



ALFRED NZO

DISTRICT MUNICIPALITY

**Alfred Nzo District Municipality
Integrated Development Plan
2018 – 2019**

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The Municipal Systems Act, 2000

“Each municipal council, within a prescribed period after the start of its elected term, must adopt a single, inclusive and strategic Integrated Development Plan...”

Core components of integrated development plans

According to Section 26 of the Local Government Municipal Systems Act, 2000, an integrated development plan must reflect-

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

Alfred Nzo District Municipality Strategic Agenda

VISION

A District whose communities are self-sustaining and enjoy a good quality life, equitable access to basic services and soci-economic opportunities

MISSION

To be a responsive and capable institution that effectively delivers basic services and innovative development programmes with a strong orientation to rural development in partnership with its communities and other social partners

STRATEGIC GOALS 2017-22

- 1. Inclusive Growth and Development**
- 2. Basic Services Delivery and Community Empowerment**
- 3. Effective Public Participation, Good Governance and Partnerships**
- 4. A capable and financially viable institution**

Foreword from the Executive Mayor



Let me take this opportunity to thank you, the people of the Alfred Nzo District Municipality, for entrusting me with the great responsibility of leading the championing of the delivery of the basic services to our communities.

We are humbled by the level of commitment shown by our communities to work towards a common purpose of developing their areas. They have also shown us that they understand their role of keeping us accountable to them.

We commit that that we will always perform our functions in a transparent and accountable manner through mechanisms that would make us, public representatives, visible to communities at all times.

Furthermore, we have deployed mechanisms to further strengthen our oversight responsibilities that would ensure good governance and sound financial management. In this regard, Municipal Public Accounts Committee (MPAC) is constantly embarking on service delivery oversight and monitoring outreaches throughout the district to fulfil this commitment and report its findings to the Council.

The past financial year had its challenges which we learnt a lot from and would be turning some into opportunities. We forecast that the future will present opportunities that outweigh the challenges we are facing and those opportunities could only be seized when we work together.

In the coming financial year, our effectiveness and our relevance will be put to test by way of transforming our plans as enshrined in this document into tangible deliverables that can be quantified in terms of the positive impact such deliverables have to our communities.

In the Annual Report that I recently tabled to the Council, I have stressed the urgent need for our municipality to strike a balance between obtaining a clean audit report and providing effective and sustainable services to our communities.

I further stated that this would only be achieved only when the municipality implements its good policies that assist in our attempt of ensuring full realisation of our vision as contained in this document.

Whilst our aspiration to achieve a clean administration and audit opinion seems to be indefinable, we have not lost hope and we will continue to strive for service excellence and to vigorously exert all our collective efforts in doing what is best for this municipality.

We will be taking advantage of the opportunities we have to explore as we strive to ensure that all our communities have access to clean water and sanitation that bring dignity to their lives.

Executive Mayor
Cllr. S. Mehlomakhulu

Message from the Municipal Manager



Alfred Nzo District Municipality and its community have embarked on a process of establishing heightened service delivery in an attempt to better their lives and well-being.

This 2018/19 revised Integrated Development Plan (IDP) bears testimony to all the efforts being employed by Alfred Nzo to be able to enjoy the fruits of the efforts being employed in order for all who live and visit Alfred Nzo to be able to enjoy the fruits of freedom. Whilst this review has not change the vision and mission of the municipality, it is important that to advise that there were areas in the IDP that necessitated impetus for the change of our strategy. Chief amongst this is differentiation. We are employing new ways of doing our business and we are confident that this new path will unleash the potential of the district to do better and excel.

The District Development Plan (DDP) marshals a focused and forecasted vision beyond 2030 in an attempt ensure that leadership as architects of service delivery are able to see development beyond their term of office.

Amongst these developmental trajectories is the notion of renewable energy. Alfred Nzo District Municipality has partnered with a municipality in Germany (HamelN-Pyrmont) to find ways of ensuring the municipality is able to increase its participation share and beneficiation on this new way of doing business. This paves greater opportunity for ANDM and the municipality and has to be embraced it in order to leapfrog its energy inefficiency challenges.

Under the period under review, the fiscal purse of the municipality shank. In the same vein, during 2017/2018 the Municipality suffered with severe financial distress. These issues

did not make the municipality to lose its focus and indeed, greater initiation was employed through cost containment measures and business re-engineering to mention but a few lessons were learnt and as such, the municipality is now ready to serve its communities and deliver quality services in conformity to its mandate. Importantly, the optimal use of our human resources and their commitment to service excellence will definitely change the landscape of ANDM. These initiatives attempt to restore the integrity of ANDM and as we traverse through this journey, communities will remain at the center to receive services and enjoy a better life.

In conclusion, the contribution of both IDP 2022 and DDP 2030 will definitely see the communities of Alfred Nzo District Municipality moving forward. I invite all communities and stakeholders to partner with ANDM to make it a better place to live, work and enjoy. As we move to greater heights, we need you and your support with clear and mandatory compact that it there to enhance service delivery.

Municipal Manager
Mr Z.H. Sikhundla

1. Introduction and Background

1.1. Process plan document – how this IDP was drawn up

This IDP was drawn up in terms of an **IDP Process Plan** to ensure the proper management of the planning process. The ANDM IDP/PMS and Budget Process Plan 2018 – 2019 was adopted by Council on the 31st of August 2017.

This plan outlined:

- Structures to manage the planning process;
- How the public could participate and structures to ensure this participation;
- A time schedule for the planning process;
- Who is responsible for what; and
- How the process would be monitored.

At District Council level, a framework was developed in consultation with all our local municipalities. This ensured co-ordination, consultation and alignment between the district council and local municipalities. The framework also guides the development of an IDP process plan for each local municipality.

The process undertaken to produce this IDP consisted of 5 phases:

Phase 1: Analysis

During this phase information was collected on the existing conditions within the municipality. It focused on the types of problems faced by people in the area and the causes of these problems. Identified problems were assessed and prioritised. This phase allowed the municipality to provide:

- An assessment of the existing level of development
- Details on priority issues and problems and their causes
- Information on available resources

Phase 2: Strategies

During this phase, the municipality worked on finding solutions to the problems assessed in phase one.

This entailed:

- **Developing a vision**

The vision is a statement of the ideal situation the municipality would like to achieve in the long term once it has addressed the problems outlined in phase one.

The following is an example of a vision statement:

“An economically vibrant municipality with citizens living in a secure, healthy and comfortable environment”

- **Defining development objectives**

Development objectives are clear statements of what the municipality intends to achieve in the medium term to deal with the problems outlined in phase one.

For example: *Provide access to clean water for all residents living in informal settlements*

- **Development strategies**

Once the municipality worked out where it wanted to go and what we needed to do to get there, we worked out how to get there. Our development strategies are about finding the best way for the municipality to meet its development objectives. For example: *Co-operate with the Department of Water Affairs to provide one water stand pipe for every 20 households.*

- **Project identification**

Once we had identified the best methods to achieving our development objectives we went on to the identification of specific projects.

Phase 3: Projects

During this phase the municipality worked on the design and content of projects identified during Phase 2. Clear details for each project had to be worked out in terms of:

- Who is going to benefit from the project?
- How much is it going to cost?
- How will it be funded?
- How long will it take to complete?
- Who is going to manage the project?

Clear targets were set and indicators worked out to measure performance as well as the impact of individual projects.

Phase 4: Integration

Once all projects had been identified, the municipality checked again that they contributed to meeting the objectives outlined in Phase 2. These projects provide an overall picture of our development plans.

All the development plans now had to be integrated. In addition, the municipality has also drawn up strategies for issues like poverty alleviation and disaster management. These are integrated with the overall IDP.

Phase 5: Approval

The IDP is then presented to the council for consideration, adoption and public comment, before approval of a finalised IDP.

The IDP Review took into consideration the MEC comments that were raised in the 2017/18 IDP. It is also one way of implementing the Council Resolutions. The Council further, made an invitation via the media for members of the public to register their interests to participate as organized interest groups.

ANDM Community Survey

In preparation for its IDP Situational Analysis, the District Municipality further undertook a process of a survey and this exercise targeted Community Development Workers (CWDs). The following are the key issues and challenges that were captured from the survey:

- Lack of water
- Lack of funding for SMMEs
- Lack of clinics or health facilities
- Evidence of mud schools in some wards i.e. Tembeni J.S.S ward 10 Umzimvubu
- Need for ABET programme
- Evidence of households without adequate shelter
- Evidence of child headed households
- Evidence of people living with disability
- Evidence of households without access to water and sanitation

Consideration of MEC’s (CoGTA) Comments for IDP Review 2017 /18

As required in terms of Section 32 (a) of the Municipal Systems Act of 2000, ANDM submitted its adopted IDP as reviewed for 2017/18 to the MEC CoGTA. The District municipality further participated in the IDP Assessment process which was facilitated by the Office of the MEC and subsequently comments were obtained. In summary the municipal IDP 2017/18 was declared to be credible as it was rated high in accordance with the Department's rating criteria. The overall assessment scorings are summarized below:

KPA	RATINGS 2013/14	RATINGS 2014/15	RATINGS 2015/16	RATINGS 2016/17	RATINGS 2017/18
Spatial Development Framework	HIGH	HIGH	HIGH	HIGH	HIGH
Basic Service Delivery	HIGH	HIGH	HIGH	HIGH	HIGH
Financial Viability	HIGH	HIGH	MEDIUM	HIGH	HIGH
Local Economic Development	HIGH	HIGH	HIGH	HIGH	HIGH
Good Governance & Public Participation	HIGH	HIGH	MEDIUM	HIGH	HIGH
Institutional Arrangements	MEDIUM	MEDIUM	MEDIUM	MEDIUM	LOW
OVERALL RATING	HIGH	HIGH	Medium	HIGH	HIGH

2. National and Provincial Policy Context

Over the last few years there have been key changes in national and provincial policy that have reshaped the strategic environment. There is now a stronger commitment to ensuring harmony and alignment between the three spheres of government. The National Development Plan Vision for 2030, and other key national and provincial strategies are seen as primary mechanisms through which this will be achieved. This IDP document has been developed on the basis of critical reflection on the following key policy documents.

2.1. National Development Plan (NDP) - Vision For 2030

The National Development Plan (NDP) offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal.

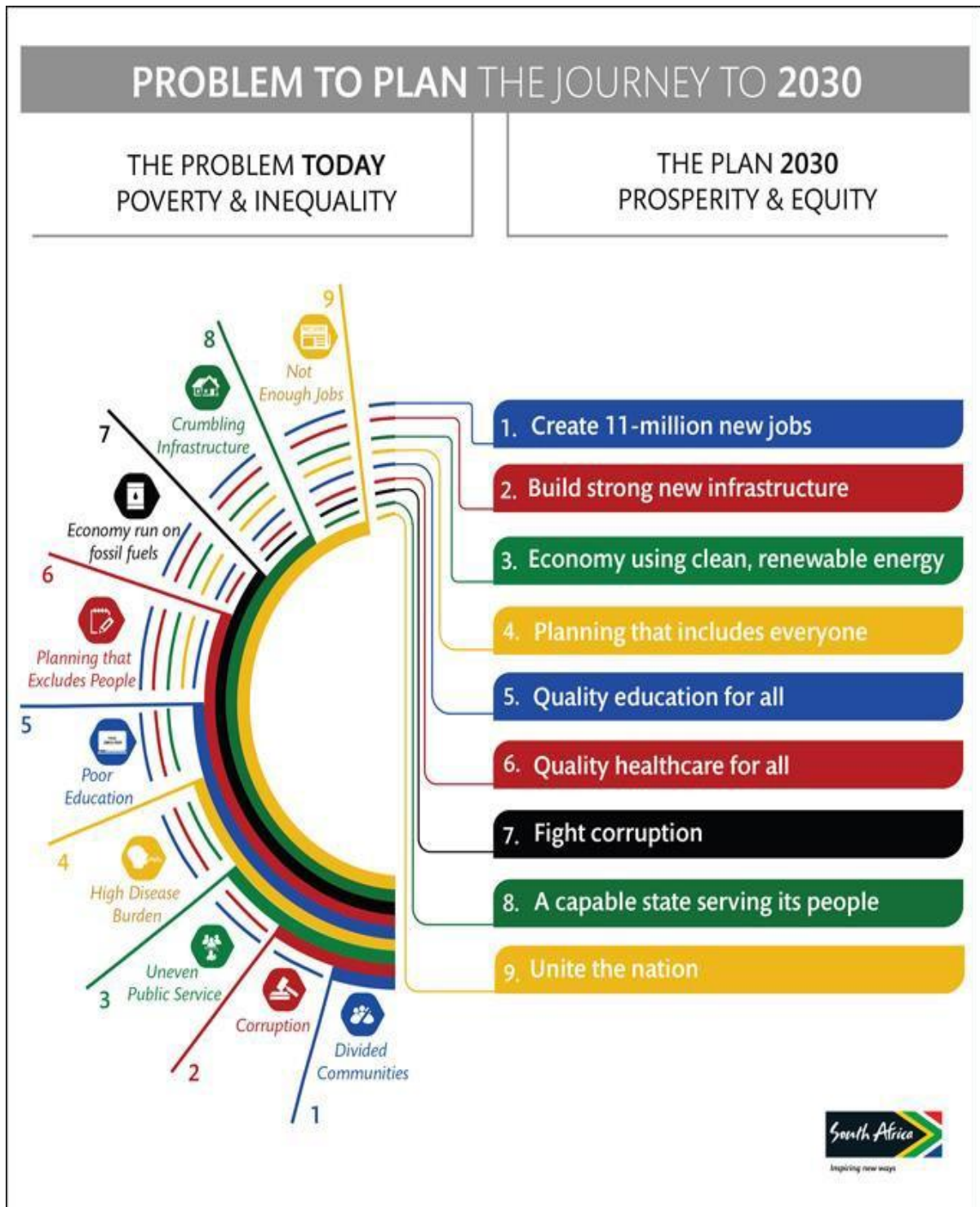
As a long-term strategic plan, it serves four broad objectives:

- Providing overarching goals for what we want to achieve by 2030.
- Building consensus on the key obstacles to us achieving these goals and what needs to be done to overcome those obstacles.
- Providing a shared long-term strategic framework within which more detailed planning can take place in order to advance the long-term goals set out in the NDP.
- Creating a basis for making choices about how best to use limited resources.

The Plan aims to ensure that all South Africans attain a decent standard of living through the elimination of poverty and reduction of inequality. The core elements of a decent standard of living identified in the Plan are:

- Housing, water, electricity and sanitation
- Safe and reliable public transport
- Quality education and skills development
- Safety and security
- Quality health care
- Social protection
- Employment
- Recreation and leisure
- Clean environment
- Adequate nutrition

The NDP aims to eliminate poverty and reduce inequality by 2030. South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. The NDP highlights the increasing levels of urbanisation with approximately 70% of the country's population expected to live in cities by 2030.



NDP targets by 2030 include the elimination of income poverty (i.e. reduce the proportion of households with a monthly income below R419 per person - in 2009 prices - from 39 percent to zero) and reduce the country's Gini coefficient from 0.69 to 0.6. In order to do this, a number of enabling milestones are detailed:

- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.
- Increase the share of national income of the bottom 40 percent from 6 percent to 10 percent.
- Establish a competitive base of infrastructure, human resources and regulatory frameworks.
- Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.
- Broaden ownership of assets to historically disadvantaged groups.
- Increase the quality of education so that all children have at least two years of preschool education and all children in Grade 3 can read and write.
- Provide affordable access to quality health care while promoting health and wellbeing.
- Establish effective, safe and affordable public transport.
- Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third.
- Ensure that all South Africans have access to clean running water in their homes.
- Make high-speed broadband internet universally available at competitive prices.
- Realise a food trade surplus, with one-third produced by small-scale farmers or households.
- Ensure household food and nutrition security.
- Entrench a social security system covering all working people, with social protection for the poor and other groups in need, such as children and people with disabilities.
- Realise a developmental, capable and ethical state that treats citizens with dignity.
- Ensure that all people live safely, with an independent and fair criminal justice system.
- Broaden social cohesion and unity while redressing the inequities of the past.
- Play a leading role in continental development, economic integration and human rights.

Critical actions that may affect ANDM include the need for a strategy to address poverty through broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes. Investment should be increased in labour-intensive areas.

2.2. National Government's Outcomes - Role of Local Government

National Government has agreed on 14 outcomes which have been expanded into high-level outputs and activities. These in turn form the basis of a series of performance agreements between the President and relevant ministers.

All of the outcomes can to some extent be supported through the work of local government, but Outcome 9 (A responsive, accountable, effective and efficient local government system) is particularly important. ANDM aims to comply with the following 14 outcomes by taking them into consideration in this IDP process:

- Improve the quality of basic education;
- Improve health and life expectancy;
- All people in South Africa protected and feel safe;
- Decent employment through inclusive growth;
- A skilled and capable workforce to support inclusive growth;
- An efficient, competitive and responsive economic infrastructure network;
- Vibrant, equitable and sustainable rural communities and food security;
- Sustainable human settlements and improved quality of household life;
- A responsive, accountable, effective and efficient local government system;
- Protection and enhancement of environmental assets and natural resources;
- A better South Africa, a better and safer Africa and world;
- A development-orientated public service and inclusive citizenship;
- An inclusive and responsive social protection system;
- A diverse, socially cohesive society with a common national identity.

2.3. Medium-Term Strategic Framework (MTSF) 2014-19

The central focus of the 2014-2019 MTSF is on ensuring sustainable and reliable access to basic services, particularly in weaker municipalities which have the highest unmet demand for basic services.

The NDP proposes that by 2030 the proportion of people with access to the electricity grid should rise to at least 90%, with non-grid options available for the remainder of households. Full access to affordable and reliable water and sanitation is envisaged before 2030. Where municipalities lack technical capacity, regional utilities or alternative institutional mechanisms should be used so that basic services are not compromised. Key targets for the MTSF include:

- Increase in the percentage of households with access to a functional water service from 85% in 2013 to 90% by 2019.
- Increase in the percentage of households with access to a functional sanitation service from 84% in 2013 to 90% by 2019, including elimination of bucket sanitation in the formal areas.
- 1.4 million Additional households to be connected to the grid between 2014 and 2019, and 105 000 additional non-grid connections.
- Income support to the unemployed through expansion of the Community Work Programme to reach 1 million participants in 2019.
- An increase in the level of public trust and confidence in local government from 51% in 2012 to 65% in 2019, as measured by the IPSOS survey.
- An improvement in overall municipal audit outcomes, with at least 75% of municipalities receiving unqualified audits by 2019.

Some of the targets that should be realised by 2030 are summarised below:

Infrastructure development
South Africa's infrastructure is seeing a major boost with the upgrading of major roads and the building of power stations
Dams are receiving priority from government, while rail infrastructure has not been left behind, with the Gautrain linking OR Tambo International Airport with the two major cities in Gauteng (Johannesburg and Pretoria).
The Passenger Rail Agency of South Africa is also introducing a new fleet of trains. About 3 600 trains, valued at R51 billion are expected to be delivered over a 10-year period from 2015.
Job creation
The NDP suggests the creation of 11 million jobs, increased infrastructure development, using mineral resources to benefit everyone while at the same time making sure that such resources can be used in the long-term.

Improving Education and Training
For South Africa to realise Vision 2030, education should take a central role. A lot of work has been done in ensuring that access to education is improved and more still needs to be done.
The NDP sets out what should be done in the next years to ensure that the country achieves its goals. Among others, there should be an increase in teacher training output by expanding the bursary scheme "Funza Lushaka", which means to educate the nation, to attract learners into teaching, especially those with good passes in maths, science and languages.
Teachers should also be regularly tested in the subjects they teach to determine their level of knowledge and competence, while teacher pay should be linked to learner performance
Quality Health Care
At the centre of achieving all the plans of a thriving nation is a healthy nation. The NDP sets out what should be done to ensure quality health care for all South Africans. Coverage of anti-retroviral treatment to all HIV-positive people should be increased.
Community specialists should be trained in medicine, surgery including anaesthetics, obstetrics, paediatrics and psychiatry, while between 700 000 and 1,3 million community health workers should be recruited, trained and deployed to implement community-based health care.
Working Together
The NDP is a plan for the whole country. Government will engage with all sectors to understand how they are contributing to implementation, and particularly to identify any obstacles to them fulfilling their role effectively.
The NDP sets out ambitious goals for poverty reduction, economic growth, economic transformation and job creation. The private sector has a major role to play in achieving these objectives.
Long-term planning and investment in the future is just as important for the private as the public sector. Government is clearly stating its commitment to the NDP, and it is important that the private sector does the same.
Where the private sector faces obstacles, sectoral dialogues will take place to identify how these obstacles can be addressed within the parameters laid out by the NDP.

Citizen participation in local government processes will continue to be promoted. Cooperative governance arrangements will be strengthened to better support and empower municipalities. A long-term approach will be taken to skills development and capacity building for the local government sector. Institutional problems will be addressed to improve the quality of municipal administrative and management practices including human resources and recruitment practices, supply chain and financial management, and anticorruption initiatives.

2.4. Back to Basics Local Government Programme

Our National Development Plan makes it clear that meeting our transformation agenda requires functional municipalities and a capable machinery at a local level that can create safe and healthy and economically sustainable areas where citizens and people can work, live and socialise. Our goal is to improve the functioning of municipalities to better serve communities by getting the basics right. The Department of Cooperative Governance is tasked to build and strengthen the capability and accountability of municipalities.

The Building Blocks for the Back-to-Basics approach are:

Basic services: Creating decent living conditions Municipalities must:

Develop fundable consolidated infrastructure plans. They should ensure infrastructure maintenance and repairs to reduce losses with respect to:

- Water and sanitation.
- Human Settlements.
- Electricity.
- Waste Management.
- Roads.
- Public Transportation.
- Ensure the provision of Free Basic Services and the maintenance of Indigent register.

Good governance

Good governance is at the heart of the effective functioning of municipalities. Municipalities will be constantly monitored and evaluated on their ability to carry out the following basics:

- The holding of Council meetings as legislated.
- The functionality of oversight structures, S79 committees, audit committees and District IGR Forums.
- Whether or not there has been progress following interventions over the last 3 – 5 years:
 - The existence and efficiency of anti-corruption measures.
 - The extent to which there is compliance with legislation and the enforcement of by- laws.
 - The rate of service delivery protests and approaches to address them.

Public participation

Measures will be taken to ensure that municipalities engage with their communities. Municipalities must develop affordable and efficient communication systems to communicate regularly with communities and disseminate urgent information. The basic measures to be monitored include:

- The existence of the required number of functional Ward committees.
- The number of effective public participation programmes conducted by Councils.
- The regularity of community satisfaction surveys carried out.

Financial management

Sound financial management is integral to the success of local government. Performance against the following basic indicators will be constantly assessed:

- The number of disclaimers in the last three to five years.
- Whether the budgets are realistic and based on cash available.
- The percentage revenue collected.
- The extent to which debt is serviced.
- The efficiency and functionality of supply chain management.

Institutional capacity

There has to be a focus on building strong municipal administrative systems and processes. It includes ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. Targeted and measurable training and capacity building will be provided for councillors and municipal officials so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed through bursary and training programmes. The basic requirements to be monitored include:

- Ensuring that the top six posts (Municipal Manager, Finance, Infrastructure Corporate Services, Community development and Development Planning) are filled by competent and qualified persons.
- That the municipal organograms are realistic, underpinned by a service delivery model and affordable.
- That there are implementable human resources development and management programmes.
- There are sustained platforms to engage organised labour to minimise disputes and disruptions.
- Importance of establishing resilient systems such as billing.

2.5. The Eastern Cape Provincial Development Plan

Based on the National Development Plan (NDP), the Provincial Development Plan (PDP) seeks to outline a development path for the province. Vision 2030 sets the development agenda and priorities for the next 15 years (2015-2030), building on the Provincial Growth and Development Plan (PGDP) of 2004-2014. The plan proposes key programmes and projects for implementation up to 2030 and suggests arrangements for implementation of the plan, tracking and accountability.

The diagnostic phase centred on the nine key challenges identified by the National Planning Commission's *Diagnostic Report*. Many of these challenges reflect the multi-generational underdevelopment and alienation that is both a legacy of our colonial / apartheid past and a neo-colonial present that focuses on the comforts of a few rather than a concern for the well-being of the many. At the root of South Africa's and the province's developmental struggle is the structural legacy of under-development and deprivation inherited from colonialism and apartheid - the dispossession of land and property, the disruption of families and social institutions, the undermining of opportunities for the majority of the population, the disruption of organic intellectualism and self-determination, and a systematic destruction of self-worth that is replicated across generations for the majority of citizens.

The key challenges highlighted in the NDP and the PDP are:

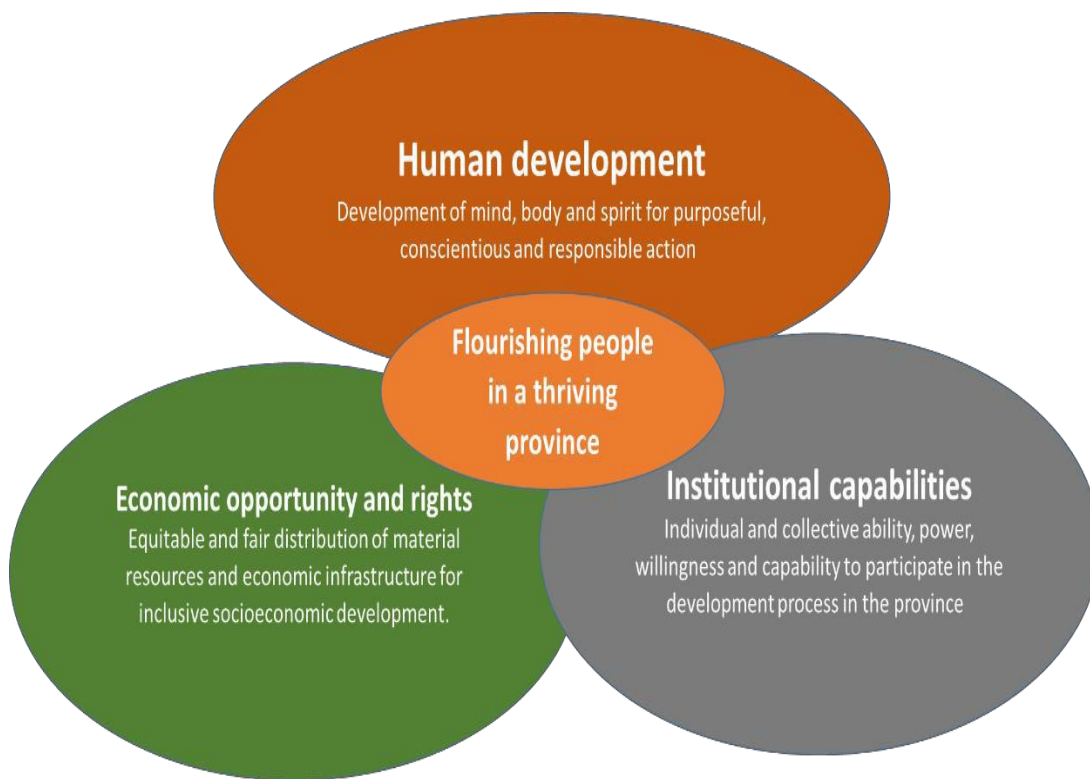
- Too few people work.
- The standard of education for most black learners is poor.
- Infrastructure is poorly located, under-maintained and insufficient for fostering higher growth and spatial transformation.
- Spatial patterns exclude the poor from the fruits of development.
- The economy is overly and unsustainably resource intensive.
- A widespread disease burden is compounded by a failing public health system.
- Public services are uneven and often of poor quality.
- Corruption is widespread.
- South Africa remains a divided society.

Unemployment in the former Bantustan areas is much higher than the rest of the province. A basic services index, constructed using Census 2011 data, provides scores for RDP level access to water and sanitation, as well as the use of electricity for lighting. The areas that make up the OR Tambo and Alfred Nzo districts show very low access in

the majority of wards. The NDP characterises these areas of deprivation as “poverty traps” to be eliminated by 2050.

PDP Vision and conceptual framework

The 2030 vision for the Eastern Cape is of “flourishing people in a thriving province”. This vision will be achieved by development in each of three areas of focus, namely: (i) *human development*, (ii) *economic opportunity and rights* and (iii) *institutional capabilities*. The PDP seeks to achieve “human flourishing and a thriving province” through strengthening the positive interactions between human, economic and institutional development. The framework is illustrated below.



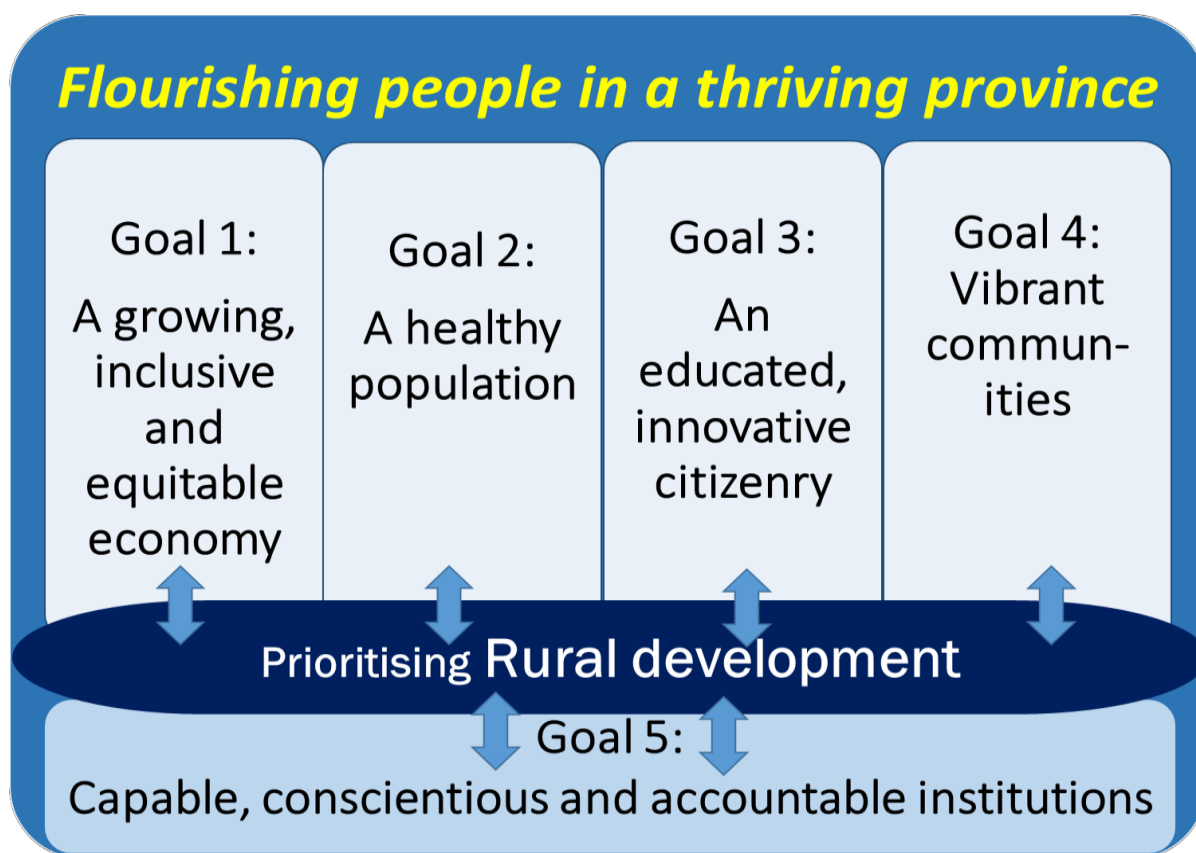
Principles and assumptions of the PDP

The provincial plan starts from the premise that key structural features hobble the provincial economy and social progress. The plan therefore strives for social and economic justice. It places particular emphasis on transforming the apartheid spatial geography. The plan promotes cultural development, inclusion and respect for diversity. It further encourages citizen participation and co-responsibility for development. It promotes ethical, integrated multi-agent action predicated on relative strengths of

institutional partners. This is not a plan for government alone, but for the entire province. Accountability is one of the most important principles of the plan – and must be the basis for renewed social partnerships. The plan and its proposals should be based on objective evidence and critical deliberation.

Vision 2030 is a strategic plan for the province rather than a detailed master plan. The plan outlines strategic departures from current practice and identifies “game-changers” to set the province on a necessarily different development path. However, the plan also argues for continuation and strengthening of current practice in some areas. The focus of the plan is on issues of implementation and execution. Hence it proposes new instruments to be designed, where budgets must be aligned and institutional capabilities re-modelled to implement the plan. Vision 2030 has put more emphasis on planning among strategic partners (government structures, enterprises, communities, civil society organisations etc.) and locating agency for implementation outside of the state. The plan proposes spatially targeted interventions.

To set the Eastern Cape on a new development trajectory, the plan is organised around five goals:



Goal 1: A growing, inclusive and equitable economy

This goal emphasises a larger and more efficient provincial economy, more employment, and reduced inequalities of income and wealth. This proposals deal with: rural development; economic infrastructure; land reform; industry and enterprise support; and economic sector development. Proposals for priorities and interventions are district-specific.

Goal 2: A healthy population

This goal targets a healthy population through an improved healthcare system. The system should move from being hospital-centric to focusing on a primary care system that is integrated across primary, secondary, and tertiary levels. The proposals deal with: primary health care and strengthening of district health systems; improvement of leadership across the sector; infrastructure and facility improvement; health workforce planning and the social determinants of health.

Goal 3: An educated, innovative citizenry

This goal seeks to ensure that people are empowered to define their identity, are capable of sustaining their livelihoods, living healthy lives and raising healthy families, developing a just society and economy, and playing an effective role in the politics and governance of their communities. The proposals deal with: access to and quality of early childhood development; basic education and training, including foundation phase literacy and numeracy, mother- tongue education, teacher development, improved leadership, management and governance and infrastructure. For the post school education and training sector, it addresses adult education and training, community colleges, technical and vocational education training, universities as well as research and innovation.

Goal 4: Vibrant communities

This goal seeks to generate a shift from a focus on state-driven housing delivery to one that that enables people to make own decisions, build their own liveable places and transform spatial patterns. The proposals deal with transformed human settlements, spatial planning and land use management, regional development, social infrastructure and community safety.

Goal 5: Capable, conscientious and accountable institutions

This goal seeks to build capable, resilient and accountable institutions to champion rapid inclusive development. The proposals deal with the creation of capable provincial and local government; leadership renewal across society; citizen-centred development and multi- agency partnerships.

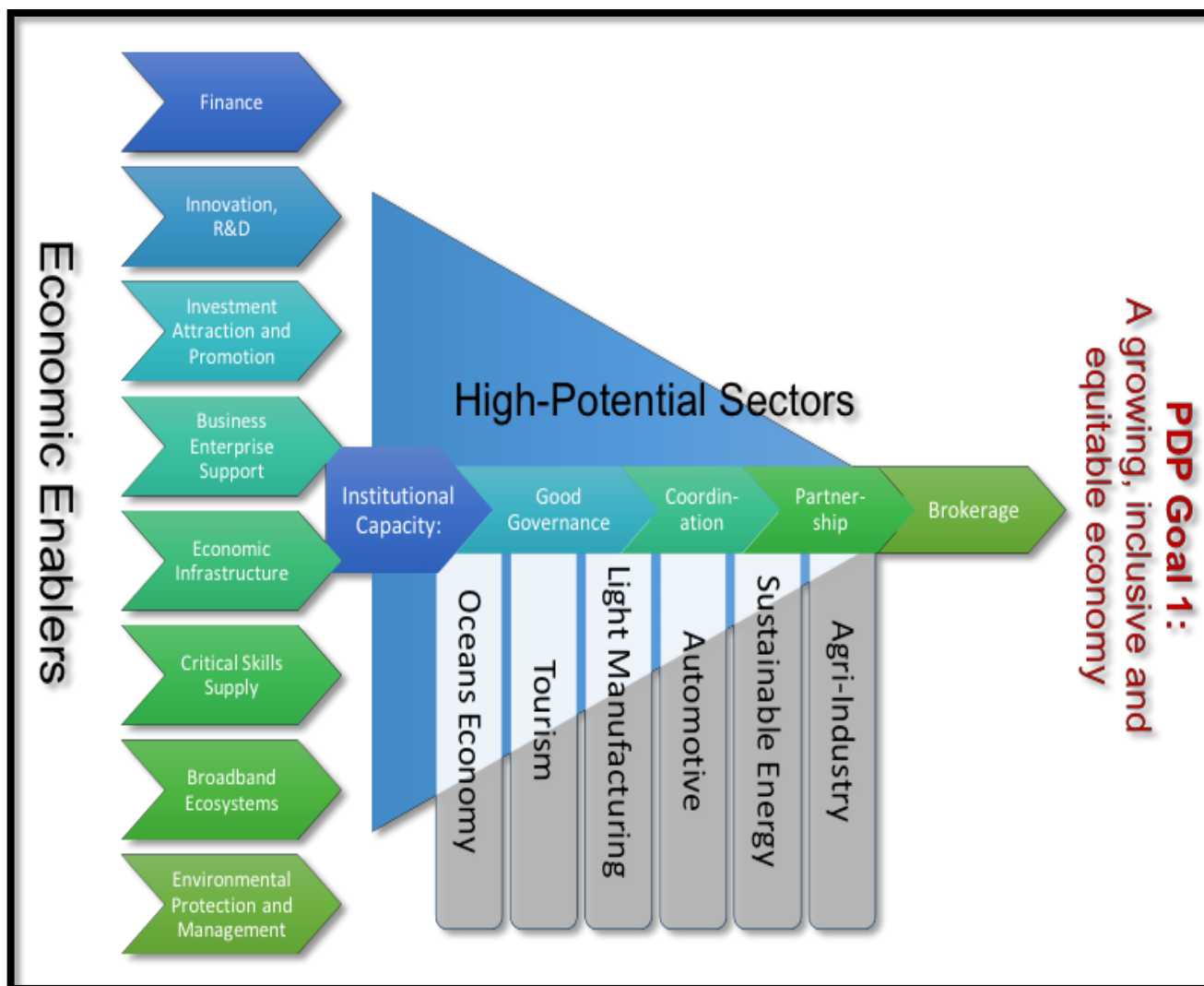
Achievement of the vision is impossible without concurrent, systemic and continuous interaction between an inclusive and equitable economy, a healthy population, an educated, innovative citizenry, vibrant communities and capable, conscientious and accountable institutions. There are complex interrelations between the goals, as well as the objectives and strategic actions proposed in this plan.

Prioritising rural development

Given that over 70% of the population is rural, the fortunes of the province are inherently bound up with the future of its rural areas. While urbanisation is an undeniable trend, we estimate that the majority of the population will still be outside of the metropolitan areas in 2030. The Eastern Cape is set to remain a rural province for the foreseeable future and this situation demands appropriate development and support measures. Therefore rural development is a key priority and has been integrated into all the goal areas.

2.6. EC Provincial Economic Development Strategy (PEDS) Strategic Framework

The diagram below synthesises neatly the framework for the strategy. The Economic Goal and Objectives of the PEDS is built upon the growth pillars of six 'high-potential sectors' and eight 'economic enablers'. All of these hinge critically upon institutional capacity – this is elaborated on below in “making the strategy work.



2.7. Eastern Cape Infrastructure Plan 2030 (ECIP)

The overall purpose of the Eastern Cape Infrastructure Plan (ECIP) is to articulate the infrastructure priorities for the province between 2016 and 2030 and outline key programmes and interventions.

In addition to this the ECIP:

- Supports the realisation of the Eastern Cape development priorities that are in the National Development Plan and the Eastern Cape Development Plan
- Complements the National Infrastructure Plan (2012) in the Eastern Cape
- Aims to derive more value from the large public expenditures on infrastructure assets through improved infrastructure planning and infrastructure delivery management.

Major infrastructure challenges in the province include:

- Spatial inequalities of infrastructure provision inherited from our colonial and apartheid history.
- Social infrastructure backlogs still persist especially in the eastern part of the Eastern Cape
- Disconnect between the economic development strategy of the Eastern Cape and the infrastructure programme
- Absence of central planning of infrastructure in the EC to ensure integrated planning, rational project prioritization
- Premature announcement of infrastructure projects before completion of feasibility studies and resource allocations.
- Under expenditure of major grants and CAPEX allocations
- Capacity, skills and system required are inadequate.

The ECIP has four goals:

1. Infrastructure investment must respond to **spatial** aspects of future infrastructure demand and undo apartheid geography
2. Accelerate eradication of **social** infrastructure backlogs
3. Ensure effective infrastructural support for **economic** development
4. Improve infrastructure planning, delivery, operations and maintenance.

The goals are to be achieved through the implementation of Eleven Provincial Strategic Projects (PSPs):

1. Strategic catalytic projects;
2. Small Town Development;
3. Urban Settlements Infrastructure
4. Water & Sanitation
5. Energy and Electricity;
6. Agro-logistics;
7. Education Infrastructure
8. Health Infrastructure;
9. Transport infrastructure;
10. ICT Infrastructure; and
11. Enabling interventions.

An implementation matrix has been developed that identifies lead agents; strategic risks; proposed interventions for the period 2016-2021; and immediate action required. The ECIP contains a summary of priorities per district. For Alfred Nzo district these are:

- Household electrification
- Completion of five regional bulk water schemes

- Reticulation infrastructure for Ludeke Dam
- Infrastructure for Mbizana peri-urban area
- Small-scale irrigation schemes
- Matatiele Agri-park

2.8. Eastern Cape Agriculture Economic Transformation Strategy

Between 95% and 99% of agricultural output in the Eastern Cape is produced by commercial farmers. Commercial farmers have however declined in numbers both nationally and provincially (SA: 60 000 to 37 000, EC: 6 000 to 4 000). Only about one to five per cent of agricultural output now comes from smallholder farmers whose practices are deeply rooted in former homeland subsistence farming practices.

The Eastern Cape has the smallest commercial agricultural sector. The document argues that the strength of EC agriculture lies in the untapped potential of the smallholder and communal sector. The challenge is to make smallholder and communal farmers commercially viable and derive real economic value from their land.

The strategy documents suggests treating agriculture as a business and enabling the private sector to intervene and invest alongside government. Smallholder/communal farmers should be developed into agro-entrepreneurs who partner with businesses that are willing to invest for reasons beyond short-term profit. Partnerships will focus on expansion, market access, creating more value through appropriate funding, technology development, skills development, innovation and job creation.

The point is to stimulate both public and private procurement directly from primary producers. Government should put in place appropriate policies and regulations to strengthen these partnerships and drive investment in infrastructure. The goal is to increase agriculture's contribution to GDP by at least 2% and create 10 000 (direct and indirect) job opportunities annually.

Critical success factors include:

- The expansion of production
- Market access and off-take agreements
- Training and development of farmers
- Value addition and local beneficiation
- Increased employment, especially for unemployed graduates
- Increased farm income
- Increased opportunity and business for SMMEs
- Increased total investment into industry
- Increased transformation within the industry.

2.9. State of the Nation Address (SONA)

During his 2018 State of the Nation Address in Parliament, President Cyril Rmaphosa, among other things, announced Agriculture presents one of the greatest opportunities to significantly grow our economy and create jobs. Agriculture made the largest contribution, by a significant margin, to the improved growth of our economy in the second and third quarters of 2017. This year, we will take decisive action to realise the enormous economic potential of agriculture. We will accelerate our land redistribution programme not only to redress a grave historical injustice, but also to bring more producers into the agricultural sector and to make more land available for cultivation. Tourism is another area which provides our country with incredible opportunities to, quite literally, shine.

In response to the State of the Nation Address, the ANDM Municipality has made tremendous contribution towards the provision of infrastructure (particularly water and sanitation), economic development, development of our rural areas, poverty alleviation, provision of ICT infrastructure in our rural areas (particularly Thusong Centres) and improving health and healthy communities through our Municipal Health Services (MHS) Unit. The municipality also responds to youth development and further ensures rural development in ANDM.

2.10. State of the Province Address

The ANDM acknowledges the issues highlighted in the State of the District Address. The ANDM's IDP implementation will assist in realising the development agenda of the Province. The provincial address confirmed the priorities of the province as outlined below:

- The importance of growing the economy of Eastern Cape, which remains one of the country's poorest provinces and with a high unemployment rate as well as huge infrastructure backlogs.
- The level of unemployment in the province – especially among the youth, was too high, therefore the Eastern Cape Provincial Government will implement various programmes aimed at creating thousands of job opportunities in the coming year.
- The identification of opportunities for off-take agreements will also be prioritised to ensure that our target of sourcing 50% of goods and services locally is achieved.
- The re-engineering of Primary Health Care, which is one of the corner stones of the National Health Insurance (NHI), remains our key driver to achieve universal health coverage

2.11. Powers and functions of the municipality

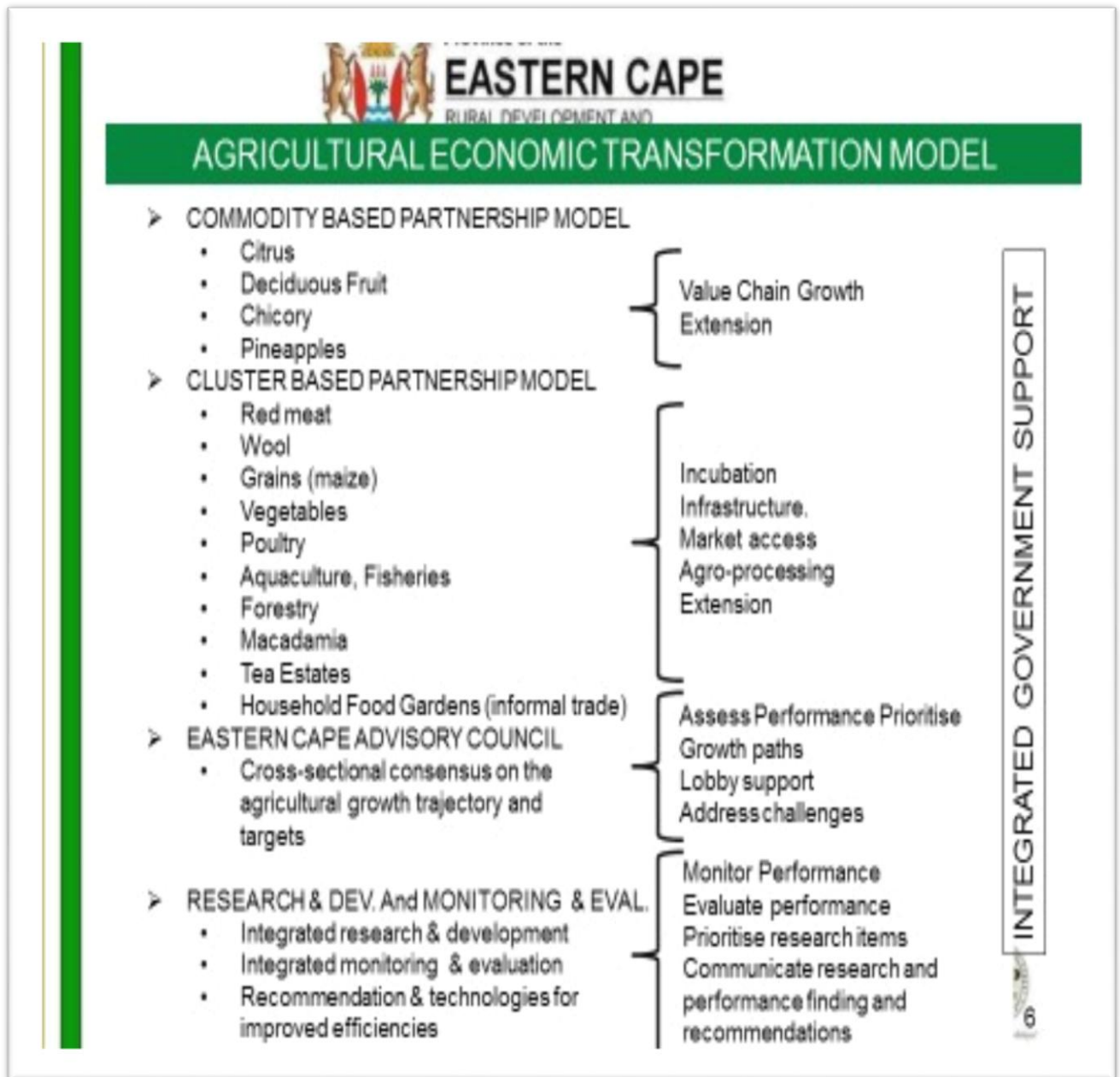
The Alfred Nzo District Municipality executes amongst others the following functions and powers:

- Integrated Development Planning of the district as a whole including the Framework Plan for IDPs for local municipalities within its area of jurisdiction.
- The district is a Water Service Authority (WSA) and Water Provision Authority, and therefore provides Bulk and Potable water supply as well as both rural and urban sanitation
- Municipal Health Services
- Fire and Rescue Services as well as Disaster Risk Management
- The implementation of Expanded Public Works Programme (EPWP).
- Environmental Management
- Financial Management and Revenue Collection through services it renders to communities, business and government departments and distribution of grants to local municipalities.
- Promotion of Local Tourism for the district.
- Promotion of Local Economic Development.

Functions not yet provided by the district are:

- Municipal Abattoirs
- Municipal Public Transport
- Municipal Airport Services

The transformation model:



3. District Situational Review

3.1. Socio-economic Overview



Source: ECSECC, 2016

3.1.1. General Overview of Alfred Nzo District Municipality

Alfred Nzo District Municipality was historically part of the Transkei homelands. As such the district is characterized by high levels of poverty, based on both income inequality and low level of development. In response to this deprivation, the Alfred Nzo District was one of the presidential poverty nodes identified in the Integrated Sustainable Rural Development Programme (ISRDP), and has been a subject of different forms economic intervention through time.

The district is largely rural in nature, with village settlements defined by the district's geographical footprint through mountain ranges and river systems. Agriculture and tourism make up core components of the local economy. Matatiele municipality is close to the Lesotho/South Africa national border and has two urban nodes – the towns of Matatiele and Cedarville. Matatiele acts as a service node to the agrarian based economy of the area, while Cedarville serves as a secondary service centre. Umzimvubu municipality hosts the district's administrative capital in Mt Ayliff and the district's largest economic node in Mt Frere. The N2 traverses the course of the Umzimvubu municipality, and can be seen as its most prominent defining trait.

Ntabankulu municipality has small urban settlements at Ntabankulu town and Cacadu. Ntabankulu has a strong rural presence and is geographically defined by several mountain ranges. Mbizana municipality is the district's gateway to the Wild Coast and has a medium sized town at Bizana. The district has a very mountainous terrain. The land form of the district is generally rugged, with parts of it characterized by steep slopes and high elevations. The topography has implications on the district's natural, social and economic environment. The district is characterized by a high level of biodiversity, and natural resources include river systems, indigenous forests and rich soils. Socially, settlement patterns are determined by the courses of rivers, valleys and hills. The interaction between people and nature also means that the terrain either exacerbates or ameliorates human impacts on the environment.

Economically, a mountainous terrain provides opportunities and challenges not found in other areas. Opportunities include potential for scenic tourism and forestry activity. Challenges include high costs of doing business, given the implications of mountains and hills for the provision of infrastructure such as roads, electricity and telecommunications.

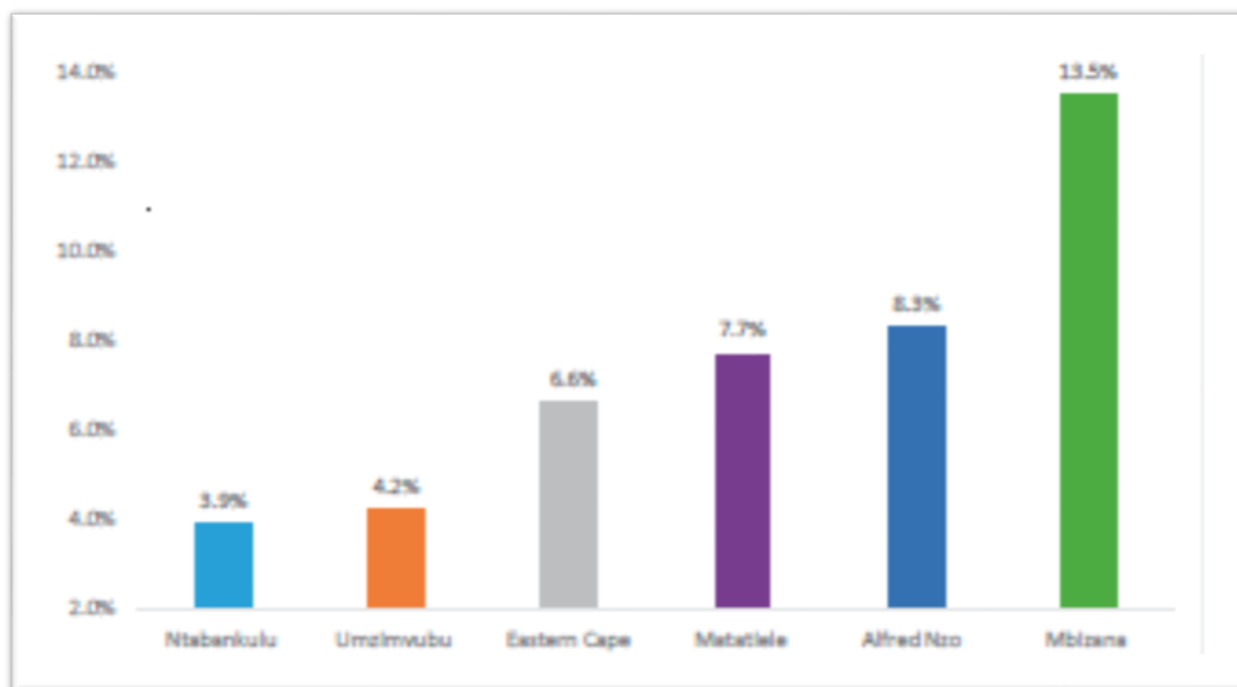
3.1.2. Demographic Patterns of Alfred Nzo District

Demographics	2011		2016	
	Number	Percent	Number	Percent
Alfred Nzo				
Population	801,344	100.0	867,864	100.0
Black African	794,382	99.1	862,589	99.4
Coloured	3,307	0.4	3,647	0.4
Indian or Asian	1,132	0.1	598	0.1
White	1,898	0.2	1,030	0.1
Population by home language				
Afrikaans	6,716	0.8	1,757	0.2
English	18,090	2.3	3,427	0.4
IsiXhosa	673,519	84.6	752,214	88.8
IsiZulu	9,954	1.2	5,631	0.7
Sesotho	69,811	8.8	81,265	9.6
Other	18,237	2.3	2,507	0.3
Number of households	187,183		195,975	
Households size	4.3		4.4	

Gender				
Male	366,488	45.7	397,206	45.8
Female	434,857	54.3	470,658	54.2
Population by age				
0 - 14	327,704	40.9	345,624	39.8
15 - 34	264,442	33.0	340,753	39.3
35 - 64	159,685	19.9	113,039	13.0
65 +	49,514	6.2	68,448	7.9

Source: Statistics South Africa (2011 Census and 2016 Community Survey) Table 1.1

Distribution of the Eastern Cape population: 2016 Source: Statistics South Africa, 2016 Figure 1.



Source: Statistics South Africa, 2016 Figure 1.

Alfred Nzo Demographic results from the 2016 Community Survey:

The population dynamics of a district is of paramount importance in addressing developmental needs in society. The population growth, ageing population, migration and urbanization present both important developmental challenges and opportunities that have direct and indirect implications for social, economic and environmental development. These dynamics in the population structure affect macro-economic factors such as consumption, production, employment, income distribution and poverty. The changes in the population structure influence universal access to social services such as health, education, sanitation, water, food and energy.

Proper planning for population dynamics will therefore ensure that the wellbeing of both

the current and the future generation is promoted with the motive of advancing sustainable development. In analyzing the population dynamics it is essential to look at factors such as urbanisation, migration, fertility, mortality, life expectancy as well as the age structure of the population. These factors will give an indication with regard to the estimated number of people who are dependent on government for transfers as well as the number of people who are economically active. These factors also play an essential role in the efficient allocation of resources at all spheres of government.

The data used in this section is from the 2016 Community Survey published by Statistics South Africa. The analysis and results of this section could be used by Alfred Nzo and its local municipalities for promoting optimal resource allocation in order to reduce poverty and vulnerability among marginalized people in municipality.

The total population in Alfred Nzo district municipality has increased by 8.3% from 801 344 people in 2011 to 867 864 people in 2016

	2011 Census			2016 Community Survey		
	Male	Female	Total	Male	Female	Total
Alfred Nzo	366,488	434,857	801,344	397,206	470,658	867,864
Matatiele	93,675	110,168	203,843	100,288	119,159	219,447
Umzimvubu	87,946	103,674	191,620	92,129	107,491	199,620
Mbizana	128,332	153,573	281,905	145,821	174,127	319,948
Ntabankulu	56,534	67,442	123,976	58,968	69,880	128,848
Eastern Cape	3,089,699	3,472,353	6,562,051	3,327,495	3,669,481	6,996,976

Source: Statistics South Africa (2011 Census and 2016 Community Survey)

Table 1.2

The findings from the 2016 community survey are critical for decision-making not only in the public sector but also in the private sector. Population size and characteristics can influence the location of businesses and services to satisfy the needs of the target population.

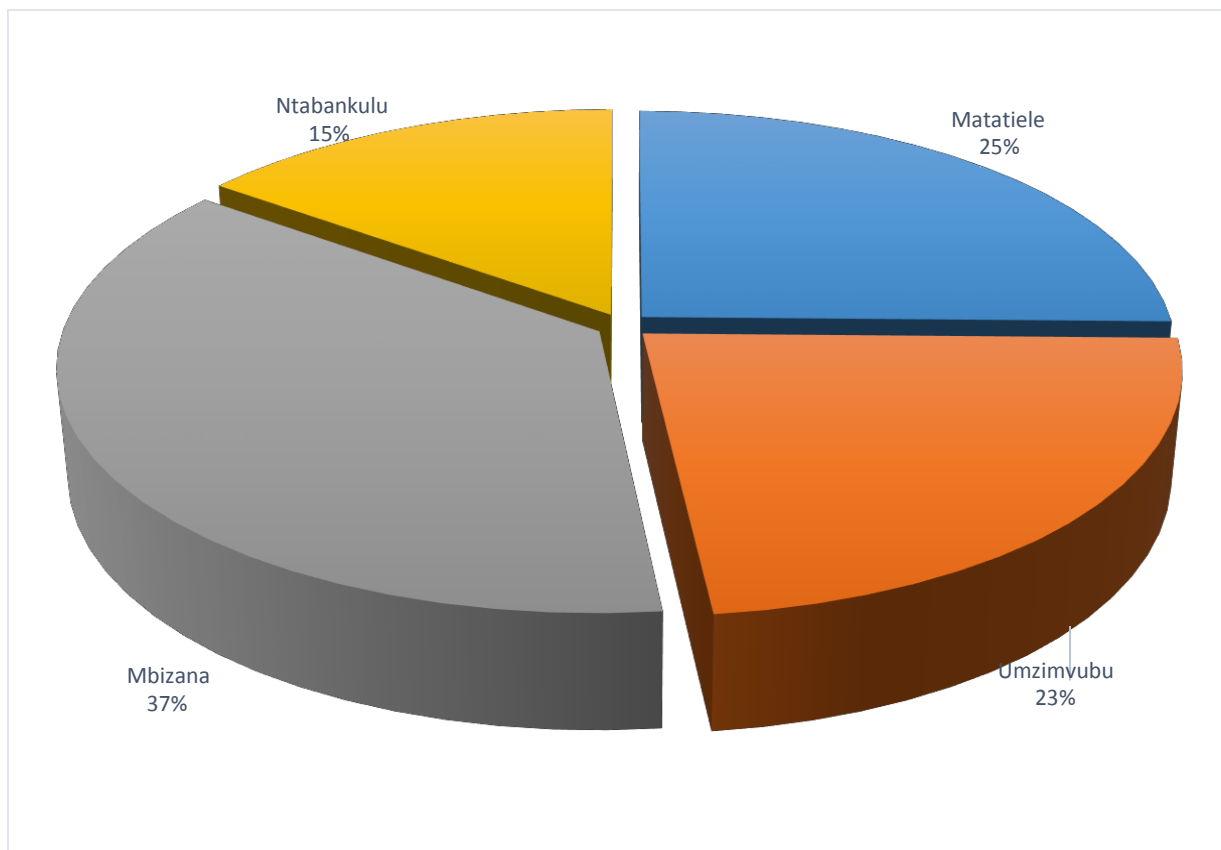
The following lessons are derived from the demographics of Alfred Nzo district municipality:

- According to Statistics South Africa, Alfred Nzo total population has grown from 801 344 people in 2011 to 867 864 people in 2016 (See Table 1.1). This population of 867 864 people represent 12% of the Eastern Cape total population (See Figure 1.1).
- Between 2011 and 2016, Alfred Nzo district municipality grew by 8.3% (See Figure 1.1).
- In 2016, the district has more female (470 658) than male (397 206), however male population has grown faster at 8.4% than their female counterpart at 8.2%.

ALFRED NZO DISTRICT MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2018 - 2019

- Between 2011 and 2016, the population growth was high in Mbizana at 13.5% and low in Ntabankulu at 3.9%. In Umzimvubu and Ntabankulu, the female population grew by 3.

How the population of Alfred Nzo is distributed among the local municipalities (2016 Community Survey)



Source: Statistics South Africa, 2016 Community Survey **Figure 1.3**

Overall, demographic development outcomes influences other population variables such as migration, settlement, fertility, mortality and morbidity rates. It gives insight into the living standards of the population and an indication of what policy options should be undertaken according to the structure of the socio-economic context. Comparing 2011 population with that of 2016, with the exception of Matatiele, male population has grown faster than their female counterpart (Table 1.3).

Growth rate by Gender

Gender	Growth rate				
Male	8.4	7.1	4.8	13.6	4.3
Female	8.2	8.2	3.7	13.4	3.6
Total	8.3	7.7	127.0	13.5	3.9

Source: Statistics South Africa (2011 Census and 2016 Community Survey) **Table 1.3**

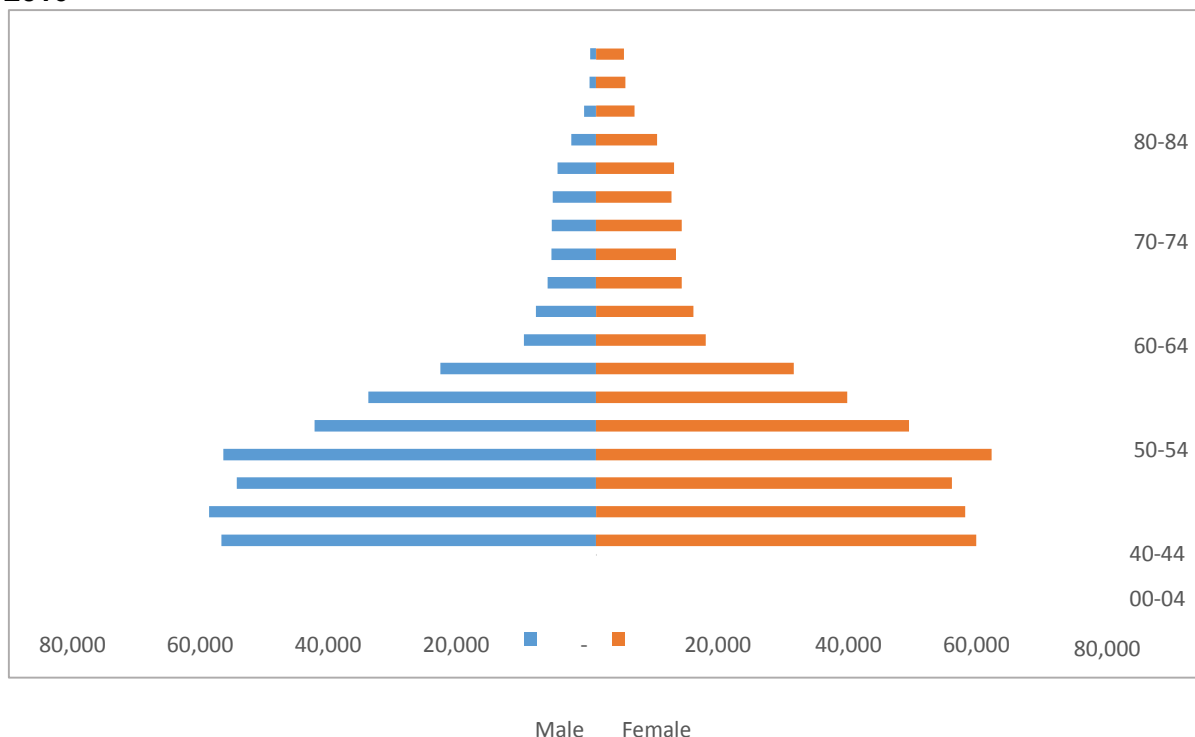
Sustainable development represents a commitment to advance people's well-being. It hinges on two factors: consumption and population growth. High fertility rates (which lead to high population growth) burden the economy in terms of consumption. Further

to this, the number of children women bear in their lifetime has a significant impact on the level of economic and social development that they can achieve. Generally, in rural district like such as Alfred Nzo, a woman who has a child or several children is bound to remain in the home to take care of them, which reduces her chances of seeking work or education outside of the home. This results in fewer opportunities for personal development on her part, and therefore perpetuates a cycle of poverty. The fertility rate can therefore be considered to be an indicator of the general health status of a population, and a specific indicator of maternal health, as it encompasses health initiatives such as family planning.

Age pyramid of Alfred Nzo District Municipality

The age pyramid of Alfred Nzo district municipality is a combination of both a "**Triangular-Shaped Pyramid**" at the bottom of the pyramid and a "**Rectangular-Shaped Pyramid**" in the middle of the pyramid. In general, a population with more young people, will grow more rapidly than a population with a larger percentage of older. This is the case for Alfred Nzo, a district populated largely with very young people.

**Age pyramid of Alfred Nzo District:
2016**



Source: Statistics South Africa, 2016 Community Survey Figure 1.4

Figure 1.4 shows a triangular-shaped pyramid from the age of zero to the age of 34, a rapid transition from infant to child and from youth to young adult. Thereafter, the age pyramid shifts to a rectangular-shaped from the age of 35 to the age of 70. It changes again to a triangular-shaped at the age of 70 and beyond.

It is important for Alfred Nzo district municipality to monitor population data, as a rapidly growing population may need to be followed by faster investment in household, health and other essential infrastructure to ensure that a favourable socio-economic environment is maintained. In addition, investigating the dynamics of a population is vital in attaining the precise viewpoint of those who are likely to be affected by any prospective policy, project or development.

From demographic dividend to demographic gift: Is this the case for Alfred Nzo?

Over time, the age structure of the district's population may change as the population transitions from high to lower fertility and mortality rates. Demographic changes that a society experiences may lead to a window of opportunity or higher economic growth, with a greater supply of labour and lower dependency ratios as the working age population rises in proportion to the number of young and elderly people.

"Demographic dividend" occurs when the proportion of working people in the total population is high because this indicates that more people have the potential to be productive and contribute to growth of the economy (Look at Figure 1.4 with a combination of a triangular-shaped pyramid and a rectangular-shaped pyramid).

Advanced countries of Europe, Japan and USA have an ageing population because of low birth rates and low mortality rates. Neither the least developed countries nor the countries of Africa have as yet experienced favorable demographic conditions according to the research by UN population division. China's one child policy has reversed the demographic dividend it enjoyed since the mid-1960s according to a World Bank global development report.

In Alfred Nzo, we see with both increasing numbers of young people and declining fertility has the potential to reap a demographic dividend. Due to the dividend between young and old, many argue that there is a great potential for economic gains, which has been termed the **"demographic gift"**. In order for economic growth to occur the younger population must have access to quality education, adequate nutrition and health including access to sexual and reproductive health.

Population age structure

The district's age profile is presented here shows a large juvenile population, with almost 40% of residents being below the age of 15. When read together with the over 65 population, it can be seen that the district potentially has a high dependency ratio. Dependency in this case refers to the proportion of the population that is not able to work, and thus economically dependent on others for its survival. The mid-life cohort of ages 35-64 can be said to be underrepresented as it constitutes fewer than one in every five people. The implication of this is found in a shortage of experienced workforce members that make significant contributions to economic productivity, output and production. It is also in these cohorts that positive and high returns to scale on social

and human capital investments such as education and health are felt.

The population age structure of an area impacts on development in determining the demand and supply for goods and services. People of different age groups have different types of needs. For example in Table 1.4, a high proportion of children (0 – 14 years) in Alfred Nzo District

Municipality (39.8%) and (39.3%) for the youth aged 15 to 34 years of age would influence development on education and health services. The size of the working age population has important consideration in analyzing the size of the potential labour force. It is evident from the statistics that urban areas had a higher proportion of working age persons to the total population than rural areas.

About 80% of population in Alfred Nzo is young below the age of 35

	0 to 4	5 to 9	10 to 14	0 to 14 (Children)	15 to 34 (Youth)	35 to 64 (Adults)	65+ (Elderly)	Grand Total
Alfred Nzo	117 209	117 389	111 027	345 625	340 753	131 488	49998	867 864
Matatiele	27 507	28 102	26 571	82 180	86 031	37 044	14192	219 447
Umzimvubu	23 451	25 308	24 345	73 104	80 467	33 337	12714	199 622
Mbizana	47 802	46 662	43 793	138 257	123 567	42 669	15456	319 949
Ntabankulu	18 449	17 316	16 318	52 083	50 689	18 441	7636	128 849

	0 to 4	5 to 9	10 to 14	0 to 14 (Children)	15 to 34 (Youth)	35 to 64 (Adults)	65+ (Elderly)	Grand Total
Alfred Nzo	13.5	13.5	12.8	39.8	39.3	15.2	5.8	100
Matatiele	12.5	12.8	12.1	37.4	39.2	16.9	6.5	100
Umzimvubu	11.7	12.7	12.2	36.6	40.3	16.7	6.4	100
Mbizana	14.9	14.6	13.7	43.2	38.6	13.3	4.8	100
Ntabankulu	14.3	13.4	12.7	40.4	39.3	14.3	5.9	100

Source: Statistics South Africa, 2016 Community Survey Table 1.4

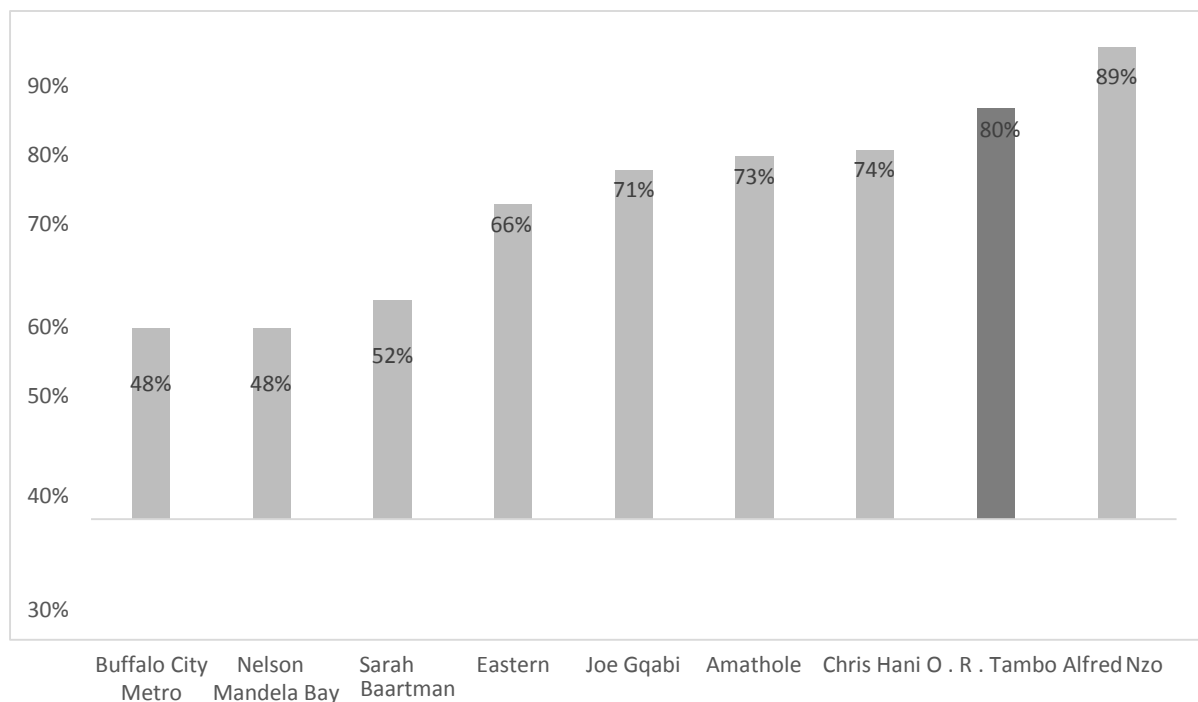
The demographic analysis of Alfred Nzo reveals that the population is young, with about 80% of the total population being below the age of 35 (See Table 1.4). This implies that expenditure on social infrastructure such as schools, health care facilities and recreational centers are crucial. However, evidence from both the age pyramid (Figure 1.4) and the structure of the population (Table 1.4) reveals that elderly people in Alfred Nzo are very few. Adults aged between 35 and 64, who are mature people responsible to bring food on the table, only account for 15% of the population. This implies that the dependency ratio in the district is high.

Dependency Ratio

What is Dependency ratio and what importance it has in demographic analysis?

The dependency ratio measures the ratio of the non-working age population (i.e. people between the ages of 0 and 14 years old, and those older than 65 years) to the working age population (15–64 years). The higher the ratio, the more pressure there is upon the working age population to provide for the non- working age individuals.

Dependency ratios of Districts and Metros in the Eastern Cape



Source: Own Calculations based on Community Survey 2016 Figure 1.5

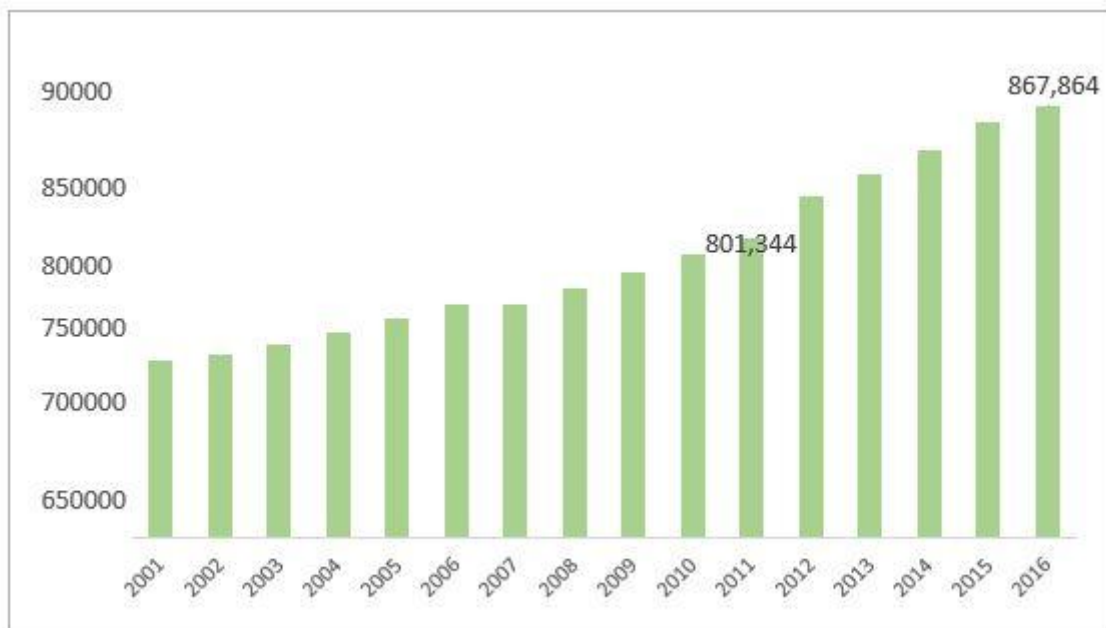
Results in 1.5 reveal that the higher dependency ratios are associated with rural districts and districts with limited economic activity. The opposite is also shown with lower dependency ratios being associated with urban districts and Metros. However, the measure does not take into account that age may not be an indicator of economic dependency as children and the elderly can qualify for social security grants. The indicator also assumes that those older than 65 years do not have other sources of income (e.g. pensions). However, the indicator does provide a useful indication of age- based dependency, both for households and for the state.

Where the ratio is high, there is a greater burden placed on the state to assist households with the provision of child and social services and welfare assistance. The highest dependency ratio in the province was in the Alfred Nzo District Municipality

(88.8%), followed by the O.R. Tambo District Municipality (80.3%). The Eastern Cape's two metros, namely the Nelson Mandela Bay Metro and the Buffalo City Metro, had the lowest dependency ratio at 45.9% and 47.8% respectively. Cities naturally attract the working age population who migrate from rural areas to seek work opportunities. This often results in the very young and old populations remaining in rural and under developed areas.

A young and growing population

Geographically, much of South Africa's population growth is taking place in the urban areas, where over 60 percent of the country's people now live. However, although they provide economic opportunities, urban areas face huge developmental challenges.



Source: Statistics South Africa and Quantec, 2016 Figure 1.6

A Growing Population in Alfred Nzo District Municipality

Figure 1.6 provides demographic trends for Alfred Nzo District municipality. Between the last census in 2011 and the latest community survey in 2016, population growth in district has been very impressive. This, in turn, has an impact on resource allocation, the consumption of goods and services and human capital development, which influences factors such as education, employment, income distribution and the physical well-being of a population.

Head of households in Alfred Nzo

Head of Household					Grand Total
	Male	Female	Male	Female	
Eastern Cape	902,719	870,755	50.9	49.1	1,773,473
Alfred Nzo	84,266	111,709	43.0	57.0	195,975
Matatiele	26,809	30,059	47.1	52.9	56,868
Umzimvubu	22,548	28,982	43.8	56.2	51,530
Mbizana	24,428	36,955	39.8	60.2	61,383

Source: Statistics South Africa, 2016 Community Survey Table 1.5

This section highlighted four important facts about Alfred Nzo district municipality. Firstly, its high growing population could contribute to high demand for goods and services. Secondly, the population age structure results in both a triangular-shaped pyramid and a rectangular-shaped pyramid. Thirdly, households in Alfred Nzo is predominantly headed by female. Lastly, about 80% of the population is young below 35 years of age.

3.1.3. Alfred Nzo Socio Economic Performance and Development

This section presents a brief snapshot of Alfred Nzo District's economy. It looks at the structure and performance of the economy, its features, dynamics, potentials of key sectors, and economic trends. It includes a sectoral analysis and makes reference to selected key sectors which are major contributors to the economic activity of the district and drivers of Alfred Nzo economic growth.

Alfred Nzo IDP acknowledges the following challenges facing the district:

- High rate of unemployment
- High poverty rate
- Low income levels
- Skills shortage
- Slow average economic growth
- Transformation on the ownership of land is slow
- Slow delivery on Land Reform Programme
- Land use planning : sparsely distributed population and topography resulting in costly provision of services
- Limited economic potential in rural areas / poor investment in the area due to land under the Traditional Authority (Communal Land Tenure)
- Environmental health and management related issues
- High prevalence of HIV / AIDS

- Absence of tertiary education facilities
- Poor access to Health Care facilities
- High number of child headed households

This document will provide a diagnostic of challenges facing the district in line with the socio- economic indicators listed above.

Selected key economic indicator: Alfred Nzo, 2015

Table 2.2 presents a summary of selected key economic indicators for Alfred Nzo.

- In 2015, the total production (Output) of goods and services in Alfred Nzo was R18 671 million.
- The input cost (Intermediate consumption expenditure) used to produce those goods and services was R8 859 million.
- The difference between Output and input (Also called Gross Value Added) was R9 812 million.
- 57% of GVA was used as Compensation of Employees (CoE) and 41% as Gross Operating Surplus (GOS)
- The input cost accounts for 47% of total production output and the GVA for 53%

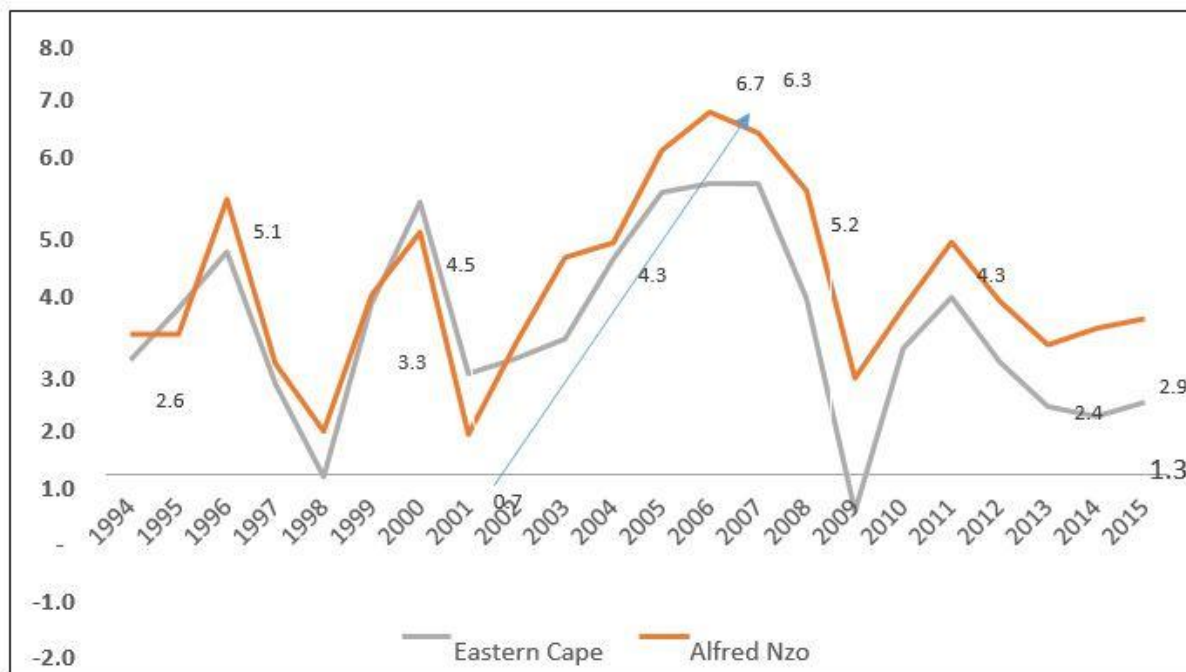
Selected key economic indicators: Alfred Nzo, 2015 (R millions at constant 2010 prices)

	Real Gross value added at basic	Real Compensation of employees	Real Gross operating surplus	Real Output at basic prices
Alfred Nzo	9,812	5,595	4,017	18,671
Umzimvubu	2,728	1,640	1,041	5,096
Matatiele	3,524	1,909	1,536	6,787
Mbizana	2,663	1,508	1,098	5,139
Ntabankulu	897	538	342	1,650
Eastern Cape	210,006	118,328	87,165	469,860

Source: Quantec easy data, 2016

Table 2.2

GDP in Alfred Nzo has grown dramatically between 2003, it reached a pick of 6.7% growth in 2007. High performance was offset by recession in 2008/2009. Since then, growth in the district has stagnated above 2 percent. Overall, the district has performed above the province (See Figure 1.7)



Source: Own calculations derived from Quantec Easy Data, 2016 Figure 1:7

Economic Challenges in Alfred Nzo

The Alfred Nzo District has various economic challenges. The economy is highly dependent on Government and community services sectors. This is an indication of limited private sector presence throughout the district. Another persisting challenge is about how to achieve a more equitable distribution of economic development opportunities when the greater number of the population reside in less economically developed areas and experience an ever deepening poverty cycle. Hence, the need to diversify the economy so that other productive sectors can be enhanced, especially sectors that have direct impact to poverty, such as agriculture. The economy of Alfred Nzo is dominated by the service sector, while productive sectors (Agriculture, Mining, Manufacturing, construction...) have remained very insignificant in terms of their contribution to the district GDP. This implies lack of local economic development initiatives in the district in the GVA sectors. However, the country and the district have a LED strategy in place.

Alfred Nzo District Local Economic Development Strategy

The national LED framework recommends intensified enterprise support be carried out through SEDA. The role of SEDA is to stimulate economic growth through the establishment and provision of support to local enterprise will be important in the district. This is given further articulation, direction and expression in the Provincial

Strategy and Programme for Cooperative Development and Support in the Eastern Cape and the Integrated Strategy for Promotion of Entrepreneurship and Small Enterprise in the Eastern Cape.

The vision for local economic development of Alfred Nzo DM as developed in this strategy is to develop a vibrant and sustainable local economy for the benefit of the local population through creating sustainable business growth, infrastructure development and creation of jobs. This vision is articulated through several goals, which speak to the development of human capital, positioning the ANDM as one of the Eastern Capes cultural, adventure and eco-tourism destinations, investment attraction and place marketing.

To achieve this, the strategy puts forth programmes

for:

- Small business promotion, expansion and retention
- Business infrastructural development
- Agriculture revival
- Developing tourism potential

Alfred Nzo Sectoral contribution to GVA and % share

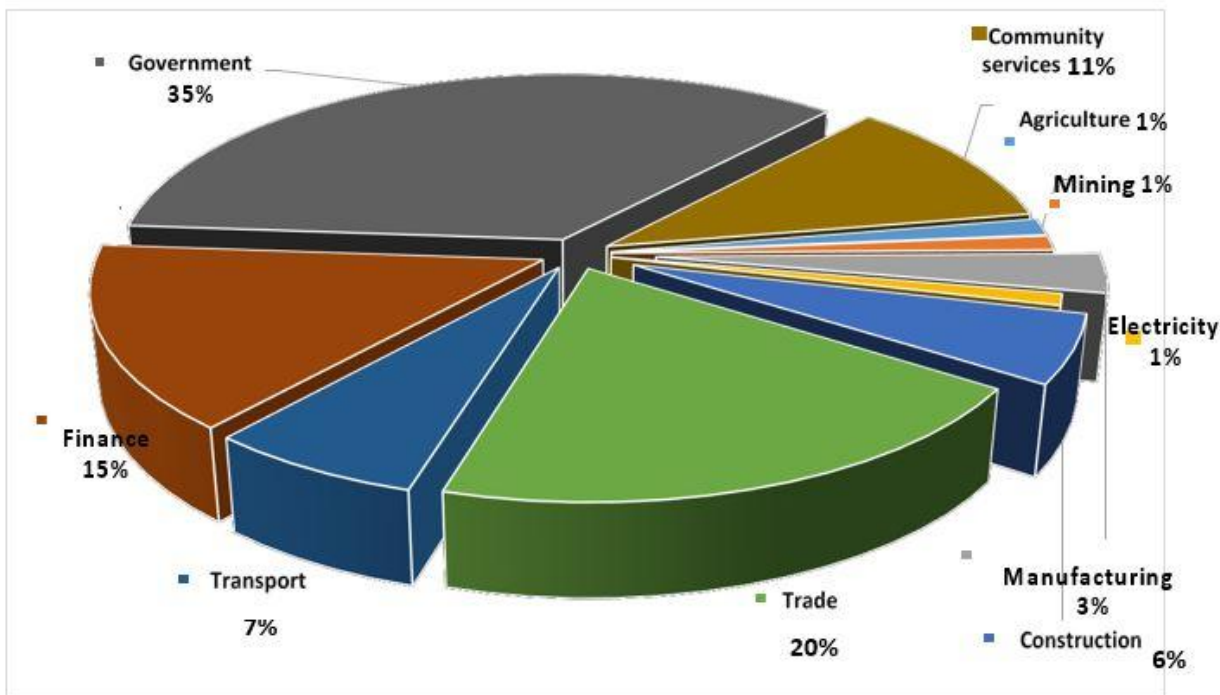
In 2015, Gross Value Added (GVA) generated by the General Government sector (35%), Trade sector (20%) and Finance sector (15%) accounted altogether for almost 70% of total Gross Domestic Product (GDP-R) of Alfred Nzo District. Figure 2:6 shows a clear picture of how these 3 sectors with big bubbles are clustered to the right, signifying their giant contribution to the economy. The challenge is that all the productive sectors (Agriculture, mining, manufacturing, Electricity & Water, construction...) have little contribution.

According to the System of National Accounts (SNA) and the Standard Industrial Classification (SIC), the economy comprises the following sectors:

- **Agriculture sector** includes all activities related to the growing of crops, gardening and horticulture, farming with animals, agricultural husbandry services, hunting, trapping and game propagation, forestry and logging, fishing and operation of fish hatcheries.

- **Mining sector** includes the extraction and beneficiation of minerals occurring naturally through underground and surface mines, quarries and all supplemental activities for dressing and beneficiating for ores and other crude materials.
- **The trade sector** includes wholesale and retail sale. The sector is defined either as “trade” or the resale, i.e. sale without transformation of new and used goods to the general public for personal or household consumption or use by shops, department stores, stalls, hawkers etc. The trade sector entails wholesale, commission trade, retail trade, hotels, restaurants, bars, canteens, short-stay accommodation.
- **The Transport and telecommunication sector** include transport by sea (blue economy), by air (colourless economy) and by road. Telephone and cell-phone are part of this sector. Recently communication by e-mail, social network has overtaken this sector and there is little literature quantifying the impact of social media on the economy.
- **The finance and business services sector** includes activities related to obtaining and redistributing funds, including for the purpose of insurance, real estate or commercial and business services. Some of the activities that fall under this sector include financial intermediation; insurance and pension funding; real estate activities; renting or transport equipment; computer and related activities; research and development; legal; accounting; bookkeeping and auditing activities; architectural, engineering and other technical activities; and business activities not classified elsewhere.
- **The government services sector** includes community, personal and social services rendered by private and public institutions. Activities classified within this sector include public administration and defense activities, activities of government, government departments and agencies; education, public and private; health and social work; activities of membership organisations; recreational, cultural and sporting activities.

Alfred Nzo Sectoral contribution to GVA and % share



Source: Own calculations derived from Quantec Easy Data, 2016 Figure 2:6

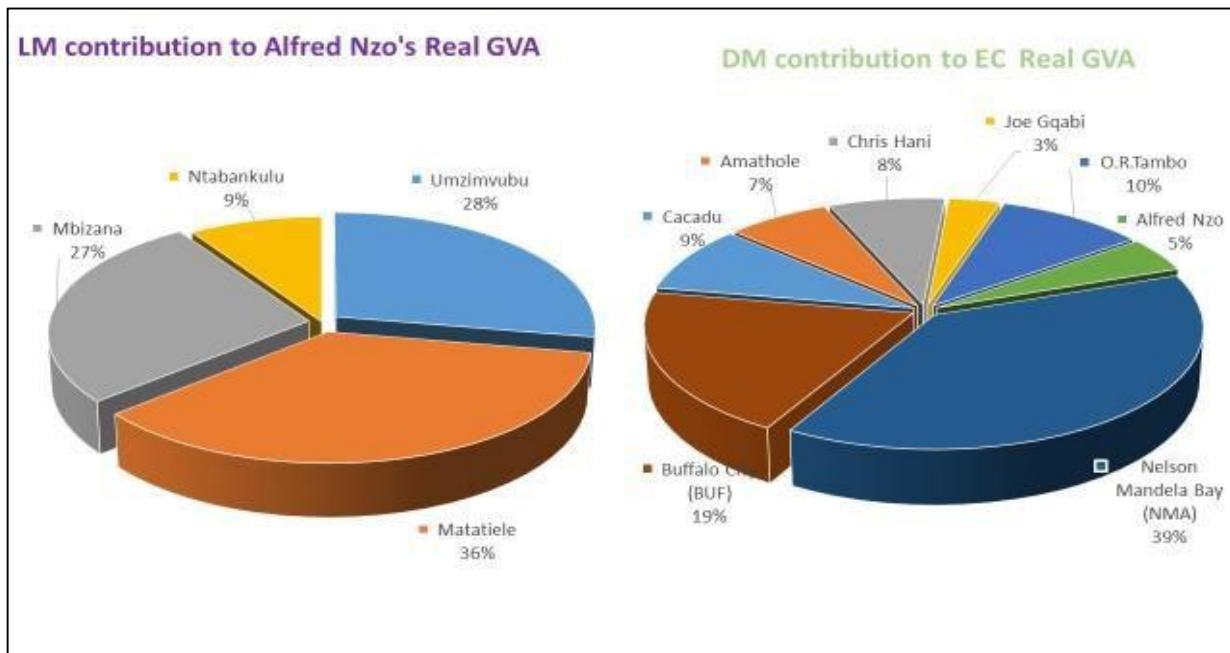
Notably, the primary sector which includes Agriculture and mining remained very insignificant in size and their bubbles are trivial. This is a concern to the District, a call for an urgent agriculture strategy to unlock the hidden potential of the sector and also contribute to employment in the region.

Looking at the size of Alfred Nzo cape economy, Figure 2:6 shows that the district has the lowest contribution (5%) to the Eastern Cape economy. As indicated earlier, this contribution is mostly generated by Government, Trade and finance sectors.

Agriculture is the main economic activity in the District. Currently, it has a limited base for economic expansion due to the fact that the majority of farming is traditional subsistence farming. Commercial farming is limited to the Cedarville area in the north east of the District. The District has favourable conditions for the development of the agricultural sector and it is therefore critical to assess the potential of this industry and devise methods of exploiting this untapped potential. The District has also been selected as one of the regions to undertake the implementation of AgriParks initiative (one of the 27 poorest district municipalities in the country). This initiative came as one of the president's interventions to transform rural economics. Furthermore this initiative is

directly in line with the Agricultural Policy Action Plan and the district Grain Production Master Plan which has the envisaged objective of increasing the level of production within the agricultural sector, in order to significantly reduce unemployment and increase economic growth and development.

Local municipalities' contribution to Alfred Nzo's GVA and Alfred Nzo contribution to Eastern Cape's GV



Source: Own calculations derived from Quantec Easy Data, 2016 Figure 1:9

Focusing on agro-processing is a priority for Alfred Nzo

District

The District's IDP and the vision 2030 have identified agriculture-led growth and agricultural value chains as “clear-cut priorities for accelerated industrialization”. Alfred Nzo District Municipality's prioritization of this sector will allow the district to benefit from growth opportunities in the region and beyond. Despite its relatively small direct contribution to GDP, the agricultural sector has been a mainstay of the Alfred Nzo District Municipality's economy and driver of economic development in this rural area.

Hence, inclusive growth in Alfred Nzo District Municipality should focus on agriculture and manufacturing since these are value add sectors with great potential to create jobs and stimulate growth.

Economic growth should as a final outcome cause an improvement in the overall quality of life as measured by different socio-economic development indicators if the growth is inclusive. On the other hand, socio-economic improvements also benefit economic growth. Local government policies directly aimed at these improvements become agents of economic growth by creating conditions favourable to economic development. High potential sectors are identified so that government resources can be prioritised towards interventions in a small number of opportunities rather than spread across the board.

The economic contribution of primary agriculture is supported by various value chains: its linkages extend to agro-processing producers as intermediate inputs in the production of consumer goods and as backward linkages to its suppliers within the manufacturing and services sector. Increasing farmer participation in the full agriculture value chain via beneficiation of agricultural produce could stimulate inclusive growth and employment creation.

Key policy implications identified should include the benefits of having manufacturing as a growth sector is important. Particularly one with an export-orientation, ability to develop and transmit modern technology and capacity to create employment opportunities. In commodity production the agricultural value chain remains an important sector in which the region has a clear comparative advantage. Whilst real growth potential is currently dominated by agricultural produce and food value chain, there is still a need to add to existing value, and diversify the sector. The sources of and constraints to high sustainable

growth are closely linked to the sector composition of economic growth and the productivity-enhancing distribution of resources among industries. Outside of the broad services sector, agriculture and its associated processing industries, as well as building and construction, stand out for their revealed comparative advantage in Alfred Nzo District Municipality.

	1995	2000	2005	2010	
Alfred Nzo District Municipality: Real Gross value					
R millions constant 2010	2015 added at basic prices,				
Total	6,030	7,058	8,248	10,191	11,787
Primary Sector	209	206	208	223	248
Agriculture, forestry and fishing	94	93	86	121	134
Agriculture	56	58	53	72	84
Forestry	37	34	33	47	48
Mining and quarrying	115	113	121	102	114
Other mining and quarrying	115	113	121	102	114
Secondary Sector	1,461	1,742	2,010	2,471	2,921
Manufacturing	158	185	221	266	312
Food, beverages and tobacco	51	54	74	108	126
Food	38	41	57	87	100
Beverages and tobacco	12	13	17	21	27
Textiles, clothing and leather goods	6	7	8	15	20
Wearing apparel	5	6	7	13	18
Wood and paper; publishing and printing	26	33	32	28	33
Wood and wood products	24	29	28	24	27
Paper and paper products	2	2	3	3	4
Printing, recorded media	1	1	1	2	2
Petroleum products, chemicals, rubber and plastic	9	14	19	24	37
Coke, petroleum products and nuclear fuel	4	7	8	12	23
Other chemical products	5	7	10	12	14
Other non-metal mineral products	31	37	41	39	42
Non-metallic mineral products	31	37	41	39	42
Metals, metal products, machinery and equipment	14	18	26	28	32
Basic iron and steel products; casting of metal	2	3	6	7	10
Non-ferrous metal products	1	1	1	1	1
Structural metal products	1	1	2	1	3
Other fabricated metal products	8	10	13	14	13
Machinery and equipment	3	3	4	5	6
Transport equipment	2	1	2	2	3
Motor vehicles, parts and accessories	2	1	2	2	3
Furniture; other manufacturing	18	20	20	20	18
Furniture	2	2	3	3	4
Other manufacturing groups	16	18	17	17	14
Electricity, gas and water	44	58	64	82	92
Electricity and gas	27	36	43	55	58
Water	16	22	21	28	33
Construction	97	119	212	362	543
Tertiary Sector	4,361	5,111	6,029	7,497	8,618
Wholesale and retail trade, catering and	1,163	1,380	1,513	1,761	1,974
Wholesale and retail trade	1,054	1,287	1,414	1,644	1,861
Catering and accommodation services	109	93	99	117	114
Transport, storage and communication	288	374	500	574	659
Transport and storage	272	349	459	507	574

Communication	16	25	41	67	85
Finance, insurance, real estate and business services	404	505	787	1,105	1,468
Finance and insurance	136	121	219	283	317
Business services	268	384	568	822	1,151
Professional business services	230	303	438	653	893
Business activities n.e.c.	37	80	130	169	258
General government	2,013	2,232	2,476	3,127	3,467
National and Provincial government	1,889	2,073	2,283	2,915	3,218
Local government	124	159	194	212	249
Community, social and personal services	493	619	753	929	1,049
Education (Private)	132	181	220	321	331
Health and social work (Private)	140	191	231	259	337
Other community, social and personal services	221	247	301	349	382

Source: Quantec easy data, 2016 Table 2.3

Comparative advantage of Alfred Nzo local economy: Location Quotient

Analysis

The location quotient is an indication of the comparative advantage of an economy. It is used to identify those local industries that are producing more than is needed for local use and selling outside the region (exporting) and those that are not meeting local needs and are a source of consumption leakage (importing). The table 2.4 below show the District's location quotients relative to the province of the Eastern Cape.

When interpreting the data, a location quotient greater than 1.0 indicates that the local economy is self-sufficient, and may even be exporting the good or service of that particular industry. On the other hand, a location quotient less than 1.0 suggests that the region tends to import the good or service.

According to Quantec regional data (2016), the Table 2.4 below shows that Alfred Nzo District Municipality's comparative advantage relative to province is in construction, trade, Government and community services. Alfred Nzo's disadvantages relative to Eastern Cape Province are in Agriculture, Mining Manufacturing, Energy, Transport and Finance.

But according to the IDP of the district and based on the existing economic activity, market opportunities, resources, assets and skills; the following economic sectors are of significant potential:

- Agriculture
- Forestry

- Manufacturing
- Construction and Mining
- Trade and Business Services/ICT
- Tourism
- SMME and Cooperative Development

Alfred Nzo's location quotient relative to Eastern Cape: 2015

Location quotient relative to Province	Alfred Nzo	Umzimvubu	Matatiele	Mbizana	Ntabankulu
Primary sector	1.22	1.14	1.22	1.06	1.94
Agriculture	0.78	0.95	0.96	0.45	0.51
Mining	3.59	2.15	2.63	4.30	9.65
Secondary sector	0.51	0.47	0.60	0.47	0.40
Manufacturing	0.23	0.22	0.30	0.22	0.05
Electricity	0.78	0.55	1.13	0.68	0.28
Construction	1.35	1.28	1.44	1.21	1.60
Tertiary sector	1.11	1.12	1.09	1.13	1.12
Trade	1.02	0.95	1.26	0.84	0.81
Transport	0.77	0.76	0.65	0.94	0.79
Finance	0.73	0.63	0.80	0.83	0.53
Government	1.57	1.75	1.33	1.59	1.90
Community services	1.42	1.45	1.26	1.54	1.58
Total	1.00	1.00	1.00	1.00	1.00

Source: Quantec easy data, 2016 Table 2.4

While location quotients can help you better understand your local economy, you should not rely solely on them for decision-making purposes. Users should keep the following in mind: The location quotient assumes that local productivity (output per worker) is the same as national productivity. One interpretation of a "high" location quotient might be that a particular industry is exporting.

Tress Index Analysis: To remain competitive, Alfred Nzo District Municipality must diversify its local economy

The Tress Index measures the level of concentration or diversification in an economy. An index score of zero represents a much diversified economy, while a number closer to 100 indicates a high level of concentration. The economy of Alfred Nzo District Municipality appears to be slightly more concentrated on few industries.

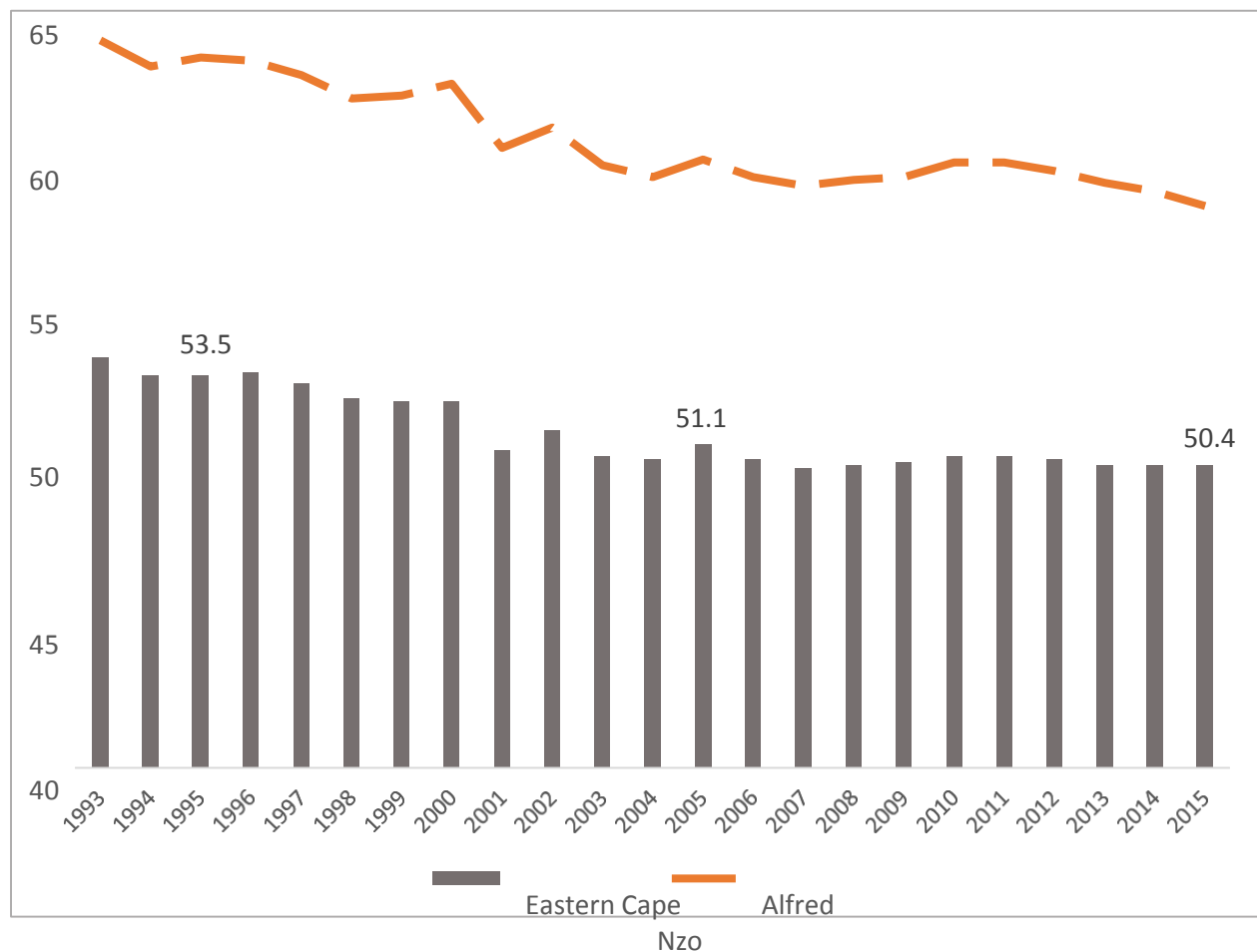
	1995	2000	2005	2010	2015
Alfred Nzo	64.4	63.5	60.9	60.8	59.3
Umzimvubu	68.6	67.7	64.6	63.9	61.9
Matatiele	61.7	61.0	59.2	58.8	57.3
Mbizana	63.4	62.0	59.5	59.8	59.1
Ntabankulu	68.3	68.0	64.5	64.9	62.8

Concentration or diversification of Alfred Nzo economy: Tress index over 10 industries

Source: Quantec easy data, 2016 Table 2.5

According to Quantec Regional data (2016), the level of concentration in the District is gradually increasing. This is an indication that the District is not diversifying its industries (See Table 2.5).

Tress index trend for Alfred Nzo District Municipality and Eastern Cape: 1993 to 2015

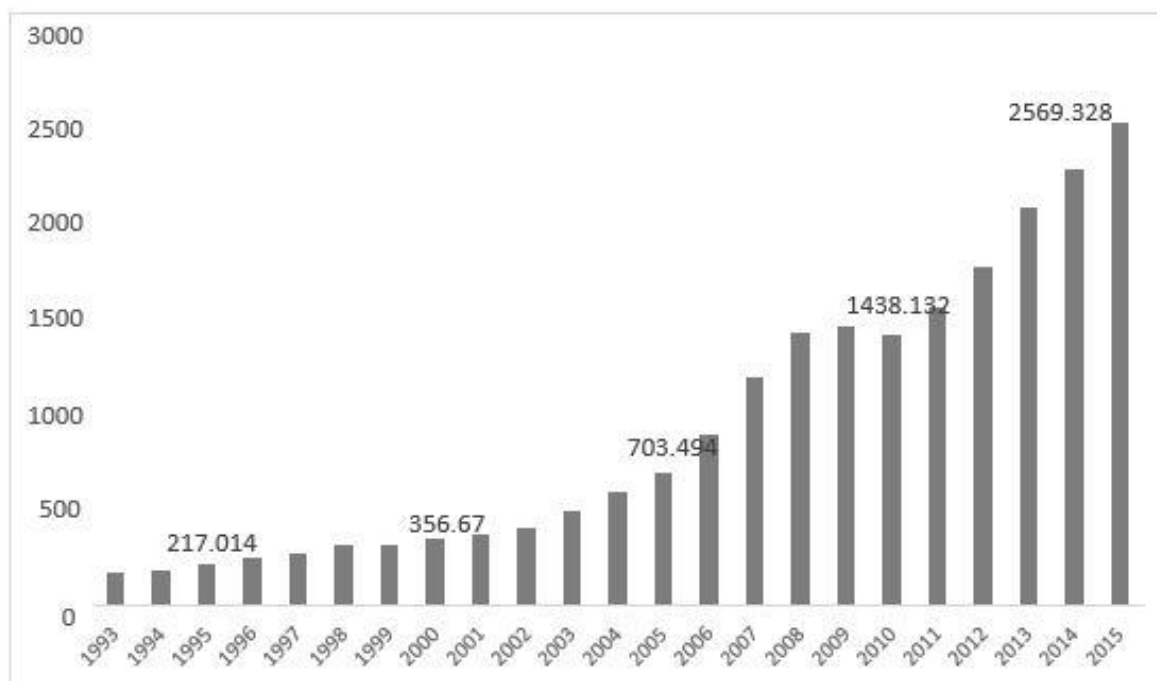


With over a third of all economic activity derived from, driven by or associated to government services, the public sector makes the largest contribution to regional output. Although this sectors contribution to total output has declined since 1995, the absolute value of public sector expenditure more than doubled in that period. This points to declining reliance or dependence on the government as an engine for activity and a growing, but still small private sector over the years. This is mirrored by the district's Tress index, which has declined from 51.0 in 2005 to 50.5 in 2015 (See Figure above). The Tress index is a commonly used measure that indicates the level of concentration or diversification of an economy. A Tress index of 0 (zero) indicates a totally diversified economy, while a number closer to 100 indicates a high level of concentration in the economy.

Investment in the Alfred Nzo District

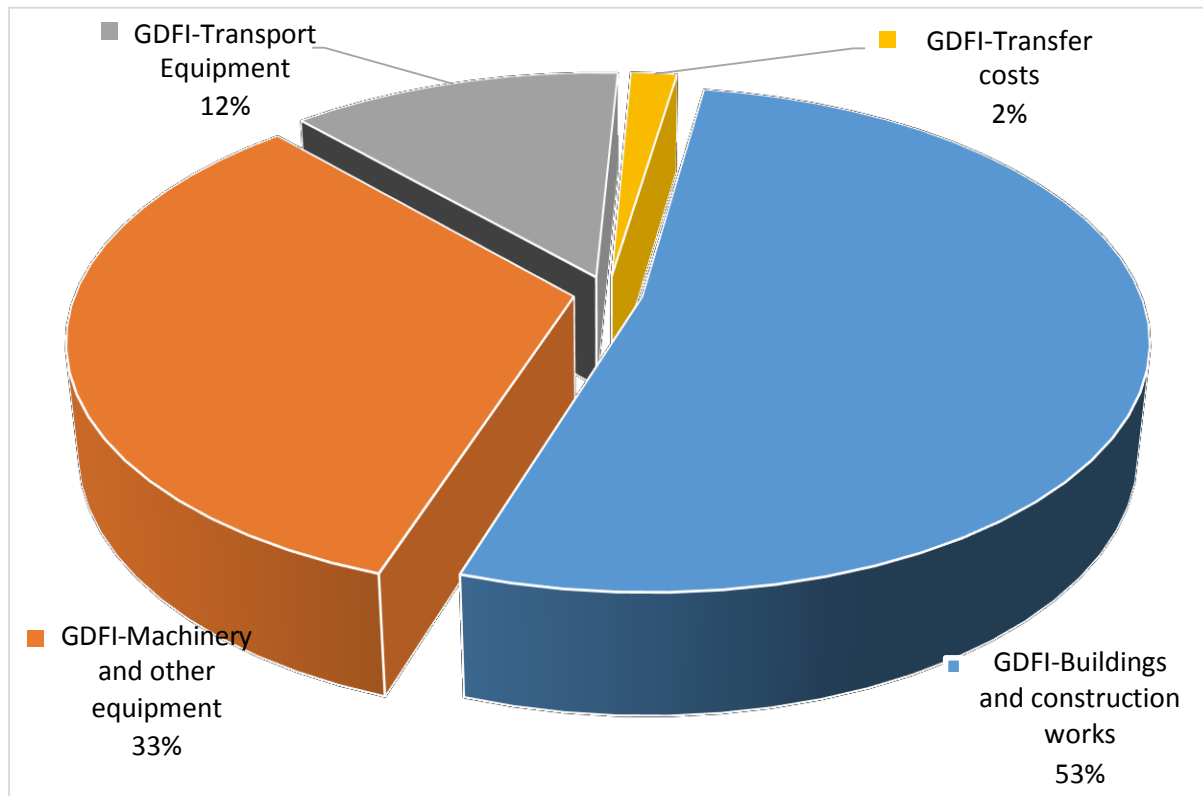
Investment in an area can be measured in terms of Gross Domestic Fixed Investment (GDFI) and/or Fixed Capital Stock (FCS). The total fixed investment provides an indication of investment within the economy into machinery, equipment, building and land. The capital stock formation refers to the net additions to the capital stock of the country or a regional area. In other words, capital stock formation measures the amount by which the total physical capital stock increased during a period.

Gross Domestic Fixed Investment in Alfred Nzo District: 2015 (Rm constant 2010 prices)



Source: Quantec Easy Data, 2016 Figure 1:10

Investment distribution in Alfred Nzo, 2015



Source: Own calculations derived from Quantec Easy Data, 2015 Figure 1:11

Gauteng leads the country in fixed capital stock formation (34%) due firstly to large amounts of foreign direct investment that flow into Gauteng province, and secondly its indisputable position as the commercial hub of South Africa - Why not of the continent? The province of Eastern Cape is ranked 6th highest in terms of capital formation. Figure 1:11 shows that more than three quarters of GDFI in Alfred Nzo are mainly in Building and construction works (53%) and in Machinery and other equipment (33%). Transport equipment only accounts for 12% of GDFI.

The continued underperformance of the Alfred Nzo District economy has exacerbated the existing trend in de-industrialisation. Sluggish growth is not translated in job creation. Consequently increasing levels of poverty and unemployment while at the same time reducing state revenue and increasing spending of public good through free health, basic service, grants, and education subsidies for those poor people who cannot afford it. Due to lack of economic opportunities in Alfred Nzo, entrepreneurs seem averse towards investing in corporations based in this municipality. Lack of infrastructure such as good roads, telecommunication systems, health care facilities do not motivate

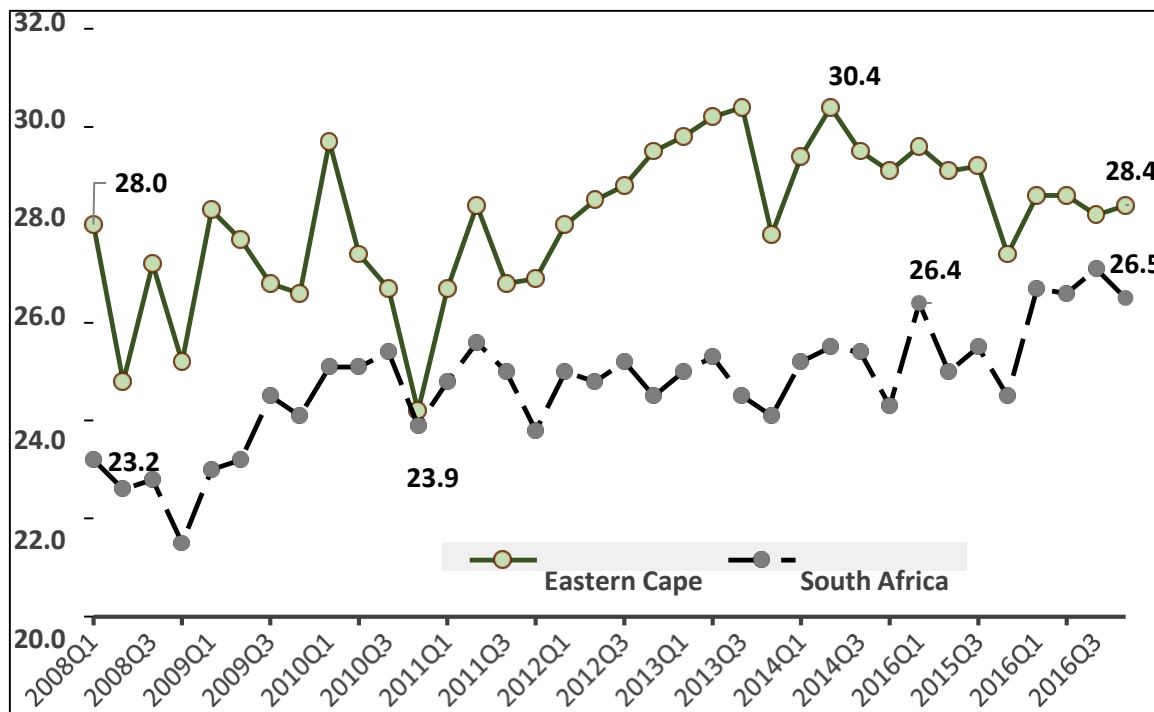
skilled labour and businesses to migrate in the district. Also poor infrastructure, in particular poor road networks, unreliable energy supply and insufficient telecommunication facilities create high transaction costs and are serious obstacles to operating business.

3.2. Labour Market Analysis, Performance and the Role of Education in Alfred Nzo

The labour market is the main transmission channel from growth to poverty and inequality outcomes. In South Africa, output employment elasticity of about 0.69 between 2000 and 2008 stands in sharp contrast to the post crisis period (2009-2015) with negative elasticity of -0.16 percent. There was a profound impact of the recession on the labor market. The employment has never fully recovered. As shown in Figure 3.1, during the 3rd quarter of 2017, unemployment in the Eastern Cape (28.4%) remained higher than that of South Africa (26.5%). High unemployment remains the key challenge facing South Africa and the country struggles to generate sufficient jobs.

The rate of youth unemployment (ages 15-24) stood at close to 50 percent and long term unemployment for more than a year accounts for two-thirds of the unemployed. The unemployment rate for unskilled workers has been increasing as employers are seeking higher skilled workers. The current environment of weak growth is not favourable for private sector job creation—agricultural growth is weak and extractives and mineral sectors continues to struggle causing further jobs losses in these sectors.

During the 3rd quarter of 2017, unemployment in the Eastern Cape (28.4%) remained higher than that of South Africa (26.5%)



Source: Statistics South Africa (2017) Figure 3.1

The labour market is a major source of interest to policy makers because levels of employment and unemployment have far-reaching social, economic and political implications. Sector employment can either be analysed in terms formal employment and informal employment or by primary, secondary and tertiary sector. Productive employment remains the key mechanism through which individuals and households can sustainably escape poverty. Unfortunately, employment is relatively scarce in Alfred Nzo District Municipality. In an effort to increase jobs, economic opportunity and growth, the municipality will be required to capitalise on its relative comparative advantages while simultaneously considering interventions which encourage an economic structure which is more labour intensive to fully utilise the growing unskilled/ semi-skilled labour. More broadly, greater incentives for the private sector to grow the economy are an option to explore.

Formal and informal employment

Table 3.1 below shows that in 2015, there were in total 75 981 people employed in Alfred Nzo District Municipality's economy. Of these, 48 434 people (64%) were employed in the formal sector and 27 547 people (36%) in the informal sector.

Looking at the skills of the 48 434 people employed in the formal sector, 30% were skilled, 35% semi- skilled and 35% low/unskilled (See Table 3.1). The Government of Alfred Nzo District Municipality should pay much attention on unskilled labour and those in the informal sector.

The informal sector is characterized by short-term employment opportunities, little or no prospect of internal promotion, and wages are determined by market forces. In terms of jobs, it consists primarily of low or unskilled jobs, whether they are blue-collar (manual labour), white-collar (filing clerks), or service jobs (waiters). These jobs are also characterized by low skill levels, low earnings, easy entry, job impermanence, and low returns to education or experience.

Employment, 2015 (Total number of people employed)

	Alfred Nzo	Umzimvubu	Matatiele	Mbizana	Ntabankulu
Total Formal and Informal	75,981	20,712	27,664	20,774	6,831
Formal: Total	48,434	14,042	16,486	13,090	4,816
Formal: Skilled		4,412	4,438	4,309	1,532
Formal: Semi-skilled	14,691	5,077	5,904	4,353	1,584
Formal: Low skilled	16,918	4,553	6,144	4,428	1,700
Informal	16,825	6,670	11,178	7,684	2,015
	27,547				

Source: Quantec, 2016 Table 3.1

Generally, the primary sector is dominated by unskilled labour, while the tertiary industry, particularly Finance, insurance, real estate and business services has a bigger share of highly skilled employees. The construction; transport, storage and communication; and wholesale and retail trade, catering and accommodation sectors have a significant share of informal labour.

The skills gap in Alfred Nzo District Municipality indicates the need for training and development centres, especially for the young people who account for over 40% of the population. As shown in the Table 3.1 above, in 2015, about three quarter of the employed people are either unskilled or semi- skilled. The Department of Education will play a major role in Alfred Nzo District Municipality. Given limited resources, Government

needs to re-allocate resource in the development of human capital so that the economy can have more skilled people to occupy strategic positions in the municipality. Developing human capital will ensure that the skills gap is bridged and more people are becoming efficient and effective in uplifting the economy.

The development of human capital has a chain reaction. When people are trained and developed, they will be employed in the formal sectors, and pay taxes that can be used to fund other activities. As more effort is invested in human capital in the short-term, the long run economy of the municipality will become promising for future development because people will use their acquired skills in the economy. "Knowledge economy" is leading regions driven by innovation; whereby unskilled people are less needed. Hence Government interventions are critical. Some of these interventions should include the following:

- Reduce unskilled labour and increase skilled or highly skilled labour through training and education of workers,
- Upgrade training facilities with the latest technology;
- Introduce domestic policies that discourage the outflow of highly skilled workers (brain drain),
- Ensure labour equity is reached; and previously disadvantaged workers (Africans, women and youth) are trained; and they are fully participating in the main stream labour marker. This will help to bridge the skills gap.

Once these labour interventions are implemented, the positive impact will be felt in the long run, not only to the individual workers, but also to the economy as whole. Thus, highly skilled workforce will contribute to improved productivity, leading to economic growth.

Compensation of employees

What are the wages and salaries earned by employed people in Alfred Nzo District Municipality? The table 3.2 below shows the amount paid to workers in the form of compensation of employees. The real compensation of employee for people

employed in Alfred Nzo District Municipality's economy amounted to R5 039million in 2015 of which about 96% in paid in the formal sector and 4% in the informal sector.

Alfred Nzo District Municipality's compensation of employee in the formal sector was estimated at R4834 in 2015 of which:

- 60% was paid to skilled workers;
- 28% to the semi-skilled workers, and
- 12% to low/unskilled workers.

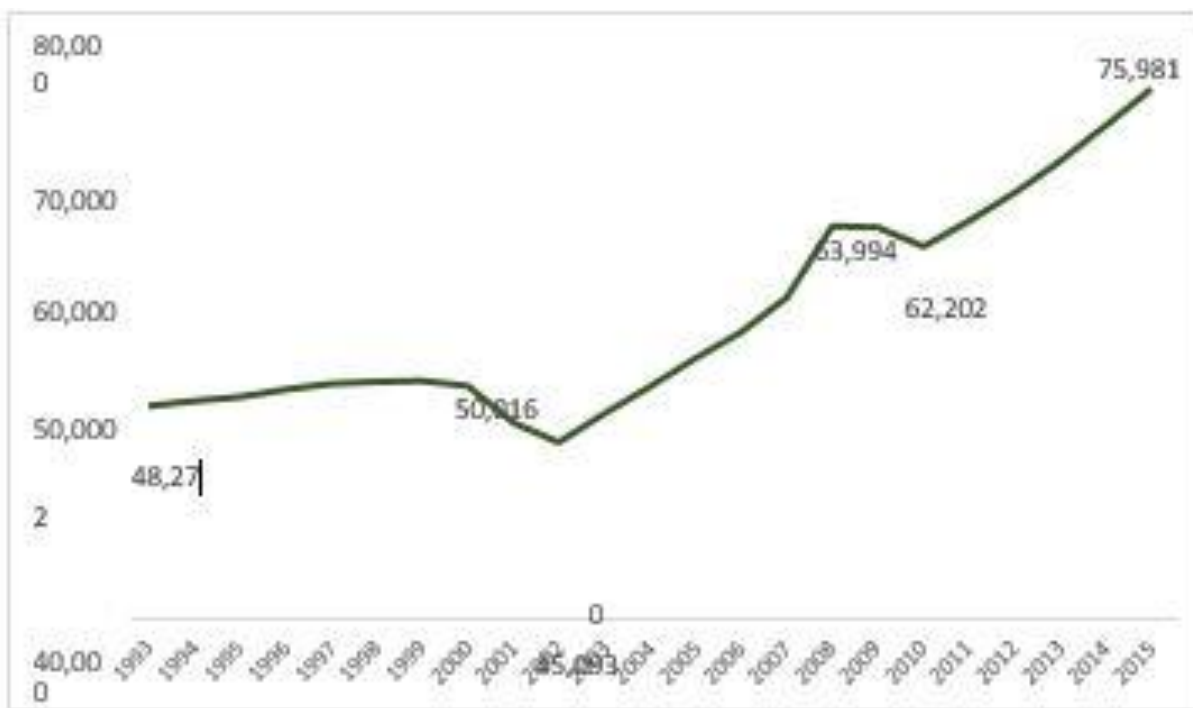
Compensation of employee (R million constant 2010 prices)

	Alfred Nzo Umzimvubu	Matatiele	Mbizana	Ntabankulu	
Total Formal and Informal	5,039	1,486	1,689	1,362	502
Formal: Total	4 834	1,441	1,600	1,306	487
Formal: Skilled	2,916	866	915	830	304
Formal: Semi-skilled	1,367	421	479	338	128
Formal: Unskilled	552	153	206	138	55
Formal: Total	205	45	89	56	15

Source: Quantec, 2016 Table 3.2

3.2.1. Employment trends in Alfred Nzo District Municipality

The Eastern Cape vision 2030 developed by the EC Planning Commission highlights education and job creation as key building blocks for the long term development of South Africa. The report establishes the following set of priorities as pivotal for the development of the Eastern Cape: (1) An improvement in education and provide skill needed by employer; (2) Job creation; (3) A more effective drive to transform and develop our rural regions to boost the economic performance of the province as a whole. Jobs must also be created in rural areas; and (4) A commitment to improving the functionality and efficiency of the public sector to ensure key priorities and desired outcomes are achieved. Figure 3.2 below shows how employment in Alfred Nzo District Municipality stagnated between 1993 and 2000 and how jobs were created between 2003 to 2008. The speed in employment growth was disrupted by the 2008 and 2009 recession. But since 2013, employment in the municipality has again start increasing.



Total employment in Alfred Nzo District Municipality Local municipality
 Source: Quantec, 2016, Figure 3.2

Age Distribution, community survey 2016

	0 to 1415 (Children)	15 to 3435 (Youth)	35 to 6465 (Adults)	65+ (Elderly)	Grand Total
Alfred Nzo	39.8%	39.3%	15.2%	5.8%	100.0%
Matatiele	37.4%	39.2%	16.9%	6.5%	100.0%
Umzimvubu	36.6%	40.3%	16.7%	6.4%	100.0%
Mbizana	43.2%	38.6%	13.3%	4.8%	100.0%
Ntabankulu	40.4%	39.3%	14.3%	5.9%	100.0%

Source: Quantec, 2016 Table 3.3

Looking at the age structure of the municipality, from the Table 3.3, it is clear that 39.8% of Alfred Nzo District Municipality population is below the age of 14; and 39.3% of total population is youth between 15 and 34 years of age. In total, almost 80% of the population in Alfred Nzo District Municipality is below the age of 35. Therefore, employment in Alfred Nzo District Municipality should focus on the young people.

In order to absorb the younger generation, measures should be put in place to help them enter the labour market of which early retirement schemes are the most obvious. The younger generation continue to face unemployment problem because the majority of them enter the labour market for the first time without any work experience or skills.

3.2.2. Sector employment in Alfred Nzo District Municipality

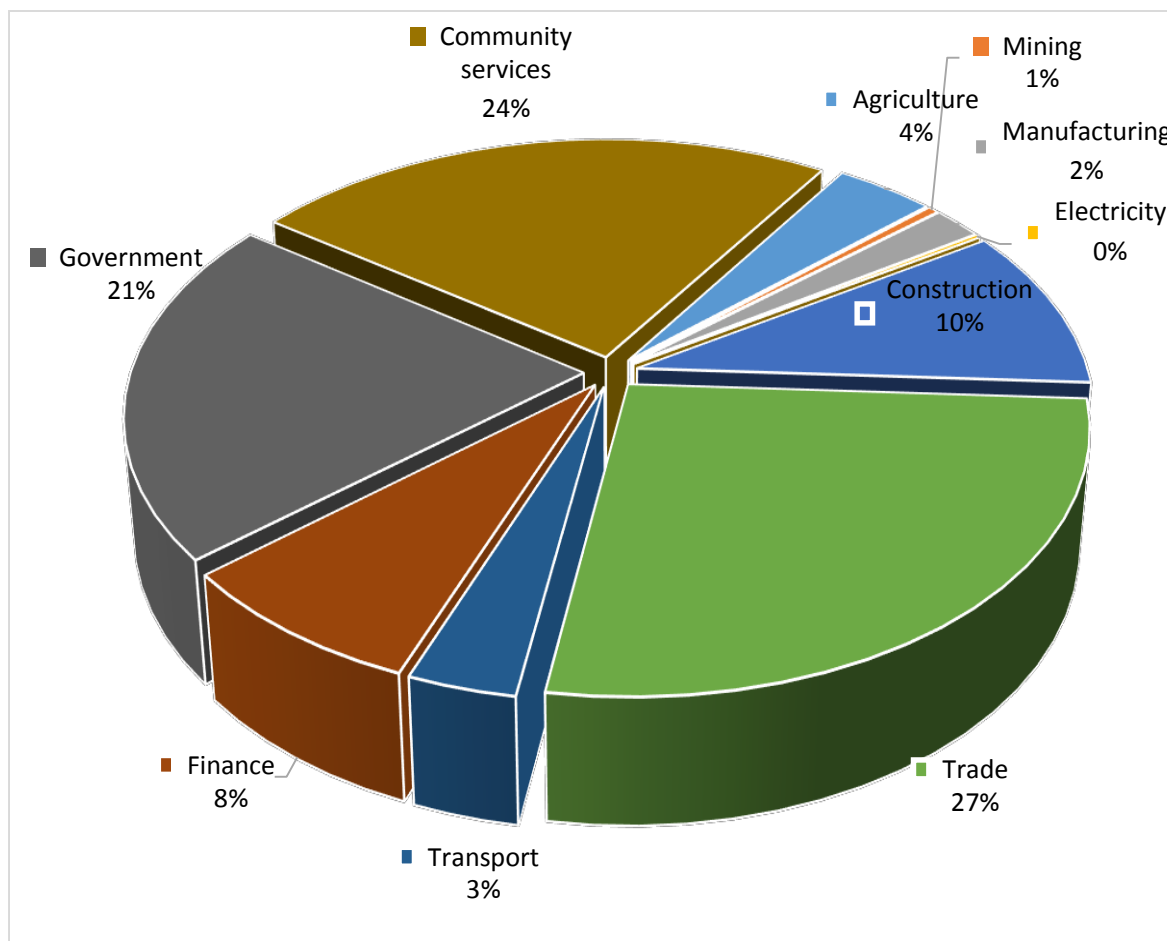
Which sector employs people in Alfred Nzo District Municipality? The Figure below shows that government sector which includes community services sector employs about 45% of total employment in Alfred Nzo District Municipality. This means that should Government sector be close in Alfred Nzo District Municipality, almost half of workers in Alfred Nzo District Municipality will be without work.

Sector employment, 2015 (Total number of people employed)

	Alfred Nzo	Umzimvubu	Matatiele	Mbizana	Ntabankulu
Total	75,981	20,712	27,664	20,774	6,831
Primary sector	3,432	1,045	1,460	638	289
<i>Agriculture, forestry and fishing</i>	3,099	990	1,371	529	209
<i>Mining and quarrying</i>	333	55	89	109	80
Secondary sector	9,252	2,371	3,712	2,457	712
<i>Manufacturing</i>	1,539	392	664	422	61
<i>Electricity, gas and water</i>	149	30	77	35	7
<i>Construction</i>	7,564	1,949	2,971	2,000	644
Tertiary sector	63,297	17,296	22,492	17,679	5,830
<i>Wholesale and retail trade, catering and</i>	20,268	5,153	8,572	5,062	1,481
<i>Transport, storage and communication</i>	2,509	646	843	819	201
<i>Finance, insurance, real estate and business General government</i>	6,001	1,711	1,789	2,042	459
<i>Community, social and personal services</i>	16,122	5,092	4,824	4,348	1,858
	18,397	4,694	6,464	5,408	1,831

Source: Quantec, 2016 Table 3.4

Sectors employment in Alfred Nzo, 2015



Source: Quantec, 2016 Figure 3.4

Table 3.4 above shows that valued added sectors (primary and secondary sectors where most jobs creation are expected from) only contributes 16.7% to total employment. Employment is distributed as follows:

- The primary sector employs for 4.5%,
- The secondary sector employs 12.2%, and
- The tertiary sector employs 83.3%.

Government and trade are the largest employers in Alfred Nzo District Municipality but their contributions to GDP differs (See Table 3.4). An additional consideration is to investigate the earnings potential of prioritised growth sectors, to ensure that increased employment also equal an increase in standards of living. One of the challenges for

policymaking as it relates to labour is to improve the balance between supply and demand across the various labour markets. This requires growing the supply of skills, through a range of interventions related to improving education outcomes. Women remain relatively disadvantaged within the labour market, which should be carefully considered by policy makers, given the important role women play in stabilising a family unit, which could impact on broader social ills. High youth unemployment requires an improvement in the employability of youth, policy makers will need to strengthen current skills development initiatives.

Employment and GVA contributions in Alfred Nzo, 2015

Sectors Contribution	Employment (%)	GVA (%)
Agriculture	4%	1%
Mining	0%	1%
Manufacturing	2%	3%
Electricity	0%	1%
Construction	10%	6%
Trade	27%	20%
Transport	3%	7%
Finance	8%	15%
Government	21%	35%
Community services	24%	11%
TOTAL	100%	100%

Source: Quantec, 2016 *Table 3*.

The agriculture sector makes a sizeable contribution to employment, even though its GDP output is low. On the upside, this points to a high level of labour intensity, meaning that agriculture represented an employment-creating sector. On the downside, this indicates that productivity levels in the agricultural sector are very low.

In considering the small percentage contributions of the agricultural sector it must be noted that the rural and poor nature of the district's resident population predisposes them to be inclined towards informal subsistence agricultural activity that is generally not reflected in the official records of national accounts. The implication of this is that although formalized commerce related to agriculture was only attributed to approximately 1% of Alfred Nzo GDP and 4% of Alfred Nzo total employment in 2015 (See Figure 3.4), the reality on the ground is that the agricultural sector is probably worth much more in terms of the monetary value of its output and production and contribution to household food security.

Turning to the trade sector, it is the largest private sector employer. Its employment contribution (27%) is greater than its GDP contribution (20%) (See Figure 3.4), which shows how in Alfred Nzo this sector is labour intensive. This is a result of low levels of investment into equipment, machinery and other such forms of capital. The local trade sector relies on unskilled labour, which gives an indication of the nature of the sector: mostly retail with limited maintenance and repair of goods. A relatively large retail trade sector in an area with a low average household income level indicates consumptive behaviour which is not sustained or supported by a notable productive base. Such an economy's performance and growth is closely coupled to broader economic cycles, and is not shielded from cyclical troughs and will often lag in terms of capitalizing on economic upswings.

3.2.3. Youth unemployment in Alfred Nzo

The weak economic growth performance in the province and in the District in particular has exacerbated already high unemployment, inequality, and macro vulnerabilities. The impact is even worse amongst the youth. Youth unemployment rate (using the official definition) in Alfred Nzo district has remained extremely high at 59.6 % in 2016. The reasons for high prevalence of unemployment amongst the youth includes amongst others:

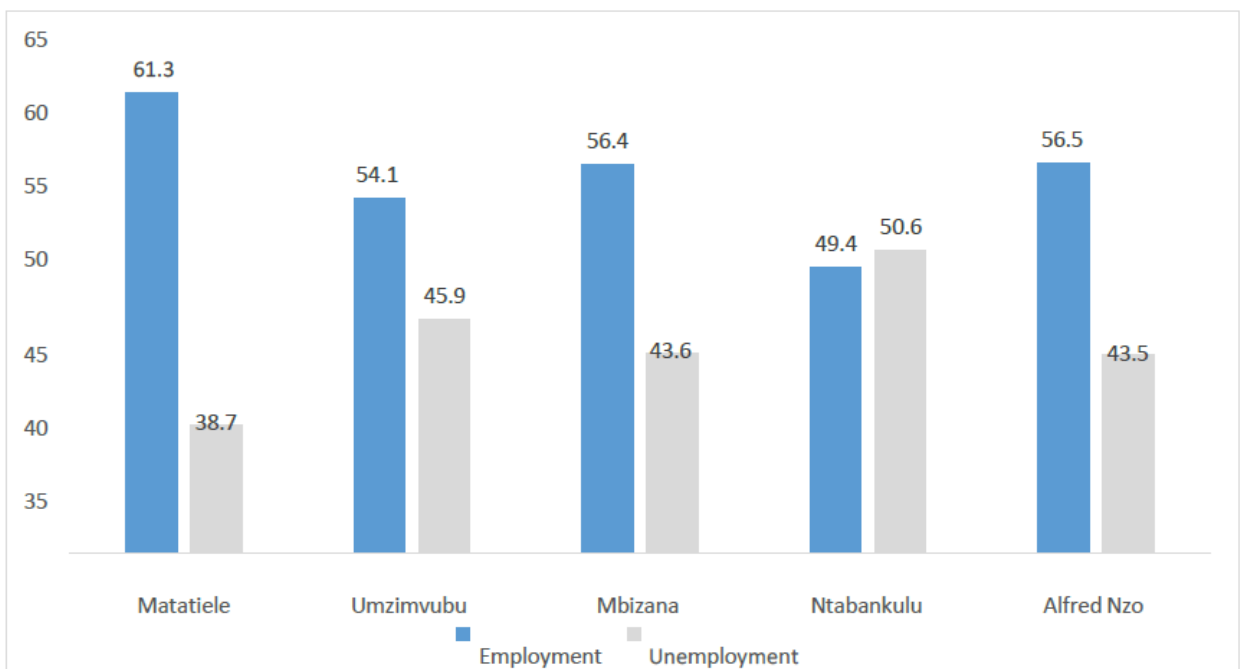
- Fewer jobs that are not enough to meet the pace of youth entry.
- Youth gain insufficient skills and capabilities
- Lack of networks and work readiness capabilities
- Lack of direction and lack of money to enable the search for jobs
- Mismatch between demand and supply of labour, and youth expectations for high position without relevant skills
- 81% of discouraged work seekers have not completed secondary education and
- Private sector is reluctant to employ unexperienced youth.

According to the National Treasury's policy proposal document (National Treasury: 2011:4), the possible reasons that can explain the high rate of unemployment amongst the youth include among others:

- Employers who are looking for skills and experienced workers regard unskilled, inexperienced jobseekers as a risky investment.
- Education is not a substitute for skills. Schooling is not a reliable signal of capabilities and low school quality feeds into poor workplace learning capacity.

Looking at unemployment rate and employment rate in the district, the figure below shows high employment rate in Matatiele (61.3%) and high unemployment rate in Ntabankulu (50.6%).

3.2.4. Unemployment rate and employment rate in Alfred Nzo



Source: Alfred Nzo IDP, 2016

Employed people are those who have within the last thirty days performed work for pay.

Unemployed are those people within the economically active population who: are not working; want to work and are available to start work immediately; and have taken active steps to look for work or to start some form of self-employment. **Not economically active** i.e. a person who is not working, not seeking work and not available for work. **The labour force participation rate** is also very low with only 30.2% of the population of working age (aged 15 to 64) either employed or seeking employment. All of the municipalities registered average 60% of their working-age populations as not being economically active. This is indicative of perceptions of limited opportunities for gainful and permanent employment in the district leading to worker discouragement. These perceptions may be formed by factors including:

- Skills mismatch (given the educational profile of the district)
- Large percentage of the population that is classified as new entrants into the labour market (given the youthful demographic profile of the district)
- Barriers to entry into the job market (technical, geographic and financial)
- Low wages in the district in comparison to wages commanded in other districts and provinces.

Based on the above analysis, one is left with several questions that policy makers in Alfred Nzo need to address:

- What opportunities exist to increase the contribution of the informal economy to poverty reduction?
- What are the options for improving the pro-poor efficiency of employment through public works?
- What are the sources of the high unemployment in Alfred Nzo– demand or supply factors?
- What is the role of internal and international migration in Alfred Nzo labor market?
- What are the drivers of employment in strategic sectors such as agriculture? What are the direct and indirect socio-economic impacts of job losses in this sector?
- How can agriculture sector's contribution to poverty reduction be enhanced?
- Poverty and policy for the reduction of poverty among full-time and seasonal mine workers.

Income Levels

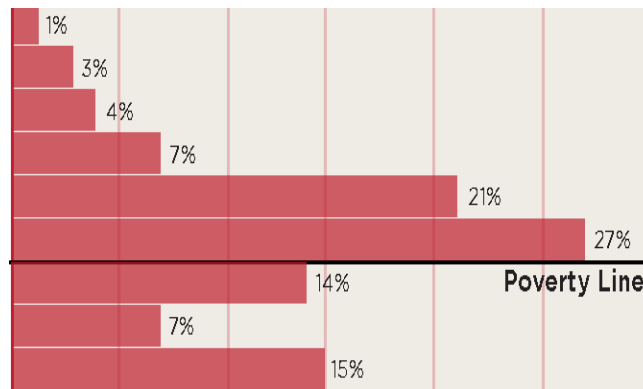
Income levels within the District are very low. Only 6.6% of the economically active population has an income of more than R1601.00 per month. The majority of the people within the district are having income that is less than R800 per month. Municipal planning needs to focus strongly on local economic development initiatives that will enable the community to generate income.

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The absence of a higher income earning class limits the growth potential of the District in that it is this category that usually offers the necessary intellectual and financial capital to support growth.

Poverty Levels

Increasing levels of absolute poverty have been recorded in the Eastern Cape and 74% of the people of the Eastern Cape live below the poverty line of R800 or less a month. Poverty levels vary from district to district but in Alfred Nzo approximately 40% of the population lives below the poverty line. High poverty levels imply a high dependency on social assistance in the form of grants. Municipal planning needs to focus strongly on poverty alleviation mechanisms.



3.2.5. Education in Alfred Nzo is regarded as the cornerstone to sustainable development

Education is an important indicator of development due to its correlation with human capabilities, productivity and, ultimately, income. The level of educational attainment is used as an indicator of the skill levels of the population, with the higher educational attainment levels being associated with greater opportunities for higher earnings, better social circumstances and the potential investment attraction.

	2011		2016	
	Number	Percentage	Number	Percentage
Level of education (20+)	49,423	13.6	36,504	9.1
No schooling				
Some primary	91,921	25.2	77,214	19.3
Completed primary	26,289	7.2	26,885	6.7
Some secondary	130,340	35.8	170,757	42.6
Grade 12/Matric	46,450	12.7	66,538	16.6
Higher	18,713	5.1	20,020	5.0
Other	1,280	0.4	3,074	0.8

Source: Statistics South Africa, 2016

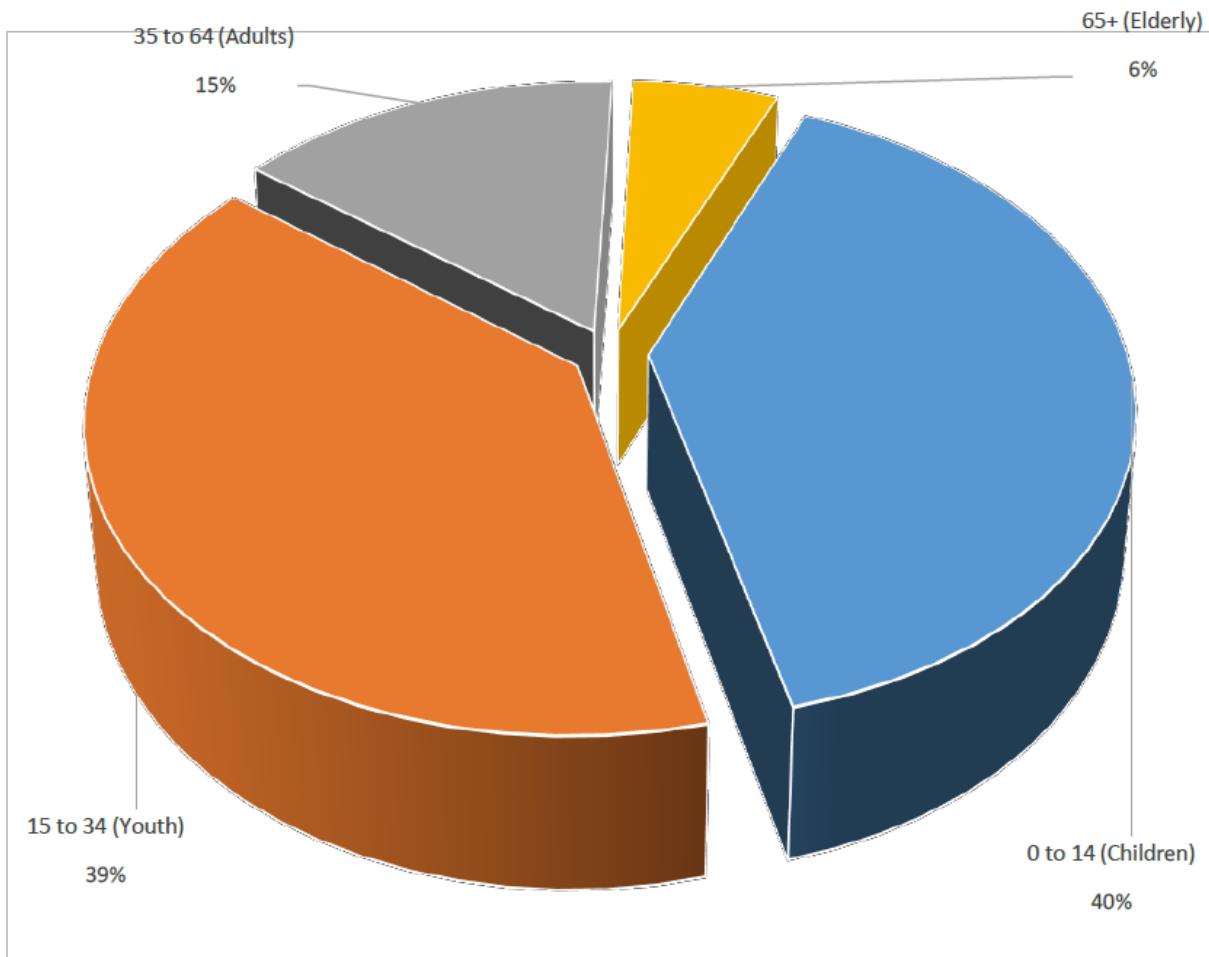
The district has low levels of educational attainment. This has implications on the present percentage of the population that is functionally literate. Only 5.1% of the population completed Matric or higher levels of educational attainment in 2011 and the percentage declined to 5.0% in 2016 (See Table above).

Education and age structure in Alfred Nzo

The wide base of juveniles and narrow apex of middle-life cohorts points to cycles perpetuating migrant labour, representing a form of economic leakage. If young people leave the district, the effect is a loss of capital investments made into them in the form of education.

From another perspective, a youthful population is often associated with a high level of creativity, energy and dynamism as is associated with entrepreneurial start-ups. The youthful population may then be seen as a means of mitigating economic leakage through government initiatives that specifically target this age group.

79% of Alfred Nzo District population fall between 0 – 34 years of age



Source: Statistics South Africa, 2016 Community Survey *Figure 3.5*

The Alfred Nzo District Municipality population is made up of 40% children under the age of 14 years. The youth aged between 14 and 34 years also account for 39% of the total population. The dynamics of this youth cohort will increasingly drive economic development of the municipality in terms of opportunities for education, work and social services. Figure 3.5 shows that the young population aged 0 – 34 years constitutes 79% of Alfred Nzo District Municipality's total population. These are the people who drive the demand side of education in the municipality.

The district municipality need to have a strategy on how to build this young dynamic population. For every 10 people in Alfred Nzo District Municipality, 8 are aged between 0-34 years. Education should therefore be listed among the top priorities in the district.

Alfred Nzo District Municipality: Population Age structure, 2016

	0 to 14 (Children)	15 to 34 (Youth)	35 to 64 (Adults)	65+ (Elderly)	Grand Total
Alfred Nzo	345,625	340,753	131,488	49,997	867,864
Matatiele	82,180	86,031	37,044	14,192	219,447
Umzimvubu	73,104	80,467	33,337	12,713	199,620
Mbizana	138,257	123,567	42,669	15,455	319,948
Ntabankulu	52,083	50,689	18,441	7,636	128,848

Source: Statistics South Africa (2016 Community Survey) **Table 3.5**

Field of TVET in Alfred Nzo**Field of TVET in 2016**

	Alfred Nzo	Matatiele	Umzimvubu	Mbizana	Ntabankulu
Management	1,595	538	370	526	161
Marketing	333	152	40	101	40
Information technology and	316	73	61	158	23
Finance	457	158	104	174	21
Office administration	523	204	114	163	42
Electrical infrastructure construction	269	76	38	136	19
Civil engineering and building	414	52	149	171	42
Engineering	898	92	422	367	17
Primary agriculture	55	-	1	55	-
Hospitality	257	78	44	115	20
Tourism	208	21	60	99	28
Safety in soceity	133	18	108	7	-
Mechatronics	47	-	28	19	-
Education and development	1,083	263	299	497	24
Other	1,467	573	291	511	94
Do not know	69	51	18	-	-
Not applicable	857,044	216,334	197,246	316,244	127,220
Unspecified	2,694	764	227	607	1,096
Grand Total	867,864	219,447	199,620	319,948	128,848

Source: Statistics South Africa (2016 Community Survey) **Table 3: 6**

Table 3.6 shows the field of TVET in Alfred Nzo. In 2016, there were 898 people in the field of engineering and 414 people in the field of civil engineering and building construction.

The low education levels in Alfred Nzo affect the potential for employment that workers have, their productive efficiency and also their ultimate income levels. Low education levels may lead to an unavailability of skilled workers from the district, leading to significant proportions of the workforce being drawn in from other areas. As such a workforce would still have ties to their previous areas of habitation, this would exacerbate economic leakage in the area, as incomes earned in Alfred Nzo may be remitted to other districts. Education is therefore acknowledged as being inextricably linked to the economic development of the area.

Field of higher educational institution in Alfred Nzo

Field of Higher education institution, 2016

	Alfred	Matatiele	Umzimvubu	Mbizana	
Agriculture	325	154	80	74	17
Architecture and the built environment	59	10	19	30	-
Arts (Visual and performing arts)	22	-	10	-	12
Business	1,536	281	452	643	159
Communication	108	34	39	35	-
Computer and information sciences	362	22	118	152	70
Education	7,367	2,282	2,019	2,398	668
Engineering	652	147	143	279	82
Health professions and related clinical					
	50	-	50	-	-
Family ecology and consumer sciences	74	23	29	-	23
Languages	243	71	120	52	-
Law	92	-	63	18	11
Life sciences	62	33	10	-	19
Physical sciences	108	19	21	20	48
Mathematics and statistics	14	3	-	10	-
Military sciences	106	11	50	34	11
Philosophy	145	49	38	57	-
Psychology	624	237	120	213	53
Public management and services	510	129	211	159	10
Social sciences	1,411	568	272	401	171
Other	878	818	39	-	21
Do not know	849,341	213,339	195,151	314,554	126,297
Not applicable	2,694	764	227	607	1,096
Grand Total	867,864	219,447	199,620	319,948	128,848

Source: Statistics South Africa (2016 Community Survey) Table 3:7

Education shapes how people experience the social, political and economic conditions in society. Consequently, education is central to how we respond to the quest for human development and flourishing. The basic purpose of education is to provide children, youth and adults with a socialising experience that enables self-knowledge and develops personal and social attributes to engage with, change and contribute meaningfully to society.

Highest level of education attained in Alfred Nzo

Table 3:8 shows the highest level of education attained by people in Alfred Nzo District Municipality. The 2016 community survey released by Stats SA reveals that Alfred Nzo had 146 947 people with no schooling of which 61 995 people were in Mbizana and 32 343 people in Matatiele Municipality.

Highest level of education attained

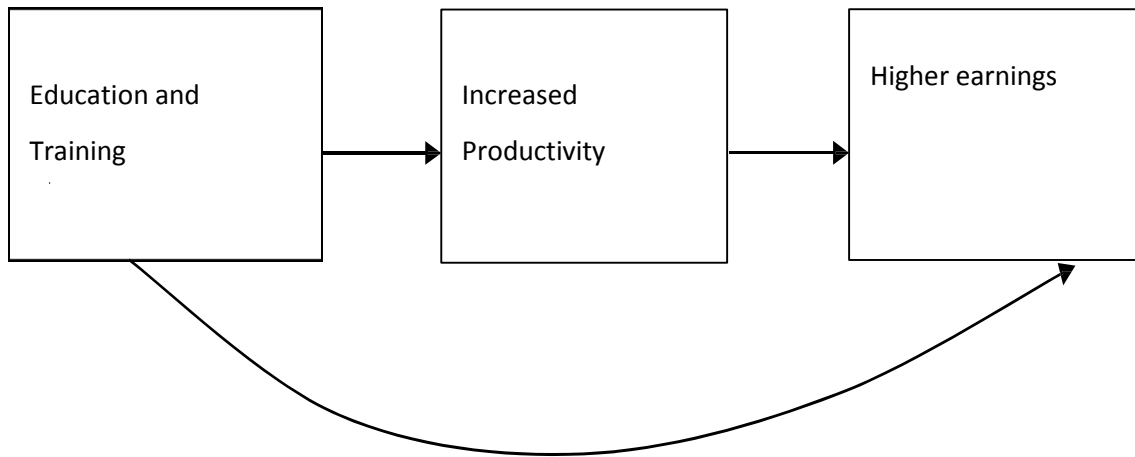
	Alfred Nzo	Matatiele	Umtata	Mbizana	Ntabeleni
No schooling	148,947	32,343	26,852	61,985	25,758
Grade 0	48,067	11,857	9,474	20,031	6,706
Grade 1/Standard 1/Class 1	32,360	7,935	7,065	12,129	5,231
Grade 2/Standard 2/Class 2	26,283	5,590	5,924	10,571	4,197
Grade 3/Standard 3/ABET 1	48,948	11,536	10,673	18,602	8,137
Grade 4/Standard 4	47,879	11,264	10,931	18,428	7,256
Grade 5/Standard 5/ABET 2	48,382	11,801	10,026	19,388	7,167
Grade 6/Standard 6	55,134	15,051	12,217	19,259	8,607
Grade 7/Standard 7/ABET 3	49,132	12,520	12,428	16,770	7,414
Grade 8/Standard 8/Form 1	61,395	15,515	16,798	20,259	8,823
Grade 9/Standard 9/Form 2/ABET 4/Occupational certificate NQF Level 1	71,079	19,047	17,010	24,861	10,162
Grade 10/Standard 10/Form 3/Occupational certificate NQF Level 2	66,411	17,400	18,024	22,282	8,705
Grade 11/Standard 11/Form 4/NCV Level 3/Occupational certificate NQF Level 3	66,959	17,208	17,146	23,797	8,808
Grade 12/Standard 12/Form 5/Matric/NCV Level 4/Occupational certificate NQF Level 3	70,266	20,638	18,003	22,942	8,683
NTC I/N1	249	59	63	109	19
NTC I/N2	351	80	98	174	-
NTC I/N3	714	226	122	300	66
NTC II/N3	1,333	385	247	430	271
N4/NTC 4/Occupational certificate NQF	866	483	156	166	61
N5/NTC 5/Occupational certificate NQF	1,402	336	462	499	105
N6/NTC 6/Occupational certificate NQF	699	633	37	29	-
N7/NTC 7/Occupational certificate NQF	687	412	92	149	33
Certificate with less than Grade 12/Std 10	2,017	742	678	456	140
Diploma with less than Grade 12/Std 10	6,092	1,864	1,726	1,901	601
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF Diploma with	2,134	421	503	891	320
Grade 12/Std certificate NQF Level 8	2,086	549	550	642	345
Higher/Diploma/Occupational Level 7	4,056	1,137	1,012	1,420	488
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 9	1,925	547	499	666	213
Masters/Professional Masters at NQF Level 9 degree	183	56	75	51	-
PHD (Doctoral degree/Professional degree at NQF Level 10) Other	263	117	51	95	-
	988	265	220	320	183
	1,973	1,284	433	145	111
	603	146	27	193	237
Grand Total	867,864	219,447	199,620	319,948	128,848

Source: Statistics South Africa (2016 Community Survey) Table 3:8

Source: Statistics South Africa (2016 Community Survey) **Table 3:8**

In line with the millennium development goals, the government of Alfred Nzo District Municipality should take measures to eradicate education backlog, especially for the people with no schooling.

The Human Capital Theory



Education and training should be regarded as an investment and not just a mere consumption services because education and training provide more than immediate benefits such as subjective satisfaction and status but a long term monetary rewards through higher earnings and better life style. According to the human capital theory, the monetary return on education and training is the net return which is derived at by taking into accounts both the costs and the benefits of education and training.

The reason for this illustration here is that when workers are productive the economy grows and when the economy grows more jobs will be available, and when people find jobs more tax revenue goes to the government while its expenditure on social welfare declines. Thus less budget is spent on fighting poverty and creating jobs through government programs such as the Accelerated Shared Growth and Initiative South Africa (ASGI-SA); the Broad Based Black Economic Empowerment (BBBEE); Small, Micro and Medium Enterprises (SMMEs) and Co-operations (Coops). The promotion of these programs will then be on the individual to take active steps to be innovative and flexible to take up challenges. Government will therefore concentrate more effort in investing in both economic and social infrastructure.

Fees must fall and education in Alfred Nzo

Challenges in South Africa's education system include the fact that education quality remains poor overall and uneven across regions and population groups, which largely reflects the country's historical legacy. Although private returns to schooling are shown to be large, especially at the tertiary level, they have been shown to be significantly lower for Black Africans relative to the national average, which may be linked to differences in school quality and persistent discrimination. Recently the issues of affordability of tertiary education has been brought to the fore via the 'fees must fall' campaign in which University students led a national protest for free tertiary education.

Improving governance of education through for example improved teacher accountability will help increase cost-efficiency. To facilitate the role of the labor markets in poverty reduction, there is need to put in place policies and initiatives to correct the skill supply and demand mismatch.

In addressing the challenges facing Education in the Province, the Eastern Cape

Planning commission have identified the following key action issues:

- Community ownership of schools
- Implementing mother-tongue-based language medium policies
- Developing well-grounded early childhood specialists/practitioners
- Developing teachers as public intellectuals
- Developing academic excellence in sciences and humanities in primary and secondary schools
- Adopting co-operative approaches to post-schooling institutions and designing programmes for community education.

Key Questions for policy consideration

- What are the determinants of learning outcomes across different population groups and across geographical areas of Alfred Nzo?
- What are the outcomes for learners completing high school or dropping out in secondary school, in terms of the higher education landscape?
- What are the key constraints faced by learners in trying to enter post-schooling institutions?
- To what extent does educational attainment or school performance of pupils from previously disadvantaged communities (including rural areas) contributes to their probability of penetrating the formal labor market?
- How do factors such as the learner's gender, ethnicity, origin, family income, parents' education and so on link to the learner's school performance?
- Do accountability arrangements such as community participation, principal-teacher management teams help improve outcomes in previously disadvantaged schools?
- Resources constraints (e.g. lack of equipment) and teaching capacity constraints (e.g. lack of teacher training) in learning outcomes?
- What are the implications of fees must fall for poor students in higher education in South Africa?

3.3. Diagnostic Review

3.3.1. Natural conditions

The Alfred Nzo District (AND) is a mountainous region stretching from the tops of the southern Drakensberg escarpment in the northwest (over 2,000 metres above sea-level and forming the border with Lesotho) down to the Wild Coast, about 120 kilometres away in the south-east. The AND has about 30 km of coastline. Bordered by the Mtamvuna river (and KZN) in the northeast and the Tina river in the southwest, the AND has an area of 10,734 square km (the smallest area among the Eastern Cape's six rural districts).

There is large climatic variation in the AND, from Alpine in the high mountain areas to

subtropical in the coastal belt. Rainfall is generally quite high (900 to 1500 mm/year) particularly under the escarpment and near the coast. Most of the AND falls within the upper Mzimvubu river catchment area or basin, and the district has deep and steep-sided river valleys of the Mzimvubu itself and three of its four main tributaries (the Tina, Kinira and Mzintlava rivers):

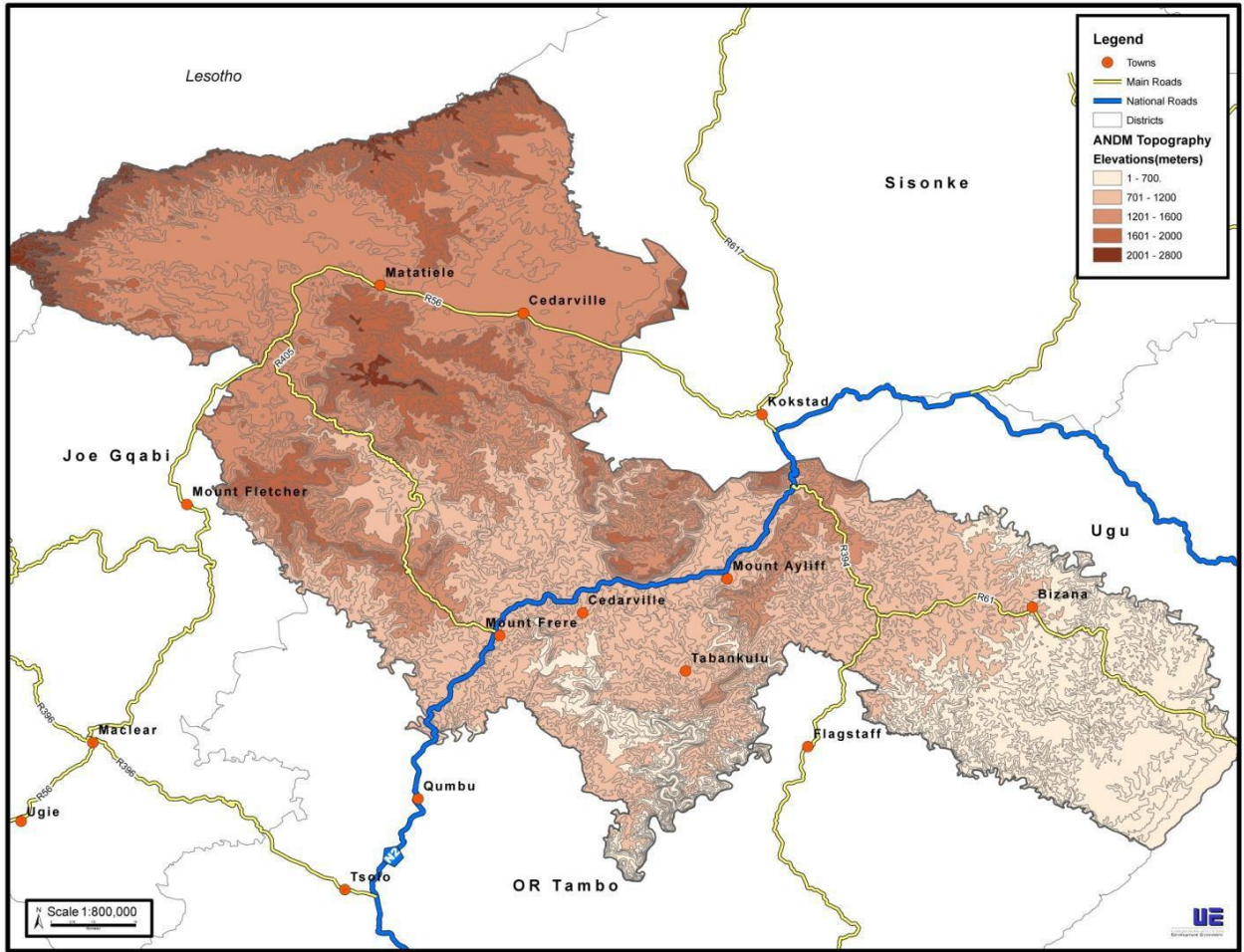
- The Tina river passes just to the east of Mount Fletcher
- The Mzimvubu passes just to the west of both Cedarville and Mount Frere
- The Kinira joins the Mzimvubu to the northwest of Mount Frere
- The Mzintlava passes just to the east of Mount Ayliff, and then flows down to Flagstaff.

There are extensive wetlands at the base of the escarpment.

The vegetation of the AND is mostly grassland with pockets of indigenous forest. About 5% of the district's land area (or 50,000 ha) is judged to have high-potential for arable farming.¹

ANDM is very scenic

¹ See ANDM Grain Masterplan, page i



(Note: Please disregard the location of Cedarville in this UrbanEcon map)

3.3.1.1 ENVIRONMENTAL ASSESSMENT

Topography

The Alfred Nzo District has a fragmented topography and comprises a plateau which falls within the Umzimvubu River Basin, which ranges from 800 to 1400 meters above sea level and a high plateau leading to the Drakensberg Mountains which ranges between 1500 and 2200 meters above sea level. The terrain is therefore mountainous with steep valleys. The northern areas below the escarpment have extensive palustrine wetlands (wetlands that are not connected to any river), and the extreme south is undulating and consist of coastal belt. The diversity of topography create many different opportunities for a great diversity of ecosystems and their resident plant and animal species. The topography, however, also poses a multitude of challenges to development as accessibility is limited and settlement has taken place in a dispersed and haphazard manner.

Climate

The steep altitudinal gradients from the coast to the escarpment, gives rise to strong climatic changes across the ANDM. The area falls within the summer rainfall area (October to March) with climate ranging from very pleasant warm summers to mild to cold winters with snow in high lying areas. The District experiences climatic extremes in the form of storms, tornadoes and floods which have resulted in soil erosion and deep crevices. The average minimum temperature ranges from 7 to 10 degrees centigrade in winter and 18 to 24 degrees centigrade in summer.

ENVIRONMENTAL MANAGEMENT FRAMEWORK

Alfred Nzo District Municipality, during the 2011- 2012 financial year (January, 2012), updated the districts' Environmental Management information through the development of the district-wide Environmental Management Framework (EMF) to include Mbizana and Ntabankulu Local Municipalities. The two local municipalities were previously under O.R Tambo District and were incorporated into Alfred Nzo following the amendment of municipal and ward boundaries in terms of Section 22 of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 Of 1998). The Environmental Management Framework (EMF) provides the end user with instruments for use in the diagnosis and procedures for environmental management in ANDM. It also provides guidance and indicate what the responsibilities of the different bodies are in ensuring compliance with the national environmental management laws. The EMF was adopted by the ANDM Council in December 2013.

AIR QUALITY MANAGEMENT

Legislation requires that each municipality develops an Air Quality Management Plan (AQMP). The AND has not developed this plan. The DEDEAT will be assisting the ANDM to develop the AQMP during this current financial year. There are no major industries within the ANDM but there are potential sources such as sawmills, sugarcane, dust roads, transport and landfill sites that are not operated according to license conditions.

CLIMATE CHANGE VULNERABILITY ASSESSMENT

Alfred Nzo District Municipality, through the support received from Conservation South Africa, undertook a scientific study during the 2014-2015 financial year (March 2015) to examine the vulnerability and resilience of the district as a whole to climate change impacts. The study was carried out focusing on three (3) concepts, that is:

- Areas of Supporting Climate Change Resilience
- Ecosystem-based Adaptation, and
- Ecological Infrastructure

This process was informed and guided by the Lets Respond - Toolkit Guide (A Guide to Integrating Climate Change Risks and Opportunities into Municipal Planning, 2012) developed jointly by the Departments of Environmental Affairs (DEA) and Cooperative Governance and Traditional Affairs (CoGTA) and in collaboration with South African Local Government Association (SALGA). Each local Municipality within Alfred Nzo district was studied in depth in terms of climate change resilience and mitigation and adaptation measures that can be adopted were presented.

The study revealed that in the medium term (50 year), the average temperature can be expected to rise by 1.7°C across the district while in the long term (100 year) the average temperature is expected to rise by 3.7°C. The coastal area within the district (Mbizana LM), as is the pattern across South Africa, will tend to have slightly smaller predicted increases than inland areas such as Matatiele LM. The coastal versus inland difference is more marked in the longer term, with Mbizana increasing in temperature by an average of 3.5°C and Matatiele by 4°C. In terms of rainfall change, it is worth noting that the study revealed that the Alfred Nzo district is one of the least impacted districts in the country. In the medium term, small decreases in rainfall are predicted across most of the district, with the main changes being small spring and summer decreases, and similarly, small autumn and winter increases. The winter increases will not be sufficient to offset the summer rainfall decreases. In the longer term, the initial changes in rainfall changes are in fact largely reversed with very small 5.4mm increase predicted across the district.

Alfred Nzo district is made up of three (3) biomes, namely, Grasslands, Savannah and Coastal Belt. Each biome has a characteristic climate envelope or a range and pattern of temperature and rainfall values within which it occurs. The study has revealed that conditions associated with the Coastal Belt Biome will gradually push inland in the short term and continue with this trend in the longer term. Areas with a climate envelope characteristic of Savannah persist in the medium term and longer term and push dramatically inland into areas previously experiencing a Grassland associated climate envelope. It is likely that this change is largely associated with raised winter temperatures which all tree seedlings establish in areas where frost would previously have excluded them. Areas with a climate envelope characteristic of the Grassland Biome will be the most impacted by climate change in the Alfred Nzo district, according to the study. In the medium term, large portions of the grassland climate envelope are likely to be lost, while in the longer term, areas with these climate characteristics are likely to be restricted to the higher altitude areas only.

CLIMATE CHANGE RESPONSE STRATEGY

Climate change is among the most pervasive threats to people and biodiversity today. Without action it will devastate human livelihoods, cause the extinction of countless species, and destroy some of the world's most precious ecosystems. Climate change predictions reveal that the Alfred Nzo district will be experience additional stress on the Grassland, Savanna, and Coastal ecosystems which are already under pressure within the district. The Alfred Nzo District is largely a rural region with low levels of development. The communities that live here face significant socio-economic challenges and are often directly dependent on the natural environment for their livelihoods. The district municipality developed a Climate Change Response Strategy during the 2014-2015 financial year and adopted by the ANDM council in October 2015.

The ANDM hosted various stakeholders including municipal mayors and councillors from the district and all local municipalities, traditional authority, relevant sector departments and relevant environmental NGOs during three (3) climate change summit held in April 2014, August 2015 and April 2018. School and communities are continuously engaged on climate change awareness programmes and capacity building.

Alfred Nzo DM-HamelN-Pyrmont Partnership

The Alfred Nzo District is largely rural with its communities facing significant socio-economic challenges and as such are often directly dependant on the natural environment for their livelihoods. The ANDM, being a rural district highly dependent on availability of good quality natural resources for day to day living, needs a system that will guide the sustainable management of the resources such as grasslands, forests, soils, water, and fisheries. Heavy reliance of most communities within the district on the natural environment for their livelihoods increases the level of vulnerability to the effects of climate change. Extensive external support is therefore required to assist such rural municipality to respond to mitigation and adaptation strategies already identified for the district. The ANDM has thus forged partnership with the Hameln-Pyrmont municipality in Germany which main purpose is to provide support and/or assistance to ANDM on climate change related matters. Funding matters also forms part of this partnership but this will be in a form of proposals, business plans etc.

A) Climate Partnership objectives

The project aims at strengthening partnerships between German municipalities and municipalities in the Global South to jointly address issues of climate change mitigation and adaptation. It also helps mobilise the comprehensive expertise available within the partner municipalities. Through this project, climate change mitigation and adaptation will be systematically integrated into the work of the municipal partnerships.

B) Deliverables

- ANDM has signed the Memorandum of Understanding detailing objectives and key points of the climate partnership.
- ANDM has committed to the long-term cooperation with the Hameln-Pyrmont municipality in the field of climate change mitigation and adaptation
- ANDM will design a concrete programme of action for climate change mitigation and adaptation with the partner municipality (Hameln-Pyrmont)
- ANDM through Climate Change Committee will identify stakeholders who will add value to the partnership

INTEGRATED WASTE MANAGEMENT

The Alfred Nzo District Municipality (ANDM) developed an Integrated Waste Management Plan (IWMP) during the 2014-2015 financial year (June 2015) and was adopted by council (in 2017). The plan has not yet been approved by DEDEAT MEC .It is essentially a strategic planning document including background information on the current waste situation in the entire ANDM. It also outlines the objectives and strategies to improve the waste management systems. The primary objective of Integrated Waste Management Planning is to integrate and optimise waste management, in order to maximise efficiency and minimise the associated environmental impacts and financial costs, and to improve the quality of life of all South Africans including those in the Alfred Nzo District.

Current Waste Categories and Characteristics

- General – plastics, paper, glass, food-waste, garden refuse and building rubble etc.
- Industrial – used oils from vehicle workshops, tyres, blood and manure from abattoirs, sawmills, etc.
- Commercial - cardboards, plastic, paper, glass, used oil from fast-food retailers
- Medical – empty medicine vials, syringes, etc. from clinics, GPs, pharmacies, funeral parlours
- Hazardous – diapers, sanitary towels

Waste Management and General Hygiene

Collection of waste is the responsibility of local municipalities and the Alfred Nzo District Municipality monitors proper management of waste to the final disposal through the municipal health services.

Waste Recycling or Minimization

There is generally informal recycling initiatives conducted within the entire AND. In order to formalize these structures, the DEDEAT issues a registration certificate according to the National Waste Management Norms and Standards. The AND needs to assist these informal recyclers to form cooperatives.

Landfill Sites

There is a total of five (5) landfill sites within Alfred Nzo District. These include two (2) at Umzimvubu LM; one (1) at Matatiele LM; one (1) at Mbizana LM and one (1) Ntabankulu LM. All are operational except at Mbizana LM which is still under construction.

Waste Management By-Laws

Local Municipalities are responsible for the development of waste management by-laws. Alfred Nzo District ensures development and enforcement of these by-laws.

3.3.2. Socio-economic snapshot

The economy of AND is dominated by the public sector, accounting directly for 46% of the municipal economy², compared to 15% for SA as a whole. The business sector is mainly trade and other services, while the productive economy (agriculture, manufacturing and construction etc) is very small. The AND economy is consumptive rather than productive. The total value-added of the AND economy is about R50 billion a year. Formal employment is about 50,000 jobs and there are also about 27,000 informal jobs. Matatiele LM has the largest economy and Ntabankulu has the smallest.

About 90% of households in AND are poor, unemployment is rife (particularly among the youth), and business employment is extremely small in relation to the working age population (and probably not showing much growth). Most households rely on social grants and remittances to avoid extreme hunger. In 2016 the South African Institute of Race Relations published a study (based on StatsSA's 2016 Community Survey) that calculated a "deprivation and comfort index" for 8 metropolitan and 44 district councils and found the AND to be the worst off.³

² See ECSECC review 2017

- AND had lowest proportion of households with access to piped water inside their home or yard at 16%
- AND had the lowest employment rate at 53% (Johannesburg had the highest at 73%)
- AND also scores worst at income: 90% of the households get less than R1600 per month.

A question was introduced in the Community Survey 2016 that asked households what they considered to be the main problem or difficulty they were facing in their municipality presently. In addition to collecting data about the actual services and the quality of services that households have access to, asking households what they perceive as their main challenge or difficulty provides policymakers and planners with key data on how households understand or feel about their environment and the services in their municipality. Alongside the statistics of household services, employment and crime statistics, the results from this question could be useful to assess needs and analyse trends. Overall in South Africa, households listed (1) lack of a safe and reliable water supply, (2) lack of or inadequate employment opportunities, (3) the cost of electricity, (4) inadequate housing and (5) violence and crime as the main challenges that they presently faced in their municipality. The table below shows how perceptions vary between AND, EC and SA:

Leading challenges facing the municipality presently as perceived by households:

	Alfred Nzo District	Eastern Cape Ranking	South Africa Ranking
Lack of safe and reliable water	1	1	1
Lack of reliable electricity supply	2	Data not available	Data not
Inadequate housing	3	2	4
Inadequate roads	4	4	Data not
Lack of/inadequate employment opportunities	5	3	2
Inadequate sanitation	7	5	Data not
Cost of electricity	8	Data not available	3

Rankings for AND as opposed to the rest of the province show that infrastructure backlogs are perceived as key priorities in the district. These perceptions of households are relevant to framing the Apex Priorities of Alfred Nzo District Council for the next five years (see Chapter 6 below). AND contains some valuable natural assets. For example, fertile lands, warm temperatures, fairly good soils and frost-free conditions (in some areas). The Wild Coast is considered the most spectacular eco-tourism destination in SA.⁴ Agriculture and tourism have long been identified as high-potential sectors to drive development, but despite several public sector interventions these sectors have not yet taken off.

³ See Daily Dispatch: <http://www.dispatchlive.co.za/news/2016/06/07/alfred-nzo-municipality-is-the-worst-area-to-live-in-sa-survey-finds/>

3.3.3. People and human settlements

According to the Community Survey (2016) about 868,000 people live in the Alfred Nzo District (AND). Between 2011 and 2016 AND's population grew faster than the Eastern Cape provincial total, and the population of Mbizana grew particularly fast:

	% change of population between 2011 and
Ntabankulu	3.9
Umzimvubu	4.2
Matatiele	7.7
Mbizana	13.5
Alfred Nzo	8.3
Eastern Cape	6.6

The people of AND include Bhaca, Sotho and Mpondo. Traditional leaders are represented on the AND Municipal Council. There are broadly three types of human settlements in AND:

- Low-density rural villages (average size about 700 people; villages are often contiguous)
- Small towns
- Higher density peri-urban settlements around the small towns

There is evidence of de-population of deeper rural areas (e.g. the Mzimvubu population fell by 5% between 2001 and 2011 according to census data) and fast growth of peri-urban settlements.

Local Municipality	Population (000s)	Area (square km)	Population density (people/sqkm)	Small towns	Other nodes
Matatiele	219	4352	49.6	Matatiele/ Maluti Cedarville	Queen's Mercy, Ematoliweni, Thaba Chicha, Ndaleni
Mzimvubu	200	2507	78.9	Mount Ayiliff Mount Frere	Cancele Junction, Phakade Junction, Phuthi Junction
Mzimvubu	200	2507	78.9	Mount Ayiliff Mount Frere	Cancele Junction, Phakade Junction, Phuthi Junction
Mbizana	320	2415	123.5	Bizana	Mzamba Kubha Junction, Mpumfu (new N2), Ndlowu
TOTAL	848	10734	80.1		

Note: Population data from Community Survey 2016 (StatsSA)

⁴ Ibid

From this table it is observed that:

- Matatiele LM has the second largest population and the largest land area, and
- Ntabankulu LM has the smallest population and land area.
- Mbizana has the largest population and the densest population, and Matatiele is the least dense
- All six of the small towns are on a main road, except Ntabankulu

The main problem with peri-urbanisation processes is that they can occur in unplanned and haphazard ways. Economic growth is largely an urban phenomenon and more dynamic small towns will improve the development prospects of the overall district.

Possible priorities include the following:

- Strong urban planning of the five small towns (and their peripheries) is required.
- Increased focus of public investment and development initiatives in small town development, and ensuring that they become competitive and investment attractive areas.
- High population densities and high population growth in Mbizana suggests that, for example, Mzamba is a growth node and requires a special focus, particularly

in view of the new Wild Coast N2.

- Municipalities must acquire more well-located land that can be made available for investors (see section 3.3.12 below on construction and property development).

3.3.4. Roads and transport network

The main roads in the District are:

- The N2
- The R56, and
- The R61

The new Wild Coast N2 is being planned from Mzamba to the new Mtentu bridge 30 km to the south.

Other roads include:

- Three gravel roads from N2 to R56 (ending at Cedarville and Ematolweni, the R405)
- Gravel back road from Mount Ayliff to Mount Frere passing through Sphambukeni and Cancele junctions.
- N2 (from Phuthi junction) to Ntabankulu (and south to Lusikisiki)
- N2 (Mount Ayliff) to R61
- R626 from N2 (Phakade junction) to R61 (Kubha junction), and on to Flagstaff
- Matatiele to Qacha's Nek (Lesotho)
- Matatiele to Queen's Mercy, Malekgonyane (Ongeluksnek) and Thaba Chicha

To upgrade the district's road network there needs to be ongoing engagement among ANDM, the LMs, DRPW and SANRAL to ensure:

- Upgrade roads in the new emerging peri-urbanization zones.
- Maintain priority road network (preventative)
- Use employment-intensive methods as much as possible
- Use transport nodes to develop commercial precincts (taxi ranks, hawkers facilities, shops etc)

3.3.5. Water, sanitation and electricity

The Alfred Nzo District mainly lies in the Mzimvubu catchment area, which has relatively high annual rainfall and consequent high annual surface water run-off (river flows). This catchment has the highest un-used water potential yield in SA. This potential has been studied over many years but the water resource remains under-utilised for a number of reasons:

- Absence of large-scale and local urban/industrial demand
- Absence of large-scale irrigation potential (topography and soils)
- High cost of water transfer to water scarce regions (such as Gauteng) due to high pipeline and pumping costs

Presently there is one large dam in AND (the new Ludeke dam in Mbizana) and several small dams. Most of water supply for towns and rural areas comes from standalone schemes using streams, springs and boreholes. There are very large water backlogs, particularly in Mbizana. The following data is from Community Survey 2016:

Area	% households without access to piped water	% households without access to sanitation
Alfred Nzo District	54.1	5.7
Matatiele	31.2	6.7
Umzimvubu	46.7	6.4
Mbizana	77.8	5.6
Ntabankulu	63.3	2.5

AND Municipality is both the Water Service Authority (WSA, with full regulation and oversight functions) and the Water Service Provider (WSP, with full delivery functions). ANDM is engaged in major delivery of water supply projects to address backlogs, which are estimated to require R14.6 billion to eradicate, at an average cost per household of R85,000. The total capex budget in 2016-17 is R421 million. Average household costs are high due to the dispersed nature of human settlements and difficult topography.

The District has four water supply intervention areas (WSIAs):

WSIA name	Bulk pipelines (km)	Reticulation pipelines (km)	Yard connections (000s)	Cost (R billion)
Kinira River Dam (Matatiele)	310	496	37	5.1
Mkhemane River Dam (Umzimvubu)	916	1603	35	5.9
Nkanji Dam (Ntabankulu)	478	836	22	4.5
Ludeke Dam (Mbizana)	968	1694	45	5.4

Water issues to be addressed during this IDP are the following:

- Optimal implementation for the WSIA programme and raising of grant funds.
- Ensure that roll-out of WSIA responds to population dynamics (peri-urbanisation trend)
- Ensure ANDM meets DWS regulatory requirements as a WSA (in terms of the Regulatory Performance Management System, RPMS). ANDM's status as WSA is under threat.
- Under-capacity, ageing and poor operations and maintenance of WTWs and WWTWs (poor blue drop and green drop scores).
- Implement water conservation and demand management strategy
- All households outside towns are considered indigent in terms of free basic services.
- Expedite training of WSP personnel through SETA programmes.
- Maintenance of existing stand-alone village water schemes

Waterborne sewerage is being provided in Maluti Township (Matatiele) at a cost of R40 million⁵.

Other priorities include:

- Complete VIP toilet provision programme
- Eskom to complete household electrification programme (100,000 households)
- Municipal waste services to be delivered at least in towns and other tourism and transport nodes (use EPWP where feasible).

3.3.6. Health

National health insurance is a health financing system that is aimed at providing universal health coverage, render quality and affordable services to all citizens regardless of their financial and socio-economic status but according to their health needs. In addition, it is aiming to respect the human rights and ensure justice as outlined in section 27 bill of rights of the South African constitution. NHI is the most extensive health policy initiative proposed by the South African Democratic Government since 1994 that will end the two-tiered health system (private and public healthcare sectors); thus ensure financial solidarity among all SA citizens regardless of their financial status, colour, race and ethnicity. The core strategy behind this system is in

ensuring an efficient, effective and quality driven health service delivery through the Primary Health Care approach.

Alfred Nzo District is devoted to ensuring that the NHI plan is seen as a symbiosis of all the existing National and Provincial Department of Health and the District commitments and plans for the betterment of the lives of its population. This plan focusses on improving the effectiveness and efficiencies within all levels of district health services of the Alfred Nzo District. Its fundamental focus is on strengthening the health services (leadership and governance), supply chain and health information management. Furthermore, other predominant targets are ensuring accessibility of services through Re-engineering of Primary Health Care (RPHC), increasing of accessibility to pharmaceutical services through the Central Chronic Medication Dispensation and Distribution (CCMDD) as well as the implementation of Stock Visibility System (SVS) by all facilities. Finally, it recognises the significance of quality health services to communities through the implementation of Ideal Clinic Realisation and Maintenance (ICSM) and National Core Standards (NCS) in order to meet the requirements of the Office of Health Standards Compliance (OHSC).

NHI Programme was provincially introduced in Alfred Nzo from April 2015. Currently, the Provincial funded program is aimed:

- To increase access to the communities as the basic human right
- To improve efficiencies through disease prevention
- To offer comprehensive services to communities
- To balance the allocation of resources across the district
- To ensure effectiveness and appropriateness

Key deliverables are:

- Strengthened District Management and governance
- Strengthened RPHC
- Increased accessibility of pharmaceutical services
- Compliance to the office of health standards
- Strengthen District planning, monitoring, and evaluation

Discussion:

The focus of the district is to ensure the strengthening Re-engineering of Primary Health Care (RPHC), a fundamental component of the National Health Insurance (NHI) program; increase

Districts Clinical Specialist Teams (DCST); Ward-based Outreach Teams (WBOTs); contracting of General Practitioners (GPs); use of the Integrated School Health Programme (ISHP); as well as the Centralized Chronic Medicine Dispensing and Distribution (CCMDD). RPHC is one of the key policy developments which is aligned with the objectives of the 10 Point Plan i.e. to overhaul the health care system and improve its management. It is based on the 14 national outcomes and the Negotiated Service Delivery Agreement (NSDA) to achieve "a long and healthy life for all South Africans"

Total number of facilities 81

Clinics	72
CHCs	02
Specialized (TB) hospitals	01
District hospitals	06

Strengthening of District Management systems:

The District effected the following appointments to strengthen District Management and Scarce Human Resources during 2017/18 financial year.

Occupation	Number of Appointments
Elementary Occupations	98
Assistant manager nursing specialty	01 (Tayler Bequest Hospital)
Clinical associates	06
Medical managers	01 (Maluti CHC)
Clinical nurse practitioner	12
Dentists	05
Family physician (DCST)	01
Advanced midwife (DCST)	01
CEOs	02 (Khotsong and Madzikane hospitals)
Pharmacy manager	01 Madzikane Ka Zulu
PHC operational managers	09
Medical officers	11
Pharmacists	08
Professional nurse general (hospitals and clinics)	111 (Includes project litigation)
Professional nurse specialty (hospitals and clinics)	19 (Includes project litigation)
Radiographer	07

The District has also through the NHI budget contracted Sixty (60) cleaners for PHC facilities from January 2018 to June 2018.

Ward Based Outreach Teams (WBOTs):

The Municipal Ward-based Primary Health Care Outreach Teams (WBPHCOTs) form a pivotal part of South Africa's PHC re-engineering strategy. The outreach teams consist of Community Health Workers (CHWs), led by a nurse and are linked to a PHC facility. The district is continuing with household registration and actively participating in "WAR Rooms".

CHWs assess the health status of individuals in the households. They provide health promotion education, identify those in need of preventive, curative or rehabilitative services, and health-related counseling, and refer those in need of services to the relevant PHC facility.

The district has contracted 40 ENAs as team leaders and 32 PNs to pursue outreach services. There are 26 Municipal Ward-based Primary Health Care Outreach Teams (WBPHCOTs) within the District.

There is a total of 22 602 household registration visits done from April 2017-March 2018. The school learners screened through ISHP from April 2017 to February 2018 are 15 430.

Social Responsibility Programs:

There are two antipoverty sites (Mbizana ward 14 and Mount Frere ward 14). The total number of clients seen within anti-poverty sites is 5915 (Adults: 4602 and Children: 1313)

District Clinical Special Teams (DCSTs):

The district has Four (4) DCST specialists' posts out of the seven that are filled which advance primary health nurse, advance midwife, advanced pediatric nurse and Family Physician doctor. However, the district has also three specialists (Paediatrician, Obstetrics & Gynaecology and Anaesthetist) that have been appointed for St Patrick's hospital in 2016/17 for the reduction of maternal and child mortalities within the District.

Ideal Clinic Realisation Maintenance (ICRM)

The District has achieved ideal clinics status on the following clinics since 2015/16 financial year until to date.

Name of the facility	Sub-District	Status
Matatiele community	Maluti	Platinum
Shepherds-hope	Maluti	Silver

Mkhemane	Umzimvubu	Gold
Mhlotsheni	Umzimvubu	Silver
Dundee	Umzimvubu	Silver
St Patricks gateway	Umzimvubu	Bronze
Tsawana	Umzimvubu	Bronze

National Core Standards and PEC Results for Hospitals:

Improvements in National Core Standards is observed on the extreme and vital measure as per requirement. According to the results out of Six (6) District Hospitals, four (4) achieved 70% and above; Namely, St Patricks achieved the total score of 78%, Sipepetu 72%, Mt Ayliff 71% and Tayler Bequest 70%.

Access to pharmaceutical services:

CENTRALISED CHRONIC MEDICINES AND DISPENSING AND DISTRIBUTION

The district has sixty-six (66) active facilities and 21 adherence clubs offering on CCMDD services. The total registered clients are 21 506 from 29 December 2017 until 30th March 2018.

Maluti has registered 61 53 and Umzimvubu registered 15 353 clients. The total number of delivered medicines parcels is 127 476.

Stock visibility system:

There is 90% availability of nmeducaine within PHC facilities.

Antiretroviral treatment availability is 95%

Anti-TB treatment availability is 91%

Children Vaccines availability is 89%

E-Health Strategy

The Health Patient Registration System (HPRS) has been developed and set up to provide a Patient Registry and Master Patient Index (MPI) service using the South African Identification number and all other legal personal identification numbers (e.g. the passport number) as the primary patient identifier, making it possible to track patients at all levels of care for improving quality and continuity of care. The establishment of a National MPI is a key

building block for the migration to NHI and the development is supported by the South African eHealth Strategy (2012).

Alfred Nzo District has registered a total number of PHC facilities capturing clients through the HPRS system. The District has registered 262 272 clients on the system from December 2016 until 30th March 2018. A total of 60 facilities are registering patients online and offline; 433 computers were delivered and installed to PHC facilities for this purpose.

Local Municipality	Registered Clients
Matatiele	73 298
Ntabankulu	31 705
Umzimvubu	65 519
Mbizana	91 749
Total registration for the District: 262 272	

All 81 facilities in the district are fully utilizing Web-DHIS for statistical data management since February 2017. There are 73 facilities (90%) are implementing TIER.net for HIV and 25 facilities are implementing ETR for TB data management.

Infrastructure:

Health Facility Improvement Plans:

A: Hospitals

a) Hospital revitalization:

Madzikane Ka-Zulu Memorial and St Patrick's hospitals have fully revitalized.

b) Under Construction:

Sipetu hospital is currently in two construction phases (2nd Main hospital & 3rd staff residence building). Khotsong hospital on the 3rd phase (construction of the main hospital buildings).

a) Planned

There are three hospitals in the planning stage for renovations and refurbishment (Tayler Bequest, Mt Ayliff, and Greenville). They are expected to be on tender during the 2018/19 financial year.

B: PHC Facilities

Upgrade Program PHC:

Maluti Health Center is currently in phase one (Fencing completed) whilst Ntabankulu Health Center is still in the planning stage and it is expected to be out on tender during the 2018/19 financial year.

Clinics on upgrade program:

Two clinics (Meje and Nyaniso) are currently being upgraded from 8 Hour to 24-hour services. They have both completed the first phase of construction.

a) Clinics on upgrade from mud structures to the formal structure:

1. The district has three clinics on the upgrading plan namely, Lugangeni, Tela, and Dutyini. Zulu clinic is also earmarked for an upgrade.

b) Newly built clinics:

There is one donated clinic at Umzivubu sub-district, Mpindweni clinic which on the last phase of construction (construction of nurses' home).

C: Municipal services:

a) Electricity Connectivity

2. The district has progressed with the installation of electricity in facilities and the distribution is as follows:

Local Municipality	With Electricity	Without Electricity
Matatiele	16	04
Mbizana	16	06
Ntabankulu	09	02
Umzimvubu	18	03
Total	59	15

b) Domestic waste management

The District is through the NHI budget managing/ collecting domestic waste from all PHC facilities to comply with National Environmental Waste Management Act of 2008. The service has started in January 2018. Medical waste is collected from all facilities by Compass Waste to comply with National Environmental Waste Management Act of 2008.

NHI Budget:

Financial

A total budget of R 7 000 000.00 has been allocated for the district meant for only good and services. The budget was utilized to improve services and a lot of medical equipment has been procured and distributed to PHC facilities. The medical equipment procured is amounting to

R930 125, 94, Medical stationary of R 2 700 000.00, domestic waste contract amounting to R154 273 and cleaning services contracts amounting to R 886 319.

2018/19 NHI Budget

A total budget of R 5 772 941. 00 which includes of goods & services and capital is allocated for this program. Capital budget allocation is R1 915 750.00 and goods & services allocation is R 3 857 191.00.

3.3.7. Education and training

AND has 274 primary schools, 482 combined schools and 77 secondary schools (823 schools in total). There is also a TVET college (Ingwe College). There are three campuses of Ingwe TVET college in the district: Mount Frere, Bizana (Siteto campus) and Matatiele/Maluti. Project Isizwe has provided free wi-fi access for Mount Frere TVET campus and surrounding communities.

Some schools are overcrowded and need more classrooms, others are under-utilised. ASIDI has been building new schools in the district. GTAC is conducting a study to inform the school rationalization process. The district has low literacy rate (50%). A high % of the population is without schooling; and a low % of the population has higher education.

Generally the quality of education and training is not good and should be improved. This is an essential condition for the future growth and development of the area. Indeed, education and training are a development priority of ANDM. DRDLR launched the National Rural Youth Services Corps (NARYSEC) in 2010 to train unemployed youth in skills relevant to CRDP projects.

Future priorities include:

- Improve the quality of education in AND and reduce classroom backlogs.
- Ingwe TVET College to provide skills, particularly for infrastructure, construction and maintenance and modern farming practices. Ideally the college offerings should be extended and a full range of relevant curricula should be offered (in view of the very youthful population of AND)
- Development partnerships between Ingwe TVET college and, for example, SANRAL, War on Leaks, Youth Farming Initiatives etc
- Mobilise resources for the TVET expansion and upgrading through relevant SETAs, mining companies etc
- Ideally NARYSEC should also be scaled-up in AND
- Focus on improving the skills pipeline for growth sectors and major projects and specifically SETA resource mobilization and curriculum development.

- ANDM should engage with DRPW to scale-up the Accelerated Professional and Trade Competencies (APTCoD) in the district.

3.3.8. Agriculture

Agriculture is currently the main economic activity in the district; it is one of the most prominent sectors that possess a lot of potential for development. Currently, it has a limited base for economic expansion due to the fact that majority of farming in the district is traditional subsistence farming. Commercial farming is only limited to the Cedarville area within the Matatiele Local Municipality (north east of the District). It is however worth noting that although confronted with these challenges, ANDM has favorable climatic conditions and is highly endowed in the availability of arable land suitable for development of the agricultural sector. As such the agricultural sector in ANDM has been identified as a priority sector for development.

In an effort to change the current status quo of the agricultural industry in the district, government has introduced a number of programmes in support of small holder farmers with the intended objective of developing them into sustainable commercial farmers and also creating value chains in the process, thereby establishing an Agricultural Industry in the district.

It is in this regard that the District is in the process of implementing an Agri-Parks programme which aims to bring about rural economic transformation and sustainable economic growth in the district. In an effort to change the current status quo of the agricultural industry in the district, government has introduced a number of programmes in support of small holder farmers with the intended objective of developing them into sustainable commercial farmers also creating value chains in the process, thereby establishing an Agricultural Industry in the district. Past experiences serve as evidence to us that by providing subsistence farmers with the necessary support, there is great potential for graduating from subsistence to commercial farming.

In-line with the national priorities thereof, towards the development of the Agricultural sector, the Alfred Nzo District is in the process of implementing an Agri-Parks (APs) programme which aims to bring about rural transformation and sustainable economic growth in the District. One of the key objectives of the Agri-Park Programme is to "Promote the skills of and support to small-holder farmers through the provision of capacity building, mentorship, farm infrastructure, extension services, production inputs and mechanisation inputs".

These APs are aimed at creating an enabling environment for economic development and

job creation, with a focus on value chains for dominant products. An Agri-Park (AP) will typically comprise of the following three basic units; a Farmer Production Support Unit(s) (FPSU), a central Agri-Hub (AH) & a Rural-urban Market Centre (RUMC). The ANDM Agri-Parks Business Plan (CSIR, 2016) plans for a central agri-hub to be located in Cedarville, with Farmer Production Support Units (FPSU) in each LM area. The FPSUs supply raw materials to be processed at the Agri-Hub:

- Cedarville agri-hub: Products to include animal feed, maize meal, mutton, scoured wool, prepacked potatoes, fresh and frozen vegetables.
- Mount Frere FPSU: feedlot and woolshearing
- Matatiele FPSU: maize support and silos; feedlot and woolshearing
- Mount Ayliff, Mbizana and Ntabankulu FPSUs: vegetables

As part of the Agri-Park Implementation, the District has thus adopted a model that seeks to enhance the district primary production with the intended objective of elevating the district farmers from subsistence farming to Semi-Commercial and eventually Commercial farming.

For sustainable Agricultural Production in ANDM, an “Agri-production model” as illustrated below has been developed and tested through a pilot programme, which entails:

- crop production and mechanisation, possible partnership with private sector and the Departments of Rural Development & Agrarian Reform (DRDAR) and Land Reform (DRDLR) for risk sharing
- capacity building and mentorship targeting partnerships with Setas and Seda for training and support
- provision of infrastructure (fencing initially); through application to the MIG funding
- facilitation of access to markets,
- funding support through the Cooperative Incentive Scheme (CIS) with an opportunity for more funding if coops are clustered.

of land in each local municipal area. Furthermore, it must be noted that production on the ground for each year may include other commodities not necessarily stated in the production expansion model.

In addition to the Agri-Parks Programme, the following are the *Agricultural programmes that are available in the District*;

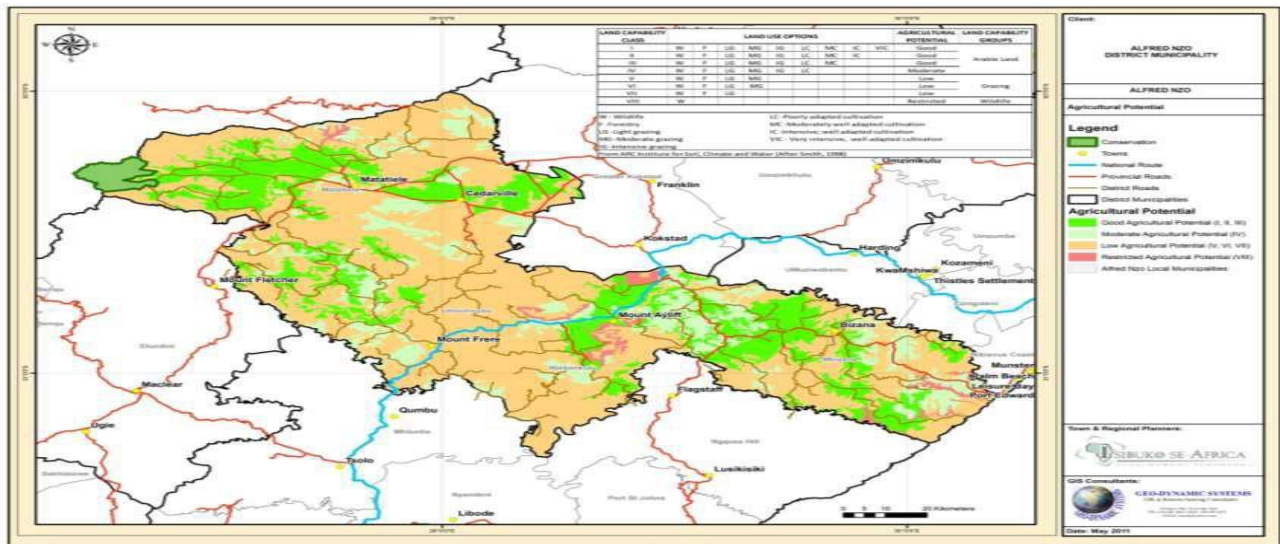
- Siyazondla Homestead Food Production (Green revolution)
- Cropping Programmes
- Land Care Programme
 - Communal Soil Conservation Scheme
 - Resource Planning Programme
 - Natural Resources
- Comprehensive Agriculture Support Programme (CASP)
- Livestock Production Improvement Programme
- Micro-Economies (Business Plan development, Coop Registration, Marketing)
- Veterinary Services
- Umzimvubu Agricultural Show
- Farmer Mentorship (Livestock & Cropping)
- Extension and Advisory services
- Household Food Security programme
- Farmer Development Programmes
- Small Scale Fishing Support Programmes
- School Nutrition Programme

These programmes are complementary to the Agri-Parks Programme, and not treated in isolation.

In response to various challenges and obstacles in the sector, ANDM has thus adopted a Public-Private strategic partnerships approach with existing industry role players in order to accelerate transformation and commercialisation of the Agricultural sector in the District. These partnerships will be centered around the following areas; Mechanisation, Training and Mentorship, Provision of the required infrastructure to support the programme such as fencing, access roads, storage facilities and Access to markets. As such ANDM still needs enhanced agricultural interventions that can create and support profitable smallholder

enterprises (through, for example, CPPP's, contract farming arrangements/outgrower schemes, and collection/aggregation systems).

Map 1: Overview of Agricultural Potential Land



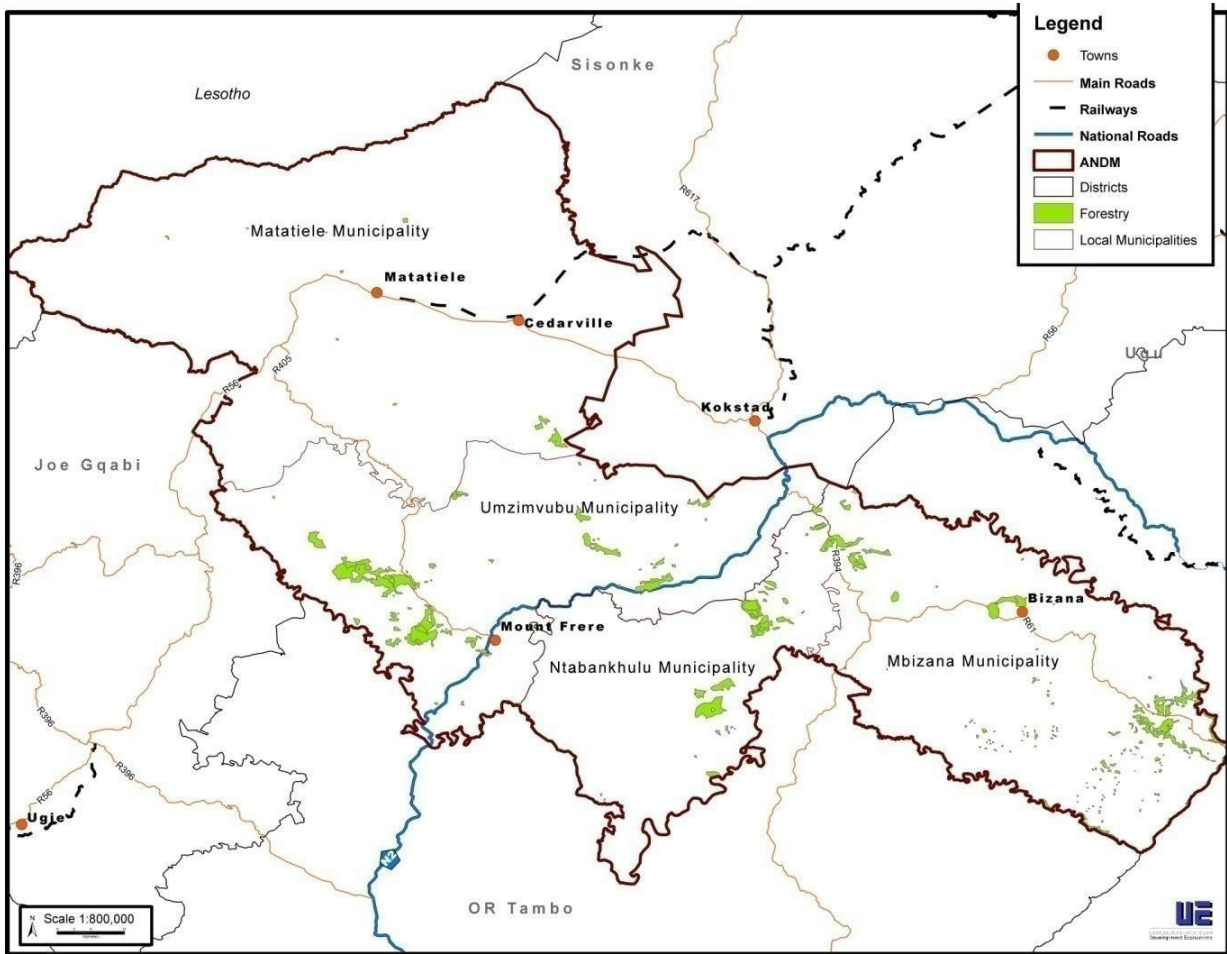
⁷ See DRDAR's "EC Agricultural Economic Transformation Strategy, 2016-2021"

⁸ Irrigable land parcels are less than 50 ha each.

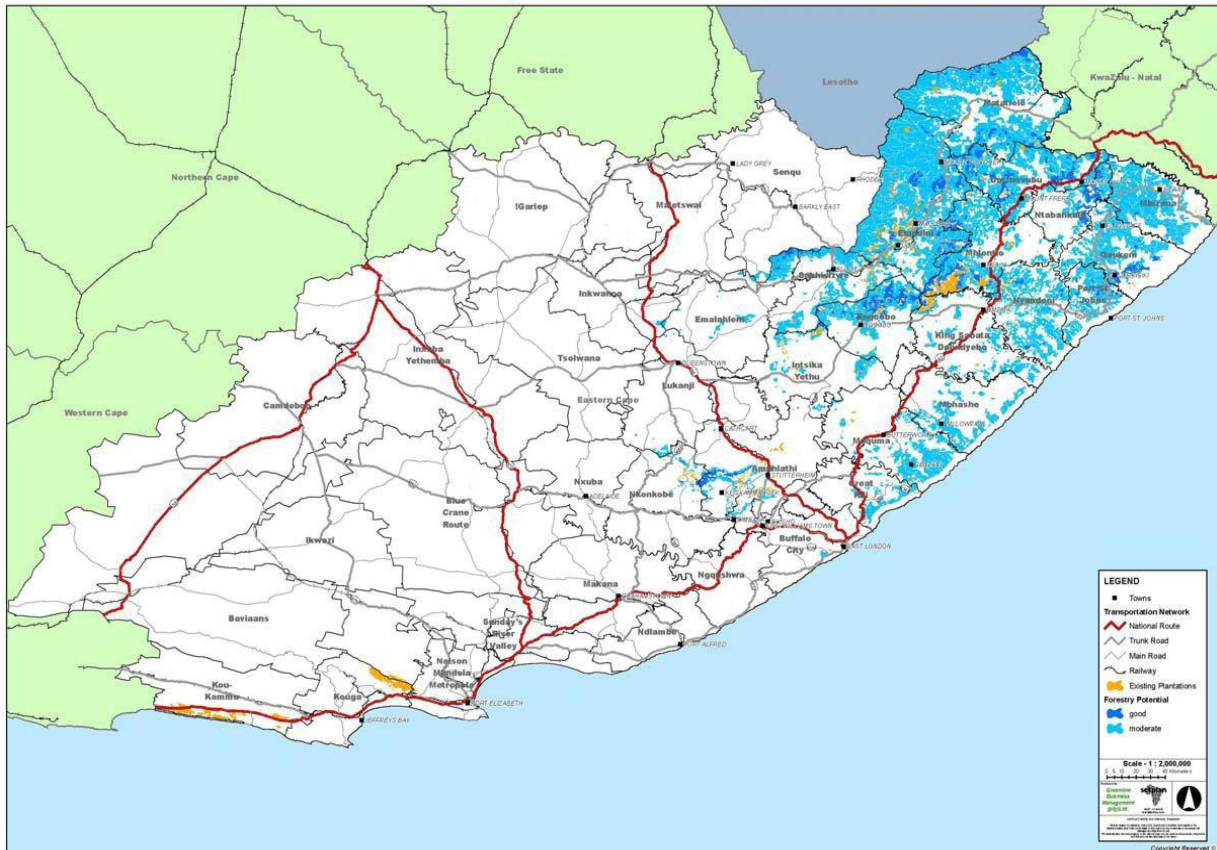
3.3.9. Forestry

The following data is extracted from EC Forestry Sector Profile (DWAf, 2007):

	Mbizana	Ntabankulu	Umzimvubu	Matatiele	TOTAL
Commercial plantations (ha)	0	1051	3149	0	4200
Woodlots (ha)	951	92	285	408	1736
Indigenous (ha)	3719	3353	4597	1684	13353
Afforestation potential (moderate) (ha)	119710	35713	131288	250928	537639
Afforestation potential (good) (ha)	2590	13467	27746	18310	62113
Number of Sawmillers	0	0	4		4



Forestry Sector Profile - Eastern Cape



There are two recent ECRDA/ Jobs Fund/ Sappi Community Forestry projects in Mbizana: Sinawo and Izinini. Sinawo Forestry is located on land previously used by North Pondoland Sugar. There are two main issues with community forestry. Firstly, the economic returns to communities are fairly small and long-term, particularly when there are hundreds of household beneficiaries. Secondly, afforestation takes land away from other land uses (such as grazing and even arable farming) that may offer better economic returns.

Future community forestry projects should therefore be approached with due caution. But AND has very substantial afforestation potential (56% of the total land area of the district) which if realized would provide direct employment opportunities and (in time) downstream opportunities. Community forestry projects demonstrate that CPPP's can work. CPPP's should be more prevalent in more employment-intensive sectors (such as irrigated agriculture/horticulture). Future priorities include:

- Identify communities wishing to enter into community forestry arrangements
- Explore partnerships with Sappi and Hans Merensky.

3.3.10. Commerce and industry

AND has no major commercial centres and inputs are bought from Kokstad, Port Shepstone and Mthatha. (Mount Frere is nearer to Kokstad than Mthatha, 87km versus 104km, but Mthatha-Mount Frere is the busiest taxi route in the EC). But AND has a busy commercial sector, with shops in the main towns, rural service centres/transport nodes and some villages. There are new enterprises such as 100% black- owned Matatiele Grainco providing mechanization and transport services to the farming sector.

The manufacturing sector is extremely small, consisting of:

- Activities in old Transido complexes
- Concrete block-makers
- Sawmillers (one medium and three small in Mzimvubu)
- Sanami: SEDA Alfred Nzo Agro-Manufacturing Incubator at Mount Ayliff (See sanami.co.za)
- Crafts enterprises

Priorities include:

- Commercial property developments (see 2.11 below)
- Upgrade of Transido complexes
- Attraction of new incubators
- Agro-industrial development
- Crafts development

3.3.11 Tourism

The district has an active tourism economy, including:

Wild Coast Sun (golf course and R80 million Wild Waves Water Park) 750 ha

- B&Bs
- Tour operators, such as Mzamba Tours and Itembalampondo Tours
- Craft Route: Matatiele to Mount Frere
- Mehlosing Hiking Trail
- Mbizana birthplaces of OR Tambo and Winnie Mandela
- Ntabankulu Cultural Village
- Events such as Ntabankulu Pondo Festival and Matatiele Jazz Festival (including pop- up fashion shows)

The district has very good potential to grow the tourism economy and multiply tourism-based enterprises (including crafts) particularly in view of the new Wild Coast N2 and ANDM's useful framing concept of "Beach to Berg". Potential exists around ecotourism, cultural and heritage tourism.

All local municipalities have a tourism office, but there is an absence of an active “Beach to Berg” website. The B2B website should include:

- Attractions (with detailed write-ups)
- Events
- Accommodation
- Routes and maps
- Photos (there are two good ANDM tourism brochures with excellent photos)
- Community-based ecotourism operators

Priorities for the development of the sector include:

- Set-up active Beach to Berg (B2B) website
- Improve infrastructure and signage of B2B route
- Plan tourism-related property developments (see next section)

3.3.12. Construction and Property development

The employment-intensive construction industry presently accounts for about 10% of jobs in the district and there is good potential to grow this sector (in terms of employment and growth of local emerging contractors) based on public sector infrastructure contracts and private sector property developments. However, there are a number of obstacles to sector development that must be addressed. There are many opportunities for private property development in AND. Examples include:

- Coastal developments associated with the new N2 (such as OR Tambo Theme Park at Mzamba)
- Inland tourism projects (such as Matatiele waterfront)
- New commercial developments, such as shopping complexes
- Small town developments (such as new Mount Ayliff precinct)
- Transport nodes/precincts: such as at Pakade junction and Phuti junction
- Middle-income housing
- Hawkers facilities and taxi ranks (including public toilets)

The sector's development is being held back by a number of issues, including:

- Land issues (see below)
- Opportunities for local emerging contractors in public sector infrastructure contracts
- Training opportunities for TVET students in infrastructure contracts.
- Need for a Contractors Development Programme (planned by ANDM)

Private sector property development requires long-term legal security of land rights. These are often not readily available, due to the following issues:

- Land claims. There are 146 claims in the district, and only one resolved (in Matatiele LM). The towns of Mt Ayliff and Mt Frere are under claim.
- There are many parcels of state-registered land in the district, but these parcels are not available for development. There is need for a State Land Audit (with DRDLR) so that titles can be sold or long-term leased.
- Much of the district is under communal tenure. For parcels of prime development land
- communities should be able to get formal rights so that long-term investment partnerships can be created with the private sector.
- High-priority development precincts should be identified and land titles acquired.

Future priorities include:

- Resolve land claims speedily (with assistance from the Land Claims Commission)
- ANDM to do a state land audit and get access to state land for property development.
- □ ANDM to support communities to acquire titles over communal land for development. DRDLR can assist with this.
- Identify and prioritise land precincts to be titled for private investment (such as
- coastal tourism nodes; transport nodes; along development corridors and possibly high-potential agricultural zones). This will be in preparation for a proposed AND Land Assembly.
- Ensure public sector contracts provide business and training opportunities for local people.
- Implement ANDM Contractors Development Programme.
- Detailed planning around Wild Coast N2 and coastal development.

3.3.13. SMMEs

Small enterprises are found in all the sectors reviewed above, with great variation in incomes and formality. They include street traders, shopkeepers, commercial smallholders, taxi operators, motor repairs/panel-beaters, building contractors and block-makers, Transido complex enterprises, B&B operators and professionals (such as lawyers and medical practitioners) etc. AND has an emerging culture of enterprise and entrepreneurship. It is important to note that communities can be enterprising, using such techniques as asset-based community development (ABCD). It is clear that SMME development has most potential for development around four value-chains already discussed:

- Sawmillers and other downstream wood-using enterprises
- Emerging small commercial farmers (and downstream activities)
- Construction and builders
- Tourism-related enterprises (including crafters)

Small enterprises are supported by SEDA and ECDC and will benefit from the successful implementation of sector strategies, including, for example, infrastructure for street traders, new commercial developments and incubators.

Possible future priorities include:

- ANDM must identify all existing SMEs in the four priority value chains and facilitate partnerships to remove obstacles to value-chain development and support enterprise start-ups and growth.
- Use e-connecting and e-learning to form local groups of people that share development interests, and are experimenting with the possible
- Techniques of ABCD should be more widely known and practised
- Virtual and physical (combined) enterprise incubators should be more ubiquitous than at present.

3.3.14. Environmental protection

AND faces a number of environmental issues that could jeopardise future development efforts, particularly tourism development and agricultural development.

The environmental issues to be addressed include:

- Land degradationⁱ caused by livestock over-grazing, indicating the need for land rehabilitation projects (and fencing)
- Human settlement encroachment on agricultural land.
- Untreated sewage flowing into rivers
- Illegal building on the Wild Coast. DEDEAT's Wild Coast Nature Conservation Plan
- and the nodal development approach need to be strictly enforced.
- Absence of solid waste disposal and recycling systems
- Scaling-up environmental EPWP.

Existing conservation areas include:

- Pondoland Centre of Endemism
- Maluti Drakensberg Transfrontier Conservation Area
- Matatiele Nature Reserve
- Ongeluksnek Nature Reserve.

There is a severe threat to Wild Coast conservation from the new N2 (Mzamba to Mtentu). But there are also great development opportunities. This issue requires special attention.

3.3.15. Public sector

The public sector is the dominant player in the socioeconomic development of the AND and potentially a key enabler of economic growth. The public sector in AND includes:

- ANDM
- The four LMs
- Schools and health facilities
- Police and magistrates courts
- Ingwe TVET college
- Other activities by provincial and national sector departments and agencies, such as DRDLR, DRDAR, ECRDA, DEDEAT, ECDC, SEDA, SANRAL, Public Works etc

To achieve its developmental mandate the public sector must have strong leadership and much improved management capabilities. NDP and ECPDP have proposals on how this can be achieved.

Economic governance leadership in the AND should have:

- Good knowledge of the economic issues facing AND
- A good understanding of the needs of stakeholders
- A clear development vision and agenda

- An ability to communicate these persuasively to relevant stakeholders.
- An ability to leverage resources from state sector departments and state-owned entities (such as IDC and PIC).

Tourism activities within the District are currently fragmented, therefore the District undertook development of the Beach to Berg (B2B) Corridor Development Plan as an output of the Tourism Sector Plan and 2012 SDF. The B2B development plan is a framework for implementing a collection of initiatives or programs consolidated into one umbrella to grow regional development and assist in economic development of the region through tourism. The following are the main elements of the Beach to Berg project:

Beach to Berg

Borderlands of Eastern Cape, KZN and Lesotho

The Mzimvubu and its tributaries, the Tina, Kinira and Mzintlava rivers

Place of deep river pools and occult snakes, mamlambo and inkanyapa

From Nomansland, East Griqualand and Amadiba's coastal edge

To postcolonial precincts and harmonious productive partnerships

The shared home of Oliver Tambo, Winnie Mandela

And other fallen heroes

3.3.16. THE ANDM SWOT ANALYSIS

Strength	Weakness
<ul style="list-style-type: none"> • Location of the district: well located on the major economic corridors. • Revenue Enhancements. • Improved rates and tax collections. • Orderly planning. • Tourism opportunities, especially between Mbizana and Matatiele • Large traces of virgin land • N2 highway that traverses Mount Ayliff and Mount Frere • ANDM is a gateway between KwaZulu-Natal and Eastern Cape • Water sources e.g. Mntavuna, Mthentu and Umzimvubu rivers • Topography/landscape in relation to tourism attraction • Natural environment • Favourable land for agriculture • Good climate for grain production • Geographically denser compared to other comparable District municipalities in the province. 	<ul style="list-style-type: none"> • Investors are afraid and not willing to invest in places such as Mbizana due to political instability and adequate infrastructure. • Most towns within the district lack integration or linkages between each other. • Lack of controls in land development. • Lack of understanding between politicians and traditional authorities. • No proper economic relation between towns in the district. • Shortage of skills and personnel within the district. • Inadequate implementation of LUMS could hamper provision of infrastructure and services to the entire area. • Poor management of border gates in Matatiele Local Municipality. • Poor spatial development vision for the whole district (long term basis). • Poor institutional arrangements for implementing strategies and policies. • Lack of funding. • Uneven terrain (mountainous). • No future development zones within the district.

Strength	Weakness
	<ul style="list-style-type: none"> • Mostly rural (less revenue collection) • Fragmented tourism clusters • Unused arable land • Disintegration of the ANDM towns • Land claims on the ANDM urban commonages (delaying development)
Opportunities	Threats
<ul style="list-style-type: none"> • There is potential for the district to attract investors, provided there are clear LUMS frameworks. • Alfred Nzo District Municipality is closest to neighbouring, well-resourced Kwazulu-Natal, in terms of economic development and trade. • Opportunities are open for agricultural activity, especially commercial farming within Matatiele Local Municipality, and also, large forestry potential exists. • Proposed N2 toll road. • Tourism opportunities for Matatiele Local Municipality i.e. Drakensburg Mountain as a tourist attraction and events such as the Masibuyelembu and Matat Festivals which give the district an exposure to regional and provincial Tourists. 	<ul style="list-style-type: none"> • Lack of clear LUMS could harm development in the district. • It is envisaged that investors might lose interest in the district because of the proposed N2 route to the coastal area that links Durban to East London. • High level of nepotism, sabotage, corruption, fraud and unresolved land claims. • Disaster prone and environmental degradation. • The only sub-regional node is Kokstad, which is in Kwazulu-Natal. • No designation for land sheet traders. • Poor storm water management. • N2 wild coast (most vehicles passer-by are envisaged to use the new N2 route, which will not pass any of the ANDM towns. The proposed route will cover only a 30 km stretch compared to the 100km stretch passing the district currently

Strength	Weakness
<ul style="list-style-type: none"> • Alfred Nzo District Municipality's central locality between Kwazulu-Natal, Lesotho, Free State and Eastern Cape. • Fishery opportunity in Mbizana. • N2 wild coast route. • The integration of Ocean's economy and the Wild Coast highway. • Rich in heritage (home to several liberation movement stalwarts) • Relocation of Alfred Nzo Regional Sector Government Department offices which could result to a construction boom at eMaxesibeni. • Forestry 	<p>and this will have a negative impact on the economy of these towns)</p> <ul style="list-style-type: none"> • Poor Road conditions, particularly on the N2 between Ngcweleni Bridge and KwaBhaca CBD, and R56 between Kokstad and Matatiele • Vehicular accidents caused by livestock. • Frequent service delivery Protests, risk to the existing infrastructure. • Economic leakage

4. Alfred Nzo District Municipality Institutional Review

4.1. ANDM Institutional Snapshot

ANDM is an organ of local government that potentially plays a crucial and central role in the socio-economic development of the Alfred Nzo District. It plays particularly important roles in the delivery of basic water services and the co-ordination and integration of the development efforts of its four local municipalities and provincial and national sector departments.

ANDM prioritises six of the nationally determined key performance areas (KPA's):

KPA1: Municipal Transformation and Organisational development (improvement of internal efficiencies and effectiveness);

KPA2: Basic-Service Delivery (particularly water and sanitation. ANDM is both WSA and WSP for the district);

KPA3: Local Economic Development (to expand the local economy and increase employment and reduce poverty);

KPA4: Financial viability and financial management (improve ANDM's performance in this area);

KPA5: Good governance and public participation (deepen democracy);

KPA6: Cross-cutting issues (integrated development and strong partnerships).

To enable performance in these six areas ANDM **employs** about 400 people. About half of employees are skilled (managerial, professional and technical) and the other half are semi- skilled or unskilled. The average employee compensation was R495, 000 in 2015-16⁹.

Segment staff compensation

ANDM had audited total **income** of R945 million in 2015-16. ANDM is almost entirely dependent on income from grants. Own revenue (mainly from water and sanitation service charges) accounts for only 4.5% of total income.¹⁰ Conditional grants

(mainly MIG and MWIG) at R538 million accounted for 57% of total income and equitable share at R365 million accounted for 39% of total income. Essentially equitable share covers Opex and conditional grants cover capex. Total expenditure in 2015-16 was roughly equally split between Opex and capex. Most of the capex budget goes to extending bulk water supply throughout the district.

⁹ Based on audited employee costs in 2015-16 of R198.5 million.

¹⁰ Audited own revenue in 2015-16 was R41 million. Water and sanitation service charges were R25.7 million.

Audited operating expenditure in 2015-16 was R551 million, 36% of which went to paying ANDM employees. While the average employee compensation appeared to be relatively high at R495, 000 in 2015-16, ANDM appears to suffer from a shortage of appropriately skilled staff in critical service delivery areas. This leads to excessive dependency on external service providers. For example: consultancy reports (see Chapter 6) a contract with Sebata Municipal Solutions to do a water metering system and a contract with Munsoft to help implement the new Standard Chart of Accounts (SCOA). Such services would normally be rendered by in-house technical and administrative staff.

Assets

ANDM has assets worth R2.9 billion at end June 2016, in the form of land and buildings (including a relatively new HQ in Mount Ayliff), water and sanitation infrastructure (although much is old and requiring maintenance and rehabilitation), vehicles (for drought relief and leased) and current assets such as cash and debtors (accounts payable for water and sanitation services).

Asset type	Audited depreciated value at end June 2016 (R million)
Buildings	37.2
Finance leased assets (trucks)	32.3
Infrastructure (mainly water)	1,452.7
Other property, plant and equipment	27.9
Assets under construction	1,262.1
Current assets	80.1
TOTAL ASSETS	2,936.6

ANDM tried to raise a R1 billion loan sourced from the Billion Group in 2016, but the deal fell through.

The ANDM Council consists of 40 councillors.

4.2. Organisational Structure

The ANDM organisational structure is divided into the following six directorates:

- Office of the Municipal Manager
- Community Development Services
- Corporate Services
- Budget and Treasury Office
- Infrastructure Development and Municipal Services / Technical Services
- Planning and Economic Development.

4.2.1. Office of the Municipal Manager:

The Municipal Manager has the widest span of control and has responsibilities in eight areas:

- **Communications Unit**

The Communications unit is responsible for the development of internal and external communications including communication strategies, branding, publications, events management, and information dissemination

- **Special Programmes Unit**

The Special Programmes Unit (SPU) which is responsible for all the activities associated with the provision of HIV & AIDS information and training in the District and programmes which deal with issues relating to the youth, gender, disability and children.

- **Manager in the office of the Executive Mayor**

The Manager in the office of the Executive Mayor is responsible for the functionality of the Mayoral Committee, technical advice to the Executive Mayor and oversight of Mayoral programmes.

- **Manager in the Office of the Speaker**

Responsible for providing support to all standing committees and council meetings, coordination of councillor training programmes and promoting public participation in all important municipal programmes.

- **Internal Audit**
- **Risk Management**
- **Inter-governmental relations**

Coordination of inter-governmental relations programmes within the district.

- **Legal Services**

Legal Services includes all legal related matters of the whole Municipality such as litigation, contract management, advisory services, debt recovery, by-law development and disciplinary proceedings.

4.2.2. Corporate Services:

The responsibilities of the department include:

- **Human Resource Management** which provides management and staff with quality human resource support including career and compensation management, labour relations management and employee wellness.
- **Human Resource Development** which includes assisting new entrants into the labour market, training and development of staff, Councillor Development and community empowerment.
- **Administrative Support.**
- **Information and Communication Technology (ICT)** which is responsible for ICT Governance; Development and Implementation of ICT operating Standards and Policies; ICT Network Infrastructure Deployment and Management and Connectivity; ICT Systems Management; Disaster Recovery and Business Continuity; Information and Data Management and retention; Development and Implementation of ICT strategic and Master Systems Plans in line with municipal IDP; Implementation of MCGICTPF; ICT risk management and deployment of long and short term control measures; General Systems and user support services; Deployment of systems security and enforcement of compliance with applicable laws and regulations; Establishment and maintenance of community ICT Centre.

4.3.3. Infrastructure Development and Municipal Services / Technical Services

The department is responsible for the following:

- Water Service Authority which deals with planning (Water Service Development Plan, Water Conservation and Demand Management and Sanitation Master Plan) and regulatory functions.
- Water Service Provision which deals with bulk purchase, source development and distribution of water as well as operations and maintenance. Waste water management including provision of sewerage services.
- Project Management which deals with implementation of both bulk water supply and reticulation projects as well as sanitation programmes (rural and urban).
- Emergency Services to deal with sudden water supply breakages, electricity breakdowns, attending spillage of poisonous and dangerous substances and water quality monitoring.
- Engineering Services to deal with coordination of Electricity Planning, District.

- Transport Planning and Municipal Building Maintenance.

4.2.4. Community Development Services:

Community Development Services is responsible for provision of various community and social services in the district and all these are administered through the following units:

- Municipal Health Services: designed to ensure that comprehensive environmental health services package to inhabitants of the district
- Customer Care Unit: responsible for ensuring existence of sound relations between the district municipality and its customers and further ensure maximum stakeholder participation in the development initiatives of the district through a people centered approach to achieve sustainable development.
- Fire and Rescue Services: Responsible for protection and rescue of life, property and environment from any fire related threats.
- Disaster Risk Management Services: Responsible for Disaster Risk Management and response services.
- Thusong Centre Management: Responsible for coordination of provision of services closer to the people.
- Sports, Arts, Culture, Recreation and Heritage: Responsible for coordination of sport, arts, culture, and recreation.

4.2.5. Budget and Treasury Office

The Chief Financial Officer is responsible for;

- Budgeting
- Supply Chain Management
- Revenue / Income Generation & Collection
- Expenditure Management
- Assets and Liabilities Management.

4.2.6. Planning and Economic Development

The Manager: Development and Economic Planning deals with the following:

- Promotion of Local Economic Development and Planning
- Development Planning which includes Integrated Development Planning (IDP), Organisational Performance Management System (OPMS)
- Spatial Planning and Land Use Management
- Geographic Information Systems (GIS)
- Land and Development Administration
- Town Planning.

4.3. ANDM Human Resources

The Department drew up the Employment Equity Report.

Skills Development

The Municipality adopted a Workplace Skills Plan, in accordance with the Skills Development Act. The plan aims to address the identified skills shortages within the municipality.

Performance Management System (PMS)

The reviewed policy aims to get the PMS cascaded to lower levels than Section 56 managers. The municipality will develop its Service Delivery and Budget Implementation Plan (SDBIP) as the basis for performance management in terms of implementation of the IDP and Budget expenditure. All Supervisors have been trained on the PMS.

4.4. Information and Communication Technology (ICT)

Disaster Recovery Business Continuity Plan

ANDM council has approved a Disaster Recovery and Business Continuity Plan. A Business Continuity site has been established at the Disaster Management Centre in Mt Ayliff. The BC site stores both backup data and live front end of municipal systems.

ICT Community Centres

ANDM has completed four community ICT centres. These community centres are situated at libraries in the following areas Matatiele, Bizana, Mt Ayliff and Ntabankulu. Maintenance and support for all community centres is managed by ANDM. Currently the district has provided internet services for all the community centres. The district has also completed another community centre at Mfundisweni Skills centre and provided internet access this centre. ANDM is implementing a programme to provide ICT at all Thusong Centres.

ICT Master System Plan

ANDM has adopted an ICT Master Systems Plan. Key elements include:

- ICT Infrastructure Assessment and investment Plan
- Hardware and software evaluation
- District (including all LMs) shared services
- Enterprise Architecture
- ICT Business Engagement Plan
- Strategic alignment arrangements to optimise ICT enablement of service delivery.

ICT Risk Management Plan

ANDM has reviewed the ICT Risk register and management plan.

Electronic Document and Records Management System

ANDM has developed an electronic document and records management system. The approach is to focus more on developing electronic backup for all critical municipal records that are currently filed as hard copies at municipal store rooms. This process will be prefaced by records audit and recommendations on disposal and provincial archiving.

Information and Communication Technology Governance Steering Committee

ICTGSC is in place with two key responsibilities: to play oversight on ICT policy development and implementation and Implementation of ICT IDP projects. Secondly, the committee is also responsible for ICT Change Management in the institution.

The ICT Strategic Plan focuses on:

- ICT Governance
- Security Management
- Access Management
- ICT Service Continuity
- ICT Governance (MCGICTPF Implementation)

ANDM has adopted a Municipal Corporate Governance of ICT Policy Framework (MCGICTPF). The municipality is implementing this framework and it is aligned with the IDP and other key municipal strategies to ensure that ICT Governance is mainstreamed in the organisation and continuous benefits are realisable.

4.5. Financial Viability and Financial Management

Financial viability at district municipality level demands:

- Optimal financial management (outcomes based budgeting)
- Effective systems (financial, technological and human)
- Ability to generate own revenue.

Sound financial management practices are essential to the long-term sustainability of municipalities. They underpin the process of democratic accountability. Weak or opaque financial management results in the misdirection of resources and increases the risk of corruption. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernise municipal financial management in South Africa so as to lay a sound financial base for the sustainable delivery of services. Municipal financial management involves managing a range of interrelated components: planning and budgeting, revenue, cash and expenditure management, procurement, asset management, reporting and oversight. Each component contributes to ensuring that expenditure is developmental, effective and efficient and that municipalities can be held accountable.

With good Performance Based Management there is a close alignment of planned expenditure to programme and project inputs and outputs. This applies to both capital and operational programmes and projects. It can also apply to the support service for the projects and programmes as well as for the Municipality as a whole.

The Budget provides the baseline for the allocation of resources. To make implementation happen effectively the managed disbursements of these financial resources is required.

A sound Financial Management System that supports priority delivery by controlling the efficient channelling of finances. The financial management system must interact to ensure that resources are used:

- In the right amount;
- At the right time; and
- In the right way,
- In order to produce the outputs envisaged within the priority objectives and prioritised projects of the IDP.

Budget Summary 2018

The total budget for the financial year 2018/19 is R1.2 billion.

Income Allocations and Sources

The Alfred Nzo Municipality derives its income from several sources:

National:

- Equitable share
- Finance Management Grant
- MSIG Funding
- MIG Funding
- Water and sanitation backlog funding (DWA)
- RSC Levy replacement grant
- Councillors' remuneration provision

Provincial

:

- Sports Art and Culture
- Municipal Health Services
- LED Capacity Building

Own income:

- Water and Sanitation service fees
- Interest on grants
- Input VAT
- FNB Building Rental
- Plant Machine Rental

The Municipality has a low income base and is heavily dependent on National and Provincial Grants. This trend exhibits little expectation that the Municipality will reduce its dependency from these sources of funding in the near future.

Revenue Adequacy and Certainty

It is essential that the municipality has access to adequate sources of revenue, from both its own operations and intergovernmental transfers, to enable to carry out its functions. It is furthermore necessary that there is a reasonable degree of uncertainty with regard to source, amount and timing of revenue. The Division of Revenue has laid out the level of funding from National Government for the next three years.

Cash/Liquidity Position

Cash management is vital for the short and long term survival and good management of any organisation. The appropriate benchmarks which can assist in assessing the financial health of the municipality are:

- The current ratio, which expresses the current assets as a proportion to current liabilities. "Current" refers to those assets which could be converted into cash within 12 months and those liabilities which will be settled within 12 months. ANDM's ratio is 0.2 and is seen as undesirable in the medium term.
- Debtor collection measures which have an impact on the liquidity of the municipality. Currently the municipality takes 180 days to recover its debts.

Sustainability

The municipality needs to ensure that the budget is balanced (income covers expenditure). As there are limits on revenue, it is necessary to ensure that services are provided at levels that are affordable, and that the full costs of service delivery are recovered. However, to ensure that households which are too poor to pay for even a proportion of service costs, at least have access to basic services, there is a need for subsidisation of these households.

Effective and Efficient use of Resources

In an environment of limited resources, it is essential that the municipality makes maximum use of the resources at its disposal by using them in an effective and efficient manner. Efficiency in operations and Investment will increase poor people's access to basic services.

Accountability, Transparency and Good Governances

The municipality is accountable to the providers the resources they use, for what they do with those resources. The budgeting process and other financial decisions should be open to public scrutiny and participation.

Implementation of Credit Control policy

This policy and relevant procedures details all areas of credit control, collection of amounts billed to customers, procedures for non-payment etc.

Payments Strategy

This strategy aims at implementing innovative cost effective processes to encourage consumers to pay their accounts in full on time each month.

Implementation of an Indigent policy

This policy defines the qualification criteria for an Indigent, the level of free basic services that will be enjoyed by Indigent households, penalties for abuse etc.

Provision of Free Basic Services

Provision is made on the budget for the provision of free basic water services from the equitable share. A certain percentage of the equitable share is used for this purpose at this stage, which is mainly attributable to the fact that households in rural areas that do have access to water supplied by the Municipality are not being charged for their consumption as there are no water meters in many rural areas since water provision is at RDP standards. The municipality is also struggling to put systems in place that will enable to bill for consumption as a result almost all the people that have access to water are receiving water for free.

Billing and Payment of water and sanitation levies

Over 9000 urban households (5% of all households in the district) are billed for water and sanitation levies. Rural areas that do have access to water supplied by ANDM and are not being metered or charged for their consumption, which implies that a considerable amount of purified water is unaccounted for.

ANDM is in the process of cleansing and reviewing its database of households who are being serviced. Payment rates are poor and this is compounded by the high poverty levels and low affordability levels of our communities.

ANDM is constantly striving to provide services to its community which requires substantial capital investment, especially in terms of infrastructural assets. In order to maintain service delivery it is imperative that these assets be maintained in proper working order which requires investment in terms of maintenance and repair costs. According to the National Treasury, municipalities should be budgeting between 10% and 15% of their operating expenditure for repairs and maintenance.

Revenue Enhancement Strategy

ANDM is faced with the dilemma of revenue management in terms of being able to account for what has been sold, versus what has been supplied. One primary objective of ANDM, is to ensure that every consumer gets billed correctly (accurate billing) and fairly.

We have developed metering systems to allow ANDM to improve revenue management, combined with switch-off mechanisms which ultimately results in better returns. We understand that communication is an integral key to revenue enhancement and customer satisfaction. Thus, our aim is to meet (and surpass) our customers' expectations by providing them with transparency and control when it comes to their utility metering.

All households utilising water must be billed for the consumption used. Therefore all consumers must be metered and accurate readings be taken on a monthly basis. In cases where the meter is not accessible or not working a system estimation is levied on such accounts. Accounts must be printed and distributed to ensure that consumers are aware of their monthly usage.

Faulty meters must be identified and reports be forwarded to ANDM (IDMS) for replacement. Water leakages should be attended to immediately and be minimized. When the customer is converted from credit to prepaid meter and there is an outstanding amount on the account, a percentage of arrears should be recovered from prepaid purchases. The ANDM has appointed Sebata Municipal solution for the audit, installation and replacement of water meters. The service provider is assisting ANDM in billing management, the objective being to ensure that accurate billing is accomplished. The municipality has installed prepaid water meters in Matatiele and Cedarville: a total of 1 894 prepaid water meters were installed in Matatiele. The following areas in Matatiele had meters installed: Itsokelele, Njongo Village, Dark City, North End and Harry Gwala. The municipality will install meters in Mountain View, Mbizana and town area. Alfred Nzo District Municipality has also installed credit or convertible water meters at Mount Ayliff, Mount Frere, Mbizana and Ntabankulu. ANDM will be converting credit meters to prepaid water meters for Mbizana, Ntabankulu, Mount Ayliff and Mount Frere.

Revenue management in improving service delivery

Improved service delivery in revenue management demands that the following are in place:

- Dispensing free basic services accurately with audit trail;
- Accurate and complete customer readings;
- Measures for avoidance of theft;
- Automatic meter reading;
- Systems available 24 hours per day close to the customer;
- Systems in close proximity to the customer;
- Direct online vending of water, with no human intervention on transactions, as the alternate goal
- Automatic connection and disconnection of meters;
- Accurate logging of complaints, faults on the customer relations management system;
- Effective and efficient delivery of services i.e. timeous correction of faults when the class has been logged;
- Accurate, valid and complete records kept on the document management system;
- Easy access to information when required;
- Accurate, valid and complete financial records kept on the financial system (billing) to ensure correct bills are sent to the correct customers and payments/receipts are attached to the correct customers;
- Accurate, valid and complete records kept on the geographical information and easy access to ensure that when the call/complaint/fault has been logged, the geographical information system can point the directions as to where exactly the area is with a problem;
- Accurate, valid and complete performance information kept on the performance management system to ensure improved performance monitoring; and profiling of load data per customer.

Assets and Liabilities management

The municipality continues to maintain a fixed assets register that is GRAP compliant. The major benefit of having an asset register is to ensure that ANDM keeps track of assets, provides a fair estimate of their worth and provides an estimate of the aging of the assets. This provides the basis of information to help plan future asset investments and also informs the Municipality's maintenance plan. The municipality continues to budget for the repairing and maintenance of old infrastructure.

Infrastructure Assets

ANDM continues to focus on development of new infrastructure, while not ignoring maintenance of the existing infrastructure in order to ensure a reliable provision of

services. The water and Sanitation departments are now focusing on growing its 'asset management maturity' with the implementation of a strategic municipal asset management program. The primary focus of this process is to prolong the immediate serviceability of the affected assets so that we can prolong their life time.

A major threat to ANDM is ageing infrastructure and the deterioration of assets. To address this problem, the Municipality is embarking on an asset replacement program. The first phase of the project is to develop a detailed well informed replacement plan.

Municipal Fleet

ANDM's water services have recently acquired trucks. These trucks have been most beneficial to the district during the recent drought as they were able to transport and supply water to the most water-needy areas. For the municipality to ensure that its fleet continues to deliver services in an efficient way, a fleet management system will be introduced. The system will ensure that the use of the fleet is monitored to ensure that services are indeed delivered to where they are needed. The municipality continues to investigate ways of ensuring that the trucks are managed and used where they are necessary. As part of cost cutting measures, the municipality continues to monitor the use of fuel and other fleet related costs. Cases of abuse or fraud are investigated and necessary action taken against culprit.

Standard Chart of Accounts

The Local Government Municipal Finance Management Act, 2003 determines measures for the local sphere of government (Municipalities) designed to ensure transparency and expenditure control. National Treasury is responsible for enforcing compliance and is required to compile national accounts incorporating all three spheres of government.

Uniform expenditure classifications have already been established and implemented for both national and provincial government departments. The SCOA regulations seek to implement the same uniform classifications at local government level. These enable National Treasury to provide consolidated local government information for incorporation into national accounts.

Currently each municipality manages and reports on its financial affairs in accordance with its own organizational structure (chart of accounts) and this results in disjunctures amongst municipalities and entities as to how they classify revenue and expenditure as well as reporting thereof. This compromises transparency, reliability and accuracy in planning and reporting processes and limits the ability of national government to integrate information and formulate coherent policies in response to the objectives of local government.

Expenditure management

The municipality pays its creditors within the prescribed period of 30 days in accordance with section 65(2) (e) of the MFMA. The municipality has implemented controls to ensure that monthly creditors' reconciliation is performed and reviewed by the manager, expenditure, and that an invoice register is maintained in order to comply with the 30 day requirement. ANDM is currently in the process of implementing a document management system in order to ensure that all expenditure records and documents are secured and available when requested.

Supply-chain Management

Alfred Nzo District Municipality's supply chain management policy is implemented in a way that is fair, equitable, transparent, competitive and cost-effective. ANDM has a fully functional Supply Chain Management Unit which serves as an advisor for all procurement in the municipality in terms of its Supply Chain Management policy. Three bid committee systems as prescribed by the MFMA are in place, with proper delegations and terms of reference for each committee. Procurement of goods and services in excess of R200 000 is done through the Bid Committee system

Elimination of unnecessary expenditure

The aim is to ensure that departments spend budget efficiently, effectively and economically.

Payroll management

Alfred Nzo District Municipality reports to the council monthly on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely:

- Salaries and wages;
- Contributions for pensions and medical aid;
- Travel, motor car, accommodation, subsistence and other allowances;
- Housing benefits and allowances;
- Overtime payments;
- Loans and advances; and
- Any other type of benefit or allowance related to staff.

Key financial issues

The key issues can be summarized as follows:

- Efficient, effective and economical supply chain management
- Implementation of eProcurement: Quote Management System, ISO 9001 accreditation, Procurement scheduling and Contract management
- Improved alignment of the budget to the IDP – budgeting in terms of IDP priorities
- Budgeting for sustainability and timeous updated Medium Term Expenditure Framework
- Reduced debts through effective credit control and debt management
- Development and implementation of a new billing system in line with 2017/2018 IDP
- Access to alternate sources of funding: PPPs (public-private partnerships), development levy, business tax, etc.
- Maximising of revenue from Council properties
- Securing of properties and property rights necessary for capital projects
- Effective asset management
- Efficient fleet management to improve service delivery
- Investment and cash flow management
- Cash receipts control and management
- Training of staff on Credit Control & Debt Collection Policy
- Timeous production of Generally Recognised Accounting Practices (GRAP) compliant financial statements
- Timeous payment of creditors in terms of SCM procedures
- Asset and liability insurance cover
- Deadline monitoring
- Risk management
- Effective and efficient processes.

4.6. Governance

The Municipal Council consists of 40 Councilors of whom 11 are full-time Councilors, including the Speaker and Chief Whip of the Council. The Council is led by the Speaker, the Executive Mayor, the eight full-time Mayoral Committee Members and councilors. The council has traditional leaders that participate in terms of section 81 of the Municipal Structures Act. There has been a delegation of powers from Council to the Executive Mayor and the Executive Mayor in turn has delegated some of these powers to Mayoral Committee Members. The Mayoral Committee, led by the Executive Mayor, functions through the following S80 and S79 of the Municipal Structures Act committees which assist in decision making and ensure that there is a political environment that is conducive for service delivery:

Committees and Functions:

Structure	Key Areas of Responsibility
Human Resources	Human resources; General administration; Information and Communication technology
Finance Standing Committee	Budget; Expenditure; Income; Supply chain management;
Infrastructure Development & Municipal Services	Project Management Water services Authority; Water services provision; Infrastructure provisioning
Community Development Services	Sports and Recreation Heritage and Culture Disaster management Fire & Rescue Municipal Health Services ISD & Customer Care
LED, Developmental Planning	Integrated Development Plan. Local Economic Development
Office of the Municipal Manager Communications	Communication of municipal programmes Media Engagements Media Liaison
SPI	Events Management Development of Municipal Publications Youth Development & Transformation Disability Programmes Children's care and Support Programmes Gender Development and Transformation HIV and AIDS; TB; Awareness; Care and Support; Older Persons
IGR	Intergovernmental Relations, Stakeholder management, Protocol & Municipal Relations and agreements
Risk Management	Integrated Risk Management Sound Good Governance
Public Participation	Direct interaction between the council and communities Oversight of council business
Internal Audit	Internal Audit Services; Internal Controls Risk Management, Governance

The following departments support the above structures:

- Infrastructure Development and Municipal Services
- Community Development Services
- Planning and Local Economic Development
- Budget and Treasury Office
- Corporate Services Department

The Municipality has a functional Audit Committee. In order to enhance its effectiveness, an Audit Committee Charter has been developed and adopted by Council to guide the functionality of the Committee. Alfred Nzo District Municipality has managed to improve its audit opinion. In the last two financial years it has managed to obtain a qualified audit opinion. The summary overview of the *Audit Outcome of the District Municipality and Local Municipalities* is as follows:

ANDM Audit Outcomes

Municipality	Financial Year	Audit Report
ANDM	2014/2015	Qualified
	2015/2016	Qualified
	2016/2017	Qualified
Matatiele	2014/2015	Unqualified
	2015/2016	Unqualified
	2016/2017	Qualified
Umzimvubu	2014/2015	Unqualified
	2015/2016	Unqualified
	2016/2017	Qualified
Ntabankulu	2014/2015	Disclaimer
	2015/2016	Qualified
	2016/2017	Unqualified
Mbizana	2014/2015	Disclaimer
	2015/2016	Unqualified
	2016/2017	Unqualified

The municipality has further developed an Audit Action Plan aimed at addressing audit queries. This was adopted by Council and will assist the municipality in achieving better audit outcomes.

Intergovernmental Relations (IGR)

During the current financial year the functionality of IGR Structures within the municipality have improved significantly, with CoGTA support, through the implementation of the Back to Basics Programme and the introduction of an Integrated Service Delivery Model by the Office of the Premier. The structures are composed of the District Mayors Forum (DIMAFO), the District Speakers' Forum, the IDP/IGR Representative Forum (IDRF), IDP Steering Committee (HODs for both municipalities & sector departments), and the Municipal Manager Forum, Technical IGR Support Forum, District Planners Forum (Planners & IDP Managers/Coordinators) and sub-forums as per the implemented District IGR Framework. Staff shortage is however hindering progress in the implementation of the District IGR Framework which operates with only two staff members.

Partnerships and Strategic Relationships

The Municipality has made a concerted effort to develop its capacity through the formation of strategic partnerships and relationships. It has concluded partnerships with the following institutions:

Partnerships and Strategic Relationships

The Municipality has made a concerted effort to develop its capacity through the formation of strategic partnerships and relationships. It has concluded partnerships with the following institutions:

- City of Lusaka
- O. R. Tambo District Municipality
- The Development Bank of Southern Africa (DBSA)
- Swedish Government (Ohstresund Municipality)
- Thina Sinako (European Union)
- Coega
- DME
- NYDA
- ANDA

The Municipality has a Communication Strategy which is in line with the National and Provincial Communication Strategies. The GCIS has allocated one staff member to

provide communication support to the municipalities as well as other organs of the state in the district.

The District Municipality considers communication and public participation to be very important and has consequently established a Customer Care Centre to improve lines of communication between the municipality and its communities.

The communication unit works in close liaison with local municipalities. It utilizes various means of communication, including the Alfred Nzo newsletter, brochures, bulletins, community radio stations, newspapers, some television stations, and national newspapers.

To support the process, the municipality established the District Communicators Forum (DCF) that sits quarterly to discuss matters relating to communication.

The district further communicates with communities through community development workers and ward councilors who are based within local municipalities.

Alfred Nzo District Municipality developed and adopted a Public Participation Strategy to guide the implementation of mechanisms through which the public may participate in the municipality's programme of action. The strategy further promotes a culture of openness, transparency and accountability on the part of the council, its political structures and its administration, by allowing citizens to exercise their right to public participation.

Institutional Guidelines:

These focus on managerial reform aiming at:

- Objectives and results orientated management
- Effectiveness and efficiency orientated management
- Service and client orientated management
- Performance based contracts
- Service orientated codes of conduct.

4.7. Service Delivery and Operational Modelling

Flowing from the foregoing situational analysis which characterizes the socio-economic and institutional strengths, weaknesses, opportunities and challenges, that confront Alfred Nzo; and given the emerging Strategic Agenda, it's Vision-Mission-Goals and the Strategies below in the next chapters. Alfred Nzo District Municipality must develop an appropriate Services Delivery and Operating Model; that assures:

- Alignment between mandate and strategy
- Internal vertical and horizontal coordination and integration;
- Appropriate centrality of the core business of the District
- Identification of key enablers to support the service model
- appropriate grouping of functions along the core services, support services and orientation towards service users.

4.7.1. Institutional diagnosis and Reengineering

Background and Purpose

The preceding section sights the financial position of the Alfred Nzo District Municipality. The municipality acknowledges that it is currently in a serious financial crisis and thereby unable to meet it's financial and service delivery obligations. On the 10-11 May 2017, the Executive Mayor of the ANDM then convened a session, "aimed at turning around the municipality's financial challenges, so that the municipality can continue with its constitutional mandate of fast tracking services provisions to its citizens".

The session observed that the financial challenges faced by the municipality, if not addressed, will result in the municipality being, by default, in contravention of Section 65(2) (e) of the MFMA. It is within this background that the municipality is seeking solutions to the financial crisis in terms of section 135(3) (a) of the MFMA.

Should the Municipality not be in a position to fulfil its mandate, some strategic implications for ANDM may include:

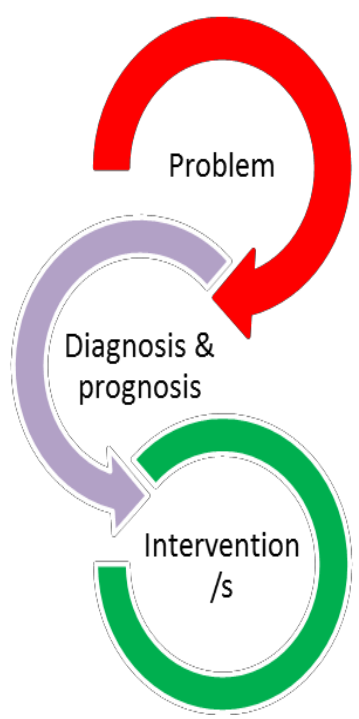
- Limited ability to address the developmental agenda as articulated in national and provincial strategic documents i.e. NDP, Nine-Point Plan, etc.
- A lessened capacity to fulfill the service delivery mandate in particular as relates to water services provisioning and authority.
- The current status has already led to a need to reconsider and as result undertake the reprioritization of the municipal strategic agenda
- The current financial status of ANDM may deprive the municipality of potential investment opportunities.
- Possible community unrest as a result of poor service delivery.

From a service delivery perspective, this has a number of implications for ANDM and its Communities. Having noted the above, the Turnaround session was identified as one of its objective the need to solicit and initiate a Section 154 support: "Section 154(1) of the Constitution of the Republic of South Africa, 1996, states that, "the national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions."

The session of the 10th -11th of May 2017 also identified from discussions of 4 groups or commissions, the need to provide special attention on the institutional capabilities, foundational issues (policies, standard operating procedures, process-flows and systems), as these were seen as contributors to the current state and challenges.

The purpose of this section is therefore to give an overview of the current financial situation, Perform a prognosis and sight the proposed recommendations going forward. To map the process going forward, work-streams on Financial Management, Infrastructure Development and Municipal Services (IDMS), Institutional Transformation as well as Legal and Contracts deliberated on challenges that possibly led to the current financial position. Short, medium and long term recommendations have been sighted as possible solutions to assist the Municipality.

The following diagram illustrates the approach taken during the 10 - 11 May 2017 Session:



Challenges and Recommendations

FINANCIAL VIABILITY

The municipality is currently experiencing various major financial challenges and thereby unable to meet its financial and service delivery obligations. The municipality is therefore by default in contravention of Section 65(2)(e) which states that *“All money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure”*.

It is within this background that the municipality is seeking solutions to the financial crisis in terms of section 135(3) (a) of the MFMA. The approach is therefore to analyse the financial current situation, perform a prognosis and come up with solutions going forward.

The following are some challenges identified and proposed recommendations:

CHALLENGE	1. CASH FLOW
ROOT CAUSES	<ul style="list-style-type: none"> • High Commitments vs Income • Accrual that were not paid for from the previous Financial Years • Lack of Coordination between IDMS and Finance Departments with regard to Grant allocations • Multi-year commitments by IDMS, thus not appearing on DORA • High Expenditure on operational activities (ie cost drivers; overtime, S&T, Standby allowances, security costs, car allowance policy to be reviewed) • Price fixing by service providers • Procurement of goods and services where there is no value for money
RISKS	<ul style="list-style-type: none"> • Non-compliance with Legislation • Service delivery is compromised
ACTIVITIES/SOLUTIONS	<p>SHORT TERM</p> <ul style="list-style-type: none"> • Review the 2018/19 IDP and Draft Budget in order to finalise Budget and address Cash Flow <ul style="list-style-type: none"> ○ IDP: to identify the sources of funding for a specific financial year ○ No allocations for non-core functions within ANDM <ul style="list-style-type: none"> ✓ Example: MIG allocations must be complied with and clearly specified in the IDP & Budget. • Stop Procurement • Appointed Service Providers to forward Invoices, then do the following: <ul style="list-style-type: none"> ○ Consider current contracts/invoices; undertake analysis to determine amount needed to pay off current invoices; Negotiate terms of payment with Service Providers ○ Stop/postpone Equitable Share project activities until the Municipality is in a position to pay; with the exception of Conditional Grants • Financial Projections for multi-year projects must be accompanied by proof (for the purposes of DORA) • NB: Comply with policies, laws and regulations • Recovery of funds owed by Dept of Human Settlements and various sector Departments as presented by COGTA <ul style="list-style-type: none"> ○ Ensure that Invoices are submitted timeously to Departments • Clearly determined collection rates for own revenue collection <p>MEDIUM TERM</p> <ul style="list-style-type: none"> • Form a team of Management and Council to undertake collection of revenue owed to ANDM • Together with IDMS and LMs, create consolidated Indigent Register for Alfred Nzo and follow processes to ensure that it is included in the Final Budget (ie advertise for Indigents to come forward and Register with ANDM before finalising the Budget). <ul style="list-style-type: none"> ○ Currently, Indigent is high, but not clearly articulated in the Budget

	<ul style="list-style-type: none"> • Develop strategies to address price fixing by service providers <ul style="list-style-type: none"> ○ Set price ceilings that cannot be exceeded by service providers
	<p>LONG TERM</p> <ul style="list-style-type: none"> • Get information on Indigent Registers from all LMs, submit to Treasury so that Equitable Share can be increased
CHALLENGE	2. NON-ADHERENCE TO POLICIES, LEGISLATION AND PROCEDURES (Governance issues)
ROOT CAUSES	<ul style="list-style-type: none"> • Non implementation of policies in place • Culture of non-adherence to policies, legislation and procedures that are in place
RISKS	FRAUD, CORRUPTION, NON-COMPLIANCE. FRUITLESS AND WASTEFUL EXPENDITURE
ACTIVITIES/SOLUTIONS	<p>SHORT TERM</p> <ul style="list-style-type: none"> • Procedure Manual Reviewal • Delegation of powers with time lines • Amend / Review policies eg. Virement Policy: ensure it is clearly articulated in terms of figures/amounts and must be adhered to in projects implementation. Must be thoroughly motivated • Centralise receipt of invoices by making use of the “Invoice Box” at ANDM • Adhere to all SCM regulations and policies • Implement and monitor PMS • Risk office to advocate compliance..
	MEDIUM TERM
	LONG TERM
CHALLENGE	3. LOW REVENUE BASE
ROOT CAUSE	<ul style="list-style-type: none"> • Lack Of Asset Management Plan • No O&M Plan linked to Local Municipalities • Poor quality and unavailability of water has a direct impact on revenue collection <ul style="list-style-type: none"> ○ Rate payers will not pay for poor water quality, and billing will not be accurate if there are instances where there is no water
RISKS	<ul style="list-style-type: none"> • Non billing of new developed areas
	<p>SHORT TERM</p> <ul style="list-style-type: none"> • Prioritise O&M and Asset Management Plan linked to LM spatial planning • Invest in Infrastructure; ie functional running meters that will provide accurate readings, which will in turn provide accurate billing and collect revenue effectively

	<ul style="list-style-type: none"> • Develop strategies to address price fixing by service providers <ul style="list-style-type: none"> ○ Set price ceilings that cannot be exceeded by service providers
	<p>LONG TERM</p> <ul style="list-style-type: none"> • Get information on Indigent Registers from all LMs, submit to Treasury so that Equitable Share can be increased
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RISKS	<ul style="list-style-type: none"> • Non billing of new developed areas
	<p>SHORT TERM</p> <ul style="list-style-type: none"> • Prioritise O&M and Asset Management Plan linked to LM spatial planning • Invest in Infrastructure; ie functional running meters that will provide accurate readings, which will in turn provide accurate billing and collect revenue effectively

RISKS	<ul style="list-style-type: none"> No segregation of duties No isolation of responsibilities Rolling of cash Fraud
SOLUTIONS	SHORT TERM: Prioritise key and high risk positions MEDIUM TERM LONG TERM
CHALLENGE	8. GRANT DEPENDENCY
ROOT CAUSE	<ul style="list-style-type: none"> Low revenue base Most indigents in ANDM population
RISK	
ACTIVITIES/SOLUTIONS	
CHALLENGE	9. HIGH SALARIES
ROOT CAUSE	Hiring for the sake of hiring
RISKS	
ACTIVITIES/SOLUTIONS	ANDM to thoroughly review the Organogram

INFRASTRUCTURE DEVELOPMENT AND MUNICIPAL SERVICES (IDMS)

The IDMS function within ANDM is mandated with the core function of the District; Water Services Authority and Water Services Provision. The IDMS function is mainly funded partly through the Municipal Equitable Share as well as through grants from the Municipal Infrastructure Grant (MIG), Department of Water Affairs (DWA), the Development Bank of South Africa (DBSA), etc.

These grants are usually transferred to the Municipality in tranches for specific service delivery targets. Failure to receive these grants on time affects the Municipality's cash flows, and often also results in the Equitable Share being used to fund grand-funded projects. The ripple effect of this occurrence is service delivery on other departmental projects that cannot be implemented due to unavailability of funds.

Following are some challenges identified and proposed recommendations:

SHORT TERM FOCUS AREAS		
FOCUS AREA/CHALLENGE	PROPOSED INTERVENTION	TIME FRAME
Over and Under commitment	<ul style="list-style-type: none"> Alignment of projects with available budget Engage DWS for O&M support Follow-up on engagements regarding the secondary bulk infrastructure funds for Mbizana 	Immediately

Lack of accounting	<ul style="list-style-type: none"> Institute internal controls (process flows and checklist). Develop Institutional Project Management Framework 	June 2018
Inadequate funding for Repairs and Maintenance	<ul style="list-style-type: none"> Develop proper planned and preventative costed Maintenance plans. Council to adopt PPM budgeting tool. Consolidate Asset Register. 	June 2018
Poor drinking water quality and effluent quality	<ul style="list-style-type: none"> Develop TORs/job descriptions for rural operators Partner with LGSETA for skills development and capacity building Benchmark the most optimal model through DWS that can be employed by the ANDM to operate and maintain rural water schemes. Request DWS to conduct BDS and GDS assessment for rural water schemes seasonally 	June 2018
Variation orders	<ul style="list-style-type: none"> Proper planning, design and project costing prior to implementation Undertake due diligence processes (demand management section with SCM) with regards to project cost estimates Develop Standard Operating Procedures for approval of variation orders. 	July 2018
High Water Losses	<ul style="list-style-type: none"> Partner with DBSA and sector Departments to benefit for best practices Prioritize staffing of WCDM section Mobilise resources so as to roll out installation of prepaid water meters programme throughout ANDM 	
MEDIUM TERM FOCUS AREAS		
FOCUS AREA	PROPOSED INTERVENTION	TIMEFRAME
Insufficient qualified staff for water services	<ul style="list-style-type: none"> Compile a data base of people trained on water services within the district Establish the tripartite relations with institutions (TVETs, Universities, Department of Public Works) 	Sep 2018
Unauthorised Water Connections	<ul style="list-style-type: none"> Clear mandate from the Council regarding control measures aimed at managing unauthorised connections Charge a flat rate to consumers that have unauthorised water connections (rate to be differentiated for uses). 	Dec 2018
Institutional Customer Care not conforming to RPMS	<ul style="list-style-type: none"> Design synergy between IDMS and CDS in order to comply RPMS Council policies should be aligned with RPMS Development of Customer care communication plan 	Sep 2018
Regulatory Performance Management System	<ul style="list-style-type: none"> Auditing by DWS (regulator) should receive same status as AG's auditing. Internal Auditor to perform periodical assessments 	Immediately
LONG TERM FOCUS AREAS		

FOCUS AREA	PROPOSED INTERVENTION	TIMEFRAME
Monitoring and Evaluation of Service Providers	<ul style="list-style-type: none"> MM's office to prioritise M&E function. 	Dec 2018
Terrain and inaccessible households	<ul style="list-style-type: none"> Council to lobby for review of funding model with sector departments (budget allocated for rural municipality must be different from urban municipality) 	On -going
Ageing Water Services Infrastructure	<ul style="list-style-type: none"> Council to embark on refurbishment / replacement programs Establish Resource Mobilisation Committee for the purposes of lobbying for funding. 	On -going
Free Basic Services	<ul style="list-style-type: none"> Municipality to redefine indigence within ANDM. Devise mechanism to provide services to population residing in the privately owned land 	June 2018

INSTITUTIONAL AND CAPACITY BUILDING

That issues of governance and institutional capacity building need to be prioritised as they have a direct bearing on service delivery which will affect the Municipal Audit opinion.

Some challenges and recommendations relating to institutional transformation include:

Challenges/ Cost Drivers	Measures to Reduce Costs	Proposed intervention	Policy Implications	Service Delivery Implications
Telecommunication (voice calls only)	To reduce monthly telephone pin codes allocation amount	Monthly monitoring of telephone usage by Supervisors	To review telephone policy to address the monthly pin codes allocation.	Excessive/ high bill of telephone reduces service delivery vote budget allocations
Printing Solution (Rental only without toners and repairs)	To reduce printing by implementation of paperless	Centralise Printing	New policy on paperless management	Reduction will fund s/d votes
Stand By Allowances	Continuous placement of employees in stand by wherein they are 5 day workers	Revisit and review institutional arrangements – review functional chart	Irregular placing employees on standby is in conflict with collective agreement and no policy review is required	Non-compliance with collective agreements will to the municipality being issued with compliance orders
Working on Saturday	Minimise work on Saturday and Sundays	Revisit and review institutional arrangements – review functional chart	No policy implication	same as above matter

Cost Drivers	Measures to Reduce Costs	Proposed Intervention	Policy Implications	Service Delivery Implications
Overtime	Close and management of overtime; Overtime payment should be reduced. Officebased employees overtime work must be stopped with immediate except for service delivery department.	Revisit and review institutional arrangements - review functional chart. -HODs to account as per policy	Overtime is regulated in terms of Basic Conditions of employment Act and Municipal Policy and maximum hours to be work is 40 hours. Working overtime is not a right and reduction thereof will not conflict with the act	Service delivery will not be affected if overtime is properly managed vis avis proper shift shift system and /or stand by systems
Shift Allowance	Employees who do qualify and who do work shift as envisaged in the collective agreement should not receive same. Immediate audit of the shift allowance vs employing personnel	Revisit and review institutional arrangements review functional chart	Irregular shift Allowances are in conflict with collective agreements.	Service delivery will not be affected if shift allow. is properly managed visa vi proper shift system and /or stand by systems
Cost Drivers	Measures to Reduce Costs	Proposed intervention	Policy Implications	Service Delivery Implications
Travelling claims	Employees must report at their workstation and must not claim from Mount Ayliff despite their workstations are in the satellite offices. Employees must claim from the satellite they are based on to the site.	Revisit and review institutional arrangements – review functional chart	Review the policy to be aligned cost cutting Council adopted policy	Service delivery will not be affected as employees will be working on their sites but need to be stationed on the satellite they are working at.

Accommodation costs	Consider payment in terms of 8.3.2 and increasing R303.00 to R500.00 Further consider to review use of travelling agents	This can be Done by ANDA.	Review the policy to be aligned cost cutting Council adopted policy	Savings will be used to fund municipal operations
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LEGAL AND CONTRACTS

The diagnosis identifies limited contract management capacity; from inception to performance managing contracts, herein are the details of the challenges and solutions.

No.	Challenges	Proposed Solution	Rating : S,M & L
1.	Limited contract management capacity	1. There must be a Contract Management Unit, composed of : 1.1. Legal Unit 1.2. Contract Management practitioner 1.3. SCM Practitioner	Short (S)
		2. Restructuring the SCM Organogram	Short (S)
		3. Centralization of Contract of Management: 3.1 Service level agreement including Agency. 3.2 Contract documents	Short (S)
		4. Contract Management Framework, Policies and Procedures must be in place in order to guide the contract management operations	Medium (M)
		5. Capacity building for all Stakeholders that are involved in the Project.	Short and Ongoing (S)
		6. Monitoring, Reporting and Evaluating in order to enhance	Short and Continuous (S)

		accountability. 6.1. Contract register	
2.	Over commitments on Projects	1. Follow proper processes of budget adjustments. Clarify the elements of focus due to budget constraints versus commitments	Short (S) to Medium (M)
3.	Extension of Scope for Capital Projects	1. It should in line with the law, National Treasury Regulations and National Treasury Circulars	Short (S) to Medium (M)
4.	Lack of customized of Service Level Agreements	1. The Legal Services Unit should review the Service Level Agreements in order to ensure that they are tailor-made to a specific Project. 1.1 Aligning the ANDA SLA duration with Municipality Council's term.	Medium (M)
5.	Limited Legal Support	1. Capacitating Legal Unit 2. Co-sourcing of Legal Services matters 3. Review of Litigation Register of the Municipality to assess the individual cases. 4. Centralization of Legal services between the Agency and the ANDM (Through a shared Service).	Medium (M) Medium (M) Short (S) Medium (M)

Interventions

In light of the deliberations and presentations furnished at the Business reengineering session, the following recommendations have been deduced:

- ANDM urgently needs to re-prioritise projects for implementation in the short, medium and long term
- The District also needs to take into account grants at the District's disposal versus the revenue that the District is in a position to collect.
- To have clearly determined collection rates for own revenue collection to assist the Municipality's cash flow
- ANDM Council calls upon for Section 154 support of the Constitution, with its purpose being to support turnaround ANDM, Financial woes, institutional processes and systems, building of requisite capabilities and change management.

5. Strategic Framework: Vision, Mission, Values, Goals and Strategies

5.1. Introduction

This Chapter introduces ANDM's Vision and Mission which give direction to the developmental agenda of the Municipality.

The broader developmental agenda of ANDM consists of short, medium and long term development goals. The District Municipality is committed to the objectives of local government which are enshrined in section 152 (1) of the Constitution of the Republic of South Africa, 1996 namely:

- 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.

Our development strategies therefore aim to ensure we deliver on the expected outcomes of the developmental mandate of the local sphere of government.

5.2. Vision

A vision statement provides strategic direction and describes what our elected leadership and those it represents, want the Municipality to achieve in the future. Our commitment to undertake the comprehensive development of this, the poorest district in South Africa, is comprehensively expressed in the following Vision, namely:

“A District whose communities are self-sustaining and enjoy a good quality life, equitable access to basic services and socio-economic opportunities.”

5.3. Mission

Our mission **statement** describes the municipality's purpose and answers the questions: "What business are we in?" and "What is our business for?" The Mission of this Municipality is:

“To be a responsive and capable institution that effectively delivers basic services and innovative development programmes with a strong orientation to rural development in partnership with its communities and other social partners”

5.4. Values

The agreed values of the District Municipality are as follows:

- Transparency
- Honesty and Integrity
- Accountability
- Professionalism
- Fairness
- Openness and Responsiveness
- Diversity

5.5. Strategic Goals

At a strategic session held in March 2017, Alfred Nzo District Municipality identified the following major thematic areas to give direction to the work of the organization:

Inclusive Growth and Development

- Local Economic Development

Effective Public Participation

- Batho-Pele
- Partnerships for Development
- Networks

Basic Services Delivery and Community Empowerment

- Back-to-Basics Programme
- Provision of equitable access to government assets
- Customer Relations and Care
- Service Excellence

Good Governance

- Oversight and Strategic Leadership
- Political Stability
- Compliance,
- Clean Administration,
- Equity

A capable Institution

- Institutional Development
- Exploit appropriate technology
- Financial Viability
- Effective assets & resource management

Springing from these thematic areas, the ANDM IDP includes the following **Strategic**

Goal Statements which are aligned with the national KPAs.

1. Inclusive Growth and Development
2. Basic Services Delivery and Community Empowerment
3. Effective Public Participation, Good Governance and Partnerships
4. A capable and financially viable institution

These goals seek to ensure a strategic alignment at the highest level of the organization but do not necessarily translate directly into distinct departmental responsibilities.

This alignment with national KPAs is illustrated in table below:

Table 1: National KPA/ANDM Strategic Goals Alignment, KPIs and 5 Year Targets

National KPAs:	ANDM Strategic Goals:	KPI	Five Year Targets (2017 – 2022)				
			Year 1 2017/18	Year 2 2018/19	Year 3 2019/20	Year 4 2020/21	Year 5 2021/22
KPA1: Municipal Transformation and Organisational development (improvement of internal efficiencies and effectiveness)	A capable and financially viable institution (4)	Progress report on improvement of internal efficiency and effectiveness (institutional transformation plan report: e.g. filling of top six post, performance management, training, labour relations etc.)	1	1	1	1	1
KPA2: Basic-Service Delivery (particularly water and sanitation. ANDM is both WSA)	Basic Services Delivery and Community Empowerment (2)	Number of fundable consolidated infrastructure plans	1	1	1	1	1
KPA3: Local Economic Development (to expand the local economy and increase employment and reduce	Inclusive Growth and Development (1)	• Minimum number of district fundable economic catalytic projects	5	5	5	5	5
		• Number of Small Towns with implementation of the Small Towns revitalisation programme	5	5	5	5	5
KPA4: Financial viability and financial management (improve ANDM's	A capable and financially viable institution (4)	• Audit opinion (QA = Qualified Audit; UQA = Unqualified Audit; CA = Clean Audit)	UQA	UQA	CA	CA	CA
		• A Progress Report on Implementation of the Financial Management Plan	1	1	1	1	1
KPA5: Good governance and public participation (deepen democracy)	Effective Public Participation, Good Governance and Partnerships (3)	• Progress Report on the Functionality of council meetings, oversight structures, section 79 committee, audit committees, District IGS forums	1	1	1	1	1
		• A Progress Report on various Good Governance initiatives (anti-corruption, compliance with legislation and by-laws & service delivery protests)	1	1	1	1	1
KPA6: Cross-cutting issues (integrated development and strong partnerships)	Effective Public Participation, Good Governance and Partnerships (3)	• Minimum number of multi-stakeholder partnership (e.g. SANRAL, DBSA, IDC, PIC; CoGTA, Prov. Treasury OTP, ECSECC etc)	10	10	10	10	10

The above ANDM strategic goals are described in further detail below:

5.5.1. Inclusive Growth and Development

In order to grow the local economy of AND, the Municipality has to create an enabling environment which will support local economic development, agriculture and forestry, construction and tourism and attract investment into the area. This will stimulate economic activity and result in job creation to alleviate poverty. In order for the economy to grow, it is essential that the correct infrastructure is in place to accommodate current and new business and agricultural activities. Therefore infrastructure investment has to be a primary focus for the next 10 to 15 years. This can link to the already significant N2 road building programme. The leading sectors such as agriculture and small business need to be stimulated to ensure that the key towns in the district become regional services hubs. Sector strategies need to be effectively implemented in partnership with a range of stakeholders to ensure economic stimulation. Due to the importance of the local educational facilities such as Ingwe TVET, education needs to be seen as a priority in terms of future growth potential of the district. ANDM should aim to set the pace in transformation of under-developed former Bantustan areas.

5.5.2. Basic Service Delivery and Community Empowerment

To deliver quality services in AND it is essential that all residents have access to basic services (water, sanitation) provided by local government. While access to basic services by all citizens should be 100%, the district is particularly disadvantaged (fewer than 10% of residents currently have access to municipal water) and this may take some time. Delivery of quality, affordable housing also needs to be improved. The Council needs to make land available for town development and proper development controls must be in place, particularly in rapidly growing areas along new roads.

5.5.3. Effective Public Participation, Good Governance and Partnerships

ANDM must ensure that all members of the public and organised business, agriculture and other organisations have the opportunity to participate in our decision making processes. It is of utmost importance that a culture of participation is nurtured. A proper and responsive customer care system must be put in place. Public and private sector

organisations must play a more active role in the decision making process and proper platforms established to allow public participation at various levels of government. We should strive to develop all our public facilities such as community halls and multi-purpose centres as "one-stop shops" where communities can be linked to government programmes.

The Municipality must ensure that good governance is key and free of corruption to ensure services are delivered as effectively and efficiently as possible. The District should be managed as transparently as possible: our Communications Unit must ensure a regular flow of information to the public on municipal activities. This relates directly to the way in which municipal income and grants are spent. It is essential that good financial practices are adhered to in order to ensure value for money and inhibit corruption, as will be indicated by clean audits from the Auditor General. Financial sustainability also needs to incorporate financial planning for future revenue streams and ways to increase business activity without increasing the service charge burden which deters economic growth. Strategic planning needs to be done in order to find the correct ways to attract and retain business and stimulate agriculture.

5.5.4. A Capable and Financially Viable Institution

National government has determined that all municipalities must enforce competency standards for managers and appoint persons with the requisite skills, expertise and qualifications. All staff are required to sign performance agreements. Performance management systems must be managed and implemented. Municipal management is obliged to conduct regular engagements with labour to ensure sound labour relations.

We aim to ensure that our municipal organisation is productive and rooted in skilled officials and adequate human resource capacity in all departments. The focus will be on performance per department in line with specific performance indicators linked to the IDP, to ensure maximum efficiency and efficient service delivery. Transparent reporting on departmental progress will ensure that the public is able to monitor and evaluate the progress being made on IDP projects and programmes.

The above strategic goals are set to ensure that the vision and mission are realised. In order to ensure that ANDM becomes the developmental municipality we all strive for, each of the five goals needs to be linked to key implementation priorities. The following section will discuss each of the five strategic goals and the implementation priorities which are linked to community needs and our most urgent priorities

6. ANDM Strategies and Projects

6.1. Organising Framework for five year IDP Strategies

The strategies of the five year IDP are organised in terms of the following six factors:

1. Growth and Development
2. Spatial Planning
3. Service Delivery
4. Financial Viability
5. Good Governance
6. Municipal Transformation

These six factors are broadly aligned and articulate with the National Local Government KPAs. Each factor is translated into various areas of focus which constitute strategic priorities for that factor. In turn the areas of focus are articulated into strategies, with strategies translated into costed projects.

The strategies fall into three broad categories:

- Strategies that are *process and operational activities*. These are input activities to outcomes-focused IDP Strategies;
- Strategies where there are *blockages in implementation*. These are not new strategies but rather require unlocking the blockages. These should be formulated clearly either as *outcomes-focused IDP strategies* or *operational strategies*;
- Strategies that can be firmed up with proper formulations to constitute *outcomes- focused IDP strategies*

6.2. 2018/19 IDP Strategies, Projects and Budgets

mSCOA is a Municipal Standard Chart of Accounts. It is a multi-dimensional recording and reporting system across seven segments:

- Function or sub-function (GFS votes structure)
- Item (asset, liability, revenue, expenditure, etcetera)
- Funding source (rates, services charges, grants, loans, etcetera)
- Project (capital, operating, repair & maintenance, programme, etcetera)
- Costing (activity based recoveries, internal billing & departmental charges)
- Regional indicator (jurisdictional area, town, suburb, ward, etcetera)
- Municipal Standard Classification (own cost centres votes structure)

mSCOA is regulated through the mSCOA Regulations and is compulsory as from 1 July 2017.

Key requirements include:

- Need to table mSCOA Regulations at Council
- Need to table a mSCOA Project Plan at Council
- Need to have an mSCOA Project Implementation and ITC Risk Register in place (or late billing will lead to no payments and cash flow problems, no service delivery)
- A non-compatible mSCOA payroll system will lead to payment of salaries out of time, etc
- mSCOA compliant financial systems need to be implemented
- An in-house mSCOA champion should be appointed
- Need to appoint an mSCOA Steering Committee and Project Management Team
- Need to establish mSCOA Project Management Office
- Need to engage with provincial mSCOA forums to ensure common understanding

Council must take note of the promulgated mSCOA Regulations and of the mSCOA Project Implementation Plan and avail sufficient resources for the implementation of the project. The Executive Mayor must provide political guidance over the fiscal and financial affairs, budget process and priorities of the municipality (mSCOA is a serious budget reform issue). The Executive Mayor must monitor and oversee the Municipal Manager and Chief Financial Officer in exercising their responsibilities in terms of the MFMA (MFMA legislation directs the mSCOA Regulations). The Executive Mayor needs to oversee the implementation of the mSCOA Project Implementation Plan and the related Risks Register and ensure that the current financial system becomes mSCOA compliant; that an in-house mSCOA Champion is appointed by the Municipal

Manager; that the mSCOA Steering Committee and Project Management Team are in place; and that an mSCOA Project Management Office has been established by the Municipal Manager.

The MTREF (Medium Term Revenue and Expenditure Framework) is a financial plan to enable the municipality to achieve its vision and mission through the IDP Strategy which is informed by the development agenda and community/stakeholder inputs. The financial plan is for three years, based on a fixed first year and indicative further two years budget allocations. It also includes details of the previous three years and current year's financial position.

Possible priorities arising from the District Diagnostic Review (above) to be incorporated into ANDM strategies and projects:

Strong urban planning of the five small towns (and their peripheries) is required.

- Increased focus of public investment and development initiatives in small town development, and ensuring that they become competitive and investment attractive areas.
- High population densities and high population growth in Mbizana suggests that, for example, Mzamba is a growth node and requires a special focus, particularly in view of the new Wild Coast N2.
- Municipalities must acquire more well-located land that can be made available for investors (see section on construction and property development).

To upgrade the district's road network there needs to be ongoing engagement among

ANDM, the LMs, DRPW and SANRAL to ensure:

- Upgrade of roads in the new emerging peri-urbanization zones.
- Maintenance of a priority road network (preventative)
- Use of employment-intensive methods as much as possible
- Use of transport nodes to develop commercial precincts (taxi ranks, hawkers facilities, shops etc)

Water and sanitation issues to be addressed are the following:

- Optimal implementation for the WSIA programme and raising of grant funds.

- Ensure that roll-out of WSIA responds to population dynamics (peri-urbanisation trend)
- Ensure ANDM meets DWS regulatory requirements as a WSA (in terms of the Regulatory Performance Management System, RPMS). ANDM's status as WSA is under threat.
- Under-capacity, ageing and poor operations and maintenance of WTWs and WWTWs (poor blue drop and green drop scores).
- Implementation of water conservation and demand management strategy
- Review of a situation where all households outside towns are considered indigent in terms of free basic services.
- Expedited training of WSP personnel through SETA programmes.
- Maintenance of existing stand-alone village water schemes
- Completion of VIP toilet provision programme
- Eskom to complete household electrification programme (100,000 households)
- Municipal waste services to be delivered at least in towns and other tourism and transport nodes (use EPWP where feasible).

Future **health** priorities:

- Programmes to improve child nutrition (early childhood development)
- Achieving national norms regarding facilities and service standards, particularly in the growing and denser peri-urban areas.

Education and training priorities:

- Improve the quality of education in AND and reduce classroom backlogs.
- Ingwe TVET college to provide skills, particularly for infrastructure, construction and maintenance and modern farming practices. Ideally the college offerings should be extended and a full range of relevant curricula should be offered (in view of the very youthful population of AND)
- Development partnerships between Ingwe TVET college and, for example, SANRAL, War on Leaks, Youth Farming Initiatives etc
- Mobilise resources for the TVET expansion and upgrading through relevant SETAs, mining companies etc
- Ideally NARYSEC should also be scaled-up in AND
- Focus on improving the skills pipeline for growth sectors and major projects and specifically SETA resource mobilization and curriculum development.
- ANDM should engage with DRPW to scale-up the Accelerated Professional and Trade Competencies (APTCoD) in the district.

Agriculture priorities:

- A prospectus for partners and investors should be prepared around an AND-based "Isitiya Youth Farming Initiative". This should be a broad-based programme to unlock the potentials listed and involve a wide-range of partners.
- There should be a conference around "AND Agricultural Development Partnerships"
- That would show-case the various potentials.
- AND needs better agricultural interventions that can create and support profitable smallholder enterprises (through, for example, CPPP's, contract farming arrangements/outgrower schemes, and collection/aggregation systems).

Forestry priorities:

- Identify communities wishing to enter into community forestry arrangements
- Explore partnerships with Sappi and Hans Merensky.

Priorities for **commerce and industry**:

- Commercial and tourism property developments
- Set-up active Beach to Berg (B2B) website
- Improve infrastructure and signage of B2B route
- Plan tourism-related property developments
- Upgrade of Transido complexes
- Attraction of new incubators
- Agro-industrial development
- Crafts development

Priorities for **construction and property development**:

- Resolve land claims speedily (with assistance from the Land Claims Commission)
- ANDM to do a state land audit and get access to state land for property development.
- ANDM to support communities to acquire titles over communal land for development. DRDLR can assist with this.
- Identify and prioritise land precincts to be titled for private investment (such as coastal tourism nodes; transport nodes; along development corridors and possibly high-potential agricultural zones). This will be in preparation for a proposed AND Land Assembly.
- Ensure public sector contracts provide business and training opportunities for local people.
- Implement ANDM Contractors Development Programme.
- Detailed planning around Wild Coast N2 and coastal development.

SMME priorities:

- ANDM must identify all existing SMEs in the four priority value chains and facilitate partnerships to remove obstacles to value-chain development and support enterprise start-ups and growth.
- Use e-connecting and e-learning to form local groups of people that share development interests, and are experimenting with the possible.
- Techniques of ABCD should be more widely known and practised
- Virtual and physical (combined) enterprise incubators should be more ubiquitous than at present.

Priorities for **Municipal leadership**:

To achieve its developmental mandate the public sector must have strong leadership and much improved management capabilities. The NDP and ECPDP have proposals on how this can be achieved.

Municipal leadership in the AND should develop:

- Improved knowledge of the economic issues facing AND
- An improved understanding of the needs of all stakeholders
- A clear development vision and agenda for the District
- An ability to communicate these persuasively to relevant stakeholders.
- An ability to leverage resources from state sector departments and state-owned entities (such as IDC and PIC).

6.3. Projects

Below are the basic performance and 5 year budget information for the various projects of the relevant Departments/ Units. More detailed performance information (key performance indicators, annual, quarterly targets, etc) is contained in Annexure 6 to this IDP. The high level 5 year KPIs and Targets appear in par 5.5 above.

6.3.1. Infrastructure Development and Municipal Services (IDMS)

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6.3.1.1 WCDM Unit

Reference	Priority Area (KPA)	Strategic Objective	IDP Name	Project	Function	Funding Source	Regional	Year 1 (2017/2018)	Year 2 (2018/2019)	Year 3 (2019/2020)	Year 4 (2020/2021)	Year 5 (2021/2202)
6.3.1.1.1	Basic Service Delivery	Ensure No Drop compliance for ANDM	Develop Strategy	WCDM	WCDM	Equitable Share	Whole Municipality	0	0	0	0	0
6.3.1.1.2	Basic Service Delivery	Improve quality of Municipal Infrastructure	Develop asset replacement plan	WCDM	WCDM	Equitable Share	Whole Municipality	0	0	0	0	0
6.3.1.1.3	Basic Service Delivery	Improve quality of Municipal Infrastructure and enhance revenue collection	Consumer meter audit and replacement	WCDM	WCDM	Equitable Share	Matatiele LM and Mbizana LM	0	0	0	0	0
6.3.1.1.4	Basic Service Delivery	Ensure reduction of water losses for ANDM.	WCDM leak detection & repairs	WCDM	WCDM	Equitable Share	Whole Municipality	300 000	0	335 492	355 621.31	376 958.59
6.3.1.1.5	Basic Service Delivery	Promote public participation and good governance	WCDM Public Awareness Campaign	Public	WCDM	Equitable Share	Mbizana LM and Matatiele LM	0	0	0	0	0
6.3.1.1.6	Basic Service Delivery	Ensure reduction of water losses for ANDM.	Installation of PRV's & Protective Chambers	WCDM	WCDM	Equitable Share	Mbizana LM	600 000	0	669 715	709 898.11	752 492.00
6.3.1.1.7	Basic Service Delivery	Ensure No Drop compliance for ANDM	Purchase of Bulk & Domestic water meters	WCDM	WCDM	Equitable Share	Whole Municipality	1 000 000	1 500 000	1 581 000.00	1 667 955.00	1 256 528.62
6.3.1.1.8	Basic Service Delivery	Ensure reduction of water losses for ANDM.	Purchase of WCDM field equipment	WCDM	WCDM	Equitable Share	Whole Municipality	1 000 000	1 500 000	1 620 525.00	1 709 653.88	1 256 528.62
6.3.1.1.9	Basic Service Delivery	Ensure monitoring of reservoir levels for improved early warning system for ANDM	Telemetry System Upgrade	WCDM	WCDM	Equitable Share	Whole Municipality	0	0	0	0	0

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6.3.1.2 Project Management Unit (PMU)

Reference	Priority Area (KPA)	Strategic Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/21)	Year 5 (2021/22)
6.3.1.2.1	Basic Service Delivery	Improve the quality of municipal infrastructure services	MIG ADMIN	PMU	MIG	Alfred Nzo	3 790 183	1 930 301.74	2 044 908.34	2 157 378.29	3 500 000
6.3.1.2.2	Basic Service Delivery	Improve the quality of municipal infrastructure services	VIP SANITATION - MIG	PMU	MIG	Alfred Nzo	11 512 300	46 443 260.00	48 951 196.04	48 997 639.30	0.00
6.3.1.2.3	Basic Service Delivery	Improve the quality of municipal infrastructure services	Construction of VIP Toilets in Matatiele LM	PMU	MIG	Alfred Nzo	0.00	3 000 000	13 175 000	13 187 500.00	10 000 000
6.3.1.2.4	Basic Service Delivery	Improve the quality of municipal infrastructure services	Construction of VIP Toilets in Mbizana LM	PMU	MIG	Alfred Nzo	0.00	0	9 426 196.04	9 435 139.30	15 000 000
6.3.1.2.5	Basic Service Delivery	Improve the quality of municipal infrastructure services	Construction of VIP Toilets in Umzimvubu LM	PMU	MIG	Alfred Nzo	0.00	8 000 000	13 175 000.00	13 187 500.00	10 000 000
6.3.1.2.6	Basic Service Delivery	Improve the quality of municipal infrastructure services	Construction of VIP Toilets in Ntabankulu LM	PMU	MIG	Alfred Nzo	0.00	0	13 175 000.00	13 187 500.00	15 000 000
6.3.1.2.7	Basic Service Delivery	Improve the quality of municipal infrastructure services	NTABANKULU MWIG	PMU	MWIG	Alfred Nzo	28 636 183	27 750 000	22 763 750.00	24 015 756.25	25 000 000
6.3.1.2.8	Basic Service Delivery	Improve the quality of municipal infrastructure services	MBIZANA MWIG	PMU	MWIG	Alfred Nzo	27 904 653	27 750 000	22 763 750	24 015 756.25	25 000 000

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6.3.1.2.9	Basic Service Delivery	Improve the quality of municipal infrastructure services	MATATIELE:MWIG	PMU	MWIG	Alfred Nzo	27 500 000	27 250 000	22 236 250	23 459 243.75	25 000 000
6.3.1.2.10	Basic Service Delivery	Improve the quality of municipal infrastructure services	UMZIMVUBU MWIG	PMU	MWIG	Alfred Nzo	25 959 165	27 250 000	22 236 250	23 459 243.75	25 000 000
6.3.1.2.11	Basic Service Delivery	Improve the quality of municipal infrastructure services	RBIG MATATIELE	PMU	RBIG	Alfred Nzo	20 000 000	10 000 000	3 500 000.00	0.00	0.00
6.3.1.2.12	Basic Service Delivery	Improve the quality of municipal infrastructure services	MT AYLIF PERI-URBAN	PMU	MIG	Alfred Nzo	15 000 000	49 500 000.00	23 587 500.00	85 000 000.00	35 000 000
6.3.1.2.13	Basic Service Delivery	Improve the quality of municipal infrastructure services	MATATIELE WARD 4 WATER SUPPLY	PMU	MIG	Alfred Nzo	4 000 000	0	2 500 000	1 500 000	18 000 000
6.3.1.2.14	Basic Service Delivery	Improve the quality of municipal infrastructure services	FOBANE WATER SUPPLY	PMU	MIG	Alfred Nzo	7 337 800	15 000 000	15 000 000	10 000 000	0.00
6.3.1.2.15	Basic Service Delivery	Improve the quality of municipal infrastructure services	NTABANKULU SEWER UPGRADE PROV	PMU	MIG	Alfred Nzo	25 000 000	10 000 000	12 000 000	15 000 000	0.00
6.3.1.2.16	Basic Service Delivery	Improve the quality of municipal infrastructure services	GREATER MBIZANA WATER SUPPLY PHASE 1A RETICULATION	PMU	MIG	Alfred Nzo	84 359 267	50 000 000	67 520 000	71 000 000	0.00
6.3.1.2.17	Basic Service Delivery	Improve the quality of municipal infrastructure services	MBIZANA WARD 29 & 30 WATER SUPPLY:IMPLEMENTATION PHASE	PMU	MIG	Alfred Nzo	0	0	3 045 194.20	10 000 000	15 000 000
6.3.1.2.18	Basic Service Delivery	Improve the quality of municipal	MBIZANA WARD 10,12,13 7 15	PMU	MIG	Alfred Nzo	6 874 850	10 000 000	10 550 000	15 000 000	25 000 000

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		infrastructure services	WATER SUPPLY:IMPLEMENTATION PHASE								
6.3.1.2.19	Basic Service Delivery	Improve the quality of municipal infrastructure services	KWABHACA REGIONAL WATER -MIG PR	PMU	MIG	Alfred Nzo	45 314 600	40 000 000	35 000 000	30 000 000	20 000 000
6.3.1.2.20	Basic Service Delivery	Improve the quality of municipal infrastructure services	QWIDLANA WATER SUPPLY - MIG PR	PMU	MIG	Alfred Nzo	5 000 000	1 500 000	1 582 500	1 669 539.50	0.00
6.3.1.2.21	Basic Service Delivery	Improve the quality of municipal infrastructure services	CABAZANA WATER - MIG PROV CAP	PMU	MIG	Alfred Nzo	5 000 000	22 396 025	10 000 000	12 000 000	10 000 000
6.3.1.2.22	Basic Service Delivery	Improve the quality of municipal infrastructure services	UMZIMVUBU WARD14 - MIG PROV	PMU	MIG	Alfred Nzo	4 000 000	3 250 000	3 428 750	5 000 000	2 000 000
6.3.1.2.23	Basic Service Delivery	Improve the quality of municipal infrastructure services	MALUTI/MATA TIELE/RAMO - MIG WATER SUPPLY	PMU	MIG	Alfred Nzo	2 000 000	1 000 000	0.00	0.00	0.00
6.3.1.2.24	Basic Service Delivery	Improve the quality of municipal infrastructure services	NTIBANE WATER PROJECT PROV CAP	PMU	MIG	Alfred Nzo	22 000 000	20 000 000	15 000 000	15 000 000	10 000 00
6.3.1.2.25	Basic Service Delivery	Improve the quality of municipal infrastructure services	NYOKWENI BOMVINI BULK WATER SUPPLY	PMU	MIG	Alfred Nzo	6 500 000	30 000 000	16 105 673	21 991 541.91	15 000 000
6.3.1.2.26	Basic Service Delivery	Improve the quality of municipal infrastructure services	UMZIMVUBU WARD 13 PROV CAP EXP	PMU	MIG	Alfred Nzo	5 000 000	2 000 000	2 110 000	5 000 000	10 000 000
6.3.1.2.27	Basic Service Delivery	Improve the quality of municipal	UMZIMVUBU WARD 3 & 17 WATER SUPPLY	PMU	MIG	Alfred Nzo	0.00	2 000 000	3 692 500	5 000 000	20 000 000

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		infrastructure services									
6.3.1.2.28	Basic Service Delivery	Improve the quality of municipal infrastructure services	MATATIELE WARD 15 PROV CAP EXP	PMU	MIG	Alfred Nzo	15 000 000	20 000 000	19 163 793	15 000 000	3 000 000
6.3.1.2.29	Basic Service Delivery	Improve the quality of municipal infrastructure services	MATATIELE WARD 5 PROV CAP EXP	PMU	MIG	Alfred Nzo	10 000 000	15 000 000	20 000 000	15 000 000	5 000 000
6.3.1.2.30	Basic Service Delivery	Improve the quality of municipal infrastructure services	MATATIELE WARD 7 PROV CAP EXP	PMU	MIG	Alfred Nzo	41 000 000	10 000 000	8 000 000	3 000 000	0.00
6.3.1.2.31	Basic Service Delivery	Improve the quality of municipal infrastructure services	UPGRADING OF MBIZANA TOWN SEWER	PMU	MIG	Alfred Nzo	37 000 000	50 000 000	23 737 500	25 818 961.13	25 000 000
6.3.1.2.32	Basic Service Delivery	Improve the quality of municipal infrastructure services	NTABANKULU WARDS 12 WATER SUPPLY SCHEME:IMPLEMENTATION PHASE	PMU	MIG	Alfred Nzo	0.00	10 000 000	10 000 000	12 000 000	15 000 000
6.3.1.2.33	Basic Service Delivery	Improve the quality of municipal infrastructure services	NTABANKULU WARDS 14 WATER SUPPLY SCHEME:IMPLEMENTATION PHASE	PMU	MIG	Alfred Nzo	0	10 000 000	9 500 000	12 243 275	15 000 000
6.3.1.2.34	Basic Service Delivery	Improve the quality of municipal infrastructure services	NTABANKULU WARDS 3 & 4- WATER FEASIBILITY STUDY	PMU	MIG	Alfred Nzo	0	0	5 275 000	5 565 125	15 000 000
6.3.1.2.35	Basic Service Delivery	Improve the quality of municipal infrastructure services	EPWP	PMU	EPWP	Alfred Nzo	-	8 344 000	-	-	-
6.3.1.2.36	Basic Service Delivery	Improve the quality of municipal infrastructure services	EPWP Potective Clothing	PMU	EPWP	Alfred Nzo	-	2 500 000	-	-	-

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6.3.1.2.37	Basic Service Delivery	Improve the quality of municipal infrastructure services	Inventory Materials and Supplies	PMU	EPWP	Alfred Nzo	-	3 500 000	-	-	-
6.3.1.2.38	Basic Service Delivery	Improve the quality of municipal infrastructure services	MIG Furniture and Equipment	PMU	EPWP	Alfred Nzo	-	680 000	-	-	-
6.3.1.2.39	Basic Service Delivery	Improve the quality of municipal infrastructure services	Strengthening of District ISD Services: 12 Meetings (4 District ISD Forum Meetings , 4 Meetings with Service Delivery Units,4 District water and Sanitation Forum Meetings)	PMU	MIG	Alfred Nzo	0.00	0.00	0.00	0.00	0.00
6.3.1.2.40	Basic Service Delivery	Improve the quality of municipal infrastructure services	ISD Co-ordination of al IDMS Projects (40 Consultation Meetings,40 Community Satisfaction Meetings,50 Functional PSC's)	PMU	MIG	Alfred Nzo	0.00	0.00	0.00	0.00	0.00
6.3.1.2.41	Basic Service Delivery	Improve the quality of municipal infrastructure services	ISD Public Education and Community Awareness Programme (8 Water usage, vandalism, Toilet Days, Water and Sanitation Week, health and hygiene campaigns)	PMU	MIG	Alfred Nzo	0.00	0.00	0.00	0.00	0.00

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6.3.1.2.42	Basic Service Delivery	Improve the quality of municipal infrastructure services	12 x monthly non-financial reports for MIG	PMU	MIG	Alfred Nzo	0.00	0.00	0.00	0.00	0.00
6.3.1.2.43	Basic Service Delivery	Improve the quality of municipal infrastructure services	8 Accredited/ Non-Accredited Trainings	PMU	MIG	Alfred Nzo	0.00	0.00	0.00	0.00	0.00

6.3.1.3 Water Services Provision (WSP)

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/2021)	Year 5 (2021/2022)
6.3.1.3.1	Basic Service Delivery	Improve expenditure management and controls	Electricity	WSP	Equitable share	All LMs	12 000 000	14 000 000.00	14 756 000.00	15 567 580.00	21 136 344.75
6.3.1.3.2	Basic Service Delivery	Optimize systems, administration and operating procedures	Tools and Equipment	WSP	Equitable	All LMs	25 000	37 500	39 525.00	41 698.88	44 034.05
6.3.1.3.3	Basic Service Delivery	Improve disaster management and prevention	Drought Relief Projects	WSP	Equitable Share	All LMs	3 000 000	3 000 000	3 162 000.00	3 335 910.00	5 284 086.19
6.3.1.3.4	Basic Service Delivery	Improve the quality of municipal infrastructure services	Matatiele WTW Refurbishment & water Augmentation	WSP	Equitable Share	Matatiele	550 000.00	847 500	893 265.00	942 394.58	977 555.94
6.3.1.3.5	Basic Service Delivery	Improve expenditure management and controls	Bulk water purchases	WSP	Equitable Share	All LMs	3 000 000	6 000 000	6 324 000.00	6 671 820.00	7 045 448.25
6.3.1.3.6	Basic Service Delivery	Improve the quality and flow of water and sanitation	Maintenance of Water and Sanitation infrastructure schemes - Matatiele	WSP	Equitable Share	Matatiele	6 000 000	15 000 000	15 810 000.00	16 679 550.00	17 613 620.63
6.3.1.3.7	Basic Service Delivery	Improve the quality and flow of water and sanitation	Maintenance of Water and Sanitation infrastructure	WSP	Equitable Share	Umzimvubu	5 000 000	10 000 000	10 540 000.00	11 119 700.00	11 742 413.75

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			schemes - Mzimvubu								
6.3.1.3.8	Basic Service Delivery	Improve the quality and flow of water and sanitation	Maintenance of Water and Sanitation infrastructure schemes - Mbizana	WSP	Equitable Share	Mbizana	4 000 000	10 000 000	10 540 000.00	11 119 700.00	11 742 413.75
6.3.1.3.9	Basic Service Delivery	Improve the quality and flow of water and sanitation	Maintenance of Water and Sanitation infrastructure schemes - Ntabankulu	WSP	Equitable Share	Ntabankulu	4 250 000	8 000 000.00	8 432 000.00	8 895 760.00	9 393 931.00
6.3.1.3.10	Basic Service Delivery	Improve the quality of municipal infrastructure services	Refurbishment and Replacement of Water Infrastructure - Matatiele	WSP	Equitable Share	Matatiele	1 500 000	0	15 810 000.00	16 679 550.00	1 761 362.06
6.3.1.3.11	Basic Service Delivery	Improve the quality of municipal infrastructure services	Refurbishment and Replacement of Water Infrastructure - Umzimvubu	WSP	Equitable Share	Umzimvubu	1 500 000	2 265 000	2 387 310.00	2 518 612.00	2 642 043.09
6.3.1.3.12	Basic Service Delivery	Improve the quality of municipal infrastructure services	Refurbishment and Replacement of Water Infrastructure - Mbizana	WSP	Equitable Share	Mbizana	1 000 000	1 515 000	1 596 810.00	1 684 634.55	1 761 362.06
6.3.1.3.13	Basic Service Delivery	Improve the quality of municipal infrastructure services	Refurbishment and Replacement of Water Infrastructure - Ntabankulu	WSP	Equitable Share	Ntabankulu	1 000 000	1 500 000	1 581 000.00	1 667 955.00	1 743 748.45
6.3.1.3.14	Basic Service Delivery	Improve the quality of municipal infrastructure services	Refurbishment and Replacement of Water Infrastructure - Mnceba water scheme - Umzimvubu	WSP	Equitable Share	Mnceba water scheme - Umzimvubu	2 000 000	2 015 000	2 123 810.00	2 240 619.55	3 522 724.13
6.3.1.3.15	Basic Service Delivery	Improve the quality of municipal infrastructure services	Refurbishment and Replacement of Water Infrastructure - Mbizana Ponds	WSP	Equitable Share	Mbizana	3 500 000	5 265 000	5 549 310.00	5 854 522.05	6164 767.22
6.3.1.3.16	Basic Service Delivery	Improve the quality of municipal	Refurbishment and Replacement of Water	WSP	Equitable Share	Ntabankulu	860 540	1 500 000	1 581 000.00	1 667 955.00	1 743 748.45

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		infrastructure services	Infrastructure – Ntabankulu Ponds								
6.3.1.3.17	Basic Service Delivery	Improve the quality of municipal infrastructure services	Building maintenance and alterations	WSP	Equitable Share	All LMs	400 000	5 000 000	5 270 000.00	5 559 850.00	5 871 206.88
6.3.1.3.18	Basic Service Delivery	Optimize systems, administration and operating procedures	Leasing of motor vehicles	WSP	Equitable Share	All LMs	4 218 000	0.00	0.00	0.00	17 613 620.63
6.3.1.3.19	Basic Service Delivery	Improve the quality of municipal infrastructure services	Building Installations	WSP	Equitable Share	All LMs	1 200 000.00	1 015 000	1 069 810.00	1 128 649.55	2 113 634.48
6.3.1.3.20	Basic Service Delivery	Improve the quality of municipal infrastructure services	Mataiele WWTW and Cedarville Ponds Process Audit	WSP	Equitable Share	All LMs	-	200 000	-	-	-
6.3.1.3.21	Basic Service Delivery	Improve the quality of municipal infrastructure services	Mount Ayliff and Ntabankulu WWTW	WSP	Equitable Share	All LMs	-	200 000	-	-	-
6.3.1.3.22	Basic Service Delivery	Improve the quality of municipal infrastructure services	Mount Frere and Mbizana Ponds	WSP	Equitable Share	All LMs	-	200 000	-	-	-

6.3.2. Budget & Treasury Office

6.3.2.1. Asset & Liabilities Management

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Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1	Year 2	Year 3	Year 4	Year 5
							(2017/2018)	(2018/2019)	(2019/2020)	(2020/2021)	(2021/2022)
6.3.2.1.1	Financial Viability	Update of Fixed Assets Register & Bar coding of infrastructure assets	Update Of Fixed Assets Register	Budget & Treasury	Equitable Share	Whole Municipality	R 1 500 000	R1 515 000	R1 596 810	R 1 684 634.55	R 1884 783
6.3.2.1.2	Financial Viability	Safeguarding and Maintenance of Assets	Motor Vehicle: Repairs and Maintenance of Assets	Budget & Treasury	Equitable Share	Whole Municipality	R 638 949	R1 638 948.59	R1 727 451.81	R1 822 461.66	R 799 066
6.3.2.1.3	Financial Viability	Safeguarding and Maintenance of Assets	Insurance	Budget & Treasury	Equitable Share	Whole Municipality	R 1 183 534	R1 183 534.20	R1 247 445.05	R1 316 054.52	R2 012 358
6.3.2.1.4	Financial Viability	Management of Long -Term Liabilities - Repayment of DBSA loan	Servicing Of The DBSA Loan	Budget & Treasury	Equitable Share	Whole Municipality	R 5 808 111	R3 308 111.25	R3 486 749.26	R3 678 520.47	R 1762 892
6.3.2.1.5	Financial Viability	Safeguarding and Maintenance of Assets	Fleet Management System (Trackers)	Budget & Treasury	Equitable Share	Whole Municipality	R 5 808 111	R350 000	R368 900.00	R389 189.50	R 471 912
6.3.2.1.6	Financial Viability	Safeguarding and Maintenance of Assets	Replacement of Municipal fleet	Budget & Treasury	Equitable Share	Whole Municipality	R 0.00	R7 250 000	R7 641 500.00	R8 061 782.25	R2 500 000
6.3.2.1.7	Financial Viability	Construction of Stores	Construction of stores	Budget & Treasury	Equitable Share	Whole Municipality	R 1 400 000	R 1 400 000	R 1 475 600.00	R 1 556 758.00	R 1 750 833

6.3.2.2 Budget & Reporting

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Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/2018)	Year 2 (2018/2019)	Year 3 (2019/2020)	Year 4 (2020/2021)	Year 5 (2021/2022)
6.3.2.2.1	Financial Viability	Prepare accurate and reliable Annual Financial Statements	Consultancy And Professional Fees	Budget & Treasury	Equitable Share	Whole Municipality	R6 665 198.40	R8 000 000	R8 432 000.00	R8 895 760.00	R8 257 012.08
6.3.2.2.2	Financial Viability	Develop and Implement credible and sustainable budget	Co-ordinate Compliant Budget and submit to stakeholders	Budget & Treasury	Equitable Share	Whole Municipality	0	0	0	0	0
6.3.2.2.3	Financial Viability	Implement mSCOA budgeting and reporting	Compliance with MFMA	Budget & Treasury	Whole Municipality	Whole Municipality	0	0	0	0	0

6.3.2.3 Expenditure

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4	Year 5
6.3.2.3.1	Financial Viability	Strengthen Governance and reduce risk	VAT Recovery	Budget & Treasury	Reserves	Whole of Municipality	R 5 000 000	R5 000 000	R5 270 000.00	R5 559 850.00	0
6.3.2.3.2	Financial Viability	Payment of Creditors within 30 Days	Creditors Management	Budget & Treasury	Equitable Share	Whole of municipality	0	0	0	0	0
6.3.2.3.3	Financial Viability	Improve expenditure management and controls	VIP Payroll	Budget & Treasury	Equitable Share	Whole of municipality	R500 000	R500 000	R527 000.00	R555 985.00	R627 076.67

6.3.2.4 Capital Expenditure

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/21)	Year 5 (2021/22)
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6.3.2.4.1	Financial Viability	Strengthen Governance and reduce risk	Ensure proper adherence to reporting	Budget & Treasury	N/A	Whole of Municipality	0	0	0	0	0
6.3.2.4.2	Financial Viability	Payment of Creditors within 30 Days	Creditors Management	Budget & Treasury	Capital Grants	Whole of municipality	0	0	0	0	0
6.3.2.4.2	Financial Viability	Improve and maintain expenditure management and controls	Capital project expenditure management and controls	Budget & Treasury	Capital Grants	Whole of municipality	0	0	0	0	0

6.3.2.5 Financial Information System Management

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/21)	Year 5 (2021/22)
6.3.2.5.1	Financial Viability	Comply with National Treasury mSCOA regulation	Roll out of mSCOA modules on Financial Information Systems	Budget & Treasury	Equitable Share	Whole Municipality	R0.00	R650 000	R0.00	R0.00	R0.00
6.3.2.5.2	Financial Viability	Strengthen and implement a seamless integrated 3rd party financial management system.	Financial Management System support and maintenance	Budget & Treasury	Equitable Share	Whole Municipality	R 650 000	R0	R685 100.00	R722 780.50	R0.00
6.3.2.5.3	Financial Viability	Ensure Financial System meets requirement of business processes, policies and legislations	Management of Financial Management System	Budget & Treasury	N/A	Whole Municipality	R0.00	R0.00	R0.00	R0.00	R0.00

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6.3.2.5.4	Financial Viability	Ensure adherence to policies and legislation	Review and enforcement of Roles and Responsibilities	Budget & Treasury	N/A	Whole Municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.2.5.5	Financial Viability	Functional Financial Management System modules	Maintenance of accurate state of business systems	Budget & Treasury	N/A	Whole Municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.2.5.6	Financial Viability	Ensure Financial System is up and running and service providers adhere to SLA requirements	Annual renewal of Licences and SLA monitoring	Budget & Treasury	Equitable Share	Whole Municipality	R 1 042 800	R1 042 800 .00	R1 099 111.20	R1 159 562.32	R0.00
6.3.2.5.7	Financial Viability	Ensure effective and efficient financial management	Incident Management Monitoring System	Budget & Treasury	N/A	Whole Municipality	R0.00	R0.00	R0.00	R0.00	R0.00

6.3.2.6 Revenue

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Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 3 (2020/21)	Year 3 (2021/2022)
6.3.2.6.1	Financial Viability	Implement Revenue Enhancement Strategy, Tariff policy and by laws, Credit and Debt by laws	Revenue Enhancement Strategy	Budget & Treasury	Equitable Share	Whole Municipality	R 2 700 000.00	R2 722 524	R2 869 541.34	R3 027 366.11	R0.00
6.3.2.6.2	Financial Viability	Implement Credit and Debt Collection policy and By laws	Revenue Collection and Data Cleansing	Budget & Treasury	Own Revenue	Whole Municipality	R 500 000	R 1 500 000	R 1 581 000.	R 1 667 955	R0.00
6.3.2.6.3	Financial Viability	Safeguarding of Satellite offices	Properties Rent & Leases	Budget & Treasury	Own Revenue	Whole Municipality	R 420 000	R 445 200	R 471 912	R 500 226.72	R0.00
6.3.2.6.4	Financial Viability	Develop and implement Cash and Investment policy	Cash and Investment policy	Budget & Treasury	N/A	Whole Municipality	0	0	0	0	0
6.3.2.6.5	Financial Viability	Develop and Implement Revenue procedure Manuals	Revenue Procedures & Policies	Budget & Treasury	N/A	Whole Municipality	0	0	0	0	0
6.3.2.6.6	Financial Viability	Develop and Implement Credit Control, Tariff policy and Model	Refurbishment/Construction of Revenue Offices	Budget & Treasury	N/A	Whole Municipality	R 0.00	R0	R 1 581 000	R 1 667 955	0
6.3.2.6.7	Financial Viability	Develop and Implement Credit Control, Tariff policy and Model	Revenue Management Project	Budget & Treasury	N/A	Whole Municipality	R 0.00	R1 000 000	R1 054 000	R1 111 970	0
6.3.2.6.8	Financial Viability	Develop and Implement Credit Control, Tariff policy and Model	Revenue Strategy Water Meters	Budget & Treasury	N/A	Whole Municipality	R 0.00	R4 000 000	R4 216 000	R4 447 000	0

6.3.2.7 Supply Chain Management

ALFRED NZO DISTRICT MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2018 - 2019

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/21)	Year 5 (2021/22)
6.3.2.7.1	Financial Viability	Maximize economies of scale and value for money by complying with SCM policies.	SCM Management Projects	Budget & Treasury	Equitable Share	Whole Municipality	R 150 000	R 0	R 0	R 0	R 0

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6.3.3.1 Admin Support

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/2018)	Year 2 (2018/2019)	Year 3 (2019/20)	Year 4 (2020/21)	Year 5 (2021/22)
6.3.3.1.1	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	RECORDS MANAGEMENT	AS	ES	Alfred Nzo District	1 100 000	500 000	1 264 800	1 334 634	R0.00
6.3.3.1.2	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	SECURITY SERVICES	AS	ES	Alfred Nzo District	10 000 000	12 030 000	12 679 620	13 376 999.10	R0.00
6.3.3.1.3	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	SECURITY INFRASTRUCTURE PROV C	AS	ES	Alfred Nzo District	300 000	500 000	1 054 000	1 111 970	R0.00
6.3.3.1.4	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	FACILITIES MANAGEMENT AND MAINTENANCE	AS	ES	Alfred Nzo District	0	300 000	316 200	333 591	R0.00
6.3.3.1.5	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	MAINTENANCE COPIERS	AS	ES	Alfred Nzo District	500 000	800 000	843 200	889 576	R0.00
6.3.3.1.6	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	CLEANING MATERIALS	AS	ES	Alfred Nzo District	500 000	700 000	737 800	778 379	R0.00

6.3.3.2 Human Resources Development

ALFRED NZO DISTRICT MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2018 - 2019

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/2018)	Year 2 (2018/2019)	Year 3 (2019/20)	Year 4 (2020/21)	Year 5 (2021/22)
6.3.3.2.1	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	EMPLOYMENT EQUITY PLAN	HRD	ES	Alfred Nzo District	0	200 000	210 800	222 394	R0.00
6.3.3.2.2	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	SKILLS PROGRAMME	HRD	ES/LGSETA	Alfred Nzo District	500 000 000	4 597 000	5 902 400	6 227 032	R0.00
6.3.3.2.3	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	EXTERNAL BURSARY SCHEME	HRD	Equitable Share	Alfred Nzo District	700 000	1 050 000	1 106 700	1 167 568.50	R0.00
6.3.3.2.4	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	CAREER EXPO DISTRICT	HRD	Equitable share/TETA/LGSETA	Alfred Nzo District	0	300 000	316 200	333 591	R0.00
6.3.3.2.5	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	ISDG INTERNSHIP	HRD	Equitable Share/ISDG	Alfred Nzo District	2 450 396	1 636 133.65	1 724 484.87	1 819 331.54	R0.00
6.3.3.2.6	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	ISDG Expenditure	HRD	ISDG grant	Alfred Nzo District	2 943 604	3 763 866.35	3 172 540	3 347 029.70	R0.00
6.3.3.2.7	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	STUDY ASSISTANCE PROGRAM	HRD	ES	Alfred Nzo District	400 000	500 000	527 000	555 985	R0.00

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Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/21)	Year 5 (2021/22)	
6.3.3.3.1		Municipal Transformation and OD	Develop Employee Wellness Programmes to improve productivity of staff.	PROTECTIVE CLOTHING	HRM	ES	Alfred Nzo District	750 000	850 000	895 900.00	945 174.50	R0.00
6.3.3.3.2		Municipal Transformation and Organizational development	Optimise systems, administration and operating procedures	OCCUPATIONAL HEALTH AND SAFETY	HRM	ES	Alfred Nzo District	800 000	500 000	948 600.00	1 000 773.00	R0.00
6.3.3.3.3		Municipal Transformation and Organizational development	Develop Employee Wellness Programmes to improve productivity of staff.	EMPLOYEE WELLNESS PROGRAMME	HRM	ES	Alfred Nzo District	250 000	1 150 000	263 500.00	277 992.50	0
6.3.3.3.4		Municipal Transformation and Organizational development	Optimise systems, administration and operating procedures	POLICY DEVELOPMENT	HRM	ES	Alfred Nzo District	75 000	90 000	94 860.00	100 077.30	R0.00
6.3.3.3.5		Municipal Transformation and Organizational development	Develop and implement Succession Planning policy	RETENTION AND SUCCESSION PLANNING OF STAFF	HRM	ES	Alfred Nzo District	0	0	150 000	150 000	R0.00
6.3.3.3.6		Municipal Transformation and Organizational development	Increase performance and efficiency levels	MUNICIPAL PERFORMANCE MANAGEMENT SYSTEM	HRM	ES	Alfred Nzo District	200 000	300 000	316 200	333 591	0
6.3.3.3.7		Municipal Transformation and Organizational development	Ensure alignment of departmental functions with functional structure to optimise human	QUALITY ASSURANCE ORGANOGRAM	HRM	ES	Alfred Nzo District	150 000	90 000	94 860	100 077	0

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			resources deployment across the institution.									
6.3.3.3.8		Municipal Transformation and Organizational development	Enhanced and harmonised labour relations environment	LEGAL FEES	HRM	ES	Alfred Nzo District	100 000	110 000	140 000	150 000	R0.00
6.3.3.3.9		Municipal Transformation and Organizational development	Improve implementation of induction or Socialisation model.	INDUCTION PROGRAMME	HRM	ES	Alfred Nzo District	50 000	60 000	63 240.00	66 718.20	R0.00
6.3.3.3.10		Municipal Transformation and Organizational development	Increase performance and efficiency levels	JOB EVALUATION	HRM	ES	Alfred Nzo District	150 000	175 000.00	184 450.00	194 594.75	R0.00
6.3.3.3.11		Municipal Transformation and Organizational development	Strengthen Governance and reduce risk	DATA CLEANSING	HRM	ES	Alfred Nzo District	-	0	0	0	R0.00
6.3.3.3.12		Municipal Transformation and Organizational development	Increase performance and efficiency levels	END YEAR FUNCTION	HRM	ES	Alfred Nzo District	-	0.00	R0.00	R0.00	R0.00

6.3.3.4 ICT

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Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 3 (2020/21)	Year 3 (2021/22)
6.3.3.4.1	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	ICT CENTER SUPPORT AND MAINTENANCE	ICT	ES	Mount Frere Bizana Matatiele Ntabankulu	450 000	450 000	632 400.00	667 182.00	R0.00
6.3.3.4.2	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	DR AND BC UPGRADE	ICT	ES	Mount Frere Bizana Matatiele Ntabankulu	R0.00	700 000	1100 00	1200 000	R0.00
6.3.3.4.3	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	CABLING OF WATER TREATMENT WORKS (WTW)	ICT	ES	Mount Ayliff Matatiele Bizana	R0.00	300 000	600 000	700 000	R0.00
6.3.3.4.4	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	DISTRICT WIDE CONNECTIVITY BACKBONE	ICT	ES	Mount Frere Bizana Matatiele Ntabankulu	R0.00	600 000	843 200.00	889 576.00	R0.00
6.3.3.4.5	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	ESTABLISHMENT OF ICT COMMUNITY CENTRE	ICT	Equitable Share	Alfred Nzo District	500 000	600 000	550 000	605 000	R0.00
6.3.3.4.6	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	ICT INFRASTRUCTURE UPGRADE	ICT	Equitable Share	Alfred Nzo District	500 000.00	630 000	474 300.00	500 386.50	R0.00
6.3.3.4.7	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	ANDM STORES AND ICT COMMUNITY CENTERS INTERNET PROVISION	ICT	ES	Alfred Nzo District	R0.00	0	1 600 00	1 700 000	1 800 00
6.3.3.4.8	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	ICT LICENCES	ICT	ES	Alfred Nzo District	3 900 000	5 170 000	5 238 380.00	5 526 490.90	R0.00

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6.3.3.4.9	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	ICT HARDWARE EQUIPMENT	ICT	ES	Alfred Nzo District	750 000.00	600 000	632 400.00	667 182.00	R0.00
6.3.3.4.10	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	NETWORK MONITORING SYSTEM	ICT	ES	Alfred Nzo District	R0.00	350 000	100 000	200 000	R0.00
6.3.3.4.11	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	TELECOMMUNICTATIONS (VPN AND VOICE)	ICT	ES	Alfred Nzo District	1 500 000.00	2 400 000	2 740 400.00	2 891 122.00	R0.00
6.3.3.4.12	Municipal Transformation and Organizational Development	Strengthen Governance and reduce risk	IMPLEMENTATION OF EDRMS	ICT	ES	Alfred Nzo District	1 100 000.00	1 200 000	1 650 000	1 815 000	R0.00
6.3.3.4.13	Municipal Transformation and Organizational Development	Strengthen Governance and reduce risk	REGIONAL DATA CENTRE DESIGN	ICT	ES	Alfred Nzo District	R0.00	250 000	316 200.00	333 591.00	R0.00
6.3.3.4.14	Municipal Transformation and Organizational Development	Strengthen Governance and reduce risk	BACKUP AND DATA RETENTION	ICT	ES	Alfred Nzo District	0	0	R0.00	R0.00	R0.00
6.3.3.4.15	Municipal Transformation and Organizational Development	Strengthen Governance and reduce risk	ICT RISK MANAGEMENT	ICT	ES	Alfred Nzo District	R0.00	0	550 000	600 000	650 000
6.3.3.4.16	Municipal Transformation and Organizational Development	Strengthen Governance and reduce risk	ICT SERVER ROOM	ICT	ES	Alfred Nzo District	0	800 000	0	0	0

6.3.4. Community Development Services

6.3.4.1 Thusong Services Centre

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Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/2021)	Year 5 (2021/2022)
6.3.4.1.1	Basic Service Delivery	Improve quality of Municipal Infrastructure Services	Establishment/Upgrade of Thusong Centre Units	Thusong Unit	Equitable share	Umzimvubu and Matatiele LM's	R30 000	R700 000	0	0	0
6.3.4.1.2	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	(Thusong Centre) Improvement of government access to information and coordination of services	Thusong Unit	Equitable Share	All LMs	R30 000	R200 000	0	0	0

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6.3.4.2 Fire & Rescue Services

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/2021)	Year 5 (2021/2022)
6.3.4.2.1	Good Governance & Public Participation	Strengthen Good Governance & Reduce Risk	(Swift water Rescue Programme) Procurement of Fire & Rescue Services Swift Equipment	Fire & Rescue Services	Equitable share	Whole Municipality	150 000	200 000	0	0	0
6.3.4.2.2	Municipal Transformation & Organisational Development	Strengthen Good Governance & Reduce Risk	Procurement of response vehicle fire and rescue	Fire & Rescue services	Equitable Share	Mbizana Center	0	R2 500 000	0	0	0
6.3.4.2.3	Good Governance & Public Participation	Good Governance & Public Participation	Fire & Rescue Building Internal Capacity (Swift Water Rescue, High Angle Rescue & USR Capacitation)	Fire & Rescue services	Equitable Share	Whole Municipality	0	R800 000	0	0	0
6.3.4.2.4	Good Governance & Public Participation	Strengthen Good Governance & Reduce Risk	Protective Clothing (Community Development)	Fire & Rescue Services	Equitable share	Whole Municipality	500 000	750 000	0	0	0
6.3.4.2.5	Good Governance & Public Participation	Strengthen Good Governance & Reduce Risk	Fire and Rescue Policy Review and Implementation	Fire & Rescue Services	Equitable share	Whole Municipality	0	166 450	0	0	0
6.3.4.2.6	Good Governance & Public Participation	Strengthen Good Governance & Reduce Risk	Fire and Rescue Emergency Respons and Community Resilience	Fire & Rescue Services	Equitable share	Whole Municipality	0	175 000	0	0	0

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6.3.4.2.7	Good Governance & Public Participation	Strengthen Good Governance & Reduce Risk	Potable Radios	Fire & Rescue Services			0	158 550	0	0	0
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6.3.4.3 Disaster Management Unit

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/2021)	Year 5 (2021/2022)
6.3.4.3.1	Basic Service Delivery	Improve community and social safety of the district, decentralisation of services.	Satellite Centre establishment – Mbizana	Disaster Management	Equitable share	Mbizana (Ward 1)	1 500 00	0	0	0	0
6.3.4.3.2	Service Delivery	Promote the earnings potential of ANDM Communities and strengthen resilience	Disaster Management Plan (implementation) (Disaster 1)	Disaster Management	Equitable share	Whole Municipality	0	400 000	0	0	0
6.3.4.3.3	Good Governance & Public Participation	Promote public participation and good meaningful governance	Disaster Management Public Education & Community Awareness Programme (Disaster 1)	Disaster Management	Equitable share	Whole Municipality	100 000	100 000	0	0	0

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6.3.4.3.4	Basic Service Delivery	Increase access to municipal services	Response , Recovery and Rehabilitation Programme (Disaster Man Response and Recovery)	Disaster Management	Equitable share	Whole Municipality	1 800 000	1 800 000	0	0	0
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6.3.4.4 Customer Care Unit

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/2021)	Year 5 (2021/2022)
6.3.4.4.1	Basic Service Delivery	Promote Public participation and Good Meaningful Governance	Procurement of Customer Care Mobile Unit (Leasing)	Customer care	Equitable Share	All LMs	0	0	0	0	0
6.3.4.4.2	Good governance and Public Participation	Promote Public participation and Good Meaningful Governance	Batho Pele Championship Programme (Implementation)/ Customer Care	Customer care	ES	All LMs	90 000	120 000	0	0	0
6.3.4.4.3	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	Customer Satisfaction feedback devices	Customer care	ES	All LMs	120 000	0	0	0	0
6.3.4.4.4	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	Customer Care satisfaction surveys- Research	Customer Care 149	ES	All LMs	0	600 000	0	0	0

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6.3.4.4.5	Good Governance and Public Participation	Improve Community safety and ensure Social Crime and Prevention	Implementation Of District Crime Prevention Programme (Customer Care)	Customer care	ES	All LMs	60 000	340 000			
6.3.4.4.6	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	Customer Care day	Customer care	ES	Whole of municipality	0	0	0	0	0

6.3.4.5. Municipal Health Services

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 2018/19	Year 3 2019/20	Year 4 2020/2021	Year 5 2021/2022
6.3.4.5.1	Service Delivery	Improve community and environmental health & safety	Water, food & air sample analysis	MHS	ES	Whole municipality	150 000	100 000	0	0	0
6.3.4.5.2	Service Delivery	Improve community and environmental health & safety	Procurement of sampling equipment (IAQM)	MHS	ES	Whole municipality	150 000	300 000	0	0	0
6.3.4.5.3	Institutional Capacity	Improve organizational capacity, knowledge & transformation	Strengthening of MHS	MHS	ES	Whole municipality	150 000	0	0	0	0
	Cross Cutting	Strengthen IGR	World Environmental Health Day Build-up WEHD (District event)- National WEHD Commemoration and accommodation	MHS	ES	Whole municipality	100 000	300 000	0	0	0

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6.3.4.5.5	Organizational development	Improve organizational capacity, knowledge & transformation	MHS Employee registration	MHS	ES	Whole municipality	57 600	150 000	0	0	0
6.3.4.5.6	Service Delivery	Improve community and environmental health & safety	Evaluation of Businesses	CDS	ES	Whole Municipality	0	100 000	0	0	0

6.3.4.6 Sports

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/2021)	Year 5 (2021/2022)
6.3.4.6.1	Good Governance and Public Participation	Promote public participation and good meaningful governance	Sport and Recreational development programs	SACRH	Equitable Share	Whole of municipality	R200 000	R350 000	0	0	0
6.3.4.6.2	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	Arts and Culture programs	SACRH	Equitable Share	Whole of municipality	R200 000	R300 000	0	0	0
6.3.4.6.3	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	Museum	SACRH	Equitable Share	Whole of municipality	R50,000	R500 000	0	0	0

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6.3.4.6.4	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	Heritage	SACRH	Equitable Share	Whole of municipality	500 000	R400 000	0	0	0
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6.3.5. Office of the Executive Mayor

6.3.5.1. Office of the Executive Mayor

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/2020)	Year 4 (2020/2021)	Year 5 (2021/2022)
6.3.5.1.1	Good Governance and Public Participation	To provide support to community members and non-profit organisations in times of dire need	Mayoral Intervention Programs	EX	Equitable Share	Whole Municipality	R300,000	R1 000 000	R1 054 000.00	R1 111 970.00	R0.00
6.3.5.1.2	Good Governance and Public Participation	To Promote Public participation and Good Meaningful Governance	Mayoral Imbizo	EX	Equitable Share	Whole Municipality	R400 000	R400 000	R421 600.00	R444 788.00	R0.00
6.3.5.1.3	Good Governance	To Coordinate section 79 committee sittings to adhere to the legislative prescripts.	Mayoral Committee meetings	EX	ES	Whole Municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.5.1.6	Good Governance	To improve the well-being of Vulnerable groups an general welfare of Alfred Nzo Communities	Poverty Alleviation	EX	ES	Whole Municipality	R0.00	R0.00	R0.00	R0.00	R0.00

6.3.5.2 Office of the Municipal Manager

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Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/2020)	Year 4 (2020/2021)	Year 5 (2021/2022)
6.3.5.2.3	Good Governance and Public Participation	Improve Municipal planning and spatial development	IDP	OMM	Equitable Share	Whole of Municipalities	R450,000	1 000 000	R0.00	R0.00	R0.00
6.3.5.2.4	Good Governance and Public Participation	Increase performance and efficiency levels	Monitoring & Evaluation Strategy / IDP & OPMS Monitoring	OMM	Equitable Share	Whole Municipalities	R200,000	R200 000	R210 800.00	R222 394.00	R0.00

6.3.5.3 Special Programmes Unit

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year (2020/21)	Year (2021/22)
6.3.5.3.1	Good Governance and Public Participation	To identify skills , coordinate youth empowerment for economic growth and development expand, encourage youth through training and education in collaboration with other stakeholders	Youth Development and Transformation Programme	SPU	Equitable Share	Whole of municipality	R1 500 000	R1 500 000	R337 280	R355 830.40	R0.00
6.3.5.3.2	Good Governance and Public Participation	To sensitize communities about HIV and AIDS epidemic and its impact in the socio economic development of the individual, families and community at large	HIV and AIDS; TB Awareness Programmes	SPU	Equitable Share	Whole Municipality	R150 000	R150 000	R347 820.00	R366 950.10	R0.00
6.3.5.3.3	Good Governance and Public Participation	To support functioning of all HIV and AIDS council structures through coordination of programmes	HIV and AIDS; TB Co-ordination Care and Support Programmes	SPU	Equitable Share	Whole of Municipality	R250,000	R250 000	R279 310.00	R294 672.05	R0.00

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6.3.5.3.4	Good Governance and Public Participation	To coordinate response to gender inequalities through empowerment, mainstreaming, awareness and consultation of men and women	District Gender Programme	SPU	Equitable Share	Whole of Municipality	R350,000	R350 000	R474 300.00	R500 386.50	R0.00
6.3.5.3.5	Good Governance and Public Participation	To facilitate the creation of an environment that will be conducive for growth and development of children by coordinating government departments and civil society with the district	Co-ordination of District Children's Development Programmes, Care and Support	SPU	Equitable Share	Whole of Municipality	R400,000	R415 000	R474 300.00	R500 386.50	R0.00
6.3.5.3.6	Good Governance and Public Participation	To create an environment that is free of barriers , prejudice and stereotypes in-order to maximize access of people with disabilities to basic services	District Disability Programmes, care, support and implementation	SPU	Equitable Share	Whole of Municipality	R350,000	R350 000	R379 440.00	R400 309.20	R0.00
6.3.5.3.7	Good Governance and Public Participation	To coordinate and facilitate the integration and mainstreaming of Older Persons programmes to keep societal norms and values and to maintain their respect and dignity	Older Person's Care and Support Programmes	SPU	Equitable Share	Whole of Municipality	R400,000	R350 000	R484 840.00	R511 506.20	R501,661.33
6.3.5.3.8	Good Governance and Public Participation	Promote the earnings potential of ANDM Communities	SPU Mainstreaming	SPU	Equitable Share	Whole of Municipality	R400,000	R400 000	R421 600.00	R444 788.00	R0.00
6.3.5.3.9	Good Governance and Public Participation	To unleash the potential of human mind through learning	Mayoral Education Bursury Programme	SPU	Equitable Share	Whole of Municipality	R500,000	R500 000	R558,096	R591,581.76	R627,076.67
6.3.5.3.10	Good Governance and Public Participation	To promote access of young to basic services	Completion of Youth Office	SPU	Capital Budget	Whole of Municipality	R50 000	0	R105 400.00	R111 197.00	R0.00

6.3.5.4 Communications Unit

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/2020)	Year 4 (2020/21)	Year 5 (2021/22)
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6.3.5.4.1	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Audio visuals and equipment	Communications	Equitable Share	Whole of municipality	R0.00	R150 000	R151 100.00	R166 795.50	R0.00
6.3.5.4.2	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Translation	Communications	Equitable Share	Whole Municipality	R50,000	R52 850	R55,703.90	R58 767.62	R0.00
6.3.5.4.3	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Branding and Marketing	Communications	Equitable Share	Whole Municipality	R500,000	R528 500	R557 039.00	R587 676.15	R0.00
6.3.5.4.4	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Community Outreaches	Communications	Equitable Share	Whole Municipality	R300,000	R150 000	R105 400.00	R111 197.00	R0.00
6.3.5.4.5	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Legacy & Heritage programmes	Communications	Equitable Share	Whole Municipality	R300 000	R300 000	R334,858	R354,949.06	R376,246.00
6.3.5.4.6	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Newsletter and leaflet production	Communications	Equitable Share	Whole Municipality	R150,000	R150 000	R52 700.00	R55 598.50	R0.00
6.3.5.4.7	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Publicity Cost	Communications	Equitable Share	Whole Municipality	R500,000	R500 000	R557 039.00	R587 676.15	R0.00
6.3.5.4.8	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Signage	Communications	Equitable Share	Whole Municipality	R100,000	R100 000	R105 400.00	R111 197.00	R0.00
6.3.5.4.9	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Audio and visuals equipment (Capex)	Communications	Equitable Share	Whole Municipality	R100,000	R105 700	R111,407.80	R117 535.23	R0.00

6.3.5.5 Internal Audit

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/21)	Year 5 (2021/22)
6.3.5.5.1	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors. Improve audit opinion through monitoring of	Develop Strategic Internal Audit Plan	Internal Audit	Equitable Share	Whole of municipality	R0.00	R0.00	R0.00	R0.00	R0.00

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		governance, risk management and internal control processes.									
6.3.5.5.2	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors.	Installation of AG Tracking System	Internal Audit	Equitable Share	Whole of municipality	R200 000	R315 000	R221 340.00	R233 513.70	R0.00
6.3.5.5.3	Governance	Improve audit opinion through monitoring of governance, risk management and internal control processes.	Follow up on Implementation of Management Action Plan	Internal Audit	Equitable Share	Whole of municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.5.5.4	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors.	Follow up on Dashboard Report	Internal Audit	Equitable Share	Whole of municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.5.5.5	Governance	Improve audit opinion through monitoring of governance, risk management and internal control processes.	Performing Mandatory Internal Audit Assignments	Internal Audit	Equitable Share	Whole of municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.5.5.6	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors.	Implementation of Risk Based Internal Audits	Internal Audit	Equitable Share	Whole of municipality	R0.00	R200 000	R0.00	R0.00	R0.00
6.3.5.5.7	Governance	Improve audit opinion through monitoring of governance, risk management and internal control processes.	mSCOA Implementation Reviews	Internal Audit	Equitable Share	Whole of municipality	R150 000	R250 000	R181 500	R199 650	R219 615
6.3.5.5.8	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors.	ICT Reviews	Internal Audit	Equitable Share	Whole of municipality	R125 000	R250 000	R151 250	R166 375	R183 012
6.3.5.5.9	Governance	Improve audit opinion through monitoring of governance, risk management and internal control processes.	IA Support to ANDA	Internal Audit	Equitable Share	Whole of municipality	R310 000	R300 000	R375 100	R412 610	R453 871
6.3.5.5.10	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors.	Revised Internal Audit Methodology	Internal Audit	Equitable Share	Whole of municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.5.5.11	Governance	Improve audit opinion through monitoring of governance, risk management and internal control processes.	Effective Audit Committee	Internal Audit	Equitable Share	Whole of municipality	R275 000	R400 000.00	R421 600.00	R444 788.00	R0.00

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6.3.5.6 Inter-governmental Relations

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/21)	Year 5 (2021/22)
6.3.5.6.1	Good Governance and Public Participation	Strengthen Intergovernmental Relations	IGR and Stakeholders management	OMM	Equitable Share	Whole Municipality	R250 000	R250 000	R0.00	R0.00	R0.00
6.3.5.6.2	Good Governance and Public Participation	Strengthen Intergovernmental Relations	Municipal cooperative agreements (MIR & Protocol)	OMM	Equitable Share	Whole Municipality	R250,000	R650 000	R0.00	R0.00	R0.00

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6.3.5.7 Legal Services

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 3 (2019/20)	Year 3 (2019/20)
6.3.5.7.1	Strengthen Governance and Reduce Risk	Ensure the full implementation of ANDM Litigation Strategy	Legal Support and Representation	OMM	Equitable Share	Whole of municipality	R1 300 000	R2 000 000	R0.00	R0.00	R0.00
6.3.5.7.2	Strengthen Governance and Reduce Risk	Ensure a fully functional Alfred Nzo District Legal Services' Forum	Alfred Nzo District Legal Services' Forum	OMM	N/A	Local Municipalities	R0.00	R0.00	R0.00	R0.00	R0.00

6.3.5.8 Risk Management

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/21)	Year 5 (2021/22)
6.3.5.8.1	Strengthen Governance and Reduce Risk	Ensure full implementation of the anti-corruption strategy and fraud prevention plan	Development and implementation of the fraud prevention plan	Risk Management	Equitable Share	Whole of municipality	150 000	150 000	168 640.00	177 915.20	R0.00
6.3.5.8.2	Strengthen Governance and Reduce Risk	Ensure full implementation of ANDM Risk Management Strategy	ICT and Fraud Risk Assessment	Risk Management	Equitable Share	Whole Municipality	150 000	150 000	167 428.80	176 804.81	186 705.87
6.3.5.8.3	Strengthen Governance and Reduce Risk	Ensure full implementation of ANDM Risk Management Strategy	Conduct strategic and operational risk assessment	Risk Management	Equitable Share	Whole Municipality	50 000	50 000	158 100.00	166 795.50	0.00
6.3.5.8.4	Strengthen Governance and Reduce Risk	Ensure full implementation of ANDM Risk Management Strategy	Maintain Effectiveness of Risk Management Committee	Risk Management	Equitable Share	Whole Municipality	150 000	150 000	R84 320.00	R88 957.60	R0.00

6.3.5.9 Office of the Speaker

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6.3.5.8.5	Strengthen Governance and Reduce Risk	Ensure full implementation of ANDM Risk Management Strategy	Review , update and monitor District Wide Compliance Checklist	Risk Management	Equitable Share	Whole Municipality	0.00	0	0.00	0.00	0.00
6.3.5.8.6	Strengthen Governance and Reduce Risk	Ensure full implementation of the anti-corruption strategy and fraud prevention plan	Establish the Fraud and Ethics Hotline	Risk Management	Equitable Share	Whole Municipality	R0.00	R80 000	R84 320.00	R88 957.60	R0.00
6.3.5.8.7	Strengthen Governance and Reduce Risk	Ensure full implementation of the anti-corruption strategy and fraud prevention plan	Risk Management Support to ANDA	Risk Management	Equitable Share	Whole Municipality	Risk Management	R150 000	0	0	0
6.3.5.8.8	Strengthen Governance and Reduce Risk	Ensure full implementation of the anti-corruption strategy and fraud prevention plan	Reviq of Risk Management Policy and Frameowrk	Risk Management	Equitable Share	Whole Municipality	Risk Management	R100 000	0	0	0

Referenc e	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/2020)	Year 4 (2020/2021)	Year 5 (2021/2022)
6.3.5.9.1	Good Governance and Public Participation	Promote culture of community participation	Public Participation	Office of the Speaker	Equitable Share	Whole of municipality	500 000, 00	R500 000.00	R527 000.00	R555 985.00	R0.00
6.3.5.9.2	Good Governance and Public Participation	Instil the ethical behaviour using acceptable moral conduct	Moral Regeneration Movement	Office of the Speaker	Equitable Share	Whole Municipality	R265 000, 00	R280 000.00	R295 120.00	R311 351.60	R0.00
6.3.5.9.3	Good Governance and Public Participation	Promote spirit of Ubuntu across various races	Africa Month Programme	Office of the Speaker	Equitable Share	Whole of Municipality	R50 000, 00	R70 000.00	R73 780.00	R77 837.90	R0.00
6.3.5.9.4	Good Governance and Public Participation	Introduce structured programmes to develop capacity of councillors in line with circular on Upper Limits	Provision of accomodation for Capacity Building Programme for Councillors – Training Programme	Office of the Speaker	Equitable Share	Whole of Municipality	R150 000, 00	R200 000.00	R210 800.00	R222 394.00	R0.00
6.3.5.9.5	Good Governance and Public Participation	Promote intergovernmental relations amongst the	District Speakers Forum	Office of the Speaker	Equitable Share	Whole of Municipality	R100 000, 00	R50 000.00	R52 700.00	R55 598.50	R0.00

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		Speakers of the district									
6.3.5.9.6	Good Governance and Public Participation	Ensure effective Oversight function is exercised on the Executive and Administration	Municipal Public Accounts Committee (MPAC)	Office of the Speaker	Equitable Share	Whole of Municipality	R75 000,00	R45 000.00	R47 430.00	R50 038.65	R0.00
6.3.5.9.7	Good Governance and Public Participation	Create a platform for the communities to engage with the municipality and present a chance for the Executive Mayor to present the State of the District	State of the District Address (Open Council Day)	Office of the Speaker	Equitable Share	Hosting local municipality in the district	R1 000 000,00	R1 000 000.00	R1 054 000.00	R1 111 970.00	R0.00
6.3.5.9.8	Good Governance and Public Participation	Ensure there is provision for the maintenance of the Council Chamber in having a conducive environment	Interior Design & Décor of The Council Chamber/Office furniture (Council Upgrade)	Office of the Speaker	Equitable Share	Council Chambers, Mount Ayliff	R0,00	R500 000,00	R529 000,00	R559 153,00	R592 702,18
6.3.5.9.9	Good Governance and Public Participation	Ensure the municipal Council has comprehensive and legally valid Rules and Orders regulating all statutory meetings that are gazetted	Reviewing and Printing of Council Rules and Orders	Office of the Speaker	Equitable Share	Whole of Municipality	R80 000,00	R100 000.00	R105 400.00	R111 197.00	R0.00
6.3.5.9.10	Good Governance and Public Participation	Promote engagements across whips of various political parties represented in Council	Whippery Programmes	Office of the Chief Whip	Equitable Share	Whole of Municipality	R90 000,00	R90 000.00	R94 860.00	R100 077.30	R0.00
6.3.5.9.11	Good Governance and Public Participation	Promote accountability to constituencies by councillors through constant	Constituency Work	Office of the Chief Whip	Equitable Share	Whole of Municipality	R200 000,00	R100 000.00	R105 400.00	R111 197.00	R0.00

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		and regular meetings									
6.3.5.9.12	Good Governance and Public Participation	Ensure adequate preparation for Council meetings by convening caucus meetings of various political parties	Council Caucus	Office of the Chief Whip	Equitable Share	Whole of Municipality	R150 000,00	R25 000.00	R26 350.00	R27 799.25	R0.00
6.3.5.9.13	Good Governance and Public Participation	Develop capacity of councillors on various topics through workshops	Council Study Groups	Office of the Chief Whip	Equitable Share	Whole of Municipality	R300 000,00	R100 000.00	R105 400.00	R111 197.00	R0.00
6.3.5.9.14	Good Governance and Public Participation	Promote women engagement to provide advocacy and setting women's agenda to be launched before 30 September 2017	Women's Caucus	Office Of The Speaker	Equitable Share	Whole of Municipality	R50 000,00	R53 000.00	R56 180.00	R59550.08	R0.00
6.3.5.9.15	Good Governance and Public Participation	Provide Support and provide accountability for Local Municipalities through Coordination Of Quarterly Reports for all four local muns	Local Municipality Support	Office Of The Speaker	Equitable Share	Whole Of Municipality	R50 000,00	R0.00	R0.00	R0.00	R0.00

6.3.5.10 Water Services Authority (WSA)

Reference	Priority Area (KPA)	Strategic Objective	IDP Name	Project	Function	Funding Source	Regional	Year 1 (2017/18)	Year 2 (2018/19)	Year 3 (2019/20)	Year 4 (2020/21)	Year 5 (2021/22)
6.3.5.10.1	Basic Service Delivery	Promoting equitable access to water services	Free Services	Basic	WSA	Equitable Share	Whole of municipality	1 300 000	220 000	442 680	427 027.40	1 630 399.33

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6.3.5.10.2	Basic Service Delivery	Promoting equitable access to water services	Validation of RDP households	WSA	Equitable Share	Whole of municipality	0.00	700 000.00	422 000.00	445 210 .00	469 696.55
6.3.5.10.3	Basic Service delivery	Promote safe and healthy environment	Community Based Natural Resource Management	WSA	Equitable Share	Umzimvubu and Matatiele	400 000	600 000	580 250.00	612 163.75	620 000.00
6.3.5.10.4	Basic Service delivery	Ensure Blue drop (BD) compliance throughout the district	Water Safety Plan	WSA	Equitable Share	Whole of municipality	650 000	515 000	527 500.00	556 512.50	600 000.00
6.3.5.10.5	Basic Service delivery	Ensure Green Drop (GD) compliance throughout the district	Wastewater Risk Abatement Plan	WSA	Equitable Share	Whole of municipality	650 000	500 000	527 500.00	556 512.50	600 000.00
6.3.5.10.6	Basic Service delivery	Ensure both Blue drop (BD) and Green Drop (GD) compliance throughout the district	Wastewater Treatment Works Process Audit	WSA	Equitable Share	Whole of municipality	450 000	680 000	654 100.00	690 075.50	600 000.00
6.3.5.10.7	Basic Service delivery	Ensure both Blue drop (BD) and Green Drop (GD) compliance throughout the district	Water Quality Monitoring	WSA	Equitable Share	Whole of municipality	1 300 000	1 000 000	1 451 050	1 538 112.58	1 630 399.33
6.3.5.10.8	Basic Service delivery	Promote and maintain potable water standards	Auditing of Regional Schemes	WSA	Equitable Share	Whole of municipality	800 000.00	1 000 000	1 054 000.00	1 111970.00	1 120 000.00
6.3.5.10.9	Basic Service delivery	Promoting the efficient, sustainable & beneficial use of water in public interest;	Waterborne Emergency Response Planning	WSA	Equitable Share	Ntabankulu LM	200 000.00	200 000	210 800.00	222 394.00	250 830.67
6.3.5.10.10	Basic Service delivery	Ensure both Blue drop (BD) and Green Drop (GD) compliance throughout the district	Proficiency Testing	WSA	Equitable Share	Whole of municipality	200 000	195 000	205 530.00	216 834.15	250 830.67
6.3.5.10.11	Basic Service delivery	Promote safe and healthy environment	Climate Change Adaptation	WSA	Equitable Share	Whole municipality	0.00	300 000	316 200.00	333 591.00	612 163.75
6.3.5.10.12	Basic Service delivery	Improve the quality of municipal infrastructure services	Kinira bulk water	WSA	RBIG	Matatiele	2 000 000	3 000 000	3 165 000.00	4 750 000.00	4 696 965.50

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6.3.5.10.13	Basic Service delivery	Improve the quality of municipal services	Ntabankulu bulk water supply	WSA	RBIG	Ntabankulu LM	2 000 000	3 000 000	3 165 000.00	4 709 537.50	4 696 965.50
6.3.5.10.14	Basic service delivery	Improve the quality of Municipal services	Mkhemane bulk water supply	WSA	RBIG	Umzimvubu LM	1 000 000	1 500 000	1 582 500.00	3 540 462.50	4 696 965.50
6.3.5.10.15	Basic Service delivery	Improve the quality of municipal infrastructure services	RAMS professional fee	WSA	Department of Roads and Transport	Whole of the municipality	2 285 000	2 290 000	2 425 000.00	2 566 000.00	4 024 712.31
6.3.5.10.16	Basic Service delivery	Improve the quality of municipal infrastructure services	Mbizana ward 11,14 & 16 water feasibility study	WSA	MIG	Mbizana LM	0.00	0	7 385 000.00	7 791 175.00	8 219 689.63
6.3.5.10.17	Basic Service delivery	Improve the quality of municipal infrastructure services	Ntabankulu ward 3 & 4 water feasibility study	WSA	MIG	Ntabankulu LM	0.00	0	5 275 000.00	5 565 125.00	2 348 482.75
6.3.5.10.18	Basic Service delivery	Improve the quality of municipal infrastructure services	Umzimvubu ward 20 & 21 water feasibility study	WSA	MIG	Umzimvubu LM	0.00	2 000 000	3 165 000.00	3 339 075.00	3 522 724.13
6.3.5.10.19	Basic Service delivery	Improve the quality of municipal infrastructure services	Mbizana wards 21,23 & 24 water feasibility study	WSA	MIG	Mbizana LM	0.00	0	5 275 000.00	5 565 125.00	5 871 206.88
6.3.5.10.20	Basic Service delivery	Improve the quality of municipal infrastructure services	Mbizana wards 29 & 30 water feasibility study	WSA	MIG	Mbizana LM	0.00	0	3 045 194.20	10 000 000.00	3 522 724.13
6.3.5.10.21	Basic Service Delivery	Improve the quality of municipal infrastructure services	Water Services Development Plan	WSA	Equitable share	Whole of the municipality	690 000.00	800 000	1 264 800.00	1 334 364.00	1 409 908.65
6.3.5.10.22	Basic Service Delivery	Improve the quality of municipal infrastructure services	District Integrated Transport Plan	WSA	Equitable share	Whole of the municipality	350 000.00	600 000	632 400.00	667 182.00	704 544.83

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6.3.5.10.23	Basic Service Delivery	Improve the quality of municipal infrastructure services	Backlog Eradication Strategy	WSA	Equitable share	Whole of the municipality	0.00	520 000	-	-	-
6.3.5.10.24	Basic Service Delivery	Improve the quality of municipal infrastructure services	Appropriate Sanitation Methods	WSA	MIG	Whole of the municipality	0.00	400 000	3 165 000.00	3 339 075.00	3 522724.13
6.3.5.10.25	Basic Service Delivery	Improve the quality of municipal infrastructure services	Ndakeni Community Based Natural Resource Management (CBNRM)	WSA	DEA	Umzimvubu LM (Ndakeni ward 8)	0.00	815 563.73	825 492.73	874 197.37	0.00
6.3.5.10.26	Basic Service Delivery	Improve the quality of municipal infrastructure services	Mvenyane CBNRM	WSA	DEA	Matatiele LM (Mvenyane ward 21)	0.00	3 469 955.16	3 717 452.31	3 940 475.28	0.00
6.3.5.10.27	Basic Service Delivery	Improve the quality of municipal infrastructure services	SANS 241 Audits	WSA	Equitable Share	Alfred Nzo	-	500 000	-	-	-
6.3.5.10.28	Basic Service Delivery	Improve the quality of municipal infrastructure services	Water Quality Monitoring	WSA	Equitable Share	Alfred Nzo	-	330 000	-	-	-
6.3.5.10.29	Basic Service Delivery	Improve the quality of municipal infrastructure services	Energy Efficient Grant	WSA	Equitable Share	Energy Efficient Grant	-	6 000 000	-	-	-
6.3.5.10.30	Basic Service Delivery	Improve the quality of municipal infrastructure services	Auditing Performance Management	WSA	Equitable Share	Equitable SHare	-	75 000	-	-	-

6.3.6. Department: Planning and Economic Development

6.3.6.1 Local Economic Development

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1	Year 2	Year 3	Year 4	Year 5
							(2017/2018)	(2018/2019)	(2019/2020)	(2020/2021)	(2021/2022)
6.3.6.1.1	Local Economic Development	Ensure all major district projects include growth and development components to enhance local economic development	VUKA ALFRED NZO	LED	Equitable Share	Whole of Municipality	R1 000 000	R0.00	R0.00	R0.00	R0.00

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6.3.6.1.2	Local Economic Development	Ensure all major district projects include growth and development components to enhance local economic development	COLLABORATIVE INITIATIVES	LED	Equitable Share	Whole of municipality	R491 000	R265 000.00	R490 110.00	R517 066.05	R0.00
6.3.6.1.3	Local Economic Development	Formulate strategies for mobilization of development finance and grants for implementation of catalytic projects in the project	LRED STRATEGY REVIEW	LED	Equitable Share	Whole of Municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.6.1.4	Local Economic Development	Establish strategic partnerships with the Government, Private sector and NGOs for successful coordinated implementation of agricultural development programmes	AGRI-PARKS PROGRAMME	LED	Equitable Share	Whole of Municipality	R950 000.00	R2 150 000.00	R3 214 700.00	R3 391 508.50	R0.00
6.3.6.1.5	Local Economic Development	Develop strategies which seek to prioritize local economic development within the District	INSTITUTIONAL ARRANGEMENTS	LED/PLANNING	Equitable Share	Whole of Municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.6.1.6	Local Economic Development	Develop Value Chain for key sectors in the District in order to take advantage of key opportunities for local beneficiation and empowerment	MANUFACTURING DEVELOPMENT PROGRAMME	LED	Equitable Share	Whole of Municipality	R1 385 000	R0.00	R0.00	R0.00	R0.00
6.3.6.1.7	Local Economic Development	Formulate Strategies for mobilisation of development finance and grants for implementation of catalytic projects in the District	BEACH TO BERG	LED	Equitable Share	Whole of Municipality	R500 000	R 0.00	R10 540.00	R11 119.70	R0.00
6.3.6.1.8	Local Economic Development	Formulate strategies for mobilization of development finance and grants for implementation of catalytic projects in the project	RESOURCE MOBILISATION (SMME'S)	LED	Equitable Share	Whole of municipality	R0.00	R0.00	R0.00	R0.00	R0.00

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6.3.6.1.9	Local Economic Development	Develop Value Chain for key sectors in the District in order to take advantage of key opportunities for local beneficiation and empowerment	Zone Centre Development Programme	LED	Equitable Share	Whole of municipality	R0.00	R2 065 000.00	R1 101 430.00	R1 162 008.65	R0.00
6.3.6.1.10	Local Economic Development	Develop Value Chain for key sectors in the District in order to take advantage of key opportunities for local beneficiation and empowerment	Resident Fashion Designer Programme	LED	Equitable Share	Whole of municipality	R0.00	R1 545 000.00	R1 101 430.00	R1 162 008.65	R0.00
6.3.6.1.11	Local Economic Development	Develop strategies which seek to prioritize local economic development within the District	Contractor Development Programme	LED	Equitable Share	Whole of municipality	R0.00	R0.00	R1 591 540.00	R1 679 074.70	R0.00
6.3.6.1.12	Local Economic Development	Develop strategies which seek to prioritize local economic development within the District	Oceans Economy	LED	Equitable Share	Mbizana LM	R0.00	R500 000.00	R0.00	R0.00	R0.00

6.3.6.2 Spatial Planning

References	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1	Year 2	Year 3	Year 4	Year 5
							2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
6.3.6.2.1	Spatial Planning	Update and Implement Land Use Management Systems (LUMS) and wall-to-wall Schemes	Land Use Management Framework (LUMF)	Planning	Equitable Share	Whole of Municipality	R500 000	R0.00	R0.00	R0.00	R0.00
6.3.6.2.2	Spatial Planning	Enhance the implementation of SPLUMA	SPLUMA Implementation	Planning	Equitable Share	Ntabankulu Municipality	R500 000	R280 0000	R263 500.00	R277 992.50	R0.00

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		Establish the Municipal Planning Tribunal (MPT)									
6.3.6.2.3	Spatial Planning	Implement measures to improve coordination and alignment between the District Municipality and Local Municipalities	District Planners' Forum Establishment	Planning	Equitable Share	Whole of Municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.6.2.4	Spatial Planning	Enhance the implementation of SPLUMA	Spatial Development Framework	Planning	Equitable Share	Whole of Municipality	R0.00	R200 000.00	R0.00	R0.00	R0.00
6.3.5.2.5	Growth & Development	Formulate strategies for mobilisation of development finance and grants for implementation of catalytic projects in the project	DISTRICT DEVELOPMENTY PLAN	OMM	Equitable Share	Whole Municipality	R0.0	R200 000.00	R0.0	R0.0	R0.0

6.3.6.3 Geographical Information System (GIS)

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Regional	Year 1 2017/2018	Year 2 2018/2019	Year 3 2019/2020	Year 4 2020/2021	Year 5 2021/2022
6.3.6.3.1	GIS	Strengthen and consolidate spatial information management the District Municipality and Local Municipalities	GIS Data Maintenance	Spatial Planning & Land Use Management	Equitable Share	Whole of Municipality	R1 200 000	R1 150 000.00	R801 040.00	R845 097.00	R0.00
6.3.6.3.2	GIS	Implement measures to improve coordination and alignment between the District Municipality and Local Municipalities	GIS Shared Service Implementation	Spatial Planning & Land Use Management	Equitable Share	Whole of Municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.6.3.3	GIS	Strengthen and consolidate spatial information management the District Municipality and Local Municipalities	GIS Strategy Development	Spatial Planning & Land Use Management	Equitable Share	Whole of Municipality	R0.00	R0.00	R0.00	R0.00	R0.00

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6.3.6.3.4	GIS	Strengthen and consolidate spatial information management the District Municipality and Local Municipalities	GIS Geo Data Design	Spatial Planning & Land Use Management	Equitable Share	Whole of Municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.6.3.5	GIS	Strengthen and consolidate spatial information management for the District Municipality and Local Municipalities	GIS Systems Integration	Spatial Planning and land use management	Equitable Share	Whole Municipality	R0.00	R0.00	R0.00	R0.00	R0.00
6.3.6.3.6	GIS	Strengthen and consolidate spatial information management the District Municipality and Local Municipalities	GIS Infrastructure Upgrade	Spatial Planning & Land Use Management	Equitable Share	Whole Municipality	R0.00	R120 000.00	R337 280.00	R355 830.40	R0.00
6.3.6.3.7	GIS	Strengthen and consolidate spatial information management for the District Municipality and Local Municipalities	GIS License Renewal	Spatial Planning and land use management	Equitable Share	Whole Municipality	R0.00	R200 000.00	R0.00	R0.00	R0.00

6.3.7. ANDA

6.3.7.1. Budget Summary

2018/19 BUDGET SUMMARY			
	PAYROLL	CARPEX & OPEX	TOTAL BUDGET
	R	R	R
CEO	1 990 285.39	1 623 000.00	3 613 285.39
FINANCE	4 486 714.97	3 800 000.00	8 286 714.97
CORPORATE SERVICES	2 344 469.51	3 164 020.89	5 508 490.40
PROGRAMMES	2 930 467.71	41 866 333.00	44 796 800.71

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TOTAL	11 751 937.58	50 453 353.89	62 205 291.47
FUNDING SOURCES			
			R
ANDM - GRANT			20 000 000.00
SERVICES SETA			41 956 333.00
RENTAL INCOME			96 000.00
INTEREST ON BANK ACCOUNTS			152 958.47
TOTAL			62 205 291.47

6.3.7.2. Anda Projects

ANDA PROJECTS				
	R	R	R	R
LIVESTOCK IMPROVEMENT	1 000 000	1 000 000	1 100 000	1 210 000
EMFUNDISWENI SKILLS DEVELOPMENT	36 256 333	36 256 333	39 881 966	43 870 163
Infrastructure Development	15 000 000	15 000 000	16 500 000	18 150 000
Learnership for the Unemployed	12 132 000	12 132 000	13 345 200	14 679 720
Learnership for the employed	540 000	540 000	594 000	653 400
Apprenticeship	4 500 000	4 500 000	4 950 000	5 445 000
Adult Education & Training	195 000	195 000	214 500	235 950
Short Skills Programme	3 889 333	3 889 333	4 278 266	4 706 093
Electricity prepaid meters Mfundisweni	110 000	110 000	121 000	133 100
NEW VENTURE - CREATION	200 000	200 000	220 000	242 000
MSUKENI TOURISM DEVELOPMENT	500 000	500 000	550 000	605 000
UMZIMVUBU GOATS PROJECT	300 000	300 000	330 000	363 000
INSTALLATION OF ELECTRICITY- PREPAID METERS	0	0	0	0
FORT DONALD	100 000	100 000	110 000	121 000

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MBIZANA-CHICKEN ABBATTOIR	600 000	600 000	660 000	726 000
MEHLODING HIKING TRAILS	0	0	0	0
CROP PRODUCTION	0	0	0	0
NORTH PONDOLAND - SUGARCANE PROJECT	0	0	0	0
NTENETYANA DAM	500 000	500 000	72 000 000	79 200 000
LUDEKE DAM	500 000	500 000	550 000	605 000
INFRASTRUCTURE DEVELOPMENT	0	0	0	0
TRAVEL AGENCY - ANDA TRAVEL	0	0	0	0
CO-OPERATIVE SUPPORT PROGRAMME	1 000 000	1 000 000	1 100 000	1 210 000
PIGGERY	800 000	800 000	880 000	968 000
	41 866 333	78 122 666	156 504 933	172 155 426
	44 796 801	81 053 134	159 635 434	175 499 657

6.3.8(a). UMZIMVUBU LOCAL MUNICIPALITY PROJECTS

(i) ELECTRIFICATION PROJECT – INEP

Project Name	Ward	Number of Connections	Allocated Fund
Colana Phase 1	10	200	R 4 000 000
Mxhinweni	13	150	R 3 000 000
Ngxabaxha – Tinahill	20	200	R 4 000 000

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Mpondomise Phase 1	23	186	R 3 720 000
Completion of Mandileni	14	190	R 3 800 000
Completion of Mabhobho	22	224	R 2 480 000
Magontsini/ Sivumela Phase 2	24	80	R 1 600 000
Maxhegweni	24	330	R 6 600 000
Completion of Mnxekazi	25	192	R 2 000 000
TOTAL		1 560	R 31 200 000

(ii) ROADS CONSTRUCTION, MAINTENANCE, SURFACING

Ward No	Proposed Projects	Proposed Scope	Infra budget	MIG Budget
1	Magaitini to Kwavala AR Maintenance	Maintenance of 8 km	Infrastructure budget	
2	Nqabeni AR Maintenance	Maintenance of 7.7 km	Infrastructure budget	
3	Ntlavini to Jojo AR	Construction of 5 km with Portal culvert bridge	Infrastructure budget	
3	Completion of Tela Cluster Sport Facility	Changerooms, grassing and combo courts		Municipal Infrastructure Grant
4	Sigidini A,B,C AR Maintenance	Maintenance of 8.3 km of gravel access road	Infrastructure budget	
5	Qadu AR Maintenance	Maintenance of 8 km of gravel access road 171	Infrastructure budget	

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5	Marwaqa Bridge			Municipal Infrastructure Grant
6	Ndakeni AR Maintenance	Maintenance of 6.5 km	Infrastructure budget	
6	Silindini Bidge	Construction of bridge		Municipal Infrastructure Grant
7	Completion of Surfacing of Mt Ayliff Internal Streets - Phase 6	Surfacing of 1.8 km of internal streets		Municipal Infrastructure Grant
8	Dutyini AR Maintenance	Maintenance of 9.6 km	Infrastructure budget	
9	Sphundu AR Maintenance	Maintenance of 8.9 km of gravel access road	Infrastructure budget	
10	Gqala AR / Siqhingeni AR Maintenance	Construction of 14.21 km of gravel access road	Infrastructure budget	
11	Mzinto to Nyosini AR Maintenance 4.6 Km	Maintenance of 4.6 km	Infrastructure budget	
12	Mgungundlovu AR Maintenance	Maintenance of 13 km of gravel access road	Infrastructure budget	
13	Completion of Tyinirha bridge	Completion of Tyinirha bridge		Municipal Infrastructure Grant
14	Ngcozana AR Maintenance	Maintenance of 10 km	Infrastructure budget	
15	Bhekani AR Maintenance	Maintenance of 5.6 km	Infrastructure budget	
16	Dzikweni	Maintenance of 8.7 km of gravel access road	Infrastructure budget	
17	Ext 7, Moyeni & Papanana Internal roads	Maintenance of 8.7 km of gravel access road	Infrastructure budget	
18	Sidikidiki AR Paving		Infrastructure budget	

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19	Surfacing of Mt Frere Internal Streets	Surfacing of 3.2 km of internal streets		Municipal Infrastructure Grant
20	Upgrading of badibanise Stadium	Phase 3 of Badibanise stadium		Municipal Infrastructure Grant
21	Mtshazi - Qumra via Magxeni/Komkhulu AR	Construction of new 7.7 km access road	Infrastructure budget	
22	Bislan - Mfundeni AR	Construction of 2.1 km of gravel access road	Infrastructure budget	
23	Ngxabaxa AR Maintenance	Construction of 6 km of gravel access road	Infrastructure budget	
24	Mthonjeni to KwaDuma AR	Construction of 4.68 km of new gravel access road	Infrastructure budget	Municipal Infrastructure Grant
25	Nkalweni to waka Bityi AR	Construction of 6.8 km of gravel access road	Infrastructure budget	
26	Zigadini AR	Construction of 8.3 km of new gravel access road	Infrastructure budget	
27	Mafusini AR	Construction of 3.4 km of gravel access road	Infrastructure budget	
28	Nyantungo - Nyuswa Mandela AR	Maintenance of 5.1 km of gravel access road	Infrastructure budget	
29	Mbondleni AR	Construction of 7.6 km of gravel access road	Infrastructure budget	
MIG TOP SLICE			R 1 500 000.00	
TOTAL			R25 000 000	R45 500 000

(iii) ROADS CONSTRUCTION, MAINTENANCE, SURFACING

PROJECT NAME	WARD	SOURCE OF FUNDING	SCOPE OF WORK
Small towns revitalisation project	7	OTP Intervention	Redesigning of the town streets and greening
Phuti Eco Hub Phase 03	8	Economic Infrastructure	Construction of Restaurant facility
Rode Brick Paving	11	DRPW	Brick paving of Rode Main Road (EPWP – Labour intensive project)
ULM Municipal Offices	18	Internal Funding	Construction of municipal offices

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KwaBhaca Taxi Rank	18	Department of Transport/ Consortium including the taxi owners association	Relocation of KwaBhaca Police station and construction of bus and taxi rank
KwaBhaca Storm Water management	18	MIG	Design of storm water management in KwaBhaca

PROJECT NAME	WARD	SOURCE OF FUNDING	SCOPE OF WORK
30% Local Beneficiation	All municipal projects	ULM	Design all municipal projects so as to allow 30% local beneficiation. In all infrastructure projects, subcontracting of some works to be done, however, subcontractors have to be incorporated into the whole project life span.
Masikhule Incubator Programme	All municipal departments to support	ULM	SMME support through incubator programme implemented by all internal departments
Ploughing	All	R5.7m	Mechanisation of 15 hectares in 27 wards

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Job creation - EPWP	All	R2 476 000	260 people
Indigent support	All	R4,8m	Subsidizing 8 000 indigent beneficiaries with paraffin, solar and electricity purchases
External bursaries for scarce skills	All	R950 000	Full study subsidy for 21 students from disadvantaged backgrounds
Career Expo	All	ULM	All High Schools Participating in the Career Exhibition targeting Grade 11 and 12

(iv) DORA ALLOCATIONS 2018-2019

SOURCE	2018-2019	2019-2020	2020-2021
Equitable Share	R193 075 000	R212 895 000	R228 698 000
Local Government Financial Management Grant	R1 770 000	R1 770 000	R1 770 000
Expanded Public Works Programme	R2 476 000	Nil	Nil
Municipal Infrastructure Grant	R45 507 000	R46 411 000	R48 910 000

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Integrated National Electrification Programme	R31 200 000 (+R18 000/h/h = 1 733 h/h)	R25 600 000 (+R18 000/h/h = 1 422 h/h)	R19 200 000 (+R18 000/h/h = 1 066 h/h) <u>Total 4 221 h/h with a backlog estimated at 16 000 households</u>
TOTAL INFRASTRUCTURE GRANT	R76 707 000	R72 011 000	R68 110 000
Integrated National Electrification Programme Grant (Eskom)	R48 107 000	R74 019 000	R78 090 000

(v) ELECTRICITY HISTORIC BACKLOG

Municipality	Historic Backlog	Remaining Backlog	% Achieved	% Remaining
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Umzimvubu	48 904	16 436	75%	25%
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6.3.8 (b). MATATIELE LOCAL MUNICIPALITY

IDP REFERENCE	OBJECTIVE	ANNUAL TARGET	PROJECT NAME	WARD	BUDGET		
					2017/2018	2018/2019	2019/2020
P1G102.01.1	Q2. To Improve the provision basic services to rural and urban communities in the municipality	95% construction of T13-Zwelitsha access road completed by 30 June 2019	Construction of 3 KM T13-Zwelitsha Access Road	6	R 1,976,196	R 2,866,693.00	R0.00
P1G102.01.2	Q2. To Improve the provision basic services to rural and urban communities in the municipality	95% construction of Epiphany access road completed by 30 June 2019	Construction of 8.6 Km Epiphany Access Road	22	R 3,170,212	R 4,114,036.00	R0.00
P1G102.01.3	Q2. To Improve the provision basic services to rural and urban communities in the	95% Construction of Nomgavu access road completed by 30 June	Construction of 4 Km Nomgavu Access Road(Mnyamaneni)	18	R 2,195,983	R 189,644.00	R0.00

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	municipality	2019					
P1G102.01.4	<u>02.</u> To Improve the provision basic services to rural and urban communities in the municipality	100% construction of Bustula via Taung access road completed by 30 June 2019	Construction of 2.5 Km Bustula via Taung to Pre-School Access Road	6	R 276 563.00	-	R0.00
P1G102.01.5	<u>02.</u> To Improve the provision basic services to rural and urban communities in the municipality	100% Construction of Vikinduku access road completed by 30 June 2019	Construction of 4 Km Vikinduku Access Road	5	R 379 713.00	-	R0.00
P1G102.01.6	<u>02.</u> To Improve the provision basic services to rural and urban communities in the municipality	100% construction of Ngcwengane-Bomvini access road completed by 30 June 2019	Construction of 2.5 Km Ngcwengane-Bomvini Access Road (requires EIA)	7	R 289 427.00	-	R0.00
P1G102.01.7	<u>02.</u> To Improve the provision basic services to rural and urban communities in the municipality	100% construction of Gudlintaba access road completed by 30 June 2019	Construction of 3.2 Km Gudlintaba Access Road	9	R 327 843.00	-	R0.00
P1G102.01.8	<u>02.</u> To Improve the provision basic services to rural and urban communities in the municipality	100% Construction Sijoka access road completed by 30 June 2019	Construction of 6.5 Km Sijoka Access Road	10	R 467,280	-	R0.00
P1G105.01	<u>05.</u> To maintain municipal infrastructure and public amenities	100% construction of Mabheleni bridge completed by 30 June 2019	Construction of 24m Mabheleni bridge	21	R 2 729 519.00	R399 419	R0.00
P1G103.01	<u>03.</u> To improve access to sports and recreational facilities in rural and urban areas within the municipality	95% construction of Matatiele sport Centre completed by 30 June 2019	Construction of 6400m2 Matatiele Sport Centre	20	R 8 000 000.00	R8 000 000	R0.00
P1G103.02	<u>03.</u> improve access to sports facilities in rural and urban areas in the municipality by 2022	95% Construction of Cedarville Sport Centre completed by 30 June 2019	Construction of 6400m2 Cedarville Sport Centre	26	R 11 200 001.00	R 2,799,999	R0.00
P1G102.01.9	<u>02.</u> To Improve the provision basic services to rural and urban communities in the municipality	95% construction of Mountain View Internal Streets completed by 30 June 2019	Construction of 2km Mountain View Internal Streets in Ward 20.	20	R 2 100 000.00	-	R0.00
P1G102.01.10	<u>02.</u> To Improve the provision basic services to rural and urban communities in the municipality	70% construction of Matatiele CBD Internal Streets–Phase 2 completed by 30 June 2019	Construction of a 5,1 Km Matatiele CBD Internal Streets -Phase 2 in Ward 19	19	R 10 069 385.00	R 10,000,000	R0.00
P1G105.02	<u>05.</u> To maintain municipal infrastructure and public amenities	80% Construction of Ngcwengane Bridge completed by 30 June 2019	Construction of 14m Ngcwengane Bridge	7	R 2 500 000.00	R 3,100,000.00	
P1G105.03	<u>05.</u> To maintain municipal infrastructure and public amenities	80% Construction of Freystata Bridge completed by 30 June 2019	Construction of 26M Freystata Bridge requires EIA)	15	R 2 520 000.00	R 3,000,000.00	R0.00
P1G105.04	<u>05.</u> To maintain municipal infrastructure and public amenities	80% Construction of Nomgavu Bridge completed by 30 June 2019	Construction of 24m Nomgavu Bridge	18	R 3 088 894	R 2,000,000	R0.00
P1G102.01.11	<u>02.</u> To Improve the provision basic services to rural and urban communities in the municipality	Source funding from CoGTA for Cedarville Internal Streets Phase 3 by 30 June 2019	Planning for a 5Km Cedarville Internal Streets –Phase 3	26	R 500 000.00	R12,000,000	R0.00
P1G102.01.12	<u>02.</u> To Improve the provision basic services to rural and urban communities in the municipality	Source funding from CoGTA for Maluti Internal streets- Phase 4 by 30 June 2019	Planning for 5 Km of Maluti Internal Streets –Phase 4	1	R 500 000.00	R 17,000,000.00	R0.00
P1G102.01.13	<u>02.</u> To Improve the provision basic services to rural and urban communities in the	Source funding from CoGTA for Khoapa to Maluti Clinic Walkways	Planning for Khoapa to Maluti Clinic walkways	6	R 500 000.00	R 3,975,000.00	R0.00

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	municipality	by 30 June 2019					
P1G105.05	Q5. To maintain municipal infrastructure and public amenities	Source of funding from CoGTA for Mahangu bridge by 30 June 2019	Planning for a 22m Mahangu Bridge	9	R 500 000.00	R 3,000,000	R0.00
P1G102.01.14	Q2. To Improve the provision basic services to rural and urban communities in the municipality	Install 300m of concrete storm water pipes by 30 June 2019	Installation of 300m of Concrete storm water in Maluti, Cedarville and Matatiele	26, 19, 20,01	Nil	Nil	Nil
P1G102.01.15	Q2. To Improve the provision basic services to rural and urban communities in the municipality	Patch 60000m ² of potholes by 30 June 2019	600m ² of Potholes in Matatiele CBD, Maluti and Cedarville	26, 19, 20,01	Nil	Nil	Nil
P1G102.01.16	Q2. To Improve the provision basic services to rural and urban communities in the municipality	Install 2000m of kerbing and channeling by 30 June 2019	200m of Kerbing and Channelling in ward 1, 19,20 and 26	26, 19, 20,01	Nil	Nil	Nil
P1G102.01.17	Q2. To Improve the provision basic services to rural and urban communities in the municipality	3000m of drains excavations by 30 June 2018	3000m of Drainage excavations in Maluti, Cedarville and Matatiele	26, 19, 20,01	Nil	Nil	Nil
P1G102.01.18	Q2. To Improve the provision basic services to rural and urban communities in the municipality	Patch 9000m ² of verge tarring by 30 June 2019	900m ² Verge tarring in Matatiele, Maluti, and Cedarville towns	26, 19, 20,01	Nil	Nil	Nil
P1G102.01.19	Q2. To Improve the provision basic services to rural and urban communities in the municipality	Procure materials for maintenance activities by 30 June 2019	Acquisition of maintenance materials for Matatiele, Maluti and Cedarville	26, 19, 20,01	R 2 500 00.00		
P1G102.01.20	Q2. To Improve the provision basic services to rural and urban communities in the municipality	Maintain and rehabilitate 1.5 Km of Linotsing access road by 30 September 2018	Maintenance and rehabilitation of 1,5 Km Linosting access road	24	Nil	Nil	Nil
P1G102.01.21	Q2. To Improve the provision basic services to rural and urban communities in the municipality	Maintain and rehabilitate 4.2 Km of Magonqolweni access road by 30 December 2018	Maintenance and rehabilitation of 4.2 Km Magonqolweni access road	10	Nil	Nil	Nil
P1G102.01.22	Q2. To Improve the provision basic services to rural and urban communities in the municipality	Maintain and rehabilitate 2.6 KMs of Thotaneng access road by 30 December 2018	Maintenance and rehabilitation of a 2.6 Kms Thotaneng access road	11	Nil	Nil	Nil
P1G102.01.23	Q2. To Improve the provision basic services to rural and urban communities in the municipality	Maintain and rehabilitate 3.2 KMs of Mapotseng access road by 30 June 2019	Maintenance and rehabilitation of a 2.6 Kms Thotaneng access road	25	Nil	Nil	Nil
P1G105.06	Q5. To maintain municipal infrastructure and public amenities	Maintain and rehabilitate 10m of Mafube Culvert Bridge by 30 June 2019	Maintenance and rehabilitation of a 10m Mafube Culvert Bridge	7	R 255 000.00		
P1G105.07	Q5. To maintain municipal infrastructure and public amenities	Maintain and rehabilitate 15m of Sekutlong bridge by 30 June 2019	Maintenance and rehabilitation of a 15m Sekutlong Bridge	23	R 255 000.00		
P5G8020	O20. To provide a healthy, safe, secure and productive work environment	Acquisition of protective clothing for POMU staff	Provide 55 Staff members with necessary protective uniform by 30 September 2018	N/A	R 500 000.00		
P2G308.01	O8. To ensure full compliance with legislative requirements of MFMA, MPRA and financial relevant regulations and national treasury guides and reforms to improve financial management and its viability.	Release final retention for Sijoka access road by 30 June 2019	Construction of 6.5 Km Sijoka AR	10	R 467 280.00		
P2G308.02	O8. To ensure full compliance with legislative requirements of MFMA, MPRA	To release final retention for Lagrange Pedestrian bridge by 30	Construction of a 30m Lagrange Pedestrian Bridge	07	R 101 560.00		

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	and financial relevant regulations and national treasury guides and reforms to improve financial management and its viability.	June 2019					
P3G4O11	O11: To create favourable environment for promoting growing and sustainable local economy	200 Jobs created through projects construction by 30 June 2019	Job creation	Nil	Nil	Nil	Nil

6.3.9. DEPARTMENT OF SOCIAL DEVELOPMENT

(i) DEPARTMENT OF SOCIAL DEVELOPMENT SUMMARISED VERSION OF THE 2018/2019 FUNDING OF PROJECTS FOR PROGRAMMES 2-5

SOCIAL WELFARE AND SPECIALIST SOCIAL SERVICES

SUB-PROGRAM	DISTRICT	AMOUNT	MATATIELE	AMOUNT	UMZIMVUBU	AMOUNT	MBIZANA	AMOUNT	NTABANKULU	AMOUNT
2.2 CARE AND SUPPORT TO OLDER PERSONS	63	R4, 720 850	8	R637 400	20	R1, 644 325	23	R1, 585 025	12	R854 100

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2.3 SERVICES TO PEOPLE WITH DISABILITIES	03	R1, 429 506.63	01	R87 450	01	R1, 242 056.63	01	R100 000	NIL	NIL
2.4 HIV AND AIDS	08	R2, 196 017	02	R549 005	02	R549 004	03	R823 506	01	R274 502
3.2 CARE AND SUPPORT TO FAMILIES	05	R449 102	02	R180 000	02	R180 000	01	R89 102	NIL	NIL
3.3 CHILD CARE AND PROTECTION SERVICES- NON GOVERNMENTAL ORGANIZATIONS	01	R447 830	01	R447 830	NIL	NIL	NIL	NIL	NIL	NIL
3.4 NON CENTRE BASED ECD PROGRAMMEES	01	R343 024	NIL	R343 024	Nil	Nil	NIL	NIL	NIL	NIL
3.4 EARLY CHILDHOOD DEVELOPMENT PROGRAMME	200	R24, 757 020	44	R5, 112 090	65	R8, 400 465	51	R6, 256 800	40	R4, 987 665
ECD CONDITIONAL GRANT	108	R10, 782 315	22	R1, 738 395	34	R3, 267 045	27	R3, 341 700	25	R2, 435 175
3.5 CHILD AND YOUTH CARE CENTRE- NON GOVERNMENTAL ORGANIZATIONS	02	R3, 205 094	01	R1 , 859 806	01	R1, 345 288	NIL	NIL	NIL	NIL
3.6 COMMUNITY BASED CARE SERVICES FOR CHILDREN – ISIBINDI PROGRAMME	03	R2, 691 554	01	R863 672	02	R 1, 827 882	NIL	NIL	NIL	NIL
PREVENTION & EARLY INTERVENTION PROGRAMME	5	R1, 354 692	02	R830 873	01	R243 701	01	R167 076	01	R113 042
4.2. CRIME PREVENTION	01	R302 336.36	Nil	Nil	01	R302 336.36	01	Nil	NIL	NIL
4.3 VICTIM EMPOWERMENT	16	R2, 922 250	06	R1, 090 000	06	R1, 180 000	03	R502 250	01	R150 000

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4.4 SUBSTANCE ABUSE	06	999 851.49	01	R 135 000	02	R 400 000	02	R314 851.49	01	R150 000
TOTAL NO OF NPO'S PER AREA & FUNDS ALLOCATED	422	R56 601 441	91	R13 874 545	137	R20, 582 102	113	R13, 180 310.49	81	R8, 964 484

(ii) COMMUNITY DEVELOPMENT

Budget allocation for the following projects have been approved subject to due diligence.

SUB-PROGRAM	DISTRICT	AMOUNT	MATATIELE	AMOUNT	UMZIMVUBU	AMOUNT	MBIZANA	AMOUNT	NTABANKULU	AMOUNT
5.4 POVERTY ALLEVIATION AND SUSTAINABLE LIVELIHOODS	06	R1, 220.400	0	NIL	01	25.000.	03	R555.200	02	R640,200
5.6 YOUTH DEVELOPMENT	04	R260.000	1	R50.000	02	R160.000	01	R50.000.00	0	NIL
5.7 WOMEN DEVELOPMENT	05	R416.463	1	R50.000	01	R50.000	01	R216.463.00	02	R100.000

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				R100.000		R235.000				
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6.3.10. DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM (DRDAR) PROJECTS

(i) INFRASTRUCTURE

LM	PROJECT NAME	TYPE	BUDGET
Matatiele	Hanover Farm Glenleary Farm Bethel	Fencing (35km)	R2 160 000
	Matelleng	Handling facility	R350 000
	Cedarville feedlot	EIA	R350 000
Mbizana	Zanokhanyo Zangotshe Sirhasheni Mxinga	Fencing (29km)	R1 700 000
	Mbongweni Nyaka	Multi purpose sheds	R1 800 000
Ntabankulu	Cedarville Amantonta Mfundisweni	Fencing (30km)	R1 800 000
	Mnceba	Multi purpose shed	R1 000 000
	Siphethu	Borehole drilling	R250 000
Umzimvubu	Mhluzini Njjjini Lwandlana Qwidlana	Fencing (40km)	R3 100 000
	Lugelweni Esseck	Multi purpose sheds	R1 800 000

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(ii) FOOD SECURITY

LM	PROJECT NAME	TYPE	No of hectares	BUDGET
Matatiele	Cropping	Maize production	5635	
	Households food production			R265 000
Mbizana	Cropping	Maize production	4830	
	Households food production			R265 000
Ntabankulu	Cropping	Maize production	2415	
	Households food production			R410 000
	Cropping	Maize production	3220	
Umzimvubu	Households food production			R410 000

(iii) LAND CARE

LM	PROJECT NAME	TYPE	BUDGET
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Umzimvubu	N2 Mega project	Conservation agriculture Awareness campaigns Junior Land Care Planning (feasibility study)	R1 829 250
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6.3.11. DEPARTMENT OF PUBLIC WORKS

(i) BUILDING INFRASTRUCTURE – DoE PROJECTS

ALFRED NZO DISTRICT MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2018 - 2019

Project Name	Locality/Ward	Project/Program Description/Nature of the Project	Year 1: 2017/18	Year 2: 2018/19	Year 3: 2019/20	Year 4: 2020/21	Year 5 2021/	Total MTERF
BUILDING INFRASTRUCTURE – DoE PROJECTS								
Themba Mzizi JPS	Readout A/A, Mbizana	Construction of school; 45% complete;	R12,481,542.00	R7,924,267.95				R20,405,809.95
Mbizana DOE offices.	Mbizana town	Offices, Design stage	R89,000.00	R3,955,010.66				R4,044,010.66
Maluti SSS	Maluti, Matatiele	Construction of school; 55% complete.	R16,364,821.58	R18,086,298.37				R34,451,119.95
Tholang SSS	Tholang, Matatiele	Construction of school; 86% complete.	R25,724,195.76	R14,435,947.88				R40,160,143.64

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Project Name	Locality/Ward	Project/Program Description/Nature of the Project	Year 1: 2017/18	Year 2: 2018/19	Year 3: 2019/20	Year 4: 2020/21	Year 5: 2021/22	Total MTERF
BUILDING INFRASTRUCTURE – DoE PROJECTS								
St Mathews School	Matatiele	Construction of school; design stage	R 984,425.90	R3,000,414.87				R3, 984,840.77
Ntsizwa SSS	Ntsizwa, Mt Ayliff	Construction of school; 65% complete.	R13,060,922.20	R12,307,708.89				R25,368,631.09
BUILDING INFRASTRUCTURE – MAINTENANCE PROJECTS								
Ex Mary Theresa Nurses Home	Mt Frere	Conversion of Nurses Home into Offices; 63% complete	R24,720,734.40					R42,720,734.4
				R18,000,000.00				

(ii) BUILDING INFRASTRUCTURE – MAINTENANCE PROJECTS

Project Name	Locality/Ward	Project/Program Description/Nature of the Project	Year 1: 2017/18	Year 2: 2018/19	Year 3: 2019/20	Year 4: 2020/21	Year 5: 2021/22	Total MTERF
BUILDING INFRASTRUCTURE – MAINTENANCE PROJECTS								
Cedarville Roads Camp-	Cedarville	Upgrade and Renovations	R 3,456,347.66	R 1,100,000.00				R4,556,347.66
Ex-Maluti College - New Boundary Wall	Maluti	Boundary Wall	R 1,999,893.60	R 200,000.00				R2,199,893.6
Ntabankulu DPW Offices	Ntabankulu	Renovations and additions to the offices,	R 1,000,000.00	R 335,000.00				R1,335,000.00

(iii) EPWP

Project Name	Locality/Ward	Project/Program Description/Nature of the Project	Year 1: 2017/18	Year 2: 2018/19	Year 3: 2019/20	Year 4: 2020/21	Year 5 2021/22	Total MTERF
EPWP								
Community Development	Throughout the District	Maintenance of government properties-77 beneficiaries	R2 630 000.00	R750 000.00				R3,380,000.00
Innovation and Empowerment	Throughout the District	National Youth Service - 16 beneficiaries	R2 630 000.00	R450 000.00				R3,080,000.00
		APTCoD (Artisan Development Program)-140 beneficiaries	R3 353 600.00	R3 688 960.00				R3,688,960.00

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6.3.12. DEPARTMENT OF TRANSPORT

Project/Program Name	Project/Program Description/Nature of the Project	Locality & Ward	Year 1: 2017/2018	Year 2: 2018/2019	Year 3: 2019/2020	Year 4: 2020/2021	Year 5: 2021/2022	Total MTERF
Phakade Office Park	Renovations to existing building infrastructure and construction of further needed infrastructure	Umzimvubu (Ward 1 & 27)	Phase 1 (2,8m)	Though there is supposed to be Phase 2 and possibly 3 in the coming financial year and the outer year, it is difficult to indicate how much is going to be allocated to each phase as operational plans and Policy Speeches are being finalised				2,8m
Bizana Office Park	Renovation to existing building infrastructure and provision of further needed infrastructure	Mbizana town	This a project that was aborted this year as there was not enough technical investigation for it to be undertaken. The coming financial year will be completing this investigation for commencing with the project possibly in the 2019/20 financial year. Therefore it is difficult to estimate its cost.					
Road Safety Awareness and Training	Elimination of stray animals, learner driver training and road safety dialogues for learners, support road safety councillors work, and implementation of the ambassador programme to capacitate road safety representatives	All Local Municipalities in the District	Involved here mainly is the personnel budget relating to both the employed staff members of the department as well as the engaged community road safety councillors done per financial year and also difficult to project at a district level.					
Traffic Law Enforcement	Conducting roadblocks, speed checks, driver and vehicle fitness, fatigue management, public transport road worthy checks	All Local Municipalities in the District	This is personnel driven project which is impossible of quantifying the actual cost at a project level as a projection since it relates to payment of salaries and overtime.					
Support to the provision of public transport in the District	Issuing of operating licenses, training of public transport operators, facilitation of taxi industry transformation, and provision of subsidies to AB350 for 42 routes	All Local Municipalities in the District	This is a globalised project in terms of budgeting depending on the allocated buses and communities transported in a given financial year therefore estimation of budget is not possible.					
Provision of scholar transport	Transportation of 10,271 learners	81 schools throughout the District	This project is in support of the Department of Education that provides learners that the Department of Transport transports and this is globalised at a provincial level therefore estimation of the budget is not possible.					
Community Based Transportation	Control of stray animals on N2, T19, R56 and R61; district car wash; monitoring of scholar transport provision; and provision of safety crossing to primary school learners in identified areas in Umzimvubu and Mbizana	The project involves employment of EPWP employees as a means of providing work opportunities within the transport sector to the unemployed communities of the district.						
Mount Frere Multi-Modal Transport Facility	This project is subject to finalisation of an agreed upon design , Memorandum of Agreement between the two institutions and submission of a Business Plan to Provincial Treasury for funding (and availability of funds thereof) .							
Ntabankulu Multi-Modal Transport Facility	This project is subject to finalisation of a Memorandum of Agreement between the two institutions and submission of a Business Plan to Provincial Treasury for funding (and availability of funds thereof) .							

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6.3.13. DEPARTMENT OF HUMAN SETTLEMENTS

Project/Program Name	Project/Program Description/Nature of the Project	Locality & Ward	Year 1: 2017/2018	Year 2: 2018/2019	Year 3: 2019/2020	Year 4 2020/2021	Year 5: 2021/2022	Total MTERF
ZININI 150	RURAL	-	0.00	140	-	-	-	140
NQABENI 57	RURAL	-	0.00	10	-	-	-	10
EBENEZER PHASE 2(200)	RURAL	-	0.00	200	200	200	400	1000
Bonxa 1000(200)	Rural	-	0	200	200	200	400	1000
Bomvini 300	Rural	-	0	206	-	-	-	206
Nguse 300	Rural	-	0	123	-	-	-	123
Nkungwini 300	Rural	-	0	58	-	-	-	58
Nguse 300	Rural	-	0	71	100	100	42	242
Sandfontein 100	Rural	-		100	-	-	-	-

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6.3.14. SASSA

Project/Program Name	Project/Program Description/Nature of the Project	Locality & Ward	Year 1: 2017/2018	Year 2: 2018/2019	Year 3: 2019/2020	Year 4: 2020/2021	Year 5: 2021/2022	Total MTERF
Registration of new Social grants	29 120 new social grant applications processed:	Bizana; Matatatiele ;Mt Ayliff; Mt Frere,Ntabankulu	25 847 new social grant applications	29120 new social grant applications	-	-	-	-
Social relief of distress	4 855 of Social Relief of Distress applications awarded for (zero hunger, normal SRD and assistance as a response to disasters)	Bizana; Matatatiele ;Mt Ayliff; Mt Frere,Ntabankulu	9 600 Social relief of distress applications awarded	4 855 Social relief of distress applications awarded	-	-	-	-
Child support grant for children aged 0-1	11 724 of applications for children aged 0-1 processed	Bizana; Matatatiele ;Mt Ayliff; Mt Frere,Ntabankulu	11204 applications for children aged 0-1	11 724 of applications for children aged 0-1	-	-	-	-
Integrated Community Registration Outreach Program	5 identified wards having access to social assistance through ICROP	Bizana ward 15 Matatiele ward 7 Mt Ayl ward 9 Mt Fre ward 21 Ntabank ward 3	5 identified wards having access to social assistance through ICROP	5 identified wards having access to social assistance through ICROP	-	-	-	-

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6.3.15. DEPARTMENT OF SAFETY AND LIAISON

Project/Program Name	Project/Program Description/Nature of the Project	Locality & Ward	Year 1: 2017/2018	Year 2: 2018/2019	Year 3: 2019/2020	Year 4 2020/2021	Year 5: 2021/2022	Total MTERF
No. of social crime prevention programmes implemented	<ul style="list-style-type: none"> Public Education Crime Awareness campaign rolled out in Districts in support of the PCPS 	<p>QUARTER 1 - 2 Matatiele (June 2018)</p> <p>Ntabankulu (June 2018)</p> <p>QUARTER 2 - 3 Mzamba (July 2018) (Anti-Poverty Site)</p> <p>Avondale (Women's month) Aug 2018)</p> <p>Lukholweni (Sept 2018)</p> <p>QUARTER 3 - 3 Mpisi (Oct 2018)</p> <p>Afsondering (Oct 2018)</p> <p>Ntabankulu Sport Against Crime (Nov 2018)</p> <p>QUARTER 4 - 2 Matatiele Cluster (Back to school (Feb 2019)</p> <p>Mt Ayliff (Back to School (Feb 2019)</p>		(R270 000.00)	-	-	-	-
No. of reports on the implementation of the school safety	<ul style="list-style-type: none"> Assess and monitor implementation of school safety crime prevention 	<p>QUARTER 1 - 3 Bizana (April 2018) (Anti-Poverty Site)</p>	194	(R5 000.00)	-	-	-	-

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		Cedarville SSS Luthulini JSS Nomagqwathekana SSS Mnukwa SSS		Funds are sourced from H/O Community Police Relations Unit				
Reports on number of Municipalities supported with CSFs	Support municipalities with the functioning of CSF	<p>Quarter 1 -1 UMzimvubu LM (June 2018)</p> <p>Quarter 2 – 1 Matatiele LM (Sept 2018)</p> <p>Quarter 3 – 1 Mbizana LM (Dec 2018)</p> <p>Quarter 4 – 1 Ntabankulu (March 2019)</p>		(R20 000.00)	-	-	-	-
No. of reports on oversight engagements with SAPS Clusters within Districts	Attend 2 District Cluster Strategic engagements	<p>Quarter 2 – 1 Mt Ayliff Cluster (Sept. 2018)</p> <p>Quarter 4 – 1 Mt</p>		(R2 000.00)	-	-	-	-

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		Fletcher Cluster (March 2019)						
No. of police stations monitored utilizing unannounced visits' monitoring tool	Conduct 16 Unannounced visits at police stations	QUARTER 1 – 4 Cedarville (April 2018) Mzamba (April 2018) Mpsi (June 2018) Maluti (June 2018) QUARTER 2 - 4 Cweraland (Aug 2018) Avondale (Aug 2018) Ntabankulu (Sept 2018) Matatiele (Sept 2018) QUARTER 3 - 4 Lukholweni (Oct 2018) Bizana (Nov 2018) (Anti-Poverty Site) Kwandengane (Nov 2018) (Anti-Poverty Site) Avondale (Dec 2018) QUARTER 4 – 4 Mt. Frere (Jan 2019)		(R5 000.00)	-	-	-	-

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		(Anti-Poverty Site) Maluti (Jan 2019) Afondering (Jan 2019) Mt. Ayliff (Feb 2019)						
No. of police stations monitored	Conduct Service Delivery evaluations at 8 police stations	QUARTER 1 - 2 Bizana (April 2018) (Anti-Poverty Site) Avondale (April 2018) QUARTER 2 - 2 Ndengane (Aug 2018) Matatiele (Sept 2018) QUARTER 3 - 2 Cedarville (Oct 2018) Ntabankulu (Oct 2018) QUARTER 4 - 2 Mpisi (Feb 2019) Lukholweni (follow-up) (Feb 2019)		(R30 000.00)	-	-	-	-
No. of policing accountability engagements convened	Convene 6 police cluster accountability engagements	QUARTER 1 - 0 NIL QUARTER 2 - 1 Cedarville (July		(R200 000.00)	-	-	-	-

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		2017) QUARTER 3 – 2 Maluti (Oct 2018) Mt Ayliff (November 2018) QUARTER 4 - 3 Ndengane (February 2019) Lukholweni (February 2019) Matatiele (March 2019)						
No. of service delivery complaints managements reports	Monthly reports compiled on complaints received	Quarter 1 -1 (June 2018) Quarter 2 – 1 (Sept 2018) Quarter 3 – 1 (Dec 2018) Quarter 4 – 1 (March 2019)		(R1 000.00)	-	-	-	-
No. of functional CPFs	Assess the functionality of CPF at police stations	QUARTER 1 – 3 Bizana (April 2018) (Anti-Poverty Site) Avondale (May 2018) Maluti (May 2018) QUARTER 2 – 3 Ndengane (July		(R20 000.00)	-	-	-	-

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	<p>Establish 6 and monitor already established street/village committees within the District</p>	<p>2018)</p> <p>Matatiele (July 2018)</p> <p>Mt Ayliff (Sept 2018)</p> <p>QUARTER 3 –3 Ntanbankulu (Oct 2018)</p> <p>Cedarville (Nov 2018)</p> <p>Afsondering (Nov 2018)</p> <p>QUARTER 4 - 3 Mpisi (Feb 2019)</p> <p>Lukholweni (Feb 2019)</p> <p>Mt Frere (Feb 2019)</p> <p>QUARTER 1 – 0</p> <p>QUARTER 2 - 1 Cedarville (July 2018)</p> <p>QUARTER 3 – 2 Maluti (Oct 2018)</p> <p>Mt Ayliff</p>						
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		(November 2018) QUARTER 4 - 3 Ndengane (February 2019) Lukholweni (February 2019) Matatiele (March 2019)Site)						
No. of reports on DVA audits conducted at police stations	Conduct DVA audits at police stations	QUARTER 1 – 3 Bizana (April 2018) (Anti-Poverty Site) Avondale (May 2018) Maluti (May 2018) QUARTER 2 – 3 Ndengane (July 2018) (Anti-Poverty Site) Matatiele (July 2018) Mt Ayliff (Sept 2018) QUARTER 3 –3 Ntanbankulu (Oct 2018) Cedarville (Nov	201	(R10 000.00)	-	-	-	-

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		2018) Afondering (Nov 2018) QUARTER 4 - 3 Mpisi (Feb 2019) Lukholweni (Feb 2019) Mt Frere (Feb 2019) (Anti-Poverty Site)						
No. of reports on the implementation of the NMT recommendations by SAPS	Receive reports on the implementation of the NMT recommendations from police stations through Cluster Commanders	Quarter 1 – 1 (June 2018) Quarter 2 – 1 (Sept. 2018) Quarter 3 – 1 (Dec 2018) Quarter 4 – 1 (March 2019)		(R3 000.00)	-	-	-	-

6.3.16. DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENTAL AFFAIRS AND TOURISM (DEDEAT)

Program	2017/18	Municipality	2018/19
Enviro Awards	Eight schools and total amount of R 120, 000.00 & R40,000.00 for SMME support	Host LM <ul style="list-style-type: none"> • Matatielle 2017/18 • Mzimvubu 2018/19 Regional Awards <ul style="list-style-type: none"> • Mbizana LM Provincial Awards Competitions	Eight schools and combined prize money of R 120, 000.00 (Competitive fund) and approximately R 40,000.00 for SMME support Twelve (12) schools and a combined prize money of 1 million
Greenest Municipality Competition (GMC)	Mzimvubu LM won R300.000.00 total prize money	Mzimvubu LM	Competition still open for entry
Environmental Awareness			

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Program	2017/18	Municipality	2018/19
Environmental Awareness	Biodiversity Day Celebrations (Approx. R80,000.00 on SMME support)	Mzimvubu LM	No Calendar Day to be Celebrated
Capacity buildings	Various capacity building sessions across the region. (Approx. R60,000.00 on SMME support)	All LM.s	Various capacity building sessions across the region. (Approx. R60,000.00 on SMME support)

7. Spatial Development Framework

7.1. Executive Summary

Spatial planning in the Alfred Nzo District Municipality occurs within the national and provincial policy directives, and sets the agenda for spatial planning at a local level. The national policy framework includes the Constitution of the Republic of South Africa, various pieces of legislation that give effect to the intentions of the Constitution in respect of spatial planning, and the associated policies that outline the spatial transformation and development agenda. Provincial policy includes the Eastern Cape Provincial Growth and Development Strategy and the accompanying Spatial Development Plan.

The ANDM SDF aligns with these policy directives and enables the municipality to contribute to the attainment of the spatial development targets and objectives outlined in these policies. It also deals directly with the spatial issues facing the district.

7.2. Spatial Planning Mandate

Since the beginning of the new democratic era in South Africa, the notion of spatial planning has become an integral part of the development planning and transformation discourse. The Constitution (Schedule 4 Part B) bestows this responsibility to local sphere of government. In the interim, municipalities give effect to this mandate through the Development Facilitation Act, Act No. 67 of 1995 and the Municipal Systems Act, Act No. 32 of 2000. The latter requires a municipality to prepare and adopt an SDF as part of its IDP.

On 6 May 2011 the Department of Rural Development and Land Reform published the Draft Spatial Planning and Land Use Management Bill (SPLUMB) for public comments. Once passed into law, the proposed legislation will replace the Development Facilitation Act No 67 of 1995, Removal of Restrictions Act No 84 of 1967, the Physical Planning Act No 88 of 1967 and other laws. The Bill provides, inter alia, for a uniform, effective, efficient and integrated regulatory framework for spatial planning, land use and land use management in a manner that promotes the principles of co-operative government and public interest. It provides for and determines

development principles, compulsory norms and standards for land use management, and promotes sustainable and efficient use of land.

As prescribed in the bill, the ANDM SDF gives effect to the development principles enshrined in the bill, and presents both a narrative and visual representation of a five year spatial development plan. It assumes a long term vision and identifies significant structuring elements of spatial development.

7.3. National Development Plan (NDP)

The National Planning Commission (NPC) has been established and tasked inter alia with the formulation of a long term strategic plan for South Africa. The plan will articulate a long term vision and a plan for its implementation. It will shape government's service delivery and development programmes, and guide spatial transformation.

In the interim, the national government has adopted various sector based policy frameworks. The majority of these have serious implications for spatial planning at a local level. In view of the rural nature and underdevelopment that characterises the ANDM, only the following are considered:

- The New Growth Path.
- Comprehensive Rural Development Strategy and the associated programme.
- The Comprehensive Plan for the Development of Sustainable Human Settlements.

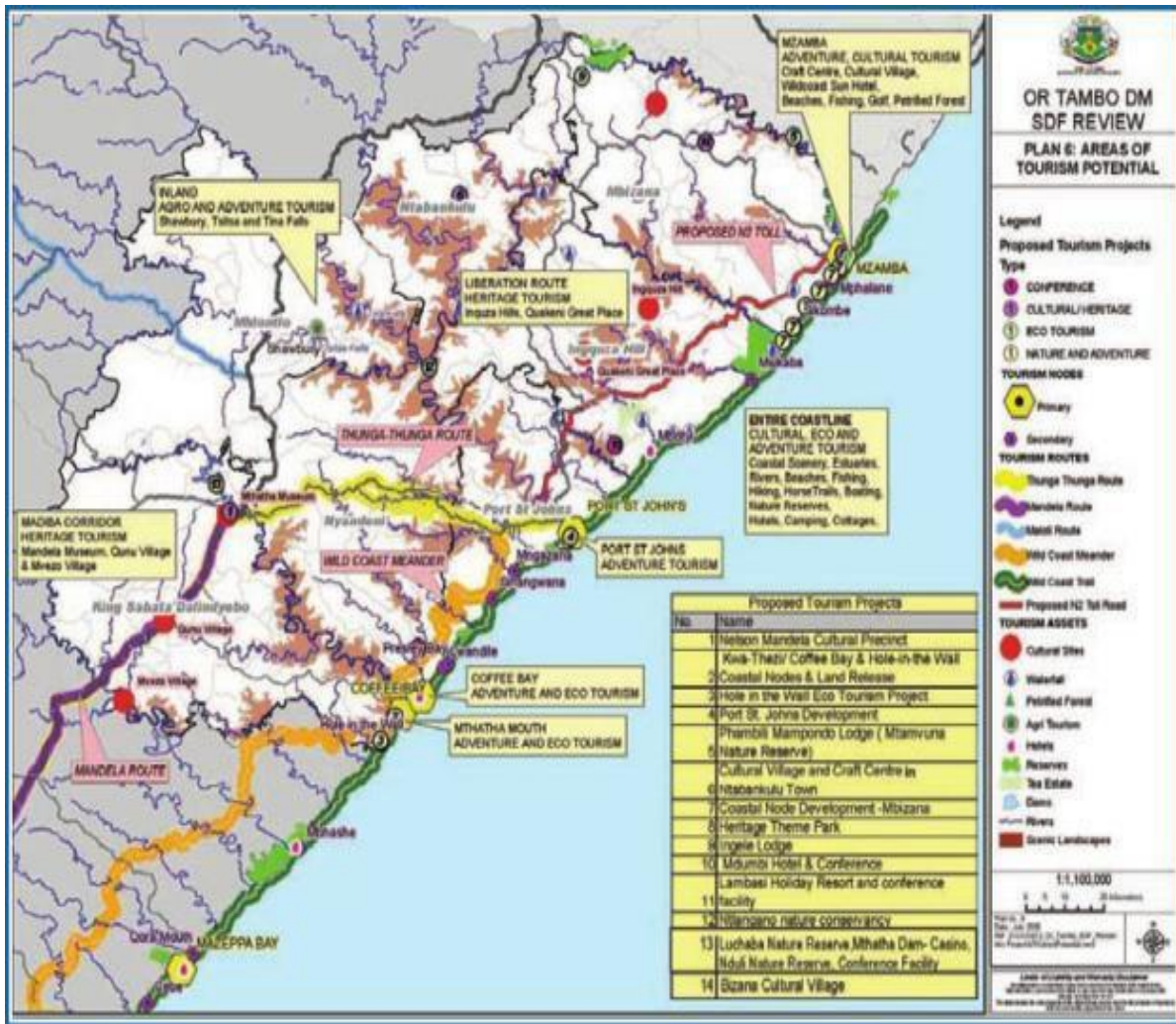
7.4. Environmental Management

The Environmental Management Plan for Alfred Nzo District fulfils, in part, the requirements of the National Environmental Management Act (NEMA) of 1998. It was prepared as a means to promote sound environmental management and promote sustainable land use practices within the district. It provides a comprehensive picture of the status of the environment, and outlines a strategic direction for environmentally sustainable development and effective management of the natural resources.

It adopts a long-term vision, but also identifies short to medium term actions that need to be addressed as part of the IDP process. These include capacity building and training, catchment management, protected areas, climate change and vulnerability mapping, and waste management. It also identifies priority environmental areas (PEAs) such as follows:

- Mount Fletcher-Maluti Drakensburg Escarpment.
- Ongeluksnek-Matatiele Ridge Corridor.
- Western Tswereke Catchment
- Semongkong ridgeline
- Matatiele - Cedarville Ridge Corridor

Map 1: Tourism Potential



7.5. Spatial Planning

Spatial planning is a shared function between the district and the local municipalities with the former focusing mainly on cross- border issues, bulk infrastructure and regional economic development. Both the current ANDM SDF (November 2011) and the OR Tambo DM SDF provide an overview of the districts spatial development trends and patterns, and outlines strategies for spatial transformation at a district level. They adopted a service centre (service node hierarchy) approach and accordingly identify primary, secondary and tertiary nodes. Mt Ayliff is the only primary node, while Matatiele, Mt Frere and Ntabankulu and Mbizana all serve as secondary nodes. Tertiary nodes include Maluti, Cedarville, Mzamba and others. This recognises the role of these towns as service centres and commercial hubs for a large part of the district, and a strategic link with towns outside the district. The N2 which runs in a north-south

In addition, they identify the following key areas for intervention:

- Improved access and service delivery to urban and rural areas;
- Facilitating efficient agricultural development;
- Developing the tourism potential and managing the environmental resources; and
- Developing a hierarchy of service nodes.

All four local municipalities have developed and adopted SDFs as a component of their IDPs. This review will consider each of these SDFs and provides a framework for alignment.

7.6. Regional Access

The geographic location of Alfred Nzo District Municipality along the border of Eastern Cape and KwaZulu-Natal Provinces establishes the area as gateway (entry and exit) point to KwaZulu-Natal from the Eastern Cape and vice versa. The N2 national corridor runs in a north-south direction and serves as the main access route to the District. Other important access and trade routes include R61 linking Mbizana and Port Edward, and R56 which runs along the northern and western boundaries linking Matatiele with Kokstad to the east and

Mt Fletcher to the south respectively. The ANDM forms part of the Eastern Region in terms of the ECPSDP. This region includes the majority of the former Transkei, smaller towns (Mt Frere, Mt Ayliff, Maluti, Mbizana, etc) and the surrounding dispersed rural settlements which occur alongside various environmental corridors. The distance from the ANDM to the major economic hubs within both provinces suggests that Kokstad, Port Shepstone and Pietermaritzburg are the main areas that service the district with major commercial facilities. These economic hubs are all located in KwaZulu-Natal Province, and Mthatha in the Eastern Cape are within a 300km radius. East London and Port Elizabeth are located beyond the said radius.

The position and role of the ANDM in the regional space economy is tightly interlinked with both the provinces with the area having strong functional linkages with KZN town such as Kokstad and Port Shepstone. Despite this strategic location of the area in relation to the N2, Alfred Nzo has remained a peripheral economy to these two provinces. The key challenge is to capitalize on its regional accessibility, location in

relation to Drakensberg, Coastline, Lesotho and a huge rural (rural settlement and commercial agriculture) catchment/threshold.

7.7. Land Use Patterns

Current land use patterns has evolved in response to the settlement patterns, rural character of the district, applicable planning policies and land use management practices i.e. formal and customary. The broad categories of land uses that exist within the area are:

- Urban Settlements – these are the small towns with an agglomeration and variety of social and economic uses;
- Rural Settlements – which primarily include rural villages with social facilities, subsistence agriculture but limited economic uses;
- Commercial agriculture – these are mainly the privately owned farms around Cedarville and Ongeluksnek Nature Reserve; and
- Conservation areas – which include the protected nature reserves such as Ongeluksnek and Mkhambathi Nature Reserve.

A substantial area of arable land has been left fallow. This could be ascribed to a number of factors including availability of resources to produce food, degradation and loss of productive potential. Most of the hill slopes are used for grazing of livestock with the result that most of these slopes have limited vegetation cover (ADM Enviro Status Quo Report, June 2003:1).

7.8. Land Ownership Patterns

Land ownership within Alfred Nzo District Municipal Area is dominated by state land which functions as the rural villages and accommodates the majority of the population. There are few privately owned farms within Matatiele and Umzimvubu Municipal Area. The majority of the land is registered in the name of the state and used for a different uses. The following categories of state land could be identified:

State land – the majority of the land parcels within the municipal area are held in trust by the Minister of Rural Development and Land Reform (Formerly the Minister of Land Affairs). Some state land (former commercial farms) is surveyed and registered, but much, especially communal land, has only recently been surveyed and is still unregistered in the Deeds Registry (PSDP, Vol 1: 60).

There are numerous parcels of state land located throughout the local municipal areas. They include the Nature Reserves, land parcels upon which various facilities have been constructed, for example, government and municipal offices, police stations, schools, clinics and utilities (such as water works and sewerage treatment works).

7.9. Communal Land

Communal land is held in trust by the Minister of Rural Development and Land Reform and formerly registered in the name of the state, it is occupied by individuals members of the respective communities under Permission to Occupy (PTO) and/or customary tenure commonly referred to as beneficial occupation rights. Individual's rights on the land are protected in terms of the Interim Protection of Informal Land Rights Act, Act No. 31 of 1996 also known as IPILRA.

7.10. Land Tenure Upgrading

The land tenure upgrading project has been initiated in Maluti, which is a former R293 township that is situated within the administrative boundaries of Matatiele Municipality. This upgrading of land tenure rights in Maluti occurs at two levels such as follows

Upgrading of Deeds of Grant, which the apartheid government issued to black people in urban areas in the past. A review of the land ownership database in Maluti suggests that an overwhelming majority of residents still hold the land in terms of Deeds of Grant. The extent to which the same applies in Itsokolele Township needs to be confirmed.

Upgrading of land tenure rights that pertain to communal land in the rural hinterland. These include Permission to Occupy (PTOs) and beneficial occupation rights. The declaration of the Communal Land Rights Act, Act No. 11 of 2004 (CLaRA), unconstitutional means that the status quo will remain in the rural areas until a new

land rights legislation is enacted. This has denied local communities an opportunity to benefit from localised spatial planning and exercise their rights in terms of security of tenure (CLaRA provided a continuum of tenure security from communal through to titling paradigm).

7.11. Bulk Infrastructure (Water and Sanitation)

The provision of bulk services is very important for the sustainability of settlements and economic growth, such that economic development is heavily dependent on the availability of good infrastructure in order to be unlocked. Local government has a responsibility as well, to ensure that communities have access to basic services. Bulk infrastructure delivery is therefore a legal mandate as well as an economic instrument to unleash the growth of the area. Sector plans have been prepared for some of the services. These include the Water Services Development Plan and Integrated Development Plan. The recommendations thereof have implications for the SDF especially for alignment and integration purposes.

7.12. Sanitation

The Water Services Development Plans indicated that there is a huge sanitation backlog within Alfred Nzo, particularly within Ntabankulu where the town does not have a waterborne sewerage. Also some rural villages within various parts of the municipal area have poor access to sanitation. Packaging of sanitation programs should be based on settlement clusters and be integrated with the drive towards the transformation of rural villages into sustainable human settlements. The following spatial planning standards should be applied in all sanitation projects:

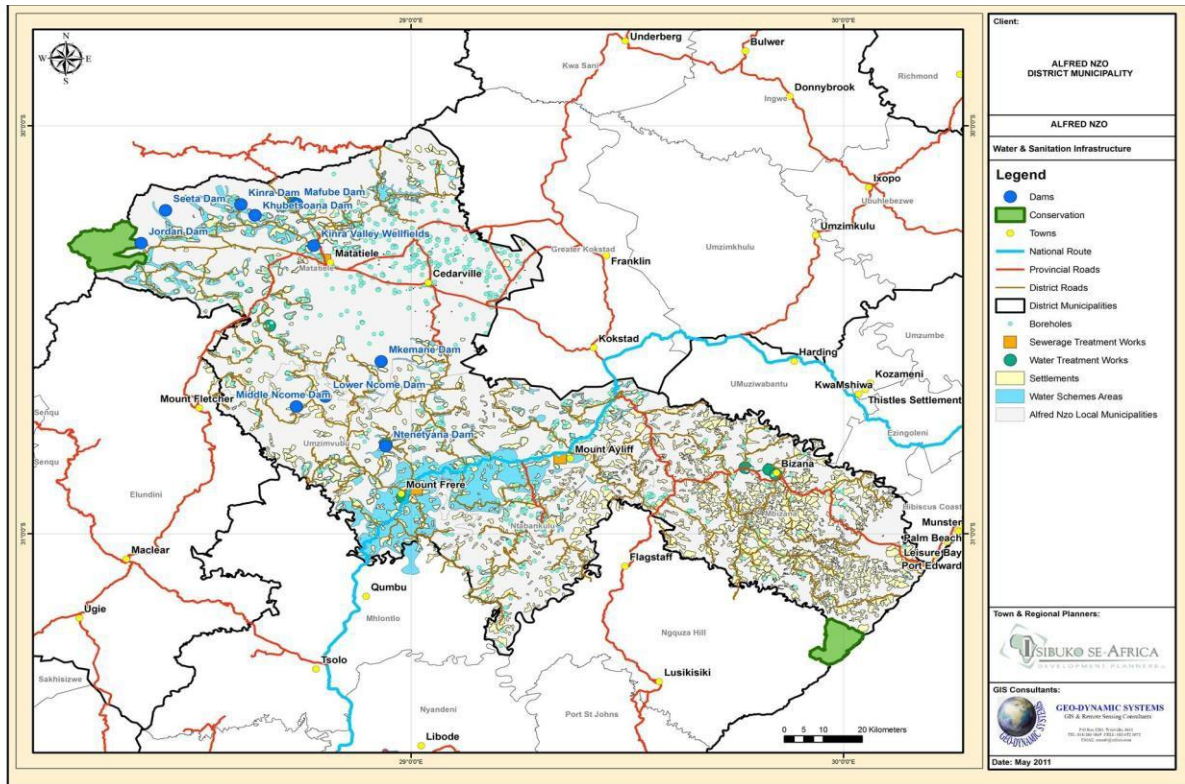
- Giving priority to settlements located within priority environmental areas.
- Providing settlements located within a 100m of wetlands with lined ventilated pit latrines at the minimum.
- Providing urban (Ntabankulu) and other peri-urban settlements with water borne sewerage.

7.13. Water

Like many areas in South Africa, Alfred Nzo Municipality has inherited the historical legacy of a large backlog of water services infrastructure. This situation is clearly intolerable and therefore the efficient and adequate supply of water services for domestic consumption and for economic development is one of the most important challenges facing Alfred Nzo District Municipality, in its capacity as the Water Services Authority for its area of jurisdiction. ANDM has identified the following as critical and strategic water supply areas:

- Additional sustainable water source for Matatiele and Maluti towns.
- Bulk water supply system where rural schemes can just be “plugged in”.
- Bulk water supply to Cedarville.
- Raw water supply for Agricultural irrigation (Ongeluksnek, Matatiele, Cedarville, and some other areas).
- Implementation Readiness Study for Regional Bulk Water Supply Infrastructure in the Matatiele and Umzimvubu Municipality areas recommended the following bulk water schemes for Matatiele:
- M1 - Kinira River Dam.

Map 3:



7.14. Spatial Economy

This section provides an analysis of where population and economic activities and related opportunities are located within the Alfred Nzo District Municipality. It compares the structure of the district economy, with those of other districts economic performances within the Eastern Cape Province. The main aim is to identify those sectors of the economy with which the Alfred Nzo District has an inherent comparative advantage relative to spatial characteristics and economic infrastructure so as to enhance the process of translating the comparative advantage to competitive advantage for the district and province's benefits.

7.15. Impact of Boundary Re-demarcation

Alfred Nzo has over the years evolved drastically in terms of geographical space and population composition. During the early 2000s, the district comprised of Umzimvubu and UMzimkhulu Local Municipalities. Both these municipalities were very fragmented such that they did not even share the boundaries, which allowed for wall-to-wall municipal planning. After the 2006 local government elections, Alfred Nzo District administrative boundary was changed to include Matatiele. UMzimkhulu Local Municipality was transferred to KwaZulu-Natal Province. Both these municipalities shared the administrative boundaries and therefore mark an improvement in the spatial

configuration of the district for planning and administrative purposes.

The recent demarcation following 2011 local government elections has resulted in Alfred Nzo District obtaining two additional local municipalities (i.e. Ntabankulu and Mbizana). This will further strengthen the role of co-ordinated spatial planning amongst the four municipalities that were previously administered by two different districts.

7.16. Under-Developed Urban Centres

Urban towns (Mount Ayliff, Matatiele, Mount Frere, Mbizana and Ntabankulu) play a significant role within the municipal area. These serve as the administrative, service and main economic centres with a threshold that covers the full extent of the municipal area and beyond. Although these towns exist with a range of commercial activities, they are currently poorly developed and structured. They are characterised by an unstructured linear form, land use separation and sprawling residential expansion. These towns should be planned as rural towns and be structured and managed to enable them to perform their functions efficiently and effectively.

7.17. Spatial Planning Principles

Alfred Nzo District Municipality's SDF is underpinned by normative principles reflected in various policy documents and pieces of legislation including the Development Facilitation Act (DFA), National Environmental Management Act (NEMA) and Provincial Spatial Development Plan. The following principles have been extracted from these sources and are considered appropriate to guide the preparation, review and implementation of Alfred Nzo Municipality SDF.

7.18. Spatial Framework

Alfred Nzo District Spatial Framework provides guidelines and directives for development in respect of the following key concerns:

- Spatial transformation and restructuring;
- Environmental management;
- Protection of high value agricultural land;
- Rural Development and Agrarian Reform;
- Economic Development and Land Use Management.

7.19. Spatial Restructuring

The following are the key elements of a spatial restructuring programme for Alfred Nzo

District Municipality:

- Hierarchy of Nodes
- Hierarchy of corridors.
- Settlement clusters.

7.20. Primary Node

Mount Ayliff is one of the main urban centres within Alfred Nzo District. It is strategically located at the central parts of the district and it plays an important role as a regional centre for district. It has a good potential as a primary node for investment promotion and centre of supply of services in the district. It forms part of the provincial spatial systems and is identified in the PSDP as one of the economic hubs. This node has administrative, social, and economic potential and there is provision of concentration of different activities of services. As a regional node, the following activities should be strengthened in Mount Ayliff Town:

- Development of commercial activities serving the entire district municipal area and the surrounding areas (region).
- Location of district and sub-district offices of various government departments and service delivery agencies.
- Location of facilities and services for an effective administration.
- Industrial development, focusing mainly on the processing of raw materials produced within the sub-region.
- Location of public facilities serving the whole sub-region and beyond. These may include district hospital, sports facilities and transportation facilities.

7.21. Secondary Nodes

There are three secondary nodes that have been identified within the district and these are:

- Matatiele;
- Mount Frere; and
- Mbizana

These nodes currently function as the main urban centres for the local municipalities that they serve. Similar to the primary node, these areas are well located within the main transportation routes that connect nodes with various settlements within each local municipality. As a sub-regional node the following activities should be strengthened in

these secondary nodes:

- Development of commercial activities serving the whole local municipal areas and the surrounding areas (sub-region).
- Light Industrial development, focusing mainly on the processing of raw materials produced within the sub-region and the neighbouring areas – agri-processing centre.
- Location of public facilities serving the local municipalities. These may include sports and transportation facilities.
- Location of facilities and services for an effective administration and local governance of the municipalities.

7.22. Tertiary Nodes

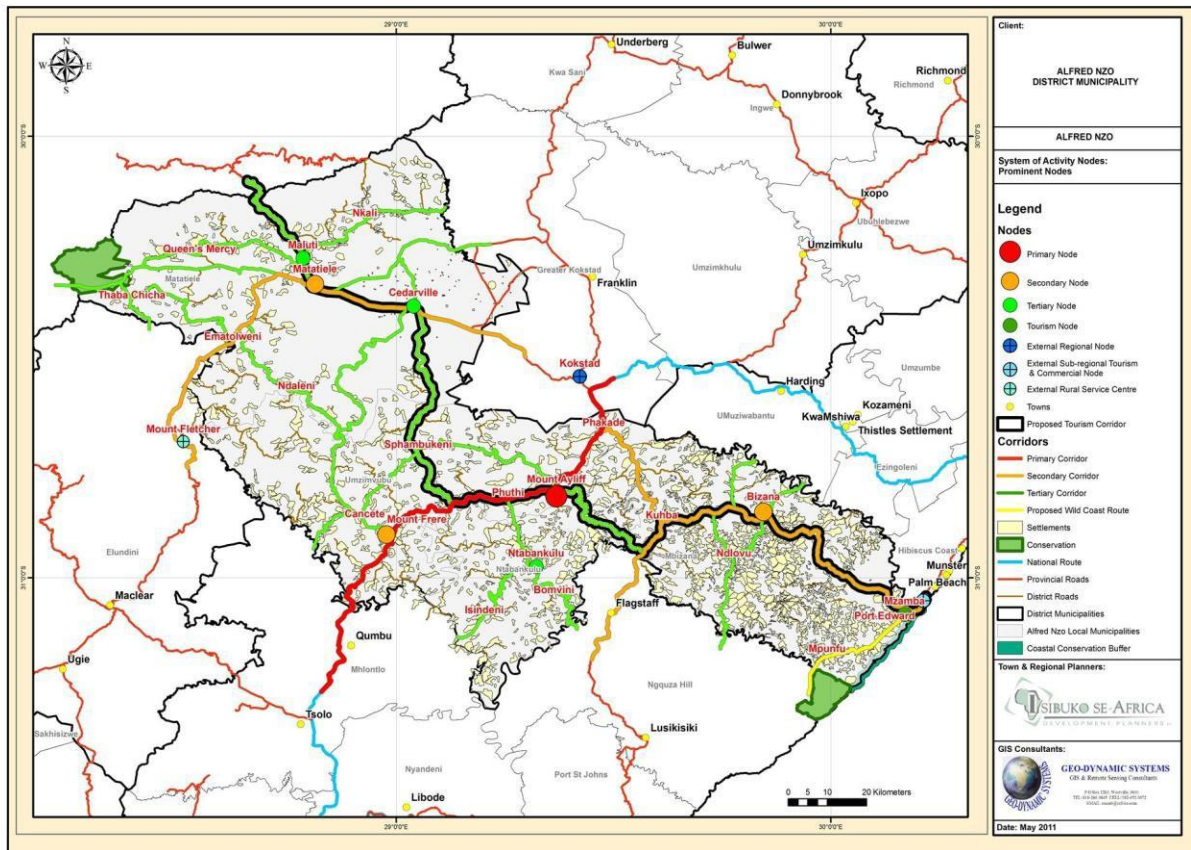
While the primary and secondary nodes serve as regional and sub-regional centres, at least four other areas present an opportunity for the development of tertiary nodes with much less threshold/sphere of influence, namely:

- Maluti;
- Cedarville;
- Mzamba.

Three main factors have influenced the selection of these areas:

- Location in relation to major access routes. Secondary nodes are located either along a primary or secondary corridor, or at the intersection of the primary and secondary corridors.
- Location in relation to large rural or urban settlements, which provides a threshold for services, rendered from these areas.
- Development potential based on the above two factors, and broad overview of the historical development of the areas as well as the current level of development.

Map 4:



7.23. Hierarchy of development corridors

Development corridors in Alfred Nzo District Municipality occur at different scales depending on function and categorization of the transportation route that forms the basis of the corridor. They carry the flows of people and trade between two points (origin and destination) and encourages nodal development at strategic point.

7.24. Primary Corridor

The N2 is identified in the NSDP as a national corridor, and is recognised as such (strategic transport route) in the PSDP. It runs in a north to south direction almost dividing Alfred Nzo District Municipality into half and link the area with KwaZulu-Natal towards the north as well as Eastern Cape towards the south. The N2 is a high speed limited access road providing access and inter-nodal connections at a national and provincial level. At a regional and local level, it presents an opportunity for the integration of Alfred Nzo to the national and provincial trade routes. It is a tourist route to the major tourist destinations in Eastern Cape. Development along this route should occur as follows:

- Facilitate the establishment of mixed land use activity nodes at the intersection of the N2 and the regional or provincial routes. Activities that may locate in these areas include logistics, warehousing, light industry and commercial facilities.
- In the short to medium term, high value agricultural land located along the corridor should be protected, but in the long term, strategically located areas abutting onto the mixed land use nodes should be opened for development as mixed land use precincts.

7.25. Secondary Corridors

R56 and R61 are the provincial routes that link Alfred Nzo with external significant nodes such as Kokstad, Port Edward and Mount Fletcher. Secondary to the N2, these routes serve as the main link between the Eastern Cape Province and KwaZulu-Natal Province. These are identified in the Provincial Spatial Development Plan (PSDP) - Eastern Cape as some of the Strategic Transport Routes

R56 is a multi-sectoral corridor as it facilitates access to agricultural zones in the Cedarville- Matatiele Area, tourism zones in the Ongeluksnek area and commerce and industry in Matatiele. It forms the basis for a road system that connects different parts of the municipal area. Due to the current settlement patterns and population distribution, R61 has attracted a lot of settlement and establishment of business uses dependent on accessibility and population concentrations. The on-going densification along this route is resulting in R61 fulfilling the role of a residential access road.

Development along R61 and R56 Development Corridor should follow the following guidelines:

R61 and R56 are regional limited access and high speed public transport routes, as such direct access onto this road should be subject to the provincial road transport regulations.

Higher order land uses should be accommodated in the nodes, but lower order land uses could develop in a linear fashion subject to alternative access opportunities;

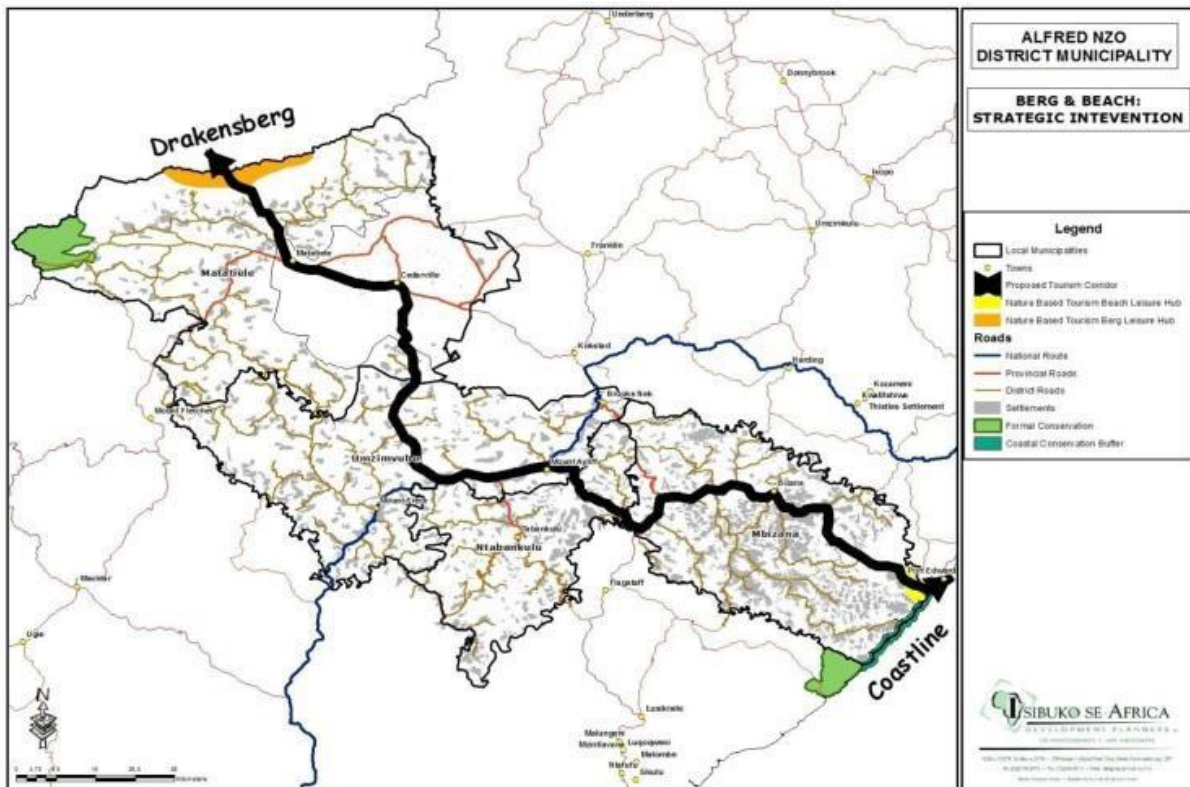
A 15m buffer should be observed from the boundary of the road reserve. This has implications for settlements that have encroached onto the buffer areas.

7.26. Tertiary Corridors

There are a number of existing roads that have potential to develop as tertiary development corridors. These create opportunities to unlock new development areas through the use of a network of tertiary corridors. The key existing tertiary corridors include:

- The road from Matatiele to Lesotho through Maluti is one of the roads that carry huge volumes of vehicular and trade related traffic. It also provides access to a large number of peri- urban and rural settlements located just outside of Maluti. This road requires regular maintenance and upgrade as it has huge volumes of traffic.
- Road to Ongeluksnek which braches nearly 15km outside of Matatiele. This road provides access to a tourist destination (tourism node) and block of high potential agricultural land located in the area. It also requires substantial upgrading and maintenance.
- Proposed Maluti – Kingscote link road. This road will run along the foothills of the Drakensberg Range and thus provide strategic linkages and unlock tourism development potential of this area.
- Road linking Matatiele and Ongeluksnek;
- Road linking Swartburg with both Matatiele and Cedarville; Road from Ntabankulu to N2 (leading to Mount Frere); Road from Ntabankulu to Isilindini;
- Mzamba-Mtentu Road; and
- Other district roads providing access to clusters of rural service nodes and settlements.

Map 5:



7.28. High Level LED Strategy

DISTRICT LOCAL ECONOMIC DEVELOPMENT STRATEGY

Local Economic Development (LED) aims to induce economic development and growth in a locality with the objective of creating jobs and improving the quality of life by realising a locality's full comparative advantage. It requires collaboration between the municipality and stakeholders to identify resources; understand needs and formulate plans to make the district economy fully functional, investor friendly and competitively productive. Thus, LED recognises that people, business and governments at local levels are best able to restructure economic situations that will stimulate growth required to create jobs and to reduce poverty. It combines different approaches to local development into one integrated concept thereby cross-cutting many different portfolios.

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) mandates local government to promote social and economic development in areas of their jurisdiction. It thus requires the municipality to structure and manage its administration, budgeting and planning processes in a manner that gives priority to the basic needs of the community and promotes the social and economic development of its area. This mandate is outlined further in the White Paper on Local Government (March 1998) which introduces the notion of 'developmental local government', and identifies local economic development as one of the critical outcomes and key performance areas for this sphere of government. The mandate is executed, among others, in terms of the Local Government: Municipal Systems Act (MSA), 2000 (Act No. 32 of 2000), which provides for the principles, mechanisms and processes necessary to enable a municipality to fulfill its developmental obligations. Section 25 (1) of the MSA requires a municipality to adopt a single, inclusive and strategic plan for the development of its area of jurisdiction. Accordingly, the ANDM Integrated Development Plan (IDP) identifies, inter alia, LED as one of the key performance areas and a strategic intervention for promoting socio-economic development, alleviating poverty and improving the quality of life.

The National Development Plan (NDP), Vision 2030, offers a long-term perspective with regard to development of the South African economy. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal. The Eastern Cape Provincial Development Plan (EC-PDP), which is based on the NDP, seeks to outline a development path for the province. Vision 2030 sets the development agenda and priorities for the next 15 years (2015-2030), building on the Provincial Growth and

Development Plan (PGDP) of 2004-2014. The plan proposes key programmes and projects for implementation up to 2030 and suggests arrangements for implementation of the plan, tracking and accountability. In addition to this, government provides clear frameworks at a national and provincial level toward the achievement of economic development targets for the country. As such, the development of the LED Strategy for ANDM takes into cognisance these and their implications for local economic development.

The reviewed LED strategy constitutes a key component of the ANDM IDP (2017 – 2022), sets a clear strategic agenda for LED in the IDP and is intended to comply with the Constitutional and legislative obligations.

ALFRED NZO DISTRICT MUNICIPALITY STRATEGIC AGENDA

In line with the new term for Council in ANDM, the municipal vision, mission and strategic goals have been reviewed.

VISION

A District whose communities are self-sustaining and enjoy a good quality life, equitable access to basic services and socio-economic opportunities

MISSION

To be a responsive and capable institution that effectively delivers basic services and innovative development programmes with a strong orientation to rural development in partnership with its communities and other social partners

STRATEGIC GOALS (2017 – 2022)

1. Inclusive Growth and Development
2. Basic Services Delivery and Community Empowerment
3. Effective Public Participation, Good Governance and Partnerships
4. A Capable and Financially Viable Institution

ANDM is also in the process of developing the District Development Plan (DDP) Vision 2035. The DDP identifies 5 High level Strategic goals, sighting that by 2035, ANDM should have:

1. Much improved public infrastructure
2. Better quality public services
3. A growing economy with lower unemployment and higher living standards
4. A sustainable, well-conserved & -protected natural environment
5. Public sector organisational strengthening to drive the DDP

LED in ANDM is primarily responding to Goal 3 of the ANDM DDP:

Goal 3: A growing economy with lower unemployment and higher living standards

Regional Context

ALFRED NZO IN THE EASTERN CAPE

Figure 1: Alfred Nzo in the Eastern Cape



The Alfred Nzo District is located along the border of Eastern Cape and KwaZulu-Natal (KZN) Provinces, and forms a gateway (entry and exit) point to KZN from the Eastern Cape and vice versa. The N2 national corridor runs in a north-south direction and serves as the main access route to the District. In the regional space economy, ANDM is tightly interlinked with both KZN and Eastern Cape provinces and has strong functional linkages with KZN towns, such as Kokstad and Port Shepstone. Despite this strategic location of the area in relation to the N2, Alfred Nzo has remained a peripheral economy to these two provinces. The key challenge is to capitalize on its regional accessibility, location in relation to Drakensberg, Coastline, Lesotho and a huge rural (rural settlement and commercial agriculture) catchment/threshold.

Subsequently to this, there is a proposed national route, namely the Wild Coast Toll Route or N2 Wild Coast Corridor which is planned to be positioned from Mbizana (Mzamba) to Lusikisiki. According to the South African Roads Agency Limited (SANRAL) this toll road will not replace the existing N2 such that both routes will be under the authority of the Department of Transport. However the description of the existing N2 may change.

MAP 1: Proposed N2 Wild Coast Corridor



Source: ANDM IDP 2017 – 2022

Regional economic context

GDP in Alfred Nzo has grown dramatically between 2003 and 2007, where it reached a peak of 6.7% growth in 2007. High performance was offset by the recession in 2008/2009. Since then, growth in the district has stagnated above 2 percent. Overall, the district has performed above the province (ANDM IDP 2017 – 2022, 29).

Table 1: Key economic indicators: Alfred Nzo, 2015 (R millions at constant 2010 prices)

	Real GVA at basic prices	Real compensation of employees	Real Gross Operating Surplus	Real Output at basic prices
ANDM	9, 812	5, 595	4, 017	18, 671
ULM	2, 728	1, 640	1, 041	5, 096
MLM	3, 524	1,909	1, 536	6, 787
MbLM	2, 663	1,508	1, 098	5, 139
NLM	897	538	342	1, 650

EC	210, 006	118, 328	87, 165	469,860
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Source: ANDM IDP 2017 – 2022

To summarise the above table of key economic indicators, it can be sighted that:

- In 2015, the total production (Output) of goods and services in Alfred Nzo was R18 671 million.
- The input cost (Intermediate consumption expenditure) used to produce those goods and services was R8 859 million.
- The difference between Output and input (Also called Gross Value Added) was R9 812 million.
- 57% of GVA was used as Compensation of Employees (CoE) and 41% as Gross Operating Surplus (GOS).
- The input cost accounts for 47% of total production output and the GVA for 53%.

The sector employing the majority of people in ANDM was the agricultural sector, followed by the services sector. However, Alfred Nzo is once again the smallest employer in the province.

Population dynamics

The population dynamics and access to basic services of a district are of paramount importance in addressing developmental needs in society, and the developmental state within the District. The population growth, ageing population, migration and urbanization present both important developmental challenges and opportunities that have direct and indirect implications for social, economic and environmental development. These dynamics in the population structure affect macro-economic factors such as consumption, production, employment, income distribution and poverty. The changes in the population structure also influence universal access to social services such as health, education, sanitation, water, food and energy. Proper planning for population dynamics will therefore ensure that the wellbeing of both the current and the future generation is promoted with the motive of advancing sustainable development. In analyzing the population dynamics it is essential to look at factors such as urbanization, migration, fertility, mortality, life expectancy as well as the age structure of the population. These factors will give an indication with regard to the estimated number of people who are dependent on government for transfers as well as the number of people who are economically active. These factors also play an essential role in the efficient allocation of resources at all spheres of government.

Table 2: ANDM Demographic patterns

Demographics 2011			2016	
Alfred Nzo	Numbers	%	Numbers	%
Population	801,344	100.0	867,864	100.0
Black African	794,382	99.1	862,589	99.4
Coloured	3,307	0.4	3,647	0.4
Indian or Asian	1,132	0.1	598	0.1
White	1,898	0.2	1,030	0.1
Population by home language				
Afrikaans	6,716	0.8	1,757	0.2
English	18,090	2.3	3,427	0.4
IsiXhosa	673,519	84.6	752,214	88.8
IsiZulu	9,954	1.2	5,631	0.7
Sesotho	69,811	8.8	81,265	9.6
Other	18,237	2.3	2,507	0.3
Number of households	187,18	4.3	195,975	4.4
Households size				
Gender				
Male	366,488	45.7	397,206	45.8
Female	434,857	54.3	470,658	54.2
Population by age				
0 - 14	327,704	40.9	345,624	39.8
15 - 34	264,442	33.0	340,753	39.3
35 - 64	159,685	19.9	113,039	13.0
65 +	49,514	6.2	68,448	7.9

Source: Stats SA (Census 2011 and 2016 Community Survey)

ANDM has a population of approximately 867 864; which is distributed unevenly amongst the four local municipalities.

The total population in Alfred Nzo district municipality has increased by 8.3% from 801 344 people in 2011 (census) to 867 864 people in 2016 (community survey).

This puts pressure on government to provide service delivery, and put economic and physical infrastructure in place to sustain this population. Local economic development initiatives therefore become crucial in their role towards striving for a self-sustaining population. The population growth, ageing population, migration and urbanisation present both important developmental challenges and opportunities that have direct and

indirect implications for social, economic and environmental development. These dynamics in the population structure affect macro-economic factors such as consumption, production, employment, income distribution and poverty. The changes in the population structure influence universal access to social services such as health, education, sanitation, water, food and energy.

In terms of population density in the District, there are broadly three types of human settlements in the area:

Low-density rural villages (average size about 700 people; villages are often contiguous):

- Small towns
- Higher density peri-urban settlements around the small towns.

As per the IDP, there is evidence of de-population of deeper rural areas (e.g. the Umzimvubu population fell by 5% between 2001 and 2011 according to census data) and fast growth of peri-urban settlements. It has also been observed that out of the six towns in the area:

- Matatiele Local Municipality has the second largest population and the largest land area;
- Ntabankulu Local Municipality has the smallest population and land area;
- Mbizana Local Municipality has the largest population and the densest population, and Matatiele is the least dense;
- All six of the small towns are on a main road, except Ntabankulu.

Population densities are important indicators for areas in need of economic intervention. The relatively large youthful population coupled with the aged population leads to high levels of dependency. These high dependency levels lead to an increased burden on the productive part of the population to support the economically dependent (youth and aged). In addition, the youth requires special attention in the form of proper educational facilities and the stimulation of the economy to provide job opportunities that will keep them within the district. Youth that leave the district after school results in a loss of capital investment that was made into them.

In addition, employment and economic opportunities are required to provide entrepreneurs and graduates with an opportunity to start a business or employment to stay in the area. The small middle-aged cohort is an indication of this age group migrating or moving out of the district. They represent the experienced workforce, and their absence result in a loss of an experienced labour force. Low levels of education and half of the population being functionally illiterate implies low skills levels. This suggests that skilled

workers have to be drawn into the district from other areas. It also has implications on the quality of life and the ability of people to acquire further skills and training.

Socio-economic

An important feature in the District is the high number of people that are not economically active and the high levels of unemployment. This is consistent with high levels of poverty and low levels of development (HDI).

In the Alfred Nzo context, LED and economic growth holistically should as a final outcome should be inclusive and cause an improvement in the overall quality of life. Inclusive growth should therefore focus on value adding sectors with great potential to create jobs and stimulate growth, e.g. Agriculture, Tourism and Manufacturing.

The District is characterised by a weak enabling environment. This refers to the availability of service delivery and infrastructure. This factor is critical to attract investment opportunities to the area and should receive urgent attention.

District economic profile

Dominant sectors in ANDM in terms of GVA are the government service sector (35%), the finance services sector (15%) and the trade sector (20%). Government services are also dominating the employment per sector, accounting for 27%. This is followed by the trade sector (15%) and agriculture (12%). The agricultural sector's contribution to the district economy is not in line with its contribution to employment, suggesting that this sector creates employments, but has low levels of productivity. Matatiele is the best performing local municipality in terms of its contribution to GGP.

ECONOMIC SECTORS

Agriculture and Agro-Processing

The contribution of agriculture to the district economy has shown steady growth between the period 1995 and 2010. This is despite the fact that it only contributed 3% to the district economy in 2009. Regardless of the sector experiencing a steady growth between the period of 2012 and 2014, the sector however experienced a downturn growth in 2015 and 2016 which resulted to a decrease and fall of GDP contribution to the district economy from 3% to 1% in relation to two different periods (1995 to 2010 and 2012 to 2016). This may be associated with the drought that the country experienced in 2015.

Agriculture has development potential, but specific focus and interventions are required

to overcome some of the challenges faced by this sector. This is a key sector for support by government, which could contribute to the value chain. An effective value chain will have multiplier effect on the ANDM if successfully exploited.

Agriculture in ANDM has thus been prioritised through the implementation of intensified primary production to support agro-processing.

To achieve radical economic transformation, ANDM wishes to implement agricultural development in an all-inclusive manner, by applying the basic principles of local economic development which entail Public-Private Partnerships (PPPs).

By pulling resources from various role players in agriculture, ANDM wishes to renew the capacity of the people of Alfred Nzo through employing mechanisms to support subsistence farmers to operate as small-scale commercial farmers.

It is envisaged that through the implementation of the partnership model, ANDM farmers will in the next five to ten years be in a position to operate as commercial farmers through these programmes; aggressively capacitating and providing ongoing mentorship and thus deriving income, jobs and fruitful and sustainable living for all.

Forestry

Forestry is an important economic sector in the South African economy, and equally so in Alfred Nzo. Forests play a vital role in the lives of all the people both through economic growth and provision of livelihoods. Forestry is also identified as a growth sector. Currently, the demand for forest and related products is said to have exceeded supply. This is good news especially for a province such as Eastern Cape generally and the Alfred Nzo District in particular which is said to be characterized by high suitable ecosystems.

The forestry sector in the Eastern Cape makes a significant contribution to the rural economy and local employment. Due to biophysical characteristics, there are substantial areas which are suitable for commercial afforestation, creating an opportunity for more than doubling the current plantation area. The Eastern Cape is also noted as having the largest number of small scale sawmills.

To determine the full potential of the Forestry sector and the associated value chains, ANDM will develop a Forestry Sector Plan for the District; as a guide towards developing the sector, the potential jobs to be created and undertake the full value-chain analysis.

Tourism and Heritage

Tourism activities in the District are still limited to certain areas, despite the fact that the District has abundant natural beauty and a diverse array of cultural groups which have strong potential for eco, adventure and cultural tourism. The structure and spatial analysis of tourism within the district shows the following:

Tourism within the district can be divided into, transit and business tourism, on the one hand, and nature based (eco-related tourism) on the other;

Concentration of tourism related activities in Mzamba Tourist region located within the Mbizana Local Municipality as well as Matatiele area which is linked to the uKhahlamba-Drakensberg World Heritage Site.

One of the main challenges facing the industry is lack of tourism infrastructure and rural infrastructure not being conducive for tourism development.

In 2014, ANDM embarked on a process of developing the Beach to Berg Corridor Development Plan (B2B CDP); which clusters the District's tourism offering into one umbrella. The plan was developed as an output of the District Spatial Development Framework and Tourism Sector Plan which place strong emphasis on the development of a route for ANDM.

The District is thus employing a phased approach towards the implementation of the B2B CDP which entails the key component of developing the Infrastructure Work Schedules for all attractions identified in the Local Municipalities.

The Ocean Economy

ANDM is endowed with a 30km Coastline (known as the Wild Coast) along Mbizana Local Municipality, a coastline presenting abundant opportunities for the development of the aquaculture, marine and coastal tourism. The district also has a number of dams that possess an opportunity for tourism development (i.e Ntenetyana Dam located at Umzimvubu Local Municipality). These opportunities have therefore qualified ANDM to form part of the Operation Phakisa: Oceans Economy programme.

Oceans Economy labs were established to oversee the implementation of the programme. These are collaboration sessions, which consists of a number of stakeholders involved in the ocean economy programme (i.e government, labour, business, academia and other sectors). The results of the labs are detailed (3 foot) plans with ambitious targets

as well as public commitment on the implementation of the plan by all stakeholders.

Five priority areas have been identified. By focusing on these priority growth areas, the Oceans Economy will unlock the economic potential of Alfred Nzo District's ocean and dams, providing significant contribution to GVA growth and job creation potential. These priority areas include: Aquaculture (and Small Crafts Harbours); Off-Shore Oil & Gas Exploration; Maritime Transport & Manufacturing; Marine Protection Services & Ocean Governance; and Coastal & Marine Tourism. Initiatives identified by ANDM place specific focus on Aquaculture and Coastal & Marine Tourism.

Manufacturing

This sector is presently very small in the District due to a limited and less developed of the primary sector that resulted to the provision of inadequate supply or support to secondary sector. The manufacturing sector does however have expansion potential including;

- There are many small-scale garment manufacturers (e.g. occupying old Transido workshop premises) that would benefit from stronger business support. The existing crafts sub sector is insignificant. Craft workers would benefit from more support with product development and marketing, and from growth of the tourism industry in the District.
- ANDM is therefore in the process of implementing the Resident Fashion Designer & Seamstress Incubation Programme; to enhance the skills base of crafters through specialized training, mentorship and essentially access to markets.
- ANDM has Zone Centre facilities through Umzimvubu and Matatiele Local Municipalities. These facilities were established by ANDM to support contractors in the manufacturing of building material.
- ANDM therefore plans to resuscitate the Zone Centres, identify SMMEs to run the facilities and allocate mentors who will provide support until they can run the facilities independently.
- ANDM also has potential to develop Timber-using industries; however this still needs to be probed further through the development of the Forestry Sector Plan.

Other Sectors

Other sectors that play a significant role in the ANDM economy include Government services and the Trade & Financial sectors.

Government Services

Government services are the largest contributor to the economy and employment in ANDM. It is thus an important contributor and driver of the local economy as it contributes 35% to the R-GDP, and 27% to employment. Both contribution to R-GDP and employment when compare to previous statistics have dropped from 36% and 27% respectively.

Trade and Financial sector

The trade and financial sector are key economic sectors that contribute 20% and 15% to district economy, and 24% and 13.92% respectively to employment. Important sub-sectors to these include community, social and personal services, financial intermediation, real estate and business services as well as wholesale and retail trade. The formal sector is more concentrated in urbanised areas (towns), such as Matatiele, Bizana, Mt Frere, Mt Ayliff and Ntabankulu. These towns provide access to wholesalers, general dealers and semi-specialist stores.

The business sector in ANDM is relatively small and the demand for professional services (e.g. accounting, legal services etc.) is low. The majority of business services are available in Mbizana. The trend within the district is to make use of the variety of services available in Mthatha and Kokstad, which can be accessed when necessary. Financial services (banking services) are available in all four municipalities. However, larger towns such as Bizana and Mt Frere have greater representation of banks than for example, Ntabankulu.

Institutional environment

The institutional environment for LED includes certain governance and administrative systems, as well as procedures, LED capacity and LED support. In respect of governance, ANDM has a Standing Portfolio Committee for LED as a sub-committee of council, as well as an LED Forum, which serves as platforms for interaction on LED issues and sharing of knowledge.

Some of the systems and procedures supporting LED include certain by-laws.

Supply Chain Management, includes a system that seeks to promote and support local business in respect of the supply of a range of goods and services.

Monitoring and Evaluation takes place through the municipality's developed and adopted Performance Management System.

A system for the collection and maintenance of economic data can provide important information on the district.

LED is also supported in the district through support agencies, such as Alfred Nzo development Agency (ANDA) and various government departments that support certain LED.

Actual performance of ANDM

The majority of projects are concentrated in the Business support and enterprise development sector (28%); Agricultural sector (25%), Infrastructure projects (22%). Perceptions that were raised during the development of the 2012 LED Strategy include:

- The more projects 'on-the-go' the better. As such, there are many small low impact initiatives with low momentum for change.
- This then suggested a traditional approach to LED, focusing on poverty alleviation through the implementation of small projects.

These perceptions have however slowly evolved over time; as LED operations and programmes have since been designed to encourage main-stream economic activities, as well as encouraging commercialisation of traditional, subsistence business practices such as farming.

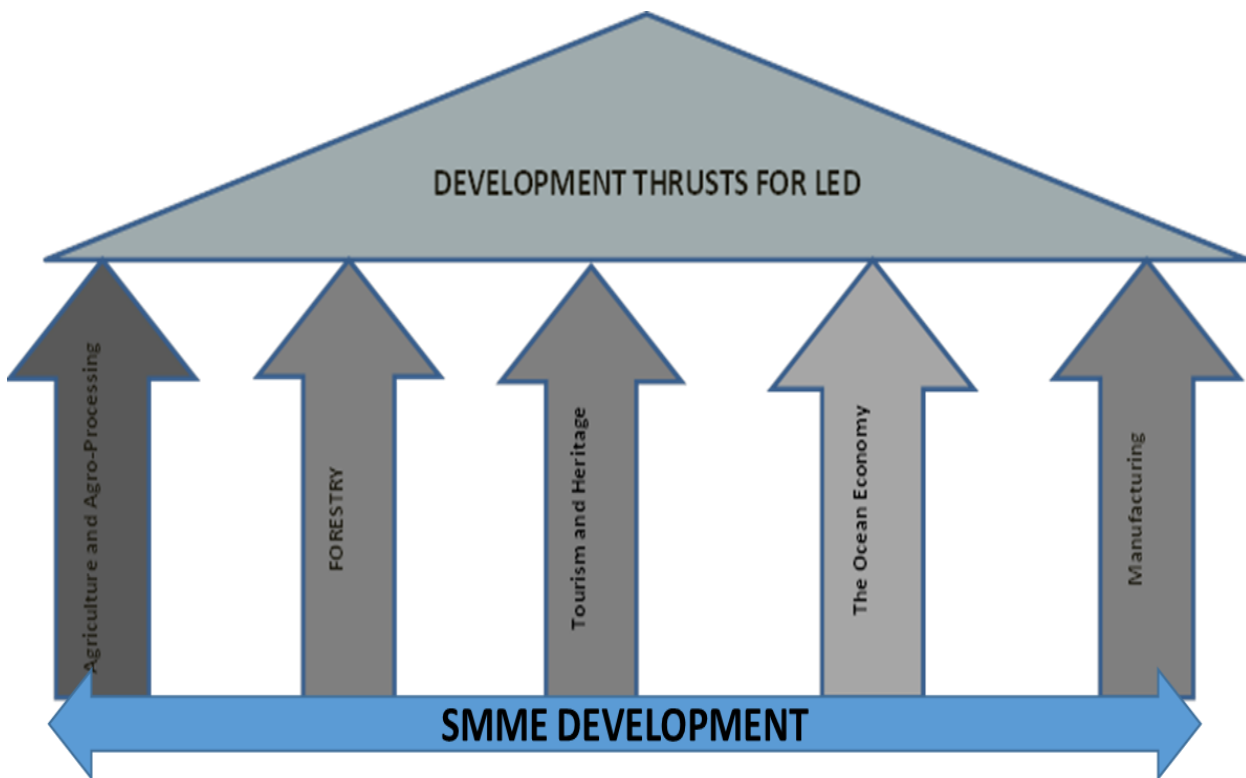
Structural problems with LED that were identified during the development of the 2012 LED Strategy include:

LED Policy is non-existent and should address 1) the utilisation of budgets for leveraging from government; parastatals; private sector (CSI); donor agencies and other development agencies; 2) Allocation of human resources towards LED planning; leveraging of resources and implementation; 3) Prioritisation of projects; 4) LED approach over the short, medium and long-term.

Some of these challenges have since been addressed, through the development a Policy that speaks to funding for LED initiatives, beneficiaries and local municipalities. Even though this has not yet been fully addressed, human resources have since been allocated for LED planning, resource mobilisation and implementation. Overall, the development of the 2012 LED Strategy has assisted in shaping LED in ANDM, where projects have since been crafted as guided by the strategic framework and pillars that were identified for LED in the District.

LED Strategy, programmes and implementation

Development thrusts for LED as identified in the Reviewed LED Strategy have been summarised in the figure below:

Figure 1: Development Thrusts for LED

8. ANDM Sector Plans

8.1. Introduction

The municipality has a number of sector plans in principle, which are viewed as the component parts of the IDP. These plans are used in conjunction with the IDP, hence serving as plans guiding specific functions of the municipality. The municipal departments and other stakeholders such as sector / government departments, in their key major functions develop plans for addressing specific pressing development matters, hence referred to as sector plans. In essence, the key relevant sector plans will be listed below and briefly described in showing the update of their development status hence can be acquired from the municipality on request. The following is a list of relevant sector plans and policies referred to as annexures to the IDP document:

8.2. List of Sector Plans and Policies Update

NO	POLICY	PROGRESS/COMMENT
001	Fraud Prevention Plan	New policy
002	Fraud Prevention Strategy	Requires annual review
003	Risk Management Policy and Framework	Requires annual review
004	Risk Management Strategy	Requires annual review
005	Risk Management Committee Charter	Requires annual review
006	Communication Policy	Requires annual review
007	Communication Strategy	Annual review of the communication strategy action plan
008	District Wide IGR Framework	New Policy
009	Municipal Relations and Agreements Policy	New Policy
0010	SPU Strategy	Review the document to align with IDP, Provincial and National Strategy
0011	Youth Policy	Review the whole policy through consultation with youth stakeholders. The draft policy will be used as the bases of discussion
0012	HIV and Aids Policy and TB	Requires annual review
0013	Gender Policy	Requires Annual Review
0014	Children's Policy	Requires Annual Review
0015	Disability Policy	5 year review
0016	Older Person's Policy	5 year review

NO	POLICY	PROGRESS/COMMENT
0017	Audit Committee Charter	Requires annual review
0018	Internal Audit Charter	Requires annual review
0019	Internal Audit Methodology	Requires annual review
0020	Delegations Framework	Requires annual review
0021	Delegation Register	Requires annual review
	Unauthorised, irregular and fruitless and wasteful expenditure policy	Requires annual review
0022	Public Participation and Petitions Policy	Requires annual review
0023	Council Rules and Orders	Requires annual review
0024	Office Bearers Vehicle Policy	Requires annual review
0025	Travelling Allowance for Councillors	Requires annual review
0026	Norms and Standards (MPAC)	Requires annual review
0027	Terms of Reference (Roles and responsibilities)	Requires annual review
0028	Mayoral Handbook	Requires annual review
0029	PMS Framework	Requires annual review
0030	By Laws on Powers, privileges, immunities of Municipal Council	Requires annual review

NO	POLICY	PROGRESS/COMMENT
0031	Municipal meetings and meetings procedures	New Policy
0032	Municipal By-law development policy	New policy

8.3. National, Provincial Sectoral Plan within Alfred Nzo District

These sector plans are drawn directly from the APPs¹¹, AOPs of Provincial Government Departments and provincial entities and Policy Speeches of MECs.

Government Department	Strategic objective	Performance Indicator / Project Description	Targeted Municipality: District /LM	Rand Value
1. CoGTA (AOP)	To improve municipal performance, monitoring, reporting and evaluation services through effective and coordinated hands-on support	Facilitate and coordinate B2B implementation programmes at District level	Alfred Nzo DM Ntabankulu LM Mbizana LM Umzimvubu LM Matatiele LM	R100 000 shared with other municipalities
	To promote excellence in leadership, good governance, corporate services and financial management to achieve clean administration	legal support referrals and Litigation Matters attended to	Alfred Nzo DM	R6 690 000 shared with other municipalities
	To facilitate improved functionality of 39 municipal institutions through the complete implementation of individual performance management and development systems aligned to the organisational performance	Number of municipalities supported in aligning their reviewed organograms with IDP's	Alfred Nzo DM	R1 265 000 shared with other municipalities
	To promote economic prosperity, liveable integrated cities, towns and rural areas as well as basic income	Number of municipalities supported to implement Local Economic Development in line with municipal	Alfred Nzo DM	R1 343 992 shared with other municipalities

	security for citizens of the Eastern Cape Province	LED strategies (Sub-outcome 4, Action 2)		
2. DEDEAT (APP)	Mainstream climate change into the Municipal IDP's.			
	Creating an enabling environment to support enterprise development, in reference with outcome 4: Decent employment through inclusive economic growth	Number of cooperatives provided with nonfinancial support Number of economic development projects funded at local and regional levels	Not specified	
(Policy Speech)	MEC refers to "On the Forestry programme, which covers parts of OR Tambo and Alfred Nzo, six forestry community projects are underway employing more than 1000 people. More than 3400 ha of land has been planted and the first harvest is expected in the next three years. Already some community 5 enterprises are benefiting from the sales of timber harvested from the compartments.			
3. Department of Human Settlement		Top Structures: Alfred Nzo 1119 Emergency Alfred Nzo 130 Disaster Relief Alfred Nzo 209 Emergency Alfred Nzo 4333 Emergency Alfred Nzo 536 Alfred Nzo Destitute 4000 Bhetshwana 1000 Bothashoek 93 (transfers) Cabazana 400 Cancele 30 Dundee 500 Dutyini 500	ANDM Mzimvubu Mzimvubu Mzimvubu Mzimvubu Mzimvubu Mzimvubu Mzimvubu Mzimvubu Mzimvubu Mzimvubu Mzimvubu	

		Lubhacweni 1000 Lubhalasi 204 Mangqamzeni 1000 Mbodleni 1000 Mnceba 1000 Mphemba 1000 Mt Ayliff 700 MT AYLIFF BNG Mt Frere 341 MT FRERE-NGQUMANE 300 SITES Ndarhala 500 Ngqumane 300 Ngugwini 400 Nguse 300 NIEU BETHESDA 250 Nikwe 1000 Nkungwini 300 Nqalweni -Matyeni 802 Ntlavini 500 NTLAVINI 523 OSBORNE 1000 Osborne 1000 PHEPHENI/BROOKSNEK 400 Qadu 250 Rhode 1000 SILVER CITY 999 Tela 200 Umzimvubu 11 Emergency Umzimvubu 94 Emergency	Mzimvubu	
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		Mvenyane 500 Njongweville Extension 500 Njongweville106 Nyaniso 500 Pote 40 Pote 700 Destitute Queensmercy 300 Sandfontein/Bultfontein 164 SIPHETHU 1000 (Ntabankulu Mun) Thaba Chicha 500 Thabacicha MPCC Tholeni 1000		
		Bizana 800 Didi 1000 Down Town 1000 Down Town 553 Ludeke1000 (100) Mbizana 170 Emergency Mbizana 347 (Destitute) Mbizana 486 Emergency Mbizana Nkantolo 30 Units Mphetshwa 1000 NGQUMANE 300 NKANTOLO 2000 Nkantolo 2000 (Phase 1 - 1000) NkantoloMPCC Nomzamo 569 Zinini (Ph2) 150		
		Bomvini 300	Ntabankulu	

		Dumsi 500 Ngqwarhu/Xhukula 500 Ntabankulu 2876 Emergency Ntabankulu 471 (227) Ntabankulu 471 (244) Ntabankulu 486 Emergency Ntabankulu 500 NTABANKULU DAMBENI 604 Ntabankulu destitutes Ntabankulu Destitute 200 Ntabankulu Destitute 429 Ntabankulu (Alfred Nzo) NTABANKULU-BOMVINI 300 SUBS Phungulweni/Lubala 500 Silindeni MPCC Silindini 500		
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4. Office of The Premier	Lead socio-economic transformation by accelerating implementation of government programmes to	Small Town Revitalisation Programme [Alice, Kirkwood, Mt Fletcher, Nyandeni (Libode & Ngqeleni), Port St Johns, Ntabankulu and Mbizana]	Ntabankulu Mbizana	R136m
		Increase percentage of women, youth, and people with disability participating		R1.584m share with other districts
		Training on International, Regional and National Instruments related to Older Persons' Rights.		
		Co-ordinate socio-economic inclusion and protection capacity building prioritizing Social Security. (Alfred Nzo and OR		
		Co-ordinate economic empowerment programmes focusing on Non-Profit Organisations' Management and Good Governance. (Alfred Nzo and OR Tambo DMs)		R455 000
		Co-ordinate Anti-Gender Based Violence Empowerment Session focusing on Older		
		Roll out the Men's Movement Programme		
		Monitoring of Youth Economic Empowerment and Development Programmes and Projects, including Youth Day Legacy Projects. (Alfred Nzo and OR Tambo DMs)		
		Conduct 1 Anti-Corruption and Ethics Training and Awareness Programme in		R800 000

		Alfred Nzo DM		
5. Provincial Treasury	To monitor the implementation of the budgeting frameworks, coordinate,			
	Ensures that accounting and financial reporting of municipalities is according to the prescribed Generally Recognised Accounting Practices (GRAP) and assists municipalities in complying			
	To improve accessibility to social infrastructure in municipalities	Number of municipalities with improved access to services: <input type="checkbox"/> Rural Access roads <input type="checkbox"/> Rehabilitation of the in-streets of Ntabankulu	<input type="checkbox"/> Alfred Nzo <input type="checkbox"/> Ntabankulu	R46 million rands R48,3 million rands
6. Roads and Public Works	<input type="checkbox"/> The department in its request to provide the requisite to create job opportunities and entrepreneurs. <input type="checkbox"/> APTCoD program 2016/17	<input type="checkbox"/> The focus is on trades like bricklaying, carpentry, electricity, painting and road maintenance. <input type="checkbox"/> The program facilitates the training of learners in the built environment so that they can	Alfred Nzo: Matatiele Mt Ayliff Mt Frere Alfred Nzo 133	
7. Transport	<input type="checkbox"/> Demand for Public transport because of the highest population growth. <input type="checkbox"/> Scholar transport <input type="checkbox"/> EPWP Co – ordination and monitoring	<input type="checkbox"/> Phakade integrated law enforcement	4 Alfred Nzo	

8. DRDAR	Coherent and co-ordinated rural development for improved quality of life: <input type="checkbox"/> Increased crop production <input type="checkbox"/> Improved livestock production <input type="checkbox"/> Rural development initiatives facilitated and coordinated	Ematolweni Soil Conservation Works	Alfred Nzo	2 605
		Stock Water	Alfred Nzo	2 131
		Plunge dip tanks and stock water	Alfred Nzo	1.298
		Handling Facility	Alfred Nzo	276
		Multi-purpose sheds	Alfred Nzo	1 870
		Stock proof fencing	Alfred Nzo	4 385
		Fencing of arable land	Alfred Nzo	1 393
9. DSD	To provide eight integrated developmental social welfare services to the relevant targeted people infected and affected with HIV and AIDS and people with special needs by March 2020	CARE AND SUPPORT TO OLDER PERSONS	ANDM	R576 000
		SERVICES TO PEOPLE WITH DISABILITIES	ANDM	NIL
		HIV AND AIDS	ANDM	R266 000
		CARE AND SUPPORT TO FAMILIES	ANDM	NIL
		CHILD CARE AND PROTECTION SERVICES- NON GOVERNMENTAL	ANDM	R113 042
		NON CENTRE BASED ECD PROGRAMMEES	ANDM	NIL
		EARLY CHILDHOOD DEVELOPMENT PROGRAMME	ANDM	R4 398 405
		CHILD AND YOUTH CARE CENTRE- NON GOVERNMENTAL ORGANIZATIONS	ANDM	NIL
		COMMUNITY BASED CARE SERVICES FOR CHILDREN – ISIBINDI PROGRAMME	ANDM	NIL
		CRIME PREVENTION	ANDM	NIL
		VICTIM EMPOWERMENT	ANDM	R150 000
		SUBSTANCE ABUSE	ANDM	R106 000
10. DSRAC	The Department has been given responsibility by Provincial Government to host the National events. These five (5) priorities, namely; talent	Mt Ayliff Museum	Alfred Nzo - Umzimvubu	8 000
		Ntabankulu Library	Alfred Nzo - Ntabankulu	-

	management, employment equity, systems and information capacity, employee health and wellness; values and ethical behavior			
11. Education	Progressively eradicate schools constructed of inappropriate infrastructure in line with Norms and Standards for Infrastructure from 1465 to 0 by 2023	Strategic objectives embody direct infrastructure commitment in the whole of the EC	Eastern Cape Province	Utilisation of available budget in conjunction with all funding sources i.e. ASIDI; Donor; Grant and equitable funding
	Ensure that all schools have basic services and meet basic safety requirements in line with the Norms and Standards. (What is the extent of the problem)	Strategic objectives embody direct infrastructure commitment in the whole of the EC	Eastern Cape Province	Utilisation of available budget in conjunction with all funding sources i.e. ASIDI; Donor; Grant and equitable funding
	Progressively provide appropriate Grade R classrooms in line with the Norms and Standards for Grade R	Strategic objectives embody direct infrastructure commitment in the whole of the EC	Eastern Cape Province	Utilisation of available budget in conjunction with all funding sources i.e. ASIDI; Donor; Grant and equitable funding
	Provide intervention in cases of disasters and emergencies together with chronic facility shortages brought about by rapid migration.	Strategic objectives embody direct infrastructure commitment in the whole of the EC	Eastern Cape Province	Utilisation of available budget in conjunction with all funding sources i.e. ASIDI; Donor; Grant and equitable funding
	Monitor the minor maintenance	Strategic objectives embody direct	Eastern Cape	Utilisation of

	required at schools, a school principal's guidelines (Policy/Guideline to be developed).	infrastructure commitment in the whole of the EC	Province	available budget in conjunction with all funding sources i.e. ASIDI; Donor; Grant and
	Provide infrastructure in respect of the realigned schools and optimise existing infrastructure in rationalised schools.	Strategic objectives embody direct infrastructure commitment in the whole of the EC	Eastern Cape Province	Utilisation of available budget in conjunction with all funding sources i.e. ASIDI; Donor; Grant and equitable funding
12. Health	Compliance with norms and standards for all new infrastructure projects by		Eastern Cape Province	Grants Funding

Government Department or Entity	Strategic Objective	Performance Indicator / Project Description	Targeted Municipality: District /LM	Rand Value
ECSECC	Long-term planning and institutional support to the Alfred Nzo district municipality, with a specific focus on water and sanitation services as well as multi-agency projects to unlock economic potential.	Finalisation and implementation of District Development Strategies. Identification, packaging and facilitation of priority interventions.	ANDM	Co-Funded by ANDM
		Research analysis and generation of knowledge products to inform economic development planning, district and metro development strategies and design of priority	ANDM	Co-Funded by ANDM
	Support to OTP led Small Town Development Programme including towns in the Alfred Nzo District.	<ul style="list-style-type: none"> • Coordination • Vertical & horizontal integration • Compacting of role-players • <input type="checkbox"/> Facilitation for the Programme. 	ANDM	Co-Funded by ANDM
ECDC	Development Finance and business support	<ul style="list-style-type: none"> • Loans disbursed • At least 300 SMMEs receive development finance • At least 300 SMMEs receive non-financial support • At least 70-80 enterprises incubated • At least 2500 jobs are created and saved 	None (amounts are for whole of the EC)	Portion of R110m
	Innovation and trade promotion	<ul style="list-style-type: none"> • At least R650 million in direct investment 	None (targets are for whole of the EC)	

		<ul style="list-style-type: none"> • Leverage at least R90 million of 3rd Party Funding • at least 2500 jobs are created and saved • At least 70 local entrepreneurs are provided with integrated export support • At least 100-500 people are trained in critical skills in key 		
	Small town revitalisation (incl. townships) and improved roads	Portion of: <ul style="list-style-type: none"> • R120 million in external funding for mega-projects • R200 million from provincial fiscus for ISIDP projects • Further R150 million Mega projects commenced • Alternative revenue of R4 million for mega-projects 	None (targets are for whole of the EC)	
ECGGB APP	Infrastructure Development in the Bingos Located in the Eastern Cape as part of Town Revitalisation Strategy of DEFEAT	Bingo Royale Matatiele	Matatiele	R3.5m
	Eastern Cape Casinos per zone or Municipal Boundaries	Transkei Sun International Ltd t/a Wild Coast Sun Casino.	Mzamba Bizana	
ECLB	Community health, education and awareness	Awareness interventions conducted	Portion of 120 for EC	

		Social responsibility programmes Conducted	Portion of 5 for EC	
		People reached through awareness interventions	Portion of 23000 for EC	
ECPTA	Leverage resources for tourism & conservation priorities	Expand protected area system	None	R1.22m for whole EC
		Participation of previously disadvantaged individuals in mainstream tourism	None	R3.7m for whole EC
		Participation of previously disadvantaged individuals in conservation & game farming	None	R571 000 for whole EC
		Develop provincial nature reserves	None	R4.66m for whole EC
		Management of protected areas	None	R23.7m for whole EC

8.4. Municipal Sector Policies and Strategies (Others)

Apart from legislative requirements, the following are policies and procedures developed to guide all activities and procedures of the municipality. These policies are developed to ensure effective and efficient service delivery and use of municipal assets. They are:-

Human Resources	Reviewal date
13th cheque policy	31 May 2018
Acting allowance policies and procedures Manual	31 May 2018
Code of conduct policy	31 May 2018
Compensation for occupational diseases and injuries policies and procedures manual	31 May 2018
occupational health and safety policy	31 May 2018
Consuming of alcohol or any abusive drugs-substance policy	31 May 2018
Death of staff member policy	31 May 2018
Draft- promotion policy	31 May 2018
Sexual harassment policy	31 May 2018
Smoking policy	31 May 2018
Unauthorized absence policy	31 May 2018

ALFRED NZO DISTRICT MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2018 - 2019

Retention policy	31 May 2018
Employee assistance programme policy	31 May 2018
Gift, favors or reward policy	31 May 2018
Hours of work policy	31 May 2018
Housing rental policy	31 May 2018
Implementation of new policies & procedures	31 May 2018
SMME Policy	31 May 2018
Tourism Policy	31 May 2018
Local and Regional Economic Development Strategy (LRED)	31 May 2019
Spatial Developmenty Framework	31 May 2019
Financial Management	31 May 2018
Accounting policies	31 May 2018
Capital replacement reserve policy	31 May 2018
Fleet management policy	31 May 2018
Fixed asset management policy	31 May 2018
Investment and cash management policy	31 May 2018

Auxiliary and Information Technology	31 May 2018
Email and Internet User Policy	31 May 2018
Telephone and cell phone policy	31 May 2018

8.5. Annexure 1: ANDM Financial Plan

1. PURPOSE

- The purpose of this document is to outline the comprehensive multi-year financial plan that will ensure long-term financial sustainability for the municipality.
- A multi-year financial plan is essential to ensure that the municipality continues to implement its mandate effectively without impairing its capital base. It will also enable the municipality to move towards self-sufficiency in meeting the growing demands of service delivery.

2. BACKGROUND

- A financial plan is prepared for a period of at least three years, however it is preferred that it should be for over a period of five or more years
- A multi-year financial plan is prepared to ensure financial sustainability of the municipality, paying particular attention to the municipality's infrastructure requirements.

- It is also an important component of the municipality's Integrated Development Plan.
- A prudent multi-year financial plan identifies and prioritizes expected needs based on the municipality's Five-year Integrated Development Plan and details estimated amounts of funding from various sources
- The multi-year financial plan will also ensure that the municipality has greater financial health and sustainability, making it easier to collaborate on projects with other levels of government and various public and private stakeholders. This will further enhance the ability of the municipality to have access to more financing, funding and grants.

3. FINANCIAL STRATEGY FRAMEWORK

- Alfred Nzo District Municipality is a developing and growing municipality striving for service delivery excellence. Therefore many challenges are faced with regards to financial planning and are ever changing due to the dynamic setting of local government
- The priority for the municipality, from the financial perspective is to ensure viability and sustainability of the municipality. The multi-year financial plan and related strategies will therefore need to address a number of key areas in order to achieve this priority. These strategies are detailed below:

3.1 Revenue Enhancement Strategy

- To seek alternative sources of funding;
- Expand income base through implementation of new valuation roll;
- The ability of the community to pay for services;
- Identification and pursuance of government grants;
- Tightening credit control measures and debt collection targets;
- Improve customer relations and promote a culture of payment;
- Realistic revenue estimates;

- The impact of inflation, the municipal cost index and other cost increases; and
- The creation of an environment which enhances growth, development and service delivery.

3.2 Asset Management Strategy

- *The implementation of a GRAP compliant asset management system;*
- *Adequate budget provision for asset maintenance over their economic lifespan;*
- Maintenance of asset according to an infrastructural asset maintenance plan;
- Maintain a system of internal control of assets to safeguard assets; and
- Ensure all assets owned and/or controlled except specific exclusions are covered by insurance.

3.2.3 Financial Management Strategies

- To maintain an effective system of expenditure control including procedures for the approval, authorization, withdrawal and payment of funds;
- Preparation of the risk register and application of risk control;
- Implement controls, procedures, policies and by-laws to regulate fair, just and transparent transactions;
- Training and development of senior financial staff to comply with prescribed minimum competency levels;
- Implement GRAP standards as gazette by National Treasury; and
- Prepare annual financial statements timeously and review performance and achievements for past financial years.

Operational Financing Strategies

- Effective cash flow management to ensure continuous, sufficient and sustainable cash position;
- Enhance budgetary controls and financial reporting;
- Direct available financial resources towards meeting the projects as identified in the IDP; and
- To improve Supply Chain Management processes in line with regulations.

3.2.5 Capital Financing Strategies

- Ensure service delivery needs are in line with multi-year financial plan;
- Careful consideration/prioritization on utilizing available resources in line with the IDP;
- Analyse feasibility and impact on operating budget before capital projects are approved;
- Determine affordable limits for borrowing;
- Source external funding in accordance with affordability;
- Improve capital budget spending; and
- Maximizing of infrastructural development through the utilisation of all available resource.

3.2.6 Cost-Effective Strategy

- Invest surplus cash not immediately required at the best available rates;
- Restrict capital and operating expenditure increases in relation to the inflation rate taking into consideration the macro economic growth limit guideline and municipal cost increases.
- To remain as far as possible within the following selected key budget assumptions:
- Provision of bad debts of at least 2%;
- Overall cost escalation to be linked to the average inflation rate;
- Tariff increases to be in line with inflation plus municipal growth except when regulated;
- Maintenance of assets of at least 3% of total operating expenditure;

- Capital cost to be in line with the acceptable norm of 18%;
- Outstanding external debt not to be more than 50% of total operating revenue less government grants; and
- Utilisation of Equitable Share for indigent support through Free Basic Services

3.2.7 Measurable Performance Objectives for Revenue

- To maintain the debtors to revenue ratio below 10%;
- To maintain a debtors payment rate of above 85%;
- To ensure that the debtors return remain under 60 days; and
- To keep the capital cost on the Operating Budget less than 18%.

3.3 Financial Management Policies

3.3.1 The purpose of financial policies is to provide a sound environment to manage the financial affairs of the municipality. The following are key budget related policies:

3.3.2 **Tariff Policy** – the policy prescribes the procedures for calculating tariffs. This policy is required in terms of Section 74 of the Local Government Municipal System Act, Act 32 of 2000;

3.3.3 **Indigent Support Policy** – to provide access to and regulate free basic services to all indigents;

- 3.3.4 **Budget Policy** – this policy set out the principles which must be followed in preparing a Medium-Term Revenue and Expenditure Framework Budget. It further ensures that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.
- 3.3.5 **Asset Management Policy** – the objective of the policy is to prescribe the accounting and administrative procedures relating to property, plant and equipment;
- 3.3.6 **Accounting Policy** – the policy prescribes the basis of presentation of the Annual Financial Statements in accordance with the Generally Recognized Accounting Practices and Accounting Standards;
- 3.3.7 **Supply Chain Management Policy** – this policy is developed in terms of Section 11 of the Municipal Finance Management Act, Act 56 of 2003. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost effective system for the procuring of goods and services, disposing of goods and selecting of contractors in the provision of municipal services
- 3.3.8 **Subsistence and Travel Policy** – this policy regulates the reimbursement of travelling and subsistence cost to officials and councillors attending official business
- 3.3.9 **Credit Control and Debt Collection Policy** – this policy provides for credit and debt collection procedures and mechanisms to ensure that all consumers pay for the services that are supplied.

3.3.10 **Investment and Cash Management Policy** – this policy was compiled in accordance with the Municipal Investment Regulation R308 and ensures that cash resources are managed in the most efficient and effective manner possible.

3.3.11 **Short-term Insurance Policy** – the objective of the policy is to ensure the safeguarding of Council's assets

4. REVENUE FRAMEWORK

In order to serve the community and to render the services needed, revenue generation is fundamental to financial sustainability of every municipality

The reality is that we are faced with developmental backlogs and poverty, challenging our revenue generation capacity. The requests always exceed the available funds. This becomes more obvious when compiling the municipality's annual budget

Municipalities must table a balanced and more credible budget, based on realistic estimation of revenue that is consistent with their budgetary resources and collection experience

The revenue strategy is a function of key components such as:

- Growth in town and economic development;
- Revenue enhancement;
- Achievement of above 90% annualized collection rate for consumer revenue;
- National Treasury guidelines;

- Approval of full cost recovery of specific department;
- Determining tariff escalation rate by establishing/calculating revenue requirement; and
- Ensuring ability to extent new services and recovering of costs thereof

The South African economy is taken an economic downturn and it will take some time for municipal revenues to increase through local economic growth.

5. GRANT FUNDING

The Division of Revenue Act contains allocations from National and Provincial, which allocations are recognized as government grants and factored as follows over the medium term.

The Equitable share allocation to the local sphere of government is an important supplement to existing municipal revenue and takes account of the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities.

Municipal Infrastructure Grant allocation which caters for the infrastructure backlogs within Alfred Nzo District Municipality. Other Provincial, COGTA and any other grants in kind allocations which cater for specific projects for that particular year.

6. TARIFF SETTING

Alfred Nzo District Municipality derives its revenue from the provision of services such as water and sanitation. A considerable portion of the revenue is also derived from grants by national governments as well as other minor charges such as tender documents, interests from investments and clearance certificate charges.

As in the past, increase cost primarily driven by the Consumer Price Index (CPIX), dictates an increase in the tariffs charged to the consumers. It therefore follows that all the tariffs will have to be increased by a percentage in line with the forecasted CPIX estimated at 6% for the 2016/2017 and 5.1% for 2017/2018.

It is realised that the ability of the community to pay for services rendered is also under tremendous pressure and that the economic outlook for the near future require everybody to make sacrifices.

7. DEBTORS

Debtors with the age of ninety days (90) plus constitute more than 60% of the total debtors book.

The credit control and debt collection policy has been reviewed to address indigents, pensioners and child headed households. It further addresses the debts of customers who have now been converted to pre-paid water wherein in 20% of the prepaid water purchase will be allocated to the old debt and 80% towards the purchase of water.

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The debtor's book constitutes 20% of the total municipal operating budget.

Collection rate was 95% in the 2016/2017 as at May 2017.

REVENUE BY SOURCE						
OWN REVENUE	ADJUSTED BUDGET	1 MONTHS PROJECTED	1 MONTHS ACTUAL REVENUE	% COLLECTION	VARIANCE	REASONS FOR VARIANCE
INTEREST ON INVESTMENTS	8 000 000,00	666 666,67	8 481 307,95	1272%	7 814 641,28	The higher the funds invested results in higher the interest received.
INTEREST RECEIVED ON ARREAR DEBT	25 000,00	2 083,33	11 000,00		8 916,67	Not Budgetted
LG SETA REFUNDS	200 000,00	16 666,67	-	0%	(16 666,67)	No funds received to date
SANITATION	2 500 000,00	208 333,33	317 558,64	152%	109 225,31	
WATER CONSUMERS	15 000 000,00	1 250 000,00	1 184 468,52	95%	(65 531,48)	The budget is not based on anticipated revenue to be collected.The budget must be adjusted downwards
WATER CONNECTION	22 640,00	1 886,67	19 833,33	1051%	17 946,66	The higher the customers applied for Connection the higher the return
PREPAID SALES	1 700 000,00	141 666,67	299 786,35	212%	158 119,68	The higher the consumption the higher the returns.
SEPTIC TANK	250 000,00	20 833,33	34 079,16	164%	13 245,83	Depends on number of customers request the
SUNDRY INCOME	25 000,00	2 083,33	3 863,98	185%	1 780,65	Not Budgetted
FIRE LEVY CHARGED	-	-	2 724,94	0%	2 724,94	Not Budgetted
SANITATION CONNECTION	9 000,00	750,00		0%	(750,00)	No funds received to date
FNB RENTAL	131 095,00	10 924,58		0%	(10 924,58)	No signed contract between FNB and ANDM
TENDER FEES COMMISSION RECEIVED- GARNISHES	1 000 000,00	83 333,33	-	0%	(83 333,33)	Depends on a amount& number of Tenders advertised
GOVT COMM AND INFORM SYSTMS	15 000,00	1 250,00	-	0%	(1 250,00)	No funds received to date and No signed contract between FNB and ANDM
CONFERENCE HIRE	-	-	-	0%	-	The absent the books result negative impact.
TOTAL	28 907 735,00	2 408 977,92	10 354 622,87	430%	7 945 644,95	

The revenue base is still very low as the municipal area is mostly rural.

8. CONCLUSION

The continued improvement and development of an effective financial planning process aids the actualization of fulfilling the municipality's facilitating role to capacitate the community to build a better future for all. The Financial planning imperatives contribute to ensuring that the Municipality remains financially viable and that municipal services are provided economically to all communities. The Multi-year Financial Plan contains realistic and credible revenue and expenditure forecasts which should provide a sound basis for improved financial management and institutional development as well as service delivery improvements and implementation. The strategy towards cash backing will certainly ensure the sustainability of the Municipality over the medium-to long-term.

Revised Alfred Nzo AFS Plan 2018 – See separate Excel Spreadsheets

Municipal Annual Budgets and MTREF & Supporting tables - - See separate Excel Spreadsheets

ANNEXURE 2: ANDM PMS

SECTION A: ORGANISATIONAL PMS

8.5.1. Introduction

This performance management framework document of Alfred Nzo District Municipality (ANDM) sets out the Performance Management System of the District undergirded by the District IDP and its annual SDBIP of the District.

The performance management framework covers, what it is, why there is performance management, who is involved in the performance management system, how the system is organised and how and when it is implemented.

The primary mandatory components of the performance management framework herein are the Organisational level Performance Management, Departmental performance management and individual performance management. The performance management system process is enjoined in the IDP process plan as depicted in the process under the section on implementation.

PMS defined & rationale for the performance management framework

What Is Performance Management, Monitoring and Evaluation and the Annual IDP Review? Performance management is defined as:

"A strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets of efficiency, effectiveness and impact."

The municipality shall develop a performance management system based on the prescripts contained in the legal framework for the performance management system.

The municipality shall set targets and monitor and review the performance of the municipality based on the indicators linked to the Integrated Development Plan (IDP). Performance management consist of these two inseparable, integral components, namely:

- Organisational performance management: to determine whether a municipality is achieving its strategic goals; and

- Employee performance management: to determine how well employees perform their duties towards the achievement of the municipality's objectives

Performance Management is an ongoing communication process that involves both the Manager/Supervisor and the Supervisee in:

- Identifying and describing essential job functions and relating them to the strategy (IDP) and Budget of the Municipality;
- Developing realistic and appropriate performance standards;
- Giving and receiving feedback about performance;
- Undertaking constructive and objective performance appraisals ; and
- Identifying and planning education and development opportunities; to sustain, improve or build
- On employee work performance.

Why Performance Management System; the purpose of the IDP Plan is to ensure that the resources available to the ANDM are directed at the delivery of projects and programmes that meet agreed development priorities.

As AND Municipality starts the implementation of the IDP plan it is important to check that:

- the delivery is happening in the planned manner;
- the Municipality is using its resources most efficiently;
- it is producing the quality of delivery envisaged; and
- the delivery is having the planned effect on the lives of the people in the
- Municipality.

To achieve this it is necessary to monitor and evaluate, measure and review the performance of ANDM against indicators and targets set in the IDP and SDBIP. Performance management will assist Municipalities:

- to make immediate, appropriate changes in delivery and management of
- resources;
- identify and overcome major or systemic blockages; and
- guide future planning on developmental objectives and resource use,
- Achieving this requires pro-active development of a performance management system and undertaking an annual review of the IDP.

Applicable legislation for the pms framework

The local government: municipal planning and performance management regulations, 2001.

Section 7(2) of the Regulations requires that the Municipality, in developing its Performance Management System, must ensure that the system:

- Complies with all the requirements set out in the Municipal Systems Act;
- Demonstrates how it is to operate and be managed from the planning stage up to the stages of performance review and reporting;
- Clarifies the roles and responsibilities of each role player, including the local community, in the functioning of the system;
- Clarifies the processes of implementing the system within the framework of the Integrated Development Planning process;
- Determines the frequency of reporting and the lines of accountability for performance;

- Relates to the Municipality's Employee Performance Management processes.
- Furthermore, Section 43 of the Regulations prescribes the seven general key performance indicators (Section 3.3.4 of this policy).

8.5.2. Municipal performance regulations for municipal managers and managers directly accountable to municipal managers, 2006

These regulations articulate issues of employment contracts, performance contracts and performance appraisal of Municipal Managers and Managers directly accountable to them.

Chapter 3 of the regulations allude to the following regulation clauses as purpose of performance agreement:

The purpose of the agreement is to:

- Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Act as well as the employment contract entered into between the parties;
- specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- monitor and measure performance against set targeted outputs;
- use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- in the event of outstanding performance, to appropriately reward the employee; and

- Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

8.5.3. Municipal Systems Act (Act No 32 of 2000)

In terms of this Act (Chapter 6, Sections 38 – 49) all municipalities are required among other things to:

- Develop a PMS, monitor and review performance based on the indicators linked to the IDP;
- Involve the community in the development of key performance indicators; and reviewing municipal performance.
- Publish an annual report on performance for councillors, staff, the Municipal and other spheres of government;

Section 57 of chapter 7 (MSA) of this chapter requires the Municipal Manager and those officials reporting directly to the Municipal Manager (section 57 employees) to sign annual performance agreements.

8.5.4. Municipal Finance Management Act (2003)

Section 1 of the MFMA defines the SDBIP as:

“a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top layer) the following:

- a) Projections for each month of-
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote
- b) Service delivery targets and performance indicators for each quarter.

According to Section 53(1) (c) ii of the MFMA (Act 56 of 2003) *“the Mayor of the municipality must take all reasonable steps to ensure that the municipality’s service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget”*

The Mayor is to receive the draft SDBIP 14 days after approval of budget and therefore the final SDBIP approved 14 days after receiving the first draft of the SDBIP.

8.5.5. RSA Constitution, 103, of 1996

The overarching legislative mandate of the PMSF is to achieve the objects of Section 152 of the Constitution which are:

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

8.5.6. Objectives and guiding principles of the performance management framework

The main Goal of Performance Management is to ensure that the municipality as a **system** and its **subsystems** work together in and **integrated** fashion for accomplishing optimum results; and facilitate increased accountability.

The PMS provides a mechanism for ensuring increased accountability between:

- The citizens of the AND Municipality and the municipal council;
- The political and administrative components of the municipality and;
- The Office of the Municipal Manager and each municipal department.

The PMS also provides a platform for learning and improvement. It enables ANDM to assess which approaches and methods are having the desired impact and this way enable ANDM to make the necessary improvements that will lead to more effective service delivery.

This PMSF provides managers and supervisors at all levels; the municipal manager, portfolio committees and the council with early warning of performance targets that are not going to be reached and thus adversely affecting the implementation of the IDP.

The PMS should provide suitable management information that will allow for efficient, effective and informed decision making, particularly on the allocation of resources.

This Performance Management Framework is to clarify the processes of implementing the performance management system within the framework of the Integrated Development Planning process. To demonstrate how the system will be conducted, organized, operated and managed from the planning stage up to the performance review. It will determine

the roles and responsibilities and the frequency of reporting for Organisational Performance Management System and Individual Performance Management System.

This framework aims to:

- Clarify the processes of implementing the performance management system within the framework of the Integrated Development Planning (IDP) Process.
- Clarify definitions and standards for performance management.
- Ensure compliance with the South African Legal framework.
- Demonstrate how the system will be conducted, organized, operated and managed from the planning stage up to the stages of performance review.
- Define roles and responsibilities.
- Determine the frequency of reporting.
- Promote accountability and transparency of performance management within the Alfred Nzo District Municipality.

Prior to implementing a PMS, an approved organisational structure that is aligned to the IDP be put in place. This structure should indicate roles, responsibilities, powers and functions for the implementation of the IDP.

8.5.7. Who uses the PMS and How: Roles & Responsibilities

A range of different ANDM stakeholders use the Performance Management System for different reasons. Understanding these is important as it affects the type of information required and the form in which it is prepared.

The table on the next page outlines some of the key usages.

<p>ANDM Council</p>	<p>Assess whether it is meeting its developmental objectives and whether these are having an impact on the lives of the people in the Municipality.</p> <p>Help define ways of improving its resource usage and impact on the developmental needs of the people in the Municipality.</p> <p>Assist in evaluating progress made by the Municipality against key performance</p>
<p>Executive Mayor and Mayco</p>	<p>Strategic monitoring of progress and effectiveness of the implementation of the IDP Plan.</p> <p>Review the effectiveness of service delivery strategies used by the Council and inform recommendation on best methods including partnerships for service delivery.</p>
<p>Municipal Manager</p>	<p>Strategic and operational control of the delivery of the IDP & SDBIP.</p> <p>Use the information and analysis to advise the Council on the best action for the Municipality to take to realise its development objectives.</p>
<p>Senior Management Team</p>	<p>Keep an up to date understanding of implementation.</p> <p>Understand reasons for problems and blockages</p> <p>Inform ways of tackling day-to-day and systemic blockages to implementation</p>
<p>Financial Team</p>	<p>Monitors how effectively the financial resources are used to implement the IDP.</p> <p>Controls the flows of money to maximise its contribution to the implementation.</p>

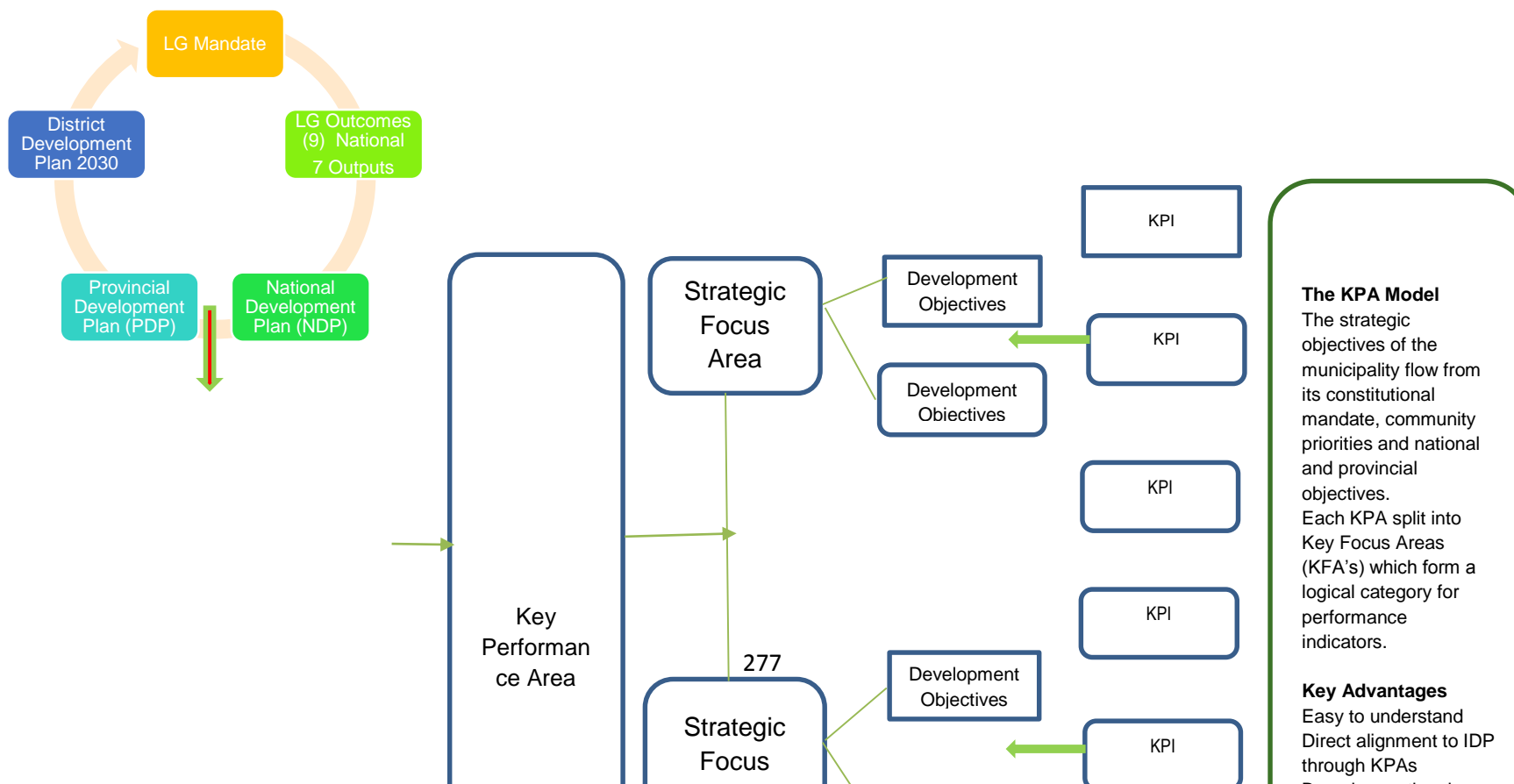
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Programme Managers	Monitors and evaluate the delivery of range of projects or parts of projects to understand how the implementation can best achieve the defined programme
Sectoral Managers	Understand and assess how his sectoral resources are performing in implementing the IDP plan.
Project Managers	Monitor and evaluate the proper allocation of resources to achieve the project delivery in the most efficient way within the defined timeframe.
Consultation For a like IDP Rep Forum	Monitoring and evaluation and review information to provide the opportunity for them and the groupings they represent to assess the extent to which the Municipality is delivering its IDP plan. Assess better ways of mobilising their “constituencies” to appropriately involve themselves in delivery.
Local Residents	Receive information on the progress in the delivery of the IDP Plan. Hold Municipalities accountable for their performance against key performance indicators and targets.
National and Provincial Government	Understand the extent to which the Municipality is contributing to meeting National and Provincial development priorities. How effectively the Municipality is using financial and other resources provided to it by other spheres of government. Assess the overall state of local government.

Grant Funders	Monitoring and evaluation as to whether their financial contributions are used effectively and appropriately to meet the Municipality's development objectives and their conditions as funders.
Auditors	Understand the policy bases of performance management in ANDM for performance audits

8.6. SECTION B: ORGANISATIONAL PERFORMANCE MANAGEMENT MODEL & APPROACH

The PMS is modelled on the overall Integrated Development Planning system and ethos which brings all plans from national and provincial to converge within district and local plans in a specific local space for implementation. The diagram below depicts the overall model of the PMS:



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The Balanced Scorecard approach will be used based on the **KPAs** and the **strategic objectives** as they appear in the reviewed IDP. It will also link the IDP objectives to operational plans and ensuring that there is a balance of outcome, output and input indicators in the organizational and departmental SDBIPs. The KPIs and performance targets will be developed for each of the strategic focus areas and high level objectives. Baseline information for the previous financial year will also be used to determine where the municipality is in terms of achieving its previous plans, and to determine what should be done to improve on the past performance. The Balanced Scorecard approach will be customised as follows:

Service Delivery Perspective: (outcome/impact)

KPA: Basic Service Delivery & Local Economic Development

This looks at whether the services provided meet the needs of the customers in terms of value added to customers, time, quality, service costs and outcomes. Outcomes are “what we wish to achieve and the impact are the results of achieving specific outcomes”

Financial Perspective: (efficiency & effectiveness)

KPA: Financial viability management

This looks at the efficiency and effectiveness of managing operations and costs, sustainability and revenue growth.

Internal Business Processes: (outputs)

KPA: Good governance and public participation

It refers to activities and processes done by the organization to deliver services, it looks at both short term and long term objectives. How well the municipality is running and whether the services rendered conform to customer needs. They are “what we produce or deliver.”

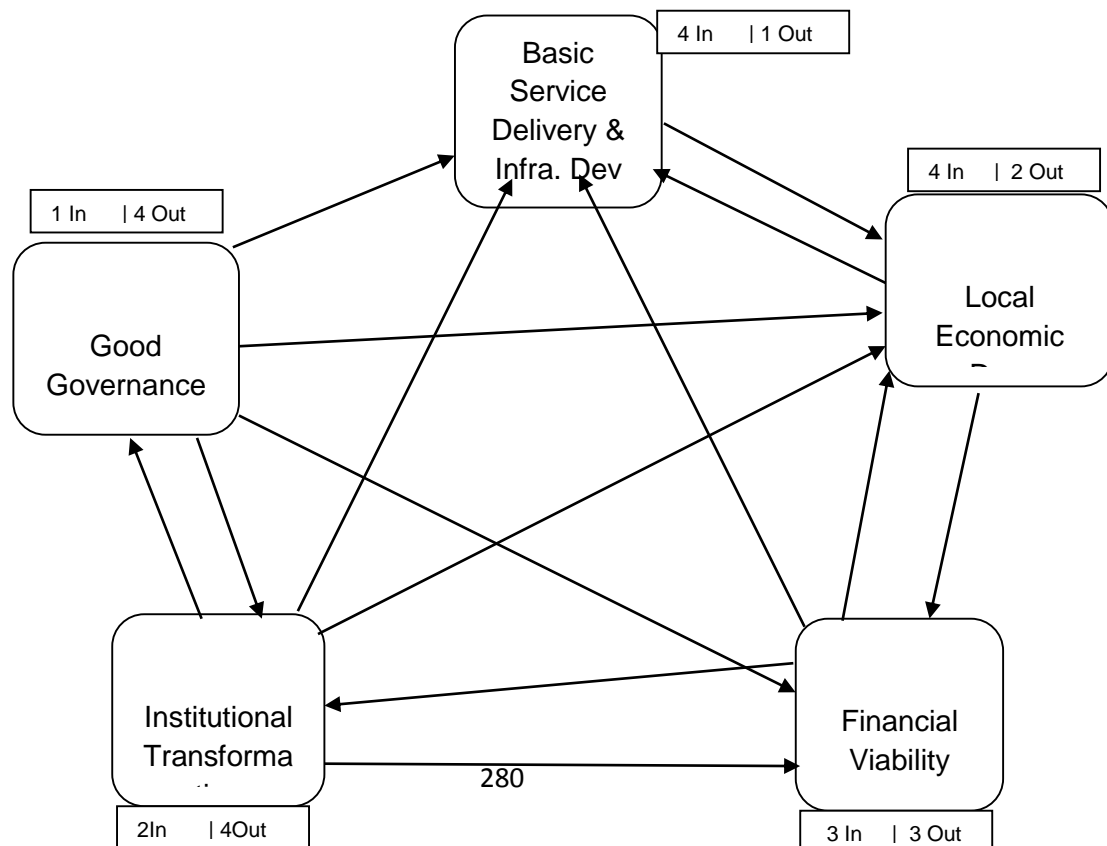
Learning and Growth Perspective: (inputs)

KPA: Institutional transformation and organisational development

It looks at human capacity, systems, organizational climate and culture. It emphasizes skills and capabilities required to improve performance. Inputs contribute to the production and delivery of outputs. They are “what we use to do the work.” Taking from the National Government guide on the scorecard AND municipality through the Strategic Planning process and into the IDP Strategic Agenda articulation developed the following Scorecard:

KEY PERFORMANCE AREA	WEIGHT (%)
Basic Service Delivery and Infrastructure Development	40
Local Economic Development	30
Financial Viability	15
Good Governance and public Participation	5
Institutional Transformation	10

The scorecard is informed by the logic that achieving the strategic agenda will be through appreciating which are the drivers and outcomes between the KPAs, as illustrated below:



8.6.1. The Performance Management Cycle

PERFORMANCE PLANNING: This ensures that the strategic direction of the municipality informs and aligns the IDP with all planning activities and resources, like the development of departmental SDBIPs, development of Performance Contracts for Section 54 and 56 employees and the Performance Plans of all employees. The key performance areas and key performance indicators are aligned to the IDP and the national requirements and the targets are set at this stage.

The overall cycle includes four phases illustrated in the figure below:



8.6.2. Performance, measurement, review and analysis

This is an ongoing process to determine whether performance targets are met, exceeded or not met. Projections can also be made during the year as to whether the final targets will be met by comparing achievements to the past deliverables. This also analysis why there is under-performance or over performance in a particular area. Where targets have not been met, reasons are examined and corrective actions recommended. Evidence to support the status is also reviewed. This is where indicators are also reviewed to determine if they are feasible and measure the key areas appropriately.

Performance review sessions- the cycle for performance runs throughout the year.

Monitoring is a process of consistently measuring performance and providing ongoing feedback to the employee or group of employees on their own progress towards reaching the set objectives.

Accountability to the Councillors of the Portfolio / Standing Committees takes place every month, hence the monthly Portfolio / Standing Committee meetings. This is where the quarterly KPAs are worked on and accounted upon monthly and the next month's plan is agreed upon and where the Councillors give input on the next month's programme and projects. This should be seriously considered as the platform in which the Councillors exercise their oversight role.

It is therefore imperative that the time is invested in the process for the:

- Self-assessment by the employee;
- Assessment by the employee's manager
- Joint discussion between the employee and the responsible manager; and reaching consensus on the outcomes, detecting problems and jointly devising solutions.
- The performance reviews will take place as follows:
- All Departments to submit their Quarterly Reports to the relevant department
- on the 10th day after the end of the Quarter.
- The consolidated quarterly review report will be presented to Portfolio / Standing Committees on the 15th after the end of the quarter.

The Consolidated Review Report and Performance Analysis Report will be presented to Top Management and the Extended Top Management on the 20th after the end of the quarter. The Quarterly Review Meeting will then take place on the 24th after the end of the quarter when all inputs from various committees have been incorporated into the review reports. Departments will be requested to provide evidence of their performance against targets as and when required, as this information may be requested by Internal Audit from time to time as a means of verification of what has been reported in the quarterly reports.

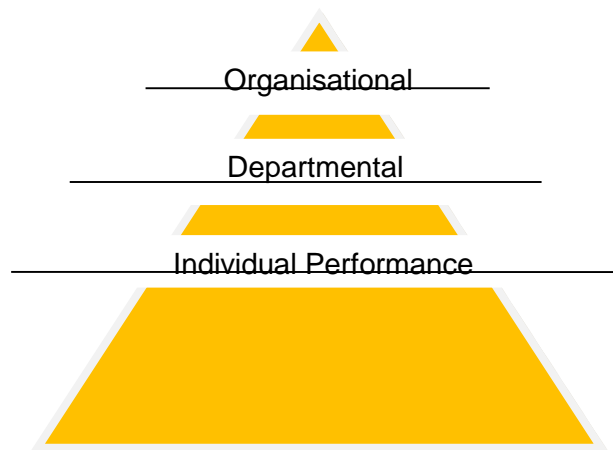
8.6.3. Performance reporting

Sections report weekly to the Managers. These reports are consolidated into monthly reports where line managers report to their Executive / Senior Managers. The monthly reports will be presented and discussed at the Extended Top Management on monthly basis. These departmental reports will then be consolidated into quarterly reports by respective departments. The quarterly reports are sent to the Portfolio / Standing Committees and the Internal Audit prior it being sent to Council and the Performance Audit Committee. Quarterly reports are consolidated and reporting is done twice a year to management and communities in the form of an Annual Report at the end of the Financial Year.

8.6.4. Organisation of performance management

Although organizational and individual performance management are linked, as the latter cannot be meaningfully developed without the former, it is important to manage these two fields of performance management as two separate systems. Once organizational objectives (Integrated Development Plan) and targets have been set for the Municipality, municipal departments and sections, it is possible to cascade them down to individuals within the sections through the use of individual performance plans. In turn, the achievement of individual, section and municipal department objective, contribute towards the achieving the overall objectives of the Integrated Development Plan.

Performance Management is organised into three layers of organisational performance, Departmental Performance, which can be subdivided into units, and the third layer is the individual performance management:



8.6.5. Departmental performance management system

Each Department shall draw up its annual departmental performance management framework based on the Integrated Development Plan, Performance Management Framework, Strategic Plan and Service delivery and budget implementation plan (SDBIP).

The Departmental performance management system shall be driven and championed by the Head of the Department.

The Departmental performance management system shall set an enabling performance environment for the efficient and effective utilization of employees within the Municipality.

The Departmental key performance areas, objectives, indicators targets and results shall be formulated by the Executive Manager or through a Departmental workshop. The Municipality shall set aside an annual funding for departmental workshops to take place immediately after the adoption of the budget and the IDP for formulation of annual departmental performance plans.

The effective management of performance at a unit and individual levels shall be the responsibility of the head of the department or unit.

The Head of the unit shall ensure that employees complete tasks assigned to them within the context of a performance management system.

8.6.6. Individual performance management system

The substantive details of the individual performance management system are discussed under section c below.

8.7. SECTION C: INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

8.7.1. Performance appraisal

The individual performance management system will be largely informed by and based on the organizational and Departmental performance management system. Appointment of individual managers shall be based on performance contract so as to enhance the culture of accountability and performance within the Municipality. The practice of appointing managers on performance contract shall be extended up to Post level 3 or equivalent level employees. Annual performance contracts or accountability agreements or undertakings /promises shall be concluded and signed between the person responsible for managing the performance of a particular employee and that employee

Performance of Section 57 employees shall be strictly managed according to the 2006 performance management regulations issued by the Department of Provincial and Local Government. Performance standards and measures for each employee shall be set according to the pre- determined performance values and criteria for the Unit and the post. Performance management shall be pursued in order to identify performance gaps, deficiencies, and good performance for the purpose of making interventions and awarding rewards where necessary.

Employees shall be informed both verbally and in writing of what is expected of them in their jobs.

The employees shall be assessed according to the competency model which entails job knowledge, skills, attributes and set performance standards, objectives and targets. Critical training needs will also be established through this process. Employees will be entitled to receive regular feedback on their performance from their superiors.

In return, employees have a moral duty and obligation to perform their duties in terms of the set performance standards and job description without failure.

Rendering of services by employees in the most efficient, economical and effective manner will lead to judicious delivery of the right quality and quantity of output at the correct time.

Individual performance assessments shall be done quarterly in respect of all employees. Performance assessment shall be based on a set of performance standards, objectives and targets. The Municipality shall establish a Performance Management System (PMS) Unit within the Corporate Services Department to drive the individual performance management programme of the Municipality.

The PMS unit shall be responsible for co-ordination of individual performance management from probation stage of personnel utilization through the entire life cycle of personnel utilization within the institution. The PMS unit shall be responsible for recording the proceedings of performance assessment sessions at all times.

The PMS unit shall be the custodian and a place/point of reference for all working/current records of individual performance management subject to compliance with the requirements of the Municipal records and information management policy.

The PMS unit shall be responsible for managing and co-ordinating performance management in respect of provision of outstanding performance awards and payment of performance bonuses to respective employees.

The PMS unit shall be responsible for institution of poor performance counselling proceedings as may be required in terms of feedback from various service users from time to time.

The institution of disciplinary proceedings arising from poor work performance will be exclusive reserve of the Labour Relations Unit within the Corporate Services Department of the Municipality.

8.7.2. Performance review for managers reporting to executive managers

Managers will submit their performance reports based on their performance plans to the Executive Manager at the end of every month.

The Executive Manager will then sit with all managers at the end of the quarter on a one to one basis assessment, which will eventually inform the Executive Manager's performance.

8.7.3. Performance appraisal of managers reporting to the executive managers

The appraisal of managers reporting to the Executive Managers shall be done using the performance appraisal form every six months.

For purposes of evaluating the annual performance of managers reporting to the executive managers, an evaluation panel constituted of the following persons must be established –

Relevant Executive Manager of the department being evaluated.
Corporate Services

Planning and Economic Development / Development Planning Unit
A representative from another municipality / Department

Management of evaluation outcomes for managers reporting to executive managers

The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

Performance shall be awarded on the discretion of the evaluation panel.

Performance award for managers reporting to executive managers

Outstanding performance shall be awarded with incentives in a form of certification and monetary value.

Incentives shall be given on the basis of the result of the performance appraisal.

8.7.4. Section 54 and 56 employees

Section 54 and 56 employees are assessed on an 80:20 basis, where 80% represents the Key Performance Areas and the 20% represent the Core Competency Requirements (CCR).

A performance bonus for outstanding performance or an in-kind recognition of effective performance shall only be effected after,

The annual report for the financial year under review has been tabled and adopted by the municipal council;

An evaluation of performance in accordance with the provisions of regulation 23 and this contract; and

Approval of such evaluation by the municipal council as a reward for outstanding performance or effective performance.

8.7.5. Performance Evaluation for Section 54 and 56 employees and Managers

Reporting to the executive managers

The monitoring and performance evaluation of section 54 and 56 employees shall be done in accordance with the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, regulations of 2006, which prescribes as follows:

8.7.6. For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons must be established:

- (i) Executive Mayor or Mayor;
- (ii) Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- (iii) Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;
- (iv) Mayor and/or municipal manager from another municipality; and
- (v) Member of a ward committee as nominated by the Executive Mayor or mayor.

8.7.7. For purposes of evaluating the annual performance of managers directly accountable to the municipal managers, an evaluation panel constituted of the following persons must be established:

- (i) Municipal Manager;
- (ii) Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- (iii) Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council; and
- (iv) Municipal manager from another municipality.

The Manager: Human Resources shall provide secretariat services to the evaluation team referred to above.

8.7.8. Management of evaluation outcomes for section 54 and 56 employees

Regulation 32(1) (2)(a) and (b) states that:

(1) The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

(2) A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator; provided that -

(a) A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%.

(b) A score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

The performance bonus based on affordability of the municipality shall therefore be paid to the section 54 and 56 employees after the annual report for the financial year under review has been tabled and adopted by the municipal council.

8.8. Dealing with poor performance

In the event of an employee failing to meet his/her performance objectives, the following guidelines should be followed:-

8.8.1. Poor performance and incapacity process

The onus lies with the Manager/Supervisor to ensure that the employee knows what is required;

Objectives/targets – key performance areas and deadlines should be agreed with the employee;

The employee should be given appropriate training, coaching and instructions in order to be able to meet the objectives/targets;

The employee has to have the means to perform the required objectives.

The employee must be given a reasonable time to achieve the required objectives. The employee must be given regular feedback on his/her performance.

8.8.2. Formal counselling

The employee's direct Manager/Supervisor is responsible for conducting any formal counselling sessions on poor performance; The Counselling session is an opportunity to formally plan and agree on corrective action;

Identify why the employee is failing to meet the required performance standards/objectives;

Agree on a plan to assist the employee in achieving the required standards/objectives and give the employee a fair opportunity to improve his/her performance;

Make the employee aware of the potential consequences of not complying with performance requirements;

Ensure that these meetings are documented so that procedural fairness can be proved in the event of any future disciplinary been taken.

8.8.3. Corrective formal disciplinary process

Should the employee after a reasonable period of time for improvement, continue to perform unsatisfactorily, notwithstanding appropriate evaluation, instruction,

guidance and/or counselling, formal disciplinary steps may be implemented.

A formal disciplinary hearing should be held, and corrective action through series of graduated disciplinary measures should be considered, e.g. formal counselling, written warning, written final warning, and finally dismissal as a last resort.

8.8.4. Supervisors must meet regularly with employees to:

- Discuss the employee's performance objectives;
- Monitor their performance;
- Conduct formal assessment and agree on areas of improvements and what will be required to enhance that improvement. These included systematic, remedial and development support.
- The feedback must be formal and in writing

8.8.5. Disputes:

Employees must record their disagreement on the performance assessment.

Such dispute must be resolved without delay through formal structures.

Situations of poor performance, after everything possible has been done, the following may be considered:

- Mentoring of the employee;
- Placing the employee in a more appropriate job; and
- Possible dismissal of the employee.

8.8.6. Departmental Award Procedure

One week prior to the monthly departmental meeting, the Head of Department invites members of the department to nominate colleagues to contend for the performance excellence award based on the above criteria.

Nominations should be submitted through respective managers to the Head of Department.

At the departmental monthly meeting, staff members may vote for the deserving colleague of their choice. Nominated officials may vote. The Head of Department may not vote at such proceedings. Colleagues will vote through the mechanism

of a secret ballot.

The Head of Department will officiate over the tallying of votes and communicate the successful departmental candidate at a departmental meeting after it has been approved by Top Management.

8.8.7. Probation management system

A newly appointed employee for a period of not less than 12 months will be required to serve a six month-probation period prior to confirmation of employment.

Probation shall apply to contract employees as well, including performance contract employees.

Employees hired for a period of less than 12 months but not less than three months, will be required to serve a probationary period of two to three months prior to confirmation of employment.

Employees hired for a period of less than three months will not be required to serve probation.

During probation, employees shall be given an opportunity to demonstrate performance up to the standards expected of them and be provided with appropriate feedback, assistance and support to achieve them.

The new employee and his or her supervisor will discuss formally or informally the required performance levels within the first month of employment in an effort to lay a sound foundation for tracking performance.

Performance of employees on probation for a six month-period shall be assessed on a bi-monthly basis.

Performance assessment of an employee on a less than six month-probation period will be conducted on a monthly basis.

The Municipal Manager shall be responsible for approval and confirmation of satisfactory completion of probation by each employee of the Municipality.

Upon successful completion of probation the employee will be issued with a letter of confirmation of employment from the Corporate Services Department.

An employee who demonstrates unsatisfactory performance at the end of his/her probationary term of six month-period may be put on an extended probation of more than three months or have his or her services terminated, should there be no hope of performance improvement.

An employee shall be afforded a poor performance/conduct hearing prior to the extension of probation or termination of services as contemplated in clause No 9.11.

An employee afforded a poor performance/conduct hearing during the probation process shall be entitled to representation by a shop steward or a fellow employee of his or her choice.

An employee put on extended probation shall be assessed on a monthly basis.

Probation monitoring shall encompass both conduct and performance of an employee.

Notwithstanding the clause No. 9.11, termination of services on grounds of misconduct shall be preceded by institution of disciplinary proceedings, against the employee.

8.8.8. Scoring criteria:**Score sheet**

ITEM			
1. CONSULTATION	Yes/No	Evidence Y/N	Score
According to your SDIP, did you consult with the beneficiaries of your services?			
Provide evidence			
2. ACCESS			
Are your Services accessible to the beneficiaries?			
Provide evidence			
3. COURTESY			
Are you courteous towards the beneficiaries of your Services?			
Provide evidence			
4. INFORMATION			
Are you effectively providing information about your Services?			
Provide evidence			
5. OPENNESS AND TRANSPARENCY			
Are you providing Services in a manner that is open and transparent to your beneficiaries?			
Provide evidence			
6. SERVICE STANDARDS			
Has your department developed departmental service standards?			
Provide evidence			
7. REDRESS			
Are you apologizing for not meeting the standards as expected by your customers?			
Provide evidence			
8. VALUE FOR MONEY			
Are you implementing strategies to reduce cost of your services?			
Provide evidence			
9. LEADERSHIP & STRATEGIC DIRECTION			
Are you providing leadership and strategic direction in your department?			
Provide evidence			
10. INNOVATION & EXCELLENCE			
Are you encouraging innovation and rewarding excellence among the employees in your department?			

Provide evidence			
11. SERVICE DELIVERY IMPACT			
Because of all your initiatives for Service Delivery Improvement, Is there an impact on the lives of the beneficiaries of your services? Provide evidence			

8.8.8. Team award system

The award system that Alfred Nzo District Municipality intends to embrace is “team award system”. The system aims, upon everything, to encourage team work and harmony towards the same departmental and organisational strategic objectives.

Team award is a system used to award excellent team effort/ performance towards achieving the achievement of the departmental and organisational strategic objectives and vision.

what is a team?

A team is two or more people working together for the purpose of achieving a common goal. In Alfred Nzo District Municipality's context, teams will be referred to, in relation to departmental sections / functional areas within a department.

The purpose of team performance award

The purpose of the Team Award System is to promote, recognize, and reward excellent performance in all areas of the municipality. The award system will give ANDM a chance to acknowledge excellence and innovation and reward such effort.

The Awards will be an important way to promote continuous improvement and best practice and recognise those individuals; teams; sections and departments that have contributed high standard of service to the municipality.

The best performance and service delivery expectations of the municipality are guided in the following documents, which therefore position them as the central purpose of the award system implementation;

- Service Delivery Charter

- Service Delivery Improvement Plan;
- Implementation of all Batho Pele principles.
- IDP
- Budget
- SDBIP

Procedure to nominate a team

The team award shall be conducted bi-annually, in February after the mid-year review has been undertaken and in August following the 4th quarterly review.

One week after the start of the month of February and August, the Head of Departments shall invite sectional heads to submit reports based on each departmental team's performance plan as entrance for the performance excellence award.

The Head of Department will then sit with other Head of Departments and nominates the best performed teams for each department.

At the departmental monthly meeting of February and August, the HOD will announce the best team and elaborate on their conclusion to nominate such a team.

The team award shall be financial or non-financial. If financial or leave linked, it shall be considered along the Alfred Nzo District Municipality's remuneration and/or leave policies.

8.8.9. Scoring criteria:

The overall score of each team will be based on three stages, **stage one**, percentage as allocated per each KPI in the team's performance plan, **stage two**, the 5 generic ratings as outlined below and **stage three** – general characteristics of the best team:

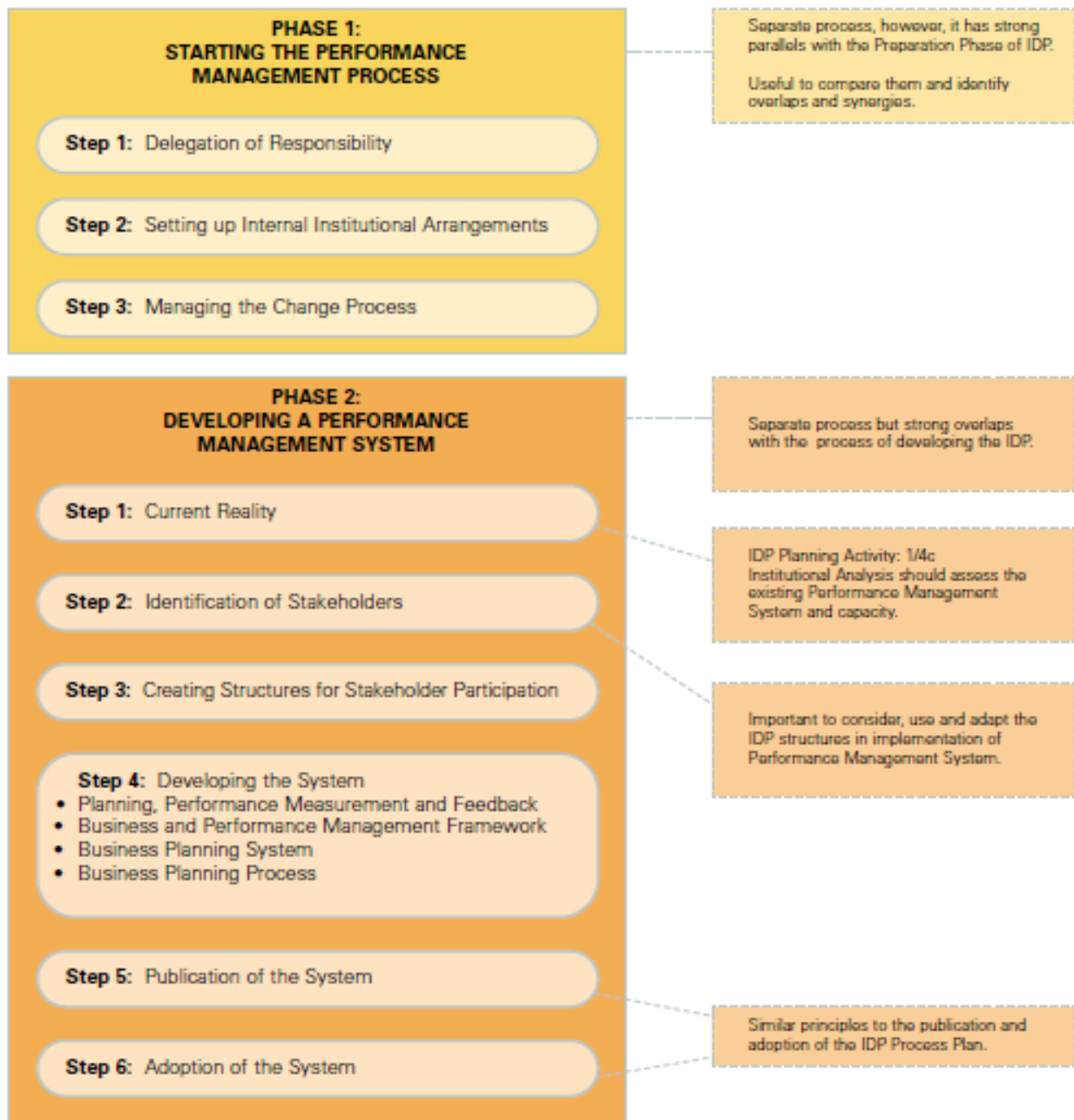
Score	Description of Performance
5	<i>Outstanding Performance</i>
4	<i>Performance significantly above expectations</i>
3	<i>Fully effective performance</i>
2	<i>Performance not fully effective</i>
1	<i>Unacceptable performance</i>

General Characteristics of a best team

SCORE	TEAM CHARACTERISTICS
2	Punctuality at work
4	Quality reports with evidence
3	Timely performance of tasks
3	Promotion of Batho Pele Principles
3	Knowledge of Alfred Nzo District Municipality's vision and mission statements
3	Team that performs beyond its scope of work
2	Promotion of team unity and co-operation
Total <u>20</u>	

8.9. SECTION D: IMPLEMENTATION PROCESS

The PMS implementation process is at an organisational and departmental levels embedded in the IDP Process and at the individual levels draws from the implementation of the SDBIP as illustrated within the section on the individual Performance Management above.





8.10. Annexure 2: Disaster Management Plan

1. Municipal Disaster Management Centre

Despite the fact that municipalities were only legally obliged to commence the implementation of the Act on 01 July 2004 and that funding arrangements were not as yet defined, the Alfred Nzo District Municipality – ever mindful of the context of its disaster risk profile – did not lag behind in adopting a more proactive approach. For example, as early as the year 2002 it had, with the financial support of the Province of the Eastern Cape already established its DRM centre to address DRM needs in the District Municipality. And the centre meet the minimum requirements for disaster management centre, the Information Communication System has been installed in during 2015/16 Financial Year.

2. Municipal Disaster Management Policy Framework

ANDM has adopted Disaster Management Policy Framework and 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 Alfred Nzo District Municipality 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 and projects 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 disaster risk management policy and plans in the Umzimvubu, Ntabankulu, Matatiele and Mbizana local municipalities in the Alfred Nzo District Municipality. The framework has also 15 supporting policies which serve as guide in managing disaster risk management within ANDM area of jurisdiction.

3. Municipal Disaster Management Plan

ANDM has adopted reviewed Disaster Risk Management Plan in 2014 and here are the details of the plan:

- Level of the Plan: 2

- Due for Review: 2017/18 Financial Year.

4. Municipal Disaster Management Inter-Departmental Committee

The Disaster Management Act No. 57 of 2002 (DM Act) requires municipal disaster risk management centres to promote a coordinated, integrated and uniform approach to disaster risk management, including the development and implementation of appropriate disaster risk reduction methodologies, emergency preparedness and rapid and effective disaster response and recovery, in their municipalities.

To achieve these objectives and to promote interdepartmental liaison, arrangements must be put in place to enable all the key internal role players in the administration of a municipality to participate in disaster risk management activities and to coordinate their disaster risk management responsibilities. To achieve this objective, a Municipal Interdepartmental Disaster Risk Management Committee (MIDRMC) needs to be established as currently seating on ad hoc basis.

5. Municipal Disaster Management Advisory Forum

The municipality has the Disaster Management Advisory forum in place in line with the DMA, 57 of 2002.

The DMAF has technical task teams established as per Supporting Policy:

10 of the ANDM Disaster Management Policy Framework, namely; Capacity Building Coordinating Task Team, Emergency Coordinating Task Team and Social Relief Coordinating Task Team.

Challenges and improvement measures may also be provided.

Inconsistence in members attending the DDMAF, which has been improved by appointing focal points.

6. Municipal Fire and Rescue Stations

The municipality has Fire and Rescue satellite stations in all local municipalities.

The staffing of the stations is on the four shift system although there is need for improvement in order to comply with SANS: 40090 (Community Protection against Fire).

7. Municipal Fire and Rescue Bylaws

Developed and approved municipal bylaws to regulate internal fire and rescue procedures, including fire safety and prevention policies. Fire and Rescue bylaws must be in line with the

Constitution, Municipal Structures Act and the Municipal systems Act.

8. Municipal Fire and Rescue IGR Structures

The ANDM Fire and Rescue is a member and participates in the following structures:

- Fire Protection Associations
- Emergency Coordinating Technical Task Team

9. Disaster Risk Assessment

9.1 List of Priority Risks (Hazards)

The municipality has conducted risk assessment during the review of the disaster management plan in 2014 and here are the top five priority risks:

- Extreme weather conditions (heavy rains, lightening, snowfall, hailstorm)
- Veld and forest fires
- Motor vehicles accidents
- Human Diseases
- Stock theft

Due to the drought phenomena that has affected the ANDM, the municipality has included drought as a risk priority.

9.2 Hazard Maps

The municipality has conducted risk mapping during 2015/16 FY in line with the major occurrences within the district. Further information was gathered on the scientific vulnerability and risk assessment as conducted in 2014.

10. Disaster Risk Reduction

The main disaster risk management center is located in Mt Ayliff and satellite offices situated per each local municipality, however, it's only Mbizana Satellite Office that is operating in a temporal structure.

11. Disaster Management Projects

NAME OF PROGRAM	TARGET AREAS	BUDGET
1.Review of the Disaster Management Plan	All ANDM local Municipalities	R420 000.00
2.Improvement in support and relief	All ANDM communities	R3 045 000.00

3.Education,training, awareness and research	Stakeholders, Practitioners, Members of the communities	R420 000.00
4.Construction of the Mbizana Disaster Management Centre	Mbizana LM	R20 000 000.00
5.Volunteer program	All ANDM local Municipalities	R850 000.00

12. Fire Services Programmes Projects

NAME OF PROGRAM	TARGET AREAS	BUDGET
1.Procurement of fire and rescue equipment	All ANDM local municipalities	R50 000
2. Fire and Rescue Services CommunicationControl Centre upgrade	District office	R245 600
3. Strengthening of community resilience through Public Information, Public Education; Public Relations (P.I.E.R) programs	Stakeholders, Practitioners, Members of the communities	R325 000
4. Fire and Rescue Services Policies and By- Law Enforcement	All ANDM local municipalities	R 175 000
5.Community Emergency Response Teams program	All ANDM local municipalities	R660 000
6. Fire and Rescue Internal Capacity building	District Municipality	R315 000

13. Information Management and Communication

The municipality has procured and installed a Disaster Management Information Management and Communication System in accordance with the National Disaster Management Policy Framework in 2015.

14. Early Warning Strategy

The municipality collaborates with South African Weather Services for information dissemination of early warnings.

15. Education, Training, Public Awareness and Research

In the current financial year the municipality has the following programs in place in line with enablers 1 and 2 of the ANDM Disaster Management Policy Framework: Capacity building for disaster management stakeholders.

Public awareness campaigns to enhance community resilience from disasters.

Research agenda: the municipality has forged relations with institutions of higher learning. (Currently, there is research on the functioning and impact of stakeholders in disaster risk

management at Alfred Nzo District Municipality Disaster Management).

16. Funding Arrangements for Disaster Management, Fire and Rescue Services

The disaster management function is funded from the equitable share grant, section 7(2) (k) of the Act requires that the national disaster management framework makes provision for “a framework within which organs of state may fund disaster risk management with specific emphasis on preventing or reducing the risk of disasters, including grants to contribute to post-disaster recovery and rehabilitation and payment to victims of disaster and their dependents”.

8.11. Annexure 3:Water Services Development Plan

Water Services Development Plan (WSDP) – IDP Water Sector Input Report

Overview

Alfred Nzo District Municipality (ANDM) is both a Water Services Authority and a Water Services Provider. Authority is therefore vested in it, in terms of the Municipal Structures Act 118 of 1998 or the ministerial authorizations made in terms of this Act, to ensure that water resources and infrastructure are well managed and maintained in order that the service may be provided in an equitable, sustainable and efficient manner.

The primary responsibility for Water Services Authority includes:

- Ensuring access: To ensure the realisation of the right of access to water services, particularly basic water services (subject to available resources) by seeing that appropriate investments in water services infrastructure are made.
- Planning: To prepare water services development plans to ensure effective, efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development.
- Regulation: To regulate water services provision and Water Services Providers within the jurisdiction of the municipality and within the policy and regulatory frameworks set by Department of Water Affairs through the enactment of by-laws and the regulation of contracts.
- Provision: To ensure the provision of effective, efficient and sustainable water services (including water conservation and demand management) either by providing water services themselves or by selecting, procuring and contracting with external Water Services Providers.

Legal Requirements

The Water Services Act, 1997 (Act 108 of 1997) requires municipalities which have been authorized to render the water services provision function (Water Services Authorities) to:

- Draft a Water Services Development Plan as part of their IDP process;
- Elicit comments on the draft WSDP;
- Consider and report consideration of comments;
- Finalize and adopt the WSDP;
- Supply copies of the WSDP to the Department of Water and Sanitation, CoGTA and Neighbouring WSA's;
- Incorporate the WSDP into the IDP;
- Report on the implementation of the WSDP every year.

8.11.1. Overview of the population and households

The table below gives an overview of the population and households and the water and sanitation service level categories in Alfred Nzo District Municipality management area.

Water Service Overview

Settlement Type	2011*		2016		Water category						Sanitation category													
	Households	Population	Households	Population	Adequate: Formal	Adequate: Informal	Adequate: Shared Services	Water resources needs only	O&M needs only	Infrastructure needs only	Infrastructure & O&M needs	Infrastructure, O&M & Resource need	No Services: Informal	No Services: Formal	Adequate: Formal	Adequate: Informal	Adequate: Shared Services	Water resources needs only	O&M needs only	Infrastructure needs only	Infrastructure & O&M needs	Infrastructure, O&M & Resource need	No Services: Informal	No Services: Formal
URBAN																								
Formal Town and Township																								
					Adequate	Below RDP						None	Adequate	Below RDP						None				
Umzimvubu LM	9 225	38 361	10 135	39 912	5 029	213						658	5 520	170						209				
Mount Ayliff	2 072	8 441	2 276	8 782																				
Mount Frere	7 153	29 920	7 859	31 130																				
Matatiele LM	7 410	31 486	8 517	33 916	7 403	65						856	6 637	1 602						86				
Matatiele	3 003	13 565	3 452	14 612																				
Maluti	3 926	15 997	4 513	17 232																				
Cedarville	481	1 924	553	2 072																				
Ntabankul LM	3 819	19 381	4 110	20 217	568	94						144	709	90						7				
Ntabankul	3 819	19 381	4 110	20 217																				
Mbizana LM	5 022	29 128	6 372	33 114	2 973	17						29	2 367	619						32				
Mbizana	5 022	29 128	6 372	33 114																				
Sub-Total (Urban)	25 476	118 356	29 135	127 159	15 973	389						1 687	15 233	2 481						334				
RURAL & Farming																								
Rural Small Village and Scattered																								
					Adequate	Below RDP						None	Adequate	Below RDP						None				
Umzimvubu LM	37 623	153 208	41 334	159 403	18 556	3 715						23 357	34 621	7 932						3 078				
Matatiele LM	42 068	172 265	48 355	185 561	29 279	3 932						15 333	26 015	18 786						3 741				
Ntabankul LM	20 578	104 435	22 145	108 937	5 262	3 795						16 332	19 221	5 530						647				
Mbizana LM	43 353	252 304	55 011	286 834	9 778	1 536						47 050	46 412	8 535						3 416				
Sub-Total (Rural)	143 622	682 212	166 844	740 735	62 875	12 978						102 072	126 269	40 783						10 882				
TOTAL	169 098	800 568	195 979	867 894	78 848	13 367						103 759	141 502	43 264						11 216				

Note: * aligned with Census 2011 and Community Survey 2016 – number of households

8.11.2. Service Levels

Current state of access to services

Access to water and sanitation remains fairly poor. The Community Survey 2016 reveals that 40% of households had access to potable water (household connections and communal stands) above the national above minimum standards. Approximately 53% of households are reported to have no service and should receive priority through service improvement projects through addressing the infrastructure needs.

Table below give an overview of the water service delivery access profile in Alfred Nzo District Municipality's Management Area (Department of Water and Sanitation's Module 1 of the WDSP Guide Framework).

Residential water services delivery access profile: Water

Census Category	Description	DWS GDB		Community Survey 2016		Census 2011		ANDM 2018	
		Nr	%	Nr	%	Nr	%	Nr	%
WATER (ABOVE MIN LEVEL)									
Piped (tap) water inside dwelling/institution	House connections	5 465	3%	6 144	3%	9 837	6%	110 645	53%
Piped (tap) water inside yard	Yard connections	25 130	13%	25 507	13%	17 202	10%		
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Standpipe connection	37 810	20%	47 406	24%	36 045	21%		
	< 200 m								
Sub-Total: Minimum Service Level and Above		68 405	35%	79 211	40%	63 084	37%	110 645	53%
WATER (BELOW MIN LEVEL)									
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	Standpipe connection:	13 549	7%	13 725	7%	13 344	8%	97 244	47%
	> 200 m < 500 m								
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	Standpipe connection:								
	> 500 m < 1 000 m	5 004	3%						
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	Standpipe connection:	3 528	2%						
	> 1 000 m								
No access to piped (tap) water	No services	111 828	58%	103 401	53%	84 303	50%		
Sub-Total: Below Minimum Service Level		125 377	65%	116 768	60%	106 179	63%	97 244	47%
Total number of households		193 782	100%	195 979	100%	169 263	100%	207 889	100%

Table below give an overview of the water sanitation delivery access profile in Alfred Nzo District Municipality's Management Area (Department of Water and Sanitation's Module 1 of the WDSP Guide Framework).

Residential water services delivery access profile: Sanitation

Census Category	Description	DWS GDB		Community Survey 2016		Census 2011	
		Nr	%	Nr	%	Nr	%
SANITATION (ABOVE MIN LEVEL)							
Flush toilet (connected to sewerage system)	Waterborne	8 576	4%	8 182	4%	8 712	5%
	Waterborne: Low Flush	0	0%	0	0%		0%
Flush toilet (with septic tank)	Septic tanks / Conservancy	1 155	1%	1 836	1%	2 538	1%
Chemical toilet	Non-waterborne (above min. service level)	8 298	4%	7 879	4%	9 183	5%
Pit toilet with ventilation (VIP)		132 347	68%	131 196	67%	47 742	28%
Other		0	0%	283	0%		0%
Sub-Total: Minimum Service Level and Above		150 376	77%	149 376	76%	68 175	40%
SANITATION (BELOW MIN LEVEL)							
Pit toilet without ventilation	Pit toilet	28 594	15%	29 559	6%	66 984	40%
Bucket toilet	Bucket toilet	770	0%	1 049	0%	840	0%
Other toilet provision (below min. service level)	Other	0	0%	4 778	0%	8 631	5%
No toilet provisions	No services	15 623	8%	11 217	6%	24 627	15%
Sub-Total: Below Minimum Service Level		44 987	23%	46 603	24%	101 082	60%
Total number of households		195 363	100%	195 979	100%	169 257	100%

8.12. Water Services Infrastructure Management (Infrastructure)

8.12.1. Extent of water and sanitation network

Alfred Nzo District Municipality is responsible for the operation and maintenance of all the water and sewerage infrastructure summarised in tables below **according to Alfred Nzo District Municipality's infrastructure asset register (iAR) 2016/17.**

Extent of water infrastructure – fixed point assets

Asset/Component Type	Approximate Extent	Unit
Boreholes	203	№
Bulk Mains	1 306 800	m

Distribution Network	2 931 023	m
Water Pump Stations	42	No
Springs and weirs	178	No
Storage – Water reservoirs, dams and tanks	768	No
Water purification	8	No

Source: ANDM Infrastructure Asset Register 2016/17

Extent of sanitation infrastructure – fixed point assets

Asset/Component Type	Approximate Extent	Unit
Bulk Sewers	1 67 985	m
Sanitation pump stations	6	No
Sewer Reticulation	7 324	m
Waste water purification	4	No

Source: ANDM Infrastructure Asset Register 2016/17

8.12.2. Value of the water and sanitation networks

The costs used in the calculations and reflected in the results for this section are based on the Current Replacement Cost (CRC). This total can be defined as the cost of replacing the service potential of an existing asset, by reference to some measure of capacity, with an appropriate modern equivalent asset. This cost includes the full cost of installation, contractor's P&G costs, design, construction supervision, and excludes VAT. These unit costs are based on Alfred Nzo's infrastructure asset register's unit rates used during cost estimation. The unit costs determined by this method are not and cannot be accurate, but are reasonable estimates.

The total replacement value of water and sanitation supply network as R 1.728 billion, and the current value at R 1.258 billion, as at 30 June 2016 according to Alfred Nzo District Municipality's iAR. The average percentage of current value/replacement value for all asset groups is about 67%, which indicates that approximately 33% of the infrastructure life has been consumed.

8.12.3. Expected renewals of the water and sanitation networks

Following is an analysis of the replacement value of assets within selected remaining useful life brackets for the potable water network. The value of each age bracket gives an indication of the extent of renewals required in that period for existing assets. The water and sanitation network's remaining useful life per asset group in terms of the replacement values. Provision of around R180 445 018, 34 will need to be made for the renewal of the Water services infrastructure assets over the next 15 years; this amounts to R12 029 667,89 per year for the next 15 years. Provision of around R15 070 624, 31 will need to be made for the renewal of the Water services infrastructure assets over the next 15 years; this amounts to R1 004 708, 29 per year for the next 15 years.

Approximately R66 235 883,06 or 3,83% of infrastructure has a remaining life of less than 5 years and this is dominated by the borehole and water supply reticulation systems with a replacement value of R20 947 663,82 and R12 758 850,91 respectively. This is an indication that borehole maintenance and pipe replacement programmes are required, however the figures were derived from asset register assessments as a desktop study and may not reflect the condition of the network in its entirety.

8.12.4. Matatiele Local Municipality

Matatiele Town Water Supply

The town of Matatiele in Alfred Nzo District is currently supplied with potable water by a water treatment works situated above the town. The town also receives water from 12 boreholes. There is new housing development known as Harry Gwala Park. It is supplied through 5 boreholes and it can also receive water from town water supply.

The water treatment works obtains raw water from two sources, namely the 'so-called' Mountain Dam and Mountain Lake.

The water treatment works has been recently upgraded to 10 M/day however, still running at 3 M/day.

In winter, the water level in the Mountain Dam use to drop dramatically due to the leak in the dam wall. The Municipality has since repaired the leak.

Matatiele Town Wastewater System

Sewage from the town is currently treated at a wastewater works on the outskirts of the town towards Maluti. The treatment works includes screens, activated sludge and sludge ponds. This plant was old and experiencing significant operational challenges due to broken equipment and machinery. However, the ANDM has recently refurbished the works and sewerage system in the town.

Maluti Town Water Supply

The town of Maluti is currently supplied with potable water by a water treatment works situated above the town. The water treatment works obtains raw water from the Belfort Dam through a gravity 18km pipeline that run pass 13 villages.

Water from the water treatment works is distributed under gravity to a network of domestic, commercial and institutional connections in the town. The boreholes located in pump directly into the main town storage reservoir.

The Municipality supply water to the military base through 150mm diameter AC pipe to 1Mℓ reservoir at the base. Water is pumped from 1Mℓ reservoir to high level reservoir. Water from high level reservoir is reticulated to the offices and barracks. The responsibility of the Department of Public Works (DPW) resume at the high level reservoir.

Maluti Town Wastewater System

In the past the Maluti Town was served through on-site septic tanks. The Municipality has since constructed water borne system. However, there are still some parts of the town and township that are outside the serviced area that still uses septic tanks. The sewage from water borne system and septic tanks is disposed to the existing two oxidation ponds.

Cedarville Water Supply

The town of Cedarville is currently supplied with potable water from four boreholes located within the town.

Cedarville Wastewater Treatment System

In the past the Cedarville Town was served through on-site septic tanks. The Municipality has since constructed water borne system. However, there are still some parts of the town that are outside the serviced area that still uses septic tanks. The sewage from the water borne system and septic tanks is disposed to the existing six oxidation ponds.

Standalone Rural Water Schemes in Matatiele

In addition to the larger schemes, there are numerous standalone water schemes serving other rural communities in Matatiele. A number of these schemes are fed with water by diesel-driven pumps; although a large number are also fed under gravity from springs and streams in the mountains. Rural operators are employed on a part-time basis and paid a monthly allowance.

Rural Sanitation in Matatiele

As illustrated by the Community Survey 2016 data, 25% of rural residents in Alfred Nzo District Municipality lack adequate sanitation infrastructure.

8.12.5. Mbizana Local Municipality

Overview

Water infrastructure in Mbizana is dominated by a substantial regional water supply scheme that supplies communities from Ludeke dam that has been recent constructed from Ludeke River. There is about 20 standalone water schemes that serves other communities within Mbizana LM.

Ludeke Dam has a capacity to supply an expanded regional scheme covering the whole of Mbizana Municipality.

The Ludeke Dam supply raw water through a pumping main to the new 10.5Mℓ/day Nomlacu Water Treatment Works which supply to Mbizana Town and, eventually will supply most of the communities in the municipality. Nomlacu WTP is designed in such a way that it could be easily augmented to 20Mℓ/day so that it can cater future demands. However the plant will need to be upgraded to 33Mℓ/day to meet the water requirements of the entire Mbizana LM.

Standalone Water Schemes in Mbizana

There are approximately 34 standalone water schemes serving other communities in Mbizana. The majority of schemes are fed with water by diesel-driven pumps. Rural Operators are employed on a part-time basis to assist in operation of the schemes.

Mbizana Wastewater Treatment Works

The Mbizana Wastewater Treatment Works consists of a concrete lined pond. Effluent from septic tanks is supposed to be deposited directly down concrete channels into the pond. The Municipality has upgraded the existing leaking oxidation pond.

The town of Bizana is served by a variety of septic tanks, pit latrines and conservancy tanks. Both septic tanks and conservancy tanks serve the CBD area, but the majority of residents in Bizana use septic tanks.

Rural Sanitation in Mbizana

As illustrated in the 2016 Starts SA Community Survey data in Bizana LM there approximately 48,058 household provided with VIP toilets and approximately 12,602 still lack adequate sanitation infrastructure.

8.12.5 Ntabankulu Local Municipality

Ntabankulu Town Water Supply

Ntabankulu Town Water Supply Scheme receives water from two sources, namely three boreholes and the Ntabankulu Forest Dam.

Treatment at the Ntabankulu Water Treatment Works is achieved through dosing the raw water with aluminium sulphate ("alum"), water clarification in an up-flow clarifier, filtration in an enclosed vertical, self-backwashing, filter and disinfection with HTH tablets.

Standalone Water Schemes in Ntabankulu

There are approximately 50 standalone water schemes. The majority of schemes are fed with water by electrical and diesel-driven pumps. A particular challenge in Ntabankulu is that the steep valleys mean that considerable pumping is required to bring water to the people. An example is the Dambeni Water Supply Scheme (funded by the Japanese Government), where multi-stage pumping using electrical pumps is required.

Ntabankulu Wastewater Treatment Works

The sewage treatment system at the Ntabankulu Wastewater Treatment Works is two oxidation ponds with a small septic tanker off-loading facility. There is no evidence of a discharge point. However sludge from the septic and conservancy tanks in the Central Business District is apparently often dumped at an illegal disposal site.

The Municipality has recently constructed waterborne system that disposes to the two oxidation ponds.

In addition to the town wastewater treatment works, Ntabankulu Prison in the town also has a wastewater treatment facility consisting of six ponds connected in series to receive sewage from the prison.

Rural Sanitation in Ntabankulu

As illustrated in the 2016 Starts SA Community Survey data in Bizana LM there approximately 19,287 household provided with VIP toilets and approximately 6,274 still lack adequate sanitation infrastructure.

8.12.6 Umzimvubu Local Municipality

Mount Ayliff Town Water Supply

The town of Mount Ayliff is currently supplied with potable water from a water treatment works situated above the town. This water treatment works obtains raw water from three sources, namely a pumped water supply from the Mzintlava River, new Sikroqobeni Weirs and a weir that captures spring water from the valley above the works.

Mount Frere Wastewater Treatment System

Sewage from Mount Frere is currently treated at a wastewater works on the outskirts of the town. The treatment works includes screens, activated sludge and sludge ponds and treats approximately 0.36 M³/day of sewage.

Standalone Rural Water Schemes in Umzimvubu

In addition to the larger schemes, there are numerous standalone water schemes serving other rural communities in Umzimvubu. A number of these schemes are fed with water by electrical and diesel-driven pumps; although a large number are also fed under gravity from springs and streams in the mountains. Rural operators are employed on a part-time basis and paid a monthly allowance.

Rural Sanitation in Umzimvubu

As illustrated in the 2016 Starts SA Community Survey data in Bizana LM there approximately 19,287 household provided with VIP toilets and approximately 6,274 still lack adequate sanitation infrastructure

9. Water Resources

9.1. Groundwater

Although it is estimated that significant quantities of groundwater could be abstracted in the area, the actual use of groundwater is relatively small. This is mainly attributed to the generally well-watered nature of the area and the wide occurrence of perennial surface streams, which reduces the need for groundwater abstraction for which quality might be expensive to treat to the required standards.

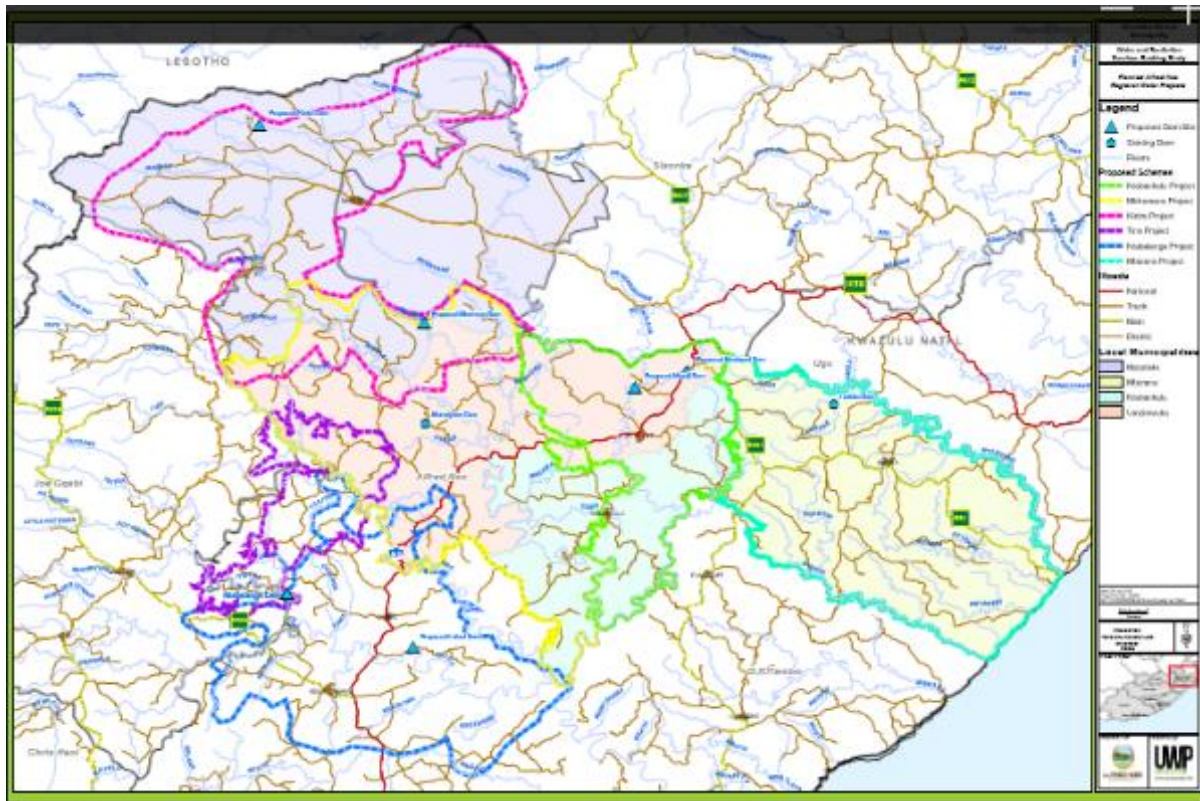
9.2. Surface water

The studies (WSDP) that have been undertaken within the municipalities that form part of Alfred Nzo, indicates that that the area has a substantial fair amount of water resources but the challenge is the development and maintenance of water infrastructure. One of the main surface water sources is Mzimvubu River Catchment (with its main tributaries i.e. Tsitsa, Tina and Mzintlava Rivers). This river is considered to be one of the largest but undeveloped rivers in South Africa.

There are also three dams (Belfort, Mountainous and Town Dam) and seven weirs which are located within Matatiele Municipal Area. The surface water sources that are found in Umzimvubu Municipal Area include Mzintlava River, Perennial Mountain Stream, one weir and Ntenetyana Dam. There is also a dam in Mbizana (Bizana Dam) with an effective storage capacity of 1 67 000 m³. Based on the WSDP, the Nomlacu Water Purification Works is under construction in five phases to purify the Bizana Dam Water as well as the additional future supply from the Ludeke weir.

9.3. Future water requirements for ANDM

The Map below prepared by UWP summarised the possible bulk water systems to serve the entire ANDM. The summary of each scheme is as provided below:



The District has appointed three consortia namely GIBB, Knight Piesold and UWP for long term Water Resource Planning for the Umzimvubu and Ntabankulu area. Their scope include Mount Frere, Mount Ayliff and Ntabankulu Supply Zone. The projected future water demands are as summarised in the table below:

Proposed Regional Scheme	Design Demand for 2043 (MI/day)
Mount Frere Supply Zone	19.53
Mount Ayliff Supply Zone	13.00
Ntabankulu Supply Zone	11.35
Total Ntabankulu and Umzimvubu Supply Area	43.88

9.4. Umzimvubu: Mount Ayliff Supply Area

This proposed regional scheme covers the eastern portion of Umzimvubu Local Municipality. The focus are to be served by the scheme is the Mount Ayliff and the communities along the N2. The water demand for the study area amounts to 4.73 million m³/a.

Different alternatives were considered during the investigation and the following dam sites were identified:

Sirhoqobeni

Nkanji and

Mvalweni

The Nkanji dam site was considered by abstracting water from Mzintlava River. In consideration of the range of abstraction rates and range of dam heights. It was confirmed that Nkanji dam at height of 40m with a continuous abstraction rate of 0.1m³/s can meet the projected demand of 4.73 million m³/a.

However in the consideration additional of water requirements for Ntabankulu Water Supply area then a 40m high dam with an abstraction of 0.3m³/s would be required. Alternatively a 60m high dam with an abstraction of 0.2 m³/s would be required to meet the demand.

9.5. Umzimvubu: Mount Frere Area

According to the Greater Ntabankulu Regional Water Supply RBIG Long Term Planning Report REV 6 prepared by UWP, Camdekon and Asande Projects the water requirements for Mount Frere and surroundings will be addressed as follows:

The envisaged raw water requirements from the Mkhemane dam to services the Mt Frere region assuming full development of the planned extensions to the Ntenatyan Dam system, and excluding possible supplies to the Ntabankulu region amount to 2.12 Mm³/a or 5.8 MI/day.

Alternatively should only partial development of the Ntenetyana system take place, comprising of the planned 5 meter raising to the dam, but excluding the planned ROR off-take from the Kinira river, then Ntenetayna dam system will deliver a reduced yield of 2.15Mm³/a or 5.9 MI/day to the Mt Frere growth node only.

The Mkhemane dam will then be required to deliver additional supplies to supply zones with the total raw water requirement amounting to 4.98Mm³/a or 13.63 MI/day.

9.6. Matatiele: Bulk water Long-term Planning

According to the Matatiele LM Bulk Water Long-Term Planning Scoping Report prepared by Consortium (Sektor Consulting Engineers (Pty)Ltd, Aurecon South Africa (Pty)Ltd and Monde Consulting Engineers & Project Managers) the future water requirements for Matatiele LM are as described below.

This planning does not only focus on the Matatiele Town growth node, but focuses on the provision of bulk water to the entire Matatiele LM (which includes the Matatiele Town growth node, Maluti and Cedarville).

The current water supply infrastructure is therefore only able to address approximately 38,7% of the current water demand and only 31,5% of the projected future water demands of the area

covered by the reach of the proposed regional scheme. The resultant water deficits are therefore quite substantial.

It is to be noted that, even with the proposed wellfield development operating at full capacity and including all current water sources, there will still be a current water demand deficit of approximately 5 455 m³/day (27%) and a projected future water demand deficit of 10 026 m³/day (41%). A more sustainable bulk water source/supply is therefore essential.

In the above said report it is recommended that the development option should include the development of the proposed Kinira River Dam as primary bulk water source with the wellfields as interim and supplementary water source.

10. Water Services Projects

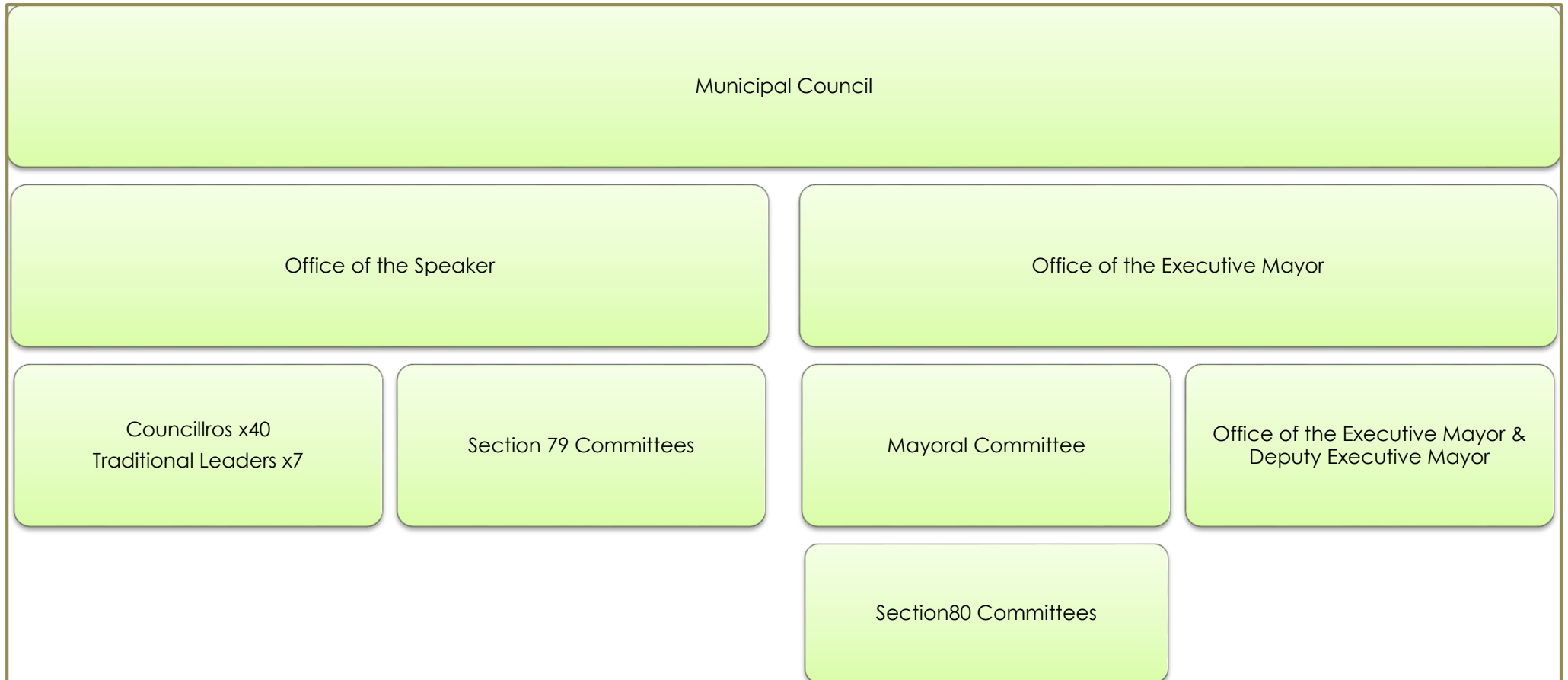
The table below outlines the allocation summary for water services projects which are funded for implementation within the next five years (FY2017/18 to 2021/22.).

Summary funding allocation for water services projects

Project Main Category	Year 1 (2017/18)	Year 2 (2018/2019)	Year 3 (2019/2020)	Year 4 (2020/2021)	Year 5 (2021/2022)	Grand Totals
Total: Combined Water & Sanitation Projects	554 967 541	706 205 736	638 792 195	685 916 176	597 744 546	3 183 626 194

**Annexure 4 Organisational Structure
adopted on the 31st of May 2018**

POLITICAL STRUCTURE

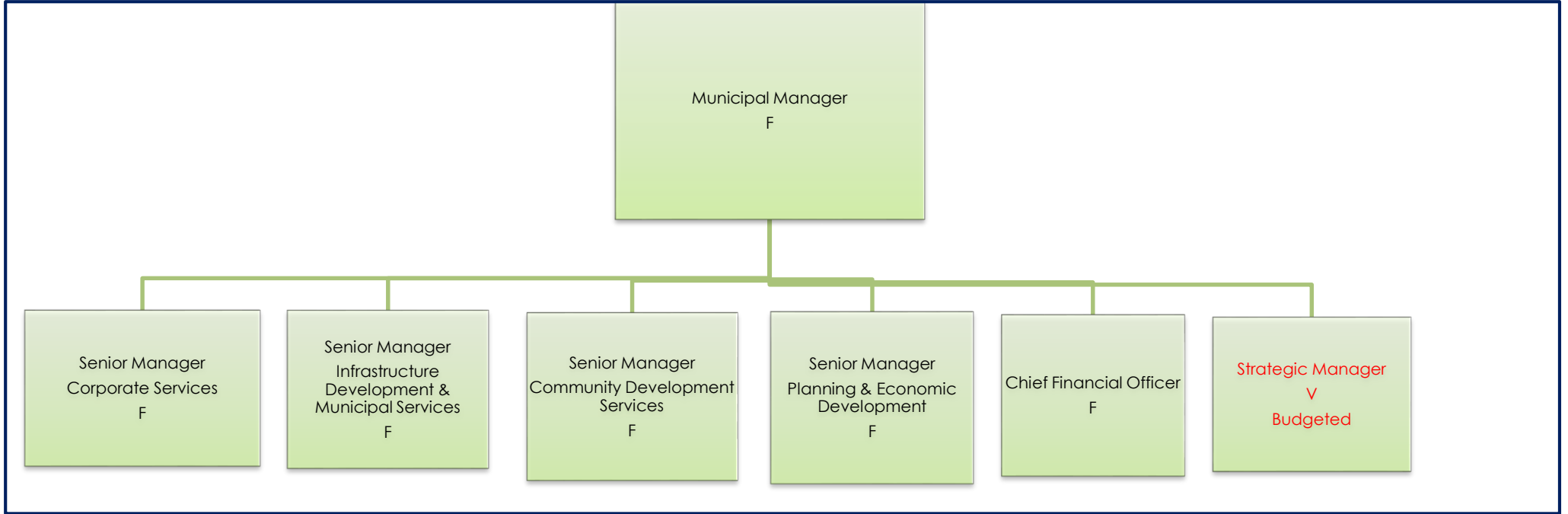


PURPOSE & FUNCTIONS

Office	Purpose	Function	Committees
Office of the Executive Mayor	To promote council legislative authority and oversight over executive	<ol style="list-style-type: none"> 1. Presides over meetings of council 2. Assumes responsibilities for the legislative functions of Council 3. ensures that council meetings are conducted in accordance with the rules and order 4. ensure that council conducts its business in a transparent manner 	<p>S79 COMMITTEES</p> <ol style="list-style-type: none"> 1. Municipal Public Accounts 2. Rules and ethics 3. Petitions and public Participation 4. information Communication Technology Oversight committee 5. Remuneration Committee 6. Audit Committee
	To promote the integrated sustainable socio-economic development and political stability	<ol style="list-style-type: none"> 1. presides over Mayoral committee meetings 2. perform ceremonial functions 3. Performs delegated function by the council 4. provide political guideline, IDP/Budget/SDBIP and annual performance of S56 manager and financial matters of the municipality 5. submission of statutory reports to council 6. responsible for political supervision of the administration 	<p>S80 COMMITTEES</p> <ol style="list-style-type: none"> 1. Budget and Treasury 2. Infrastructure Development and municipal services 3. Corporate Services 4. Community Development Services 5. Economic Development Planning and intergovernmental services 6. special programmes and communications
	To promote the district-wide service delivery efficiency and effectiveness	<ol style="list-style-type: none"> 1. Political functionary placed to ensure that council interest are carried out by councillors 2. advise councillors on important issues on council agenda and party to party caucuses 3. Advise speaker in what order the important issues should be dealt with in the council 4. ensures that meeting procedures are properly followed 5. advises on quotation and sitting of council meetings and committee 6. Promotes and maintains positive party to party relations and deployment to council committees. 	

2. ADMINISTRATIVE STRUCTURE

2.1 STRUCTURE



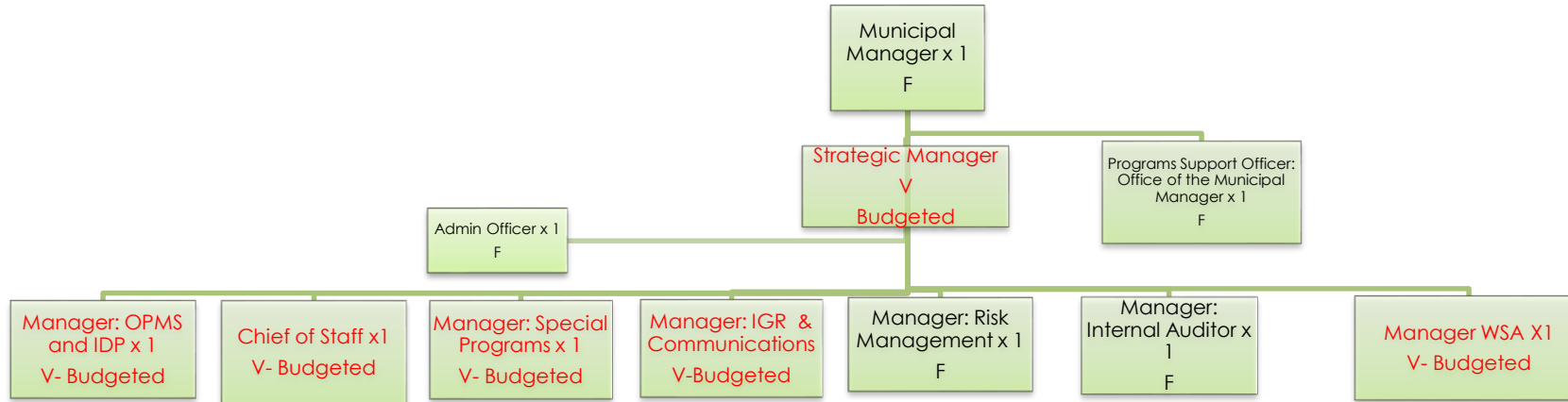
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
07	06	01

FUNCTIONS

Department	Function
Office of the Municipal Manager	1. Overall Municipal Administration
Corporate Services	<ol style="list-style-type: none"> 1. Ensures Compliance with laws and agreements 2. Provides legal support and advise 3. Provide support programs to the communities in need i.e. Bursary; Experiential Training; and Internship programs 4. Ensure organisational development through Training and developments for municipal personnel 5. Provide skills development program 6. Responsible for Recruitment 7. Manages condition of services 8. Manages Payroll and Benefits 9. Responsible for Fully function of Job evaluation 10. Responsible for implementation for Performance management system 11. Responsible for employees wellbeing; health and safety 12. Responsible for Employees relations 13. Manages Municipal Administration 14. Manages institutional memory (Records) 15. Manage Cleaning of Municipal Facilities 16. Provides Information Communication Technology 17. Administers Municipal technological systems 18. Manages security access (for safety of employees) 19. Remuneration of employees and councillors 20. Responsible for implementation of Employment Equity
Infrastructure Development & Municipal Services	<ol style="list-style-type: none"> 1. Responsible for supply of water services 2. Responsible for supply of Electricity Services 3. Manages Sanitation 4. Manages Road Maintenance 5. Responsible for waste management 6. Responsible for Housing and Town Planning

Community Development Services	<ol style="list-style-type: none"> 1. Responsible for municipal Health services 2. Manages customer care 3. Manages Institutional and social development 4. Manages Sport Art and culture, Recreation, Heritage and Museum 5. Manages disaster and Risk Management 6. Manages Thusong Services Centre 7. Special program 8. Responsible for implementation for Indigent Policy
Planning & Economic Development	<ol style="list-style-type: none"> 1. Responsible for Agriculture 2. Responsible for forestry 3. Manages Geographical Institutional Spatial (GIS) system 4. Responsible for manufacturing and trade 5. Responsible for development of trade and business services
Budget & Treasury Office Chief Financial Officer	<ol style="list-style-type: none"> 1. Responsible for consolidation of financials 2. Manages leases 3. Manages Intangible and Heritage Assets 4. Ensure implementation of employee benefits 5. Collection of revenue 6. Manage Fruitless and wasteful expenditure 7. Manage Property plant and equipment 8. Long term receivable 9. Operating lease accruals 10. Manage government grants and subsidies 11. Manages financial disclosures
Strategic Management	<ol style="list-style-type: none"> 1. Manage/development/implementation; review of the IDP and OPMS 2. Manage/development/review of the vision and long term strategy and IGR 3. provide institutional legal support to Council; MAYCO 4. Manage the development; implementation/review of the institutional strategic transformation agenda. 5. Responsible for all functions that have a legislative mandate in the Office of the Executive Mayor i.e. SPU ; Communications and Strategic Services etc

1.1. OFFICE OF THE MUNICIPAL MANAGER

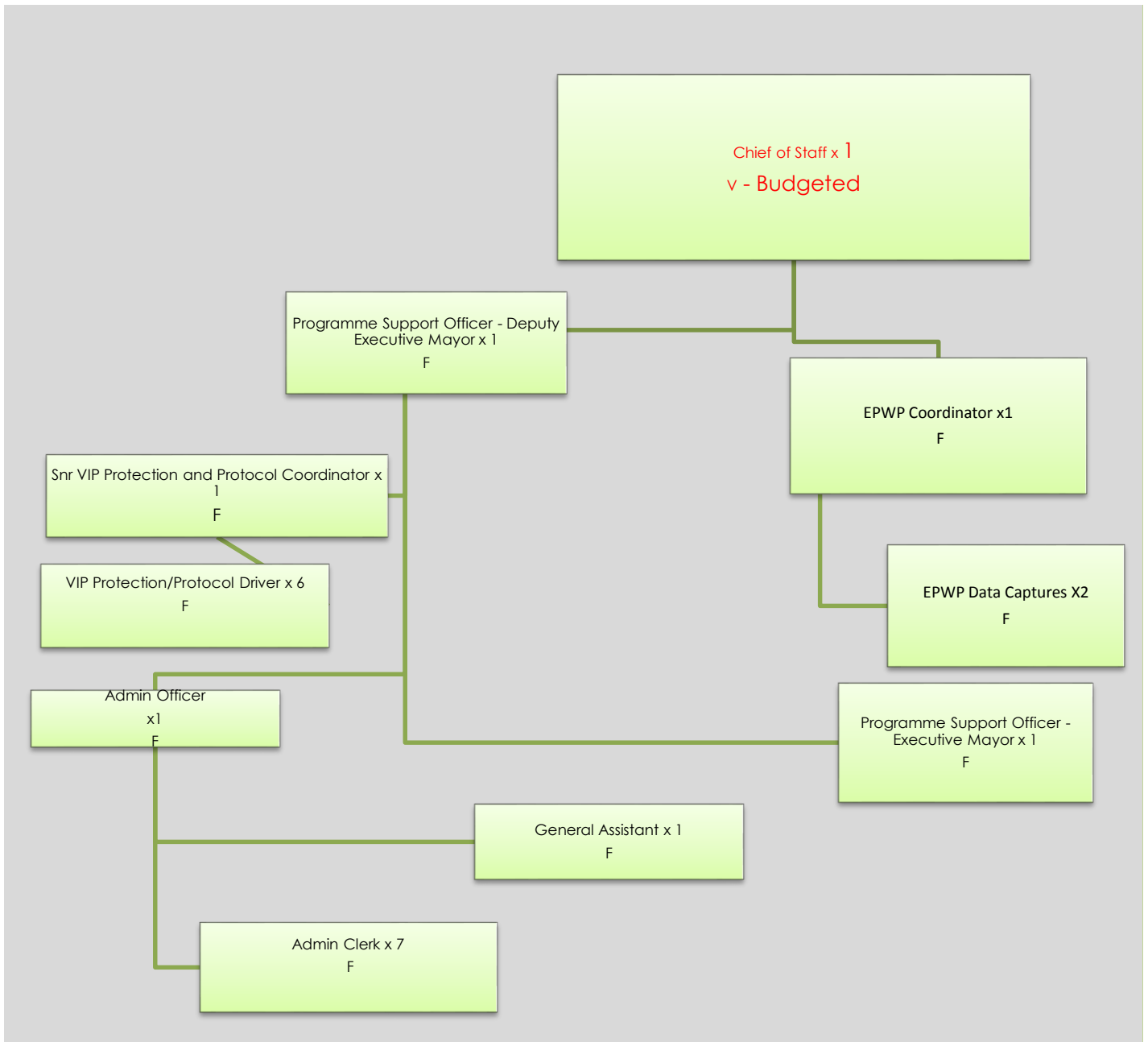


TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
11	05	06

Functions

Unit	Function
Office Of The Executive Mayor	<ol style="list-style-type: none"> 1. Manage/development/implementation; review of the IDP 2. Manage/development/review of the vision and long-term strategy 3. provide institutional legal support to Council; MAYCO 4. Manage the development; implementation/review of the institutional strategic transformation agenda. 5. Responsible for all functions that have a legislative mandate in the Office of the Executive Mayor i.e. SP ; Communications and Strategic Services etc. 6. Provide strategic direction and ensure implementation of programmes. 7. Projects and provide political support in the Office of the Executive Mayor 8. The management and coordination of programmes related to the children, disabled, aged, HIV & AIDS, gender, women & other projects 9. The management and coordination of activities related to the youth 10. plans/monitors media relations programs/publicity campaigns and the execution of specific instructions and application of laid down procedures with respect to communication 11. The provision of intergovernmental (IGR) relations services
Internal Audit	<ol style="list-style-type: none"> 1. Coordinate and controls processes and procedures associated with the formulation of the Municipality's risk based Audit Plan and Program. 2. The rendering of comprehensive or compliance, financial and operations and performance and fraud-risk review audits.
Office Of The Speaker	<ol style="list-style-type: none"> 1. Management of the Offices of the Speaker and all other Councillors 2. The coordination of the Speaker's projects.3The provision and promotion of community participation services. 2. Coordination of the programmes in the Office of the Chief Whip and provide administrative and political support
Risk Management	<ol style="list-style-type: none"> 1. Identifies broad risk & compliance strategy & define/implements/monitors short term plans/objectives. 2. manage key processes/procedural compliance/risk applications associated with the functionality and ensuring implementation of risk management frameworks form National Treasury
WSA	<ol style="list-style-type: none"> 1. Responsible for the development of WSDP 2. Responsible for water conservation and demand management 3. Responsible for feasibility studies development of all water service policies & development of all environmental plans 4. Enforcement of by-laws 5. Development of indigent register

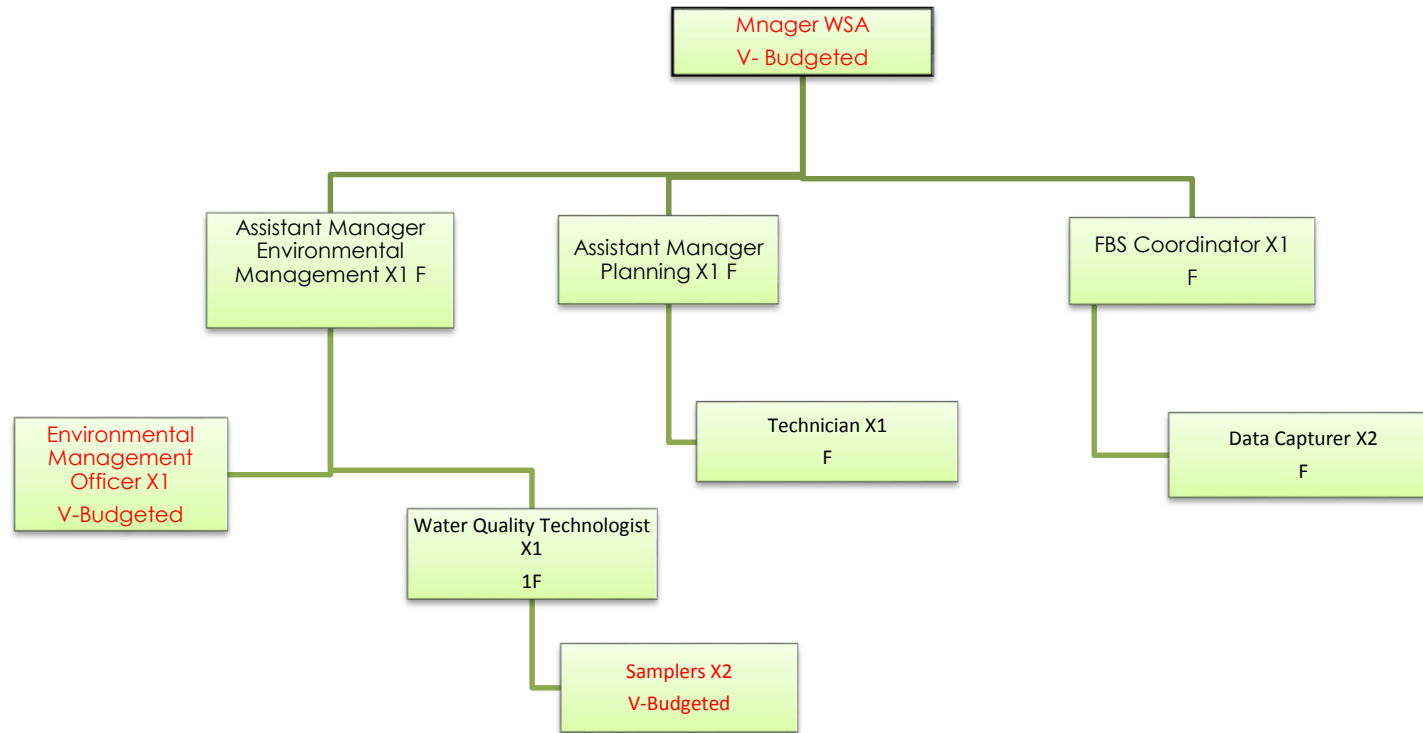
1.1.1. OFFICE OF THE EXECUTIVE MAYOR



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21	21	0

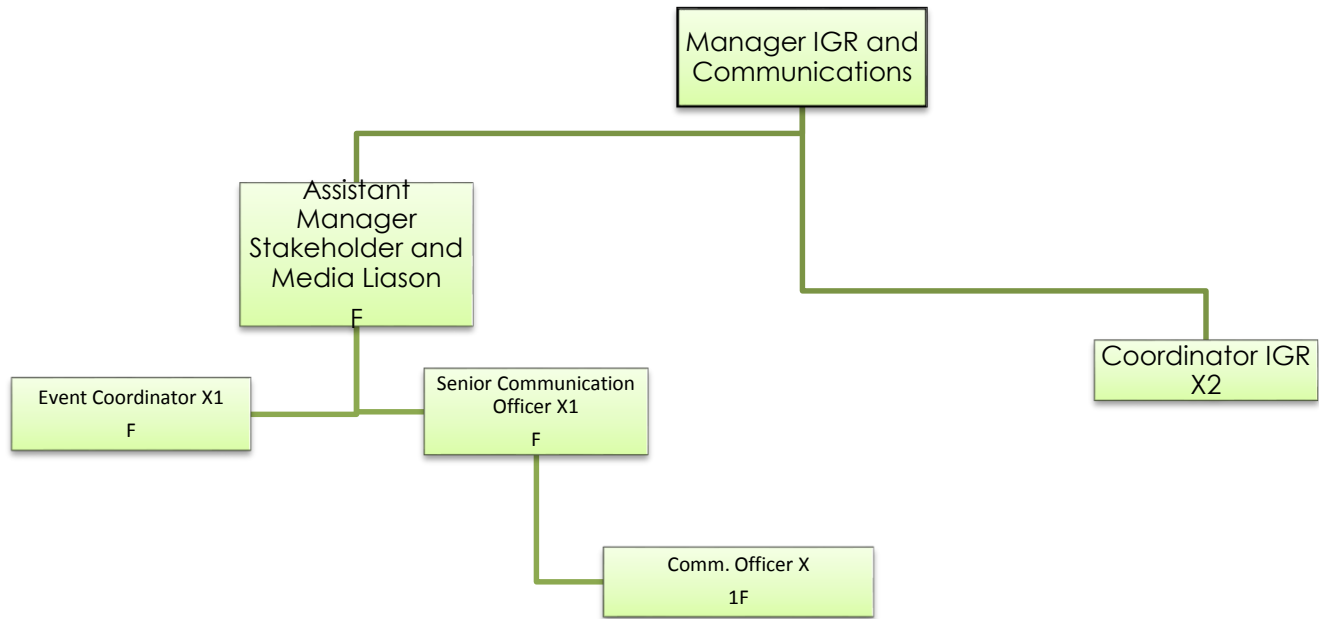
1.1.3. I MUNICIPAL MANAGER'S -WSA

MUNICIPAL MANAGER'S OFFICE – WSA



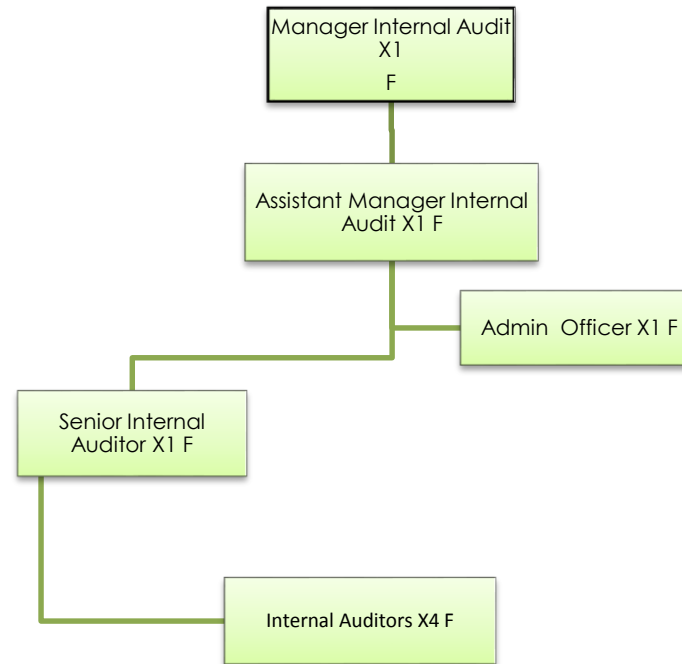
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10	07	03

MUNICIPAL MANAGER'S OFFICE – IGR AND COMMUNICATIONS



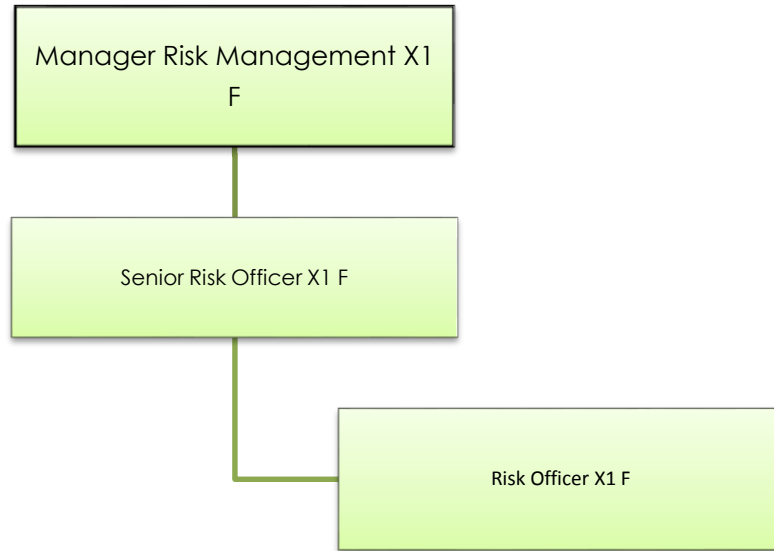
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06	06	0

MUNICIPAL MANAGER`S OFFICE-INTERNAL AUDIT



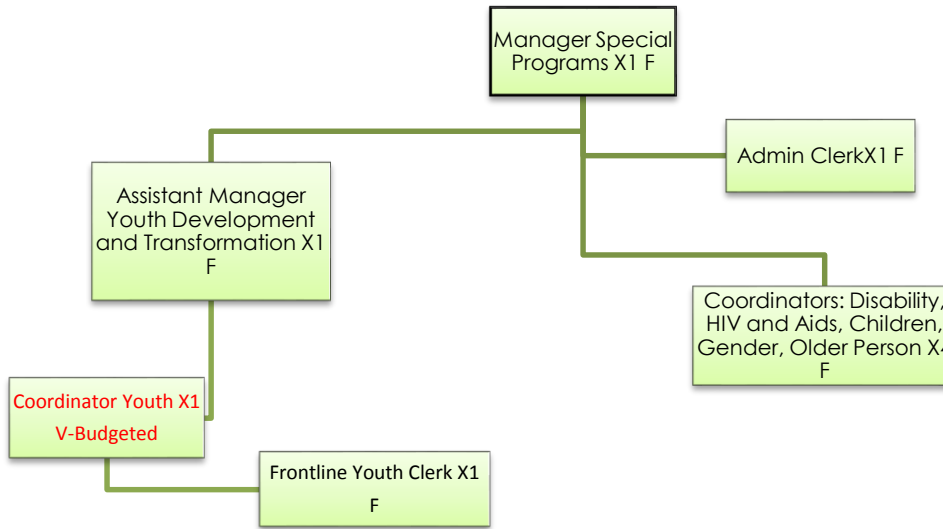
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07	07	0

MUNICIPAL MANAGER`S OFFICE : RISK MANAGEMENT



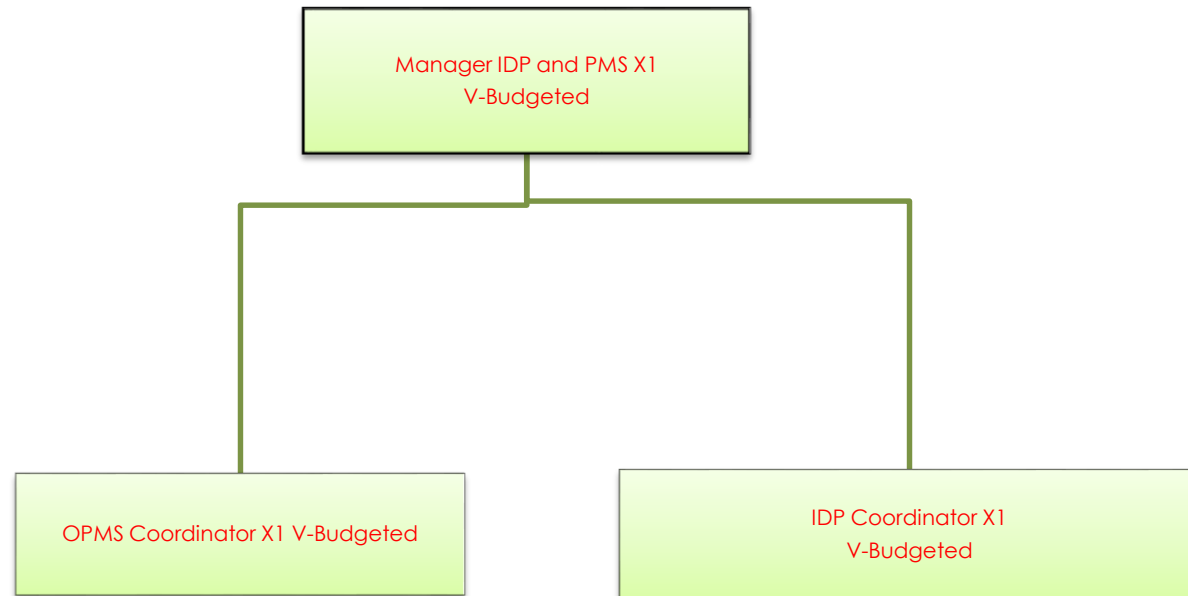
<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>
02	02	02

MUNICIPAL MANAGER'S OFFICE- SPECIAL PROGRAMS



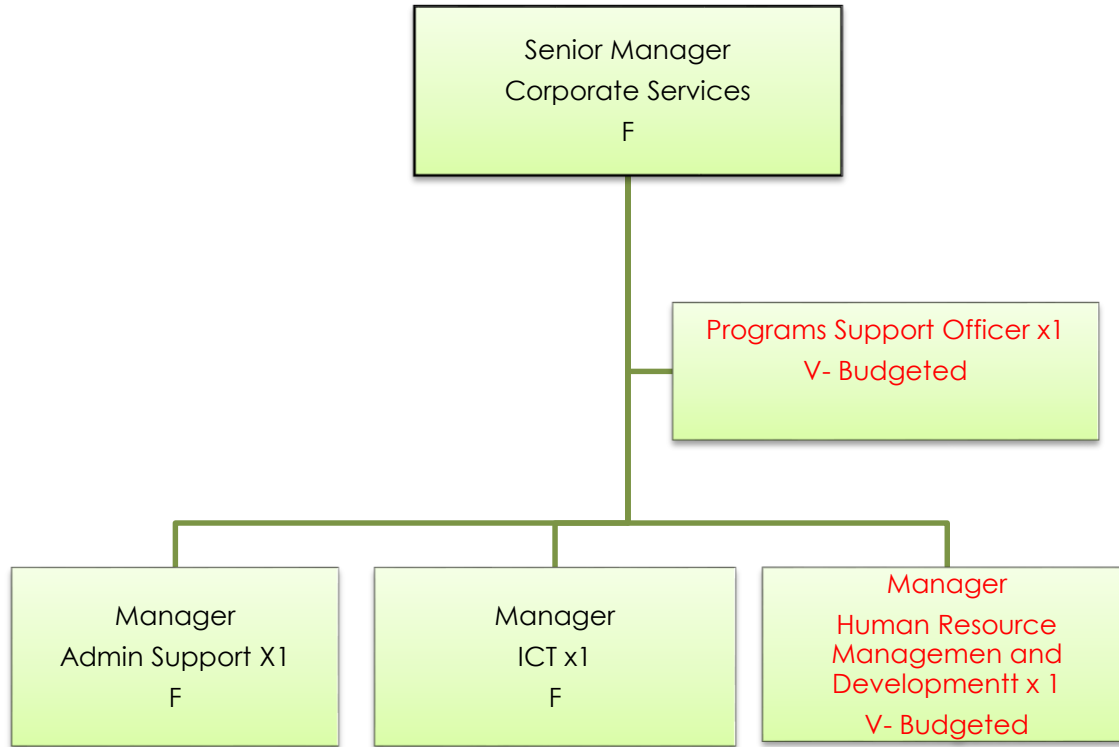
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
08	07	01

MUNICIPAL MANAGER'S OFFICE -MANAGER IDP AND PMS



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
03	0	03

CORPORATE SERVICES

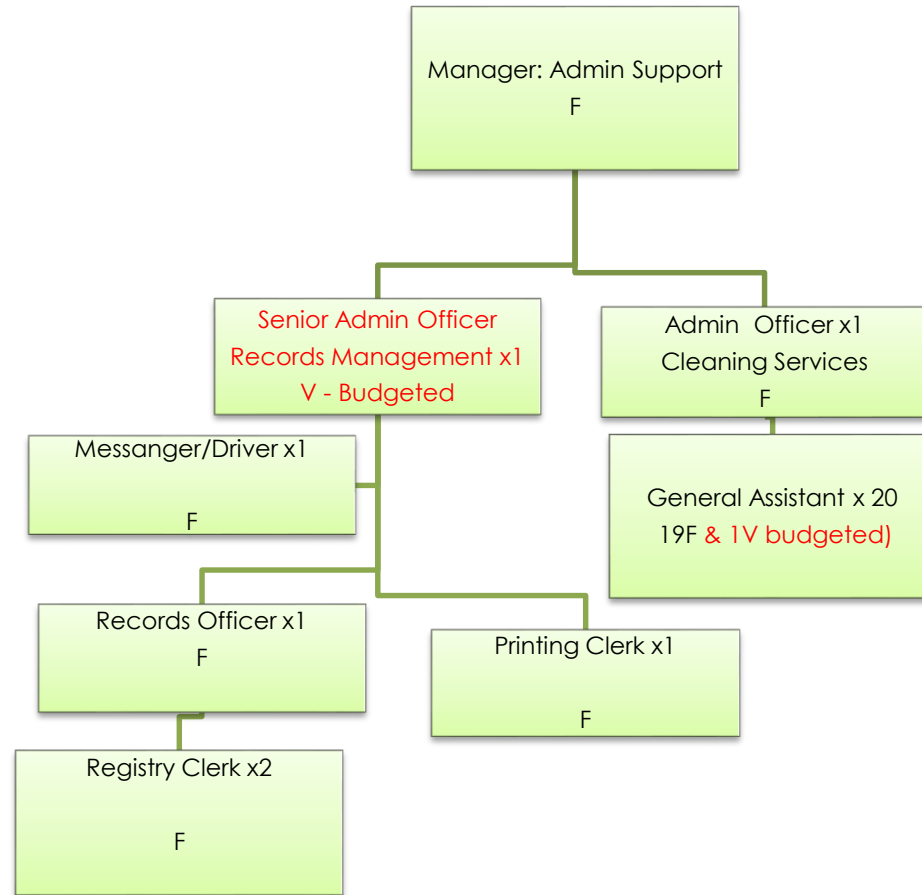


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05	03	02

FUNCTIONS

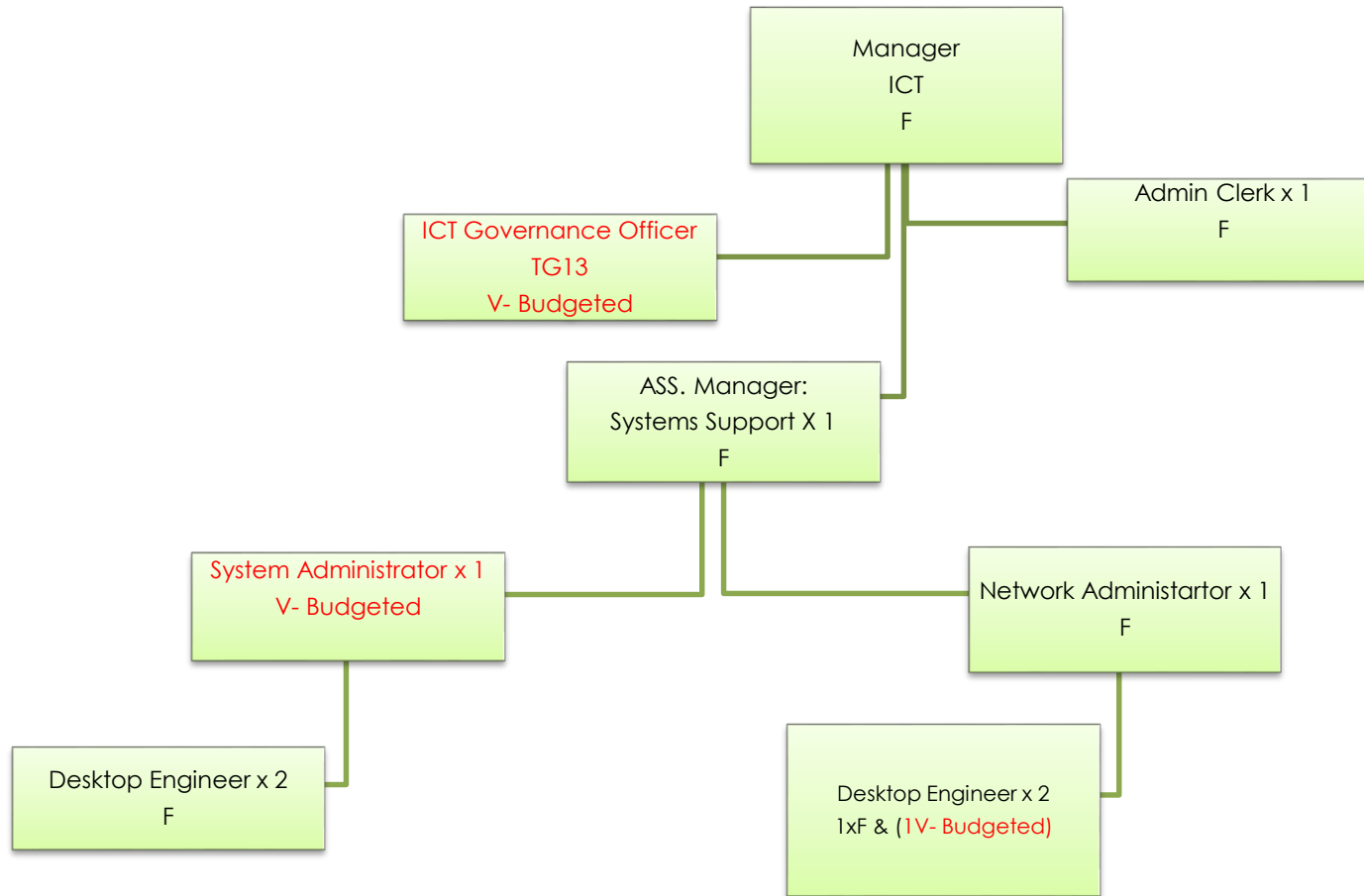
Unit	Function
Admin Support	<ol style="list-style-type: none"> 1. The provision of general administration services and records/document management 2.The provision of administration support 3. Cleaning and security services; facilities management
ICT	<ol style="list-style-type: none"> 1. The installation and configuration computer software 2.The provision of end-user support services 3.The provision of advice on system and hardware requirements 4.The management and maintenance of IT networks 5.The management of municipal data integrity and data analysis services 6.The development and maintenance of the municipal website
Human Resources Management & Development	<ol style="list-style-type: none"> 1. Provision of the Human Resources Transactional and practices services 2. Payroll administration and labour relations services 3. ensure compliance with legislation/relevant collective agreements/policies/procedures 4. Employee wellness/Performance Management /job evaluation 5. Human Resources Development

2.2.1. ADMIN SUPPORT



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
27	25	02

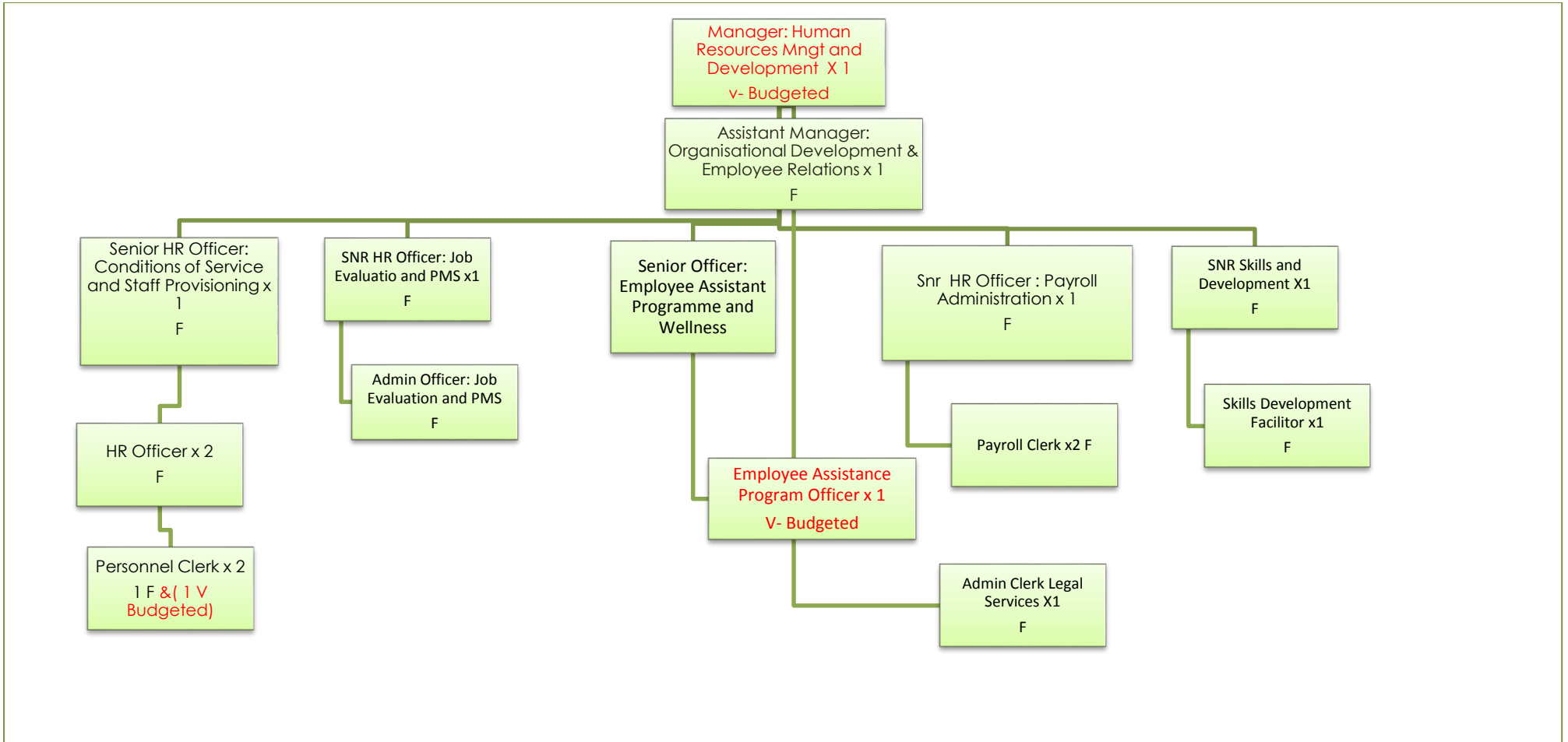
2.2.3. INFORMATION COMMUNICATION TECHNOLOGY



1.

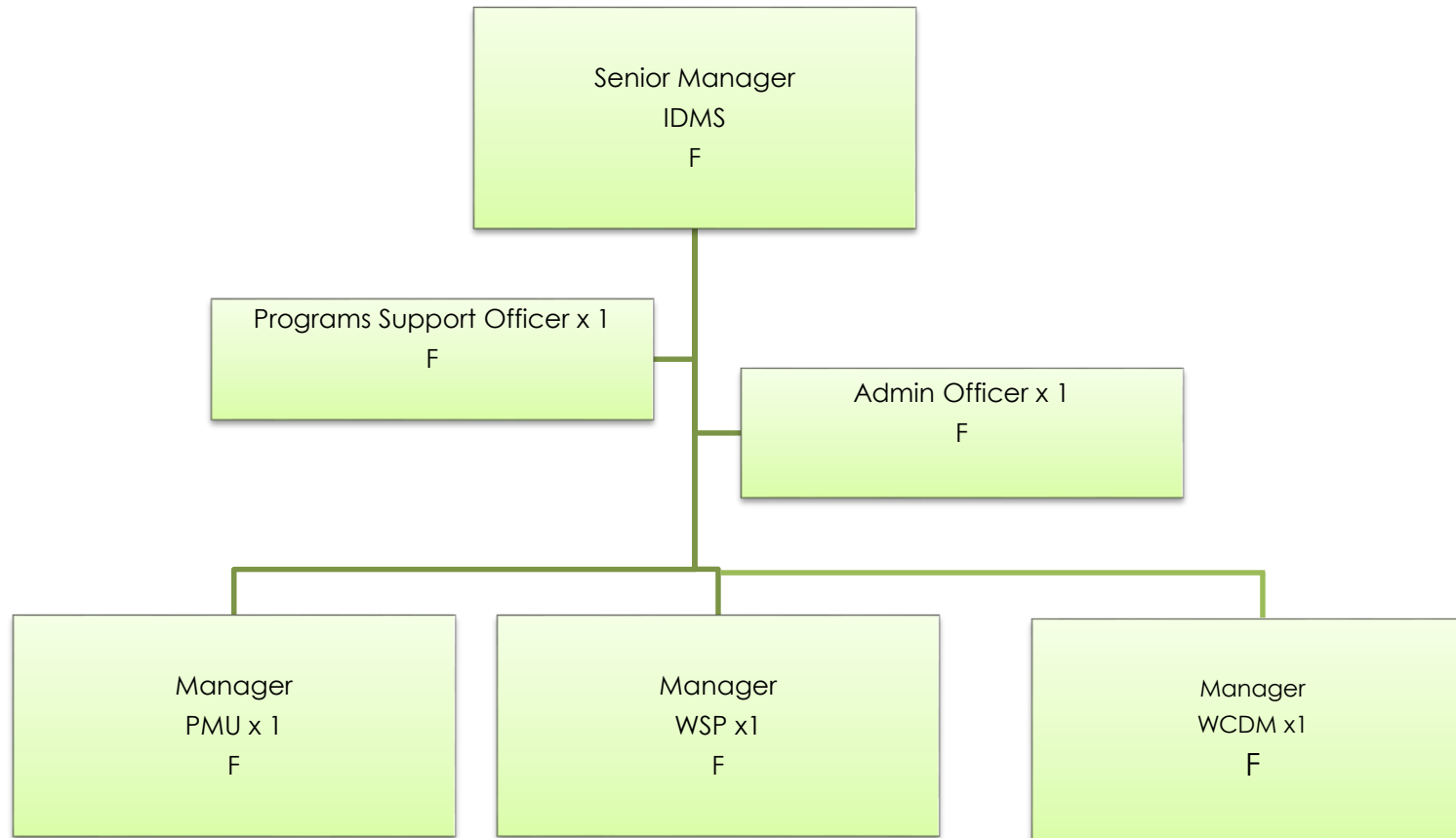
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
09	06	03

2.1.3. HUMAN RESOURCES MANAGEMENT & DEVELOPMENT



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
16	14	02

2.3. INFRASTRUCTURE DEVELOPMENT & MUNICIPAL SERVICES

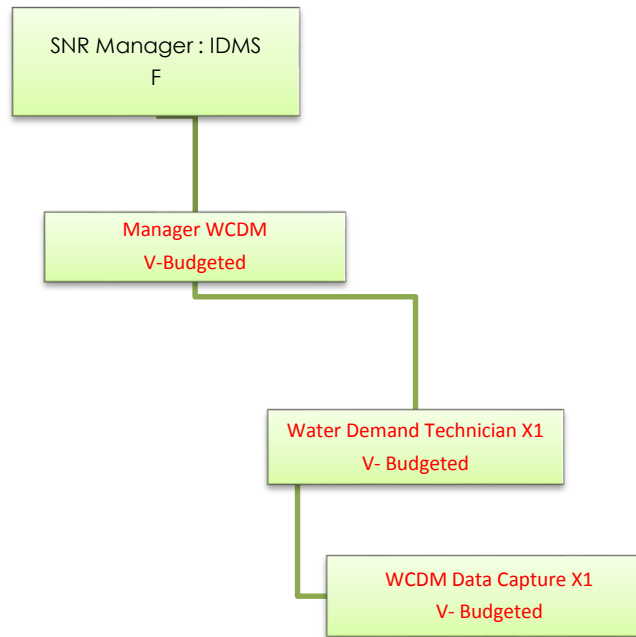


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06	06	0

FUNCTIONS

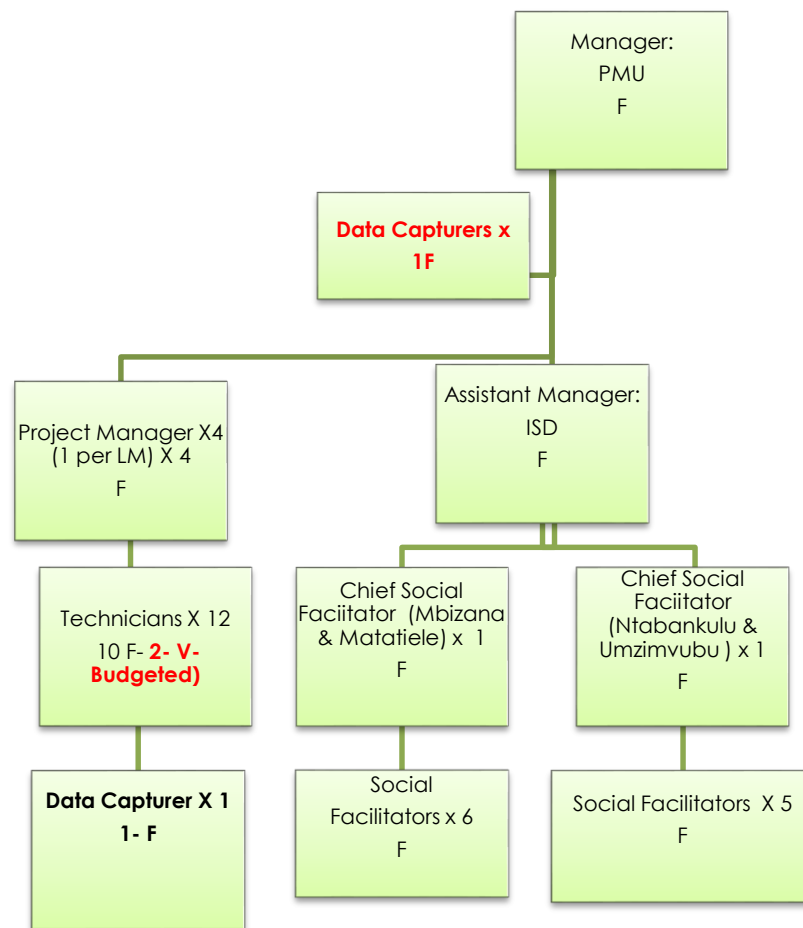
Unit	Function
PMU	<ol style="list-style-type: none"> 1. directs/controls outcomes associated with the PM Unit. 2. Controls the financial/administrative /information system requirements necessary for the coordination and control MIG funded projects and programmes
WSP	<ol style="list-style-type: none"> 1. Responsible for operations & maintenance of water services infrastructure. 2. Water & waste Water treatment. 3. Development of O and M Plans 4. Implementation of the WCDM strategy 5. Water quality management
WCDM	<ol style="list-style-type: none"> 1. Manage Water Conservation and Demand management in the District

2.3.1. WCDM



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
03	03	03

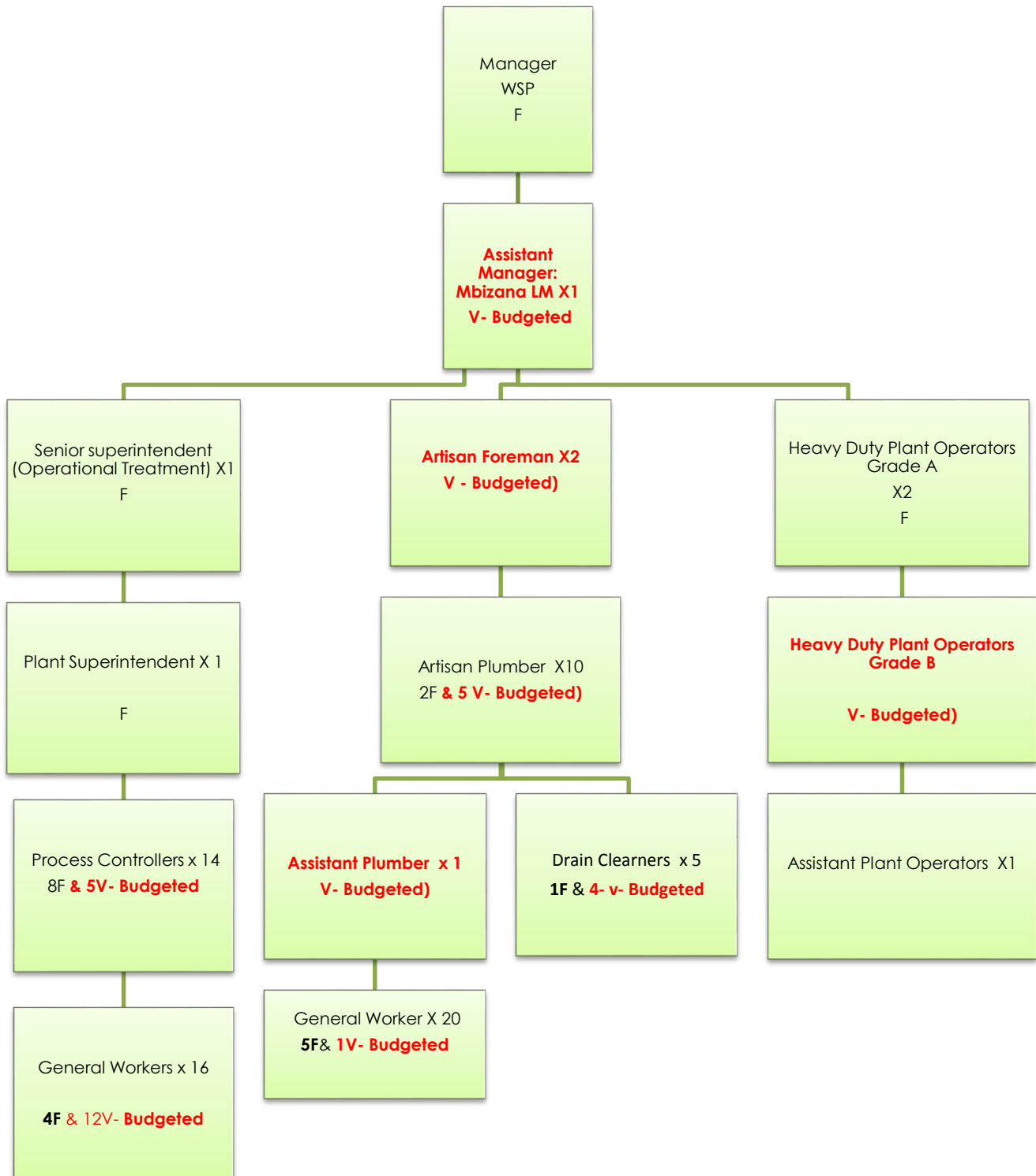
2.3.4. Project Management Unit



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
32	2	30

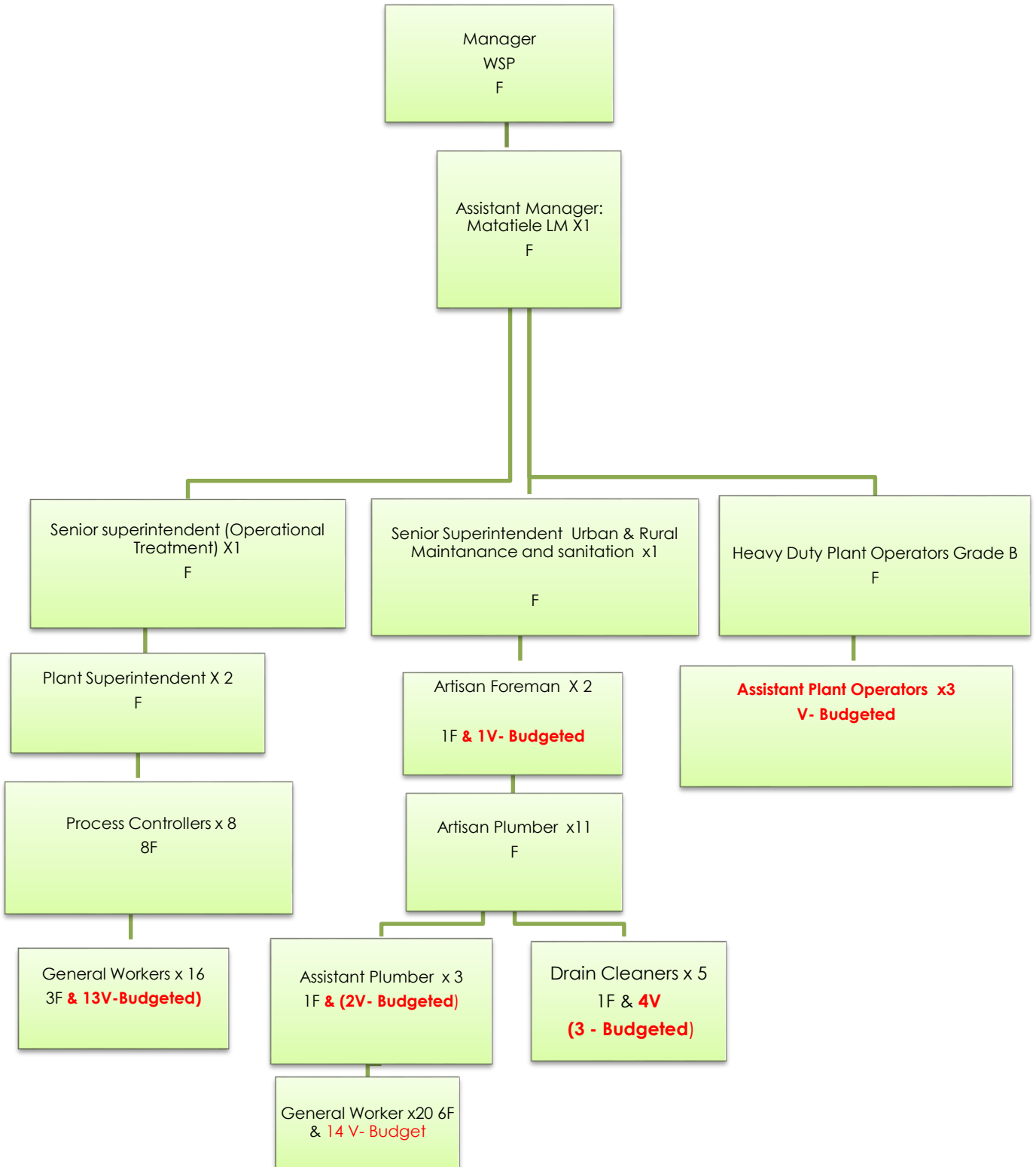
2.3.5. Water Services Provision

WSP MBIZANA

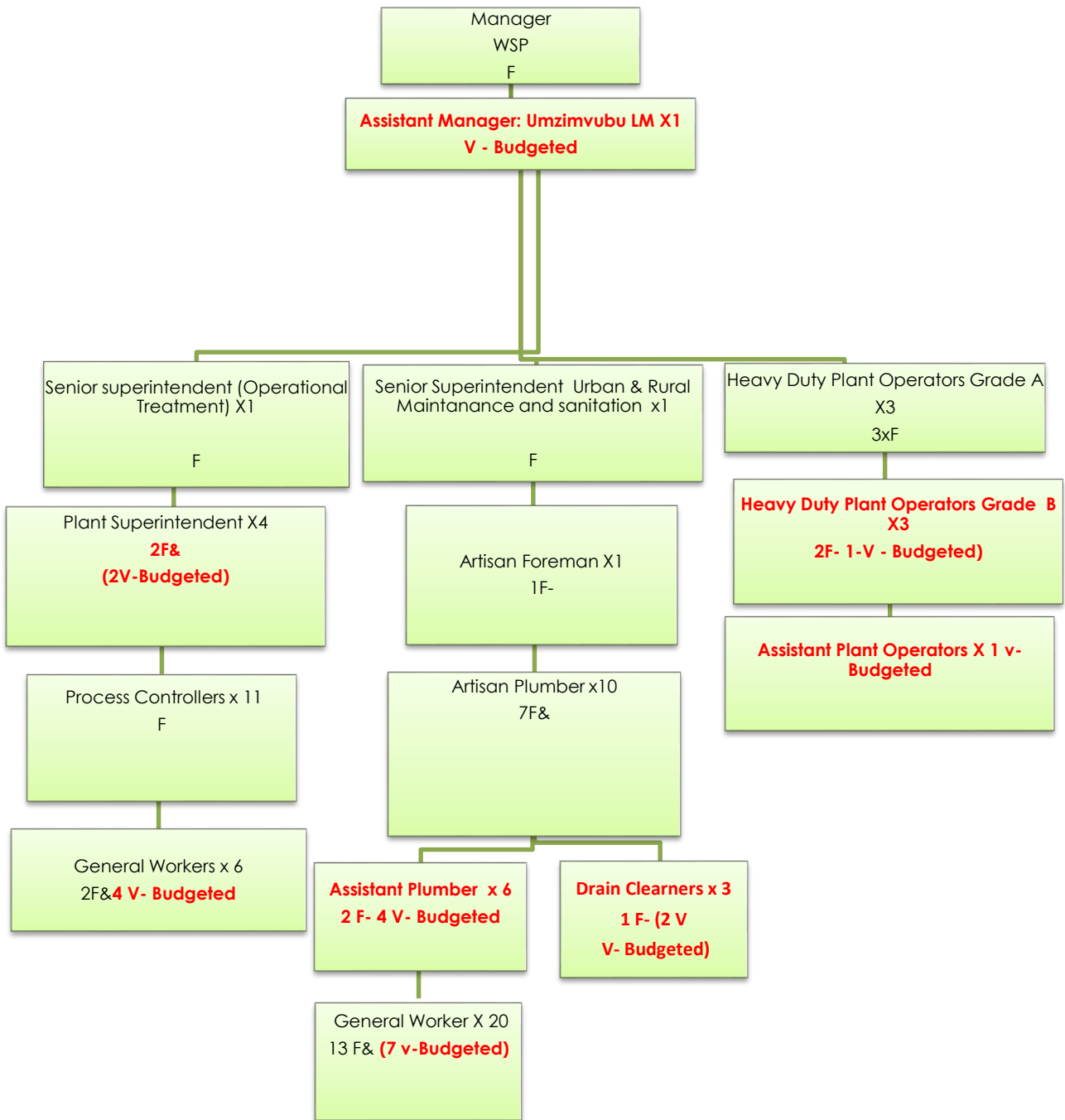


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58		32

WSP MATATIELE

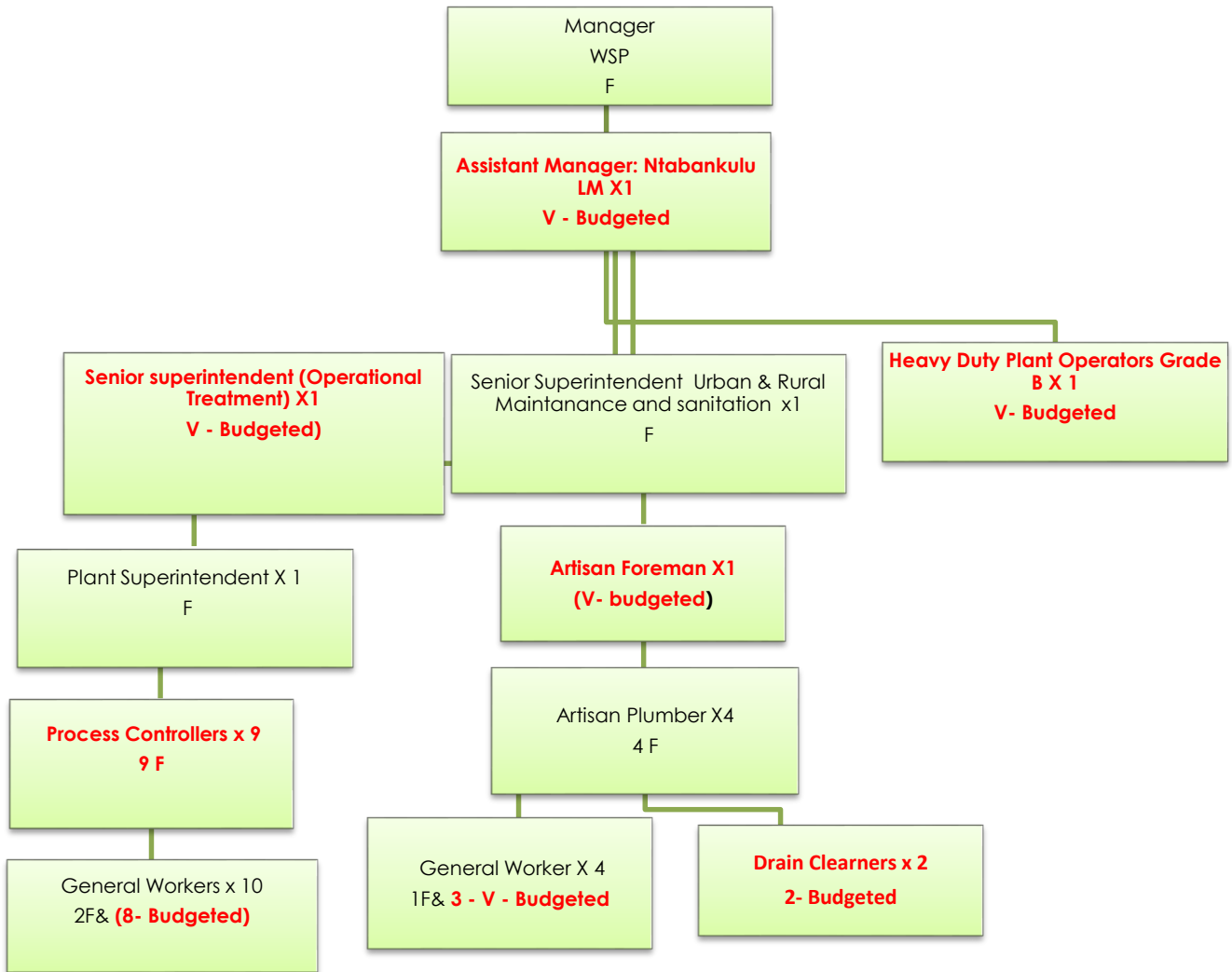


TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
73	37	36



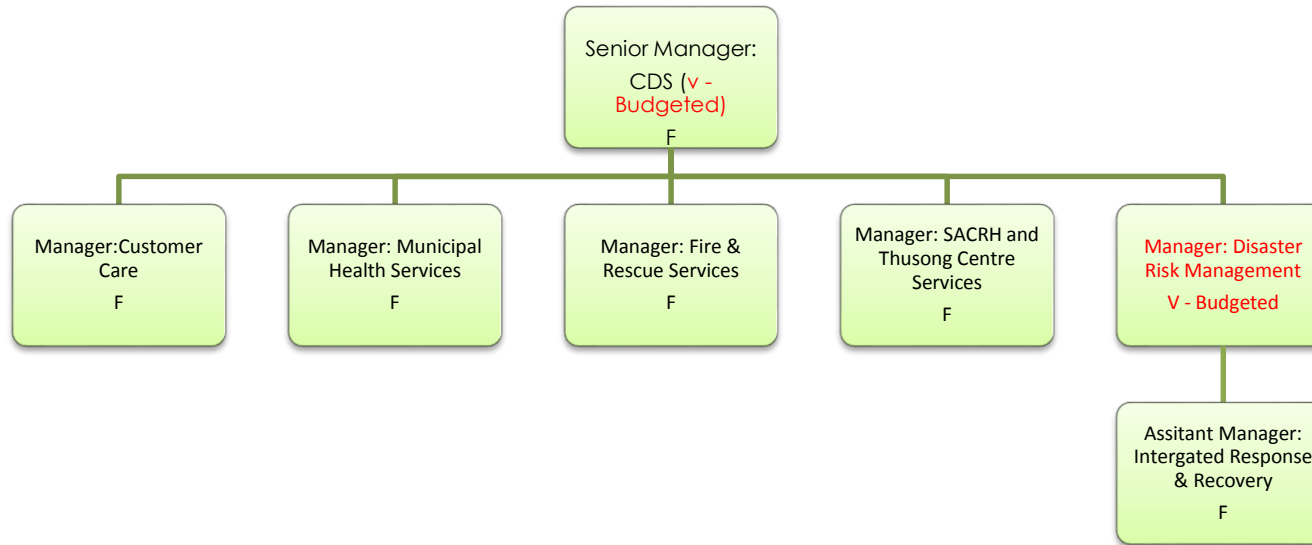
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
68	41	27

WSP NTABANKULU



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
35	09	26

2.4. COMMUNITY DEVELOPMENT SERVICES

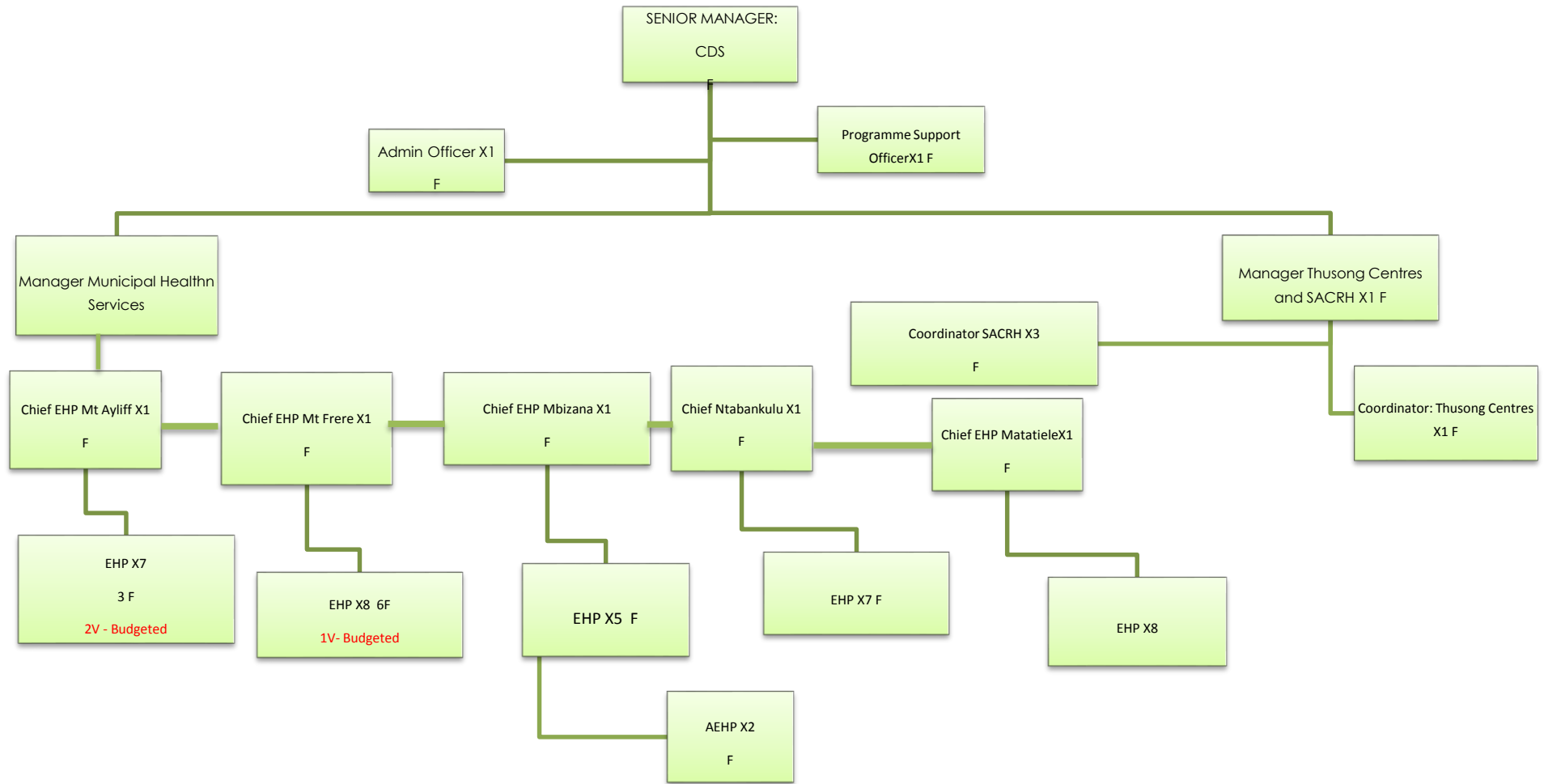


TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
07	07	01

FUNCTIONS

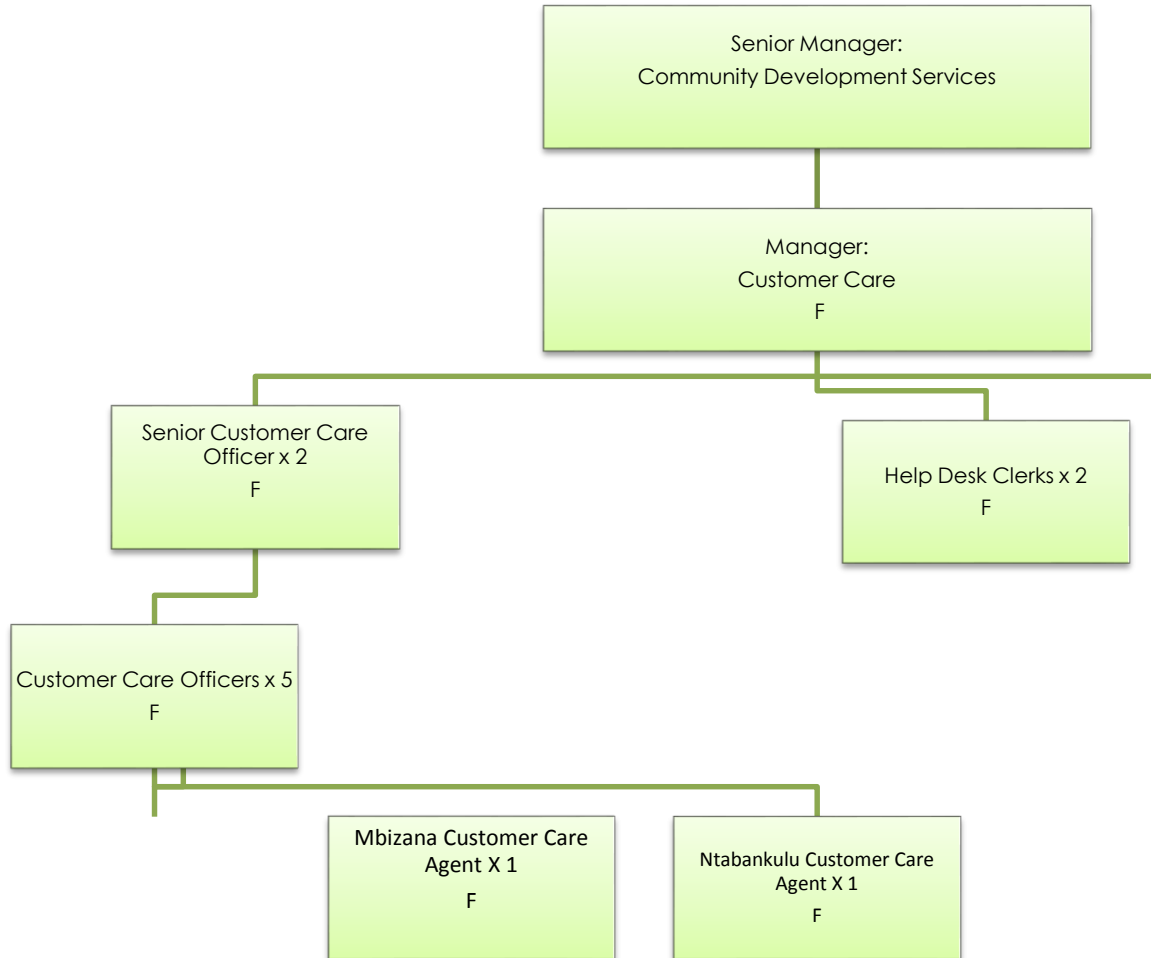
Unit	Function
Municipal Health Services	<ol style="list-style-type: none"> 1. The identification, support and coordination of municipal health activities within the municipality 2. awareness campaigns/assessments/mitigating risk associated with Municipal health 3. By-law enforcement
Thusong Centres; Sports; Arts; Heritage & Libraries	<ol style="list-style-type: none"> 1. 1.identification; support and coordination of Thusong centres 2. Management and monitoring of the centre activities 3. The identification, support and coordination of sporting activities within the municipality
Customer Care	<ol style="list-style-type: none"> 1. to ensure maximum stakeholder participation and the development initiatives of the district 2. To build sound relations between the DM and its stakeh0olders to ensure effective and efficient service delivery.
Fire & Rescue	<ol style="list-style-type: none"> 1. Ensure the provision of fire and rescue services 2. Ensure that fire challenges are identified and reported for interventions
Disaster Risk Management Services	<ol style="list-style-type: none"> 1. Disaster management services 2. Risk reduction 3. Recovery & rehabilitation 4. Awareness & Information

2.4.1. HEALTH AND ENVIRONMENTAL SERVICES & THUSONG CENTRE



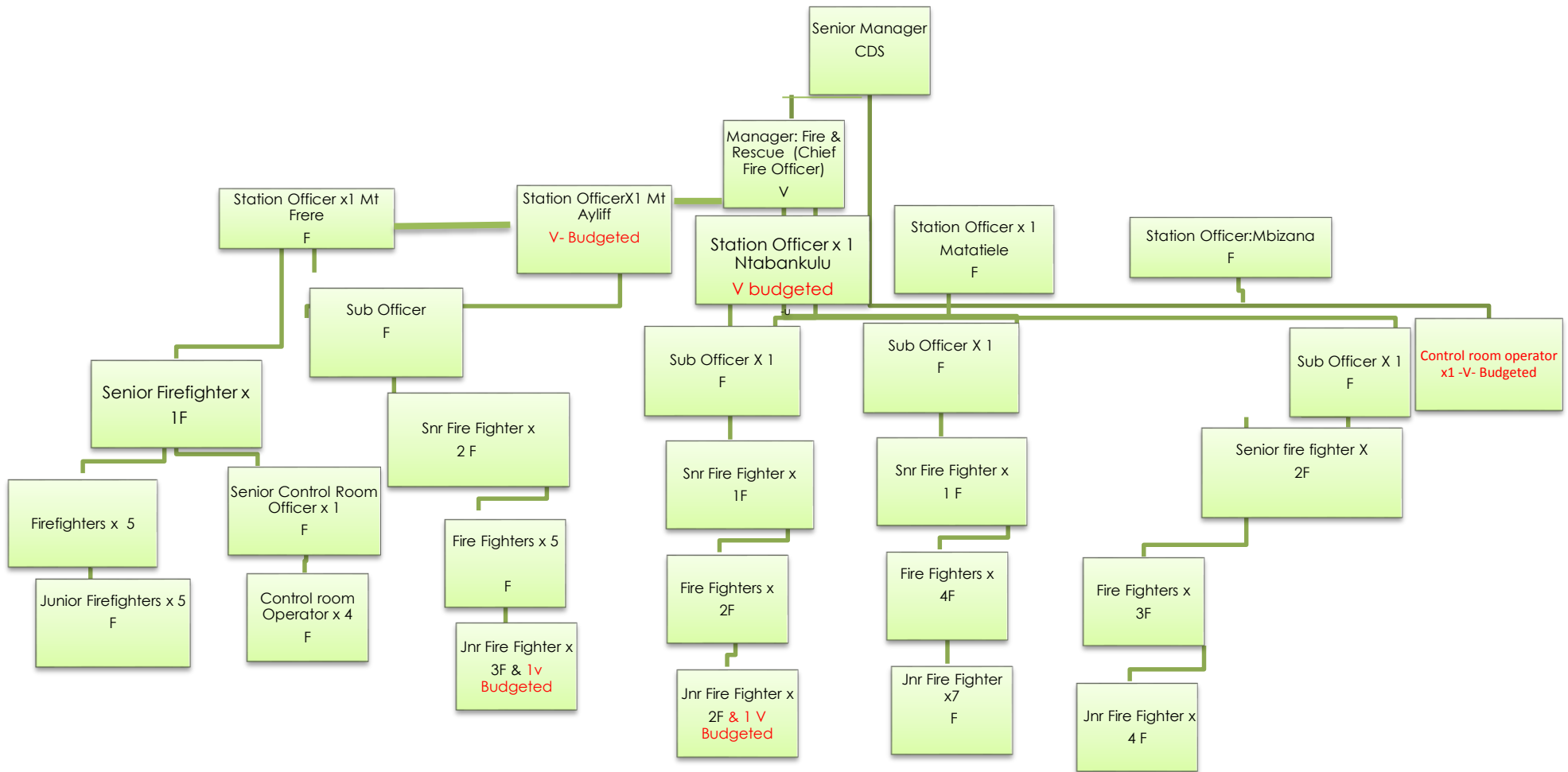
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
48	45	03

2.4.2. CUSTOMER CARE



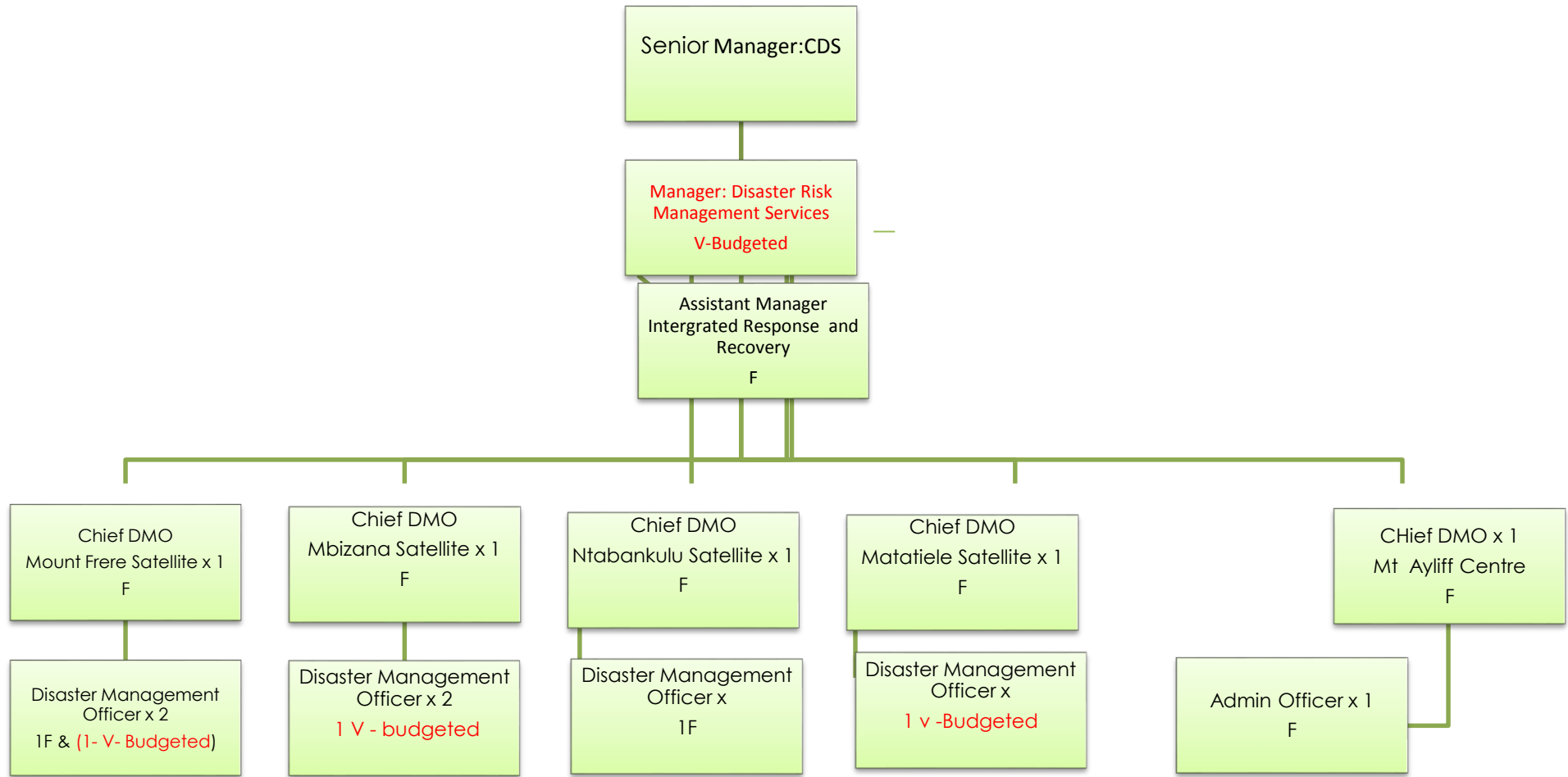
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
12	12	0

2.4.3. FIRE & RESCUE



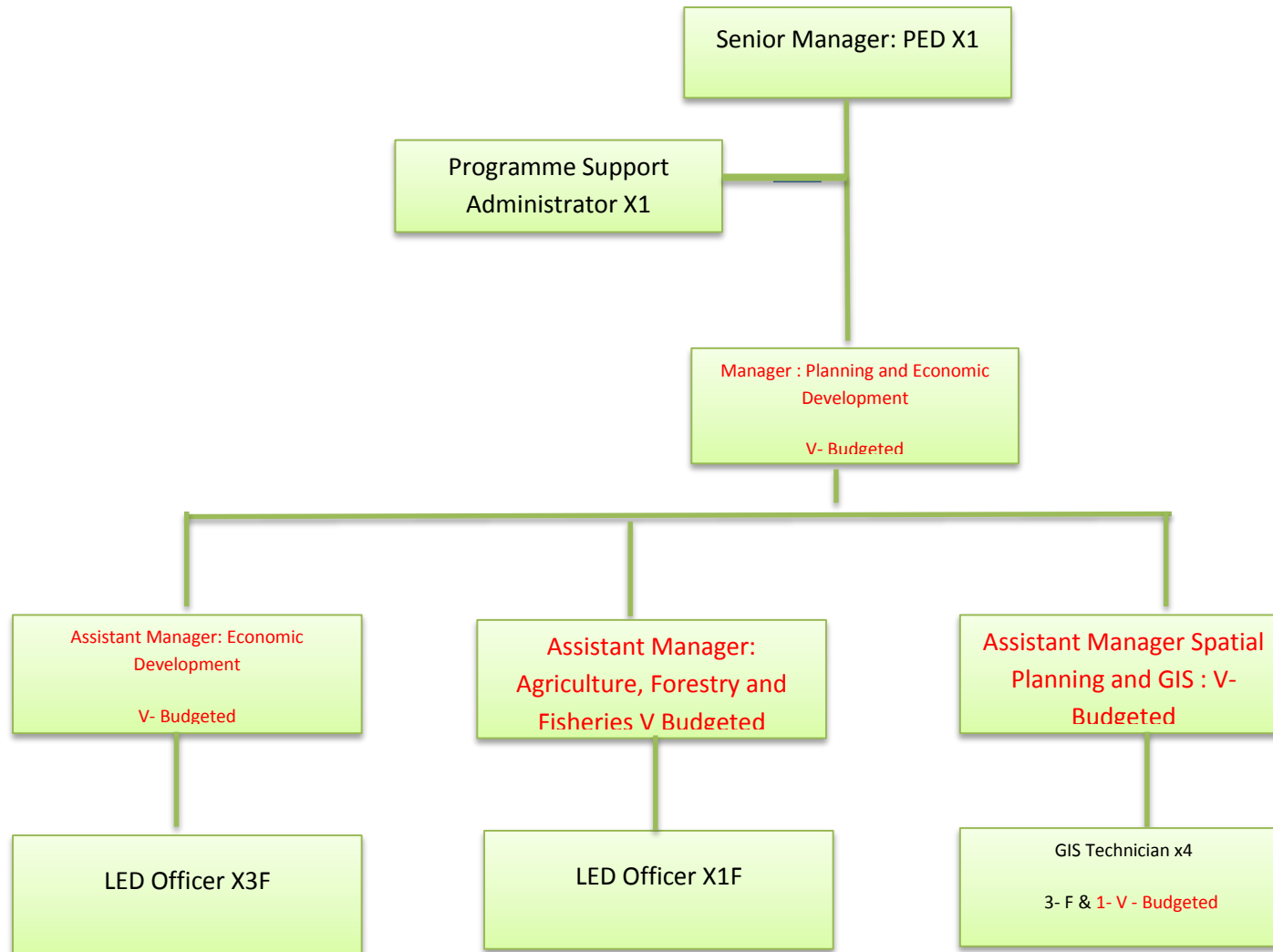
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
63	58	05

2.4.4. DISASTER RISK MANAGEMENT SERVICES



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
14	10	04

2.5. PLANNING & ECONOMIC DEVELOPMENT

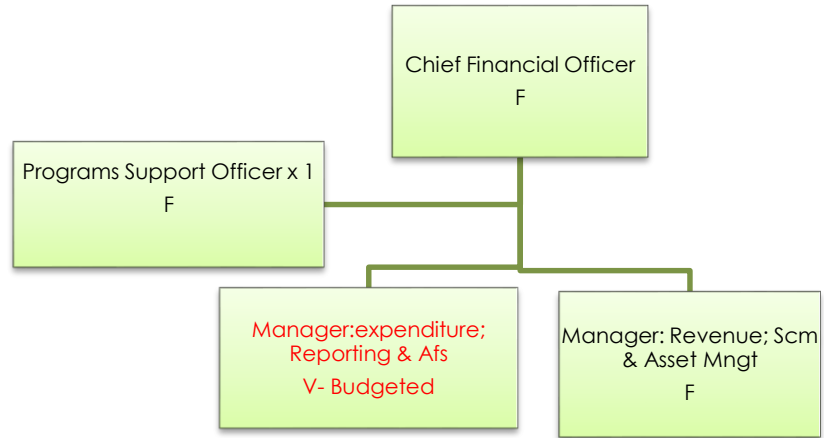


TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
13	08	05

FUNCTIONS

Unit	Function
Economic Planning	<ol style="list-style-type: none"> 1. The implementation, monitoring and evaluation of the municipal led strategy and projects 2. Facilitate the implementation of the municipal poverty grain production projects 3. The promotion and support of SMME's 4. The provision of tourism development services 5. The provision of hawkers administration services
Business Development	<ol style="list-style-type: none"> 1. Identifies/defines the immediate; short and long term objectives/plans and controls associated with economic development. 2. Facilitating the coordination /integration/implementation of economic regeneration programs in the targeted rural villages small towns//townships 3. Business Plans Development
IDP/OPMS	<ol style="list-style-type: none"> 1.The facilitation of the annual IDP strategic planning process 2.The development and implementation of an organisational performance management system
Development Planning; Spatial Planning & Land Use Management & GIS	<ol style="list-style-type: none"> 1. Keeping abreast with developments and legislative imperatives supporting economic development and community improvement. 2. Controls the planning/operational efficiency of specific approaches associated with the delivery of core services associated with the functionality and spatial planning and land use management 3. Performs specific applications associated with the preparation/updating/processing of data from hardcopy and digital sources for the ANDM geographical area

2.6. BUDGET & TREASURY OFFICE

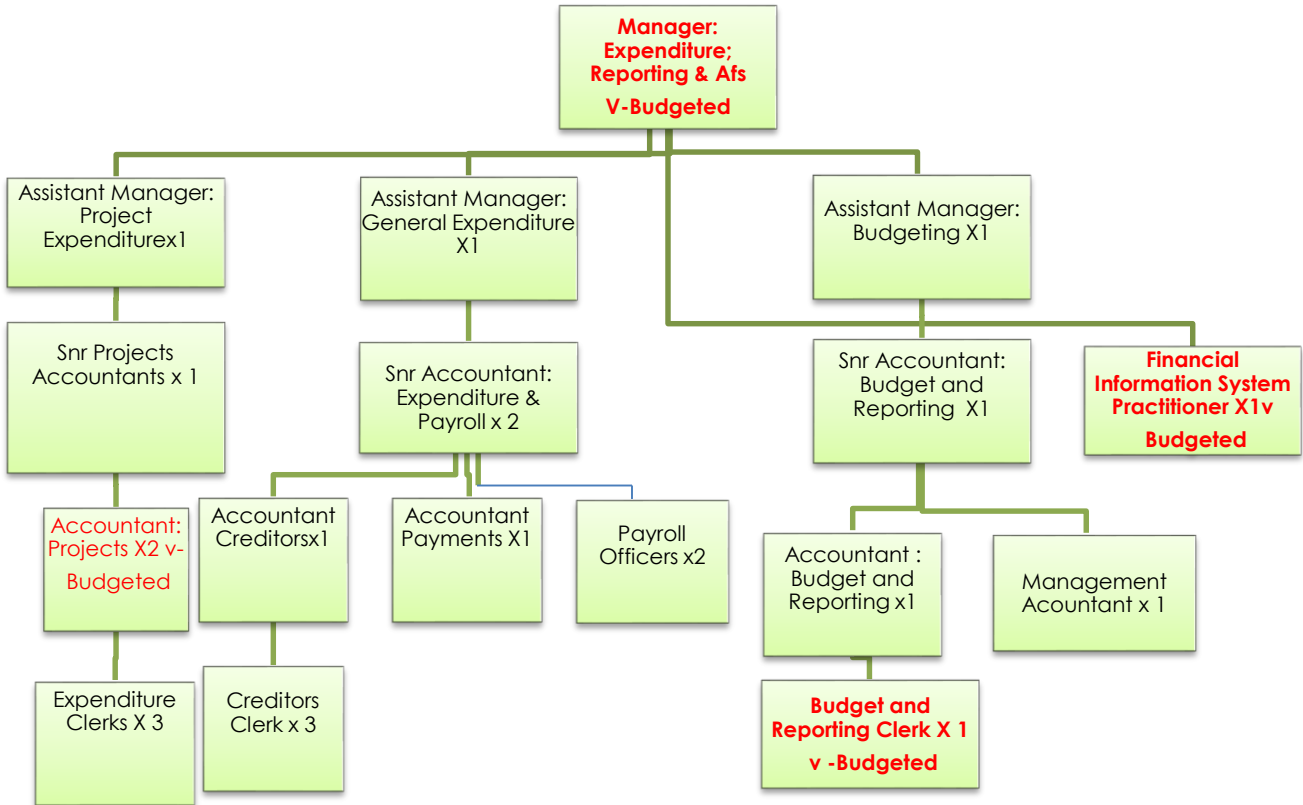


TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
04	03	01

FUNCTIONS

Unit	Manager	Function
Expenditure; Reporting & AFS	Manager: Expenditure; Reporting & AFS	<ol style="list-style-type: none"> 1. Coordinates/implements sequences associated with the verification and provision of information related to the creditors accounts. 2 Prepares financial documents and reports on the creditors accounts 3. preparation of AFS
	Assistant Manager: Project Expenditure	<ol style="list-style-type: none"> 1. Preparing & presenting reports detailing the status of expenditure and availability of funds and reporting on deviations. 2. manages the compilation of budget; prepares capital & operating estimates; midyear reviews; reallocations; additional releases; financial management/controls expenditure against the approved budget allocations
	Assistant Manager: General Expenditure	<ol style="list-style-type: none"> 1.control and account for the expenditure of the Municipality 2. maximize the collection of VAT 3. payroll administration 4. timeous payments of all service providers within 30 days of invoicing
	Assistant Manager: Budgeting & Reporting	<ol style="list-style-type: none"> 1. Facilitate the compilation/coordination of the annual budget. 2. Compile monthly reports and annual financial statements. 3. execute budget management duties/ cash management/ supply chain management
Revenue; SCM & Asset Management	Manager: Revenue; SCM & Asset Mngt	<ol style="list-style-type: none"> 1. Promoting/developing/monitoring//directing/controlling all aspects of SCM in the Municipality to ensure compliance with the SCM Policy and Administrative Framework. 2.prepares capital/operating estimates and controls contract expenditure against budget allocations 3. manage/monitor/control fleet and asset management in the municipality 4. manage/control revenue management
	Assistant Manager: Asset Management	<ol style="list-style-type: none"> 1. manage/monitor/control fleet and asset management in the municipality
	Assistant Manager: Revenue	<ol style="list-style-type: none"> 1. manage/control revenue management
	Assistant Manager: Supply Chain Management	<ol style="list-style-type: none"> .Promoting/developing/monitoring//directing/controlling all aspects of SCM in the Municipality to ensure compliance with the SCM Policy and Administrative Framework.

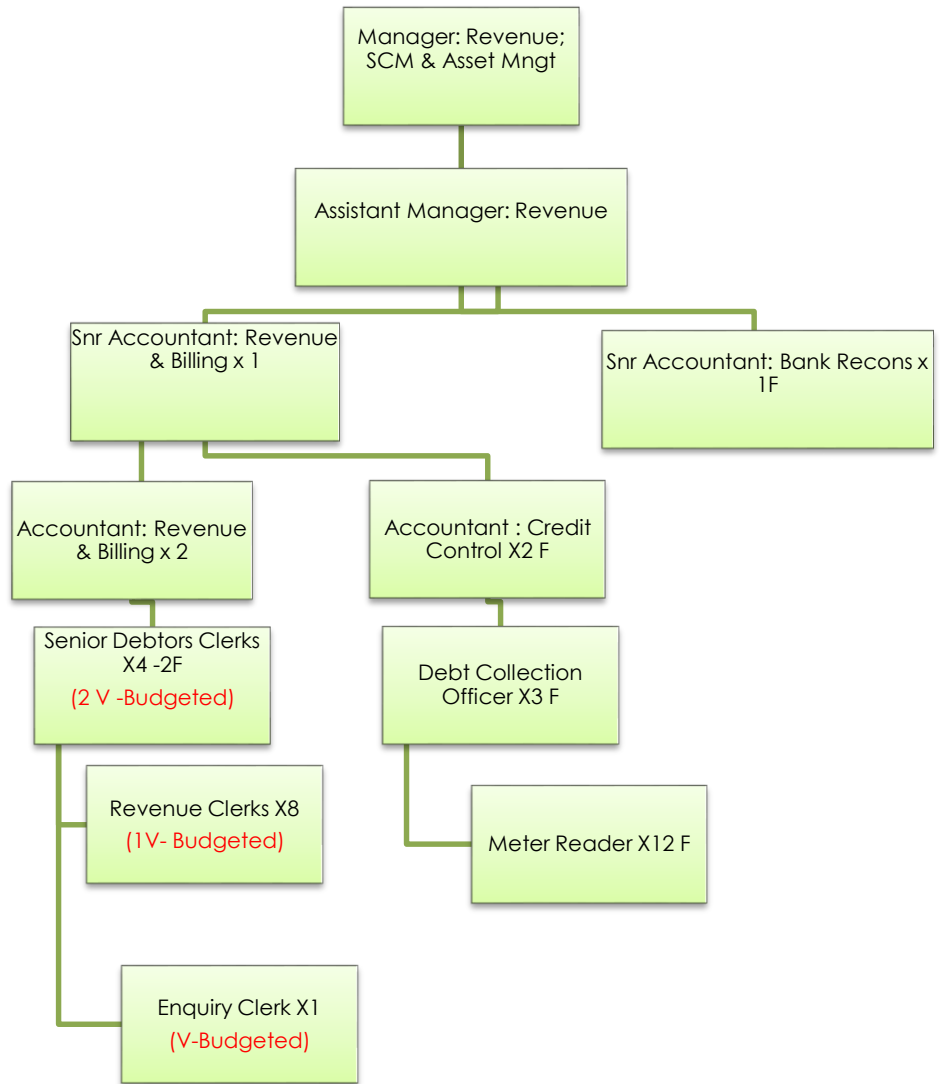
2.6.1. EXPENDITURE; REPORTING & AFS



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
24	19	04

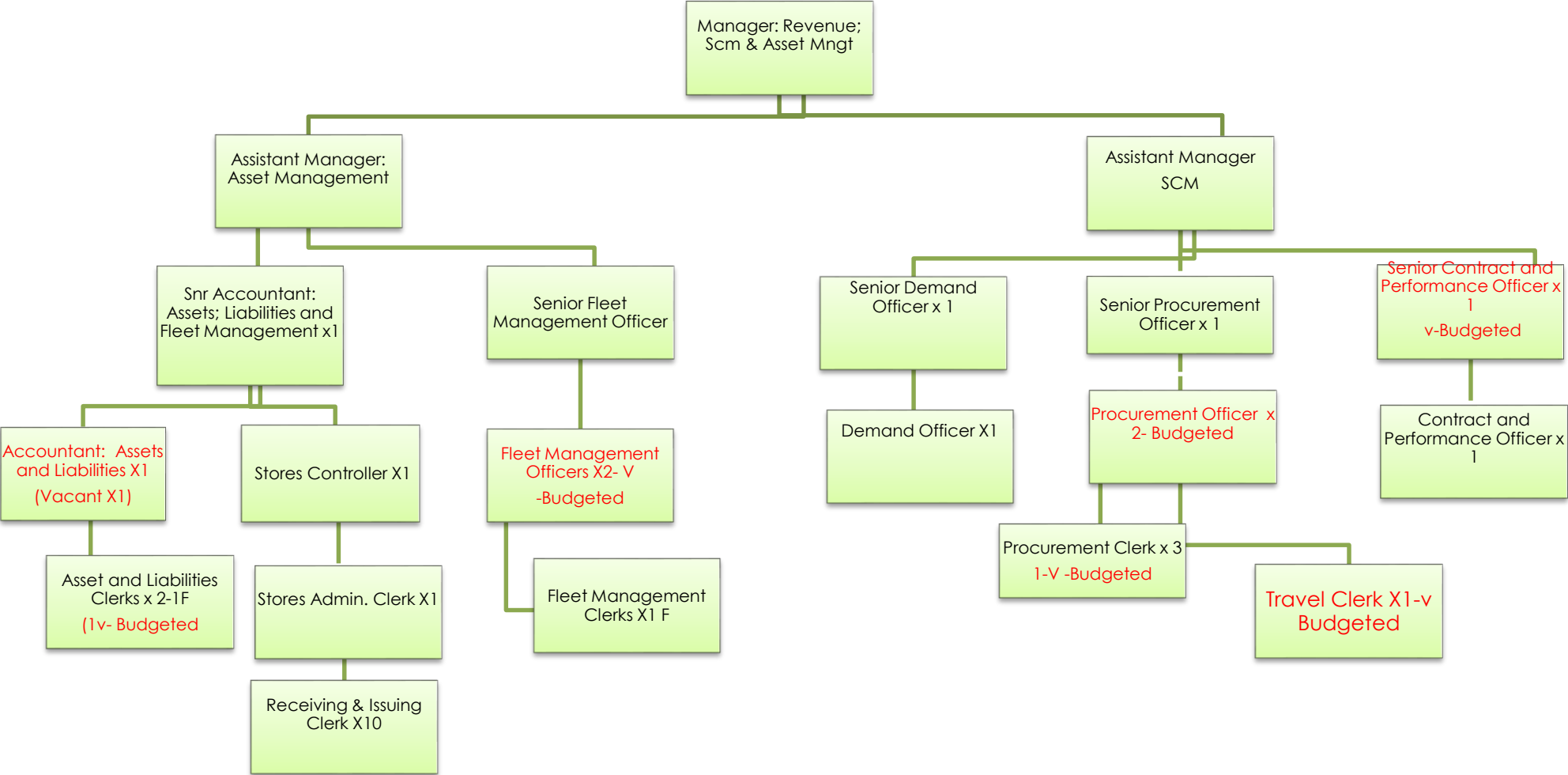
2.6.2. REVENUE; SCM & ASSET MANAGEMENT

REVENUE



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
35	33	02

2.6.2.1 SCM & ASSET MANAGEMENT



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
33	24	09

3. Conclusion

Please narrate conclusion

Signed at _____ on the _____ day of _____ by

The Municipal Manager

(Print Name)

(Signature)

SAMWU

(Print Name)

(Signature)

IMATU

(Print Name)

(Signature)