber and forests that is there in the district. More than 100 young people have been trained in woodwork and upholstery. The Timber processing industry has a potential of providing more that 1000 jobs during new afforestation+ and saw milling. The eLangeni Development node programme is seriously engaged in processes that are aimed at exploiting the potential that afforestation has in the district.

#### **Challenges and Possible Causes**

- Limited skills within the sector
- Poor co-ordination and integration between the sector stakeholders
- Lack of a district sector strategy

#### **Recommended Intervention**

- Strengthening of the Forestry Sub Sector Forum
- Improved support to Forestry SMMEs and Co-operatives
- Development of the forestry cluster and value chain
- Improve skilling within the forestry sub-sector

#### **2.10.4 Marine and Aquaculture**

The district possesses a wide coastline that gives it a tourism development opportunity including the development of the marine and aquaculture sector. With the Wild Coast presenting extensive opportunities for people to participate in marine harvesting activities, it is the challenge of all spheres of government to ensure that local people are able to participate equitably and to ensure that harvesting is carried out at levels that are sustainable. In this respect there is a need for improved data, greater awareness amongst stakeholders and role-players, and improved controls. Again, these activities require collaboration of all spheres of government and a coordinated approach.

##### **Challenges and Possible Causes**

- Limited skills within the sector
- Poor co-ordination and integration between the sector stakeholders
- Lack of a district sector strategy
- Poor knowledge of the legislative requirements regulating the sector

##### **Recommended Intervention**

- Strengthening of the Marine and Aquaculture Sub Sector Forum
- Improved support to sector SMMEs and Co-operatives
- Development of a Marine and Aquaculture sub - industry
- Improve skilling within the sub-sector

#### **2.10.5 Trade, Manufacturing and Investment Promotion**

Trade is the second largest contributor to the district's Gross Value Added (GVA) and has over the past 10 years experienced positive growth rates which have been accompanied by positive net job gains. Informal trade has also played a very significant role over the same period, growing by more than 100% in size. Manufacturing on the other hand has experienced significant declines and stagnation and has contributed to the general decline in the ability of the district to create and absorb jobs. Both sectors are of strategic importance to the district and will be supported in a manner that ensures sustainable jobs are created. To achieve this, the district commits to facilitating efforts aimed at mobilising investments with a particular focus on value adding investment opportunities. To this end the district will ensure that constraints to investments such as infrastructure, land availability and incentives are addressed by amongst others, ensuring strong alignment and integration with the emerging Regional Industrial Development Strategy.

The District Municipality also focuses on Investment Promotion and Marketing of the District for Investment opportunities. In this regard the DM conducted an investment conference as a means to market the investment opportunities of the District, source partnerships for investment promotion and unlocking the investment potential of the O.R Tambo Region. Currently the District Municipality has developed the concept for the One Stop Shop which needs to be established as a centre responsible for the implementation of the investment conference outcomes and is reflected with proposed partners in the figure presented below.

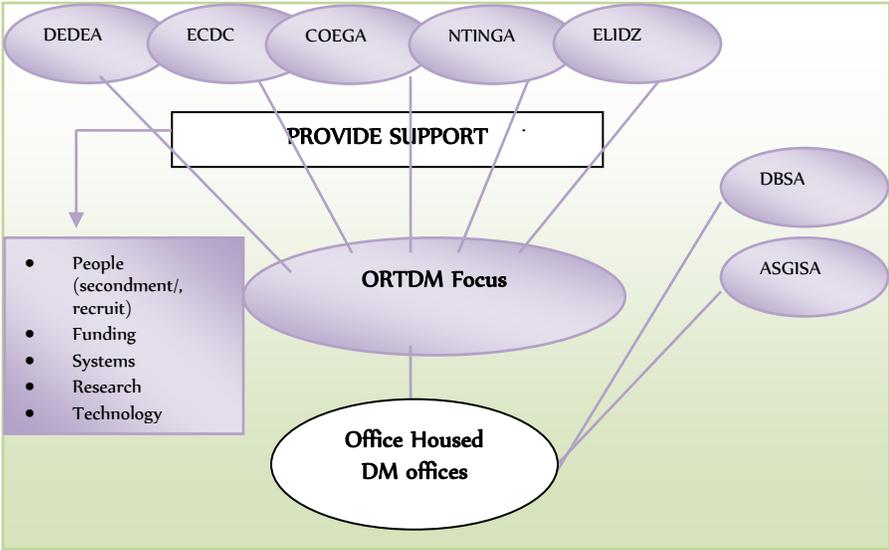


Figure: Major Role Players

The strides to have partners commitments to the establishment of the One-Stop-Shop went in vain and currently the District Municipality is responsible for the co-ordination of investment initiative of the district working with the local municipalities.

Local municipalities prioritized potential investment projects of which the District Municipality packaged for presentation during the investment conference and further used as resource information for investors. The main purpose was to source strategic partners in developing Viable Business Plans for the projects and source funding for unlocking bottlenecks such as land issues, EIA’s bulk infrastructure and sanitation, affecting the implementation of the potential Investment conference projects. .

**Challenges on investment promotion**

- Backlogs in appropriate physical bulk infrastructure necessary for investment

- Communal land tenure
- Perpetual land claims

**Recommended Intervention**

- Capitalize on the district’s local strengths and comparative advantage for investment promotion
- Position and market the district as a viable region economically for investment
- Attract additional investment from new local and international investors in key growth sectors
- Retain and boosts existing investment
- Support the district’s key investment projects identified during the investment conference

**2.10.6 Cooperatives and SMME support**

In order to provide descent jobs, sustainable livelihoods and food security, the O.R Tambo District Municipality has used its Local Economic Development Programmes to provide short and Long term Job Opportunities while ensuring massive food production for poverty alleviation. The implementation role for all co-operatives and SMME projects will be transferred fully to the implementing arm of the District. The Planning and Development Directorate will be responsible for coordinating role. The following will be the key focal areas for the department and require proper funding to ensure avoidance of an unfunded mandate:

**◆ Integrated District Co-operatives Development Strategy and Implementation plan**

Co-operatives and SMME’s play a critical role on developing the district economy and normally they face challenges regarding access to markets, finance, and information and quality support services. There are many role players that are supporting co-operatives and SMMEs in the district and their support provision is highly disintegrated. This strategy and implementation plan will assist in the identification of key actions to be played by each role player in the District, and results to an intergration of the action of the various role players for efficiency in supporting the sector so as to achieve maximum impact in supporting this sector.

*Table. Cooperatives and SMME developed with the DM support*

Sector	Number of Cooperatives	Number of jobs created	LM where located
Food Production	9	151	Ngquza-1 KSD-5 Mhlontlo-2 Nyandeni-1
Agriculture	114	1391	KSD-49 A/NZO-1 Ngquza-27 Mhlontlo-23 Nyandeni-4 PSJ-10
ICT	1	5	KSD
Manufacturing	30	358	KSD-18 Ngquza-5 Mhlontlo-5 PSJ-2
Wool	7	124	KSD-4 Mhlontlo-1 Ngquza-1
Tourism & Hospitality	4	34	KSD-2 Ngquza -2

Multipurpose	4	80	KSD-3	Mhlontlo-1
Recycling	1	9	KSD	
Cleaning	1	5	KSD	

### 2.10.7 District Skills Development programme:

Creating awareness, capacity building and providing assistance to co-operatives is one of the institutional support mechanisms the district commits to support and facilitate. Building viable and sustainable communities requires a holistic and integrated approach that involves all aspects of community life, including but not limited to, leadership development, social capital, poverty alleviation, and institutional development. The district is committed to addressing these issues in a manner that ensures communities are able to engage in activities that create jobs and have access to basic services.

Small medium and micro enterprises continuously face the challenge of access to markets, finance, information and quality support services. These are issues that the district commits to facilitating and ensuring they are addressed. Creating awareness and providing assistance to co-operatives is one of the institutional support mechanisms that the district commits to support and facilitate.

A district wide skills development programme has been identified as a foundation objective for the achievement and sustainability of the identified drivers. Small medium and micro enterprises continuously face the challenge of access to markets, finance, information and quality support services. These are issues that the district commits to facilitating and ensuring they are addressed. Creating awareness and providing assistance to co-operatives is one of the institutional support mechanisms that the district commits to support and facilitate. The success of the district in growing and sustaining the local economy depends on the extent to which it builds partnerships and collaboration with all relevant stakeholders. The district recognises the need to develop functional and effective collaborative efforts with business by amongst others ensuring that there is a united vision and drive to address challenges confronting business and the district in general

14 Co-operatives have benefited from Ntinga O.R. Tambo Dev. Agency in the form of Business plans and Constitutions outsourced to service providers for development. Baziya sustainable village was established and has co-operatives formed that have a variety of core functions (Bakery, Sewing, Poultry and Agriculture). The total number of beneficiaries is 200 and all are community members.

#### (a) Kei Fresh Produce Market

This market has been built by the provincial department of Agriculture and transferred to the ORTDM since markets and abattoirs are a function of district municipalities. Local farmers, provincial department of Agriculture and KSD local municipality are active partners in this venture. The market has grown from strength to strength with current annual turnover more than R30 million. 17 permanent jobs have been created of which 42% are women. The main challenge is that the market is getting most of its produce outside the OR Tambo region. To turn this around a strategic plan has been developed in partnership with ASGISA-EC. Thina Sinako (EU programme) has already funded part of the strategy. The plan is to expand the market to have more banana ripening rooms and introduce a meat market.

#### **(b) Umzikantu Abattoir**

This red abattoir was purchased from an action sale to use it as a marketing outlet for our livestock programme. The project has created 13 permanent jobs and has generated more than R1.5 million revenue.

#### **(c) Adam Kok Farms**

As there are no commercial farms in the O.R. Tambo region, the O.R. Tambo District Municipality purchased the farms as a means for revenue enhancement with the main focus utilising the farms as a skills development and training centre for the emerging farmers of the O.R Tambo Region that we want them to migrate to commercial farming. This formed a base to provide a conducive environment for training the emerging farmers as several strides by the district proved beyond reasonable doubt that one cannot train farmers to be commercial in an environment that is not commercial, particularly noting the O.R Tambo Region is predominantly rural and the majority of the district's local communities are illiterate and learn better with experiential training.

- ◆ Resource mobilization and business plan development for funding.

A need for capacity building and training for LMs in business plan development for funding in taking advantage of funding opportunities from provincial and national government specifically targeting the co-operatives development fund.

#### **◆ District Support Teams**

The District Support Team is a co-ordination and intergration model that has resulted from the Thina Sinako Provincial LED Support Programme and is meant to participate all government led institutions that are supporting Local Economic Development programmes and projects in the district. The team will ensure that all LED initiatives are intergrated by all government led institutions and the DST will

form part of the LED Forum, which is mostly constituted by all LED roleplayers including private business organization, labour and non governmental institutions.

### **Challenges and Possible Causes**

- Lack of a district co-operatives development strategy
- Integration of the action of the various role players for efficiency in supporting the sector

### **Recommended Intervention**

- Integrating the implementation of the District Co-operatives Development Strategy

## **2.10.1 Implementation of Ward Based Planning & Information System**

The ward based planning process is carried out in order to continuously update the existing socio-economic status quo information of the District Municipality and its Local Municipalities with the aim of ensuring that the holistic planning function of the District is well informed and aligned. The process further ensures improved research capacity and planning for informed service delivery. The need for an up-to-date District socio-economic status synthesis suggests that the DISTRICT's demographic profile changes on a daily basis hence the Ward Based Information System is a proper tool necessary to ensure accurate recording of up-to-date information on the demographic profile of the District.

With the implementation of the Ward Based Planning Information System, The District Municipality will be able to access current and accurate information on the following aspects:

- daily updates of changes in population size per ward for the entire District
- the levels of indigence, in terms of the number of people living in poverty and that of the unemployed.
- Education levels and skills availability per ward.
- Access to Services
- Levels and Standards of service accessed.

Phase 1 of the project has been completed which included System Development, door to door data collection, capturing of the collected data into the system and training of users in local municipalities. Various reports such as the household register, skills register, indigent register, level of service delivery are now accessible on-line from the system.

Data verification is planned for the current phase of the project of which a team of ward administrators (one in each ward) will conduct the data verification and data cleansing process for all wards in the O.R Tambo region.

- First, this process will be done on the system and at the relevant wards with the relevant ward councillors.
- Secondly the team of ward administrators will have to undertake field trips to specific areas within OR Tambo District to fill any gaps identified during the verification process.
- Finally, once all gaps have been filled and the system is fully accurate and all the required reports can be accessed, ongoing day-to-day update will be conducted at ward level by each municipality.
- The hosting of the system will then be moved to the premises of the district municipality, a system development specialist be acquired to properly manage the project and the necessary hardware and software be made available to ensure sustainability of the project.

## **2.11 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**

### **2.11.1 LAND SURVEY AND PLANNING**

The O.R. Tambo District straddles the National Route N2 linking Durban to East London, the Garden Route and Cape Town. The economy of the district is largely land-based (subsistence) and has been impacted negatively by historic practices of discrimination and marginalization before 1994. The past political engineering, current tenure arrangements and population densities have impacted on the land cover of the district. At least 21% of the total land area is classified as degraded/eroded which indicates the imbalance between the resident population and the land resources and/or inefficient land use management in regard to the agricultural activities. In the region agriculture 5.6% of land cover is forestry and commercial farming with a further 20.23% subsistence farming.

O.R. Tambo District thus has a predominantly a rural landscape with a rural population residing in traditional villages and traditional homes. The towns are located along the main access roads serving as rural service centres to the surrounding rural population. The land ownership in the district vests mainly in the following main structures: government through the Department of Rural Development and Land Reform as the main custodian of communal land. Legal forms of land tenure in the district include freehold, permission to occupy, leasehold and grazing rights on commonage.

The District has a number of land claims which tend to be communal in nature. This results into claimants and extents of the land being claimed not clear in all instances, making it difficult to adjudicate and resolve/settle land claims. The District sector forums such as the Environmental management and Spatial Planning Forum and other platforms provide an opportunity to engage the stakeholders so as to unlock these challenges facing the district.

#### **Challenges and Possible Causes**

- Unresolved land claims
- Complex land administration issues
- Lack/ ineffective approach in coordinating stakeholders

#### **Recommended Intervention**

- A speedy resolution of land claims, and negotiations with land claimants in areas identified for development.
- Strengthen the District Environmental Management and Spatial Planning Forum.
- Commitment of funds on catalytic projects that are meant to unlock the potential of the district

### **2.11.2 ENVIRONMENTAL MANAGEMENT**

The White Paper on Environmental Management Policy emphasizes the need for implementing an effective information management system that makes environmental information accessible to all interested and affected parties that are responsible for and/or interested in effective environmental management. In this regard the O.R. Tambo DM developed an Environmental Management Plan (EMP); which provides a baseline assessment of the main environmental issues and challenges facing the DM.

Based on the information obtained from the reviewed EMP, the District Spatial Planning & Environmental management technical forum working in partnership with DEDEA has managed to prioritize programs and develop appropriate action plan to respond to the most pressing and threatening issues of environmental management. The O.R. Tambo DM has planned a number of training workshops focusing on environmental education so as to disseminate this environmental information with the practical programs on how to face these environmental challenges in order to attain an effective environmental management.

#### **Challenges**

- ◆ Staff shortages and budget constraints in the Environmental Management Unit.
- ◆ Funding for the implementation of priority projects is still an issue from the Municipality.
- ◆ Lack of capacity, knowledge and interest in Local Municipalities is posing a serious challenge and this is resulting on bad cooperative governance in this sector.
- ◆ Lack of funding for environmental education.

### **2.11.3 Waste management**

The O.R Tambo DM has an approved Integrated Waste Management Plan (IWMP) which is used as a critical tool in promoting sustainable development and service delivery within the District. The plan is currently undergoing a sectional review to exclude the Ntabankulu and Mbizana local municipalities. Waste Management has traditionally not been seen or perceived as a priority concern and this has resulted in a number of ramifications which manifest in a complete system failure or lack thereof.

Within the O.R Tambo District Region there are 11 operating landfill sites, of which only 4 are licensed namely: Mhlontlo (both Qumbu and Tsolo), Port St John's and King Sabatha Dalindyebo (Mqanduli).

The ones operating illegally are located at Inguza Hill (both Flagstaff & Lusikisiki), Nyandeni (both Libode & Nqgeleni) and KSD (Mthatha). Although there are landfill sites, illegal dumping in various areas within the District is still a challenge.

Leachate from the landfill sites is addressed by the local municipalities themselves as the owners of the landfill sites. The only municipality that indicated to be managing and testing the leachate from its landfill site is Port St Johns.

The District Municipality has established an environmental management forum that is serving as a mobilizing body on waste management programs. One of the terms of reference for this forum is moving with the implementation of waste minimisation programs for poverty alleviation in the district.

The O.R. Tambo DM is implementing a waste minimisation project located at Mhlontlo Local Municipality with about 80 job opportunities created. Facilitation processes are underway for the development of a regional waste disposal site as well as regional waste minimisation project which can be linked to job-creation, skills development and poverty alleviation.

## **2.12 PROVISION OF WATER SERVICES**

In July 2003, Cabinet declared and pronounced OR Tambo District Municipality a Water Services Authority and Water Services Provider, which meant that the DM is responsible for planning, implementation, operation and maintenance of water and sanitation services within its Local Municipalities. As an Authority the DM is responsible for Planning and Governance function which includes

- Development of Water services policies and by-laws
- Local Regulatory function
- Water Services Planning
- Tariff Determination
- Water Quality Monitoring and Environmental Safety
- Revenue Management
- Communication and Customer Relation
- Free Basic Services
- Drought relief

The following functions are included under water services planning:

- Water Conservation & Water Demand Management

- Water services master plans
- Water Services Development Plan (WSDP)
- Asset Management Plan
- Water Safety plans

#### Current status of the Water Services Policies and By-Laws

- Water Services By-Law – Approved by Council
- Indigent Policy - Approved by Council
- Tariff Policy – Approved by Council
- Free Basic Policy – Approved by Council
- Credit Control / Debt Collection policy – approved by Council
- Occupational Health and Safety Specification – Approved by Council
- Procurement policy - approved by Council

The District Municipality developed module 1 of the WSDP and it was approved by Council in July 2011. This module is an overview and an assessment of existing information on backlogs, current levels of service, Operations and Maintenance of infrastructure assets, water resource management, water balances and losses as well as issues pertaining to contracting and licensing.. Plans to develop a detailed Water Services Development are currently underway, call for proposals has been made. A copy of the approved module of the WSDP with details is attached as an annexure.

In terms of Water Services Provisioning the O.R. Tambo DM is responsible for operation and maintenance which includes:

- Daily operations of water and wastewater works inclusive of the daily monitoring and management of plant performance and compliance with the required quality and performance management systems.
- Maintenance of urban and rural infrastructure;
- General management inclusive of administration, financial management, monitoring and reporting;
- Communication and customer relations;
- Operations and maintenance planning;
- Ensuring desludging of on-site latrines;
- Safe treatment and disposal of sewage waste; and

- Ongoing and regular testing of water, effluent and sewerage disposal for conditions dangerous to human health and the environment.
- Health and Safety

Other Functions of the department includes

- Identification and implementation of Capital project
- Co-ordination of infrastructure related sectors (Eskom, Tele-communication, Public Works, Local Municipality, Human Settlement, etc)

### 2.12.1 WATER SERVICES PROVISION

In October 2006, the O.R. Tambo District Municipality held a Water Services Summit which was aimed at development of strategic framework for the delivery of quantitative and sustainable water services and accelerate water service delivery as a vehicle for Local Economic Development in the District. This summit adopted a Conceptual Water Master Plan which was a framework with 3 stage approach and the following was agreed upon

- *Continued Schemes to alleviate the immediate need through Standalone*
- *Integrating the Standalone schemes into Sub-regional Schemes*
- *Integrate all the latter into Regional Schemes*

**OR Tambo** in partnership with DWA thereafter approached/appointed **Umgeni Water Board** and **Amatola Water Board** and entered into a collaborative arrangement to assist in identification of an improved bulk water supply system within its area of supply. Four Regional Schemes were then identified and feasibility studies were undertaken to investigate/explore on reliability of the identified schemes:

- Central Scheme (Ingquza Hill & parts of PSJ) – Mzintlavana River: Feasibility Study complete and preliminary design are in progress
- Southern Scheme (KSD, Nyandeni & parts of Mhlontlo, ) – Optimal Utilization of Mthatha Dam for domestic consumption: Study complete but awaiting abstraction permit from DWA

Other Sub-Regional Schemes to be integrated within the Regional Schemes Proposed.

- Sidwadweni Regional Water Supply under Mhlontlo LM and also supplies parts of Nyandeni: Supplies Rural Villages within Tsolo & Tsolo Hospital. *Approximately costs of R250million have*

*been allocated for the development of the scheme since its inception and currently the last phase (phase 5) is on design*

- *Mvumelwano Regional Water Supply under Mhlontlo: Supplies Qumbu town and other Rural Villages within Qumbu. Approximately R150million has been allocated for the development of the scheme since its inception and one phase is on implementation.*
- *Upper Culunca Regional Water Supply under Mhlontlo: Supplies Rural Villages within Qumbu. Approximately R150million has been allocated for the development of the scheme since its inception and the last extension is under construction. Currently the possible construction of a Dam to sustain the scheme is under investigation and submission of BP for additional funding may be put forward*
- *PSJ Regional Water Supply under PSJ: Supplies Rural Villages. Approximately R90million has been allocated for the development of the scheme since its inception has been provided and phase 2 of the bulk services is under construction and the Phase 2b is on tender and expected to start implementation by Mid April. A BP has been submitted to DWA for Dam construction has been submitted and requires an approximate amount of R25million*
- *Ngqeleni Regional Water Supply: Supplies 45 Rural Villages within Ngqeleni. Approximately R100million has been allocated for the development of the scheme and the 2 phases which includes Ngqeleni Dam are at its completion stage*
- *Coffee-Bay Regional Water Supply under KSD: Supplies Coffee-bay and Rural Villages. Approximately R110million has been allocated for the development of the scheme and is currently under construction.*
- *Flagstaff Regional Water Supply under Ingquza Hill: Supplies Flagstaff town and Rural Villages. Approximately R94million has been allocated for the development of the scheme and is currently on design and tender stage.*

Other water supply has been provided through stand-alone schemes, boreholes, springs and streams/small Rivers. The table below tabulates the number of households for each Local Municipality that are currently served with basic sanitation

**Table 36: Water Backlogs**

Water Backlogs 2010/2011					
Name of Municipality	Total Household	Household access to water	Household access to water as a percentage	Households below basic level of service/backlog	Households without access to water as a percentage
KSD LM	93,384	49,150	52.6%	44,234	47.4%
Mhlonto LM	49,862	19,596	39.3%	30,266	60.7%
Nyandeni LM	56,853	21,226	37.3%	35,627	62.7%
PSJ LM	30,950	7,620	24.6%	23,330	75.4%
Ingquza LM	48,703	17,344	35.6%	31,359	64.4%

## CHALLENGES AND CAUSES

The table below depicts some of the challenges that the District Municipality faces in providing water and sanitation services.

**Table 37: Challenges for provision of water and sanitation services**

CHALLENGE	CAUSES
<b>Huge Backlogs</b>	Negligence of the area during the apartheid era. Topography of the area which makes it expensive for some areas to be services
<b>Old Infrastructure</b>	Lack of refurbishment, and as result the infrastructure is being operated though it has far reached its design life span.
<b>Infrastructure Capacity</b>	Demand is in excess of available infrastructure due to rapid and unplanned growth amd as such the infrastructure is overstrained which result in reduction of its lifespan
<b>Non Functional on Schemes especially standalones</b>	Water resource scarcity and reliability. Drought as a result of climate change
<b>Pollution in environment</b>	Sewer effluent discharged is not of acceptable standard due to lack of resources to upgrade of infrastructure
<b>Lack of energy supply</b>	Has an effect on the capacity of the infrastructure to be provided as the dependency is on diesel which are limiting on type of infrastructure that should be provided.
<b>High Level of Vandalism and theft</b>	High unemployment
<b>Shortage of skilled personnel</b>	High Level of illiteracy, and unable to attract skilled personnel from other area due to financial constraints
<b>Poor Maintanance on existing infrastructure</b>	Low revenue generation as the inhabitants are unemployed and as such there is dependency on grants which are very minimal
<b>Lack of funds for infrastructure investment planning</b>	Due to the rural nature of the District, funds for infrascture development are only provided through Grant funding.

## RECOMMENDED INTERVENTIONS AND STRATEGIES

- **Adoption of Regionalization as a best option to enhance local economic development**

In the past year the district has been struck by drought which resulted in some of the majority of standalone schemes being non functional as their water sources dried out. This has thus shown the extent of non reliability of the standalone hence the regionalization is seen as the best option as it is resilient to drought due to additional storage.

- **Upgrading of Town System into Full Water-Borne Sewerage System**

In an effort to create a conducive and environmental friendly situation

- **Acceleration of Service Delivery to reduce backlogs**

- **Adoption of Water Services 10 Key Focus Areas in an effort to improve in delivery of water services**

- **Engagement of Water Boards**

To assist in water services business and on attainment of requisite skills through transfer of knowledge as they have been trading on this function and have better experience.

## **PROGRAMMES TO ADDRESS CHALLENGES**

More than 90% of the district is rural and as such most of its inhabitants receive free basic services. This therefore means that there is minimal revenue collected from the service and as a result the District municipality is largely dependent on Grants in order to perform its water services functions. The DM is also involved in the process of engaging the JOBS Fund from DBSA in the next funding window to be open from May 2012 to source funds for investing in infrastructure development.

The District Municipality has however made some strides in terms of improving in its function to provide basic services and in the period 2013/13 there are R1.8 billion worth of projects ( a total of 26 big water and sanitation projects) that have been approved. Some of these projects span over 3 – 5 years. Of the 1.8 billion, R1.2 has already been approved for implementation. Some of the projects are already at procurement stages due to under expenditure in the previous years.

### **2.12.2 PROVISION OF SANITATION SERVICES**

The District Municipality has developed a Sanitation Strategy in an effort to address its sanitation backlogs and challenges. The Strategy seeks to address ways in which sanitation backlogs could be eradicated in terms of

- Purpose of the strategy is to ensure that the issue of backlogs eradication is dealt with
- And that appropriate sanitation model is provided to the communities/consumers for both urban and rural
- The District is intending to upgraded all town sewer system into full waterborne sewer system
- Through development of Sanitation Strategy, the Council has adopted a standard VIP structure (Pre-cast) to be utilized and this has been done in an effort to address quality and the size of the structure.
- Ensure Promotion of health and hygiene is addressed during the pre and post project implementation.

Only 1 (Mthatha town) out of 11 towns has got a full waterborne sewer system and the only available system has reached its design life span and has exceeded its design capacity. The Waste Water Treatment Works has been designed to accommodate 12MI/d and the current flows are estimated above 18MI/d with exclusion of flows that do disappear within sewer network. At the time of transfer only one out of 23 sewer pump stations was function, with other areas not connected within the network system. Other towns are currently using either Septic tanks and or conservancy tanks.

- 18 sewer pump stations have been refurbished and additional 4 sewer pump stations are under refurbishment.
- In partnership with DWA the DM has refurbished the waste water treatment works and repairing/replacing sewer networks within Mthatha town and is performing according to its maximum capacity and is able to release the effluent that meets the regulator standards.
- Under this partnership, the District Municipality managed to replace steel manhole covers with concrete covers and replace few old AC sewer pipes.

In an effort to implement the sanitation strategy, the District municipality is currently at design stage with the upgrading of sewer system into waterborne sewer in the following towns:

- Mqanduli – at detail design stage
- Flagstaff – under construction
- Tsolo – at detail design stage

- Lusikisiki – under construction
- Nyandeni and Port St Johns - already funded at tender stages.
- Ngqeleni and Qumbu – business plan development stage.

The table below tabulate the number of households for each Local Municipality that are currently served with basic sanitation

Table 35: Sanitation Backlogs

Sanitation Backlogs Mid Year 2010/2011 FY						
Name of Municipality	Total Household	Household access to sanitation	Household access to sanitation 2009/2010	Households provided with basic sanitation by 2010/2011	Households with access to sanitation 2010	Households without basic sanitation
KSD LM	93.384	41.016	43.9%	1 406	45.43%	54.57%
Mhlontlo LM	49.862	16.646	33.4%	0	33.4%	33.4%
Nyandeni LM	56.853	12.833	22.6%	4 241	30%	70%
Ingquza Hill LM	48.703	9.927	20.4%	1 809	24.10%	75.90%
PSJ LM	30.950	8.810	28.5%	1 021	31.76%	68.24%

## 2.13 ROADS AND PUBLIC TRANSPORT INFRASTRUCTURE

The Department of Roads and Transport, together with the District Municipality have developed an Integrated Transport Plan for the District. This plan was approved in July 2011. In terms of the approved DITP, 78 projects have been identified that should be implemented in the ORTDM to address the transport related needs of the area. The required budget, over the period of five years DITP is R522 846 000.00. Detail on these are provided the actual DITP.

A number of the national, provincial and district roads are currently being upgraded or undergoing major refurbishment. Work continues on the main roads in the District, the N2 road from East London to Durban and the R61 from Queenstown to Port St Johns.

The very low historical investment in the access road network in the District has resulted in very poor access to the major road routes. This not only isolates already impoverished communities from important livelihood socio-economic opportunities but it also inhibits economic opportunities, making it expensive and difficult to move inputs and outputs from many of the areas in the District. This function has now been transferred to local municipalities. Although this is no longer a function of the DM, strong relations between the DM, Provincial Department of Roads and local municipalities need to be

maintained in order to improve the state of our roads especially those that inhibit access to social facilities such as hospitals, clinics and schools.

**Table: The current status of roads in OR Tambo DM**

Road Category	Number of kms in the District	Responsible Authority
National	136	National Roads Agency
Provincial	497	Provincial Dept of Roads and Public Woks
District	2, 792	Regional Dept of Roads and Public Works
Access Roads	2, 957	District and Local Municipality
Street and Internal	Unconfirmed	Local Municipalities

A specific priority is the construction and maintenance of gravel access roads in rural areas. This category of roads is funded through the Municipal Infrastructure Grant (MIG) and Equitable Share funds. On average, 500 km of access roads are constructed or maintained every year in the district. The table below further show the condition of the gravel and paved roads in the District.

### 2.13.1 NON MOTORISED TRANSPORT

Non Motorised Transport is defined as any form of transport or mobility that does not rely on electrical and / or fuel combustion-driven propulsion mechanisms. It includes modes such as walking, cycling, wheelchairs, handcarts, rickshaws and animal-drawn vehicles such as horse-drawn and donkey carts. In ORTDM there is generally very little provision for pedestrian and bicycle travel in the municipal area. Sidewalks are generally in a poor condition and full of potholes.

The five guiding principles required for providing effective NMT facilities are as follows:

**Safety** – Maximise the safety of NMT users in relation to other road users as NMT users have a high degree of vulnerability due to nature of the way they travel.

**Coherence** – A coherent and continuous NMT network, linking all origin and destination points such as settlements and public transport routes with/or public amenities for the user and not just an ad hoc facility that end abruptly in the middle of nowhere, need to be created.

**Directness** – Create a direct route from origin to destination without significant detour to cause the user to ignore the facility. A good guide for these routes is what is referred to as ‘*desire lines*’ in transport terms. A desire line is an informal track/walk or cycleway next to a road or over a vacant piece of land

between a specific origin and destination – normally the shortest distance between the two and in most instances diagonal.

**Attractiveness** – Plan and execute NMT facilities in such a way so as to make NMT travel attractive and safe from criminal elements or other road users during both day and night.

**Comfort** – Ensure a smooth, quick and comfortable flow of NMT routes and traffic without excessive gradients or uneven surfacing and with adequate and appropriate amenities.

NMT Infrastructure elements consist of the following:

### **Ways**

Considerations include how to best locate these routes and the type of infrastructure that would be most applicable. For example, bicycle lanes are demarcated routes on a road where space is allocated to cyclists. Bicycle roads, on the other hand are routes set aside for cyclists but the pathway provided is separate to the road, running either adjacent to the road or on a separate alignment away from a road. Sidewalks are an example of typical urban infrastructure on a pedestrian route.

### **Crossings**

When pedestrians or cyclists must cross a trafficked road, the safety of the crossing becomes very important. The vulnerability of NMT users in comparison to a vehicle makes the provision of safe crossing facilities vital.

### **Amenities**

Amenities for NMT users are often forgotten. These are any tangible or intangible benefits, especially those that increase attractiveness or value or that contributes to comfort or convenience. Amenities include bicycle lock-up facilities, lighting, benches, ablutions, and water (for people and for draught animals).

With a clear understanding of the principles, elements and a good grasp of what the ideal is for a NMT network and amenities, the N2 and very small sections of the R61 around Mthatha have been examined in terms of formal and informal NMT Infrastructure as part of a desk top exercise. These findings will indicate how well the ORTDM is performing in terms of providing NMT networks and amenities under their auspices. For this purpose, the register below indicates the NMT network and amenities along the indicated routes and streets within Mthatha as the biggest town and ORTDM as a whole.

The ORTDM includes NMT in its planning by identifying needs in the DITP but implementation does not fall within the ambit of the district municipality.

**Table : Condition of Paved and Gravel Roads in ORTDM**

Condition	Gravel Roads (%)	Paved Roads (%)
-----------	------------------	-----------------

<b>Very Good</b>	1	5
<b>Good</b>	10	5
<b>Fair</b>	10	10
<b>Poor</b>	10	30
<b>Very Poor</b>	60	40
<b>Total</b>	<b>100</b>	<b>100</b>

### **2.13.2 RAILWAYS**

A major infrastructure project in the District is the Kei Rail initiative, aimed at revitalizing the rail line from Mthatha to East London. Substantial investment has been made in re-commissioning of this rail line. It is envisaged that this Kei Rail line is the central economic driver underpinning the Kei Development Corridor – a developmental zone running through the District.

### **2.13.3 AIRPORTS**

Mthatha Airport is fully functional and compliant with Civil Aviation Authority (CAA) safety standards. Recently there has been a 23 % increase in its passenger flow. Utilisation of the airport has improved and there is now a regular passenger service between Mthatha and Bisho Airports. Mthatha Airport has three scheduled flights a day between Mthatha and Johannesburg by Air Link. A second airline, known as Interlink, is in the process of conducting tests on the route between Mthatha and Johannesburg. Plans are currently underway for the upgrading of the Mthatha airport so that it becomes a more attractive destination for airlines, businessmen and tourists.

#### **Future Airport Usage**

Discussions and consultations are taking place to get more airlines for the Johannesburg-Mthatha and Mthatha-Durban routes. An important goal is to link Port Elizabeth to Mthatha via Bhisho Airport with the service geared for faster movement between the three (3) areas, which have been identified for the 2010 FIFA World Cup.

#### **Capacity and Constraints**

The airport currently has a 2 kilometer runway which accommodates Boeing 737 aircraft that can carry 150 passengers. In the current upgrading process of this airport, the first phase includes the construction of a much bigger fire station that will accommodate two big fire engines worth R2.5 million. This will assist in increasing the airport's emergency capacity and improve its grades from four to six.

When completed the airport will consist of, among others, an extended VIP lounge, new premises for five car hire companies, curio shops and restaurants. Another addition to the airport is a secondary tarred

runway. This runway was not part of the initial plan but is due to the anticipation of volume of movements of aircrafts and airlines as a result of 2010 and economic demand in the area. For these purposes an unused runway will be refurbished for this.

The fact that most passengers travelling to Mthatha are for business purposes means that there is potential opportunity for restaurants and coffee shops at the airports.

### Constraints

The runways at Mthatha Airport need reinforcement to accommodate the increased traffic flow that will result from increase commercial activity and tourism in the area.

## 2.14 REFUSE DISPOSAL

Based on the Community Survey (2007), most people in the District (62%) rely on their own methods of solid waste disposal, with the total number being at 173 437 and 69 198 (25%) of the households have no access to any means of solid waste removal system what so ever.

**Table 0: Refuse Disposal**

Activity	Ingquza Hill	Port St Johns	Nyandeni	Mhlontlo	KSD	TOTAL
Removed by local authority on weekly basis	1 235	585	677	1 511	21 755	25 763
Removed by local authority less often	1 012	60	402	1 153	2 330	4 957
Communal refuse dump	329	190	363	1 694	643	3 219
Own refuse dump	2 ,508	22 580	35 677	36 243	49 429	173 437
No rubbish disposal	16 485	7 284	19 578	8 434	17 417	69 198
Other	132	251	156	826	1 808	3 173
Total	48 701	30 950	56 853	49 861	93 382	279 747

Data Source: Community Survey (2007)

## 2.15 SOURCE OF ENERGY FOR LIGHTING

The provision of electricity is the sole responsibility of Eskom. The District Municipality is only involved in the planning process. With the exception of KSD where 70% of the households have access to electricity for lighting, the remaining local municipalities in the District fall significantly below the Provincial average of 67%. Most of these municipalities depend on candles and paraffin as their source of energy for lighting.

It should be indicated that electricity supply nationwide from Eskom cannot increase significantly until the new R 40 billion power stations come online in 2010. Therefore, it is unlikely that there will be electrification in O R Tambo until electricity situation is improved by Eskom. The possibility of exploiting the hydro-electric potential of Mzimvubu Dam needs to be studied. The need for renewal energy in the District should therefore be exploited.

**Table: Source of energy for lighting**

Municipality	Electricity		Gas		Paraffin		Candle		Solar & Others	
	Census 2001	RSS 2006	Census 2001	RSS 2006						
	%	%	%	%	%	%	%	%	%	%
Eastern Cape	49.7	67.1	0.3	0.4	23.3	14.0	25.9	18.3	0.8	0.2
O. R. Tambo	28.1	49.6	0.3	0.2	12.1	8.0	58.4	41.6	1.2	0.5
Ingquza Hill	13.6	42.7	0.2	0.4	8.0	5.8	76.3	50.0	1.8	1.0
KSD	41.7	70.1	0.4	0.2	24.3	11.5	33.1	18.1	0.6	0.2
Mhlontlo	30.1	47.1	0.2	0.6	8.8	2.4	60.0	49.1	0.9	0.9
Nyandeni	32.2	58.4	0.2	0.2	11.5	19.7	55.0	21.7	1.0	0.0
Port St. John's	17.2	45.6	0.3	0.4	10.5	1.9	70.8	52.1	1.1	0.0

Data Source: ECSECC, 2007

**Table 39: Access to Energy**

Local Municipality Name	Current Connection %	Issues/ Challenges
King Sabata Dalindyebo	85	<ul style="list-style-type: none"> <li>Line/ grid to coastal areas is not coping with the demand</li> <li>Unplanned settlements - causing reversed backlog</li> <li>Power outages are also contributing to tendencies of non-payment of services.</li> <li>All our municipalities programmes and projects that they are implementing for alternative sources of energy.</li> </ul>
Ingquza Hill	77	
Mhlontlo	85	
Nyandeni	80	
Port St John's	85	

Municipal Source: September 2011

## **2.16 TELECOMMUNICATIONS**

Telkom operates the establishment “landline” telecommunications network in the District. In addition MTN, Cell C and Vodacom have installed transmitters that now provide coverage to over 70% of the area.

## **2.17 HOUSING DEVELOPMENT**

The O.R. Tambo District Municipality views housing and related infrastructure delivery as catalysts for development and improved quality of life in many previously disadvantaged communities in the District. Under the Constitution of South Africa, 1996 and within the National Housing Act of 1997 policy framework, the provincial and local government entities are compelled to provide adequate shelter and infrastructure for their areas of jurisdiction. This is further postulated in the ‘Breaking New Ground’ housing delivery approach to create sustainable communities. The predominant settlement pattern in OR Tambo District is based around the rural village with grouped homesteads dispersed along ridge crests in the uplands or in the valleys on flatter land. Areas along the coastline are sparsely populated as people tend to locate their homes inland. Migration has contributed to the urban growth of Mthatha and the service centres of Lusikisiki and Port St Johns. There has also been substantial growth along the N2 corridor from East London through Mthatha to Kokstad.

### **Land Needs**

The Eastern Cape Multi-Year Housing Development Plan (2009/10-2014/15) states that gaining access to developable land in good localities for housing development, especially for the low cost housing has provided a major challenge in the province. Land values are highest where development is desirable and the funding available does not cover the acquisition of such prime land for low cost housing. The result has been that land has been acquired far away from economic opportunities and thus has resulted in the perpetuation of social segregation and the marginalisation of low-income households in the District.

Beyond issues of location, many municipalities have no coherent strategies for land acquisition apart from the fact that public land is ‘vested’ in the State and long land release and transfer procedures in acquisition are some of the major concerns. Many municipalities complained that there is simply no land available for housing development in the areas where they wanted it. Issues related to land claim and tenure also presents problems to land needs for housing development in some of the municipal areas.

As indicated above, the availability of a well-located and appropriate land for low-income housing development is a priority issue in the district, as about **206 815 households** currently live in inadequate housing that is either badly located or areas often without secure tenure. Land on the periphery is cheaper and therefore ‘affordable’ for low-income development but such areas are removed from places of employment, economic, social and transport opportunities and inhabitants are therefore subjected to high transport costs and unnecessarily long travelling times to places of employment and socio-economic activities, authorities are subjected to high costs for the provision of bulk services and residential areas continue to follow the legacy of apartheid segregation on the basis of social class and status.

In terms of the new BNG policy, housing nodes will need to be identified and the necessary procurement, land alienation and zoning issues will have to be undertaken well in advance of the actual housing delivery to avoid the delays that are currently being experienced. Land release is further hampered by the various pieces of legislation and the legal procedures related to the alienation of land, the difficulties in accessing state owned land and the constitutional imperatives impacting on the acquisition of private land and the number of disputes related to the release of tribal land.

It is anticipated that the various Housing Sector Plans for the Local Municipalities, currently under review will identify the number of planned residential sites to address the current housing needs as well as suitable public land for alienation by the Department of Rural Development and Land Reform (DRDLR) which should be donated free of charge to municipalities within OR Tambo District Municipality.

### **Housing Stock (Trends)**

Massive strides in the delivery of low cost housing to the poor and the vulnerable households have taken place over the past few years in the District as can be seen from Table 3.17 below. In all, there has been an increase of approximately 13 147 units between 2001 and 2007. In terms of adequate housing the increase was only 2 343 whilst 10 801 increase was recorded for inadequate housing.

**Table : Housing stock per various Census Periods**

Municipality	Adequate Housing		Inadequate Housing		Total	
	2001	2007	2001	2007	2001	2007
Ingquza Hill	13 340	7 627	37 051	41 075	50 391	48 702
Port St Johns	3 896	4 348	24 818	26 603	28 711	30 951
Nyandeni	9 864	12 049	45 891	44 804	55 755	56 853
Mhlontlo	8 410	11 525	33 868	38 336	42 278	49 861
KSD	35 082	37 386	54 383	55 997	89 465	93 387
<b>Total</b>	<b>70 592</b>	<b>72 935</b>	<b>196 011</b>	<b>206 815</b>	<b>266 603</b>	<b>279 750</b>

Source: SSA, Census 2001 & Community Survey 2007

### Past and Existing Housing Stock

In the district, there have been great strides in housing provision as revealed by the various census periods. Currently over **72 000** households have had access to housing opportunities through the various housing programmes in the district. At the same time the number of informal housing reduced considerably by 2135 units between 2001 and 2007. Of the current approximate **279 750** houses in the OR Tambo District, as revealed by the Community Survey (2007), about **72 935 (26%)** units are considered as adequate housing, whilst the remaining **206 815 units (74%)** are classified as inadequate and this latter figure constitute the **housing backlog** in the District (See Table 3.18).

**Table: Past and Current Housing Stock**

Category	Housing Type	2001	2007
Adequate housing	Formal (House or brick structure on a separate stand)	51 525	56 072
	Flat in block of flats	17 270	15 984
	Town/cluster/semi-detached house	1 797	879
	<b>Total number of adequate housing</b>	<b>70 592</b>	<b>72 935</b>
Inadequate housing	Traditional dwelling	175 249	190 042
	House / flat / room in backyard	8 332	6 924
	Informal dwelling / backyard shacks	2 221	1 873
	Informal dwelling in informal settlements	6 051	4 264
	Room or flat-let on shared property	3 544	1 129
	Caravan or tents	593	529
	Others	21	2 054
	<b>Total number of inadequate housing</b>	<b>196 011</b>	<b>206 815</b>
<b>Total Housing Stock</b>		<b>266 603</b>	<b>279 750</b>

Source: SSA, Census 2001 & Community Survey 2007

## **Adequate Housing**

Progress in the provision of adequate housing has been marked in the District, especially in KSD, Nyandeni and Mhlontlo municipalities (See Table 3.17). A high proportion of households in these municipalities live in towns, especially the service centres, where housing improvement programmes have been concentrated. Progress has been especially marked in these towns since 2001.

During the current decade progress has been made in improving infrastructure delivery in the municipalities to boost housing delivery. In terms of house types, there has been great increase (about 4547 units) in formal housing between 2001 and 2007 in the form of brick/block and mortar structures on separate stand dominates. Currently this house type accounts for 56 072 (77%) of all the adequate housing in the District. This high number might be attributed to the current government's housing programme throughout the Province.

Flat in block of flats and cluster homes account for 22% and 1.2% respectively and they are commonly found in the KSD. According to the Provincial Department of Human Settlements, about 10 627 housing units had been completed by end of 2008/09 at an estimated cost R 388 819 526 in the OR Tambo District Municipality. The outstanding work and balance at the beginning of 2009/10 was 5 748 housing units at an estimated cost of R131 415 622.

It is also anticipated that the **social** and **rental housing**, according to the Annual Performance Plan (2011/12-2013/14) of the Provincial Department of Human Settlements (DoHS), will be promoted and integrated in the major towns / nodal centres in the District to increase the number of the flats in block of flats to satisfy the needs of the low and middle class workers. According to the Annual Performance Plan (2011/12-2013/14), the Department of Human Settlements will facilitate and promote the integration of communities utilizing social and rental housing and has planned to increase provision of well located and affordable priced rental accommodation in the province. The DoHS has in 2011/12 targeted 1150 approved beneficiaries as well as rental units to be completed for social housing, 400 units approved for CRU, 121 rental units to be upgraded for CRU and 100 rental units to be completed for CRU in the entire Province.

**Table: Adequate Housing**

Dwelling Type	Quakeni	Port St. Johns	Nyandeni	Mhlontlo	KSD	Total	%
Formal (House or brick structure on a separate stand)	6 114	2 771	10 235	10 799	26 153	53 301	<b>76.0</b>
Flat in block of flats	1 403	1 562	1 652	582	10 785	15 984	<b>22.8</b>
Town/cluster/semi-detached house	110	15	162	144	448	879	<b>1.3</b>
<b>Total</b>	<b>7 627</b>	<b>4 348</b>	<b>12 049</b>	<b>11 525</b>	<b>37 386</b>	<b>86 248</b>	<b>100.0</b>
<b>Percentage (%)</b>	<b>8.8</b>	<b>5.0</b>	<b>14.0</b>	<b>13.4</b>	<b>43.3</b>	<b>100.0</b>	

Community Survey, 2007

### Housing Backlog

As indicated above, the number of households in the District that requires decent houses located within conducive and sustainable environments with the basic services and constitutes the **housing backlog**. These are the households living in *inadequate housing*, and according to our context, these include **traditional dwellings, informal dwellings** and others like **caravan or tent, rooms and houses in backyards**. The number of households living in inadequate housing amounts to **206 815** (See Table 3.20).

In terms of category and location, the traditional dwelling dominates, accounting for 92.5% of all the inadequate housing in the District and 20.8% of these houses are found in the KSD followed by Nyandeni 16.6%, Inquza Hill 15.2%, Mlonthlo 14.2% and the least being Port St. Johns 9.9%.

**Table 0.1: Inadequate Housing**

Dwelling Type	Quakeni	Port St Johns	Nyandeni	Mlonthlo	KSD	TOTAL	%
Traditional dwelling / hut / structure	37 172	25 945	41 915	35 458	49 552	190 042	91.9
House / flat / room in backyard	1 450	127	2 417	270	2 660	6 924	3.4
Informal dwelling / backyard shacks	617	21	67	498	670	1 873	0.9
Informal dwellings in informal settlement	248	48	286	1 334	2 348	4 264	2.1
Room/flat-let on shared property	265	50	62	114	638	1 129	0.6
Caravan or tents	249	-	-	151	129	529	0.3
Others	1074	412	57	511	-	2054	1.0
<b>Total</b>	<b>41 075</b>	<b>26 603</b>	<b>44 804</b>	<b>38 336</b>	<b>55 997</b>	<b>206 815</b>	<b>100.0</b>
<b>Percentage (%)</b>	<b>19.9</b>	<b>12.9</b>	<b>21.6</b>	<b>18.5</b>	<b>27.1</b>	<b>100.0</b>	

**Data Source: Community Survey 2007**

### *Traditional Dwellings*

As seen from the above table, the traditional dwellings dominate the inadequate housing in the District. However, there are some debates as to the extent to which *traditional dwellings*, which have been used in the District for centuries, are classified as '*inadequate housing*'. In terms of policy directives and

statement of policy intent by the MEC, the Department of Human Settlements does not view traditional dwellings as inadequate, and hence constituting a backlog. The concretization of appropriate policy measures in this regard received attention during the last financial year when the Department adopted a two-pronged strategy aimed at dealing with the housing issue in traditional areas and developing guidelines to address rural housing needs and inform the associated policy directives.

But it should, however, be noted that while many traditional dwellings provide good standards of shelter and comparable in quality with formal dwellings, around two-thirds of households in the rural traditional housing in OR Tambo District are usually without access to basic household services, such as, piped water, sanitation, electricity and proper accessibility. There is therefore a backlog in the basic services required to make living in these physical structure sustainable and conducive for human habitation. Additionally, no formal housing development procedure is applied in the delivery of such houses, for example, approved building designs approvals, environmental issues and considerations, zoning scheme regulations, etc, coupled with insecure land tenure issues in the communal and tribal land.

If the traditional houses are considered as being adequate housing, then inadequate housing within the District stands only at only 8%, however, it is suggested that until such a time that a proper rural housing needs for the District have been fully determined with respect to household access to basic services, these traditional dwellings be included in the inadequate dwelling category, not for the reasons of quality but rather due to the drive towards modernization and equity, as more people within the communal and tribal areas decide to exercise their constitutional rights in order to access what is considered as a more contemporary lifestyle.



*Dilapidated traditional rural dwelling*

## Inadequate Dwellings: Backyard Shacks and Informal Housing

Backyard shacks and informal dwellings provide a critical low-cost rental market, as well as offering migrant’s shelter at their destination points. They are also favoured by many single women because they offer more security than free-standing shacks. According to the Community Survey (2007), as depicted in Table 3.20, there are about 6 137 (3%) informal dwellings in the District. KSD municipality accounts for 49% of all the informal dwellings in the District followed Mlonthlo (30%). The two combined therefore accounts for 79% of all the informal dwellings and informal housing areas in the District as indicated in the Table above. The figures below show some typical informal housing in the District.

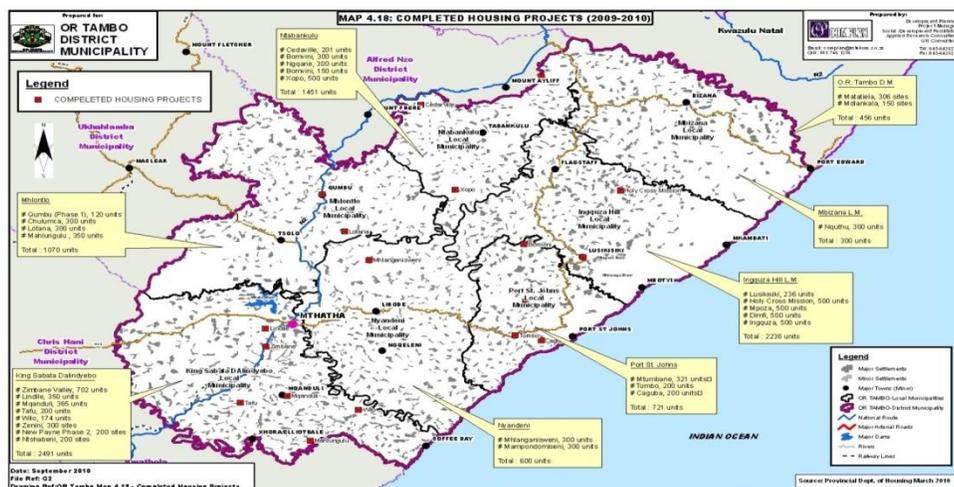
### Typical examples of informal dwellings

According to the strategic objective of the department, the DoHS intend to facilitate and coordinates the eradication of informal settlements through the development of sustainable human settlements in the District by 2014. To this end, the department’s medium term targets are to render support to municipalities in respect of upgrading informal settlement, facilitating the process of land acquisition, installation of internal services, land transfer and erection of top structure as well as facilitating the provision of social and economic facility (e.g, multi-purpose centres) within the prioritized project areas (Annual Performance Plan, 2011/12-2013/14).



### Backyard Shacks

Backyard shacks also provide an opportunity for rental housing and income to the site owners. However, it is essential to create a regulatory framework which will ensure that minimum standards are secured, ensure that bulk infrastructure can accommodate the densities the backyard residents create.



## **KEY ISSUES OF FOCUS AND CHALLENGES**

### **Rural housing development**

In terms of the new BNG approach the department of housing is expected to play a central role in human settlement development process. Human settlement is being defined as just more than just the construction of the house. The new human settlements plan moves towards more holistic, integrated, flexible and responsive mechanisms which address the multi-dimensional needs of sustainable human settlements.

### **Creating integrated and sustainable settlements**

There is a lack of planning together between departments within the District and with the sector departments. There is a need to enhancing Spatial Planning, through greater coordination and alignment of various planning instruments and economic policies. In order to ensure that human settlements are sustainable there is a need to accelerate the Integrated Rural Development Program which is aimed at responding to a comprehensive range of rural housing related issues, such as tenure, livelihood strategies and broader socio-cultural issues.

### **Ensure that all LM's have credible Housing Sector Plans**

The housing chapters of the LM's IDPs must be considerably enhanced to include municipal housing needs assessment, the identification, surveying and prioritization of informal settlements, the identification of well located land for housing, the identification of areas for densification, the linkages between housing and urban renewal and the integration of housing, planning and transportation frameworks, and will link these to a multi year implementation plan.

### **Housing Consumer Education Program**

There is still a huge information gap in relation to people's human settlement rights. There is a need to intensify and accelerate the consumer education program to ensure that communities are empowered to constructively engage with municipalities in identifying and fulfilling their housing needs .So far 943 people have been trained on Housing Consumer Education.

### **Eradication of informal settlements**

Progressive Informal Settlement Eradication is a primary aim of the new policy. Informal settlements must urgently be integrated into the broader urban fabric to overcome spatial, social and economic exclusion.

## **Supporting Urban Renewal Program/BNG**

Our layout plans for new settlement in urban areas promote urban sprawl. There is a need to promoting densification and integration of previously excluded groups into the city and the benefits it offers and to ensure the development of more integrated, functional and environmentally sustainable human settlements, towns and cities. One aspect of this process can be achieved through supporting urban renewal and inner city regeneration. The district has got on one urban renewal project which is Ngangelizwe project. This project is driven by KSD Local Municipality.

## **Responding to Emergency Housing**

O.R. Tambo district is prone to disasters and this is supported by occurrences that happened on the 4 and 25 November 2010 and on the 22, 27, 30 December 2010. All these call for a new way of doing things. Currently response time with temporal shelter is not efficient, it takes a long time to respond to needy communities after disaster. This is because of the administrative processes involved in the procurement of temporal structures which is done by province. There process needs to be reviewed and some of the function has to be relegated to the district to allow for a quicker response.



**Picture 2: Homes affected by disaster**

The Eastern Cape provincial department of Housing has since approved the following permanent housing solutions to be implemented 2011/12 financial year.

- 385 Units in various Local Municipalities within O.R Tambo
- 259 Units approved in Port St Johs (PSJ)
- 77 units in Nyandeni
- 76 Units at Ingquza and it also includes 11 units from PSJ.

### **2.17.1 Release of land for Human Settlement**

There is a need to fast-track the release of well-located public land to municipalities. The province has to set aside budget for this process through the National Housing Development Agency. Municipalities do not have enough revenue to fund these acquisitions. Some of the well located pieces of land are privately owned and thus are subjected to the general open market prices. Land ownership in the ORTDM vests in the government, tribal authorities, local municipalities and private individuals. Government through the

Department of Land Affairs is the main custodian of communal land. Legal forms of land tenure in the District include: freehold (mainly concentrated in the urban centres and certain shops in rural areas, providing security to the owner), Permission to Occupy (PTO) (mainly in the rural owners where there is no right of ownership), leasehold and grazing rights on commonage land.

### **Budgeting for human settlement**

The provincial department of Housing only makes transfers of funds to the DM on the principle of value created. This means that the DM needs to first build the house then submit the invoice to the Provincial Department of Human Settlements to claim the housing subsidy funds. This poses a challenge in the following areas.

- Internal financial management systems at local government require that only projects with funding that shall be transferred to us (e.g. MIG) can be loaded in our system. The housing grant does get transferred upfront.
- Only funds that are on the system (or where there is a guarantee that such funds) that should be included in the SDBIP. The above policies contradict with each other and thus make planning difficult for housing projects.
- Furthermore, contractors that have been employed through the open tender process, legislation prescribes that they be paid within 30 days. This becomes difficult because when we receive invoices from these contractors we still need to forward them to the province. We have no control over the delays caused by the province.

#### **2.17.2 Availability of infrastructure**

Most housing projects suffer because of lack of bulk services and mainly water. Urban projects like the Libode has been blocked for years because there is no bulk water in Libode. Even the rural housing projects get to be delayed in winter when there is no rain because there is no water for



construction. Most households then resort to traditional means of fetching water from the river that are sometime far. This causes a huge delay in the construction process.

## **Lack of Access roads and steep slopes**

Most projects suffer delays because of double handling of building material causes by villages that are not easily accessible. This challenge could be alleviated if the infrastructure department with the Local Municipalities priorities access roads to areas where there will be housing developments.



### **2.17.3 LAND ISSUES**

#### **Land Tenure**

O R Tambo District Municipality is characterised by freehold tenure in the towns and communal tenure in the rural areas. In general terms, the stability of freehold title in the urban settlements makes it easier for formal large scale investments and settlement development to occur. The communal owned land areas, on the other hand, do not offer security of tenure, hence large scale investment, including housing development, by private sector is generally more difficult to achieve and in these areas, informal development tend takes place without conventional security of tenure.

Communal land is held in trust by the Minister of Rural Development and Land Reform (DRDLR) but also regarded by government as co-owned by the local community. Although it is considered to belong legally to the State, it is held by individuals under PTOs, under customary tenure, by quitrent grants, or rarely, by lease. Individual's rights on it are protected by the Interim Protection of Informal Land Rights Act (IPILRA) (PSDP, 2010). The majority of the land in communal areas is unsurveyed and unregistered and the basic spatial unit is the Administrative Area, which was previously known as 'locations' or 'ilali'. The procedures to be followed in securing land for housing development within these communal areas are very cumbersome as it takes very long time and series of processes for the acquisition.

### **2.17.4 STATUS OF LAND CLAIMS IN THE DISTRICT**

#### **Lodged Claims in various Local Municipalities**

The claims for restitution of land rights were lodged by various individuals, groups and communities who were dispossessed of their rights in respect of various portions of land in the District are shown in the table below. In all 113 restitution claims (105 rural claims and 8 urban claims) have been lodged in the various local municipalities in the District. Out of this figure, 25 (22%) of the claims are settled, 8

(7%) are referral and 80 (71%) are still outstanding. It should be indicated that this high outstanding figure will have negative implication on the housing delivery system in the District

**Table: Land Claims Lodged in O R Tambo District Municipality**

Local Municipality	Magisterial District	Claims Lodged		Claims Settled	Section 6 (2) b-referral	Outstanding	Total
		Rural	Urban				
KSD	Mqanduli	3	0	0	0	3	
	Mthatha	26	6	4	6	22	
	<b>TOTAL</b>	<b>29</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>25</b>	<b>35</b>
Nyandeni	Libode	17	0	10	2	5	
	<b>TOTAL</b>	<b>17</b>	<b>0</b>	<b>10</b>	<b>2</b>	<b>5</b>	<b>17</b>
Port St John's	Port St John's	7	0	2	0	5	
	<b>TOTAL</b>	<b>7</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>7</b>
Quakeni	Lusikisiki, Flagstaff	30	2	7	0	25	
	<b>TOTAL</b>	<b>30</b>	<b>2</b>	<b>7</b>	<b>0</b>	<b>25</b>	<b>32</b>
Monthlo	Tsolo, Qumbu	22	0	2	0	20	
	<b>TOTAL</b>	<b>22</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>20</b>	<b>22</b>
<b>TOTAL</b>		<b>105</b>	<b>8</b>	<b>25</b>	<b>8</b>	<b>80</b>	<b>113</b>
		<b>113</b>		<b>113</b>			<b>113</b>

Source: RLCC, Eastern Cape (District Housing Forum, October 2011)

### Categories of Claims

The nature of claims in O.R. Tambo District Municipality varies from one claim to another and most of affecting communities with huge of claimants and beneficiaries. Some of these claims fall within the Sustainable Rural Development Programme (ISRDP) nodal point, and be categorized as:

- Betterment claims
- Commonage claims
- Forestry claims
- Conservation claims

### Progress on Settlement of Claims

The claims in O.R Tambo District Municipality are at various stages of the settlement process, which include research, claimant verification, valuations, options assessment, negotiations, drafting settlement agreements and referrals for settlement through Section (42 D) of the Restitution Act.

### Highlights on the claims

The RLCC has managed to settle twenty one (21) land claims in the O.R Tambo District Municipality which are reflected in Table 2.18 as follows:

**Table: Settled Claims in O. R. Tambo DM**

No.	Settled Claim	No.	Settled Claim	No.	Settled Claim
1	Xhongorha Community	8	Mvumelwano Community	15	Sobambela Family
2	Mabandla Family	9	Luthengele/Majola Community	16	Guma Family
3	Nkondlwane Family	10	Mkhamb	17	Tangana Family
4	Mazangwa Community	11	Mtshelékwana Family	18	Magwa Community
5	Van der Byl Family	12	Mdlankomo Community	19	Qolombana Community
6	Caguba Community	13	Moyeni Community	20	Qelana Community
7	Mvumelwano Community	14	Rhozani Family	21	Gqogqora Community

Source: RLCC, Eastern Cape (District Housing Forum, October 2011)

### **Critical Issues in Settling Claims in O.R TAMBO DM**

- Role of the Municipality
- Invasion of claimed land
- Legal entities (functioning of legal entities)
- Claims by the Traditional authorities
- Long term leases
- Socio- political dynamics
- Economic development
- Co-operative governance
- Poverty eradication

### **Critical Challenges**

According to RLCC, rural claims have proven to take longer and the Commission has to contend with various challenges, many of which are related to the claims processing, and can be summarized as follows:

- Boundary disputes between communities
- Claims on un-surveyed and un-registered parcels of land
- Invasions on commonage land/state land
- Family disputes/Community dynamics
- Competing needs/ priorities between government departments
- Incoherent policies on development
- Untraceable claimants who do not bring documents

- Unavailability of land for alternative relief
- Long –term leases entered into by the previous government and the current users of the land

### **Strategic Interventions**

The Commission has put in place various strategies and plans to settle all the outstanding rural claims including those in O.R Tambo District Municipality. These include the batching of similar claims, bulk outsourcing of research and claimant verification to Service Providers, increasing the existing capacity of the office in terms of staff complement, shortening the project cycle.

### **Priorities**

The Commission has re-prioritised the processing and settlement of claims to be in line various and national development priorities, and we have to take into account the following:

- Municipal IDPs and alignment
- The role of restitution in the implementation of the ISRDP and Urban Renewal Programmes.
- Department of Local Government and Housing, Local and District Municipalities, Development Planners etc. want land to release for housing and other development purposes.
- The Spatial Planning Initiative (SDI), ISRDP and URP want all claims which are o their nodal points to be settled soonest so that key developments can take place.
- The Department of Rural Development and Land Reforms’ commitment to the redistribution programme, which seeks to address the 87%:13% land ownership problem. The PLRO wants to dispose of state land and therefore wants claims that are on state land to be settled soonest.

### **Available Opportunities**

- The Commission is working closely with the Provincial Land Reform Office (PLRO) in trying to accelerate the settlement of these claims through the State Land Disposal Programme. The PLRO wants to dispose of state land and have committed itself in making some farms available for restitution purposes in areas where there is a need for alternative land.
- We have also highlighted the integration of restitution in the implementation of the Integrated Rural Development Programme (ISRDP) and Urban Renewal Programme (URP).
- Municipalities are now starting to realize the need for the integration of restitution into their Municipality Integrated Development Programmes (IDPSs) and other alignment of processes.

- The enactment and implementation of Section 42 (E) of the Restitution Act that talks about expropriation of land to facilitate and expedite the settlement of restitution claims.

## **2.18 EXPANDED PUBLIC WORKS PROGRAMME**

The District had designated a Political and a Technical champion. The programme has improved in reporting even though there is still a huge room for improvement. All Departments have selected departmental representatives to coordinate the activities according to EPWP sectors. The Provincial and National Department of Public Works conducted an induction session for the District and data captures on electronic reporting system of Public Works have been allocated to the District.

The Regional Steering Committee composed of Line function Departments of the region, Local Municipalities and the District Municipality is sitting and has the Terms of Reference. This is co-chaired by the DM and the Regional office of Public Works and Transport.

As a requirement, the District is in a process of developing an EPWP policy that will guide everyone on the implementation of the programme..

Out of 6 municipalities of the DM, three have signed EPWP Protocol Agreements with Public Works. The three are Port St Johns, Ingquza Hill and Mhlontlo. The outstanding are KSD, Nyandeni and the DM. These are signed by Mayors or Municipal Managers when delegated by the Mayor. These agreements seek to improve working relations between municipalities and Public Works. There are technical teams that are assigned by Public Works to give support to municipalities.

### **CHALLENGES**

O.R.Tambo District is known for under reporting and underperforming in this programme. The reasons for this are as follows:

1. There was no proper coordination and integration of the programme within the DM. The four different EPWP sectors were not sitting.
2. Either than infrastructure, other EPWP sectors were not reporting to the Province and projects were not captured in the reporting system
3. There is no specific identified EPWP Model of the District that would be at a large scale of job creation.

## 2.19 SPECIAL PROGRAMMES

### 2.19.1 HIV/AIDS PROGRAMS

HIV/AIDS unit was established in 2005 to coordinate and ensure the implementation of HIV/AIDS & STI programs, focusing more on prevention programs (HIV/AIDS & STI awareness, distribution of condoms, information, education and communication material, capacity building of professional nurses for the communicable diseases and community at large). The unit further ensures that all HIV positive people are comprehensively managed. To promote disclosure, positive living among people living with HIV/AIDS and continuous Psychosocial supports, 162 support groups were established and supported throughout the District.

The District has an approved HIV and AIDS strategy in place which amongst other things looks at the mainstreaming of HIV and AIDS. The existing strategy was approved in 2008 and it will need to be reviewed to in line with the New National HIV and AIDS strategy released in December 2011.

The District is able to support terminal clients through home based care programs done by the NGOs, FBOs and CBOs. Those who have no one to care of them, are referred to the Community care centres for further management. O.R. Tambo District Municipality was identified as pilot site for the Presidential massive HIV counselling & testing. To accelerate HIV counselling & testing uptake, the Council resolved that all municipal vehicles be branded with HIV/AIDS messages as a marketing strategy.

24 EPWP temporal jobs (8 retired professional nurses & 16 Lay counsellors) were created to ensure that HIV counselling & testing services are accessible in 8 non medical HIV counselling & testing sites. To ensure that relevant people are capacitated in the program, retired nurses, currently employed professional nurses, lay counsellors and traditional health practitioners were trained HIV/AIDS & STIs programs and on new HIV counselling & testing guidelines.

To promote referral and maximum participation of communities in HIV/AIDS and STI programs, Ward AIDS fora were established. Through the involvement of the communities in the program, 395 000 people were tested for HIV. On the Nelson Mandela day, one terminal ill client in Zimbane village in Mthatha was an RDP as part of 46664 campaign and Presidential massive HIV counselling & testing.

The District is managing HIV/AIDS and STIs spread through the abstinence youth program and by supporting the already established High transmission Area sites (Port St Johns second beach, Mbizana,

Tsolo junction, Ngqeleni-nyandeni LM premises and Mthatha Shell Ultra City) . The District can pride itself by effective prevention strategies which resulted in reduction of HIV infections from 33% in 2005 to 23%(latest statistics).

CHALLENGES	CAUSES
<b>Irregular sitting of District AIDS Council members</b>	No dedicated personnel in LMs and committed Local AIDS Council chairpersons to attend the meeting. Non functioning of Local AIDS Council
<b>Unmet training targets for the professional nurses</b>	Late transferees of provincial grant funding

### RECOMMENDED INTERVENTIONS TO ADDRESS CHALLENGES

It is recommended that all Local municipalities should budget for HIV/AIDS coordinators. There should be a dedicated Port folio head for HIV/AIDS programs as the program is too demanding. In the case where Special Programs and HIV/AIDS are combined , Portfolio head might prioritise one over another. Provincial health department must be caused to see a need to the agreement between two Organisations .

### SPECIAL PROGRAMS

Special Programmes unit in the ORTDM was established based on Chapter 9 of the constitution of the Republic of South Africa .National Assembly addressed by former President of the Republic of South Africa Mr. Thabo Mbeki in Cape Town on 25 June 1999 lead to the establishment Special Programs Unit. The unit assists in the formulation of policies and in identifying gaps in policies and implementation of such policies in favour of women, people with disabilities, aged and children.

#### Mainstreaming of designated groups

Mainstreaming is the main function of the Special Programmes Unit in order to ensure that the District Council complies with the constitution of South Africa, Bill of Rights, policies and other pieces of legislation.

#### Co-ordination and Mobilization

The Special Programmes Unit coordinates government departments and other stakeholders in the district in order to ensure that programmes for designated groups are developed and implemented and further mobilize all vulnerable groups to be part of development plans and processes

## **Monitoring and Evaluation**

The Special Programmes Unit generates national, sub-regional, regional and international reports which provide progress reports made against benchmarks and also monitors and evaluates the implementation of policies.

## **Capacity-building**

To strengthen Government's systems, processes and structures to ensure delivery sensitive to youth, women, people with disabilities, elderly and children and to ensure that vulnerable people are empowered and capacitated so that they able access socio-economic opportunities.

## **Advocacy and Lobbying**

To spearhead public awareness and education for the promotion of mainstreaming youth, women, people with disabilities, elderly and children interests and programmes issues into Government programmes with extensive campaigns associated with national and international days. The Special Programmes Unit has to ensure that the development and needs of the designated are always a priority in development agenda as enforced by a number of Acts, policies, charters as well as the constitution of the Republic of South Africa.

## **Liaison and networking**

To establish sound relations and partnership with national, international, provincial and local institutions and organizations for resource mobilizations and for other strategic objectives.

To address the above , the following had been achieved in the financial year 2010 2011:

- Youth Councils has been established in five LMs.
- Women's caucus was established.
- 82 computers were donated by Dell and Vodacom to Palmerton Child care centre.
- Tiger Brand company donated groceries worth R20 000
- 104 students have benefited from Students finance program and 26 students have completed .
- Cooperatives were established by LED through mainstreaming program.
- Service delivery was intensified in recognition of Mandela and O.R. Tambo months.
- Rural women's summit was done together with Community Services Directorate.

The challenge faced by the Special Programs Unit is that there is dedicated person to translate documents to be accessible to different people with disabilities .

## **POVERTY RELIEF PROGRAM**

Poverty relief is meant to address all social ills. It is through this program that the District is able to achieve EPWP objectives of job creation. Since its inception , the District was able to create more than 5 000 jobs for cleaning and greening projects. It is also through this program that the District is able to ensure the provisioning of food in families in distress through one household one food garden program. 150 young people were identified from child headed families and homes with no source of income and trained to be enrolled nurses and Enrolled nurses assistants. The District was able to address the issue of unemployment , shortage of nurses, skills shortage, crime and poverty.

### **FLAGSHIP PROGRAMS**

Sectoral engagement programs is meant to address issues that Council of churches ,Traditional leaders ,Traditional health practitioners and Excombatants. Sectoral engagement program promotes Intergovernmental Relations. Through engagement with these sectors , the District is able to identify gaps and challenges faced by the communities and be able to provide relevant support , as these people are the ones who in touch with the communities on daily basis. It is through this Sectoral engagement program that the District creates more partnerships.

## **2.20 FINANCIAL VIABILITY AND MANAGEMENT**

O R Tambo District Municipality is classified as a high capacity municipality. This requires the municipality to be fully compliant with Generally Recognised Accounting Practice, MFMA compliance issues and all its related circulars & regulations. The Budget and Treasury Office is mainly responsible to ensure adherence to all these requirements. Due to the commitment and hard work of the team ,with limited constraint, which work beyond the call of duty, department has substantially ensured in all material effects that the duties were carried out to ensure compliance. The financial management system is also a major limiting factor in terms of financial & management accounting procedures and information flow. It exerts a lot of pressure on the performance of the department.

The Budget and Treasury Office focuses mainly on the areas mainly identified as follows:

- Budget preparation, implementation and reporting
- Revenue management
- Supply Chain and asset Management
- Expenditure and Liability management

- Financial management system support
- Financial accounting reporting and Treasury

Below is summary of what each focus area is responsible for and what their challenges are:

### **Key focus area 1: Budget preparation, implementation and reporting**

#### **Status Quo**

This section has been marred by serious understaffing in that only one person in the sub directorate responsible for the whole process. This section prepares the Budget for approval in terms of the Division of Revenue Act (DORA) directive i.e. 78% for Water and Sanitation: 22% for the rest of the municipal programmes. This office ensures that the budget timetable is tabled on time.

- The monthly reports in the form of section 71 of the MFMA are complied with.
- Quarterly reports in the form of section 52(d) of the MFMA are complied with.
- Midyear reports in the form of section 72 of the MFMA are complied with.

Some of the challenges experienced

- Budget submissions by the HODs are not realistic and informed by proper planning resulting in the high frequency of viaments in the first month of budget implementation and the DM does not yet have a Viament policy in place.
- Due to capacity constraints in the DM , no support is rendered to the local municipalities.
- Classification is not always correct as there are items budgeted under repairs and maintenance whilst they are capital expenditure and visa versa.

### **Key focus area 2 : Revenue management**

#### **Status Quo**

The District currently has a total of 14 940 meters of which 13 343 are in KSD and 1597 spread across all other local municipalities. Of the total meters mentioned earlier about 4200 meters are not read on a monthly basis and this causes a huge loss on revenue for the District. The District employs about 52 meter reader of which 37 are placed in KSD municipality. The rest of the municipalities shares the 15. Meters are read manually, this to a large extent contributes to the huge number of unread meters.

Some of the challenges faced by the section:

- Fire hydrants are not protected – business entities and some residents steal water from these and put into water tanks. This deprives the municipality of the revenue or income that would have been derived.
- Instability and understaffing within the DM – the department just submitted 21 vacant posts to HR for advertising and filling.
- Under billing – non functioning of meters , old maps,
- No annual tariff reviewal
- No policy reviewal annually on credit control and other policies
- No tarrif policy

- Late billing and submission of reports
- Under statement of revenue due to non reading of meters
- Poor controls in collections rate
- The debt book is inherently incremental due to poor working capital management
- Poor controls regarding reliable measurement of water losses.
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### **Key focus area 3 : Supply Chain and asset Management**

With effect from the 15<sup>th</sup> November 2010, the whole procurement of the municipality became centralized to the SCM unit. However the unit is not fully functional due to understaffing. Currently there is no procurement plan in place to ensure effective, efficient and economic use of municipal resources. Only two committees are in place these being BEC and BAC in contravention of the ACT. No BSC in place. Sitting of committees not adhered to as per the approved council calendar thereby affecting spending mainly on grant funding.

#### **Some of the challenges:**

- Orders committed for longer periods not followed up by relevant departments thereby leading to viaments that may have been avoided.
- Lack of proper planning by departments and thereby leading to waiver of procurement processes.
- No system in place to monitor and detect awards to people in the service of the state.
- Compliance with the requirements of the Act in respect of placement of information adhered to in respect of competitive bids.
- No compliance to requirements of the Act in respect of bids awarded through quotations.
- Competency levels of the staff in the SCM unit not yet in line with the competency levels as required by National Treasury

### **ASSET MANAGEMENT**

This section, as is the case with rest of the department is understaffed and there is no senior staff member to lead the section. Not all municipal assets are bar-coded. There are a lot of municipal assets still included in the assets register that are obsolete. The Municipal Asset register is not updated on a regular basis and there is no proper control and management of municipal assets.

#### **Some of the challenges:**

- Movement of assets not communicated with the unit.
- Assets are acquired using wrong votes by departments and missed for inclusion in the asset register.
- Not all assets are in the asset register e.g. PSJ land
- Infrastructure assets register in place.
- Completeness of the Infrastructure Asset Register still a challenge due to lack of cooperation from the lead department in the update of information.
- No control and monitoring over the use of assets that are based in the farms
- Municipal assets not utilized that could have generated revenue for the municipality.
- Capital commitments are not accurate, complete and reliable

### **Fleet Management**

The unit is not fully functional due to under staffing. There are no proper control and management of municipal fleet assets. The implementation of Fleet Management Policy is not not adhered to resulting in abuse and misuse of municipal fleet.

**Some of the challenges:**

- No central point where all municipal vehicles are kept leading to continuous use of municipal fleet even over the week-ends.
- No central and covered place for the disaster fleet thereby leading to the disaster machinery exposure to various weather temperatures. (Red trucks)
- Continuous running of disaster fleet even when there are no situations requiring their use. (Red trucks)
- Non- monitoring of use of disaster fleet at satellite offices.
- Municipal fleet used beyond its radius.
- Municipality losing revenue on plant that is not used.
- Municipal fleet is old and dilapidated thereby affecting service delivery.
- Use of municipal fleet by persons benefitting on the travel allowance scheme.
- Vehicle fuel report not utilized to detect irregular use of fuel.
- Vehicle tracking system not utilized by the department.
- Appointment of drivers is not centralized to the fleet management section
- No Public Drivers Permits (PDPs) for the drivers
- No accident investigation procedures in place.

**STORES SECTION**

- The state of the stores is not in good order.
- No experienced personnel at the stores sites,
- No proper records management.
- Stock-taking done on a quarterly basis.
- Discrepancies always identified during stock taking periods especially at the farms.
- Stores section is decentralized thus leading to lack of proper monitoring of stock receipts and issues.
- Stock levels not properly monitored thus leading to shortages in stocks required to attend to emergency situations.
- No proper monitoring by HOD's of request forms for stationery and stock leading to continuous request of the same items.
- Some stores are not properly secured to ensure municipal assets are safe-guarded.
- Custody of stores key with Superintendents thereby leading to lack of segregation of duties in issue and receipt of stock.
- Documented stores procedure is outdated.

**Key focus area 4: Expenditure and Liability management**

Payments are processed within a week when received in expenditure section. Vat is reconciled monthly and Vat claim are processed timeously on monthly basis. Journals are processed on monthly basis. Quarterly reports in the form of section 66 of the MFMA are prepared on time. When there are queries directorates are informed of the queries on their invoices.

**Some of the challenges**

- Receiving of invalid tax invoices.
- Receiving of invoices without tax clearance.
- Directorates are not addressing queries of tax invoices on time.
- Under spending of grant funded projects.
- Vat refunds are less than what have been budgeted for.
- Payroll reconciliation is not done on monthly basis.

#### **Key focus area 5: Financial management system support**

The DM uses the financial system called Venus and Payday, like all the other sections this is no exception to staff shortages. Venus system is being integrated with Payday and cash drawer

#### **Some of the challenges**

- Calendar month end (closing down of the month) is not done on the last day of the month.
- Ledger month end is not closed on the fifth day of the following month
- UPS is not functioning properly
- No notification of users who are no longer with the municipality for the suspension of their user status.
- It is difficult to identify receipts which were not uploaded to cash drawer from the venus system

#### **Key focus area 6: Financial accounting reporting and Treasury**

This section deals with the preparation of Annual financial statements and it ensures that they are submitted on time to the Auditor General. Consolidated annual financial statements (ORTDM and Ntinga development agency) are prepared and submitted on time.

#### **Some of the challenges**

- Annual Financial Statements were subject to major adjustment after submission to AG
- Preparation of audit file not on time
- AFS were not subjected to internal auditing due to late completion thereof
- Quarterly AFS are not yet performed
- Interim AFS are not performed to assess audit readiness
- There is still a delay in submitting of relevant and reliable information for completion of AFS on time
- Dependency on consultants were also a problem – due to staff shortages – no dedicated person to deal with the function.

#### **Unspent Conditional Grants**

- Funds(unspent conditional grants) reconciliations with investments not fully performed monthly. No monitoring of ensuring that conditional grants are spent according to their conditions
- Supporting spread sheets not attached to transfer letters
- Main Bank reconciliations still performed manually
- Fund raising is not effective
- No monitoring of the viability of the institutions where the funds are banked.

### **2.20.1 2011/12 ANNUAL BUDGET**

Department	Amount	Percentage
<b>Speaker's Office</b> (Councillors, Whippery, Traditional Leaders, Ward Committees, CDWs)	13,720,000	3%
<b>Mayoral &amp; Office of the Executive Mayor</b> (MMCs, SPU, HIV Aids)	18,686,095	4%
<b>Office of the Municipal Manager</b> (Internal Audit, IGR, Municipal Support, IDP)	14,458,791	3%
<b>Corporate Affairs cluster</b> (IT, HR, Legal)	47,059,795	11%
<b>BTO</b> (Fuel, Stationery, Repairs, Telephone etc)	47,644,196	11%
<b>Planning &amp; Socio economic Affairs</b> (Libraries, Sport, Heritage, LED, Ntinga, Disaster Management, Housing, Tourism)	90,188,268	21%
<b>Infrastructure and services</b> (Water and Sanitation)	188,187,433	45%
<b>Total</b>	<b>419,944,578</b>	

The summary per line items is tabulated as per the table below:

- Overall Personnel Expenses - R 240,294,423

#### **CONDITIONAL GRANTS**

- Municipal infrastructure Grants - R 833,002,000
- Municipal System Improvement Grant – R 1,000,000
- Financial Management Grant - R 1,500,000
- Extended Public Works Program – R 9,139,000
- Total R **844,641,000**

These exclude Provincial Grants

Total Budget R **1,504,880,000**

## **2.21 COMMUNITY AND SOCIAL SERVICES**

### **2.21.1 Intergovernmental Relations (IGR) and organs of State Power**

In order to support coordination and oversight on functionality of organs of state power there are IGR structures in place as per compliance with the IGR Act. These are:

1. District Health Council that sits once every quarter. This plays as an oversight to the District Health Advisory Committee which is a forum of technocrats.
2. The Social Needs Cluster also sits every quarter and as per need. Terms of reference have been developed and are awaiting processes for Council adoption.
3. The District Heritage Council have quarterly heritage sector meetings that sit to give oversight to all the activities of the heritage sector
4. The District Sport Council sits to review sporting activities in the district.
5. The 2010 FIFA World Cup District Forum was also formed to see to the smooth running of the activities and for consolidating the plans of various work-streams and ensure continuous support to spin offs beyond the World Cup.
6. Justice and Safety cluster was established to unlock Justice and Crime bottlenecks and sits to strategize on safety issues every quarter.
7. The Disaster Management Advisory / Consultative Forum works on adhoc basis when urgent need arises. This is not a satisfactory arrangement. This awaits the adoption of the Disaster Management Framework implementation policy

### **2.21.2 Ensure safe and secure community livelihoods**

In order to prioritize Crime prevention & law enforcement, District and Local Safety Forums have been strengthened in various areas with the Department of Safety and Liaison. Local Safety Forums have been established in the current financial year in KSD and Mhlontlo.

Safer Schools Programmes are conducted in various schools across the District. In the last six months at least 2 School Safety programmes have been established and supported.

Sport Against Crime Programme are also implemented by the District Municipality in Port St Johns. and Coastal Patrollers Programmes are implemented in all four coastal local municipalities. At least 25 patrollers have been targeted for training in the current year.

A Draft Crime prevention strategy is available and awaits a policy workshop and after that Council approval.

### **2.21.3 Ensure effective disaster management**

In order to ensure effective disaster management in the District an integrated disaster risk management planning and monitoring that involved a scientific disaster risk assessment is done. The Disaster Management Framework has been finalized and has been adopted by Council. The development of a Disaster Management plan in progress envisaged to be approved in 2012/13 financial year. The Disaster Management Centre has also recently concluded and vulnerability and risk assessment for the whole District.

Although the District has a fully functional Disaster Management Unit, a Disaster Management Centre as per the provisions of the Act has not been established. The centre currently operates from the DMs premises. One of the challenges faced is that the Head of the Disaster Management Centre has been appointed but not as a S57 employee as required by the Act.

The Disaster Management Centre has recently concluded and vulnerability and risk assessment for the whole District. To build institutional capacity and preparedness disaster management information was installed in some LMs and communication radios were purchased for 7 wards. Community awareness program are rolled out to all Local Municipalities and include the following stakeholders O.R.Tambo Fire staff, DaF, WoF, Social Development, SASSA, Home Affairs, Dept. of Agriculture, Ward Councilors, Communities & Traditional leaders.

A coordinated disaster response and recovery is successfully implemented in affected areas. Families distressed by wild fires, lightening, accidents, etc are assisted with material needs and funeral arrangements. Dept of Social Development and SASSA assisted with social relief items like food parcels, blankets. Home Affairs replaces ID documents for those who lost them. Temporal shelters are provided and erected by Provincial Department of Housing.

#### **Challenges include:**

- Poor understanding of Disaster Management function by the Institution (Internally) and by the Community (externally)
- Poor communication system with our communities
- Lack of operational resources and sufficient equipment.

- Absence of the Main Disaster Management Centre.
- Non- involvement of Disaster Management unit during infrastructure development.

#### **2.21.4 Provide Fire & Emergency Services**

The ORTDM has a fully fledged Fire Services unit and it operates a full time fire service with a Chief Fire Officer. The District Municipality has purchased fire fighting equipment and there is a fire engine placed in each of the LMs identified as high risk areas. Fire fighting is a shared service between the DM and the local municipalities, currently only the DM budgets for this function. The DM has developed co-operative agreements with the relevant municipalities but these have not yet been signed. Currently the DM does not implement any fire services tariffs; these were developed but never adopted pending finalisation of the Indigent Policy.

An integrated fire and emergency risk management planning and monitoring include training of volunteers for fire and emergency response. The draft and concept has been developed for ORT Fire By-law, approved by Council and awaiting workshops to all relevant stakeholders.

Some of the areas in the District have been identified as High Risk areas in terms of veld and forest fires. These areas are in Mhlontlo, Ingquza Hill and Port St Johns municipalities. A plan to address veld fires in the areas identified has been developed and is implemented by the DM.

Institutional capacity and preparedness has been ensured by the provision of fire fighting protective clothing, training community & fire staff on Community Fire Protection and purchase and repairs fire-fighting equipment. Challenges include:

- Water resources shortages
- Budget constraints , people, equipment, budget and buildings
- Type of vehicles plus inaccessibility of areas for fire vehicles
- Lack of information flowing within the District with regards to programs to allow smooth participation
- Lack of communication tools with satellite centres- radio and telephones
- Control centre operations streamlined and not centralised
- No ready proclaimed fire services bylaws

#### **2.21.5 Provision of sustainable district health services**

Waste disposal and recycling program involved monitoring and control of uncontrolled solid waste tipping and illegal dumping sites in all LMs. Water and food samples were taken and analyzed various areas in all LMs. Boxes of Jik regular for domestic water purification & water borne disease prevention are distributed to affected areas. Business premises are also inspected to check conditions that may endanger lives of inhabitants in the DM. Primary Health Care support is ensured by support to Bambisanani Projects for maintenance of ambulance donated by DM partner - Impala Platinum. Bambisanani Project ensures PHC and community mobilization at Mbizana and Flagstaff. Challenges include:

- Absence of by-laws
- Infrastructure (Roads inaccessible)
- Lack of resources e.g. cars that cannot reach other areas
- Lack of communication: LMs do not involve Health Practitioners
- Lack of involvement in activities that involve catering n the planning stage.

#### **2.21.6 Protection and promotion of rights for vulnerable groups**

Training and capacity building in Moral Regeneration is rendered as workshops on Life Skills awareness & Parenting skills for teenage mothers at schools and Organized Youth. On a quest to mainstreaming of the interests of vulnerable groups Early Childhood Development Centres (ECDCs) are equipped with educational equipment.

#### **2.21.7 Support to Distressed indigent families**

To improve livelihood of indigent families under distress, families in distress affected by disaster related incidents receive material support in the form of funeral costs, food parcels and psycho-social support. A draft Social Relief of Distress Policy is awaiting a workshop and relevant processes for Council approval.

#### **2.21.8 Ensure development of sport, heritage, arts and culture**

Capacity building and coordination of implementation of sports, heritage arts and culture development is done. This included football clinics for talent identification, ensuring spin offs for the 2010 FIFA World Cup, support to mayoral cups tournaments, support to various sport codes in all LMs in the form of kits and sport equipment, capacity building for coaches, Athletics Federation officials, District Sport

Council, transfer of sport facilities, District heritage structure strengthened, and celebration of significant heritage days. Challenges include:

- Maintenance of Community facilities – little or no income generated.
- Coordination of services rendered
- Understaffing

### **2.21.9 Support to library and information services**

Basic library furniture and equipment required for community library services are provided. The establishment of public community and school libraries in remote areas in LMs is coordinated, i.e. school-community libraries. Library furniture, equipment and stationery are also provided for public/community libraries in all 5 LMs. Library outreach programmes (*Library Awareness*) are co-ordinated and supported through the following library annual events, namely, international Literacy & Readathon Week, international Library Week, World Book Day, World Poetry Day and Career Exhibition. INTERNET connection is co-ordinated and installed in some public libraries.

## SECTION C

### CHAPTER 3 DEVELOPMENT STRATEGIES

#### 3.1 VISION, MISSION AND GOALS

**VISION:** *Attaining a developmental Municipality, responsive to social aspirations for an economically vibrant, healthy and sustainable community.*

**MISSION:** *To create an economically viable municipality through optimum utilisation of available resources, to provide efficient and effective service delivery, adequate access to land, security of tenure, housing, social well-being and effective skills development aimed at promoting a self sustaining healthy community.*

#### 3.2 DEVELOPMENT GOALS

1. Providing adequate and accessible infrastructure
2. Promoting economic growth and creating sustainable economic activity through rationalized programmes, within the limits of available natural resource base.
3. Promoting sustainable community livelihoods
4. Improving the institutional systems and overall capacity.
5. Coordinate a system of delivering sustainable services to O.R. Tambo district communities for the achievement of shared developmental outcomes by the National, Provincial and Local Government.
6. Building of a coherent district that is responsive, accountable and promotes clean governance .

#### 3.3 KEY PERFORMANCE AREAS

The 5 Year Local Government Strategic Agenda, (5YLGSA), 2006 introduced five Key Performance Areas for Local Government namely:

- Municipal Transformation and Organisational Development
- Basic Services and Infrastructure Development
- Local Economic Development
- Financial Viability and Management

## Good Governance and Public Participation

Sector forums to cover each of the above Key Performance Areas were formed comprising councillors and officials from the District municipality and the local municipalities, officials from government sector departments and other institutions. Each sector forum developed 5 year sector strategies to be incorporated to the IDP. Key focus areas were identified for each sectors as well as objectives and strategies that will be employed in order to realise the Sector strategies. The 5 year programmes of the sector forums are summarised below.

### 3.4 MUNICIPAL TRANSFORMATION AND ORGANISATION DEVELOPMENT

FOCUS AREA 1			
OBJECTIVES	STRATEGIES	PROGRAMMES	
Development of an effective and efficient Human Resources Management in the entire OR Tambo District Municipality	Development and implementation of HR strategy	Review and develop HR policies Develop and implement HR Plan	
	Recruit competent personnel	Review recruitment and Selection policies Training of all stakeholders involved in recruitment and selection Develop a retention a strategy and succession plan	
	Development of Skilled and competent human resources	Develop a strategy for skills data collection and analysis annually	Utilize the COGTA computerised Skills Audit System Competency Assessment for Managers Develop a credible Work Place Skills Plan
			Implementation of Performance Management System.
To ensure a productive workforce	Implementation of the wellness programmes	Implementation of EAP interventions Wellness events, Health & Safety Audit and Sport & Recreation	
Ensure compliance with labour legislation and SALGBC Collective Agreements	EEA	EE Plan	
	O.H.S.	Conduct Health and Safety Audits	
	B.C.E.A.	Adherence to Collective agreements on Basic Conditions of Service and B.C.E.A.	
	Ensure sound labour relations.	Strengthening functioning of Local Labour Forum Implementation of LLF Resolutions	
6. Ensure an effective customer care relationship management	Establishment of a district wide Batho Pele Forum	Workshop on Batho Pele principles Development and implementation of service level standard charters	

FOCUS AREA 2		
OBJECTIVES	STRATEGIES	PROGRAMMES
1.Develop Municipal Business Processes	Status-quo analysis Research on Local Government System & Best Practices	Business Process Engineering Establishment of a research unit
2.Develop, Improve and Implement Information Systems	Research suitable system that will talk to the needs of the district Conduct Internal Systems Audit	Do Systems benchmarking with similar and same grade municipalities Analyse and customise researched systems
3.Develop, Improve and Implement Policies and Procedures	Legal support to ensure alignment of policies and procedures to existing legislation	Provide legal advice and certify policies and procedures for legal compliance
4.Improve on Information and Knowledge Management	Centralisation of Document and Records Management System Development of an electronic document and records management system	Conduct awareness workshops on Document and Records Management System & Policies Acquisition and implementation of an Electronic Document and Records management System
5.Provision of sound legal advice to the municipality's administration	Development and implementation of procedures to report legal compliance	Issue weekly legal watch advisories on topical areas of non-compliance
6.Provide legal services in litigation against the municipality	Development of a system to ensure that litigation against the municipality is minimised	Instruct and brief legal service providers to advise and defend the municipality on litigation against it
7.Development and Improvement of ICT Infrastructure	Development of an district wide ICT architecture plan  Provide a reliable IT support	Conduct Telecommunications infrastructure audit Upgrading of existing telecommunications systems

FOCUS AREA 3		
OBJECTIVES	STRATEGIES	PROGRAMMES
1.Develop and implement an organogram that is aligned to strategy (IDP).	Training of stakeholders on Principles of organizational design.	Organisational structure audit  Needs Gap analysis and possible creation/combination/abolishment of posts
2.To acquire suitably qualified personnel (right people with right skills in right positions)	Job evaluation/benchmarking process.	Job analysis  Job Description writing and Evaluation
3.Reduce resistance to change and improve team work	Change management and team building strategy	Development and implementation of strategy
4.Improved HR Research and development	Workplace and labour market surveys	District Skills forecast (in preparation for mega projects) HR policy gap analysis District skills development  Suggestion box feedback analysis
OBJECTIVES	STRATEGIES	PROGRAMMES
Ensure creation of policy	Initiate policy	Consultation with the LMs

framework to guide the DM	formulation process	Public participation and view sourcing
To develop a structure and structural design to ensure effective coordination and implementation of proactive municipal support programs	Establish and populate the structure L M support model	Assign relevant officials within stipulated time frames Review the organizational structure to provide the relevant function
Revive and strengthen Corporate Affairs related IGR structures	Review the existing structure and determine its performance in relation to the KPA Capacitate and resource the structures	Assign a team to conduct assessment and reviewal of structures  Convene capacity building sessions.

FOCAS AREA 5			
OBJECTIVES	STRATEGIES	PROGRAMMES	INDICATORS
Ensure mainstreaming and empowerment of all vulnerable groups	Policy development Capacity building Monitoring and evaluation Lobbying and advocacy Mainstreaming strategies	Workshops Reports Meetings publicity	

### 3.5 BASIC SERVICES AND INFRASTRUCTURE DEVELOPMENT

FOCUS AREA 1: IMPROVED ACCESS TO BASIC INFRASTRUCTURE SERVICE DELIVERY		
OBJECTIVES	STRATEGIES	PROGRAMMES
Provide access to potable water	Complete Master Plan for the entire district	Project identification and feasibility studies
		Alignment of the integrated plans of LM,s with the DM,s integrated plan
		Improve communication with stakeholders
	Implementation of Regional water schemes to cover greater areas with no access to sustainable water sources	Procurement process and contracting  Designs  Construction of dams, bulk services, and reticulation
	Implementation of viable stand alone schemes	Procurement process and contracting  Designs  Construction of dams or boreholes, bulk services, reticulation and etc.
	Operations and maintenance of existing schemes	Proper budgeting for O & M Routine maintenance according to annual O&M plan  Training of process controllers and artisans  Appropriate resourcing of staff (tools and equipment)

	Enhancement of satellite offices
Eradication of water backlogs	<p>Successful implementation of capital projects to cover areas without services</p> <p>Improve on MIG spending</p> <p>Long term planning</p> <p>Enhance supply chain management and contract management</p> <p>Enhance the project management team</p> <p>Improve monitoring and evaluation oversight</p> <p>Job creation through EPWP</p>
Optimise utilisation of Water Board as support agency	<p>Building capacity and transferring of skills to our employees</p> <p>Utilisation of water boards as the implementing agency for capital projects (improved quality and reduced turnaround times for project implementation)</p>
	Repairs on non functional water scheme
	Reduce turnaround time
Upgrading of existing water schemes to meet current and future demand	<p>Extensions to un-served households and future developments</p> <p>Development of information management systems for existing infrastructure for future developments</p> <p>Development of new business plan for funding applications for the upgrading of the water system</p>
Spring Protection	Identification of springs that are more resilient and protect them.
Water Harvesting	<p>Supply indigent households with tanks and gutters</p> <p>Conduct awareness campaigns for communities to buy water tanks for water harvesting</p>
Alternative supply during water outages	<p>Water carting</p> <p>Usage of mobile water purifiers to reduce costs</p>
Revenue Enhancement	<p>Water Meter Installation for the purpose of billing and water balancing</p> <p>Replacement of faulty meters</p>
	Billing of Peri-urban and rural consumers with yard connections using a flat rate
	Improvement of financial system (Billing system)
Water Conservation and Demand	Measuring of water losses

	Management	Water audit/water balance
		Leak detection and repair program
		Retrofitting for indigent households
	Water Quality Monitoring	Improve Blue Drop Status by 20% per annum
	Provision of Free Basic Services	Updating of indigent registers Data collection Participation of stake holders on Free Basic Services Forum
To provide access to sanitation services	Improve sewer systems in all 9 towns and nodal zones	Upgrade existing sewer systems into full waterborne sewer system
	Eradication of rural sanitation backlogs	Installation of VIP sanitation
Improve Waste Management	Legalise the existing solid waste sites	Application for statutory requirements
	Prevention of unauthorised access to solid waste sites	Fencing of the existing solid waste sites
	Improve waste collection	Increase waste collection by 10% per annum
To improve infrastructure aimed at advancing economic growth and development	To provide and maintain local amenities and community facilities	To construct and upgrade transport hubs
		Construction of recreational facilities and sports centres
		Provision of ablution facilities for public nodes and coastal areas
Reduce risk of all disaster, fires, and emergencies to communities	Reduce and mitigate impact of disaster incidents	To provide recovery and response to local vulnerability
Improve the provision of sustainable basic energy and electricity	To provide electricity to all outstanding households and new settlements	Provision of electricity to reduce the backlogs Provision of electricity to public amenities. Provision and maintenance of streets
Provision of Access roads and road maintenance	To construct and maintain roads to service centres and economic development nodes	60/40 strategy on maintenance and construction
		Provision of roads to public amenities
		Provide access to economic development centres
		Provide job creation and training to unemployed through EPWP program
		Partner with Dept of roads and public works for maintenance of provincial roads
	To improve livelihoods in urban and peri-urban centres through infrastructure development	Construct and maintain pedestrian sidewalks
		Upgrade internal road network to tarred surfaced
To improve storm water systems in order to allow proper drainage	Implementation of the Storm water master plan	

	To improve accessibility of communities through safe bridges	Construction and upgrade of bridges Mobilize funds for bridge construction
	To ensure that all Households are provided with access roads	Construction of access roads Maintenance of access roads
	Ensure provision of safe and affordable public transport services and infrastructure	Construction of parking bays and sidewalks in towns
To provide sustainable human settlements	Provision of rural and urban housing with social amenities through the implementation of the BNG program.	Rural housing (R0-R3500) Urban Housing (R0-R3500) Social Housing (R3500-R7500) Gap Housing (R3500-R1500) Facilitate the development of middle income housing Outcomes of COP 17 on sustainable environment, viz. North facing houses, use of alternative technology (solar geysers)
	Building capacity of Emerging Local Contractor including vulnerable groups (women, youth, disabled. Set aside a quota on procurement, e.g. 10% of budget)	Emerging contractor development program. Extended Public works program
	Accreditation of ORTDM	Accreditation program
	Closer collaboration with LMs, PDHS, relevant sector department, civic groups, NGO', etc.	Implementation of the Human Settlements Forum Establish a Housing Association
	Facilitate access to well located land.	Acquiring land through purchase, long term lease and donations
	Special programs Military veterans Elderly	Response to emergency housing
	Development of a District wide Human settlement Strategy	Housing strategy Housing sector Plan

## LOCAL ECONOMIC DEVELOPMENT

KEY FOCUS AREA: CO-ORDINATION & INTEGRATION OF LED PROGRAMMES		
OBJECTIVES	STRATEGIES	PROGRAMMES
Improved co-ordination & integration of LED programs	Strengthen IGR Structures for integrated LED programs	Strengthen LED Forum; Sub-Sector Forums & DST
Mainstream economic activities through formation of Community Private Public Partnerships	CPPPs development	Develop CPPPs within district key growth sectors

(CPPPS)	Municipal support	Support municipalities in designing CPPPs
		Support municipalities with fundraising and resource mobilization
		Lusipark Development Project
		Business Park Development Program
Improved rural livelihoods through agriculture and food security.	Provide farmer support services and farmer development	Train and Equip Extension officers
	Enhanced interventions on Food Security and poverty eradication	Capacity building to emerging farmers
		Provide farmer support to emerging farmers
	Enhanced interventions on Food Security and poverty eradication	Siyakhula Set-up Programme
		Siyazondla
		One household one food garden
		Communal food gardens/small scale supported
Improved infrastructure & mechanisation for agricultural development	Livestock Improvement and Agricultural Development	Identification / effective use of feedlots & shearing sheds for the Region
		Construction of a chicken farm for the region
		Full mechanisation of Adam Kok Farms
	Improved quality of mechanisation of agriculture	Establish/ resuscitate irrigation schemes
	Livestock Improvement and Agricultural Development	Animal Health and livestock improvement.
Heifer Exchange program		
Livestock branding		
Increase number of hectors covered on Maize and Crop production		Maize production
		Crop Production
Strengthen Agro-Processing, access to markets and Agrarian reform.	Improved service standards for the District Processing Plants	Effective use of Umzikantu Red Meat abattoir.
		Strengthen capacity of Milling Plants for the Region
		Refurbishment of the existing chicken abattoir
	Improved access to markets	Enhanced use of KFPM

<b>KEY FOCUS AREA: FORESTRY &amp; TIMBER PRODUCTION</b>		
<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>
Improved forestry & timber production for economic development	Planning for development of forestry & timber in the district.	Develop Forestry Development Strategy
Improved forestry & timber production for economic development	Forestry & timber skills development	Facilitate access to skills at Furntech for forestry sector beneficiaries
	Forestry & timber value chain development	Integrated Langeni Timber Cluster (ILTC)

<b>KEY FOCUS AREA: AQUA-CULTURE DEVELOPMENT</b>		
<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>
Improved Aqua – culture production for economic development	Planning for development of aqua-culture sector in the district.	Develop Aqua culture Strategy
Improved Aqua – culture production for economic development	Aqua culture skills development	Facilitate access to skills sector beneficiaries
Mainstreamed participation of communities within the sector	CPPP formation for project implementation	Establish CPPPs for Aqua-culture development & project implementation

<b>KEY FOCUS AREA: TOURISM</b>		
<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>
To improve the skills sets of all economically active citizens within O.R. Tambo District.	Train the existing product owners in business skills and product development	Tourism Research and Development
Ensure well co-ordinated Tourism Development, Marketing and awareness programs for the district.	To co-ordinate outreach programmes to schools and FET Colleges	Tourism Education and Awareness
	To develop marketing material for the District.  Appointment of Tourism Marketing and Information Officers	Tourism Marketing and awareness.
	Strengthening the functionality of the LTOs	DTOs and LTOs
	Capacity building and establishment of fully equipped production centres for Visual Arts and Craft Projects	Visual Arts and Craft Development

**KEY FOCUS AREA: ECONOMIC RESEARCH CAPACITY & INNOVATION**

<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>	<b>INDICATORS</b>
Strengthen economic research & development capacity within the district municipality	Improve the effectiveness & efficiency of the research unit	Provide adequate staff compliment within the unit	
		Build capacity of staff in economic research unit	
Creation of a sustainable agrarian reform through viable knowledge, skills & innovation base	Facilitate agricultural /Agrarian transformation through institutions of higher learning.	Establishment of the faculty of Agriculture & Rural Development Studies	
		Provide extension services to related projects & activities	

**FOCUS AREA 3: ENTERPRISE DEVELOPMENT**

<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>	<b>INDICATORS</b>
Promote & Enhance Enterprises within the district	Build capacity of SMME and cooperatives	Develop SMME Strategy	
		Establish SMME One –stop shop	
		Establish Co-operatives Development Centre (CDC)	

**FOCUS AREA 4:**

<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>	<b>INDICATORS</b>
To up skill and improve skills capacity of entrepreneurs and co-operators for optimal participation in the mainstream economy	SMME and Coop Skills development plan	Develop SMME and coops database	

**FOCUS AREA 5**

<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>	<b>INDICATORS</b>
Stimulate economic growth in small towns	Small Town Revitalization (STR)	Co-ordinate programmes implemented by various government departments on STR	

Expand beneficiation for local SMMEs	Encourage local procurement	Facilitate Development of policies favouring local procurement	
Strengthen Trade & investment Promotion	Facilitate trade and investment for the district	Develop strategies for trade and investment promotion	
		Establish Trade & Investment promotion One Stop Shop	

**KEY PERFORMANCE AREA: ENVIRONMENTAL MANAGEMENT**

<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>	<b>INDICATORS</b>
Ensure a well co-ordinated and regulated waste and environmental management for the region.	Establishment of co-operatives for EPWP programs on waste recycling.	EPWP program on recycling.	
	Establishment of a regional recycling facility.	Regional recycling program	
	Coordinating a proactive EIA screening program for Development projects in view of suitability.	Support all development programs in the region	
	Facilitate environmental education and capacity building in O.R Tambo region.	Environmental Education & awareness	
	Implementation of Environmental and integrated waste mgt plan.	Coordinating landfill site licensing for all local municipalities	

**KEY FOCUS AREA : PUBLIC TRANSPORT PLANNING**

<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>	<b>INDICATORS</b>
Ensure an Integrated and well coordinated Public transport system	Identification of lower order District Roads network to ensure an effective upgrade throughout the district.	Development of a pavement management system.	
Ensure safe, secure, reliable, and affordable public transport service based on Public Transport demand	Ensure properly regulated public transport operations through the Municipal Regulatory Entity.	Development of Operating licencing strategy and establishment of an MRE.	
	Transformation	Taxi Diversification program	

		District Integrated Transport Plan (DITP)	
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<b>KEY FOCUS AREA : LAND, SURVEY AND PLANNING</b>			
<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>	<b>INDICATORS</b>
To achieve spatially equitable economic growth across O.R. Tambo District and region.	Develop plans for nodes and corridors	Proposed N2 Wild Coast Road SDF	
Ensure sustainable, orderly land distribution for economic development.	Special Economic Zones	Special Economic Zones :  PSJ-Tourism, Marine and industrial expansion.  KSD- Industrialisation of the regional economic hub  Mhlontlo- Crop production and hydro electric production and forestry  Nyandeni- Crop production, livestock and forestry  IHLM- Livestock Tourism-Heritage, Game Reserves, Forestry	
		Proposed Mzimvubu Dam framework plan	
Address Institutional matters affecting land development		Libode and Ntlaza LSDF	
		Langeni LSDF	
	Enhance the development alignment of the SDFs	District SDF review	
		Development of the KSD LM SDF	
	Development Precinct Plans for the Region.	Ngqeleni Town Precinct Plan	
		Mhlontlo Towns Precinct Plans	
		Ingquza Hill Coastal Precinct	
	Implementation of Coffee Bay and Hole in the wall Development Plan (Kwa-Tshezi Development Plan)	Development Forum	

### 3.6 FINANCIAL VIABILITY AND MANAGEMENT

FOCUS AREA 1: REVENUE MANAGEMENT		
OBJECTIVES	STRATEGIES	PROGRAMMES
To increase revenue generation within O.R. Tambo District.	Effective Legislation and review of by-laws	Develop and review policies and by-laws
To increase revenue generation within O.R. Tambo District.	Effective Legislation and review of by-laws	Implementation and enforcement of legislation and by-laws
To increase revenue generation within O.R. Tambo District.	Completeness and Accuracy billing, and revenue collection	Credibility and completeness of the valuation roll, participation of LMs in the process ( <i>assess the status quo, and roadmap to conclusion</i> )
To increase revenue generation within O.R. Tambo District.	Completeness and Accuracy billing, and revenue collection	<i>Installation and maintenance of all water meters , monitoring and control (prevention, detection and correction) of water losses</i>
To increase revenue generation within O.R. Tambo District.	Completeness and Accuracy billing, and revenue collection	Indigent and billing data-base clean-up on an annual basis.  The function for free basic service and billing must be located in Budget and Treasury (BTO)
To increase revenue generation within O.R. Tambo District.	Completeness and Accuracy billing, and revenue collection	The function for credit control must be located in Budget and Treasury (BTO)  Improve Credit control systems and capacity  Reduce Debtors collection period (days)  Domestic  Commercial  Government
To increase revenue generation within O.R. Tambo District.	Completeness and Accuracy billing, and revenue collection	System updated and bills correct approved tariff, and reconciliation.  (Completeness and accuracy of revenue )
To increase revenue generation within O.R. Tambo District.	Completeness and Accuracy billing, and revenue collection	Completeness and accuracy of property held for rental, rentals billed.  Identification Properties controlled  (Rights and obligation)
To increase revenue generation within O.R. Tambo District.	Completeness and Accuracy billing, and revenue collection	Analysis of expenditure for appropriateness and completeness of VAT input claims

<b>FOCUS AREA 2: INTEGRATED FINANCIAL PLANNING AND BUDGETING</b>		
<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>
To improve the accuracy of O.R. Tambo District financial planning and reporting.	Cash Flow management ( effect cash management) to avoid cash flow problems hence cash is king,	Realistic matching of revenue projections & expenditure projections to pay on time)
To improve the accuracy of O.R. Tambo District financial planning and reporting.	Financial planning and cash flow projection	Realistic and accurate SDBIP consistent with the budget and municipal budget reporting regulations (MBRR)  Budget Process Management (Budget Timetable)
To improve the accuracy of O.R. Tambo District financial planning and reporting.	Ring-fencing and Grant Prioritisation	Programme, Project and Process Planning; Business Plans <b>CONDITIONAL GRANTS SUCH AS MIG MUST HAVE A SEPERATE CALL ACOOUNT</b>
To improve the accuracy of O.R. Tambo District financial planning and reporting.	<i>Credible budget</i>	Funds only activities consistent or aligned to IDP and relevant legislation achievable in terms of agreed service delivery & performance targets, contains revenue & expenditure projections that are consistent with current & past performance, supported by documented evidence of future assumptions, does not jeopardise the viability of the municipality, provides managers with appropriate levels of delegation to managers to meet their financial management responsibilities)  Budget to be consistent with MFMA Circular 58  Compliance to tabled budget timetable

<b>FOCUS AREA 3: SUPPLY CHAIN MANAGEMENT/ASSET AND LIABILITY MANAGEMENT</b>		
<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District.	Capacity and Human resourcing	Advertise and fill vacant positions in accordance to Competency requirements of the N.T.  Sought secondment from P.T, N.T or LGTA
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Tighter Coordination of SCM activities and processes	Use of automated data base system for transparency.  Use of notice boards for adverts for quotations.  Review and update processes of delegation relating to SCM to all levels.  Check Register of persons in service of the state before awarding. Register of declarations  Register of related parties

Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Improved Contract Management (Avoid payments without following SCM processes)	Develop and implement an effective and efficient performance management plan , Monthly update of a contract registers.  Service level agreements to be reviewed and updated by legal  <b>Proper document management system in place that will meet the requirements of achieving clean audit</b>
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Policy and Process Compliance (through ongoing capacity building training and awareness	Review SCM policy to be in line with amended regulations.  All committees to be in place and fully functional as required by paragraph 26 of the SCM regulations.
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Oversight over SCM process	Submit paragraph 6 reports to Council for all tenders awarded.  Report on all deviations made to council and N.T.  Report on all awards made other than those recommended by BAC to N.T  Report to N.T. all expenditure made over the threshold on a monthly basis using the approved template
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Procurement Planning and execution (60-70% of procurement must be done before the beginning of the financial year to avoid under spending)	Implement approved procurement plan  All spending to be in line to be in line with approved SDBIP.  Receive all approved projects for proper planning  Maintenance of service register of service providers who have defaulted or not delivered appropriate and sufficient quality  Procurement approved by an appropriate and authorised or appropriately delegated official
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Update monthly movable and Immovable FAR  Ensure correct depreciation rates are applied per class of asset.  Assessment of useful lives on an annual basis.  Determination of residual values.  Review of all assets for impairment
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Bar-Coding of all municipal assets
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure	Assets and Liability Management	Verify all municipal assets on a quarterly basis

within O.R. Tambo District		
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	All council assets need to be adequately insured
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Valuate all assets not in the asset register and include them in the FAR.
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Submit to council list of all assets that are redundant /lost all damaged for disposal.
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Appoint specialist to assist with the update of the IFAR /Infrastructure on a monthly basis.
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Review of FAR for the proper classification and recognition ,of all assets in terms of the requirements of GRAP, ie all assets that are controlled , for which there are economic benefits or service potential.
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	File properly all delivery notes for all inventory received by our stores.
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Update monthly the stock registers.
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Submit to council list of all redundant inventory for disposal.
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Assessment of NRV
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure	Assets and Liability Management	Appropriate costing of water inventory

within O.R. Tambo District		
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Maintenance of leases register
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Maintenance of loans register
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Calculation of accruals for services rendered for which no invoice has been received
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Identification , recognition and measurement of provisions
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Construction of a municipal vehicle fleet garage for storage after hours and repair of municipal fleet
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Inter-governmental relations strengthened with Provincial Transport.  Consider Centralise the fleet management
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Assets and Liability Management	Develop a maintenance plan for all municipal assets including infrastructure assets
Strengthen the governance and control environment over all financial matters to eliminate all fruitless, wasteful, unauthorised, and irregular expenditure within O.R. Tambo District	Promote black economic empowerment	Stimulate and promote local economic development.  Facilitate business opportunities with particular preference to HDI's  Promote competitiveness of local business  Increase small business sector access to procurement business opportunities  Increase participation by small, medium and micro enterprises  Promote joint venture partnerships

FOCUS AREA 4: EXPENDITURE MANAGEMENT		
OBJECTIVES	STRATEGIES	PROGRAMMES
To improve financial management capacity within O.R. Tambo District Municipality and Local Municipalities.	Creditor Payment cycle (pay invoices within 30 days)	Register of invoices received, invoice date, expected payment date
To improve financial management capacity within O.R. Tambo District Municipality and Local Municipalities.	Improved management and capacity in terms of existing Finance staff	Review and update and implementation
To improve financial management capacity within O.R. Tambo District Municipality and Local Municipalities.	Control procedure manuals and delegations	Review , update and implement
To improve financial management capacity within O.R. Tambo District Municipality and Local Municipalities.	Value for money payments, i.e. avoid paying for material where there is no value created in service delivery	Technical sign off of infrastructure projects before payment, including where appropriate verification of the existence of the asset  Clear specification of requirements
To improve financial management capacity within O.R. Tambo District Municipality and Local Municipalities.	Increasing internal capacity	Timeous filling of funded vacant posts (with skilled and competent personnel)
To improve financial management capacity within O.R. Tambo District Municipality and Local Municipalities.	Increasing internal capacity	Structural review of BTOs across the district, and competency profiling
To improve financial management capacity within O.R. Tambo District Municipality and Local Municipalities.	Increasing internal capacity	Institutional Memory and retention of existing capacity in strengthening institutional capacity
To improve financial management capacity within O.R. Tambo District Municipality and Local Municipalities.	Control over employee related costs	Payments only to verified pay rolled employees

FOCUS AREA 5: FINANCIAL REPORTING		
OBJECTIVES	STRATEGIES	PROGRAMMES
To ensure an unqualified audit opinion in O.R. Tambo District and all Local Municipalities by 2014 and beyond.  - Requiring clean administration to sustain clean audit	Asset and Liability Management	Updating of asset registries ( <i>in terms of existence, completeness and valuation</i> )
To ensure an unqualified audit opinion in O.R. Tambo District and all Local Municipalities by 2014 and beyond.  - Requiring clean administration to sustain clean audit	Asset and Liability Management	Registration of properties
To ensure an unqualified audit opinion in O.R. Tambo District and all Local Municipalities by 2014 and	Financial Reporting	GRAP Compliance ( <i>here we refer to all GRAP statements in terms of recognition, measurement</i> )

beyond. - Requiring clean administration to sustain clean audit		<i>and Disclosure)</i>
To ensure an unqualified audit opinion in O.R. Tambo District and all Local Municipalities by 2014 and beyond. - Requiring clean administration to sustain clean audit	Financial Reporting	Accountants in PMU need to fall under Budget and Treasury, and seconded to Project Management Unit (PMU)
To ensure an unqualified audit opinion in O.R. Tambo District and all Local Municipalities by 2014 and beyond. - Requiring clean administration to sustain clean audit	Financial Reporting	Improving Statutory Reporting ( <i>Credibile reports</i> , such as section 71, 71, 52d, etc.)  Credible MFMA compliance reports  Credible DoRA reporting

### 3.7 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

FOCUS AREA 1: FUNCTIONING OF COUNCIL AND COUNCIL STRUCTURES		
OBJECTIVES	STRATEGIES	PROGRAMMES
To improve council oversight of service delivery implementation in all O.R. Tambo District Municipality	<p>Develop policies guiding roles, functions and remuneration of traditional leadership in council</p> <p>Develop policy framework guiding location of support to traditional leadership in council.</p> <p>Develop clear delegations system guiding functioning of structures of council</p> <p>Fully established Offices of the Speaker</p> <p>Capacity building of MPAC</p>	<p>Capacity Building of Sect 79 Committees, Councillors and Traditional leaders</p> <p>Capacity building of communities on oversight processes</p> <p>Support to LMs on the establishment of Oversight Structures</p> <p>Develop/Review Delegations' system guiding the functioning of council structures</p> <p>Review of Standing Orders of Council</p> <p>Sitting of</p> <p>Council and Council Structures as per legislation</p> <p>Open Council Meetings</p> <p>Strengthen collaboration between the DM and LMs Offices of the Speaker</p> <p>Develop a standard Council agenda format that incorporates reports from LM and DM</p>

FOCUS AREA 2: TRADITIONAL LEADERSHIP/ COUNCILS AS INSTITUTIONS IN LOCAL GOVERNMENT		
OBJECTIVES	STRATEGIES	PROGRAMMES
To strengthen working relations with traditional leaders	<p>Have a uniform approach on the provision of support to traditional leaders.</p> <p>Involvement of traditional leadership in IDP processes and IGR.</p>	<p><b>Develop policy guiding relations and support to traditional leadership</b></p> <p><b>Implementation of policy regulating the support of traditional leaders</b></p> <p><b>Develop Traditional leadership cooperation and support framework</b></p> <p><b>Implementation protocol for spatial planning issues</b></p> <p><b>Strengthen regular interaction between the Mayor and Traditional leaders</b></p> <p><b>Develop a reporting framework for Traditional leaders in their communities/ Traditional Councils</b></p>

FOCUS AREA 3: PUBLIC PARTICIPATION		
OBJECTIVES	STRATEGIES	PROGRAMMES
To strengthen and co-ordinate participation of organs of civil society and communities across all LMs within the district	To structure and coordinate participation of organisations of civil society and communities across all LMs within the district	Public Participation Strategy and Plan for the District
	To support functionality of ward committees and CDWs	Establishment of Ward Centres Capacity building programmes for Ward Committees and CDWs and organs of civil society
	Development and implementation of Batho Pele and Customer Care Charter	Development of Community Complaints and Petitions Policy
	To coordinate and structure public participation across the district	Public consultation and Iimbizo/outreach Programmes

FOCUS AREA 4: FUNCTIONAL WHIPPERY SUPPORT		
OBJECTIVES	STRATEGIES	PROGRAMMES
To coordinate council and committee programmes to realise political commitments	Provide platform for political management of council activities	Sitting of TROIKA
	Enable councillors to do constituency work	Sitting of chief whips forum
To coordinate service delivery report of constituency work by councillors	Enable councillors to do constituency work	Workshop councillors on reporting and accountability  Service delivery audit workshop for councillors

FOCUS AREA 5: FUNCTIONING OF INTERGOVERNMENTAL RELATIONS		
OBJECTIVES	STRATEGIES	PROGRAMMES
5.To coordinate an effective intergovernmental Relations across the portfolio boundaries of governmental actors within the District.	Coordinate for proper functioning of technical and political IGR structures both at LM level and DM	IGR Mobilization of all local municipalities, sector departments and SOEs
		Capacity building IGR structures and IGR units at both in the District and local municipalities.
	Agree on an LM support model and structure systems accordingly.	LM support programs with clear protocols and MOUs signed and implementation monitored. (Link with customised IGR protocol)
	Make service delivery central in IGR agenda	Development and monitoring of a District Program of Action MMC: MEC bilateral on relevant portfolio service delivery issues

FOCUS AREA 7: MONITORING, REPORTING, AND EVALUATION		
OBJECTIVES	STRATEGIES	PROGRAMMES
Ensure credible integrated service delivery planning, monitoring, reporting and evaluation	Ensure credible integrated service delivery planning, monitoring, reporting and evaluation	Establishment of PMS structures (Cascade PMS to lower levels)  Review of PMS Framework Policy and Guidelines  Performance assessments  Build capacity of oversight structures & administration  Implement a service delivery implementation monitoring system (ICTM tool – roll out of DIMS)  Uniform M&E framework (Agree on common indicators)

<b>FOCUS AREA 8: COMMUNICATION, BRANDING AND MARKETING</b>		
<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>PROGRAMMES</b>
To ensure a well coordinated and integrated district wide communication.	Comprehensive Integrated Communication Strategy	<p>Sound media relations/media strategy</p> <p>Newsletter</p> <p>Develop standard operating procedures for internal communications</p> <p>Institutional Customer Care Charter</p>
	District wide communication framework	<p>Develop communication protocols between DM and LM councils</p> <p>Relook on the location of communication, branding and marketing in the institution</p> <p>Front Desks training and management</p> <p>Complaints and hotlilne management</p> <p>Rapid response team</p> <p>Integrated call centre</p>
	Fully resourced Communications function( led by a dedicated political	<p>Capacity building for political principals on communications</p> <p>Provisioning of communications unit and support to LMs</p> <p>Employee periodic address/briefings (by the political principals and accounting officer)</p>

## SECTION D

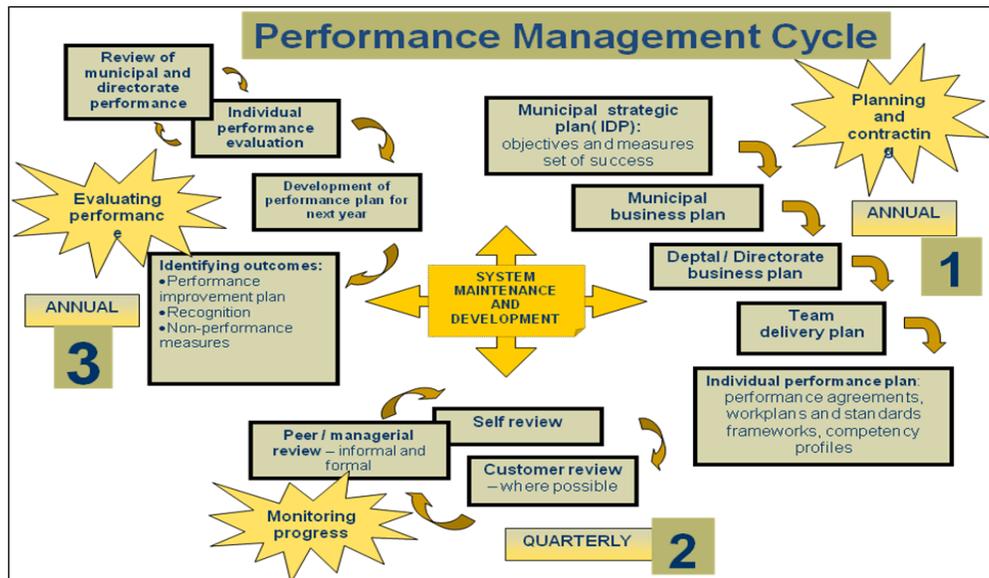
### CHAPTER 4: PERFORMANCE MANAGEMENT

#### 4.1 PERFORMANCE MANAGEMENT SYSTEM

Performance Management System refers to a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review and reporting will happen and be organised and managed, while determining the roles of different role-players. The O.R. Tambo District Municipality reviewed and adopted its performance management system framework and policy guidelines in September 2010 to guide the roll out of the policy to cover all employees. The policy was reviewed to make it applicable to all employees of the Municipality, the following categories of employees:

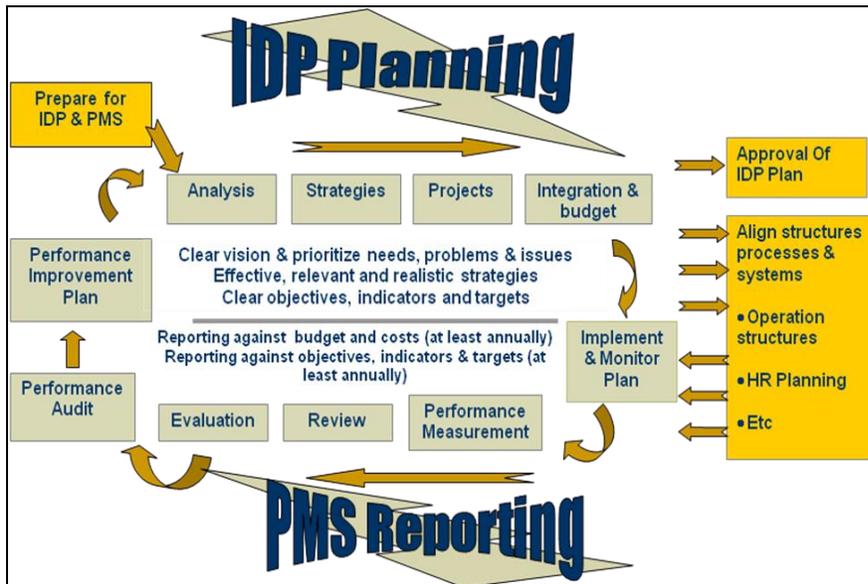
- Employees referred to in the Municipal Systems Act as Section 57 Employees i.e. the Municipal Manager and the managers reporting directly to the Municipal Manager;
- Employees who are permanent employees of the Municipality and fall within the ambit of the Local Government Collective Bargaining Council; and
- Employees who are employed by the Municipality on fixed term contracts and fall outside of the Local Government Collective Bargaining Council.

The O.R. Tambo District Performance Management System is structured in such a way that it recognises the various stages involved in the performance management cycle as depicted in the diagram below.



Aligning IDP, PMS and Budget

IDP fulfils planning stage of Performance Management whereas Performance Management in turn fulfils implementation management monitoring and evaluation of IDP.



In September 2010 the Council adopted a Performance Management Framework regulating the Performance management system in the municipality. The Framework provides guidelines on the development and implementation of the organizational and individual performance management system. The approved framework provides the following guidelines on organizational performance management:

- **Planning for performance management:** the development of the IDP fulfils the planning stage of Performance Management and Performance Management fulfils the implementation management, monitoring and evaluation of the IDP process.
- **Priority and objectives setting:** as set by the IDP
- **Key performance indicators:** priorities and objectives derived from the IDP will guide the identification of indicators
- **Setting targets:** each key performance indicator must have set targets for the current financial year
- **Reviewing of key performance indicators:** as part of the performance review process, performance indicators should be reviewed annually in line with the annual review of the municipality's IDP.
- **Developing a monitoring framework**
- **Performance measurement framework:** Balanced Scorecard Model has been adopted
- **Conducting performance reviews:** municipality measure its own performance and assess its progress either by benchmarking or conducting surveys
- **Reporting on performance:** a template that takes the municipalities priorities, objectives, indicators and targets has been developed
- **Individual performance:** performance of employees to be managed through the signing of performance contracts and performance agreements and the rollout of scorecards to management level.

## **Performance Management Model: Balanced Scorecard**

In order to assess an organization's performance, a balanced view is required; incorporating a multi-perspective assessment of how the organization is performing as seen by differing categories of stakeholders. To ensure this balanced multi-perspective examination, the District has adopted a "Municipal Scorecard Model" to guide the performance management in the entire municipal organization. The Municipal Scorecard Model is a conceptual framework that provides guidance as to what aspects of the municipality's performance should be measured and managed. The model has proved useful in performance management for it provides balance, simplicity, mapping of inter - relationships and alignment to the Integrated Development Planning processes of the municipalities.

The Municipal Scorecard Model will be tightly aligned to the strategic planning and IDP processes of the municipality and will provide a balanced view of performance based on municipal inputs, outputs, outcomes and process. In addition, this scorecard will be based on the five (5) Key Performance Areas for Local Government as determined in the Five Year Local Government Strategic Agenda, which are:-

- Infrastructure Development and Service Delivery
- Local Economic Development;
- Municipal Financial Viability and Management;
- Municipal Transformation and Organizational Development; and
- Good Governance and Public Participation.

## **SCORECARD LEVELS**

The O.R. Tambo District Municipality has **two** levels of scorecards, the institutional and individual scorecard.

### ***a) The Institutional Scorecard***

The Institutional Scorecard will be used to measure performance of the District municipality in terms of implementation of the District's service delivery and budget implementation plan (SDBIP). Therefore at an institutional level, the five year IDP of the municipality forms a basis for performance management. This will an overall picture of performance of Council as a whole, reflecting performance on the approved IDP and budgets identified strategic priorities, objectives, key performance indicators and targets.

### ***b) Departmental Scorecard***

The Departmental Scorecard will measure and monitor performance of the line Departments and this will also constitute the scorecard of the Directors. Performance management at this level is at an operational level and the annual SDBIP forms a basis for measurement. Therefore the activities of each department, including their objectives, indicators and targets are derived from the institutional scorecard. By cascading performance measure a strategic (IDP) to an operational level (SDBIP), a link to individual performance management is formed. This then ensures performance management at various levels relate to one another. Reporting at this level will be done on a quarterly basis.

### **PERFORMANCE AUDITING**

The Office of the Chief Operations Officer will on an ongoing basis co-ordinate and ensure the following:-

- good quality of reporting and reviews
- conformity to reporting formats
- submission of reliable information

Performance auditing will focus on the reliability of reported information, the extent of performance gaps from targets as well as the reasons for performance gaps, i.e. explanation of the variance as well as corrective measures. Auditing the performance measurements of the municipality will be undertaken by the internal audit unit and quarterly reports on the audits will be submitted to the Municipal Manager as well as Audit Committee.

### **Challenges with the implementation of the Performance Management System:-**

The Auditor General identified the following shortcomings with regards to ORTDM performance management system.

- Linkage between the organisational level of planning (Departmental Scorecards) and Individual performance management
- Non reporting on some objectives and targets
- Misalignment in performance management processes and IDP process. Some indicators are not measurable
- Signing of performance contracts/cascading performance measures

O.R. Tambo District Municipality strives to improve its ability to make a difference to local communities and therefore will continue to review and improve on the implementation of the PMS to ensure full legislative compliance and alignment of performance.

#### **4.2. INSTITUTIONAL SCORECARD**

For the 2011/12 financial year the O.R. Tambo District Municipality will be guided by the following score card as well as the related weightings per Key Performance Area

<b>KEY PERFORMANCE AREA</b>	<b>WEIGHT</b>
	<b>2012/13</b>
<b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>	10
<b>INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>	10
<b>MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>	15
<b>LOCAL ECONOMIC DEVELOPMENT</b>	10
<b>SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>	55

### 4.3. IMPLEMENTATION PLAN

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				
OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ Project	RESPONSIBLE DEPARTMENT/ INSTITUTIONS
Provide access to potable water	Long term water infrastructure planning	Approval of long term water and sanitation infrastructure master plan	Development of a Master Plan for the entire district Development of new business plan for funding applications for water projects Development & review of WSDP Development and enforcement of water policies	
	Implementation of Regional water schemes to cover greater areas with no access to sustainable water sources (includes the integration of previously non-viable water schemes)	Number of existing non-viable schemes upgraded/ provided with sustainable regional water supply	Upgrading of non-viable water schemes	
		Number of new household connections provided through the regional schemes	Implement water schemes / projects	
	Implementation of viable stand alone schemes	Number of new household connections provided through viable standalone schemes	Implement water schemes/ projects	
	Operations and maintenance of existing water schemes	% of Operations and Maintenance budget spent on water infrastructure	Approval & Implementation of an O&M Plan	
			Repairs on non functional water scheme for consistent water supply	
		% of Capex spent on retrofitting and refurbishment of water infrastructure	Refurbishment and retrofitting of old water infrastructure	
		% of water schemes sampled meeting the blue drop status	Building capacity and transfer of skills to employees (through the support of water boards)	
			Develop & Implement a system to monitor functionality and water quality in DM water schemes,	
	Provide alternative water supply to households that have no access due to any other reason	Number of indigent households supplied with tanks and gutter for rainwater harvesting	Regular water balance audit Leak detection and repair	WSA
Number of natural springs protected throughout the district		Supply indigent households with tanks and gutters	WSA	
		Implement spring protection on viable water springs to communities	WSA	

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT					
OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ Project	RESPONSIBLE DEPARTMENT/ INSTITUTIONS	
		Number of litters of water purified and supplied to carted to communities.	Water carting Usage of mobile water purifiers to reduce costs	WSA	
	Achievement of a blue drop status for all water treatment plant and water pump stations <b>improve water quality</b>	Number of water treatment plants achieving a blue drop status.	Periodic testing of water quality	WSA	
To provide access to sanitation services	Eradication of rural sanitation backlogs	Number of households provided with VIP toilets	Installation of VIP sanitation	Technical Services	
	Improve sewer systems in all 9 towns and nodal zones to full waterborne	Number of town and nodal zones upgraded to full waterborne sewer systems	Upgrade existing sewer systems into full waterborne sewer system	Technical Services	
		Number of urban households connected to full waterborne sewer systems			
		Number of functional public ablution facilities in the economic nodes and coastal areas	Provision of ablution facilities for public nodes and coastal areas	Technical Services	
	Operation and maintenance of sewer treatment plants and sewer pump stations	% of Operations and Maintenance budget spent on sanitation infrastructure	Approval & Implementation of an O&M Plan		Technical Services
			Repairs on non functional sanitation infrastructure		Technical Services
		% of Capex spent on retrofitting and refurbishment of sanitation infrastructure	Refurbishment and retrofitting of old sanitation infrastructure		Technical Services
Achievement of a green drop status for all sewer treatment plants to <b>improve quality of effluent</b>	Number of Sewer treatment <b>plants achieving</b> green drop status	Periodic analysis of effluent		Technical Services	
To provide access to sustainable basic energy and electricity	To provide electricity to all outstanding households and new settlements	Number of households with authorized electrical connections	Electricity connections. Provision of electricity to reduce the backlogs. Provision of electricity to public amenities. Provision and maintenance of streets	Local Municipalities, Eskom	
		Number of households installed with alternative energy sources	Provision of alternative energy		
To improve road infrastructure network in the district	Constructing and maintaining roads to service centres and economic nodes	km of access roads constructed	-Construction of access roads and roads infrastructure (incl. bridges, storm water drainage systems, pedestrian side walks etc) -Implementation of a storm water master plan Development of a pavement management system.	Local Municipalities Department Transport	
		% of Capex spent on roads infrastructure			
		% of O&M budget spent on road infrastructure maintenance			

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				
OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ Project	RESPONSIBLE DEPARTMENT/ INSTITUTIONS
Ensure access to a safe, secure, reliable, and affordable public transport system	Coordination of planning and regulation of public transport system	Number of Public transport facilities contracted/ upgraded as per DITP	Development of Public transport plan Construction and upgrading of public transportation facilities	DM
		% of O&M budget spent on public transport facilities	Operations and maintenance of public transport facilities Approval and implementation of an O&M plan for public transport facilities	DM
Improve Waste Management within O.R. Tambo District to comply with statutory requirements	Establishment of landfill sites that comply with the prescribed guidelines and standards for solid waste management, (including ISO 14001)	Number households with access to solid waste removal	Solid waste/ refuse collection	Local Municipalities
			Environmental awareness campaigns	Planning and Development
		Number of LMs disposing solid waste to licensed landfill sites.	Acquisition of land and construction of landfill sites Issuing LM permits to access land fill sites Recycling programme Licensing of landfill sites and enforcement of statutory requirements	
Coordination of planning and Development of Sustainable Human Settlements	Accreditation of O.R Tambo DM as an implementing agent for housing development	Housing development Service level agreement	O.R. Tambo DM housing accreditation process	DM, LMs and Dept of Human Settlements
	Development of human settlement planning and implementation framework	Approval of housing strategy and sector plans	Housing strategy and sector plan	
	Integrated approach to urban and rural housing	Number of housing units within R0-R3500 monthly income range completed	Construction of housing units as per BNG programme	
		Number housing units within R3500-R15000 monthly income range completed		
		Number of wards with community halls	Construction of social amenities/ social infrastructure	DM and LMs DSRAC
		Number of wards with recreational facilities		
	Number of wards with permanent library infrastructure facilities			
Acquiring land through purchase, long term lease and donations	Hectares of land acquired for sustainable human settlements for low income and affordable housing	Land acquisition	DM and LMs	
To increase community participation in Sports, recreation, arts, culture and	Expand and maximize the value of community service centres	<i>Number of Thusong centres</i>		DM , GCIS

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				
OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ Project	RESPONSIBLE DEPARTMENT/ INSTITUTIONS
heritage programmes	Promotion of heritage sites and liberation route	<i>Number of heritage sites/ facilities rehabilitated</i>	Community workshops on heritage and liberation route Rehabilitation of heritage sites Commemoration and celebration of national days and historical events	DM, DSRAC
	Promotion and commercialization of cultural groups	<i>Number of cultural groups supported</i>	Promotion of upcoming music stars, formulation of film by-laws.	
	Promotion and integration of recreation and sporting activities	<i>Number of functional sports councils (inclusive of wards and district level)</i>	Coordination of sports, special events and tournaments,( including golden games, sports against crime, leagues, federations etc.)	
		<i>Number of people trained in sports and recreation</i>	Training of sport couches, referees and sports administrators	
To increase community participation in educational governance and training	Capacitate schools governing bodies and integrate them to ward committees	Number of ward committees with representation on Schools Governing Boards.	District Education Indaba/ Summit SGB capacity building programme Establishment of District Education Forum	
	Integration of schools and community libraries	Number of wards with access to library facilities (inclusive of container and mobile libraries)	Mobile libraries Library awareness and literacy programmes Community based Early Childhood Development programme	
To contribute to the reduction of preventable health risks in the district	Compliance with and enforcement of relevant environmental health regulations and standards	Signing of SLA and transfer agreement	Completion of the Devolution of environmental health services processes Develop and environmental Health by-laws	DM & DOH
		% of businesses sampled that were fined for not meeting the minimum health standard	Periodic sampling of key food premises Environmental health campaigns	DM
To contribute to the prevention, reduction and management of the spread of HIV/AIDS, STI and TB	Mainstreaming of HIV/AIDS management	Number of wards with ward aids forum	Establishment of HIV/AIDS fora and council Men's health coordination programmes (incl. male circumcision)	DM & LMs
	Expand access to voluntary counseling and testing	Number of wards with VCT sites	Establish and support VCT and HTA sites Capacity building for health care providers and community care givers	DM & LMs
		Number of people that have undergone VCT	Establishment of support groups HIV/AIDS, VCT, STI and TB awareness campaigns	DM & LMs
To improve the well-being of all vulnerable groups and general welfare of indigents	Coordinate the mainstreaming of special programmes targeting vulnerable groups	Approval of institutional guidelines for mainstreaming of vulnerable groups	Develop Institutional guidelines for vulnerable groups	DM & LMs
		Number of people from the vulnerable groups that completed an academic programme funded through the bursary scheme	Bursary scheme	DM & LMs
		Number of people from the vulnerable groups that completed other scarce skills training and capacity building programmes	Training and capacity program Awareness campaigns and information distribution	DM & LMs

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				
OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ Project	RESPONSIBLE DEPARTMENT/ INSTITUTIONS
		% work contracts awarded to companies owned by vulnerable groups	SCM policy on vulnerable groups	DM & LMs
	Provide social safety nets	Number of households receiving social safety support (distress support, child protection etc.)	Child protection programme Moral regeneration One household one food garden Food parcels	DM
	Provision of basic services to indigent households	Number of indigent households receiving free basic services in line with the FBS policy	FBS policy Indigent registration	DM & LM
To reduce the risk and mitigate the impact of disasters, fires and emergencies to communities	Proactive preventative measures against disasters	Number of municipal staff, councilors and community volunteers trained on disaster	Awareness campaigns and capacity building	CSS
		Number of community disaster response units registered with the DM	Awareness campaigns and capacity building	
		Number of scientifically assessed disaster risks and key hazards listed in the DM risk register	Conduct Risk assessments and research on key hazards	
			Establishment and coordination of disaster fora and structures (including response units) Training and capacity building for councilors, officials and volunteers Approval of relevant protocols, policies and by-laws	
	Improve institutional capacity and preparedness for disaster management and mitigation	Number of households affected by disaster receiving services per post disaster recovery and rehabilitation programmes	Development of disaster response plans Early warning systems Signing of MOU and SLA with stakeholders and partner organizations Post disaster recovery and rehabilitation programmes	CSS
	Prevent the occurrence of fires and emergencies	Number of public and business buildings inspected for fire safety  Number of volunteers fire fighters listed with the district  Number of LMs with fully equipped fire stations	Approval of fire by-laws Fire awareness and training campaigns Establishment of fire satellite stations Acquisition of necessary fire fighting materials and equipment Fire safety inspections in public and business buildings	CSS
	Improve institutional capacity to respond and mitigate the impact of fires and emergencies	Response time to fire and emergency calls from the urban areas (within 50kms radius)  Response time to fire and emergency calls from the rural areas	Improve functioning of fire and emergency call centres Acquisition and maintenance of fire and emergency equipment Develop SLA with LMs on fire prevention and response to fire and emergency	CSS
Contribute to improved community safety and security	Building stakeholder consensus for community safety	Number of functional district and community safety forums (in terms of fora TOR)	Conduct safety summit/ crime prevention indaba Strengthen district and community safety forums Develop Crime prevention strategy	CSS

**KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ Project	RESPONSIBLE DEPARTMENT/ INSTITUTIONS
	Promote safe recreational activities and alternatives to crime	Number of coastal patrollers registered in all coastal municipalities.	Coastal safety programmes	DM and LM
		Number of schools participating in safety and crime prevention programmes	Schools safety programmes	
		Number of sports clubs registered as participating in sports against crime	Sport against crime	

**KPA: LOCAL ECONOMIC DEVELOPMENT**

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To improved co-ordination & integration of LED programs for greater trade and investment within the District	Strengthen IGR Structures for integrated LED programs	Number of LED Structures deemed functional	Strengthen LED Forum; Sub-Sector Forums & DST  Co-ordinate programmes implemented by various government departments on Small Town Revitalisation	ORTDM, LMs, Ntinga, and LED Stakeholders
	Promote trade and investment	Number of businesses/enquiries accessing Trade and Investment One-Stop Shop	Develop strategies for trade and investment promotion  Establish Trade & Investment promotion One Stop Shop	ORTDM, ECDC, IDC, DTI, Ntinga, and LED Stakeholders
	Mainstream economic activities through support for formation of Community Private Public Partnerships (CPPPS)	Number of CPPPs formed within the District	Develop CPPPs within district key growth sectors  Support municipalities with fundraising, resource mobilisation, and CPPPs  Lusipark Development Project  Business Park Development Program	ORTDM, ECDC, DTI, SEDA, LMs  DEDEA, IHLM, ORTDM  Anglo Gold Ashanti, NUMSA

## FOCUS AREA 2: Grow O.R. Tambo District's priority economic areas in line with District and Provincial imperatives

### Sub-focus area 2.1: Agricultural development (including livestock)

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To improve rural livelihoods through agricultural development and food security.	Provide farmer support services and farmer development	Number of extension officers equipped Number of emerging farmers trained Number of emerging farmers received assistance/support (defined)	Train and Equip Extension officers Capacity building to emerging farmers Provide farmer support to emerging farmers	DRDAR, Ntinga
	Enhanced interventions on Food Security and poverty eradication	Number of Hectares cultivated Number of households received food parcels Same as with Social Needs Number of communal gardens or small scale producers received assistance/support (defined)	Siyakhula Set-up Programme Siyazondla One household one food garden Communal food gardens/small scale supported	DRDAR, Ntinga
	Enhance infrastructure and mechanization of key initiatives	Number of feedlots established within LMs Chicken farm established Remaining cost (R-value) to fully mechanized Adam Kok farms Number of irrigation schemes established	Identification / effective use of feedlots & shearing sheds for the Region Construction of a chicken farm for the region Full mechanisation of Adam Kok Farms Establish/ resuscitate irrigation schemes	DRDAR, Ntinga,
	Animal Health and livestock improvement.	Number of animals vaccinated Number of animals distributed as part of exchange programme (breakdown per category possible) Number of livestock branded	Veterinary Services Heifer Exchange program Livestock branding	DRDAR, Ntinga, SAPS, and farming stakeholders
	Increase Maize and Crop production	Number of hectares of maize planted Number of hectares of vegetables produced	Maize production Crop Production	Ntinga, DRDAR, ORTAFE
	Improved service standards for the District Processing Plants	Number of animals processed through abattoir	Effective use of Umzikantu Red Meat abattoir	NTINGA & DRDAR  LMs, Ntinga, ORTDM, DRDAR

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
		Number of milling plants with increased output	Strengthen capacity of Milling Plants for the Region	DRDAR
		Number of chickens processed through Nqeleni chicken abattoir	Refurbishment of the existing chicken abattoir	
	Improved access to markets	Tons of produced supplied to market through KFPM	Enhanced use of KFPM	Ntinga, DRDAR

### Sub-focus area 2.2: Forestry and Timber Production

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To improve forestry & timber production for economic development	Forestry and timber industry skills development	Number of beneficiaries accessing Furntech training or skills development	Develop Forestry Development Strategy Facilitate access to skills at Furntech for forestry sector beneficiaries	ORTDM, LMs
	Value-chain expansion and development	Number of downstream purchasers of Langeni Timber	Integrated Langeni Timber Cluster (ILTC)	ORTDM, KSD, Mhlontlo

### Sub-focus area 2.3: Aquaculture Development

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To improve Aqua – culture industry production for economic development	Aqua-culture skills development	Number of beneficiaries trained in aqua-culture skills development	Develop Aqua culture Strategy Facilitate access to skills sector beneficiaries	ORTDM; LMs; DAFF; Rhodes University

### Sub-focus area 2.4: Tourism development

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To ensure well co-ordinated Tourism development, Marketing and awareness for the district.	Train existing product owners in business skills and product development	Number of product owners participated in business skills training and capacity building programme	Training and capacity building programme  Visual Arts and Craft Development	OR Tambo Tourism Section , LMs and ECPTA  WSU Centre for Creative Industries, DSRAC and ORT DM - CSS
	Tourism Marketing and Awareness Raising	Number of schools and FETs participated within outreach programmes	Outreach programmes to schools and FETs  Develop District Marketing Material  Appointment of Tourism Marketing and Information Officers	Tourism Section and LMs, ECPTA, WSU
	Strengthening the functionality of the LTOs	Number of functional LTOs	DTOs and LTOs	Tourism Section and LMs, ECPTA

### Focus Area 3: Economic Research and Capacity Innovation

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To strengthen economic research & development capacity within the district	Improve capacity of District's economic research unit	Number of staff undergoing capacity building for economic research	Provide adequate staff compliment within the unit  Build capacity of staff in economic research unit	WSU, CSIR, ARC, DRDAR
	Collaborate with institutions of Higher Education	Number of functional LTOs	Establishment of the faculty of Agriculture & Rural Development Studies  Provide extension services to related projects & activities	WSU,DRDAR, DRDLAR, DHE  WSU, DRDAR, NTINGA, Social Development



OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
	Create Special Economic Zones	Number of enterprises utilizing special economic zones within the District	PSJ-Tourism, Marine and industrial expansion. KSD- Industrialisation of the regional economic hub Mhlontlo- Crop production and hydro electric production and forestry Nyandeni- Crop production, livestock and forestry IHLM- Livestock Tourism-Heritage, Game Reserves, Forestry	Office of the MEC, ECDC, DRDLR, DEDEAT, ECTPA
	Greater alignment of District Planning to SDFs to advance land development	Number of SDFs (inclusive of LSDFs, LM SDFs, and DM SDFs) completed	Libode and Ntaza LSDF Langeni LSDF District SDF review Development of the KSD LM SDF	ORTDM (Planning), Nyandeni LM, Mhlontlo LM, Ingquza Hill LM, and KSD LM
	Development of Precinct Plans for the Region	Number of LMs with at least one precinct plan	Ngqeleni Town Precinct Plan Mhlontlo Towns Precinct Plans Ingquza Hill Coastal Precinct	ORTDM (Planning), Nyandeni LM, Mhlontlo LM, Ingquza Hill LM, DRDLR, DEDEAT and ECSECC

#### GOOD GOVERNANCE AND PUBLIC PARTICIPATION

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To improve/ ensure council and community oversight for service delivery implementation	Strengthen internal governance structures, systems and protocols to monitor and ensure compliance with the legislative framework	% of council committees (section 79 &80, TROIKA) deemed functional using the Council Committee Assessment Tool.	Approval of committee assessment tool Support Traditional leadership structures to develop mandating and reporting protocols for traditional leaders in council	DM
		Number of council and open council meetings held as per the Council calenda	Approval of council calenda Sitting of council and open council meetings Speaker's outreach programmes (incl. youth and women's parliament) Service delivery and oversight Roadshows	DM
		Number of Council resolutions assessed as fulfilled by Resolution Tracking Tool	Continuous update of resolution register Approval of resolution tracking tool	DM
		Number of councilors from identified council committees completed at least 1 training programme	Capacity building programme for council committees	DM

GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
		as per the agreed upon capacity building programme for the committees		
	Provide platform for LM representative councilors in DM council to present service delivery issues and challenges raised and prioritized by either LM councils	% of LM Reps memoranda on service delivery issues and challenges responded to.	Establishment of service delivery focused section 79 committee/s of council Support LMs to develop LM rep mandating and reporting protocol Develop DM protocol on processing of LM Reps memoranda item to DM council	DM & LMs
	Provide the necessary support to Whippyery in facilitating accountability of councilors to constituencies	% of service delivery issues and challenges raised or prioritized by constituencies responded to.	Sitting of Whippyery forum Service delivery audit workshop for councilors	DM & LM
To strengthen and ensure structured participation by communities, organs of state power, traditional leaders and civil society in local governance	Improve functionality of ward committees, CDWs and state mandated public participation bodies in all LMs	% of ward committees assessed as fully functional using ward committee assessment tool (including committee relations with CDWs and organs of state power)	Development of ward committee assessment tool Development of petitions policy Development of ward centres Executive Mayor's outreach programmes	DM & LM
		Number of ward committees with members completed a capacity building programme	Capacity building programme for ward committees	DM & LMs
	To strengthen working relations with traditional leadership and participation of civil society in local governance	Number of agreements/ social compact agreements / MOUs signed on service delivery related matters (e.g. on spatial planning, communal land with Traditional leaders, etc.)	Develop policy framework guiding relations, cooperation and support to traditional leaders Sectoral engagements with Traditional leadership Sectoral engagements with civil society	DM
To coordinate effective intergovernmental relations across the portfolio boundaries of governmental actors within the District	Make service delivery central to the functioning of technical and political IGR structures both at LM and DM levels	Number of IGR structures deemed to be functional as per IGR policy and related protocols	IGR mobilization programme (focusing on LM, Sector Departments and SOEs) Development of IGR policy and related protocols MMCs' :MECs' bilaterals on relevant portfolio service delivery issues District M&E framework (from DIMAFO) District Programme of Action	
	Implement a coordinated programme for LM support and structure LM support systems accordingly	Number of LM support interventions implemented with signed MOU, SLA and implementation protocols (linked to customized IGR protocol)	LMs support programme approval	
Ensure credible integrated service delivery planning (IDP), monitoring, reporting and evaluation	Improve quality of IDP in line with prescribed processes and guidelines – with full participation and ownership by political champion, IGR partners and communities	Level of compliance with relevant legislation with regards to timeframes for IDP development and approval processes	-Approval of framework and process plans and final IDP document -Scheduled Rep forum meetings - IDP training - IDP & Budget Roadshows	DM
	Implement a comprehensive Institutional service delivery performance reporting, monitoring and evaluation in line with the prescribed legislative framework and guidelines	% of institutional performance targets achieved against targets set	-approval of IDP aligned SDBIP -Approval of departmental performance plans (linked to projects implementation plans) - Signing of performance agreements by MM and senior management - Implement District service delivery implementation monitoring system (DIMS) - Performance Evaluation on quarterly and annual reports	DM

GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
	Improve institutional capacity on audit and quality assurance of service delivery performance	Audit opinion from Auditor general on performance information	submitted -Adoption of annual performance reports -Improve institutional capacity for PMS reporting and quality assurance -Capacity building for PMS structures	DM
To ensure a well coordinated and integrated district wide communication	Maintain a two way communication with communities and staff	Approval of an integrated communication strategy with clear communication plans for key programmes	-Integrated Communication strategy and key programmes based communication plans Develop standard operations procedures for procession customer/ community queries and feedback	DM
		Frequency of general staff meetings addressed by the political champion and senior management	Newsletter development Protocols for Streamlining of correspondence - Improve capacity of communications unit -Develop standard operations procedures for internal communication	DM &LMs
	Provide effective customer/ community liaison and maintain corporate image	Frequency of institutional media statements/ briefings	- Proactive media engagements -Utilization of social media to communicate	DM & LMs
		The rating achieved from a customer care survey	-corporate identity handbook -Develop protocols for processing complaints (including those from the Presidential Hotline) -Website and events calendar update -Conduct Customer care surveys - Develop service standards charter -Establish customer liaison unit -Front desk management training -Integration of WSA & Disaster call centres	DM & LMs
To ensure effective Audit function for improved compliance, clean administration and clean governance	Increase the capacity of internal audit function to provide district wide support (LMs)	Auditor Generals Annual audit opinion on municipalities supported	-Filling of vacant posts -Awareness workshops on role of internal auditors -Capacity building of internal audit units	DM &LMs
	Address all issues raised by the internal audit unit, audit committee and previous year's AG by integrating management action plans to Annual Performance Plans and performance agreements of senior managers	% of audit issues raised assessed as resolved as per management action plan	-Internal audit coverage plan -Review Audit committee's TORs to incorporate reporting procedures.	DM & LMs

<b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>				
<b>OBJECTIVES</b>	<b>STRATEGIES</b>	<b>INDICATORS</b>	<b>PROGRAMMES/ PROJECTS</b>	<b>RESPONSIBLE DEPARTMENTS/ INSTITUTIONS</b>
To reduce the threat of all identified risk.	Improve institutional capacity to avert, monitor and report on identified risks	% of identified risks assessed/ verified as addressed as per management action plan	Risk management strategy Establishment of risk management committee Conduct strategic and operational risk assessments Commission scientific research on major risks Risk management action plans Risk audit coverage plan	DM & LMs
To ensure effective Legal services function for improved compliance, clean administration and clean governance	Promote good ethical environment and improve control systems to intensify fight against fraud and corruption (Zero tolerance)	% of reported fraud and corruption cases concluded in line with relevant policy and legislative framework	Review anti-fraud and anti corruption strategy Establish fraud and corruption unit Conduct awareness sessions on code of conduct, anti fraud and anti corruption Develop a policy on code of conduct for staff Review and implement control systems and procedure manuals	DM & LMs
	Improve capacity of internal legal services to minimise municipalities' exposure to avoidable litigation	Number of court cases concluded in favor of the municipality	Review of legal services manual Develop Compliance checklist Legal watch advisories on topical areas of non-compliance	DM
	Develop systems to monitor and provide support to departments on compliance with key contractual obligations, key legislation and collective agreements	% of major contracts concluded within the stipulated time frame	Develop contract monitoring/ tracking tool for major contracts	

## KPA: FINANCIAL VIABILITY AND MANAGEMENT

### Focus Area: Revenue Management

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To increase revenue generation within O.R. Tambo District Municipality	Review of by-laws and develop effective legislation	R-value of historic debtors (year on year reduction as a percentage)	Develop and review policies and by-laws Enforcement of legislation and by-laws	ORTDM (CFO & Legal)
	Complete, accurate billing and revenue collection	Collection rate as a percentage of total billings R-value losses of water to properties not billed (year on year reduction as a percentage) Difference (number) between monitored water meters and annual valuation roll	Complete a credible valuation roll Install and maintain water meters Indigent register cleaning Improve credit control systems capacity Regular update of and bills correct approved tariff and reconciliation Relocation of Credit Control to BTO Relocation of free basic service billing to BTO Reduce debtors collection period (days) for domestic, commercial, and government Identification properties controlled Assessment of properties held for rental with rentals billed Analysis of expenditure for appropriateness and completeness of VAT input claims	ORTDM (CFO & Technical Dir.)  ORTDM (CFO & HR)  ORTDM (CFO, MM & Council)

### Focus Area: Integrated financial planning and budgeting

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To improve the accuracy of financial planning and reporting	More effective cash flow management	Percentage variance of cash flow forecasts measured against actual achievement  Compliance to budget time table	Revenue and expenditure projections and assessments  Internal review for alignment of SDBIP with budget and MBRR  Budget process management (Budget timetable)	ORTDM (CFO & HODs, Executive Mayor)
	Ring-fencing and grant prioritisation	Percentage of costed programmes/projects	Separate call accounts for conditional grants  Programme, project, and process planning  Institutional business plans	ORTDM (CFO & HODs)
	More credible budgeting	Number itemized variances between budget and the IDP  Percentage variance between total approved budget and actual expenditure  Percentage of municipal CAPEX budget spent on capital projects identified within the IDP  Debt coverage (Operating grants subtracted from operating revenue, divided by debt service payments within the financial year)	Reviewing of budgeting for alignment to IDP and organizational considerations  Review of budget for consistency with Circular 58	ORTDM (CFO, HODs, & Executive Mayor)

### Focus Area: Supply chain and expenditure management and expenditure

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To strengthen the governance and control environment over all financial matters to eliminate fruitless, wasteful, unauthorized, and irregular expenditure	Tighter coordination of SCM activities and processes	Percentage of three highest levels of management submitted declaration of interest for register  Percentage of Councillors submitted declaration of interests for register	Automated SCM database  Review and update processes of delegation relating to SCM of all levels  Register declarations and review of register for persons in service of the state  Register of related parties	ORTDM (CFO & HODs)
	Better contract management	Percentage of all contracts exceeding contract expiry dates without documentation	Publishing and posting of procurement requirements  Delegations of authority signed by HODs and sectional	ORTDM (CFO, HODs, & Executive Mayor)

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
		Number of contract register updates	heads Register with CIPRO for supplier verification Monthly update of contract registers SLAs reviewed and updated by legal Contract and document management system Ring-fence all sole service providers and sign SLAs Supplier declaration submissions Specification and sign-off of all infrastructure projects for value-for-money prior to payment	
	Policy and processes compliance	Number of non-financial staff trained on SCM policies and procedures  Percentage of awarded tenders with Paragraph 6 reports submitted to Council  Number of reports to National Treasury due to deviations or awards against recommendations  Percentage of all awarded tenders (over the R100 000 threshold) reported to treasury monthly	Review of SCM policy in line with amended regulations  Training and awareness to Council and bid committees  Paragraph 6 reports to Council for all tenders awarded  Reports on all deviations to Council and National Treasury  Reports on all awards made other than those recommended by BAC to NT  Report to NT on all expenditure over the threshold on a monthly basis  Review and update the Financial Procedure Manual	
	Procurement planning and execution	Percentage of projects procured services prior to BTO review	Develop and implement comprehensive procurement plan  Update of register blacklisted service providers (defaulted or not delivered appropriate and sufficient quality)  Review all approved projects for proper planning	
	Promote BBBEE and vulnerable groups procurement	Percentage procurement from businesses owned by vulnerable groups (as per DM definition)  Percentage procurement businesses based within the District	Workshops and trainings for SMMEs and local enterprises	

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
	Greater control over employee related costs	R-value of payments to casual works or employees not on the payroll	Verification of pay-rolled employees	
To improve financial management capacity and efficiency within ORTDM and LMs	Increase capacity and human resourcing	Number of vacant posts within BTO	<p>Advertise and fill vacant posts in accordance with vacancy requirements</p> <p>Seek secondments from PT, NT, and/or DLGTA</p> <p>Assess finance employees for training and skills development in relation to their job requirements</p> <p>Structural review of BTOs across the District</p>	ORTDM (CFO & HODs, Executive Mayor)
	Reduce creditor payment cycle	Average creditors payment period	Invoice register and processing system	

### Focus Area: Assets, liabilities, and financial reporting

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To strengthen the governance and control environment over all financial matters to eliminate fruitless, wasteful, unauthorized, and irregular expenditure	Regular updating and maintenance of municipal assets	<p>Number of official AG queries relating to recognition and measurement of assets</p> <p>Monthly movable and immovable FAR updates</p> <p>IFAR Grap 17 compliant</p> <p>Monthly stock registers</p> <p>Percentage of municipal assets verified quarterly</p>	<p>Monthly updates of movable and immovable FAR</p> <p>Quarterly verification of all municipal assets</p> <p>Valuate all assets not in the asset register and include them in FAR</p> <p>Review of FAR for classification and recognition of assets for GRAP 17 compliance</p> <p>IFAR/Infrastructure monthly update</p> <p>Monthly stock register updates</p> <p>Maintenance of leases register</p> <p>Maintenance of loans register</p> <p>Calculation of accruals for services rendered for which no invoice has been received</p>	

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
	Asset and liability management protocols	Number of all assets identified as redundant, impaired, or recommended for disposal	<p>Identification, recognition and measurement of provisions</p> <p>Maintenance plan for all municipal assets (including infrastructure assets)</p> <p>Review of inventory for redundancy and disposal</p> <p>Delivery protocols for receipt and administration of all deliveries</p> <p>Assessment of NRV</p> <p>Insuring of all Council assets</p> <p>Costing of water inventory</p> <p>Review of all assets for impairment and report</p> <p>Bar-coding of all municipal assets</p> <p>Review of assets for application of depreciation rates per class</p> <p>Annual assessment of useful lives</p> <p>Determination of residual values</p>	
To ensure an unqualified audit opinion in O.R. Tambo District and all LMs by 2014 and beyond.	Regular and compliant financial reporting	<p>Auditor General's Annual Outcome</p> <p>Number of statutory reports submitted</p>	<p>Assessment of ORTDM for GRAP 17 compliance</p> <p>Re-organisation of accountants under BTO</p> <p>Statutory reporting (Section 71, 52d, etc)</p> <p>MFMA Compliance Reports</p> <p>DoRA Reports</p>	

## KPA: INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

### Focus Area 1: Institutional capacity building

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To improve the organisational capacity of O.R. Tambo District Municipality	Review organizational capacity status quo	Organisational vacancy rate  % of Managers meeting minimum standards of competency assessment  Approval of revised organogram	Competency assessment for Managers  Organisational structure audit  Job analysis and descriptions  HR Policy review and gap analysis  Needs gap analysis and post adjustments	
	Attract and retain representative, skilled and competent human resources	Number of new staff recruited as per recruitment and selection policies  Number of people from employment equity target groups employed in the three highest levels of management, as per the EEP  Percentage of disabled employees within ORTDM  Turnover rate of existing staff	Develop HR policies  Develop and implement an HR Plan  Develop a retention strategy and succession plan  Review recruitment and selection policies  Train all stakeholders involved in recruitment and selection  Employment Equity Plan  District skills Forecast	
To improve institutional performance through skills development and change management	Staff training, capacity building, and skills development	Percentage of municipality's budget spent on implementing workplace skills plan  Number of employees trained as per WPSDP  Number of new learnerships enrolled with the DM	Develop a credible Workplace Skills Plan  District skills development  Learnerships programme	
	Monitor all employee performance within the institutional PMS	Percentage of staff meeting 75% of performance targets  Staff level to which PMS is applied	Develop individual performance management policy  Training of all stakeholders on PMS  Implementation and cascading of the PMS  Develop and implement change management and team-building strategy	

### Focus Area 2: Information and knowledge management systems

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To increase access to information through better information and knowledge management systems	Ongoing research and benchmarking of best- practices for Local Government	Average utility rates per employee of District IT Network  Number of commissioned research reports completed  Ratio of functional computer stations to municipal staff	Business process engineering  Establishment of a research unit  Systems benchmarking with similar municipalities  Conduct telecommunications audit  Awareness workshops on document and records management  Develop policy for electronic documents and records management  Provide reliable IT support  Develop District-wide ICT architecture plan	
	Acquisition, upgrade and integration of existing information management systems	Percentage of all new DM records captured and stored electronically  Number of different information management systems with IT platform within ORTDM	Analyze and customize researched systems  Acquisition of electronic and document management system  Upgrade of existing telecommunications systems  DIMS  GIS  Financial information system	

### Focus Area 3: Employee wellness and labour relations

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To improve employee wellness and labour relations	Facilitate better employee health and safety	Average number of days sick leave per employee  Employee perceptions rating	Implementation of EAP interventions  Wellness Events  Conduct Health and Safety Audits  Sports and recreation	

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
			Employee perceptions survey	
	Strengthen and maintain good labour relations	Number of disputes on basic conditions of service declared against the municipality  Number of workers' days lost to strike	Adherence to collective agreements on basic conditions of service and BCEA  Local labour forum  Implementation of LLF Resolutions	
	Fair and compliant disciplinary processes	Percentage of disciplinary cases finalized within 90 days	Disciplinary hearings	

#### Focus Area 4: Customer care and service standards

OBJECTIVES	STRATEGIES	INDICATORS	PROGRAMMES/ PROJECTS	RESPONSIBLE DEPARTMENTS/ INSTITUTIONS
To achieve excellent customer care and meet all institutional service standards in line with Batho Pele principles	Raise institutional awareness and facilitate buy-in for customer care and service standards	Number of staff attended Batho Pele Principles Workshops	Establishment of District-wide Batho Pele Forum  Workshops of Batho Pele principles  Development and implementation of service level standard charters	
	Solicit customer feedback	Customer care municipal rating	Suggestion box for feedback analysis  Customer care survey	

## SECTION E

### CHAPTER 5: SECTOR PLANS

#### 5.1 FINANCIAL PLAN

The planning of the budget preparation process involved consideration of all factors, which had far reaching implications on the annual budget of the municipality. These were;

- a) External Economic factors
- b) National and Provincial priorities
- c) Policies on tariffs and service charges
- d) Determination of prudent levels of cash reserves
- e) Development of financial performance measures
- f) An analysis of performance trends in terms of operational and capital budget components

#### **Alignment with National and Provincial Priorities**

The budget must be aligned with the National and Provincial Priorities. In his 2012 State of the Nation Address, the President signaled that government is primarily concerned about the continuing high levels of unemployment and poverty in the country. To address these concerns, 2011 has been declared a year infrastructure development. Every sector and every business entity, regardless of size, is urged to focus on job creation. Every contribution counts in this national effort. All government departments will align their programmes with the job creation imperative. The provincial and local government spheres are requested to do the same.

The municipality ought to focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital project use labour intensive methods wherever appropriate;
- Ensuring that service providers use labour intensive approaches;
- Supporting labour intensive LED projects;
- Participating fully in the Extended Public Works Programme; and
- Implementing interns programmes to provide young people with on-the-job training.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the District Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

The following budget principles and guidelines directly informed the compilation of the 2012/13 MTREF:

- The 2011/12 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2012/13 annual budget;
- The government theme of **“infrastructure development”**
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

The 2012/13 MTREF has therefore been directly informed by the IDP process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Go al Code	R ef	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Good Governance and Public Participation	Ensure transparent and accountable governance			12,447	3,786	3,266	78,718	107,212	107,212	96,142	98,031	103,443
Institutional Transformation and Development	Promote workplace and community skills development			–	–	–	59,077	64,398	64,398	69,517	75,712	80,098
Financial Viability and Management	Strategic and sustainable budgeting, Grow and diversify our revenues and Value for money expenditure			452,599	500,662	622,495	63,293	63,126	63,126	74,020	77,315	82,338
Local Economic Development				49,719	47,418	11,284	91,641	111,193	111,193	104,788	101,812	107,876
Infrastructure				464,129	523,099	587,563	601,720	270,265	270,265	270,406	280,962	303,777

Social Transformation			2	3,157	12,205	9,208	40,820	37,865	37,865	41,211	46,017	48,104
Allocations to other priorities												
Total Revenue (excluding capital transfers and contributions)			1	982,050	1,087,170	1,233,815	935,269	654,060	654,060	656,085	679,849	725,634

### MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Good Governance and Public Participation	Ensure transparent and accountable governance			71,904	68,812	61,675	78,718	107,212	107,212	96,142	98,031	103,443
Institutional Transformation and Development	Promote workplace and community skills development			–	–	–	59,077	64,398	64,398	69,517	75,712	80,098
Financial Viability and Management	Strategic and sustainable budgeting. Grow and diversify our revenues and Value for money expenditure			215,755	160,275	283,378	63,293	63,126	63,126	74,020	77,315	82,338
Local Economic Development				269,145	147,362	88,894	91,641	111,193	111,193	104,788	101,812	107,876
Infrastructure and Services				398,466	558,958	397,097	751,720	420,265	420,265	430,406	448,962	475,137
Social Transformation				26,575	29,598	29,893	40,820	37,865	37,865	41,211	46,017	48,104
<b>Total Expenditure</b>			1	<b>981,846</b>	<b>965,004</b>	<b>860,936</b>	<b>1,085,269</b>	<b>804,060</b>	<b>804,060</b>	<b>816,085</b>	<b>847,849</b>	<b>896,994</b>

### MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure
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R thousand	Code	f	Framework								
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Good Governance and Public Participation	A		11,101	8,364	184	–	1,620	1,620	1,000	1,050	1,107
Institutional Transformation and Development	B		5,907	–	583	3,322	3,954	3,954	368	390	413
Financial Viability and Management	C		85,667	85,874	199	3,481	5,231	5,231	288	304	320
Local Economic Development	D		53,703	48,653	23,410	15,087	12,432	12,432	2,655	2,855	3,570
Infrastructure and Services	E		3,115,407	3,394,614	344,662	257,796	686,419	686,419	760,142	781,697	854,881
Social transformation	F		3,529	4,014	906	1,120	11,725	11,725	2,987	3,220	3,010
<b>Allocations to other priorities</b>		3									
<b>Total Capital Expenditure</b>		1	<b>3,275,314</b>	<b>3,541,520</b>	<b>369,945</b>	<b>280,806</b>	<b>721,381</b>	<b>721,381</b>	<b>767,440</b>	<b>789,515</b>	<b>863,300</b>

### Operating budget summary

A medium term operating budget has been prepared including detailed estimates for 2011/12 and indicative forecast for 2012/13 and 2013/14, to ensure the sustainability of strategies and policies incorporated in the IDP. The operating budget for 2011/12 reflects all known sources of income at realistic levels of collection and income performance targets. The 2011/2012 capital budget was aligned to the integrated development plan objectives and priorities to give effect to the impact on service delivery. The municipal priorities which were considered when preparing the budget are as follows:

- Basic Services and Infrastructure Development
- Financial Viability and management
- Institutional Transformation and Development
- Local Economic Development
- Good Governance and Public Participation
- Social Transformation

## Past Financial Performance (2009/10 and 2010/11)

The 2009/10 audited financial year has been successful for Council as the financial performance reflected a healthy situation with the surplus amounting to R 113,7 million and the full year forecast for the 2010/11 financial year indicates a surplus of R 257,3 million. During the 2009/10 financial year, approximately 75% of the capital budget was spent while 93% was spent in the 2010/11 financial year.

## Medium Term Framework: 2011/12 – 2013/14

### Operating Budget

The operating budget for the budget year 2011/2012 outlines the operational expenditure amounting to R1, 2 billion (R1,1 billion). The operational expenditure budget shows a trend of 9.1% increase amounting to R100 million, in comparison with the 2010/11 adjusted operational budget of R 436 million (R459 million). The growth is mainly attributable to the following budget guidelines used:

DESCRIPTION	% INCREASE
Salaries, Wages And Allowances	9.5%, taking into consideration the collective agreement and the results of the job evaluation process.
Remuneration of Councillors	8% (CPI plus 2%)
General Expenditure: Bulk Purchase	53.5%
General Expenditure	6.2%
General Expenditure: Contracted Services	8%
Repairs and Maintenance	-13% of the total operating budget
Depreciation	7.1% based on the previous year's depreciation as per the annual financial statements
Provision for doubtful debts	24.9% of the water and sanitation charge revenue

### Capital Budget

The 2011/2012 capital budget of R142,7 million shows a decrease of R208 million compared to 2010/2011 capital budget. This is mainly due to the reduction of the Municipal Infrastructure Grant allocation due to the demarcation of two municipalities to another district. The capital budget per programme for the medium term amounts to R142,2 million for the 2011/2012 financial year increasing to R496,7 million and R492,4 for the 2012/2013 and 2013/2014 respectively. The capital budget does not include roll-overs from the 2010/2011 financial year as the projection will not be realistic at this stage on the committed multi-year projects. No roll-overs will be done for own funded projects unless a commitment can be proved for such projects. Approval from the National Treasury must be obtained for roll-overs which are grant funded projects as required by the Division of Revenue Act.

## **Overview of budget related-policies**

The District Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

## **Review of credit control and debt collection procedures/policies**

The Collection Policy as approved by Council in October 2008 was reviewed during the current year under-review and the Council approved the revised Credit Control Policy as well Tariff policy on the 09 May 2011. The newly revised adopted policy is now credible, sustainable, manageable and informed by affordability and value for money that has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions has been included to enhance the lowering of the credit periods for the down payment of debt. In addition emphasis has been placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the District Municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

## **Asset Management, Infrastructure Investment and Funding Policy**

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the District Municipality's revenue base. However due to limited resources and existing low revenue base, the district municipality is financially constrained in the operation and maintenance of infrastructure. With the approximate depreciation and impairment of assets at R160 million, the District Municipality requires this amount (R160 million) and more to adequately meet the need for maintenance of all assets in order to provide sustainable services to the communities. During the year under review, the District Municipality has allocated an amount of R14 million for asset renewal. As the District Municipality is experiencing huge infrastructure backlog, there is a need for funding for operation and maintenance of the existing and future infrastructure investment.

Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes

the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

### **Budget Adjustment Policy**

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the District Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

### **Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council in December 2005. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on and will be in compliance with the newly revised SCM regulations.

### **Budget and Virement Policy**

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the District Municipality's system of delegations. The Budget and Virement Policy will be approved by the council during the financial year.

### **Cash Management and Investment Policy**

The aim of the policy is to ensure that the District Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

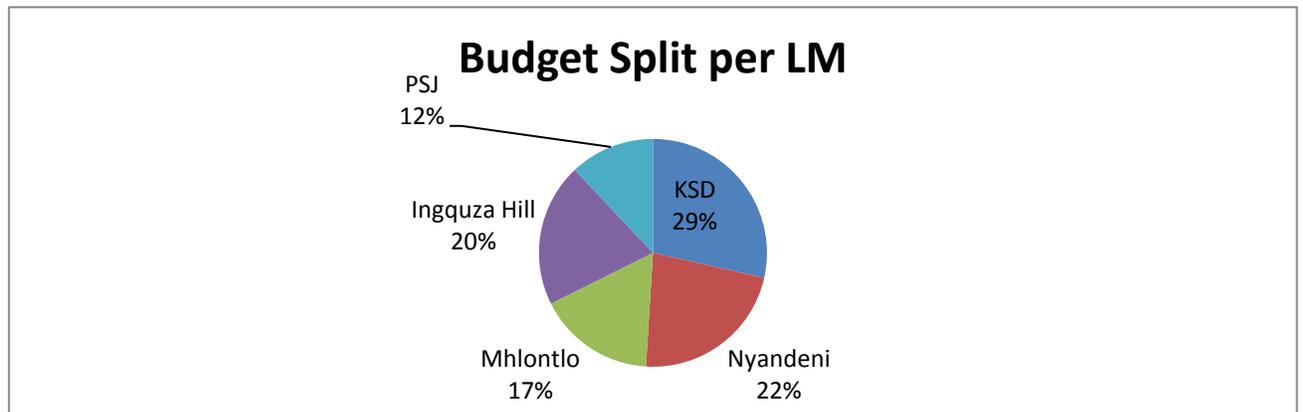
### **Tariff Policies**

The District Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

## MIG ALLOCATION

An amount of R683 001 000.00 has been allocated for the 2012-13 financial year as follows:

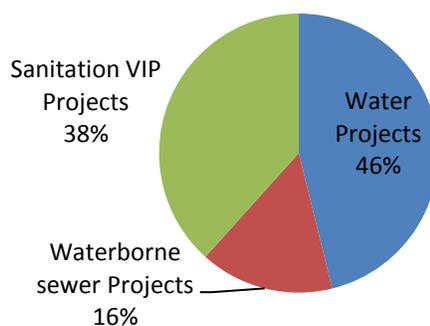
MUNICIPALITY	ALLOCATION	PERCENTAGE OF THE BUDGET
KSD	R194 840 000.00	29%
Nyandeni	R153 355 000.00	22%
Mhlontlo	R113 815 000.00	17%
Ingquza Hill	R138 855 000.00	20%
PSJ	R82 136 000.00	12%
Total	R683 001 000.00	100%



The funding will be split into water, waterborne sewer system and VIP sanitation projects as shown below:

DESCRIPTION	ALLOCATION	PERCENTAGE SPLIT PER FUNCTION
Water Projects	315,208,017.00	46%
Waterborne sewer Projects	105,879,746.00	16%
Sanitation VIP Projects	261,913,237.01	38%

## % SPLIT PER FUNCTION



### Repairs and Maintenance

Repairs and maintenance has been allocated R35,9 million from the budget. This allocation is not enough for the operations and maintenance of all the water and sanitation schemes listed below: The required budget for routine maintenance of schemes excluding chemicals, materials, labour and electricity is R62,5 million. (see the table below)

Type of Scheme	KSD	Mhlontlo	Nyandeni	PSJ	Ingquza Hill	Total	Budget required
Water Treatment Works	8	4	5	3	2	22	<b>R33 mil</b>
Water Pumpstations	14	2	10	3	2	31	<b>R12 mil</b>
Sewer pump stations	19	0	0	0	0	19	<b>R7,5 mil</b>
Reservoirs	62	53	115	38	41	309	<b>R3,5 mil</b>
Boreholes and Springs	75	47	45	43	83	293	<b>R6,5 mil</b>
<b>Total</b>							<b>R62.5 mil</b>

### Expanded Public Works Program (EPWP)

The district municipality has received approximately R9.1 million from EPWP and has created about 100 jobs and distributed all these employees into 95 capital projects amounting to a total value of approximately R580 million.

## **5.2 SPATIAL DEVELOPMENT FRAMEWORK**

The Spatial Development Framework is an integral component of the IDP and translates this plan into its spatial implications and guidelines for development. It is therefore not a tool to be used in isolation, but should support decision-making within the context of the IDP. The guide pack for Integrated Development Planning makes it clear that the SDF is a key element in the integration of development processes applicable to different sectors. The aim of undertaking the Spatial Development Framework project is to serve to broaden and deepen the current Spatial Development Framework as stipulated in the IDP.

The O.R. Tambo District Municipality has completed the review of its Spatial Development Framework (SDF), and it was adopted in September 2010. The O.R Tambo District Spatial Development Framework outlines the desired spatial development of the district as contemplated in Section 25(e) of the Municipal Systems Act (Act 32 of 2000). It highlights priority investment and development areas and will serve as a guide to decision-makers and investors. The SDF is development orientated, to allow for growth and changing circumstances, and to promote investor confidence in the district. But most importantly the SDF endeavors to attain the millennium development goals (MDGs) through public investment in public goods and facilities where there is underdevelopment or development is nonexistent, like in health and sanitation; the halving of poverty and joblessness by 2014; as well as the eradication of homelessness by 2014.

### **1.1 Legal Requirements**

Section 26(e) and the subsequent regulations in terms of the Municipal Systems Act (Act No.32 of 2000) stipulates that amongst other things the SDF should give effect to the principles contained in Chapter 1 of the Development Facilitation Act, 1995 (Act No.67 of 1995), and determine spatial priorities.

The Land Use Management Bill requires that a Spatial Development Framework should: -

- a) Give effect to the directive principles
- b) Be consistent with the National Spatial Development Framework
- c) Be consistent with Provincial Spatial Development Framework applicable in the area of the municipality
- d) Be consistent with any applicable national or provincial legislation on environmental management; and
- e) Give effect to any national and provincial plans and planning legislation.

### **1.2 Situational Analysis**

The O. R. Tambo District Municipality SDF was reviewed in 2010. There are key elements that the O. R. Tambo District Municipality seeks to address. The SDF as laid down on the O.R.T.D.M IDP contains vital information on proposed existing development nodes, development corridors that will assist the development of the district.

#### **1.2.1 Nodes and activity corridors**

The National Spatial Development Perspective (NSDP) guides that the settlements and economic development should be channelled into economic corridors and nodes. The NSDP also states that the focus on economic growth and employment creation should be in areas where it is most effective and sustainable. The Eastern Cape Provincial Growth and Development Plan (2004-2014) provides a strategic framework, and sectoral strategies and programmes aimed at achieving a rapid improvement in the quality of life for the poorest people in the province. The key investment nodes and activity corridors identified in the O. R. Tambo District Municipality are as follows:-

## **Nodes**

The nodes are defined as follows:-

- **Primary Nodes (PN):** These are high order centers providing educational facilities, administrative functions and highest level of access to shopping and social services in the district.  
- Mthatha is the only primary node in the district
- **Secondary Nodes (SN):** These are towns identified as having important local and district level development functions relating to commerce and tourism.  
- Bizana, Lusikisiki, and Port St. Johns are the secondary nodes of the district.
- **Tertiary Nodes (TN):** These towns are seen as lower order service centers where goods and services can be accessed by the local residents and residents of surrounding rural settlement areas.  
- Libode, Mqanduli, Ngqeleni, Tsolo, Qumbu, Ntabankulu, Flagstaff and Mzamba fall within this category.
- **Higher order Rural Nodes (HoRN):** These are rural villages where higher order rural-level services are prioritized.  
- Nkozo, Mbozisa, Baziya, Kwaaiman, Langeni, Mpeko, Mqekezweni, Gengqe, Meje, Sulenkama, Bomvini, Mfundisweni, isilindeni, Canzibe, Marubeni, Bambisana Mission and Isilimela are under this category.
- **Tourism Nodes:** these are settlements where the principal function has been identified as being related to the development of a viable and sustainable Coastal Tourism sector.  
- Mzamba, Port St. Johns, Umtata Mouth, and Coffee Bay are primary tourism nodes. Mphalane, Mnyameni, Kwayimane, Sikombe, Mbotyi, Mngazana, Sihangwana, Lwandile, Presley Bay and Hole in the Wall are identified as the secondary tourism nodes.

## **Corridors**

Corridors are defined as follows:-

- **Primary corridor (PC):** High-density development on sections of this corridor. The main mobility route of goods and people through the district.  
- East London/Mthatha –Kokstad N2, Railway Corridor are the primary corridors identified in the District.
- **Mobility routes (MB):** these routes carry passing traffic and provide access between local areas in the district and centers further afield.  
- N2, R61, Ugie-Langeni Road, R394 and proposed N2 Toll Road are the mobility routes within the district.
- **Special Routes-Tourism Focus (SP-TF):** these relate to tourism destinations and links between tourism nodes and main mobility routes.  
- Wild Coast Meander, Thunga Thunga Route, Mandela Route, R394- Mthatha via Mqanduli towards the coast fall under this category.

### **5.3 LOCAL ECONOMIC DEVELOPMENT STRATEGY**

The District LED Strategy was developed and formally adopted in 2003. The Reviewed LED Strategy has been developed and approved by council during 2010/2011 financial year. Due to the current demarcation process of the O.R Tambo and Alfred Nzo, there are plans in place to review the recently approved LED Strategy to be in line with the post-demarcation process.

The Reviewed LED Strategy outlines a set of choices and outcomes for implementation over a period coinciding with the following national & local government framework:

- ◆ Vision 2014: Government Manifesto, which is crucial and has to be reflected in our service delivery initiatives namely:
  - Reduce unemployment by half
  - Reduce poverty by half,
- ◆ NSDP Rapid Economic Growth, Address social inequalities and poverty,
- ◆ The National government's Accelerated and Shared Growth Initiative for South Africa (ASGI-SA).
- ◆ The DGDS resolutions focusing on: delivery initiatives namely:
  - Agricultural Development,
  - Marine and Terrestrial Resources,
  - Community Development, SMME support and Co-operatives support,
  - Tourism Development, and
  - Investment promotion.

The specific choices identified in the Strategy have been fleshed out in an Implementation Plan with quantifiable outcomes to ultimately achieve our overall vision of attaining a developmental Municipality, responsive to social aspirations for an economically vibrant , healthy and sustainable community. All of the focus areas in the Strategy encompass those in the current Integrated Development Plan and the Strategy will be reviewed in the next 5 years to ensure closer alignment with the District Integrated Development Plan.

### **5.4 COMMUNICATION STRATEGY**

The O.R. Tambo District Municipality is currently reviewing its communication strategy framework, which is a guiding framework for communication by various local municipalities and their agencies. An integrated and effective local programme will also serve as a backbone of an overall societal communication system that will be anchored by growing partnership among various sectors of civil society.

The draft strategy is guided by legislation such as the Promotion of Access to information Act 2 of 2000, the Local Government Municipality Structures Act 117 of 1998, the Local Government Municipality Systems Act 32 of 2000 and the Local Government Municipality Finance Management Act 56 of 2003. It is also informed by successful implementation of above all, the face-to-face communication programme with the Mayor's outreach, sector engagements as well as Izimbizo visits.

## **5.5 WATER SERVICES DEVELOPMENT PLAN (WSDP)**

The O.R. Tambo DM approved a water services development plan and is currently under review. The first draft of the reviewed WSDP will be presented to the stakeholders at the end of March 2011.

## 5.6 INTEGRATED WASTE MANAGEMENT PLAN

The main objective of the IWMP for the OR Tambo DM is to give effect to the objectives of the NEMWA ( “Each municipality must submit its integrated waste management plan to the MEC for approval and must include the approved integrated waste management plan in its Integrated Development Plan contemplated in Chapter 5 of the Municipal Systems Act”) and other relevant legislation; whilst also ensuring that sustainable, cost effective, environmentally/socially/economically feasible and practical solutions to the “waste management problem” are developed, implemented and monitored.

### Legislative Framework

Municipalities are mandated by NEMWA, 2008 to develop the IWMP to be integrated in the IDP. O.R Tambo recognizes that an Integrated Waste Management Plan is a key tool with very specific and significant implications on the goal of promoting sustainable development and service delivery with regards to waste management with the District, and one that will inform the Integrated Development Plan (IDP) and other strategic Plans for the District and the local Municipality within O.R Tambo District Municipality

### Situational Analysis

The following key issues were identified in the Status Quo reports. The key issues identified were the same in all of the seven local municipalities:

- Lack of institutional capacity (human resources, management, and budget);
- Absence of minimization and recycling programmes;
- Poor disposal practices (landfill operations).

The IWMP proposed the following priority projects to address some of the key challenges.

Key Activities	Responsibility	Time Frames
Development of waste management bylaws and implementation.	District municipality and all local municipalities.	On going program.
Development of waste information systems.	District municipality and all local municipalities.	On going program.
Awareness training and capacity building.	District municipality.	2011/ 2012 financial year.
Establishment of buyback centers and recycling facilities.	District municipality and all local municipalities.	2011/ 2012 financial year.
Development of local integrated waste management plans for local municipalities.	Local municipalities.	2011/ 2012 financial year.

## **5.7 ENVIRONMENTAL MANAGEMENT PLAN**

### **Environmental Management PLAN**

An Environmental Management Plan (EMP) is aimed at contributing to a healthy environment by ensuring that urgent environmental issues are adequately addressed and that proposed projects have no negative impact on the natural environment. The purpose of the EMP is to provide a Municipality with a decision support tool to evaluate its outcomes in terms of its environmental implications. An Environmental Management Plan (EMP) is defined as a plan which organizes and coordinates mitigation, rehabilitation and monitor measures in order to guide the implementation of the proposal.

### **Legal Requirements**

National Environmental Management Act, 1998 (NEMA) gives legislative effect to the principles of the Constitution and the White Paper on a National Environmental Policy. NEMA also creates the institutions and procedures needed for cooperative governance and integration between spheres of government for environmental management. The Act also imposes a number of duties on the various spheres of government in terms of environmental management, including local government. Municipalities are mandated by NEMA to develop and implement EMP.

### **Situational Analysis**

Despite O.R Tambo being seen as having a potential in Agriculture and Tourism within the province, but a number of threats to the environment can be identified within the area of Jurisdiction, including:

1. Destruction of indigenous forests
2. Uncontrolled settlement on valuable agricultural soils and sensitive coastal habitats
3. Spread of invasive alien plants
4. Poor solid waste management
5. Inadequate application of Integrated Environmental Management procedures and
6. Over-use of intertidal and marine resources

O.R Tambo EMP proposes the following Action Plans

Theme	Responsible	Time Frames
Water monitoring: rivers and wetlands	Water services, Environmental	On going
Waste water effluent monitoring	Water services	On going
Monitoring of terrestrial and aquatic biodiversity	Water services, Environmental	On going
Urban edge delineation	Spatial planning	2011-2012
Identification, delineation and planning of key natural resources	Spatial planning, Environmental	2011-2012
Monitoring programme for reporting on compliance	Environmental	On going
Conservation planning	Spatial planning, LED, Environmental	2011-2012

## 5.8 DISASTER AND RISK MANAGEMENT FRAMEWORK PLAN

In pursuance of the national objective each province as well as each district and metropolitan municipality is, in terms of sections 28 and 42 of the Disaster Management Act, 2002, respectively, mandated to “establish and implement a framework for Disaster Risk Management (DRM) aimed at ensuring an integrated and uniform approach to DRM” in its jurisdiction by all provincial and municipal organs of state; statutory functionaries of provinces and municipalities; local municipalities; statutory functionaries of local municipalities in the area of the district municipality; all municipal entities operating in its area; non-governmental organisations involved in DRM; and by the private sector. Provincial and municipal policy frameworks must be consistent with the Act and with the National Disaster Management Framework (NDMF). The Disaster Risk Policy Framework of the O.R. Tambo District Municipality is thus the instrument which gives effect to these legislative imperatives. It is in the context of the disaster risk profile of the ORT DM that this policy framework pursues the core philosophy of risk reduction through vulnerability reduction and resilience building, by placing priority on developmental initiatives.

The purpose of this policy framework is to provide those with statutory DRM responsibilities (in terms of the Disaster Management Act, 2002; the National Disaster Management Framework, 2005 (NDMF); the Policy Framework of the Province of the Eastern Cape (EC PDRMPF) and other applicable legislation) within the ORT DM with a written mandate which is coherent, transparent and inclusive; provides the criteria for the systematic management of administrative decisions; stakeholder participation; operational skills; and capacities and achieves uniformity in the development, implementation, maintenance, monitoring and assessing of all policies, plans, strategies, programmes, projects and practice which are aimed at achieving the vision and mission statement; goals; strategic objectives; and key performance indicators for DRM in the municipality.

This policy framework also serves to guide the development and implementation of uniform and integrated DRM policy and plans of the local municipalities in the district. The ORT District Municipality's vision is to achieve integrated disaster risk management and to ensure resilient communities within a safe environment in the ORT District Municipality. The ORT District Municipality's mission is to entrench effective and efficient management of multi-disciplinary and multi-sectoral disaster risk management in the ORT District Municipality, executed by committed and empowered people. This policy framework, which establishes the policy of the council of the ORT DM for the management of disaster risk in its jurisdiction, is constituted in terms of the Disaster Management Act, 2002; is consistent with the National Disaster Management Framework, 2005; with the Policy Framework of the Province of the Eastern Cape; and is compliant with all applicable legislation, regulations, standards, codes and practices for DRM in the ORT DM. There are supporting policies that establish specific parameters for complying with the relevant imperatives such as terms of reference; organisational and administrative arrangements; the scope of responsibilities and/or activities; operating protocols; templates and good practice standards. The supporting policy is thus the legal instrument aimed at ensuring that the national objective of uniformity and integration in the execution of DRM legislation and policy in the municipality is achieved, and therefore *carries equal statutory obligation and status* as does that of the body of the policy framework.

The Council of the ORT District Municipality is the custodian of the DRM Policy Framework and must ensure the regular review and updating of thereof. The Head of the OR Tambo District Municipality Disaster Management Centre must ensure that the procedures for the establishment and implementation of the policy framework and any amendments thereto, as prescribed by section 42 of the Act are executed. A copy of the Disaster Management Policy Framework is available and will be posted in the ORT DM website.

## 5.9 INTEGRATED TRANSPORT PLAN

Current deficiencies in the transport system, and with regard to mobility, needs of the population must be identified and described based on the data collected and the status quo inventory as well as by taking into account feedback from stakeholders and role players through a program of public participation. The transport needs assessment will provide valuable input in the formulation of transport goals and objectives on the one hand, as well as the setting of transport infrastructure and services standards on the other hand. Guidelines for transport needs identification and assessment include:

- The identification of transport problems and needs
- The grouping of related problems and needs
- The prioritization of problems and needs

Therefore, the integrated transport plan, apart from describing the existing transport situation, should describe the mobility needs of the population of the transport authority area for all trip purposes, and should include a detailed demand or market analysis for movement by either public or private modes of travel, in different corridors or along the routes which comprise the integrated transport plans public and private networks.

ISSUES	STRATEGIC OBJECTIVES	KEY INITIATIVES	IMPLEMENTATION RESPONSIBILITY
District Integrated transport plan	Develop plans for integration of transport modes, infrastructure and facilities	<ul style="list-style-type: none"> <li>○ Development of terms of reference.</li> <li>○ Call for proposals from qualified service providers</li> <li>○ Appointment of a suitable service provider</li> </ul>	NDoT, PDoT ORTDM, LMs
Taxi assistance program	Implementation of a diversification strategy	<ul style="list-style-type: none"> <li>○ Develop a constitution for the cooperative</li> <li>○ Register a cooperative</li> <li>○ Develop a business plan for the business that has been identified by the members of the cooperative</li> </ul>	ORTDM
Improvement of transport facilities	Implementation of priority project identified in the audit and needs analysis report of public transport facilities at Mhlontlo LM	<ul style="list-style-type: none"> <li>○ Develop a business plan</li> <li>○ Solicit funds from the NDoT</li> <li>○ Develop terms of reference</li> </ul>	NDoT ORTDM
Promotion of non-motorised transport	Conduct a schools audit on the bicycles that were issued buy PDoT	<ul style="list-style-type: none"> <li>○ Introduce non-motorised transport and infrastructure (pedestrian walkways)</li> </ul>	PDoT ORTDM
Upgrading of airport infrastructure	Upgrading the Mthatha airport and PSJ airstrip	<ul style="list-style-type: none"> <li>○ Implement the Mthatha Airport and PSJ landing strip</li> </ul>	DoT, ORTDM, PSJ-LM

The existing Integrated Transport Plan is currently under review and it is expected to be completed in June 2011.

## **5.10 HOUSING SECTOR PLAN**

### **Constitution**

The Constitution of South Africa clearly states that every citizen has a right to housing.

### **Housing Act**

This Act defines the role of local municipalities on housing related as that of developing Housing Sector Plans and Strategies. The housing function is the Provincial Departments responsibility. The municipality implements projects on an Agent basis.

### **Municipal Systems Act**

This act states that municipalities should have a Housing Chapter on their IDP's.

The District Municipality has complied with this regulation as it had a District Housing Plan that was approved on 2004. In terms of the law Sector Plans are for a 5 year planning period, subject to annual review. The Department is now in the process of reviewing the plan and as such a Service Provider has been appointed. It is anticipated that the plan be completed within a period of four [4] months. The review of this plan is led by the Provincial Department of Human Settlements.

In order to ensure that the process is inclusive of Local Municipalities, the LM's will be visited and consulted with regards to the formulation of the plan.

## **WARD COMMITTEE STRATEGY AND GUIDELINES**

Ward Committees are committees established in terms of Section 73 of Local Government: Municipal Structures Act, Act No. 117 of 1998, and they are also referred to as Section 73 Committees. They consist of a Ward Councillor as the chairperson, and 10 other members elected by ward residents in a Ward General Meeting taking into cognisance the balance in terms of gender.

Ward Committees are a link between the municipal council and communities within a ward. They are there to inform the municipality about the aspirations, potentials and challenges or problems of the people in a ward. They are the eyes, mouth and ears of the ward citizenry and represent citizens in core municipal processes such as Integrated Development Planning, Municipal Budgeting as well as Municipal Performance Management System processes. In other words, ward committees are established in order to ensure that people really govern as envisaged in the Freedom Charter adopted by the ANC in 1955.

The DM implements its projects and programmes in wards within local municipalities. Good working relations therefore between the DM and its local municipalities are critical for the smooth delivery of services to the people of O.R. Tambo District.

Ward committees have been established in all the 162 wards within the O.R. Tambo District and it is crucial therefore that there is uniformity in the manner in which these committees across the district operate, hence this Strategy and Guidelines.

## **2. REGULATORY FRAMEWORK**

In terms of Section 73 (1) of Local Government: Municipal Structures Act, Act No. 117 of 1998, if a metro or local council decides to have ward committees, it must establish a ward committee for each ward in the municipality.

## **3. WHAT THE STRATEGY AND GUIDELINES SEEK TO ADDRESS**

The Strategy and Guidelines for Ward Committees within the O.R. Tambo District seeks to ensure uniformity in the manner in which ward committees within the 7 local municipalities conduct their business or operate.

## **4. AIMS AND OBJECTIVES OF THE STRATEGY AND GUIDELINES**

The aims and objectives of the Strategy and Guidelines for ward committees within the O.R. Tambo District are to:

- a) provide a framework and guiding principles on how ward committees should operate;
- b) enhance participatory democracy in local government through the establishment of ward committees;
- c) encourage uniformity in the manner in which ward committees within the District operate;
- d) ensure functionality of ward committees as a link between municipal councils and communities;
- e) promote coordinated participation of members of the public in the municipal affairs through ward committee structures;

## 5.11 PUBLIC PARTICIPATION POLICY

Public participation is a constitutional mandate that has to be complied with by all the three tiers of governance. **Section 152(1)(e) of the Constitution of the Republic of South Africa Act 108 of 1996** provides for the involvement of communities and community Organizations in Local Government. The O.R. Tambo District Municipality public participation policy is currently being developed and is in the advanced stages towards approval through council committees to final adoption by council.

The objects of both structural and institutionalized public participation are:

- To ensure proper co-ordination, management, inclusive and meaningful participation of local communities in the affairs of the O.R. Tambo District Municipality. A structured public participation process makes provisions for the participation of all relevant stakeholders’.
- Provides an opportunity for the development of an integrated and cohesive service delivery strategy.
- Provides for an establishment of a public participation steering committee, with representation from all the Local Municipalities and stakeholders with specific terms of reference as defined and determined by the council.
- Provides the council with an opportunity to demand for integration of public participation by all administrative components of the District Councils. Thus, ensuring that individual departments integrate public participation in their plans and developmental initiatives.

This policy was adopted by Council on

## SECTION F

### CHAPTER 6: PROJECTS

#### 6.1 O.R. Tambo DM Projects

#### PORT ST JOHNS LOCAL MUNICIPALITY

#### WATER PROJECTS

PROJECT DESCRIPTION & LOCATION	AMOUNT REQUIRED	AMOUNT APPROVED	2011 / 2012 ALLOCATED	2012/ 2013 ALLOCATED (000)	2013/ 2014 ALLOCATED (000)	2014/2015 ALLOCATED (000)	2015/2016 ALLOCATED (000)	2016/2017 ALLOCATED (000)
Port St Johns Regional Water Supply Scheme. Off Channel Dam for Regional Water Supply and Extension to villages  <i>(Wards: 10, 11, 12)</i>	<b>R33,693,017.00</b>	<b>R33,693,017.00</b>	R 7,900,	R 22,450	R 3,343,			
Port St Johns Regional Water Supply Scheme. Additional villages  <i>(Wards: 10, 11, 12)</i>	<b>R68,000,000.00</b>				R 10,000	R 30,000	R 28,000,	
Upgrading Of Psj Water Supply (Town)  <i>(PSJ Town)</i>	<b>R50,000,000.00</b>				R 5,000	R 10,000	R 25,000	R 20,000
PSJ Wards 12,13 (Ntafufu River Source)  <i>(Wards 12,13)</i>	<b>R85,000,000.00</b>			R 5,000	R 15,000,	R 20,000	R 20,000	R 25,000
Lusikisiki Regional Water Supply								

Scheme. Zalu Dam water source. <i>(Wards 12,13 – parts of)</i>	<b>R40,000,000.00</b>				R 15,000	R 25,000		
Mgazi/Ngwemvana Regional Water Supply Scheme. Water Supply scheme based on surface water at the confluence of Mgazi and Ngwemvana rivers <i>(Wards 4, 8,9, &amp; 17)</i>	<b>R 235,000,000.00</b>			R 7,500	R 25,000	R 47,000	R 47,000	R 47,000
Inguza Hill Regional Water Supply Scheme. Regional Water Supply Scheme to areas bordering Ingquza Hill. <i>(Wards 16,18,19, &amp; 20)</i>	<b>R 450,000,000.00</b>			R10,000	R 22,500	R 45,000	R 90,000	R 112,500
Mkata River Water Supply Scheme <i>(Wards 15,18,&amp; 20)</i>	<b>R175,000,000.00</b>							R 43,750

## SANITATION PROJECTS

PROJECT DESCRIPTION & LOCATION	AMOUNT REQUIRED	AMOUNT APPROVED	2011 / 2012 ALLOCATED	2012/ 2013 ALLOCATED (000)	2013/ 2014 ALLOCATED (000)	2014/2015 ALLOCATED (000)	2015/2016 ALLOCATED (000)	2016/2017 ALLOCATED (000)
PSJ Ward 8	R 22,748,400.00	R 22,748,400.00	R22,748,400.00		R -			
PSJ Ward 9	R 9,599,200.00	R 9,599,200.00	R 9,599,200.00		R -			
PSJ Ward 3	<b>R 12,750,000.00</b>	<b>R 12,750,000.00</b>						
PSJ Ward 5	R 17,653,958.38	R 17,653,958.38		R 17,654				

PSJ Ward 6 A and B	R 38,517,500.00	R 38,517,500.00		R 38,517				
PSJ ward 7	R 23,138,102.63	R 23,138,102.63		R 23,138				
Upgrading of Port St Johns Sewer System.	<b>R 80,000,000.00</b>	<b>R 33,000,000.00</b>		R 12,000	R 21,000	R 21,000	R 26,000,	
WARDS NOT YET COVERED WITH VIPS <i>[3,5,7,8,9,12,15,16, &amp; 17 (part)]</i>	<b>R 81,000,000.00</b>	<b>R 81,000,000.00</b>			R 15,000	R15,000	R 25,000	R 25,000,
<b>GRAND TOTALS (Water &amp; Sanitation)</b>	<b>R 1,422,100</b>	<b>R 272,100</b>	<b>R 40,247</b>	<b>R 138,759</b>	<b>R 153,718</b>	<b>R 234,875</b>	<b>R 304,750,</b>	<b>R 273,250</b>

### INGQUZA HILL LOCAL MUNICIPALITY

#### WATER PROJECTS

PROJECT DESCRIPTION & LOCATION	AMOUNT REQUIRED	AMOUNT APPROVED	2011 / 2012 ALLOCATED	2012/ 2013 ALLOCATED (000)	2013/ 2014 ALLOCATED (000)	2014/2015 ALLOCATED (000)	2015/2016 ALLOCATED (000)	2016/2017 ALLOCATED (000)
FLAGSTAFF REGIONAL WATER SUPPLY SCHEME. Supply of water from the Mzintlava River to 43 villages and Flagstaff Town <i>(Wards 3,4,5,6,7,8,9,10, &amp; 11)</i>	675,000,000.00	<b>R 148,705,414.00</b>	R20,000,000.00	R 70,000	R 90,000	R 120,000	R 150,000	R 150,000
INGQUZA HILL REGIONAL WATER SUPPLY SCHEME. Regional Water Supply Scheme to areas not covered by Flagstaff, and Lusikisiki Regional	R 1,500,000,000.00	<b>R 13,000,000.00</b>	R 13,000,000.00	R -	R 45,000			
LUSIKISIKI REGIONAL WATER SUPPLY SCHEME. Zalu Dam water	R 450,000,000.00				R 75,000	R 110,000	R 120,000	R 120,000

source. <i>(Wards 14,15,16,17,21, &amp; 22)</i>								
REHABILITATION AND UPGRADES ON HLABATI WATER SCHEMES (INCLUDING MKHAMBATI). Msikaba River water source <i>(Wards 18,24,25, &amp; 26)</i>	R 345,000,000.00			R 15,000	R 75,000	R 75,000	R 80,000	R 100,000

### SANITATION PROJECTS

PROJECT DESCRIPTION & LOCATION	AMOUNT REQUIRED	AMOUNT APPROVED	2011 / 2012 ALLOCATED	2012/ 2013 ALLOCATED (000)	2013/ 2014 ALLOCATED (000)	2014/2015 ALLOCATED (000)	2015/2016 ALLOCATED (000)	2016/2017 ALLOCATED (000)
Upgrading of Flagstaff Sewer System into water-borne system.	90,000,000.00	<b>45,000,000.00</b>	17,000,000.00	28,000	35,000	10,000		
Upgrading of Lusikisiki Sewer System into water-borne system.	120,000,000.00	<b>30,000,000.00</b>	9,500,000.00	20,000	20,000	40,000	30,500	
Ingquza Hill Ward 7		R 5,214,474.00	R 5,214,474.00					
Ingquza Hill Ward 22		548,086.00	548,086.00					
Ingquza Hill Ward 23		R 35,644,747.16	R 35,644,747.16					
Ingquza Hill Ward 26		R 19,747,676.40	R 19,747,676.40					
Ingquza Hill Ward 3		R		R 5,424				

		5,424,359.40						
Ingquza Hill Ward 13,17 & 18		R 21,290,261.52		R 11,290	10,000			
Ingquza Hill Ward 8		R 8,341,414.20		R 8,341				
Ingquza Hill Ward 11		R 9,995,588.40		R 9,996				
Ingquza Hill Ward 12		R 4,790,166.00		R 4,790				
Ingquza Hill Ward 27		R 8,773,458.66		R 8,773				
Ingquza Hill Ward 15 & 16		<b>26,338,000.00</b>			26,338			
Wards not yet covered with VIPS [Wards 1, 2,6,9,10,11,12,21, (part), 24 (part), 26 & 27]	R 90,750,000.00				R 10,000	R 25,000	R 2,500	R 20,000
<b>GRAND TOTALS (Water &amp; Sanitation)</b>	<b>R 3,270,750,000.00</b>	<b>R 382,814,645.74</b>	<b>R 120,655</b>	<b>R 181,615</b>	<b>R 386,338</b>	<b>R 380,000</b>	<b>R 383,000</b>	<b>R 390,000</b>

MHLONTLO LOCAL MUNICIPALITY

WATER PROJECTS

PROJECT DESCRIPTION & LOCATION	AMOUNT REQUIRED	AMOUNT APPROVED	2011 / 2012 ALLOCATED	2012/ 2013 ALLOCATED (000)	2013/ 2014 ALLOCATED (000)	2014/2015 ALLOCATED (000)	2015/2016 ALLOCATED (000)	2016/2017 ALLOCATED (000)
Culunca Dam	R 32,000,000.00	R 25,902,131.00	R 5,400,000.00	R 15,902				
Extension of Mvumelwano Water Supply.	R 27,515,138.00	R 27,515,138.00	R 5,000,000.00	R 22,515				
Extension of Sidwadweni/Tsolo Junction Water Supply.	R 203,961,738.00	R 203,961,738.00	R 20,000,000.00	R 60,000	R 80,000	R 43,962		
Extension to Mangxamfu Water Supply.	R 35,000,000.00			R 15,000	R 20,000			
Mthatha Regional Water Supply Scheme (Borehole Schemes). The project involves the drilling of deep wells for underground water abstraction.	R 96,000,000.00			R 9,600	R 30,000	R 30,000	R 26,400	
Mthatha Regional Water Supply Scheme (Borehole Schemes). The project involves the drilling of deep wells for underground water abstraction.	R 105,000,000.00			R 7,500		R 25,000,	R 25,000	R 47,500
Mthatha Regional Water Supply Scheme Mthatha Dam Source. This will involve the supply of water to the identified wards and villages through the Mthatha Dam source.	R 204,750,000.00				R 20,000	R 60,000	R 76,345	R 48,405
Ntabasigogo Water Supply	R 6,821,140.00	R 6,821,140.00	R 1,500,000.00	R 5,321				

Upgrading Of Qumbu Town Water Supply	R	75,000,000.00			R	2,500		R	3,000	R	69,500	
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## SANITATION PROJECTS

PROJECT DESCRIPTION & LOCATION	AMOUNT REQUIRED	AMOUNT APPROVED	2011 / 2012 ALLOCATED	2012/ 2013 ALLOCATED (000)	2013/ 2014 ALLOCATED (000)	2014/2015 ALLOCATED (000)	2015/2016 ALLOCATED (000)	2016/2017 ALLOCATED (000)
Upgrading Tsolo Town & Junction Sewer System into water-borne.	R 90,000,000.00	R 49,000,000.00	R 20,000	R 29,000	R 41,000			
Upgrading of Qumbu Town Sewer System into water-borne.		R 48,000,000.00		R 22,000	R 26,000			
Mhlontlo Ward 14 & extension to ward 3,4,7,10,15,18,19 & 20		R 105,359,577.00	R 43,000					
Mhlontlo Ward 1,14 & extension to ward 3,4,7,10,15,18,19 & 20				R 42,300				
Mhlontlo Ward 17,21 & extension to ward 3,4,7,10,15,18,19 & 21					R 20,060			
Mhlonthlo wards 3,4,7	R 75,000,000.00				R 25,000	R 25,000	R 25,000	
WARDS NOT YET COVERED WITH VIPS <i>[Wards 2,6,8 (part), 11,13,15,16,17 (part), 18 (part), 21, 23.]</i>	R 90,000,000.00				R 20,000	R 25,000	R 30,000	R 15,000
<b>GRAND TOTALS</b>	<b>R 1,041,048,016.00</b>	<b>R 466,560</b>	<b>R 94,900</b>	<b>R 231,638</b>	<b>R 282,060</b>	<b>R 211,962</b>	<b>R 252,245</b>	<b>R 110,905</b>

**NYANDENI LOCAL MUNICIPALITY**

**WATER PROJECTS**

<b>PROJECT DESCRIPTION &amp; LOCATION</b>	<b>AMOUNT REQUIRED</b>	<b>AMOUNT APPROVED</b>	<b>2011 / 2012 ALLOCATED</b>	<b>2012/ 2013 ALLOCATED (000)</b>	<b>2013/ 2014 ALLOCATED (000)</b>	<b>2014/2015 ALLOCATED (000)</b>	<b>2015/2016 ALLOCATED (000)</b>	<b>2016/2017 ALLOCATED (000)</b>
Rosedale to libode water supply. Extension of Rosedale Water Supply to Libode (Now Thornhill pending finalisation of new site).  <i>(Wards 7,8,15,16,17,30)</i>	R 146,750,062.00	R 146,750,062.00	30,000	65,000	R 51,750			
Rosedale To Libode Water Supply PHASE 2. Extension of Rosedale Water Supply to Libode (Now Thornhill pending finalisation of new site).  <i>(Wards 7,8,15,16,17,30)</i>	R 275,000,000.00			50,000	R 125,000	R 100,000		
Mthatha Regional Water Supply Scheme Mthatha Dam Source. This will involve the supply of water to the identified wards and villages through the Mthatha Dam source.  <i>(wards 12,13,29 AND Additional supply to 7,8,15,16,17,30)</i>								
Thekwini Regional Water Supply SCHEME. Extension of Thekwini Water Supply ( Phase 2 and Phase 3).  <i>(Wards 14,21,22,23, &amp; 24)</i>	R 61,199,521.00	R 61,199,521.00	12,500	45,000	R 3,700,			
Mthatha Regional Water Supply Scheme Second Falls Option. Project involves the full exploitation of Mthatha River to supply	R 474,950,000.00		15,000	67,000	R 90,000	R 120,000	R 135,000	R 47,950

the whole region from Second Falls and Mdumbi River up to the sea. <b>(WARDS 14,21,22,23, 24, 25, &amp; 26)</b>								
Ntsonyini Ngqongweni Regional Water Supply Scheme. Regional Water Supply using the Mgazana River. <b>(WARDS 6 &amp; 18)</b>	R 267,750,000.00	R 146,000,000.00	R 3,750	45,000	R 47,500	R 55,000	R 75,000	R 41,500
Dumasi Regional Water Supply Scheme. Dumasi Villages and Ngqeleni Town <b>(WARD 21)</b>	<b>R 112,450,000.00</b>	R 15,000,000.00	R 6,746	R 27,650	R 34,124	R 32,124,	R 11,807,	
Upgrading of Cibeni - Ntlambeni Water Supply <b>(WARDS 17 &amp; 19)</b>	<b>25,000,000.00</b>			10,000	R 15,000			
Lwandile Regional Water Supply SCHEME. Upgrading of existing water supply scheme.	<b>35,000,000.00</b>			15,000	R 20,000	R 5,000		
Completion Of Buthongweni Water Supply Project	<b>5,750,000.00</b>		5,750					
Completion Of Ngqeleni Regional Water Supply Scheme <b>(WARDS 17 &amp; 19)</b>	<b>100,000,000.00</b>		12,500	30,000	R 30,200	27,300		
Extension Of Mhlanganisweni Regional Water Scheme (Tsitsa River Source) <b>(WARDS 1,3,5, &amp; 27)</b>	<b>125,000,000.00</b>			12,000	R 25,000	R 40,000	R 22,500	25,500

## SANITATION PROJECTS

PROJECT DESCRIPTION & LOCATION	AMOUNT REQUIRED	AMOUNT APPROVED	2011 / 2012 ALLOCATED	2012/ 2013 ALLOCATED (000)	2013/ 2014 ALLOCATED (000)	2014/2015 ALLOCATED (000)	2015/2016 ALLOCATED (000)	2016/2017 ALLOCATED (000)
Nyandeni Ward 3	R 5,502,500.00	R 5,502,500.00						
Nyandeni Ward 9	R 21,229,000.00	R 21,229,000.00						
Nyandeni ward 10	R 4,870,600.00	R 4,870,600.00						
Nyandeni ward 24	R 7,618,300.00	R 7,618,300.00						
Nyandeni ward 26	R 6,382,900.00	R 6,382,900.00						
Nyandeni Ward 1	18,187,200.00		18,187,200.00					
Nyandeni Ward 5	R 22,025,537.01		R 22,025,537.01					
Nyandeni Ward 25	19,205,500.00		19,205,500.00					
WARDS NOT YET COVERED WITH VIPS 25,28,19 & 27	<b>186,550,000.00</b>			40,000	R 40,000	43,000	63,550	
Upgrading of Libode Sewer System into full water-borne system.	<b>89,000,000.00</b>	<b>55,000,000.00</b>	30,000,000.00	17,500,				
Upgrading of Ngqeleni Sewer System into full water-borne system.	<b>45,000,000.00</b>		15,500,000.00	29,500,				
<b>GRAND TOTALS</b>	<b>2,054,421,120.01</b>	<b>469,552,883.00</b>	<b>191,163,987.01</b>	<b>453,650,</b>	<b>482,273</b>	<b>422,424</b>	<b>307,857</b>	<b>114,950</b>

KING SABATA DALINDYEBU LOCAL MUNICIPALITY

WATER PROJECTS

PROJECT DESCRIPTION & LOCATION	AMOUNT REQUIRED	AMOUNT APPROVED	2011 / 2012 ALLOCATED	2012/ 2013 ALLOCATED (000)	2013/ 2014 ALLOCATED (000)	2014/2015 ALLOCATED (000)	2015/2016 ALLOCATED (000)	2016/2017 ALLOCATED (000)
<b>Coffee Bay Regional.</b> Project involves the upgrading of the Coffee Bay Scheme to cover wards 23 and 24 and the envisaged Coffee Bay and Hole in the Wall urban developments	R 113,653,953.00	<b>R 113,653,953.00</b>	24,320,000.00					
<b>Upper Mhlahlane Regional Water Supply.</b> Project involves the upgrading of the existing WTWs and construction of relevant reservoirs, bulk infrastructure and related infrastructure. <b>(PARTS OF WARD 12, 13, &amp; 14)</b>	R 148,608,000.00	<b>R 148,608,000.00</b>	25,000,000.00	30,000				
Thornhill Water Treatment Works Raw Water Line Upgrade (Phase 1).  <b>Mthatha Town (Bng) And Peri-Urban Schemes. [1,2,3,4,5,6,7,8,9, 10, 11 &amp; 14]</b>	R 57,925,000.00	<b>R 57,925,000.00</b>	7,500,000.00	50,425				
Thornhill Water Treatment Works Upgrade (Phase 1).  <b>Mthatha Town (Bng) And Peri-Urban Schemes. [1,2,3,4,5,6,7,8,9, 10, 11 &amp; 14]</b>	R 63,675,612.00	<b>R 63,675,612.00</b>	6,300,000.00	57,376				

Mthatha Water Supply Scheme Upgrades (Mthatha Regional Water Supply Scheme)  <b>Mthatha Town (BNG) And Peri-Urban Schemes. [1,2,3,4,5,6,7,8,9, 10, 11 &amp; 14]</b>	R 1,020,535,737.48			R 146,234	R 207,333,219.20	R 106,048,039.80	R 337,245,000.00	R 223,675,175.00
Mthatha Regional Water Supply Scheme Mthatha Dam Source. This will involve the supply of water to the identified wards and villages through the Mthatha Dam source.	R 650,000,000.00					R 45,000,000.00	R 120,000,000.00	R 125,000,000.00
Mthatha Regional Water Supply Scheme (Second Falls). Development of a regional scheme downstream of Second Falls.	R 245,000,000.00			17,500	61,250,000.00	R 61,250,000.00	R 45,000,000.00	
Mqanduli Bulk Water Supply. Upgrade of existing scheme and dam construction/Mthatha water source.	R 375,000,000.00			9,375	46,875,000.00	46,875,000.00	93,750,000.00	93,750,000.00
Mthatha Regional Water Supply Scheme (Borehole Schemes). The project involves the drilling of deep wells for underground water abstraction.	R 450,000,000.00			10,000	45,000,000.00	R 75,000,000.00	R 75,000,000.00	R 100,000,000.00
Completion of unfinished supply of adequate water at Mandleni	R 15,750,000.00			5,513	5,512,500.00	R 4,725,000.00		

## SANITATION PROJECTS

PROJECT DESCRIPTION & LOCATION	AMOUNT REQUIRED	AMOUNT APPROVED	2011 / 2012 ALLOCATED	2012/ 2013 ALLOCATED (000)	2013/ 2014 ALLOCATED (000)	2014/2015 ALLOCATED (000)	2015/2016 ALLOCATED (000)	2016/2017 ALLOCATED (000)
Upgrading Of Mqanduli Sewer into full Water-borne system.  (Mqanduli Town)	R 75,000,000.00	35,000,000.00	40,000,000.00	35,000				
Upgrading of Mthatha Waste Water Treatment Works.  [MTHATHA TOWN (BNG) AREAS WARDS 1,2,3,4,5,6,7,8,9, 11 & 14]		<b>R 27,055,346.00</b>	<b>R 27,055,346.00</b>					
KSD Ward 10	R 12,796,395.98	R 12,796,395.98	R 12,796,395.98					
KSD Ward 17	R 11,382,589.35	R 11,382,589.35	R 11,382,589.35					
KSD KSD Ward 22	R 5,538,000.00	R 5,538,000.00	R 5,538,000.00					
KSD Ward 25	25,602,600.00	25,602,600.00	25,602,600.00					
KSD Ward 23	R 12,346,900.00	R 12,346,900.00	R 12,346,900.00					
KSD Ward 28	R 25,063,000.00	R 25,063,000.00		R 25,063				
KSD Ward 30	R 14,583,400.00	R 14,583,400.00		R 14,583				

WARDS NOT YET COVERED WITH VIPS (19, 11(Chris Hani), 14 (Marhambeni), 18,19 (part), 20 (2 villages), 22,23 (part), 24,26,27,29,32,33 & 34.	R 192,525,000.00				R 48,131	R 48,131,	R 48,131	R 48,131
GRAND TOTALS (Water & Sanitation)	R 3,514,986,187.81	R 553,230,796.33	R 197,841,831.33	#####	R 414,101,969.20	R 387,029,289.80	R 719,126,250.00	R 590,556,425.00

### SUMMARY OF FUNDING REQUIREMENTS

<b><u>MUNICIPALITY</u></b>	<b>AMOUNT REQUIRED</b>	<b>AMOUNT APPROVED</b>	<b>2011 / 2012 FY ALLOCATED</b>	<b>2012/ 2013 FY ALLOCATED</b>	<b>2013/ 2014 FY ALLOCATED</b>	<b>2014/2015 ALLOCATED</b>	<b>2015/2016 ALLOCATED</b>	<b>2016/2017 ALLOCATED</b>
<i>KING SABATA DALINDYEBO</i>	<i>R 3,514,986,187.81</i>	<i>R 553,230,796.33</i>	<i>R 197,841,831.33</i>	<i>R 401,068,815.48</i>	<i>R 414,101,969.20</i>	<i>R 387,029,289.80</i>	<i>R 719,126,250.00</i>	<i>R 590,556,425.00</i>
<i>NYANDENI</i>	<i>R 2,054,421,120.01</i>	<i>R 469,552,883.00</i>	<i>R 191,163,987.01</i>	<i>R 453,650,123.00</i>	<i>R 482,273,372.00</i>	<i>R 422,423,678.00</i>	<i>R 307,856,660.00</i>	<i>R 114,950,000.00</i>
<i>MHLONTLO</i>	<i>R 1,041,048,016.00</i>	<i>R 466,559,724.00</i>	<i>R 94,900,000.00</i>	<i>R 231,638,409.00</i>	<i>R 282,059,562.00</i>	<i>R 211,961,738.00</i>	<i>R 252,245,123.00</i>	<i>R 110,904,877.00</i>
<i>INGQUZA HILL</i>	<i>R 3,270,750,000.00</i>	<i>R 382,813,645.74</i>	<i>R 120,654,983.56</i>	<i>R 181,615,248.18</i>	<i>R 386,338,000.00</i>	<i>R 380,000,000.00</i>	<i>R 383,000,000.00</i>	<i>R 390,000,000.00</i>
<i>PORT ST JOHNS</i>	<i>R 1,422,100,178.01</i>	<i>R 272,100,178.01</i>	<i>R 40,247,600.00</i>	<i>R 138,759,561.01</i>	<i>R 153,718,017.00</i>	<i>R 234,875,000.00</i>	<i>R 304,750,000.00</i>	<i>R 273,250,000.00</i>
<b>GRAND TOTAL</b>	<b>R 11,303,305,501.83</b>	<b>R 2,144,257,227.08</b>	<b>R 644,808,401.90</b>	<b>R 1,406,732,156.67</b>	<b>R 1,718,490,920.20</b>	<b>R 1,636,289,705.80</b>	<b>R 1,966,978,033.00</b>	<b>R 1,479,661,302.00</b>

## 6.2. SECTOR DEPARTMENT PROJECTS

### DEPARTMENT OF SOCIAL DEVELOPMENT

	Name of the project	Brief Project Description	Budget allocated	PROJECT LOCATION	
				MUNICIPALITY	VILLAGE/ WARD
<b>2.2 SUBSTANCE ABUSE</b>					
	Nyandeni TADA	Teenage Against Drug Abuse	122 000	Nyandeni	All wards
	Vukani TADA	Teenage Against Drug Abuse	122 000	Ngquza	Mantlani Ward02
	Mhlontlo TADA	Teenage Against Drug Abuse	98 000	Mhlontlo	All wards
	KSD TADA	Teenage Against Drug Abuse	122 000	King Sabatha Dalindyebo	Ngangelizwe – Ward 1 Kwayimani – Ward 27 Gengqe – Ward 23 Luthubeni – Ward 27
	<b>4 TADAs</b>				
<b>2.3 OLDER PERSONS</b>					
	Empilweni Home For Age	Old Age Home	2 856 000	King Sabatha Dalindyebo	Bedford - Ward 11
	Nosisa Grandmothers Club	Service Centre for Older Persons	48 000	Mhlontlo	Gwali / Ward 26
	Impa Inga Older Persons Project	Service Centre for Older Persons	86 400	KSD	Qunu - Ward 19

	Zimbabwe Women In Action	Service Centre for Older Persons	96 000	PSJ	Ngxongweni, ward 16, PSJ
	Umzamomhle For Elders	Service Centre for Older Persons	144 000	Nyandeni	Mchonco , ward 7 Nggeleni
	Sophumelela Elderly Development	Service Centre for Older Persons	110 400	Nyandeni	Moyeni, Libode
	Sakhisizwe Old Age Organisatio	Service Centre for Older Persons	144 000	Nyandeni	Mdlankomo ,ward 8, Libode
	Lukhanyo Society for the Aged	Service Centre for Older Persons	72 000	Ingquza Hill	Ntsingizi Ward17
	Ikhethelo Serv. Centre	Service Centre for Older Persons	36 000	Ingquza Hill	Magqabasini ward 8
	Ngqwashu-Siyazama Elderly Project	Service Centre for Older Persons	52 800	Ingquza Hill	Lundini ward 14
	Siyavuya Old Age	Service Centre for Older Persons	72 000	Mhlontlo	Tiki-tiki / Ward 5
	Masakhane Project	Service Centre for Older Persons	60 000	KSD	Qokolweni – Ward 35
	Khanya Program and Development	Service Centre for Older Persons	60 000	KSD	Sitwayi – Ward 1
	NMKC Sibadala	Service Centre for Older Persons	36 000	KSD	Dakana (Lower Ngqwara) – 29
	Siyazama Old Age Group	Service Centre for Older Persons	72 000	Mhlontlo	Eluqolweni /Ward 15
	Sikhulile Gura Aged Group	Service Centre for Older Persons	72 000	Mhlontlo	Gura / Ward 18

	Grannies Old Age Group	Service Centre for Older Persons	72 000	Mhlontlo	Ncalukeni / Ward 14
	Nkwalini Project for Elderly	Service Centre for Older Persons	48 000	Nyandeni	Mkhankatho, Ward 16, Libode
	Sibusisiwe Dev Centre For The	Service Centre for Older Persons	48 000	Nyandeni	Mokhotyana, ward 3, Libode
	Makukhanye Old Age Project	Service Centre for Older Persons	48 000	Ingquza Hill	Kwa –Dick ward 17
	Zanobuhle Old Age Centre	Service Centre for Older Persons	72 000	Ingquza Hill	Kwa Gorha Ward12
	Umjika Development Forum	Service Centre for Older Persons	72 000	Mhlontlo	Upper Mjika /Ward 2
	Lukholweni Project	Service Centre for Older Persons	172 800	Ingquza Hill	Hombe Ward 21
	Sigugile Aged Group	Service Centre for Older Persons	72 000	Mhlontlo	Ndwane / Ward 14
	Qunu Multi-Purpose Centre	Service Centre for Older Persons	96 000	KSD	Qunu ward
	Ukoluphala Old Age Club	Service Centre for Older Persons	72 000	Mhlontlo	Mvumelwano / Ward 14
	Masimanyane Balasi Aged Group	Service Centre for Older Persons	40 800	Mhlontlo	Balasi / Ward 15
	Ubuntu Community Carebase Centre	Service Centre for Older Persons	240 000	Ingquza Hill	Ngobozana Ward14
	NGANGELIZWE DAY CARE CENTRE	Service Centre for Older Persons	96 000	KSD	Ngangelizwe – Ward 1
	Sikhona Mancu Elderly	Service Centre for Older Persons	60 000	Ingquza Hill	
	Masizakhe Serv. Centre	Service Centre for Older Persons	60 000	KSD	Maiden Farm – Ward 9

	Cebolethu Old Age Serv. Centre	Service Centre for Older Persons	84 000	Ingquza Hill	Mantlani ward 2
	Khanada Serv. Centre	Service Centre for Older Persons	84 000	Ingquza Hill	Mfolozi ward 22
	Old Covenant Service Centre	Service Centre for Older Persons	120 000	Ingquza Hill	Ward 7
	Siyazama Bala	Service Centre for Older Persons	105 600	Ingquza Hill	KwaBhala ward30
	Dubana Old Age	Service Centre for Older Persons	84 000	Ingquza Hill	Dubhana Ward 21
	Velasakhono Service Centre	Service Centre for Older Persons	76 800	Mhlontlo	Lothana / Ward 9
	Masizame Service Centre	Service Centre for Older Persons	72 000	Mhlontlo	Cingco /Ward 26
	Masimanyane Older Persons	Service Centre for Older Persons	96 000	Nyandeni	Mbange, ward 21, Ngqeleni
	Siyazama Dev Centre	Service Centre for Older Persons	96 000	Nyandeni	Mdina, ward 4, Libode
	Sinovuyo Serv Centre	Service Centre for Older Persons	72 000	Nyandeni	Mpoza, ward 25, Ngqeleni
	Nompiliso Serv Centr	Service Centre for Older Persons	84 000	Nyandeni	Dininkosi, ward 9, Libode
	<b>52 PROJECTS</b>				
<b>2.4 CRIME PREVENTION</b>					
	Qumbu secure care	Secure Care Centre	3 000 000	Mhlontlo	
	Bosasa - Sikhuselekile	Secure Care Centre	10 200 000	KSD	Corner Stanford Terrace & Elliot Street – Ward 6 & 7
	Crime Prevention	Crime Prevention	100 000.00	Nyandeni	All wards
	Crime Prevention	Crime Prevention	100 000.00	KSD	All wards

	Crime Prevention and Skills Development	Crime Prevention and Skills Development	250 000.00	Mhlontlo	All Wards-26 Wards
	Dev. Foster Care	Crime Prevention	250 000.00	Mhlontlo	Qanda /Ward 8, Tsolo Village / Ward 6, Matyeba / Ward 5 , New Homes / Ward 6, Mngceleni / Ward 4,
	Reception Assessment & Referral Centre	Crime Prevention	300 000.00	Lusikisiki	Lusikisiki ward 15
	Skills Dev.	Crime Prevention	150 000.00	KSD	Ward 27&29
	Re-intergration of ex offender	Crime Prevention	200 000.00	Nyandeni	Ward 21, Ngqeleni Village
	<b>9 PROJECTS</b>				
<b>2.5 SERVICES TO PEOPLE WITH DISABILITIES</b>					
	Mpeko	Special Day Care Centres	31 416.00	K S D	Mpeko – Ward 31
	Khambi	Special Day Care Centres	31 416.00	K S D	Khambi – Ward 16
	Sinovuyo	Special Day Care Centres	26 928.00	K S D	Tabase – Ward 14
	Phumlani	Special Day Care Centres	107 712.00	PSJ	Thombo, ward 4, P.S.J
	Zenzele Training	Home for the Disabled	1 800 000	KSD	EFATA – Ward 11
	Ikhwezi Lokusa Home	Home for the Disabled	1 152 000	KSD	Ikhwezi – Ward 2
	Zingisa Rehab Centre	Home for the Disabled	684 000	KSD	Ncambelana – Ward 9
	Happy Home	Home for the Disabled	1 206 000	KSD	Southernwood – Ward 6
	Sinelithe Rehab	Home for the Disabled	630 000	Mhlontlo	Tsolo Village/Ward 6

	Zwelibanzi	Home for the Disabled	1 260 000	Mhlontlo	Toleni /Ward 25
	Nompumelelo Disabled	Home for the Disabled	450 000	Ingquza Hill	Xhurana Ward13
	Eluphilisweni	Home for the Disabled	630 000	Ingquza Hill	Mantlaneni Ward02
	Sibabalwe Project	Protective Workshop	57 600	KSD	North Crest – Ward 13
	Ikhwezi Lokusa	Protective Workshop	72 000	KSD	Ikhwezi T/Ship – Ward 2
	Hospice Ass of Transkei	Hospice	660 000	KSD	
	<b>15 PROJECTS</b>				
<b>2.6 CHILDREN</b>					
	Khanyisa Childrens Home	Child and Youth Care Centre	408 000	KSD	Lindile - Ward 14
	Bethany Home	Child and Youth Care Centre	1 587 000	KSD	Khwezi T / Ship – Ward 2
	Mzomtsha Childrens Home	Child and Youth Care Centre	1 383 000	NYANDENI	Ward 21, Ngqeleni Village
	SOS Children's Village Mthatha	Child and Youth Care Centre	2 403 000	KSD	Sidwadwa – Ward 5
	Thembehle Home	Child and Youth Care Centre	487 500	KSD	Norwood – Ward 8
	Umtata Street Child Programme		2 505 000	KSD	New Brighton - Ward 9
	Siyakhana Youth Outreach Educ	Shelters for Children	1 094 400	KSD	Ncambelana Farm - 13
	Siyakhana Youth Outreach Educ	Shelters for Children	912 000	INGQUZA HILL	

	<b>8 PROJECTS</b>				
<b>2.7 VICTIM EMPOWERMENT PROGRAMME</b>					
	Masikhulume Survivor Support Centre	Survivor Support	85 000	Nyandeni	Ward 21 Ngqeleni Village.
	Phefumlela Victim Empowerment Group	Survivor Support	85 000	Mhlontlo	Mbentsa /Ward 19
	Tsolo Family Counselling Centre	Survivor Support	150 000	Mhlontlo	Tsolo Village/Ward 6
	Madeira Victim Support Centre	Victim Support	80 000	King Sabatha Dalindyebo	Madeira Police Station – Ward 7
	Central Victim Support Centre	Victim Support	80 000	King Sabatha Dalindyebo	Central Police Station - 6
	Ngangelizwe Victim Support Centre	Victim Support	80 000	King Sabatha Dalindyebo	Ngangelizwe Police Station – Ward 3
	Mthatha One Stop Centre	Victim Support	300 000	King Sabatha Dalindyebo	Ngangelizwe – Church Street – Ward 3
	Mqanduli Safe Home & Community Based	Safe Home	120 000	King Sabatha Dalindyebo	Ngcanasini Location – Ward 23
	Soul Winners Support Centre	Safe Home	100 000	Nyandeni	Gxulu, ward 9, Libode.
	<b>9 CENTRES</b>				
<b>2.8 HIV/AIDS</b>					
	Siyakhula HCBC	HCBC	<b>541 800</b>	Nyandeni	Lujizweni , ward 22, Ngqeleni.

	Sizanenguqu HCBC	HCBC	541 800	Nyandeni	Misty Mount , ward 9, Libode.
	Nompilo Mothers Union	HCBC	541 800	Nyandeni	Ntlaza, Ward 16, Nggeleni.
	Port St Johns Creative Youth Women Group	HCBC	719 300	PSJ	P.S.J. Village, ward 6.
	Sakhuluntu Home Based Care Services	HCBC	541 800	King Sabata Dalindyebo	Zimbane – Ward 4 Ntlekiseni - Waterfall – Ward 3 Ngangelizwe - Ward 1 &2 Bhongweni – Ward 4
	Great Commission Divine Project	HCBC	541 800	King Sabata Dalindyebo	Kaplan - Ward 14 Chris Hani - Ward 11
	Vukuzenzele Community Development Project	HCBC	791 800	King Sabata Dalindyebo	Mqanduli – All Wards
	Community Reach	HCBC	541 800	King Sabata Dalindyebo	Lindile – Ward 14 Payne – Ward 30 Old Payne – Ward 30
	Sakhimpilo Home Community Based Care Project	HCBC	1 100 000	Mhlontlo	Mhlakulo /Ward 4
	Msobomvu HIV&AIDS Community Project	HCBC	541 800	Mhlontlo	Sulenkama / Ward 21
	Siyakhanyisa HIV&AIDS Support Group	HCBC	541 800	Mhlontlo	Qumbu Village/ Ward 15

	Bala National Intergrated Site	HCBC	469 300	Ingquza Hill	KwaBhala Ward 30
	Maker's Plan	HCBC	469 300	Ingquza Hill	Dubhana Ward 21
	The Gumpe HCBC	HCBC	469 300	Ingquza Hill	Mnceba Ward 10
	Khanyayo HCBC	HCBC	469 300	Ingquza Hill	Khanyayo Ward25
	Likhona HCBC	HCBC	469 300	Ingquza Hill	Bukazi Ward 12
	Zama Youth Development HIV&AIDS Project	HCBC	541 800	King Sabata Dalindyebo	Zimbane Valley - Ward 4 Bhongweni – Ward 4 Southernwood – Ward 6
	Philisa: conditional Grant	HCBC	355780	Nyandeni	Nomadolo, ward 23, Nggeleni.
	Mzamomhle :conditional grant	HCBC	355780	Mhlontlo	Upper Mjika/ Ward 2
	<b>19 PROJECTS</b>				
<b>SOCIAL RELIEF OF DISTRESS</b>					
	ITIPINI DUMPING SITE		300 000	King Sabata Dalindyebo	Itipini - Ward 9
<b>CARE &amp; SUPPORT TO FAMILIES</b>					
	Untlalontle Family Preservation		100 000	MHLONTLO	Shawbury/ Ward 9
	Mqanduli Family Preservation		100 000	KSD	Makhumsheni – 23 Ngcanasini – 23 Mqanduli Town – 29
	Lusikisiki Family Resource Centre		150 000	Ingquza Hill	Mtshayelo Ward 27

	Lubala Family Resource Centre		150 000	Ingquza Hill	Lubala Ward 12
	Chaguba Family Resource Centre		150 000	PSJ	Chaguba, Ward 5, P.S.J.
	Cele Family Resource Centre		200 000	Ingquza Hill	Kwa Cele 25
	Nyandeni Single Parents Association		193 963	Nyandeni	Buntingville, ward 13 , Ngqeleni.
	Sakhasonke Single Parents Association		120 000	MHLONTLO	Tsolo Village/ Ward 6
	<b>8 PROJECTS</b>				

### PROGRAMMES III Projects

PROGRAMME	NAME OF THE PROJECT	BRIEF PROJECT DESCRIPTION	BUDGET ALLOCATED	PROJECT LOCATION	
				MUNICIPALITY	VILLAGE/ WARD
<b>Women Development</b>	Bhengezimithwane Project	Poultry	R 250 000.00	Inquza Hill	Mangquzu, Flagstaff Ward 30
<b>Youth Development</b>	Masikhulisane community Project	Egg Production	R 500 000.00	Inquza Hill	Thaweni Location, Lusikisiki Ward 27
<b>Sustainable livelihood</b>	Masikhule	Poultry	R500 000.00	Ingquza Hill	Ward 12
<b>Youth Development</b>	Zanokhanyo Bhungeni Project	Broiler Production	R 500 000.00	Inquza Hill	Bhungeni Location, Flagstaff Ward 31

<b>Sustainable Livelihoods</b>	Zamokuhle Ngcweleni Project	Crop Production	R 500 000.00	Ngquza Hill	Ngcweleni Ward 08
<b>Sustainable Livelihoods</b>	Conscious People of Africa	Crop Production	R 375 000.00	Mhlontlo	Upper Culunca Ward 21 Mabholompa Village, Qumbu
<b>Sustainable Livelihoods</b>	2.Gwebindlala Food Security	Crop Production	R 375 000.00	Mhlontlo	Matyeba Village, Tsolo ward 2
<b>Sustainable Livelihoods</b>	3. Silindeni Agricultural Primary Cooperative	Crop Production	R 750 000.00	Mhlontlo	Mthojeni Location, Ward
<b>Sustainable Livelihoods</b>	4. Siphosethu Vegetable	Crop Production	R 750 000.00	Mhlontlo	Mdibanisweni AA, Tsolo Ward 07
<b>Women Development</b>	Masilinge Poultry Project	Poultry Farming	R 500 000.00	Mhlontlo	Xhokonxa Location, Qumbu
<b>Women Development</b>	Mafusini Poultry Project Primary Cooperative Limited	Poultry	R 332 500.00	Mhlontlo	Mafusini Location, Qumbu
<b>Sustainable Livelihoods</b>	1.. Zizamele Mampondo	Crop Production	R 375000.00	Nyandeni	Ward 08 Mpangana
<b>Sustainable Livelihoods</b>	2.Sondelani	Crop Production	R 375 000.00	Nyandeni	Coza
<b>Youth Development</b>	Gladys Nonzuzo Ncoyini Health Centre	Mobile gym	R 600 000	Ngqeleni	Ward 21
<b>Sustainable Livelihoods</b>	Eyesizwe Mthinde Development	Crop Production	R 500 000	Mthimde	Mthimde Ward 15

<b>Sustainable Livelihoods</b>	Njiveni	Crop Production	R 750 000.00		Njiveni
<b>Women Development</b>	Phumelela Buthulo	Poultry	R 500 000.00	Port St John's	Buthulo
<b>Women Development</b>	Sibanye Poultry Project	Poultry	R 500 000.00	Nyandeni	Mthombe A/A
<b>Women Development</b>	Sinoxolo Women Coop	Crop Production	R 332 500.00	Nyandeni	Magcakini A/A
<b>Women Development</b>	Masikhule Women Coop	Poultry	R 500 000.00	Nyandeni	Mamolweni A/A 25
<b>Sustainable Livelihoods</b>	.Umdlansizwe Trading Cooperative	Crop Production	R 750 000.00	Nyandeni	Mdlankomo A/A Nyandeni
<b>Sustainable Livelihoods</b>	Vukamntomtsha Coop Project	Crop Production	R 750 000.00	KSD	Sheshegu Loc, Ncise A/A
<b>Sustainable Livelihoods</b>	Kunene Development Project	Crop Production	R 750 000.00	KSD	Kunene Location
<b>Sustainable Livelihoods</b>	. Izwilendalo Vegetable Project	Crop Production	R 750 000.00	KSD	Zimbane AA, Ndisane Location
<b>Sustainable Livelihoods</b>	Gxwalibomvu Development	Crop Production	R 750 000.00	KSD	Gxwalibomvu Location Mthatha
<b>Sustainable</b>	. Ezasemzantsi Project	Piggery	R 500 000.00	KSD	Ncambedlana

<b>Livelihoods</b>					
<b>Women Development</b>	Lumanyano Development Project	Piggery	R 500 000.00	KSD	Belungwini Location
<b>Women Development</b>	Krakrazizamele Project	Poultry	R 500 000.00	KSD	Krakra Location
<b>Women Development</b>	Nozenzele Women's Poultry Project	Poultry	R 500 000.00	KSD	Madonisi Location
<b>Youth Development</b>	Ithemba Leather works Cooperative	Leather Works	R 500 000.00	KSD	Qunu Village
<b>Youth Development</b>	Nkqubela Manufacturing & Multi Purpose Cooperative	Carpentry	R 500 000.00	KSD	Zimbane A/A
<b>Youth Development</b>	Iqula Performing Arts	Arts	R 250 000.00	KSD	Ngangelizwe
<b>6 youth development projects</b>	<b>10 Women development projects</b>	<b>16 Sustainable Livelihoods projects</b>			

**DEPARTMENT OF HEALTH**

**UPGRADES/ ADDITIONS**

Sub District	Name of Project	Start Date	End Date	Total Project Cost R'	Expenditure to date 2010/11	Expenditure to date 2011/12	2012/13 MTEF	2013/14 MTEF	MTEF 2014/15
KSD	Centuli Clinic	01/04/2010	01/06/2012	9 000 000	-	-	6000	2000	-
	Zitulele Hospital	01/03/2012	01/04/2016				8000	12 000	18 000
	Sir Henry Elliot	01/03/2011	01/04/2015	348 000	-	2058	-	9000	9450

	Hospital								
<b>Mhlontlo</b>	Nessie Knight Hospital	01/03/2012	01/04/2016				8000	12 000	18 000
<b>Nyandeni</b>	Cwele Clinic	01/04/2010	01/06/2012	7200	-	-	6000	1200	-
	St Barnabas Hospital	01/04/2011	01/04/2015	60 000	-	-	-	10 000	10 448
<b>Qaukeni</b>	St Elizabeth Hospital (main building, mortuary, labour theatre, staff accommodation, single quarters, Lilitha College, upgrade existing maternity, Paeds, laundry)	09/01/2012	01/04/2015	790 556	113 971	53 400	39 131	40 698	93 000
	Bambisana Hospital	01/03/2012	01/04/2016	-	-	-	8000	12 000	18 000

#### NEW PROJECTS

Sub District	Name of Project	Start Date	End Date	Total Project Cost R'	Expenditure to date 2010/11	Expenditure to date 2011/12	2012/13 MTEF	2013/14 MTEF	MTEF 2014/15
<b>KSD</b>	Bumbane Clinic	01/04/2009	01/11/2012	9 000 000	8 158 432	3222	955	343	360
	Mvezo Clinic	01/01/2000	01/12/2012	5 712 948	3 274 995	1886	164		
	Tyelebana Clinic	01/06/2010	01/04/2014	8 500 000	1700	1572	6800	-	-
	Tshezi Clinic	01/08/2006	01/06/2012	4 067 793	3330	650	170	-	-
<b>Mhlontlo</b>	Malephephe Clinic	01/06/2007	01/04/2013	4 463 805	2563	70	1600	-	-
	Tikitiki Clinic	01/01/2009	01/04/2014	4 829 315	112	963	42	-	-

	Dr Malizo Mpehle Hospital <b>EMS</b>	14/08/2009	01/12/2013	11 500 000	5 000 000	5 726 515	-	-	-
	Dr Malizo Mpehle Hospital	11/11/2005	01/06/2013	231 278 088	229 278 088	3723	5934	-	-

#### DEPARTMENT OF HUMAN SETTLEMENTS

KPI	12/13 ANNUAL TARGET
HOUSES	3 524
FULL SERVICES	0
PARTIAL SERVICES	3 048
RECTIFICATION	781
BUDGET	R 376 760 190.00

#### KEY PROJECTS

<b>Project Planning</b>	<b>Status</b>	<b>Houses</b>	<b>Serviced stands</b>	<b>Rectified houses</b>	<b>Projected expenditure</b>
Mhlanganisweni Phase 1	Running	84	84	0	R 5 346 600.00
Mhlanganisweni Phase 2	Running	84	84	0	R 5 346 600.00
Ntafufu 350	Running	114	114	0	R6 500 100.00
Mampondomiseni Phase 1	Running	80	80	0	R 4 372 000.00
Mampondomiseni Phase 2	Running	65	65	0	R 3 552 250.00
Ncambele 300	Running	228	0	0	R 15 276 000.00
Ndlunkulu 300	Running	100	100	0	R 7 831 000.00
New Payne 300	Running	200	200	0	R 12 639 000.00
<b>TOTAL</b>		<b>955</b>	<b>727</b>	<b>0</b>	<b>R 60 863 550.00</b>

<b>ProjePlanningct</b>	<b>Status</b>	<b>Houses</b>	<b>Serviced stands</b>	<b>Rectified houses</b>	<b>Projected expenditure</b>
<b>Ingquza 76</b>	<b>Procure/ Construction</b>	<b>76</b>	<b>76</b>	<b>0</b>	<b>R 5 932 698.00</b>
<b>Ingquza 500</b>	<b>Procure/ Construction</b>	<b>104</b>	<b>104</b>	<b>0</b>	<b>R 6 619 600.00</b>
<b>Dimfi 500</b>	<b>Procure/ Construction</b>	<b>94</b>	<b>94</b>	<b>0</b>	<b>R 5 983 100.00</b>
<b>Mpoza 500</b>	<b>Procure/ Construction</b>	<b>74</b>	<b>74</b>	<b>0</b>	<b>R 4 710 100.00</b>
<b>Xopoza 500</b>	<b>Procure/ Construction</b>	<b>94</b>	<b>94</b>	<b>0</b>	<b>R 5 983 100.00</b>
<b>KSD 315</b>	<b>Procure/ Construction</b>	<b>94</b>	<b>94</b>	<b>0</b>	<b>R 5 983 100.00</b>
<b>Libode 5</b>	<b>Procure/ Construction</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>R 430 000.00</b>
<b>Mhlontlo 160</b>	<b>Procure/ Construction</b>	<b>94</b>	<b>94</b>	<b>0</b>	<b>R 8 158 072.00</b>

<b>TOTAL</b>		<b>635</b>	<b>635</b>	<b>0</b>	<b>R 43 799 770.00</b>
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<b>Project</b>	<b>Status</b>	<b>Houses</b>	<b>Serviced stands</b>	<b>Rectified houses</b>	<b>Projected expenditure</b>
<b>Nyandeni 77</b>	<b>Procure/ Construction</b>	<b>77</b>	<b>77</b>	<b>0</b>	<b>R 5 836 138.00</b>
<b>Nyandeni 370</b>	<b>Procure/ Construction</b>	<b>94</b>	<b>94</b>	<b>0</b>	<b>R 8 324 264.00</b>
<b>OR Tambo 385</b>	<b>Procure/ Construction</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>R 7 831 000.00</b>
<b>PSJ 259</b>	<b>Procure/ Construction</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>R 7 831 000.00</b>
<b>Chulunca 300</b>	<b>Procure/ Construction</b>	<b>104</b>	<b>104</b>	<b>0</b>	<b>R 8 733 400.00</b>
<b>Lotana 300</b>	<b>Procure/ Construction</b>	<b>104</b>	<b>104</b>	<b>0</b>	<b>R 8 733 400.00</b>
<b>Nyandeni 190</b>	<b>Procure/ Construction</b>	<b>94</b>	<b>94</b>	<b>0</b>	<b>R 8 119 908.00</b>

<b>Military Veterans 20</b>	<b>Procure/ Construction</b>	<b>20</b>	<b>20</b>	<b>0</b>	<b>R 1 530 590.00</b>
<b>TOTAL</b>		<b>693</b>	<b>693</b>	<b>0</b>	<b>R 56 939 700.00</b>

<b>Project</b>	<b>Status</b>	<b>Houses</b>	<b>Serviced stands</b>	<b>Rectified houses</b>	<b>Projected expenditure</b>
<b>Holy Cross 500</b>	<b>Procure/ Construction</b>	<b>94</b>	<b>94</b>	<b>0</b>	<b>R 5 983 100.00</b>
<b>Lubala 91</b>	<b>Procure/ Construction</b>	<b>91</b>	<b>91</b>	<b>0</b>	<b>R 8 049 485.00</b>
<b>TOTAL</b>		<b>185</b>	<b>185</b>	<b>0</b>	<b>R 14 032 585.00</b>

<b>Project</b>	<b>Status</b>	<b>Houses</b>	<b>Serviced stands</b>	<b>Rectified houses</b>	<b>Projected expenditure</b>
<b>Ngangelizwe MPCC</b>	<b>Planning/ Construction</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>R 13 053 456.00</b>

Ilitha 463	Planning/ Construction	44	0	0	R 10 850 000.00
Maydene Farm 969	Planning/ Construction	60	0	0	R 6 841 650.00
Waterfall 450	Planning/ Construction	60	0	0	R 7 959 485.00
Waterfall 233	Planning/ Construction	84	0	0	R 4 590 600.00
Ntshabeni 200	Planning/ Construction	104	104	0	R 6 226 850.00
New Payne 200	Planning/ Construction	104	104	0	R 6 226 850.00
Zidindi 300	Planning/ Construction	56	56	0	R 3 802 950.00
<b>TOTAL</b>		<b>412</b>	<b>264</b>	<b>0</b>	<b>R 59 551 841.00</b>

Project	Status	Houses	Serviced stands	Rectified houses	Projected expenditure
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Bomvini 200	Planning/ Construction	94	94	0	R 5 526 050.00
Caguba 300	Planning/ Construction	94	94	0	R 5 526 050.00
Mdlankala 200	Planning/ Construction	94	94	0	R 5 526 050.00
Tombo 200	Planning/ Construction	74	74	0	R 6 213 890.00
Ngangelizwe BNG 200	Planning/ Construction	100	0	0	R 858 790.00
Mahlungulu 350	Planning/ Construction	94	94	0	R 8 315 085.00
Willow 200	Planning/ Construction	94	94	0	R 5 526 050.00
<b>TOTAL</b>		<b>644</b>	<b>544</b>	<b>0</b>	<b>R 37 491 965.00</b>

Project	Status	Houses	Serviced stands	Rectified houses	Projected expenditure
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Lusikisiki 1117	Planning	0	0	0	R 1 000 000.00
KSD Project A	Planning	0	0	0	R 3 744 924.00
KSD Project B	Planning	0	0	0	R 3 409 104.00
KSD Project C	Planning	0	0	0	R 4 795 980.00
Langeni 800	Planning	0	0	0	R 1 000 000.00
KSD 1188	Planning	0	0	0	R 4 313 116.00
Mhlontlo 1857	Planning	0	0	0	R 6 741 968.00
Nyandeni 800	Planning	0	0	0	R 2 904 456.00
<b>TOTAL</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>R 27 909 548.00</b>

Project	Status	Houses	Serviced stands	Rectified houses	Projected expenditure
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OR Tambo 500	Planning	0	0	0	R 1 815 284.00
Tsolo 500	Planning	0	0	0	R 1 815 284.00
Qumbu 500	Planning	0	0	0	R 1 815 284.00
Ngangelizwe BNG 1850	Planning	0	0	0	R 7 876 301.00
Polar Park BNG 1400	Planning	0	0	0	R 5 960 458.00
Joe Slovo BNG 3350	Planning	0	0	0	R 14 262 524.00
<b>TOTAL</b>		0	4 780	0	R 33 545 135.00

Project

**DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT & TOURISM**

Project Name and Location	Project Description	Financial Year of Funding	Budget Allocated	Number and Category of Beneficiaries	Progress/ Returns
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			(In Rand)		
2. Wild Coast Fishing Co-operative Project, Nyandeni LM;Ward 26 ;Ngqeleni	Aquaculture ( <b>Fish Farming</b> )	2005/06 & 2009/10 & 2010/11	1,700,000	Request for funds was underestimated, project needs more funding.	<p>*Tenders made by service providers (installation of Aquaculture tunnels) have been disapproved twice by ORTDM Adjudication Committee</p> <ul style="list-style-type: none"> <li>•Held Wild Coast Aquaculture PSC Meeting on 04/03/2011 to speed up procurement processes and a consensus was reached that a discretionary tender be recommended.</li> <li>•Clear Terms of Reference re-drafted</li> <li>•The discretionary tender has been disapproved by O.R Tambo D/M and they opt for public tender which was closed on closed on 21 May 2011</li> <li>•The technical evaluation team sat in July 2011 and evaluation in August 2011.</li> <li>. O.R Tambo D/M appointed a service provider for the erection of Aquaculture tunnel.</li> <li>.The service has presented the scope of work to be done together with time frames</li> </ul>
6.Kwam Rural Women's Project, Mhlontlo LM	<b>Poultry farming and egg production</b> on a large scale as well as <b>Clothing and linen</b>	2008/09	2,100,000	The project has exhausted all the funds that were allocated. It needs to submit final report and to be closed.	<p>*Fencing; Sewing &amp; Poultry structures of project finalized</p> <p>*Ablution blocks and guardrooms finished</p>

	<p><b>production</b> on large scale. The funds will be utilized to purchase operational material.</p>				<p>*Sewing machinery &amp; materials procured also chicks and feed for Poultry side procured</p> <p>*Have already received training on both Poultry &amp; Sewing, have also been taken on exposure visits to similar projects</p> <p>*The project has already created 24 jobs on a part time basis.</p> <p>*Project was launched in 16 May 2011</p>
<p>7.Light the Pilot Media Productions Project, Ward 6, Mthatha, KSD LM</p>	<p>Project involved in <b>Making Movies; Documentaries; TV Ads; Local Dramas; etc</b></p>	<p>2009/10</p>	<p>1,000,000</p>	<p>None</p>	<p>*Group has already finished shooting the movie called Boundary.</p> <p>*Three (3) LTP members attended 2 courses organized by ECDC in film production &amp; post production in East London from 14 to 18/03/2011 &amp; 05 to 09/09/2011.</p> <p>*Nemisa, an accredited electronic &amp; media institute, confirmed legibility of costs acquired while shooting the movie to fast-track payment of actors and other pre/post production costs and KSD LM has approved payment</p> <p>*To avoid high charges of service provider the funds for payment of actors have been deposited to the project account</p> <p>* To have control over use of these funds a DEDEAT official, Mr Luwaca, has been appointed as signatory and observer in the payment as per agreement with LRED</p>

					Provincial managers and KSD LM
8.Khuphukani Cluster Project, Ward 4, Mthatha, KSD LM	Project for people with disabilities which intends to establish a <b>Leather works (incl. orthopedic shoes), Sewing, Wheelchair Assembly and Repairs Factory</b>	2009/10-11/12	1,740,000 + R2 000 000 (Top –up Funding)	Delays in procurement of Machinery, Equipment & materials due to highly costed tenders	<p>Group has already undertaken 2 exposure visits to similar factories in Pietermaritzburg &amp; Durban.</p> <p>*14/03/11: DEDEA official participated in a KSD LM Bid Evaluation Committee Meeting to evaluate &amp; shortlist tenders/proposals for procurement of Machinery, Equipment &amp; materials for the ECDC rented Leatherworks factory</p> <p>*Bid Adjudication Committee disapproved tenders since they were costed above available budget, to re-advertise them.</p> <p>*Office furniture was delivered on 05/05/2011</p> <p>*Telephone/ fax lines were connected</p> <p>* Service provider has been appointed to buy factory machinery but awaiting delivery.</p> <p>*The project has been granted the second phase funds</p>
9.Hluleka Bee-keeping Project, Ward 20, Hluleka	<b>A Bee keeping project producing Honey and</b>	2009/10	2,500,000	Delays in procurement of machinery & material.	<p>Construction of office structure finalized</p> <p>Construction of Processing facilities has been</p>

	<b>related products</b>				completed  Uniform is being procured  Specification for Training has been submitted to O.R Tambo D/M.
10.Mlengane LED Programme, Ward 6	<b>Eco-Tourism cluster development (Conference facilities and a Golf estate)</b> in the Mlengane landscape. Funding requested for <b>EIA</b>	2009/10	535,050	NONE	Geo-tech, Ecological and Social assessment has been completed. EIA and EMP have been completed, waiting documentation to be submitted to the Municipality for assessment.  The project has exhausted the funds but still awaiting closure report
11.Malakiwe Bakery Project  Tsolo, Ward1: Mhlontlo L/M	Manufacturing of Bread ( <b>Bakery</b> )	2009/10	R 500,000	The group still needs on-the-job training by the supplier of Baking Machinery since the generator has been delivered. PSC of project is co-coordinating that training.	<ul style="list-style-type: none"> <li>•Baking Machinery has already been delivered,</li> <li>•Beneficiaries were given experiential training through exposure visits to similar project</li> <li>•Baking Machinery/ Equipment, Inputs and 3 phase Generator have already been procured &amp; delivered to the project site</li> </ul>
12.Caba Cultural Village and Art Centre  Qumbu, Ward 20: Mhlontlo L/M	Establishment of <b>Cultural Village and Art Centre</b> as part of AmaMpondomise Heritage Route. Funding for Feasibility Study and Business Plan	2010/11	R 500,000	<b>Mhlontlo Local Municipality is awaiting the disbursement of the second tranche and is proceeding with implementation.</b>	<p><b>First inception report completed by contracted service provider</b></p> <p><b>Research towards completion</b></p> <p><b>Awaiting 2nd tranche transfer from DEDEAT</b></p> <p><b>On 13 October 2011 held Quarterly PSC meeting with the royal council of Amampondomise who needed to be</b></p>

					<p>updated on progress.</p> <p>The study on culture and heritage has been done by the service provider.</p>
<p>13.Sinakho Coffin Manufacturers Project</p> <p>Tsolo, Ward 5: Mhlontlo L/M</p>	<b>Coffin Manufacturing</b>	2010/11	R 500,000	NONE	<p>The construction of Warehouse has been finalized</p> <p>*Specification for procurement of 3-phase Electricity: Woodwork Machinery &amp; Equipment and Training (all costing ± R356,000) has been submitted to Mhlontlo LM.</p> <p>* Service provider has procured Machinery but awaiting floor repairs (levelling) for delivery.</p>
<p>14.Construction of Flagstaff Hawker Stalls</p> <p>Flagstaff, Ward 6: Ingquza Hill L/M</p>	Construction of <b>Hawkers Stalls</b>	2010/11	R1,000,000	Ingquza Hill Local Municipality is awaiting the disbursement of the second tranche to finalize the project	<p>•Bill of quantities; ToR, advert for construction of Hawker Stalls finalized.</p> <p>•Copy of Advert already submitted to H/O LED Unit</p> <p>•Adjudication finalised and service provider for construction of hawker stalls contracted</p> <p>* Assembling of Hawkerc Stalls by service provider has already started in a site allocated by Ngquza LM</p> <p>•Still awaiting 2nd tranche transfer from</p>

					DEDEAT
15. Baleni Carpentry Furniture project Mbizana, Ward16: Mbizana L/M	Manufacturing and <b>Refurbishing of Furniture and other Woodworks</b>	2010/11	R1,121,500	NONE	<p>*PSC sat on 08/02/2011 at Mbizana L.M to discuss progress (report has been forwarded to H/O LED Unit)</p> <p>*Project is still operating at the old site but the new site has already been approved through Council Resolution, as a result it is being prepared (site clearance) for relocation</p> <p>*Procurement of Fencing; Machinery and materials is in progress done by Mbizana LM to the tune of R 372 972</p> <p>*Specification for construction of warehouse has been submitted, but needs designs, DEDEA is working with Dept of Public Works to access designs for cost effectiveness.</p> <p>*Clearance &amp; Grading of site is finalised</p>
16. Green Fingers Hydroponics Project Libode, Ward 07: Nyandeni L/M	Production of <b>Tomatoes in Hydroponics</b>	2010/11	R1 000,000 (R500 000 First trench)	<b>Nyandeni Local Municipal is awaiting the disbursement of the second tranche and is proceeding with implementation</b>	<p>•<b>Specification for fencing with bill of quantities submitted</b></p> <p>•<b>Service provider for the construction of Hydroponics tunnels has been appointed (Happy Vege).</b></p> <p>•<b>Nyandeni LM has completed Site grading, site levelling is still in process as requested by Happy Vege, the contracted service provider</b></p>

					<b>•Awaiting 2nd tranche transfer from DEDEAT</b>
17.Uphuhliso Lethu Nursery Mthatha, Ward 4;; KSD L/M	Development of <b>Nursery (Indigenous plants /trees &amp; exotic shrubs, fruit trees, vegetables)</b>	2010/11	<b>R1,000,000</b>	NONE	Erection of Nursery tunnels is already towards finalisation, Fencing completed  Irrigation system completed  Specification for Nursery inputs has been done  In the process of constructing DEDEAT Visibility Board on site
Kei Fresh Produce Market Mthatha KSD L/M	Establishment of Banana Ripening and cold Storage	2011/12	<b>R3 Million (First Trench)</b>	None	<ul style="list-style-type: none"> <li>• Inception meeting and PSC's meeting held.</li> <li>• Service Provider appointed for the construction of banana Ripening rooms</li> </ul>
LusiPark ,Lusikisiki Ingquza Hill L/M	Property Development	2011/12	<b>R2 Mil</b>	None	Prep for Launch
Isithembene women's Project Libode Nyandeni L/M	Garments and crafts manufacturing	2011/12	<b>R2 Mil</b>	Community co-operatives	<ul style="list-style-type: none"> <li>• Inception meeting and PSC's meeting held.</li> </ul>
Ikhwezi Lomso Co-operative, Lubala Lusikisiki	Broiler Manufacturing	2008/09	<b>R500 000</b>	14 beneficiaries	Waiting for closure report

