



INTEGRATED DEVELOPMENT PLAN:

2022 – 2027 FY

5TH GENERATION OF IDPs (2022 – 2027)

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CHAPTER 1

1. EXECUTIVE SUMMARY

FOREWORD OF THE EXECUTIVE MAYOR



It is an honour for us as this sixth administration of Local Government in Alfred Nzo District that we are bringing this Integrated Development Plan of the District for 2022 to 2027 IDP cycle.

Having accepted the mandate and the responsibility bestowed upon us by the masses of our district, who so trusted us to lead as Council, we have committed not disappoint them.

We understand governance as a social contract and a partnership wherein, the masses have given the Council a mandate to deliver upon the promise made to invest in education, fight corruption, provide primary healthcare, build infrastructure and grow the local economy of the district and create much needed jobs.

Alfred Nzo district is understood to be one of the most impoverished districts in the country, with high rates of unemployment especially for the youth and with high illiteracy levels. This applies on the backdrop low revenue collection and high dependence on grants. The situation has been exacerbated by the devastating impact of COVID 19 to our economy.

However, Alfred Nzo District boasts of immense potential for growth.

Our terrain is alive with all possibilities for economic growth, with enormous potential in Agriculture, Tourism, Mining, SMME development and Infrastructure development at large.

Our agriculture potential is linked to the productive topography of our terrain and the annual rainfalls, that give opportunities for investment in high value crop production that is so diverse from Citrus fruits, Maize, Sorghum, potatoes, Cabbage, and our sub tropical area around the wild coast which provide great opportunity in Sweet Potato, taro potato (Amadumbe) and many other fruits and vegetables. Our Agri-parks program which has seen the ploughing and harvesting over 2000 hectares is intended to tap into this potential and our plan is to grow it to 4000 ha in the next three years. It is also important that we take into cognisance the huge potential in Livestock and wool production that is harboured by the great quality of our Nguni cattle, indigenous goats and wool production from sheep.

The tourism potential continues to grow annually. We boast of our beach to berg program, which highlights the tourism potential with routes that range from the

Drankensberg into the landlocked mountainous terrain across the district into the sunny wild coast that is on the Indian Ocean coastline. Our cultural diversity, historical heritage and hospitality continue to create potential for tourism to flourish in our area.

We have also committed to support the Presidential ambition of building the Eastern Sea board through creating of the envisaged new smart city/coastal city in our area.

Our IDP has placed priority into this endeavour and as Council, we have committed to do all within our power to make sure that this dream becomes a reality.

This IDP highlights our commitment to pushing back the frontiers of poverty by investing immensely on infrastructure. This, we are doing premised on our conviction that it is through built infrastructure that the economy to grow, hence the saying goes “Investment in infrastructure is equal to investment in the economy.

2022/27 IDP document express our continued commitment to deploy mechanisms that strengthen our oversight responsibilities to ensure good governance and sound financial management. In this regard, Municipal Public Accounts Committee (MPAC) and my office is constantly embarking on service delivery oversight and monitoring outreaches throughout the district to fulfil this commitment, and report its findings to the Council. All these affords as expressed in our IDP seek to fight poverty by radically reducing service delivery backlog emanating from our historical spatial planning disparities.

Best Wishes

A handwritten signature in black ink, appearing to be 'V Mhlembana', is written over a horizontal line. The signature is stylized and somewhat circular.

Councillor V Mhlembana

Executive Mayor

1.1. BACKGROUND OF ALFRED NZO DISTRICT MUNICIPALITY

The district municipality was established in 1996, at the time being a Wild Coast District Council covering the following towns:

Mt Fletcher, Maluti, Umzimkhulu, Lusikisiki, Flagstaff, Mbizana, Mt Frere, Mt Ayliff and Ntabankulu.

In year 2000, it was restructured and became Umzimvubu (Mt Frere and Mt Ayliff) and Maluti, Mzimkhulu, Ntabankulu and Mbizana, Lusikisiki, Flagstaff formed OR Tambo District Municipality. Mt Fletcher formed part of Joe Gqabi District Municipality.

In 2006, after the adjustment of provincial boundaries, Mzimkhulu joined Sisonke Municipality and Matatiele joined the Wild Coast District Council. After extensive consultations with relevant stakeholders, the MEC through Section 12 Notices proclaimed on the provincial gazette and in the first sitting of the council, endorsed a new name Alfred Nzo District Municipality instead of Wild Coast District Council. It was now named after a struggle stalwart Alfred Baphethuxolo Nzo.

HIERACHY OF MAYORS SINCE 1996

Mr Goodman Mvuyo Socikwa (Chairman) 1996-1998

Cllr Mphuthumi Mafumbatha (Chairman) 1998-2000

Cllr Mbulelo Sogoni 2000-2006

Cllr Gcinikhaya Goodman Mpumza 2006-2011

Cllr Eunice Nowethu Diko 2011-2016

Cllr Sixolile Mehlomakhulu 2016-2021

Cllr Vukile Mhlelembana 2021 to date

WHO IS ALFRED BAPHETHUXOLO NZO?

Alfred Baphethuxolo Nzo was born on 19 June 1925 and lived until 13 January 2000.. He served as the longest-standing [secretary-general](#) of the [African National Congress](#). He occupied this position (ANC) between 1969 and 1991. He was also the South African minister of foreign affairs from 1994 to 1999. He was also the first black health inspector in the country. The Alfred Nzo Award is now awarded to deserving health practitioners in South Africa.

He was sent off to the Eastern Cape to receive missionary education. After completing his matric, he enrolled for BSc degree at [Fort Hare University](#) in 1945. At Fort Hare he joined the [African National Congress](#) (ANC) Youth League and became actively involved in students politics. In his second year of study he left university and started work as health inspector at KwaDukathole in Germiston and was later transferred to the Alexandra health and community centre in 1951.

As health inspector, Nzo developed much understanding of the lives of millions of South Africans in the 1950s. He got actively involved in the organising of the [Defiance Campaign](#) in 1952. He was also involved in the campaign to interview people about the kind of society in which they would like to live. It was this campaign that culminated in the [Congress of the People in 1955](#), at which the [Freedom Charter](#) was adopted.

In 1956 Nzo was elected the chairperson of ANC branch in [Alexandra](#). In 1957 he organised the Alexandra bus [boycotts](#) in which people walked nine miles from the [township](#) to the city ([Johannesburg](#)) and back every day for three months to protest the increase in fares. His involvement in political activities cost him his job. His expulsion from work meant that he also lost his [residential permit](#) to live in Alexandra. He was subsequently arrested several times and finally sentenced to five months' imprisonment for not having a residence permit. He served his sentence at Modderbee Prison, where his father once worked.\

In 1958, Nzo was elected to the regional and national executive committees of the ANC. In 1962, he was placed under 24-hour [house arrest](#) and in June 1963 detained for a period of 238 days. The following year, Nzo went into exile and took up posts in various countries including Egypt, India, Zambia and Tanzania.

In 1969, Nzo was elected ANC Secretary-General at the [Morogoro](#) Conference in [Tanzania](#), and re-elected to this position at the Kwabe Conference in 1985. On 30 December 1979 he and [Oliver Tambo](#) met [Tim Jenkin](#), [Stephen Lee](#) and [Alex Moumbaris](#), ANC members and escapees from incarceration at [Pretoria Central Prison](#) as political prisoners. Their presence was officially announced by the ANC in early January and Tambo introduced them at a press conference on 2 January 1980.^[2]

After the unbanning of the liberation movements in 1989, Nzo formed part of the ANC delegation that entered into deliberations with the [National Party](#) government. Nzo lost the position of Secretary-General to [Cyril Ramaphosa](#) at the ANC July 1991 National Conference held in South Africa for the first time after the unbanning of the liberation movements. He was then elected deputy head of the ANC's security department. After [the first democratic elections in 1994](#), Nzo was appointed Minister of Foreign Affairs in the government of [Nelson Mandela](#).

After the 1999 national elections, Nzo retired from politics and in December of the same year he died of a [stroke](#). He was buried at the [Westpark Cemetery](#) in

Johannesburg.

In 2011 Mbizana and Ntabankulu local municipalities were brought back from OR Tambo to join the Alfred Nzo District Municipality which was originally composed of Matatiele and Umzimvubu.

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.

1.2. INTRODUCTION

The Integrated Development Planning (IDP) Process is a process through which municipalities prepare strategic development plans for a five-year period. An IDP is one of the key tools for Local Government to cope with its new developmental role and seeks to arrive at decisions on issues such as municipal budgets, service delivery, land use management, promotion of local economic development, and institutional transformation in a consultative, systematic and strategic manner.

In terms of Section 25 of the Municipal Systems Act (MSA) 2000, all municipalities have to undertake an Integrated Development Planning Process to produce Integrated Development Plans. The Integrated Development Plan is a legislative requirement. It has a legal status which supersedes all other plans that guide development at local government level.

The municipal systems Act, No 32 of 2000 (as amended) and the Municipal Finance Management Act No. 56 of 2003 confer the responsibility on the Executive Mayor to provide political guidance over the budget process and the priorities that must guide the preparation of the annual budgets. In terms of section 53 of the Municipal Finance Management Act the Executive Mayor must also coordinate the annual revision of the Integrated Development Plan in terms of section 34 of the Municipal Systems Act and the preparation of the annual budget and determine how the integrated development plan is to be taken into account or revised for the purpose of the budget.

The Republic of South Africa had embarked on Local Government Elections during the month of August 2016 and that resulted in the new Councils for all Municipalities inaugurated. The Alfred Nzo District Municipality consists of four Local Municipalities (Winnie Madikizela-Mandela, Ntabankulu, Matatiele and Umzimvubu). This process further meant that a new Council Term came into place and thus the new Council has to develop plans that are in line with its new five-year term. As per Section 27(1) of the Municipal Systems Act 32 of 2000 as amended, Alfred Nzo District Municipality in consultation with all four local municipalities has developed an IDP Framework Plan for 2022 - 2023 financial year which gives guide on the approach that must be endorsed by all municipalities when embarking on IDP development processes to ensure coordination and alignment in the whole IDP development process by all role players. This process has allowed all four Local Municipalities when developing their IDP Process Plans to take into consideration the District IDP Framework Plan as it outlines all plans and government initiatives or priorities that must be considered within municipal plans.

Alfred Nzo District Municipality has further developed its IDP and Budget Framework Plan for 2022/23. This plan has to be adopted by the Council as guided by Section 28 of the Municipal Systems Act 32 of 2000 as amended. Integrated Development Plans are not developed to inform the municipalities only, but are supposed also to guide the activities of any agency, all spheres of government, NGOs and CBOs, private sector, parastatals and any other interested entity within and outside the municipal area.

1.3. PLANNING FRAMEWORK

The annual IDP development and review process relate to assessing the municipality's performance against organisation objectives as well as implementation in terms of service delivery. An IDP is reviewed in the light of changing internal and external circumstances that impact on the priority issues, objectives, strategies, projects and programmes of the IDP. The annual revision of the IDP must inform the municipality's financial and institutional planning and most importantly, the drafting of the annual budget.

An IDP should be reviewed in order:

- To ensure its relevance to the Municipal strategic plan
- To inform other components of the municipal business process, including institutional and financial planning and budgeting.
- To inform the cyclical intergovernmental planning and budgeting cycles
- To reflect the impact of successes as well as corrective measures to address challenges.

The Annual budget

The annual budget and the IDP are inextricably linked to one another, something that has been formalized through the promulgation of the Municipal Finance Management Act (2003). Chapter 4 and section 21 (1) of the municipal Finance Management Act (MFMA) indicates that:

The Executive Mayor of a municipality must –

(b) At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for

- i. The preparation, tabling and approval of the annual budget;
- ii. The annual review of –
 - aa) The Integrated Development Plan in terms of section 34 of the Municipal Systems Act; and
 - bb) The budget related policies.
- iii. The tabling and adoption of any amendments to the integrated development plan and the budget related policies; and
- iv. The consultative processes forming part of the process referred to in subparagraphs (i), (ii) and (iii).

This document constitutes the Framework Plan and Process Plan of the IDP review 2022/2023 and budget formulation 2022/2023 for the Alfred Nzo District Municipality and essentially fulfills the function of a business plan and or operational plan for the IDP process and presents, in a simple and transparent manner what should happen when, by whom and where during the process of formulating an IDP for the Alfred Nzo District Municipality.

1.4. THE IDP DEVELOPMENT APPROACH

The IDP Development process will focus and be influenced by the following areas:

Local Government MEC's comments

- Improvement on the IDP/Budget Process based on the previous performance.
- Areas requiring additional attention in terms of legislative requirements
- Preparation, review or amendments of the existing sector plans and policies.
- Preparation of Performance Management System (PMS)

In order to ensure certain minimum quality standards of the IDP Development process, and a proper coordination between and within spheres of government, the preparation of the Process Plan has been regulated in the Municipal Systems Act. The preparation of a Process Plan, which is in essence the IDP Development Process set in writing, requires adoption by Council. This plan has to include the following:

- A programme specifying the time frames for the different planning steps; and
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities, and other role players in the IDP drafting process.

Framework Plan

The Framework Plan provides the linkage and binding relationships to be established between the district and local municipalities in the region. In doing so, proper consultation, coordination and alignment of the development process of the district municipality and various local municipalities can be maintained.

Institutional arrangements

Steering Committee

Before the development process commences, it is important that certain institutional arrangements be put in place to ensure that the process is managed well. The IDP Steering committee of the District comprises of the Municipal Managers for all four local municipalities, IDP Managers for all Local Municipalities, District Management Committee and administrative assistants in the Department of Planning and Economic Development.

The Steering Committee will perform amongst the following activities which guide as terms of reference for the functioning of the committee:

IDP Steering Committee	Current Role	Envisaged Role
	Responsible for the establishment of the IDP Representative Forum by: • Defining TOR and criteria for members of the IDP Representative Forum • Informing the public (issue an advertisement) about the establishment of the IDP Representative Forum and request submission of applications from stakeholders/ community groups (organised and unorganised) indicating goals, objectives, activities, numbers, and constitution. • Processes, summarizes and documents outputs of the IDP • Makes content recommendations.	• Facilitate the development of the IDP • Facilitate the filling of identified gaps • Approve nominated persons to be in charge of different roles, activities of the process of preparing draft and the final document (IDP)

IDP Steering Committee	Current Role	Envisaged Role
	• Prepares, facilitates and documents IDP steering committee meetings in the form of minutes for compliance with legislation. • Develops the programme for Consultation process of Communities and any other stakeholders.	

IDP Representative Forum

The IDP Representative Forum (RF) for Alfred Nzo District Municipality is established through a process where all interested and affected stakeholders will be invited to participate in the IDP development process. The approach will ensure that all stakeholders within all four local municipalities within the district municipalities are fully represented in the IDP Representative Forum. The IDP Rep Forum must also have full representatives from all Spheres of Government with emphasis on Provincial Government Departments and those sector departments located within the district and also government parastatals such as Eskom, Telkom and Government Agencies such as Eastern Cape Rural Development Agency, ECDC, ECATU, SALGA etc. The IDP Rep Forum will be reviewed on an annual basis to ensure that it is continuously effective to ensure sustainable planning and service delivery within the district wide. It is therefore recommended that advertisements be placed in the local newspapers, on the notice boards, or in the local community radio to inform community members of the IDP Preparation and further invitation of interested parties to form part of the IDP Representative Forum to ensure wider representation and the need for continued participation in the IDP process through the Representative Forum to ensure that the final IDP is reflective and inclusive of all needs and programmes of all parties.

IDP Project Task Teams

These are small operational teams composed of a number of relevant municipal sector departments and technical people, actors involved in the management of implementation and where appropriate community stakeholders directly affected by the projects. There will be a need for these teams in order to play a major role in the compilation of sector plans, implementation of projects, monitoring and review of the IDP implementation.

Roles and Responsibilities

The roles and responsibilities during the IDP development process are outlined below as follows:

Structure(s)/Person(s)	Roles & Responsibilities
Council	-Adopts and approve the IDP and Budget Framework and Process Plans. -Responsible for the overall management, coordination and monitoring of the IDP development processes. -Approves the municipal budget and other IDP Sector Plans and Policies in line with the IDP.
Executive Mayor	-Gives direction on Framework Plan and Process Plan for IDP development -Provides political guidance and leadership for both IDP and the budget processes.
Members of Mayoral Committee	-Responsible for providing the overall management, coordination and monitoring of the process of the IDP development. -Recommends the approval of the IDP to Council
Municipal Manager	-Manages and coordinates the whole process. -Ensures that all departments fit in the organizational vision. -Ensures that resources are allocated accordingly and well managed. -Chairs the IDP management committee. -Ensures that performance management and evaluations are done on a quarterly basis.
IDP Manager/officer	-Works closely with the Municipal Manager in ensuring that the Council vision is met. - Undertakes the overall management and co-ordination of the planning process, -Ensures alignment and compliance with the legislative framework, IDP guidelines and Sector Departments.

	-Offers strategic guidance and management to the IDP development process. - Ensures that the planning process is participatory, strategic and implementation oriented and is aligned with and satisfies sector-planning requirements -Ensures that implementation takes place within the available resources. -Ensures that all relevant stakeholders are appropriately involved. - Responds to comments on the draft IDP from public, horizontal alignment and other spheres of government to the satisfaction of the Municipal Council.
IDP Management Committee	-Monitors, evaluates progress and provide feedback to all structures -Provides technical guidance through whole process in all municipalities -Ensure and maintain integration and alignment of all plans and programmes -Standardize the planning processes - Considers inputs from other committees or stakeholders and recommend corrective measures. -Considers and responds to comments by MEC for Department of Local Government and Traditional Affairs.
Budget Management Committee	-Ensures alignment of proposed budget with IDP; -Ensures that sufficient funding is provided on the budget for projects as per IDP; -Records realistic revenue and expenditure projections for current and future years; -Take cognisance of national, provincial budgets, DORA and national fiscal and macro-economic policy.

IDP Representative Forum	-Represents the interests of the constituencies in the IDP Planning and Review Processes. -Ensures communication and participation from all stakeholders in municipal planning and decision making. - To contribute by providing relevant information on provincial sector department plans, programmes, budgets, objectives, strategies and projects. -Assists in projects and budgeting linkages or alignments.
Communities	-Participate in the IDP Rep Forum -Identify and priorities their needs through guidance by municipalities. -Discuss and comment on the draft IDP and Budget documents
Private Sector	-Participate and ensures inclusion of their projects and programmes in the IDP of the municipality -Provide information on the opportunities that the communities may have in the private sector.
Traditional Leaders	-Traditional Leaders work closely with ward councilors to identify priority developmental issues within their communities -Facilitate community consultation in collaboration with ward councilors Traditional leaders also have representation in the District Council
Other Community Organisations (FBOs, CBOs, Interested Groups etc)	-Participate in the process to ensure that interests of structures they represent are considered within the municipal planning process (IDP and Budget).

Mechanism for Community and Stakeholder Participation

Chapter 4 Section 16(1) of the Municipal Systems Act 32 of 2000 as amended stipulates that municipalities must develop a culture of municipal governance that compliments formal representative government with a system of participatory governance that encourages and create conditions for the local community to participate in the affairs of the municipality. This includes involvement of communities in the following:

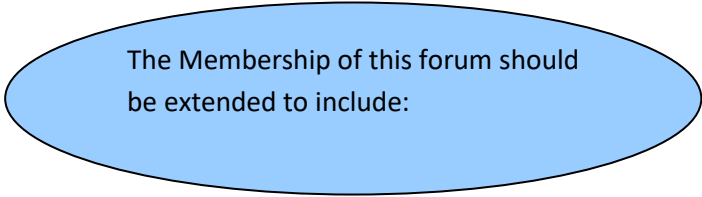
- i. The preparation, implementation and review of the Municipal Integrated Development Plan in terms of Chapter 5 of Municipal Systems Act as amended;
- ii. The establishment, implementation and review of the Municipal Performance Management System in Terms of Chapter 6 of the Municipal Systems Act as amended;
- iii. The monitoring and review of the municipal performance including the outcomes and impact of such performance;
- iv. The preparation of the municipal budget; and
- v. Strategic decisions relating to the provision of municipal services in terms of Chapter 8 of the Municipal Systems Act 32 of 2000 as amended.

Therefore all municipalities and other government departments have a constitutional mandate to encourage the involvement and participation of community organisations in the matters of local government.

Municipalities will adopt the following mechanisms for participation:

a) IDP Representative Forum

This forum represent all stakeholders and will be as inclusive as possible. Efforts will be made to bring additional organisations into the RF and ensure their continued participation throughout the process.

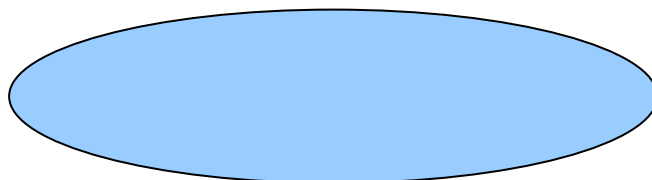


The Membership of this forum should
be extended to include:

1. Parastatals
2. National Government Departments
3. Service Providers/ Private Sector

b) Media

Local newspapers and Information brochures will be used to inform the community about of the progress of the planning phase.



2. News Paper: Local News Papers.
3. Municipal news letter
4. Notices at public institutions (libraries, schools, churches, municipal offices etc.)
5. Community Radio

1.5. PROCEDURES/ PROCESSES FOR PARTICIPATION

Representative Forum (RF)

The representative forum will meet quarterly. The first RF meeting will involve a presentation of the IDP/PMS & Budget Framework and Process Plan. It will also capture the progress made in terms of projects since the approval of the IDPs.

Council Approval

It is proposed that in a Council Meeting open to public, the Council adopts First Draft IDP documentation by end of the month of March 2022. Council will also approve the various Sector Plans of the IDP on their completion. The Council in a meeting open to public will approve final IDP and Budget by end May 2022.

Newspapers

The adopted first Draft and Final IDP will be published in the local news papers, notice boards, public facilities or community radio.

Information Sheets

At the completion of each of the Sector Plans, as well as the sections of the IDP, an information sheet will be prepared for update of all stakeholders. The members of the Representative Forum shall assist with distribution of these information sheets. The information sheets will cover an executive summary of the completed sector plan or phase of the IDP. This will ensure that communities are kept updated on the progress of IDP preparation.

Mechanism for Alignment

Both **horizontal and vertical alignments** will be ensured in the IDP process. The horizontal alignment will be between the district and local municipalities to ensure that planning activities and processes are coordinated and addressed jointly. Vertical alignment on the other hand will be between local government, the province and national governments as well as parastatals or service providers to ensure that the IDPs are in line with the national and provincial policies and strategies, so that it is considered for the allocation of departmental budgets and conditional grants.

The district municipality is given more responsibility to ensure that both alignments happen, however all role players should support and partake in the alignment process. The province should also play an important role as a coordinator to ensure alignment above district level and between districts within the province.

To manage alignment, the Municipal Manager and IDP manager will play a major role in coordinating information from all clusters. The Municipal Manager will ensure that the alignment mechanisms are properly followed and that all clusters are fully functional. Existing intergovernmental structures including clusters should be utilized to ensure integrated planning and alignment.

Sector departments should also be involved in the IDP process from the first phase to ensure that their programmes and projects are included in the IDP document. Cluster meetings and IDP Rep Forum will be used as platforms for information sharing and progress reporting on all programmes planned and implemented in the district. Sectoral Plans should also be prepared and reviewed in line with IDP development and review process and such plans should form the basis for initiating and guiding development within the municipality and further assist the municipalities in having credible IDPs.

IDP review programmes or actions from the Provincial Departments, e.g. Department of Cooperative Government and Traditional Affairs should be aligned with the activities as reflected in the municipal process plans.

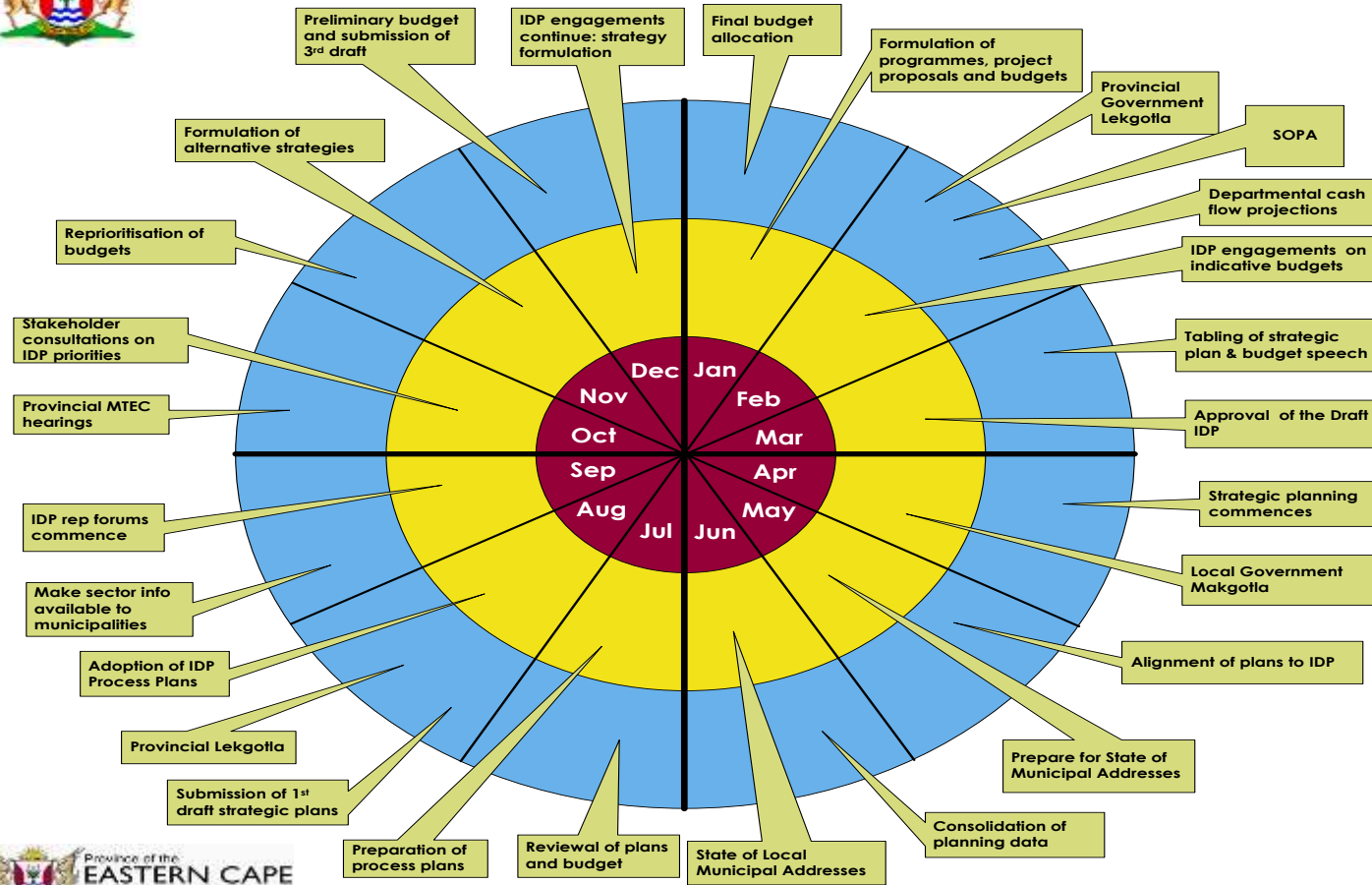
1.6. EASTERN CAPE PROVINCIAL PLANNING CYCLE

It is important for municipalities to align its strategic objectives with national and provincial development policies, strategies and programmes. Chapter 5 of the MSA, in particular, provides direction on co-operative governance, encouraging municipalities to develop their strategies in line with other organs of state so as to give effect to the five year strategic plans. It goes further to instruct that the IDP must link, integrate and co-ordinate development plans for the municipality.

Alfred Nzo District Municipality is not an island and must ensure well-coordinated strategic relationship with other spheres of government and that is why Alfred Nzo District Municipality's Integrated Development Plan is aligned to the Eastern Cape Provincial Planning Cycle below.



Eastern Cape Provincial Planning Cycle



Provincial Government

Local Government



Developed by the Policy & Planning Unit in the Office of the Premier

The Leader in Excellence at the centre of a coherent, pro poor Provincial Administration



1.7. ANDM SCHEDULE OF ACTIVITIES

Phases	Target/Activity	Role Players Stakeholders	Time Frames	Mechanisms/Tools	Output	Binding Legislation
Preparation Phase	Development of IDP & Budget Process Plan	IDP manager/Manager Budget	30 Jul 2021	Desktop work	Approved IDP/PMS and Budget Framework Plan	Section 27 of the Municipal Systems Act of 2000
	Advert for the revival of the IDP and Budget Representative Forum and the IDP and Budget Process Plan (2022/2023)	IDP manager	31 Jul 2021	Media		
	Adoption of the IDP and Budget Framework/Process Plan	Executive Mayor, Senior Management	31 Aug 2021	Council Meeting		
	Submit Process Plan to the MEC Local Government	IDP Manager	03 Sep 2021	Courier & email		
Analysis Phase	First IDP & Budget Rep Forum to present the IDP and	IDP Manager	07 Sep 2021	Forum	Determine and assess the current level of	Chapter 5 of the Municipal Systems Act of

	Budget Framework/Process Plan to Stakeholders				development and the emerging challenges, opportunities and priority issues.	2000
	Review and document information submitted by Senior Management	IDP Manager	15 Oct 2021	Desktop work		
	First draft Situational Analysis ready	IDP Manager	26 Oct 2021	Desktop work		
Strategies Phase	IDP and Budget Steering Committee	Senior Management	05 Nov 2021	Meeting	Develop Objectives for priority issues and determine programmes to achieve strategic intent including the development of the Strategic Scorecard.	Chapter 5 of the Municipal Systems Act of 2000
	Present first draft situational analysis to the IDP & Budget Steering Committee and request inputs for the new Municipal Vision, Mission, Strategies & Objectives	IDP Manager	09 Nov 2021	Meeting		
	Mayoral Committee to confirm and recommend approval of Situational Analysis, Municipal Vision, Mission, Strategies and	Executive Mayor	03 Dec 2021	Meeting		Chapter 5 of the Municipal Systems Act of 2000

	Objectives					
Projects Phase	Set and agree on IDP priority programmes/projects	Senior Management	Nov – Dec 2021	Meeting	Identifying projects and set outputs & targets	Chapter 5 of the Municipal Systems Act of 2000
	Senior Management develop draft 2022/2023 SDBIP	Senior Management	25 Feb 2022	Meeting		
Integration Phase	Senior Management identifying programmes with external stakeholders	Senior Management	04 March 2022	Meeting	Incorporate programmes and projects into the IDP	Chapter 5 of the Municipal Systems Act of 2000
	Integration of sector plans and institutional programmes	IDP Manager	04 Mar 2022	Desktop work		
	Presentation of Draft IDP & Budget to the IDP and Budget Steering Committee and MAYCO	IDP Manager	17 Mar 2022	Meeting		
	Receive proposed budget from the board of directors of the municipal entity (MFMA S87 (1))	Accounting Officer	15 Feb 2021	Email		

Approval Phase	Tabling of the Draft IDP and Budget to Council	Executive Mayor	31 Mar 2022	Council Meeting	Approved IDP, Budget and SDBIP	Chapter 5 of the Municipal Systems Act of 2000
	Submission of Draft IDP and Budget to MEC, Treasury and Local Government	IDP Manager	14 Apr 2022	Email/NT Portal		
	Invite public comments on Draft IDP and Budget including Outreaches	IDP Manager	Apr – May 2022	Media		
	IDP & Budget Steering Committee considers submissions, representations and recommendations from IDP Outreaches. Executive Mayor be provided with an opportunity to respond to submissions during consultation and table amendments for Council consideration.	ALL	20 May 2022	Meeting		Chapter 5 of the Municipal Systems Act of 2000

	Adoption of final IDP, Budget and Budget related policies	Council	31 May 2022	Council meeting		Chapter 5 of the Municipal Systems Act of 2000
	Submission of final IDP and Budget to MEC, Treasury and Local Government.	IDP Manager	10 Jun 2022	Email/NT Portal		
	Publication of approved IDP and Budget on website and local newspaper	IDP Manager	14 Jun 2022	Media/Website/Local Newspaper	Approved SDBIP and annual performance agreements	Section 32 of the Municipal Systems Act of 2000
	Finalisation and submission of draft 2022/2023 SDBIP and annual performance agreement by Municipal Manager to the Executive Mayor	Municipal Manager	17 Jun 2022	Meeting/Desktop		Section 53 (c) (2) of the Municipal Finance Management Act of 2003
	Executive Mayor approves the 2022/2023 SDBIP and annual performance agreements of the Municipal Manager and Senior	Executive Mayor	30 Jun 2022	Meeting		- Section 53 (c) (2) of the Municipal Finance Management Act of 2003. - Section 57 (1) (b) of the Municipal

	Managers within 28 days after the approval of the IDP and Budget					Systems Act of 2000
	Submit the approved SDBIP and performance agreements to MEC, Local Government, within 14 days after approval.	IDP Manager, Corporate Services Manager	20 Jul 2022	Courier		Section 53 of the Municipal Systems Act of 2003
Monitoring and Evaluation	Commence with the compilation of the Annual Report 2020/2021	Senior Management	Jul 2021 – Mar 2022	Desktop work	Compile Annual Report	Section 121 of the MFMA of 2003
	Quarterly SDBIP performance progress report for first quarter Section 80 Committees, MAYCO and Council	Senior Management	29 Oct 2021	Desktop work	SDBIP performance reported	Section 54 (d) of the MFMA of 2003
	Quarterly SDBIP performance progress report for second quarter, Section 80 Committees, MAYCO and Council	Senior Management	12 Jan 2022	Desktop work	SDBIP performance reported	Section 54 (d) of the MFMA of 2003

	Mid-year budget and performance assessment MFMA Section 72 (1)(2)(3)	Senior Management	20 Jan 2022	Management Session	Mid-Term finance and service delivery performance report compliant with MFMA	Section 72 of the MFMA of 2003
	Mid-year budget and performance engagements	Senior Management, Executive Mayor, Provincial Treasury	24 Feb 2022	Meeting	Approved Mid-term Adjustment Budget	Section 72 of the MFMA of 2003
	Executive Mayor tables the Annual Report 2020/2021 MFMA Section 127 (2)	Executive mayor	25 Jan 2022	Council meeting	Draft Annual Report	Section 121 of the MFMA of 2003
	Executive Mayor tables adjustment budget for approval by Council MFMA Section 28	Executive Mayor	28 Feb 2022	Council meeting	Approved Adjusted Budget	Section 28 of the MFMA of 2003
	Publicise both the Annual Report (invite public inputs into the report – MFMA 127 & MSA section 21A) and the adjustment budget on the municipal website and in local	Municipal Manager	14 March 2022	Media/Website/Local News Paper	Annual Report and adjustment budget publicized	Section 127 of the

	newspapers.					
	Council to consider and adopt Annual & Oversight Report by end March MFMA Section 129 (1)	Municipal Manager & Executive Mayor	31 Mar 2022	Council meeting	Approved Annual Report & Oversight Report	Section 129 of the MFMA of 2003
	Publicise Annual & Oversight Report, within 7 days of adoption MFMA Section 129(3) & MSA Section 21A	Municipal Manager	08 Apr 2021	Media		-Section 129 of the MFMA - Section 21A of the Municipal Systems Act
	Within 7 days of adoption of Annual Report & Oversight Report submit to Provincial Legislature/MEC for Local Government	Municipal Manager	08 Apr 2022	Courier		Section 121 of the MFMA
	Draft Budget Engagements	Senior Management, Executive Mayor, Provincial Treasury	28 Apr 2022	Meeting	Tabled Draft Annual Budget	Section 72 of the MFMA of 2003
	Quarterly SDBIP performance progress report for third quarter, Section 80 Committees,	Senior Management, Executive Mayor	14 Apr 2022	Desktop work		Section 52 (d) of the MFMA of 2003

	MAYCO and Council					
	Quarterly SDBIP performance progress report for fourth quarter, Section 80 Committees, MAYCO and Council	Senior Management, Executive Mayor	14 Jul 2022	Desktop work	SDBIP performance report noted	Section 52 (d) of the MFMA of 2003
	Ensure board of Directors of a municipal entity approve the entity's budget after tabling account of any hearing or recommendations by Council (MFMA) (87) 4	Accounting Officer	31 May 2022		Approved Budget for the Municipal Entity	Section 87 of the MFMA

PROVINCIAL TREASURY - SCHEDULE OF DATES

1.8. MID-YEAR AND BUDGET BENCHMARK ENGAGEMENT FOR THE YEAR – 2022-2023

No	PT - District Name	Municipality Name	2021/22 Mid-Year Engagement	Mid-Year Venue	2022/23 Benchmark Engagement	Benchmark Engagement Venue
1	Alfred Nzo District	Winnie Madikizela-Mandela Local Municipality	10 February 2022	Virtual platform	05 April 2022	Virtual platform
2		Ntabankulu Local Municipality	04 February 2022	Virtual platform	04 April 2022	Virtual platform
3		Alfred Nzo District Municipality	08 February 2022	Virtual platform	05 April 2022	Virtual platform
4		Umzimvubu Local Municipality	02 February 2022	Virtual platform	08 April 2022	Virtual platform
5		Matatiele Local Municipality	15 February 2022	Virtual platform	27 April 2022	Virtual platform

1.9. CONSIDERATION OF MEC'S (COGTA) COMMENTS FOR IDP REVIEW 2021/2022 FY

As required in terms of Section 32 (a) of the Municipal Systems Act of 2000, ANDM submitted its adopted IDP as reviewed for 2021/22 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. The results a form of a summary for IDP 2021/22, it 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 2016/17	RATINGS 2017/18	RATINGS 2018/19	RATINGS 2019/20	RATINGS 2020/21	RATINGS 2021/22
Spatial Development Framework	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Basic Service Delivery	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Financial Viability	HIGH	MEDIUM	HIGH	HIGH	HIGH	HIGH
Local Economic Development	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Good Governance & Public Participation	HIGH	MEDIUM	HIGH	HIGH	HIGH	HIGH
Institutional Arrangements	MEDIUM	MEDIUM	MEDIUM	HIGH	HIGH	HIGH
OVERALL RATING	HIGH	Medium	HIGH	HIGH	HIGH	HIGH

The municipality considered the gaps as identified in the assessment of the IDP by COGTA and as such drawn an action plan to remedy all the issues that were highlighted as having gaps. This action plan has been considered in the development of the IDP.

2. LEGISLATIVE PROVISIONS

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.

3. ALFRED NZO DISTRICT MUNICIPALITY STRATEGIC AGENDA

VISION

By 2030, Alfred Nzo should be a place where communities enjoy much improved public infrastructure in an environmentally sustainable manner, better quality of public services and socio-economic opportunities.

MISSION

ANDM being a driver for change will ensure effective delivery of sustainable services in an economic and efficient manner.

MUNICIPAL VALUES

Values	Description
Transparent and Openness	Involvement of public into municipality affairs
Honesty	Municipal business are done in an ethical manner

Integrity	Confidential information of the municipality is issued to public through authorised communication channels.
Accountability	Municipality responds to community needs by giving regular feedback and is answerable to the community.
Professionalism	Strive to intensify the culture of competence and good work ethics
Fairness	The municipal business is done in an equitable manner
Responsiveness	Municipality is responding to community needs
Diversity	Embrace- diversity of Culture within the district

MOTTO

“Place of Unity in Diversity”

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 2022 – 2023 was adopted by Council on the 31st of August 2021.

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.

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

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.

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

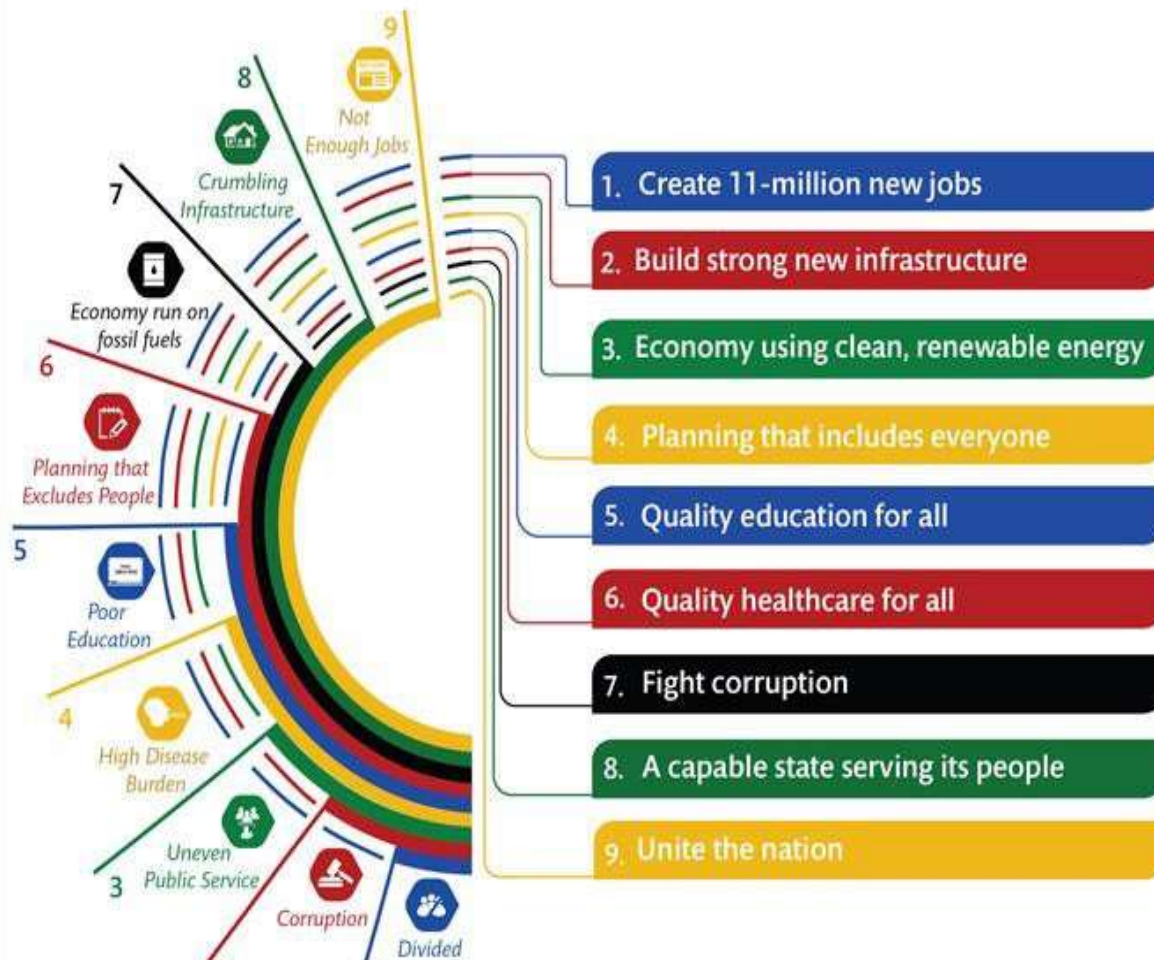
Adequate nutrition

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.

PROBLEM TO PLAN THE JOURNEY TO 2030

THE PROBLEM **TODAY**
POVERTY & INEQUALITY

THE PLAN 2030
PROSPERITY & EQUITY



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.

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 natural identity.

4. DDP VISION 2030 PROPOSITION

By 2030 the district should have:

Much improved public infrastructure – water, sanitation, electricity, roads, education, health (with removal of backlogs)

Better quality public services

A growing economy with lower unemployment and higher living standards – key priority sectors identified

A sustainable and well-protected natural environment

Public sector organisational strengthening to drive the DDP

All these propositions should be achieved in all areas of the district

DDM PROPOSITION

The purpose of the Alfred Nzo District Municipality DDM One Plan is:

To give effect to the District Development Model (DDM) approved by Cabinet as a practical method to improve service delivery and development impact in the Alfred Nzo District space through integrated planning, budgeting, and delivery by all three spheres of government working together with stakeholders and

communities.

To localise and synergise the National Development Plan (NDP), the Medium-Term Strategic Framework (MTSF), National Spatial Development Framework (NSDF), Integrated Urban Development Framework (IUDF) and key national and provincial sector policies/strategies/plans with socio-economic and spatial development logic of the Alfred Nzo District Municipality;

To express a coherent and predictable government approach in relation to these key priorities through a Long-Term Strategic Framework (One Plan) for growth and development of the Alfred Nzo District Municipality space that is co-produced by all three spheres of government together with stakeholders and communities.

To enable a programmatic Intergovernmental Relations approach in relation to Alfred Nzo District Municipality through implementation of the One Plan that will serve as an impact performance framework tracking the commitments and spending of national and provincial sector departments and the Alfred Nzo District Municipality according to the shared vision and desired future development of Alfred Nzo District Municipality and its people.

To create an environment which is conducive for investment.

To stabilize governance and financial management practices in the Alfred Nzo District Municipality;

ONE PLAN

The Alfred Nzo District Municipality is based on the DDM Theory of Change which postulates six transformations to move from the current problematic situation to a desired better future. Whilst existing plans across government seek to align to the NDP and to each other, there is no clear single line of sight and logical rationale or relations in terms of commonly agreed priorities and joint and coherent way of addressing them within the socio-economic and inclusive and integrated

placemaking dynamics within specified spaces.

These six DDM Transformation Focal Areas are:

People Development and Demographics – the process of understanding the current population profile and development dynamics and by which a desired demographic profile and radical improvement in the quality of life of the people is achieved through skills development and the following 5 transformations discussed below (economic positioning, spatial restructuring and environmental sustainability, infrastructure engineering, housing and services provisioning, and governance and management).

Economic Positioning – the process by which a competitive edge is created that enables domestic and foreign investment attraction and job creation on the basis of an inclusive and transformed economy. The economic positioning informs the spatial restructuring and has to be sustained through protecting, nurturing and harnessing natural environment and resources.

Spatial Restructuring and Environmental Sustainability – the process by which a transformed, efficient and environmentally sustainable spatial development pattern and form is created to support a competitive local economy and integrated sustainable human settlements. Spatial restructuring informs infrastructure investment in terms of quantum as well as location and layout of infrastructure networks.

Infrastructure Engineering – the process by which infrastructure planning and investment especially bulk infrastructure installation occurs in order to support the transforming spatial pattern and form, meet the needs of a competitive and inclusive local economy and integrated human settlements, and ensure demand for housing and services is met in a sustainable way over the long-term.

Integrated Services Provisioning – the process by which integrated human settlement, municipal and community services are delivered in partnership with communities so as to transform spatial patterns and development for planned integrated sustainable human settlements with an integrated infrastructure network. This also requires holistic household level service delivery in the context of a social wage and improved jobs and livelihoods.

Governance and Management – the process by which leadership and management is exercised that planning, budgeting, procurement, delivery, financial and performance management takes place in an effective, efficient, accountable and transparent manner. It also includes spatial governance, that is, the process by which the spatial transformation goals are achieved through assessing and directing land development and undertaking effective land use management and release of municipal/public land.

5. MEDIUM-TERM STRATEGIC FRAMEWORK (MTSF) PRIORITY 1

A capable, ethical and developmental state underpins all seven priorities of the MTSF. It is a vision of strong leadership, a focus on people and improved implementation capability. Facilitating this vision into action will involve a transition to a more functional and integrated government, which is capacitated with professional, responsive and meritocratic public servants to strengthen relations and efficiency. Intergovernmental and citizen engagements are also key enablers of this priority to ensure the joint pursuit of a capable state.



A capable state

Improved Leadership – consistency in community engagements, accountability mechanisms, impart capacity building programmes, undertake capacity exchange programmes/benchmarking exercises, (deterrence from creating false hopes)

Governance – improve on perceptions, responsive to the needs of the community, adherence to compliance matters, improve on audit opinion,

Accountability – consistent consultation with public through dialogue, transparency in matters of governance,

Ethical State

Organisational integrity – anti-fraud and corruption initiatives

Clean governance – development of ethical code, business re-engineering, improve turnaround time, management of risks, consequence management, strengthening of oversight structures and committees such as Financial Misconduct Board , MPAC and Rules, Ethics & Members Interests Committee.

Developmental State

Developmental Communication: Improve communication by constantly publicizing all programmes of the municipality both internally and externally.

Stakeholder Management: Inclusivity of key role players in all municipal business and programmes

6. ALIGNMENT OF THE ONE PLAN GOALS TO THE DDP AND THE IDP

ONE PLAN – LONG TERM PLAN	DDP – MEDIUM TO LONG-TERM PLAN	IDP (MEDIUM TERM - 5 YEARS)
Infrastructure Engineering (Pillar 4) Integrated Services Provisioning (Pillar 5)	An enabling Infrastructure Network (Goal 1)	1. Basic Service Delivery and Community Empowerment
Economic Positioning (Pillar 2)	An innovative, inclusive and growing economy (Goal 3) Rural Development and an innovative and high-value agriculture sector (Goal 5)	2. Inclusive Growth and Development
		3. A capable and financially viable institution
Governance and Management (6)	Capable demographic governance (Goal 2)	4. Effective Public Participation, Good Governance and Partnerships

People development and Demographics (1)	Human Development (Goal 6)	5. Human Resources Development and institutional management
Spatial Restructuring and Environmental Sustainability (Pillar 3)	Environmental sustainability (Goal 4)	

MUNICIPAL GOALS AND OBJECTIVES

No	Key Performance Areas	Strategic Goals	Strategic Objectives	Proposed Targets with Time-frames
5	Good Governance and Public Participation	Effective Public Participation, Good Governance and Partnerships	To create a conducive environment for participatory development and promote a culture of good governance by 2027.	Enhance functionality of IGR Forums to achieve aspirations of the DDM – One plan Enhance functionality of public participation structures Enhance functionality of oversight structures of council. Improve audit status of the municipality to a clean audit by 2025. Development and Implementation of policies and by-laws.
			Strengthening Oversight Structures to eliminate mal administration, corruption, non-compliance and non –	Implement Integrity Management Framework (prevention, detection, resolution, investigation & reporting).

			performance by 2027	Institutionalize and enforce anti- fraud and corruption programs. Enforce code of conduct Implement consequence Management. Implement efficient Performance Management System. Subject employees and members of council to capacity building programs and skills audit.
			To build strong links with all strategic partners and structures that will improve organizational efficiency by 2027	Enter into Public Private Partnerships. Strengthen IGR forums and sector coordination.(DIMAFO, District Speakers Forum, Municipal Manager's Forum and all other sub- forums Resuscitate Back to Basics and revival of war rooms. Restoration of relations with local ambassadors (e.g. academia and professionals) Revive twinning arrangements with the local and international community in order to improve our economy.

STRATEGIC RISK ASSESSMENT

Risk type	Broad definition	Examples of key risks	Risk Mitigation Strategies – 2022/23
Strategic	The risk that strategic intent and direction cannot be sustained and/or objectives cannot be achieved.	Inappropriate strategy. Incorrect implementation of strategic objectives. Incorrect strategic decision making. Lack of visible leadership. Inadequate succession planning resulting in inability to achieve objectives.	Align strategies to local, provincial and national strategies(alignment with DDM,NDP,PDP,DDP& IDP) Develop structured and clear strategic goals. Improved planning systems and decision making. Institutionalize programmes that ensure that leadership is upheld. Develop clear career pathing and succession plans.

Governance	The structures and processes in place to ensure good governance in the organization.	Lack of strategy and objectives. Lack of or inappropriate delegation of authority. Lack of or inadequate policies and procedures. Lack of or inappropriate communication and reporting structures.	Develop clear defined strategic goals, objectives and alignment thereof. Review and cascade a clear Delegation Framework and be reduced to writing. Review and develop policies, municipal code and procedures. Review a communication strategy (internal and external)
Service Delivery	The strategic objective and mission of every department to ensure that they are meeting their objectives and service delivery targets.	Poor / inefficient service delivery. Non-compliance with the Batho Pele principles.	Auditing performance and service delivery mechanisms and review, control and implementing. Institutionalize a customer -centric culture. Review a customer service Charter and appoint customer care departmental champions.
Culture/Ethics	The alignment of ethics, culture and values in the organization.	Poor or inconsistent ethics, culture and values throughout the organization. Different beliefs and values impacting goal alignment. Different beliefs and values impacting acceptance of change and integration.	Development ethical code, moral charter and corporate culture and instil values through awareness programmes Review and instil institutional values and management to model good value system

Organizational Structure	The risk that organizational structure is not suited to achievement of objectives.	Inappropriate organizational structure. Strategy change without appropriate organizational structure change.	Development of the organogram that responds to strategic intent, mandate and assigned functions of the institution. Alignment of organisational structure to the changes in the strategic objectives.
Reputation	The risk that the actions or inaction harms the reputation of the ANDM/Department.	Damage to brand due to adverse public event. Damage to reputation due to release of inaccurate information.	
Communication	Inappropriate or ineffective communication vertically within ANDM and horizontally within the departments.	Lack of communication structures or processes. Inappropriate or inadequate reporting.	Strengthen the functionality of the district communicator's forum. Communication strategy and policy to cover internal and external communication.
Legal	The risk that department will be exposed to contractual obligations which have not been provided for. Unwillingness of a counterparty to discharge contractual obligations.	Incorrect legal advice given on the law or contractual interpretation.	
Compliance	Is the risk of not complying with policies and procedures/ laws and regulations?	Failure to comply, detect or report non-compliance with external (e.g. statutes, common law and client mandates) and internal requirements (e.g. approval framework)	Enhance the system of internal control. Development of Standard Operating procedures.
Fraud	The risk of fraud, corruption of maladministration.	Loss of finance or assets due to fraud, corruption or misadministration.	Implement fraud prevention strategy

Security	The risk that human resources or physical assets are not appropriately safeguarded.	Loss or theft of assets. Loss of or endangerment of human life.	Explore security mechanisms that are of benefit to the municipality

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 improvements.
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.

Back to Basics Local Government Programme

Our National Development Plan makes it clear that meeting our transformation agenda requires functional municipalities and 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 scarce skills within the region are deemed to be in the following fields:

Medicine

Architect

ICT

Engineering

Chemist

Commerce.

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.

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.

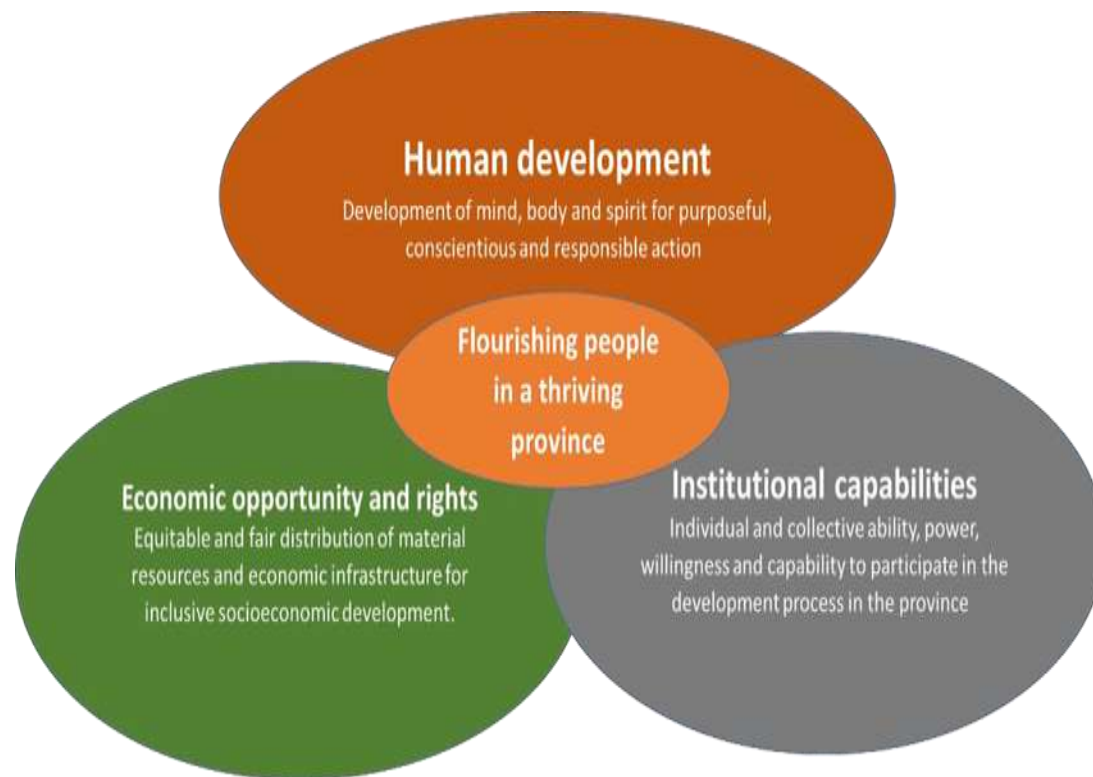
Corruption is widespread.

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 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

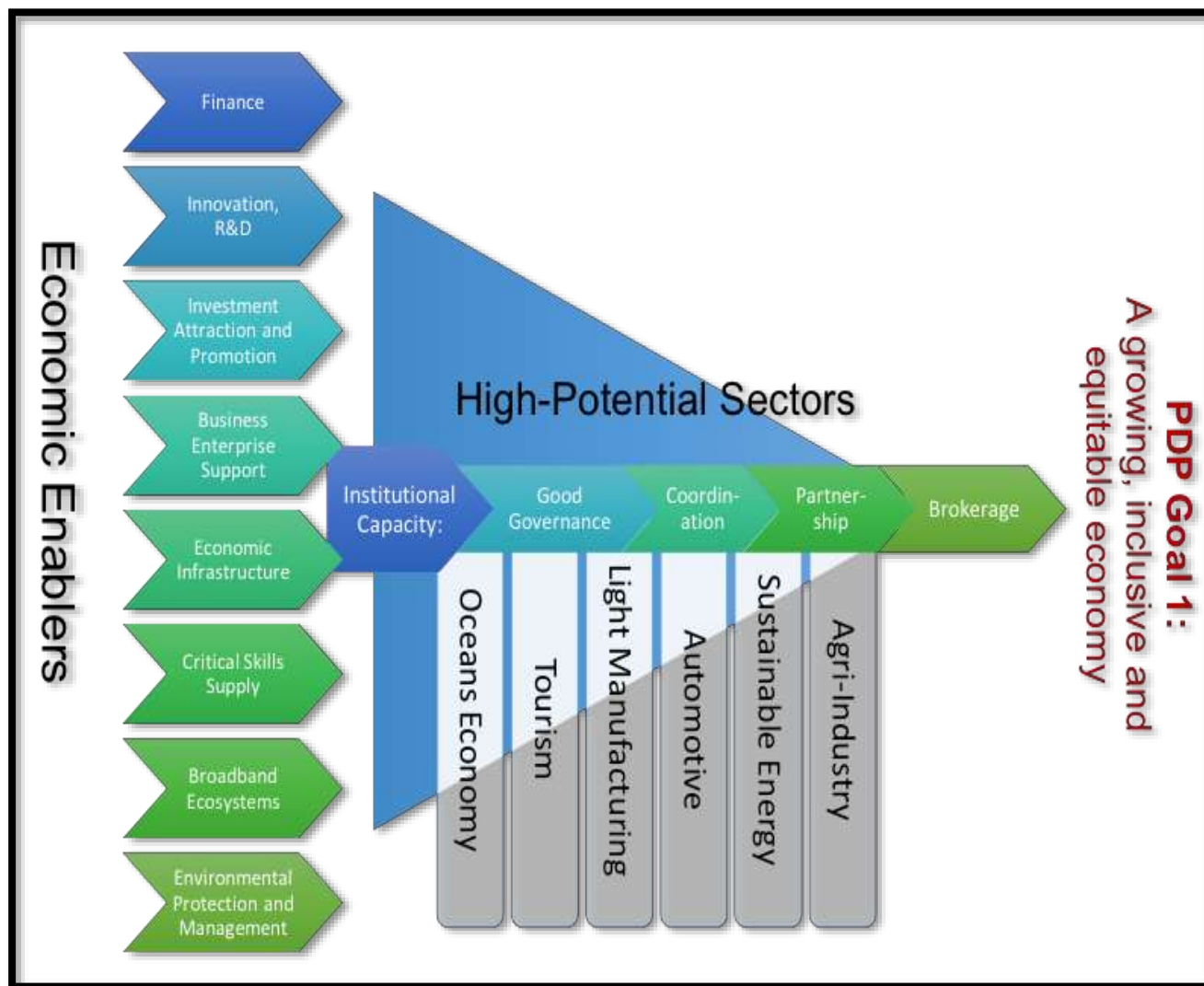
This goal seeks to build capable, resilient and accountable institutions to champion rapid inclusive development. The proposals deal with the creation of capable provincial and local government; leadership renewal across society; citizen-centred development and multi- agency partnerships.

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.

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.



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 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

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.

State of the Nation Addresss (SONA)

Highlights of the State of the Nation Address (SoNA) 2022 His Excellency President Cyril Ramaphosa delivered the SoNA to a hybrid Joint Sitting of the two houses of Parliament – the National Assembly and National Council of Provinces – in Cape Town on Thursday, 10 February 2022. In his opening remarks, the President said “this year, for the first time since the dawn of our democracy, the SoNA is not being delivered in the Chamber of the National Assembly.”

On 2 January 2022, a raging fire damaged the Old Assembly Chamber and building, the National Assembly Chamber and critical offices of Parliament. As a result of the extensive damage, the SoNA in 2022 was held at the Cape Town City Hall. “As we entered this New Year, a huge fire engulfed the seat of our democracy. We all watched in outrage and sadness as the flames devoured the buildings in which our democratic Constitution was born, in which laws of transformation and progress have been passed, in which the freely-chosen representatives of the people have shaped our young nation. “For many, what happened in Parliament speaks to a broader devastation in our land. For many, the fire was symbolic of the devastation caused by the Coronavirus Disease (COVID-19) pandemic, by rising unemployment and deepening poverty.

“It spoke to the devastation of a pandemic that over the past two years has taken the lives of tens of thousands of South Africans, put two million people out of work and brought misery to families. “The fire in Parliament reminded us of the destruction, violence and looting that we witnessed in parts of the country in July last year, of the more than 300 lives lost and many more livelihoods ruined. As we reflect on the past year, we recall the words of President Thabo Mbeki who

reminded us that: “Trying times need courage and resilience. Our strength as a people is not tested during the best of times”. ‘That we are gathered together in the Cape Town City Hall instead of the National Assembly Chamber reflects the extraordinary circumstances of this time. It reflects the determination of the Presiding Officers of Parliament and indeed all the members of our two houses that the work of this democratic institution should continue without interruption.

“There are moments in the life of a nation when old certainties are unsettled and new possibilities emerge. In these moments, there is both the prospect of great progress and the risk of reversal. Today, we are faced with such a moment. “The path we choose now will determine the course for future generations. That is why we are taking steps to strengthen our democracy and reaffirm our commitment to a Constitution that protects us all. We are working together to revitalise our economy and end the inequality and injustice that impedes our progress. “We are standing together against corruption and to ensure that those who are responsible for state capture are punished for their crimes. We are rebuilding the State and restoring trust and pride in public institutions. If there is one thing we all agree on, it is that the present situation – of deep poverty, unemployment and inequality – is unacceptable and unsustainable.

“There is agreement among a broad and diverse range of South Africans that fundamental reforms are needed to revive economic growth. There is a need both to address the immediate crisis and to create conditions for long-lasting stability and development. To achieve this, South Africa needs a new consensus. “A consensus that is born out of a common understanding of our current challenging situation and a recognition of the need to address the challenges of unemployment, poverty and inequality. “This should be a new consensus which recognises that the State must create an environment in which the private sector can invest and unleash the dynamism of the economy.

But equally, an environment in which South Africans can live a better life and unleash the energy of their capabilities. “This should also be a new consensus which embraces our shared responsibility to one another, and acknowledges that we are all in this together. As the social partners – government, labour, business and communities – we are working to determine the actions we will take together to build such a consensus. “We have begun discussions on what trade-offs are needed and what contribution we will each need to make.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall.

Government has given itself 100 days to finalise a comprehensive social compact to grow the economy, create jobs and combat hunger. This work will build on the foundation of the Economic Reconstruction and Recovery Plan (ERRP), which remains the common programme to rebuild the economy. Government remains focused on the priorities it identified in the SoNA last year: • overcoming the COVID-19 pandemic; • a massive rollout of infrastructure; • a substantial increase in local production; • an employment stimulus to create jobs and support livelihoods; and • the rapid expansion of the energy generation capacity. “To be effective, this social compact needs to include every South African and every part of our society. No one must be left behind. “When I last addressed the state of our nation, we were deep in the throes of the worst pandemic in more than a century. Since COVID-19 reached our shores, we have endured successive waves of infection, the emergence of new variants and the devastating cost of nearly 100 000 recorded COVID-19 deaths. South Africans have responded to this grave threat with courage and resilience, with compassion and restraint.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall.

STRENGTHENING THE HEALTH SYSTEM

Over the past two years, government has taken unprecedented actions to strengthen the health system, build laboratory capacity and prevent infections. The nation owes a great debt of gratitude to the dedicated healthcare workers and other frontline staff who put their health and their lives at risk to care for the ill and vulnerable during this pandemic.

SOLIDARITY FUND

Within weeks of the first reported infection in the country, government announced the establishment of the Solidarity Fund, with the goal of uniting the country in the fight against the pandemic. In a wave of generosity that swept the country, the fund raised R3.4 billion from more than 300 000 individuals and 3 000 companies and foundations. More than 400 individuals and 100 companies volunteered their time and services.

The fund has played a pivotal role in supporting the national health response and alleviating the humanitarian crisis. Government thanks everyone who contributed to the Solidarity Fund and the great many who came together in countless other initiatives to support those affected by the pandemic. “As the trajectory of the

pandemic has continued to change, we have had to adapt and evolve. Our approach has been informed throughout by the best available scientific evidence, and we have stood out both for the quality of our scientists and for their involvement in every step of our response.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall.

VACCINE ROLL-OUT

During the past year, government focused on accelerating vaccine roll-out. By mid-February 2022, government had administered 30 million doses of COVID-19 vaccines. Consequently, nearly 42% of all adults and 60% of everyone over 50 is fully vaccinated. Government is now ready to enter a new phase in the management of the pandemic. It is government’s intention to end the National State of Disaster as soon as it has finalised other measures under the National Health Act, 2003 (Act 61 of 2003) and other legislation to contain the pandemic. Nearly all restrictions on economic and social activity have already been lifted. Vaccines have proven to be the best defence against illness and death from COVID-19.

“If we all get vaccinated, continue to observe basic health measures and remain ever vigilant, we will be able to get on with our lives even with the virus in our midst. The state of the nation is linked inextricably to the state of our economy. In addition to the divides of race, geography and education, COVID-19 has exacerbated the divide between those who are employed and unemployed.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall

JOB CREATION

Last year, the unemployment rate reached its highest recorded level. Unemployment had been caused by low growth, which in turn resulted from a long-term decline in investment. In the last year, government benefited from a clear and stable macroeconomic framework, strong commodity prices and a better-than-expected recovery. However, government has been held back by an unreliable electricity supply, inefficient network industries and the high cost of doing business. Government has been taking extraordinary measures to enable businesses to grow and create jobs alongside expanded public employment and social protection.

“We all know that government does not create jobs. Business creates jobs. Around 80% of all the people employed in South Africa are employed in the private sector.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall. The key task of government is to create the conditions that will enable the private sector – both big and small – to emerge, to grow, to access new markets, to create new products, and to hire more employees. The problems in the South African economy are deep and they are structural.

STRUCTURAL REFORMS

When electricity supply cannot be guaranteed, when railways and ports are inefficient, when innovation is held back by a scarcity of broadband spectrum, when water quality deteriorates, companies are reluctant to invest and the economy cannot function properly. With a view to addressing these challenges, government is accelerating the implementation of far-reaching structural reforms to modernise and transform these industries, unlock investment, reduce costs and increase competitiveness and growth.

ELECTRICITY

The electricity crisis is one of the greatest threats to economic and social progress. In the last few days, government has once again been reminded of the fragility of the electricity system. Loadshedding continues to have a huge impact on the lives of all South Africans, disrupting business activities, and placing additional strains on families and communities. Due to the aging power stations, poor maintenance, policy missteps and the ruinous effects of state capture, the country has a shortfall of around 4 000 megawatts (MW) of electricity.

During the past year, government has taken firm steps to bring additional generation capacity online as quickly as possible to close the shortfall. As a result, several new energy generation projects will be coming online over the next few years.

This includes:

- Over 500 MW from the remaining projects in Bid Window 4 of the renewable energy programme, which are at advanced stages of construction.

- 2 600 MW from Bid Window 5 of the renewable energy programme, for which the preferred bidders were announced last year.
- Up to 800 MW from those risk mitigation power projects that are ready to proceed.
- 2 600 MW from Bid Window 6 of the renewal energy programme, which will soon be opened.
- 3 000 MW of gas power and 500 MW of battery storage, for which requests for proposals will be released later this year.
- An estimated 4 000 MW from embedded generation projects in the mining sector.
- Approximately 1 400 MW currently in the process of being secured by various municipalities.

In addition to closing the energy supply shortfall, government is implementing fundamental changes to the structure of the electricity sector. Eskom has established a separate transmission subsidiary and is on track to complete its unbundling by December 2022. The utility has continued with its intensive maintenance programme to reverse many years of neglected maintenance and underperformance of existing plants. To regulate all of these reforms, on 9 May 2022 Cabinet approved amendments to the Electricity Regulation Act, 2006 (Act 4 of 2006) for public comment.

These far-reaching amendments will enable a competitive market for electricity generation and the establishment of an independent state-owned transmission company.

PORTS AND RAILWAYS

The economy cannot grow without efficient ports and railways. Over several years, the functioning of the ports has declined relative to ports in other parts of the world and on the African continent. This constrains economic activity. The agricultural sector, for example, relies heavily on efficient, well-run ports to export their produce to overseas markets. Fresh produce cannot wait for days and even weeks stuck in a terminal. This hurts businesses and compromises the country's reputation as an exporter of quality fresh produce.

Transnet is addressing these challenges and is currently focused on improving operational efficiencies at the ports through procuring additional equipment and implementing new systems to reduce congestion. Transnet will ask for proposals from private partners for the Durban and Ngqura Container Terminals within the next few months, which will enable partnerships to be in place at both terminals by October 2022. Transnet will start the process of providing third-party access to its freight rail network from April 2022 by making slots available on the container corridor between Durban and City Deep in Gauteng. Transnet has developed partnerships with the private sector to address cable theft and vandalism on the freight rail network through advanced technologies and additional security personnel. This collaborative effort is already showing results in reduced disruptions to rail operations. The poor state of passenger rail in South Africa has a direct and detrimental impact on the lives of the people. Government is working hard to rehabilitate the passenger rail network in 10 priority corridors. The Southern Line in Cape Town and the Mabopane Line in Pretoria have been reopened to be followed by the remaining lines in the next year.

DIGITAL MIGRATION

One of the greatest constraints on the technological development of the economy has been the unacceptable delay in the migration of broadcasting from analogue to digital. The switch-off of analogue transmission has been completed in a number of provinces. As announced in the SoNA last year, the other provinces will move to digital signal by the end of March 2022. As part of this process, government will continue to subsidise low-income households so that they can access a set-top box and make the switch to digital TV.

The communications regulator, Independent Communications Authority of South Africa, will commence with the auctioning of the high frequency communications spectrum in about three weeks from now. This will unlock new spectrum for mobile telecommunications for the first time in over a decade.

In addition, government will facilitate the rapid deployment of broadband infrastructure across all municipalities by establishing a standard model for the granting of municipal permissions. These reforms will revolutionise the country's technological development, making faster broadband accessible to more people and reducing the costs of digital communications.

SKILLED IMMIGRANTS

The world over, the ability to attract skilled immigrants is the hallmark of a modern, thriving economy. Government is therefore streamlining and modernising the visa application process to make it easier to travel to South Africa for tourism, business and work. As committed last year, the eVisa system has now been launched in 14 countries, including China, India, Kenya and Nigeria. The revised Critical Skills List has been published for the first time since 2014, following detailed technical work and extensive consultations with business and labour. The updated list reflects the skills that are in shortage today, to ensure that the immigration policy matches the demands of the economy. A comprehensive review of the work visa system is currently underway, led by a former Director-General of Home Affairs, Mr Mavuso Msimang. This review is exploring the possibility of new visa categories that could enable economic growth, such as a start-up visa and a remote working visa.

WATER

Water is the country's most precious natural resource. It is vital to life, to development and to economic growth. That is why government has prioritised institutional reforms in this area to ensure future water security, investment in water resources and maintenance of existing assets. Government has embarked on the process of institutional reform in capacitating the Department of Water and Sanitation (DWS) and reviewing water boards in as far as their mandates are concerned and ensuring that they serve municipalities in terms of the District Development Model (DDM).

These reforms are being championed by the Minister of Water and Sanitation, who has visited every water source in the country. A comprehensive turnaround plan is being implemented to streamline the process for water-use licence applications. The target is to clear the backlog of applications by June 2022 and to process 80% of all applications within 90 days during the next financial year. Legislation has been prepared for the establishment of the National Water Resources Infrastructure Agency, and will be published for public comment within the next month. The Water Quality Monitoring System has been reinstated to improve enforcement of water standards at municipal level, and enable the DWS to intervene where water and sanitation services are failing.

INDUSTRIAL HEMP AND CANNABIS

Government will review the policy and regulatory framework for industrial hemp and cannabis to realise the huge potential for investment and job creation.

SMALL BUSINESS DEVELOPMENT

'While structural reforms are necessary for us to revive economic growth, they are not enough on their own.' – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall. This year, government is undertaking far-reaching measures to unleash the potential of small businesses, micro businesses and informal businesses. These are the businesses that create the most jobs and provide the most opportunities for poor people to earn a living. Government has started discussions with social partners as part of the social compact process to review labour market regulations for smaller businesses to enable them to hire more people while continuing to protect workers' rights.

A new, redesigned Loan Guarantee Scheme is being introduced to enable small businesses to bounce back from the pandemic and civic unrest. This new bounce-back scheme incorporates the lessons from the previous Loan Guarantee Scheme. It will involve development finance institutions and non-bank small and medium-sized enterprises providers in offering finance, expand the types of financing available and adjust eligibility criteria to encourage greater uptake. National Treasury is working with industry stakeholders to finalise the scheme and will provide details soon. Government is reviewing the Business Act, 1991 (Act 71 of 1991) – alongside a broader review of legislation that affects small, medium and micro enterprises (SMMEs) – to reduce the regulatory burden on informal businesses. There are too many regulations in this country that are unduly complicated, costly and difficult to comply with.

This prevents companies from growing and creating jobs. Government is, therefore, working to improve the business environment for companies of all sizes through a dedicated capacity in The Presidency to reduce red tape. If government is to make progress in cutting unnecessary bureaucratic delays for businesses, it needs dedicated capacity with the means to make changes. President Ramaphosa has therefore appointed Mr Sipho Nkosi to head up a team in his office to cut red tape across government. Mr Nkosi has extensive experience in business, including as the Chief Executive Officer of Exxaro Resources, and is currently the Chairperson of the Small Business Institute. The red tape team will identify priority reforms for the year ahead, including mechanisms to ensure government departments pay suppliers within the required 30 days. The team will also work with other departments and agencies to unblock specific obstacles to investment

and business growth. It will support current initiatives to simplify processes relating to property registration, cross-border trade and construction permits.

INFRASTRUCTURE DEVELOPMENT

Infrastructure is central to economic reconstruction and recovery. Through innovative funding and improved technical capabilities, government has prioritised infrastructure projects to support @GovernmentZA #SONA2022 5 #SONA2022 HIGHLIGHTS economic growth and better livelihoods, especially in energy, roads and water management. The Infrastructure Fund is at the centre of this effort, with a R100 billion allocation from the fiscus over 10 years.

The fund is now working with state entities to prepare a pipeline of projects with an investment value of approximately R96 billion in student accommodation, social housing, telecommunications, water and sanitation and transport. Several catalytic projects to the value of R21 billion are expected to start construction this year. Of this, R2.6 billion is contributed by government, and the balance from the private sector and developmental finance institutions. Government will make an initial investment of R1.8 billion in bulk infrastructure, which will unlock seven private sector projects to the value of R133 billion.

For millions of South Africans in rural areas, roads and bridges provide access to markets, employment opportunities and social services. Yet, many children still have to brave overflowing rivers to reach schools and motorists have to battle impassable roads to reach the next town. Government is therefore upscaling the Welisizwe Rural Bridges Programme to deliver 95 bridges a year from the current 14.

The South African National Defence Force (SANDF) is the implementing agent of the Welisizwe programme and has demonstrated the expertise of SANDF engineers in bridge construction.

RURAL ROADS PROGRAMME

Earlier this week, President Ramaphosa visited Thakgalane village Limpopo to launch a new road that is going to make a huge difference in the lives of neighbouring communities. This road was constructed using block paving and other materials, which is a method that enables us to build durable roads faster and more cost-effectively. The rural roads programme will use labour-intensive methods to construct or upgrade 685 kilometres of rural road over the next three years. This social enterprise programme includes access roads in Limpopo and Eastern Cape, gravel-to-surface upgrades in the Free State and North West, and capacity and connectivity improvements in the Western Cape.

UMZIMVUBU WATER PROJECT

Government has initiated the process of delivering the uMzimvubu Water Project. The project is made of the Ntabelanga Dam and Lalini Dam, irrigation infrastructure and hydro-electric plant, Ntabelanga water treatment works and bulk distribution infrastructure to reticulate to the neighbouring communities. The closing date for the first of the two-stage procurement process is scheduled to close later this month, with the preferred bidder likely to be announced in September 2022.

SCHOOL EDUCATION INFRASTRUCTURE

Government is introducing an innovative social infrastructure delivery mechanism to address issues that afflict the delivery of school infrastructure. The mechanism will address the speed, financing and funding, quality of delivery, mass employment and maintenance. The new delivery mechanism will introduce a Special Purpose Vehicle, working with prominent Development Finance Institutions and the private sector, to deliver school education infrastructure. This approach is being piloted in schools in the Northern Cape and Eastern Cape.

HYDROGEN SA STRATEGY

Over the past year, government has built on its successful Hydrogen SA strategy to make major strides in positioning South Africa as a global leader in this new

market. This includes the development of a Hydrogen Society Roadmap for the next 10 years as well as a Green Hydrogen Strategy for the Northern Cape, supporting the development of a green hydrogen pipeline worth around R270 billion.

THEFT OF SCRAP METAL AND CABLE

The damage caused by the theft of scrap metal and cable on the infrastructure like electricity, trains and other vital services is enormous. Government will take decisive steps this year both through improved law enforcement and by considering further measures to address the sale or export of such scrap metal.

MANUFACTURING BASE

An important pillar of the ERRP is to revitalise the manufacturing base and create globally competitive export industries. In the past year, government launched new master plans in the steel industry, furniture and global business services.” Through these plans, business, government and labour are working together to increase production and create more jobs in the sector. In the clothing industry, a number of retailers have announced ambitious localisation sourcing plans. “One of these retailers, Foschini, kindly made the suit that I am wearing today at its new formal wear factory, Prestige Epping. Five years ago, more than 80% of all Foschini Group merchandise came from the East. Today, nearly half of the merchandise is locally made. “The genuine leather shoes I am wearing were made by members of the National Union of Leather and Allied Workers from Bolton Footwear in Cape Town and Dick Whittington Shoes in Pietermaritzburg.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall.

SOUTH AFRICA INVESTMENT CONFERENCE (SAIC)

Nearly four years ago, government set itself a target of mobilising R1.2 trillion in new investment over five years. By the time of the third SAIC in November 2020, government had reached R776 billion in investment commitments. Next month, on 24 March, government will be holding the fourth SAIC in Johannesburg. Government will showcase the many investment opportunities available as South Africa continues its recovery from the COVID-19 pandemic and report back on the progress of previous commitments.

INTRA-AFRICA TRADE

Following the resolutions of the African Union Summit over the past weekend, trading can now begin under the African Continental Free Trade Area (AfCFTA) agreement. South African companies @GovernmentZA #SONA2022 6 #SONA2022 HIGHLIGHTS are poised to play a key role in taking up the opportunities that this presents for preferential access to other African markets. The AfCFTA agreement is about Africa taking charge of its destiny and growing its economies faster. Government will continue to pursue Africa's health sovereignty, working with other African countries and international partners to support the strengthening of the continent's capacity to respond to pandemics.

VACCINE PRODUCTION

Government will increase its efforts to develop Africa's ability to manufacture vaccines. It has made significant progress here in South Africa. Government now has two South African companies – Aspen and Biovac – with contracts to produce COVID-19 vaccines. Two additional vaccine projects have also been announced. In addition, government has full local production capability for ventilators, hand sanitisers, medical-grade face masks and gloves and therapeutic drugs and anaesthetics. This production capability worth many billions of rand of production annually, has been put in place in less than two years. South African products

have been exported to other African countries, securing them vital supplies and expanding jobs for young South Africans.

ECONOMIC GROWTH AND JOBS

While government helps existing industries to grow, it is also nurturing new opportunities for growth and jobs. Government and the private sector have worked closely together to grow the global business services sector from a small group of companies to one of the world's leading players. The global business services sector is on track to create 500 000 new jobs over the next few years. The hemp and cannabis sector has the potential to create more than 130 000 new jobs. Government is therefore streamlining the regulatory processes so that the hemp and cannabis sector can thrive like it is in other countries such as Lesotho. People in the Eastern Cape, KwaZulu-Natal and elsewhere are ready to farm with this age-old commodity and bring it to market in new and innovative forms. The social economy, including early childhood development, nursing, social work and community services, has significant potential not only to create jobs, but to provide vital services that communities need. Some of the country's mature industries also have a lot to offer in revamping the industrial and manufacturing potential of the country.

AGRICULTURE

The agriculture sector has significant potential for job creation in crops such as citrus, table and dried grapes, subtropical fruit, avocados, berries and nuts. Masterplans in the sugar and poultry industries are contributing significantly to increased investment, improved production and transformation. To attract investors into the mining minerals needed in the new global economy, government will soon be finalising the Mining Exploration Strategy. Government will continue to support the development of the upstream gas industry, as it holds huge potential for job creation and broader economic development.

It will ensure that this is done in strict accordance with the environmental and other laws of the country, and that where there are differences, it worked together to resolve them in the interest of the country and its people. "We live in one of the regions of the world that is most affected by climate change. We frequently experience droughts, floods and other extreme weather events associated with global warming." – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall.

CLIMATE CHANGE

Recently floods affected a number of provinces, including KwaZuluNatal, Gauteng and the Eastern Cape. These have already caused enormous damage to infrastructure and livelihoods. In the last year, government made important strides in the fight against climate change, and, at the same time, securing economic competitiveness. For the first time, South Africa's climate targets are compatible with limiting warming to 1.5°C. This is the goal that all countries agreed to as part of the Paris Climate Agreement, and is essential to prevent the worst effects of climate change. Since the establishment of the Presidential Climate Commission a little more than a year ago, it has done much work to support a just transition to a sustainable, inclusive, resilient and low-carbon economy. At the international climate conference in Glasgow last November, South Africa struck a historic R131 billion deal with the European Union, France, Germany, United Kingdom and the United States. This first-of-its-kind partnership will involve repurposing and repowering some of the coal plants that are reaching the end of their lives, and creating new livelihoods for workers and communities most impacted by this change. To ensure that South Africa is able to derive the full benefit of this and other partnerships, Mr Daniel Mminele, a former Deputy Governor of the Reserve Bank, was appointed as Head of the Presidential Climate Finance Task Team to lead the mobilisation of funds for a just transition. Properly managed, the energy transition will benefit all.

GREEN ECONOMY

Renewable energy production will make electricity cheaper and more dependable, and will allow South Africa's industries to remain globally competitive. Investments in electric vehicles and hydrogen will equip South Africa to meet the global clean energy future. Government will be able to expand the mining industry in strategic minerals that are crucial for clean energy like platinum, vanadium, cobalt, copper, manganese and lithium. Government also has a unique opportunity in green hydrogen, given the country's worldclass solar and wind resources and local technology and expertise. All of these measures – from structural reforms to support for SMMEs, investments in infrastructure and the emergence of new sectors – will drive a turnaround in economic growth driven by the private sector growth over the coming years. @GovernmentZA #SONA2022 7 #SONA2022 HIGHLIGHTS “We know, however, that even with the best business environment and much faster rates of economic growth, it will take time for the private sector to create enough jobs for the millions of South Africans who need them. Our intent is to leave no one behind. That is why we are expanding public and social employment.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall.

PRESIDENTIAL EMPLOYMENT STIMULUS

The first two phases of the Presidential Employment Stimulus programmes, which government launched in October 2020, have supported over 850 000 opportunities. More than 80% of participants were young people and over 60% were women. It has supported young women like Tracy Nkosi from Springs, who was employed as an education assistant at Welgedag Primary School, and who says this opportunity has motivated her to further her studies in the educational sphere. It has also supported Mama Nosipho Cekwana from Impendle in KwaZulu-Natal who used her farming input voucher to buy maize, manure and supplements for her livestock. The total number of direct beneficiaries will soon rise to over one million South Africans. This includes over half a million young people appointed as education assistants, making it the largest youth employment programme ever undertaken in the country's history. The employment stimulus will also enable the Department of Home Affairs to recruit 10 000 unemployed young people for the digitisation of paper records, enhancing their skills and contributing to the modernisation of citizen services. EMPLOYMENT The Social Employment Fund will create a further 50 000 work opportunities using the capability of organisations beyond government, in areas such as urban agriculture, early childhood development, public art and tackling gender-based violence (GBV). In addition to expanding public employment, government is providing support to young people to prepare them for work and link them to opportunities. To encourage hiring by smaller businesses, it will be increasing the value and expanding the criteria for participation in the Employment Tax Incentive. For several years, this has been an effective way to encourage companies to hire new work seekers. The changes to the incentive will make it easier for small businesses in particular to hire young people. The Minister of Finance will announce the details of these changes in the budget. Government calls on companies to support this effort, take up the incentive and give young people a place in the world of work. Youth employment The SAYouth.mobi platform for young work seekers to access opportunities and support now has more than 2.3 million young South Africans registered. Of these over 600 000 have been placed into employment opportunities. A revitalised National Youth Service will recruit its first cohort of 50 000 young people during the next year, creating opportunities for young people to contribute to their communities, develop their skills and grow their employability. The Department of Higher Education and Training will place 10 000 unemployed Technical and Vocational Education and Training graduates in workplaces from April 2022. "In preparing this SoNA, I was assisted by two young South Africans who are working as interns in The Presidency, Ms Naledi Malatji and Ms Kearabetswe Mabatle. They told me about the pain felt by young people who find themselves with a qualification, but are unemployed because of lack of experience. This forces many into jobs that have little or nothing to do with what they studied. All of the measures I have outlined are essential to provide young people with the work experience that they need to take their first step into the labour market." – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall. Government calls on the private sector to support these measures – and wherever possible, to drop experience as a hiring requirement – to give as many young people as possible their first job. As government works to grow the economy and create jobs, it will expand support to poor families to ensure that no person in this country has to endure the pain and indignity of hunger.

SOCIAL PROTECTION SYSTEM

The social protection system is among the greatest achievements of the democratic government, reaching more than 18 million people every month. Without this support, millions more people would live in dire poverty. Since the onset of COVID-19, the Social Relief of Distress Grant has provided support to more than 10 million unemployed people who were most vulnerable to the impact of the pandemic. Some people used that money to start businesses: • Mr Thando Makhubu from Soweto received the R350 grant for seven months last year and saved it to open an ice-cream store that now employs four people. • Mr Lindokuhle Msomi, an unemployed TV producer from KwaMashu Hostel, saved the R350 grant he received for nine months to start a fast food stall and to support his family. @GovernmentZA #SONA2022 8 #SONA2022 HIGHLIGHTS “As much as it has had a substantial impact, we must recognise that we face extreme fiscal constraints. A fiscal crisis would hurt the poor worst of all through the deterioration of the basic services on which they rely.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall. Mindful of the proven benefits of the grant, government will extend the R350 grant for one further year, to the end of March 2023.

During this time, government will engage in broad consultations and detailed technical work to identify the best options to replace this grant. Any future support must pass the test of affordability and must not come at the expense of basic services or at the risk of unsustainable spending. It remains government’s ambition to establish a minimum level of support for those in greatest need.

LAND REFORM

Expanding access to land is vital for government’s efforts to reduce hunger and provide people with meaningful livelihoods. Government is moving ahead with land reform in terms of the Constitution, and anticipate the approval of the Expropriation Bill during this year. The establishment of the Agriculture and Land Reform Development Agency will be finalised this year. The Department of Public Works and Infrastructure will finalise the transfer of 14 000 hectares of state land to the Housing Development Agency. South Africa has enough arable land to support millions of thriving small-scale farmers in poultry, livestock, fruit and vegetables. Through the Presidential Employment Stimulus and the Solidarity Fund, over 100 000 farmers have already received input vouchers to expand their production. This scheme has proven to be effective and impactful.

SUPPORT TO SMALL-SCALE FARMERS

The agriculture sector has also recognised the importance of supporting small-scale farmers and integrating them into value chains. Through the Sugar Master Plan, the industry has provided R225 million to over 12 000 small-scale sugar cane growers as part of a R1 billion commitment to support black farmers. Government will be expanding the provision of input vouchers and calling on other sectors to join this effort, so that they can collectively reach up to 250 000 small-scale farmers this year.

FIGHT AGAINST CORRUPTION

“None of our efforts to revive our economy will succeed if we do not tackle the scourge of corruption once and for all. Since the beginning of the year, I have been provided with the first two parts of the report of the Commission of Inquiry into State Capture headed by Acting Chief Justice Raymond Zondo.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall. While the definitive conclusion has yet to be delivered at the end of this month, the first two parts of the report make it plain that there was indeed ‘state capture’. This means that public institutions and stateowned enterprises (SOEs) were infiltrated by a criminal network intent on looting public money for private gain.

The reports have detailed the devastating effects of this criminal activity on South African Airways, Transnet, Denel, South African Revenue Service (SARS) and Government Communications. State capture had a direct and very concrete negative impact on the lives of all South Africans, but especially the poorest and most vulnerable members of society. It has weakened the ability of the State to deliver services and to meet the expectations and constitutional rights of people. “We must now do everything in our power to ensure that it never happens again. My responsibility is to ensure that the commission report is properly and carefully considered and then acted upon. By no later than 30 June, I will present a plan of action in response to the commission’s recommendations.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall. Government will, as the commission’s first report recommends, strengthen the system to protect whistle-blowers, who are a vital safeguard in the fight against corruption and who take huge personal risk in reporting wrongdoing.

It is doing a detailed review of all applicable legislation and a comparative study of other jurisdictions to strengthen whistle-blower protection. The relevant law-enforcement agencies are taking the necessary steps to address the immediate concern about the safety of whistleblowers. Many individuals and companies that the commission has found were responsible for state capture must now be held to account. “I have every confidence that the National Prosecuting Authority (NPA) will carry out the further investigations that the commission has recommended, and that it will bring the members of the criminal network that infiltrated government and captured the State swiftly to justice.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall.

The Investigating Directorate in the NPA is now poised to deliver on its crucial mandate, and a dedicated team has been established to pursue these cases. Government will be appointing a new head of the Investigating Directorate following the departure of Adv Hermione Cronje from that position. An amendment to the State Capture Commission regulations in June 2020, empowered the sharing of information between the commission and law-enforcement agencies. This amendment also permitted the employment of the State Capture Commission personnel by law-enforcement agencies.

These empowering provisions have geared the Investigating Directorate to more effectively pursue the investigations emanating from the commission. Government has gratefully acknowledged the offer of support from the private sector to assist in providing those skills which are lacking in government to enable investigation and prosecution of crime. @GovernmentZA #SONA2022 9 #SONA2022 HIGHLIGHTS. To ensure that the prosecuting authority remains true to its constitutional obligation and to ensure transparency, government is developing a framework for private sector cooperation that will be managed through National Treasury. There are also discussions underway with the Judiciary for the creation of special court rolls for state capture and corruption cases. While government has taken decisive steps to end the era of state capture, it knows that the fight against corruption is far from over. Even as the country was suffering the devastation of the COVID-19 pandemic, companies and individuals were conspiring with public officials to defraud government of billions of rand in COVID-related contracts.

As soon as evidence emerged of this corruption, government acted. Government withdrew certain emergency procurement regulations, set up a fusion centre that brought together various law-enforcement agencies, published the details of all COVID-related contracts online and instituted the most extensive investigation that the Special Investigating Unit (SIU) has undertaken since its formation. In December, the SIU submitted its final report on its investigation into COVID-related contracts. As a result, 45 matters, with a combined value of R2.1 billion, have been enrolled with the Special Tribunal.

The SIU has referred 224 government officials for disciplinary action and referred 386 cases for possible prosecution to the NPA. The Presidency has set up

mechanisms to monitor implementation of the recommendations of the SIU and ensure that government departments and entities act against those who have violated regulations and broken the law. The fight against corruption will take on a new intensity thanks to the outcomes of the State Capture Commission, the strengthening of law-enforcement agencies and the implementation of new anticorruption practices in the public service.

ROLE OF SOEs

SOEs play a vital role in South Africa's economy. From water and roads, to energy and ports, to defence and aviation, these strategic assets are necessary to keep the country running. It is essential that government reverses their decline and position them to contribute positively. Government has embarked on several immediate measures to restore these companies to health, at the same time as it undertakes far-reaching reforms that will make SOEs more efficient, competitive, accountable and sustainable.

The Presidential SOE Council, appointed in 2020, has recommended that government adopt a centralised shareholder model for its key commercial state-owned companies. This would separate the State's ownership functions from its policy-making and regulatory functions, minimise the scope for political interference, introduce greater professionalism and manage state assets in a way that protects shareholder value. As part of this, preparatory work has begun for the establishment of a state-owned holding company to house strategic SOEs and to exercise coordinated shareholder oversight. To ensure that SOEs are effectively fulfilling their responsibilities, the Presidential SOE Council is preparing recommendations on SOEs to be retained, consolidated or disposed of. Any recommendations would be subject to extensive consultation with all stakeholders.

SAFETY AND SECURITY

Government is taking steps to safeguard democracy, protect the economic infrastructure and build safer communities for all. Earlier this week, government released the report of the expert panel into the civil unrest in July last year. The report paints a deeply disturbing picture of the capabilities of security services and the structures that exist to coordinate their work. The report concludes that government's initial handling of the July 2021 events was inept, police operational planning was poor, there was poor coordination between the state security and intelligence services, and police are not always embedded in the communities they serve. The expert panel said that if the violence has exposed anything it was the poverty and inequality that is the root cause of the desperation of the people of South

Africa.

The expert panel found that Cabinet must take overall responsibility for the events of July 2021. This is a responsibility that government acknowledge and accept. Government will, as recommended by the panel, develop and drive a national response plan to address the weaknesses that the panel has identified. It will begin immediately by filling critical vacancies and addressing positions affected by suspensions in the State Security Agency and Crime Intelligence. Government will soon be announcing leadership changes in a number of security agencies to strengthen the security structures. The staffing of the public order policing unit of the South African Police Service (SAPS) will be brought to an appropriate level, with appropriate training courses in place. The ongoing damage to and theft of economic infrastructure has damaged confidence and severely constrained economic growth, investment and job creation. At the same time, government needs to confront the criminal gangs that invade construction sites and other business places to extort money from companies.

This requires a focused and coordinated response. Government has therefore established specialised multidisciplinary units to address economic sabotage, extortion at construction sites and vandalism of infrastructure. Government will make resources available to recruit and train an additional 12 000 new police personnel to ensure that the SAPS urgently gets the capacity it needs. Another area of immediate attention will be the re-establishment of community policing forums to improve relations and coordination between local police and residents of the areas they serve. "It is clear from the observations of the expert panel that we need to take a more inclusive approach to assessing the threats to our country's security and determining the necessary responses. I am calling on all South Africans through their various formations to participate in developing our National Security Strategy. I will be approaching Parliament's presiding officers to request that Parliament plays a key role in facilitating inclusive processes of consultation." – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall. @GovernmentZA #SONA2022 10 #SONA2022 HIGHLIGHTS The security services have been tasked by the National Security Council to urgently develop implementation plans that address the range of recommendations made by the expert panel. These measures will go a long way to address the serious concerns about the breakdown of law and order in society.

FIGHT AGAINST GBVF

This year, government is intensifying the fight against GBVF through implementation of the National Strategic Plan on GBVF and other measures to promote the empowerment of women. Earlier this month, President Ramaphosa signed into law three new pieces of legislation, which has strengthened the criminal justice system, promoting accountability across the State and supporting survivors. The implementation of this legislation will go a long way to ensuring that cases are

successfully prosecuted, that survivors are protected and that there are more effective deterrents in place. Government has made significant progress in reducing the backlog in DNA processing, reducing it from 210 000 exhibits in April 2021 to around 58 000 at present. “However, the fight against GBV will never be won unless, as society, we mobilise all formations and all citizens behind a sustained programme of social action.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall.

HEALTH

As the COVID-19 pandemic has starkly demonstrated, a nation's health is inextricably linked with its economic progress and social development. Government will therefore continue with the work underway to ensure universal health coverage for everyone in South Africa, regardless of their ability to pay. While public hearings on the National Health Insurance (NHI) Bill are continuing in Parliament, much progress is being made in preparing for the introduction of NHI. More than 59 million people are registered in the Health Patient Registration System. By September 2021, more than 56 000 additional health workers had been recruited and more than 46 000 community health workers integrated into the public health system. For the last two years, the education of children and young people has been severely disrupted. “As we return to normal educational activity, we will work harder to ensure that all learners and students get the quality education they need and deserve.” – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall.

CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

Government must work for the people. That is why its foremost priority is to build a capable, ethical and developmental state. Government will soon be finalising a framework for the professionalisation of the Public Service. This will include tighter measures for recruitment of public servants, continuous professional development through the National School of Government and partnerships between state bodies, professional associations and universities. Lifestyle audits are already being implemented across the Public Service. This year, government will continue with the implementation of the DDM.

This model brings all three spheres of government together with other social partners in every district to grow inclusive local economies and improve the lives of citizens. In particular, the DDM facilitates integrated planning and budgeting across spheres of government and improves integration of national projects at a district level. While there are many parts of the State that require much work, there are institutions that continue to serve the people of this country effectively and efficiently.

One such institution is the SARS, which will be 25 years old this year. While SARS was badly damaged by state capture, it has made remarkable progress in restoring its integrity, credibility and performance. Since its formation, SARS has collected some R16 trillion for the country's social and economic development.

This revenue has enabled government to improve the lives of millions through the provision of healthcare, education, social grants and other basic services. A capable state is not only about the quality of public servants and the efficiency of institutions. It is also, fundamentally, about how citizens are empowered to participate. "We must work together to ensure that platforms like schools governing bodies and community policing forums are more active and inclusive. A vibrant civil society is crucial for a capable state and for development." – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall. Government will be working with social partners to convene the long awaited Social Sector Summit. This summit will seek to improve the interface between the State and civil society and address the challenges that non-governmental organisations and community based organisations face. "Our country has suffered several damaging blows in recent times. A confluence of forces, many of them outside of our control, has brought us to where we are now.

We face steep and daunting challenges. Indeed, we are engaged in a battle for the soul of this country. "But there can be no doubt that we will win. I ask every South African to rally together in our fight against corruption, in our fight to create jobs, in our fight to achieve a more just and equal society. "We have faced many crises in our past, and we have overcome them. We have been confronted with difficult choices, and we have made them. In trying times, we have shown courage and resilience.

Time and time again, we have pulled ourselves back from the brink of despair and inspired hope, renewal and progress. Now, we must do so again. "Let us forge a new consensus to confront a new reality, a consensus that unites us behind our shared determination to reform our economy and rebuild our institutions. Let us get to work. Let us rebuild our country. And let us leave no one behind." – President Cyril Ramaphosa, SoNA, 10 February 2022, Cape Town City Hall

State of the Province Address

The agenda for the sixth term remains informed by the Eastern Cape Provincial Development 3 Plan (EC-PDP) - Our Vision 2030. As committed in the EC-PDP,

we must address the unemployment challenge which sits at 47.4%, affecting men, women, and the youth of our province. We must end the sea of poverty that we see with our own eyes, with 12.7 % of households living in poverty. We must also end the inequality that persists in our democratic order, which affects mainly Black people in all the facets of socio-economic life. In response to this reality, we are implementing the Provincial Medium Term Strategic Framework (P-MTSF), to contribute towards addressing unemployment, poverty, and inequality. In our plan we said, to address these three challenges, we must:

- Build a capable, ethical, and developmental state
- Transform the economy and create jobs
- Invest in Education, Skills and Health
- Consolidate the social wage through reliable and quality basic services
- Integrate spatial planning, rural economy, and local government
- Build social cohesion and safe communities and lastly
- Build a better Africa and the World.

We believe that, through these seven priorities, we are building the Eastern Cape we want, by creating jobs for the jobless, reducing unemployment, enhancing food security, alleviating hunger, and building equal opportunities for all our citizens. While we were implementing programmes to achieve these priorities, the Covid-19 pandemic hit our shores. It exposed the weaknesses in our government and the inequalities in our communities. We had to adjust our sails to navigate the worst health crisis of the 21st century.

The pandemic not only claimed lives, but impacted negatively on the economy. We then developed a Provincial Economic Recovery Plan to resuscitate our economy. Honourable Members, the people of our Province expect government and social partners to solve the unemployment challenge. In response to this expectation, we have started to collectively address the economy that is not growing at an acceptable rate. In this regard we are building an enabling infrastructure as a catalyst to grow the economy and create jobs. I now report on the progress made in the implementation of Infrastructure Projects across the Province.

Roads infrastructure is the wheels of the economy, and it also plays the important role of connecting our people to social services and economic centres. A few

years ago, the Province decided to partner with SANRAL in the construction and maintenance of our strategic roads. In the past year, 8 major road 5 infrastructure projects, worth R3.1 billion, have been completed.

These are:

- R72 Port Alfred to Fish River
- R72 Bhirha River to Openshaw
- N2 Makanda to Fish River (Phase 2)
- N2 Tetyana to Sithebe Komkhulu
- R67 Whittlesea to Black Kei River
- R61 Majola Tea to Tombo
- R61 Libode to Mngazi Mouth
- R75 Jansenville to R63 Intersection to Somerset East Your government is currently implementing 18 other major road infrastructure projects worth R7 billion in our province. These roads include:
 - N2 Msikaba Bridge in OR Tambo District,
 - N2 Nqadu to Mbokotwana and Dan's Lodge to Tsolo junction in OR Tambo District
 - R63 Fort Beaufort to Alice in Amathole District
 - N2 Green River (Bulembu) to Buffalo River (eQonce)
 - Black Kei River to Komani in Chris Hani District
 - R58 Lady Grey to Barkley East in Joe Gqabi District
 - R61 Baziya to Mthatha Airport in the OR Tambo District, and 6
 - N2 Breidbach & Belstone Interchange in the Buffalo City Metro Small towns like Middelburg, Steynsburg, Molteno, Dordrecht, Indwe and Nqanqarhu (Maclear)

are benefiting from the rehabilitation works that are currently undertaken on the R56. Over R1.5 billion has been invested in the rehabilitation of this route. Despite the negative effects of the COVID 19 pandemic, over 4 500 job opportunities have been created. Of these, 2 020 benefitted youth and 1 076 women. A total of R228 million was spent on wages and salaries. Work packages worth more than R5.5 billion were allocated to 696 black owned contractors, with R120 million spent on those within CIDB Grades 1 – 4. Sesiqalisile ukulungiselela ukwakha ezinye iindlela ezilishumi elinethoba eziquka leyo iza kunciphisa ingxinano yezithuthi kwidolophu yaseGcuwa naseDutywa. Sinethemba ukuba olu phuculo lweendlela luza kuba negalelo elibonakayo kukhuseleko ezindleleni zethu nasekunciphiseni ixesha elichithwa ngabaqhubi ezindleleni kwiPhondo Lethu.

The R1.6 billion Mtentu Bridge project, in Mbizana, was delayed after contractors left the site, citing violent protests. We also acknowledge that in some instances there were weaknesses in public participation and social facilitation processes. We are looking into strategies to improve in this area because the voice of the people is critical in development. However, I am pleased to note that the announcement of a new contractor for this project is imminent. In the construction of the Msikaba Bridge that is currently underway in OR Tambo District, 522 local people are employed on site, all coming from the 4 surrounding administrative areas of Lambasi, Mgezwa, Nkunzimbini and Njombela on the South and KwaThahle and Khanyayo on the North. Siyaqhubeka nokuphucula iindlela zeli Phondo. Akusekudala siwugqibe umsebenzi wokwakha ezi ndlela zilandelayo: ukusuka kwisibhedlele iNtlaza ukuya eHluleka, N2 ukuya esibhedlele iSiphethu, ukusuka kuGatyana ukuya eDwesa nokusuka eSterkspruit ukuya esibhedlele uMlamli.

Reseal and rehabilitation projects are being implemented on various sections of our provincial roads, including Maluti to Matatiele, Makanda to Port Alfred, Butterworth to Centane and Magusheni to Flagstaff. Meanwhile, preparations are underway for the implementation of phase 3 of R61 Magusheni to Mzamba, Coghan to Clarkebury Phase 1 and Ntlaza to Hluleka Phase 2. 8 We re-gravelled 3 554 km and bladed 62 708 km. Road Maintenance was however adversely affected by various factors like COVID-19 and community protests, resulting in constrained progress. The re-gravelling and blading are just not enough because during rainy season gravel roads are washed away. It is now time to ramp up paving because it is both durable and labour intensive. We welcome the announcement by the President that national government will work with us to use labour intensive methods to construct or upgrade rural roads. This will augment similar initiatives that the Province has started, for example, Machubeni Road, Qumbu to Tsilitwa and Healdtown to Ngumbela Oval. We have another challenge in our province, that of lowlying bridges which are easily damaged by water in rainy season.

We will take advantage of the upscaled Welisizwe Rural Bridges Programme as announced by the President last week. Honourable members, the Wild Coast Industrial Park is no longer a dream, it is a reality. Fencing at the Wild Coast Industrial Park site is 95 % complete. This project has benefitted eight SMMEs and created jobs for local people. The next phase is the implementation of bulk infrastructure, which includes sanitation, water, and 9 electricity. The Department of Trade, Industry and Competition has invested R49.5 million for installation of bulk infrastructure and the project will be completed in November 2022.

We have already signed an investment pipeline of R1,4 billion with 4 investors committing to locate in the Wild Coast Industrial Park. These entail investments in the following sectors: vegetable cultivation and processing; beverage manufacturing and cold storage; poultry processing and starch manufacturing. Honourable Members, the private sector contribution on our economy has mitigated the negative impact of Covid19. The private sector has truly embraced our call to work together to build the Eastern Cape we want. In the Buffalo City Metro, sixteen new investors have injected a combined R3.3 billion to our economy and are linked to the Mercedes Benz South Africa's (MBSA) new C-Class project (W206). These investors have pledged to create 2 078 new jobs in the next two years. We have no doubt they will fulfil their commitment, because they have already created 751 new jobs within EL IDZ. As a platform that is anchored on the auto sector, the EL IDZ is looking at deepening local content by localising the 2 nd and 3rd tier car components that are not currently in 10 South Africa.

That is a bold futuristic outlook that we need for our manufacturing sector and as a shareholder we will support the EL IDZ to realise this strategic objective. In the past year we have received two new investments from the OEMs. Isuzu invested R1,2 billion effectively rescuing half of the jobs that would have been lost when General Motors de-invested in South Africa. Ford Motor Company on the other hand, has committed to invest R600 million in their plant in Gqeberha for modernizing and growing their local operations. The presence of these OEMs has contributed to the growth of tier 1, tier 2 and tier 3 automotive supplier network which stands at 118, providing over 55,000 jobs in the Province.

The Coega SEZ has recently been chosen by Hive Hydrogen SA as the location of a Green Hydrogen project which will be fully operational by 2026. The project entails the construction of about R69.6 billion green ammonia plant with its own dedicated green power supply. This is a game changer project for our province and the country as it will boost the Coega SEZ's value proposition platform for sustainable investments. The Coega SEZ is seized with two more projects that will contribute a combined 824 new operational jobs to the 11 economy. One of these investors is Seraphim Solar Cell Manufacturing company that is investing R362 million into our province to increase the local content of its solar value chain. The second investor is African Port Logistics and Infrastructure, that is investing R300 million in the agroprocessing value chain. These are real investments that will benefit the people of our province. Madame Speaker, I can confirm that Transnet has budgeted R5,6 billion in the medium-term to sustain and expand investments. The East London Port has been allocated R1 billion to establish boat building and ship repair facilities as well as a Maritime Training College as part of Operation Phakisa Projects.

Following the commitment to migrate fuel tanks and the manganese exports from the Port of Port Elizabeth to the Port of Ngqura, Transnet has appointed COEGA as the implementing agent for the R3,4 billion new Ngqura Manganese Export Terminal. The Cookhouse – Blaney branch line is now in operation and connects to the Agri Port Terminal at the East London Port, reducing the costs of logistics by moving goods from road to rail. Last year, Aspen invested R3,3 billion in their

Gqeberha Plant to produce vaccines for Africa. This investment has created 1 775 jobs in our province, of which 52% 12 benefitted women. We also welcomed an R80 million investment by Siemens in a 100-bed modular hospital in Cecilia Makiwane Hospital. Honourable Members, energy security is critical for our socio-economic transformation.

Our country's energy challenges have stifled growth as disruptions in electricity supply affect industries and threaten jobs as well as lives in critical services such as health care. Our province is playing an active role in offering sustainable solutions to the country's energy challenges. We are a suitable environment for the energy mix that our country is pursuing, and we have the capacity to host wind farms, solar farms, gas fired power plants and roof-top solar systems. We tick all the boxes and investors must look in our direction to locate their green energy projects. The construction of four wind farms that were awarded to our province has been completed and are now operational: two are in the Blue Crane Municipality, one in the Kouga Municipality, and one in the Ngqushwa Municipality. They have added 433 Megawatts of capacity to the national grid. In addition to these, two more wind farms were recently awarded to our province; one is in the Chris Hani District Municipality and the other in the Sarah Baartman District Municipality.

These wind farms will add an extra 224 Megawatts to the national grid with an 13 estimated investment value of R4.6 billion. One thousand three hundred jobs will be created from this investment. Our Province has been earmarked for two investments projects on Liquified Natural Gas, located in the Coega SEZ. The two projects, Karpowership and Mulilo Total Coega have a combined capacity of 650 Megawatts which will ensure energy security for investors in the Coega precinct. This development affirms Coega as the designated Gas Hub of South Africa and SMMs in our province should be ready to benefit from this development. During the State of the Nation Address, the President announced that requests for proposals for 3,000 MW of gas power and 500 MW of battery storage will be released later this year. Our Special Economic Zones are gearing up for these two initiatives.

Like energy, water is a precious resource that contributes immensely to the socio-economic development of a nation. We welcome the President's pronouncement that the closing date for the first of the two-stage procurement on the Mzimvubu Water Project, is expected to be later this month, while the announcement of a successful bidder is expected in September 2022. We are constantly following up on this project through our intergovernmental relations platforms. 14 One of the commitments we made at the beginning of this term was to improve office accommodation and bring services closer to the people. In this regard, we invested R439 million to build three government office parks in Alfred Nzo, Joe Gqabi and Chris Hani. We named the office parks after three late citizens of our Province Mr Thobile Bam, Mr Themba Kojana and Mr Bathandwa Ndondo, respectively, who were selfless and dedicated to the upliftment of our people.

The Office Parks are now offering multiple government services to our communities and are saving our people time and money. SMMEs and local people were prioritised for business opportunities and jobs in these construction projects. A contractor is currently on site at emaXesibeni Office Park while the Mqanduli Office Complex site will soon be handed over. Honourable Members, the performance of the agricultural sector is one of those that have sustained our economy during this tough Covid-19 period, with exports increasing and imports declining. In support of this sector, we invested R417.4 million in 107 agricultural initiatives in various value chains across the province. These include production in grain, red meat, citrus fruit, macadamia, poultry and cannabis. We also invested R160.5 million to support small holder farmers with infrastructure for livestock, horticulture, and grain production.

15 Our province is an exporter of agricultural commodities to international markets. Today, lemons produced from our province were shipped to China at the Durban Port. While we celebrate this milestone, we want the produce from our farmers to be shipped from our ports and we are engaging Transnet regarding improvements at the EL Port. There is progress in the revitalisation of irrigation schemes. All the 8 irrigation schemes in the province were supported with funding in various aspects including infrastructure refurbishment (at Zanyokhwe, Igqange leMpumalanga, Masibazise); cropping (at Bilatye, Ncorha, Qamata); and livestock (at Keiskammahoek, Shiloh). Sixhase amakhaya angaphezu kwe48 000 ngeembewu, izithole, izichumiso nezixhobo zokulima. Sikhuthaza iiNkosi zezwe lakowethu nabantu bakuthi bavuselele ulimo kwiindawo abakuzo ukuqubisana nendlala. SinguRhulumente sikhuthaza amalinge ezolimo afana neliya likaWiphold kuCentane, Dalasile Agri Park eNgcobo, Ukhanyo Farmer Development in Mthatha.

Cannabis is emerging as a potential sector for growth in the country. The streamlining of the regulatory processes towards enabling the Cannabis and Hemp sector will accelerate our efforts to build the Cannabis industry. Going forward, we will strengthen this work with the 16 appointment of an advisory panel drawing in experts from the sector. Honourable Speaker, we are starting to see the results of our intervention in the Magwa- Majola Tea Estate. We have sustained 1 558 jobs in the impoverished communities. Bulk sales generated R18.5 million for the estate and re-inforced our commitment to commercialise and diversify production at the estate to ensure selfsustenance. Our ocean has abundant marine resources that should help us grow our economy and create jobs. We are implementing the Oceans Economy Master Plan and already 73 co-operatives of small-scale fisheries have been awarded 15-year long licenses by the Department of Forestry, Fisheries, and Environment.

The licences will ensure participation of rural communities in the oceans economy through legal trading. In line with our pronouncement in last year's State of the Province Address, we have invested R206 million for the construction of phase 1 of the Aquaculture Development Zone which is underway in Coega, creating approximately 500 construction and 900 operational jobs. Madame Speaker, SMMEs play an important role in job creation and in the economy. Through the Local Economic Development Framework, we continue to enhance SMME 17 development. From the beginning of this term until end December 2021, the Provincial Departments spent a total of R42,3 billion, of which R24,3 billion (58%) was spent on Eastern Cape based suppliers. In the current financial year, Provincial

Departments had cumulatively spent R10,9 billion as at the end of the 3rd quarter.

Out of this amount R6,1 billion (56%) was spent on Eastern Cape based suppliers. The percentage local spending for the current financial year has increased from 47% in Quarter 1 to 64% in Quarter 3. Honourable Members, SMMEs, especially those that are owned by designated groups, are supported by government as part of our work of growing and transforming our economy to serve the people. The Department of Small Business Development's Shared Economic Infrastructure Facility is investing R34.7 million to support various projects in our province. These are: KwaNtozonke Product Market in King Sabata Dalindyebo Municipality, the Chris Hani Co-operative Development Centre in Chris Hani District. In addition to this, R1,9 million has been allocated for 141 informal and micro businesses in the Amathole and Joe Gqabi District Municipalities. Honourable Speaker, in this term we have created 90 000 jobs, mainly through our three public entities, EL IDZ, 18 Coega and ECDC.

Designated groups continue to benefit from the Expanded Public Works Programme, with 349 500 participating in this term. We expect this number to grow as we constantly intervene to address unemployment and poverty. The NTT Group has invested R35 million in Mthatha, to open a fully-fledged VW and Audi dealership. This will alleviate the struggles that motorists endure in that region to buy and service cars. The new investment will create 40 jobs for the people of OR Tambo District. We appreciate investment by entrepreneurs into our economy, such as Mr Mava Mkukwana who has created 400 direct jobs through his business investments in the retail sector. He is building a service station at Fort Jackson that will have a pharmacy, and a variety of fastfood outlets. By injecting a lifeline of R24.2 million, we rescued 38 companies that were distressed because of the Covid-19.

This saved 1 178 jobs across the Province. This was in addition to the Covid-19 UIF Temporary Employment Relief Scheme (TERS) which paid R3,2 billion to 13 793 employers and 255 588 employees. Madame Speaker, as part of reviving the township and rural economy, we have initiated a programme to support 19 community-owned stores. This initiative is designed to ensure that communities, especially women, are shareholders for the common good of the community. This will also ensure that we stimulate economic activity in our communities. To mitigate the effect of COVID-19 on small businesses, 1 279 SMMEs in rural areas and in townships were supported thereby saving jobs. Madame Speaker, in response to the perennial challenge of youth unemployment, we are implementing three key strategies, namely, labour-intensive high-impact government projects, youth entrepreneurship as well as Work Integrated Learning. More than 278 000 young people have benefitted from various youth development initiatives implemented across the Province. We invested R1, 7 billion in youth development through efforts, such as: Skills Development, Training, Bursaries, Internships and Learnerships; financial and non-financial support to youth owned SMMEs; Work opportunities as well as student debt relief intervention. The latter benefitted needy students in our universities. As committed last year, in partnership with the Liquid Intelligent Telecoms South Africa, we have established an 20 ICT Academy in Mthatha.

This year the institution has increased its intake to 100 from 73, last year. Madam Speaker, our province attracted R363 million from Sector Education and Training Authorities (SETAs) in the fields of Manufacturing, Engineering and Related Services, Public Sector, Mining Qualifications Authority, Banking, Chemical, Local Government, Wholesale and Retail, Education Training and Development and the Insurance SETAs. This investment benefitted more than 7 520 young people in our province. In this regard, we want to appreciate their valuable contributions to skills development. We are making strides in affirming youth owned businesses. We have increased beneficiation of youth owned SMMEs from 5%, in 2019/20 to 18.3% by mid 2021/22.

We are determined to continue increasing these thresholds until we reach the 30% target set in the National Youth Policy. We are collaborating with the Department of Employment and Labour to train young people in Digital Technology and Solar Energy, under an initiative called Youth Digital eXponential (YDx) Project. Funded by the Unemployment Insurance Fund, the project is implemented through the South African Digital Content Organisation, and 500 young 21 people from across the Province are already participating in it. The revitalisation of our state-owned industrial parks remains one of our top priorities. Construction work is continuing in all the targeted industrial parks. At least 379 jobs were created and 71 local SMMEs are benefitting from this program. To this effect, we have completed the 1st phase upgrades at Dimbaza Industrial Park and we will continue with Phase 2 in the new-year. In all other parks construction work is underway. Taking into account the work that has been done, we are making strides to attract investors to the industrial parks. Honourable Speaker, we identified tourism as a sector that could jumpstart our economic recovery. International travel bans at the height of the Covid-19 pandemic in 2020, forced us to focus on domestic tourism.

This has proven to be a master stroke. According to SA Tourism there were 3.7 million domestic arrivals in our Province in 2021, contributing R7.1 billion direct spend in our provincial economy. We appreciate the tourists for choosing our Province as their destination of choice. We are on course to complete infrastructure upgrades at some of our tourism sites and these include: 22 • Interpretation Centre at Baviaanskloof, our only World Heritage site in EC, which was funded by National Department of Tourism to a tune of R42m is complete and to be launched in March 2022. This will further position the EC as destination attraction linking this with hiking trail funded by NDT for about R9m funded. •

The Cape Morgan's chalets/dining facilities funded to the tune of R45 million by the Department of Forestry, Fisheries and Environment, (DFFE). This project will be completed in April 2022, improving our coastal offerings. • The newly revamped Silaka Nature reserve in Port St Johns is receiving positive reviews from tourists since it opened in December. This facility has been revamped to a tune of R11m by the DFFE and is completed. The Eastern Cape Parks and Tourism Agency (ECPTA) will continue to capitalise on the province's potential and attract a greater market share of domestic tourists to the Province. Some of the strategies being employed, include tracking and profiling tourists needs and their perception about the EC. This valuable tool will sharpen marketing investment across the sector.

Our top 15 iconic tourist destinations have been digitised and are available on the virtual platforms, where potential 23 tourists could virtually tour them. To spoil the tourists with choice these virtual tours are being increased to 27 as we speak. We look forward to welcoming visitors during the Easter holidays. Madame Speaker, the development of the African Coastal Smart City is gaining momentum, following the President's Roadshow on the Eastern Seaboard towards the end of 2021. This initiative is going to serve as a game changer and a catalyst for further development and investment attraction throughout the Wild Coast. There are already investors who have expressed an interest in the area. To facilitate implementation on the Eastern Cape side of the programme, we have appointed Coega to package our projects.

Honourable Speaker, we are working to ensure that our province is not left behind in the auctioning of the high frequency communication spectrum. The Eastern Cape will transition from analogue to digital broadcasting next month. Amongst other benefits, viewers will enjoy improved picture quality on their television sets. Madame Speaker, the Grade 12 results for the class of 2021 are an outcome of a successful implementation of the Education Transformation Plan in our Province. The fact that 17 000 more learners passed in 2021, than in 2020 is a cause for celebration. Similarly, that bachelor 24 passes increased by 4.1 % from 30 % in 2020 to 34.1 % in 2021, is also a good reason to rejoice. We reduced the number of districts performing below 70% drastically from 9 to 3. We wish all the matriculants well in their future endeavours.

Malungu abekekileyo, siyandisile inkqubo yokuhanjiswa kokutya ezikolweni, ngokuthi songeze isidlo sakusasa. Esi sidlo sixhanyulwa ngabantwana abayi 173 358, abasuka kwawona makhaya ahlelekileyo. Xa sisithi singurhulumente onenkathalo, asithethi mampunge. We continue to rollout school infrastructure in the rural districts of the Province to level the education playing field. A R50 million state of the art science centre, named after Mama Albertina Nontsikelelo Sisulu, has been built in Cofimvaba. The centre will enhance the teaching of maths, science and technology and further widen career choices of learners. The ASIDI programme allocated 298 schools to the Province and to date 168 schools (56%) have been completed. In the 2021 school year 23 schools were completed and these include Mfesane SSS- in Nelson Mandela Metro, Mbuqe Extension in OR Tambo, Themba Mzizi in Alfred Nzo, Bhongweni Primary School in Sara Baartman. These schools comprise 156 classrooms, libraries, laboratories, electricity, water and sanitation. 25 The Eastern Cape is one of two provinces in which an innovative social infrastructure delivery mechanism will be piloted. In this regard, we have packaged 77 Schools which are ready to be built once the R6,6 billion is made available by National Treasury.

The Provincial Government continues to provide scholar transport to more than 103 000 learners a year. The programme is not without its challenges, such as budgetary constraints and the delayed payment of service providers. Having resolved the funding challenges, legitimate claims will be processed. Honourable

Members, the Covid-19 fourth wave has not been severe in our Province. We attribute this to two main factors: the adherence of our people to Covid-19 protocols and the uptake of the vaccine. We want to applaud the 1.8 million people of our Province who took their Covid-19 jabs.

They have contributed to the reduction in the spread of the virus. We urge the age group between 12 to 49 years to come forward to get their jabs so we can reach herd immunity. The vaccines are safe and have protected many of our people against severe illnesses in the 4th wave. Honourable Speaker, with the establishment of the second medical school at the Nelson Mandela University, our efforts to build capacity in the health sector received a 26 boost. This school has admitted its first intake of students. We have also established two cerebral palsy centres at Nelson Mandela Academic Hospital and Cecilia Makiwane Hospital. Honourable Members, will remember that we invested R590 million to rehabilitate health facilities as part of the Covid-19 response plan.

We have completed 77 of the 85 projects and this gave us 2 209 Covid-19 isolation beds. This is a legacy that will benefit our communities beyond Covid-19. As part of our health infrastructure improvement we are renovating Siphethu Hospital. We also appreciate the private sector contribution to our health care service. These include a private general centre offering access to private paying patients eQonce, the East London Eye Day Hospital, and the full-fledged Royal Buffalo City Specialist Hospital in East London. In addition to these, two other private health care facilities have been established in Gqeberha with a combined investment of more than R700 million, creating about 500 permanent jobs and close to 300 construction jobs. Somlomo, intlupheko yinto esifuna ukuyisiphula neengcambu kweli phondo lethu.

Through the SASSA social grants, R29 billion per annum is invested in the provincial economy, supporting 3 million people per 27 month. In addition, more than 6 000 needy people, who do not qualify for social grants, benefitted through the social relief of distress. In an effort to restore family units, 33 300 families participated in parenting programmes to enhance strong relationships between children, their parents, and the entire family. More than 1 300 family members from all eight Districts and Metros were reunited with their families. The Non-Profit Organisations are critical partners in supporting government on the implementation of social upliftment programmes. To this end, R121 million has been allocated to 6 600 Non-Profit Organisations (NPOs). We are also assisting Ex-Mine Workers in our Province to access their benefits from Mining Provident Funds. So far, 13 639 claimants have been compensated for occupational diseases. Somlomo, sikholelwa ukuba ukuze sikwazi ukuphelisa intswela ngqesho, intlupheko, ukungalingani kwanokuvuselela uqoqosho lwethu, kufuneka sibe norhulumente onesiseko esiluhlilima. I want to assure the people of our Province that we are making progress in building a capable state that is fit-for-purpose to address the challenges facing us. 28 One major step that we have taken in ensuring the administrative leadership stability in the Province is to fill all thirteen posts of Heads of Departments. Six of these posts are filled by women. Malibongwe!!!

To build capacity in the administration, 3 336 vacant posts were filled and 6 370 young people were appointed as Interns. We have initiated lifestyle audits prioritising Members of the Executive Council and Heads of Departments. For the first time in the history of our democracy, we removed the cloud of secrecy on procurement, by disclosing- on a quarterly basis- the names of companies that were awarded bids. Our government is committed in quelling the perception that we are a haven for corruption. In this regard, we are considering recommendations emanating from forensic and investigative reports by state institutions, including the findings of the Commission on State Capture and the Special Investigations Unit. In cases where actions are recommended, we will not hesitate to act against those implicated, both in the public and private sectors. We call upon the law enforcement agencies and the justice system to act without fear or favour and with greater speed in bringing the perpetrators to book. 29 Sayiphelisa into yabasebenzi abashishina norhulumente, kuba banemivuzo abayirhola qho ngenyanga. We strive to restore credibility and sound ethics in our procurement system.

We urge Eastern Cape citizens to report acts of soliciting bribes and acts of corruption. In this environment of tight fiscal constraints, it became necessary for us to find creative ways of augmenting our resources. Our revenue collection has improved and so far we have collected R3.8 billion towards our term target of R4.5 billion. As a caring government, we have instituted dedicated measures to assist our former employees and their beneficiaries to access their long-outstanding benefits from the Government Employment Pension Fund. In partnership with the Government Pension Administration Agency, we have since traced nearly half of these beneficiaries and 245 of them have been paid already. To ensure that we do not subject our people to this pain again Departments are already implementing measures to ensure timely processing of employee exit benefits. Improving audit outcomes is another target of our administration and we see light at the end of the tunnel. There has been an improvement in the 2020/21 provincial audit outcomes of departments compared to the previous financial year.

Two more departments, COGTA and DSRAC, have attained clean audit outcomes, adding to 30 Provincial Treasury and Community Safety - thereby increasing the number of departments with clean audit outcomes to four. It is also worth mentioning that seven Public Entities out of eleven sustained their unqualified audit opinion with no findings. We are already implementing measures to increase the number of institutions attaining clean audit outcomes. On education and health, we have red flags that we need to respond to, as they lead to perennial budget shortages.

The financial instability in the two departments leads to poor quality education and health services, non-payment of service providers and budget cuts in other government departments. In response, we have developed integrated turn-around strategies for both departments. For Health, our focus is on financial sustainability, amongst other areas. This, we will do by optimising budgets, reducing losses, increasing revenue collection, managing cost drivers, doing more with less, leveraging ICT and ensuring effective finance and supply chain management. To reduce medico legal litigation costs, we want to stop the outflow of lump sum payments, by effectively managing current cases and strengthening administration systems to prevent recurrence. 31 On Education, we are eliminating CoE inefficiencies, improving corporate governance, automating leave management and streamlining business processes. We are also resourcing learning and teaching

for improved learner attainment. The ongoing provincial government intervention in the Department of Health will be extended to include the Department of Education.

To ensure the desired effect the OTP will strengthen coordination of these interventions. Somlomo, siphuma kunyulo lorhulumente wasemakhaya apho imibutho ibizithengise khona, icacisa ukuba iza kuluqhubela phambili njani uphuhliso loluntu. Following the conclusion of the elections, new councillors were sworn in, and Troikas elected. We hope they will uphold the principle of putting people first. We congratulate the newly elected leadership of SALGA. We look forward to working with SALGA in the province to improve the performance of our municipalities on service delivery and financial management. The dedicated support we provide to municipalities on financial management is yielding positive results.

In the 2019/20 outcomes we saw a movement of 4 municipalities from a disclaimer to a qualified audit outcome and 2 municipalities obtaining a clean audit. We anticipate 32 further improvement in the 2020/21 municipal audit outcomes. As a province that has huge developmental challenges, particularly in the local government sphere, we embraced the District Development Model, (DDM), which calls on the three spheres of government, including non-government actors, to plan, budget and execute developmental projects together. Towards this, we completed and submitted eight DDM One Plans to Department of Cooperative Governance. It is now time to implement these plans.

The DDM will also be used as a lever for successful implementation of our province's catalytic projects. The Office of the Premier will strengthen coordination of all stakeholders to ensure the meaningful contribution to local development. We will work with the new leadership in municipalities to achieve the following:

- Development of a provincial green economy strategy to mitigate the climate change effects, to keep local spaces clean and to ensure sustainable development
- Improvement of land use for development
- Engagement of traditional leaders • Strengthening and enforcement of by-laws
- Building the capacity of municipalities to enhance their response to disasters 33
- Reduction of debt owed to municipalities through "pay for services campaign"

The provincial government has been providing support to municipalities so that they can attract investors whilst improving the quality of services rendered to communities. Part of this support is the Small Towns Revitalisation programme which focuses on improving water, sanitation, electrification, and roads infrastructure. We have attained our target of implementing the programme in the initial ten (10) small towns. Through this programme 7 218 jobs were created and 207 SMMEs benefited from contracts. We expect municipalities to maintain the infrastructure provided in these small towns. An amount of R433 million is allocated in 2021/22 MTEF to expand the programme with an addition of fourteen projects in eight more municipalities. Honourable Members, housing delivery is a basic human right enshrined in our Constitution. In the current term, we have restored the dignity of thousands of destitute families through the housing units we have built. These have mainly benefitted the most vulnerable in our province, including 12 475 women, 3 341 young people and 109 persons with disabilities. 34 However, many of our people have not yet enjoyed this basic human right and are living in informal settlements. In order to meet our term targets, we have put in place mechanisms to address weaknesses in planning, project management and beneficiary administration in the Department of Human Settlements. Somlomo, ulwaphulo mthetho ngomnye umceli mngeni esiqubisana nawo kweli phondo lethu. Ukugetyengwa kosapho lwakwaGeorge kuTsolo lulele, kunye nokubulawa ngolunya kukaNosicelo Mtebeni kudandalazisa elubala ubunzima bomthwalo esijongene nawo. Our response to the pandemic of GBV and Femicide will be enhanced with the establishment of the provincial DNA Laboratory. This facility is at construction stage.

In 2022 the focus will be on resourcing the laboratory in order to be fully operational by February 2023. This investment will go a long way in reducing backlogs in GBVF cases. We are worried about the long time it takes to prosecute and to finalise GBVF cases. The convictions also do not seem to serve as an effective deterrent as sexual offenses have continued to be on the increase. Ngako oko sisazibongoza iinkokheli zomthonyama, iinkokheli zoPolitiko, iinkokheli zakwaLizwi, iinkokheli zokuhlala kunye namadoda jikelele ukuba athabathe uxanduva 35 ukulwa lo mkhuba. Siyabulela kubantu bafana nooTat 'uPetros Majola abathe gqolo ukukhalimela uhlukumezo lwamananina nabantwana. Sihlaba ikhwelo kuwe onke amadoda eli Phondo ukuba azeke mzekweni. Madame Speaker, we strongly condemn the emerging incidents of organised killings in our communities. We appreciate the announcement by the National Minister of Police to establish a specialized investigation unit to speed up investigations into the Gqeberha murders, which appear to be organised crime.

This is in addition to the newly established Chatty Police Station which opened three weeks ago. Seven more police stations will be opened in the near future: two in the next financial year, namely, Huku Police Station kwaBhaca and Moyeni Police Station eNgqushwa. The Majola, Mdeni, Ntamonde, Tabase, Tafalehashe Police Stations will be opened from 2024 to 2026. Honourable Members, in building a better Africa and the World we have interacted with several countries and multilateral institutions. We are establishing a new cooperation with the Secretariat of the Africa Continental Free Trade Area and building relations with regions in the African continent. 36 The German government will continue to assist us to grow and improve the performance of the agricultural sector. We urge the Eastern Cape businesses to leverage opportunities that will accrue out of these diplomatic and economic relations.

Honourable members, the Province of the Eastern Cape prides itself as the Home of the Legends. In appreciating the role played by our forebears in bringing us where we are, we have renamed a number of our government facilities and places after these legends, for example: • The Bhisho State House is now Lillian Diedericks House, (Bhisho), Lilian Diedericks Municipal Building. • In the Nelson Mandela Metro the Brister House has been renamed after Mama Lilian Diedericks • Dawid Stuurman Airport and King Phalo Airport. Honourable Speaker, we all have the responsibility of contributing to the building of a prosperous Eastern Cape, the one we all want. Sihlaba ikhwelo kubo bonke abemi beli phondo, ukuba baphakame balime umhlaba, bafuye imfuyo ukugxotha ikati eziko. 37 Sikwahlab'ikhwelo kuluntu lonke ekulweni nobundlobongela, ukusetyenziswa kwezinyobisi, nolwaphulo mthetho olugqugqisayo kwiPhondo lethu. Let us stand together to fight lawlessness and rampant crime in our Province: it is in our hands!!! Somlomo obekekileyo, liyinene elithi xa sibambisene, simxhelo mnye senza lukhulu.

The work we have done in pursuing our priorities would not have been possible without the involvement of critical stakeholders in our Province. The multi-stakeholder collaboration in the implementation of the Provincial Covid-19 Response Plan has considerably contributed in mitigating the effects of the pandemic. The Provincial Government takes this opportunity to thank all our partners who continue to walk with us throughout this difficult journey. Through our collaborative efforts, we saved a lot of lives. Sibamba ngazibini mawethu ngentsebenziswano. We extend a word of gratitude to all health care workers and frontline workers who have been at the coalface of fighting the pandemic. Bantu, base Mpumpa Kapa, kukho intetho ethi: "Uhambo lweemayile eziliwaka luqala ngenyathelo elinye" (a journey of a thousand miles begins with a single step). Iinjongo zale ntetho besiyenza apha namhlanje 38 ibikukunibonisa amanyathelo esiwathathileyo kumsebenzi wokwakha eli phondo lethu, libe liphondo elinekamva eliqaqambileyo. Yes, there are challenges, but they are not insurmountable. We are motivated by the desire to see you, the people of our province, living a better life. Kulithamsanqa kuthi ukuba zizicaka zenu kulo msebenzi enisithume wona wokuphucula ubomi benu. Hlalani nisazi ukuba iingqondo zethu zixakeke kukuphucula intlalo nobomi benu mihla yonke, hayi ukuphuhlisa iziqu zethu. Sisebenzisene kakuhle kakhulu ekulweni intsholongwane yeCovid-19, nangona siphulekene nabantu abaninzi. Kuphinde kwafika ixesha lwenkqubo yokubalwa kwabanatu. Siyabulela kubantu bePhondo lethu esele bebaliwe, ngokubonakalisa umdla nokuthabatha kwabo inxaxheba kolu balo lweCensus 2022.

Siyabakhuthaza abo bangekabalwa ukuba basabele kweli phulo kuba kaloku ubungakanani besabelo-mali sethu buxhomekeke kumanani achanekileyo abemi beli Phondo. Yiyo ke loo nto simemelela kubo bonke abantu ukuba baphakame baqinisekise ukuba babaliwe. Masiqhubeke sibambisane nakwezinye iinkqubo zikaRhulumente. 39 Continue to walk with us on our journey of building the Eastern Cape we want. Step by step, year by year we make this province better for the benefit of all our people.

Powers and functions of the municipality

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

No.	Public service	responsibility to deliver	role by Alfred District Municipality
1	water	Alfred Nzo DM	
2	sanitation	Alfred Nzo DM	
3	electricity	LMS	
4	refuse removal	LMS	
5	Air pollution	ANDM	The municipality renders the service from the Community Development department. The core function is local economic development and environmental tourism.
6	building regulations	LMS	

7	child care facilities	LMS	
8	fire fighting	Alfred Nzo DM	Alfred Nzo is performing the function under the department of Community Development Services.
9	local tourism	Alfred Nzo	Alfred Nzo does this from the Planning and Economic Development department. There is staff available for rendering the service but there is limitation of budget for development of the local tourism attractions/destinations.
10	municipal airport	LMS	
11	municipal planning	Alfred Nzo	The municipality has staff and equipment available for rendering the service.
12	municipal health services	Alfred Nzo DM	This is performed by the DM and has dedicated staff for this purpose.
13	municipal public transport	LMS	.

14	pontoons and ferries	LMS	
15	storm water	LMS	
16	trading regulations	LMS	
17	beaches and amusement facilities	LMS	
18	Billboards and the display of advertisements in public places	LMS	.
19	Cemeteries, funeral parlours and crematoria	LLMS	
20	Cleansing	LMS	
21	Control of public nuisance	LMS	

22	Control of undertakings that sell liquor to the public	LMS	
23	Facilities for the accommodation, care and burial of animals	LMS	
24	Fencing and fences	LMS and DM	The DM renders this infrastructure from the PED Department as part of the Agri-Parks Development Programme.
25	Licensing of dogs	LMS	
26	Licensing and control of undertakings that sell food to the public	LMS	
27	Local amenities	LMS	
28	Local sport facilities	LMS	

29	Markets	Alfred Nzo DM	Municipality does not perform this function as yet, however, there are plans to have a market in the silo-facility precinct in EmaXesibeni town.
30	Municipal abattoirs	LMS	
31	Municipal parks and recreation	LMS	
32	Municipal roads	LMS	The district is responsible for development of Rural Road Asset Management System (RRAMS).
33	Noise pollution	LMS	
34	Pounds	LMS	
35	Public places	LMS	
36	Street trading	LMS	

37	Street lighting	LMs	
38	Traffic and parking	LMs	

Situational Analysis

2.1. Socio-economic Overview



CHAPTER 2 – SITUATIONAL ANALYSIS

2.1.1. 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.

2.1.2. Total Population

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as

other economic indicators such as economic growth and per capita income.

Total population - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [Numbers percentage]

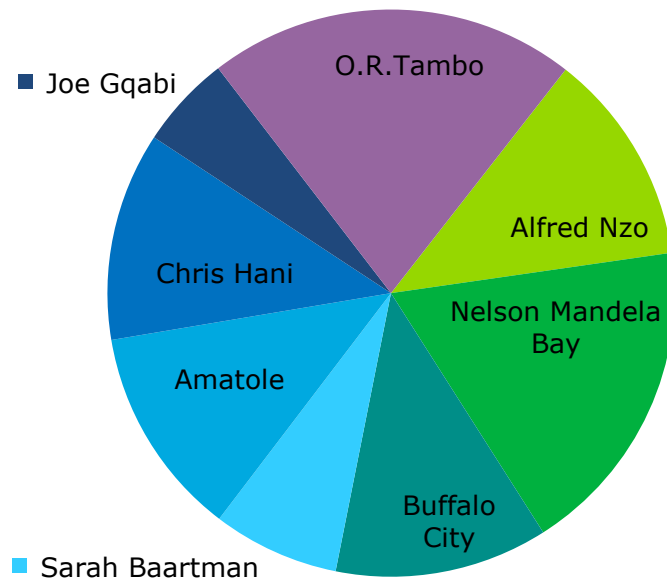
	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2010	815,000	6,640,000	51,200,000	12.3%	1.59%
2011	820,000	6,690,000	52,000,000	12.3%	1.58%
2012	826,000	6,750,000	52,800,000	12.2%	1.56%
2013	832,000	6,810,000	53,700,000	12.2%	1.55%
2014	840,000	6,880,000	54,500,000	12.2%	1.54%
2015	848,000	6,950,000	55,300,000	12.2%	1.53%
2016	856,000	7,020,000	56,200,000	12.2%	1.52%
2017	865,000	7,100,000	57,000,000	12.2%	1.52%
2018	874,000	7,180,000	57,900,000	12.2%	1.51%
2019	883,000	7,250,000	58,800,000	12.2%	1.50%
2020	892,000	7,330,000	59,600,000	12.2%	1.50%
Average Annual growth 2010-2020	0.92%	1.00%	1.55%		

Source: IHS Markit Regional eXplorer version 2201

With 892 000 people, the Alfred Nzo District Municipality housed 1.5% of South Africa's total population in 2020. Between 2010 and 2020 the population growth averaged 0.92% per annum which is about half than the growth rate of South Africa as a whole (1.55%). Compared to Eastern Cape's average annual growth rate (1.00%), the growth rate in Alfred Nzo's population at 0.92% was very similar than that of the province.

Total population - Alfred Nzo and the rest of Eastern Cape, 2020 [Percentage]

Total population Eastern Cape Province, 2020



Source: IHS Markit Regional eXplorer version 2201

When compared to other regions, the Alfred Nzo District Municipality accounts for a total population of 892,000, or 12.2% of the total population in the Eastern Cape Province, with the O.R. Tambo being the most populous region in the Eastern Cape Province for 2020. Alfred Nzo increased in importance from ranking fifth in 2010 to third in 2020. In terms of its share the Alfred Nzo District Municipality was slightly smaller in 2020 (12.2%) compared to what it was in 2010 (12.3%). When looking at the average annual growth rate, it is noted that Alfred Nzo ranked sixth (relative to its peers in terms of growth) with an average annual growth rate of 0.9% between 2010 and 2020.

Total population - local municipalities of Alfred Nzo District Municipality, 2010, 2015 and 2020 [Numbers percentage]

	2010	2015	2020	Average Annual growth
Matatiele	206,000	216,000	229,000	1.05%
Umzimvubu	197,000	198,000	204,000	0.37%
Mbizana	284,000	307,000	329,000	1.47%
Ntabankulu	127,000	127,000	130,000	0.24%
Alfred Nzo	814,687	847,752	892,440	0.92%

Source: IHS Markit Regional eXplorer version 2201

The Mbizana Local Municipality increased the most, in terms of population, with an average annual growth rate of 1.5%, the Matatiele Local Municipality had the second highest growth in terms of its population, with an average annual growth rate of 1.1%. The Ntabankulu Local Municipality had the lowest average annual growth rate of 0.24% relative to the other within the Alfred Nzo District Municipality.

Population projections

Based on the present age-gender structure and the present fertility, mortality and migration rates, Alfred Nzo's population is projected to grow at an average annual rate of 0.9% from 892 000 in 2020 to 932 000 in 2025.

Population projections - Alfred Nzo, Eastern Cape and National Total, 2020-2025 [Numbers percentage]

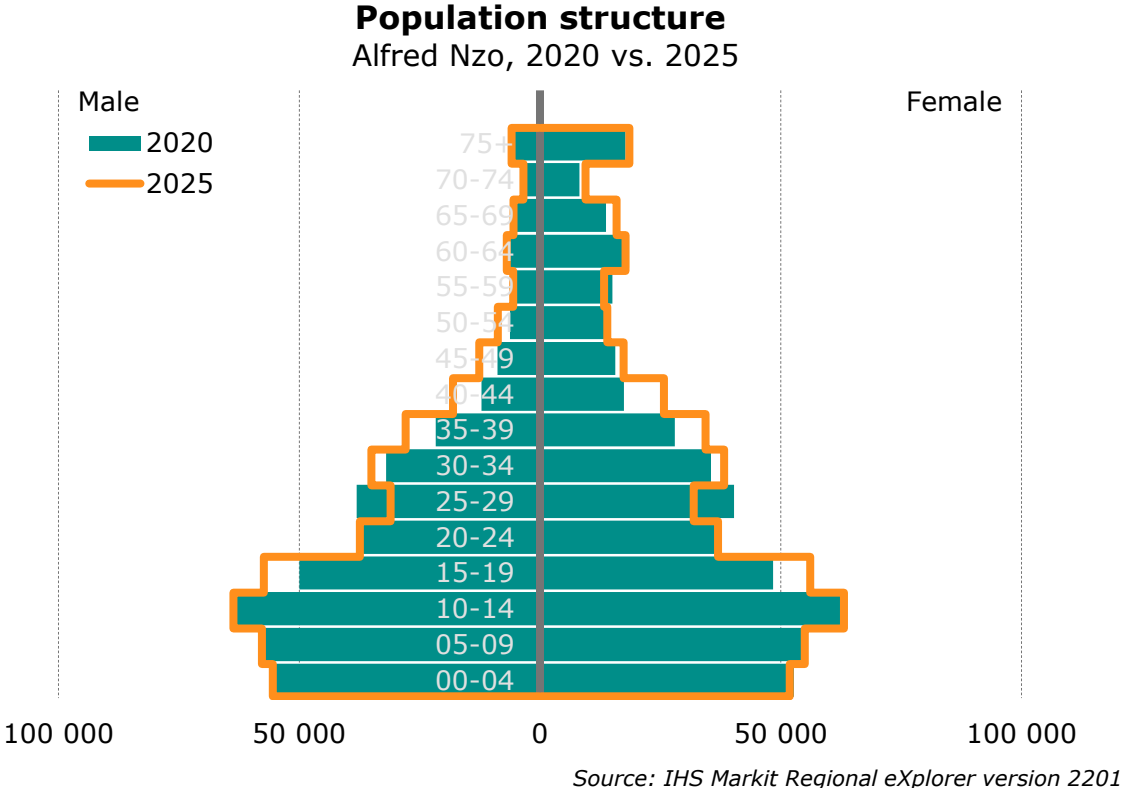
	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2020	892,000	7,330,000	59,600,000	12.2%	1.50%
2021	899,000	7,400,000	60,300,000	12.2%	1.49%
2022	908,000	7,470,000	61,100,000	12.1%	1.49%
2023	916,000	7,550,000	61,900,000	12.1%	1.48%
2024	924,000	7,630,000	62,700,000	12.1%	1.47%
2025	932,000	7,710,000	63,500,000	12.1%	1.47%
Average Annual growth					
2020-2025	0.87%	0.99%	1.27%		

Source: IHS Markit Regional eXplorer version 2201

The population projection of Alfred Nzo District Municipality shows an estimated average annual growth rate of 0.9% between 2020 and 2025. The average annual

growth rate in the population over the forecasted period for Eastern Cape Province and South Africa is 1.0% and 1.3% respectively. The Eastern Cape Province is estimated to have average growth rate of 1.0% which is higher than the Alfred Nzo District Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is higher than that of Alfred Nzo's growth rate.

Population pyramid - Alfred Nzo District Municipality, 2020 vs. 2025 [Percentage]



The population pyramid reflects a projected change in the structure of the population from 2020 and 2025. The differences can be explained as follows:

In 2020, there is a significantly larger share of young working age people between 20 and 34 (24.6%), compared to what is estimated in 2025 (22.6%). This age

category of young working age population will decrease over time.

The fertility rate in 2025 is estimated to be slightly higher compared to that experienced in 2020.

The share of children between the ages of 0 to 14 years is projected to be significant smaller (37.2%) in 2025 when compared to 2020 (39.2%).

In 2020, the female population for the 20 to 34 years age group amounts to 12.6% of the total female population while the male population group for the same age amounts to 12.0% of the total male population. In 2025, the male working age population at 11.1% does not exceed that of the female population working age population at 11.5%, although both are at a lower level compared to 2020.

Population by population group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

Population by gender - Alfred Nzo and the rest of Eastern Cape Province, 2020 [Number].

	Male	Female	Total
Alfred Nzo	411,813	480,627	892,440
Nelson Mandela Bay	648,360	690,450	1,338,810
Buffalo City	428,994	462,151	891,146
Sarah Baartman	263,786	266,085	529,871
Amatole	418,160	462,032	880,192
Chris Hani	419,685	452,780	872,465
Joe Gqabi	186,617	203,223	389,841
O.R.Tambo	719,690	819,309	1,538,999
Eastern Cape	3,497,105	3,836,657	7,333,763

Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality's male/female split in population was 85.7 males per 100 females in 2020. The Alfred Nzo District Municipality has significantly more females (53.86%) than males, when compared to a typical stable population. This is most probably an area with high male out migration to look for work elsewhere. In total there were 481 000 (53.86%) females and 412 000 (46.14%) males. This is different from the Eastern Cape Province as a whole where the female population counted 3.84 million which constitutes 52.31% of the total population of 7.33 million.

Population by population group, Gender and Age - Alfred Nzo District Municipality, 2020 [Number].

	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	52,400	55,700	66	92	186	194	99	86
05-09	55,300	57,300	80	68	204	219	88	75
10-14	63,000	63,900	91	86	148	222	77	68
15-19	48,000	49,600	101	68	209	225	53	91
20-24	36,300	37,100	80	66	143	143	49	104
25-29	40,000	37,700	63	49	192	200	88	145
30-34	35,300	31,600	47	50	137	111	69	175
35-39	27,800	21,400	66	33	107	100	48	144
40-44	17,200	11,900	86	68	90	95	33	107
45-49	15,500	8,640	66	76	80	70	29	48
50-54	13,700	6,030	56	89	66	68	25	32
55-59	14,800	6,010	68	57	128	107	15	24
60-64	18,400	6,910	51	39	59	72	20	36
65-69	13,500	5,040	73	59	38	38	25	25
70-74	8,140	3,630	35	55	40	11	6	5
75+	17,600	5,410	68	45	77	37	30	12
Total	477,000	408,000	1,100	1,000	1,900	1,910	756	1,180

Source: IHS Markit Regional eXplorer version 2201

In 2020, the Alfred Nzo District Municipality's population consisted of 99.12% African (885 000), 0.24% White (2 100), 0.43% Coloured (3 820) and 0.22% Asian (1 930) people.

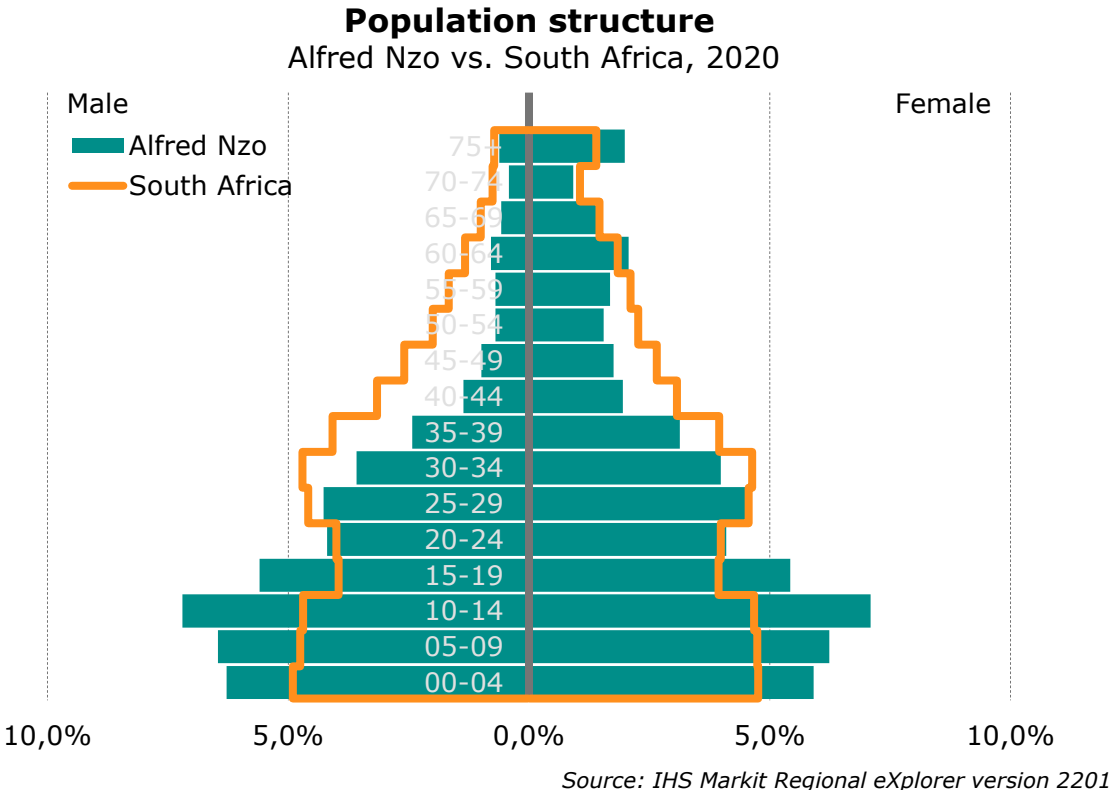
The largest share of population is within the babies and kids (0-14 years) age category with a total number of 350 000 or 39.2% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 25.2%, followed by the teenagers and youth (15-24 years) age category with 172 000 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 54 000 people, as reflected in the population pyramids below.

Population Pyramids

A population pyramid is a graphic representation of the population categorised by gender and age, for a specific year and region. The horizontal axis depicts the share of people, where the male population is charted on the left-hand side and the female population on the right-hand side of the vertical axis. The vertical axis is divided in 5-year age categories.

With the African population group representing 99.1%of the Alfred Nzo District Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares Alfred Nzo's population structure of 2020 to that of South Africa.

Population pyramid - Alfred Nzo District Municipality vs. South Africa, 2020 [Percentage]



By comparing the population pyramid of the Alfred Nzo District Municipality with the national age structure, the most significant differences are:

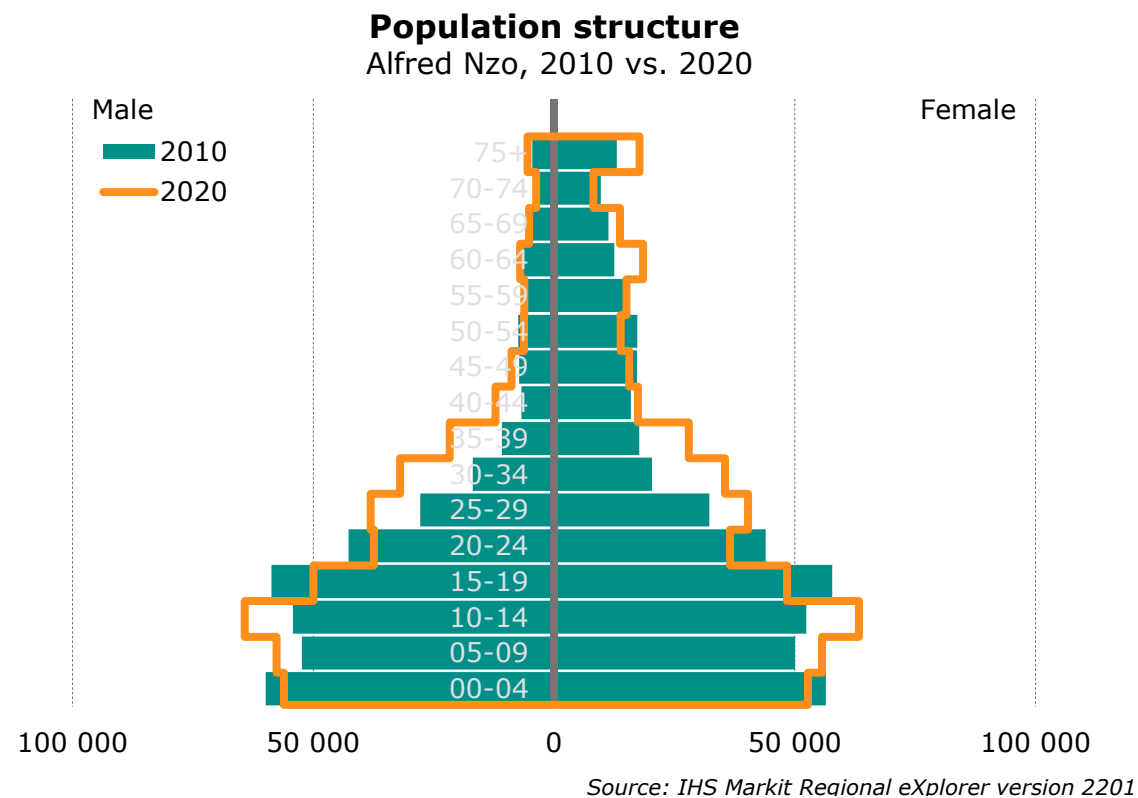
There is a significant smaller share of young working age people - aged 20 to 34 (24.6%) - in Alfred Nzo, compared to the national picture (26.5%).

Fertility in Alfred Nzo is significantly higher compared to South Africa as a whole.

Spatial policies changed since 1994.

The share of children between the ages of 0 to 14 years is significantly larger (39.2%) in Alfred Nzo compared to South Africa (28.5%). Demand for expenditure on schooling as percentage of total budget within Alfred Nzo District Municipality will therefore be higher than that of South Africa.

Population pyramid - Alfred Nzo District Municipality, 2010 vs. 2020 [Percentage]



When comparing the 2010 population pyramid with the 2020 pyramid for the Alfred Nzo District Municipality, some interesting differences are visible:

In 2010, there were a significant smaller share of young working age people - aged 20 to 34 (22.6%) - compared to 2020 (24.6%).

Fertility in 2010 was significantly higher compared to that of 2020.

The share of children between the ages of 0 to 14 years is slightly larger in 2010 (39.9%) compared to 2020 (39.2%).

Life expectancy is increasing.

In 2020, the female population for the 20 to 34 years age group amounted to 11.9% of the total female population while the male population group for the same age amounted to 10.7% of the total male population. In 2010 the male working age population at 12.0% did not exceeds that of the female population working age population at 12.6%.

Number of Households by Population Group

A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used.

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. In 2020, the Alfred Nzo District Municipality comprised of 186 000 households. This equates to an average annual growth rate of 0.50% in the number of households from 2010 to 2020. With an average annual growth rate of 0.92% in the total population, the average household size in the Alfred Nzo District Municipality is by implication increasing. This is confirmed by the data where the average household size in 2010 increased from approximately 4.6 individuals per household to 4.8 persons per household in 2020.

Number of households - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [Number percentage]

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2010	177,000	1,690,000	14,000,000	10.5%	1.26%
2011	178,000	1,710,000	14,300,000	10.4%	1.24%
2012	179,000	1,730,000	14,600,000	10.4%	1.23%
2013	181,000	1,750,000	14,900,000	10.3%	1.21%
2014	181,000	1,760,000	15,200,000	10.3%	1.19%
2015	184,000	1,790,000	15,600,000	10.3%	1.18%
2016	188,000	1,830,000	16,000,000	10.3%	1.18%
2017	193,000	1,880,000	16,300,000	10.3%	1.19%
2018	195,000	1,900,000	16,400,000	10.3%	1.19%
2019	191,000	1,870,000	16,500,000	10.2%	1.16%
2020	186,000	1,830,000	16,500,000	10.2%	1.13%
Average Annual growth 2010-2020	0.50%	0.79%	1.60%		

Source: IHS Markit Regional eXplorer version 2201

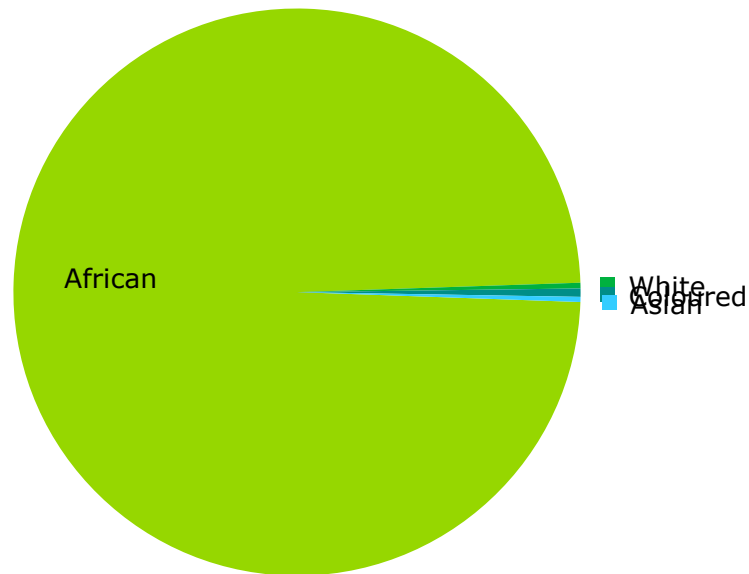
Relative to the province, the Alfred Nzo District Municipality had a lower average annual growth rate of 0.50% from 2010 to 2020. In contrast, the South Africa had a total of 16.5 million households, with a growth rate of 1.60%, thus growing at a higher rate than the Alfred Nzo.

The composition of the households by population group consists of 98.9% which is ascribed to the African population group with the largest amount of households by population group. The Coloured population group had a total composition of 0.5% (ranking second). The White population group had a total composition of 0.3% of the total households. The smallest population group by households is the Asian population group with only 0.3% in 2020.

Number of households by population group - Alfred Nzo District Municipality, 2020 [Percentage]

Number of Households by Population group

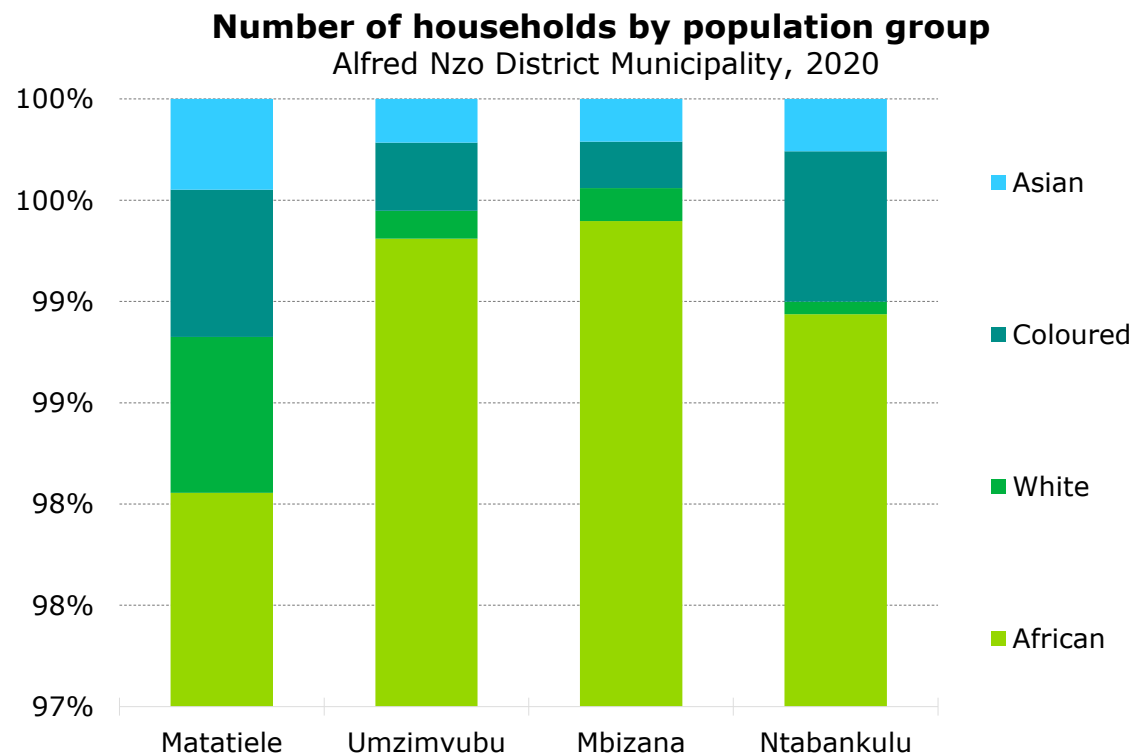
Alfred Nzo, 2020



Source: IHS Markit Regional eXplorer version 2201

The growth in the number of African headed households was on average 0.49% per annum between 2010 and 2020, which translates in the number of households increasing by 8 770 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2010 and 2020 at 6.61%. The average annual growth rate in the number of households for all the other population groups has increased with 0.49%.

Number of households by population group - local municipalities of Alfred Nzo District Municipality, 2020 [percentage]



Source: IHS Markit Regional eXplorer version 2201

HIV+ and AIDS estimates

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

HIV+ and AIDS estimates are defined as follows:

The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model in turn uses the prevalence rates from various primary data sets, in particular the HIV/AIDS surveys conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.

Number of HIV+ people - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [Number and percentage]

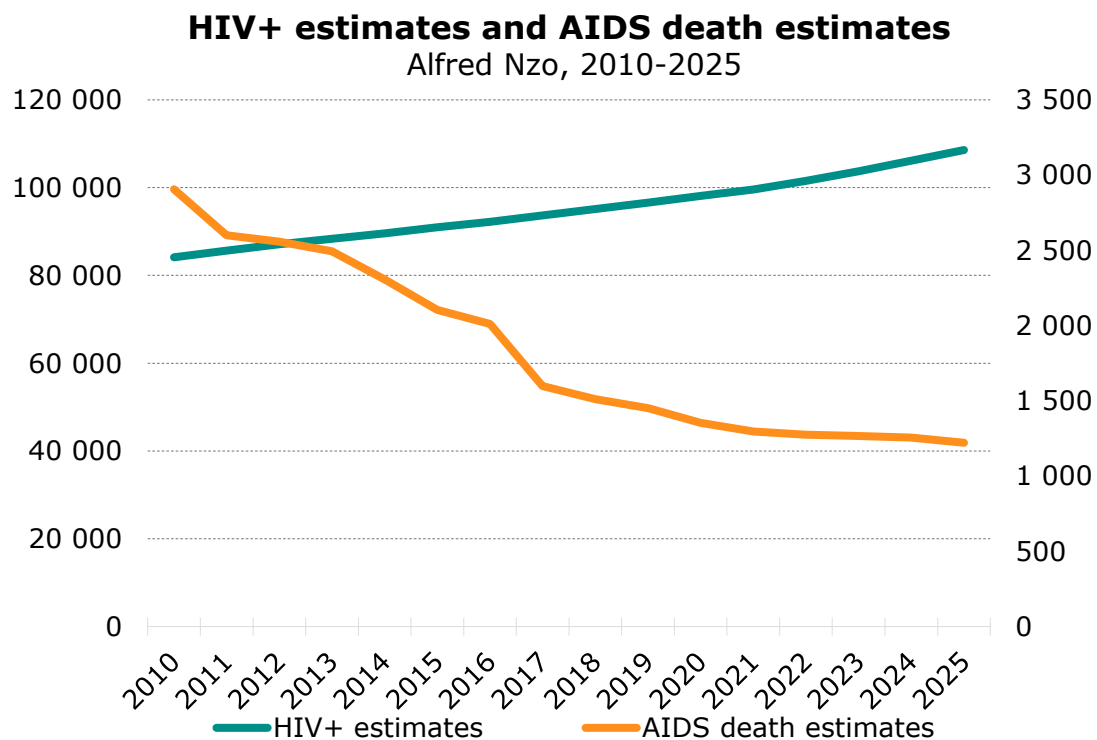
	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2010	84,100	717,000	6,310,000	11.7%	1.33%
2011	85,700	732,000	6,480,000	11.7%	1.32%
2012	87,100	746,000	6,630,000	11.7%	1.31%
2013	88,400	759,000	6,770,000	11.6%	1.31%
2014	89,600	772,000	6,910,000	11.6%	1.30%
2015	91,000	786,000	7,050,000	11.6%	1.29%
2016	92,200	799,000	7,200,000	11.5%	1.28%
2017	93,700	815,000	7,360,000	11.5%	1.27%
2018	95,100	830,000	7,530,000	11.5%	1.26%
2019	96,600	847,000	7,710,000	11.4%	1.25%
2020	98,100	863,000	7,900,000	11.4%	1.24%
Average Annual growth					
2010-2020	1.55%	1.88%	2.28%		

Source: IHS Markit Regional eXplorer version 2201

In 2020, 98 100 people in the Alfred Nzo District Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.55% since 2010, and in 2020 represented 10.99% of the district municipality's total population. The Eastern Cape Province had an average annual growth rate of 1.88% from 2010 to 2020 in the number of people infected with HIV, which is higher than that of the Alfred Nzo District Municipality. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2010 to 2020 with an average annual growth rate of 2.28%.

The lifespan of people that are HIV+ could be prolonged with modern ARV treatments. In the absence of any treatment, people diagnosed with HIV can live for 10 years and longer before they reach the final AIDS stage of the disease.

AIDS profile and forecast - Alfred Nzo District Municipality, 2010-2025 [numbers]



Source: IHS Markit Regional eXplorer version 2201

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 2910 in 2010 and 1350 for 2020. This number denotes an decrease from 2010 to 2020 with a high average annual rate of -7.36% (or -1550 people). For the year 2020, they represented 0.15% of the total population of the entire district municipality.

Economy

The economic state of Alfred Nzo District Municipality is put in perspective by comparing it on a spatial level with its neighbouring district municipalities, Eastern Cape Province and South Africa. The section will also allude to the economic composition and contribution of the regions within Alfred Nzo District Municipality.

The Alfred Nzo District Municipality does not function in isolation from Eastern Cape, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

Gross Domestic Product (GDP) - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [R billions, Current prices]

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2010	8.6	241.1	3,055.6	3.6%	0.28%
2011	9.2	255.4	3,327.0	3.6%	0.28%
2012	10.3	283.4	3,566.4	3.6%	0.29%
2013	11.0	305.7	3,868.6	3.6%	0.28%
2014	11.8	326.3	4,133.9	3.6%	0.29%
2015	12.8	352.9	4,420.8	3.6%	0.29%
2016	13.6	373.2	4,759.6	3.6%	0.28%
2017	14.6	400.4	5,078.2	3.6%	0.29%
2018	15.3	421.2	5,357.6	3.6%	0.29%
2019	15.9	435.6	5,605.0	3.6%	0.28%
2020	15.5	423.5	5,521.1	3.7%	0.28%

Source: IHS Markit Regional eXplorer version 2201

With a GDP of R 15.5 billion in 2020 (up from R 8.63 billion in 2010), the Alfred Nzo District Municipality contributed 3.66% to the Eastern Cape Province GDP of R 423 billion in 2020 increasing in the share of the Eastern Cape from 3.58% in 2010. The Alfred Nzo District Municipality contributes 0.28% to the GDP of South Africa which had a total GDP of R 5.52 trillion in 2020 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2010 when it contributed 0.28% to South Africa, but it is lower than the peak of 0.29% in 2015.

Gross Domestic Product (GDP) - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [Annual percentage change, Constant 2010 prices]

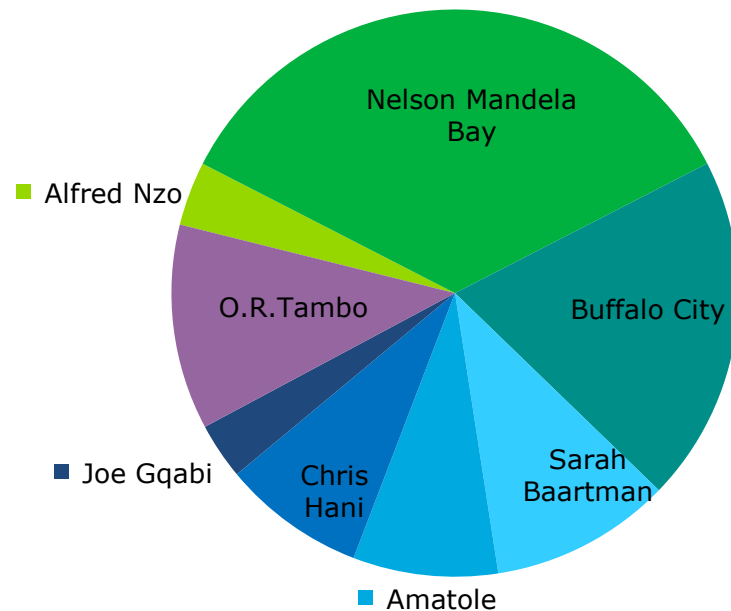
			Alfred Nzo	Eastern Cape	National Total
2010			-2.2%	1.9%	2.6%
2011			2.8%	3.3%	3.2%
2012			0.5%	2.0%	2.4%
2013			0.6%	1.4%	2.5%
2014			1.3%	0.7%	1.4%
2015			1.8%	1.0%	1.3%
2016			0.9%	0.8%	0.7%
2017			0.6%	0.5%	1.2%
2018			0.5%	1.0%	1.5%
2019			0.0%	-0.1%	0.1%
2020			-5.4%	-6.6%	-6.4%
Average	Annual	growth	0.35%	0.39%	0.74%
2010-2020					

Source: IHS Markit Regional eXplorer version 2201

In 2020, the Alfred Nzo District Municipality achieved an annual growth rate of -5.41% which is a significantly higher GDP growth than the Eastern Cape Province's -6.58%, and is higher than that of South Africa, where the 2020 GDP growth rate was -6.43%. Contrary to the short-term growth rate of 2020, the longer-term average growth rate for Alfred Nzo (0.35%) is slightly lower than that of South Africa (0.74%). The economic growth in Alfred Nzo peaked in 2011 at 2.79%.

Gross Domestic Product (GDP) - Alfred Nzo District Municipality and the rest of Eastern Cape, 2020 [Percentage]

Gross Domestic Product (GDP) Eastern Cape Province, 2020



Source: IHS Markit Regional eXplorer version 2201

The Alfred Nzo District Municipality had a total GDP of R 15.5 billion and in terms of total contribution towards Eastern Cape Province the Alfred Nzo District Municipality ranked seventh relative to all the regional economies to total Eastern Cape Province GDP. This ranking in terms of size compared to other regions of Alfred Nzo remained the same since 2010. In terms of its share, it was in 2020 (3.7%) very similar compared to what it was in 2010 (3.6%). For the period 2010 to 2020, the average annual growth rate of 0.3% of Alfred Nzo was the sixth relative to its peers in terms of growth in constant 2010 prices.

Gross Domestic Product (GDP) - local municipalities of Alfred Nzo District Municipality, 2010 to 2020, share and growth

	2020 (Current prices)	Share of district municipality	2010 (Constant prices)	2020 (Constant prices)	Average growth	Annual
Matatiele	4.82	31.12%	3.51	3.76	0.69%	
Umzimvubu	4.30	27.76%	3.12	3.29	0.53%	
Mbizana	5.01	32.38%	3.79	3.83	0.11%	
Ntabankulu	1.35	8.74%	1.10	1.05	-0.51%	
Alfred Nzo	15.48		11.51	11.92		

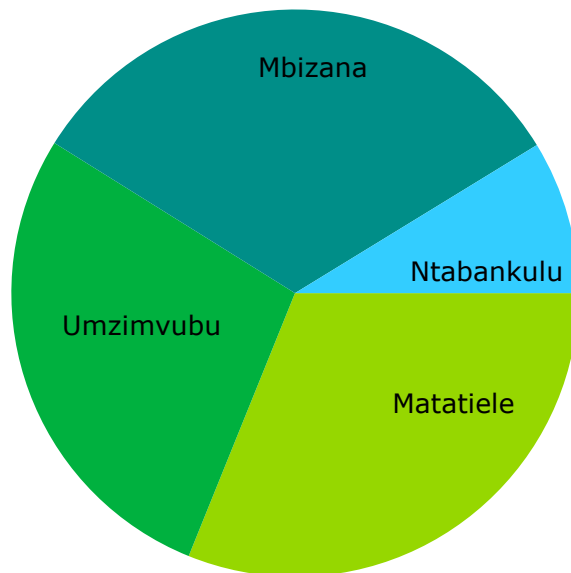
Source: IHS Markit Regional eXplorer version 2201

Matatiele had the highest average annual economic growth, averaging 0.69% between 2010 and 2020, when compared to the rest of the regions within the Alfred Nzo District Municipality. The Umzimvubu Local Municipality had the second highest average annual growth rate of 0.53%. Ntabankulu Local Municipality had the lowest average annual growth rate of -0.51% between 2010 and 2020.

GDP contribution - local municipalities of Alfred Nzo District Municipality, 2020 [Current prices, percentage]

Gross Domestic Product (GDP)

Alfred Nzo District Municipality, 2020



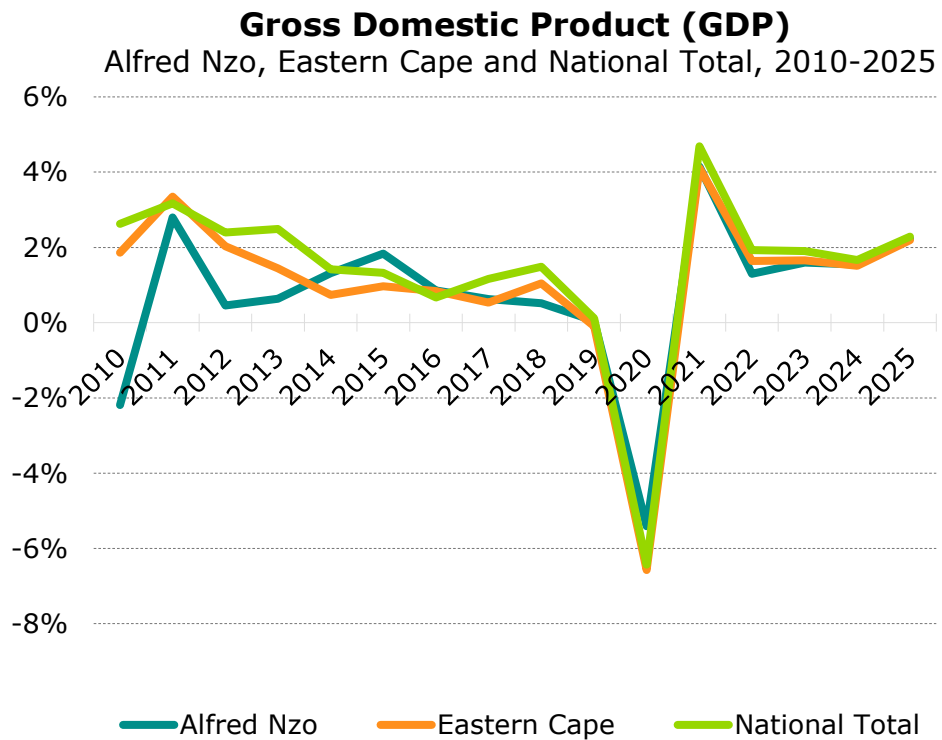
Source: IHS Markit Regional eXplorer version 2201

The greatest contributor to the Alfred Nzo District Municipality economy is the Mbizana Local Municipality with a share of 32.38% or R 5.01 billion, increasing from R 2.87 billion in 2010. The economy with the lowest contribution is the Ntabankulu Local Municipality with R 1.35 billion growing from R 826 million in 2010.

Economic Growth Forecast

It is expected that Alfred Nzo District Municipality will grow at an average annual rate of 2.16% from 2020 to 2025. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 2.22% and 2.49% respectively.

Gross Domestic Product (GDP) - Alfred Nzo, Eastern Cape and National Total, 2010-2025 [Average annual growth rate, constant 2010 prices]



Source: IHS Markit Regional eXplorer version 2201

In 2025, Alfred Nzo's forecasted GDP will be an estimated R 13.3 billion (constant 2010 prices) or 3.6% of the total GDP of Eastern Cape Province. The ranking in terms of size of the Alfred Nzo District Municipality will remain the same between 2020 and 2025, with a contribution to the Eastern Cape Province GDP of 3.6% in 2025 compared to the 3.6% in 2020. At a 2.16% average annual GDP growth rate between 2020 and 2025, Alfred Nzo ranked the third compared to the other regional economies.

Gross Domestic Product (GDP) - local municipalities of Alfred Nzo District Municipality, 2020 to 2025, share and growth

	2025 (Current prices)	Share of district municipality	2020 (Constant prices)	2025 (Constant prices)	Average growth	Annual
Matatiele	6.71	30.82%	3.76	4.15	2.01%	
Umzimvubu	6.24	28.64%	3.29	3.79	2.89%	
Mbizana	6.93	31.81%	3.83	4.15	1.62%	
Ntabankulu	1.90	8.73%	1.05	1.17	2.31%	
Alfred Nzo	21.78		11.92	13.26		

Source: IHS Markit Regional eXplorer version 2201

When looking at the regions within the Alfred Nzo District Municipality it is expected that from 2020 to 2025 the Umzimvubu Local Municipality will achieve the highest average annual growth rate of 2.89%. The region that is expected to achieve the second highest average annual growth rate is that of Ntabankulu Local Municipality, averaging 2.31% between 2020 and 2025. On the other hand the region that performed the poorest relative to the other regions within Alfred Nzo District Municipality was the Mbizana Local Municipality with an average annual growth rate of 1.62%.

Gross Value Added by Region (GVA-R)

The Alfred Nzo District Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its value added produced in the local economy.

Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Alfred Nzo District Municipality.

Gross Value Added (GVA) by broad economic sector - Alfred Nzo District Municipality, 2020 [R billions, current prices]

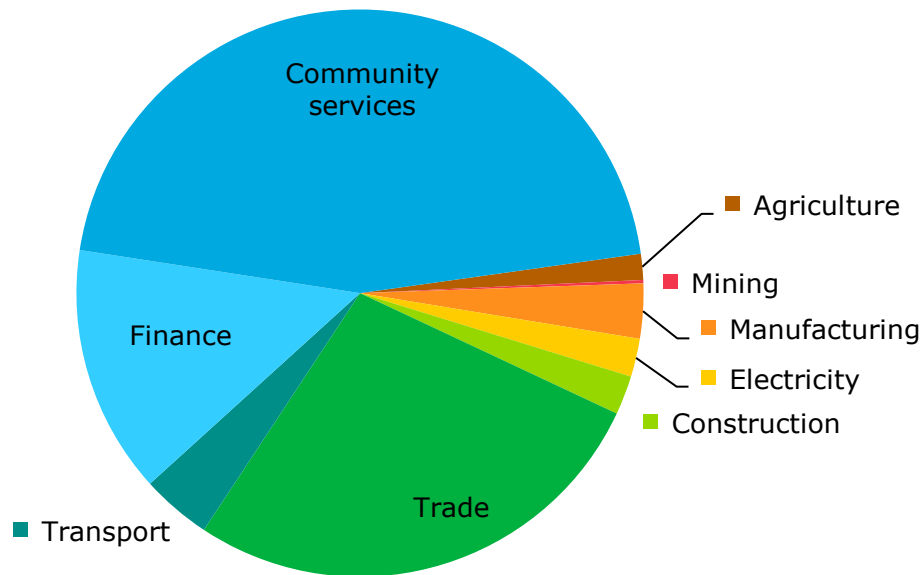
	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
Agriculture	0.2	7.4	139.5	2.9%	0.15%
Mining	0.0	0.5	353.2	5.4%	0.01%
Manufacturing	0.4	49.1	648.4	0.9%	0.07%
Electricity	0.3	8.6	157.3	3.6%	0.20%
Construction	0.3	10.4	134.3	3.0%	0.24%
Trade	3.9	66.1	659.5	5.9%	0.59%
Transport	0.6	25.1	368.8	2.3%	0.15%
Finance	2.0	85.7	1,216.0	2.4%	0.17%
Community services	6.5	130.1	1,320.8	5.0%	0.49%
Total Industries	14.2	383.0	4,997.9	3.7%	0.29%

Source: IHS Markit Regional eXplorer version 2201

In 2020, the community services sector is the largest within Alfred Nzo District Municipality accounting for R 6.46 billion or 45.3% of the total GVA in the district municipality's economy. The sector that contributes the second most to the GVA of the Alfred Nzo District Municipality is the trade sector at 27.3%, followed by the finance sector with 14.2%. The sector that contributes the least to the economy of Alfred Nzo District Municipality is the mining sector with a contribution of R 27 million or 0.19% of the total GVA.

Gross Value Added (GVA) by broad economic sector - Alfred Nzo District Municipality, 2020 [percentage composition]

Gross Value Added (GVA) by broad economic sector Alfred Nzo District Municipality, 2020

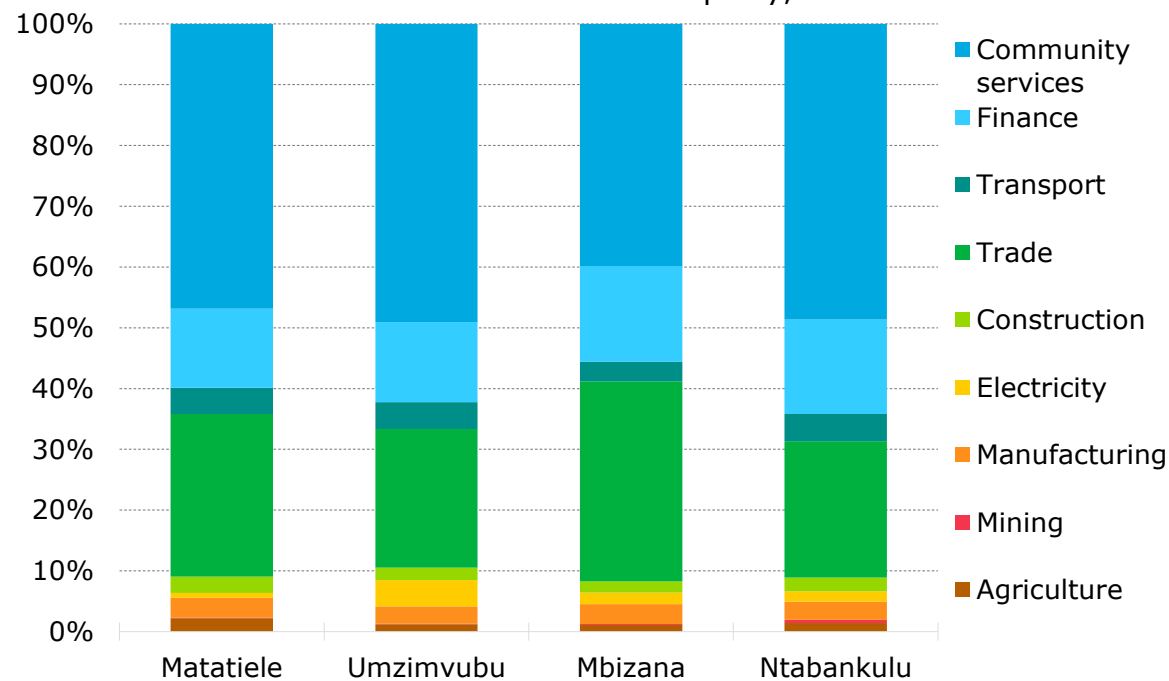


Source: IHS Markit Regional eXplorer version 2201

The community sector, which includes the government services, is generally a large contributor towards GVA in smaller and more rural local municipalities. When looking at the regions within the district municipality, the Matatiele Local Municipality made the largest contribution to the community services sector at 32.26% of the district municipality. As a whole, the Matatiele Local Municipality contributed R 4.45 billion or 31.21% to the GVA of the Alfred Nzo District Municipality. The region within Alfred Nzo District Municipality that contributes the most to the GVA of the district municipality was the Mbizana Local Municipality with a total of R 4.65 billion or 32.63%.

Gross Value Added (GVA) by broad economic sector - local municipalities of Alfred Nzo District Municipality, 2020 [percentage composition]

Gross Value Added (GVA) by broad economic sector Alfred Nzo District Municipality, 2020



Source: IHS Markit Regional eXplorer version 2201

Historical Economic Growth

For the period 2020 and 2010, the GVA in the finance sector had the highest average annual growth rate in Alfred Nzo at 2.94%. The industry with the second highest average annual growth rate is the agriculture sector averaging at 1.04% per year. The electricity sector had an average annual growth rate of -1.43%, while the construction sector had the lowest average annual growth of -2.32%. Overall a negative growth existed for all the industries in 2020 with an annual growth rate of -4.61% since 2019.

Gross Value Added (GVA) by broad economic sector - Alfred Nzo District Municipality, 2010, 2015 and 2020 [R millions, 2010 constant prices]

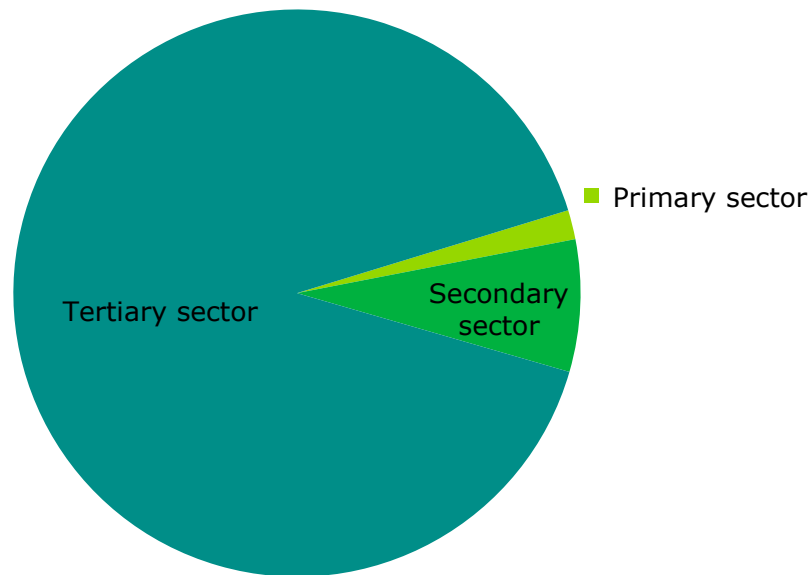
	2010	2015	2020	Average Annual growth
Agriculture	121.6	143.2	134.8	1.04%
Mining	34.1	34.0	30.6	-1.07%
Manufacturing	368.1	362.5	341.7	-0.74%
Electricity	163.0	158.6	141.1	-1.43%
Construction	335.4	355.6	265.3	-2.32%
Trade	3,081.0	3,345.0	2,930.5	-0.50%
Transport	509.6	551.2	493.3	-0.32%
Finance	1,194.9	1,472.2	1,596.0	2.94%
Community services	4,711.0	4,843.8	5,034.3	0.67%
Total Industries	10,518.7	11,265.9	10,967.6	0.42%

Source: IHS Markit Regional eXplorer version 2201

The tertiary sector contributes the most to the Gross Value Added within the Alfred Nzo District Municipality at 90.8%. This is significantly higher than the national economy (71.3%). The secondary sector contributed a total of 7.5% (ranking second), while the primary sector contributed the least at 1.7%.

Gross Value Added (GVA) by aggregate economic sector - Alfred Nzo District Municipality, 2020 [percentage]

Gross Value Added (GVA) by aggregate sector
Alfred Nzo District Municipality, 2020



Source: IHS Markit Regional eXplorer version 2201

The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

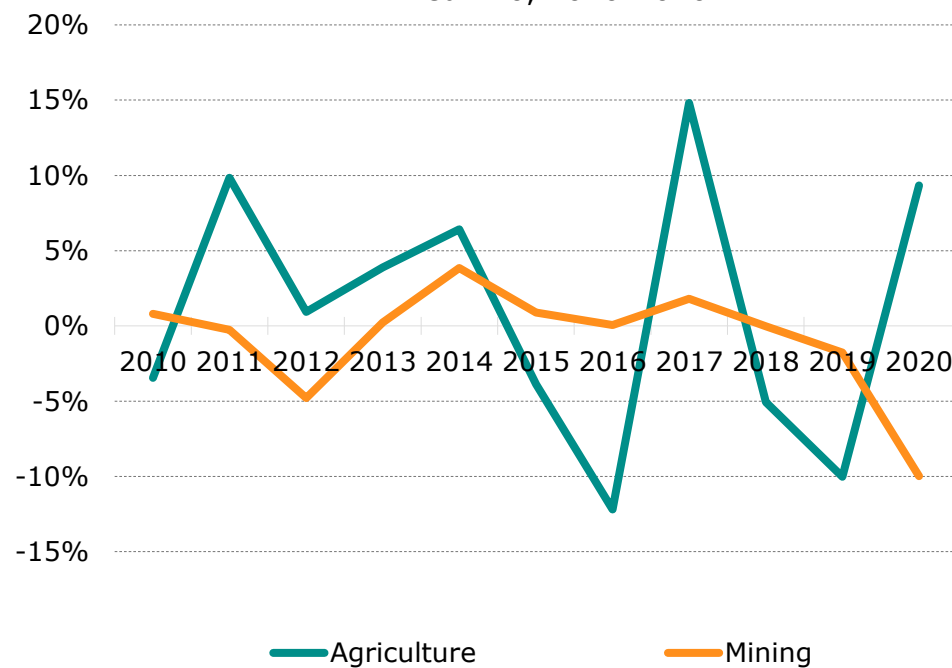
Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Alfred Nzo District Municipality from 2010 to 2020.

Gross Value Added (GVA) by primary sector - Alfred Nzo, 2010-2020 [Annual percentage change]

Gross value added (GVA) by primary sector

Alfred Nzo, 2010-2020



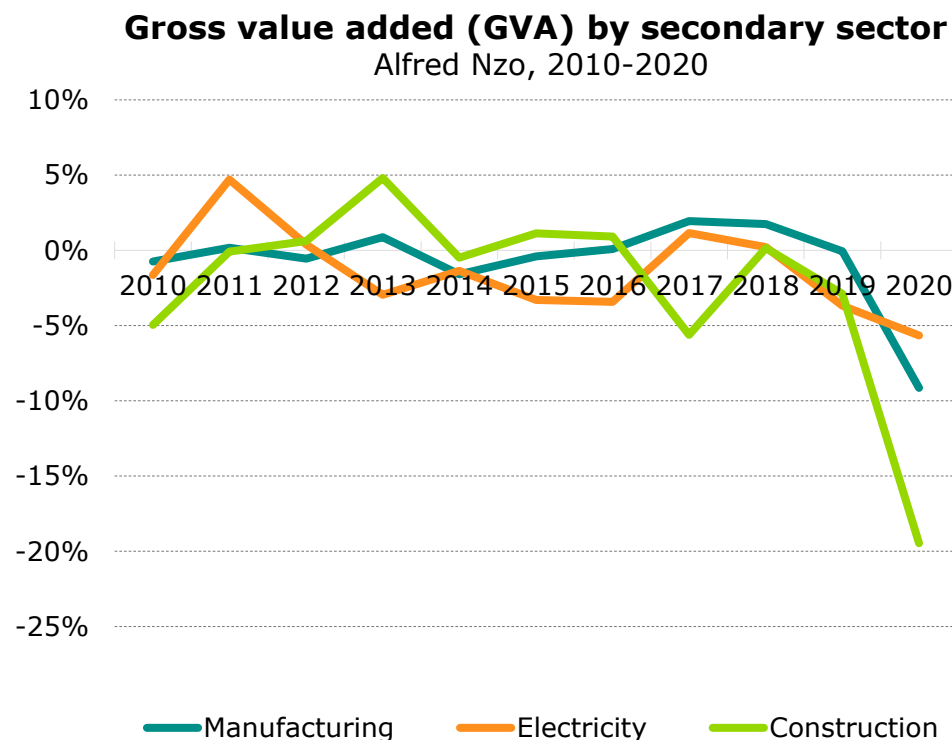
Source: IHS Markit Regional eXplorer version 2201

Between 2010 and 2020, the agriculture sector experienced the highest positive growth in 2017 with an average growth rate of 14.8%. The mining sector reached its highest point of growth of 3.8% in 2014. The agricultural sector experienced the lowest growth for the period during 2016 at -12.2%, while the mining sector reaching its lowest point of growth in 2020 at -10.0%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Alfred Nzo District Municipality from 2010 to 2020.

Gross Value Added (GVA) by secondary sector - Alfred Nzo, 2010-2020 [Annual percentage change]



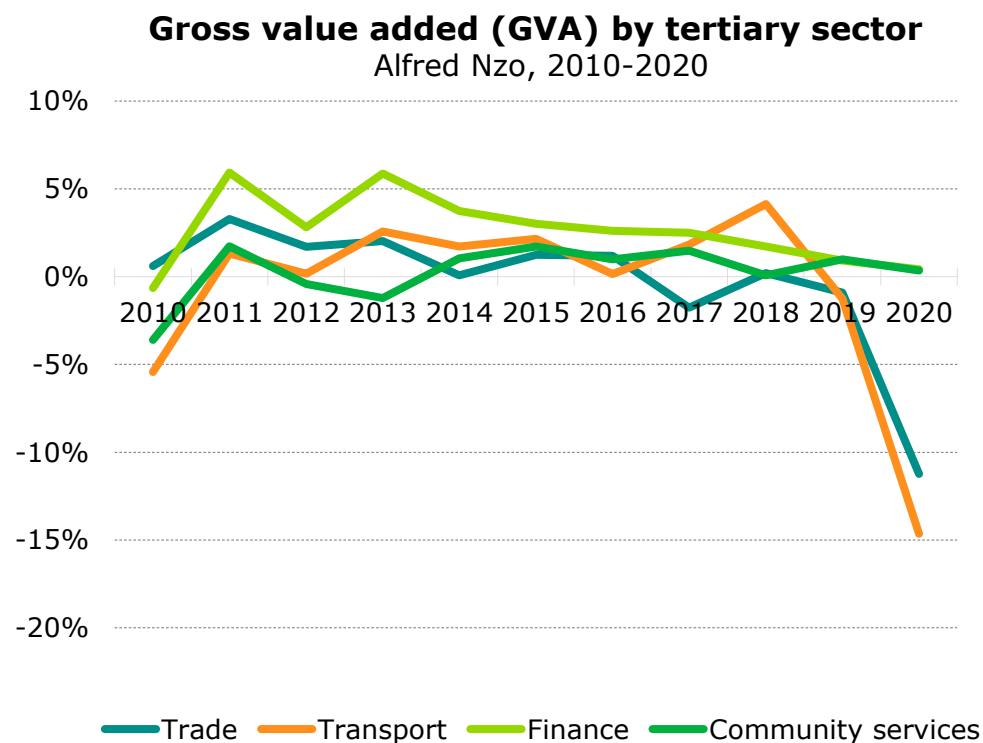
Source: IHS Markit Regional eXplorer version 2201

Between 2010 and 2020, the manufacturing sector experienced the highest positive growth in 2017 with a growth rate of 1.9%. The construction sector reached its highest growth in 2013 at 4.8%. The manufacturing sector experienced its lowest growth in 2020 of -9.1%, while construction sector also had the lowest growth rate in 2020 and it experiences a negative growth rate of -19.5% which is higher growth rate than that of the manufacturing sector. The electricity sector experienced the highest growth in 2011 at 4.7%, while it recorded the lowest growth of -5.7% in 2020.

Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Alfred Nzo District Municipality from 2010 to 2020.

Gross Value Added (GVA) by tertiary sector - Alfred Nzo, 2010-2020 [Annual percentage change]



Source: IHS Markit Regional eXplorer version 2201

The trade sector experienced the highest positive growth in 2011 with a growth rate of 3.3%. The transport sector reached its highest point of growth in 2018 at 4.1%. The finance sector experienced the highest growth rate in 2011 when it grew by 5.9% and recorded the lowest growth rate in 2010 at -0.6%. The Trade sector had the lowest growth rate in 2020 at -11.2%. The community services sector, which largely consists of government, experienced its highest positive growth in 2011 with 1.7% and the lowest growth rate in 2010 with -3.6%.

Sector Growth forecast

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

Gross value added (GVA) by broad economic sector - Alfred Nzo District Municipality, 2020-2025 [R millions, constant 2010 prices]

	2020	2021	2022	2023	2024	2025	Average Annual growth
Agriculture	134.8	144.4	140.4	140.2	142.2	146.0	1.61%
Mining	30.6	36.9	36.0	34.9	34.5	34.2	2.20%
Manufacturing	341.7	363.2	372.6	379.5	383.5	389.7	2.66%
Electricity	141.1	146.6	151.4	155.2	159.0	163.9	3.04%
Construction	265.3	264.2	274.1	282.1	289.7	298.3	2.37%
Trade	2,930.5	3,133.2	3,199.7	3,263.6	3,315.2	3,381.8	2.91%
Transport	493.3	516.4	525.8	538.9	551.5	567.9	2.86%
Finance	1,596.0	1,672.9	1,727.6	1,773.9	1,817.7	1,873.7	3.26%
Community services	5,034.3	5,095.1	5,079.1	5,112.3	5,157.3	5,253.6	0.86%
Total Industries	10,967.6	11,373.0	11,506.6	11,680.6	11,850.6	12,109.0	2.00%

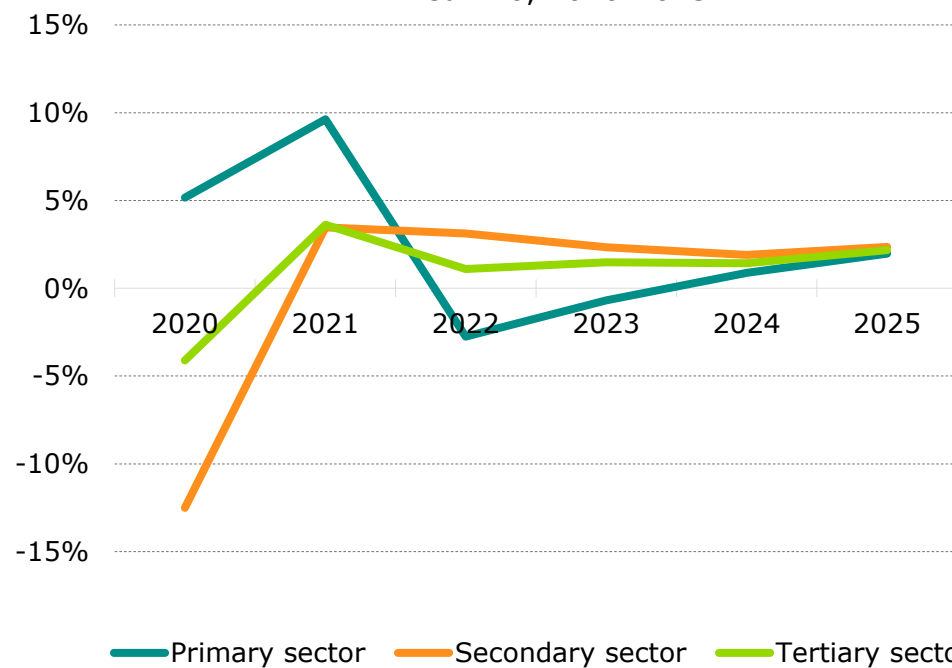
Source: IHS Markit Regional eXplorer version 2201

The finance sector is expected to grow fastest at an average of 3.26% annually from R 1.6 billion in Alfred Nzo District Municipality to R 1.87 billion in 2025. The community services sector is estimated to be the largest sector within the Alfred Nzo District Municipality in 2025, with a total share of 43.4% of the total GVA (as measured in current prices), growing at an average annual rate of 0.9%. The sector that is estimated to grow the slowest is the community services sector with an average annual growth rate of 0.86%.

Gross value added (GVA) by aggregate economic sector - Alfred Nzo District Municipality, 2020-2025 [Annual growth rate, constant 2010 prices]

Gross value added (GVA) by aggregate sector

Alfred Nzo, 2020-2025



Source: IHS Markit Regional eXplorer version 2201

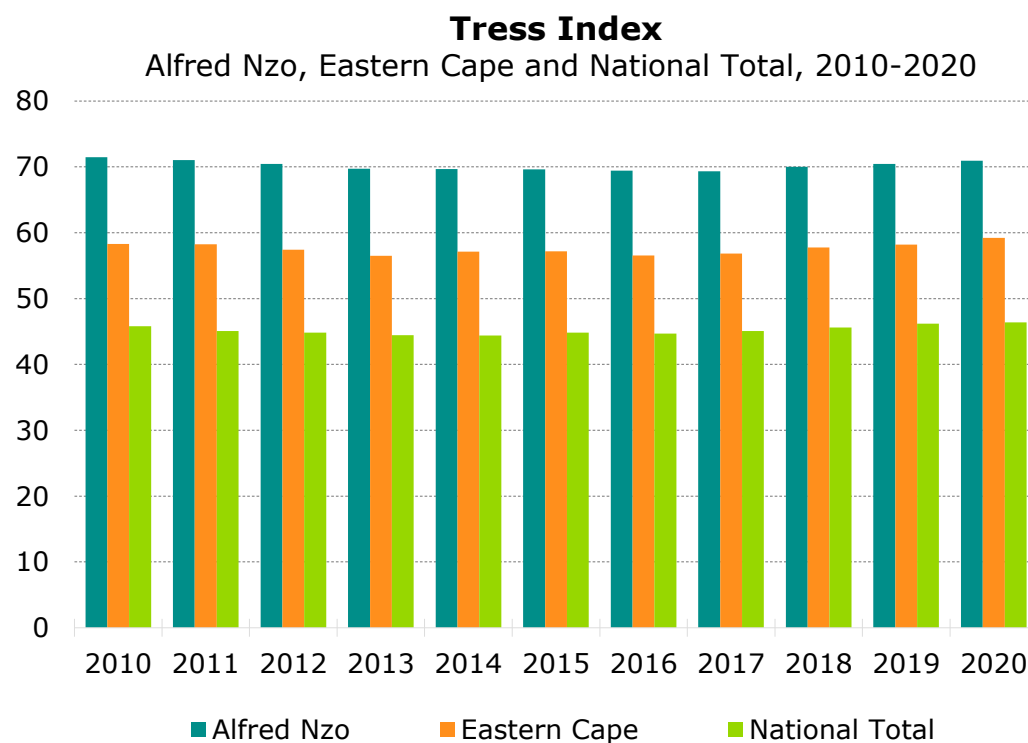
The Primary sector is expected to grow at an average annual rate of 1.72% between 2020 and 2025, with the Secondary sector growing at 2.63% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.96% for the same period.

Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.

Tress Index

The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

Tress index - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [Number]



Source: IHS Markit Regional eXplorer version 2201

In 2020, Alfred Nzo's Tress Index was estimated at 70.9 which are higher than the 59.2 of the province and higher than the 59.2 of the South Africa as a whole. This implies that - on average - Alfred Nzo District Municipality is less diversified in terms of its economic activity spread than the national's economy.

The Alfred Nzo District Municipality has a concentrated trade sector.

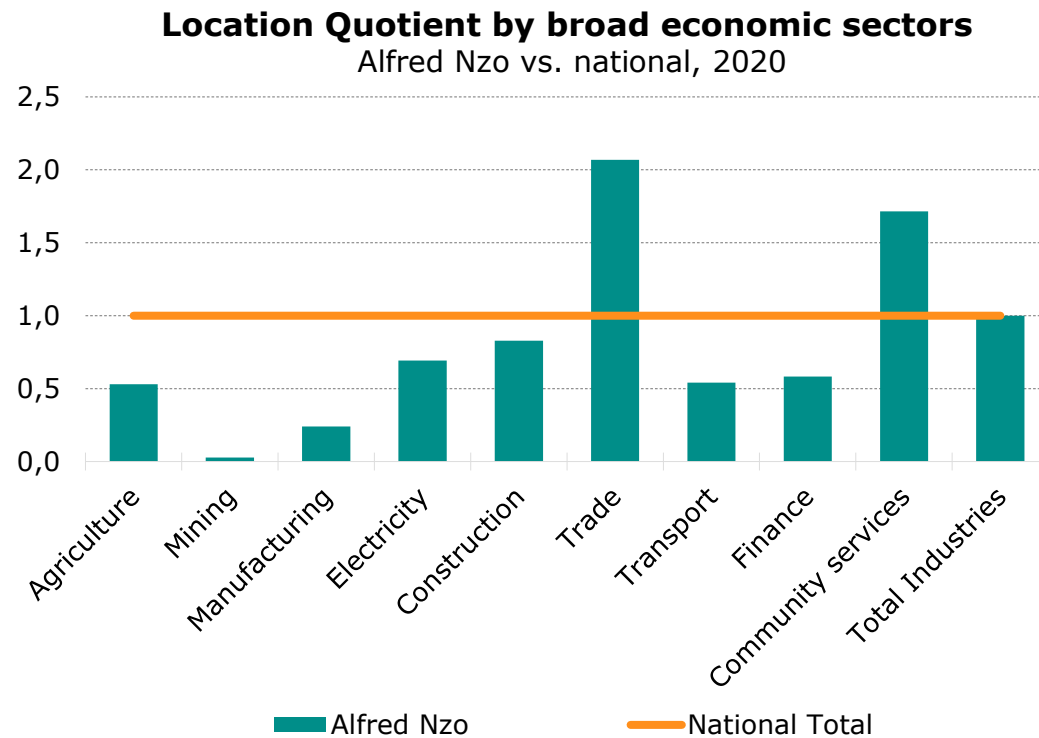
The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive industries. If both economic growth and the alleviation of unemployment are of concern, clearly there need to be industries that are growing fast and also creating jobs in particular the lower skilled categories. Unfortunately, in practice many industries that are growing fast are not those that create many employment opportunities for unskilled labourers (and alleviate unemployment).

Location Quotient

A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage.

If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

Location quotient by broad economic sectors - Alfred Nzo District Municipality and South Africa, 2020 [Number]



Source: IHS Markit Regional eXplorer version 2201

For 2020 Alfred Nzo District Municipality has a very large comparative advantage in the trade sector. The community services sector also has a very large comparative advantage. The Alfred Nzo District Municipality has a comparative disadvantage when it comes to the mining and manufacturing sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector. Unfortunately the Alfred Nzo District Municipality area currently does not have a lot of mining activity, with an LQ of only 0.0268.

Labour

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

Working age population in Alfred Nzo, Eastern Cape and National Total, 2010 and 2020 [Number]

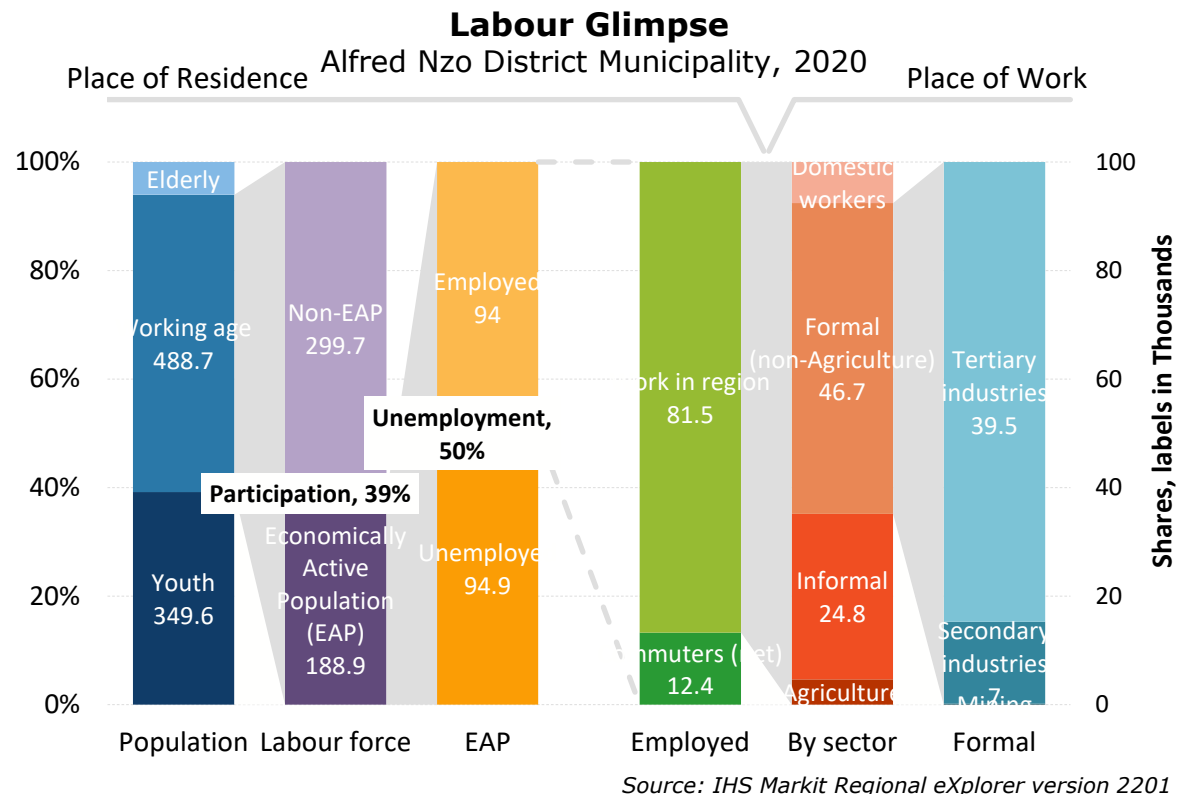
	Alfred Nzo		Eastern Cape		National Total	
	2010	2020	2010	2020	2010	2020
15-19	116,000	98,400	809,000	651,000	5,220,000	4,700,000
20-24	86,600	74,000	737,000	620,000	5,360,000	4,760,000
25-29	60,000	78,400	578,000	726,000	4,800,000	5,460,000
30-34	37,200	67,500	389,000	655,000	3,890,000	5,570,000
35-39	28,500	49,600	313,000	514,000	3,390,000	4,790,000
40-44	22,700	29,600	265,000	349,000	2,790,000	3,710,000
45-49	24,400	24,500	274,000	283,000	2,510,000	3,130,000
50-54	24,800	20,100	267,000	240,000	2,150,000	2,540,000
55-59	21,000	21,200	222,000	247,000	1,740,000	2,250,000
60-64	19,200	25,500	188,000	235,000	1,400,000	1,890,000
Total	441,000	489,000	4,040,000	4,520,000	33,300,000	38,800,000

Source: IHS Markit Regional eXplorer version 2201

The working age population in Alfred Nzo in 2020 was 489 000, increasing at an average annual rate of 1.03% since 2010. For the same period the working age population for Eastern Cape Province increased at 1.12% annually, while that of South Africa increased at 1.56% annually.

The graph below combines all the facets of the labour force in the Alfred Nzo District Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side.

Labour Glimpse - Alfred Nzo District Municipality, 2020



Reading the chart from the left-most bar, breaking down the total population of the Alfred Nzo District Municipality (892 000) into working age and non-working age, the number of people that are of working age is about 489 000. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 38.7% are participating in the labour force, meaning 189 000 residents of the district municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the district municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 300 000 people. Out of the economically active population, there are 94 900 that are unemployed, or when expressed as a percentage, an unemployment rate of 50.2%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Alfred Nzo, broken down by the primary (mining), secondary and tertiary industries. The majority of the

formal employment lies in the Tertiary industry, with 39 600 jobs. When including the informal, agricultural and domestic workers, we have a total number of 81 600 jobs in the area. Formal jobs make up 57.2% of all jobs in the Alfred Nzo District Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that work outside of the district municipality.

In theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth. People of working age tend to uphold higher consumption patterns (Final Consumption Expenditure, FCE), and a more dense concentration of working age people is supposed to decrease dependency ratios - given that the additional labour which is offered to the market, is absorbed.

Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

Economically active population (EAP) - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [number, percentage]

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2010	126,000	1,720,000	18,000,000	7.3%	0.70%
2011	124,000	1,730,000	18,300,000	7.2%	0.68%
2012	127,000	1,760,000	18,700,000	7.2%	0.68%
2013	134,000	1,830,000	19,300,000	7.3%	0.70%
2014	144,000	1,920,000	20,100,000	7.5%	0.72%
2015	152,000	2,000,000	20,800,000	7.6%	0.73%
2016	162,000	2,090,000	21,500,000	7.8%	0.75%
2017	173,000	2,180,000	22,000,000	7.9%	0.78%
2018	179,000	2,240,000	22,300,000	8.0%	0.80%
2019	190,000	2,330,000	22,700,000	8.2%	0.84%
2020	189,000	2,330,000	22,100,000	8.1%	0.85%
Average Annual growth					
2010-2020	4.12%	3.08%	2.08%		

Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality's EAP was 189 000 in 2020, which is 21.17% of its total population of 892 000, and roughly 8.12% of the total EAP of the Eastern Cape Province. From 2010 to 2020, the average annual increase in the EAP in the Alfred Nzo District Municipality was 4.12%, which is 1.04 percentage points higher than the growth in the EAP of Eastern Cape's for the same period.

EAP as % of total population - Alfred Nzo and the rest of Eastern Cape, 2010, 2015, 2020 [percentage]

	2010	2015	2020
Alfred Nzo	15.5%	18.0%	21.2%
Nelson Mandela Bay	43.0%	43.9%	44.6%
Buffalo City	37.4%	40.5%	43.9%
Sarah Baartman	37.4%	40.3%	42.0%
Amatole	18.1%	21.3%	25.4%
Chris Hani	20.6%	24.0%	27.6%
Joe Gqabi	22.7%	26.6%	29.6%
O.R.Tambo	16.4%	19.0%	22.6%

Source: IHS Markit Regional eXplorer version 2201

In 2010, 15.5% of the total population in Alfred Nzo District Municipality were classified as economically active which increased to 21.2% in 2020. Compared to the other regions in Eastern Cape Province, Nelson Mandela Bay Metropolitan Municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Alfred Nzo District Municipality had the lowest EAP with 21.2% people classified as economically active population in 2020.

Labour Force participation rate

The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

The following is the labour participation rate of the Alfred Nzo, Eastern Cape and National Total as a whole.

The labour force participation rate - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [percentage]

	Alfred Nzo	Eastern Cape	National Total
2010	28.6%	42.5%	54.1%
2011	27.9%	42.2%	53.9%
2012	28.2%	42.5%	54.3%
2013	29.6%	43.8%	55.2%
2014	31.6%	45.6%	56.6%
2015	33.0%	47.0%	57.7%
2016	34.8%	48.5%	58.8%
2017	36.8%	50.2%	59.5%
2018	37.7%	50.9%	59.4%
2019	39.4%	52.3%	59.4%
2020	38.7%	51.5%	57.0%

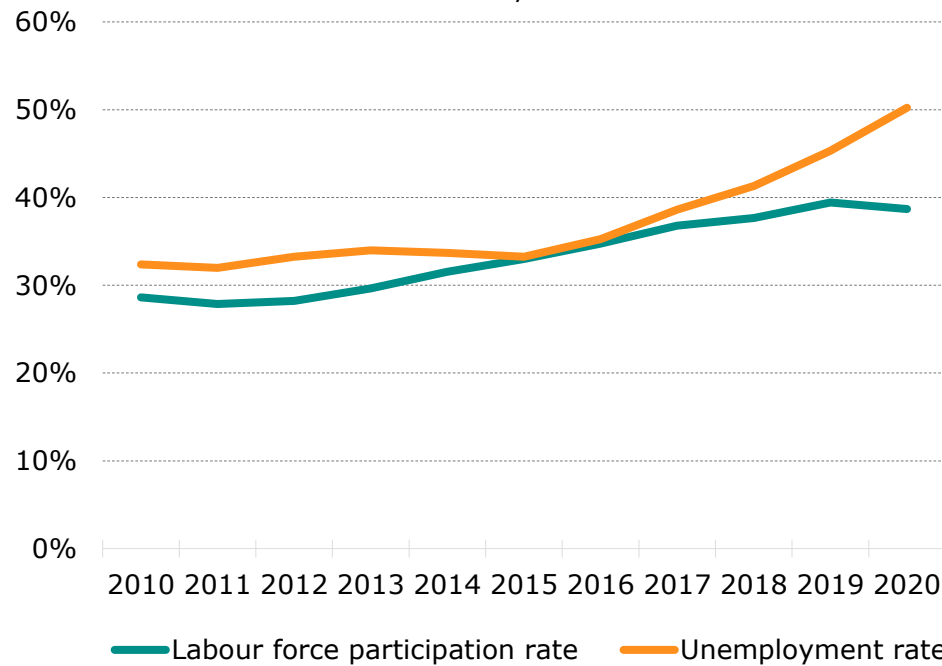
Source: IHS Markit Regional eXplorer version 2201

The Alfred Nzo District Municipality's labour force participation rate increased from 28.62% to 38.66% which is an increase of 10 percentage points. The Eastern Cape Province increased from 42.52% to 51.49%, South Africa increased from 54.14% to 57.01% from 2010 to 2020. The Alfred Nzo District Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2010 to 2020. The Alfred Nzo District Municipality had a lower labour force participation rate when compared to South Africa in 2020.

The labour force participation and unemployment rates - Alfred Nzo District Municipality, 2010-2020 [percentage]

Labour force participation & Unemployment rate

Alfred Nzo, 2010-2020



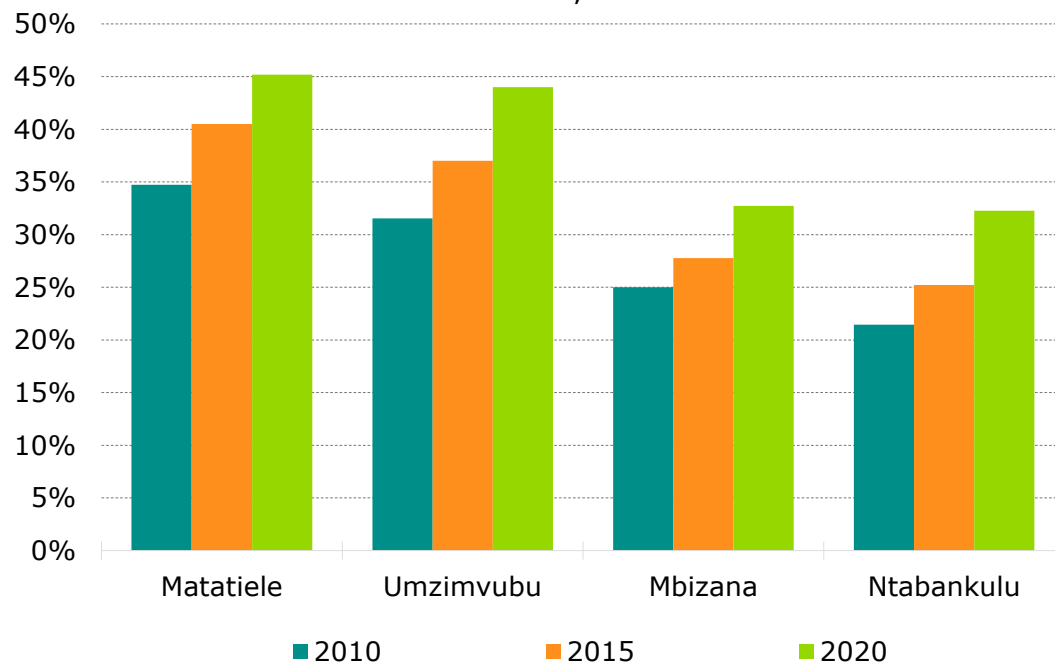
Source: IHS Markit Regional eXplorer version 2201

In 2020 the labour force participation rate for Alfred Nzo was at 38.7% which is significantly higher when compared to the 28.6% in 2010. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2010, the unemployment rate for Alfred Nzo was 32.4% and increased overtime to 50.2% in 2020. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Alfred Nzo District Municipality.

The labour force participation rate - local municipalities and the rest of Alfred Nzo District Municipality, 2015 and 2020 [percentage]

Labour force participation rate

Alfred Nzo, 2010-2020



Source: IHS Markit Regional eXplorer version 2201

Matatiele Local Municipality had the highest labour force participation rate with 45.2% in 2020 increasing from 34.7% in 2010. Ntabankulu Local Municipality had the lowest labour force participation rate of 32.3% in 2020, this increased from 21.5% in 2010.

Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

Total employment - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [numbers]

	Alfred Nzo	Eastern Cape	National Total
2010	74,800	1,230,000	13,500,000
2011	74,000	1,230,000	13,700,000
2012	74,100	1,240,000	14,000,000
2013	77,300	1,270,000	14,400,000
2014	83,300	1,340,000	15,000,000
2015	88,400	1,400,000	15,500,000
2016	91,000	1,430,000	15,800,000
2017	92,100	1,440,000	16,000,000
2018	91,200	1,440,000	16,200,000
2019	90,100	1,430,000	16,200,000
2020	81,600	1,340,000	15,400,000
Average Annual growth 2010-2020	0.87%	0.89%	1.33%

Source: IHS Markit Regional eXplorer version 2201

In 2020, Alfred Nzo employed 81 600 people which is 6.09% of the total employment in Eastern Cape Province (1.34 million), 0.53% of total employment in South Africa (15.4 million). Employment within Alfred Nzo increased annually at an average rate of 0.87% from 2010 to 2020.

Total employment per broad economic sector - Alfred Nzo and the rest of Eastern Cape, 2020 [Numbers]

	Alfred Nzo	Nelson Mandela Bay	Buffalo City	Sarah Baartman	Amatole	Chris Hani	Joe Gqabi	O.R.Tambo	Total Eastern Cape
Agriculture	3,820	9,680	17,600	29,000	8,520	10,200	7,480	5,740	92,120
Mining	72	481	315	36	63	140	89	214	1,410
Manufacturing	2,670	67,100	15,700	13,800	5,570	5,070	2,820	4,760	117,500
Electricity	259	817	673	377	412	470	241	548	3,797
Construction	12,000	29,600	17,400	14,400	11,500	13,700	8,150	17,200	123,926
Trade	17,400	89,600	48,100	31,900	28,200	24,100	13,600	39,300	292,180
Transport	3,740	28,200	9,410	7,080	5,250	4,660	2,580	7,960	68,854
Finance	7,590	58,900	25,300	13,900	12,000	11,000	5,270	18,300	152,397
Community services	27,800	94,400	59,500	28,700	40,700	42,300	20,100	61,100	374,660
Households	6,180	32,300	18,700	14,700	10,400	10,900	7,340	12,900	113,372
Total	81,600	411,000	213,000	154,000	123,000	123,000	67,700	168,000	1,340,215

Source: IHS Markit Regional eXplorer version 2201

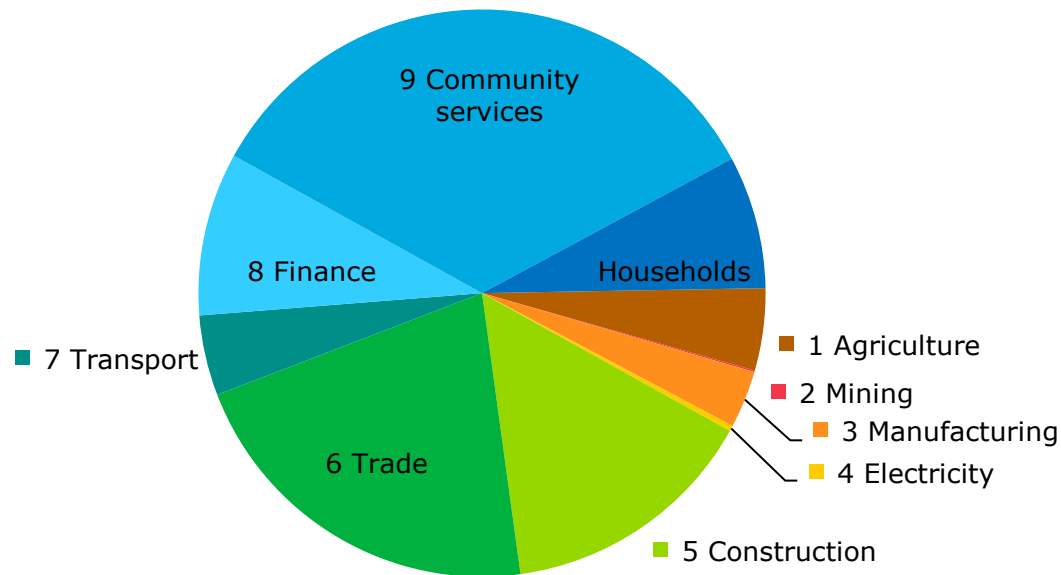
Alfred Nzo District Municipality employs a total number of 81 600 people within its district municipality. The district municipality that employs the highest number of people relative to the other regions within Eastern Cape Province is Nelson Mandela Bay district municipality with a total number of 411 000. The district municipality that employs the lowest number of people relative to the other regions within Eastern Cape Province is Joe Gqabi district municipality with a total number of 67 700 employed people.

In Alfred Nzo District Municipality the economic sectors that recorded the largest number of employment in 2020 were the community services sector with a total of 27 800 employed people or 34.1% of total employment in the district municipality. The trade sector with a total of 17 400 (21.3%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 72.3 (0.1%) is the sector that employs the least number of people in Alfred Nzo District Municipality, followed by the electricity sector with 259 (0.3%) people employed.

Total employment per broad economic sector - Alfred Nzo District Municipality, 2020 [percentage]

Total Employment Composition

Alfred Nzo, 2020



Source: IHS Markit Regional eXplorer version 2201

Formal and Informal employment

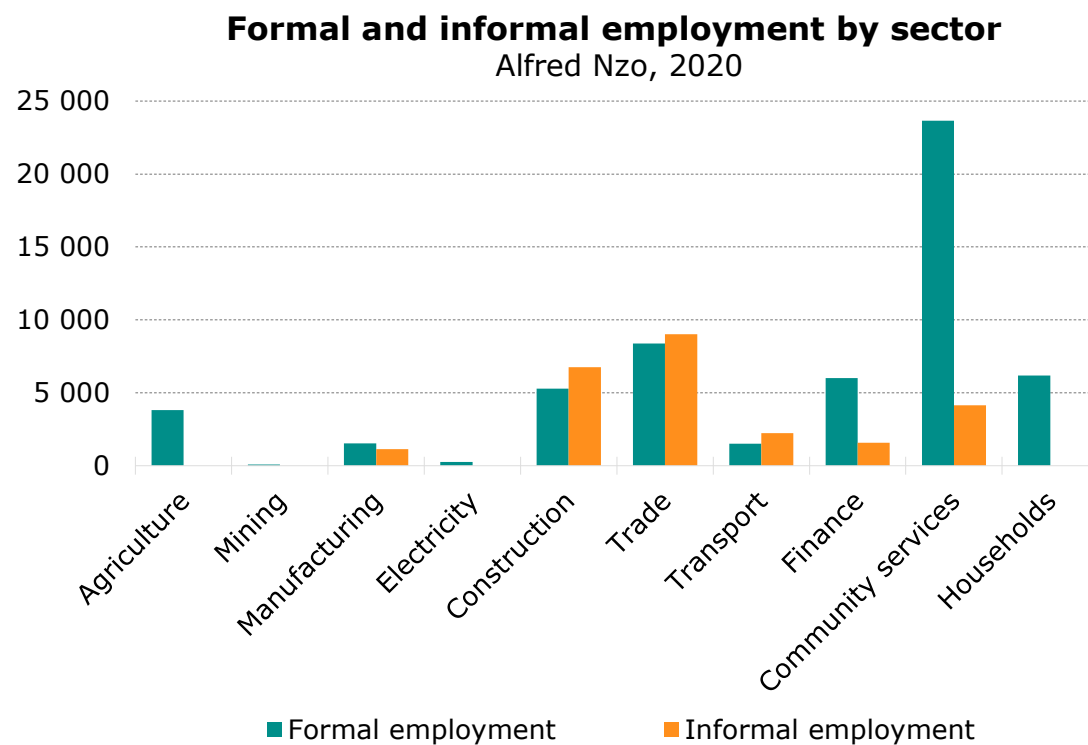
Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Alfred Nzo District Municipality counted 56 700 in 2020, which is about 69.51% of total employment, while the number

of people employed in the informal sector counted 24 900 or 30.49% of the total employment. Informal employment in Alfred Nzo increased from 22 200 in 2010 to an estimated 24 900 in 2020.

Formal and informal employment by broad economic sector - Alfred Nzo District Municipality, 2020 [numbers]



Source: IHS Markit Regional eXplorer version 2201

Some of the economic sectors have little or no informal employment:

Mining industry, due to well-regulated mining safety policies, and the strict registration of a mine, has little or no informal employment. The Electricity sector is also well regulated, making it difficult to get information on informal employment. Domestic Workers and employment in the Agriculture sector is typically counted under

a separate heading.

In 2020 the Trade sector recorded the highest number of informally employed, with a total of 9 030 employees or 36.28% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 1 140 and only contributes 4.60% to total informal employment.

Formal and informal employment by broad economic sector - Alfred Nzo District Municipality, 2020 [numbers]

	Formal employment	Informal employment
Agriculture	3,820	N/A
Mining	72	N/A
Manufacturing	1,520	1,140
Electricity	259	N/A
Construction	5,290	6,750
Trade	8,380	9,030
Transport	1,510	2,230
Finance	6,020	1,580
Community services	23,700	4,150
Households	6,180	N/A

Source: IHS Markit Regional eXplorer version 2201

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

Unemployment

The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

"Without work", i.e. not in paid employment or self-employment;

"Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and

"Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

Unemployment (official definition) - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [Number percentage]

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2010	40,800	480,000	4,490,000	8.5%	0.91%
2011	39,800	487,000	4,580,000	8.2%	0.87%
2012	42,200	509,000	4,700,000	8.3%	0.90%
2013	45,600	540,000	4,850,000	8.4%	0.94%
2014	48,600	565,000	5,060,000	8.6%	0.96%
2015	50,600	583,000	5,300,000	8.7%	0.95%
2016	57,000	636,000	5,670,000	9.0%	1.01%
2017	66,600	718,000	5,990,000	9.3%	1.11%
2018	73,900	782,000	6,100,000	9.5%	1.21%
2019	86,000	885,000	6,450,000	9.7%	1.33%
2020	94,900	971,000	6,710,000	9.8%	1.41%
Average Annual growth					
2010-2020	8.80%	7.31%	4.10%		

Source: IHS Markit Regional eXplorer version 2201

In 2020, there were a total number of 94 900 people unemployed in Alfred Nzo, which is an increase of 54 100 from 40 800 in 2010. The total number of unemployed people within Alfred Nzo constitutes 9.77% of the total number of unemployed people in Eastern Cape Province. The Alfred Nzo District Municipality experienced an average annual increase of 8.80% in the number of unemployed people, which is worse than that of the Eastern Cape Province which had an average annual increase in unemployment of 7.31%.

Unemployment rate (official definition) - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [Percentage]

	Alfred Nzo	Eastern Cape	National Total
2010	32.4%	27.9%	24.9%
2011	32.0%	28.2%	25.1%
2012	33.2%	28.9%	25.1%
2013	34.0%	29.6%	25.2%
2014	33.7%	29.4%	25.2%
2015	33.2%	29.2%	25.5%
2016	35.3%	30.5%	26.4%
2017	38.6%	32.9%	27.2%
2018	41.3%	35.0%	27.4%
2019	45.3%	38.0%	28.4%
2020	50.2%	41.7%	30.3%

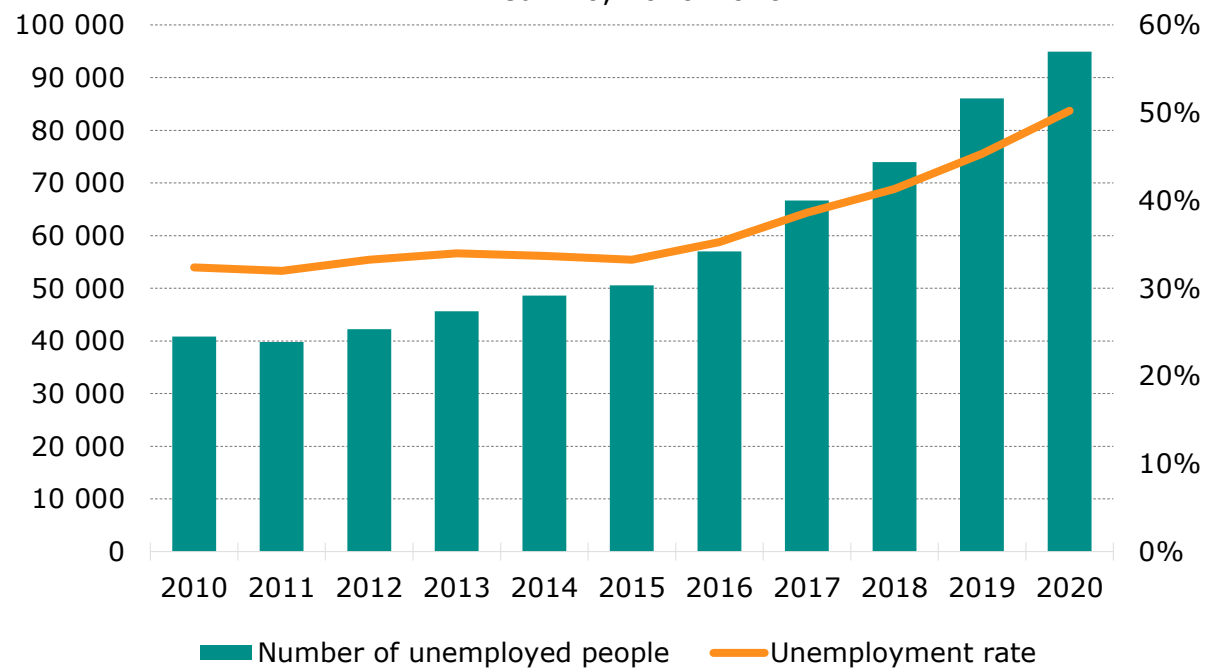
Source: IHS Markit Regional eXplorer version 2201

In 2020, the unemployment rate in Alfred Nzo District Municipality (based on the official definition of unemployment) was 50.22%, which is an increase of 17.9 percentage points. The unemployment rate in Alfred Nzo District Municipality is higher than that of Eastern Cape. The unemployment rate for South Africa was 30.32% in 2020, which is a increase of -5.39 percentage points from 24.93% in 2010.

Unemployment and unemployment rate (official definition) - Alfred Nzo District Municipality, 2010-2020 [number percentage]

Number of unemployed & Unemployment rate

Alfred Nzo, 2010-2020

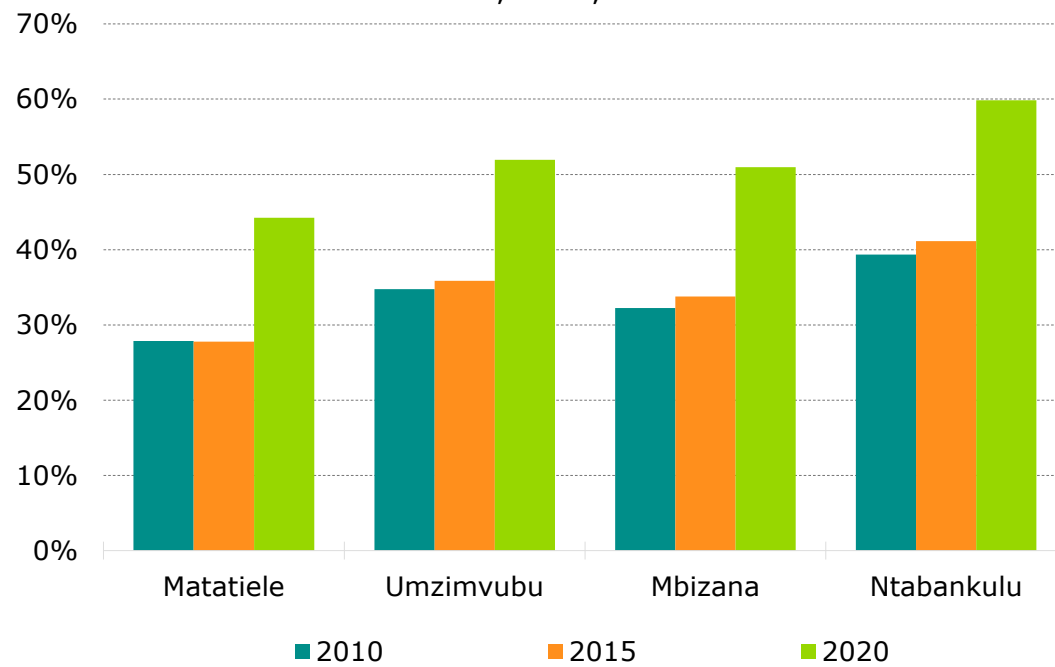


Source: IHS Markit Regional eXplorer version 2201

When comparing unemployment rates among regions within Alfred Nzo District Municipality, Ntabankulu Local Municipality has indicated the highest unemployment rate of 59.8%, which has increased from 39.4% in 2010. It can be seen that the Matatiele Local Municipality had the lowest unemployment rate of 44.3% in 2020, which increased from 27.8% in 2010.

Unemployment rate - local municipalities and the rest of Alfred Nzo District Municipality, 2010, 2015 and 2020 [percentage]

Unemployment rate
Alfred Nzo, 2010, 2015 and 2020



Source: IHS Markit Regional eXplorer version 2201

Income and Expenditure

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

Number of Households by Income category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

Households by income category - Alfred Nzo, Eastern Cape and National Total, 2020 [Number Percentage]

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
0-2400	16	136	1,350	11.4%	1.15%
2400-6000	296	2,720	25,000	10.9%	1.19%
6000-12000	3,090	27,000	229,000	11.5%	1.35%
12000-18000	6,170	53,400	439,000	11.6%	1.41%
18000-30000	22,300	185,000	1,440,000	12.0%	1.55%
30000-42000	25,800	212,000	1,550,000	12.2%	1.66%
42000-54000	23,500	201,000	1,510,000	11.7%	1.56%
54000-72000	26,400	238,000	1,870,000	11.1%	1.41%
72000-96000	20,700	196,000	1,640,000	10.5%	1.26%
96000-132000	16,700	179,000	1,620,000	9.4%	1.04%
132000-192000	12,600	151,000	1,450,000	8.4%	0.87%
192000-360000	11,500	168,000	1,830,000	6.8%	0.62%
360000-600000	5,430	103,000	1,270,000	5.3%	0.43%
600000-1200000	2,720	75,400	1,040,000	3.6%	0.26%
1200000-2400000	902	33,500	466,000	2.7%	0.19%
2400000+	85	5,770	82,900	1.5%	0.10%
Total	178,000	1,830,000	16,500,000	9.7%	1.08%

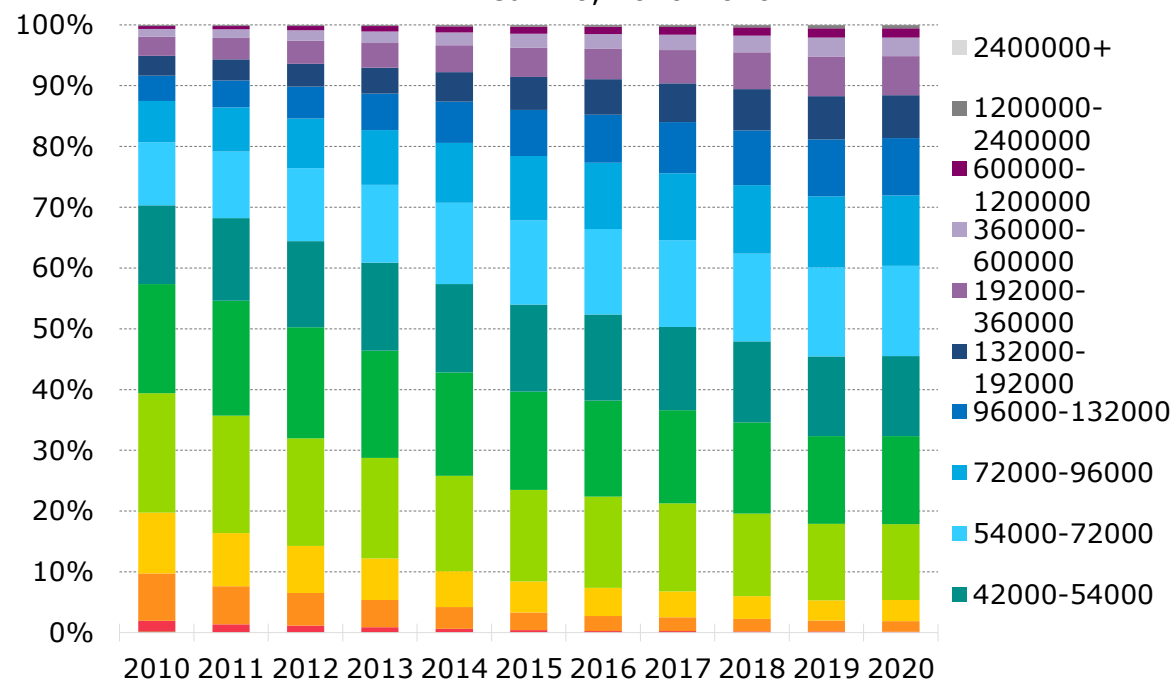
Source: IHS Markit Regional eXplorer version 2201

It was estimated that in 2020 17.88% of all the households in the Alfred Nzo District Municipality, were living on R30,000 or less per annum. In comparison with 2010's 39.40%, the number is about half. The 54000-72000 income category has the highest number of households with a total number of 26 400, followed by the 30000-42000 income category with 25 800 households. Only 16 households fall within the 0-2400 income category.

Households by income bracket - Alfred Nzo District Municipality, 2010-2020 [Percentage]

Number of households by income category

Alfred Nzo, 2010-2020



Source: IHS Markit Regional eXplorer version 2201

For the period 2010 to 2020 the number of households earning more than R30,000 per annum has increased from 60.60% to 82.12%. It can be seen that the number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

Annual total Personal Income

Personal income is an even broader concept than labour remuneration. Personal income includes profits, income from property, net current transfers and net social benefits.

Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the

income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been taken into account.

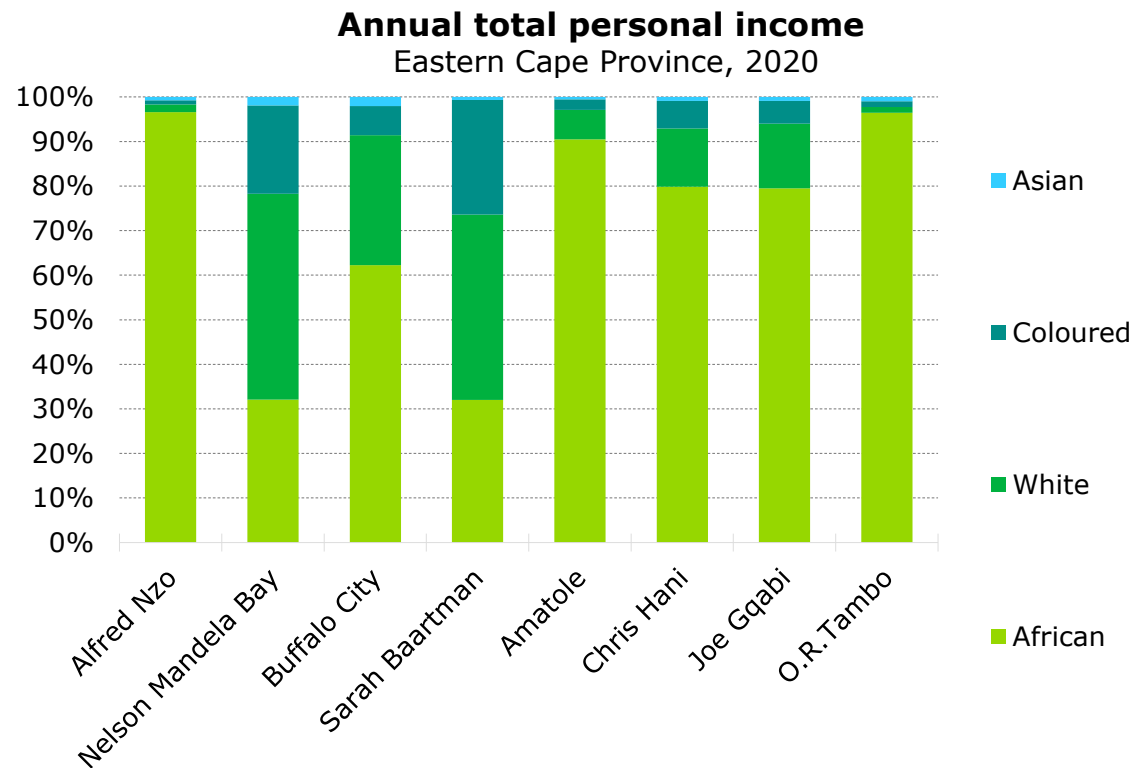
Annual total personal income - Alfred Nzo, Eastern Cape and National Total[Current Prices, R billions]

	Alfred Nzo	Eastern Cape	National Total
2010	10.9	174.0	2,114.5
2011	11.7	188.7	2,314.9
2012	12.8	210.7	2,525.0
2013	13.7	229.3	2,729.4
2014	14.6	247.2	2,938.2
2015	15.8	269.8	3,180.0
2016	16.7	288.5	3,413.6
2017	18.2	312.1	3,662.1
2018	19.6	333.3	3,899.6
2019	20.6	349.6	4,092.3
2020	19.9	338.7	3,970.5
Average Annual growth 2010-2020	6.25%	6.89%	6.50%

Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality recorded an average annual growth rate of 6.25% (from R 10.9 billion to R 19.9 billion) from 2010 to 2020, which is less than both Eastern Cape's (6.89%) as well as South Africa's (6.50%) average annual growth rates.

Annual total personal income by population group - Alfred Nzo and the rest of Eastern Cape [Current Prices, R billions]



Source: IHS Markit Regional eXplorer version 2201

The total personal income of Alfred Nzo District Municipality amounted to approximately R 19.9 billion in 2020. The African population group earned R 19.2 billion, or 96.57% of total personal income, while the White population group earned R 348 million, or 1.75% of the total personal income. The Coloured and the Asian population groups only had a share of 0.94% and 0.74% of total personal income respectively.

Annual total personal income - Matatiele, Umzimvubu, Mbizana and Ntabankulu local municipalities[Current Prices, R billions]

	Matatiele	Umzimvubu	Mbizana	Ntabankulu
2010	3.26	3.06	3.12	1.43
2011	3.51	3.28	3.36	1.52
2012	3.90	3.57	3.66	1.63
2013	4.22	3.80	3.93	1.71
2014	4.56	4.05	4.21	1.80
2015	4.97	4.36	4.60	1.92
2016	5.29	4.58	4.88	2.00
2017	5.76	4.98	5.30	2.17
2018	6.20	5.36	5.72	2.34
2019	6.50	5.61	5.99	2.46
2020	6.30	5.43	5.80	2.40
Average Annual growth 2010-2020	6.82%	5.90%	6.39%	5.28%

Source: IHS Markit Regional eXplorer version 2201

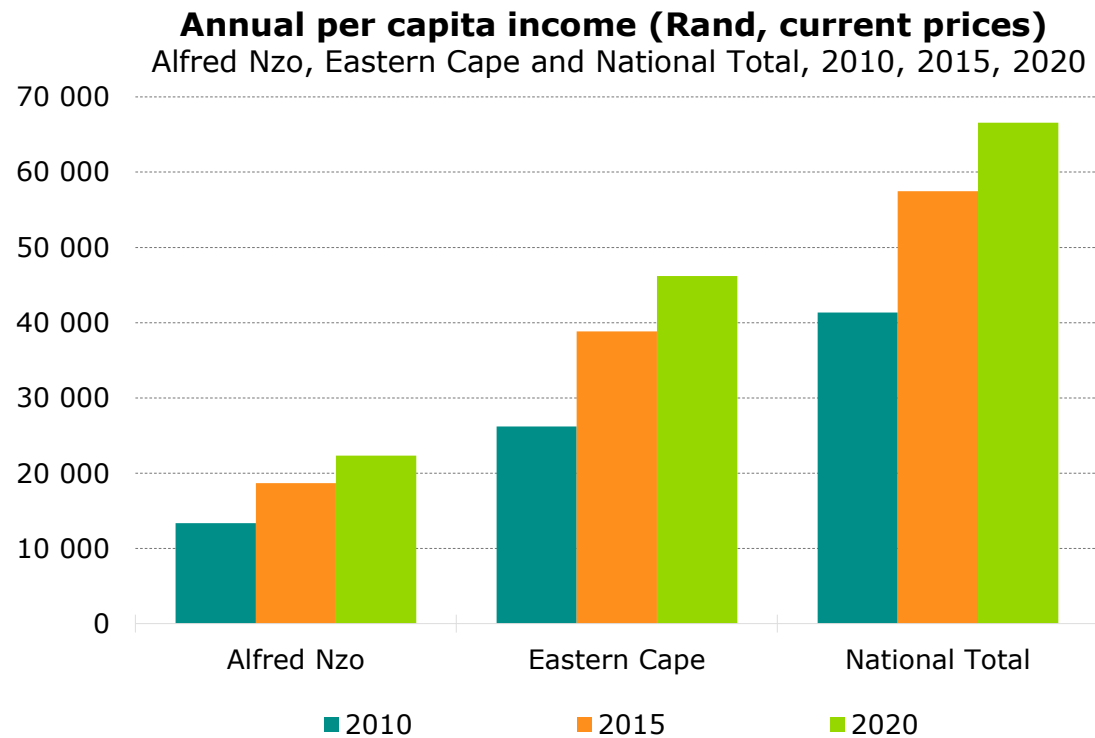
When looking at the annual total personal income for the regions within Eastern Cape Province it can be seen that the Matatiele Local Municipality had the highest total personal income with R 6.3 billion which increased from R 3.26 billion recorded in 2010. It can be seen that the Ntabankulu Local Municipality had the lowest total personal income of R 2.4 billion in 2020, this increased from R 1.43 billion in 2010.

Annual per Capita Income

Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population.

Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

Per capita income - Alfred Nzo, Eastern Cape and National Total, 2020 [Rand, current prices]



Source: IHS Markit Regional eXplorer version 2201

The per capita income in Alfred Nzo District Municipality is R 22,300 and is lower than both the National Total (R 66,600) and of the Eastern Cape Province (R 46,200) per capita income.

Per capita income by population group - Alfred Nzo and the rest of Eastern Cape Province, 2020 [Rand, current prices]

	African	White	Coloured	Asian
Alfred Nzo	21,800	166,000	49,000	76,400
Nelson Mandela Bay	39,900	290,000	65,600	146,000
Buffalo City	47,400	295,000	73,200	148,000
Sarah Baartman	38,700	279,000	51,500	108,000
Amatole	31,500	217,000	48,900	88,500
Chris Hani	33,000	274,000	58,600	99,600
Joe Gqabi	33,200	268,000	58,200	120,000
O.R.Tambo	25,800	184,000	66,100	90,700

Source: IHS Markit Regional eXplorer version 2201

Nelson Mandela Bay Metropolitan Municipality has the highest per capita income with a total of R 78,100. Sarah Baartman District Municipality had the second highest per capita income at R 67,500, whereas Alfred Nzo District Municipality had the lowest per capita income at R 22,300. In Alfred Nzo District Municipality, the White population group has the highest per capita income, with R 166,000, relative to the other population groups. The population group with the second highest per capita income within Alfred Nzo District Municipality is the Asian population group (R 76,400), where the Coloured and the African population groups had a per capita income of R 49,000 and R 21,800 respectively.

Index of Buying Power

The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1), and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).

Index of buying power - Alfred Nzo, Eastern Cape and National Total, 2020 [Number]

	Alfred Nzo	Eastern Cape	National Total
Population	892,440	7,333,763	59,646,053
Population - share of national total	1.5%	12.3%	100.0%
Income	19,924	338,731	3,970,503
Income - share of national total	0.5%	8.5%	100.0%
Retail	5,854,283	88,189,936	1,063,415,000
Retail - share of national total	0.6%	8.3%	100.0%
Index	0.01	0.09	1.00

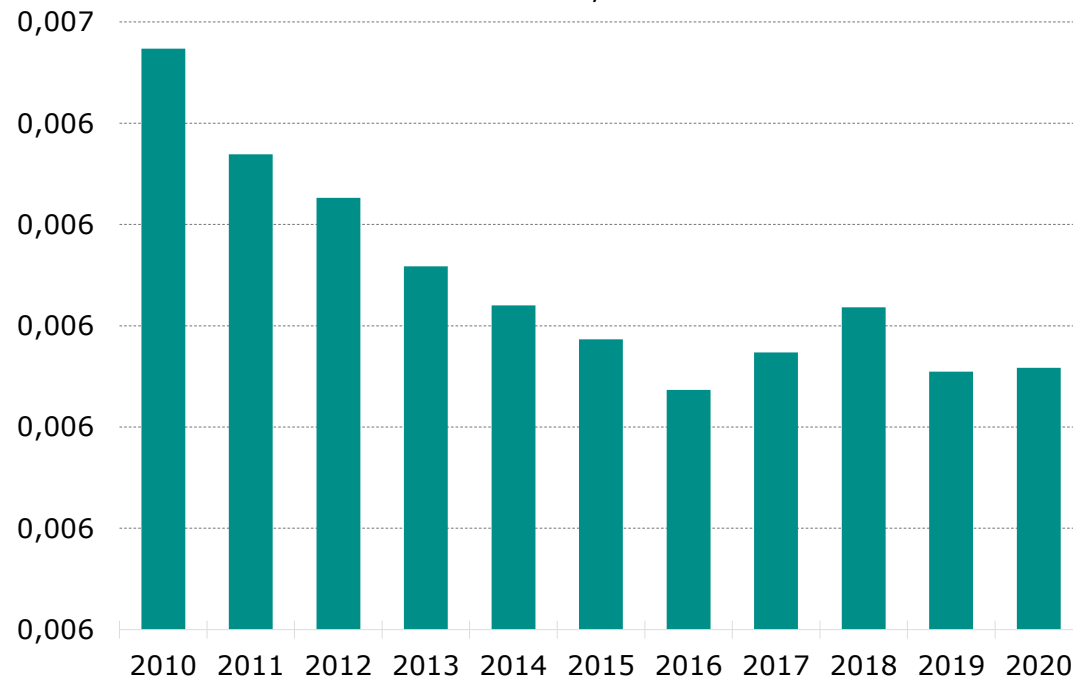
Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality has a 1.5% share of the national population, 0.5% share of the total national income and a 0.6% share in the total national retail, this all equates to an IBP index value of 0.0062 relative to South Africa as a whole. Eastern Cape has an IBP of 0.088. , were South Africa has and IBP index value of 1 relative to South Africa as a whole.

The considerable low index of buying power of the Alfred Nzo District Municipality suggests that the district municipality has access to only a small percentage of the goods and services available in all of the Eastern Cape Province. Its residents are most likely spending some of their income in neighbouring areas.

Index of buying power Alfred Nzo District Municipality, 2010-2020 [Index value]

Index of buying power Alfred Nzo, 2010-2020



Source: IHS Markit Regional eXplorer version 2201

Between 2010 and 2020, the index of buying power within Alfred Nzo District Municipality increased to its highest level in 2010 (0.006473) from its lowest in 2016 (0.006137). The buying power within Alfred Nzo District Municipality is relatively small compared to other regions and it decreased at an average annual growth rate of -0.50%.

Development

Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

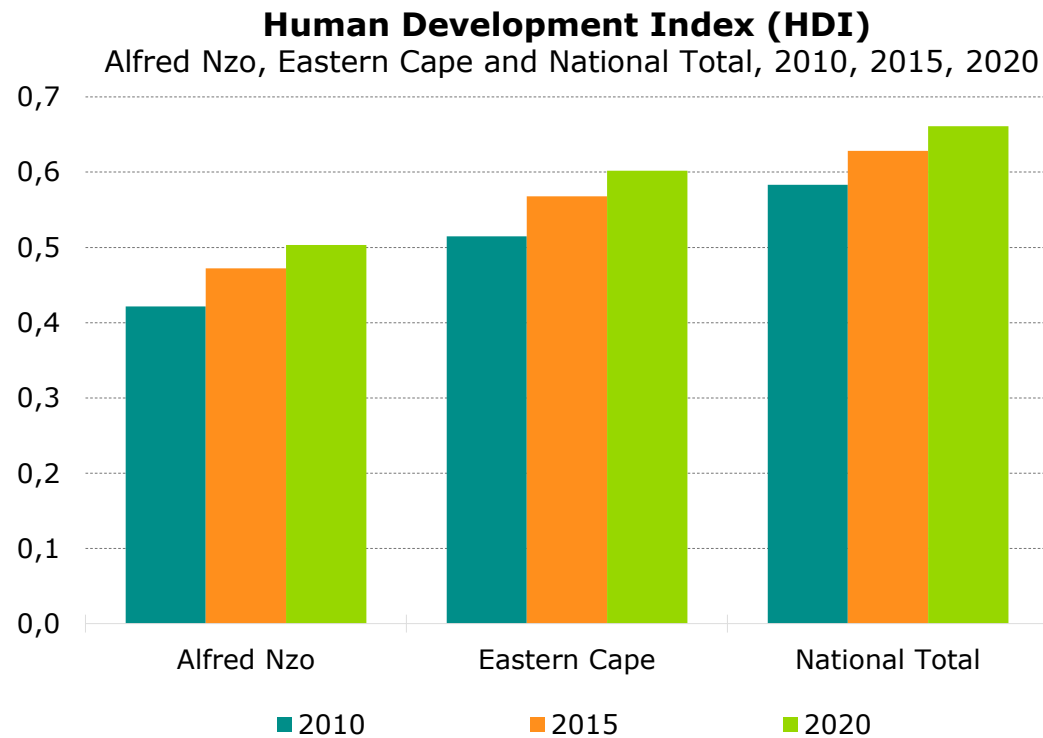
Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

Human Development Index (HDI)

The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions.

HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

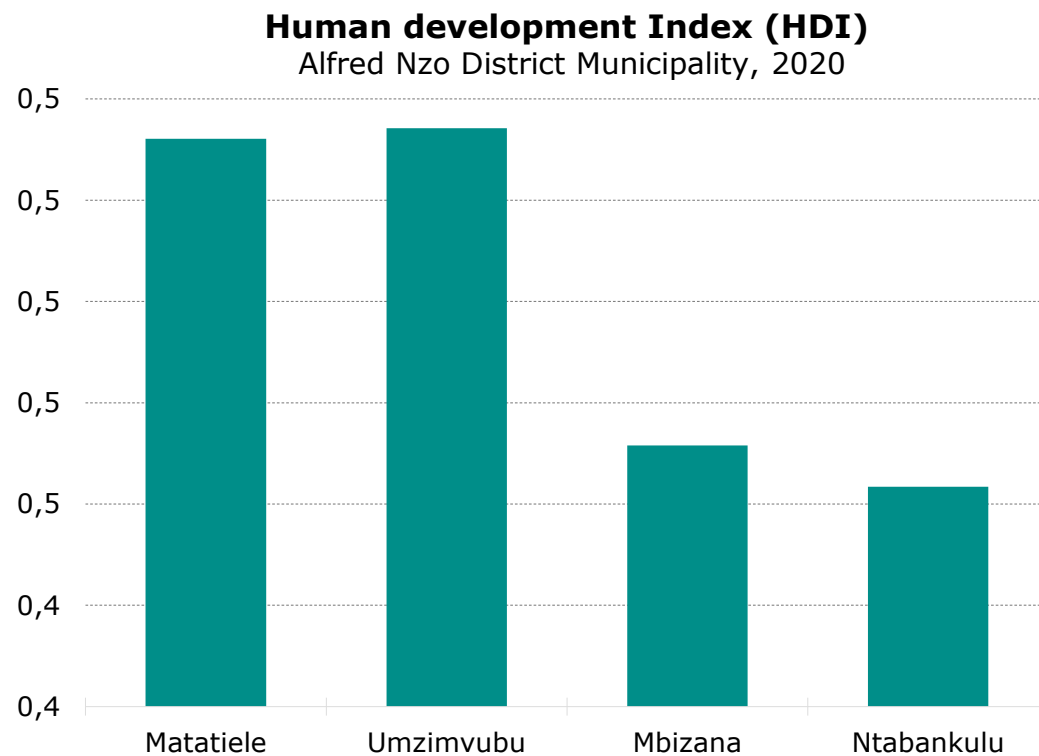
Human Development Index (HDI) - Alfred Nzo, Eastern Cape and National Total, 2010, 2015, 2020 [Number]



Source: IHS Markit Regional eXplorer version 2201

In 2020 Alfred Nzo District Municipality had an HDI of 0.503 compared to the Eastern Cape with a HDI of 0.602 and 0.661 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2020 when compared to Alfred Nzo District Municipality which translates to worse human development for Alfred Nzo District Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.26% and this increase is lower than that of Alfred Nzo District Municipality (1.79%).

Human development Index (HDI) - local municipalities and the rest of Alfred Nzo District Municipality, 2020 [Number]



Source: IHS Markit Regional eXplorer version 2201

In terms of the HDI for each the regions within the Alfred Nzo District Municipality, Umzimvubu Local Municipality has the highest HDI, with an index value of 0.534. The lowest can be observed in the Ntabankulu Local Municipality with an index value of 0.463.

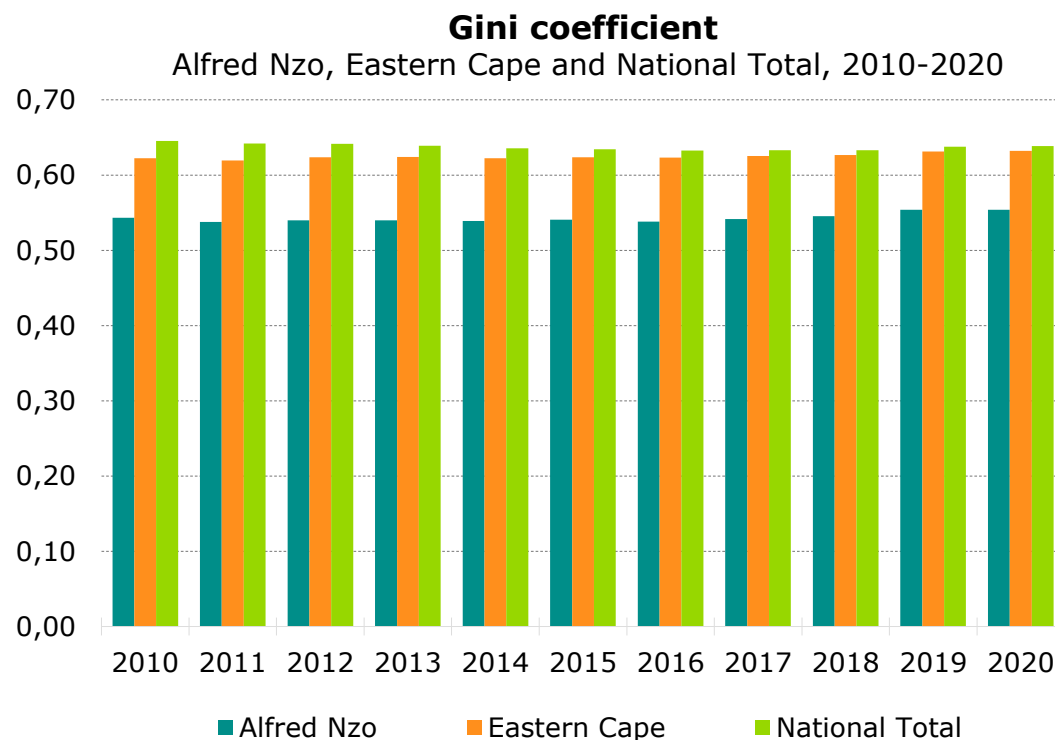
Gini Coefficient

The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1.

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the

income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.

Gini coefficient - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [Number]



Source: IHS Markit Regional eXplorer version 2201

In 2020, the Gini coefficient in Alfred Nzo District Municipality was at 0.554, which reflects a increase in the number over the ten-year period from 2010 to 2020. The Eastern Cape Province and South Africa, both had a more unequal spread of income amongst their residents (at 0.632 and 0.638 respectively) when compared to Alfred Nzo District Municipality.

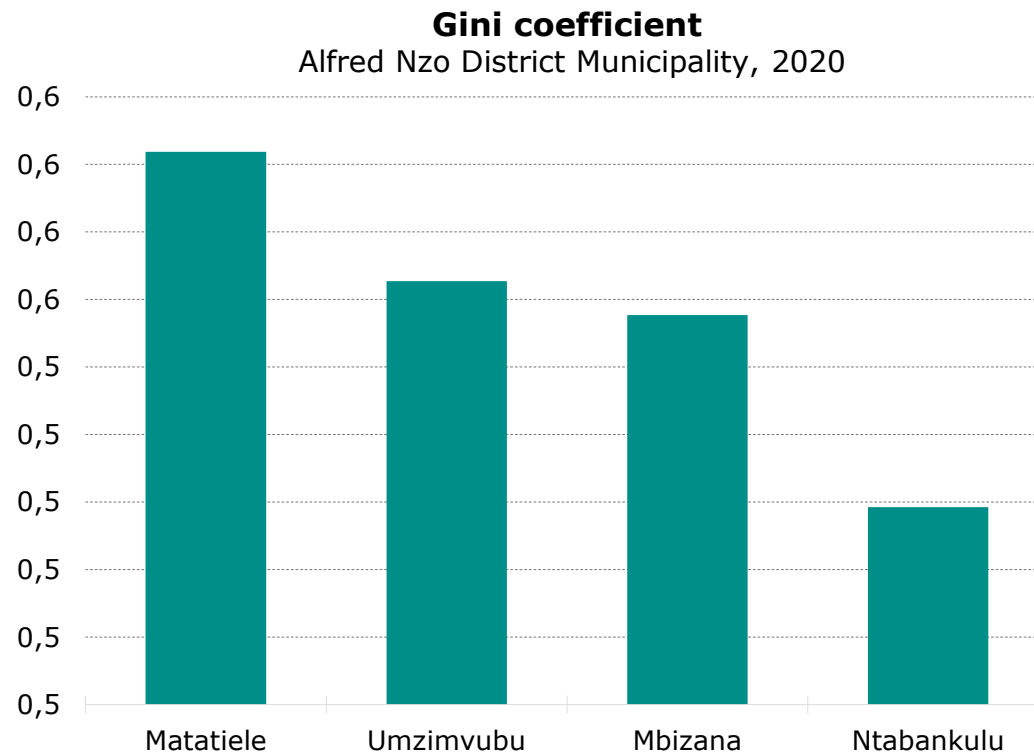
Gini coefficient by population group - Alfred Nzo, 2010, 2020 [Number]

	African	White	Coloured
2010	0.54	0.47	0.56
2020	0.55	0.46	0.58
Average Annual growth 2010-2020	0.22%	-0.26%	0.41%

Source: IHS Markit Regional eXplorer version 2201

When segmenting the Alfred Nzo District Municipality into population groups, it can be seen that the Gini coefficient for the Coloured population group increased the most amongst the population groups with an average annual growth rate of 0.41%. The Gini coefficient for the White population group decreased the most with an average annual growth rate of -0.26%.

Gini coefficient - local municipalities and the rest of Alfred Nzo District Municipality, 2020 [Number]



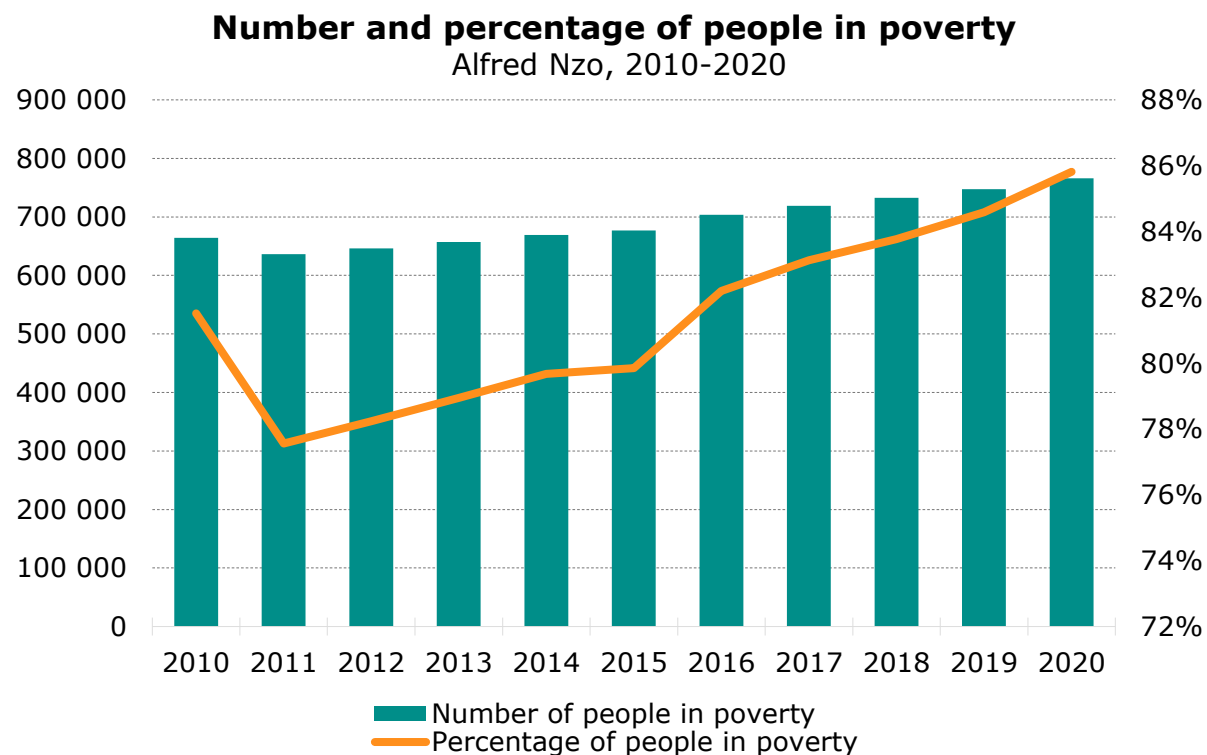
Source: IHS Markit Regional eXplorer version 2201

In terms of the Gini coefficient for each of the regions within the Alfred Nzo District Municipality, Matatiele Local Municipality has the highest Gini coefficient, with an index value of 0.572. The lowest Gini coefficient can be observed in the Ntabankulu Local Municipality with an index value of 0.519.

Poverty

The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.

Number and percentage of people living in poverty - Alfred Nzo District Municipality, 2010-2020 [Number percentage]



Source: IHS Markit Regional eXplorer version 2201

In 2020, there were 766 000 people living in poverty, using the upper poverty line definition, across Alfred Nzo District Municipality - this is 15.32% higher than the 664 000 in 2010. The percentage of people living in poverty has increased from 81.51% in 2010 to 85.81% in 2020, which indicates a increase of -4.3 percentage points.

Percentage of people living in poverty by population group - Alfred Nzo, 2010-2020 [Percentage]

	African	White	Coloured	Asian
2010	81.9%	4.0%	50.1%	18.0%
2011	78.0%	2.8%	47.3%	13.1%
2012	78.6%	3.0%	49.7%	14.1%
2013	79.3%	4.1%	51.7%	14.8%
2014	80.1%	5.6%	53.7%	14.6%
2015	80.3%	7.4%	54.5%	13.8%
2016	82.6%	9.3%	56.7%	18.0%
2017	83.5%	10.0%	57.4%	21.2%
2018	84.2%	10.8%	57.2%	25.2%
2019	85.0%	12.0%	57.5%	29.7%
2020	86.2%	13.8%	59.5%	36.6%

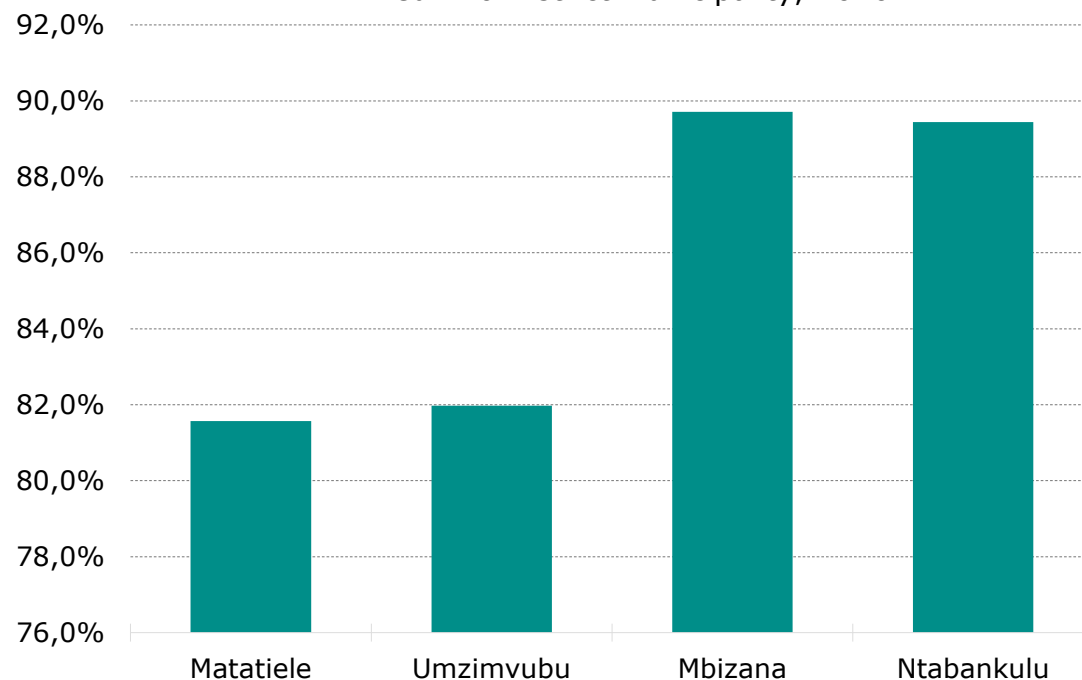
Source: IHS Markit Regional eXplorer version 2201

In 2020, the population group with the highest percentage of people living in poverty was the African population group with a total of 86.2% people living in poverty, using the upper poverty line definition. The proportion of the African population group, living in poverty, decreased by -4.3 percentage points, as can be seen by the change from 81.91% in 2010 to 86.21% in 2020. In 2020 13.77% of the White population group lived in poverty, as compared to the 3.96% in 2010. The Asian and the Coloured population group saw a decrease in the percentage of people living in poverty, with a decrease of -18.6 and -9.39 percentage points respectively.

Percentage of people living in poverty - local municipalities and the rest of Alfred Nzo District Municipality, 2020 [percentage]

Percentage of people living in poverty

Alfred Nzo District Municipality, 2020



Source: IHS Markit Regional eXplorer version 2201

In terms of the percentage of people living in poverty for each of the regions within the Alfred Nzo District Municipality, Mbizana Local Municipality has the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 89.7%. The lowest percentage of people living in poverty can be observed in the Matatiele Local Municipality with a total of 81.6% living in poverty, using the upper poverty line definition.

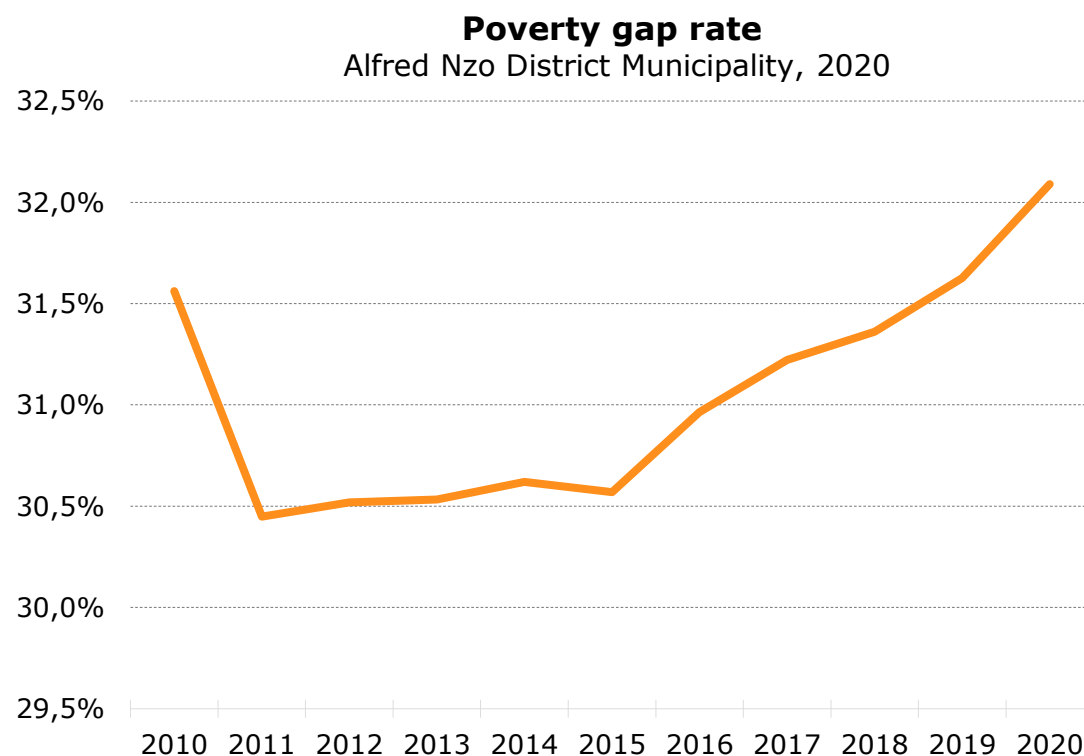
Poverty Gap Rate

The poverty gap is used as an indicator to measure the depth of poverty. The gap measures the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth, of poverty. The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to

purchase both sufficient food and non-food items without sacrificing one for the other.

It is estimated that the poverty gap rate in Alfred Nzo District Municipality amounted to 32.1% in 2020 - the rate needed to bring all poor households up to the poverty line and out of poverty.

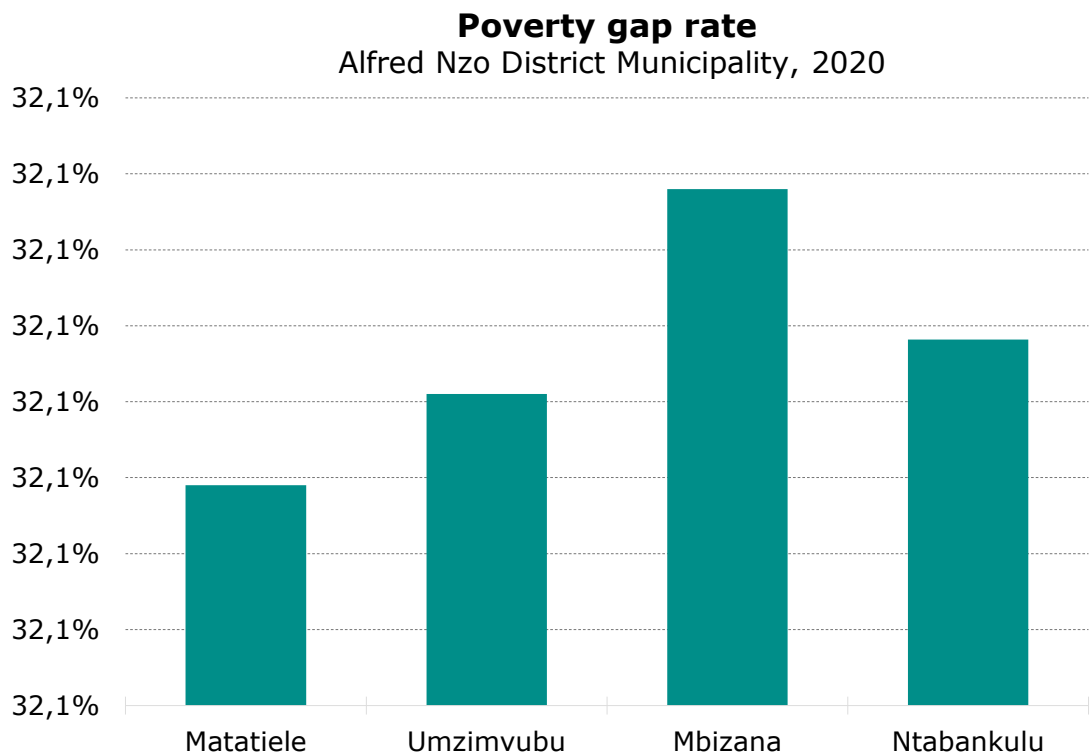
Poverty gap rate by population group - Alfred Nzo District Municipality, 2010-2020 [Percentage]



Source: IHS Markit Regional eXplorer version 2201

In 2020, the poverty gap rate was 32.1% and in 2010 the poverty gap rate was 31.6%, it can be seen that the poverty gap rate increased from 2010 to 2020, which means that there were no improvements in terms of the depth of the poverty within Alfred Nzo District Municipality.

Poverty gap rate - local municipalities and the rest of Alfred Nzo District Municipality, 2020 [Percentage]



Source: IHS Markit Regional eXplorer version 2201

In terms of the poverty gap rate for each of the regions within the Alfred Nzo District Municipality, Mbizana Local Municipality had the highest poverty gap rate, with a rand value of 32.1%. The lowest poverty gap rate can be observed in the Matatiele Local Municipality with a total of 32.1%.

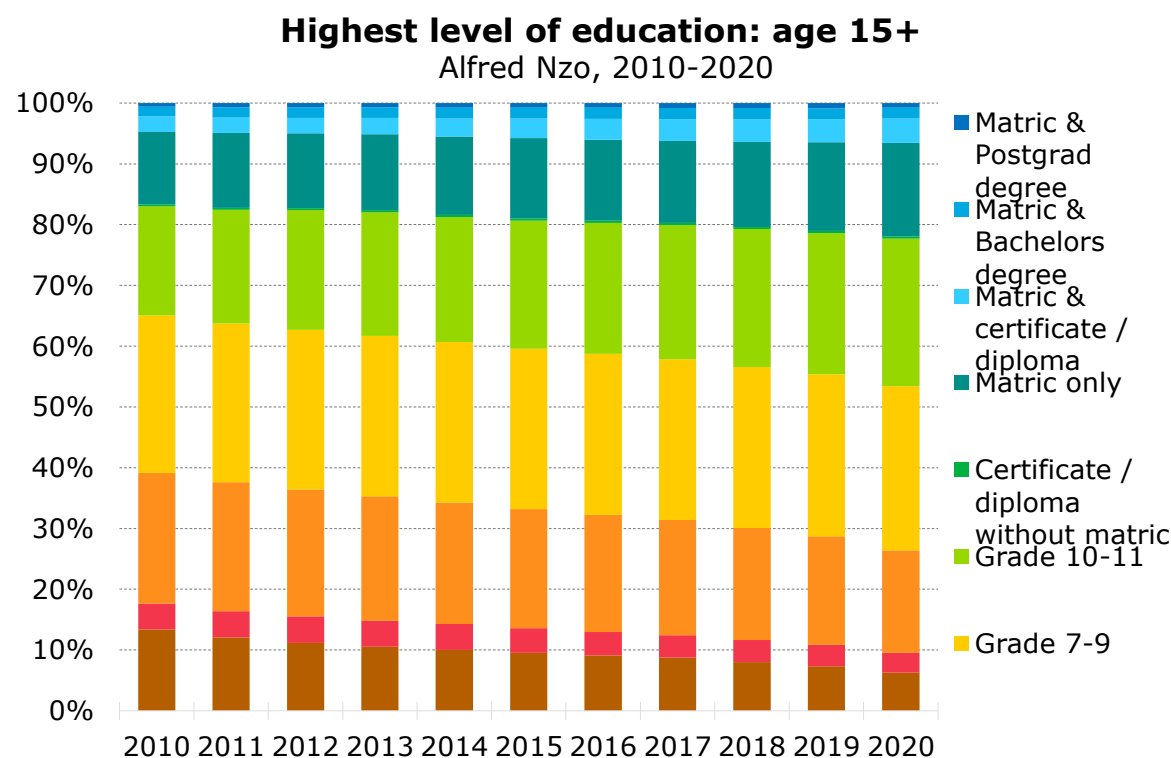
Education

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations

definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

Highest level of education: age 15+ - Alfred Nzo District Municipality, 2010-2020 [Percentage]



Source: IHS Markit Regional eXplorer version 2201

Within Alfred Nzo District Municipality, the number of people without any schooling decreased from 2010 to 2020 with an average annual rate of -5.67%, while the number of people within the 'matric only' category, increased from 44,200 to 67,700. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 6.18%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 3.04%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

Highest level of education: age 15+ - Alfred Nzo, Eastern Cape and National Total, 2020 [Numbers]

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
No schooling	27,700	228,000	1,700,000	12.2%	1.63%
Grade 0-2	14,300	106,000	520,000	13.5%	2.75%
Grade 3-6	74,200	505,000	2,810,000	14.7%	2.64%
Grade 7-9	119,000	981,000	5,910,000	12.1%	2.01%
Grade 10-11	107,000	1,120,000	9,440,000	9.5%	1.13%
Certificate / diploma without matric	1,600	15,700	185,000	10.2%	0.86%
Matric only	67,700	1,010,000	12,200,000	6.7%	0.55%
Matric certificate / diploma	17,500	241,000	2,580,000	7.3%	0.68%
Matric Bachelors degree	7,910	121,000	1,620,000	6.6%	0.49%
Matric Postgrad degree	3,390	58,300	932,000	5.8%	0.36%

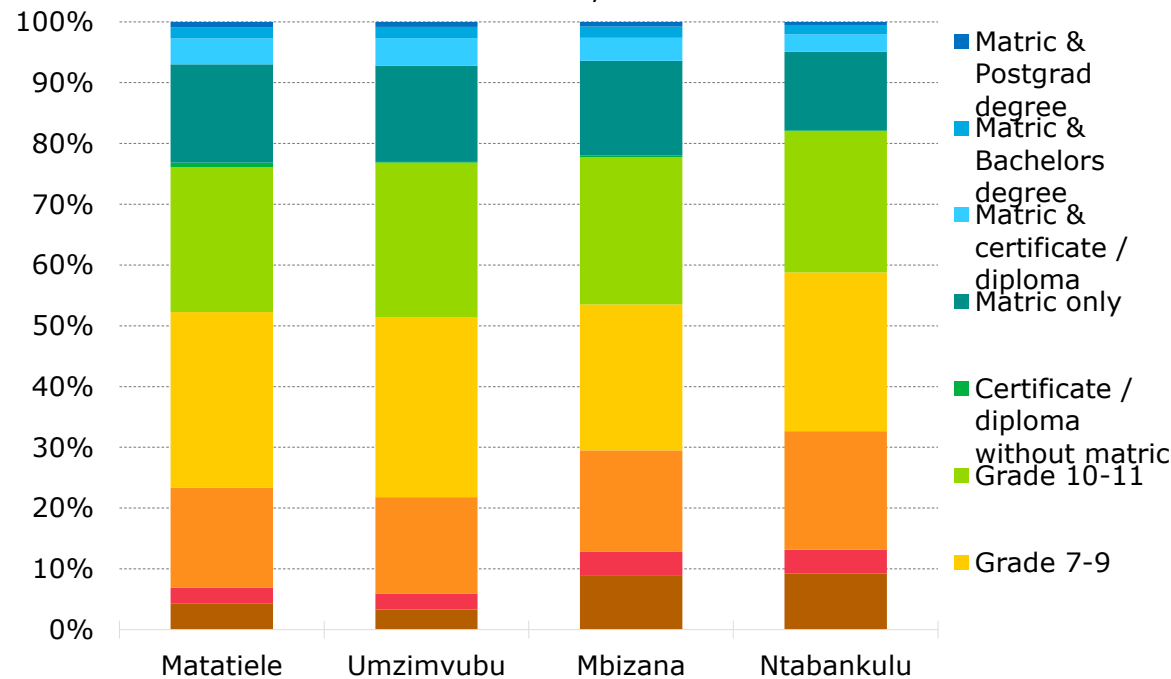
Source: IHS Markit Regional eXplorer version 2201

The number of people without any schooling in Alfred Nzo District Municipality accounts for 12.18% of the number of people without schooling in the province and a total share of 1.63% of the national. In 2020, the number of people in Alfred Nzo District Municipality with a matric only was 67,700 which is a share of 6.70% of the province's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 6.55% of the province and 0.49% of the national.

Highest level of education: age 15+, local municipalities of Alfred Nzo District Municipality, 2020 [Percentage]

Highest level of education: age 15+

Alfred Nzo, 2010-2020



Source: IHS Markit Regional eXplorer version 2201

Functional literacy

For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.

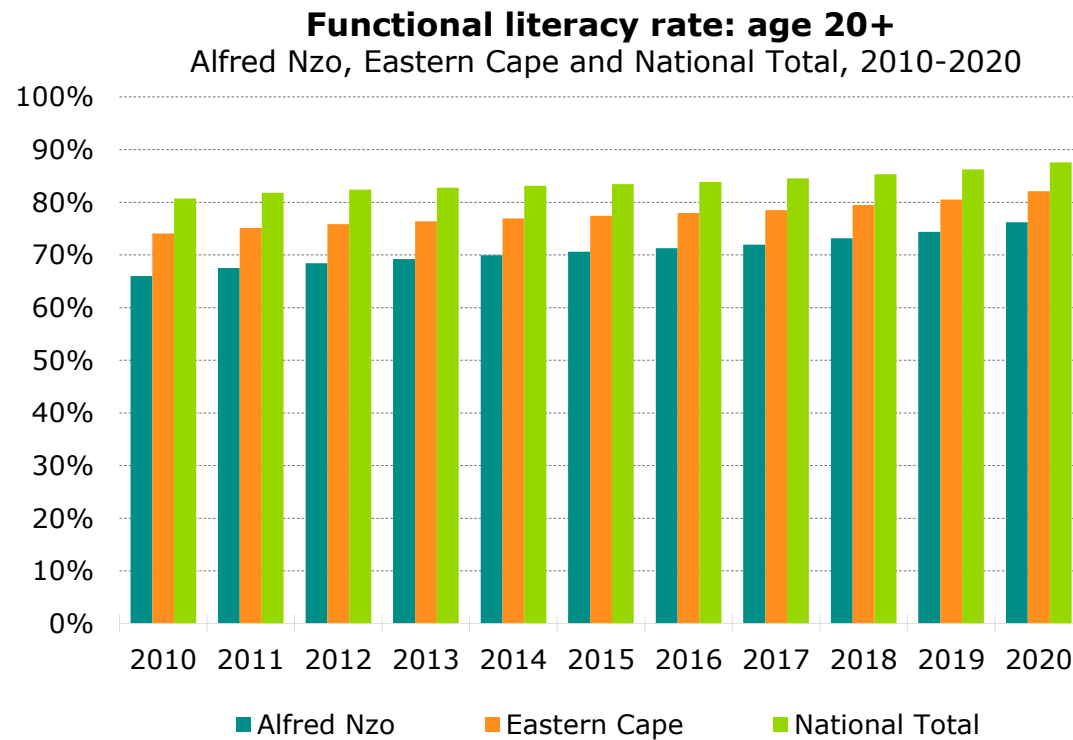
Functional literacy: age 20+, completed grade 7 or higher - Alfred Nzo District Municipality, 2010-2020 [Number percentage]

	Illiterate	Literate	%
2010	165,810	321,699	66.0%
2011	160,240	332,657	67.5%
2012	156,758	339,898	68.4%
2013	153,654	345,618	69.2%
2014	151,349	351,915	69.9%
2015	149,293	358,497	70.6%
2016	147,100	364,980	71.3%
2017	145,017	371,652	71.9%
2018	140,384	382,386	73.1%
2019	135,699	394,296	74.4%
2020	128,146	410,049	76.2%
Average Annual growth 2010-2020	-2.54%	2.46%	1.45%

Source: IHS Markit Regional eXplorer version 2201

A total of 410 000 individuals in Alfred Nzo District Municipality were considered functionally literate in 2020, while 128 000 people were considered to be illiterate. Expressed as a rate, this amounts to 76.19% of the population, which is an increase of 0.1 percentage points since 2010 (65.99%). The number of illiterate individuals decreased on average by -2.54% annually from 2010 to 2020, with the number of functional literate people increasing at 2.46% annually.

Functional literacy: age 20+, completed grade 7 or higher - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [Percentage]

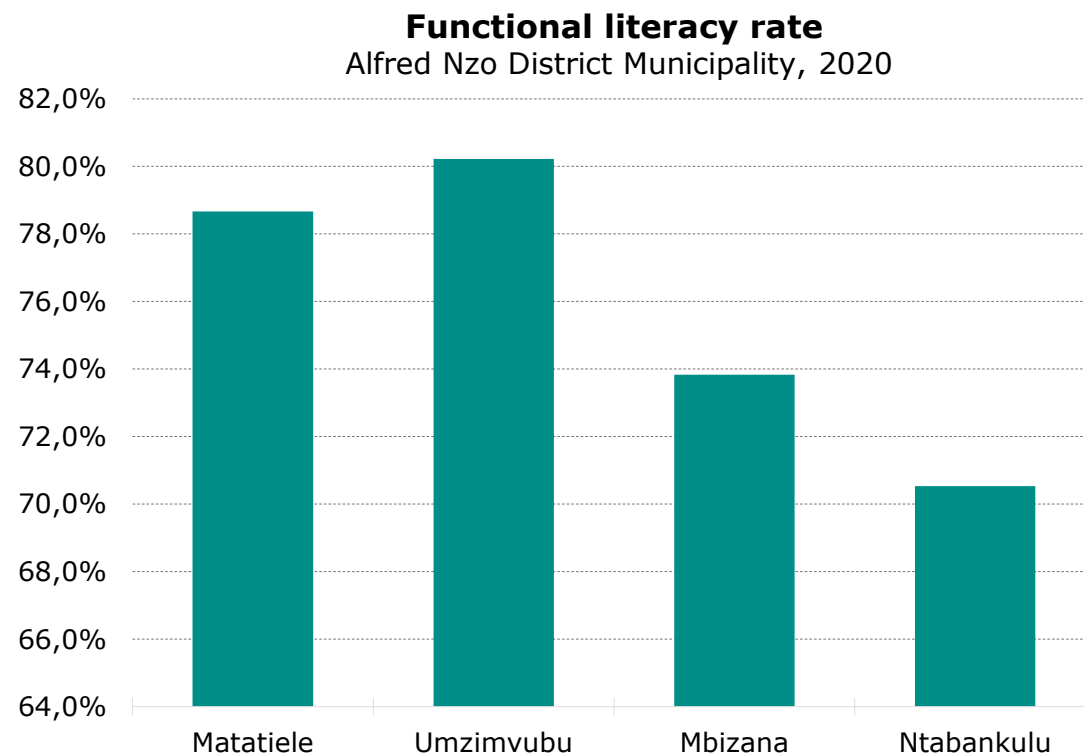


Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality's functional literacy rate of 76.19% in 2020 is lower than that of Eastern Cape at 82.11%. When comparing to National Total as whole, which has a functional literacy rate of 87.58%, it can be seen that the functional literacy rate is higher than that of the Alfred Nzo District Municipality.

A higher literacy rate is often associated with higher levels of urbanization, for instance where access to schools is less of a problem, and where there are economies of scale. From a spatial breakdown of the literacy rates in South Africa, it is perceived that the districts with larger cities normally have higher literacy rates.

Literacy rate - local municipalities and the rest of Alfred Nzo District Municipality, 2020 [percentage]



Source: IHS Markit Regional eXplorer version 2201

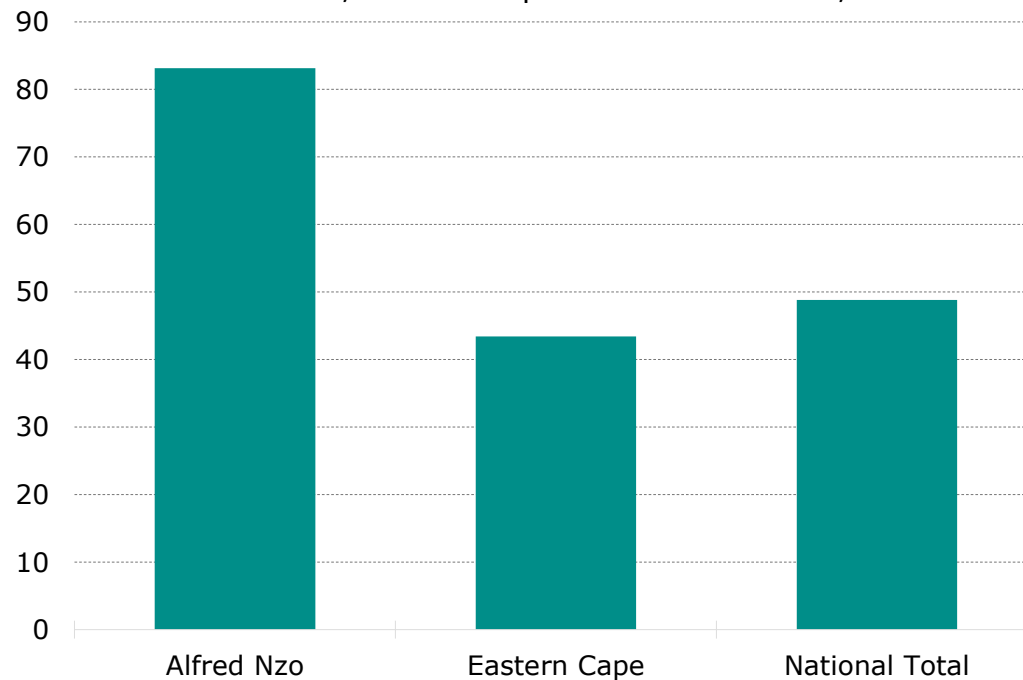
In terms of the literacy rate for each of the regions within the Alfred Nzo District Municipality, Umzimvubu Local Municipality had the highest literacy rate, with a total of 80.2%. The lowest literacy rate can be observed in the Ntabankulu Local Municipality with a total of 70.5%.

Population Density

Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

Population density - Alfred Nzo, Eastern Cape and National Total, 2020 [number of people per km]

Population density - Number of people per km²
Alfred Nzo, Eastern Cape and National Total, 2020



Source: IHS Markit Regional eXplorer version 2201

In 2020, with an average of 83.2 people per square kilometre, Alfred Nzo District Municipality had a higher population density than Eastern Cape (43.4 people per square kilometre). Compared to South Africa (48.8 per square kilometre) it can be seen that there are more people living per square kilometre in Alfred Nzo District Municipality than in South Africa.

Population density - Alfred Nzo and the rest of Eastern Cape, 2010-2020 [number of people per km]

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Alfred Nzo	75.92	76.44	76.95	77.56	78.25	79.00	79.77	80.61	81.47	82.32	83.16
Nelson Mandela Bay	589.45	599.45	609.50	619.41	629.20	638.95	648.37	657.74	666.71	675.50	684.13
Buffalo City	286.99	290.32	293.74	297.25	300.87	304.64	308.42	312.35	316.20	320.11	324.02
Sarah Baartman	7.72	7.86	8.00	8.15	8.29	8.43	8.57	8.70	8.84	8.97	9.10
Amatole	41.34	41.13	40.92	40.80	40.75	40.77	40.84	40.99	41.18	41.41	41.68
Chris Hani	22.38	22.45	22.53	22.63	22.77	22.93	23.10	23.30	23.51	23.74	23.96
Joe Gqabi	13.81	13.90	14.00	14.12	14.25	14.40	14.55	14.72	14.88	15.05	15.22
O.R.Tambo	114.44	115.46	116.44	117.50	118.67	119.94	121.21	122.56	123.96	125.36	126.76

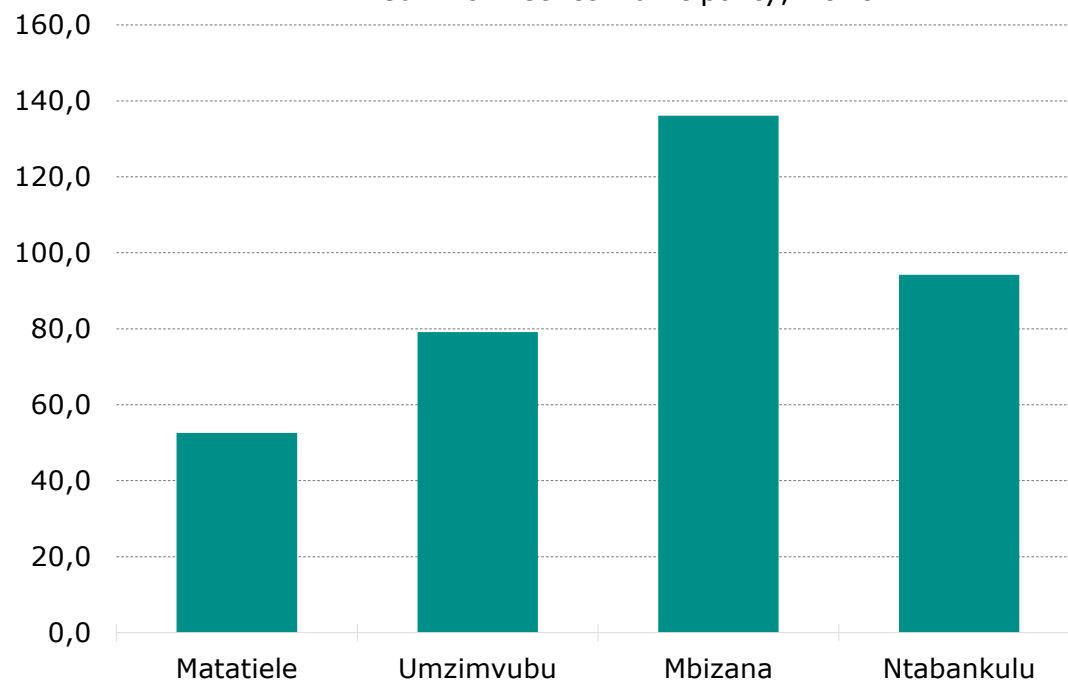
Source: IHS Markit Regional eXplorer version 2201

In 2020, Alfred Nzo District Municipality had a population density of 83.2 per square kilometre and it ranked highest amongst its peers. The region with the highest population density per square kilometre was the Nelson Mandela Bay with a total population density of 684 per square kilometre per annum. In terms of growth, Alfred Nzo District Municipality had an average annual growth in its population density of 0.92% per square kilometre per annum. The region with the highest growth rate in the population density per square kilometre was Sarah Baartman with an average annual growth rate of 1.66% per square kilometre. In 2020, the region with the lowest population density within Eastern Cape Province was Sarah Baartman with 9.1 people per square kilometre. The region with the lowest average annual growth rate was the Amatole with an average annual growth rate of 0.08% people per square kilometre over the period under discussion.

Using population density instead of the total number of people creates a better basis for comparing different regions or economies. A higher population density influences the provision of household infrastructure, quality of services, and access to resources like medical care, schools, sewage treatment, community centres, etc.

Population Density - local municipalities and the rest of Alfred Nzo District Municipality, 2020 [Number of people per KM]

Population Density - Number of people per km²
Alfred Nzo District Municipality, 2020



Source: IHS Markit Regional eXplorer version 2201

In terms of the population density for each of the regions within the Alfred Nzo District Municipality, Mbizana Local Municipality had the highest density, with 136 people per square kilometre. The lowest population density can be observed in the Matatiele Local Municipality with a total of 52.6 people per square kilometre.

Crime

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

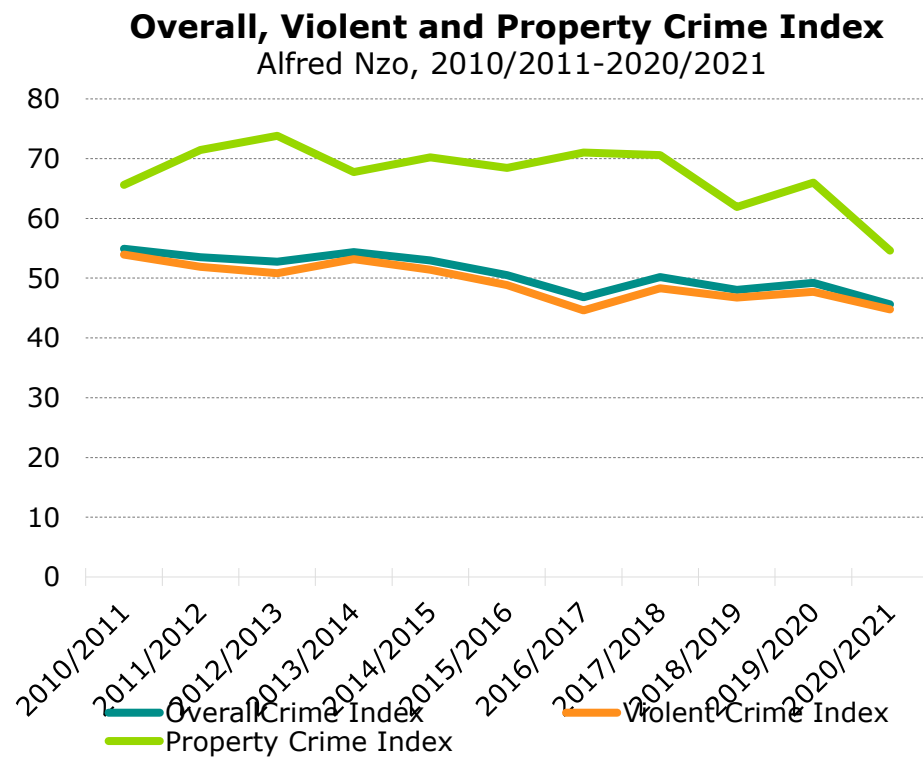
IHS Composite Crime Index

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime in order to apply a weight to each category.

Overall crime index

The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time, or comparing the crime levels across regions.

IHS Crime Index - calendar years (weighted avg / 100,000 people) - Alfred Nzo District Municipality, 2010/2011-2020/2021 [Index value]



Source: IHS Markit Regional eXplorer version 2201

For the period 2010/2011 to 2020/2021 overall crime has decrease at an average annual rate of 1.84% within the Alfred Nzo District Municipality. Violent crime decreased by 1.84% since 2010/2011, while property crimes decreased by 1.82% between the 2010/2011 and 2020/2021 financial years.

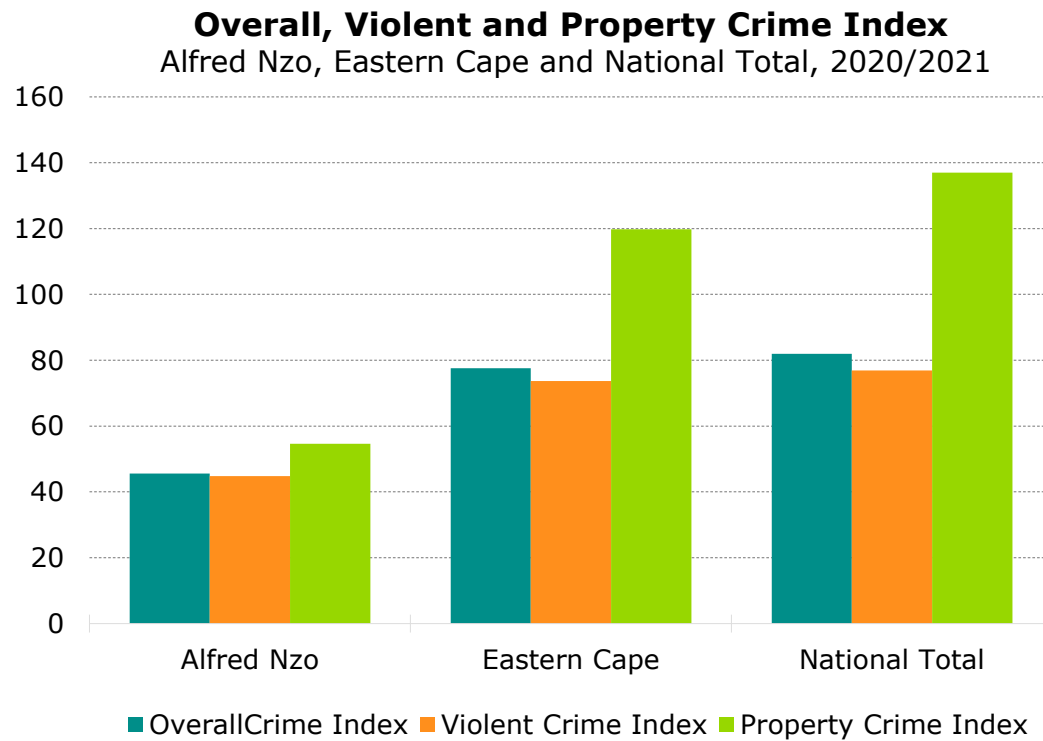
Overall crime index - Alfred Nzo District Municipality and the rest of Eastern Cape, 2010/2011-2020/2021 [Index value]

	Alfred Nzo	Nelson Mandela Bay	Buffalo City	Sarah Baartman	Amatole	Chris Hani	Joe Gqabi	O.R.Tambo
2010/2011	54.92	160.14	152.77	183.29	92.89	85.97	88.91	67.44
2011/2012	53.52	155.13	152.08	169.30	97.25	86.04	90.69	64.64
2012/2013	52.76	148.10	139.94	158.17	95.97	85.81	91.09	62.78
2013/2014	54.39	146.58	137.86	155.82	97.84	78.28	91.84	66.43
2014/2015	53.00	133.14	125.47	154.38	94.24	80.00	90.79	57.35
2015/2016	50.50	127.02	121.87	151.42	96.40	76.95	94.86	54.93
2016/2017	46.81	123.14	118.66	142.86	91.01	79.11	94.07	54.62
2017/2018	50.16	118.28	115.82	135.28	90.25	79.32	93.10	57.05
2018/2019	48.02	119.76	123.66	140.23	91.07	79.82	90.85	62.07
2019/2020	49.23	120.02	121.86	134.04	88.94	80.41	84.25	61.31
2020/2021	45.62	95.31	101.21	111.67	77.48	76.48	77.66	55.81
Average Annual growth								
2010/2011-2020/2021	-1.84%	-5.06%	-4.03%	-4.83%	-1.80%	-1.16%	-1.34%	-1.87%

Source: IHS Markit Regional eXplorer version 2201

In 2020/2021, the Sarah Baartman District Municipality has the highest overall crime rate of the sub-regions within the overall Eastern Cape Province with an index value of 112. Buffalo City Metropolitan Municipality has the second highest overall crime index at 101, with Nelson Mandela Bay Metropolitan Municipality having the third highest overall crime index of 95.3. It is clear that all the crime is decreasing overtime for all the regions within Eastern Cape Province. O.R.Tambo District Municipality has the second lowest overall crime index of 55.8 and the Alfred Nzo District Municipality has the lowest overall crime rate of 45.6. It is clear that crime is decreasing overtime for all the regions within Eastern Cape Province. The region that decreased the most in overall crime since 2010/2011 was Nelson Mandela Bay Metropolitan Municipality with an average annual decrease of 5.1% followed by Sarah Baartman District Municipality with an average annual decrease of 4.8%.

IHS Crime Index - calender years (weighted avg / 100,000 people) - Alfred Nzo, Eastern Cape and National Total, 2020/2021 [Index value]



Source: IHS Markit Regional eXplorer version 2201

From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime.

Household Infrastructure

Drawing on the household infrastructure data of a region is of essential value in economic planning and social development. Assessing household infrastructure involves the measurement of four indicators:

Access to dwelling units

Access to proper sanitation

Access to running water

Access to refuse removal

Access to electricity

A household is considered "serviced" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some distinct problems. IHS has therefore developed a unique model to capture the number of households and their level of access to the four basic services.

A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

The next few sections offer an overview of the household infrastructure of the Alfred Nzo District Municipality between 2020 and 2010.

Household by Dwelling Type

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to type of dwelling. The categories are:

Very formal dwellings - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling. .

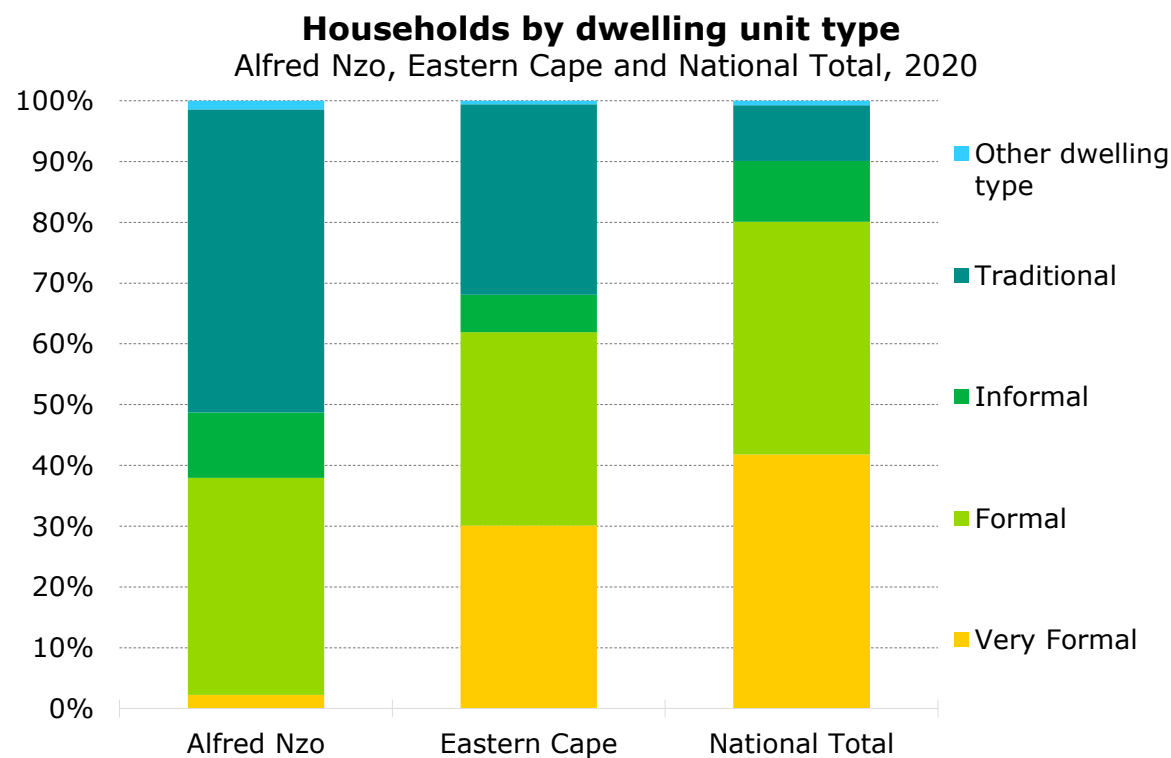
Formal dwellings - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.

Informal dwellings - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.

Traditional dwellings - structures made of clay, mud, reeds, or other locally available material.

Other dwelling units - tents, ships, caravans, etc.

Households by dwelling unit type - Alfred Nzo, Eastern Cape and National Total, 2020 [Percentage]



Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality had a total number of 4 180 (2.24% of total households) very formal dwelling units, a total of 66 500 (35.72% of total households) formal dwelling units and a total number of 20 000 (10.75% of total households) informal dwelling units.

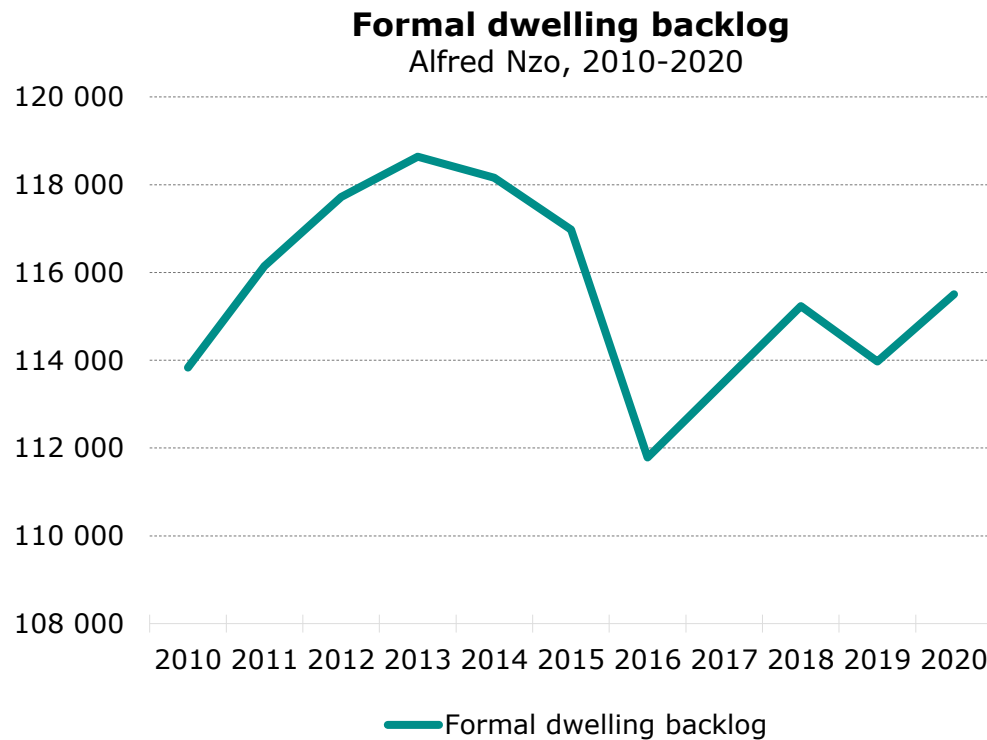
Households by dwelling unit type - Matatiele, Umzimvubu, Mbizana and Ntabankulu local municipalities, 2020 [Number]

	Very Formal	Formal	Informal	Traditional	Other type dwelling	Total
Matatiele	2,829	20,937	5,481	23,737	1,979	54,963
Umzimvubu	811	17,313	4,914	26,491	369	49,899
Mbizana	319	22,411	6,686	26,625	250	56,291
Ntabankulu	219	5,842	2,930	15,948	93	25,033
Total Alfred Nzo	4,177	66,503	20,011	92,801	2,693	186,186

Source: IHS Markit Regional eXplorer version 2201

The region within the Alfred Nzo District Municipality with the highest number of very formal dwelling units is the Matatiele Local Municipality with 2 830 or a share of 67.71% of the total very formal dwelling units within Alfred Nzo District Municipality. The region with the lowest number of very formal dwelling units is the Ntabankulu Local Municipality with a total of 219 or a share of 5.25% of the total very formal dwelling units within Alfred Nzo District Municipality.

Formal dwelling backlog - number of Households not living in a formal dwelling - Alfred Nzo District Municipality, 2010-2020 [Number of Households]



Source: IHS Markit Regional eXplorer version 2201

When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2010 the number of households not living in a formal dwelling were 114 000 within Alfred Nzo District Municipality. From 2010 this number increased annually at 0.15% to 116 000 in 2020.

The total number of households within Alfred Nzo District Municipality increased at an average annual rate of 0.50% from 2010 to 2020, which is higher than the annual increase of 1.60% in the number of households in South Africa.

Household by Type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

No toilet - No access to any of the toilet systems explained below.

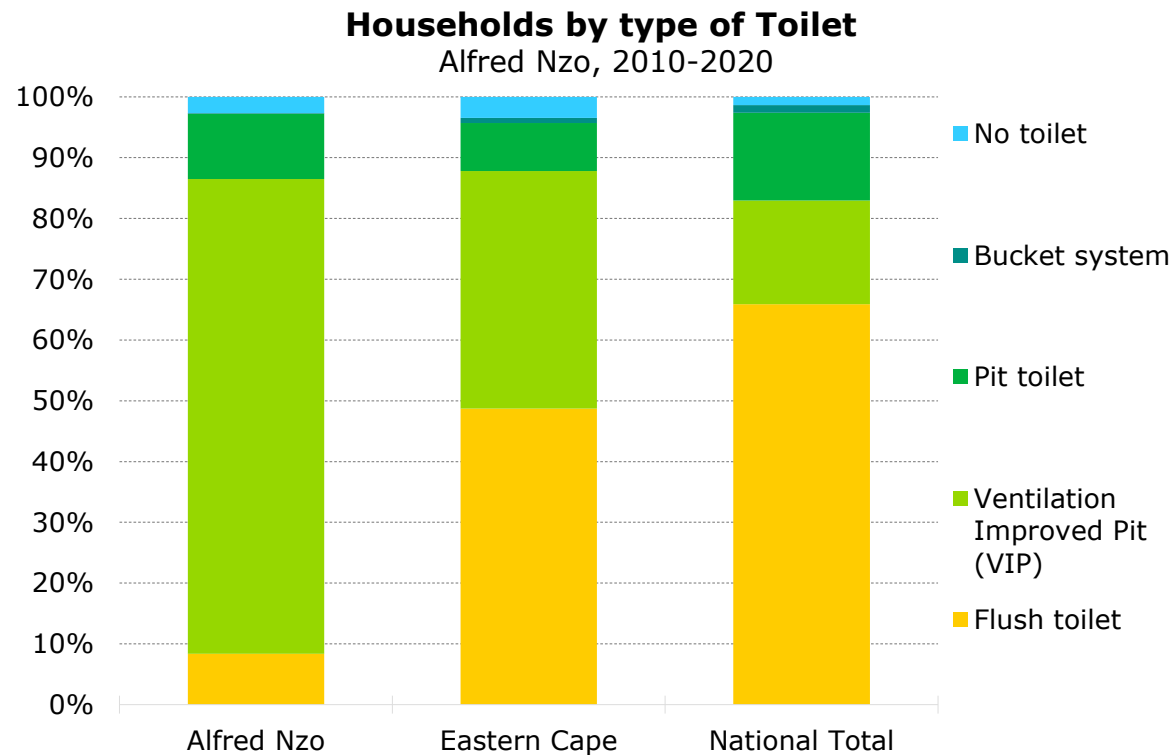
Bucket system - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).

Pit toilet - A top structure over a pit.

Ventilation improved pit - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.

Flush toilet - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

Households by type of sanitation - Alfred Nzo, Eastern Cape and National Total, 2020 [Percentage]



Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality had a total number of 15 600 flush toilets (8.36% of total households), 146 000 Ventilation Improved Pit (VIP) (78.13% of total households) and 20 000 (10.75%) of total households pit toilets.

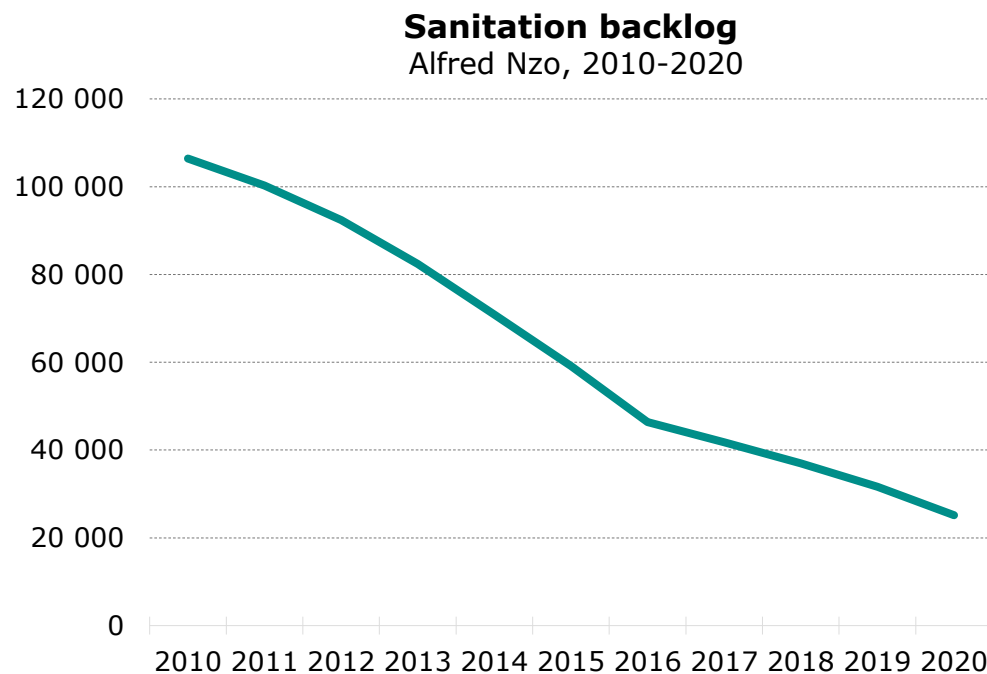
Households by type of sanitation - Matatiele, Umzimvubu, Mbizana and Ntabankulu local municipalities, 2020 [Number]

	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Matatiele	7,072	38,347	7,787	43	1,714	54,963
Umzimvubu	5,720	37,754	5,343	28	1,054	49,899
Mbizana	896	49,298	4,740	101	1,256	56,291
Ntabankulu	1,876	20,073	2,142	34	908	25,033
Total Alfred Nzo	15,564	145,473	20,012	206	4,931	186,186

Source: IHS Markit Regional eXplorer version 2201

The region within Alfred Nzo with the highest number of flush toilets is Matatiele Local Municipality with 7 070 or a share of 45.44% of the flush toilets within Alfred Nzo. The region with the lowest number of flush toilets is Mbizana Local Municipality with a total of 896 or a share of 5.76% of the total flush toilets within Alfred Nzo District Municipality.

Sanitation backlog - Alfred Nzo District Municipality, 2010-2020 [Number of households without hygienic toilets]



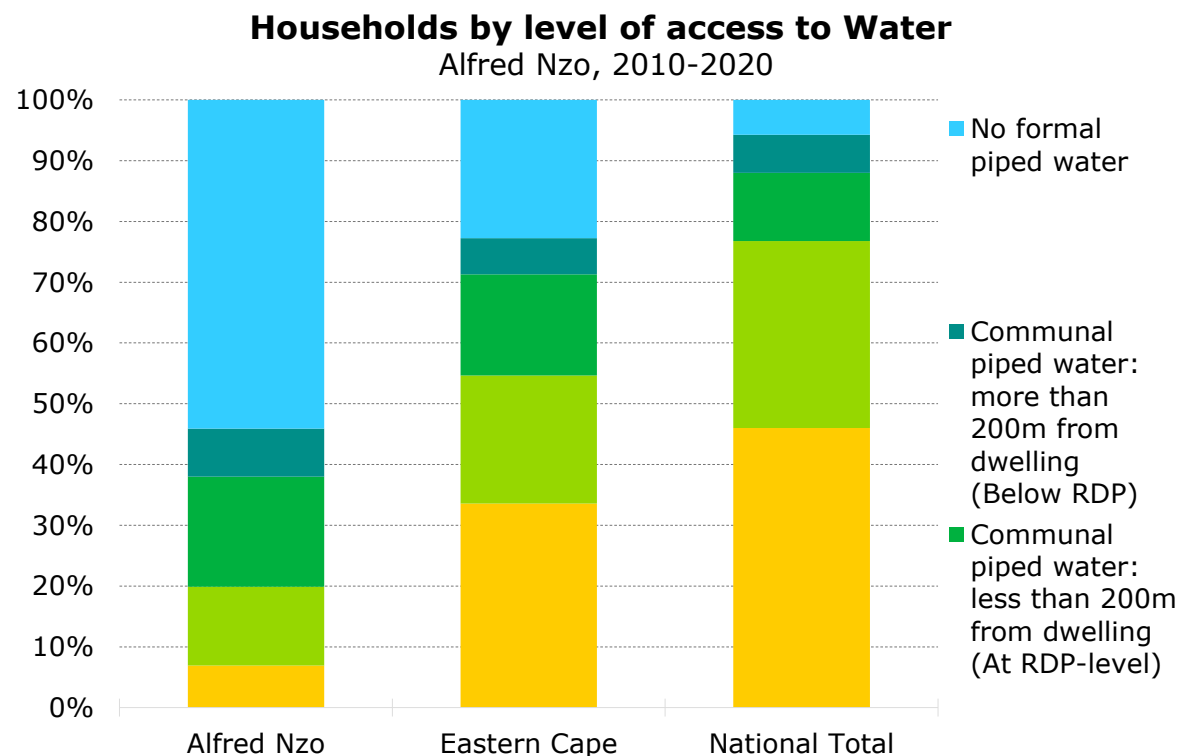
Source: IHS Markit Regional eXplorer version 2201

When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2010 the number of Households without any hygienic toilets in Alfred Nzo District Municipality was 106 000, this decreased annually at a rate of -13.43% to 25 200 in 2020.

Households by Access to water

A household is categorised according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs.

Households by type of water access - Alfred Nzo, Eastern Cape and National Total, 2020 [Percentage]



Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality had a total number of 12 900 (or 6.95%) households with piped water inside the dwelling, a total of 24 000 (12.91%) households had piped water inside the yard and a total number of 101 000 (54.08%) households had no formal piped water.

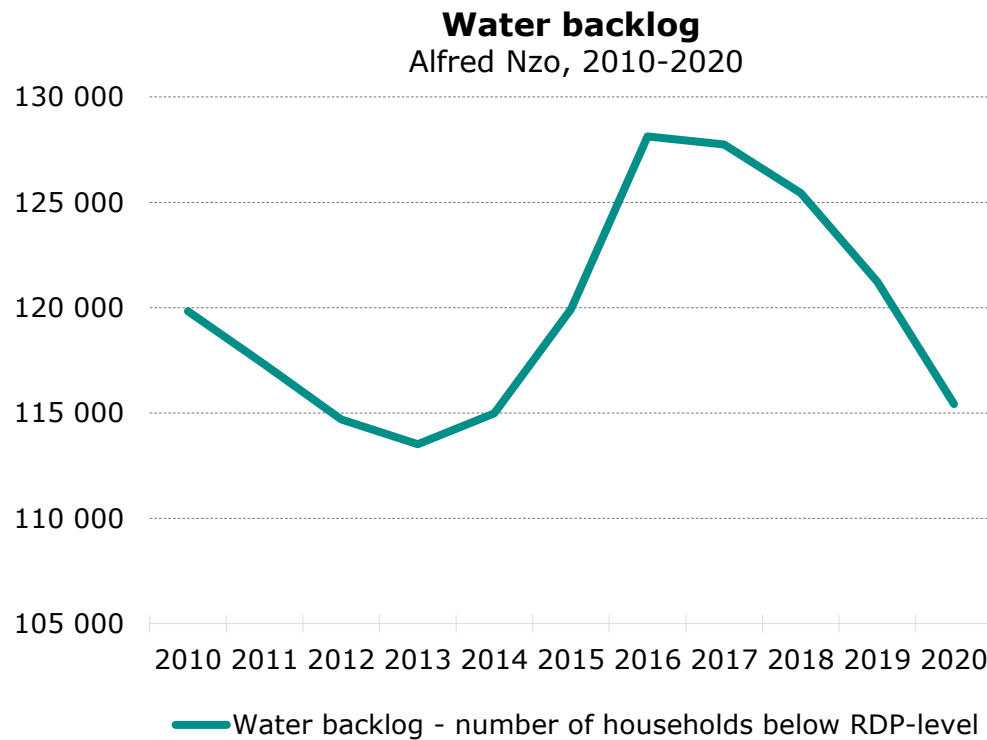
Households by type of water access - Alfred Nzo District Municipality, 2020 [Number]

	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Matatiele	5,126	12,673	14,148	6,789	16,226	54,963
Umzimvubu	4,840	6,007	11,830	4,018	23,203	49,899
Mbizana	2,446	3,839	2,779	1,802	45,425	56,291
Ntabankulu	522	1,514	5,038	2,134	15,825	25,033
Total Alfred Nzo	12,935	24,034	33,794	14,743	100,680	186,186

Source: IHS Markit Regional eXplorer version 2201

The regions within Alfred Nzo District Municipality with the highest number of households with piped water inside the dwelling is Matatiele Local Municipality with 5 130 or a share of 39.63% of the households with piped water inside the dwelling within Alfred Nzo District Municipality. The region with the lowest number of households with piped water inside the dwelling is Ntabankulu Local Municipality with a total of 522 or a share of 4.04% of the total households with piped water inside the dwelling within Alfred Nzo District Municipality.

Water backlog - Alfred Nzo District Municipality, 2010-2020 [Number of households below RDP-level]



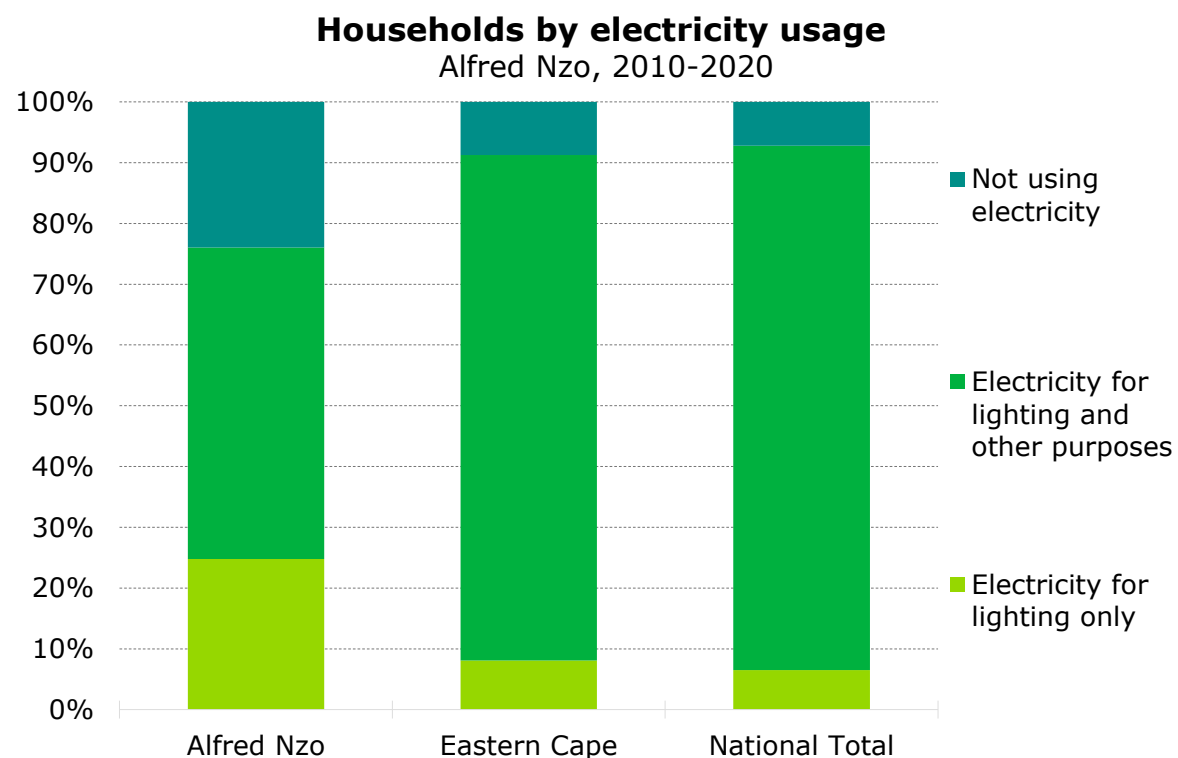
Source: IHS Markit Regional eXplorer version 2201

When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2010 the number of households below the RDP-level were 120 000 within Alfred Nzo District Municipality, this decreased annually at -0.37% per annum to 115 000 in 2020.

Households by Type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

Households by type of electrical connection - Alfred Nzo, Eastern Cape and National Total, 2020 [Percentage]



Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality had a total number of 46 200 (24.80%) households with electricity for lighting only, a total of 95 400 (51.22%) households had electricity for lighting and other purposes and a total number of 44 600 (23.98%) households did not use electricity.

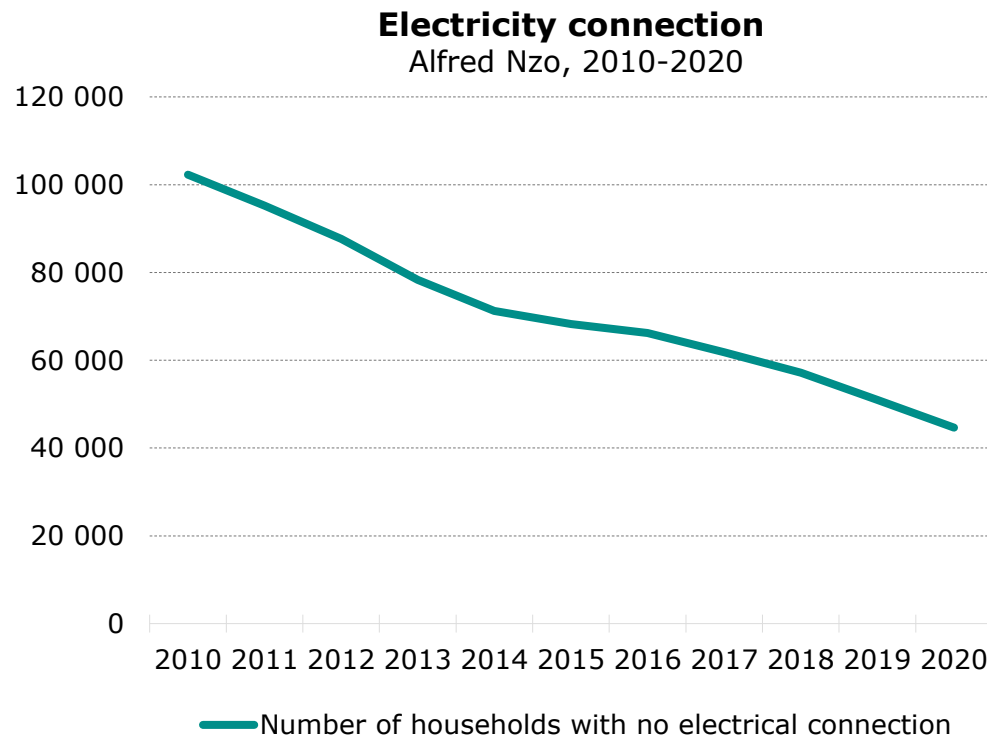
Households by type of electrical connection - Matatiele, Umzimvubu, Mbizana and Ntabankulu local municipalities, 2020 [Number]

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Matatiele	13,181	27,254	14,529	54,963
Umzimvubu	9,788	28,261	11,849	49,899
Mbizana	18,779	29,133	8,380	56,291
Ntabankulu	4,427	10,718	9,888	25,033
Total	46,174	95,366	44,646	186,186
Alfred Nzo				

Source: IHS Markit Regional eXplorer version 2201

The region within Alfred Nzo with the highest number of households with electricity for lighting and other purposes is Mbizana Local Municipality with 29 100 or a share of 30.55% of the households with electricity for lighting and other purposes within Alfred Nzo District Municipality. The Region with the lowest number of households with electricity for lighting and other purposes is Ntabankulu Local Municipality with a total of 10 700 or a share of 11.24% of the total households with electricity for lighting and other purposes within Alfred Nzo District Municipality.

Electricity connection - Alfred Nzo District Municipality, 2010-2020 [Number of households with no electrical connection]



Source: IHS Markit Regional eXplorer version 2201

When looking at the number of households with no electrical connection over time, it can be seen that in 2010 the households without an electrical connection in Alfred Nzo District Municipality was 102 000, this decreased annually at -7.95% per annum to 44 600 in 2020.

Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community disposes of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuse is taken away, thus leading to the following categories:

Removed weekly by authority

Removed less often than weekly by authority

Removed by community members

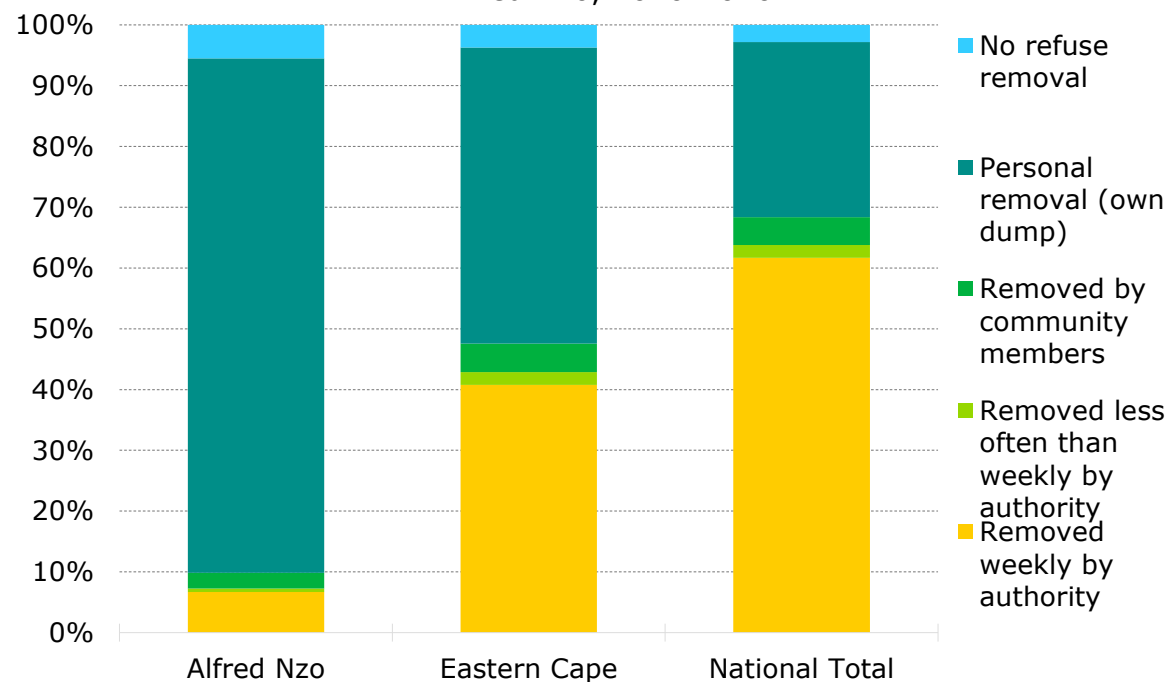
Personal removal / (own dump)

No refuse removal

Households by refuse disposal - Alfred Nzo, Eastern Cape and National Total, 2020 [Percentage]

Households by access to refuse removal

Alfred Nzo, 2010-2020



Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality had a total number of 12 400 (6.67%) households which had their refuse removed weekly by the authority, a total of 1 080 (0.58%) households had their refuse removed less often than weekly by the authority and a total number of 158 000 (84.65%) households which had to remove their refuse personally (own dump).

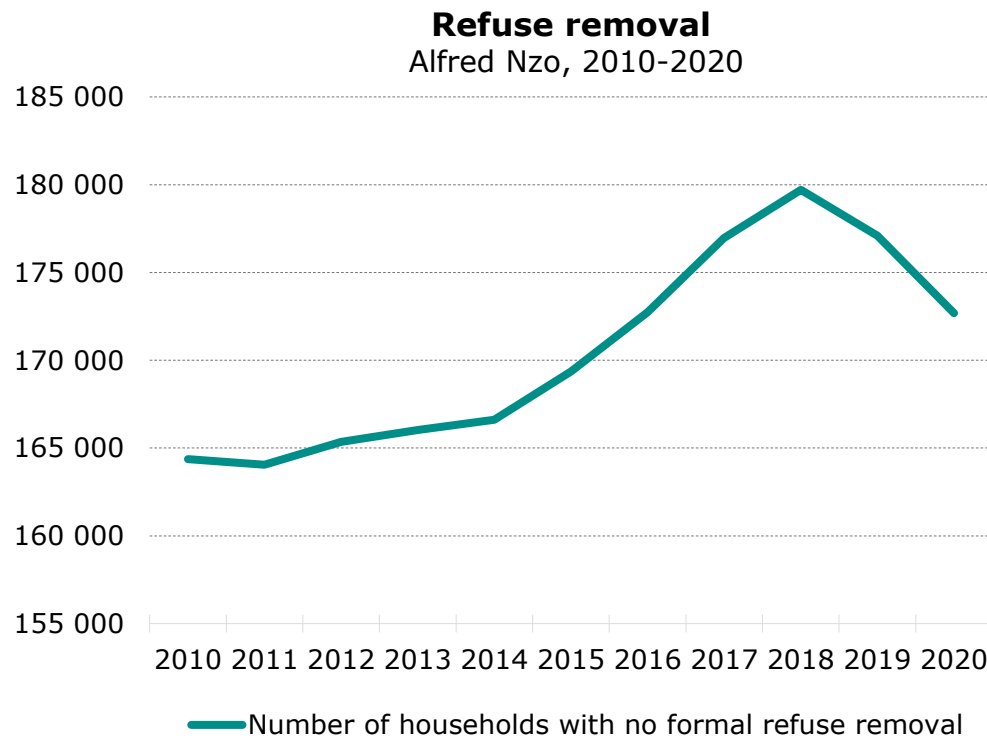
Households by refuse disposal - Matatiele, Umzimvubu, Mbizana and Ntabankulu local municipalities, 2020 [Number]

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Matatiele	7,431	541	1,761	42,977	2,254	54,963
Umzimvubu	2,994	288	1,348	43,320	1,948	49,899
Mbizana	1,080	130	1,233	51,487	2,361	56,291
Ntabankulu	922	116	517	19,824	3,654	25,033
Total Alfred Nzo	12,427	1,075	4,859	157,608	10,217	186,186

Source: IHS Markit Regional eXplorer version 2201

The region within Alfred Nzo with the highest number of households where the refuse is removed weekly by the authority is Matatiele Local Municipality with 7 430 or a share of 59.79% of the households where the refuse is removed weekly by the authority within Alfred Nzo. The region with the lowest number of households where the refuse is removed weekly by the authority is Ntabankulu Local Municipality with a total of 922 or a share of 7.42% of the total households where the refuse is removed weekly by the authority within the district municipality.

Refuse removal - Alfred Nzo District Municipality, 2010-2020 [Number of households with no formal refuse removal]



Source: IHS Markit Regional eXplorer version 2201

When looking at the number of households with no formal refuse removal, it can be seen that in 2010 the households with no formal refuse removal in Alfred Nzo District Municipality was 164 000, this increased annually at 0.50% per annum to 173 000 in 2020.

The total number of households within Alfred Nzo District Municipality increased at an average annual rate of 0.50% from 2010 to 2020, which is higher than the annual increase of 1.60% in the number of households in South Africa.

Tourism

Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism.

Trips by purpose of trips

As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel, by a person, from the time they leave their usual residence until they return to that residence. This is usually referred to as a round trip. IHS likes to narrow this definition down to overnight trips only, and only those made by adult visitors (over 18 years). Also note that the number of "person" trips are measured, not household or "party trips".

The main purpose for an overnight trip is grouped into these categories:

Leisure / Holiday

Business

Visits to friends and relatives

Other (Medical, Religious, etc.)

Number of trips by purpose of trips - Alfred Nzo District Municipality, 2010-2020 [Number Percentage]

	Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2010	26,800	4,810	352,000	23,400	407,000
2011	24,600	4,750	312,000	23,400	364,000
2012	22,000	4,900	276,000	23,000	326,000
2013	18,700	4,530	252,000	21,700	297,000
2014	17,600	4,510	242,000	23,800	288,000
2015	16,400	4,460	235,000	23,400	280,000
2016	15,300	4,510	233,000	24,000	277,000
2017	14,300	4,340	228,000	24,700	271,000
2018	13,800	4,200	221,000	24,200	263,000
2019	14,200	3,880	218,000	23,900	260,000
2020	1,730	701	32,900	5,810	41,200
Average Annual growth 2010-2020	-23.96%	-17.51%	-21.09%	-13.02%	-20.47%

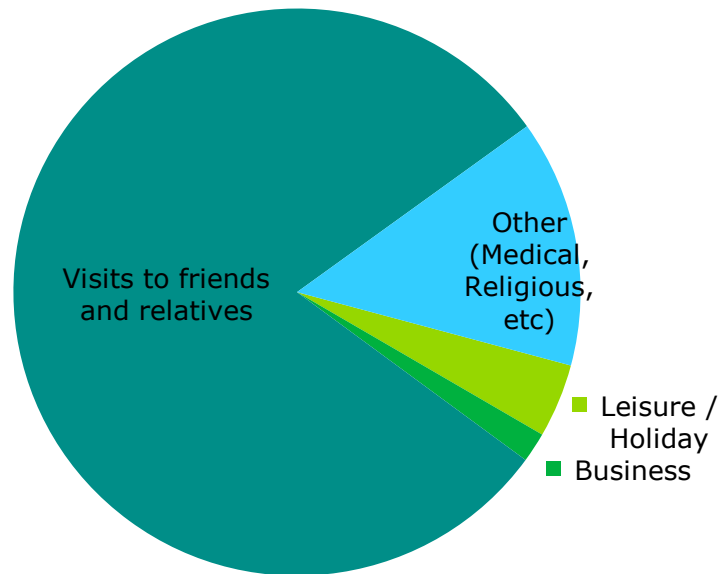
Source: IHS Markit Regional eXplorer version 2201

In Alfred Nzo District Municipality, the Other (Medical, Religious, etc), relative to the other tourism, recorded the highest average annual growth rate from 2010 (23 400) to 2020 (5 810) at -13.02%. Visits to friends and relatives recorded the highest number of visits in 2020 at 32 900, with an average annual growth rate of -21.09%. The tourism type that recorded the lowest growth was Leisure / Holiday tourism with an average annual growth rate of -23.96% from 2010 (26 800) to 2020 (1 730).

Trips by Purpose of trip - Alfred Nzo District Municipality, 2020 [Percentage]

Tourism - trips by Purpose of trip

Alfred Nzo District Municipality, 2020



Source: IHS Markit Regional eXplorer version 2201

The Visits to friends and relatives at 79.98% has largest share the total tourism within Alfred Nzo District Municipality. Other (Medical, Religious, etc) tourism had the second highest share at 14.11%, followed by Leisure / Holiday tourism at 4.21% and the Business tourism with the smallest share of 1.70% of the total tourism within Alfred Nzo District Municipality.

Origin of Tourists

In the following table, the number of tourists that visited Alfred Nzo District Municipality from both domestic origins, as well as those coming from international places, are listed.

Total number of trips by origin tourists - Alfred Nzo District Municipality, 2010-2020 [Number]

	Domestic tourists	International tourists	Total tourists
2010	394,000	12,600	407,000
2011	352,000	12,300	364,000
2012	312,000	14,100	326,000
2013	281,000	16,300	297,000
2014	268,000	20,000	288,000
2015	259,000	21,100	280,000
2016	250,000	26,400	277,000
2017	243,000	27,800	271,000
2018	234,000	28,300	263,000
2019	233,000	26,800	260,000
2020	32,700	8,460	41,200
Average Annual growth 2010-2020	-22.03%	-3.92%	-20.47%

Source: IHS Markit Regional eXplorer version 2201

The number of trips by tourists visiting Alfred Nzo District Municipality from other regions in South Africa has decreased at an average annual rate of -22.03% from 2010 (394 000) to 2020 (32 700). The tourists visiting from other countries decreased at an average annual growth rate of -3.92% (from 12 600 in 2010 to 8 460). International tourists constitute 20.54% of the total number of trips, with domestic tourism representing the balance of 79.46%.

Tourists by origin - Alfred Nzo District Municipality, 2020 [Percentage]

Tourism - tourists by origin
Alfred Nzo District Municipality, 2020



Source: IHS Markit Regional eXplorer version 2201

Bednights by origin of tourist

A bed night is the tourism industry measurement of one night away from home on a single person trip.

The following is a summary of the number of bed nights spent by domestic and international tourist within Alfred Nzo District Municipality between 2010 and 2020.

Bednights by origin of tourist - Alfred Nzo District Municipality, 2010-2020 [Number]

	Domestic tourists	International tourists	Total tourists
2010	1,850,000	196,000	2,050,000
2011	1,550,000	189,000	1,730,000
2012	1,290,000	201,000	1,490,000
2013	1,100,000	223,000	1,330,000
2014	1,000,000	252,000	1,250,000
2015	949,000	261,000	1,210,000
2016	929,000	332,000	1,260,000
2017	908,000	376,000	1,280,000
2018	879,000	403,000	1,280,000
2019	1,130,000	388,000	1,520,000
2020	157,000	128,000	285,000
Average Annual growth 2010-2020	-21.87%	-4.14%	-17.89%

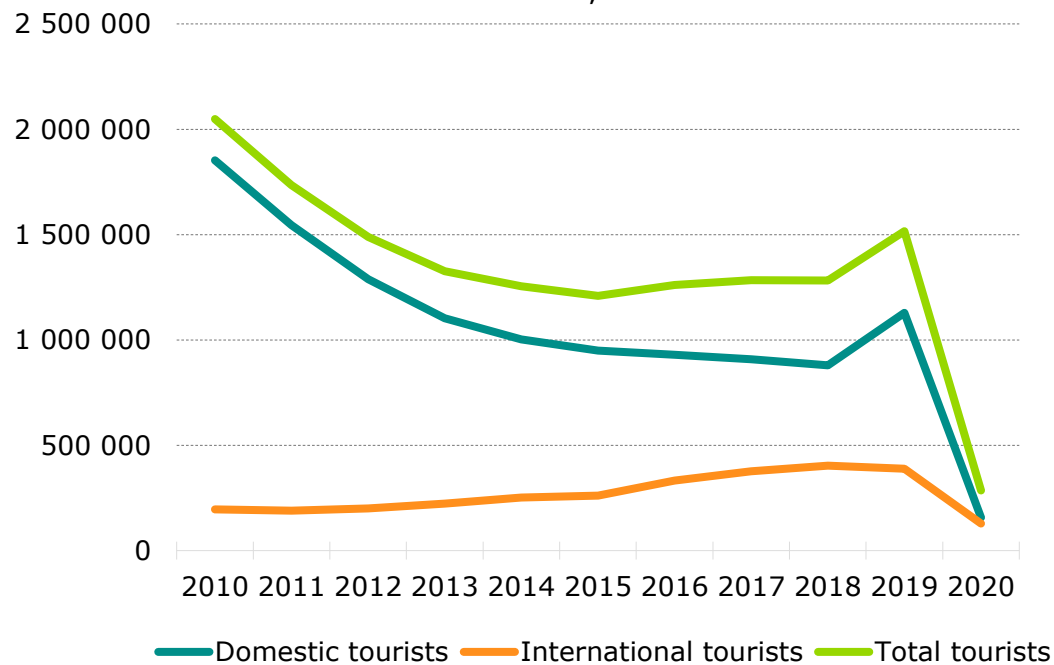
Source: IHS Markit Regional eXplorer version 2201

From 2010 to 2020, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -21.87%, while in the same period the international tourists had an average annual decrease of -4.14%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -17.89% from 2.05 million in 2010 to 285 000 in 2020.

Growth in tourism (using bednights) by origin - Alfred Nzo District Municipality, 2010-2020 [Number]

Growth in tourism (using bednights)

Alfred Nzo, 2010-2020



Source: IHS Markit Regional eXplorer version 2201

Tourism spending

In their Tourism Satellite Account, StatsSA defines tourism spending as all expenditure by visitors for their trip to the particular region. This excludes capital expenditure as well as the shopping expenditure of traders (called shuttle trade). The amounts are presented in current prices, meaning that inflation has not been taken into account.

It is important to note that this type of spending differs from the concept of contribution to GDP. Tourism spending merely represents a nominal spend of trips made to each region.

Total tourism spending - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [R billions, Current Prices]

	Alfred Nzo	Eastern Cape	National Total
2010	0.8	14.3	187.7
2011	0.8	14.2	194.4
2012	0.9	16.9	220.1
2013	1.0	18.2	239.6
2014	1.1	19.9	263.3
2015	1.1	19.0	254.2
2016	1.2	22.1	294.5
2017	1.3	22.6	305.3
2018	1.2	21.8	303.3
2019	1.3	22.5	317.1
2020	0.4	6.7	95.8
Average Annual growth 2010-2020	-7.22%	-7.35%	-6.51%

Source: IHS Markit Regional eXplorer version 2201

Alfred Nzo District Municipality had a total tourism spending of R 381 million in 2020 with an average annual growth rate of -7.2% since 2010 (R 806 million). Eastern Cape Province had a total tourism spending of R 6.69 billion in 2020 and an average annual growth rate of -7.3% over the period. Total tourism spending in South Africa decreased from R 188 billion in 2010 to R 95.8 billion in 2020 at an average annual rate of -6.5%.

Tourism Spend per Resident Capita

Another interesting topic to look at is tourism spending per resident capita. To calculate this, the total amount of tourism spending in the region is divided by the number of residents living within that region. This gives a relative indication of how important tourism is for a particular area.

Tourism spend per resident capita - Alfred Nzo District Municipality and the rest of Eastern Cape, 2010,2015 and 2020 [R Thousands]

	2010	2015	2020
Alfred Nzo	R 990	R 1,276	R 427
Nelson Mandela Bay	R 4,019	R 4,944	R 1,556
Buffalo City	R 3,483	R 4,332	R 1,343
Sarah Baartman	R 5,182	R 6,575	R 2,774
Amatole	R 1,281	R 1,631	R 513
Chris Hani	R 1,226	R 1,544	R 435
Joe Gqabi	R 1,198	R 1,411	R 415
O.R.Tambo	R 924	R 1,165	R 365

Source: IHS Markit Regional eXplorer version 2201

In 2020, Alfred Nzo District Municipality had a tourism spend per capita of R 427 and an average annual growth rate of -8.06%, Alfred Nzo District Municipality ranked sixth amongst all the regions within Eastern Cape in terms of tourism spend per capita. The region within Eastern Cape Province that ranked first in terms of tourism spend per capita is Sarah Baartman District Municipality with a total per capita spending of R 2,770 which reflects an average annual decrease of -6.06% from 2010. The district municipality that ranked lowest in terms of tourism spend per capita is O.R.Tambo with a total of R 365 which reflects an decrease at an average annual rate of -8.87% from 2010.

Tourism Spend as a Share of GDP

This measure presents tourism spending as a percentage of the GDP of a region. It provides a gauge of how important tourism is to the local economy. An important note about this variable is that it does not reflect what is spent in the tourism industry of that region, but only what is spent by tourists visiting that region as their main destination.

Total spending as % share of GDP - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [Percentage]

	Alfred Nzo	Eastern Cape	National Total
2010	9.3%	6.0%	6.1%
2011	8.4%	5.5%	5.8%
2012	9.1%	6.0%	6.2%
2013	9.1%	5.9%	6.2%
2014	9.2%	6.1%	6.4%
2015	8.5%	5.4%	5.8%
2016	9.0%	5.9%	6.2%
2017	8.7%	5.7%	6.0%
2018	8.1%	5.2%	5.7%
2019	8.0%	5.2%	5.7%
2020	2.5%	1.6%	1.7%

Source: IHS Markit Regional eXplorer version 2201

In Alfred Nzo District Municipality the tourism spending as a percentage of GDP in 2020 was 2.46%. Tourism spending as a percentage of GDP for 2020 was 1.58% in Eastern Cape Province, 1.73% in South Africa.

International Trade

Trade is defined as the act of buying and selling, with international trade referring to buying and selling across international border, more generally called importing and exporting. The Trade Balance is calculated by subtracting imports from exports.

Relative Importance of international Trade

In the table below, the Alfred Nzo District Municipality is compared to Eastern Cape and South Africa, in terms of actual imports and exports, the Trade Balance, as well the contribution to GDP and the region's contribution to total national exports and imports.

Merchandise exports and imports - Alfred Nzo, Eastern Cape and National Total, 2020 [R 1000, current prices]

	Alfred Nzo	Eastern Cape	National Total
Exports (R 1000)	63,203	92,643,509	1,394,345,999
Imports (R 1000)	1,727	73,918,938	1,109,458,999
Total Trade (R 1000)	64,930	166,562,447	2,503,804,998
Trade Balance (R 1000)	61,476	18,724,570	284,887,001
Exports as % of GDP	0.4%	21.9%	25.3%
Total trade as % of GDP	0.4%	39.3%	45.3%
Regional share - Exports	0.0%	6.6%	100.0%
Regional share - Imports	0.0%	6.7%	100.0%
Regional share - Total Trade	0.0%	6.7%	100.0%

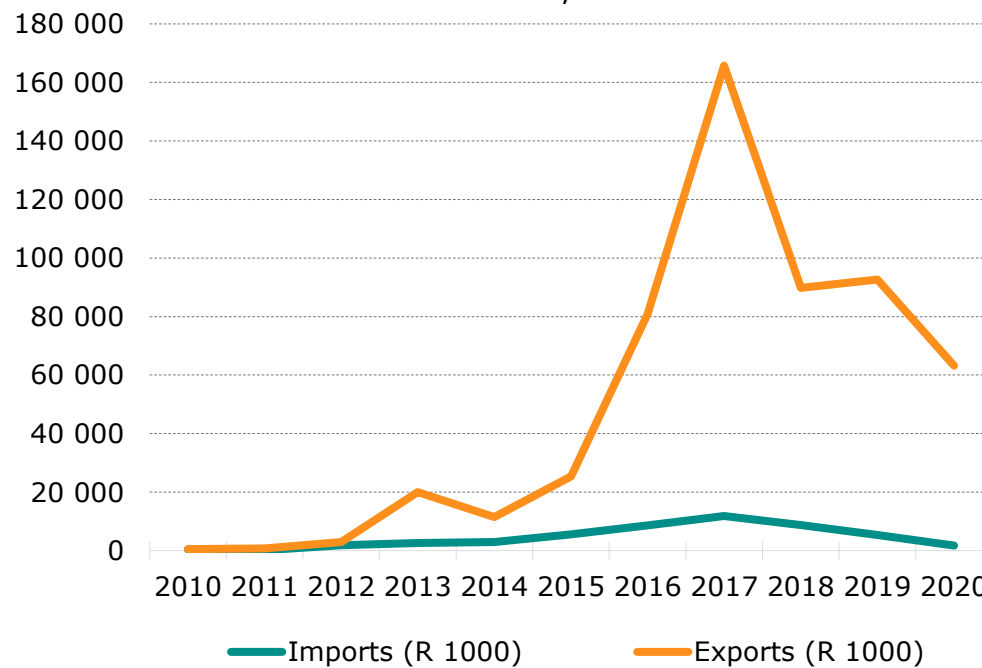
Source: IHS Markit Regional eXplorer version 2201

The merchandise export from Alfred Nzo District Municipality amounts to R 63.2 million and as a percentage of total national exports constitutes about 0.00%. The exports from Alfred Nzo District Municipality constitute 0.41% of total Alfred Nzo District Municipality's GDP. Merchandise imports of R 1.73 million constitute about 0.00% of the national imports. Total trade within Alfred Nzo is about 0.00% of total national trade. Alfred Nzo District Municipality had a positive trade balance in 2020 to the value of R 61.5 million.

Import and Exports in Alfred Nzo District Municipality, 2010-2020 [R 1000]

International trade - Imports and Exports

Alfred Nzo, 2010-2020

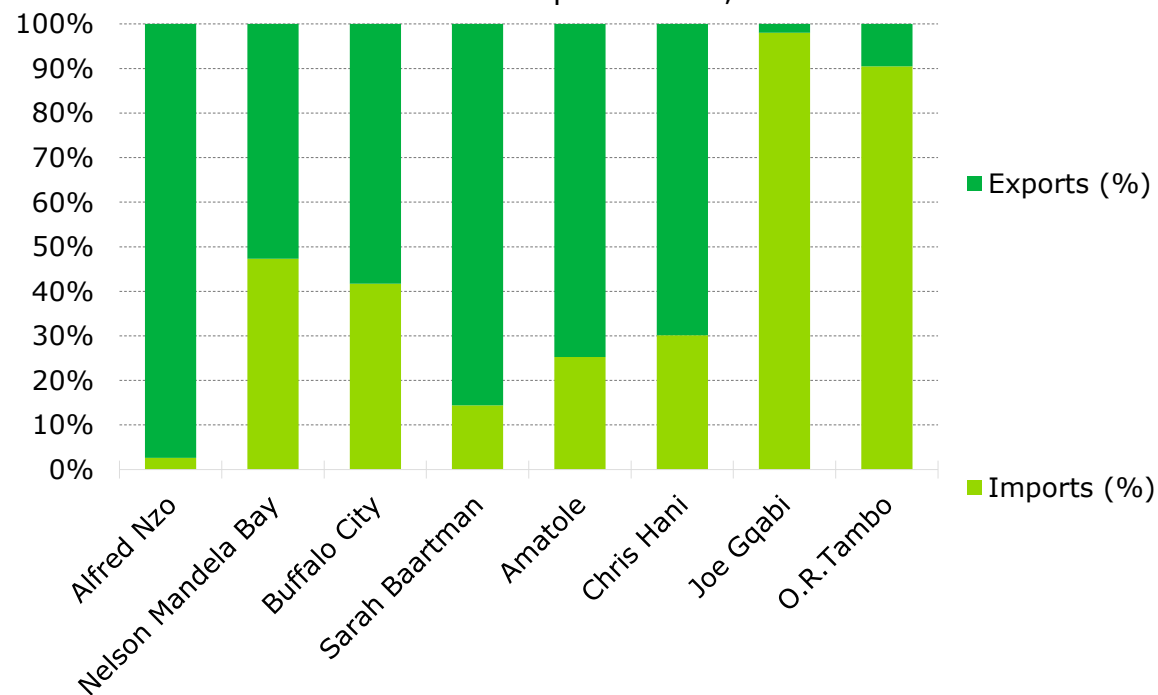


Source: IHS Markit Regional eXplorer version 2201

Analysing the trade movements over time, total trade increased from 2010 to 2020 at an average annual growth rate of 53.09%. Merchandise exports increased at an average annual rate of 61.77%, with the highest level of exports of R 166 million experienced in 2017. Merchandise imports increased at an average annual growth rate of 15.65% between 2010 and 2020, with the lowest level of imports experienced in 2011.

Merchandise exports and imports - Alfred Nzo and the rest of Eastern Cape, 2020 [Percentage]

International trade - Imports and Exports Eastern Cape Province, 2020



Source: IHS Markit Regional eXplorer version 2201

When comparing the Alfred Nzo District Municipality with the other regions in the Eastern Cape Province, Nelson Mandela Bay has the biggest amount of international trade (when aggregating imports and exports, in absolute terms) with a total of R 102 billion. This is also true for exports - with a total of R 53.8 billion in 2020. O.R.Tambo had the lowest total trade figure at R 12 million. The O.R.Tambo also had the lowest exports in terms of currency value with a total of R 1.14 million exports.

Proposed Catalytic Projects

Intergovernmental Projects that drive both social and economic growth in the Region include:

Ludeke Dam – ANDM/DWS – massive reticulation required in this project.

Umzimvubu Dam – DWS/ANDM/ORTDM/JGDM

EmaXesibeni Government Office Precinct – DPW – this mega project will require bulk water and sewerage connection from the district.

Agri-parks programme – ANDM/ANDA/DRDAR/DLA

N2 Highway, which would benefit villages in WMMLM – A project by SANRAL. This project has been halted in the construction of mega-bridge in Mthentu and has required intervention from government and community leaders.

N2 – from Ngcweleni to Qumbu – SANRAL

Surfacing of District Roads

Human Settlements – Rural Housing – DHS

Power stations – Eskom – Umzimvubu

2.3. Diagnostic Review

2.3.1. 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

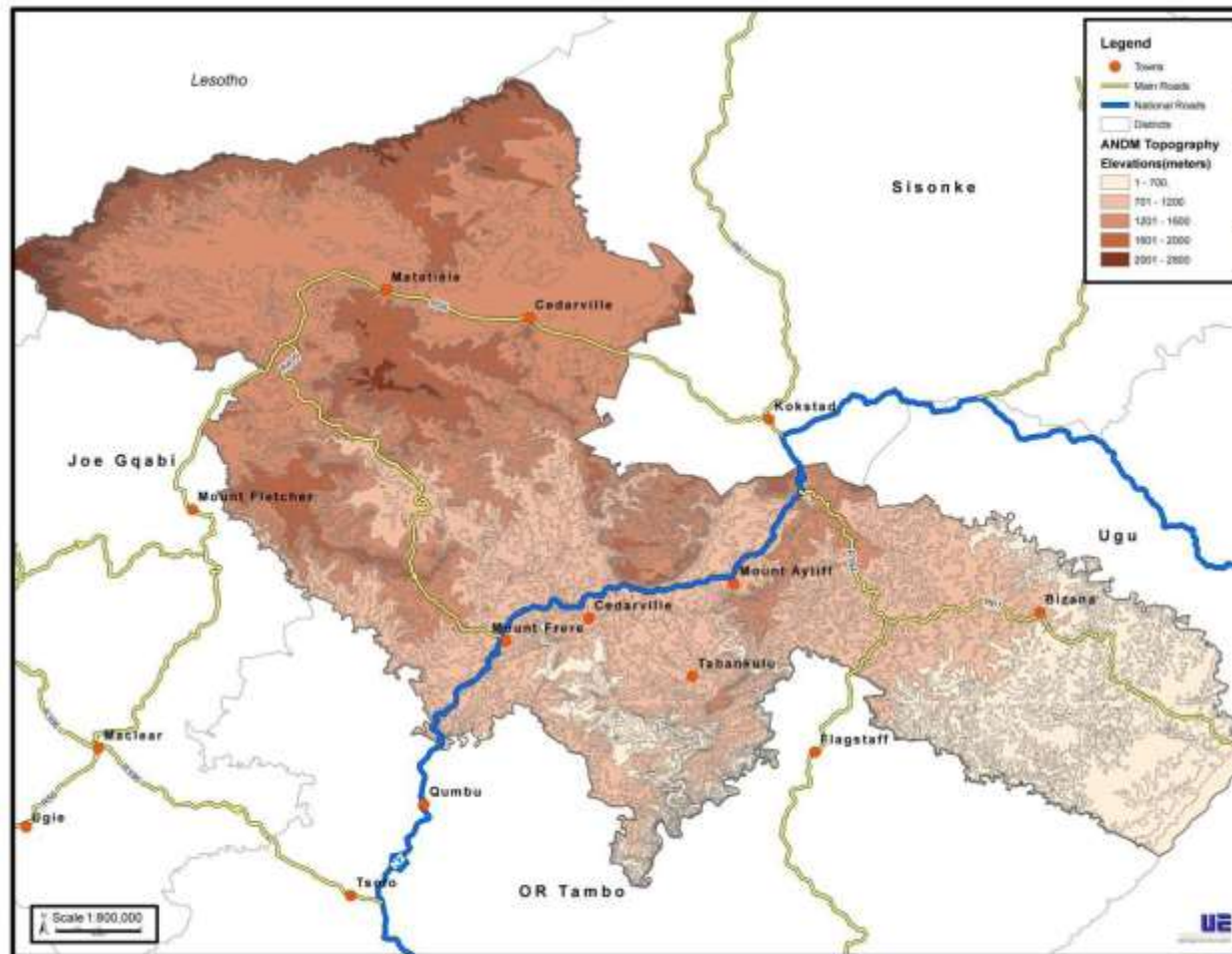
The Kinira joins the Mzimvubu to the northwest of Mount Frere

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



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

2.3.1.1 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 ANDM has developed and approved the plan on air quality in

2021. All 37 environmental practitioners were trained on air quality monitoring. 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. The municipality is not a licensing authority as the function is better performed by DEDEAT who has adequate human capital.

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.

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.

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 been approved by the DEDEAT MEC. It is now due for review.

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. The district with its locals are responsible to conduct awareness campaigns and capacitate local communities on waste management and recycling practices.

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.

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.

2.3.2. 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 Ranking	Eastern Cape Ranking	South Africa Ranking
Lack of safe and reliable water supply	1	1	1
Lack of reliable electricity supply	2	Data not available	Data not available
Inadequate housing	3	2	4
Inadequate roads	4	4	Data not available
Lack of/inadequate employment opportunities	5	3	2

Inadequate sanitation	7	5	Data not available
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.

2.3.3. 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 2016
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

2.3.4. 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)

2.3.5. 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.

Water Services

The Water Services Authority is made-up of three sub-units;

Free Basic Services

Environmental Management

Planning and Design (Water and Sanitation infrastructure)

Free Basic Services

The Alfred Nzo District Municipality is one of the poorest districts in South Africa, with the majority of households living below the poverty line and to ensure access to basic services by these indigent households, an Indigent Policy was developed. The policy provides guidelines for the free basic services provisioning to indigent households, for both urban and rural households.

The Indigent Database the district municipality is using is shared with the four local municipalities within the district ie. Winnie Madikizela-Mandela, Ntabankulu, Umzimvubu and Matatiele.

The unit is responsible for the following:

- The coordination of FBS in all 4 LM's

- Capturing and verification all indigent applications

- Providing verified lists to(BTO) for Billing

- Operate and maintain indigent management system

- Validation of RDP households

- Developing/review of Indigent Policy

Environmental Management

The sub-unit is responsible for the environmental management issues across the district and they include the following:

- Environmental Impact Assessments

- Water Use Licenses

Water Quality Monitoring

Process Audits

Blue & Green drop

As part of the planning stages of the MIG projects, the Environmental Management unit will ensure that the EIA is conducted before any work (construction) could start. The unit will also monitor the project during construction to ensure compliance with the approved EIA. Coordinate the District Environmental Management Forums,

With water quality monitoring, the district assisted by the Department of water and sanitation demarcated 108 sampling points within the district but due to budget constraints, only 84 sampling points are sampled for testing per month.

On yearly basis the district has to do Water and Wastewater Process Audits for all our treatments plants.

Support Environment Planning & Management in Municipalities

This key performance area includes the following key activities:

Conduct IDP analysis for the District and Local Municipalities

Conducts analysis of IDPs of all municipalities to ensure that the environmental chapter is incorporated and considered for municipal planning

Conduct Project screening for EIA purpose for Alfred Nzo DM (to form part of the IDP Analysis Report)

The screening of all projects incorporated into the municipal IDPs to ensure the Environmental Impact Assessment (EIAs) is considered during planning. This will ensure that due processes are followed and that municipal projects are not conducted to the detriment of the environment.

Participate in the EIA Process of projects for the district and all LMs within the district

The unit is involved in the EIA process for all municipal projects, conducting site visits and providing comments where necessary

Participate in IDP engagements

The provincial department of Cooperative Governance & Traditional Affairs arranges provincial IDP engagements and the unit will therefore participate in such engagements

Provide feedback to all municipalities on IDP engagements

The unit provides feedback to municipalities on provincial IDP engagements/assessments

Participate in the IDP development processes in all municipalities

The unit partakes in the development of IDPs of the various municipalities within Alfred Nzo

The unit is also responsible for the following:

Develop required legal plans to be integrated into the IDP

Water quality compliance monitoring

Proficiency testing

Undertake WWTW and WTW process audits

Monitoring of effluent

Environmental management compliance monitoring

Ensure compliance with relevant national legislation

Implement environmental projects as per the SDBIP

Support LMs in all environmental management programmes

Convene District Environmental Management Forum (DEMF) and participate in the Provincial Environmental Quality and Management Forum

Convene district wide Climate Change Committee

Spearhead BDS and GDS

Facilitate Water Use Licensing

Facilitate and coordinate Environmental Impact Assessment (EIA)

Planning and Design

The planning and design unit is responsible for the study phase of water and sanitation projects up to the Implementation Readiness Stage (IRS). The study phases has the following stages:

Scoping and Inception report;

Technical Report and Feasibility Study;

Preliminary design & research

Implementation Readiness Stage/Report and

Business Plan/WSDP Project Management System (Populate)

The unit is also responsible for the following:

Conduct feasibility studies for all capital projects to be implemented and ensure alignment with the IDP.

Develop and Review planning policies, Plans & strategies.

Adjudicate Business Plans, Technical Reports, and Designs and submit to EC TAC and DAC for approval.(DWS & CoGTA)

Develop and maintain Rural Roads Assets Management System.

Sector plan the WSA is responsible for are as follows:

- Electricity Sector plan
- Water Services Development Plan
- District Integrated Transport Plan
- Backlog Eradication Strategy
- Water Services Backlogs

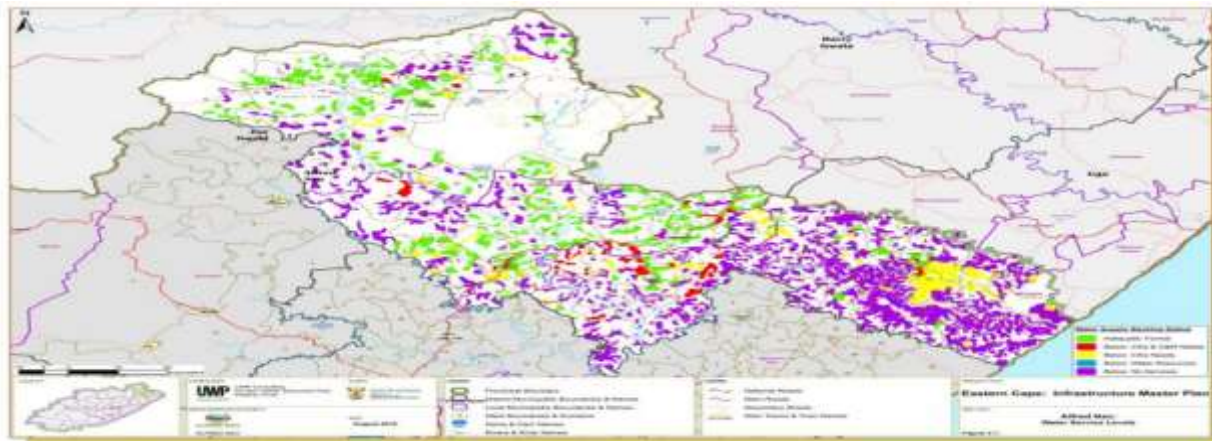
The District has developed and adopted in May 2021 a District Integrated Transport Plan to Guide growth and development throughout the District and its Local Municipalities. The Objective of the Transport Plan is to ensure transport infrastructure alignment with growth in the District, enhance connectivity for our community, encourage active transport, supports the safe and efficient movement of traffic both within the District and between regions, promotes the use of public transport and provides for future technologies in a sustainable way.

With the current streams of funding it is projected that water and sanitation backlogs will only be eradicated in 2035. The table below illustrates the backlogs for the Alfred Nzo District municipality;

Fig, 1

WSA	No of HH	No of People	Water			Sanitation		
			HH Backlog	Population Backlog	% Water Backlog	HH Backlog	Population Backlog	% Sanitation Backlog
Matatiele	50 148	206 558	19 525	79 193	38,9%	26 235	106 589	52,3%
Mbizana	50 377	293 188	42 618	247 097	84,6%	20 955	121 524	41,6%
Ntabankulu	23 110	117 276	15 623	80 534	67,6%	8 726	44 295	37,8%
Umzimvubu	46 963	192 949	18 950	79 234	40,4%	17 879	73 586	38,1%
Total	170 598	809 971	96 716	486 058	56,7%	73 795	345 994	43,3%

Fig, 2: Water supply status

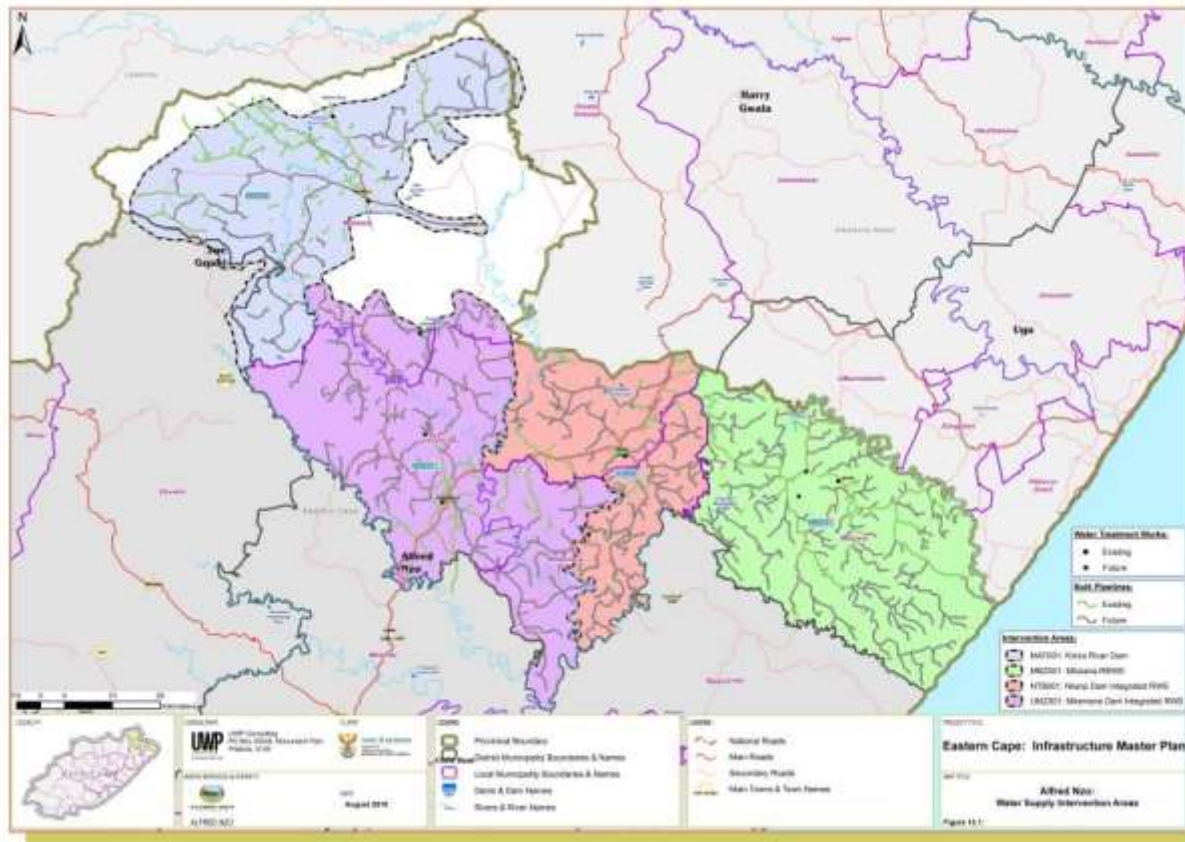


Water Supply interventions

WSA	LM	WSIA No	WSIA Name	Source Development Yes / No	Treatment New / Upgrade	Storage (Ml)	Bulk Pipe lines (km)	Reticulation Lines (km)	Yard connections (No)
Alfred Nzo	Matatiele	MAT001	Kinira River Dam WSIA	✓	Upgrade	54	310	496.00	37 353
Alfred Nzo	Umzimvubu	UMZ001	Mkhemane Dam WSIA	✓	New	37	916	1 603.00	35 482
Alfred Nzo	Ntabankulu	NTB001	Nkanji Dam WSIA	✓	New	25	478	836.50	21 504
Alfred Nzo	Mbizana	MBZ001	Mbizana WSIA	✗	Upgrade	70	968	1 694.00	45 233

WSA	WSIA Name	No of HH 2035	Water Requirement 2035 (MI/d)	Total Cost Requirement (R'000)	Bulk Cost (R'000)	Reticulation Cost (R'000)	Cost per HH
				Yard Connection			
Alfred Nzo	Kinira River Dam WSIA	44 468	35.29	R 5 124	R 3 477	R 1 646	R 115 222
Alfred Nzo	Mkhemane Dam WSIA	46 081	26.38	R 5 937	R 4 231	R 1 706	R 128 841
Alfred Nzo	Nkanji Dam WSIA	29 457	15.04	R 4 481	R 3 391	R 1 091	R 152 135
Alfred Nzo	Mbizana WSIA	51 992	51.87	R 5 433	R 3 508	R 1 925	R 104 501
Alfred Nzo	4 WSIA's	171 998	128.58	R 20 975	R 14 608	R 6 368	R 121 952

Water Supply interventions considered



2.3.6. 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 2019/20 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

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 26 Municipal Ward-based Primary Health Care Outreach Teams (WBPHCOTs) within the District.

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, is 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%, Sipetu 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.

Stock visibility system:

There is 90% availability of nmeduicaine 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. 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

Hospital revitalization:

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

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).

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 2020-2021 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 2019-2020 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.

Clinics on upgrade from mud structures to the formal structure:

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

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:

Electricity Connectivity

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

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.

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.

2.3.8. 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.

Agri-Production in ANDM – A five to ten-year perspective

As stated in the diagram, and subject to detailed verification, ANDM aims to plough a total of 41000 ha which is a conservative target from that one which was initially identified in the ANDM Grain Master Plan of 80 000. Furthermore, against the current trend of ploughing 1 crop a year, ANDM wishes to initiate crop rotation in order to intensify production and place emphasis on the commercialisation aspect of the programme.

The target commodities include maize, hay, dry beans and potato subject to the suitability 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

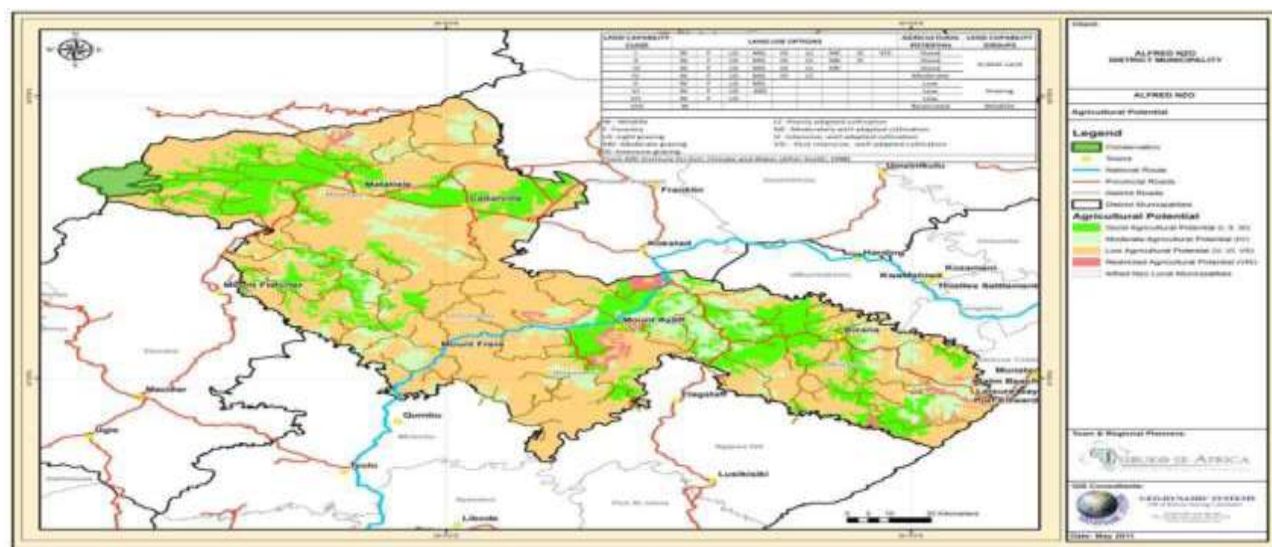
Small Scale Fishing Support Programmes

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



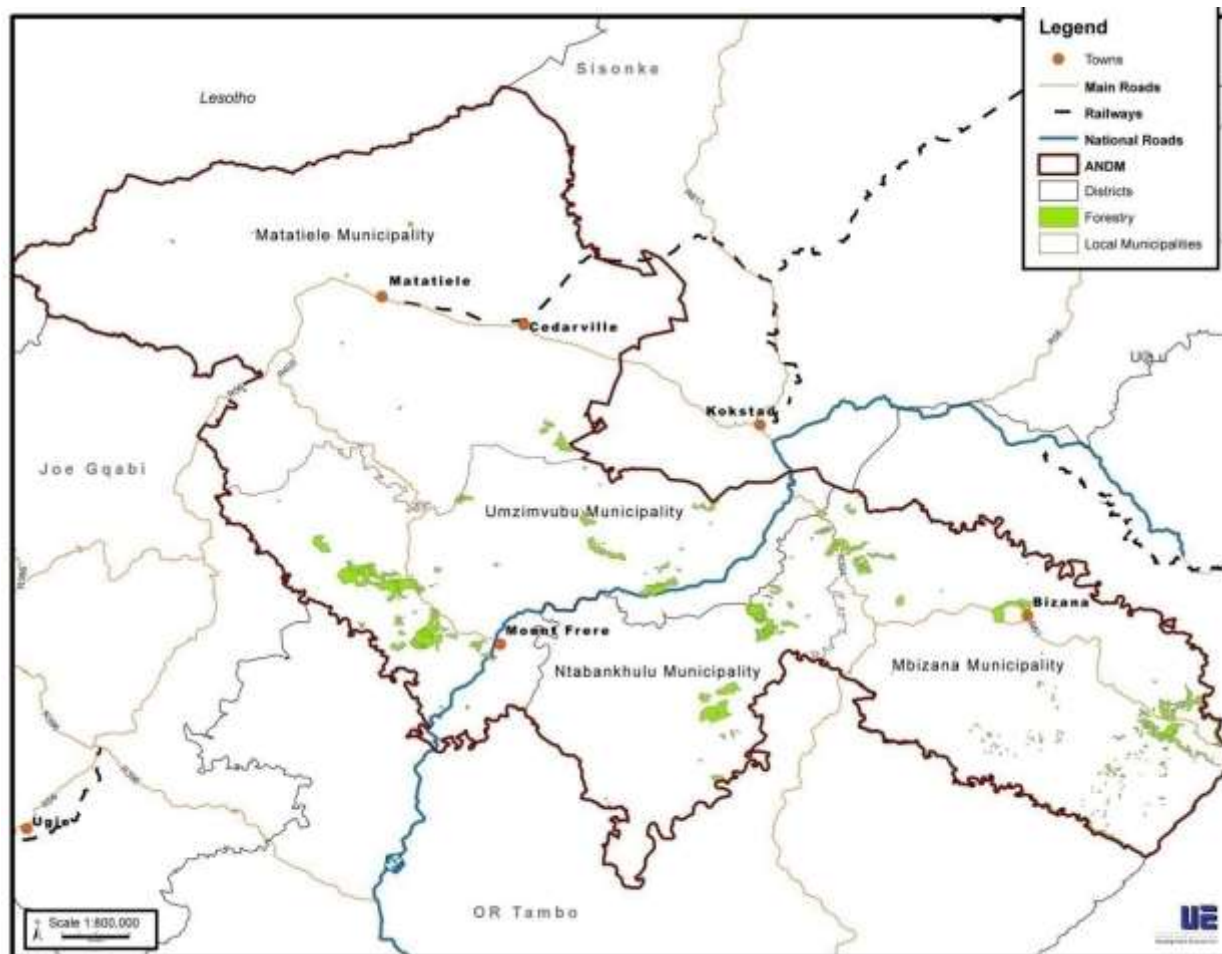
7 See DRDAR's "EC Agricultural Economic Transformation Strategy, 2020-2021"

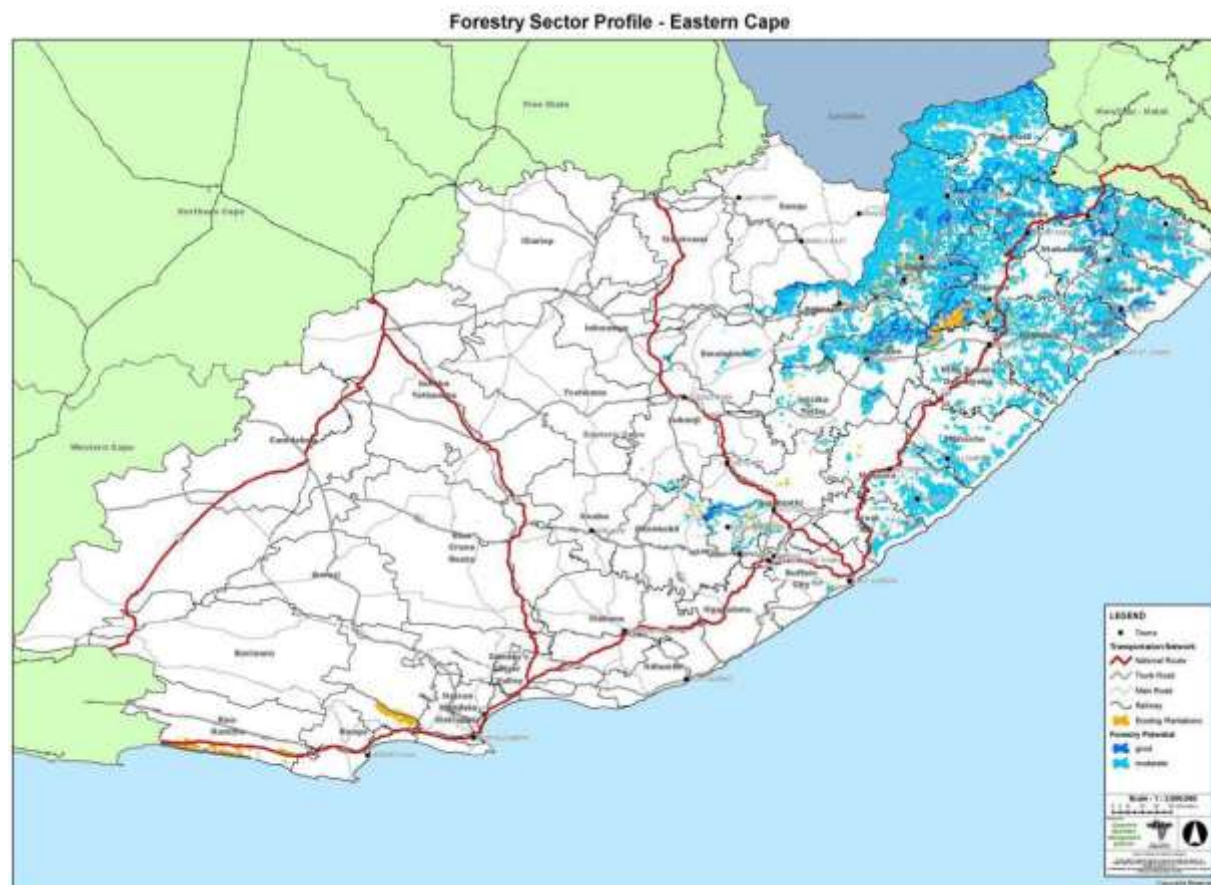
8 Irrigable land parcels are less than 50 ha each.

2.3.9. Forestry

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

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





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.

2.3.10. 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

2.3.11 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

Mehloding 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)

2.3.12. 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 developments 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.

2.3.13. 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.

2.3.14. 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 degradation 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

Ongelukshnek 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.

2.3.15. 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

6. THE ANDM SWOT ANALYSIS

Strength	Weakness
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.	Investors are afraid and not willing to invest in places such as Mbizana due to inadequate 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). Mostly rural (less revenue collection) Fragmented tourism clusters

Strength	Weakness
	Unused arable land Disintegration of the ANDM towns Land claims on the ANDM urban commonages (delaying development)
Opportunities	Threats
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. Proposed Coastal Smart City. 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. 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	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 and this will have a negative impact on the economy of these towns) 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

7. THE FINANCIAL PLAN

Financial

To enable performance in these six areas ANDM employs about 580 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 R317,4m (being R304.6 for employees and R13,2m for the remuneration for Councillors) projected in 2022-2023 FY which translated to 38,2% of the total operating expenditure.

DC44 Alfred Nzo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5 944	6,745	6,013	6,918	6,008	6 008	6,309	6,586	6,883
Pension and UIF Contributions		816	808	854	934	675	675	639	667	697
Medical Aid Contributions		264	212	228	256	211	211	222	232	242
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		504	511	616	545	1,210	1 210	1,270	1,326	1,386
Housing Allowances		1 093	1,249	1,324	1,494	2,801	2 801	2,941	3,071	3,209
Other benefits and allowances		1 738	2,040	1,788	2,249	1,694	1 694	1,800	1,879	1,964
Sub Total - Councillors		10 359	11,565	10,824	12,396	12,600	12 600	13,181	13,761	14,381
%increase	4		11.6%	(6.4%)	14.5%	1.6%	-	4.6%	4.4%	4.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 108	744	1,276	5,065	5,587	5 587	31,702	33,097	34,587
Pension and UIF Contributions		3	2	2	1,293	562	562	1,416	1,479	1,545
Medical Aid Contributions		-	-	2	719	710	710	2,859	2,985	3,119
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		135	79	-	422	422	422	443	463	484
Motor Vehicle Allowance	3	490	282	300	1,194	1,260	1 260	1,323	1,382	1,444
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	342	342	342	359	375	392
Other benefits and allowances	3	0	0	0	643	536	536	701	732	765
Payments in lieu of leave		385	-	-	-	100	100	500	522	545
Long service awards		897	(486)	(256)	-	-	-	60	63	65
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 019	621	1,323	9,679	9,519	9 519	39,365	41,097	42,947
%increase	4		(84.5%)	113.1%	631.4%	(1.7%)	-	313.6%	4.4%	4.5%
Other Municipal Staff										
Basic Salaries and Wages		158 930	176,337	187,358	184,432	175,959	175 959	164,638	171,634	179,279
Pension and UIF Contributions		17 447	19,769	21,098	27,638	28,585	28 585	29,620	30,907	32,281
Medical Aid Contributions		8 638	9,804	10,862	15,123	14,859	14 859	14,225	14,900	15,576
Overtime		1 241	3,549	4,938	19,731	20,528	20 528	6,654	6,975	7,325
Performance Bonus		9 702	11,071	11,443	12,655	12,637	12 637	13,937	14,698	15,376
Motor Vehicle Allowance	3	15 420	16,568	17,298	18,631	19,061	19 061	20,632	21,637	22,638
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	7 268	7,100	7,179	7,076	7,581	7 581	8,253	8,631	9,097
Other benefits and allowances	3	15 489	17,313	5,130	4,230	6,339	6 339	4,604	4,808	5,025
Payments in lieu of leave		4 370	4,088	3,229	1,810	3,929	3 929	1,980	2,067	2,160
Long service awards		1 551	2,102	2,141	655	1,240	1 240	719	750	784
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		240 056	267,701	270,675	291,980	290,718	290 718	265,262	277,006	289,541
%increase	4		11.5%	1.1%	7.9%	(0.4%)	-	(8.8%)	4.4%	4.5%
Total Parent Municipality		254 435	279,887	282,822	314,055	312,836	312 836	317,808	331,864	346,868
			10.0%	1.0%	11.0%	(0.4%)	-	1.6%	4.4%	4.5%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
%increase	4		-	-	-	-	-	-	-	-

Segment staff compensation

ANDM continues to be almost entirely dependent on income from grants. Own revenue (mainly from water and sanitation service charges) accounts for only 8.4% of total income.¹⁰ Conditional grants (mainly MIG, MWIG and RBIG) accounted for 68.8% of total income and equitable share accounted for 82.4% of total income. Essentially equitable share covers Opex and conditional grants cover capex. Total expenditure in 2022/23 was roughly equally split between Opex and capex. Most of the capex budget goes to extending bulk water supply throughout the district.

Assets

ANDM has assets worth R 5 505 136 000 at end June 2021, in the form of property plant and equipment, land and buildings, water and sanitation infrastructure (although much is old and requiring maintenance and rehabilitation), motor vehicles and current assets such as cash, investments and debtors (accounts receivable for water and sanitation services). There are personnel at a middle level management appointed to manage offices in line with their line functions of responsibility. The District municipality has satellite offices in all four local municipalities. Its head office is situated in EmaXesibeni where most of the administrative functions are carried out. The Council Chamber is also situated in EmaXesibeni headquarters.

The following table outlines the audited depreciated values of the ANDM asset portfolio:

Asset type	Audited depreciated value at end June 2021
Investments Property	(R 9 884 000)
Intangible assets	R 1 327 000
Property, plant and equipment	R4 573 235 000
Other non-current assets	R 131 000
Current assets	R 932 246 000
TOTAL ASSETS	R 5 505 136 000

DC44 Alfred Nzo - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Current assets											
Cash		282,497	513,642	775,235	670,771	667,051	667,051	830,015	908,057	973,339	1,056,544
Call investment deposits	1	8,022	73,100	9,431	132,078	130,440	130,440	309,899	30,179	61,686	94,610
Consumer debtors	1	50,612	56,321	51,433	58,119	63,119	63,119	61,138	34,098	35,613	26,682
Other debtors		48,229	46,686	96,530	35,556	35,556	35,556	57,138	71,669	71,669	71,669
Current portion of long-term receivables		(473)	(432)	(384)	-	-	-	(748)	-	-	-
Inventory	2	-	-	-	55,137	54,867	54,867	18,603	17,766	7,326	6,856
Total current assets		388,887	689,317	932,246	951,660	951,033	951,033	1,276,046	1,061,769	1,149,632	1,256,361
Non current assets											
Long-term receivables		2,377	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	9,884	9,884	9,884
Investment property		(1,803)	(1,803)	(1,803)	1,803	1,803	1,803	(1,803)	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment		3,932,689	4,242,100	4,573,235	5,195,145	5,396,235	5,594,399	4,943,162	5,282,540	5,847,438	6,437,458
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		2,758	2,021	1,327	1,423	1,493	1,493	918	1,973	3,031	4,136
Other non-current assets		131	131	131	131	131	131	131	131	131	131
Total non current assets		3,936,152	4,242,449	4,572,890	5,198,502	5,399,662	5,597,827	4,942,407	5,294,529	5,860,484	6,451,608
TOTAL ASSETS		4,325,039	4,931,766	5,505,136	6,150,162	6,350,695	6,548,859	6,218,453	6,356,297	7,010,116	7,707,969
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	159,942	301,045	326,109	303,180	302,911	(302,911)	409,022	282,754	238,021	236,165
Provisions		-	-	-	-	-	-	-	30,148	30,148	30,148
Total current liabilities		159,942	301,045	326,109	303,180	302,911	(302,911)	409,022	312,902	268,170	266,313
Non current liabilities											
Borrowing		5,422	233	205	-	-	-	224	-	-	-
Provisions		8,923	9,603	9,911	9,603	9,603	(9,603)	9,911	10,387	10,387	10,387
Total non current liabilities		14,345	9,836	10,116	9,603	9,603	(9,603)	10,135	10,387	10,387	10,387
TOTAL LIABILITIES		174,287	310,881	336,225	312,783	312,514	(312,514)	419,157	323,289	278,556	276,700
NET ASSETS	5	4,150,752	4,620,885	5,168,911	5,837,379	6,038,181	6,861,373	5,799,296	6,033,008	6,731,559	7,431,269
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	4	3,629,593	4,171,054	5,186,596	5,837,347	6,038,311	6,038,311	5,801,553	6,033,008	6,731,559	7,431,269
Reserves		32	32	32	32	32	(32)	32	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	3,629,625	4,171,087	5,186,629	5,837,379	6,038,343	6,038,278	5,801,586	6,033,008	6,731,559	7,431,269

Financial Viability and Financial Management

Financial viability at a 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 2023

The total budget for the financial year 2022-2023 is R1.424 Billion.

DC44 Alfred Nzo - Table A1 Budget Summary

Description R thousands	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	36 022	24 667	16 241	38 531	38 001	38 001	24 714	39 146	40 923	42 822
Investment revenue	38 857	45 362	34 808	30 108	28 471	28 471	24 087	30 179	31 507	32 925
Transfers recognised - operational	534 827	581 602	696 279	642 017	642 035	642 035	634 497	708 835	742 452	790 854
Other own revenue	2 163	1 822	1 624	78 440	101 351	101 351	894	100 648	105 077	109 805
Total Revenue (excluding capital transfers and contributions)	611,869	653,454	748,952	789,096	809,857	809,857	684,192	878,808	919,959	976,406
Employee costs	244 076	268 322	271 999	301 659	300 237	300 237	233 230	304 627	318 103	332 487
Remuneration of councillors	10 359	11 565	10 824	12 396	12 600	12 600	8 461	13 181	13 761	14 381
Depreciation & asset impairment	77 302	80 818	95 984	100 000	100 000	100 000	83 195	100 000	104 400	109 098
Finance charges	739	359	4	-	500	500	406	-	-	-
Inventory consumed and bulk purchases	13 056	13 826	14 832	32 955	34 444	34 444	-	43 997	45 933	48 000
Transfers and grants	17 699	18 707	17 738	21 150	21 002	21 002	17 777	31 150	32 521	33 984
Other expenditure	209 433	226 552	265 936	316 891	319 411	319 411	181 493	338 997	340 808	356 180
Total Expenditure	572,664	620,150	677,316	785,051	788,192	788,192	524,562	831,953	855,526	894,130
Surplus/(Deficit)	39 205	33 303	71 635	4 045	21 665	21 665	159 630	46 855	64 434	82 276
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	503 271	437 188	492 477	564 558	748 291	748 291	472 057	550 572	615 050	647 704
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
	542,476	470,492		568,603	769,956	769,956	631,687	597,427	679,484	729,980
Surplus/(Deficit) after capital transfers & contributions										
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	542,476	470,492	-	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Capital expenditure & funds sources										
Capital expenditure	752 240	1 094 110	424 552	564 360	765 520	765 520	452 739	592 262	663 821	698 621
Transfers recognised - capital	565 489	868 504	392 286	516 880	714 694	714 694	429 595	521 466	589 910	621 384
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	3 117	14 097	25 830	47 480	50 576	50 576	23 144	70 796	73 911	77 237
Total sources of capital funds	568 606	882 602	418 116	564 360	765 270	765 270	452 739	592 262	663 821	698 621
Financial position										
Total current assets	388 887	689 317	932 246	951 660	951 033	951 033	1 276 046	1 061 769	1 149 632	1 256 361
Total non current assets	3 936 152	4 242 449	4 572 890	5 198 502	5 399 662	5 597 827	4 942 407	5 294 529	5 860 484	6 451 608
Total current liabilities	159 942	301 045	326 109	303 180	302 911	(302 911)	409 022	312 902	268 170	266 313
Total non current liabilities	14 345	9 836	10 116	9 603	9 603	(9 603)	10 135	10 387	10 387	10 387
Community wealth/Equity	3 629 625	4 171 087	5 186 629	5 837 379	6 038 343	6 038 278	5 801 586	6 033 008	6 731 559	7 431 269
Cash flows										
Net cash from (used) operating	457 413	656 980	1 093 421	693 603	889 405	889 405	1 491 635	718 052	760 609	814 751
Net cash from (used) investing	-	-	(420 104)	(564 360)	(765 520)	(765 520)	(518 271)	(592 262)	(663 821)	(698 621)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	457 413	656 980	1 260 490	802 849	797 491	797 491	1 758 030	938 236	1 035 025	1 151 154
Cash backing/surplus reconciliation										
Cash and investments available	290 519	586 742	784 666	802 849	797 491	797 491	1 139 915	948 120	1 044 908	1 161 038
Application of cash and investments	(837 131)	84 493	22 927	245 062	240 076	(365 746)	(2 965 431)	195 037	156 555	162 736
Balance - surplus (shortfall)	1 127 651	502 249	761 739	557 787	557 415	1 163 237	4 105 345	753 083	888 353	998 301
Asset management										
Asset register summary (WDV)	1 901 787	1 896 333	2 012 541	664 475	677 417	677 417	677 417	4 833 925	4 914 274	5 010 426
Depreciation	77 302	80 818	95 984	100 000	100 000	100 000	100 000	100 000	104 400	109 098
Renewal and Upgrading of Existing Assets	423 714	736 096	130 750	195 134	237 784	237 784	237 784	181 416	295 352	373 571
Repairs and Maintenance	38 998	44 177	75 146	47 231	55 011	55 011	55 011	72 950	76 061	79 462
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided							2,839	2,839	2,964	3,097
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-

The budget prepared prepared by the municipality is in line with the IDP and Performance (SDBIP), meaning that the projects that are in the IDP are those in the budget as well as in the SDBIP.

Income Allocations and Sources of Revenue

The Alfred Nzo Municipality derives its income from several sources:

National:

Equitable share

Finance Management Grant

Regional Bulk Infrastructure Grant

Municipal Infrastructure Grant Funding

Water Services Infrastructure Grant (WSIG) - Water and sanitation backlog funding (DWA)

Road Asset Management Grant - RAMS

Expanded Public Works Programme - EPWP

Infrastructure Skills Development Grant – ISDG

Municipal Systems Improvement Grant – MSIG

DC44 Alfred Nzo - Supporting Table SA18 Transfers and grant receipts

Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		537 117	584 028	696 279	642 017	642 417	642 417	711 285	744 911	793 402
Local Government Equitable Share		510 344	556 720	673 097	618 487	618 487	618 487	686 652	732 425	780 318
Financial Management Grant		1 865	1 865	1 700	1 950	1 950	1 950	1 950	1 950	1 950
Municipal Systems Improvement Grant		-	-	-	-	-	-	2 787	2 380	2 380
Expanded Public Works Programme		10 844	9 174	8 751	9 740	9 740	9 740	9 337	-	-
Infrastructure Skills Development Grant		5 400	5 400	5 435	5 500	5 500	5 500	5 500	5 500	6 000
Energy Efficiency Grant		6 000	6 000	4 500	4 000	4 000	4 000	2 420	-	-
Local Government Seta		374	403	487	-	350	350	189	197	206
Services Seta		-	-	-	-	50	50	-	-	-
Climate Change Grant		-	163.00	-	-	-	-	-	-	-
Municipal Disaster Management Grant		-	1 877	-	-	-	-	-	-	-
Rural Roads Asset Management Grant		2 290	2 426	2 309	2 340	2 340	2 340	2 450	2 459	2 548
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		537 117	584 028	696 279	642 017	642 417	642 417	711 285	744 911	793 402
Capital expenditure of Transfers and Grants										
National Government:		500 981	434 762	492 477	564 558	713 291	713 291	548 122	612 591	645 156
Municipal Infrastructure Grant		347 914	305 129	340 429	398 778	487 511	487 511	433 122	453 622	475 431
Regional Bulk Infrastructure		43 067	45 063	57 098	55 780	115 780	115 780	15 000	43 969	60 000
Grant Water Services Grant		110 000	84 570	94 950	110 000	110 000	110 000	100 000	115 000	109 725
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		500 981	434 762	492 477	564 558	713 291	713 291	548 122	612 591	645 156
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 038 098	1 018 790	1 188 756	1 206 575	1 355 708	1 355 708	1 259 407	1 357 502	1 438 558

Own income:

Water and Sanitation service fees

Interest from investments

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.

DC44 Alfred Nzo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description R thousand	Ref 1	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	32,550	22,180	14,854	34,955	34,605	34,605	21,757	35,547	37,166	38,895
Service charges - sanitation revenue	2	3,472	2,487	1,387	3,576	3,396	3,396	2,956	3,599	3,758	3,927
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		370	207	3	-	2	2	2	-	-	-
Interest earned - external investments		38,857	45,362	34,808	30,108	28,471	28,471	24,087	30,179	31,507	32,925
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		534,827	581,602	696,279	642,017	642,035	642,035	634,497	708,835	742,452	790,854
Other revenue	2	3,034	1,745	1,362	78,440	101,349	101,349	893	100,648	105,077	109,805
Gains		(1,240)	(130)	259	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		611,869	653,454	748,952	789,096	809,857	809,857	684,192	878,808	919,959	976,406
Expenditure By Type											
Employee related costs	2	244,076	268,322	271,999	301,659	300,237	300,237	233,230	304,627	318,103	332,487
Remuneration of councillors	3	10 359	11 565	10 824	12 396	12 600	12 600	8 461	13 181	13 761	14 381
Debt impairment	2	7 815	2 593	51	25 000	20 000	20 000	0	24 539	25 619	26 771
Depreciation & asset impairment	2	77,302	80,818	95,984	100,000	100,000	100,000	83,195	100,000	104,400	109,098
Finance charges	8	739	359	4	-	500	500	406	-	-	-
Bulk purchases - electricity	4.5	-	-	-	-	-	-	-	-	-	-
Inventory consumed		13 056	13 826	14 832	32 955	34 444	34 444	0	43 997	45 933	48 000
Contracted services		118 565	142 584	188 777	202 137	194 533	194 533	108 748	199 394	196 317	205 010
Transfers and subsidies		17 699	18 707	17 738	21 150	21 002	21 002	17 777	31 150	32 521	33 984
Other expenditure		83 054	81 423	75 699	89 754	104 878	104 878	72 745	115 065	118 873	124 399
Losses		-	-47	1,409	-	-	-	-	-	-	-
Total Expenditure		572,664	620,150	677,316	785,051	788,192	788,192	524,562	831,953	855,526	894,130
Surplus/(Deficit)		39,205	33,303	71,635	4,045	21,665	21,665	159,630	46,855	64,434	82,276
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		503,271	437,188	492,477	564,558	748,291	748,291	472,057	550,572	615,050	647,704
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
		542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Surplus/(Deficit) after capital transfers & Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980

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 it 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. Municipalities are and have been negatively impacted the most by the Covid wherein most of the people lost their jobs and some their business. Key factors to the predicament are the issues of, but not limited to:

Increased poverty due to loss of jobs

Non-payment for services, increasing the municipality's debtor's book

The Division of Revenue has laid out the level of funding from National Government for the next three years.

Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		537 117	584 028	696 279	642 017	642 417	642 417	711 285	744 911	793 402
Local Government Equitable Share		510 344	556 720	673 097	618 487	618 487	618 487	686 652	732 425	780 318
Financial Management Grant		1 865	1 865	1 700	1 950	1 950	1 950	1 950	1 950	1 950
Municipal Systems Improvement Grant		-	-	-	-	-	-	2 787	2 380	2 380
Expanded Public Works Programme		10 844	9 174	8 751	9 740	9 740	9 740	9 337	-	-
Infrastructure Skills Development Grant		5 400	5 400	5 435	5 500	5 500	5 500	5 500	5 500	6 000
Energy Efficiency Grant		6 000	6 000	4 500	4 000	4 000	4 000	2 420	-	-
Local Government Seta		374	403	487	-	350	350	189	197	206
Services Seta		-	-	-	-	50	50	-	-	-
Climate Change Grant		-	163.00	-	-	-	-	-	-	-
Municipal Disaster Management Grant		-	1 877	-	-	-	-	-	-	-
Rural Roads Asset Management Grant		2 290	2 426	2 309	2 340	2 340	2 340	2 450	2 459	2 548
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		537 117	584 028	696 279	642 017	642 417	642 417	711 285	744 911	793 402
Capital expenditure of Transfers and Grants										
National Government:		500 981	434 762	492 477	564 558	713 291	713 291	548 122	612 591	645 156
Municipal Infrastructure Grant		347 914	305 129	340 429	398 778	487 511	487 511	433 122	453 622	475 431
Regional Bulk Infrastructure		43 067	45 063	57 098	55 780	115 780	115 780	15 000	43 969	60 000
Grant Water Services Grant		110 000	84 570	94 950	110 000	110 000	110 000	100 000	115 000	109 725
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		500 981	434 762	492 477	564 558	713 291	713 291	548 122	612 591	645 156
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 038 098	1 018 790	1 188 756	1 206 575	1 355 708	1 355 708	1 259 407	1 357 502	1 438 558

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 cash flow is positive showing an increase in internal funding

The liquidity ratio for ANDM has improved compared to the previous financial years.

Below is the review by National Treasury issued in March 2021:

Financial Health Indicator - Audit Outcome - 2013/14 30 June 2014	Financial Health Indicator - Audit Outcome - 2014/15 30 June 2015	Financial Health Indicator - Audit Outcome - 2016/17 30 June 2017	Financial Health Indicator - Audit Outcome - 2017/18 30 June 2018	Financial Health Indicator - Audit Outcome - 2018/19 30 June 2019
Short to Medium Term Viability	Constraint Liquidity Ratio	Insolvent	Solvent - Unable to Pay Creditors	Short to Medium Term Viability

Debtor collection measures which have an impact on the liquidity of the municipality. Currently the municipality takes 180 days to recover its debts.

DC44 Alfred Nzo Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	457,413	656,980	1,260,490	802,849	797,491	797,491	1,758,030	938,236	1,035,025	1,151,154
Cash + investments at the yr end less applications - R'000	18(1)b	2	1,127,651	502,249	761,739	557,787	557,415	1,163,237	4,105,345	753,083	888,353	998,301
Cash year end/monthly employee/supplier payments	18(1)b	3	125	16.3	28.7	15.8	16.4	15.9	52.7	17.7	19.1	20.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	5	N.A.	(37.5%)	(40.2%)	131.2%	(7.4%)	(6.0%)	(41.0%)	(3.0%)	(1.5%)	(1.4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	959.8%	188.5%	187.7%	100.0%	99.7%	99.7%	2845.9%	97.2%	90.0%	90.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	21.7%	10.5%	0.3%	64.9%	52.6%	52.6%	0.0%	62.7%	62.6%	62.5%
Capital payments % of capital expenditure	18(1)c:19	8	0.0%	0.0%	99.0%	100.0%	100.0%	100.0%	114.5%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	4.3%	43.9%	(36.5%)	5.3%	0.0%	19.1%	7.2%	1.4%	(8.3%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(w)	13	1.0%	1.0%	1.6%	0.9%	1.0%	1.0%	1.5%	1.4%	1.3%	1.2%
Asset renewal % of capital budget	20(1)(w)	14	11.1%	7.7%	4.3%	9.9%	8.0%	8.0%	0.0%	2.8%	8.6%	8.6%
Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a			(31.5%)	(34.2%)	137.2%	(1.4%)	0.0%	(35.0%)	3.0%	4.5%	4.6%
% incr Property Tax	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - electricity revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - water revenue	18(1)a			(31.9%)	(33.0%)	135.3%	(1.0%)	0.0%	(37.1%)	2.7%	4.6%	4.7%
% incr Service charges - sanitation revenue	18(1)a			(28.4%)	(44.2%)	157.8%	(5.0%)	0.0%	(12.9%)	6.0%	4.4%	4.5%
% incr Service charges - refuse revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr in	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		36,022	24,667	16,241	38,531	38,001	38,001	24,714	39,146	40,923	42,822
Service charges			36,022	24,667	16,241	38,531	38,001	38,001	24,714	39,146	40,923	42,822
Property rates			-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue			-	-	-	-	-	-	-	-	-	-
Service charges - water revenue			32,550	22,180	14,854	34,955	34,605	34,605	21,757	35,547	37,166	38,895
Service charges - sanitation revenue			3,472	2,487	1,387	3,576	3,396	3,396	2,956	3,599	3,758	3,927
Service charges - refuse removal			-	-	-	-	-	-	-	-	-	-
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			370	207	3	-	2	2	2	-	-	-
Capital expenditure excluding capital grant funding			186,750	225,605	32,265	47,480	50,826	50,826	23,144	70,796	73,911	77,237
Cash receipts from ratepayers	18(1)a		378,413	50,172	33,036	116,971	138,952	138,952	728,783	135,880	131,400	137,365
Ratepayer & Other revenue	18(1)a		39,425	26,619	17,605	116,971	139,352	139,352	25,608	139,794	146,000	152,627
Change in consumer debtors (current and non-current)			21,535	1,830	45,005	(53,905)	(48,905)	(48,905)	(30,052)	12,092	1,515	(8,931)
Operating and Capital Grant Revenue	18(1)a		1,038,098	1,018,790	1,188,756	1,206,575	1,390,326	1,390,326	1,106,553	1,259,407	1,357,502	1,438,558
Capital expenditure - total	20(1)(w)		752,240	1,094,110	424,552	564,360	765,520	765,520	452,739	592,262	663,821	698,621
Capital expenditure - renewal	20(1)(w)		83,812	83,845	18,228	55,951	61,280	61,280		16,500	57,226	59,801
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY										711,285	744,911	793,402
DoRA capital grants total MFY										548,122	612,591	645,156
Provincial operating grants										-	-	-
Provincial capital grants										-	-	-
District Municipality grants										-	-	-
Total gazetted/advised national, provincial and district grants										1,259,407	1,357,502	1,438,558
Average annual collection rate (arrears inclusive)												
DoRA operating												
<i>Equitable Share</i>										686,652	732,425	780,318
Financial Management Grant										1,950	1,950	1,950
Municipal Systems Improvement Grant										2,787	2,380	2,380
Expanded Public Works Programme										9,337	-	-
Infrastructure Skills Development Grant										5,500	5,500	6,000
Energy Efficiency Grant										2,420	-	-

DC44 Alfred Nzo - Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		31,400	38,805	31,573	38,531	38,007	38,007	20,965	35,231	36,831	38,540
Other revenue		347,014	11,367	1,463	78,440	100,945	100,945	707,818	100,648	94,569	98,825
Transfers and Subsidies - Operational	1	369,625	580,716	694,225	642,017	642,435	642,435	642,374	708,835	742,452	790,854
Transfers and Subsidies - Capital	1	149,140	506,255	496,779	564,558	748,291	748,291	620,711	550,572	615,050	647,704
Interest		23,165	31,201	-	30,108	28,471	28,471	468	30,179	31,507	32,925
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(444,796)	(492,328)	(130,619)	(660,051)	(668,744)	(668,744)	(500,702)	(707,414)	(759,800)	(794,096)
Finance charges		(739)	(359)	-	-	-	-	-	-	-	-
Transfers and Grants	1	(17,395)	(18,676)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		457,413	656,980	1,093,421	693,603	889,405	889,405	1,491,635	718,052	760,609	814,751
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	(420,104)	(564,360)	(765,520)	(765,520)	(518,271)	(592,262)	(663,821)	(698,621)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(420,104)	(564,360)	(765,520)	(765,520)	(518,271)	(592,262)	(663,821)	(698,621)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		457,413	656,980	673,318	129,243	123,885	123,885	973,364	125,790	96,788	116,129
Cash/cash equivalents at the year begin:	2	-	-	587,172	673,606	673,606	673,606	784,666	812,446	938,236	1,035,025
Cash/cash equivalents at the year end:	2	457,413	656,980	1,260,490	802,849	797,491	797,491	1,758,030	938,236	1,035,025	1,151,154

Financial 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 resources they use, for what they do with the resources provided to them. 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 and 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.

Indigent Management:

The District Municipality does not have its own Indigent register, it is working together with the local municipalities to compile the register. There is no verification system that is used to verify the information on the register. The Indigent register is reviewed annually to maintain its credibility.

There is a steering committee (consisting of Traditional leader, Councilor, Ward Committees, ANDM FBS Co-ordinator and Co-ordinator from the local municipality) that sit to verify the indigents.

List of Indigents are sent to the Revenue section for verification. Reports are prepared and sent to Cogta on a monthly basis for the update of status quo.

The municipality has set funds aside on its budget in order to cover for the Indigents.

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.

DC44 Alfred Nzo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description R thousand	Ref 1	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	32,550	22,180	14,854	34,955	34,605	34,605	21,757	35,547	37,166	38,895
Service charges - sanitation revenue	2	3,472	2,487	1,387	3,576	3,396	3,396	2,956	3,599	3,758	3,927
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		370	207	3	-	2	2	2	-	-	-
Interest earned - external investments		38,857	45,362	34,808	30,108	28,471	28,471	24,087	30,179	31,507	32,925
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		534,827	581,602	696,279	642,017	642,035	642,035	634,497	708,835	742,452	790,854
Other revenue	2	3,034	1,745	1,362	78,440	101,349	101,349	893	100,648	105,077	109,805
Gains		(1,240)	(130)	259	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		611,869	653,454	748,952	789,096	809,857	809,857	684,192	878,808	919,959	976,406
Expenditure By Type											
Employee related costs	2	244,076	268,322	271,999	301,659	300,237	300,237	233,230	304,627	318,103	332,487
Remuneration of councillors	3	10 359	11 565	10 824	12 396	12 600	12 600	8 461	13 181	13 761	14 381
Debt impairment	2	7 815	2 593	51	25 000	20 000	20 000	0	24 539	25 619	26 771
Depreciation & asset impairment	2	77,302	80,818	95,984	100,000	100,000	100,000	83,195	100,000	104,400	109,098
Finance charges	8	739	359	4	-	500	500	406	-	-	-
Bulk purchases - electricity	4.5	-	-	-	-	-	-	-	-	-	-
Inventory consumed		13 056	13 826	14 832	32 955	34 444	34 444	0	43 997	45 933	48 000
Contracted services		118 565	142 584	188 777	202 137	194 533	194 533	108 748	199 394	196 317	205 010
Transfers and subsidies		17 699	18 707	17 738	21 150	21 002	21 002	17 777	31 150	32 521	33 984
Other expenditure		83 054	81 423	75 699	89 754	104 878	104 878	72 745	115 065	118 873	124 399
Losses		-	-47	1,409	-	-	-	-	-	-	-
Total Expenditure		572,664	620,150	677,316	785,051	788,192	788,192	524,562	831,953	855,526	894,130
Surplus/(Deficit)		39,205	33,303	71,635	4,045	21,665	21,665	159,630	46,855	64,434	82,276
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		503,271	437,188	492,477	564,558	748,291	748,291	472,057	550,572	615,050	647,704
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & Taxation		542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Surplus/(Deficit) after taxation		542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980

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 are not 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. Collection 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 8% and 15% of their operating expenditure for repairs and maintenance. The municipality has budgeted for Infrastructure Asset Management Maintenance Plan funded under the MIG 5% slice.

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 accurately 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 meters are not accessible or not working, 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 is using MUNSOFT as its billing system 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. Currently the municipality is busy repairing and

replacing the meters that are not working as well as installing new water meters.

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 all its assets, provides a fair estimate of their worth and provides an estimate of the aging of the assets. A conditional assessment of the assets is done at least annually. 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. Again the municipality has budgeted for Infrastructure Asset Management Maintenance Plan funded under the MIG 5% slice. The municipality does not have any borrowed funds from any institution.

DC44 Alfred Nzo - Table A9 Asset Management										
Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CAPITAL EXPENDITURE										
Total New Assets	1	328,525	358,014	293,802	369,226	527,736	527,736	410,846	368,469	325,051
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		246,388	259,948	261,288	313,684	468,154	468,154	376,466	349,280	304,999

Sanitation Infrastructure	1,886	1,886	23,786	32,742	33,907	33,907	16,000	–	–
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	248,275	261,834	285,074	346,426	502,061	502,061	392,466	349,280	304,999
Community Facilities	–	–	–	1,500	–	–	2,500	2,610	2,727
Sport and Recreation Facilities	–	14	–	180	180	180	180	188	196
Community Assets	–	14	–	1,680	180	180	2,680	2,798	2,924
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	(276)	59	1,188	12,000	6,637	6,637	3,000	3,132	3,273
Housing	–	–	–	–	–	–	–	–	–
Other Assets	(276)	59	1,188	12,000	6,637	6,637	3,000	3,132	3,273
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–

Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		954	954	–	200	200	200	–	–	–
Intangible Assets		954	954	–	200	200	200	–	–	–
Computer Equipment		5,104	7,725	1,985	4,020	4,070	4,070	5,800	6,055	6,328
Furniture and Office Equipment		293	1,669	404	1,800	2,300	2,300	2,700	2,819	2,946
Machinery and Equipment		72,488	72,970	313	2,100	7,389	7,389	3,500	3,654	3,818
Transport Assets		1,688	12,788	4,838	1,000	4,900	4,900	700	731	764
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	83,812	83,845	18,228	55,951	61,280	61,280	16,500	57,226	59,801
Roads Infrastructure		0	0	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		79,932	79,932	18,228	55,901	61,230	61,230	16,500	57,226	59,801
Sanitation Infrastructure		5,635	5,635	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–

Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		85,567	85,567	18,228	55,901	61,230	61,230	16,500	57,226	59,801
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		(1,803)	(1,803)	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		(1,803)	(1,803)	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		(298)	(298)	–	–	–	–	–	–	–
Intangible Assets		(298)	(298)	–	–	–	–	–	–	–
Computer Equipment		346	379	–	50	50	50	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–

Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Upgrading of Existing Assets	6	339,902	652,251	112,522	139,183	176,503	176,503	164,916	238,126	313,769
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		469,402	515,441	86,119	111,572	132,576	132,576	163,916	237,082	312,678
Sanitation Infrastructure		(182,174)	84,191	26,404	25,532	41,728	41,728	–	–	–
Solid Waste Infrastructure		51,784	51,784	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		339,013	651,416	112,522	137,103	174,303	174,303	163,916	237,082	312,678

Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings	4	868	868	–	1,000	1,050	1,050	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		868	868	–	1,000	1,050	1,050	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	(55)	–	–	–	–	–	–	–
Licences and Rights		22	22	–	80	150	150	–	–	–
Intangible Assets		22	(33)	–	80	150	150	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	1,000	1,000	1,000	1,000	1,044	1,091
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–

Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	752,240	1,094,110	424,552	564,360	765,520	765,520	592,262	663,821	698,621
Roads Infrastructure	0	0	–	–	–	–	–	–	–
Storm water Infrastructure	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	795,723	855,320	365,634	481,157	661,961	661,961	556,882	643,588	677,478
Sanitation Infrastructure	(174,653)	91,712	50,190	58,274	75,634	75,634	16,000	–	–
Solid Waste Infrastructure	51,784	51,784	–	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Infrastructure	672,854	998,817	415,824	539,430	737,595	737,595	572,882	643,588	677,478
Community Facilities	–	–	–	1,500	–	–	2,500	2,610	2,727
Sport and Recreation Facilities	–	14	–	180	180	180	180	188	196

Community Assets	–	14	–	1,680	180	180	2,680	2,798	2,924
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	(1,803)	(1,803)	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	(1,803)	(1,803)	–	–	–	–	–	–	–
Operational Buildings	592	927	1,188	13,000	7,687	7,687	3,000	3,132	3,273
Housing	–	–	–	–	–	–	–	–	–
Other Assets	592	927	1,188	13,000	7,687	7,687	3,000	3,132	3,273
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	(55)	–	–	–	–	–	–	–
Licences and Rights	678	678	–	280	350	350	–	–	–
Intangible Assets	678	623	–	280	350	350	–	–	–
Computer Equipment	5,450	8,105	1,985	4,070	4,120	4,120	5,800	6,055	6,328
Furniture and Office Equipment	293	1,669	404	2,800	3,300	3,300	3,700	3,863	4,037
Machinery and Equipment	72,488	72,970	313	2,100	7,389	7,389	3,500	3,654	3,818
Transport Assets	1,688	12,788	4,838	1,000	4,900	4,900	700	731	764
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological	–	–	–	–	–	–	–	–	–

Animals										
TOTAL CAPITAL EXPENDITURE - Asset class		752,240	1,094,110	424,552	564,360	765,520	765,520	592,262	663,821	698,621
ASSET REGISTER SUMMARY - PPE (WDV)	5	1,901,787	1,896,333	2,012,541	664,475	677,417	677,417	4,833,925	4,914,274	5,010,426
Roads Infrastructure		0	0	(199)	—	—	—	—	—	—
Storm water Infrastructure		—	—	(35)	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		1,330,391	1,321,042	1,435,813	551,113	561,113	561,113	40,160	98,531	171,717
Sanitation Infrastructure		493,258	492,516	498,670	—	—	—	—	20,000	40,900
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		1,823,650	1,813,558	1,934,249	551,113	561,113	561,113	40,160	118,531	212,617
Community Assets		36,867	34,994	34,994	1,680	180	180	680	1,390	2,132
Heritage Assets		131	131	131	131	131	131	131	131	131

Investment properties		(1,803)	(1,803)	(1,803)	1,803	1,803	1,803	–	–	–
Other Assets		(3,310)	(2,975)	(2,157)	8,650	3,348	3,348	4,788,511	4,786,057	4,783,493
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		2,758	2,021	1,327	1,423	1,493	1,493	1,973	3,031	4,136
Computer Equipment		4,220	6,875	6,351	4,070	4,120	4,120	5,800	11,855	18,183
Furniture and Office Equipment		22,385	15,668	14,076	2,800	3,300	3,300	2,200	4,497	6,897
Machinery and Equipment		(1,397)	(1,076)	(774)	91,805	97,029	97,029	(6,229)	(12,649)	(19,357)
Transport Assets		17,822	28,475	25,681	1,000	4,900	4,900	700	1,431	2,194
Land		465	465	465	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,901,787	1,896,333	2,012,541	664,475	677,417	677,417	4,833,925	4,914,274	5,010,426
EXPENDITURE OTHER ITEMS		116,299	124,995	171,130	147,231	155,011	155,011	172,950	180,461	188,560
Depreciation	7	77,302	80,818	95,984	100,000	100,000	100,000	100,000	104,400	109,098
Repairs and Maintenance by Asset Classes	3	38,998	44,177	75,146	47,231	55,011	55,011	72,950	76,061	79,462
Roads Infrastructure		–	2,110	1,309	2,340	2,340	2,340	2,450	2,459	2,548

Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		34,951	35,794	65,050	32,500	39,000	39,000	57,000	59,508	62,186
Sanitation Infrastructure		(678)	–	2,174	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	164	19	–	–	–	8,000	8,352	8,728

Infrastructure Assets

The district is a water scarce area and has a backlog in provision of water resources. ANDM still continues to focus on development of new infrastructure. Although maintenance of infrastructure assets is not at a rate desirable rate, the Municipality continues to maintain 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 asset management strategy and asset replacement plan. The municipality has budgeted for Infrastructure Asset Management Maintenance Plan funded under the MIG 5% slice.

Municipal Fleet

ANDM's fleet is being replaced on a phased basis. For the municipality to ensure that its fleet continues to deliver services in an efficient way, a fleet management system has been acquired. The system ensures 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 municipal fleet is 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 culprits.

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.

The municipality opted for an early adoption of mSCOA in 2015/16 financial year in preparation for the budget implementation and this has been achieved through the acquisition of mSCOA compliant consolidated financial management system (Munsoft) which is already in full operation by the municipality. The municipality has the mSCOA resolution, mSCOA implementation plan, appointed SCOA champion and SCOA oversight committee as required by Treasury. At the inception the mSCOA was presented to the Council of the municipality for its implementation and has a council resolution for such.

The 2015/16 – 2023/27 MTREF budget preparation have been prepared according to the new requirements of mSCOA regulations. The municipality has been in compliance with all the versions of mSCOA as introduced by National Treasury. The final IDP and budget have been submitted to National Treasury on the mSCOA format of seven segments. The final budget will also be submitted to National Treasury on mSCOA format as well. The region for the projects has been made to refer to Wards where applicable instead of using Whole of the municipality on all the projects. The A Schedule has been prepared on 6.6 mSCOA version in compliance with MBRR.

Expenditure management

The municipality pays most of its creditors within the prescribed period of 30 days in accordance with section 65(2) (e) of the MFMA and few of them are not in compliance with this section. In order to cab the above 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 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.

DC44 Alfred Nzo - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS R thousand	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Receipts By Source															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	31,992	33,449	35,006
Service charges - sanitation revenue	270	270	270	270	270	270	270	270	270	270	270	270	3,239	3,382	3,534
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535	30,179	31,507	32,925
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	278,638	1,849	1,849	1,849	1,849	257,970	1,849	1,849	155,590	1,849	1,849	1,849	708,835	742,452	790,854
Other revenue	8,387	8,387	8,387	8,387	8,387	8,387	8,387	8,387	8,387	8,387	8,387	8,387	100,648	94,569	98,825
Cash Receipts by Source	292,476	15,687	15,687	15,687	15,687	271,808	15,687	15,687	169,428	15,687	15,687	15,687	874,894	905,359	961,143
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	45,881	45,881	45,881	45,881	45,881	45,881	45,881	45,881	45,881	45,881	45,881	45,881	550,572	615,050	647,704
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	338,357	61,568	61,568	61,568	61,568	317,689	61,568	61,568	215,309	61,568	61,568	61,568	1,425,466	1,520,409	1,608,847
Cash Payments by Type															
Employee related costs	26 484	26 484	26 484	26 484	26 484	26 484	26 484	26 484	26 484	26 484	26 484	26 484	317 808	331 864	346 868
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory	3 666	3 666	3 666	3 666	3 666	3 666	3 666	3 666	3 666	3 666	3 666	3 666	43 997	45 933	48 000
Contracted services	16 636	16 636	16 636	16 636	16 636	16 636	16 636	16 636	16 636	16 636	16 636	16 636	199 394	190 888	199 337
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	12 385	12 385	12 385	12 385	12 385	12 385	12 385	12 385	12 385	12 385	12 385	12 385	146 235	191 115	199 892
Cash Payments by Type	58,951	58,951	58,951	58,951	58,951	58,951	58,951	58,951	58,951	58,951	58,951	58,951	707,414	759,800	794,096
Other Cash Flows/Payments by Type															
Capital assets	49 355	49 355	49 355	49 355	49 355	49 355	49 355	49 355	49 355	49 355	49 355	49 355	592 262	663 821	698 621
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	108,306	108,306	108,306	108,306	108,306	108,306	108,306	108,306	108,306	108,306	108,306	108,306	1,299,676	1,423,621	1,492,718
NET INCREASE/(DECREASE) IN CASH HELD	230,051	(46,739)	(46,739)	(46,739)	(46,739)	209,383	(46,739)	(46,739)	107,003	(46,739)	(46,739)	(46,739)	125,790	96 788	116 129
Cash/cash equivalents at the month/year begin:	812,446	1,042,497	995,759	949,020	902,282	855,543	1,064,926	1,038,387	971,449	1,078,452	1,031,713	984,975	812,446	938,236	1,035,025
Cash/cash equivalents at the month/year end:	1,042,497	995,759	949,020	902,282	855,543	1,064,926	1,038,387	971,449	1,078,452	1,031,713	984,975	938,236	938,236	1,035,025	1,151,154

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 (Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee) 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. A quotations committee was also established for the procurement of goods and services above R30,000 and below R 200,000.

The Contract Management currently is still controlled under SCM, wherein the section has to ensure that it maintains a contract register on a monthly basis to be in line with the procurement plan. The service providers are also evaluated on the performance of the services that they have provided the municipality with and provided with a certificate after the completion of the service. A new contract management module is being implemented by the municipality. This will ensure that all contract records are kept safe and also automate the monitoring of contracts.

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 councilors and 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 and Councillors.

Description R thousand	Ref 1	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	32,550	22,180	14,854	34,955	34,605	34,605	21,757	35,547	37,166	38,895
Service charges - sanitation revenue	2	3,472	2,487	1,387	3,576	3,396	3,396	2,956	3,599	3,758	3,927
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		370	207	3	-	2	2	2	-	-	-
Interest earned - external investments		38,857	45,362	34,808	30,108	28,471	28,471	24,087	30,179	31,507	32,925
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		534,827	581,602	696,279	642,017	642,035	642,035	634,497	708,835	742,452	790,854
Other revenue	2	3,034	1,745	1,362	78,440	101,349	101,349	893	100,648	105,077	109,805
Gains		(1,240)	(130)	259	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		611,869	653,454	748,952	789,096	809,857	809,857	684,192	878,808	919,959	976,406
Expenditure By Type											
Employee related costs	2	244,076	268,322	271,999	301,659	300,237	300,237	233,230	304,627	318,103	332,487
Remuneration of councillors	3	10 359	11 565	10 824	12 396	12 600	12 600	8 461	13 181	13 761	14 381
Debt impairment	2	7 815	2 593	51	25 000	20 000	20 000	0	24 539	25 619	26 771
Depreciation & asset impairment	2	77,302	80,818	95,984	100,000	100,000	100,000	83,195	100,000	104,400	109,098
Finance charges	8	739	359	4	-	500	500	406	-	-	-
Bulk purchases - electricity	4.5	-	-	-	-	-	-	-	-	-	-
Inventory consumed		13 056	13 826	14 832	32 955	34 444	34 444	0	43 997	45 933	48 000
Contracted services		118 565	142 584	188 777	202 137	194 533	194 533	108 748	199 394	196 317	205 010
Transfers and subsidies		17 699	18 707	17 738	21 150	21 002	21 002	17 777	31 150	32 521	33 984
Other expenditure		83 054	81 423	75 699	89 754	104 878	104 878	72 745	115 065	118 873	124 399
Losses		-	-47	1,409	-	-	-	-	-	-	-
Total Expenditure		572,664	620,150	677,316	785,051	788,192	788,192	524,562	831,953	855,526	894,130
Surplus/(Deficit)		39,205	33,303	71,635	4,045	21,665	21,665	159,630	46,855	64,434	82,276
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		503,271	437,188	492,477	564,558	748,291	748,291	472,057	550,572	615,050	647,704
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & Taxation		542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Surplus/(Deficit) after taxation		542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		542,476	470,492	564,112	568,603	769,956	769,956	631,687	597,427	679,484	729,980

DC44 Alfred Nzo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		5 944	6,745	6,013	6,918	6,008	6 008	6,309	6,586	6,883
Pension and UIF Contributions		816	808	854	934	675	675	639	667	697
Medical Aid Contributions		264	212	228	256	211	211	222	232	242
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		504	511	616	545	1,210	1 210	1,270	1,326	1,386
Housing Allowances		1 093	1,249	1,324	1,494	2,801	2 801	2,941	3,071	3,209
Other benefits and allowances		1 738	2,040	1,788	2,249	1,694	1 694	1,800	1,879	1,964
Sub Total - Councillors		10 359	11,565	10,824	12,396	12,600	12 600	13,181	13,761	14,381
%increase	4		11.6%	(6.4%)	14.5%	1.6%	-	4.6%	4.4%	4.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2 108	744	1,276	5,065	5,587	5 587	31,702	33,097	34,587
Pension and UIF Contributions		3	2	2	1,293	562	562	1,416	1,479	1,545
Medical Aid Contributions		-	-	2	719	710	710	2,859	2,985	3,119
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		135	79	-	422	422	422	443	463	484
Motor Vehicle Allowance	3	490	282	300	1,194	1,260	1 260	1,323	1,382	1,444
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	342	342	342	359	375	392
Other benefits and allowances	3	0	0	0	643	536	536	701	732	765
Payments in lieu of leave		385	-	-	-	100	100	500	522	545
Long service awards		897	(486)	(256)	-	-	-	60	63	65
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 019	621	1,323	9,679	9,519	9 519	39,365	41,097	42,947
%increase	4		(84.5%)	113.1%	631.4%	(1.7%)	-	313.6%	4.4%	4.5%
Other Municipal Staff										
Basic Salaries and Wages		158 930	176,337	187,358	184,432	175,959	175 959	164,638	171,634	179,279
Pension and UIF Contributions		17 447	19,769	21,098	27,638	28,585	28 585	29,620	30,907	32,281
Medical Aid Contributions		8 638	9,804	10,862	15,123	14,859	14 859	14,225	14,900	15,576
Overtime		1 241	3,549	4,938	19,731	20,528	20 528	6,654	6,975	7,325
Performance Bonus		9 702	11,071	11,443	12,655	12,637	12 637	13,937	14,698	15,376
Motor Vehicle Allowance	3	15 420	16,568	17,298	18,631	19,061	19 061	20,632	21,637	22,638
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	7 268	7,100	7,179	7,076	7,581	7 581	8,253	8,631	9,097
Other benefits and allowances	3	15 489	17,313	5,130	4,230	6,339	6 339	4,604	4,808	5,025
Payments in lieu of leave		4 370	4,088	3,229	1,810	3,929	3 929	1,980	2,067	2,160
Long service awards		1 551	2,102	2,141	655	1,240	1 240	719	750	784
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		240 056	267,701	270,675	291,980	290,718	290 718	265,262	277,006	289,541
%increase	4		11.5%	1.1%	7.9%	(0.4%)	-	(8.8%)	4.4%	4.5%
Total Parent Municipality		254 435	279,887	282,822	314,055	312,836	312 836	317,808	331,864	346,868
			10.0%	1.0%	11.0%	(0.4%)	-	1.6%	4.4%	4.5%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
%increase	4		-	-	-	-	-	-	-	-

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 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

2.6. Governance

The Municipal Council consists of 42 Councilors of whom 11 are full-time Councilors, including the Speaker and 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 a participation of 3 Traditional leaders 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:

The representation of political parties in Council directly elected is as follows:

X 13 ANC (majority party), X 2 EFF (which is the opposition), X 1 DA, X 1 ATM. Total seats of directly elected are 17.

The Political Party reps from Local Municipalities total to 15 councilors.

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
SPU	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:

Office of the Municipal Manager

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 2020/21 FY with less matters of emphasis. The municipality has obtained a qualification on the side of Performance Information for the past 3 years on audit of Basic Service Delivery indicators. The audit action plan to address these has been drawn and is implemented.

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
	2017/2018	Unqualified
	2018/2019	Unqualified
	2019/2020	Unqualified

Matatiele	2020/2021	Unqualified
	2014/2015	Unqualified
	2015/2016	Unqualified
	2016/2017	Qualified
	2017/2018	Qualified
	2018/2019	Unqualified
	2019/2020	Unqualified
	2020/2021	Unqualified
Umzimvubu	2014/2015	Unqualified
	2015/2016	Unqualified
	2016/2017	Qualified
	2017/2018	Qualified
	2018/2019	Qualified
	2019/2020	Qualified
	2020/2021	Unqualified
Ntabankulu	2014/2015	Disclaimer
	2015/2016	Qualified
	2016/2017	Unqualified
	2017/2018	Unqualified
	2018/2019	Unqualified
	2019/2020	Unqualified
	2020/2021	Unqualified
Winnie Madikizela Mandela LM	2014/2015	Disclaimer
	2015/2016	Unqualified
	2016/2017	Unqualified
	2017/2018	Unqualified
	2018/2019	Unqualified
	2019/2020	Unqualified

	2020/2021	Clean Audit

Audit of Predetermined Objectives: Summary

Audit opinion on performance information							
2015-16		2016-17		2018-19		2019-20	2020-21
LED	BSD	LED	BSD	LED	BSD	BSD	BSD
Unqualified Audit	Quisclaimer	Unqualified	Disclaimer	Unqualified	Qualified	Qualified	Qualified

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. The Audit Action plan contained 20 findings derived from the management letter. Of the 20, 6 related to performance information, 12 related to financial statements, 2 related to compliance issues.

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 oriented management

Performance based contracts

Service orientated codes of conduct.

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.

ANDM FINANCIAL PLAN

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.

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.

DC44 Alfred Nzo - Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		31,400	38,805	31,573	38,531	38,007	38,007	20,965	35,231	36,831	38,540
Other revenue		347,014	11,367	1,463	78,440	100,945	100,945	707,818	100,648	94,569	98,825
Transfers and Subsidies - Operational	1	369,625	580,716	694,225	642,017	642,435	642,435	642,374	708,835	742,452	790,854
Transfers and Subsidies - Capital	1	149,140	506,255	496,779	564,558	748,291	748,291	620,711	550,572	615,050	647,704
Interest		23,165	31,201	-	30,108	28,471	28,471	468	30,179	31,507	32,925
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(444,796)	(492,328)	(130,619)	(660,051)	(668,744)	(668,744)	(500,702)	(707,414)	(759,800)	(794,096)
Finance charges		(739)	(359)	-	-	-	-	-	-	-	-
Transfers and Grants	1	(17,395)	(18,676)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		457,413	656,980	1,093,421	693,603	889,405	889,405	1,491,635	718,052	760,609	814,751
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	(420,104)	(564,360)	(765,520)	(765,520)	(518,271)	(592,262)	(663,821)	(698,621)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(420,104)	(564,360)	(765,520)	(765,520)	(518,271)	(592,262)	(663,821)	(698,621)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		457,413	656,980	673,318	129,243	123,885	123,885	973,364	125,790	96,788	116,129
Cash/cash equivalents at the year begin:	2	-	-	587,172	673,606	673,606	673,606	784,666	812,446	938,236	1,035,025
Cash/cash equivalents at the year end:	2	457,413	656,980	1,260,490	802,849	797,491	797,491	1,758,030	938,236	1,035,025	1,151,154

DC44 Alfred Nzo - Table A1 Budget Summary										
Description R thousands	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	36 022	24 667	16 241	38 531	38 001	38 001	24 714	39 146	40 923	42 822
Investment revenue	38 857	45 362	34 808	30 108	28 471	28 471	24 087	30 179	31 507	32 925
Transfers recognised - operational	534 827	581 602	696 279	642 017	642 035	642 035	634 497	708 835	742 452	790 854
Other own revenue	2 163	1 822	1 624	78 440	101 351	101 351	894	100 648	105 077	109 805
Total Revenue (excluding capital transfers and contributions)	611,869	653,454	748,952	789,096	809,857	809,857	684,192	878,808	919,959	976,406
Employee costs	244 076	268 322	271 999	301 659	300 237	300 237	233 230	304 627	318 103	332 487
Remuneration of councillors	10 359	11 565	10 824	12 396	12 600	12 600	8 461	13 181	13 761	14 381
Depreciation & asset impairment	77 302	80 818	95 984	100 000	100 000	100 000	83 195	100 000	104 400	109 098
Finance charges	739	359	4	-	500	500	406	-	-	-
Inventory consumed and bulk purchases	13 056	13 826	14 832	32 955	34 444	34 444	-	43 997	45 933	48 000
Transfers and grants	17 699	18 707	17 738	21 150	21 002	21 002	17 777	31 150	32 521	33 984
Other expenditure	209 433	226 552	265 936	316 891	319 411	319 411	181 493	338 997	340 808	356 180
Total Expenditure	572,664	620,150	677,316	785,051	788,192	788,192	524,562	831,953	855,526	894,130
Surplus/(Deficit)	39 205	33 303	71 635	4 045	21 665	21 665	159 630	46 855	64 434	82 276
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	503 271	437 188	492 477	564 558	748 291	748 291	472 057	550 572	615 050	647 704
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
	542,476	470,492		568,603	769,956	769,956	631,687	597,427	679,484	729,980
Surplus/(Deficit) after capital transfers & contributions										
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	542,476	470,492	-	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Capital expenditure & funds sources										
Capital expenditure	752 240	1 094 110	424 552	564 360	765 520	765 520	452 739	592 262	663 821	698 621
Transfers recognised - capital	565 489	868 504	392 286	516 880	714 694	714 694	429 595	521 466	589 910	621 384
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	3 117	14 097	25 830	47 480	50 576	50 576	23 144	70 796	73 911	77 237
Total sources of capital funds	568 606	882 602	418 116	564 360	765 270	765 270	452 739	592 262	663 821	698 621
Financial position										
Total current assets	388 887	689 317	932 246	951 660	951 033	951 033	1 276 046	1 061 769	1 149 632	1 256 361
Total non current assets	3 936 152	4 242 449	4 572 890	5 198 502	5 399 662	5 597 827	4 942 407	5 294 529	5 860 484	6 451 608
Total current liabilities	159 942	301 045	326 109	303 180	302 911	(302 911)	409 022	312 902	268 170	266 313
Total non current liabilities	14 345	9 836	10 116	9 603	9 603	(9 603)	10 135	10 387	10 387	10 387
Community wealth/Equity	3 629 625	4 171 087	5 186 629	5 837 379	6 038 343	6 038 278	5 801 586	6 033 008	6 731 559	7 431 269
Cash flows										
Net cash from (used) operating	457 413	656 980	1 093 421	693 603	889 405	889 405	1 491 635	718 052	760 609	814 751
Net cash from (used) investing	-	-	(420 104)	(564 360)	(765 520)	(765 520)	(518 271)	(592 262)	(663 821)	(698 621)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	457 413	656 980	1 260 490	802 849	797 491	797 491	1 758 030	938 236	1 035 025	1 151 154
Cash backing/surplus reconciliation										
Cash and investments available	290 519	586 742	784 666	802 849	797 491	797 491	1 139 915	948 120	1 044 908	1 161 038
Application of cash and investments	(837 131)	84 493	22 927	245 062	240 076	(365 746)	(2 965 431)	195 037	156 555	162 736
Balance - surplus (shortfall)	1 127 651	502 249	761 739	557 787	557 415	1 163 237	4 105 345	753 083	888 353	998 301
Asset management										
Asset register summary (WDV)	1 901 787	1 896 333	2 012 541	664 475	677 417	677 417	677 417	4 833 925	4 914 274	5 010 426
Depreciation	77 302	80 818	95 984	100 000	100 000	100 000	100 000	100 000	104 400	109 098
Renewal and Upgrading of Existing Assets	423 714	736 096	130 750	195 134	237 784	237 784	237 784	181 416	295 352	373 571

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.

3.3 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.

Herewith is the Annual Financial Statements preparation plan

Section	No.	Task Description	Finance Department Section	Responsible Person Municipal	Frequency
1. Bank and Cash	1.1	Review/Prepare Monthly and Year-end bank reconciliations on all bank and call accounts	Revenue Management	Thobeka Mazwane	Monthly & yr-end
	1.2	All reconciling items on recons to be cleared - Monthly	Revenue Management	Thobeka Mazwane	Monthly
		GRANTS - To create correct segments			Once off
	1.3	Ensure that past 12 months bank reconciliations have been signed by the compiler and the verifier and supporting documents are on file	Revenue Management	Thobeka Mazwane	Monthly
	1.4	Obtain the petty cash register and agree to the TB. • Ensure that cashiers floats (particulars listed for audited purposes) as well as petty cash float (cash balances) are paid back on 30 June or reconcile and prepare a list that is compared with the closing balance as per General ledger	Revenue Management	Thobeka Mazwane	Monthly
	1.5	Obtain a listing of long outstanding/stale cheques. • Reverse all stale cheques (outstanding cheques older than 6 months).	Revenue Management	Thobeka Mazwane	Monthly

	1.6	Agree the bank charges per the TB/GL to supporting documentation	Revenue Management	Thobeka Mazwane	Monthly
	1.7	A list of the bank and investment accounts in the name of the municipality, as well as contact details. Proof of bank account details being submitted to National Treasury and the Auditor General of South Africa	Revenue Management	Thobeka Mazwane	Year end
		Cashbook transactions - DBSA			
	1.8	Prepare the disclosure note for Bank and cash	Revenue Management	Thobeka Mazwane	Year end
	1.9	Send out confirmation from the bank to support all securities and collateral	Revenue Management	Thobeka Mazwane	Year end
		Address Audit Queries			
	1.10	No evidence of review of bank reconciliations.	Revenue Management	Thobeka Mazwane	Monthly
2. Consumer Receivable & Other Debtors	2.1	Indigent debtors:			
	2.1.1	Obtain approved indigent debtor policy of the municipality	Debtors & Billing	Thobeka Mazwane	Once
	2.1.	Obtain Indigent Register	Debtors & Billing	Thobeka	Monthly &

2			Mazwane	yr-end
2.1. 3	Compare indigent debtors per the age analysis/ MunSoft System to the Indigent register	Debtors & Billing	Thobeka Mazwane	Monthly & yr-end
2.1. 4	Review transactions processed for Indigent debtors	Debtors & Billing	Thobeka Mazwane	Monthly & yr-end
2.1. 5	Get supporting documents and application forms for the new applications	Debtors & Billing	Thobeka Mazwane	Monthly & yr-end
	Consumer Debtors & other debtors			
2.2. 1	Perform reconciliation between the GL receivables account and the age analysis and clear all reconciling items	Debtors & Billing	Thobeka Mazwane	Monthly
	- Ensure that the age analysis/ balance list reconcile to control account within General ledger.	Debtors & Billing	Thobeka Mazwane	Monthly
	- Obtain the listing for debtors with credit balances - (Trace and populate with debtors account numbers	Debtors & Billing	Thobeka Mazwane	Year end
	- Investigate debtors with credit balances to confirm the validity	Debtors & Billing	Thobeka Mazwane	Year end
	- Communicate these debtors for clearing and Include amounts paid by debtors in advance as trade and other payables. (Current liabilities)	Debtors & Billing	Thobeka Mazwane	Year end

2.2. 2	Sundry Receivables reconciliations	Debtors & Billing	Thobeka Mazwane	Monthly
2.2. 3	In instances where interest is not charged on overdue debtors consider the provisions of GRAP par 15	Debtors & Billing	Thobeka Mazwane	n/a
2.2. 4	Ensure the existence of Consumer Receivables assertion is met- (Receipts from debtors, non paying debtors reviewed and agreements)	Debtors & Billing	Thobeka Mazwane	Monthly
2.2. 5	Calculation of the provision for impairment	Debtors & Billing	Thobeka Mazwane	Quarterly
2.2. 7	Prepare the journals to account for the impairment	Debtors & Billing	Thobeka Mazwane	Quarterly
	Perform the Impairment calculation - Impairment losses recognised	Debtors & Billing	Thobeka Mazwane	Quarterly
2.2. 8	Prepare the Debtors age analysis by Service	Debtors & Billing	Thobeka Mazwane	Quarterly
2.2. 9	Prepare the Debtors age analysis by Debtor type/Customer classification	Debtors & Billing	Thobeka Mazwane	Quarterly
2.10	Prepare the Debtors age analysis for loan/Rental accounts - Other debtors	Debtors & Billing	Thobeka Mazwane	Quarterly
2.11	Compile a reconciliation of the impairment provision per debtor category reflecting:	Debtors & Billing	Thobeka Mazwane	Quarterly

	Balance at beginning of the year	Debtors & Billing	Thobeka Mazwane	Quarterly
	Perform the Impairment calculation - Impairment losses recognised	Debtors & Billing	Thobeka Mazwane	Quarterly
	Amounts written off as uncollectable	Debtors & Billing	Thobeka Mazwane	Quarterly
	Balance at the end of the year.	Debtors & Billing	Thobeka Mazwane	Quarterly
2.12	Identify impaired sundry debtors, especially 3 years and older (prescribed) and provide additional bad debt provision.	Debtors & Billing	Thobeka Mazwane	Quarterly
2.13	Bad debts written off in 2021 (listing and council approval item)	Debtors & Billing	Thobeka Mazwane	Prior year end
	Bad debts written off (new date) (listing and council approval item)	Debtors & Billing	Thobeka Mazwane	Quarterly
2.14	- Recommendation to be made for write off - with justification	Debtors & Billing	Thobeka Mazwane N. Mbana & Khonaye	Quarterly

	2.15	Agreements for long term debtors - where these have not been included under Sundry debtors write off	Debtors & Billing	Thobeka Mazwane	Quarterly
	2.15	Prepare debtors note per the provisions of GRAP and MFMA	Debtors & Billing	Thobeka Mazwane	Quarterly
3.Suspense	3.1	Determine which vote numbers are suspense accounts and that the balances on these votes are 0 or are accounted for. This is normally salary control accounts, etc	Budget & Treasury Office	Khonaye Sibuta	Monthly
	3.2	Investigate all balances or miscellaneous entries in the General ledger accounts that need to be reallocated (maybe to revenue or expenditure votes that will affect the end of the year statement of performance results)	Budget & Treasury Office	Khonaye Sibuta	Monthly
	3.3	Clear Salaries control accounts and prepare reconciliations between VIP/ Pay day and Expenditure votes to proof correct allocation during interface	Budget & Treasury Office	Khonaye Sibuta	Monthly
	3.4	Reconcile the VAT control accounts (Input and output) and create debtor or liability provision.	Budget & Treasury Office	Khonaye Sibuta	Monthly

4. Inventory	3.5	Reconcile salary payments to bank (Staff payments and third parties) to VIP/Pay day and suspense account	Budget & Treasury Office	Khonaye Sibuta	Monthly
	3.6	Review the reconciliations on Suspense accounts for the period. General ledger votes that cannot be closed must be properly motivated with working papers.	Budget & Treasury Office	Khonaye Sibuta	Monthly
	4.1	Invite the Auditor General for the inventory count. And perform the count.	Supply Chain and Asset Management	Xola Stemela	Annually
	4.2	Ensure controls are in place for the receipts and issue of stock	Supply Chain and Asset Management	Xola Stemela	Monthly
	4.3	Compare stock quantities per the valuation report to the count sheets & or the stores system. Investigate differences and ensure they are accounted for correctly	Supply Chain and Asset Management	Xola Stemela	Annually
	4.4	Determine and list obsolete stock (impaired inventory included)	Supply Chain and Asset Management	Xola Stemela	Monthly
	4.5	Prepare a list of shortages with value and report to Council before or on the 31 July for possible write off.	Supply Chain and Asset Management	Xola Stemela	Annually
	4.6	Test the valuation of stock for compliance with the accounting policy and GRAP	Supply Chain and Asset Management	Xola Stemela	Quarterly

	4.7	Include in the Council report a list of impaired stock and the obsolete stock with reference to the department it affects, quantity and value to be sold in a future auction.	Supply Chain and Asset Management	Xola Stemela	Annually
5. Assets (PPE, HA, IP, IA)	5.1	Infrastructure Assets - Appointment of the Engineers	Supply Chain and Asset Management	Xola Stemela	Year end
	5.2	Obtain the final complete asset registers that agrees to the GL	Supply Chain and Asset Management	Xola Stemela	Quarterly
		- Physical verification of assets	Supply Chain and Asset Management	Xola Stemela	Quarterly
		- Update of the FAR and GL with disposals and additions	Supply Chain and Asset Management	Xola Stemela	Quarterly
		- Calculate Depreciation	Supply Chain and Asset Management	Xola Stemela	Quarterly
		- Compile list of impaired assets	Supply Chain and Asset Management	Xola Stemela	Quarterly
		- Review useful life of assets		Xola Stemela	
	5.3	Prepare the disclosure note for PPE.	Supply Chain and Asset Management	Xola Stemela	Quarterly
	5.4	Reconcile Appendix B to the notes disclosed in the AFS	Supply Chain and Asset Management	Xola Stemela	Quarterly

	5.5	Follow-up on the correction of prior year audit findings.	Supply Chain and Asset Management	Xola Stemela	Quarterly
6. Provisions	6.1	Obtain the listing of all provisions applicable at the municipality	Expenditure Management	Khonaye Sibuta	Quarterly
	6.2	Establish the assumptions and information required for the calculation of the provision. Calculate based on the available information. If an expert is required obtain the provision calculations	Expenditure Management	Khonaye Sibuta	Quarterly
	6.3	Prior year adjustment -		Khonaye Sibuta	
	6.4	Prepare the journals and disclosure note for the provisions	Expenditure Management	Khonaye Sibuta	Post year end
7. Rental of Facilities and equipment	7.1	Obtain all lease agreements relating to rental income	Revenue Management	Thobeka Mazwane	Monthly
	7.2	Review the lease agreement check terms and conditions and ensure rental income is accounted for per GRAP provisions on an accrual basis.	Revenue Management	Thobeka Mazwane	Monthly
	7.3	Ensure the rental register and lease agreements are available to support rental income. Reconcile these supporting to the general ledger and sundry	Revenue Management	Thobeka Mazwane	Quarterly

		debtor/bank.			
8. Investments	8.1	Obtain the confirmation from the banks relating to the investments	Revenue Management	Thobeka Mazwane	Post Year End
	8.2	Prepare the journals for the adjustment of the investments and interest earned	Revenue Management	Thobeka Mazwane	Post Year End
	8.3	Prepare AFS disclosure note	Revenue Management	Thobeka Mazwane	Post Year End
9. Accounts Payable	9.1	Obtain/Prepare listing of creditors	Expenditure Management	Khonaye Sibuta	Quarterly
	9.2	Prepare a reconciliation of the GL to the creditors age analysis.	Expenditure Management	Khonaye Sibuta	Quarterly
	9.3	Agree balance of Creditors Reconciliations to the Creditors age-analysis	Expenditure Management	Khonaye Sibuta	Quarterly
	9.4	Obtain the accruals listing and compare to PY	Expenditure Management	Khonaye Sibuta	Quarterly
	9.5	Reverse PY accruals where appropriate	Expenditure Management	Khonaye Sibuta	Quarterly
	9.6	Inspect all payments made after year end	Expenditure Management	Khonaye Sibuta	Quarterly

	9.7	Ensure that all invoices paid after year end are fully accrued.	Expenditure Management	Khonaye Sibuta	Quarterly
	9.8	Prepare an accruals list which agrees to the GL.	Expenditure Management	Khonaye Sibuta	Quarterly
		Retentions			
	9.6.1	Obtain the Retentions listing for the PY and agree to the TB	PMU	N Mbana	Quarterly
		Ensure all retentions released have been reversed from the retentions vote	PMU	N Mbana	Quarterly
		Obtain the all the payment certificates for the current period	PMU	N Mbana	Quarterly
		Propose journals to account for the retention movement	PMU	N Mbana	Quarterly
		Prepare retentions listing that agrees to GL	PMU	N Mbana	Quarterly
		Verify status of retentions older than two years	PMU	N Mbana	Quarterly
		Ensure all the supporting documents are on file	PMU	N Mbana	Quarterly
	9.7	Obtain & Review Audit fees reconciliation &	Expenditure Management	N Mbana	Quarterly

	Disclosure Note				
	9.8	Ensure supporting documentation is available for all payables balances	Expenditure Management	N Mbana	Quarterly
		Perform a search for unrecorded liabilities- Assure Completeness	Expenditure Management	Khonaye Sibuta	Quarterly
		Prior year adjustment - Journals			
		- SIU invoices - capture and report unauthorised to the Council C119		Khonaye Sibuta	
		- Liquidators to be contacted - Nombini to follow up		N Mbana	
	9.90	Prepare the disclosure note for all Payables	Expenditure Management	Khonaye Sibuta	Quarterly
10. Loans Payable	9.10	Address Audit Queries			
	9.10.1	Trade and other payables: Creditors paid after 30 days from receiving invoice	Expenditure Management	Khonaye Sibuta	Monthly
	10.1	Obtain the list of long term loans	Asset Management	Xola Stemela	Monthly
	10.2	Obtain the statements from DBSA	Asset Management	Xola Stemela	Year end
	10.3	Perform the calculation for amortisation tables	Asset Management	Xola Stemela	Monthly

	10.4	Recalculate interest and agree with GL	Asset Management	Xola Stemela	Monthly
	10.5	Prepare the summary of movements of loans for Annexure A to AFS	Asset Management	Xola Stemela	Monthly
11. VAT	11.1	Obtain the monthly VAT returns submitted	Expenditure Management	Khonaye Sibuta	Monthly
	11.2	Review the VAT reconciliation	Expenditure Management	Khonaye Sibuta	Monthly
	11.3	Reconcile the VAT 201 return to the GL	Expenditure Management	Khonaye Sibuta	Monthly
		Prepare 3rd Quarter Reconciliation	Expenditure Management	Khonaye Sibuta	Monthly
	11.4	Prepare the additional MFMA disclosure note	Expenditure Management	Khonaye Sibuta	Year end
12. Defined Benefit Obligation & Long service Awards	12.1	Obtain request for information from actuary and assist in providing requested information	Budget & Treasury Office	Khonaye Sibuta	Year end
	12.2	Liase with actuarial company to commence with the valuation	Budget & Treasury Office	Khonaye Sibuta	Year end
	12.3	Monitor progress and ensure that the information	Budget & Treasury Office	Khonaye	Year end

		supplied is accurate and complete		Sibuta	
	12.4	Prepare the journals to account for the DBO balances	Budget & Treasury Office	Khonaye Sibuta	Year end
	12.5	Prepare the disclosure note for the AFS	Budget & Treasury Office	Khonaye Sibuta	Year end
14. Accumulated Surplus	14.1	Prepare disclosure for correcting the misstatements between Revaluation Reserve and Accumulated Surplus	Budget & Treasury Office	Maxoli Nkume	Quarterly
	14.2	Obtain and review the funds register	Budget & Treasury Office	Maxoli Nkume	Quarterly
		Reverse through a journal the credit notes processed on Accumulated Surplus		Khonaye Sibuta	
	14.3	Prepare journals for movements in the reserves to ensure that the GL agrees to the register	Budget & Treasury Office	Maxoli Nkume	Quarterly
15. Grants	15.1	Review the Grant register and ensure all transactions are recorded in the GL	Debtors & Billing	Maxoli Nkume	Monthly
	15.2	Inspect all supporting invoices to ensure that they comply with the conditions of the grants			

	15.3	Where conditions have been met ensure that the revenue is recognised accordingly.			
	15.4	Reconcile the grants per the register to the DoRA	Debtors & Billing	Maxoli Nkume	Monthly
	15.5	Prepare the disclosure note for grants and subsidies paid	Debtors & Billing	Maxoli Nkume	Year end
		GRANTS - To create correct segments		Maxoli Nkume/ Thobeka Mazwane	
	15.6	Prepare the disclosure note for the AFS	Debtors & Billing	Maxoli Nkume	Year end
	15.7	Prepare an Annexure for Grants to be included in AFS	Debtors & Billing	Maxoli Nkume	Year end
16. Revenue	16.1	All meters to be read and captured	Debtors & Billing	Thobeka Mazwane	Once
	16.2	Ensure Revenue is recognised and measured per the provisions of GRAP	Debtors & Billing	Thobeka Mazwane	Monthly

	16.3	Review the report for meters not read in the last 3 months and obtain appropriate reasons. (Analyse the exception report)	Debtors & Billing	Thobeka Mazwane	Monthly
	16.4	Analyse and clear all the exceptions from the exception report	Debtors & Billing	Thobeka Mazwane	After year end
		- Readings where the consumers are charged fixed rates	Debtors & Billing	Thobeka Mazwane	After year end
	16.5	Calculate the revenue for the period between cut-off and year end and process the journal (cut-off)	Debtors & Billing	Thobeka Mazwane	After year end
	16.6	Prepare the schedule for Other Income	Debtors & Billing	Thobeka Mazwane	Monthly
	16.7	Perform monthly analysis of income per category and obtain reasons	Debtors & Billing	Thobeka Mazwane	After year end
	16.8	Prepare all the revenue disclosure notes per the AFS	Debtors & Billing	Thobeka Mazwane	After year end
17. Interest Received - Investment	17.1	Prepare the schedule for interest income based on Investments, debtors, etc	Debtors & Billing	Thobeka Mazwane	Monthly
	17.2	Prepare the disclosure note for the AFS	Debtors & Billing	Thobeka Mazwane	Quarterly

18. Operating Leases Income and Expense	18.1	Prepare/update the operating lease register (based on the contract register)	Supply Chain and Asset Management	Khonaye Sibuta	Quarterly
	18.2	Prepare a schedule for the straight lining of leases where applicable	Supply Chain and Asset Management	Khonaye Sibuta	Quarterly
	18.3	Perform the calculation and prepare the journal entries where necessary (straight lining)	Supply Chain and Asset Management	Khonaye Sibuta	Quarterly
	18.4	Prepare the commitment disclosure necessary for the AFS: - Less than one year - Between one and five years - More than five years	Supply Chain and Asset Management	Khonaye Sibuta	Quarterly
19. Expenditure	19.1	Obtain the municipal SCOA and review for GRAP compliance	Expenditure Management	Khonaye Sibuta	At the beginning of the year
	19.2	Review the R&M accounts for possible capital expenditure expensed	Expenditure Management	Khonaye Sibuta	Monthly
	19.3	Prepare the disclosure note for General expenses	Expenditure Management	Khonaye Sibuta	Quarterly
	19.4	Review the current classification of general expenditure for appropriate classification	Expenditure Management	Khonaye Sibuta	Quarterly
	19.5	Prepare the disclosure note for audit fees	Expenditure Management	Khonaye Sibuta	Quarterly

	19.6	Prepare the disclosure note for contracted services in the AFS	Expenditure Management	Khonaye Sibuta	Quarterly
	19.7	Prepare the disclosure for contributions to organised local government (SALGA) Create segments -	Expenditure Management	Khonaye Sibuta	Quarterly
	19.8	Perform analytical review on all expenditure items and follow up on all material discrepancies	Expenditure Management	Khonaye Sibuta	Quarterly
	19.9	Address Audit Queries Payments to suppliers not made within 30 days Repairs and maintenance- cut off Repairs and maintenance- incorrect classification. General expenditure - incorrect classification			
20. Finance cost	20.1	Document a detailed breakdown of interest paid	Expenditure Management	Sihle Khuzo	Monthly
	20.2	Obtain detailed support for all interest paid	Expenditure Management	Sihle Khuzo	Monthly
	20.3	Prepare the disclosure for interest cost for the AFS	Expenditure Management	Sihle Khuzo	Monthly
21. Payroll & Leave	21.1	Obtain VIP reports	Expenditure Management	Khonaye	After year

			Sibuta	end
21.2	Review Councillors' Remuneration calculations and ensure that they are in line with Remuneration of Public Office Bearers Act	Expenditure Management	Khonaye Sibuta	After year end
21.3	Perform the calculation for the leave provision	Expenditure Management	Khonaye Sibuta	After year end
21.4	Perform the calculation for the employee related costs provisions	Expenditure Management	Khonaye Sibuta	After year end
21.5	Prepare the reconciliation between VIP and Munsoft from 01 July 2018 to 30 June 2021 for both employees and councillors	Expenditure Management	Khonaye Sibuta	After year end
21.6	Obtain the monthly EMP201 submitted (reconciliation to GL & payroll report)	Expenditure Management	Khonaye Sibuta	Monthly
21.7	Obtain Personnel list with post levels	Expenditure Management	Khonaye Sibuta	Year end
21.8	Prepare the disclosure note for management remuneration	Expenditure Management	Khonaye Sibuta	Year end
21.9	Prepare the disclosure note for councillor remuneration - all councillors	Expenditure Management	Khonaye Sibuta	Year end
21.10	Obtain Letter from the local bargaining forum that approves general salary increases	Expenditure Management	Khonaye Sibuta	Year end

	21.1 1	Obtain Government Gazette for determination of Councillor's remuneration	Expenditure Management	Khonaye Sibuta	Year end
	21.1 2	Obtain Support for additional MFMA disclosures, PAYE, UIF, etc.Prepare the disclosure note	Expenditure Management	Khonaye Sibuta	Monthly
	21.1 3	Address Audit Queries			
Employees leave not approved in time					
22. Commitments	22.1	Compile a register for capital commitments	Supply Chain and Asset Management	Nombini Mbana	Monthly
	22.1 .1	Agree contract amounts to contract/appointment letters	Supply Chain and Asset Management	Nombini Mbana	Monthly
	22.1 .2	Agree expenses to the ledger	Supply Chain and Asset Management	Nombini Mbana	Monthly
	22.1 .3	Ensure all contracts are included in the register	Supply Chain and Asset Management	Nombini Mbana	Monthly
	22.1 .4	Ensure all WIP projects are on the register	Supply Chain and Asset Management	Nombini Mbana	Monthly
	22.1 .5	Compare the Commitment register to the contract register & WIP register	Supply Chain and Asset Management	Nombini Mbana	Monthly

	22.2	Ensure the completeness of Commitment register by performing a reconciliation between WIP register and Commitment register	Supply Chain and Asset Management	Nombini Mbana	Monthly
	22.3	Prepare the disclosure note for the AFS	Supply Chain and Asset Management	Nombini Mbana	Quarterly
		Address Audit Queries			
	22.3 .1	Commitments not calculated accurately	Supply Chain and Asset Management	Nombini Mbana	Quarterly
	22.3 .2	Commitments were not calculated correctly	Supply Chain and Asset Management	Nombini Mbana	Monthly
	22.3 .3	Commitments not included on the register	Supply Chain and Asset Management	Nombini Mbana	Quarterly
	22.3 .4	Supporting documents for expenditure not submitted.	Supply Chain and Asset Management	Nombini Mbana	Quarterly
23. Guarantees & Contingent Liabilities	23.1	Obtain schedule with investigations, litigations and claims by the municipality or against the municipality	Budget & Treasury Office	Maxoli Nkume	Quarterly
	23.2	Obtain & Review schedule with contingent liabilities	Budget & Treasury Office	Maxoli Nkume	Monthly
	23.3	Obtain a list of financial guarantees on behalf of employees	Budget & Treasury Office	Maxoli Nkume	Quarterly

	23.4	E mailed the confirmation template to the Municipal Lawyers representative	Budget & Treasury Office	Maxoli Nkume	Before Year end
	23.5	Names and contact details of legal representatives in order to obtain legal confirmations -	Budget & Treasury Office	Maxoli Nkume	Before Year end
		Must sit with Mr Kohli and update the register	Budget & Treasury Office	Sihle Khuzo	
		To send ANDM staff to go and confirm with lawyers using the AG template	Budget & Treasury Office	Sihle Khuzo	
	23.6	Obtain legal confirmations	Budget & Treasury Office	Sihle Khuzo	Before Year end
	23.7	Prepare disclosure note for the AFS	Budget & Treasury Office	Maxoli Nkume	Quarterly
Address Audit Queries No attorney confirmations received.					
24. Financial Instruments disclosures	24.1	Prepare the disclosure note for the AFS	Budget & Treasury Office	Maxoli Nkume	Year end
	24.2	Prepare working paper to update disclosures directly from the TB/AFS and use as reference when updating the AFS	Budget & Treasury Office	Maxoli Nkume	Year end
	24.3	Review the appropriate classification of financial	Budget & Treasury Office	Maxoli	Year end

		assets and liabilities		Nkume	
	24.4	Review the appropriate accounting policies for financial assets and liabilities	Budget & Treasury Office	Maxoli Nkume	Year end
25. Related parties GRAP 20	25.1	Facilitate the annual declarations for key management personnel (interests)	Supply Chain and Asset Management	Maxoli Nkume	Year end
		ANDA - Item description to be corrected			
	25.2	Prepare the councillors debt balances per month for disclosure purposes	Supply Chain and Asset Management	Maxoli Nkume	Monthly
	25.3	Prepare the disclosure note for related parties	Supply Chain and Asset Management	Maxoli Nkume	Year end
26. Unauthorised expenditure	26.1	Prepare the schedule for expenditure per directorate in order to identify any unauthorised expenditure	Budget & Treasury Office	Maxoli Nkume	Monthly
	26.2	Obtain the approval for expenditure that has been written off, if any	Budget & Treasury Office	Maxoli Nkume	Quarterly
		Submit item to Council - SIU		Maxoli Nkume	

Previous years unauthorised - Report				Maxoli Nkume / CFO	
26.3	Prepare the disclosure note in the AFS	Budget & Treasury Office	Maxoli Nkume	Quarterly	
26.4	Address Audit Queries				
26.4 .1	Unauthorised expenditure: Understatement of unauthorised expenditure (Ex.112)	Budget & Treasury Office	Maxoli Nkume	Quarterly	
26.4 .2	Unauthorised Expenditure: Adjustments made to the final AFS without sufficient appropriate audit evidence provided (Ex.196)	Budget & Treasury Office	Maxoli Nkume	Year end	
27. Fruitless and Wasteful	27.1	Prepare the register of fruitless and wasteful expenditure for the 2018/19 period	Expenditure Management	Khonaye Sibuta	Monthly
	27.2	Obtain the approval for expenditure that has been written off, if any	Expenditure Management	Khonaye Sibuta	Quarterly
	27.3	Prepare the disclosure note in the AFS	Expenditure Management	Khonaye Sibuta	Quarterly
		Address Audit Queries			
	27.3 .1	Consequence Management: No investigations conducted	Expenditure Management	Khonaye Sibuta	Monthly

		Prior year adjustment - Remove all those actings		Khonaye Sibuta	
		Luya to compile the list of all accounts and their interest (Eskom) & Telkom & Payovers Must verify first		N. Mbana / Sihle Khuzo	
				Khonaye Sibuta	
	27.3.2	Procurement: Tenders advertised for less than required no. of days.	Expenditure Management	Khonaye Sibuta	Monthly
	27.3.3	Fruitless and wasteful expenditure: Officials being members of bid committee as well as adjudicating committee.	Expenditure Management	Khonaye Sibuta	Monthly
28. Irregular expenditure	28.1	Prepare the register of irregular expenditure for the period	Supply Chain and Asset Management	Nolwazi Cezu	Monthly
	28.2	Obtain the approval for expenditure that has been written off, if any	Supply Chain and Asset Management	Nolwazi Cezu	Quarterly
		Prior year - Write an item for Council		Nolwazi Cezu	
	28.3	Prepare the disclosure note in the AFS	Supply Chain and Asset Management	Nolwazi Cezu	Quarterly
	28.4	Address Audit Queries			

	28.4 .1	No investigation of irregular expenditure. Incomplete irregular expenditure register. No calculation of points performed.	Supply Chain and Asset Management	Nolwazi Cezu	Quarterly
29. Deviations	29.1	Prepare the register of deviations for the 2021 financial year (Irregular Expenditure)	Supply Chain and Asset Management	Nolwazi Cezu	Monthly
	29.2	Obtain the approval for expenditure that has been condoned, if any	Supply Chain and Asset Management	Nolwazi Cezu	Quarterly
	29.3	Prepare the disclosure note in the AFS	Supply Chain and Asset Management	Nolwazi Cezu	Quarterly
30. GRAP 24 / Budget disclosures	30.1	Obtain the budget and adjustment budget	Budget & Treasury Office	Maxoli Nkume	Monthly
	30.2	Prepare the reconciliation between the approved budget and the adjustment budget, with related explanations for significant variances	Budget & Treasury Office	Maxoli Nkume	Quarterly
	30.3	Obtain reasons for significant variances between adjustment budget and actual figures	Budget & Treasury Office	Maxoli Nkume	Quarterly
	30.4	Prepare Appendix D	Budget & Treasury Office	Maxoli Nkume	Quarterly

	30.5	Prepare Appendix E(1) and E(2)	Budget & Treasury Office	Maxoli Nkume	Quarterly
	30.6	Obtain the schedules for completion of Annexure G1-5	Budget & Treasury Office	Maxoli Nkume	Quarterly
		Address Audit Queries			
	30.6 .1	The Municipality overspend on some of their expenditure line items	Budget & Treasury Office	Maxoli Nkume	Quarterly
31. Opening balances	31.1	Ensure that the opening balances on the system agree to the closing balances of the AFS	Budget & Treasury Office	Sihle Khuzo	Annually beginning of the year
	31.2	Prepare a file for all prior year adjustments	Budget & Treasury Office	Sihle Khuzo	Quarterly
32. Audit file	32.1	Obtain all minutes of meetings (council, Mayoral committees, portfolio committees mng, etc)	Budget & Treasury Office	Sihle Khuzo	Quarterly
		Obtain minutes of the meetings - After reporting date (council, exco, mng, etc)	Budget & Treasury Office	Sihle Khuzo	Quarterly
	32.2	Consolidate all audit working paper files for each account balance in the AFS	Budget & Treasury Office	Sihle Khuzo	Quarterly
	32.3	Obtain specimen signatures - Mayor, Mun Manager, CFO	Budget & Treasury Office	Sihle Khuzo	Quarterly

32.4	Obtain Integrated Development Plan (IDP) + Budget + Tariff + Council Items & Resolutions (Draft &Final)	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.5	Advertisement of IDP + Budget +Tariffs	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.6	Adjustment Budget + Item + Resolution	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.7	Approved SDBIP	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.8	Performance Agreements (Municipal Manager, CFO & Sen. Managers)	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.9	Draft Preliminary Annual Report	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.10	The council resolution where the budget for the financial year was approved to ensure that the tariff structure for the year under review was approved by council in terms of Section 75A of the Municipal Systems Act	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.11	The newspaper advert containing the following in respect of the approval of tariffs—	Budget & Treasury Office	Sihle Khuzo	Quarterly
	(i) that a resolution as contemplated in subsection (2) has been passed by the council;	Budget & Treasury Office	Sihle Khuzo	Quarterly

	(ii) that a copy of the resolution is available for public inspection during office hours at the main administrative office of the municipality and at the other places specified in the notice;	Budget & Treasury Office	Sihle Khuzo	Quarterly
	(iii) the date on which the determination will come into operation	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.1 2	Letter to the MEC of DLG that the above notice has been published	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.1 3	Obtain Performance reports	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.1 4	Organisational chart / organogram	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.1 5	Declarations of conflict of interests register for both councillors and management, with system process documentation of how this feeds into the AFS.	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.1 6	Ensure all sections have filed supporting documentation in file	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.1 7	Obtain the latest policy and by-laws documents	Budget & Treasury Office	Sihle Khuzo	Quarterly
32.1 8	Obtain the Risk register	Budget & Treasury Office	Sihle Khuzo	Quarterly

	32.1 9	Obtain Internal audit plan and reports	Budget & Treasury Office	Sihle Khuzo	Quarterly
33. AFS	33.1	Complete the disclosure checklist and prepare related identified disclosures	Budget & Treasury Office	Sihle Khuzo	Quarterly
	33.2	Review accounting policies for alignment to GRAP	Budget & Treasury Office	Sihle Khuzo	Quarterly
	33.3	Prepare the prior period reconciliation working paper	Budget & Treasury Office	Sihle Khuzo	Quarterly
	33.4	Prepare Note 2 - New standards and interpretations	Budget & Treasury Office	Sihle Khuzo	Quarterly
	33.5	Prepare financial sustainability calculations and disclosure note	Budget & Treasury Office	Sihle Khuzo	Quarterly
	33.6	Review the council minutes to identify any events after the reporting date	Budget & Treasury Office	Sihle Khuzo	Quarterly
	33.6	Prepare Risk management disclosures:	Budget & Treasury Office	Sihle Khuzo	Quarterly
	33.6 .1	(i) Capital risk management	Budget & Treasury Office	Sihle Khuzo	Quarterly
	33.6 .2	(ii) Financial risk management objectives	Budget & Treasury Office	Sihle Khuzo	Quarterly
	33.6 .3	(iii) Significant accounting policies	Budget & Treasury Office	Sihle Khuzo	Quarterly
	33.6 .4	(iv) Market risk exposure per the following component thereof:	Budget & Treasury Office	Sihle Khuzo	Quarterly
	33.6	- Foreign currency risk	Budget & Treasury Office	Sihle Khuzo	Quarterly

.5				
33.6 .6	- Fair value interest rate risk	Budget & Treasury Office	Sihle Khuzo	Quarterly
33.6 .7	- Price risk	Budget & Treasury Office	Sihle Khuzo	Quarterly
33.6 .8	(v) Interest rate risk	Budget & Treasury Office	Sihle Khuzo	Quarterly
33.7	Review the following Annexures to ensure that it agrees with the AFS	Budget & Treasury Office	Sihle Khuzo	Quarterly
33.7 .1	Appendix A	Budget & Treasury Office	Sihle Khuzo	Quarterly
33.7 .2	Appendix B	Budget & Treasury Office	Sihle Khuzo	Quarterly
33.7 .3	Appendix C	Budget & Treasury Office	Sihle Khuzo	Quarterly
33.7 .4	Appendix D	Budget & Treasury Office	Sihle Khuzo	Quarterly
33.7 .5	Appendix E(1) and E92)	Budget & Treasury Office	Sihle Khuzo	Quarterly
33.7 .6	Appendix F	Budget & Treasury Office	Sihle Khuzo	Quarterly
33.7 .7	Appendix G1-5	Budget & Treasury Office	Sihle Khuzo	Quarterly

34. Cash Flow	34.1	Prepare Cash Flow statement and supporting schedules for the 2021 AFS and submit to AG	Budget & Treasury Office	Maxoli Nkume	Quarterly
	34.2	Prepare Cash Flow statement for the 2021 AFS with all supporting schedules	Budget & Treasury Office	Maxoli Nkume	Quarterly
35. Review of AFS	35.1	Complete the NT disclosure checklist	Budget & Treasury Office	Internal Audit	Quarterly
	35.2	External review of AFS through completion of the NT disclosure checklist	Budget & Treasury Office	Internal Audit	Quarterly
	35.3	Submit the disclosure checklist to NT signed off by the CFO	Budget & Treasury Office	Internal Audit	Quarterly
36. Audit committee	36.1	Approval of the AFS	Budget & Treasury Office	U Mahlasela	Quarterly
	36.2	Management & Review and recommendation	Budget & Treasury Office	Internal Audit	Quarterly
	36.3	Internal Audit - Review and Recommendation	Budget & Treasury Office	Internal Audit	Quarterly
	36.4	Audit Committee Meeting - Review and recommendation	Budget & Treasury Office	Internal Audit	Quarterly

3.4. 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.

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.

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

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%.

Financial Management Policies

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:

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;

Indigent Support Policy – to provide access to and regulate free basic services to all indigents;

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.

Asset Management Policy – the objective of the policy is to prescribe the accounting and administrative procedures relating to property, plant and equipment;

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;

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

Subsistence and Travel Policy – this policy regulates the reimbursement of travelling and subsistence cost to officials and councillors attending official business

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.

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.

Short-term Insurance Policy – the objective of the policy is to ensure the safeguarding of Council's assets

These policies are reviewed on a yearly basis when the Council approves the municipal budget. The policy have been promulgated into by-laws and gazetted

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.

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.

When these funds are received from Treasury the Municipality opens a separate bank account for each Grant so that when the funds are spent they are transferred from the relevant bank account to the main bank account.

The municipality managed to spend 100% on all the grants that were allocated to it. The municipality is required by the MFMA to report on those grants on a monthly, quarterly and yearly basis according to DORA requirements in terms of monthly data strings that are extracted from the system and uploaded on National Treasury/GoMun Portal on a monthly basis, S71, S52, Section 72, Annual Financial Statements etc.

These grants are used solely for their purpose as stated on the Division of Revenue Act.

DC44 Alfred Nzo - Supporting Table SA18 Transfers and grant receipts

Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		537 117	584 028	696 279	642 017	642 417	642 417	711 285	744 911	793 402
Local Government Equitable Share		510 344	556 720	673 097	618 487	618 487	618 487	686 652	732 425	780 318
Financial Management Grant		1 865	1 865	1 700	1 950	1 950	1 950	1 950	1 950	1 950
Municipal Systems Improvement Grant		-	-	-	-	-	-	2 787	2 380	2 380
Expanded Public Works Programme		10 844	9 174	8 751	9 740	9 740	9 740	9 337	-	-
Infrastructure Skills Development Grant		5 400	5 400	5 435	5 500	5 500	5 500	5 500	5 500	6 000
Energy Efficiency Grant		6 000	6 000	4 500	4 000	4 000	4 000	2 420	-	-
Local Government Seta		374	403	487	-	350	350	189	197	206
Services Seta		-	-	-	-	50	50	-	-	-
Climate Change Grant		-	163.00	-	-	-	-	-	-	-
Municipal Disaster Management Grant		-	1 877	-	-	-	-	-	-	-
Rural Roads Asset Management Grant		2 290	2 426	2 309	2 340	2 340	2 340	2 450	2 459	2 548
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		537 117	584 028	696 279	642 017	642 417	642 417	711 285	744 911	793 402
Capital expenditure of Transfers and Grants										
National Government:		500 981	434 762	492 477	564 558	713 291	713 291	548 122	612 591	645 156
Municipal Infrastructure Grant		347 914	305 129	340 429	398 778	487 511	487 511	433 122	453 622	475 431
Regional Bulk Infrastructure		43 067	45 063	57 098	55 780	115 780	115 780	15 000	43 969	60 000
Grant Water Services Grant		110 000	84 570	94 950	110 000	110 000	110 000	100 000	115 000	109 725
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		500 981	434 762	492 477	564 558	713 291	713 291	548 122	612 591	645 156
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 038 098	1 018 790	1 188 756	1 206 575	1 355 708	1 355 708	1 259 407	1 357 502	1 438 558

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 2021/2122 and 4.4% for 2022/2023.

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.

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.

The debtor's book constitutes 20% of the total municipal operating budget. Collection rate was 90% in the 2021/2022 as at Feb 2022.

DC44 Alfred Nzo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description R thousand	Ref 1	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	32,550	22,180	14,854	34,955	34,605	34,605	21,757	35,547	37,166	38,895
Service charges - sanitation revenue	2	3,472	2,487	1,387	3,576	3,396	3,396	2,956	3,599	3,758	3,927
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		370	207	3	-	2	2	2	-	-	-
Interest earned - external investments		38,857	45,362	34,808	30,108	28,471	28,471	24,087	30,179	31,507	32,925
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		534,827	581,602	696,279	642,017	642,035	642,035	634,497	708,835	742,452	790,854
Other revenue	2	3,034	1,745	1,362	78,440	101,349	101,349	893	100,648	105,077	109,805
Gains		(1,240)	(130)	259	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		611,869	653,454	748,952	789,096	809,857	809,857	684,192	878,808	919,959	976,406

DC44 Alfred Nzo - Table A1 Budget Summary

Description R thousands	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	36 022	24 667	16 241	38 531	38 001	38 001	24 714	39 146	40 923	42 822
Investment revenue	38 857	45 362	34 808	30 108	28 471	28 471	24 087	30 179	31 507	32 925
Transfers recognised - operational	534 827	581 602	696 279	642 017	642 035	642 035	634 497	708 835	742 452	790 854
Other own revenue	2 163	1 822	1 624	78 440	101 351	101 351	894	100 648	105 077	109 805
Total Revenue (excluding capital transfers and contributions)	611,869	653,454	748,952	789,096	809,857	809,857	684,192	878,808	919,959	976,406
Employee costs	244 076	268 322	271 999	301 659	300 237	300 237	233 230	304 627	318 103	332 487
Remuneration of councillors	10 359	11 565	10 824	12 396	12 600	12 600	8 461	13 181	13 761	14 381
Depreciation & asset impairment	77 302	80 818	95 984	100 000	100 000	100 000	83 195	100 000	104 400	109 098
Finance charges	739	359	4	-	500	500	406	-	-	-
Inventory consumed and bulk purchases	13 056	13 826	14 832	32 955	34 444	34 444	-	43 997	45 933	48 000
Transfers and grants	17 699	18 707	17 738	21 150	21 002	21 002	17 777	31 150	32 521	33 984
Other expenditure	209 433	226 552	265 936	316 891	319 411	319 411	181 493	338 997	340 808	356 180
Total Expenditure	572,664	620,150	677,316	785,051	788,192	788,192	524,562	831,953	855,526	894,130
Surplus/(Deficit)	39 205	33 303	71 635	4 045	21 665	21 665	159 630	46 855	64 434	82 276
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	503 271	437 188	492 477	564 558	748 291	748 291	472 057	550 572	615 050	647 704
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
	542,476	470,492	-	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Surplus/(Deficit) after capital transfers & contributions										
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	542,476	470,492	-	568,603	769,956	769,956	631,687	597,427	679,484	729,980
Capital expenditure & funds sources										
Capital expenditure	752 240	1 094 110	424 552	564 360	765 520	765 520	452 739	592 262	663 821	698 621
Transfers recognised - capital	565 489	868 504	392 286	516 880	714 694	714 694	429 595	521 466	589 910	621 384
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	3 117	14 097	25 830	47 480	50 576	50 576	23 144	70 796	73 911	77 237
Total sources of capital funds	568 606	882 602	418 116	564 360	765 270	765 270	452 739	592 262	663 821	698 621
Financial position										
Total current assets	388 887	689 317	932 246	951 660	951 033	951 033	1 276 046	1 061 769	1 149 632	1 256 361
Total non current assets	3 936 152	4 242 449	4 572 890	5 198 502	5 399 662	5 597 827	4 942 407	5 294 529	5 860 484	6 451 608
Total current liabilities	159 942	301 045	326 109	303 180	302 911	(302 911)	409 022	312 902	268 170	266 313
Total non current liabilities	14 345	9 836	10 116	9 603	9 603	(9 603)	10 135	10 387	10 387	10 387
Community wealth/Equity	3 629 625	4 171 087	5 186 629	5 837 379	6 038 343	6 038 278	5 801 586	6 033 008	6 731 559	7 431 269
Cash flows										
Net cash from (used) operating	457 413	656 980	1 093 421	693 603	889 405	889 405	1 491 635	718 052	760 609	814 751
Net cash from (used) investing	-	-	(420 104)	(564 360)	(765 520)	(765 520)	(518 271)	(592 262)	(663 821)	(698 621)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	457 413	656 980	1 260 490	802 849	797 491	797 491	1 758 030	938 236	1 035 025	1 151 154
Cash backing/surplus reconciliation										
Cash and investments available	290 519	586 742	784 666	802 849	797 491	797 491	1 139 915	948 120	1 044 908	1 161 038
Application of cash and investments	(837 131)	84 493	22 927	245 062	240 076	(365 746)	(2 965 431)	195 037	156 555	162 736
Balance - surplus (shortfall)	1 127 651	502 249	761 739	557 787	557 415	1 163 237	4 105 345	753 083	888 353	998 301
Asset management										
Asset register summary (WDV)	1 901 787	1 896 333	2 012 541	664 475	677 417	677 417	677 417	4 833 925	4 914 274	5 010 426
Depreciation	77 302	80 818	95 984	100 000	100 000	100 000	100 000	100 000	104 400	109 098
Renewal and Upgrading of Existing Assets	423 714	736 096	130 750	195 134	237 784	237 784	237 784	181 416	295 352	373 571
Repairs and Maintenance	38 998	44 177	75 146	47 231	55 011	55 011	55 011	72 950	76 061	79 462

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.

CHAPTER 4: ANDM STRATEGIES AND PROJECTS

4.1. Organising Framework for five year IDP Strategies

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

No	Key Performance Areas	Proposed Strategic Goals	Strategic Objectives	Proposed Targets with Time-frames
1	Basic Service Delivery	Basic Service Delivery and Community Empowerment	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	To develop project management capacity To develop and implement MIG implementation plan To monitor the development and implementation of the water services development and sanitation master plan To construct more social facilities Ensure all social facilities are user friendly To monitor that there is an increase of public infrastructure ensure all facilities are user friendly
2	Municipal Institutional Development and Transformation	Human Resources Development and institutional management	To build and strengthen the administrative and institutional capability of the municipality by 2027	To Review and implement Policies annually To comply with Section 21 of the Employment Equity Act 55 of 1998 To promote the mental, social health and wellbeing of all employees and to create a working environment that is conducive for the effective and efficient service delivery To draft and implement an annual training plan -

				WSP) To develop personnel management system To provide access of the system to the users (VIP Pay Roll) To acquisition new Capital hardware and provide support to end users To maximize use of electronic records management system
3	Local Economic Development	Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2022.	Reduce unemployment rates by 2% by 2027 Implement SMME's strategy
4	Municipal Financial Viability and Management	A capable and financially viable institution	To develop and maintain a financial viable and sustainable institution that achieves full compliance with municipal legislation by 2027.	To increase revenue collection by 50 %(by 30 June 2027) Full compliance with SCM regulation by 30 June 2027 Payment of service providers within 30 days of receipt of valid tax invoice
5	Good Governance and Public Participation	Effective Participation, Governance Partnerships Public Good and	To create a conducive environment for participatory development and promote a culture of good governance by 2027.	Enhance functionality of IGR Forums to achieve aspirations of the DDM – One plan Enhance functionality of public participation structures Enhance functionality of oversight structures of council. Improve audit status of the municipality to a clean

				audit by 2025. Development and Implementation of policies and by-laws.
			Strengthening Oversight Structures to eliminate mal administration, corruption, non-compliance and non – performance by 2027	Implement Integrity Management Framework (prevention, detection, resolution, investigation & reporting). Institutionalize and enforce anti- fraud and corruption programs. Enforce code of conduct Implement consequence Management. Implement efficient Performance Management System. Subject employees and members of council to capacity building programs and skills audit.
			To build strong links with all strategic partners and structures that will improve organizational efficiency by 2027	Enter into Public Private Partnerships. Strengthen IGR forums and sector coordination.(DIMAFO, District Speakers Forum, Municipal Manager’s Forum and all other sub-forums Resuscitate Back to Basics and revival of war rooms. Restoration of relations with local ambassadors (e.g. academia and professionals) Revive twinning arrangements with the local and international community in order to improve our

				economy.
6	Spatial Planning and Environmental Management	Spatial Restructuring and Environmental Sustainability	To create an environment and systems that contributes to integrated sustainable environment by 2027	Implementation of SPLUMA by 2027 Implement environmental sustainability programmes by 2027

IDP PROJECTS AS CONTAINED IN THE SDBIP 2022-2023

PED PROJECTS

DESCRIPTION		ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
GIS License Renewal		300 000,00	313 200,00	327 294,00
GIS Data Maintenance Water Infrastructure		500 000,00	522 000,00	545 490,00
GIS Data Maintenance Water Infrastructure: S&T		20 000,00	20 880,00	21 819,60
GIS Data Maintenance: Rural Sanitation		300 000,00	313 200,00	327 294,00
GIS Data Maintenance: Disaster Mapping Incidents - PF		400 000,00	417 600,00	436 392,00
Rural Settlement Development Plan		500 000,00	522 000,00	545 490,00
Feasibility Study and Designs for 4 Market Squares		1 000 000,00	1 044 000,00	1 090 980,00
SPLUMA Implementation Accommodation (13000)		100 000,00	104 400,00	109 098,00
SPLUMA Implementation Professional Fees (13000/44310)		200 000,00	208 800,00	218 196,00
Built Environment Services: Professional Fees		200 000,00	208 800,00	218 196,00
Spatial Development Framework		500 000,00	522 000,00	545 490,00
Agri Park Programme: Cropping Development - Professional Fees (13000/)		25 000 000,00	26 100 000,00	27 274 500,00

Agri Park Programme: Cropping Development - Advert		50 000,00	52 200,00	54 549,00
Aquaculture and Forestry Development Programme		500 000,00	522 000,00	545 490,00
Agri Park Infrastructure Development Infrastructure 13000		4 000 000,00	4 176 000,00	4 363 920,00
Capacity Building Programme		300 000,00	313 200,00	327 294,00
Zone Centre Development Programme: Professional Fees		2 000 000,00	2 088 000,00	2 181 960,00
Marketing and Branding Professional fees		500 000,00	522 000,00	545 490,00
Marketing and Branding - Advert		60 000,00	62 640,00	65 458,80
Resident Fashion Designer: Professional Fees		500 000,00	522 000,00	545 490,00
Resident Fashion Designer Programme: S&T		30 000,00	31 320,00	32 729,40
Resident Fashion Designer Programme: Advert (13000/44323)		10 000,00	10 440,00	10 909,80
Resource Mobilisation: Professional Fees		300 000,00	313 200,00	327 294,00
Beach to Berg: Professional Fees		300 000,00	313 200,00	327 294,00
Beach to Berg: Women in Tourism Programme		100 000,00	104 400,00	109 098,00
Beach 2 Berg: Hiring Costs		30 000,00	31 320,00	32 729,40
Beach 2 Berg: Conferencing		30 000,00	31 320,00	32 729,40
Beach to Berg: Marketing and Branding		-	-	-
Beach 2 Berg: Advert		30 000,00	31 320,00	32 729,40
Vuka Alfred Nzo Materials and Supply 13000		500 000,00	522 000,00	545 490,00
CAPEX				
Beach to Berg: Construction of Reception and Information Centre		500 000,00	522 000,00	545 490,00

CATALYTIC PROJECTS

NTABANKULU LOCAL MUNICIPALITY

Ntabankulu Agri-Hub Project

Ntabankulu Trading Hub/Trade Port

UMZIMVUBU LOCAL MUNICIPALITY

Umzimvubu Light Industrial Park

Umzimvubu Market Square Development

DISTRICT-WIDE PROJECTS - ANDA

Zone Centre Development Programme

Mbizana Manufacturing Hub

Agri-Park programme

WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY

Mbizana Market Square Development

Resident Fashion Designer Programme

ALFRED NZO DISTRICT MUNICIPALITY

Agri Parks Programme – Agro-processing plant

Livestock value chain

MATATIELE LOCAL MUNICIPALITY

Qhasha's Nek (T12) From Matatiele To Lesotho Border

Construction Of 4 Dams For Water Catchment

PED Sector plans

LRED Strategy

Tourism Sector Plan

SMME Sector Plan

Investment Attraction Strategy

Grain Master Plan

Coastal and Ocean Economy Sector Plan

Renewable Energy Strategy

GIS strategy

Spatial Development Framework.



Silo facility development in Emaxesibeni, processesing plant and market.



Ntenetyana Dam Facilities development - plans

Budget and Treasury Office Projects

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Vehicle Maintenance External. (14000/38007)	6 300 000,00	6 577 200,00	6 873 174,00
Office Reburshment	500 000,00	522 000,00	545 490,00
Building Repairs - Insurance	1 500 000,00	1 566 000,00	1 636 470,00
Catering Venue Hire 1400044019	50 000,00	52 200,00	54 549,00
Revenue Enhancement Strategy. (14000/44348)	1 570 000,00	1 639 080,00	1 712 838,60
Indigent Support	2 350 000,00	2 453 400,00	2 563 803,00
Insurance (14000/44049)	4 800 000,00	5 011 200,00	5 236 704,00
Revenue Collection Data Cleansing (14000/44091)	1 250 000,00	1 305 000,00	1 363 725,00
Update Fixed Asset Register. (14000/44345)	2 000 000,00	2 088 000,00	2 181 960,00
Licence Vehicle (14000/44055)	1 493 500,00	1 559 214,00	1 629 378,63
Fleet Management System. (14000/141)	650 000,00	678 600,00	709 137,00
Licence Financial Sysyem. (14000/44242) (MUNSOFT)	1 500 000,00	1 566 000,00	1 636 470,00
Car Valet and Washing services 14000	6 500,00	6 786,00	7 091,37
BTO SOPs	1 000 000,00	1 044 000,00	1 090 980,00
Review of Revenue enhancement strategy	300 000,00	313 200,00	327 294,00
Fuel & oil. (14000/44041)	3 600 000,00	3 758 400,00	3 927 528,00
Electricity (14000/44033)	1 700 000,00	1 774 800,00	1 854 666,00
Accommodation Assets (14000/44001)	500 000,00	522 000,00	545 490,00
Branding 14000	500 000,00	522 000,00	545 490,00
MSIG	2 787 000,00	2 380 000,00	2 380 000,00
Financial Management Grant - minimum competency(14000/44115)	250 000,00	250 000,00	250 000,00
Financial Management Grant - Timely submission of AFS (14000/44115)	30 000,00	30 000,00	30 000,00
Financial Management Grant. accommodation (14000/44115)	300 000,00	300 000,00	300 000,00

Financial Management Grant. Training (14000/44115)	300 000,00	300 000,00	300 000,00
Financial Management Grant - Payment for Licences(14000/44115)	-	-	-
Protective Clothing - BTO	300 000,00	313 200,00	327 294,00
Protective Clothing - CDS	500 000,00	522 000,00	545 490,00
Protective Clothing - CPS	200 000,00	208 800,00	218 196,00
Protective Clothing - IDMS	600 000,00	626 400,00	654 588,00
Protective Clothing - PED	20 000,00	20 880,00	21 819,60
Rent and Leases	1 000 000,00	1 044 000,00	1 090 980,00
SCM Training	200 000,00	208 800,00	218 196,00
BTO Trainings	200 000,00	208 800,00	218 196,00
Contract Management System	300 000,00	313 200,00	327 294,00
Document Tracking System	200 000,00	208 800,00	218 196,00
SCOA (14000/44350)	1 800 000,00	1 879 200,00	1 963 764,00
CAPEX			
Construction Stores (14000/50400/181)	2 500 000,00	2 610 000,00	2 727 450,00
Scanners for verification and meter reading	100 000,00	104 400,00	109 098,00
Payroll System	3 000 000,00	3 132 000,00	3 272 940,00
Office Refurbishment	1 000 000,00	1 044 000,00	1 090 980,00
Meter Replacement	4 000 000,00	4 176 000,00	4 363 920,00
Furniture and Equipment BTO	500 000,00	522 000,00	545 490,00
Vehicles 14000	700 000,00	730 800,00	763 686,00

IDMS

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Maintenance Ntabankulu Water Scheme (15000/38015)	8 000 000,00	8 352 000,00	8 727 840,00
Maintenace Matatiele WAter Scheme (15000/38014)	15 000 000,00	15 660 000,00	16 364 700,00
Maintenance Umzimvubu Water Scheme (15000/38013)	15 000 000,00	15 660 000,00	16 364 700,00
Maintenance Mbizana Water Scheme (15000/38012)	15 000 000,00	15 660 000,00	16 364 700,00
Bulk,Commercial & domestic Water Meters Replacement and Repairs	-	-	-
Building Maintenance	500 000,00	522 000,00	545 490,00
Bulk Water Purchase. (15000/41001)	10 000 000,00	10 440 000,00	10 909 800,00
EPWP - COMPENSATION	8 337 000,00	-	-
EPWP PROTECTIVE CLOTHING	1 000 000,00	-	-
Advertising 15000 44002	150 000,00	156 600,00	163 647,00
Electricity (15000/44033)	18 000 000,00	18 792 000,00	19 637 640,00
Purification Chemicals (Waste and Waste Water)	6 500 000,00	6 786 000,00	7 091 370,00
Construction of VIP Toilets in Matatiele LM		-	-
Construction of VIP Toilets in Umzimvubu LM		-	-
Inventory: Fuel (15000/38000)	6 000 000,00	6 264 000,00	6 545 880,00
Inventory: Fuel, Materials and Supplies (15000/38000)	8 000 000,00	8 352 000,00	8 727 840,00
Infrastructure Asset Management Plan (MIG 5%)	4 000 000,00	4 176 000,00	4 363 920,00
Bulk ,Commercial and Domestic Water meters - Advert	30 000,00	31 320,00	32 729,40
WCDM Existing Infrastructure Mapping Advert	30 000,00	31 320,00	32 729,40
District Wide WCDM Strategic Planning Report (Additional & Consolidation)- Advert	30 000,00	31 320,00	32 729,40
District wide Strategic Planning Report (Additional Areas & Consolidation)	4 000 000,00	4 176 000,00	4 363 920,00
Standard Operating Procedures (WSP	1 000 000,00	1 044 000,00	1 090 980,00
Standard Operating Procedures (PMU-MIG)	1 000 000,00	1 044 000,00	1 090 980,00
Refurbish Ntabank water scheme (50509/871)	6 500 000,00	6 786 000,00	7 091 370,00
Refurbish Umzimvubu water scheme (50509/841)	8 000 000,00	8 352 000,00	8 727 840,00

Refurbish Mbizana water scheme (50509/831)	7 500 000,00	7 830 000,00	8 182 350,00
Drought RELief/Feasibility. (50500/2201/111)	3 000 000,00	3 132 000,00	3 272 940,00
Refurb Matatiele WTW. (50509/811)	2 500 000,00	2 610 000,00	2 727 450,00
Refurbish Matatiele water scheme - Rural Schemes	7 500 000,00	7 830 000,00	8 182 350,00
WCDM - Existing Infrastructure Survey and Mapping	1 500 000,00	1 566 000,00	1 636 470,00
Bulk, commercial and domestic water meter supply (50500)	10 000 000,00	10 440 000,00	10 909 800,00
WCDM Infrastructure Field Equipment		-	-
WCDM - Water Loss Management (15000)	-	-	-
Tools & Equipment (Apparatus) (50500/1081)	916 000,00	956 304,00	999 337,68
RBIG			
Matatiele RBIG (50500/951)		-	-
Kinira Regional BWSS		13 969 000,00	30 000 000,00
Ntabankulu Bulk Water Supply		15 000 000,00	15 000 000,00
Mkhemane Regional BWSS		15 000 000,00	15 000 000,00
MT Ayliff Urban. (50500/3550)	15 000 000,00	-	-
MWIG			
Mbizana MWIG (50500/271)	20 000 000,00	22 500 000,00	23 512 500,00
District Wide Telemetry System	20 000 000,00	25 000 000,00	20 000 000,00
Ntabankulu MWIG (50500/356)	20 000 000,00	22 500 000,00	23 512 500,00
Umzimvubu MWIG. (50500/311)	20 000 000,00	22 500 000,00	22 700 000,00
Matatiele MWIG. (50500/301)	20 000 000,00	22 500 000,00	20 000 000,00
MIG PROJECTS			
Matatiele Water Ward 15. (50509/41)	20 000 000,00	-	-
Matatiele Ward 5. (0509/61)	10 000 000,00	-	-
Refurbish Ntabank water services schemes (MIG 10%)		20 000 000,00	20 900 000,00
Refurbish Mbizana water services schemes (MIG 10%)		20 000 000,00	20 900 000,00
Refurbish Umzimvubu water services schemes (MIG 10%)		20 000 000,00	20 900 000,00
Refurbish Matatiele water services schemes (MIG 10%)		20 000 000,00	20 900 000,00
Greater Mbizana Phase 1A (50500/3551)	79 000 000,00	20 000 000,00	-
Greater Mbizana Phase 1B WS		74 806 050,00	104 860 200,00

Mbizana Town Area Sewerage which was delayed by EIA Authorization	16 000 000,00	-	-
Mbizana Ward 10,12, 13&15 WSS	20 000 000,00	70 000 000,00	143 199 250,00
Fobane Water Supply. (50500/121)	70 246 200,00	78 161 595,20	100 000 000,00
Matatiele Ward 18 & 22 Water Supply	84 753 800,00	7 533 254,80	-
Ntabankulu Ward 12 Water Supply Scheme-Implementation Phase		-	-
Ntabankulu Ward 14 Water Supply Scheme-Implementation Phase	14 000 000,00	-	-
Ntibane Project (15000/50500/3081)		-	-
Cabazana P2 (15000/50500/471)		-	-
Nyokweni Bulk Water. (15000/50504/901)	82 465 900,00	90 000 000,00	20 000 000,00
Kwabhaca Water (15000/50500/431)	10 000 000,00	10 440 000,00	-

Corporate Services Department

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Maintenance Copiers (17000/38005)	1 800 000,00	1 879 200,00	1 963 764,00
Hire of Photocopiers 17000/9999	700 000,00	730 800,00	763 686,00
Security Services (17000/44095)	30 000 000,00	31 320 000,00	32 729 400,00
Security Services - Travelling (17000/44095)	20 000,00	20 880,00	21 819,60
Security Infrastructure	600 000,00	626 400,00	654 588,00
Post Box and Couriers (17000/44077)	20 000,00	20 880,00	21 819,60
Record Management System (17000/44302)	220 000,00	229 680,00	240 015,60
Electronic Records Management system	335 000,00	349 740,00	365 478,30
Name Tags	300 000,00	313 200,00	327 294,00
Cleaning Material (17000/44020)	500 000,00	522 000,00	545 490,00
Physical Access Control	1 000 000,00	1 044 000,00	1 090 980,00
Cleaning Equipment (17000/50700/32)	500 000,00	522 000,00	545 490,00

DESCRIPTION	DRAFT ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Job evaluation Accommodation (17000/44304)	50 000,00	52 200,00	54 549,00
Job evaluation Conference and facilities (17000/44304)	15 000,00	15 660,00	16 364,70
Job Evaluation : Consultants and Professional Services (17000/44304)	50 000,00	52 200,00	54 549,00
Employee Wellness Contractor. (17000/44035)	200 000,00	208 800,00	218 196,00
Employee Wellness - Travelling(17000/44035)	60 000,00	62 640,00	65 458,80
Employee Wellness - Catering(17000/44035)	250 000,00	261 000,00	272 745,00
Employee Wellness Programme Hiring Cost 1700044035	70 000,00	73 080,00	76 368,60
EMPLOYEE WELLNESS STAGE AND CREW 17000 44035	10 000,00	10 440,00	10 909,80

External Bursaries (17000/44144)	900 000,00	939 600,00	981 882,00
EXTERNAL BURSARIES TRAVELLING(17000/44144)	30 000,00	31 320,00	32 729,40
Study Assistance Programme. (17000/44143)	800 000,00	835 200,00	872 784,00
First Aid Material. (17000/44039)	30 000,00	31 320,00	32 729,40
Skills Programme: Memebership fees 17000 44145	100 000,00	104 400,00	109 098,00
Skills Programme (17000/44145)	1 500 000,00	1 566 000,00	1 636 470,00
Skills Program : Venue hire (17000/44145)	15 000,00	15 660,00	16 364,70
Skills Programme : Travelling(17000/44145)	50 000,00	52 200,00	54 549,00
Verification & Assessment (17000)	100 000,00	104 400,00	109 098,00
Legal Publications Books 17000 44408	50 000,00	52 200,00	54 549,00
Legal fees (17000/44408)	100 000,00	104 400,00	109 098,00
Induction Programm :Transport (17000/44170)	5 000,00	5 220,00	5 454,90
Induction Programm :catering (17000/44170)	5 000,00	5 220,00	5 454,90
ISDG :Training (17000/44267)	380 000,00	254 720,00	266 182,40
ISDG :Travelling (17000/44267)	200 000,00	108 800,00	113 696,00
ISDG: Conference and Exhibition (17000/44267)	100 000,00	104 400,00	109 098,00
ISDG Registration Fees 1700044267	50 000,00	52 200,00	54 549,00
ISDG :Catering and Venue hire (17000/44267)	52 323,84	54 626,09	57 084,26
ISDG :Accomodation (17000/44267)	322 473,95	336 662,80	351 812,63
Municipal Performance Management :Travelling (17000/44066)	30 000,00	31 320,00	32 729,40
Municipal Performace Management : Business and Advisory (17000/44066)	700 000,00	730 800,00	763 686,00
Municipal Performance Management :Hiring (17000/44066)	15 000,00	15 660,00	16 364,70
Occupational Health & Safety (17000/44072)	1 800 000,00	1 879 200,00	1 963 764,00
COIDA FEES	1 500 000,00	1 566 000,00	1 636 470,00
COVID-19 - Deep Cleaning of Mucip Build (17000)	300 000,00	313 200,00	327 294,00
COVID-19 - Cloth Masks and Goggles Faceshilds (17000) - materials and supplies	200 000,00	208 800,00	218 196,00
COVID-19 - Sanitizers (17000) - Materials and supplies	150 000,00	156 600,00	163 647,00
Career Expo	150 000,00	156 600,00	163 647,00

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
ICT Support and Maintenance	200 000,00	208 800,00	218 196,00
Network Maintenance	600 000,00	626 400,00	654 588,00
Telkom Voice (17000/44077)	1 500 000,00	1 566 000,00	1 636 470,00
Vodacom data line (17000/44077)	400 000,00	417 600,00	436 392,00
Telkom VPN Lines (17000/44077)	1 500 000,00	1 566 000,00	1 636 470,00
DR Centre Establishment	1 000 000,00	1 044 000,00	1 090 980,00
ICT Server room fire suppression	400 000,00	417 600,00	436 392,00
Information Management System	2 300 000,00	2 401 200,00	2 509 254,00
ICT License : Microsoft (17000/50700)	2 800 000,00	2 923 200,00	3 054 744,00
ICT License :Munsoft (17000/9999	6 500 000,00	6 786 000,00	7 091 370,00
ICT License : Mimecast (17000/50700)	650 000,00	678 600,00	709 137,00
ICT License :Sysaid (17000/50700)	450 000,00	469 800,00	490 941,00
ICT Lisense : Managed DR (17000/50101)	1 000 000,00	1 044 000,00	1 090 980,00
ICT License : Attix 5 (17000/50700)	950 000,00	991 800,00	1 036 431,00
ICT License: Caseware (17000/50700)	450 000,00	469 800,00	490 941,00
ICT License: VIP (17000/50700)	400 000,00	417 600,00	436 392,00
ICT License: Firewall (17000/50700)	450 000,00	469 800,00	490 941,00
ICT License: Website Hosting (17000/50105)	200 000,00	208 800,00	218 196,00

ICT License: Antivirus (17000/50106)	000,00	400	600,00	417	392,00	436
ICT License: Vmware (17000/50700)	000,00	450	800,00	469	941,00	490
ICT License: ELO (17000/50700)	000,00	1 500	000,00	1 566	470,00	1 636
ICT License: Cibecs (17000/50700)	000,00	500	000,00	522	490,00	545
ICT License: Internet usage Monitoring (17000/50700)	000,00	120	280,00	125	917,60	130
Implementation of ICTGCTPF Phase 3	000,00	300	200,00	313	294,00	327
Network Monitoring Tool	000,00	550	200,00	574	039,00	600
Remote Access Tool	000,00	20	880,00	20	819,60	21
Network Access Point (Maluti DMC, Matatiele Revenue, and Cedeville)	000,00	300	200,00	313	294,00	327
Network link for Emaxesibeni WTW	000,00	300	200,00	313	294,00	327
ICT Infrastructure upgrade	000,00	2 500	000,00	2 610	450,00	2 727
Computer Hardware - BTO (17000/50700/41)	000,00	200	800,00	208	196,00	218
Computer Hardware - IDMS (17000/50700/41)	000,00	200	800,00	208	196,00	218
Computer Hardware - CDS (17000/50700/41)	000,00	500	000,00	522	490,00	545
Computer Hardware - MM (17000/50700/41)	000,00	300	200,00	313	294,00	327
Computer Hardware - Speakers Office (17000/50700/41)	000,00	200	800,00	208	196,00	218
Computer Hardware - CPS (17000/50700/41)	000,00	300	200,00	313	294,00	327
Computer Hardware - PED (17000/50700/41)	000,00	200	800,00	208	196,00	218
Cabling of WTW 17000	000,00	300	200,00	313	294,00	327

Community Development Services

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Tools and Machinery	400 000,00	417 600,00	436 392,00
Emergency communication control centre	500 000,00	522 000,00	545 490,00
Fire and Rescue Services - Seminars ,Workshops & Conferences (Transport)	10 000,00	10 440,00	10 909,80
Fire and Rescue Services - Seminars ,Workshops & Conferences (Registartion)	30 000,00	31 320,00	32 729,40
Fire and Rescue Services - Registration Fees	50 000,00	52 200,00	54 549,00
Fire and Rescue Services - Accommodation	30 000,00	31 320,00	32 729,40
commemoration of the International Fire fighter Day - venue & facilities (16000)	50 000,00	52 200,00	54 549,00
commemoration of the International Fire fighter Day - Materials and Supplies (16000)	50 000,00	52 200,00	54 549,00
commemoration of the International Fire fighter Day - Exhibition Items (16000)	-	-	-
commemoration of the International Fire fighter Day - Professional Fees (16000)	50 000,00	52 200,00	54 549,00
commemoration of the International Fire fighter Day - transport (16000)	-	-	-
commemoration of the International Fire fighter Day - Catering (16000)	5 000,00	5 220,00	5 454,90
Fire and Rescue - Fuel & Oil. (16000/44041)	500 000,00	522 000,00	545 490,00
Fire & Rescue By laws (16000/44037) Catering	-	-	-
Fire & Rescue By laws (16000/44037) Stationery For law enforcement	50 000,00	52 200,00	54 549,00

Fire & Rescue By laws (16000/44037) Advert	000,00	30	320,00	31	729,40	32
Fire & Rescue By laws (16000/44037) Roadshows	000,00	20	880,00	20	819,60	21
Fire & Rescue By laws (16000/44037) Law Enforcement Capacity Building	000,00	100	400,00	104	098,00	109
Fire & Rescue By laws (16000/44037) Professional fees for promulgation of by-laws	000,00	120	280,00	125	917,60	130
Fire & Rescue -Community Emergency Response teams(16000/44037) fire tools	000,00	165	260,00	172	011,70	180
Fire & Rescue -Community Emergency Response teams(16000/44037) Capacity Building	000,00	105	620,00	109	552,90	114
Fire & Rescue -Community Emergency Response teams(16000/44037) Catering	000,00	40	760,00	41	639,20	43
fire and Life SafetyAwareness Campaigns 16000/44037 Educational Material	000,00	40	760,00	41	639,20	43
Fire & Rescue - Internal Capacity Building (16000/44037) venues and Facilities	-		-		-	
Fire & Rescue - Internal Capacity Building (16000/44037) Catering	-		-		-	
Capacity Building (16000/44037) Accommodation	000,00	50	200,00	52	549,00	54
Fire and Rescue - Materials & Stores. (16000/44057)	000,00	150	600,00	156	647,00	163
Fire and Rescue - Swift Water Rescue Programme - Capacity uilding	000,00	200	800,00	208	196,00	218
Fire and Rescue Swift Water Rescue Programme venue hire	000,00	50	200,00	52	549,00	54
Fire and Rescue Swift Water Rescue Programme catering	000,00	30	320,00	31	729,40	32
Fire and Rescue Swift Water: Advert (16000/44290)	000,00	20	880,00	20	819,60	21
Fire Safety Summit Venue hiring	000,00	50	200,00	52	549,00	54
District Fire Safety Summit - Professional Fees	000,00	60	640,00	62	458,80	65
Fire Safety Summit Accommodation	-		-		-	
Fire Safety Summit Material & Supplies	000,00	30	320,00	31	729,40	32

Fire Safety Summit Catering	000,00 30	320,00 31	729,40 32
District Fire Safety Plan, Wild Fire Safety Strategy - Review	-	-	-
District Fire Safety Plan, Wild Fire Safety Strategy - Scientific Risk Review	000,00 100	400,00 104	098,00 109
District Fire Safety Plan, Wild Fire Safety Strategy - Risk identification including areal assessment	000,00 100	400,00 104	098,00 109
District Fire Protection Association - Subscription Fees	000,00 200	800,00 208	196,00 218
Fire and Rescue Services Personal Protective Clothing (Fire Gear)	000,00 1 000	000,00 1 044	980,00 1 090
Swift Water High Angle Rescye & Fire Fighting including rescue boat	000,00 1 000	000,00 1 044	980,00 1 090

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Thabatchitcha: Installations and repears	000,00 50	200,00 52	549,00 54
District initiation Programmes - Car Hire (16000)	000,00 30	320,00 31	729,40 32
District initiation Programmes - Caterings (16000)	000,00 5	220,00 5	454,90 5
District initiation Programmes - Accommodation (16000)	000,00 30	320,00 31	729,40 32
District initiation Programmes - Protective Clothing (16000)	000,00 50	200,00 52	549,00 54
Isichathamiya Music Festival: Awards/Payments	000,00 100	400,00 104	098,00 109
Cleaning of Ablution Facilities : 16000	000,00 10	440,00 10	909,80 10
Traditional leaders celebrations - Catering	000,00 60	640,00 62	458,80 65
Traditional leaders celebrations - Hiring	000,00 80	520,00 83	278,40 87

Traditional leaders celebrations-Sound system	000,00	30	320,00	31	729,40	32
Traditional leaders celebrations - Transport	000,00	30	320,00	31	729,40	32
Alfred Nzo Cultural Music Festival: Catering	000,00	10	440,00	10	909,80	10
Alfred Nzo Cultural Music Festival - Sound System	000,00	70	080,00	73	368,60	76
Alfred Nzo Cultural Music Festival - Awards / Payment of Artists	000,00	200	800,00	208	196,00	218
Alfred Nzo Cultural Music Festiva-Hiring	000,00	100	400,00	104	098,00	109
Alfred Nzo Cultural Music Festival Stage and Crew	000,00	100	400,00	104	098,00	109
Makhanda Arts Festival - Materials and supplies	000,00	70	080,00	73	368,60	76
Makhanda Arts Festival Transport	000,00	30	320,00	31	729,40	32
Development of local Artist - Transport	000,00	30	320,00	31	729,40	32
Development of local artist 16000 : Event promoters 16000	000,00	70	080,00	73	368,60	76
Development of local Artist - Materials and Supplies	000,00	50	200,00	52	549,00	54
Maintenance of Khananda Memorial Site: Structure	000,00	150	600,00	156	647,00	163
Resourcing of Khananda Memorial Site	000,00	100	400,00	104	098,00	109
Research and Development for resourcing of Khananda	000,00	30	320,00	31	729,40	32
Yazi Ngamaqhawe akho: Catering	000,00	20	880,00	20	819,60	21
Yazi Ngamaqhawe akho: Hiring charges	000,00	110	840,00	114	007,80	120
Yazi Ngamaqhawe akho: Stage and Sound crew	000,00	40	760,00	41	639,20	43
Yazi Ngamaqhawe akho: Transport	000,00	50	200,00	52	549,00	54
OR Tambo legacy project - Catering	000,00	20	880,00	20	819,60	21

OR Tambo legacy project - Hiring cost	000,00	20	880,00	20	819,60	21
OR Tambo legacy project - Materials and supplies	000,00	100	400,00	104	098,00	109
District Heritage site Project	000,00	100	400,00	104	098,00	109
Alfred Nzo Memorial Lecture - Debate Catering	000,00	30	320,00	31	729,40	32
Alfred Nzo Memorial Lecture - Debate Sound crew	000,00	20	880,00	20	819,60	21
Alfred Nzo Schools Debate - Awards / Prize Giving	000,00	80	520,00	83	278,40	87
Alfred Nzo Memorial Lecture - Debate Transport	000,00	20	880,00	20	819,60	21
Alfred Nzo Memorial Lecture - Material and Supplies	000,00	50	200,00	52	549,00	54
Alfred Nzo Memorial Lecture - Hiring	000,00	50	200,00	52	549,00	54
Alfred Nzo Memorial Lecture - Catering	000,00	30	320,00	31	729,40	32
Alfred Nzo Memorial Lecture - Transport	000,00	40	760,00	41	639,20	43
Alfred Nzo Memorial Lecture - Sound Crew	000,00	20	880,00	20	819,60	21
Alfred Nzo Memorial Lecture Build-Up Marathon- Material and Supplies	000,00	50	200,00	52	549,00	54
Alfred Nzo Memorial Lecture Build-Up Marathon- Catering	000,00	30	320,00	31	729,40	32
Alfred Nzo Memorial Lecture Build-Up Marathon- Awards Payments	000,00	50	200,00	52	549,00	54
Nelson Mandela Day Celebrations hiring	000,00	70	080,00	73	368,60	76
Nelson Mandela Day Celebrations sound crew	000,00	30	320,00	31	729,40	32
Mandela Day Material and Supply 16000	000,00	80	520,00	83	278,40	87
Winnie Madikizela-Mandela Day sound crew	000,00	30	320,00	31	729,40	32
Winnie Madikizela-Mandela Day(Material and supplies	000,00	80	520,00	83	278,40	87

Winnie Madikizela-Mandela Day Catering 16000	000,00	30	320,00	31	32 729,40
Winnie Madikizela-Mandela Day Events Promoter 16000	000,00	20	880,00	20	21
Winnie Madikizela-Mandela Day Hire Charges 16000	000,00	80	520,00	83	87
Heritage Day sound crew	000,00	30	320,00	31	32
Heritage Day Hiring	000,00	90	960,00	93	98
Heritage Day Events Promoter 16000	000,00	30	320,00	31	32
Heritage Day Events catering 16000	000,00	30	320,00	31	32
Heritage month celebrations catering 16000	000,00	30	320,00	31	32
Mehlodong Projects : Catering 16000	000,00	30	320,00	31	32
Mehlodong Projects :Stange and Crew 16000	000,00	30	320,00	31	32
Mehlodong Project : Hiring costs 16000	000,00	30	320,00	31	32
Mehlodong Hiking Trails Materials and Supplies	000,00	50	200,00	52	54
Upgrade Thusong Center - Materials and supplies	000,00	50	200,00	52	54
(Thusong Centre) Improvement of Government access to information: Annual week	000,00	100	400,00	104	109
(Thusong Centre) Improvement of Government access to information: information sharing sessions	-		-		-
Eskom application fees	000,00	100	400,00	104	109
Alfred Nzo Month materials and supplies	000,00	100	400,00	104	109
Annual Thusong Indaba	000,00	50	200,00	52	54
Community sport development: Horse Racing	000,00	50	200,00	52	54
Community Sport Development	000,00	20	880,00	20	21

Centre Management Committee Capacity Building: Thabachicha	100 000,00	104 400,00	109 098,00
Upgrade Thunsong - Intergrated Services Equipment - (16000/44103)	100 000,00	104 400,00	109 098,00
Establishment /upgrade of Thusong centre units: indoor sports equipment	80 000,00	83 520,00	87 278,40
Noqulwana Monument (Erection of equestrian)	500 000,00	522 000,00	545 490,00
Installation of billboard at Thaba Chicha	100 000,00	104 400,00	109 098,00
Establishment / Upgrade Thusong Centre Unit: outdoor Sport Equipment	100 000,00	104 400,00	109 098,00

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
SALGA Sessions- Accommodation	30 000,00	31 320,00	32 729,40
SALGA Sessions- Catering		-	-
SALGA Sessions - S & T (Flights &Car Hire)	20 000,00	20 880,00	21 819,60
Advisory For a for institutions of Higher Learning - Accomodation	30 000,00	31 320,00	32 729,40
Advisory For a for institutions of Higher Learning - Support and Registration	40 000,00	41 760,00	43 639,20
Advisory For a for institutions of Higher Learning - Flights	-	-	-
Health Reimbursive travel 16000	1 164 000,00	1 215 216,00	1 269 900,72
Skills Development levy 16000	141 243,21	147 457,91	154 093,52
Environmental Health Information Reporting System	100 000,00	104 400,00	109 098,00
MHS Electronic Billboard (Scope of Practice)	-	-	-

MHS Branding Material (Gazebos, Table Cloths, Banners and Chairs)	100 000,00	104 400,00	109 098,00
MHS By-Laws review venue & facilities (16000)	30 000,00	31 320,00	32 729,40
MHS By-Laws review consultant and Professional Fees	120 000,00	125 280,00	130 917,60
MHS By-Laws review - stationery	10 000,00	10 440,00	10 909,80
MHS Stationery for certificates	20 000,00	20 880,00	21 819,60
MHS Food equipment (bunson burner, food thermometer, oil tester)	30 000,00	31 320,00	32 729,40
MHS Contamination protectors (Hair nets & Gloves)	-	-	-
Corporate Identity PPE and PPC	-	-	-
Hair nets and gloves	30 000,00	31 320,00	32 729,40
MHS WEHD District Build up - Catering	30 000,00	31 320,00	32 729,40
MHS WEHD District Build up Materials and Supplies	30 000,00	31 320,00	32 729,40
MHS WEHD Build Up - Hiring	30 000,00	31 320,00	32 729,40
MHS Provincial WEHD-Accommodation	50 000,00	52 200,00	54 549,00
MHS Provincial WEHD- Car Hire	30 000,00	31 320,00	32 729,40
MHS Provincial WEHD- Registration	73 000,00	76 212,00	79 641,54
WEHD National (Main)-Accommodation	30 000,00	31 320,00	32 729,40
WEHD National (Main)- Car Hire and Flights	30 000,00	31 320,00	32 729,40
MHS SAEIH Conference - Registration Fees 16000 44065	90 000,00	93 960,00	98 188,20
MHS SAEIH Conference - Accommodation 16000 44065	50 000,00	52 200,00	54 549,00
MHS - Flights & Car Hire - SAEIH & WEHD	60 000,00	62 640,00	65 458,80

MHS - Accommodation & Meals	000,00 30	320,00 31	729,40 32
MHS Catering(Intergrated RAIDS on business premises)	-	-	-
MHS Catering(Community awareness)	000,00 5	220,00 5	454,90 5
MHS HPCSA Board - Annual subscription	400,00 71	541,60 74	895,97 77
MHS South African Institute of Environmental Health(SAIEH) - registration fees (annual subscription)	000,00 10	440,00 10	909,80 10
MHS Air quality monitoring - Venues & Facilities	000,00 30	320,00 31	729,40 32
MHS Air quality monitoring - professional fees	000,00 120	280,00 125	917,60 130
MHS Air Quality Monitoring - Hiring (16000)	000,00 30	320,00 31	729,40 32
MHS Air quality monitoring - Catering	000,00 10	440,00 10	909,80 10
Laboratory Analysis Protective clothing (16000/44052)	000,00 150	600,00 156	647,00 163
Laboratory Analysis Material & Supply 16000 44052	000,00 50	200,00 52	549,00 54
Laboratory Analysis (16000/44052)	000,00 80	520,00 83	278,40 87
Equipment (Air Quality, Dust and Noise)	000,00 500	000,00 522	490,00 545

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Disaster Management Response. (16000/44273)	2 000 000,00	2 088 000,00	2 181 960,00

Disaster Mangement Reimbursive Transport	600 000,00	626 400,00	654 588,00
International DisasterDay/Commemoration 16000	-	-	-
International DisasterDay/Commemoration 16000- Catering	5 000,00	5 220,00	5 454,90
International DisasterDay/Commemoration 16000- Professional Fees	50 000,00	52 200,00	54 549,00
International Disaster Management Commemoration- Hiring Services	50 000,00	52 200,00	54 549,00
International Disaster Management Commemoration- Materials and Supplies	100 000,00	104 400,00	109 098,00
Maintanance of Disaster ablussion facilities/Hiring 16000	30 000,00	31 320,00	32 729,40
Skills Development levy 16000	56 616,53	59 107,66	61 767,50
DMISA Conference- Registration	100 000,00	104 400,00	109 098,00
DMISA Conference- Accomodation	100 000,00	104 400,00	109 098,00
Disaster capacity building - Accommodation (16000)	100 000,00	104 400,00	109 098,00
procurement of early warning system (16000)	150 000,00	156 600,00	163 647,00
Protective clothing (16000)	200 000,00	208 800,00	218 196,00
Disaster Management Volunteer	-	-	-
Disaster Managemet Volunteer Programme- Stipend	200 000,00	208 800,00	218 196,00
Disaster Management Volunteer Programme-Protective Clothing	100 000,00	104 400,00	109 098,00
Disaster Management Volunteer Programme-Workshop	90 000,00	93 960,00	98 188,20
Stakeholder engagement session in Disaster Management- Catering	5 000,00	5 220,00	5 454,90
Capacity Building Catering	-	-	-
Research agenda (16000)	100 000,00	104 400,00	109 098,00
Construction of Bizana Disaster Management Centre	2 000 000,00	2 088 000,00	2 181 960,00

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Batho Pele Championship programme - marketing material(16000/44270	20 000,00	20 880,00	21 819,60

Batho Pele Championship programme - Catering (16000/44270)	000,00	40	760,00	41	639,20	43
Batho Pele Championship Programme-Material & Supplies	000,00	20	880,00	20	819,60	21
Crime prevention - Development of District Community Safety Strategy (16000/44270)	000,00	200	800,00	208	196,00	218
Crime prevention - Awareness Campaigns (16000/44270)	-		-		-	
Crime prevention - support to Umzimvubu (16000/44270)	-		-		-	
Crime prevention - support to Ntabankulu (16000/44270)	-		-		-	
Crime prevention - support to Mbizana (16000/44270)	-		-		-	
Crime prevention - Accommodation (16000/44270)	-		-		-	
Intervention Programme of Vulnerable Groups-	-		-		-	
Intervention Programme of Vulnerable Groups- Catering	000,00	30	320,00	31	729,40	32
Intervention Programme of Vulnerable Groups- Advisory	000,00	30	320,00	31	729,40	32
Intervention Programme of Vulnerable Groups- Hiring	000,00	30	320,00	31	729,40	32
Intervention Programme of Vulnerable Groups-Accommodation	000,00	40	760,00	41	639,20	43
Intervention Programme of Vulnerable Groups- Material & Supplies	000,00	60	640,00	62	458,80	65
Revival of Community Safety Fora	-		-		-	
Revival of Community Safety Fora-Accommodation			200,00	52	549,00	54
Revival of Community Safety Fora-Catering			200,00	52	549,00	54
Revival of Community Safety Fora- Hiring			200,00	52	549,00	54
Capacity building on Customer Care Services	-		-		-	
Capacity building on Customer Care Services- Accommodation	000,00	120	280,00	125	917,60	130

Capacity building on Customer Care Services	-	-	-
Capacity building on Customer Care Services	90 000,00	93 960,00	98 188,20
Strengthening of District Customer Care Services - Materials and Supplies	50 000,00	52 200,00	54 549,00
Strengthening of District Customer Care Services - Business Advisory-Customer satisfaction survey	-	-	-
Customer Care Strategy	200 000,00	208 800,00	218 196,00
Customer Care day- Hiring	50 000,00	52 200,00	54 549,00
Customer Care Day: Catering 16000	-	-	-
Customer Care day material and supplies	250 000,00	261 000,00	272 745,00
Honoring Public Service Month (Material & Supplies	20 000,00	20 880,00	21 819,60
Honoring Public Service Month (Hiring)	30 000,00	31 320,00	32 729,40
Honoring Public Service Month(Catering)	30 000,00	31 320,00	32 729,40

Office of the Municipal Manager

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Conferences & Exhibitions Mayor. (11000/44025)	5 000,00	5 220,00	5 454,90
Hire of Transport. (11000/44046)	100 000,00	104 400,00	109 098,00
Subsistance & Travel Hire Vehicle (11000/44100)	100 000,00	104 400,00	109 098,00
Mayoral Imbizo Stage & Crew (11000/44323)	50 000,00	52 200,00	54 549,00

Mayoral Imbizos Transportation (11000/44323)	150 000,00	156 600,00	163 647,00
Mayoral Imbizo Events Promoters (11000/44323)	100 000,00	104 400,00	109 098,00
Mayoral Imbizo Hiring (11000)	150 000,00	156 600,00	163 647,00
Mayoral Imbizos Catering. (11000/44323)	100 000,00	104 400,00	109 098,00
Mayoral Intervention Catering.(11000/44322)	50 000,00	52 200,00	54 549,00
Mayoral intervention Program Hiring costs(11000/44322)	100 000,00	104 400,00	109 098,00
Mayoral intervention - School Uniform(11000/44322)	100 000,00	104 400,00	109 098,00
Mayoral intervention - Sport Equipment (11000/44322)	50 000,00	52 200,00	54 549,00
Mayoral intervention - Material and Supplies (11000/44322)	100 000,00	104 400,00	109 098,00

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Public participation Conferences and Seminars 11050 44082	30 000,00	31 320,00	32 729,40
Publication MPAC - Catering (11050/44335)		-	-
Catering MPAC (11050/44335)	5 000,00	5 220,00	5 454,90
Transportation - Open Council Day. (11050/44073)	200 000,00	208 800,00	218 196,00
Hiring Equipment - Open Council Day. (11050/44073)	200 000,00	208 800,00	218 196,00
Catering - Open Council Day. (11050/44073)	200 000,00	208 800,00	218 196,00
Transportation Public Participation (11050/44082)	150 000,00	156 600,00	163 647,00
Hiring Costs Public Participation (11050/44082)	150 000,00	156 600,00	163 647,00
Catering Public Participation. (11050/44082)	100 000,00	104 400,00	109 098,00
Marketing Items Public Participation (11050/44082)	50 000,00	52 200,00	54 549,00
Uniform and Protective Public participation	30 000,00	31 320,00	32 729,40
Accommodation Africa Month. (11050/44329)	15 000,00	15 660,00	16 364,70
Catering (11050/44329)	30 000,00	31 320,00	32 729,40
District Speakers Forumn - Catering(11050/44330)	5 000,00	5 220,00	5 454,90
District Speakers Forumn - Accommodation(11050/44330)	1 000,00	1 044,00	1 090,98
Accommodation Moral Regeneration. (11050/44328)	50 000,00	52 200,00	54 549,00
Catering Moral Regeneration. (11050/44328)	5 000,00	5 220,00	5 454,90

Moral Regeneration Movement Hire Charges 11050 44328	10 000,00	10 440,00	10 909,80
TransportationMoral Regeneration	50 000,00	52 200,00	54 549,00
accomodation Training Programmes (11050)	50 000,00	52 200,00	54 549,00
Fuel & Oil. (11050/44041)	90 000,00	93 960,00	98 188,20
Womens Caucus - Catering(11050/44019	10 000,00	10 440,00	10 909,80
Support to LM's - Hiring (11050/2001)	10 000,00	10 440,00	10 909,80
Support to LM's - Catering (11050/2001)	5 000,00	5 220,00	5 454,90

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Hiring Whipperry Program. (11060/44213)	20 000,00	20 880,00	21 819,60
Promotional material council study group	25 000,00	26 100,00	27 274,50
Constituency work - Catering (11060/44214)	-	-	-
Constituency work - Transport (11060/44214)	15 000,00	15 660,00	16 364,70
Constituency work - Hiring(11060/44214)	20 000,00	20 880,00	21 819,60

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Skills Development levy 11100	13 991,22	14 606,83	15 264,14
Risk prevention framework. (11100/44216)	100 000,00	104 400,00	109 098,00
Effectiveness of risk committee(11100/44216)	150 000,00	156 600,00	163 647,00
Strategic and Operational risk Ass(11100/44216)	150 000,00	156 600,00	163 647,00
POPI Act	400 000,00	417 600,00	436 392,00
Develop framework for Compliance Monitoring and Reporting (new line item)	150 000,00	156 600,00	163 647,00

BCP Phase two - Implementation& Training	200 000,00	208 800,00	218 196,00
Implement Fraud and Ethics Hotline	-	-	-

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
advertising Community Outreach	100 000,00	104 400,00	109 098,00
Publicity Costs (11100/44084)	940 000,00	981 360,00	1 025 521,20
Audio Visuals (11100/4407)	130 000,00	135 720,00	141 827,40
News Paper Periodicals	60 000,00	62 640,00	65 458,80
Translation (11100/44012) - Translators	60 000,00	62 640,00	65 458,80
Advertising costs legacy and heritage	100 000,00	104 400,00	109 098,00
Branding & Marketing. (11100/44013)	940 000,00	981 360,00	1 025 521,20
News Letters and Leaflets. (11100/44070)	150 000,00	156 600,00	163 647,00
Signage (11100/44092)	200 000,00	208 800,00	218 196,00
Audio Visuals (11100/50110/41)	1 500 000,00	1 566 000,00	1 636 470,00

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Travel Reimbursive	15 000,00	15 660,00	16 364,70
Skills Developmnet levy 11100	23 246,59	24 269,44	25 361,56
Audit Fees (11100/44008)	5 000 000,00	5 220 000,00	5 454 900,00
Internal Audit/ implementation on risk based internal audit (11100/44121)	200 000,00	208 800,00	218 196,00
Internal Audit ICT Reviews	200 000,00	208 800,00	218 196,00
Internal Audit -IA support to ANDA (11100/44121)	200 000,00	208 800,00	218 196,00

DESCRIPTION	ANNUAL BUDGET 2022 - 2023	Budget Year +1 2023/24	Budget Year +2 2024/25
Rams	2 450 000,00	2 459 000,00	2 548 000,00
IGR. & Stakeholder Management - Catering (11100/44206)	5 000,00	5 220,00	5 454,90
IGR. & Stakeholder Management - Accommodation(11100/44206)	10 000,00	10 440,00	10 909,80
Skills Levy (11100/31005)	204 558,13	213 558,69	223 168,83
Accommodation 11100 44001	200 000,00	208 800,00	218 196,00
Re-Imbursive Travelling	300 000,00	313 200,00	327 294,00
Subsistence & Travel Own Vehicle (11100/44100)	-	-	-
Conferences & Exhibitions Office of MM (111000/44025)	150 000,00	156 600,00	163 647,00
Grant in Aid	500 000,00	522 000,00	545 490,00
Monitoring & Evaluation Strategy. (11100/44338)	50 000,00	52 200,00	54 549,00
MIR & Protocol Programs - Uniform (11100/44215)	50 000,00	52 200,00	54 549,00
SDBIP Monitoring & Evaluation - Coference Fees (11100/44128)	400 000,00	417 600,00	436 392,00
SDBIP Monitoring & Evaluation - Accommodation (11100/44128)	300 000,00	313 200,00	327 294,00
SALGA Membership fees. (11100/44305)	3 500 000,00	3 654 000,00	3 818 430,00
Legal Services (11100/44053)	3 000 000,00	3 132 000,00	3 272 940,00
IDP - Catering (11100/44047)	10 000,00	10 440,00	10 909,80
IDP - Transport (11100/44047)	300 000,00	313 200,00	327 294,00
IDP - Printing(11100/44047)	100 000,00	104 400,00	109 098,00
Water quality monitoring. (15000/44134)	1 500 000,00	1 566 000,00	1 636 470,00
Water quality Monitoring : S & T(15000/44134)	35 000,00	36 540,00	38 184,30
Mt Frere & Mt Ayliff wtw process audit (15000/44123)	300 000,00	313 200,00	327 294,00
SANS 241 Audit (1500/44123)	500 000,00	522 000,00	545 490,00
water safety plan : HIRA (15000/44123)	800 000,00	835 200,00	872 784,00
Matatiele WWTW&Cedarville Ponds Process Audit (15000/44131)	300 000,00	313 200,00	327 294,00

Mt Ayliff & Ntabankulu WWTW (15000/44131)	300 000,00	313 200,00	327 294,00
Mt Frere WWTW & Mbizana Ponds (15000/44131)	300 000,00	313 200,00	327 294,00
Community Based Natural Resource Management (15000/44034)	500 000,00	522 000,00	545 490,00
Community Based Natural Resource Management tools and PPE (15000/44034)	300 000,00	313 200,00	327 294,00
Electricity Sector Plan	100 000,00	104 400,00	109 098,00
Backlog eradication strategy: advertisement 15000/44137	30 000,00	31 320,00	32 729,40
Backlog eradication strategy: Final document 15000/44137	200 000,00	208 800,00	218 196,00
Free Basic services: Awareness(15000/44251)	30 000,00	31 320,00	32 729,40
Verification of Application and Report (15000/44251)	800 000,00	835 200,00	872 784,00
water born disease : Conduct Awareness :All LM(15000/44140)	100 000,00	104 400,00	109 098,00
water born disease : Emergency stock :All LM(15000/44140)	300 000,00	313 200,00	327 294,00
water born disease : Catering services(15000/44140)	30 000,00	31 320,00	32 729,40
Climate Change Mitigation	1 200 000,00	1 252 800,00	1 309 176,00
Energy Efficient Grant	2 450 000,00	-	-
Water Services Development Plan (WSDP)	800 000,00	835 200,00	872 784,00
Water Services Authority: Water and Sanitation Standard Design	500 000,00	522 000,00	545 490,00
Intergrated Waste Management Plan	200 000,00	208 800,00	218 196,00
Environmental Management Framework	200 000,00	208 800,00	218 196,00
Intergrated Coastal Management Plan	200 000,00	208 800,00	218 196,00
Wastewater Risk Aburtment Plan	200 000,00	208 800,00	218 196,00
Nomlacu, Matatiele, Belfort & Ntabankulu WTW Process Audit	200 000,00	208 800,00	218 196,00
Water and Sanitation By-Laws	200 000,00	208 800,00	218 196,00

CHAPTER 5 – MUNICIPAL SECTOR PLANS

SPATIAL DEVELOPMENT FRAMEWORK

Executive Summary

Spatial planning in the Alfred Nzo District Municipality occurs within the national and provincial policy directives, and sets the agenda for 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.

As such, the ANDM SDF was developed and adopted by council on the 02nd June 2020 in 2020-2021 financial year and it 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. The ANDM SDF was developed in accordance with the requirements of the Department of Rural Development and Land Reform guidelines for the development of SDF's.

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.

5.3. 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.

5.4. 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.

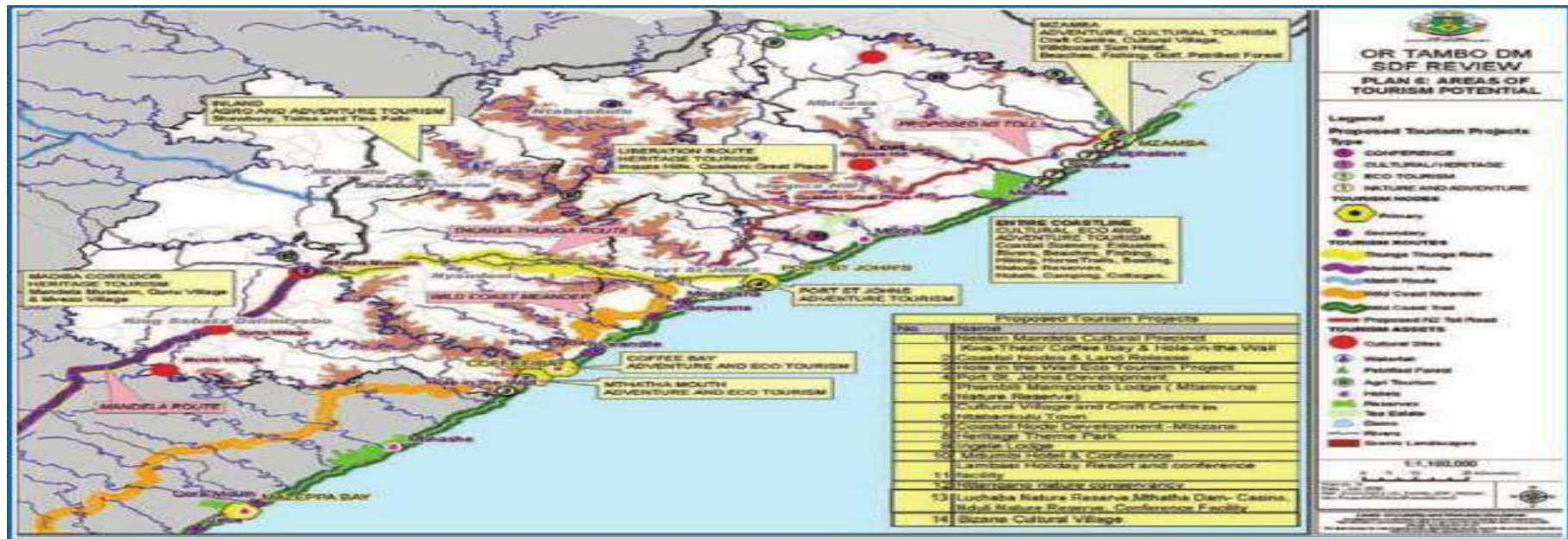
Ongeluksnek-Matatiele Ridge Corridor.

Western Tswereke Catchment

Semongkong ridgeline

Matatiele - Cedarville Ridge Corridor

Map 1: Tourism Potential

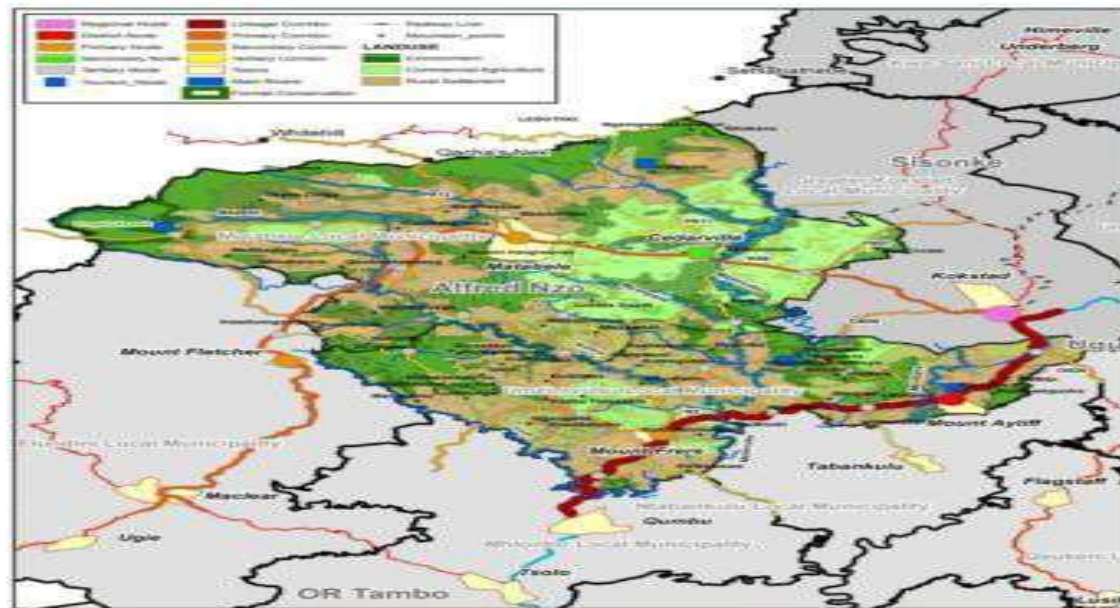


5.5. Spatial Planning

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 direction linking the Eastern Cape and KwaZulu-Natal provinces serves as the primary corridor and main access route to the district while R56 and R61 are identified as secondary corridor.

Map 2:



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.

The municipality has established and adopted a Joint District Municipal Planning tribunal which is made up of 3 local municipalities, namely, Winnie Madikizela-Mandela, Ntabankulu, Umzimvubu. It was gazette on the provincial gazette. The tribunal is made up of government officials from municipalities in the town planning sector, engineering, environmental management fields.

5.6. 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.

5.7. 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).

5.8. 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).

5.9. 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.

5.10. 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).

5.11. 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 ws Plan and Integrated Development Plan. The recommendations thereof have implications for the SDF especially for alignment and integration purposes.

5.12. 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.

5.13. 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”.

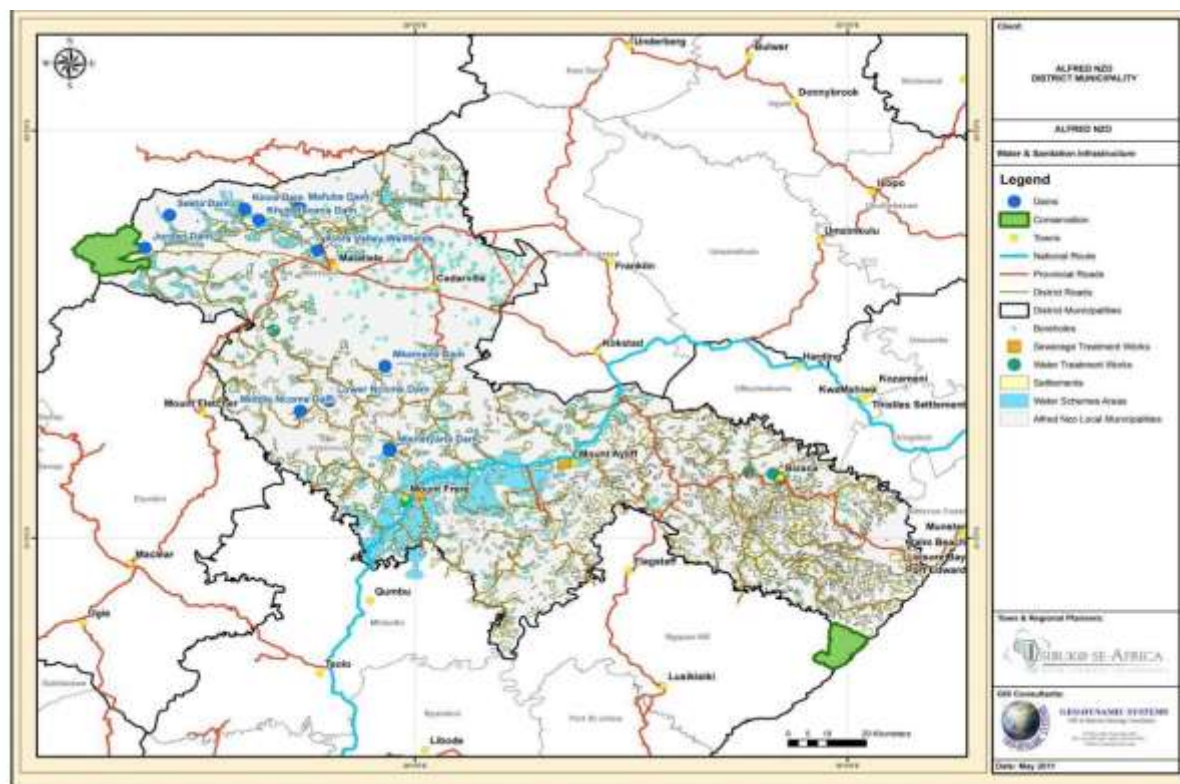
Bulk water supply to Cedarville.

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:



5.14. 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.

5.15. 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.

5.16. 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.

5.17. 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.

5.18. 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.

5.19. 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.

5.20. 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.

5.21. 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.

5.22. 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.

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.

5.23. 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.

5.24. 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.

5.25. 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.

5.26. 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 branches 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 Drakensburg Range and thus provide strategic linkages and unlock tourism development potential of this area.

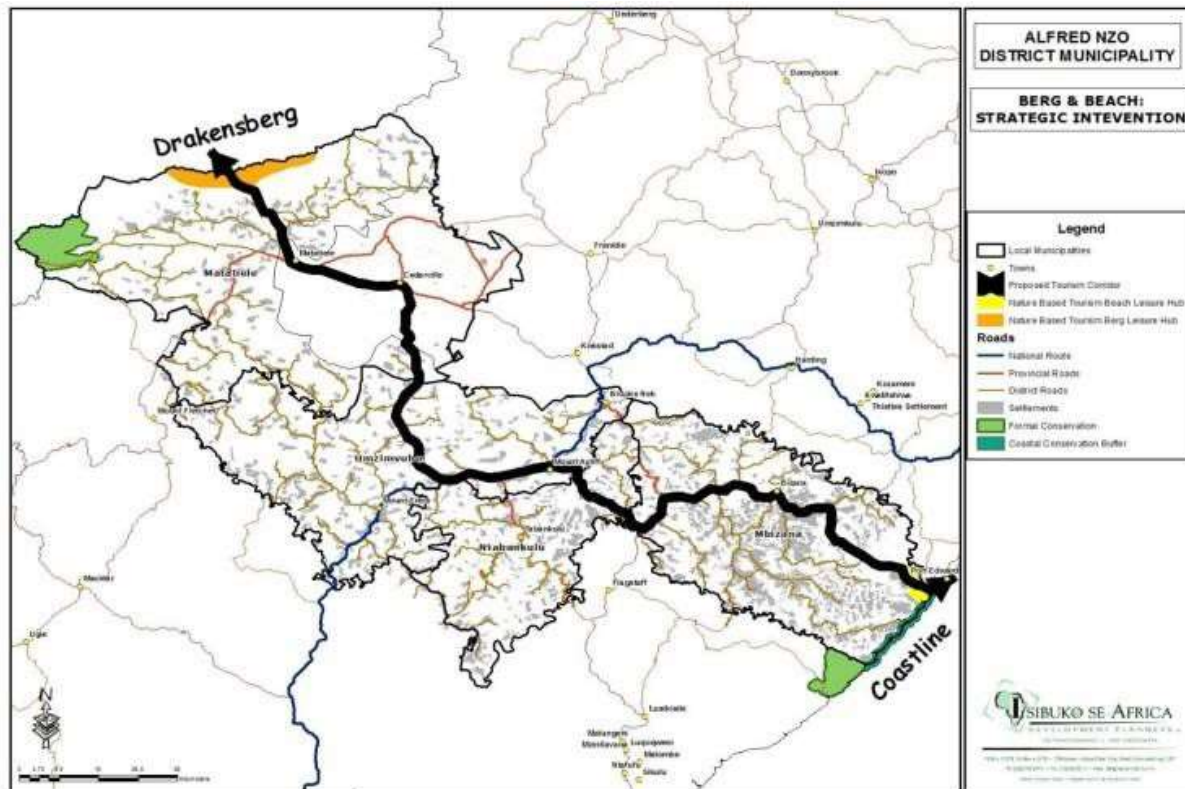
Road linking Matatiele and Ongeluksnek;

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.

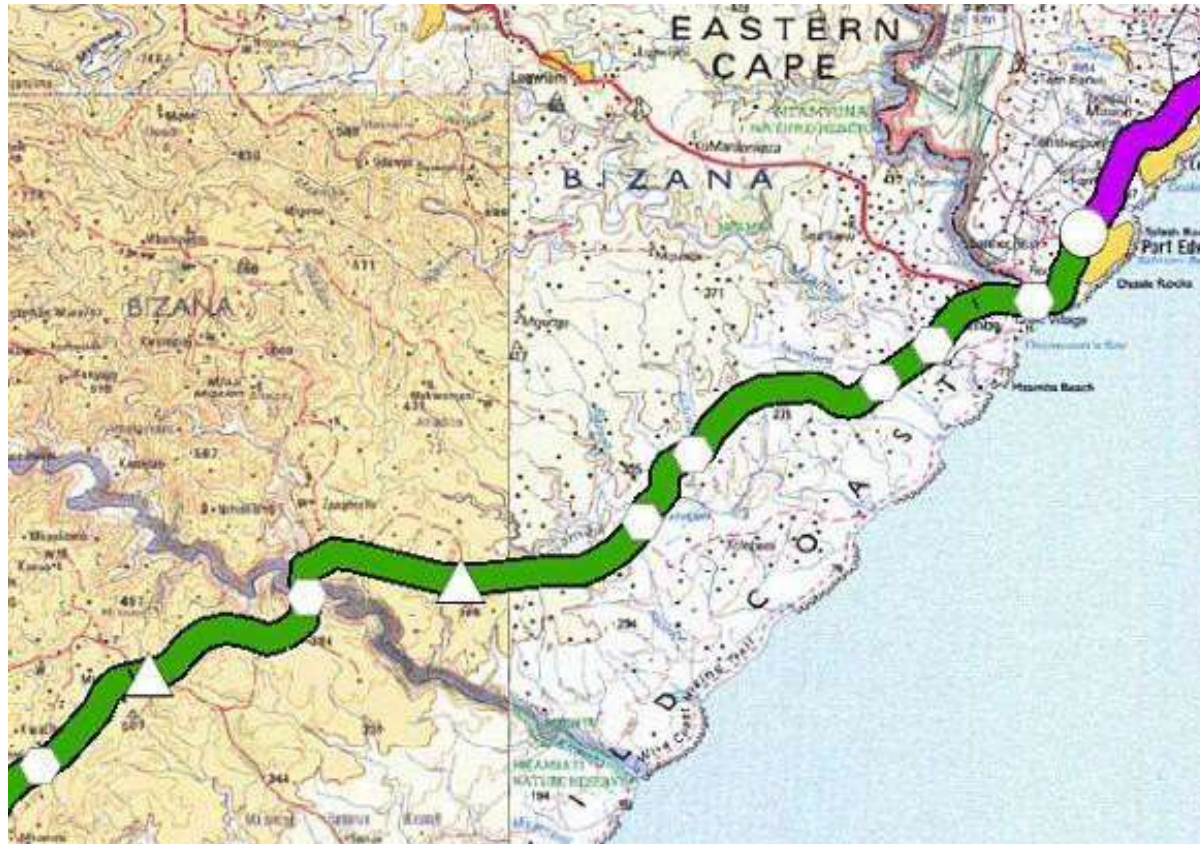
Map 5:



5.27. Proposed Wild Coast Toll Route

There is a proposed national route (i.e. wild coast toll route) which will be positioned from Mbizana (Mzamba) to Lusikisiki. According to the discussion with

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.



6. 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. These are aligned to the District Development Plan and One plan of the district.

The DDP identifies 5 High level Strategic goals, sighting that by 2035, ANDM should have:

Much improved public infrastructure

Better quality public services

A growing economy with lower unemployment and higher living standards

A sustainable, well-conserved & -protected natural environment

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

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 respectof 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 2021 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 2021 LED Strategy include:

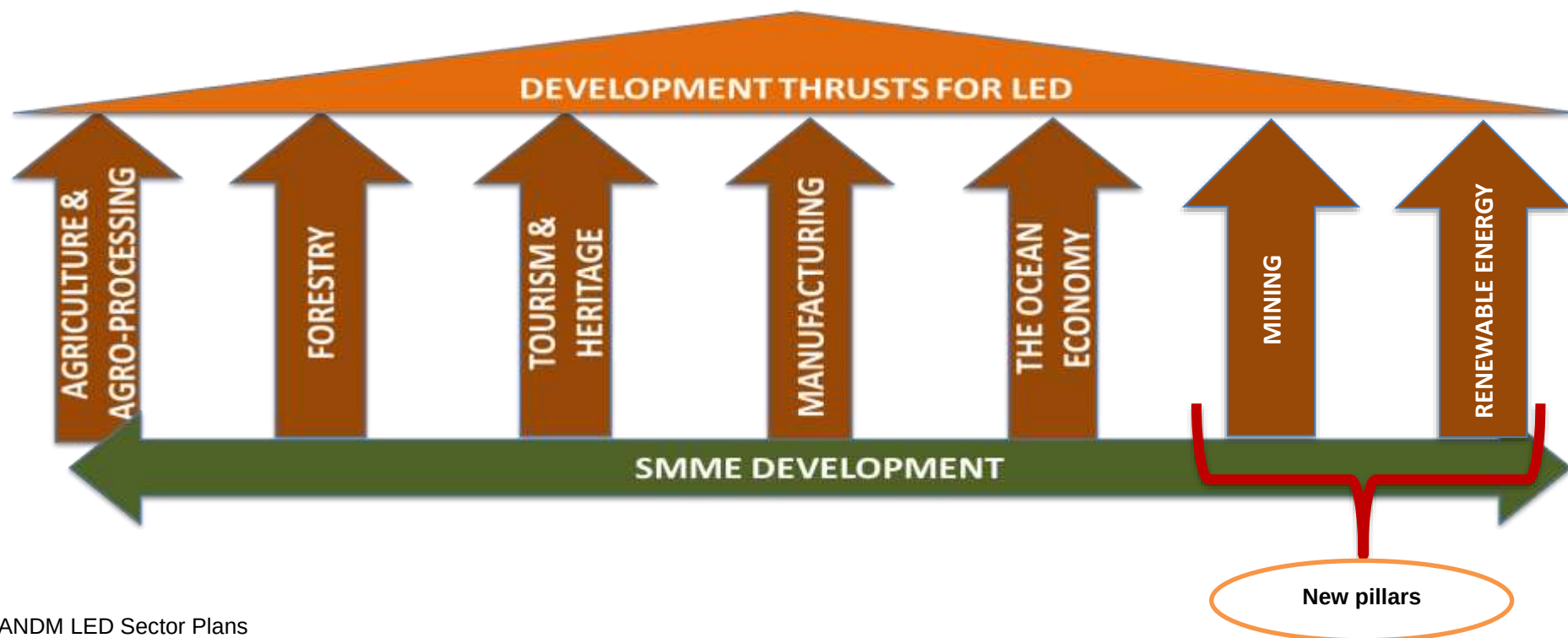
LED Policy is non-existent and should address 1) the utilisation of budgets for leveraging from government; parastatals; private sector (CSI); donor agencies and other development agencies; 2) Allocation of human resources towards LED planning; leveraging of resources and implementation; 3) Prioritisation 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 2021 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



ANDM LED Sector Plans

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:

ENTERPRISE DEVELOPMENT SUPPORT

The objective of Enterprise Development is to:

- Involve suppliers in Entrepreneurial upliftment;
- Contribute to Alfred Nzo regional economic development;
- Contribute to the sustainability of Small Local Enterprises in AND
- Ensure that through Enterprise Development people can earn a living and rise out of poverty. In turn over time they create jobs as well as empower other individuals and the communities in which they live. Market development, commercial business services and social enterprise are part and parcel of Enterprise Development. In addition, it encompasses finance, entrepreneurship development, investment, that ranges from enabling the start-up of small businesses to providing business skills development through training, mentoring, coaching.

Enterprise Development initiatives are introduced at the subcontracting level:

Types of Enterprises

Sourcing vendors from the ANDM database in addition to sourcing other SMMEs within the Alfred Nzo District area that have been utilised by member firms of the Consortium previously on other projects within Alfred Nzo. This level of subcontracting will be targeted to the suppliers that fall under the following classification:

- EME's and QSE's that are 51% or more black owned or 30% or more black women owned
- Whose members/shareholders are black South African citizens
- Whose registered business address is in ANDM
- Who are registered for SARS
- Who employ at least 1 other person

- Who have been in business for at least 12 months
- Willing to participate in a formal ED programme

The Alfred Nzo Business Forum was develop and encourage the advancement of micro and informal enterprises based in AND together with black people, women and youth owned enterprises.

The Construction and Operation Subcontractors will interrogate the database to be supplied by the Municipality to select suitable suppliers for core and non-core goods and services. However we will endeavour to incorporate those entities that match our desired enterprise development beneficiary profile into our program. In addition the forum will provide a list of the type of small enterprises that the Consortium will work with or subcontract at both Construction and Operations levels so there is a matching process that takes place.

ENTERPRISE DEVELOPMENT PROGRAMMES

- Programmes aimed at increasing operational capacity
- Programmes that provided for financial sustainability
- Programmes aimed at increasing efficiency
- Programmes aimed at increasing manufacturing capabilities
- Programmes aimed at enhancing management capabilities
- Programmes aimed at increasing technical capabilities
- Participants prioritised will be EME and QSE enterprises with 51% or more black equity whose contribution levels are between 1 – 6

ANDM in collaboration with all LMs Established and launched Help Desks which are available to assist local SMMES with all COVID 19 Relief schemes, agents are available to assist from Monday to Friday during office hours.

ANDM is working with the Department of Social Development under the Women Empowerment Programme for the production of face masks. The propramme is mainly focusing on Women cooperatives. Social Development will be issuing tenders for Masks and PPE. The programme will consider ANDM Cooperatives who will be assisted in terms of how to fill in documents. If they do not qualify for the tenders, the appointed service provider will be instructed to make use of Co'ops in

the database provided. Municipalities are appraised to assist by ensuring that Cooperatives compliance documents are in check.

All Local Municipalities have returned to work and are continuing with the registration of Rural Spaza Shops and General Dealers; this process includes issuing the rural shops with trading licenses.

All Local LMs are doing shops inspections almost on daily basis with the assistance of law enforcement and environmental health.

Key Interventions towards Economic Recovery

Redevelopment of Zone Centre's

ANDM is revitalising zone centres in the district. An advert calling local SMMES to submit expression of interest to operate and manage the Zone centres was published on Friday the 5th June 2020. The identified Zone Centres so far are located as follows:
3 in Mt Frere(shinta and Bafallonek) and 3 in Matatiele (Maloti, Madiba and Mongolong along R56)

The main objectives of this programme are as follows:

To give out to SMMES the space for manufacturing building related materials for a period of 3 years with 1 year option for extension.

To develop SMMES

To address economic leakage in the sector

To facilitate creation of job opportunities

To use local raw materials to benefit to local economic development spin offs

To promote upward linkages of value chain addition and provide value for money

The SMMES will be trained as per their training needs too ensure that when they come out of this program a water use license, mining permit are acquired and their products are SABS approved.

ANDM Agri-Parks Programme

The Alfred Nzo District Municipality (ANDM) has adopted and is currently implementing the Agri Parks Programs to improve the quality of life of rural households, enhancing food security, creating jobs, alleviate poverty and address the skewed economic landscape through a broader base of rural industrial and agricultural production and exploiting the varied economic potential of each Local municipality.

Phakama (Vuka) Alfred Nzo Support Scheme.

SMMES in the country at large have experienced some rather devastating effects stemming from the Covid-19 pandemic. This meant that SMMES across the board would generate little or no income during this time – crippling the future sustainability of businesses. This impacted on food security, jobs and poverty reduction.

Government responded by introducing various relief interventions for SMMES – targeting businesses that require assistance in order to remain afloat during and post Covid-19. These interventions had strict requirements, which could not be met by many SMMES from ANDM. To that affect, the Phakama Alfred Nzo Support Scheme has been re-prioritized; to stimulate the number of businesses and the level of economic activity within the ANDM. The programme has been developed to contribute towards poverty reduction, reduce unemployment and generation additional sources of income for the poor communities of the District. The scheme is intended to support local SMMES such as salons, street traders, Emerging farmers, Restaurants, Carwashes, Gymnasiums etc .

RESOURCE MOBILISATION PROGRAMME – SPEED POINTS FOR HAWKERS

ANDM has identified a gap in the market for Hawkers operating at Nodal points within the District; ie. Phuthi Junction, Phakade Junction; Magusheni Junction, Bhukuveni, Sphethu and Lumine (bomvini). Hawkers operating at the Nodal points often miss sales (peach, maize etc) due to customers driving through not having cash handy. LED will support these SMMES as follows:

- Ensuring that each operator is registered (as a Hawker or as an SMME)
- Ensuring that each operator has an active bank account
- Each operator has a “Yoco Speed-point”
- Each operator has a smart phone – it is needed for the speed-point to operate
- Sanitizers.

Towards the economy recovery of the district municipalities are encouraged to establish a database which will enable the identification of investors who have been involved in regular developments or large scale development. Such individuals should be targeted, incentivized and experience fast tracked development approvals.

Develop a Land Release Approach

An effective land release approach is required by all LMs in order to release land for development in a co-ordinated manner that will achieve the economic development objectives of the region.

To develop a comprehensive spatial planning (environment) for the entire respective municipalities including rural areas.

ANDM has also embarked on the following economic solutions in an attempt to recover from the COVID 19 economic implications:

- We have established partnership (SLA) with government and private sector investors of key economic sectors (agriculture, Forestry and tourism), already we obtained R54 Million from National Treasury through General Budget Support Grant for Livestock - Sheep Commodity (Funds are managed by DRDAR at provincial Level) .
- Create conditions that are conducive for investment and to attract investors for job opportunities and other economic development,
- Resource mobilization in order to realise the economic vision of the District.
- Land audit and property valuation programme to allow property rates enhancement thus revenue enhancement for Ntabankulu LM has been done in 2021-2022.
- 2020-2021 Umzimvubu LM was supported.
- Rejuvenation of tourism Attractions and heritage destinations (currently we doing the beach to burg corridor, Establishing hiking trails that are linked to the corridor, currently we are finalising Gomo Hiking Trail in Ntabankulu LM)
- We Lavage on grant funding from national treasury for small town revitalisation and assist LM to get funding (currently OTP has funded ULM with the Emaxesibeni Transport corridor, Town Landscaping, in the town, street lighting, establishment of a bus and market place as well as revitalisation of the MaXesibeni Taxi Rank).
- Support local farmers to get findings and production inputs through the Agri parks (we invested 29m this FY for mass food production)
- Youth development support programs through ANDA in partnership with the SETAs
- We have proposed and recommended that all LMs facilitate SMME support programme through SCM where 30% of procurements Is strictly confined to Alfred Nzo Region SMME (Adverts and specification)
- We also encouraged LMs to Adopt or strength a policy on Formal and informal trading licencing to allow revenue collection, and that process has started as mentioned above

7. POLICY ENVIRONMENT

List of policies and plans within ANDM

NO	POLICY	PROGRESS/COMMENT
001	Fraud Prevention Plan	Adopted in June 2022
002	Fraud Prevention Strategy	Adopted in June 2022
003	Risk Management Policy and Framework	Adopted in June 2022
004	Risk Management Strategy	Adopted in June 2022
005	Risk Management Committee Charter	Adopted in June 2022
006	Communication Policy	Adopted in June 2022
007	Communication Strategy	Adopted in June 2022
008	District Wide IGR Framework	Adopted in June 2022
009	Municipal Relations ad Agreements Policy	Adopted in June 2022
0010	SPU Strategy	Adopted in June 2022
0011	Youth Policy	Adopted in June 2022
0012	HIV and Aids Policy and TB	Adopted in June 2022
0013	Gender Policy	Adopted in June 2022
0014	Children's Policy	Adopted in June 2022
0015	Disability Policy	Adopted in June 2022
0016	Older Person's Policy	Adopted in June 2022
0017	Audit Committee Charter	Adopted in June 2022
0018	Internal Audit Charter	Adopted in June 2022
0019	Internal Audit Methodology	Adopted in June 2022
0020	Delegations Framework	Adopted in June 2022
0021	Delegation Register	Adopted in June 2022
	Unauthorised, irregular and fruitless and wasteful expenditure policy	Adopted in June 2022
0022	Public Participation and Petitions Policy	Adopted in June 2022
0023	Council Rules and Orders	Adopted in June 2022
0024	Office Bearers Vehicle Policy	Adopted in June 2022
0025	Travelling Allowance for Councillors	Adopted in June 2022
0026	Norms and Standards (MPAC)	Adopted in June 2022
0027	Terms of Reference (Roles and responsibilities)	Adopted in June 2022
0028	Mayoral Handbook	Adopted in June 2022

NO	POLICY	PROGRESS/COMMENT
0029	PMS Framework	Adopted in June 2022
0030	Human Resources Manual	Adopted in June 2022
0031	By Laws on Powers, privileges, immunities of Municipal Council	Adopted in June 2022
0032	Municipal meetings and meetings procedures	Adopted in June 2022
0033	Municipal By-law development policy	Adopted in June 2022
0034	Agricultural Development Policy	Adopted in June 2022
0034	SMME Policy	Adopted in June 2022
0036	Tourism and Heritage Development Policy	Adopted in June 2022
0037	Vuka Alfred Nzo Funding Policy	Adopted in June 2022
0038	Manufacturing Development Policy	Adopted in June 2022
0039	GIS Policy	Adopted in June 2022
0040	Trade Effluent Policy	In a process of development

Human Resources	Reviewal date
13th cheque policy	Adopted in June 2022
Acting allowance policies and procedures	Adopted in June 2022
Manual	
Code of conduct policy	Adopted in June 2022

Records Management policy	Adopted in June 2022
Compensation for occupational diseases and injuries policies and procedures manual	Adopted in June 2022
occupational health and safety policy	Adopted in June 2022
Consuming of alcohol or any abusive drugs- substance policy	Adopted in June 2022
Death of staff member policy	Adopted in June 2022
Promotion policy	Adopted in June 2022
Sexual harassment policy	Adopted in June 2022
Smoking policy	Adopted in June 2022
Unauthorized absence policy	Adopted in June 2022
Retention policy	Adopted in June 2022
Employee assistance programme policy	Adopted in June 2022
Gift, favors or reward policy	Adopted in June 2022
Hours of work policy	Adopted in June 2022
Housing rental policy	Adopted in June 2022
Implementation of new policies & procedures	Adopted in June 2022
SMME Policy	Adopted in June 2022
Tourism Policy	Adopted in June 2022
Local and Regional Economic Development Strategy (LRED)	Adopted in June 2022

Spatial Developmenty Framework	Adopted in June 2022
Financial Management	Adopted in June 2022
Accounting policies	Adopted in June 2022
Capital replacement reserve policy	Adopted in June 2022
Fleet management policy	Adopted in June 2022
Fixed asset management policy	Adopted in June 2022
Investment and cash management policy	Adopted in June 2022
Auxiliary and Information Technology	Adopted in June 2022
Email and Internet User Policy	Adopted in June 2022
ICT Framework	Adopted in June 2022
Telephone and cell phone policy	Adopted in June 2022

Apart from municipal policies adopted, the municipality has a functional LLF in place, and all employer/employee relations are maintained through this platform. As a result, there had been no strikes by employees in the past 5 years.

The LLF Chairperson is rotated between the employer and the employee component on an annual basis.

8. ORGANISATIONAL PMS

The 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 consists 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).

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.

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.

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.

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

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 an 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.

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.

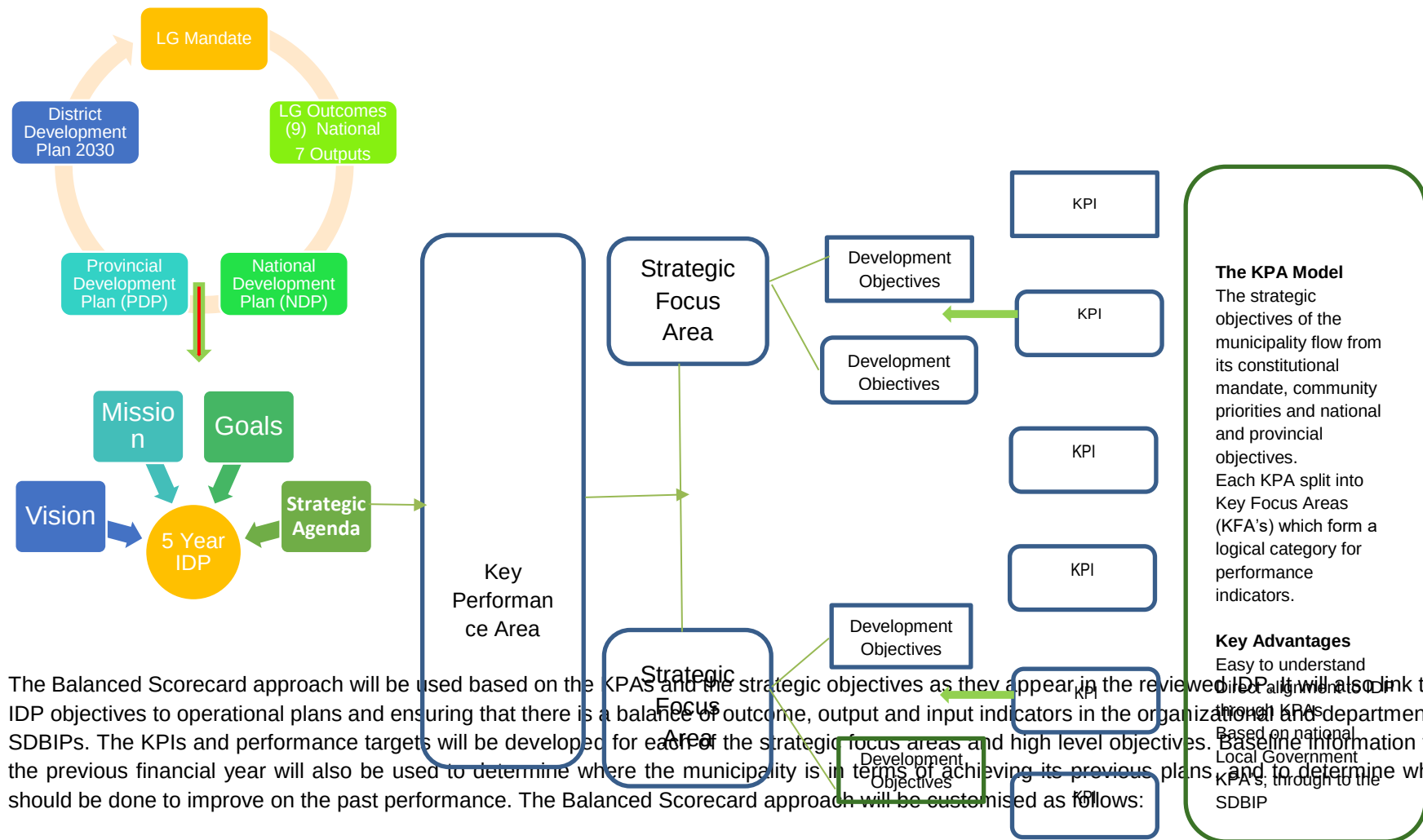
ANDM Council	Assess whether it is meeting its developmental objectives and whether these are having an impact on the lives of the people in the Municipality. Help define ways of improving its resource usage and impact on the developmental needs of the people in the Municipality. Assist in evaluating progress made by the Municipality against key performance indicators.
Executive Mayor and Mayco	Strategic monitoring of progress and effectiveness of the implementation of the IDP Plan. Review the effectiveness of service delivery strategies used by the Council and inform recommendation on best methods including partnerships for service delivery.
Municipal Manager	Strategic and operational control of the delivery of the IDP & SDBIP. Use the information and analysis to advise the Council on the best action for the Municipality to take to realise its development objectives.

Senior Management Team	Keep an up to date understanding of implementation. Understand reasons for problems and blockages Inform ways of tackling day-to-day and systemic blockages to implementation.
Financial Team	Monitors how effectively the financial resources are used to implement the IDP. Controls the flows of money to maximise its contribution to the implementation.
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 objectives.
Sectoral Managers	Understand and assess how his sectoral resources are performing in implementing the IDP plan. Evaluate/Measure performance in terms of agreed indicators and targets.
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

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:



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)

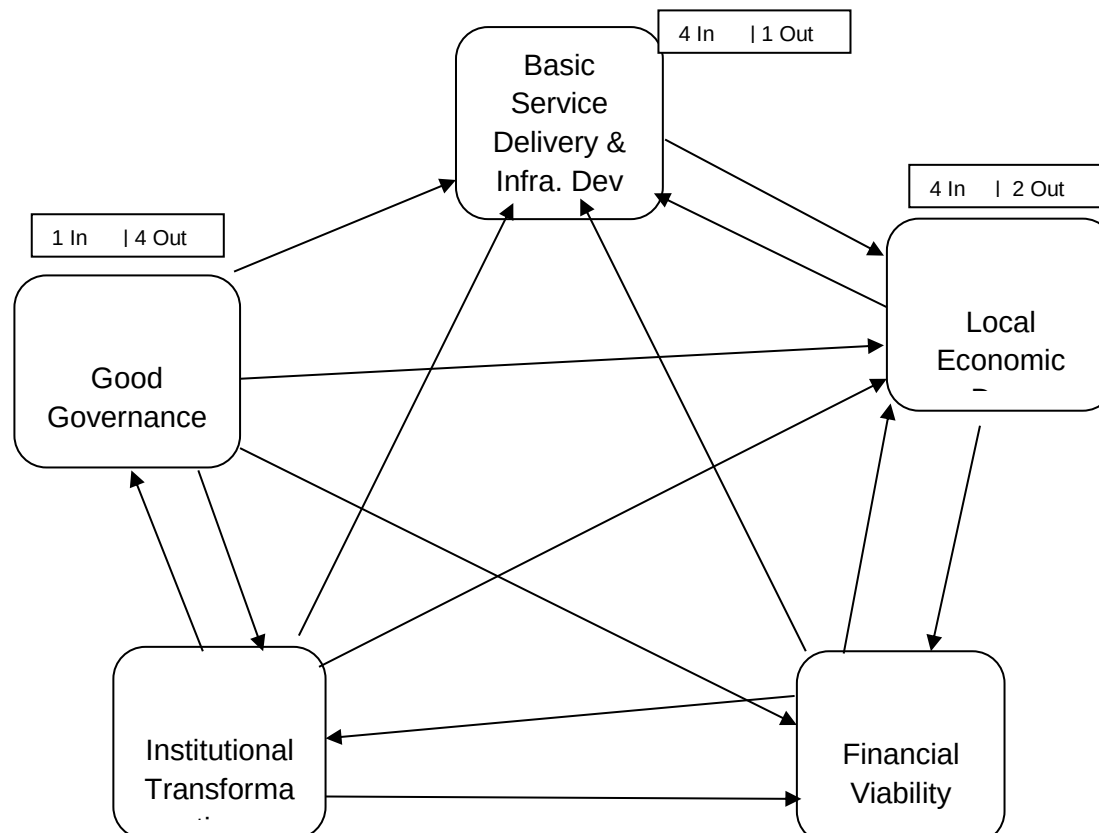
KPA: Institutional transformation and organisational development

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

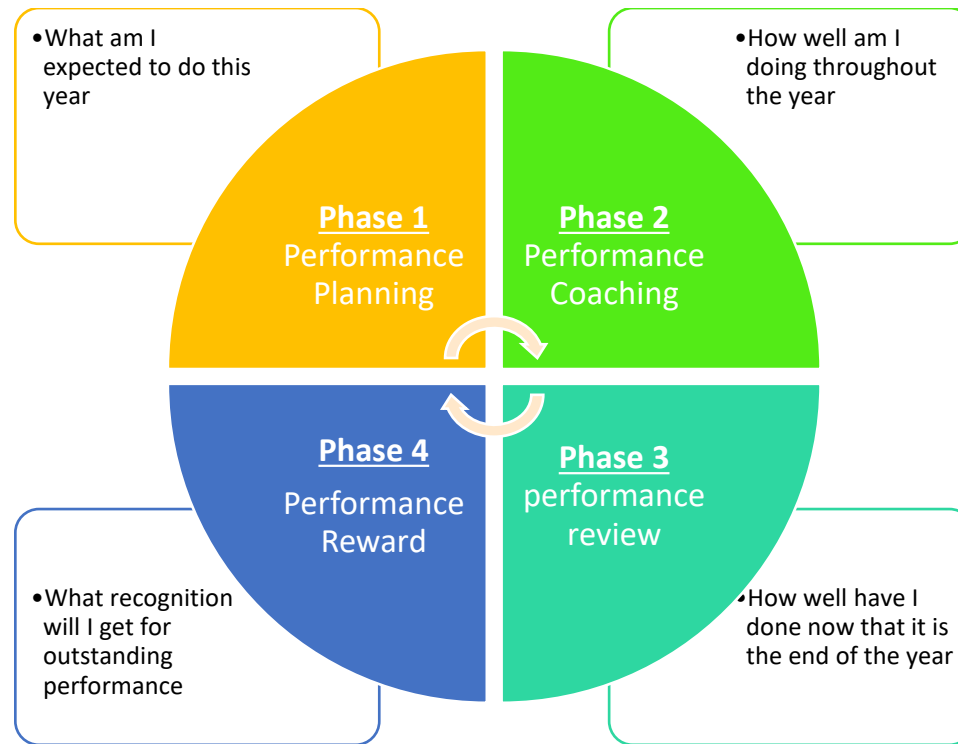
The scorecard is informed by the logic that achieving the strategic agenda will be through appreciating which are the drivers and outcomes between the KPAs, as illustrated below:



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:



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.

Performance reporting

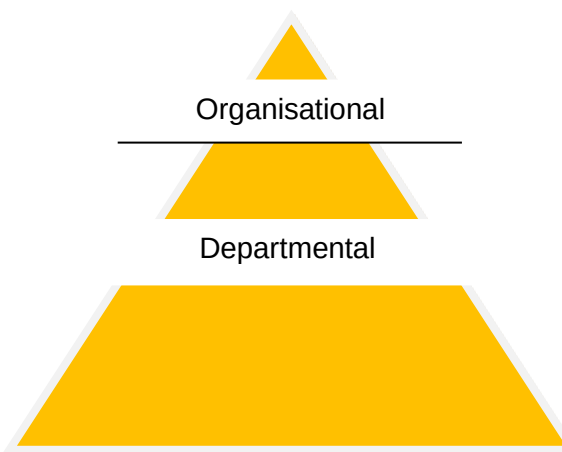
Sections report weekly to the Managers. These reports are consolidated into monthly reports where line managers report to their Executive / Senior Managers. The monthly reports will be presented and discussed at the Extended Top Management on monthly basis. These departmental reports will then be consolidated 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.

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:



Individual Performance

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.

Individual performance management system

The substantive details of the individual performance management system are discussed under section c below.

INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

Performance appraisal

The individual performance management system is 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.

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.

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.

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.

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:

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.

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.

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.

Dealing with poor performance

In the event of an employee failing to meet his/her performance objectives, the following guidelines should be followed:-

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.

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 action being taken.

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.

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

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.

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.

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.

Scoring criteria:

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.





Disaster Management

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.

Municipal Disaster Management Policy Framework

ANDM has adopted Disaster Management Policy Framework in 2021 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.

Municipal Disaster Management Plan

ANDM has adopted reviewed Disaster Risk Management Plan in 2021 and here are the details of the plan:

Level of the Plan: 2

Due for Review: 2022/23 Financial Year.

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.

The disaster management plan stipulates that all emergency procurement should be dealt with in terms of Regulation 36 which deals with deviations from normal procurement processes.

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.

The President of the Republic of South Africa declared a National State of Disaster in response to floods, which heavily damaged many parts of KwaZulu-Natal and parts of the Eastern Cape in April 2022. As a result of the floods, almost 4 000 homes have been destroyed and over 8 300 homes have been partially damaged; and the numbers are rising daily. It is also estimated that more than 40 000 people have been displaced by the floods. There are more than 440 people known to have lost their lives in KwaZulu-Natal, with approximately 48 people still missing or unaccounted for. In the Eastern Cape, the flooding has resulted in deaths, damage to property, crops, and livestock; particularly in informal settlements and areas located close to rivers and waterways.

The Alfred Nzo District Municipality is a disaster prone area. Annually, ANDM suffers the impact of various human-induced and natural hazards that have the potential to kill, injure, destroy and disrupt. The ANDM Disaster Risk Management Plan (DRMP) of 2019 states that “the District is committed to ensuring the safety of its inhabitants and the sustainability of its communities, economy and environment and therefore intends to effectively manage disaster risk within the District in close collaboration with all relevant stakeholders and especially the local municipalities within the ANDM”. The overall objective of the DRMP is not only to define the essential elements and procedures for preventing and mitigating major incidents or disasters, but also to ensure rapid and effective response and aspect specific contingency planning in case of a major incident or disaster that will:

Save lives;

Reduce risk exposure;

Reduce suffering;

Protect property;

Protect the environment;

Reduce economic and social losses; and

Provide for the safety and health of all responders.

The purpose of this report is to outline the effects of the flooding on the Agricultural sector in ANDM. The municipality working together with the department of Rural Development and Agrarian reform is in the process of capturing data from farmers.

IMPACT OF CLIMATE CHANGE IN ALFRED NZO DISTRICT MUNICIPALITY

EFFECT OF CLIMATE CHANGE IN THE AGRICULTURAL SECTOR

The Agricultural sector is the backbone of the Alfred Nzo District's economy, with considerable contribution in poverty alleviation, food security, job creation and the generation of household income. Although the sector has so much potential towards the development and growth of the Alfred Nzo District economy, it is greatly affected by climate change. In the past 5 years, the sector has been heavily affected by various natural disasters resulting from the changes in climate. The incidents that have occurred range from drought, flooding, hailstorms, and wildfires. Furthermore, since the start of the spring season in 2020-2021, the Agricultural sector has been experiencing severe pressure due to the changing weather conditions. The Alfred Nzo Region has experienced excessive rainfalls which have never occurred in the past 10-15 years. This has had major impact on the Agricultural sector; resulting in delays in mechanisation activities due to waterlogged soils; soil structures being eroded, and crops also changing their genetic make-up and eventually being destroyed. Climate change is threatening the sustainability of the agricultural sector.

DESCRIPTION OF FLOOD DAMAGE

The recent rainfalls experienced in the month of April 2022, have affected the sector even further. Flood damage has affected various wards across the Alfred Nzo District, with considerable damage being noted in livestock, crops, and infrastructure. To date, crops that have been affected include dry beans, cabbage, potatoes, sweet potatoes, maize, wheat; livestock loss have been noted in cattle, sheep, goats, pigs, poultry, and grazing land. Infrastructure damage includes fencing, irrigation systems, access roads, livestock infrastructure etc. have been damaged.

Furthermore, approximately 365,4 ha in Winnie Madikizela Mandela LM, 938 ha in Umzimvubu Local Municipality and 5 ha in Ntabankulu of crops have been damaged. Livestock lost amounts to a total of 443. In Alfred Nzo, a combined estimated total of 1308,4 ha of crops and grazing land has been destroyed by the flooding. Below are some images for the affected areas and a table providing detailed information on the damage caused per local municipality. Lastly, it is worth noting that this is an ongoing exercise and the above data are estimates of data captured to date.









Municipal Fire and Rescue Stations

The municipality has Fire and Rescue satellite stations in all local municipalities, with the head of fire at the Mt Ayliff station.

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).

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.

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

Disaster Risk Assessment

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.

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.

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.

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.

Early Warning Strategy

The municipality collaborates with South African Weather Services for information dissemination of early warnings.

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).

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”.

Water Services Development Plan

IDP Water Sector Input Report

Background

The Water Services Act, 1997 (Act No. 108 of 1997) places a duty on Water Services Authorities to prepare a Water Services Development Plan as part of the process of preparing any integrated development plan. Section 15 (5) of the Water Services Act, 1997 states that:

A water services development plan must form part of any integrated development plan contemplated in the Local Government Transition Act, 1993 (Act No. 209 of 1993).

The Department of Water Affairs has developed water sector-specific requirements for local government's integrated development plans as a means to ensure sufficient incorporation of water services delivery matters in local government's strategic planning processes. The incorporation of water sector-specific matters is assessed by the Department during the IDP review and comment cycles. This allows for,

Enable sufficient and appropriate narrative for IDP integration

Alignment with the latest WSDP Guide Framework as established in the WSDP System

Incorporation of Water Services-specific Objectives and Strategies

Distinction between approved MTEF projects and conceptual projects as prompted from the WSA's water services development planning initiatives

In this light, the ANDM has appointed Monde Consulting Engineers (Pty) to assist in the development of the 2018/19 WSDP, as per advertised terms of reference.

10.1. ANDM Water services jurisdiction

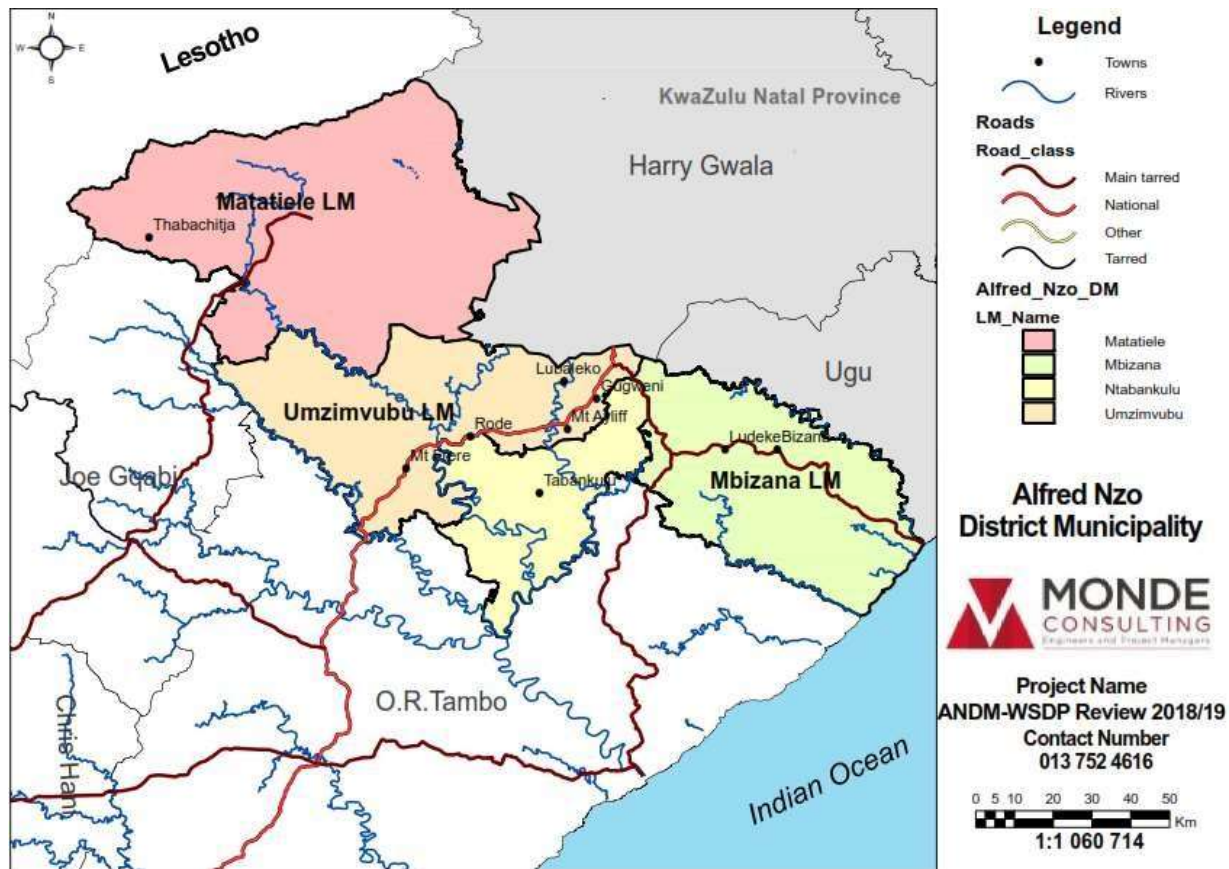
The Alfred Nzo District Municipality (herein after referred to as ANDM) is a municipality in the Eastern Cape province of South Africa. ANDM, whose municipal code is DC44, is located in the north-eastern side of the province as shown in the map below. The District Municipality jurisdiction covers 4 local municipalities namely;

Matatiele Local Municipality (EC 441);

Umzimvubu Local Municipality (EC 442);

Mbizana Local Municipality (EC 443); and ☐ Ntabankulu Local Municipality (EC 444).

Figure 1: Jurisdiction of ANDM



10.2. ANDM WSDP Planning history

As stated earlier, the Water Services Act, 1997 (Act 108 of 1997) places a duty on Water Services Authorities to draft, invite comments and adopt a Water Services Development Plan. As promulgated in terms of section 16 of the Water Services Act, a WSA must prepare and adopt a new development plan every five years, unless substantial deviations require an earlier interval.

Thus, the table below shows the chronology in WSDP development within ANDM.

Table 1: WSDP planning chronology

No	Description	Date Approved:	Developed by:
1	Water Services Development Plan 2010	March 2010	UWP Consulting
2	Water Services Development Plan 2012	August 2012	Camdekon
3	Water Services Development Plan 2013	June 2013	GIBB Engineering
4	Water Services Development Plan 2015	June 2015	Royal HaskoningDHV
5	Water Services Development Plan 2017-22	Pending	Aurecon South Africa (Pty) Ltd
6	Water Services Development Plan 2018/19	Pending	Monde Consulting Engineers (Pty) Ltd

7	Water Services Development Plan 2022	Pending	Procurement Stage – Not yet appointed

ANDM Water services governance structure

The WSA governance structure with regards to WSDP planning is as depicted below. The mandate to ensure service provision has been delegated to the Senior Manager: Infrastructure Development and Municipal services.

Figure 2: ANDM WSA governance structure



Note: As adapted from the ANDM IDP 2018/19

The structure above aligns to the legal frameworks which indicate that WSAs have the following legislative responsibilities;

draft a Water Services Development Plan (with full implementation details for next 5 years)

draft the WSDP as part of the IDP process

elicit comments on draft WSDP

consider and report consideration of comments

finalize and adopt the WSDP

supply copies to DWS, CoGTA & neighbouring WSA's

incorporate the WSDP into the IDP

report on the implementation of the WSDP every year (performance report)

include a water services audit in the annual report on the implementation of the WSDP

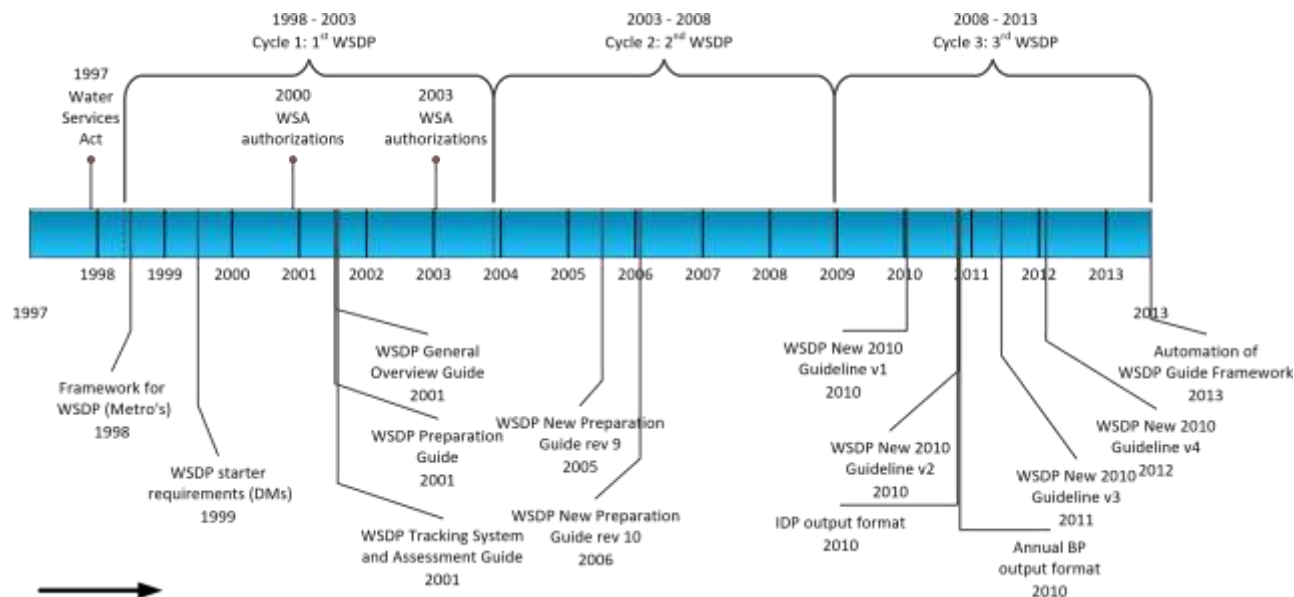
2. Evolution of WSDP Planning in South Africa

WSDP planning has evolved since 1997 in response to the need to align planning within government sectors.

Figure 3: Evolution of WSDP planning



WSA WSDP cycles



DWA Guides and Frameworks

Source: DWS_Manual of practice volume 1

Explaining the evolution of the WSDP Guide Framework

1998: The Department establishes an integrated task team to develop the WSDP Framework (edition 2) for use by Metro's to enable compliance with the Water Services Act.

1999: The Department introduces a Starter Requirements document for WSDP development to provide guidance to District Municipalities as authorised to provide water services in terms of the Municipal Structures Act.

2001: The Department publishes a General Overview Guide as a knowledge document on the WSDP requirements and processes, highlighting also the required alignment with the Integrated Development Planning process.

Additionally, the WSDP Preparation Guide is introduced to provide guidelines for the development of WSDPs and provides the WSDP format towards ensuring that all required topics are addressed and that information is provided in standardized templates.

Parallel to the above, the Department establishes a WSDP tracking system and introduces an Assessment Guide (and system) to enable the Department to provide comments on the WSDPs as necessitated by the Water Services Act.

2005: A review of the WSDP Preparation Guide is introduced to ensure adequate consideration of the full planning cycle.

2010: The Department, in conjunction with SALGA, establishes a modular, spreadsheet based WSDP Guide Framework to enable information standardization and to provide for data consolidation within the National Information System on water services. Additionally,

WSAs are enabled to perform self-assessments of its water services knowledge and planning progress.

2012: The WSDP modular spreadsheet framework is expanded to support the strategic interpretation of the knowledge captured for each of the WSDP business elements.

2013: The WSDP Guide Framework is automated and established as a web-based tool, achieving also full integration with the DWA's Reference Framework Geo-Database, established as Module 2.

Between 2014 and 2016, the Department of Water and Sanitation conducted skills transfer sessions nationally to establish a common understanding in the usage of the automated WSDP Guide framework.

3. Understanding the WSDP Guide framework

The WSDP guide framework was established for the following important reasons;

To enhance and standardise the provision and recording of water services development data to the National Information System.

To discontinue process- and document duplication as proclaimed by WSA's by providing autonomy in the development and documentation of water services development strategies and plans.

To streamline and correlate WSDP compliance monitoring processes by providing for integrated performance management.

To decrease the workload on WSA's in recording regulatory data.

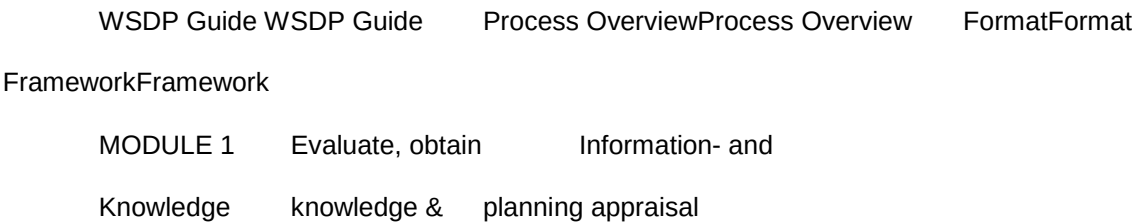
To provide a framework to support the progressive improvement of water services development planning coverage and quality.

To provide the information and framework for the incorporation of the WSDP into the Integrated Development Plan as required in terms of Clause 15(5) of the Water Services Act.

To provide the information and framework for the Report on the Implementation of the WSDP as required in terms of Clause 18 of the Water Services Act.

The WSDP guide framework and its modules are to be interpreted as follows:

Figure 4: WSDP Guide framework



An overview of water services information which is deemed essential for water services development planning.

Quick access to key water services performance information in a standard format including regulatory compliance information.

An assessment of water services information in terms of its compliance and coverage. □ An overview of the status and detail of planning performed by the WSA.

Module 1 has therefore been established to support both the WSA and the DWS in determining and appraising the status of its water services development planning, whilst also providing quick access to key water services performance information.

Module 1 of the WSDP Guide Framework is considered as an information- and planning appraisal tool which enables the water services planning performance overview of the WSA. Module 1 may therefore also be termed the Water Services Planning Performance Tool.

Module 2: Information (Detail information on component level)

Module 2 of the WSDP Guide Framework has been established to serve as an information database which contains the data and information necessary to inform the WSDP and its sub-component plans.

Module 2 of the WSDP Guide Framework encapsulates the DWS's national geo-database on water services as a data source (termed Reference Framework). Data incorporated in the national geo-database has been collated by the Department of Water Affairs through interacting with WSA's and other governmental institutions. The national geo-database has been established as Module 2 of the WSDP Guide Framework in order to:

Enable municipal access to the Department's broad national water services data as sourced from the Census and other governmental data sources.

Ensure the use of synchronized data for both local- and national water services planning.

Provide a first-order data reference for municipalities which lack formal water services information systems.

Module 2 of the WSDP Guide Framework provides for the iterative enhancement of water services-related data by both DWS and the WSA.

Module 3: Strategies (WSDP)

a. Module 3 of the WSDP Guide Framework has been established as a repository to the WSA's water services development plans and any related sub-component plans, thereby providing the required autonomy to WSA's in formatting its development strategies- and plans.

Module 4: Reporting

Module 4 of the WSDP Guide Framework comprises the following elements:

WSDP Status Quo Knowledge Interpretation Report: The WSDP Status Quo Knowledge Interpretation Report provides for the assessment of each business element contained in Module 1 and the definition of strategies and action plans for addressing any gaps or shortcomings. It is expected that the outputs from the WSDP Status Quo Knowledge Interpretation Report would be fed into the water services planning cycles and appropriately established as action plans for enabling improvement.

Regulatory Compliance Checklist and Repository: The WSA's compliance status with regulatory processes and the inclusion of such compliance documents within the WSDP Guide Framework repository.

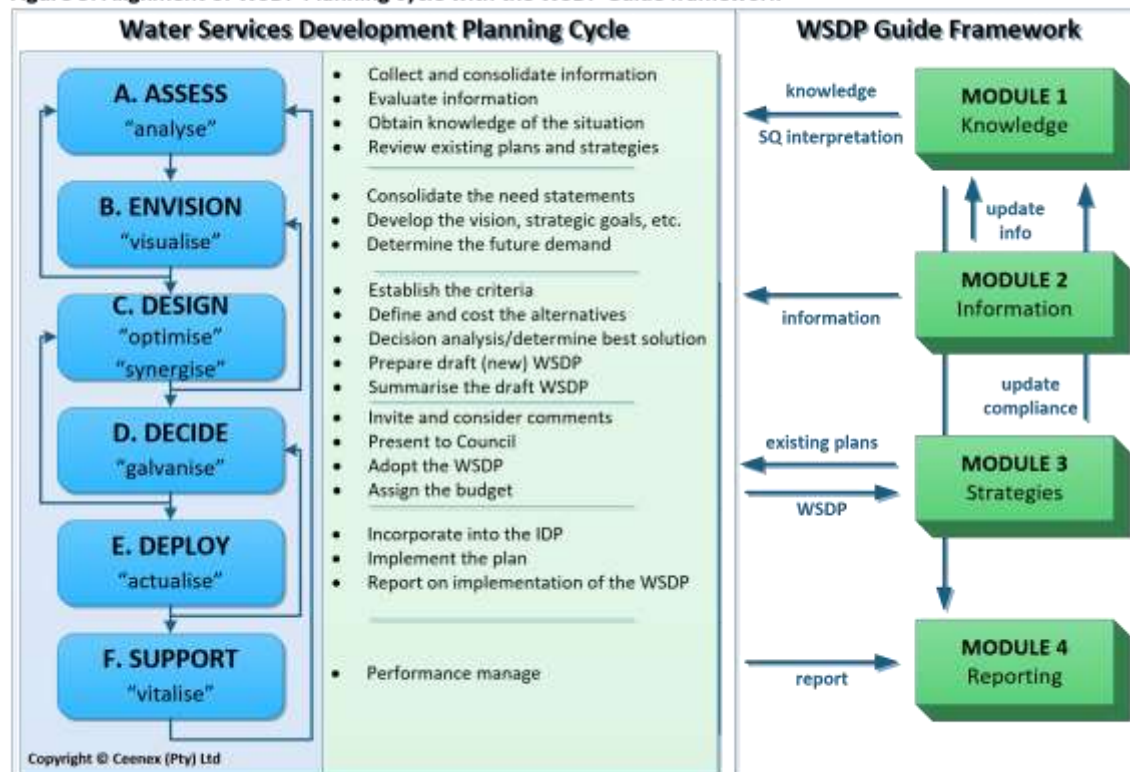
IDP Outflow Report: A template for summarizing the water services knowledge and the water services development plan for inclusion in the Integrated Development Plan, as directed by the Water Services Act.

Annual WSDP Performance-and Water Services Audit Report: A template for the capturing of information and knowledge to comply with the annual implementation reporting requirements as outlined in the Water Services Act and the Regulations on Compulsory National Standards issued in terms of the Water Services Act.

Module 4 therefore comprises a repository of documents.

In addition, the figure below also highlights an interpretation of the WSDP Guide Framework in relation to the Water Services Development Planning Cycle. This figure allows for WSAs to align the WSDP planning process to the IDP planning process.

Figure 5: Alignment of WSDP Planning cycle with the WSDP Guide framework



Source: DWS_Manual of practice volume 1

In terms of process, a WSA will therefore:

Utilize the WSDP Guide Framework to support its water services development planning cycle.

Develop its 5-year development plan (WSDP) in accordance with a 'best practice' planning process.

Confirm its development planning compliance and performance in terms of the WSDP Guide Framework as directed by the DWS.

Utilize the WSDP Guide Framework to enable the integration of its water services development plan with its IDP

Record its annual water services development- and performance information in the WSDP Guide Framework.

Utilize the WSDP Guide Framework to enable compliance with its WSDP implementation reporting requirements.

4. ANDM Water services planning maturity

The DWS commissioned consultants to conduct maturity assessments for all WSAs in South Africa

(152 municipalities) in 2012 and 2014. The maturity assessment framework was developed by the DWS Micro-planning directorate to measure the water services planning maturity of WSA's as aligned to the WSDP Guide Framework and more specifically, to the process requirements as established in the Water Services Act. The Water Services Planning Maturity Matrix is presented as Table 2, Table 3 and Figure 6 below measures the following WSDP planning process compliance matters:

Whether the WSA has processes in place to comply with the Department's requirements to update its water services planning status and information to the Department (Module 1: Knowledge of the WSDP Guide Framework)

Whether the WSA is able to record its relevant water services information for planning purposes (Module 2: Information of the WSDP Guide Framework)

Whether the WSA has the necessary processes in place to develop and adopt its WSDP and related water services strategies and plans (Module 3: Strategies of the WSDP Guide Framework)

Whether the WSA has followed a process to assess its status quo water services development and has initiated improvement actions (WSDP SQ Knowledge Interpretation

Report)

Whether the WSA has processes in place for incorporation of its WSDP within its Integrated Development Plan as required by the Water Services Act

Whether the WSA has established the necessary process to report its WSDP performance and to report its Water Services Audit results to the Department.

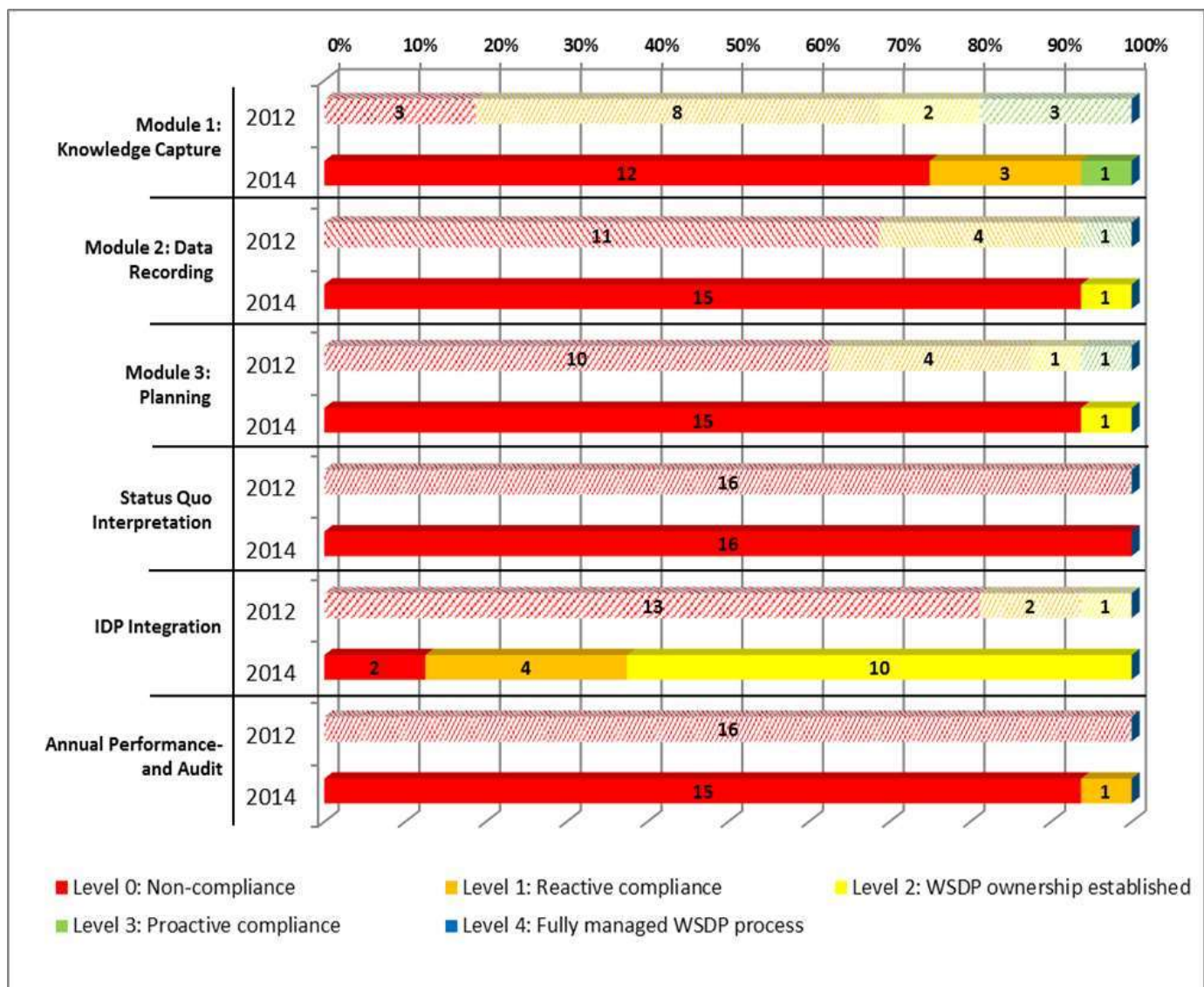
Below is a presentation of the results of Alfred Nzo DM and also the overall assessment of the Eastern Cape Province.

Table 2: Eastern Cape WSDP planning maturity results

	2012 Maturity Assessment						2014 Maturity Assessment					
	Knowledge capture	Data recording	Planning	Strategic Interpretation	IDP integration	Annual Performance and Audit	Knowledge capture	Data recording	Planning	Strategic Interpretation	IDP integration	Annual Performance and Audit
Level 0	3	11	10	16	13	16	12	15	15	16	2	15
Level 1	8	4	4	0	2	0	3	0	0	0	4	1
Level 2	2	0	1	0	1	0	0	1	1	0	10	0
Level 3	3	1	1	0	0	0	1	0	0	0	0	0
Level 4	0	0	0	0	0	0	0	0	0	0	0	0
Total WSAs	16						16					

Depicted on a graph, the results are as follows:

Figure 6: Eastern Cape WSDP planning maturity results



The general findings for the poor water services planning nationally noted the following concerns with regards to water services planning maturity of WSAs:¹

Lack of WSDP development ownership

Lack of performance monitoring and evaluation culture

High reliance on Professional Service Providers

Strengthening of the regulations of the WSDP

Project funding allocation requirements

Changes in WSDP output formats

The assessment results for the ANDM WSDP planning maturity over the two assessment periods are as follows:

¹ National Water Services Development Planning Maturity Assessment Report, FY2013/14

Table 3: Alfred Nzo WSDP planning maturity results

	2012						2014				
	Level 0	Level 1	Level 2	Level 3	Level 4		Level 0	Level 1	Level 2	Level 3	Level 4
Module 1: Knowledge Capture and Review											
Module 2: Data and Performance-Recording											
Module 3: Planning											
WSDP: Strategic interpretation and strategy formulation											
Module 4: IDP Integration											
Module 4: Annual Performance-and Audit											

Note: The WSAs presented above do not reflect the Municipal Demarcations which were effected in 2016.

Therefore, it is important to highlight that improving the water services planning culture at ANDM is of paramount importance.

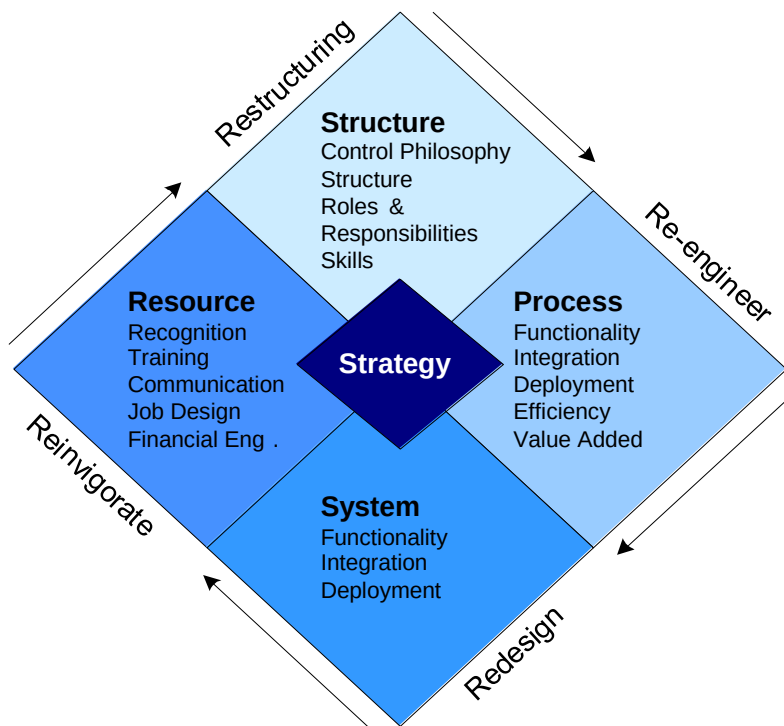
4.1 Approach to improve water services planning

The water services planning maturity assessment results shown above reveal the limited and reactive response of many Water Services Authorities towards fulfilling its WSDP obligations. This culminates in non-compliance in respect of its water services development planning function.

In order for WSAs to improve water services planning, there needs to be a balancing of the domains shown in the figure below. Establishing such a balance will ensure that ANDM implements and maintains strategies and objectives that enhance its water and sanitation provision mechanisms.

A successful WSDP strategy/ plan must ensure that balance is achieved in the organogram and placement of staff (structure), the processes adopted for service delivery, the resource management thereof, (finance and otherwise) and finally the systems that are used such as technology tools and applications for effective service delivery. Figure 7 below illustrates the balance.

Figure 7: Strategic planning model



It is envisaged that the development of this WSDP will direct the ANDM towards establishing this balance.

5. Structure of the report

This report is to provide relevant and summarized water services development planning inputs for ANDM and is structured as follows:

Section A: Water services situational analysis: providing a summarized view of the water services status quo in terms of the water services functional business elements as aligned to the WSDP framework.

Section B: Water Services problem definition: an overview of the WSA's assessment and interpretation of its water services, with specific focus on problem definition statements.

Section C: Water Services Objectives and Strategies: outlines the 5-year water services objectives and strategies as developed through the water services development planning process for incorporation in terms of the integrated development plan and aligned to the water services functional business elements.

Section D: Water Services Projects: the agreed water services projects for the medium-term expenditure framework and inclusive of funding sources. This section also presents the projects identified during the water services development planning process in order to meet the water services strategies of the water services authority, as aligned to the outflow from the situation analysis per water services business element.

Section E: Proposed Strategic Initiatives: this section outlines broad strategic issues that the WSA has to attend to in order to enhance governance and the institutionalization of the water services discipline across ANDM departments.

Section A: Water services situational analysis

A1.1: Demographics

The demographics profile as presented herein forms the basis of this water services development plan. The source of the information is the Department of Water & Sanitation's Reference Framework which was initially established from aerial photography counts and secondly, aligned with subsequent Census outcomes. The water services level adequacy and reliability against each WSP area was verified in collaboration between the WSA. The WSP unit participated in this exercise as referenced below:

Table 4: Schedule of meetings: service level engagements

No	Date	Local LM (WSP Area)	Comments
1	Mon – 1st Oct 2018	Matatiele LM	Session convened successfully
2	Tues – 2nd Oct 2018	Ntabankulu LM	Session convened successfully
3	Wed – 3rd Oct 2018	Mbizana LM	WSP manager was on leave – a telecom was arranged thereafter
4	Thurs – 4th Oct 2018	Umzimvubu LM	WSP manager was unavailable
5	Fri – 5th Oct 2018	Matatiele LM	Additional session convened successfully

An overview of the settlements within the ANDM area of jurisdiction, with the corresponding population and household numbers as per the WSA's water services planning baseline is presented below per Local Municipal area. It should be emphasized that the household and population figures have been aligned with the Census 2016 report which determined the following for the ANDM:

	2011 Census	2016 Community Survey
Number of households:	187 183	195 975
Population per Census:	801 344	867 864
Average number of people per household: 4.3		4.4

The population statistics per local municipality is as follows (as adapted from the ANDM IDP 2018/19):

Local municipality	2011 Census	2016 Community Survey
Matatiele	203 843	219 447
Mbizana	281 905	319 948
Ntabankulu	123 976	128 844
Umzimvubu	191 620	199 620

The resulting household and population figures are meant to be aligned with the DWS National Georeferenced Database which forms the baseline for the WSDP Guide Framework.

The types of settlements within the ANDM jurisdiction is presented in the two tables below. Table A1.2 highlights the statistics for the two main settlement types while Table A1.3 gives a more detailed analysis of the statistics.

Table 5: Population statistics for the two main settlements types

No	Settlement type	No of settlements	No of households
1	Rural	1 414	158 888
2	Urban	37	11 700

Table 6: Population statistics per settlement type

No	Settlement type	No of settlements	No of households	Population
1	Metropolitan area	0	0	0
2	Urban formal town	11	5 600	26 510
3	Urban former township	10	2 013	9 354
4	Rural - Dense Villages > 5000	13	5 620	31 673
5	Rural - Small Villages <= 5000	399	87 266	412 394
6	Rural Scattered	997	64 531	304 688
7	Rural Scattered Dense	0	0	0
8	Rural Scattered Low Density	0	0	0
9	Rural Scattered Very Low Density	0	0	0
10	Farming (People living on farms)	2	2 175	8 912

12	Urban - Informal Settlements (Squatter Camp)	13	1 910	9 946
13	Rural - Informal Settlements (Squatter Camp)	5	1 481	6 482
14	Working Towns and Service Centres - Mines, Prisons etc.	1	2	12
15	Unknown	0	0	0

The detailed service levels report in Annexure 1 is categorised according to these settlement types.

A1.2: Planning statistics data sets

During the compilation of this WSDP, it was discovered that the different units within the WSA use differing planning statistics data sets. This could be attributed to statistics that is presented in various planning documents such as the IDP and the previous WSDPs. The datasets are as follows:

Table 7: WSA planning data sets

No.	Municipal Area (LM)	IDP (20172022)	GIS Unit	IDMS Unit	DWS WSDP System
1	Matatiele	56 868	43 814	54 207	50 148

2	Mbizana	61 383	51 290	48 408	50 377
3	Ntabankulu	26 195	33 680	27 930	46 963
4	Umzimvubu	51 530	48 574	47 802	23 110
		195 976	177 358	178 347	170 598

The presence of multiple planning data sets may lead to inaccurate reporting, under/overstating of service delivery information and to conflicting service provision status reports. It is important to highlight previous backlog results were calculated from the findings in the last approved WSDP, developed by Royal HaskoningDHV in 2015. In addition, the WSDP which was developed in 2017, by Aurecon (Pty) Ltd was not adopted by the municipal council. This could be one of many reasons these discrepancies came about.

Therefore, the IDP statistics have been used as a baseline in the development of this WSDP. The statistics is as follows:

Table 8: IDP planning statistics

No.	Municipal Area (LM)	IDP (2017/2022)
1	Matatiele	56 868
2	Mbizana	61 383

3	Ntabankulu	26 195
4	Umzimvubu	51 530
Total		195 976

A2.1: Service Levels

The water services levels of the settlements within ANDM are illustrated in the context of its water and sanitation service reliability and adequacy (as per the WSDP Guide Framework definitions). The detailed reports are presented in Annexure 1. For effective interpretation of these service levels, it should be highlighted that:

Due to the municipality not rendering a municipal water service to farming residents residing on private land, the water services to these residents have been assumed to be adequate, as confirmed to some extent in Census 2011;

The adequacy of sanitation services to farming residents residing on private land, has been aligned with the Census 2011 view only, as the municipality does not render a sanitation service to residents residing in farming communities and therefore does not have adequate knowledge with respect to the adequacy of sanitation services in these areas;

There is a national focus on service RELIABILITY and SUSTAINABILITY of water and sanitation services;

A service is deemed NOT RELIABLE when there is access to infrastructure or an operational service, but not necessarily providing a good service; example due to service interruptions etc.;

With points 3 and 4 in mind, WSAs have to constantly re-assess their backlog statistics, as this now includes households with unreliable services;

Most importantly, WSAs have to consider the definition of SERVICE to include total water services not only infrastructure related solutions. The water services business elements which constitute Total Water Services are as follows:

Strategic	Technical
Service quality	1. 100% coverage – Unserved
Improved water governance	2. Underserved
Water security/ protection	3. Refurbish, recover, replace
Environmental management	4. Aged infrastructure
Sustainable services and management	5. Operations and maintenance
New infrastructure	

Therefore, service reliability levels for the ANDM is presented in the table below does not translate directly to the degree of ‘access’ provided but incorporates any and all water resources-, operations and maintenance-, and infrastructure challenges experienced in a specific settlement and which reduces the quality of service being rendered to these communities.

Table 9: Service reliability profile: Water category

	2016 Households numbers			
	Matatiele	Mbizana	Ntabankulu	Umzimvubu
Total population (HH)	56 868	61 383	26 195	51 530
Water services reliable (HH)	38 583	12 759	7 742	28 013
NOT having Reliable Service (HH)	18 285	48 624	18 453	23 517
NOT having Reliable Service due to: Functionality (O&M and Mgt) (HH)	475	495	1 862	1 840
NOT having Reliable Service due to: Resource (HH)	-	-	-	-
NOT having Reliable Service due to: Infrastructure (HH)	3 304	8 328	2 352	3 146
NOT having Reliable Service due to: Resource - Conservation & Demand Management (HH)	18 285	48 624	18 453	23 517
NOT having Reliable Service due to: Resource - New Source	-	-	-	-
NOT having Reliable Service due to: Infrastructure – UPGRADE/REFURBISHMENT (HH)	-	495	1 314	1 636
NOT having Reliable Service due to: Infrastructure – EXTENSION (HH)	3 304	8 328	2 345	3 146
NOT having Reliable Service due to: Infrastructure – NEW SCHEME (HH)	9 465	10 309	13 506	17 110
NOT having Reliable Service due to: REPLACE OLD (HH)	475	495	1 876	1 841

Table 10: Service reliability profile: Sanitary category

	Matatiele	Mbizana	Ntabankulu	Umzimvubu
Total population (HH)	56 868	61 383	26 195	51 530
None - (HH)	5 350	5 729	1 817	1 293
Flush toilet (connected to sewerage system) - (HH)	5 965			1 707
Flush toilet (with septic tank) - (HH)	5 511		2 241	1 487
Chemical Toilet - (HH)	-	-	-	-
Pit toilet with ventilation (VIP) - (HH)	23 485	34 542	24 939	39 707
Pit without ventilation - (HH)	12 935	5 916	2 980	7 336
Infrastructure to be upgraded: None to VIP (HH)	5 350	20 012	4 797	13 265
Infrastructure to be upgraded: Buckets to VIP (HH)	-	-	-	-
Infrastructure requirement : None to to waterborne (HH)	-	-	-	-
Infrastructure to be upgraded: Buckets to waterborne (HH)	-	-	-	-
Infrastructure to be upgraded: VIPs to waterborne (HH)	-	-	-	-

HH not having reliable service due to Resource - Water Security	-	-	-	-
HH not having reliable service due to Functionality	-	-	-	-
HH requiring Existing Scheme Refurbishment	-	-	-	-
HH requiring VIP Refurbishment	-	-	-	-

When interpreting the service reliability profile, it should be highlighted that:

The water services authority records confirm that a basic- or higher level of water service has been implemented to the majority of its communities, but that due to growth in certain settlements as well as the development of informal settlements, some households do not have access to reliable water services

Due to the municipality not rendering a municipal water service to residents residing on private farms, it has been assumed that these 'privately serviced' residents have access to basic water services as confirmed to some extent in Census 2011, and community survey of 2016;

The sanitation access profiles to all other communities have been based on the Census 2011 outcomes, but adjusted in line with sanitation projects which have been implemented (a constant review of the sanitation backlog will be required to ensure alignment with the water services demographics profile).

The DWS has provided a of range of factors to be considered in analysing reliability of services levels;

Water category

Households NOT having Reliable Service due to: Functionality (O&M and Management)

Households NOT having Reliable Service due to: Resource

Households NOT having Reliable Service due to: Infrastructure

Households NOT having Reliable Service due to: Resource - Conservation & Demand Management

Households NOT having Reliable Service due to: Resource - New Source

Households NOT having Reliable Service due to: Infrastructure – upgrade/ refurbishment

Households NOT having Reliable Service due to: Infrastructure – extension

Households NOT having Reliable Service due to: Infrastructure – new scheme

Households NOT having Reliable Service due to: Replace old

Sanitation

Household not having reliable service due to Resource - Water Security

Household not having reliable service due to Functionality

☐ Household requiring Existing Scheme Refurbishment

☐ Household requiring VIP Refurbishment

It is important to note that households can have more than one factor affecting their service profile.

A2.2: Water services backlog

As previously indicated, the determination of the backlog statistics for ANDM has been problematic in that there are multiple datasets being used for planning in the municipality. The back log figures for the past 2 outer years are as depicted below. As highlighted in section A2.1, the population figures for 2015/16 are based on the last approved WSDP, developed by Royal HaskoningDHV in 2015/16.

2015/16 Backlog statistics

Table 11: 2015/16 Water service levels

WSP Area	Households	Served	Unserved	Served %	Unserved %
Matatiele	54 207	36 682	18 338	63%	37%
Mbizana	48 408	12 751	44 229	9%	91%
Ntabankulu	27 930	5 830	18 752	23%	77%

WSP Area	Households	Served	Unserved	Served %	Unserved %
Matatiele	54 207	19 958	29 520	40%	60%
Mbizana	48 408	25 947	22 428	51%	49%
Ntabankulu	27 930	13 258	11 139	54%	46%
Umzimvubu	47 802	24 053	22 795	51%	49%
Total HH	178 347	Ave coverage		49%	51%
Umzimvubu	47 802	23 585	23 930	49%	51%
Total HH	178 347	Ave coverage		36%	64%

Table 12: 2015/16 Sanitation service levels

2016/17 Backlog statistics

Table 13: 2016/17 Water service levels

WSP Area	Households	Served	Unserved	Served %	Unserved %
Matatiele	54 207	37 417	17 525	67%	33%
Mbizana	48 408	12 751	35 657	26,3%	73,3%
Ntabankulu	27 930	7 830	17 630	20,9%	79,1%
Umzimvubu	47 802	23 586	24 216	49,3%	50,7%
Total HH	178 347	Ave coverage		41%	59%

Table 14: 2016/17 Sanitation service levels

WSP Area	Households	Served	Unserved	Served %	Unserved %
Matatiele	54 207	29 992	24 215	55,3%	44,7%
Mbizana	48 408	35 806	12 602	73,9%	26,1%

Ntabankulu	27 930	21 656	6 274	77,5%	22,5%
Umzimvubu	47 802	36 413	11 389	76%	24%
Total HH	178 347	Ave coverage		71%	29%

2017/18 Backlog statistics

Table 15: 2017/18 Water service levels

WSP Area	Households	Served	Unserved	Served %	Unserved %
Matatiele	54 207	38 583	19 314	71,1%	28,9%
Mbizana	48 808	12 759	37 618	26,4%	73,6%
Ntabankulu	27 930	7 742	15 368	27,7%	72,3%
Umzimvubu	47 802	28 013	18 950	58,6%	41,4%
Total HH	178 747	Ave coverage		46%	54%

Table 16: 2017/18 Sanitation service levels

WSP Area	Households	Served	Unserved	Served %	Unserved %
Matatiele	54 207	34 961	19 246	64,5%	35,5%
Mbizana	48 808	35 642	12 766	73%	27%
Ntabankulu	27 930	21 398	6 532	76,6%	23,4%
Umzimvubu	47 802	42 901	4 901	89,7%	10,3%
Total HH	178 747	Ave coverage		76%	24%

2018/19 Backlog statistics

Below, is the current (2018/19) service coverage, which will have to be verified when a service level audit is done by the WSA.

The service coverage for the ANDM is illustrated below for water and sanitation services;

Table 17: Backlog - Water category

WSP Area	Households	Served	Unserved	Served %	Unserved %

Matatiele	56 868	38 583	18 285	68%	32%
Mbizana	61 383	35 806	25 577	58%	42%
Ntabankulu	26 195	21 656	4 539	83%	17%
Umzimvubu	51 530	36 419	15 111	71%	29%
Total HH	195 976	Ave coverage		70%	30%

Table 18: Backlog - Sanitation category

WSP Area	Households	Served	Unserved	Served %	Unserved %
Matatiele	56 868	34 961	21 907	61%	39%
Mbizana	61 383	35 642	25 741	58%	42%
Ntabankulu	26 195	21 398	4 797	82%	18%
Umzimvubu	51 530	42 901	8 629	83%	17%

Total HH	195 976	Ave coverage	71%	29%

It is important to highlight that there is an urgent need for the ANDM to conduct a service level audit, to ensure that reporting is consistent with project implementation.

A2.3: Residential water services profile - 2018/19

Residential profile water services are conducted to show the services for specific categories of water and sanitation services. The residential water services delivery adequacy profile is aligned with Module 1 of the WSDP Guide Framework and should therefore be sourced therefrom. The information portrayed in this section will therefore reflect the past year baseline figures used by the WSA in planning and managing its water services, and as updated in terms of the WSDP Guide Framework. This section quantifies the water services overview which has been reflected per settlement for water and sanitation categories separately.

Water category

Table 19: Summary on residential profile for water (ANDM)

Census Category	Description	Year 0	
		FY2018/19	
		Nr	%

	WATER (ABOVE MIN LEVEL)		
Piped (tap) water inside dwelling/institution	House connections	132 464	68%
Piped (tap) water inside yard	Yard connections		
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Standpipe connection < 200 m		
	Sub-Total: Minimum Service Level and Above	132 464	68%
	WATER (BELOW MIN LEVEL)		
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	Standpipe connection: > 200 m < 500 m	63 512	32%
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	Standpipe connection: > 500 m < 1 000 m		
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	Standpipe connection: > 1 000 m		

No access to piped (tap) water	No services		
	Sub-Total: Below Minimum Service Level	63 512	32%
	Total number of households	195 976	100%

Table 20: Matatiele Residential profile - water category

Census Category	Description	Year 0	
		FY2018/19	
		Nr	%
	WATER (ABOVE MIN LEVEL)		
Piped (tap) water inside dwelling/institution	House connections	38 583	68%
Piped (tap) water inside yard	Yard connections		
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Standpipe connection < 200 m		
	Sub-Total: Minimum Service Level and Above	38 583	68%
	WATER (BELOW MIN LEVEL)		
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	Standpipe connection: > 200 m < 500 m	18 285	32%
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	Standpipe connection: > 500 m < 1 000 m		
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	Standpipe connection: > 1 000 m		
No access to piped (tap) water	No services		

	Sub-Total: Below Minimum Service Level	18 285	32%
	Total number of households	56 868	100%

21: Mbizana Residential profile - water category

Census Category	Description	Year 0	
		FY2018/19	
		Nr	%
	WATER (ABOVE MIN LEVEL)		
Piped (tap) water inside dwelling/institution	House connections	35 806	58%
Piped (tap) water inside yard	Yard connections		
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Standpipe connection < 200 m		
	Sub-Total: Minimum Service Level and Above	35 806	58%
	WATER (BELOW MIN LEVEL)		
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	Standpipe connection: > 200 m < 500 m	25 577	42%

Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	Standpipe connection: > 500 m < 1 000 m		
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	Standpipe connection: > 1 000 m		
No access to piped (tap) water	No services		
	Sub-Total: Below Minimum Service Level	25 577	42%
	Total number of households	61 383	100%

Table 22: Ntabankulu Residential profile - water category

Census Category	Description	Year 0	
		FY2018/19	
		Nr	%
	WATER (ABOVE MIN LEVEL)		
Piped (tap) water inside dwelling/institution	House connections	21 656	83%
Piped (tap) water inside yard	Yard connections		
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Standpipe connection < 200 m		
	Sub-Total: Minimum Service Level and Above	21 656	83%
	WATER (BELOW MIN LEVEL)		
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	Standpipe connection: > 200 m < 500 m	4 539	17%

Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	Standpipe connection: > 500 m < 1 000 m		
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	Standpipe connection: > 1 000 m		
No access to piped (tap) water	No services		0%
	Sub-Total: Below Minimum Service Level	4 539	17%
	Total number of households	26 195	100%

23: Umzimvubu Residential profile - water category

Census Category	Description	Year 0	
		FY2018/19	
		Nr	%
	WATER (ABOVE MIN LEVEL)		
Piped (tap) water inside dwelling/institution	House connections	36 419	71%
Piped (tap) water inside yard	Yard connections		
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Standpipe connection < 200 m		
	Sub-Total: Minimum Service Level and Above	36 419	71%
	WATER (BELOW MIN LEVEL)		
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	Standpipe connection: > 200 m < 500 m	15 111	29%

Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	Standpipe connection: > 500 m < 1 000 m		
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	Standpipe connection: > 1 000 m		
No access to piped (tap) water	No services		
	Sub-Total: Below Minimum Service Level	15 111	29%
	Total number of households	51 530	100%

Sanitation category

Table 24: Summary on residential profile on Sanitation (ANDM)

Census Category	Description	Year 0	
		FY2018/19	
		Nr	%
Flush toilet (connected to sewerage system)	Waterborne	8 526	4%
	Waterborne: Low Flush	0	0%
Flush toilet (with septic tank)	Septic tanks / Conservancy	9 601	5%
Chemical toilet	Non-waterborne (above min. service level)	0	0%
Pit toilet with ventilation (VIP)		116 775	60%
Other		0	0%
	Sub-Total: Minimum Service Level and Above	134 902	69%
Pit toilet without ventilation	Pit toilet	29 167	15%

Bucket toilet	Bucket toilet	0	0%
Other toilet provision (below min. service level)	Damaged toilets	17 718	9%
No toilet provisions	No services	14 189	7%
	Sub-Total: Below Minimum Service Level	61 074	31%
	Total number of households	195 976	100%

Table 25: Matatiele Residential profile - Water category

Census Category	Description	Year 0	
		FY2018/19	
		Nr	%
	SANITATION (ABOVE MIN LEVEL)		
Flush toilet (connected to sewerage system)	Waterborne	5 965	10%
	Waterborne: Low Flush	0	0%
Flush toilet (with septic tank)	Septic tanks / Conservancy	5 511	10%
Chemical toilet	Non-waterborne (above min. service level)	0	0%
Pit toilet with ventilation (VIP)		23 485	41%
Other		0	0%
	Sub-Total: Minimum Service Level and Above	34 961	61%
	SANITATION (BELOW MIN LEVEL)		

Pit toilet without ventilation	Pit toilet	12 935	23%
Bucket toilet	Bucket toilet	0	0%
Other toilet provision (below min. service level)	Damaged toilets	3 622	6%
No toilet provisions	No services	5 350	9%
	Sub-Total: Below Minimum Service Level	21 907	39%
	Total number of households	56 868	100%

26: Mbizana Residential profile – water category

Census Category	Description	Year 0	
		FY2018/19	
		Nr	%
	SANITATION (ABOVE MIN LEVEL)		
Flush toilet (connected to sewerage system)	Waterborne	738	1%
	Waterborne: Low Flush	0	0%
Flush toilet (with septic tank)	Septic tanks / Conservancy	362	1%
Chemical toilet	Non-waterborne (above min. service level)	0	0%
Pit toilet with ventilation (VIP)		34 542	56%
Other		0	0%
	Sub-Total: Minimum Service Level and Above	35 642	58%
	SANITATION (BELOW MIN LEVEL)		

Pit toilet without ventilation	Pit toilet	5 916	10%
Bucket toilet	Bucket toilet	0	0%
Other toilet provision (below min. service level)	Other	14 096	23%
No toilet provisions	No services	5 729	9%
	Sub-Total: Below Minimum Service Level	25 741	42%
	Total number of households	61 383	100%

Table 27: Ntabankulu Residential profile - Sanitation category

Census Category	Description	Year 0	
		FY2018/19	
		Nr	%
	SANITATION (ABOVE MIN LEVEL)		
Flush toilet (connected to sewerage system)	Waterborne	116	0%
	Waterborne: Low Flush	0	0%
Flush toilet (with septic tank)	Septic tanks / Conservancy	2 241	9%
Chemical toilet		0	0%
Pit toilet with ventilation (VIP)	Non-waterborne (above min. service level)	19 041	73%
Other		0	0%

	Sub-Total: Minimum Service Level and Above	21 398	82%
	SANITATION (BELOW MIN LEVEL)		
Pit toilet without ventilation	Pit toilet	2 980	11%
Bucket toilet	Bucket toilet	0	0%
Other toilet provision (below min. service level)	Damaged toilets	0	0%
No toilet provisions	No services	1 817	7%
	Sub-Total: Below Minimum Service Level	4 797	18%
	Total number of households	26 195	100%

Table 28: Umzimbuu Residential profile - Sanitation category

Census Category	Description	Year 0	
		FY2018/19	
		Nr	%
	SANITATION (ABOVE MIN LEVEL)		
Flush toilet (connected to sewerage system)	Waterborne	1 707	3%
	Waterborne: Low Flush	0	0%

Flush toilet (with septic tank)	Septic tanks / Conservancy	1 487	3%
Chemical toilet	Non-waterborne (above min. service level)	0	0%
Pit toilet with ventilation (VIP)		27 735	54%
Other			0%
	Sub-Total: Minimum Service Level and Above	42 901	83%
	SANITATION (BELOW MIN LEVEL)		
Pit toilet without ventilation	Pit toilet	7 336	14%
Bucket toilet	Bucket toilet	0	0%
Other toilet provision (below min. service level)	Other	0	0%
No toilet provisions	No services	1 293	3%
	Sub-Total: Below Minimum Service Level	8 629	17%
	Total number of households	51 530	100%

Section B: Water Services problem definition (existing needs perspective)

The problem statements per WSDP topic are presented in this section of the report. These problems are set to establish the water services needs perspective of the WSA. The strategic interpretation that should ensue from these problem statements should lead to an implementation plan towards improved water service provision within the ANDM.

WSDP Topic 1: Settlement demographics and public amenities

Overview of the topic:

This topic provides an overview of demographics of the WSA as sourced from the National Geo-Referenced Database, aligned to Census figures as well as the number of public amenities and private facilities within the jurisdictional area of the WSA.

Problem statements:

Varying views on household size/ No common or official demographics data set for planning purposes throughout the WSA

No demand planning (including spatial development planning) in rural areas

WSDP Topic 2: Service levels profile

Overview of the topic:

Topic 2 information is presented in terms of the Department of Water and Sanitation service level classification which considers the reliability of services in establishing the service level profile. The profile is presented in terms of settlements, population and households.

Problem statements:

Lack of institutional data management procedures for service level information

Lack of a common baseline data set for planning – this affects reporting on service backlogs in the WSA

Inadequate 'impact declaration' reporting by PMU after project completion – this causes conflicting reports on project completion, and community expectations on project impact

Lack of real-time GIS linked information within the WSA for plotting service coverage – information is kept by service providers/ consultants

WSDP Topic 3: Water Services Asset Management

Overview of the topic:

Topic 3 provides an overview of the extent-, functionality- and asset status of the municipality's water services infrastructure. It also provides an overview of the municipality's compliance in terms of legislation- and regulations concerning asset management, disaster management, water quality management, water resource licensing, etc. It should be emphasized that the topic does not provide the detail per infrastructure element, but provides an overview per each main water services infrastructure component.

Problem statements:

Insufficient procedures to ensure WSP responsibility in terms of asset management

Vandalism of standpipes continues to be a problem

Tampering of meters impacts cost recovery

No preventative maintenance taking place

Insufficient resources to establish / consolidate a regional water infrastructure plan

Insufficient resources to establish / consolidate a regional wastewater infrastructure plan

WSDP Topic 4: Water Services Operations and Maintenance

Overview of the topic:

This topic provides an overview of the sufficiency of resources and processes in place to effectively operate and maintain the water services. It reflects whether the municipality has an Operation and Maintenance Plan in place. The topic also illustrates whether the WSA has implemented good practice as directed in the Blue- and Green Drop certification processes.

Problem statements:

Inadequate O&M planning by WSPs

O&M budgeting not based on actual requirements

Insufficient budget allocated to maintenance

Plants not resourced adequately with skilled personnel. In many cases no qualified process controllers to operate the plants.

WSA does not have sufficient hands-on when it comes to operations and maintenance including control and management

Reactive maintenance (i.e. to deal with incidents) has to be contracted out by WSA due to no in-house capacity

Inadequate provision for stores, etc. to support efficient O&M

WSDP Topic 5.1: Conservation and Demand Management - Water Resource Management

Overview of the topic:

The topic provides an overview of the activities pursued by the WSA in the past financial year towards water conservation and demand management. It also contains an overview of the water sources of the WSA.

Problem statements:

High incidents of illegal connections affecting service provision

Inadequate budgeting towards implementing resolutions of the WCDM strategy / plan

Some schemes not provided with adequate controls to avoid overflow / water losses 4. WSPs not addressing WCDM as a priority

WSDP Topic 5.2: Conservation and Demand Management - Water Balance

Overview of the topic:

The topic provides an overview of the activities pursued by the WSA in the past financial year towards water conservation and demand management. It also contains an overview of the water sources of the WSA.

Problem statements:

Lack of consolidated water balance due to information gaps

Scheduled maintenance on bulk meters not consistently done

Not all borehole schemes are metered

WSDP Topic 6: Water Resources

Overview of the topic:

The volumes and sources of raw water supply to the WSA are presented in this topic, which also presents the status of the WSA's abstraction licenses and future needs. An overview of the WSA's monitoring programme for its raw water sources is presented. The topic also outlines the degree of industrial and 'raw' water use and effluent discharge within the WSA.

Problem statements:

No incident management protocol for WSA

Inadequate implementation of water safety planning outcomes or wastewater risk abatement plans

Groundwater levels not being adequately monitored

Inadequate monitoring of surface water abstraction

WSDP Topic 7: Finance

Overview of the topic:

The financial profile is aligned with the Water Services Standard Chart of Accounts [SCOA] which addresses the expenditure, revenue & capex for the water services function.

Problem statements:

Water services budget not entrenched within WSA

Water services finances not ring-fenced within the WSA

Insufficient capital funding to address the high need and to meet the targets

Inadequate capital for infrastructure refurbishment- and replacement

Undue high demand on equitable share to fund the cost of water due to lack of income / high indigent figure

Low cost recovery

High non-payment by consumers

WSDP Topic 8: Institutional Arrangements and Customer Care

Overview of the topic:

The institutional arrangements profiles presents an overview of the WSA's compliance with respect to water services regulations and policy and as aligned also with the Regulatory Performance Monitoring System. It also provides an overview of the water services provider arrangements which are in place, including the WSA's perception of the sufficiency of WSP staffing levels. This topic provides an overview of the quality of the water services provision function when considered from a customer perspective including the summary of the WSA's responsiveness to customer complaints and queries.

Problem statements:

WSDP development is not aligned to the IDP cycles – absence of corresponding annual performance reports

Institutional arrangements (Section 78 assessment) has never been thoroughly considered and/or decided upon - which does not support adequate planning and long-term sustainability

Insufficient performance management of water services due to capacity issues as well as due to fragmented service delivery and lack of compliance the WSA

Lack of centralised data repository within the IDMS department especially for storing infrastructure related information

Inadequate consolidation of customer issues at WSA level / no-coordination with WSPs /

WSPs do not report to the WSA

Section C: Water Services Objectives and Strategies

The water services objectives and strategies presented below were derived from the water services situational analysis as summarized in Section C: Water Services Existing Needs Perspective and presents the 5-year Water Services objectives and strategies as established in the WSA's WSDP.

Below, is the performance assessment of the strategies and objectives of the ANDM. This assessment was conducted by checking IDP strategies which represent the commitment that the ANDM council made for the 2017-22 council term and the commitments made in the IDP for 2018/19. The performance achieved in the SDBIPs of 2017/18 and 2018/19 were used to ascertain the IDP commitments. Thus, the findings were as follows:

There are no long term strategies and KPIs in the IDP – rather there are projects with their 5 year financial projections; this affects the measurement of service provision as demographical targets (population, households to be serviced) by these projects is not included. This means that while financial expenditure maybe 100%, service provision targets will not be ascertained. Under such circumstances, it is difficult to confirm infrastructure reliability as it is not the main performance driver. In this regard, performance indicators are not assisting in the measurement of water service provision + reliability of water service provision;

Misalignment of the SDBIP and IDP targets against the prescribed WSDP chapters – as outlined in the WSDP Guide framework; this may lead to inconsistent and incomplete reporting within the WSA;

The IDP has performance targets for 1 year only – this may highlight that there is a planning void in relation to WSDP performance as WSAs are expected to align their planning with the 5 year IDP planning cycles; and

Project reporting for the IDMS unit is not aligned to the Municipal Reporting templates and WSDP planning and performance auditing templates – this alignment is meant to reduce duplication in the production of information and to improve consistent and credible reporting of WSDP related performance information.

There is a potential that the way the strategies and objectives are designed, the Auditor General will penalise the municipality due to this. There is need to ensure that objectives are matched to projects/ targets on a one-to-many relationship type.

Proposed Organisational Structure

Political Structure

Structure



Purpose & Functions

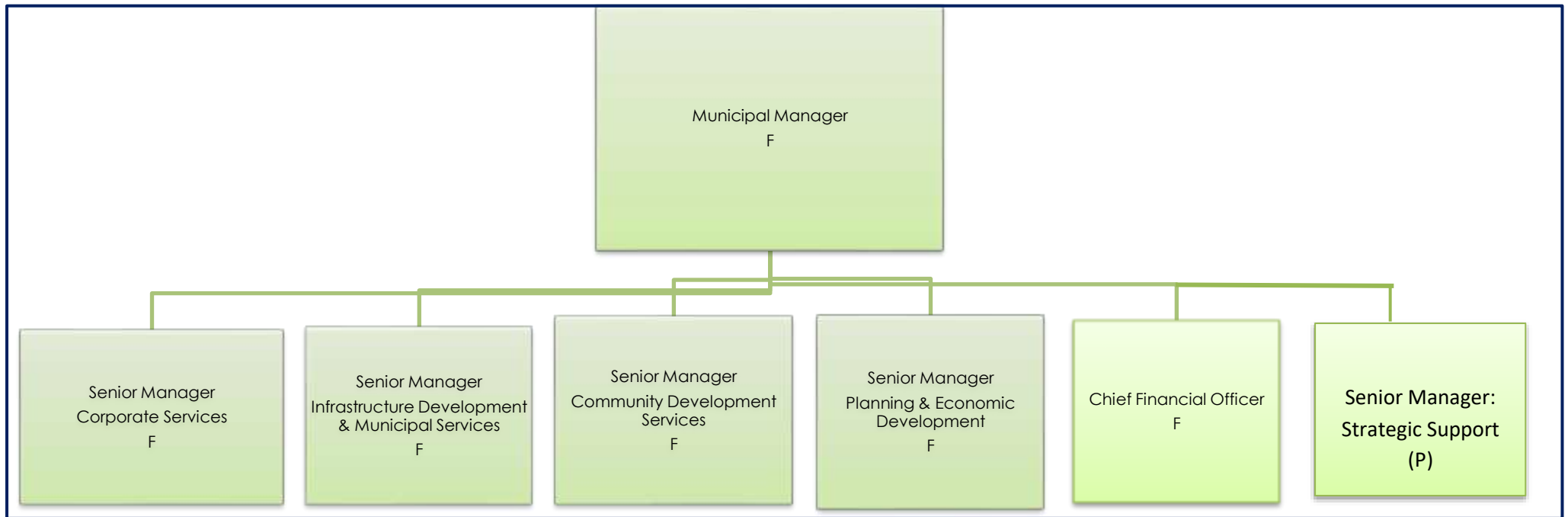
Office	Purpose	Function	Committees
Office of the Executive Mayor	To promote council legislative authority and oversight over executive	1. Presides over meetings of council 2. Assumes responsibilities for the legislative functions of Council 3. ensures that council meetings are conducted in accordance with the rules and order 4. ensure that council conducts its business in a transparent manner	S79 COMMITTEES 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	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	S80 COMMITTEES 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	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.	

Administrative Structure

Structure

6



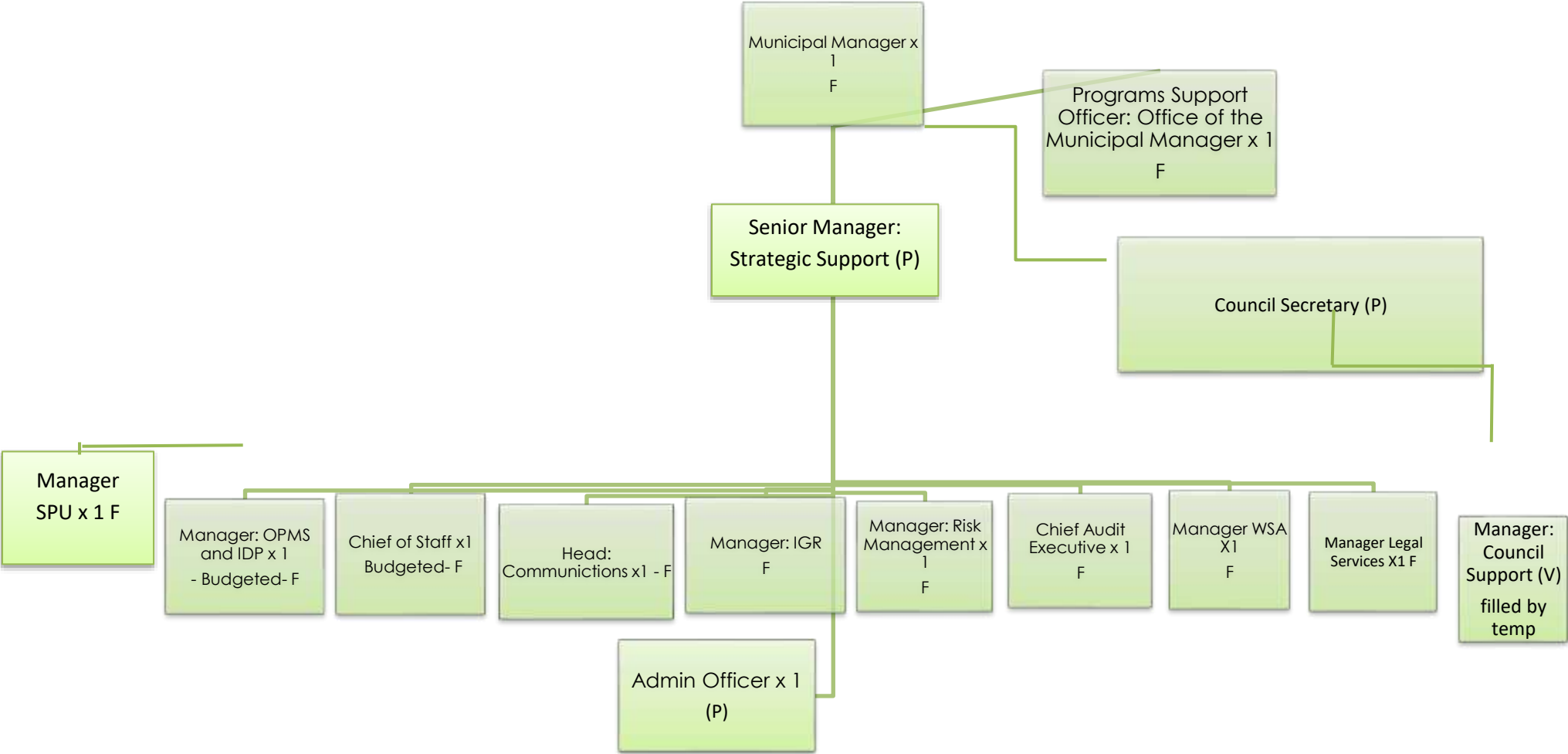
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06	06	00	01

Functions

Department	Function
Office of the Municipal Manager	Overall Municipal Administration
Corporate Services	Ensures Compliance with laws and agreements Provides legal support and advise Provide support programs to the communities in need i.e. Bursary; Experiential Training; and Internship programs Ensure organisational development through Training and developments for municipal personnel Provide skills development program Responsible for Recruitment Manages condition of services Manages Payroll and Benefits Responsible for Fully function of Job evaluation Responsible for implementation for Performance management system Responsible for employees wellbeing; health and safety Responsible for Employees relations Manages Municipal Administration Manages institutional memory (Records) Manage Cleaning of Municipal Facilities Provides Information Communication Technology Administers Municipal technological systems Manages security access (for safety of employees) Remuneration of employees and councillors Responsible for implementation of Employment Equity
Infrastructure Development & Municipal Services	Responsible for supply of water services Responsible for supply of Electricity Services Manages Sanitation Manages Road Maintenance Responsible for waste management Responsible for Housing and Town Planning

Community Services	Development	Responsible for municipal Health services
		Manages customer care
		Manages Institutional and social development
		Manages Sport Art and culture, Recreation, Heritage and Museum
		Manages disaster and Risk Management
		Manages Thusong Services Centre
		Special program
		Responsible for implementation for Indigent Policy
Planning & Development	Economic	Responsible for Agriculture
		Responsible for forestry
		Manages Geographical Institutional Spatial (GIS) system
		Responsible for manufacturing and trade
		Responsible for development of trade and business services
Budget & Treasury Office Chief Financial Officer	Responsible for consolidation of financials	
	Manages leases	
	Manages Intangible and Heritage Assets	
	Ensure implementation of employee benefits	
	Collection of revenue	
	Manage Fruitless and wasteful expenditure	
	Manage Property plant and equipment	
	Long term receivable	
	Operating lease accruals	
	Manage government grants and subsidies	
	Manages financial disclosures	

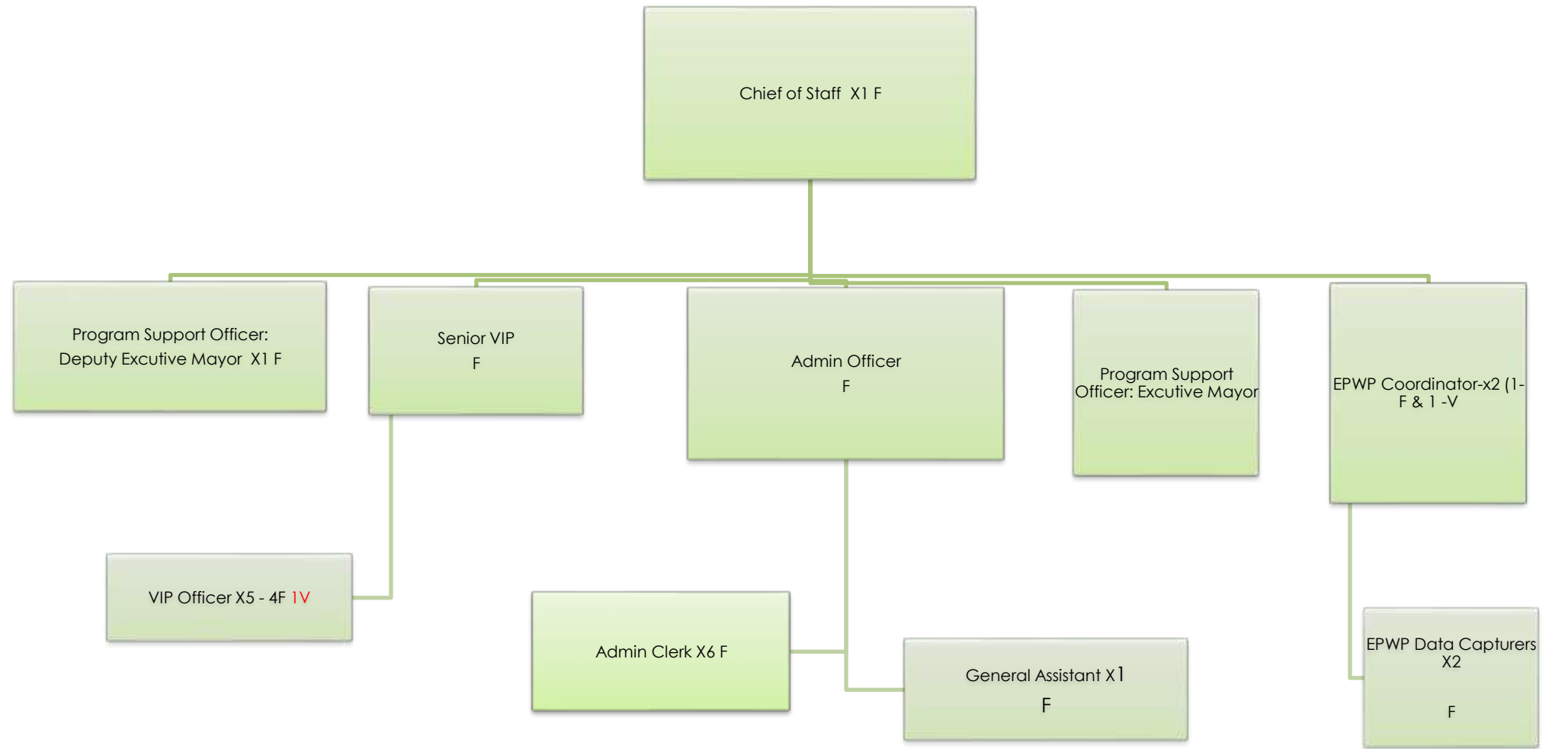
Office of the Municipal Manager



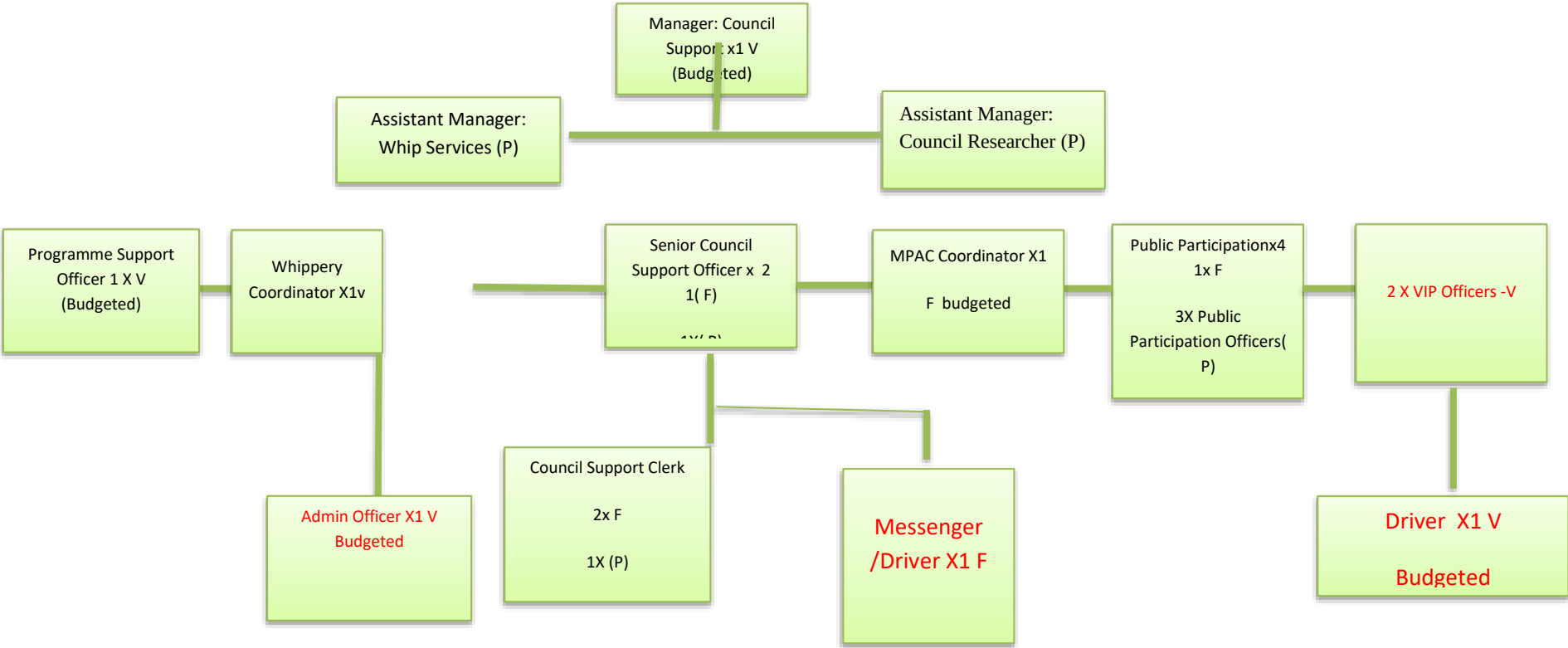
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Functions

Unit	Function
Office Of The Executive Mayor	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	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	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. Coordination of the programmes in the Office of the Chief Whip and provide administrative and political support
Risk Management	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	Responsible for the development of WSDP Responsible for conservation and demand management Responsible for feasibility studies development of all water service policies & development of all environmental plans Enforcement of by-laws Development of indigent register

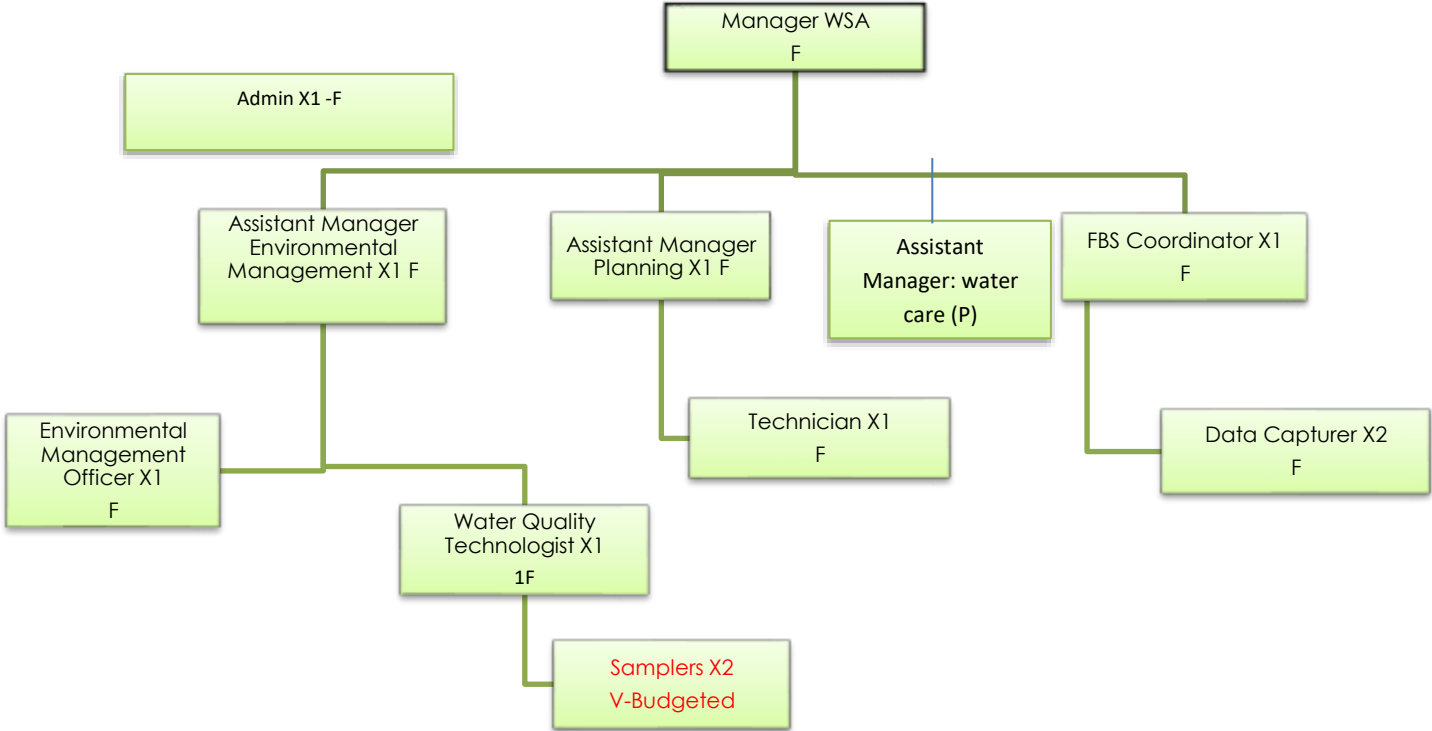


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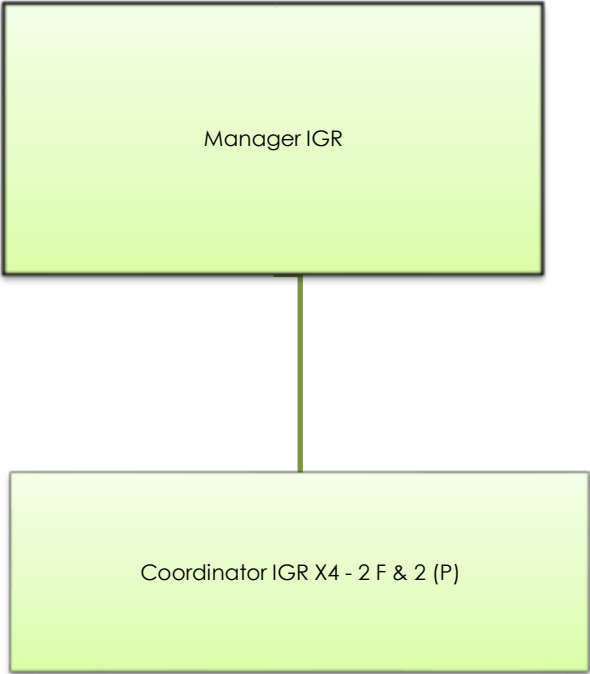


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Municipal Manager`s office – WSA

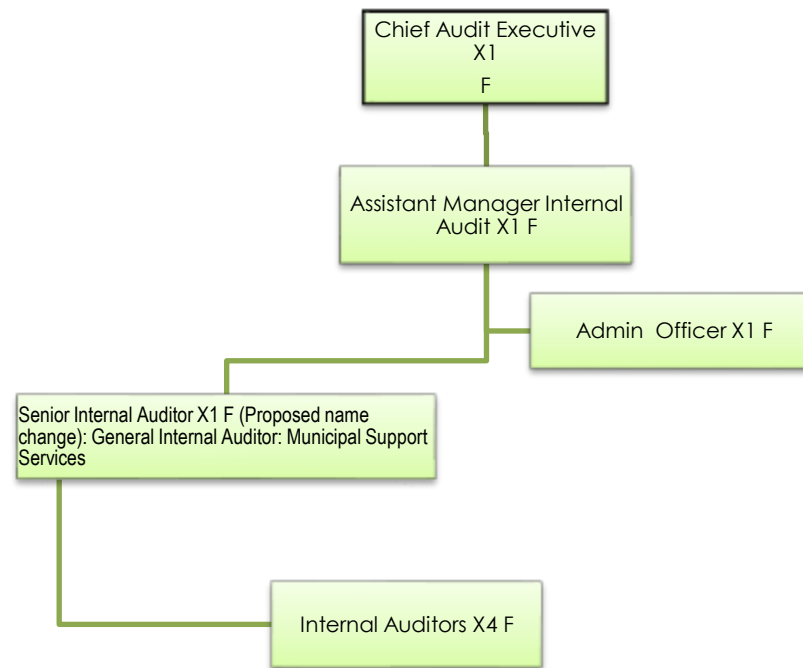


MUNICIPAL MANAGER`S OFFICE – IGR



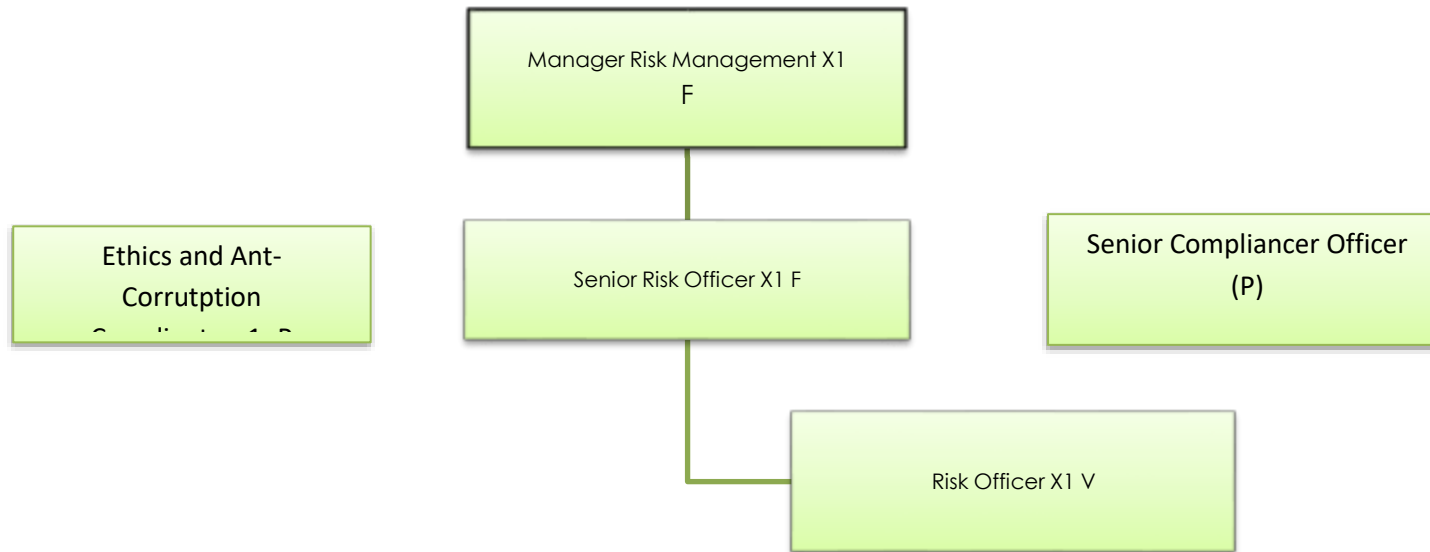
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MUNICIPAL MANAGER`S OFFICE-INTERNAL AUDIT



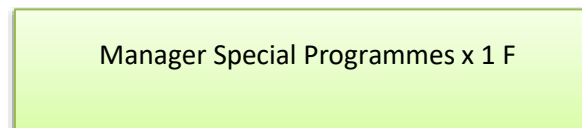
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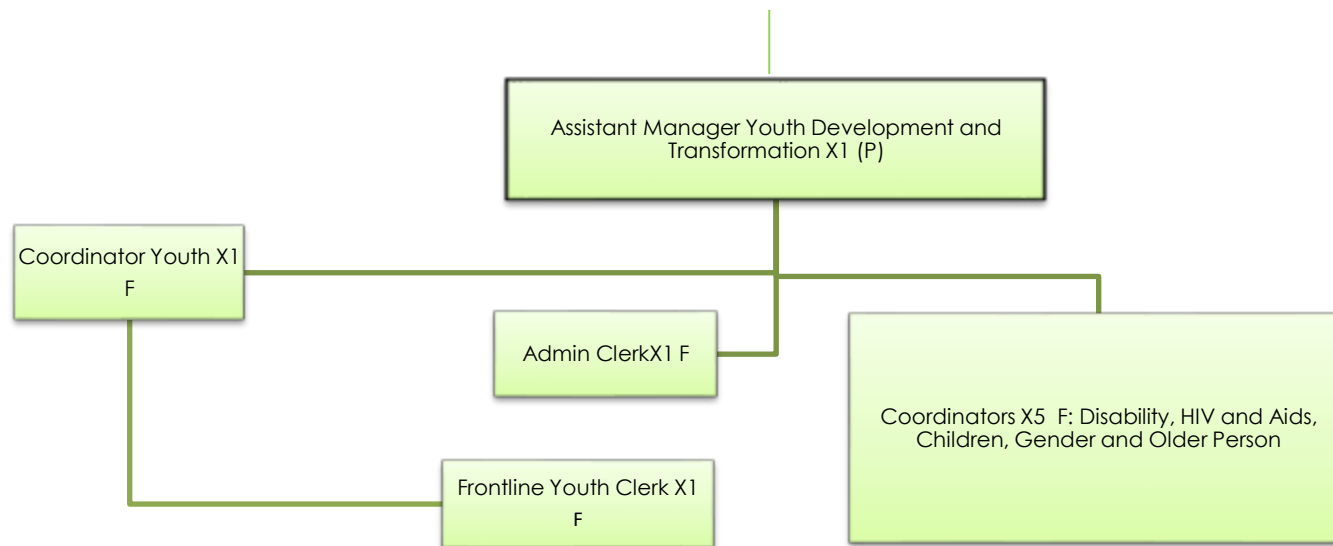
MUNICIPAL MANAGER`S OFFICE : RISK MANAGEMENT



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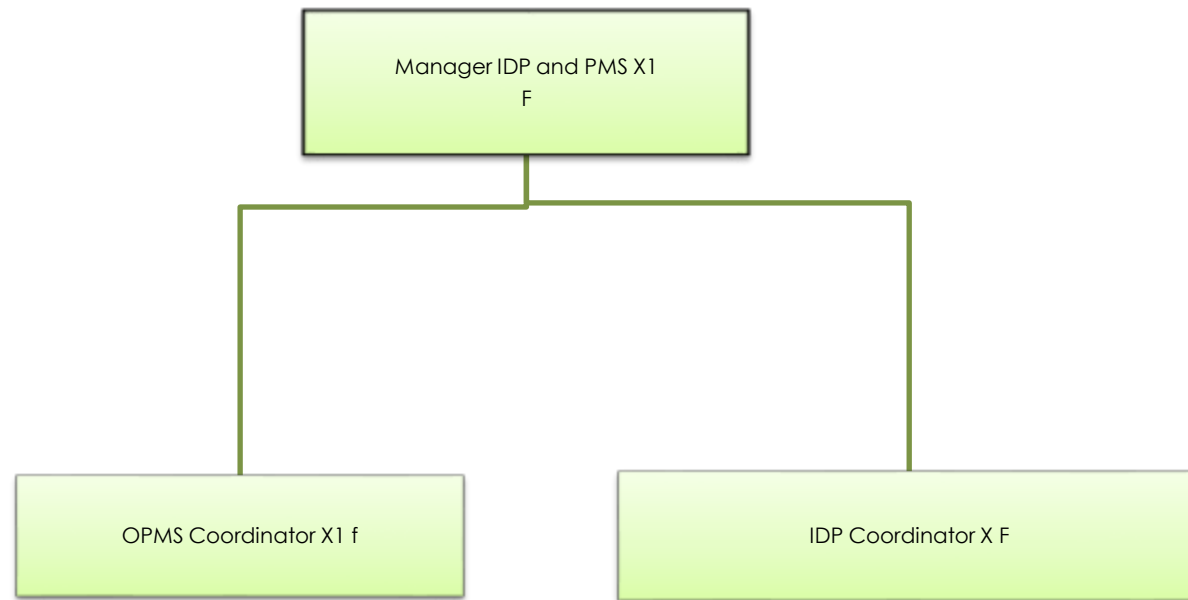
MUNICIPAL MANAGER`S OFFICE- SPECIAL PROGRAMS





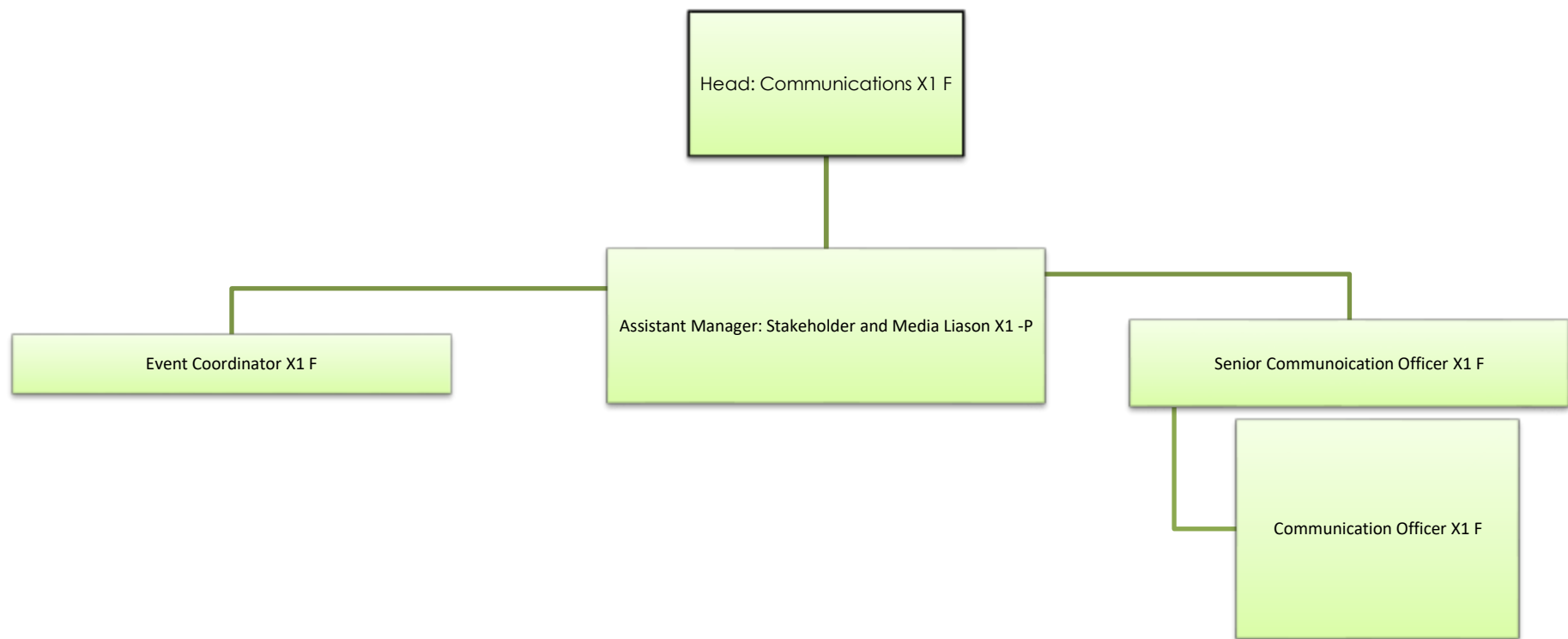
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MUNICIPAL MANAGER`S OFFICE -MANAGER IDP AND PMS



<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>
02	00	02

MUNICIPAL MANAGER'S OFFICE - COMMUNICATIONS



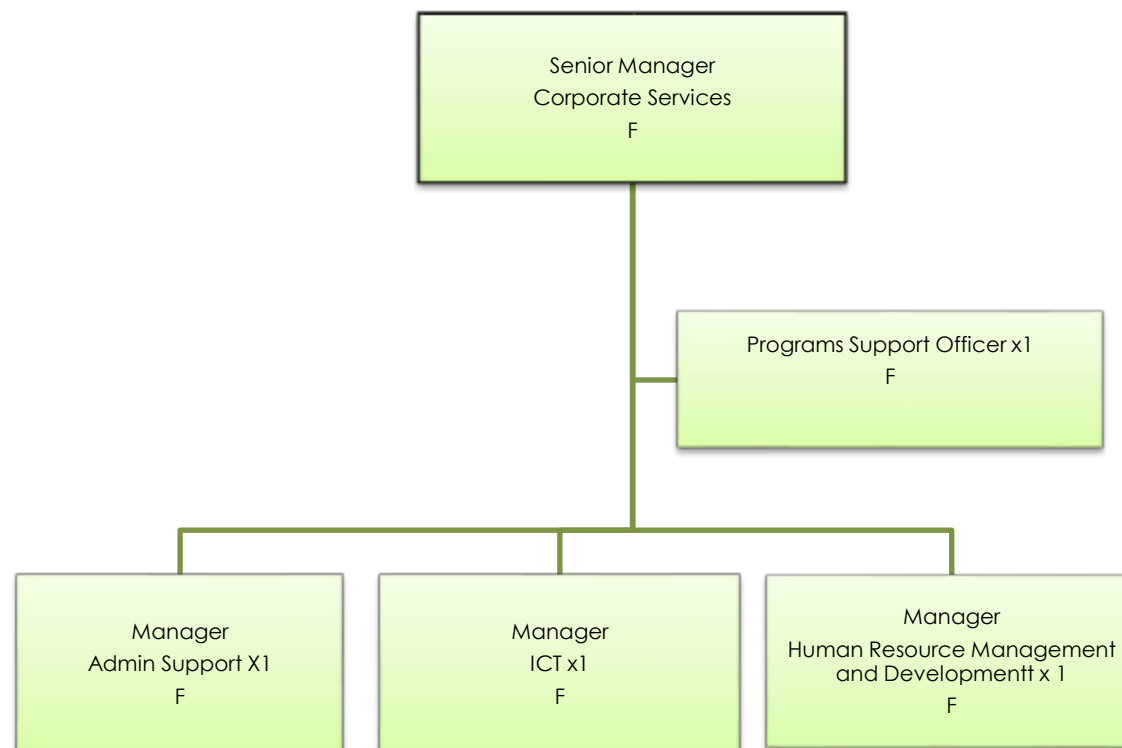
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Municipal MANAGERS'S OFFICE: LEGAL SERVICES



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CORPORATE SERVICES



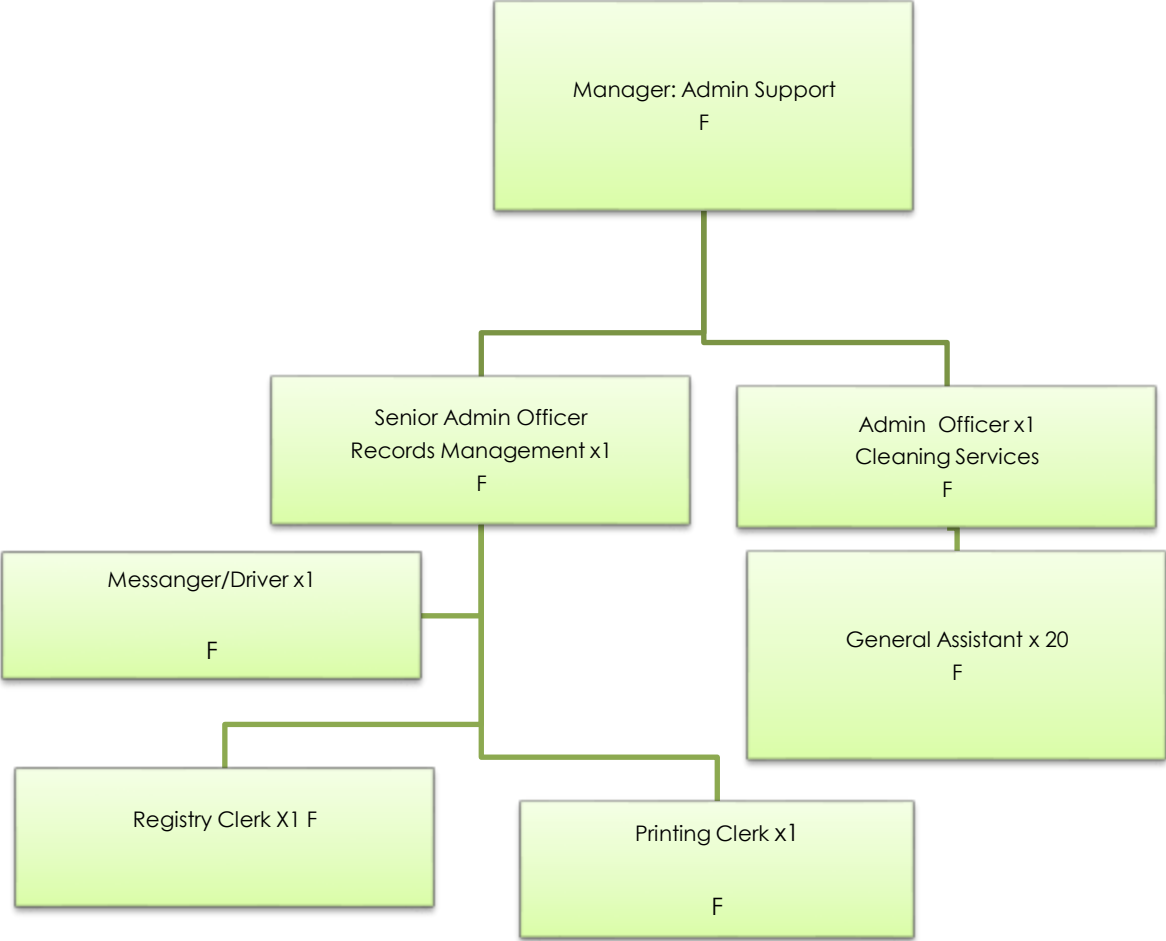
<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>
04	04	00

Functions

Unit	Function

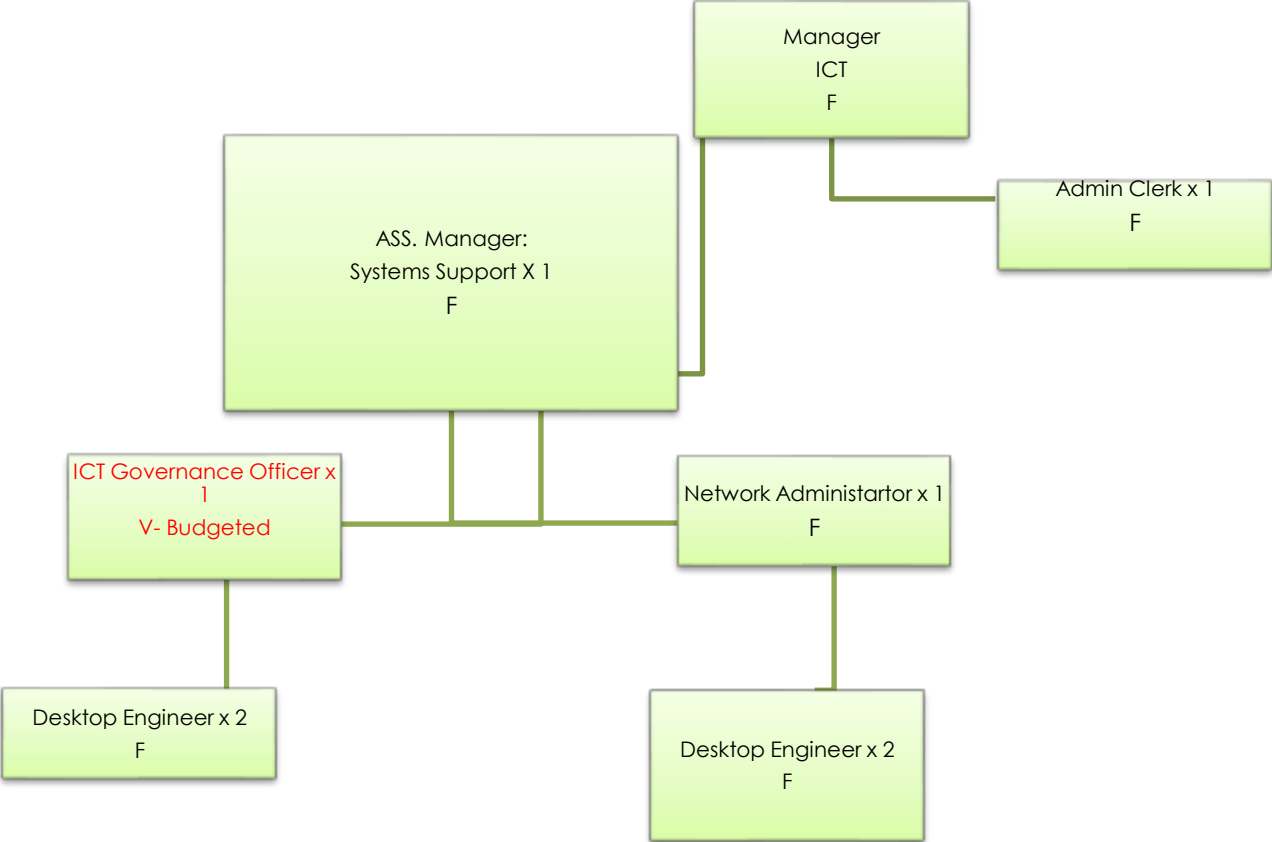
Admin Support	1. The provision of general administration services and records/document management 2. The provision of administration support 3. Cleaning and security services; facilities management
ICT	1. The installation and configuration computer software 2. The provision of end-user support services 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	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

ADMIN SUPPORT



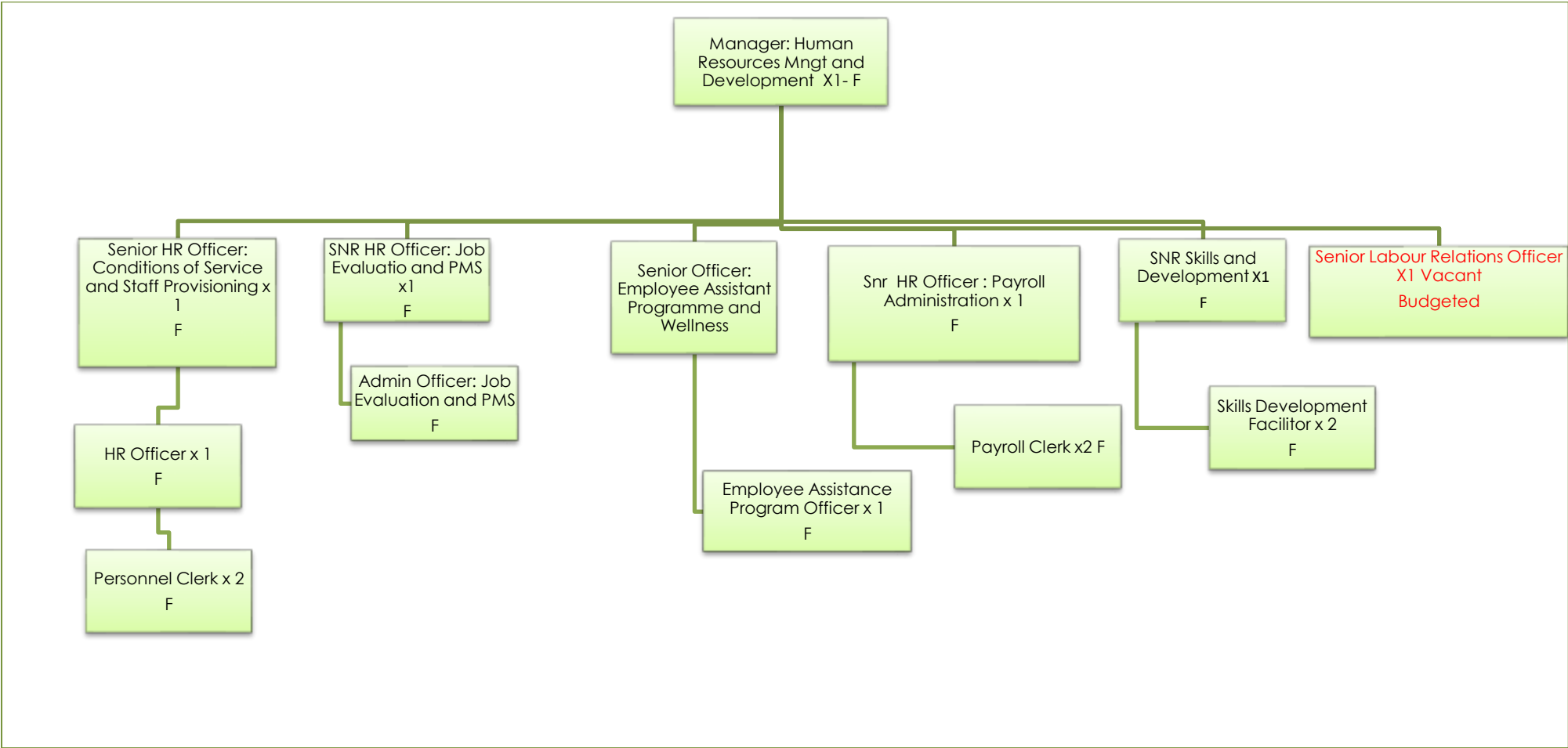
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
25	25	00

INFORMATION COMMUNICATION TECHNOLOGY



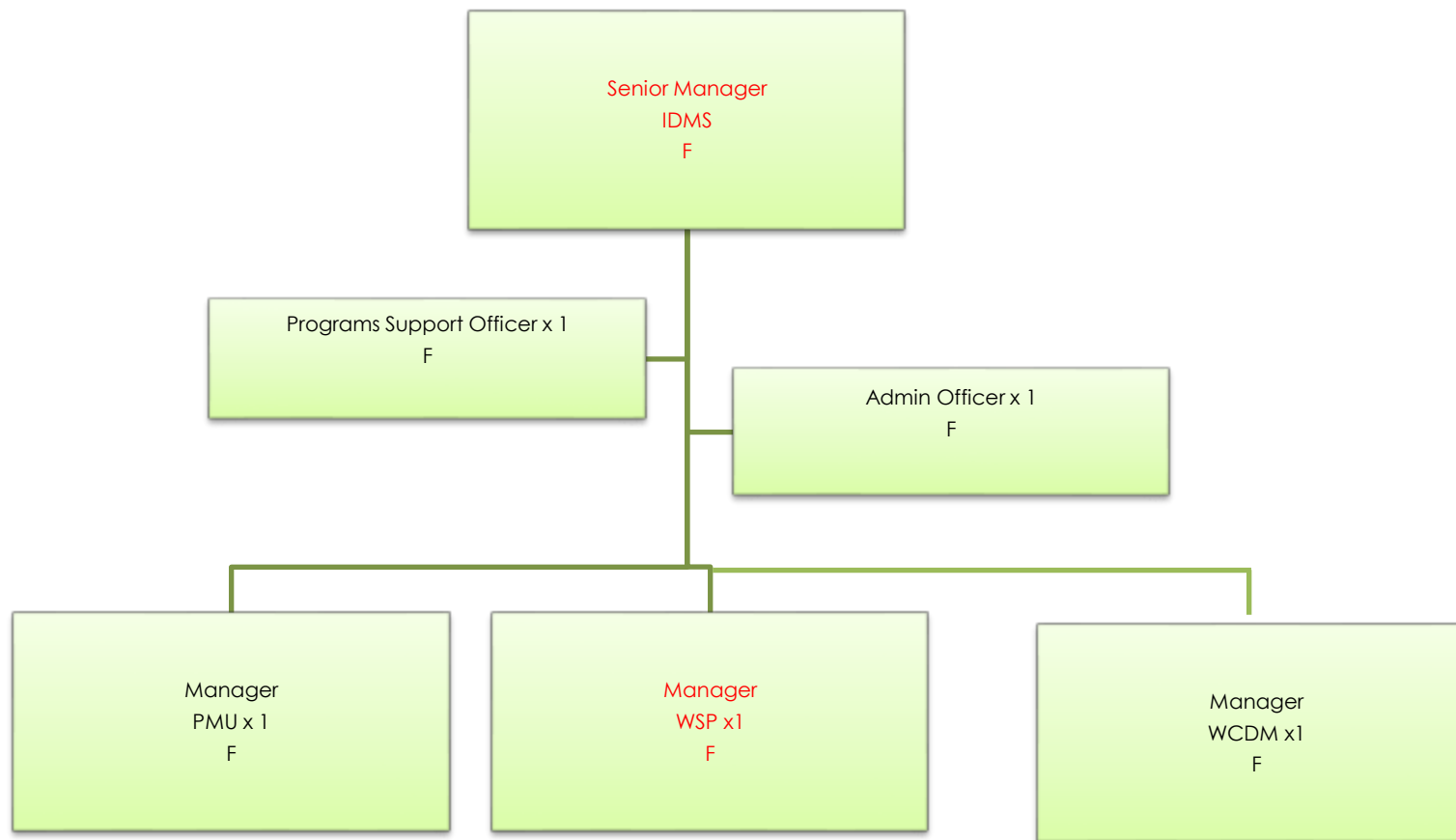
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
08	07	01

HUMAN RESOURCES MANAGEMENT & DEVELOPMENT



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
15	14	01

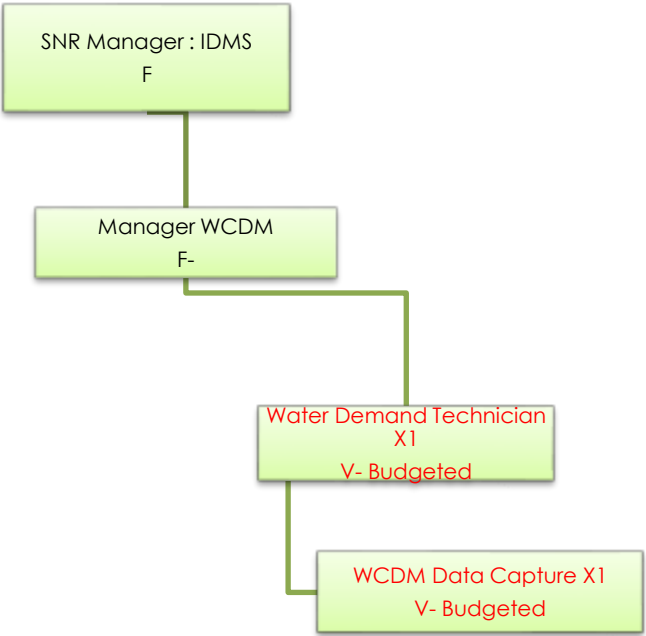
INFRASTRUCTURE DEVELOPMENT & MUNICIPAL SERVICES



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
05	04	00

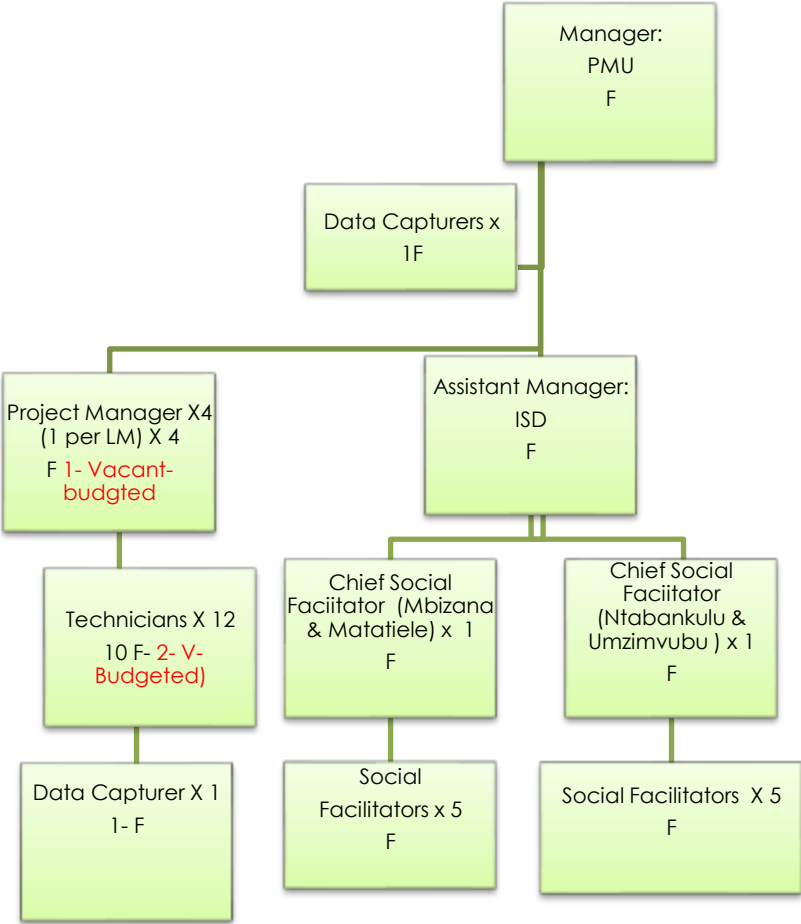
Functions

Unit	Function
PMU	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	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	Manage Water Conservation and Demand management in the District



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
02	00	02

PROJECT MANAGEMENT UNIT



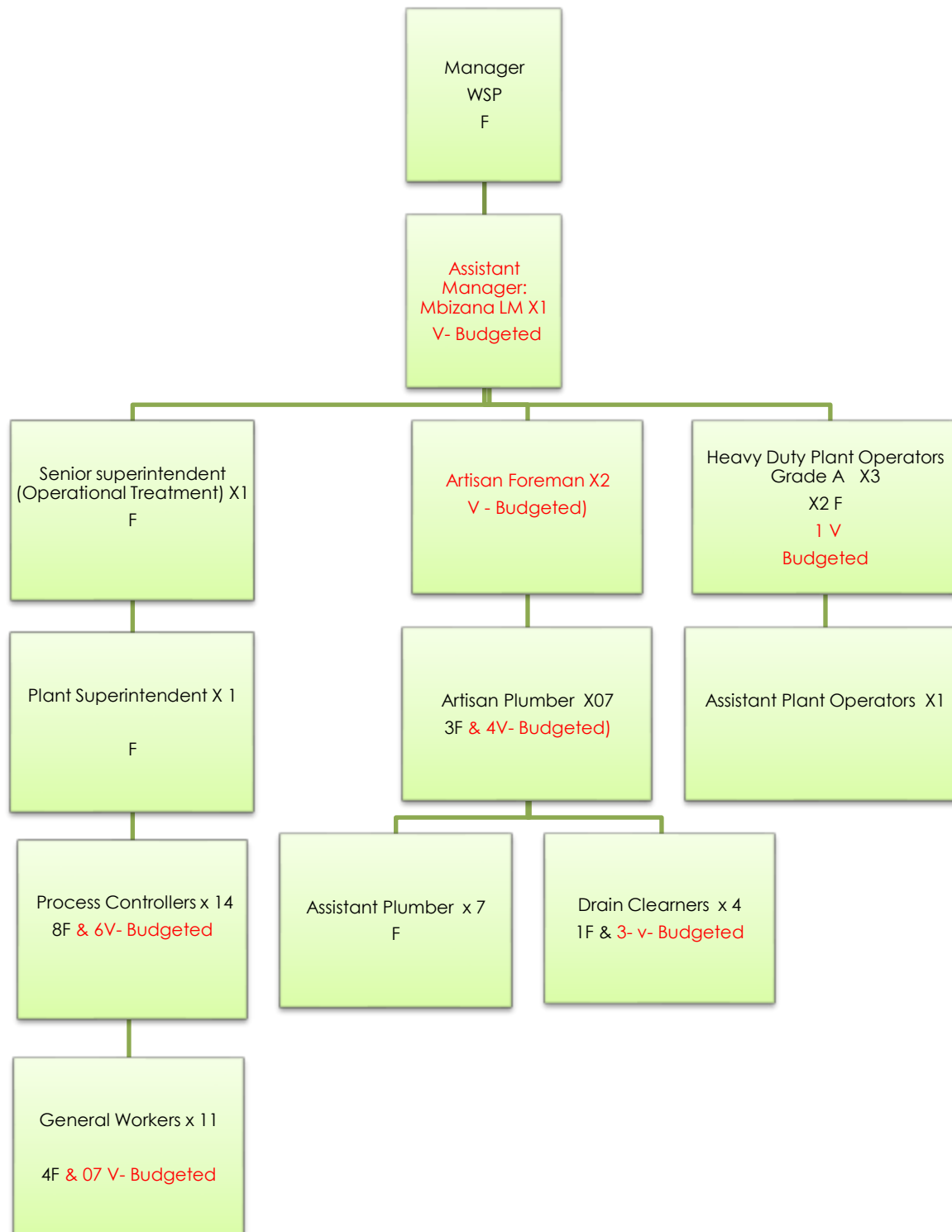
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
31	28	3

2.3.5. Water Services Provision

WSP Mbizana

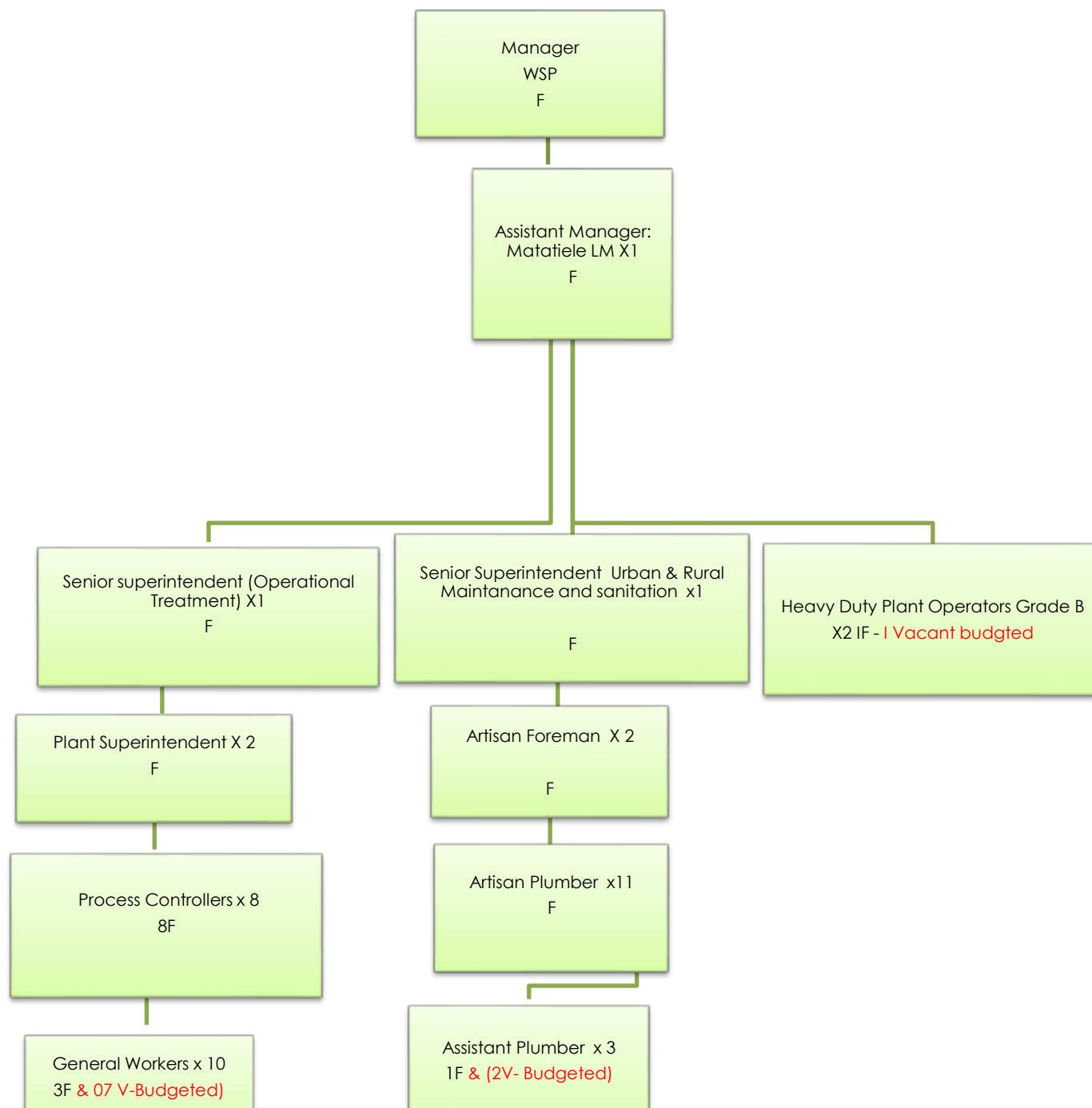
<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>

52	29	23



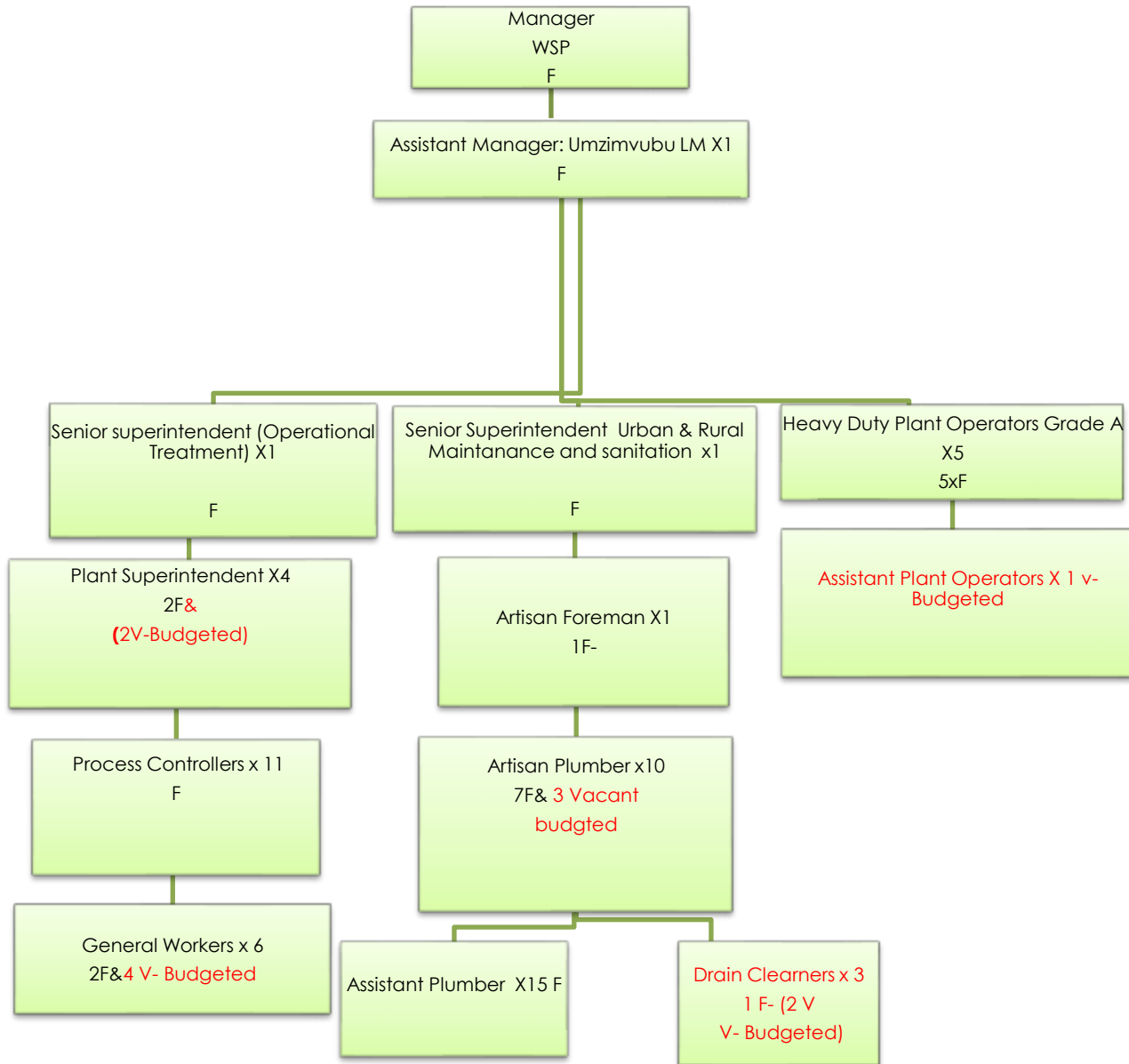
<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>

46	36	10

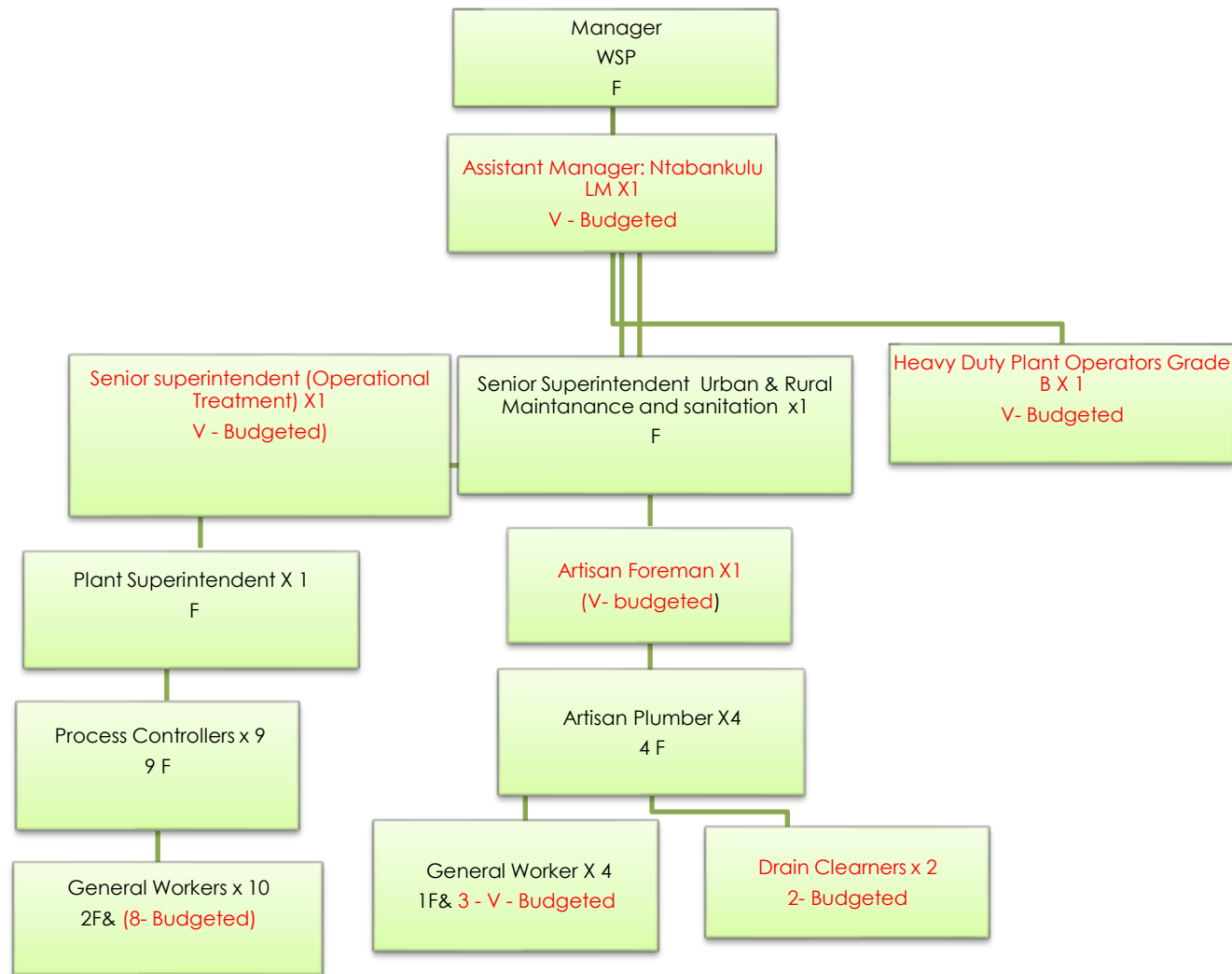


<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>

59	47	12

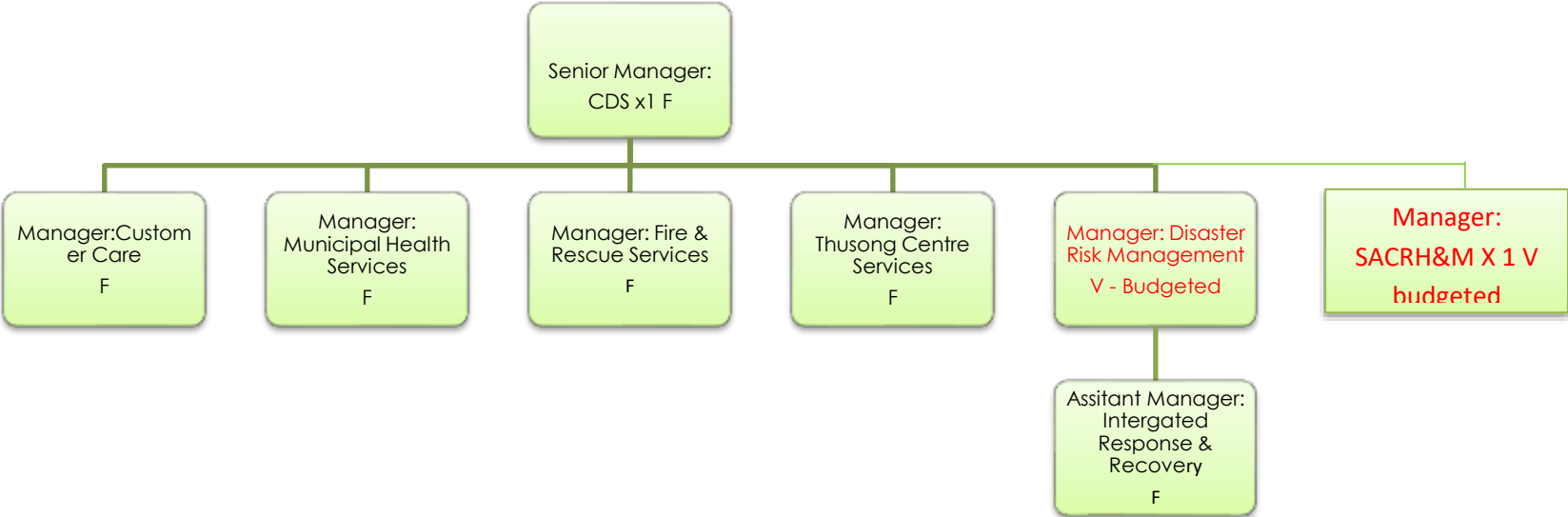


WSP Ntabankulu



<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>
35	18	17

2.4. Community Development Services



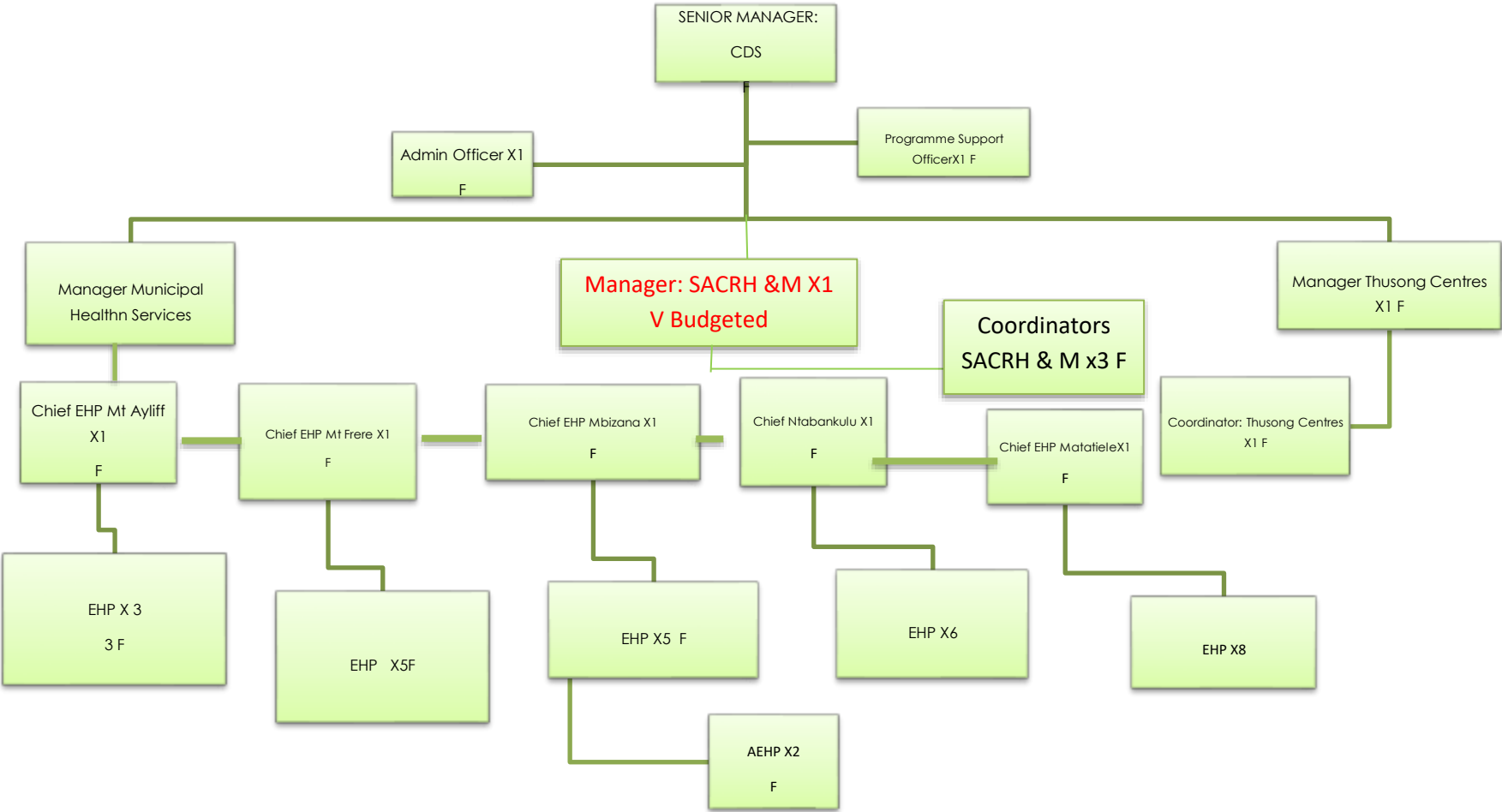
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
07	05	02

Functions

Unit	Function
Municipal Health Services	1. The identification, support and coordination of municipal health activities within the municipality 2. awareness campaigns/assessments/mitigating risk associated with Municipal health and environment 3. By-law enforcement

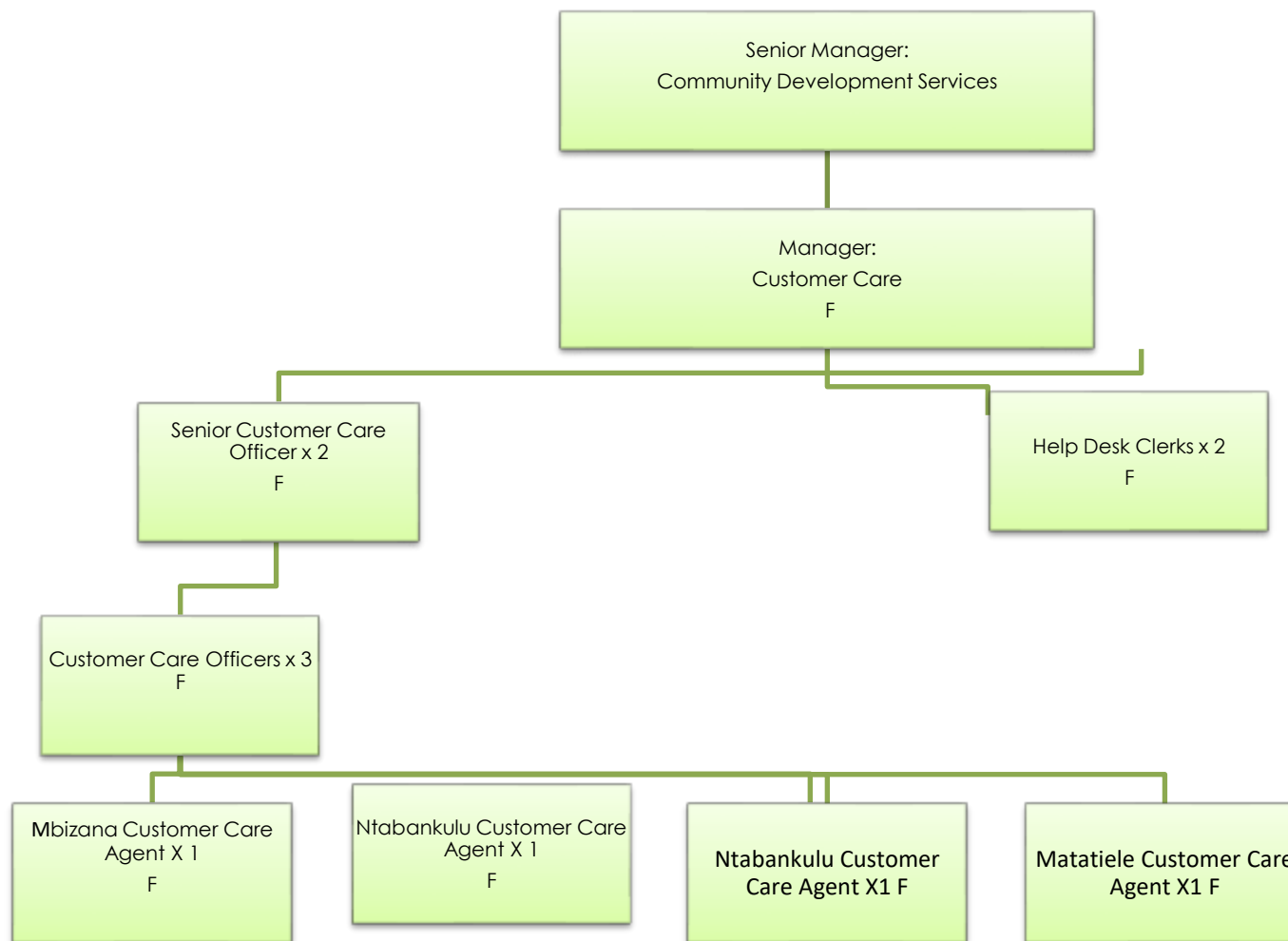
Thusong Centres; Sports; Arts; Culture; Heritage & Libraries	1. identification; support and coordination of Thusong centres 2. Management and monitoring of the centre activities 3. The identification, support and coordination of sporting activities within the municipality
Customer Care	1. to ensure maximum stakeholder participation and the development initiatives of the district 2. To build sound relations between the DM and its stakeholders to ensure effective and efficient service delivery.
Fire & Rescue	1. Ensure the provision of fire and rescue services 2. Ensure that fire challenges are identified and reported for interventions
Disaster Risk Management Services	1. Disaster management services 2. Risk reduction 3. Recovery & rehabilitation 4. Awareness & Information

2.4.1. Health And Environmental Services & Thusong Centre



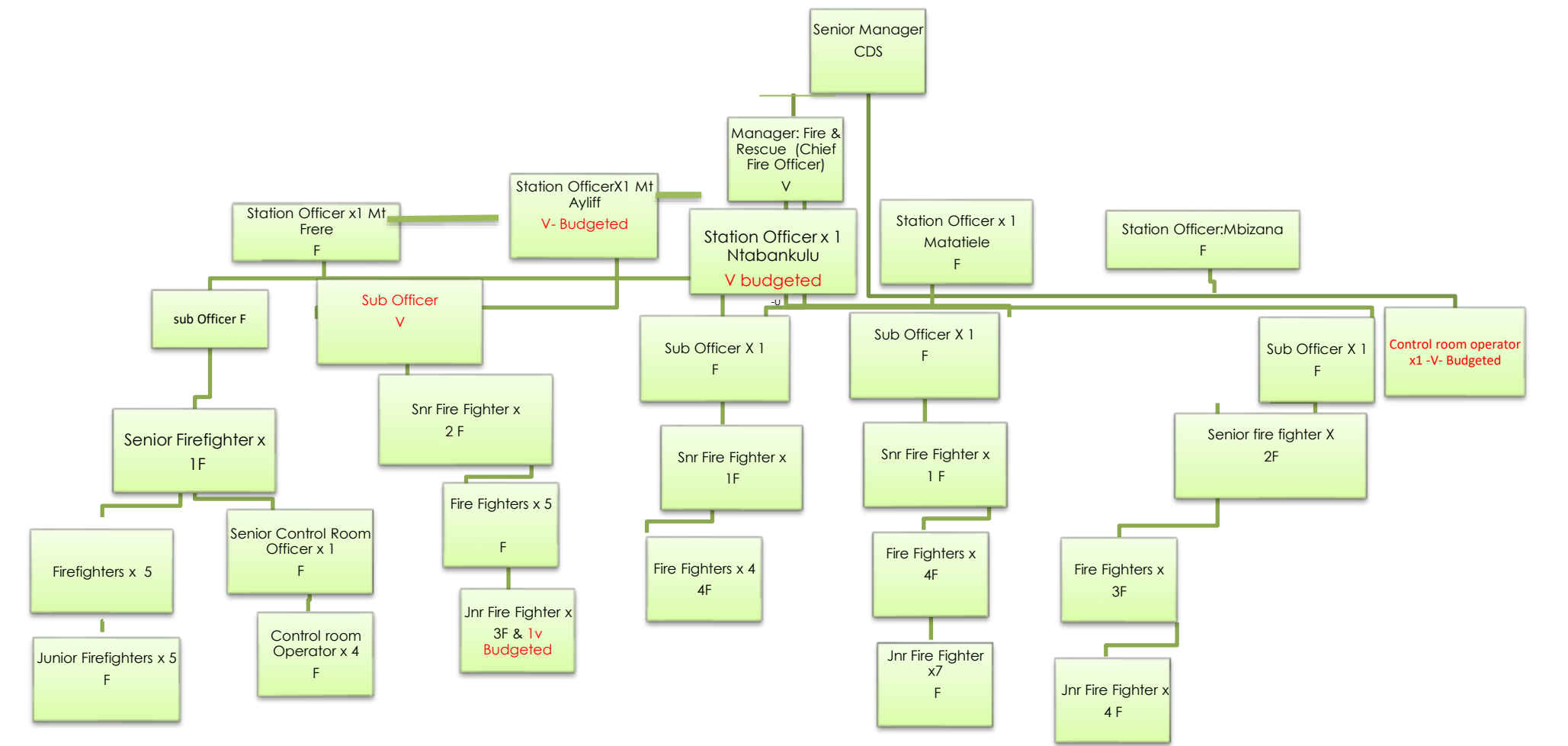
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
43	42	01

2.4.2. Customer Care



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
11	11	00

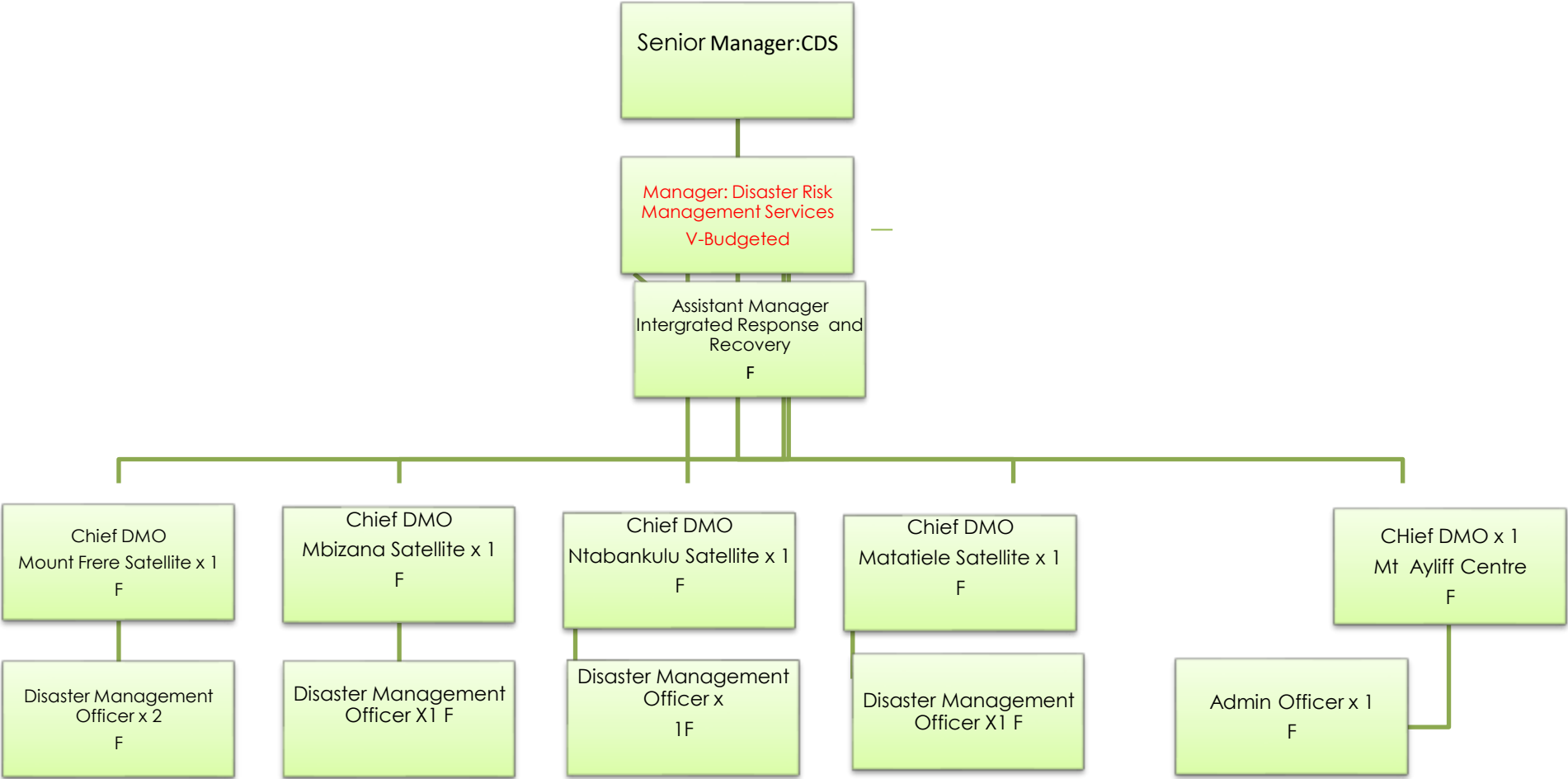
2.4.3. Fire & Rescue



S

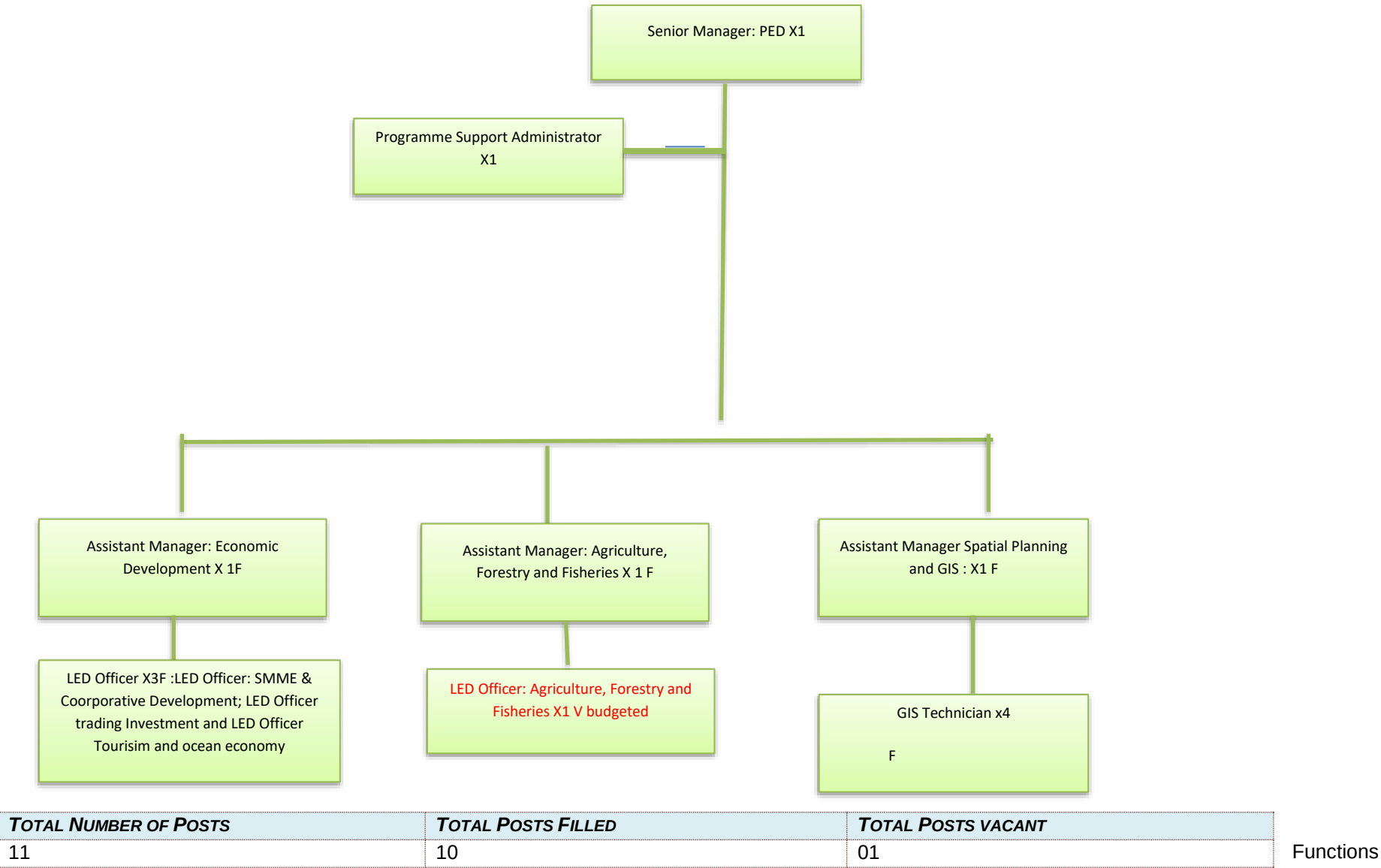
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
63	58	05

2.4.4. Disaster Risk Management Services



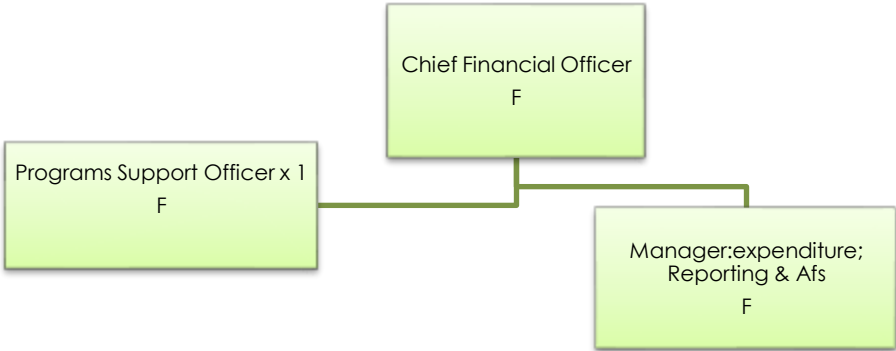
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
14	14	00

2.5. Planning & Economic Development



Unit	Function
Economic Planning	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	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
Development Planning; Spatial Planning & Land Use Management & GIS	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

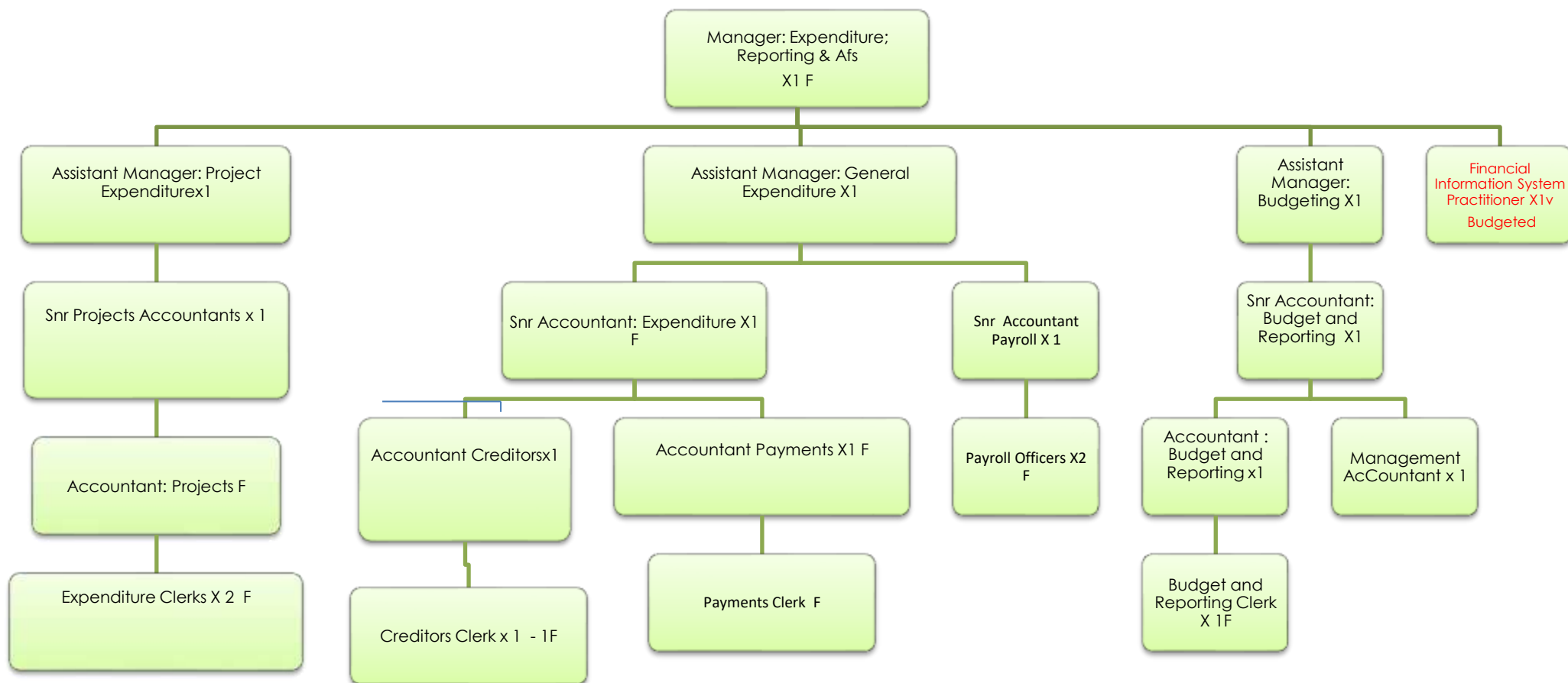


Functions

TOTAL NUMBER OF POSTS		TOTAL POSTS FILLED	TOTAL POSTS VACANT
02		02	00
Unit	Manager	Function	
Expenditure; Reporting & AFS	Manager: Expenditure; Reporting & AFS	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	

Unit	Manager	Function
		3. preparation of AFS
	Assistant Manager: Project Expenditure	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	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	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	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	1. manage/monitor/control fleet and asset management in the municipality
	Assistant Manager: Revenue	1. manage/control revenue management
	Assistant Manager: Supply Chain Management	.Promoting/developing/monitoring//directing/controlling all aspects of SCM in the Municipality to ensure compliance with the SCM Policy and Administrative Framework.

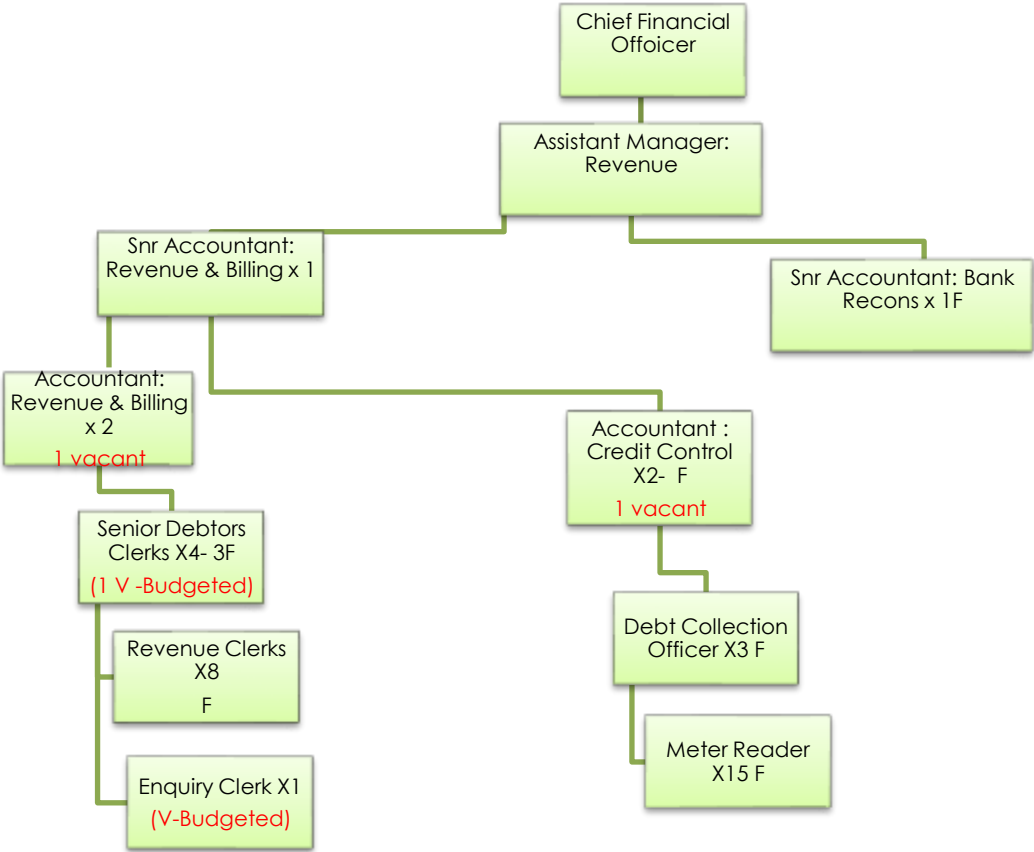
2.6.1. Expenditure; Reporting & AFS



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
21	20	01

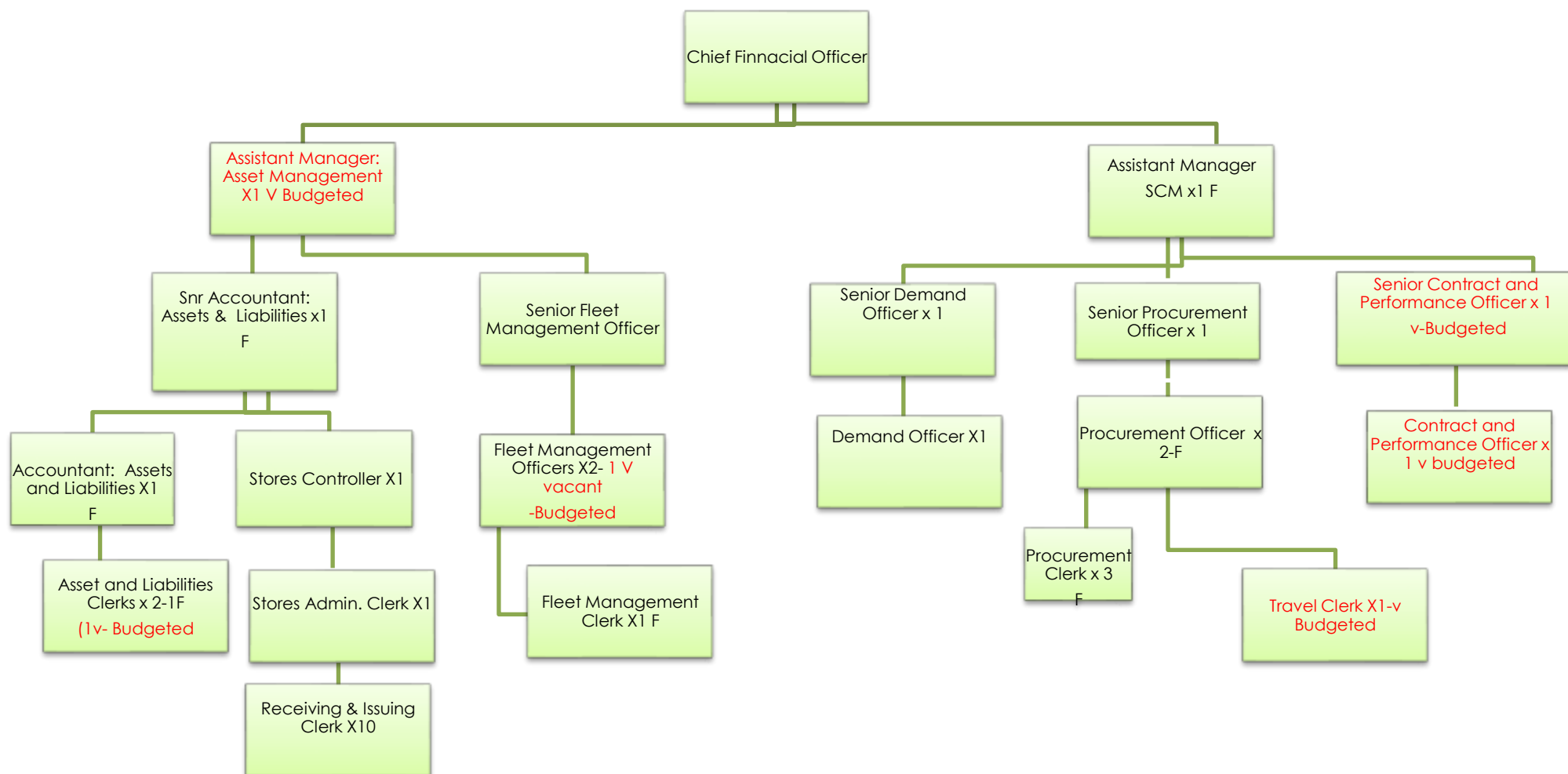
2.6.2. Revenue; SCM & Asset Management

Revenue



2.6.2.1 SCM & Asset Management

TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
38	34	04



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
33	27	06

The Council of Alfred Nzo is undertaking a work study to ascertain what human capital would be required to implement its vision as contained in the IDP for the 5 year period. The study will resume in the beginning of the financial year 2022-2023.