



REVIEWED LED STRATEGY

2015

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LIST OF ABBREVIATIONS

ARC	Agricultural Research Council
ARDA	Agrarian Research and Development Agency
BBBEE	Broad Based Black Economic Empowerment Act
BEE	Black Economic Empowerment
CHDM	Chris Hani District Municipality
DEDEAT	Department of Economic Development, Environmental affairs and Tourism
DRDLR	Department of Rural Development and Land Reform
DRDAR	Department of Rural Development and Agrarian Reform
ECDC	Eastern Cape Development Corporation
ECRDA	Eastern Cape Rural Development Agency
ECPTA	Eastern Cape Tourism and Parks Agency
GDP	Gross Domestic Product
GIS	Geography Information System
GVA	Gross Value Add
IDC	Industrial Development Corporation
IDP	Integrate Development Plan
SDBIP	Service delivery and Implementation Plan
LED	Local Economic Development
ELM	Emalahleni Local Municipalities
LTO	Local Tourism Organisation
NDP	National Development Plan
PGDP	Provincial Growth and Development Plan
PPP	Public Private Partnerships
SME	Small Enterprise Development
CHCDC	Chris Hani Cooperative Development Centre
CHDA	Chris Hani Development Agency
IAP	Investment Attraction Plan
EDTA	Economic Development, Tourism and Agriculture
DSD	Department of Social Development
DTI	Department of Trade and Industry
AG	Auditor General
GTZ	Gesellschaft fur Technical Zusammenarbeit
ILO	International Labour Organisation
ECPTA	Eastern Cape Parks and Tourism Agency
IQ	Indwe Quarries

1. INTRODUCTION

1.1. Background

The current LED strategy of the municipality was first developed in 2009, and was approved by the Council in 12 December 2010. This was the first strategy since the establishment of the wall to wall municipality. It was then developed in order to guide the economic development of the municipality and fulfil legislative requirements which are, Constitution of the Republic of South Africa Act No 108 of 1996 (objects of Local Government Section 152). The statistics that was used in the current LED Strategy (2010-2015) was taken from Global Insight which is a private company that is not recommended by government; therefore this statistics did not show an accredited reflection of the demographic profile of the Emalahleni Local Municipality.

The Local Economic Development Strategy was supposed to be guided by the Spatial Development Framework, but it was concluded before the Spatial Development Framework was developed. There was an omission of Mining Sector and infrastructure needs in the strategy, the role of economic stakeholders, their contribution and influence was not clear.

A lot has changed in the municipality since the adoption of the current strategy and therefore necessitated a review since it was adopted for a 5 year period. The analysis in the current review uses information that has been freshly sourced from Statistics South Africa 2011 which is an accredited source of information in Government.

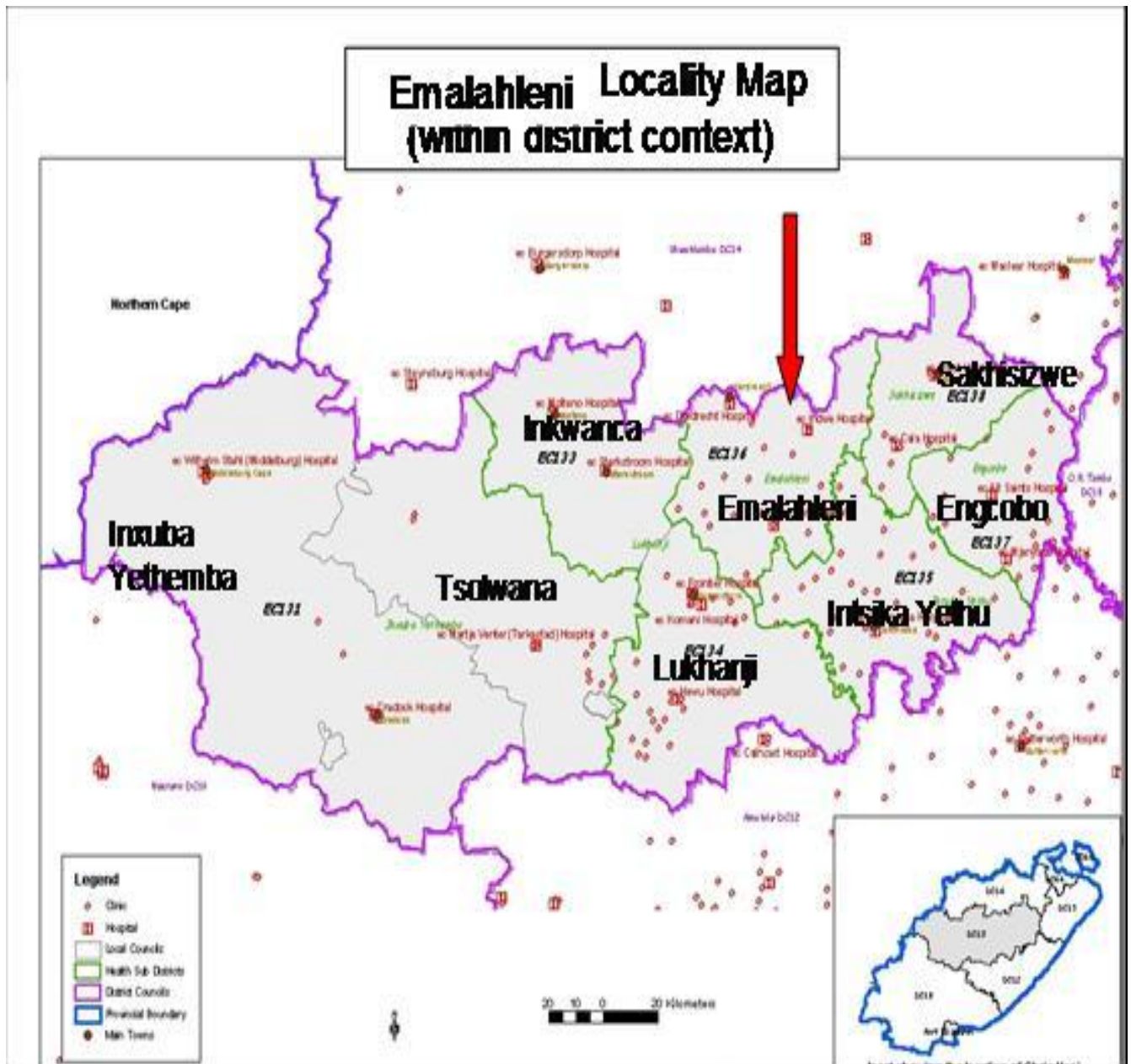
Due to unresponsive funding model for the realization of the programmes in the current strategy, it failed to attract resources for its implementation. The review of the strategy suggests various sources and resource combinations to be mobilized for the realization of the pronounced strategic intent, for example LED Programmes.

In order to foster high level buy-in and funding support by critical stakeholders (Sector departments, and Private Investors) the review also suggests mechanisms for distribution of roles and responsibilities among expected implementing agencies for the successful delivery of the reviewed LED strategy. The review proposes that the municipality takes strategic decisions on key driving sectors of the local economy that council must invest heavily on and also identifies other sectors where the municipal role will be to facilitate participation by other role players.

LED Strategy is aimed at providing a framework for municipal interventions and planning for sustainable economic development in the municipal jurisdiction. This also serves to encourage community involvement and ensure maximum participation in the municipal affairs.

1.2. Profile of the Municipality

Emalahleni is a category B municipality situated within the Chris Hani District (see figure below) of the Eastern Cape Province. It consists of the three main urban nodes being the towns of Lady Frere, Indwe and Dordrecht surrounded by a large rural settlement s and many surrounding villages.

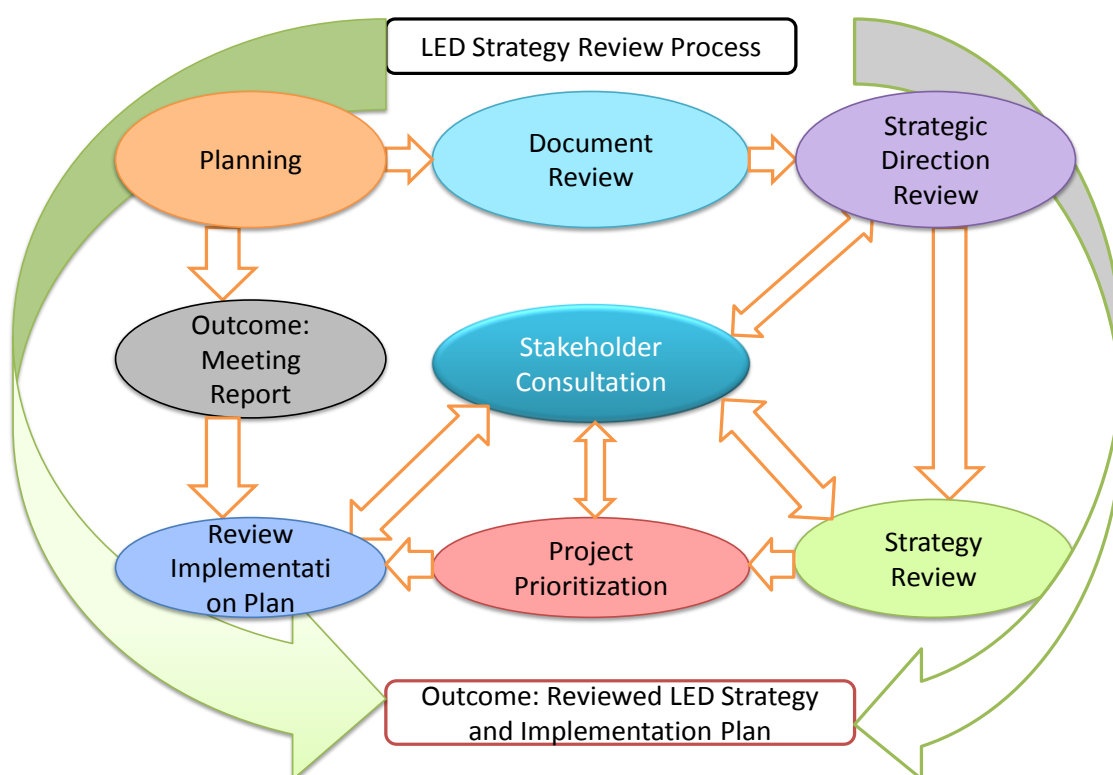


1.3. METHODOLOGY

Methodologies used in the review include:

- Consultation: Local Economic Development Sectors were engaged.
- Mentoring: The review was conducted with extensive interaction between relevant municipal and LED officials. This ensured transfer of skills, ownership of the LED strategy with guidance from Centre for Municipal Research and Advise (CMRA).
- Action Plan: it was developed for the key LED Projects identified in the reviewed LED Strategy. This action includes timeframes and responsibility allocation.

The activities in the LED Strategy review are shown in the diagram below:



1.4. LOCAL ECONOMIC DEVELOPMENT CONTEXT

The purpose of this section of the strategy is to provide an overview of 'what LED is', as well as the roles and responsibilities of the various stakeholders in LED planning and implementation.

1.4.1. WHAT IS LED?

The purpose of LED is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation (World Bank). According to GTZ LED is an ongoing process by which key stakeholders and institutions from all spheres of society, the public and private sector as well as civil society, work jointly to create a unique advantage for the locality and its firms, tackle market failures, remove bureaucratic obstacles for local businesses and strengthen the competitiveness of local firms.

ILO defines LED as a participatory process which encourages social dialogue and public-private partnerships. It enables local stakeholders to jointly design and implement a development strategy which fully exploits local resources and capacities, and makes best use of the area's comparative advantages.

Mohr, Fourie and Associates (2015) define **Economic Growth** as an annual rate of increase in the total production or income of the economy". A positive economic growth is measured when the economy is above the population growth. "**Economic Development:** It is reduction of unemployment, poverty and inequality in the growing economy". According to Economic Development National, LED was originally a term that referred to deliberate intervention to promote economic development in a specific area that is not the national area. The district views LED as the tool to maximise the economic value, job creation, potential of the district through a focus on the strengthening of the comparative advantages of priority sectors and creating a distinctive competitive advantage.

Given the above definitions the municipality defines its Local Economic Development as reduction of unemployment, poverty and inequality in the growing economy of the locality, as the Municipality's vision is about delivering appropriate, sustainable and affordable services towards socio-economic growth for the development of its community.

a) The National LED Context

The National Framework for LED in South Africa has been developed as a guide that seeks to advance an understanding of LED and has put forward a strategic implementation approach that municipalities, provinces, national government, state-owned enterprises and communities may concentrate on in order to improve local economic development. This Framework also seeks to guide the implementation of the LED Key Performance Indicator of the back to basics through the suggested actions.

Of the priority sectors in the developed economy which were identified: tourism, call centres and Business Process Outsourcing (BPO), bio-fuels, downstream mineral beneficiation, agricultural and agrarian reform and information communication technology (ICT) some of which are relevant at Emalahleni. The economies of the poor, crafts, fresh produce, waste, street trading, Small Medium and Micro Enterprise (SMMEs) support and the Expanded Public Works Programme (EPWP) are all critical to local economic development.

b) Provincial LED Context

The economy of the municipality cannot be discussed outside of the economic imperatives of the Eastern Cape and more particularly the economies of the Chris Hani area. The municipality's LED Strategy will be interfaced with the economic thrusts defined by the Province. Provincial Government has constitutional obligation to align LED initiatives with National and Local Priorities, strengthen and support the capacity of Local Government, make available financial and technical resources to implement and sustain LED, share information regularly (Provincial Economic Trends, land use, investment and new developments) with municipalities, monitor and evaluate the impact of LED initiatives Provincially.

c) District Context

The philosophy underpinning the basic understanding in the jurisdiction of CHDM in relation to the economic trajectory of the District is that of "positioning the region in such a way it maximizes the economic potentials offered by its natural endowments and making choices about where to allocate scarce resources to ensure maximum impact so that the region gets the best possible economic leverage to achieve its socio economic objectives"

Based on this understanding, the economic development vision and strategic intent of the District is determined as follows:

CHDM Economic Development Vision

The District grows and develops through social partnerships so that all people benefit from the economy and have equitable access to social services

Regional Economic Strategic Intent

Maximize the economic value and job creation potential of the District through a focus on the strengthening of the comparative advantages of priority sectors and creating a distinctive competitive advantage in the timber and livestock production and processing sectors

Strategic Differentiation

Regional Economic Strategic Intent

Maximize the economic value and job creation potential of the District through a focus on the strengthening of the comparative advantages of priority sectors and creating a distinctive competitive advantage in timber and livestock production and processing sectors.

d) Municipal Context

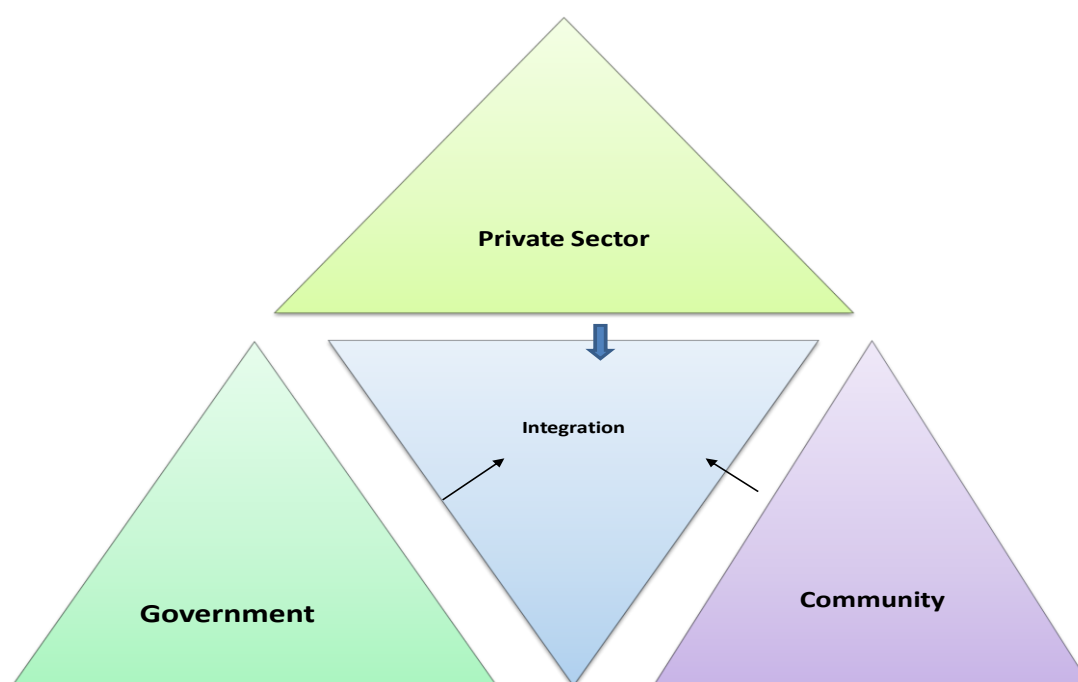
The municipality's economy does not operate in a vacuum; it is affected and influenced by changes in the provincial, national and global stage. It is therefore important to set the local economic development strategy within the framework of national and more particularly the provincial policies and legislation. In terms of past national trends municipality supplied national mining with scores of migrant labour. When the mining sector started to show signs of decline many migrant labours lost their jobs and had to return to their areas of origin or birth.

The following are the **key sectors** that the municipality will be focusing its attention to, in developing and making a sustainable economic environment:

- Agriculture and Agro-processing
- Trade, Retail and wholesale
- Informal sector (street trading)
- Mining (Coal and Small Scale: Sand Mining and Brick Makers)
- Tourism and Heritage Management (Arts and Craft)
- Forestry

1.4.2. STAKEHOLDER ROLES AND RESPONSIBILITIES IN LED

The promotion of economic growth and development is an integrated effort for all key stakeholders in the local community. This means that all key stakeholders in a municipal area must work together to tackle challenges, find ways to ensure the provision of services in a sustainable manner in order to create conducive environment for the creation of job opportunities. This is shown in the diagram below.



These stakeholders should not only be the end beneficiaries of LED interventions. They must be involved in;

- Planning for LED
- Implementation of LED
- Monitoring and Evaluation of LED

The primary stakeholders and their roles are as follows:

1.4.2.1. Role of Government

Government officials and politicians have a combination of roles to play, including the roles of manager / co-coordinator, facilitator, investor, representative and regulator. The focus will be on the responsibilities of local government. However, as stated earlier, the local economy is inextricably linked to the district, provincial and national economies. The district has a role to play in respect to coordination between surrounding areas, facilitation of sector strategies and investment in district-wide initiatives. Province and national have a role as regulator, investor and coordinator. Local government must play all the various roles in partnership with the district and province, the remainder of this section focuses on the role of local government.

a) Manager and coordinator

In this role, local government is the implementer or responsible authority;

- Policy formulation and leadership of integrated local economic development planning;
- Collation and interpretation of economic intelligence;
- Identification of infrastructure needs;
- Management of national and provincial government mandates and interventions;
- Facilities management;

b) Facilitator

In this role, local government improves the environment and services, and facilitates outside expertise and resources to meet needs.

- Dissemination of information;
- Creating a conducive and enabling business environment and culture;
- Infrastructure provision;
- Support of the informal sector and SMMEs;
- Facilitation of development funding;
- Process facilitator.

c) Investor

Government is a major investor and can use its resources to drive and stimulate the local economy. Below is a list of investment vehicles. Some are funded via the province, with the Municipality acting only as an agent, while others involve the direct resources of local government.

- Procurement policy;
- Use of state assets (province and local);
- Infrastructure investment (province and local);
- Housing investment (agency function for province);
- Land use planning;
- Environmental regulation (province and local).

d) Regulator

Government is responsible for policy, and as such is a regulator and enforcer and need to ensure that this role supports rather than constrains economic development. Here issues of environmental management, zoning, licensing, by-laws and municipal policy and enforcement are all important.

e) Representative

This is usually the role undertaken by elected representatives within local government.

- Understanding citizen's needs and communicating these to the administration
- Monitoring delivery and performance against the agreed plan.

1.4.2.2. Role of Community

They are buying, selling, building, saving and investing lie at the heart of community organization, culture and identity. To ignore the community voice in an LED process would be to miss a fundamental constituency.

a) Labour

Organized labour is an important stakeholder in the implementation of LED initiatives and programmes. Increasing the number of jobs is a key objective of LED. Job seekers as well as those already employed must be consulted in the LED process. Labour represents the backbone of the economy. Workers have a role as productive human capital, as consumers and as political interest groups.

As labour representatives the mandate is to:

- Understand workers' needs and communicate these to the management through lobbying consultation, negotiations and bargaining
- Monitor delivery and performance against the agreed plan.

b) Consumers / investors

- Without consumption the local economy would not grow at an acceptable level. By choosing where to spend their money, on what products and on what suppliers, communities invest in the local economy daily. Recognizing their power is an important part of LED.

c) Stimulators / entrepreneurs

Communities stimulate business creation or expansion through:

- Identification and support for markets
- Partnerships
- Non-profit organisations identify gaps and areas of need in communities and the design and development of programmes to address these needs

d) Facilitator

- Non-profit organisations facilitate outside expertise and resources to meet needs through:
- Dissemination of information
- Support for targeted groups
- Facilitation of development funding
- Facilitation of partnerships between different stakeholders to address a need or deliver a project
- Process facilitator.

e) Investor

Non-profit organisations are a significant resource in a community. The commitment and passion of members along with the funds raised can be used to drive and stimulate aspects of the local economy. This role is at times shared with the public sector, parastatals, communities and the private sector who choose to become partners in the development of a project, area or target group.

1.4.2.3. Role of Private Sector

While the role of business in LED is widely acknowledged, there is a tendency only to focus on big business and the formal sector. The informal sector also has an important role to play as investor and entrepreneur. Roles cross the formal and informal divide.

a) Investor

The private sector is a major investor. Its resources drive and stimulate the local economy, both spatially and sectorally. This role is at times shared with donors or parastatals, which provide capital to the public or private sectors and become a partner in the development of the area.

b) Stimulator / entrepreneur:

In this role the private sector undertakes the following:

- Promotion of particular sectors or areas that could be sustained by the market in the long term, for example, the development of business infrastructure to attract business in a situation where the market (consumer or skills) exists, or the development of specialist skills, for example in specialised agriculture, or the mobilisation of a sector on the understanding that organised business is better able to engage government than fragmented and disparate individuals and firms.

1.4.3. GUIDING PRINCIPLES

The following principles will guide economic development at municipality;

a) Balanced Development

The development of the local economy will ensure that the uniqueness of the local environment is protected. Balanced development also means that at tough times choices will need to be made and environmental, social and economic needs will have to be balanced to ensure that local economic development actions benefit all residents of the municipal area.

b) Diverse Economy

The municipality has the following key economic sectors: tourism; agriculture and agro-processing; construction services, retail and manufacturing. The development of the local economy will ensure that diversity recognises the uniqueness and assets of the local economy. This offers a greater resilience and ability to respond to unforeseen events and external shocks.

c) Inclusiveness

Consultations with communities have created a very strong need for an inclusive approach to local economic development. The principle of inclusiveness means optimising the rainbow community, uniqueness and connectivity of the various stakeholders and the need to develop a united community.

d) Partnerships

It is by working together through partnerships and by having a common vision that sustained economic development will be achieved. The key to success is in mobilizing the municipal community resources and assets to achieve a common goal. This guiding principle ensures that in all actions and programmes (municipality, business, communities and non-governmental organizations) the municipality creates partnerships and ensures integration of activities wherever possible.

This approach also entails the development of appropriate structures to ensure that such partnerships are developed and effective.

e) Sustainability

Sustainability requires the use of municipal assets and resources in a manner that maintains them for future generations. Sustainability planning also ensures that projects and programmes that have been identified are able to sustain themselves and generate the required economic spin-offs that in the long run benefit the local economy.

f) Quality

Underpinning all the economic development work will be a commitment to quality. Commitment to quality means ensuring that resources and assets are deployed in a

manner that increases the value for money, by contributing towards the improvement in the quality of life of all the people of the municipality. This principle too ensures that a thorough assessment is undertaken of each opportunity identified, and value for money and effort is enhanced.

g) Innovation and Human Development

The sustained growth and development of the municipal economy will depend on the extent to which local communities, business and government are able to innovate and develop the capacities of the local communities to be creative. Human resource development will form one of the key pillars to the development of the local economy. With high levels of appropriate skills and education the possibilities for innovation and creativity are enhanced.

1.5. STRATEGY OUTLINE

The strategy outline:

- Examines the **Status Quo**, in terms of spatial issues, services, the institutional context for LED and demographics. The section also examines the current labour market within the municipality, as well as the current economic situation.
- Analyzes the current situation with a view to identifying interventions to grow the local economy. Specifically, this is done through Strengths, Weaknesses, Opportunities and Threats (**SWOT**) analysis, as well as an analysis to identify the **competitive advantages** within the local economy.
- Presents **the Vision, Goals and Strategic Direction** based on the analysis done in preceding sections.
- Presents an **action plan** putting forward key projects to meet the vision and goals for LED. The purpose of this framework is to assist the municipality and its partners in implementing LED Strategy.

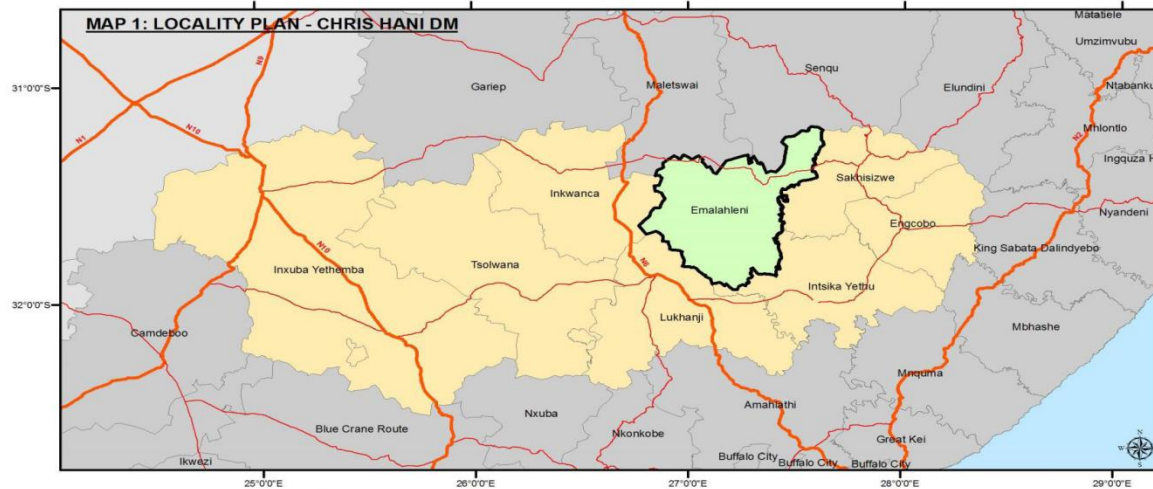
2. SITUATIONAL ANALYSIS

The purpose of this section of the strategy is to examine the current level of economic development within the municipality, with specific reference to issues effecting, or being effected by LED. Here, issues related to highlighting potential opportunities and weaknesses within the local economy are explored, in order to assist in identifying intervention areas by the municipality and its stakeholders. The section analyzes the following;

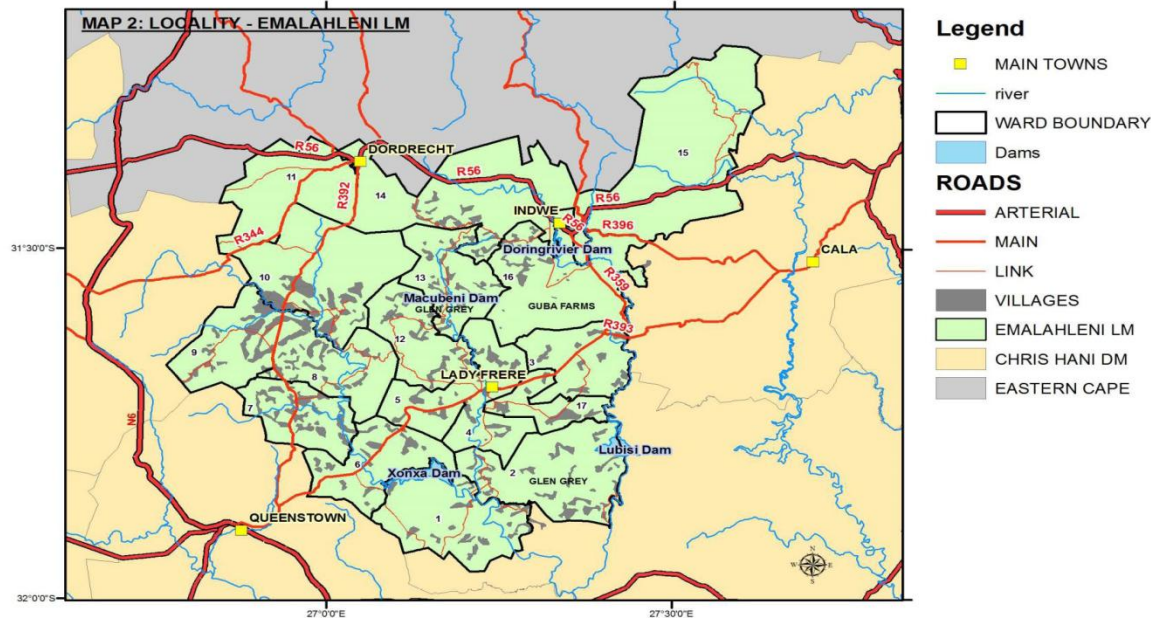
- The physical context
- The institutional context
- The policy context
- The demographic profile
- Employment
- Status quo of the local economy
- Overview of the local economy

2.1. PHYSICAL CONTEXT FOR LOCAL ECONOMIC DEVELOPMENT

MAP 1: LOCALITY PLAN - CHRIS HANI DM



MAP 2: LOCALITY - EMALAHLENI LM



Legend

- MAIN TOWNS
- river
- WARD BOUNDARY
- Dams
- ROADS**
- ARTERIAL
- MAIN
- LINK
- VILLAGES
- EMALAHLENI LM
- CHRIS HANI DM
- EASTERN CAPE

LOCALITY PLAN

The Emalahleni Municipal area falls under the jurisdiction the Chris Hani District Municipality. It is bordered by the following Local Municipalities

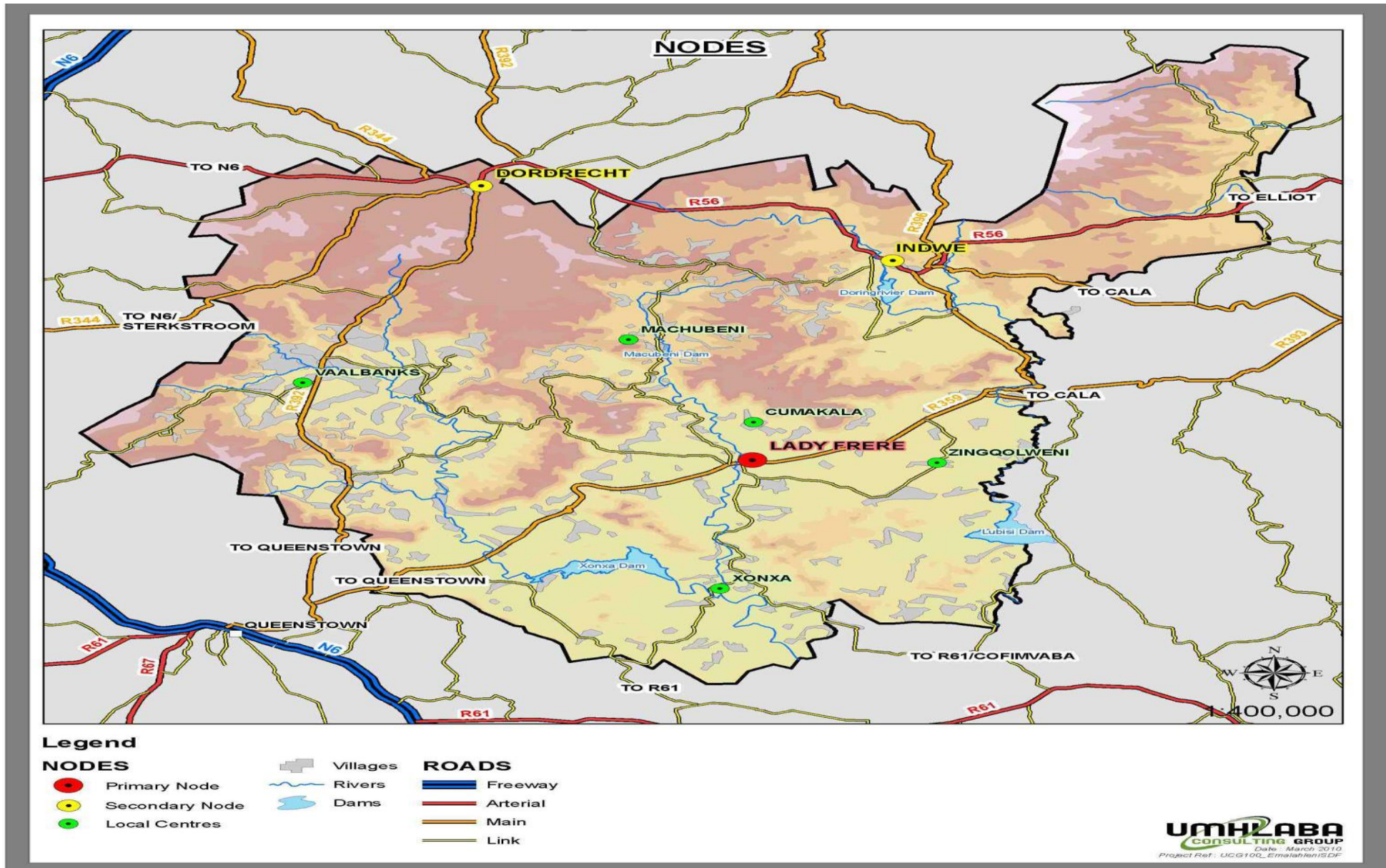
- Sakhisizwe LM (Chris Hani DM) to the east,
- Intsika Yethu LM (Chris Hani DM) to the south,
- Lukhanji LM (Chris Hani DM) to the south west,
- Inkwanca LM (Chris Hani DM) to the west,
- Maletswai LM (Ukhahlamba DM) to the north,
- Senqu LM (Ukhahlamba DM) to the north east

The Municipality comprises the small urban areas of Lady Frere, Indwe and Dordrecht, incorporating the surrounding rural areas of Woodehouse and Glen Grey to the east of Queenstown. The Municipal area extends over an area of approximately 3 440 square kilometers, includes some 200 rural villages and comprises seventeen (17) wards.

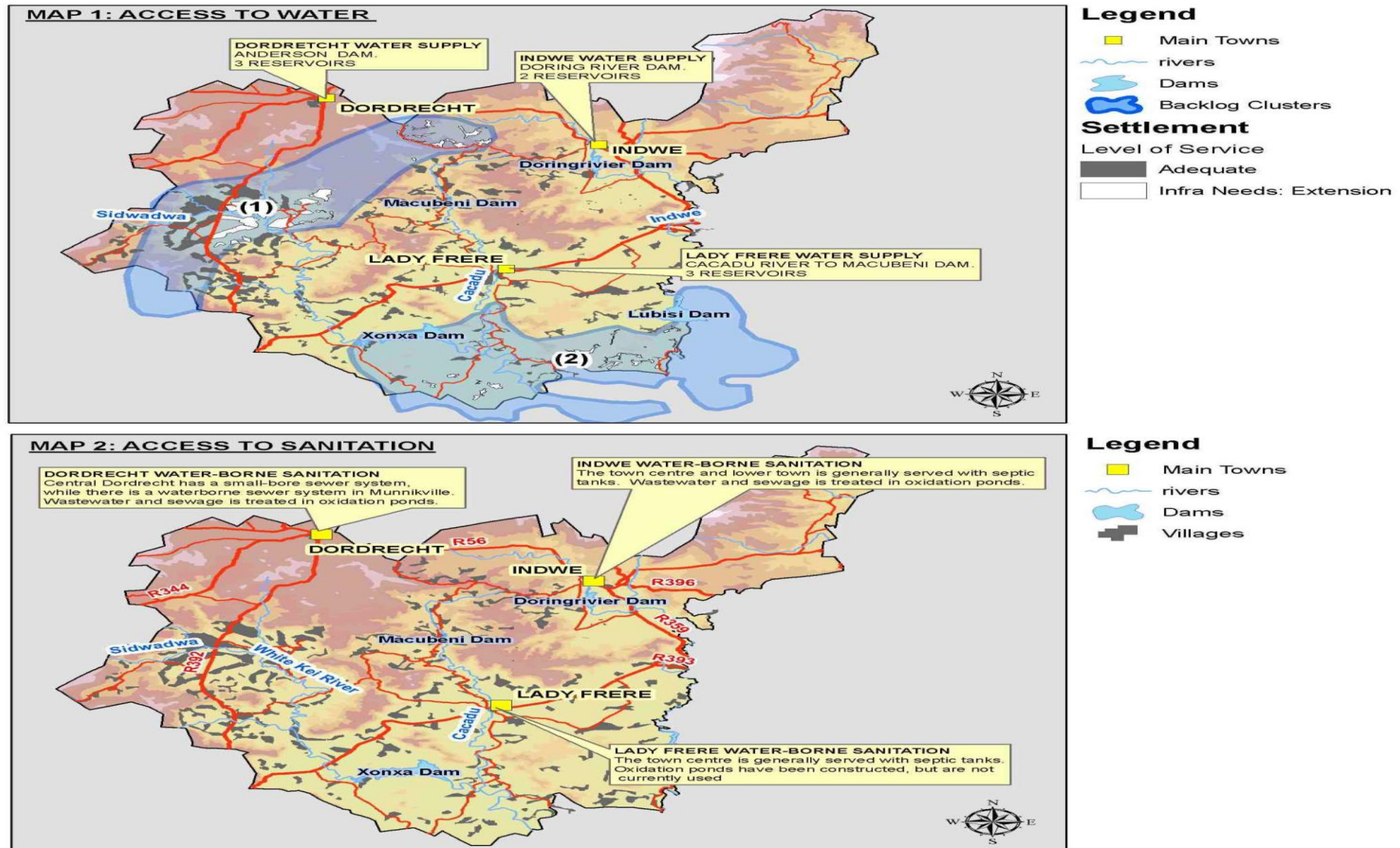
Emalahleni Local Municipality, comprising of 17 wards, is part of the Chris Hani District Municipality (CHDM) in the Eastern Cape Province. It has three main centres, Lady Frere, Dordrecht and Indwe and more than 200 rural villages. The seat of the Municipality is Lady Frere. The municipal area spans approximately 3 840 square kilometres. The neighbouring municipalities (See Map 1) are:

- Emalahleni Municipality and Intsika Yethu Municipality to the South
- Inkwanca Municipality to the west, and
- Sakhisizwe Municipality to the east

2.1.1. KEY TOWNS/ NODAL AREAS AROUND EMALAHLENI



2.1.2. EMALAHLENI MUNICIPALITY INFRASTRUCTURE (BASIC SERVICE DELIVERY/ INFRASTRUCTURE INDICATORS)



a) Infrastructure Development: Indwe Water

Indwe water treatment works obtains raw water from a pumped water supply from the Doring River Dam.

The current volume of water being processed by the water treatment works has been measured at approximately 1.8Mℓ/day against a rated capacity of 1.2Mℓ/day.

Component	Description	Condition
Pumps	Water is pumped from the dam to the purification works.	Poor
Source	Doring River Dam, Extraction – 780,000 m ³ /year	Fair
Treatment	Capacity of 90 m ³ /hr	Poor
Reservoirs	No. 2, 2,200 m ³ , 1,100 m ³	Good
Control (meters)	Metered in Town Centre, Lower Town, and some in Mavuya	Fair

b) Infrastructure Development: Lady Frere Water

The water treatment works obtains raw water from a pumped water supply from the Machubeni Dam.

The current volume of water being processed by the water treatment works has been measured at approximately 3.5Mℓ/day (or 40ℓ/s).

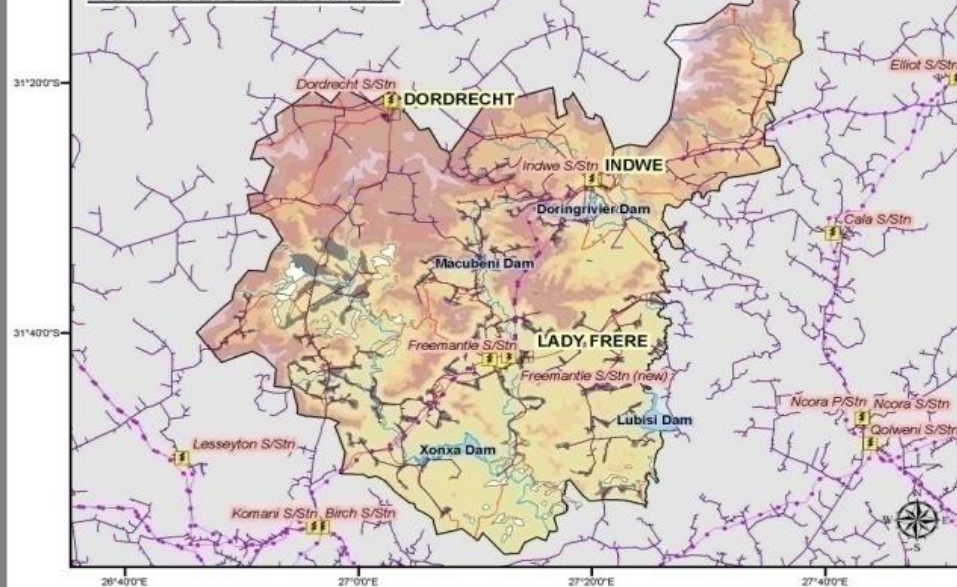
Component	Description	Condition
Pumps	Pumping scheme from the river to the treatment works using two pumps	Good
Source	Cacadu River to Macubeni Dam	-
Treatment	Capacity of 40 ℓ/s	Fair
Reservoirs	No. 3, each 600 kℓ	Good
Control (meters)	Metered	-

c) Infrastructure Development: Dordrecht Water

Dordrecht water treatment works receives raw water through a pumped system from the Anderson and Munnik Dams. Water from the treatment works gravitates through a network of domestic, commercial and institutional connections to Dordrecht town and the hospital. Some of the water is pumped to two off-site reservoirs from where it gravitates to Munniksville, Sinakho and Tyoksville villages.

Component	Description	Condition
Pumps	Only from Munnik Dam, Pump rate 100m ³ /hr	Needs refurb
Source	Anderson Dam by gravity, Capacity of 2.2 Mℓ +,	Fair
Treatment	Full treatment Capacity ±2Mℓ/day	Needs refurb
Reservoirs	No. 3, 2x 1Mℓ, and 0.6 Mℓ	Good
Control (meters)	Metered in Dordrecht Central	

MAP 1: ACCESS TO ELECTRICITY



Legend

- Substation
- 66/132 kV line
- 11/22 kV line
- river
- Dams

ACCESS TO ELECTRICITY

- Villages not serviced
- Villages serviced

INFRASTRUCTURE

ELECTRICITY

Electricity service is currently provided to portions of 8 wards only. Eskom has planning in place to develop their network ultimately to all areas of Emalahleni.

ROADS AND INFRASTRUCTURE

The various categories of roads are summarised as follows:

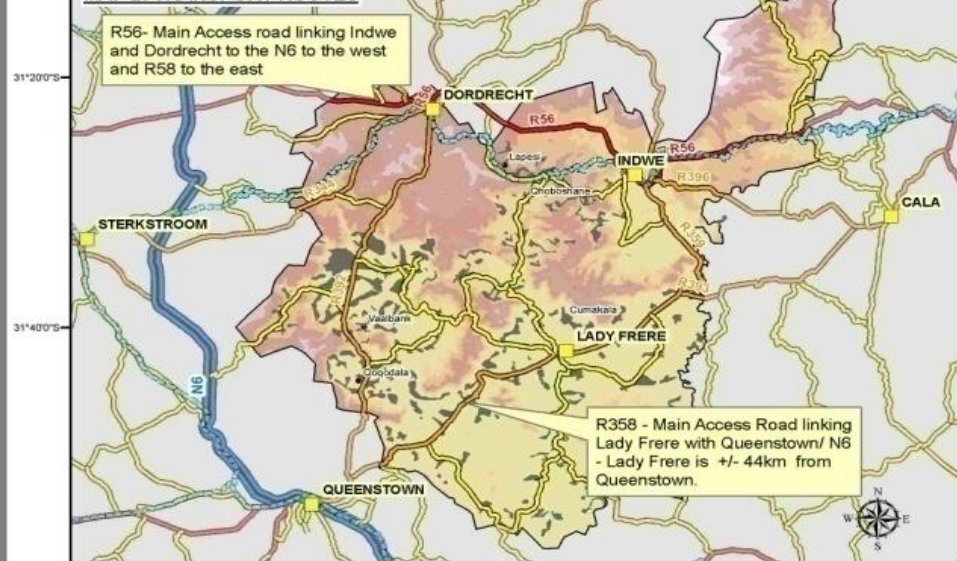
- Trunk roads - 65km
- Main roads - 90km
- District roads - 658km
- Access/minor roads - 313km

The entire road network of mainly gravel roads is generally in poor conditions and need upgrading and maintenance.

RAILWAY NETWORK

The light density railway line between Sterkstroom - Dordrecht - Indwe - Maclear is currently being utilised at 8% of capacity for transportation of general freight commodities and timber. There are problems with carrying capacity.

MAP 2: TRANSPORT ROUTES



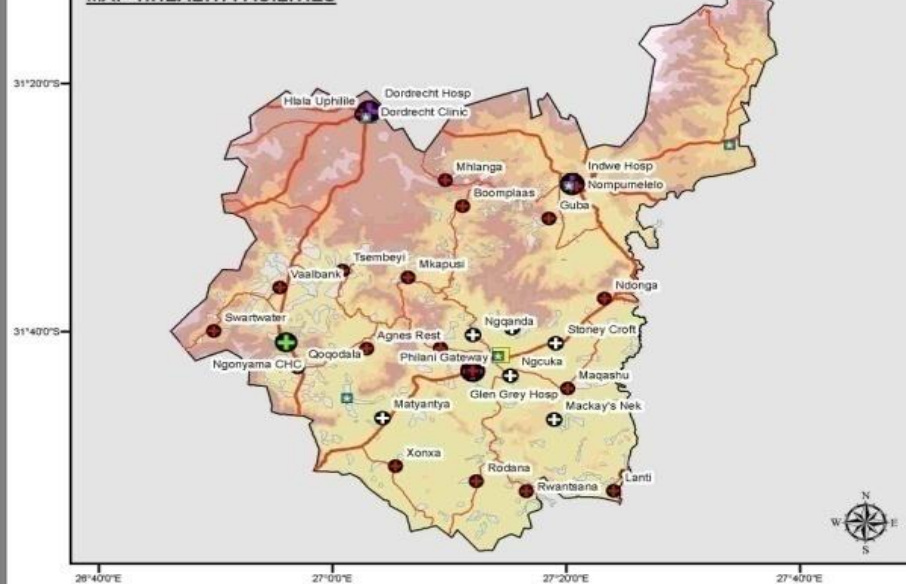
Legend

- Main Towns
- Villages
- Railway Line

ROADS

- Freeway
- Arterial
- Main
- Link

MAP 1: HEALTH FACILITIES



Legend

- police station
- Main Towns
- villages

HEALTH FACILITIES

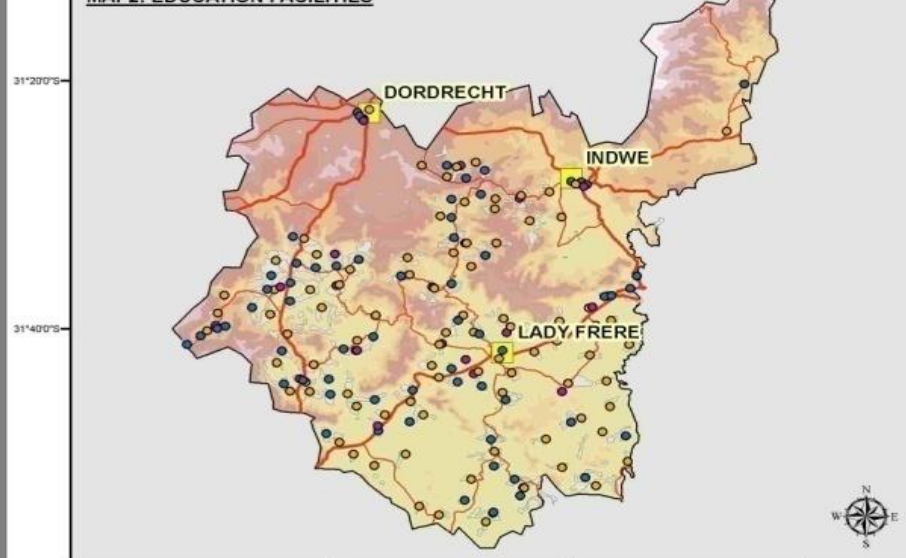
TYPE

- Clinic
- Community Health Centre
- District Hospital
- Satellite Clinic

SAFETY FACILITIES

- police station

MAP2: EDUCATION FACILITIES



Legend

SCHOOLS

LEVEL

- Combined (87)
- Primary (66)
- Secondary (20)
- Main Towns
- Villages

SOCIAL FACILITIES

HEALTH

There are currently 35 medical and primary health care facilities in the Emalahleni municipality. (See Map 1)

Health services in the municipal area are competence of the District and Province. The department of Health is currently implementing the following programmes in the Emalahleni Municipal areas.

- > HIV/ Aids monitoring and management
- > Mother Child Women's health
- > Management of the spread of Tuberculosis
- > Health and Hygiene promotion in schools
- > Conducting of environmental health surveys and tests
- > Nutrition programme implementation at schools

SAFETY

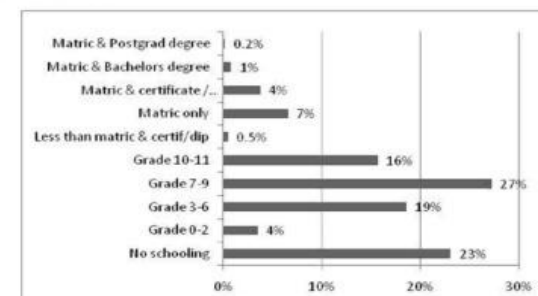
There are five police stations and a one prison located in the municipal areas. (See Map 1)

EDUCATION

There are approximately 173 schools servicing Emalahleni LM. The distribution of these schools is illustrated in Map 2. The main challenges raised by participants in the IDP process relate to issues of:

- > Classroom backlogs
- > Ineffective scholar transport system
- > Inability of rural schools to attract skilled and appropriately competent educators for science subjects
- > Poorly performing schools in terms of their matric pass rates resulting in trickle down problems for the labour market and local economy

The figure below gives a picture of the levels of literacy attainment in the local labour market.



As indicated in the figure above, levels of educational attainment are very low. This situation presents a major challenge for future economic growth because essential skills for growing the economy are limited and will be further reduced by this situation in which 23% of population has no schooling at all.

2.1.3. NATURAL RESOURCES IN EMALAHLENI LOCAL MUNICIPALITY

The available natural resources are as follows:

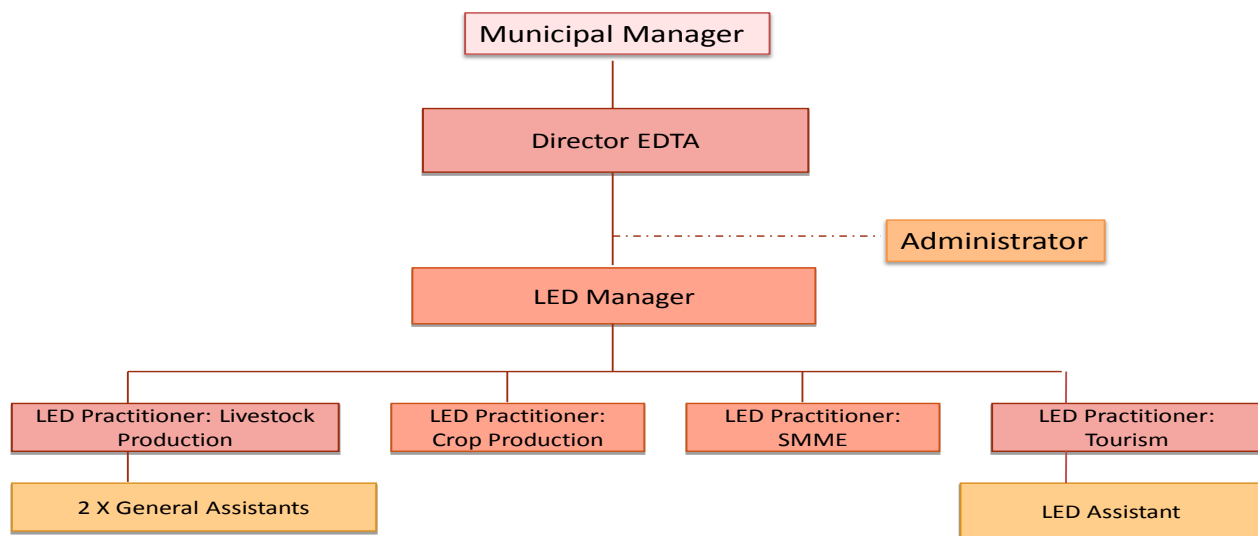
- Coal Deposits
- Sweet Veldt for livestock production
- Dry land for sorghum production
- Dams- Xonxa, Machubeni, Doring and Lubisi
- Waterfalls- Glen Grey
- Mountains- Qwempe, Zingxondo, Magxibha, Ngcwele and many others
- Woodlots- Khophe, Khundulu and Longo

2.2. THE ENABLING ENVIRONMENT FOR LOCAL ECONOMIC DEVELOPMENT

The current status of the institutional context for LED within the municipality is provided below:

2.2.1. INSTITUTIONAL FACILITATION OF LED

Economic development within the municipality falls under the Directorate: Economic Development, Tourism and Agriculture. The organogram is shown below:



According to the Municipal organogram, the duties and responsibilities of the directorate are as follows;

- Create a conducive environment for economic development
- Assisting the previously disadvantaged to be part of the main stream of economy.
- Supporting small business enterprises and sourcing funding for entrepreneurs.
- Retain established business in area and increasing trade.

- Recruit investment into area.
- Create new industry (Business process outsourcing; green economic activities; sustainable development).
- Poverty alleviation and skills development.
- Development of LED strategy.
- Facilitation of LED projects

2.2.2. GOVERNMENT INSTITUTIONS AND PARASTATALS

The institutions that play a vital role in creating conducive environment for the local economic development are as follows:

a) Chris Hani District Municipality

The district assists in the following:

- Creating an enabling environment by developing programmes and making available resources to support projects that will in turn be identified by local municipalities, private sector and entrepreneurs.
- Funding, Infrastructure Development, and Capacity Building
- Monitor and coordinate the activities of all the partners involved in establishing and strengthening of the LED Programmes
- Source investors that will partner with business entities to ensure business sustainability and future viability.

b) Chris Hani Development Agency

- Developing catalytic value chain projects within the various corridors supported by public and private investments;
- Attract funding from the development funds and donor sources, for stimulation of job creation programmes over the various development sectors identified in the IDP and Corridor Development Plan
- Secure a market for primary and secondary produce
- Facilitating linkages between the projects and major markets
- Fast track Development within the District.

c) Chris Hani Cooperative Development Centre

- Provide co-operative capacity building through the provision of co-operative governance and business management trainings
- Provision of monitoring and evaluation
- Assist co-operatives with compliance to legislation (co-operatives act)
- Assist with development of management accounts
- Assist with meeting protocols for co-operatives for development of proper Board minutes and assist with Annual General Meetings processes.
- Assist with social facilitation when the need arises
- Assist with Conflict resolution when the need arises

d) Corporate Government and Traditional Affairs-Eastern Cape

- Capacity building in the form of human resource to incapacitated local municipalities ensures credible integrated development planning and monitors the management of capital funding.

e) Department of Rural Development and Agrarian Reform

- Funding for primary production
- Provide technical support for cooperatives
- Skills development for projects
- Provision of agricultural infrastructure development

f) Eastern Cape Rural Development Agency

- Provision of capital for primary and secondary production infrastructure to Rural Enterprise Development Hub (RED Hub)
- Provide technical support and advice to the primary and secondary cooperative.
- To provide sustained social facilitation for the purpose of capacity building, economic spin offs of the programme and its general impact to society
- To identify and rally other partners in support of Rural Economic Growth; and
- Lobby lucrative markets for rural produce

g) Department of Rural Development and Land Reform

- Avail land for commercial farming, development and spatial structuring
- Provision of start-up capital for communal farming community
- Provision of agriculture infrastructure

h) Department of Economic Development and Environmental Affairs and Tourism

- Capacity building and information dissemination,
- start-up capital and top-up funding
- Ensure compliance in business operations
- Prevention of environmental degradation
- Tourism development
- Fund administration and capacity building for developing business through Eastern Cape Development Cooperation

i) Department of Social Development

- Forms an important part of government strategy to fight triple challenge of poverty, inequality and unemployment
- Empowering young and old people, those with disabilities as well as women in particular, helps rebuild families and communities.
- House hold profiling
- Social facilitation and funding

j) Department of Trade and Industry

- Working capital for bigger businesses and production inputs
- Capacity building for foreign markets
- Financial incentives and support for SMMEs
- Non-financial support, business plan development, and capacity building through Small Enterprise Development Agency

k) Eastern Cape Parks and Tourism Agency

- To serve as a catalyst for all dimensions of tourism in the Province
- To establish and maintain an efficient and effective institution
- To promote the Province as a preferred tourism destination
- To enhance Provincial tourism transformation
- To enhance Provincial tourism product development
- To facilitate infrastructure development for tourism growth
- To utilise partnerships with key stakeholders successfully to achieve specific outputs
- Providing appropriate, credible information on tourism in the province.
- Undertaking collaborative marketing of the Province as a tourism destination
- Promoting special events
- Enhancing infrastructure for tourism information and marketing

l) Logo South

It is a partnership between Emalahleni Local Municipality and the municipalities in Netherlands. The partnership aims at:

- Developing communities
- Training of personnel and councillors

m) Official Twinning between Dordrecht – Emalahleni / Dordrecht Netherlands

It is a bond of friendship and cooperation between the municipality of Emalahleni / Dordrecht in South Africa and Dordrecht in the Netherlands. The cooperation aims at:

- Promoting the bond between Dordrecht and Emalahleni in general and village of Dordrecht in particular.
- Organising exchanges for the purpose of strengthening the administrative, financial and technical knowhow of Emalahleni Local government.
- Forging personal relations between social, cultural, political and religious organisations, groups and institutions in both cities especially targeted at the village of Dordrecht in Emalahleni.
- Rendering administrative and technical assistance to Emalahleni Local Municipality
- Improving the economic development of Emalahleni and especially the Dordrecht Village where possible.

n) Educational Institutions within the municipality or who have potential input in Local Economic Development

Institutions at the Local level		
Institution	Role	Projected Impact
Bengu Agricultural School	<ul style="list-style-type: none"> • Agricultural Skill Development from Secondary to High School 	<ul style="list-style-type: none"> • Availability of Agricultural Technical Expertise
Ikhala Tertiary Vocational Education and Training (TVET)	<ul style="list-style-type: none"> • Business Studies Qualifications from National Qualification Framework from level 2 to 4 and N 4 to 6 after grade 12. 	<ul style="list-style-type: none"> • Skills development in Business Studies

Institutions at the District level		
Institution	Role	Projected Impact
Walter Sisulu University	<ul style="list-style-type: none"> • Business Development Qualifications from National Diploma and B-Tech. 	<ul style="list-style-type: none"> • Skills development in Business Studies
Grootfontein Agricultural Development Institute	<ul style="list-style-type: none"> • Agricultural Skill Development 	<ul style="list-style-type: none"> • Availability of Agricultural Technical Expertise
Boston City Campus & Business College - Queenstown	<ul style="list-style-type: none"> • Business Development Qualifications 	<ul style="list-style-type: none"> • Skills development in Business Studies

Institutions at the Provincial level		
Institution	Role	Projected Impact
University of Fort Hare	<ul style="list-style-type: none"> • Business Development Qualifications • Agricultural Skill Development 	<ul style="list-style-type: none"> • Skills development in Business Studies • Availability of Agricultural Technical Expertise

Nelson Mandela Metropolitan University	<ul style="list-style-type: none"> • Business Development Qualifications • Agricultural Skill Development 	<ul style="list-style-type: none"> • Skills development in Business Studies • Availability of Agricultural Technical Expertise
Rhodes University	<ul style="list-style-type: none"> • Business Development Qualifications • Agricultural Skill Development 	<ul style="list-style-type: none"> • Skills development in Business Studies • Availability of Agricultural Technical Expertise
Fort Cox college	<ul style="list-style-type: none"> • Agricultural Skill Development 	<ul style="list-style-type: none"> • Availability of Agricultural Technical Expertise
Tsolo Agricultural College	<ul style="list-style-type: none"> • Agricultural Skill Development 	<ul style="list-style-type: none"> • Availability of Agricultural Technical Expertise

2.3. DEMOGRAPHIC PROFILE OF THE ELM

2.3.1. POPULATION SIZE, GROWTH RATE, GENDER DISTRIBUTION AND POPULATION GROUPS

Emalahleni has the fourth largest population with a total of 119,460 (15% of the district population) in the Chris Hani district and extends over an area of approximately 3 840 square kilometres, includes more than 200 rural villages and comprises seventeen (17) wards. The head office of the Emalahleni Local Municipality is situated in Lady Frere and has satellite offices in Dordrecht and Indwe. Growth trend analysis shows that Emalahleni population had a marginal growth of between 2% to 5% over the last 5 years. The marginal growth could be attributed to a variety of factors such as death, poverty, HIV/AIDS and/or family planning. The following tables and graphs reflect the population of Emalahleni by various categories. The Black Africans and Black African females in particular are the largest group of the population at 51% (and 53% including all races) of the total population. The high representation of females in the population represents an opportunity for the municipality to develop and implement programs for women empowerment.

	Black African	Coloured	Indian or Asian	White	Other	Grand Total
Male	55 614	350	135	322	199	56620
Female	62058	341	39	340	61	62839
Grand Total	117672	691	174	663	260	119459

a) Emalahleni Local Municipality 283 from Census 2011

Area: 3447.21km²

Population: 119460(34.65perkm²)

Households: 31681 (9.19 per km²)

Statistics by Gender as per Census 2011

Gender	People	Percentage
Female	62839	52.60%
Male	56620	47.40%

The above table shows that Emalahleni Local Municipality population is mostly dominated by females. It therefore means there is a possibility that males are outside the Emalahleni Local Municipality in search of greener pastures and females are households.

Population by Ethnicity as per Census 2011

Population group	People	Percentage
Black African	117672	98.50%
Coloured	691	0.58%
White	663	0.55%
Other	260	0.22%
Indian or Asian	174	0.15%

The above table shows that Emalahleni Local Municipality ethnicity is dominated by black Africans and the level of economic participation is revolving around primary production in a form of crop and livestock production.

The Pie Chart below reflects the following:

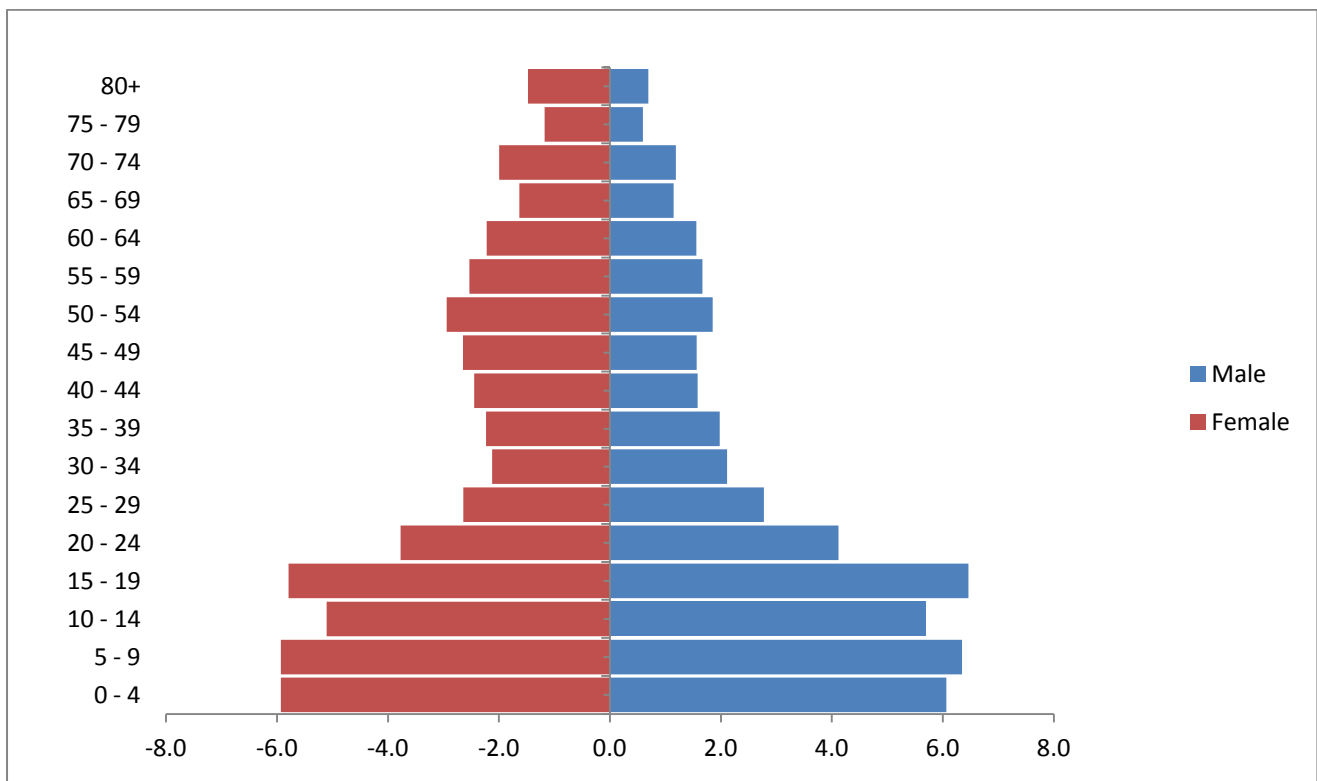
- Females are more than males at Emalahleni Local Municipality
- There is a possibility of male migration from Emalahleni Local Municipality to other cities in search of employment opportunities.
- There is a possibility of high male death rate as compared to females

Population by gender



Statistics South Africa: Web page: www.statssa.gov.za, 2011

Population Pyramid



The above population pyramid reflects a perfect planning informant for the municipality. From this age distribution above, the following observations can be eluded:

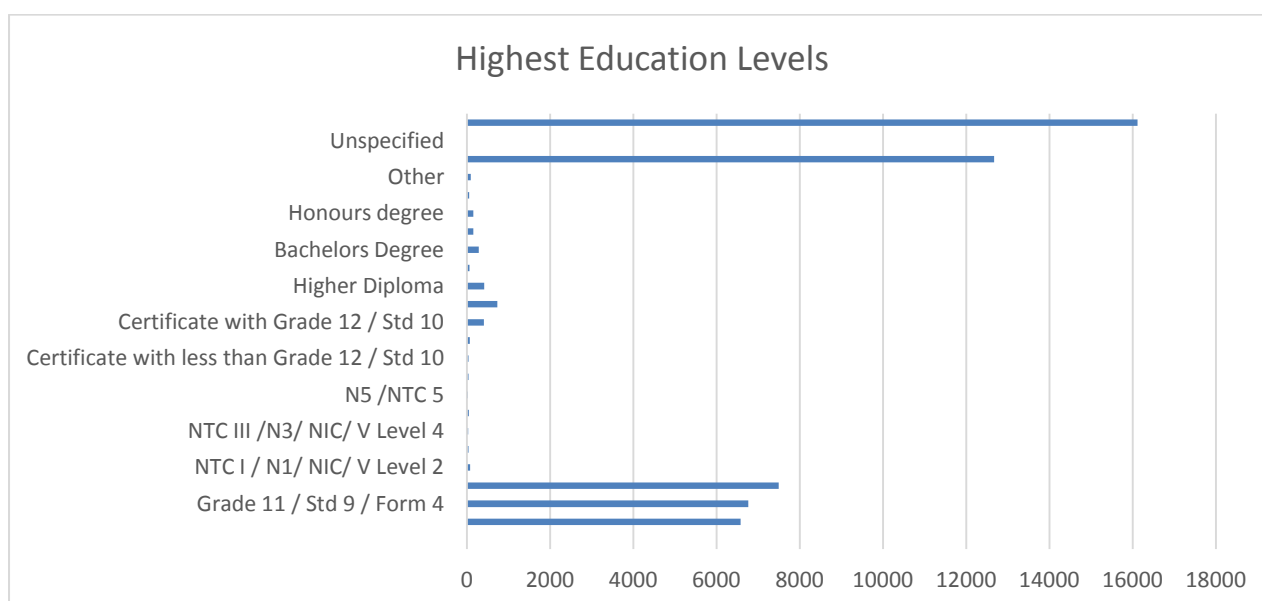
- the 0-19 years comprised of 47% of the total population
- ages 20-59 years of the economically active population, show a fairly distributive population
- ages 60 upwards represent 13% of the population
- The municipal population has a large representation of the youth (comprising of 47%) of the total population. The retired age group of age 60 and above represents 13 percent of the population. These two above point also pose a great

challenge for the Emalahleni municipality. This challenge being that the 60 percent of the population is both under 19years and above 60years and thus most likely economically in active and reliant on social grants. The resultant of this compels the municipality to increase its commitment to Special Programmes

- According to statistics released by ECSECC, about 47% of the population earns just under R3500.00 and 13% of the population lives under the bread line and would therefore not be able to afford housing or other services and rely on state subsidies. Emalahleni thus can be classified as a low wage economy which is a factor of low or negative growth. This fact will be dealt with throughout the document.

2.3.2. EDUCATION AND SKILLS

- 1.1 ABOUT 35% OF THE ENTIRE POPULATION HAS NO SCHOOLING WHILST ONLY 5% OF THE POPULATION HAS A MATRIC (GRADE 12) QUALIFICATION. AS INDICATED IN GRAPH BELOW, THE LEVELS OF EDUCATIONAL ATTAINMENT ARE VERY LOW. THIS SITUATION PRESENTS A MAJOR CHALLENGE FOR FUTURE ECONOMIC GROWTH BECAUSE ESSENTIAL SKILLS FOR GROWING THE ECONOMY ARE LIMITED AND WILL BE FURTHER REDUCED BY THIS SITUATION IN WHICH 35% OF POPULATION HAS NO SCHOOLING AT ALL.

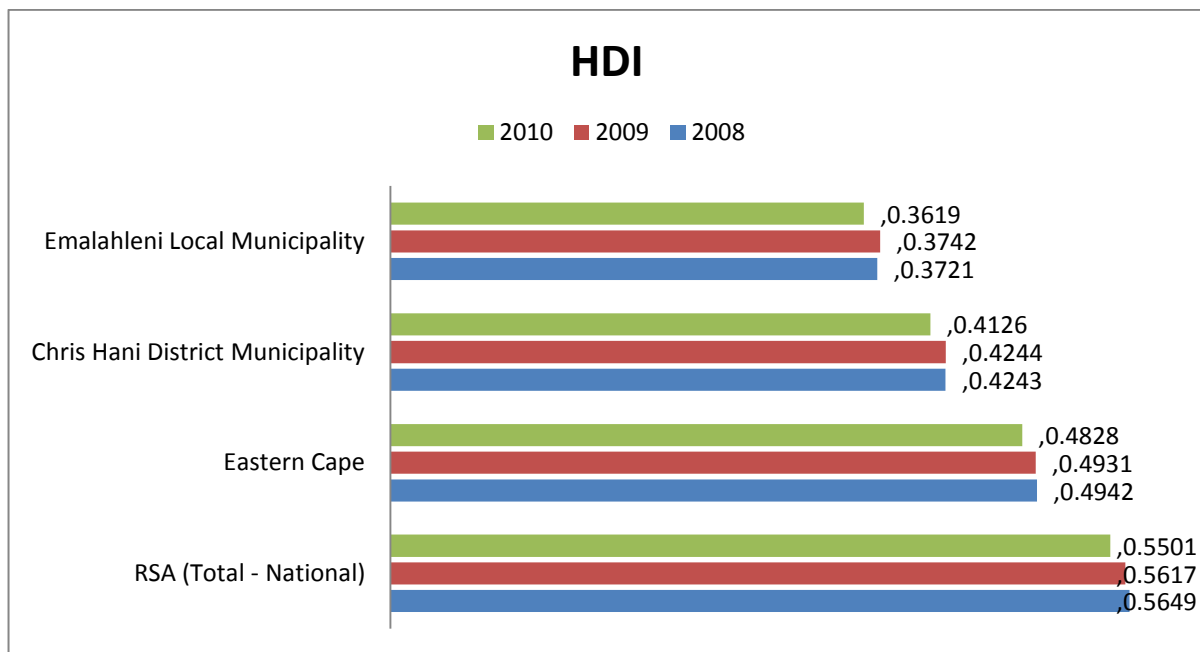


Source: Statistics SA 2011

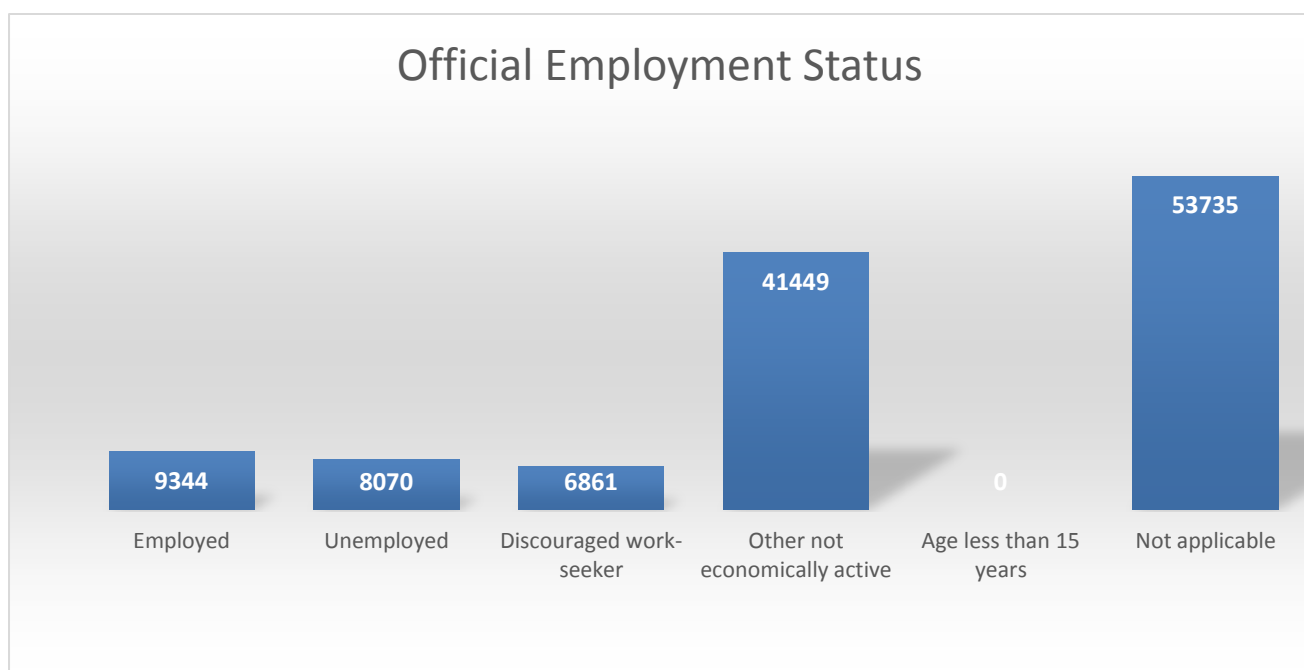
2.3.3. Human Development Index (2008 – 2010)

The Human Development Index at Emalahleni Local Municipality is at Medium level on the following areas:

- Life expectancy at birth
- Educational Attainment
- Standard of living measured by real per capita income measured at purchasing power parity



2.4. EMPLOYMENT IN ELM



Sources: Statistics SA, 2011

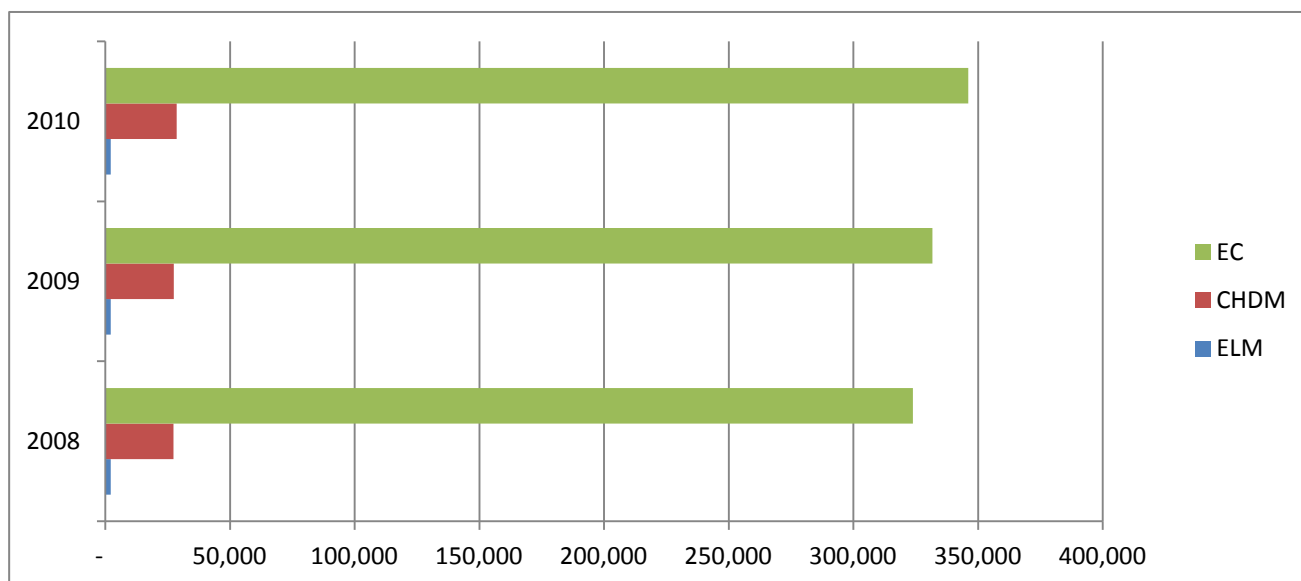
The current employment statistics of the municipal area released by Stats SA on quarterly basis is as follows:

Person weighted	
Employed	9345
Unemployed	8070
Total	17415
% of Person weighted	
Employed	53.7
Unemployed	46.3
Total	100.0

This situation means that people are either dependent on informal sector; have their own businesses and or coops or unemployed at all and that will have a knock on effect on socio – economy of the area.

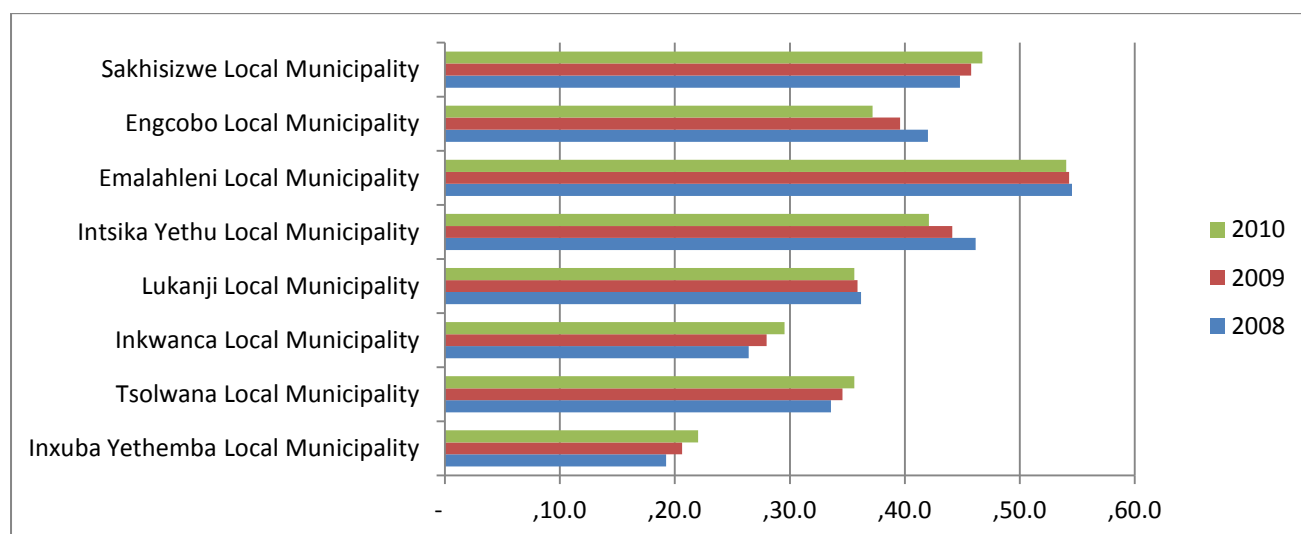
The GDP of Emalahleni has been anchored by the wholesale and retail sector which has contributed a higher percentage in terms of Real Money. The wholesale and retail sector has contributed about 80% to the Gross Domestic Product and has seen a steady growth for the past three financial years (2008, 2009 and 2010).

2.4.1. INFORMAL SECTOR



far as it relates to the informal sector, Emalahleni is still making no progress for the past three years (2008 – 2010).

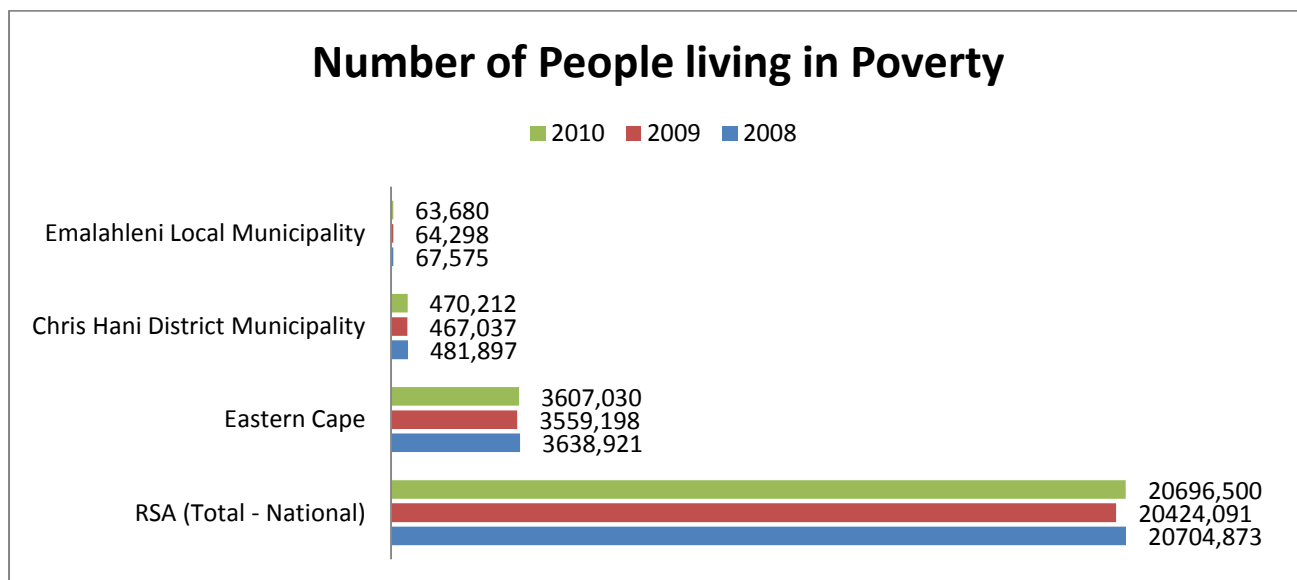
2.4.2. UNEMPLOYMENT RATE



In the district, Emalahleni Local Municipality, is leading in as far as the unemployment rate is concerned and this has been the case since 2008 – 2010. There is a lot that needs to be done in terms of job creation.

According to data released by Statistics South Africa for the Year 2007, 2008 and 2009 indicates that the economy of Emalahleni has been shedding jobs except for the wholesale & retail sector which maintained a low but steady growth in terms of employment figures.

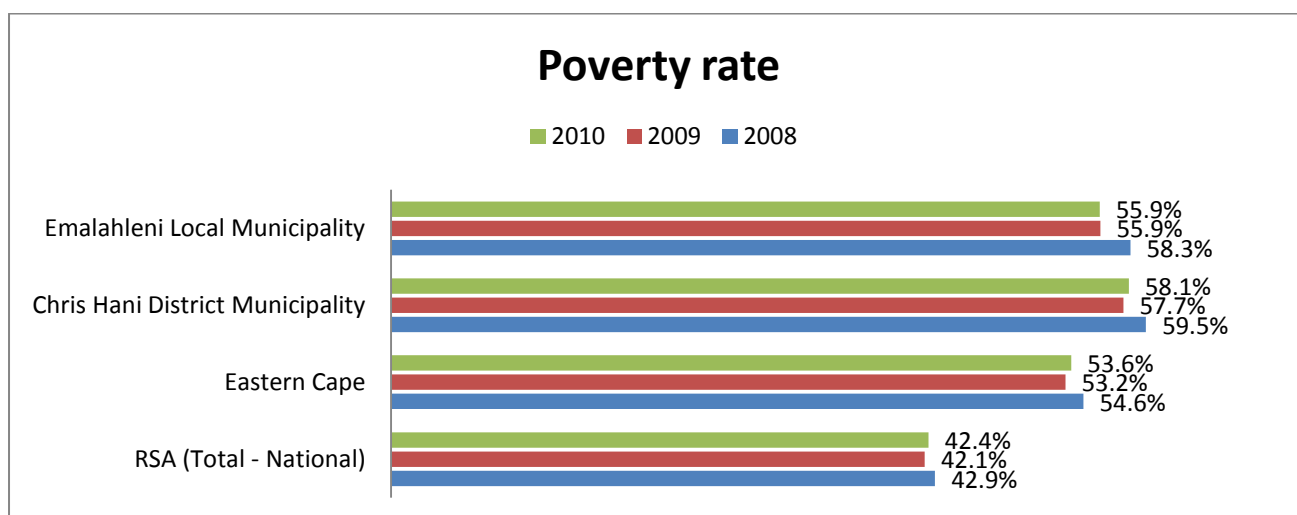
2.4.3. POVERTY



There has been a slow decrease in a number of people living in poverty from 67,575 to 63,680 since 2008 – 2010. This might be due to number of government interventions in terms of social grants, or people leaving the area for greener pastures.

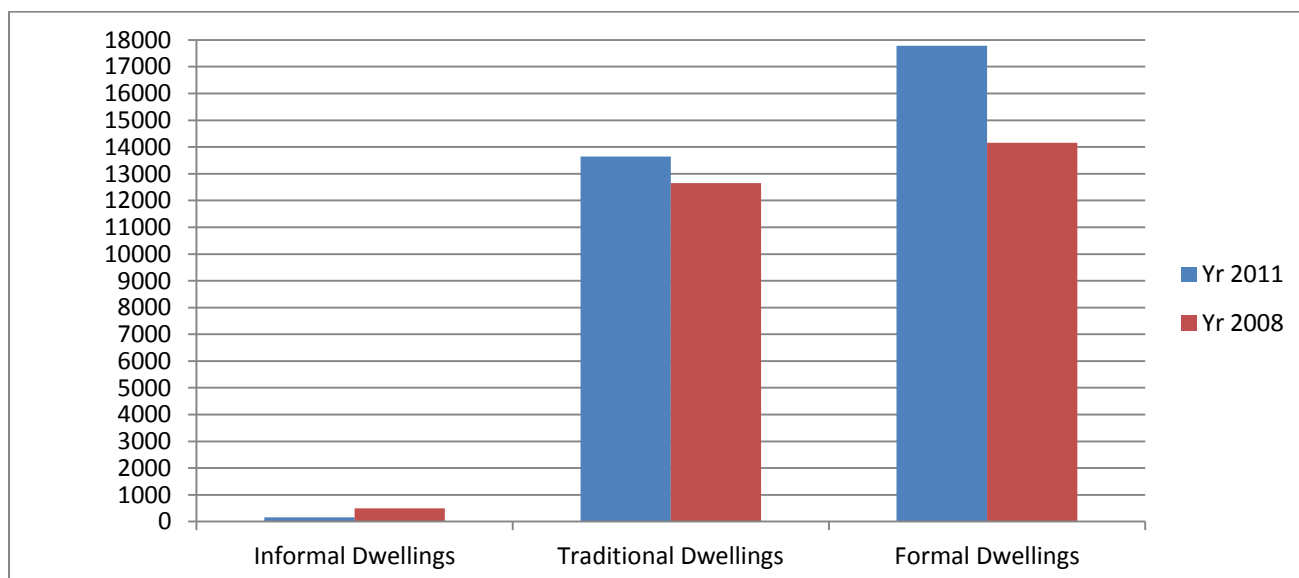
Due to the snail pace in which poverty is decreased, Government in general and Emalahleni Local Municipality in particular, need to introduce aggressive measures that will seek to accelerate the pace of poverty eradication and such can be encapsulated in LED strategy and other relevant strategies.

2.4.4. POVERTY RATE (2008 – 2010)



2.4.5. HUMAN SETTLEMENTS

- 1.2 THE GRAPH BELOW SHOWS THAT MOST OF THE HOUSES IN THE MUNICIPALITY ARE THOSE MADE OF BRICKS AND TRADITIONAL HOUSES, IT ALSO SHOWS A SLOW INCREASE FROM 2008 OF BRICK AND TRADITIONAL HOUSES. THERE IS A VERY MINIMUM NUMBER OF INFORMAL SETTLEMENTS AND THE NUMBERS ARE SHOWING A SLOW DECLINE SINCE 2008 AND THIS CAN BE ATTRIBUTED TO THE INCREASE IN BRICK AND TRADITIONAL STRUCTURES.



2.5. STATUS QUO OF THE LOCAL ECONOMY AT EMALAHLENI

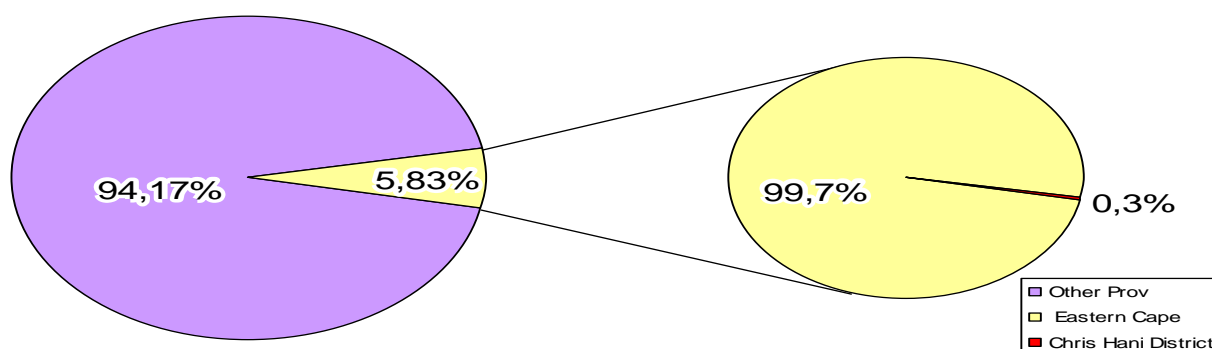
2.5.1. ECONOMIC PROFILE

2.5.2. EMALAHLENI'S CONTRIBUTION TO THE NATIONAL ECONOMY

The strength of a country's economy can be measured by analysing a few key indicators. These include:

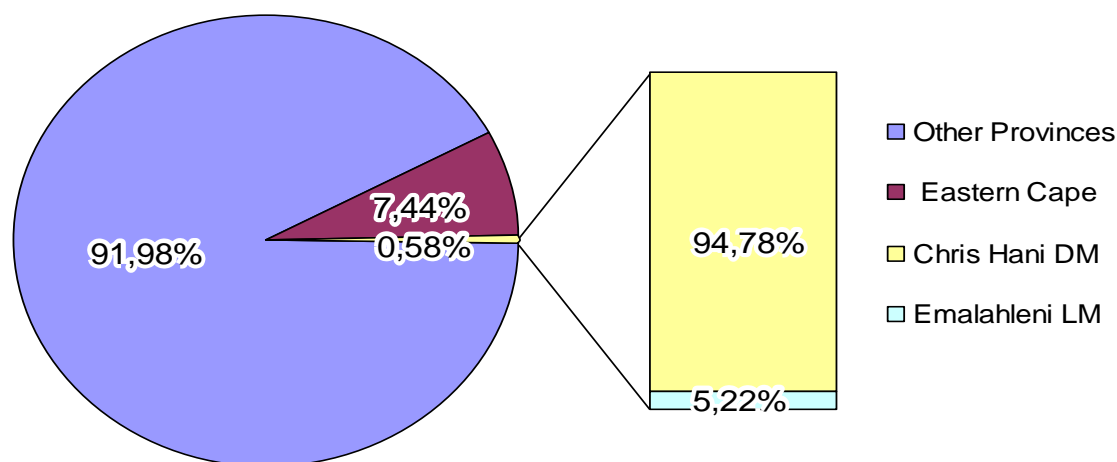
- Imports and Exports
- Economic Output
- Contribution to Gross Value Added (Tax)

2.5.2.1. Imports and Exports



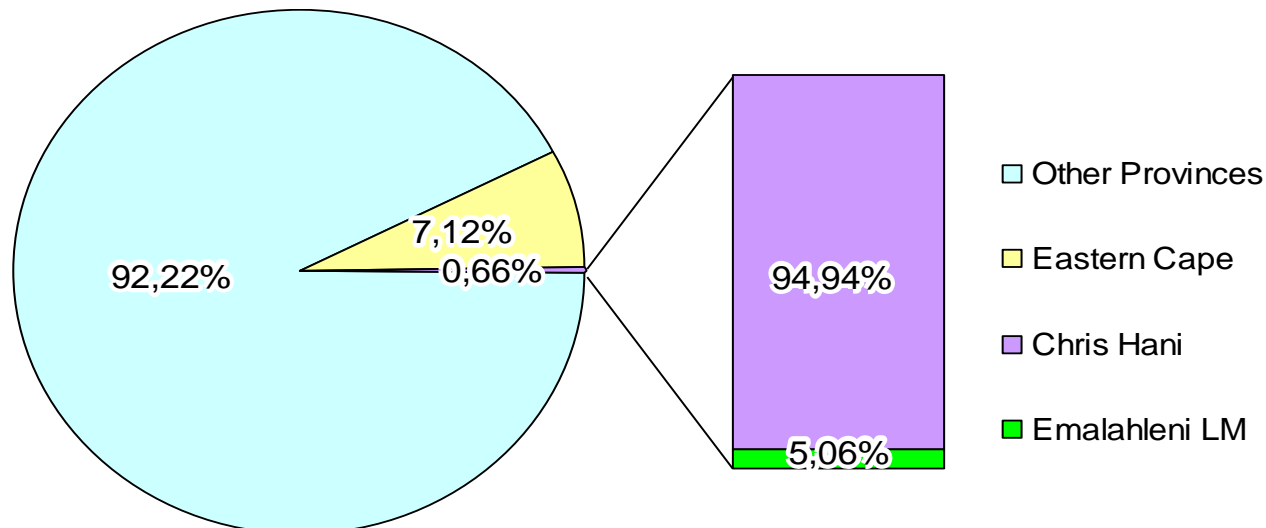
The total value of goods imported by South Africa in 2008 was R721 Billion. The Eastern Cape imported 5.83% of those goods, valued at R42 Billion. The Whole of Chris Hani DM only imported goods to the value of R130 745 968, which is 8, 3 % of the total. South Africa exported goods to the value of R636 Billion in 2008, the contribution from Chris Hani as a district was 0,056%

2.5.2.2. Economic Output



The economic output of total production for 2008 was R2, 752,117m. The Eastern Cape contributed 8% valued at R220, 734m. Emalahleni LM contributed 5, 2% to Chris Hani DM, which in turn contributed 0, 58% that of the National output.

2.5.2.3. Contribution to VAT



The total for General Value Added Tax for 2008 in South Africa was R1, 159,313m. The Eastern Cape contributed 7, 78% valued at R90, 162m. Emalahleni LM contributed 14,45% to Chris Hani DM, which contributed 6,486m, which is 0,66% that of the National figure.

2.6. Gross Value Added

The sector contribution of each individual producer, industry or sector to the economy is measured through Gross Value Added (GVA). Gross Value Added (GVA) by Region is the GVA for a specific geographic area. The link between GVA and GDP can be defined as GVA

plus taxes on products less subsidies on products equals GDP (GVA = GDP - taxes on products + subsidies on products).

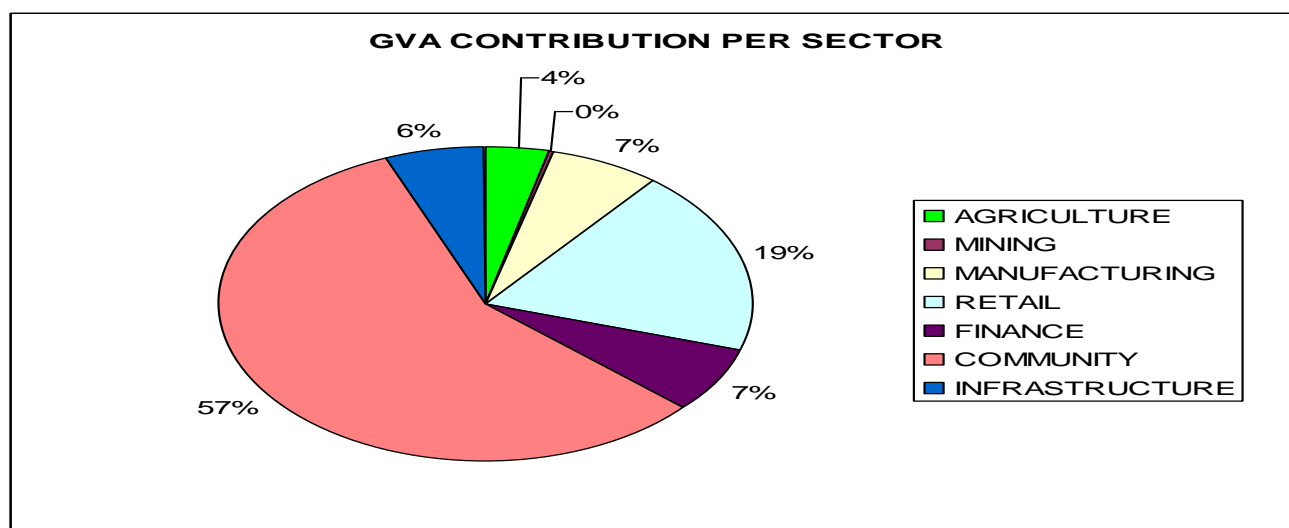
This is the value of the total economic contribution of each sector as listed in the legend below. Clearly the towns of Lady Frere, Dordrecht and Indwe are the major contributors as indicated by the size of their charts.

The Community and Social Sector is the greatest contributor to Emalahleni's GVA. This sector contributes to more than half the Municipalities GVA. This highlights the lack of diversity in the economy.

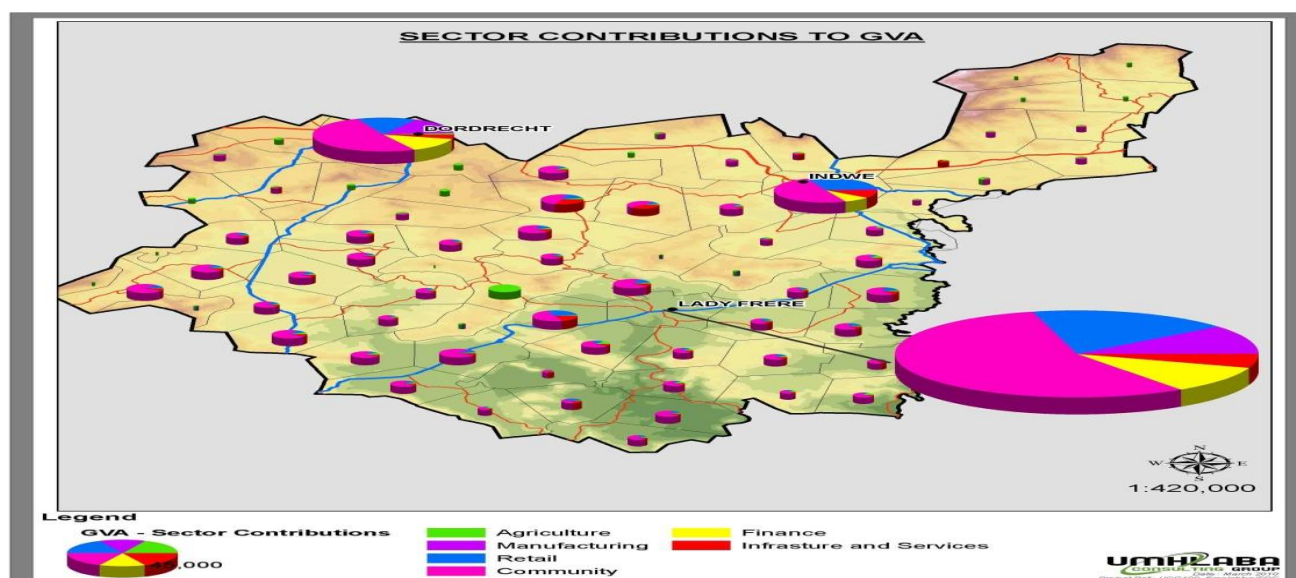
The primary sectors of agriculture and mining contribute to less than 5% of the formal economy. There are opportunities for these sectors to grow.

Lady Frere is the hub of the retail, commercial and manufacturing sectors in the Municipality. The town contributes to more than half the Municipalities GVA. This highlights the importance of developing and maintaining infrastructure and links to the town

a) CONTRIBUTION PER SECTOR TO THE EMALAHLENI LM

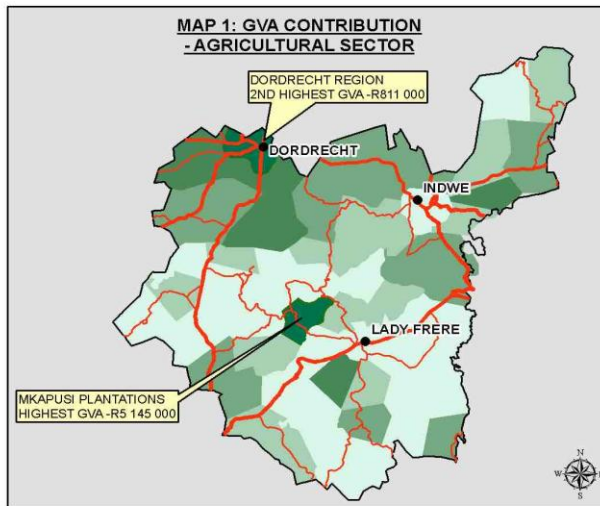


Geographic Distribution of GVA per Sector (as a %)



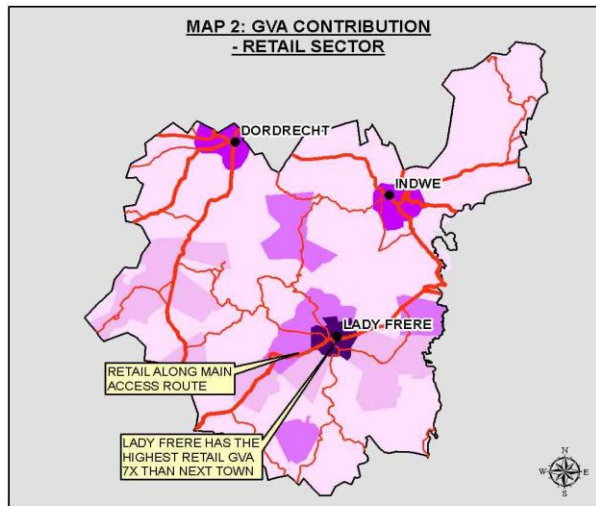
Source: CSIR - Geospatial Analysis Platform* and NSDP Spatial Profiles

AREA	AGR	MINING	MANU.	RETAIL	FINANCE	COMM	INFRA.	TOTAL GVA
LADY FRERE	0	100	76	62	73	56	37	56
DORDRECHT	3	0	23	10	19	10	6	11
INDWE	0	0	1	10	7	5	9	6
REST OF LM	97	0	0	18	0	29	48	27



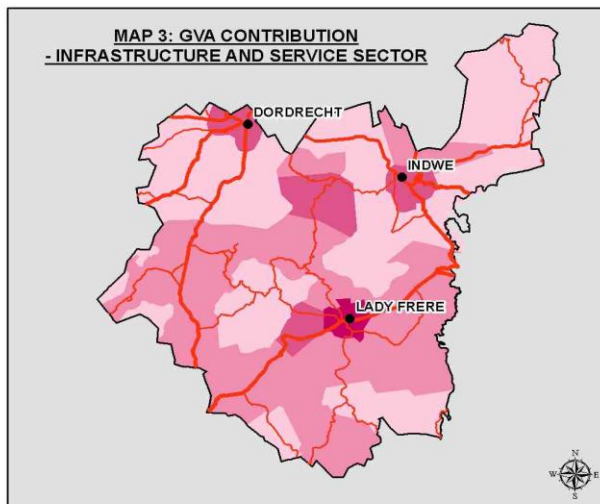
Legend

AGRICULTURE GVA CONTRIBUTION	
RANDS ('000)	
34 - 200	301 - 500
201 - 300	501 - 800
	801 - 5200



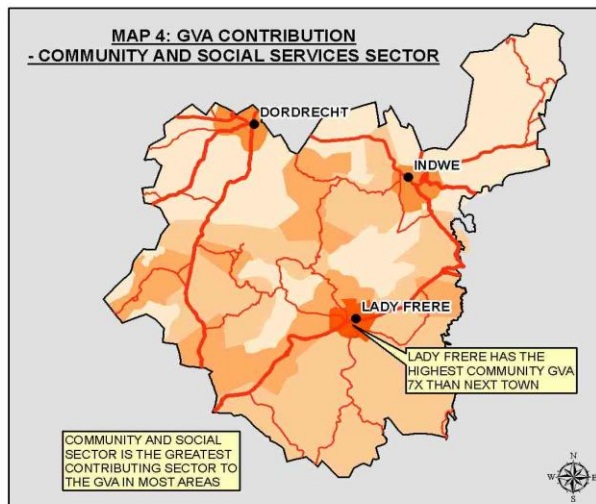
Legend

RETAIL GVA CONTRIBUTION	
RANDS ('000)	
0 - 500	801 - 10000
501 - 800	10001 - 14001
	14002 - 75500



Legend

INFRASTRUCTURE AND SERVICES GVA	
RANDS ('000)	
0 - 200	201 - 1700
	1701 - 3700
	3701 - 14740



Legend

COMMUNITY AND SOCIAL SERVICES GVA	
RANDS ('000)	
0 - 500	3001 - 8000
501 - 3000	8001 - 37000
	37001 - 204375

Source: CSIR - Geospatial Analysis Platform* and NSDP Spatial Profiles

2.7. EMALAHLENI ECONOMIC OVERVIEW

Economics-Profile Implications:

- *On both a District and National scale, Emalahleni's contribution to the economy is small. Emalahleni contributes less than 1% to the National GVA.*
- *The Lady Frere is the hub of economic activities in the Municipality.*
- *In spite of its contribution to GVA, the community services sector is not an economic growth sector. This is due to the fact that the products that drive this sector are not tradeable and therefore do not result in increased economic output. As a result, they are unlikely to attract investment and by implication, cannot be relied upon to impact on unemployment.*

2.7.1. ECONOMIC SECTOR ANALYSIS

Local Economic Development

In line with the requirements of Sections 152 (1) (c) and 153 of the Constitution of the Republic of South Africa, 1996; municipalities have a constitutional obligation to promote social and economic development within the municipal area. The Council has structured its Council committees according to local government key performance areas which as well consist of local economic development. A directorate for economic development, tourism and agriculture was established and is responsible for execution of economic development plans.

In 2010, the municipality developed and approved a 5 year local economic development strategy to provide a strategic guidance on issues of economic development, and as well align district, provincial and national economic development plans. The 2015/2016 financial year is last year of the implementation plan in the current LED Strategy. The strategy warrants a review and/or development of a new strategy which will talk to the 2016/2021 financial years, and is under review.

The municipality has a fully-fledged directorate which is responsible for the implementation of the LED programmes and projects. The main focus areas of the directorate are agricultural development, mining, tourism, SMME's (small medium micro enterprise) development, heritage management and agro-processing.

The municipality has a functional LED Forum for purposes of consultation and engagement with LED stakeholders on LED matters. The LED Forum has two categories; the government [Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), Chris Hani District Municipality(CHDM), Department of Rural Development and Agrarian Reform (DRDAR), Department of Rural Development and Land Reform (DRDLR), Chris Hani Development Agency (CHDA), Chris Hani Cooperative Development Centre (CHCDC), Eastern Cape Rural Development Agency (ECRDA), Eastern Cape Development Corporation (ECDC), Eastern Cape Parks and Tourism Agency (ECPTA), Department of Trade and Industry (DTI), Department of Social Development (DSD)] and communal business entities (brick-makers, agricultural primary cooperatives and secondary cooperative, caterers, crafters, contractors, hawkers and B&B owners. The forum meetings are held on a quarterly basis.

The economy of the municipality is made of the following sectors:

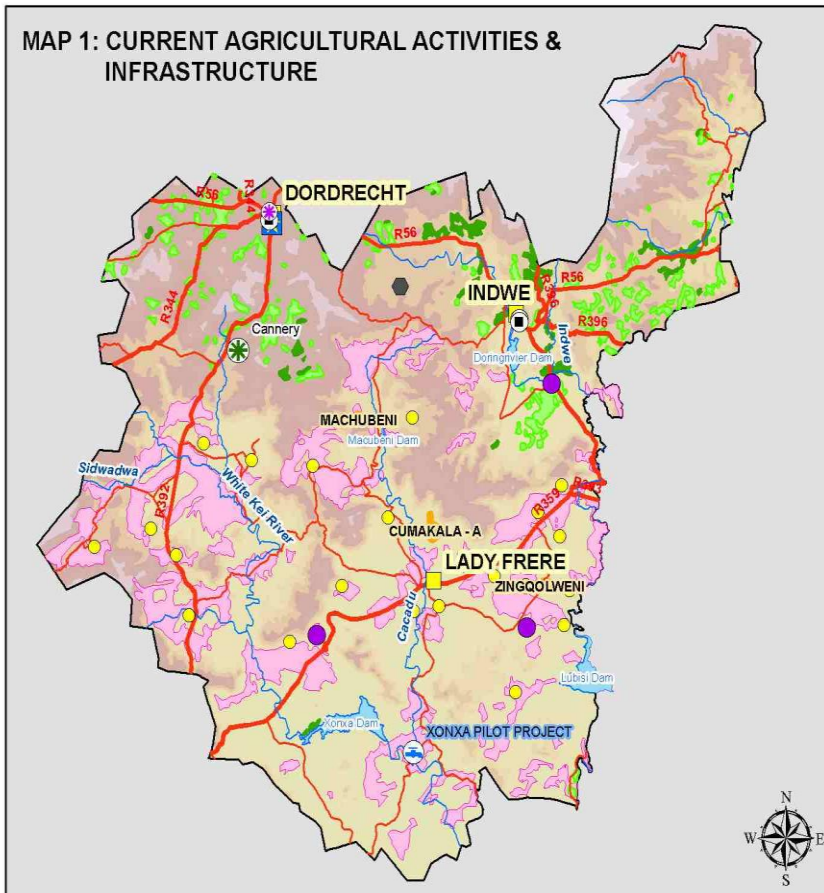
(a) Agriculture

Agriculture is made up of two primary production components which are as follows:

<p>Livestock and Wool Production</p>	<p>Scientific research conducted by the Agricultural Research Council (ARC) in 2005, has revealed that the municipal area has got sweet veldts, that on its own is showing that this area is rich in livestock production despite climatic conditions, as the area is dry in nature. According to the department of Agriculture, in the 2015 season the municipal area had at the least 270 000 to 300 000 sheep per year, 75 000 to 100 000 goats and 36 000 to 40 000 cattle. This excludes commercial farmers, as they are not serviced by the department of Agriculture.</p> <p>The municipality is in a process to improve the cattle breed in the municipal area by introducing Nguni bulls which are an African breed that is resilient to prevailing climatic conditions. The municipality is adding value on livestock production by putting in place necessary infrastructure in a form of dipping tanks for health purposes and stock pen sales for marketing purposes. It further puts in place measures to reduce stock theft in the area by introducing livestock branding programme. The Act which is regulating Livestock Branding is Livestock Branding Act No 6 of 2002.</p> <p>The municipality has the following infrastructure:</p> <ul style="list-style-type: none"> • Animal health infrastructure: dipping tanks more than 100. Most of these structures were constructed in the 1980's and are in a bad condition which requires renovations. The municipality is in a process of completing 10 dipping tanks which were started by the Chris Hani District Municipality before 2002. <p>Since 2000, the DRDAR has been supplying the communal farmers with free dipping medication to prevent external parasites in livestock.</p> <ul style="list-style-type: none"> • Stock auction infrastructure: the municipality has 11 stock pens which are still in good condition which is utilized for stock auction in the communal space of the municipal area. • Wool Production infrastructure: the municipality has 74 shearing sheds for wool production; 40% of them are in a bad condition and 60% are in a good condition. The municipality has a huge backlog in shearing sheds and its suitable equipment. For the municipality to reach its maximum potential on wool production, a minimum of 100 shearing sheds is still required. <p>Battering system has been introduced to improve the wool production quality in the case of sheep. The challenge that is facing battering system is that some communal farmers are not</p>
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	cooperating to the requirements of the system.
Crop Production	<p>Scientific research conducted by the Agricultural Research Council (ARC) in 2005, revealed that due to the prevailing climatic conditions in the municipal area is now suitable for Sorghum Production and all value addition efforts must go towards that direction. The municipality has set a target to plough more than 1 000 hectares from 2014 that is incremental to 35 000 hectares in 2020. The Act which is regulating this is Agricultural Development Act No 52 of 1960. IDA is the area that produces maize in large quantities because of climatic conditions in that region.</p> <p>The municipality is battling with fencing as the fence is easily damaged and stolen. Currently, fencing is provided to organised communal producers located in 08 different wards; and the programme to educate communities on how fencing is provided is still ongoing.</p> <p>The municipality has a programme of reviving small scale irrigation schemes with the intention to produce crop throughout the year.</p>
Agro-Processing	The municipality has facilitated the establishment of a milling plant owned by Ibuyambo secondary cooperative which is made up of six primary cooperatives. Its objective is to add value to grain produce for purposes of marketing.

MAP 1: CURRENT AGRICULTURAL ACTIVITIES & INFRASTRUCTURE



Legend

Rivers

Dams

CURRENT AGRIC. INFRAST.

silos

Irrigation Scheme

co op

abattoirs

auctioneer

agricultural offices

processings plant

sheep sheds

Ruliv Wool Projects

Shearing Tents

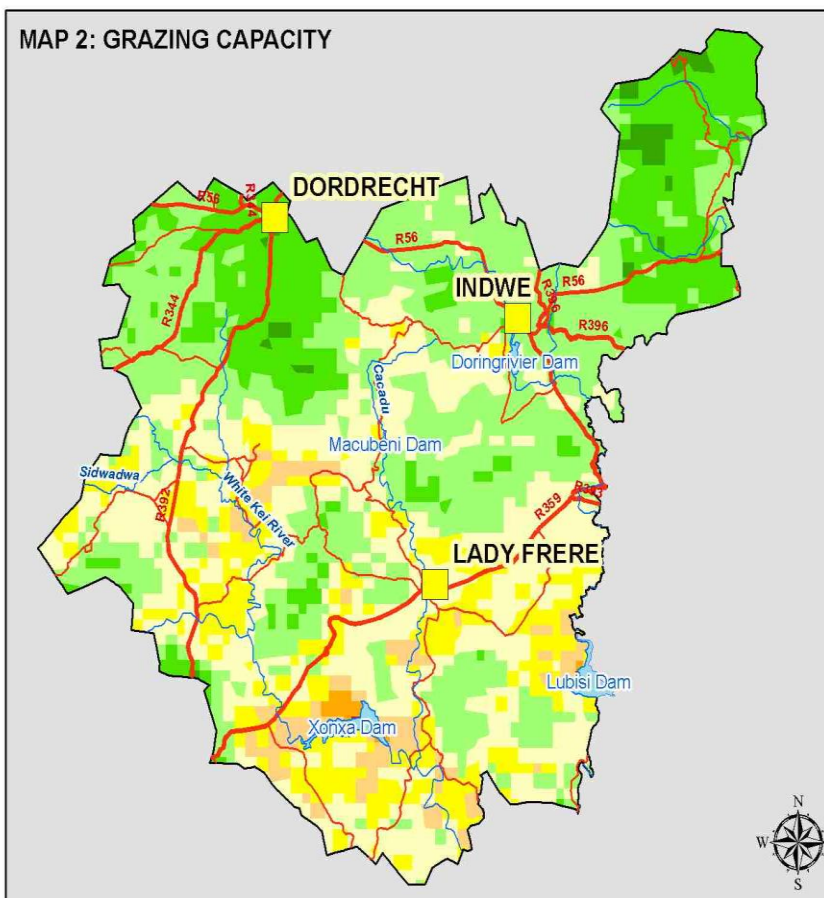
CURRENT LAND COVER

Cultivated: commercial dryland

Cultivated: commercial irrigated

Cultivated: subsistence dryland

MAP 2: GRAZING CAPACITY



Legend

Rivers

Dams

GRAZING CAPACITY

Hectares/ LSU

2-4

4-6

6-9

9-12

12-15

15-20

20-30

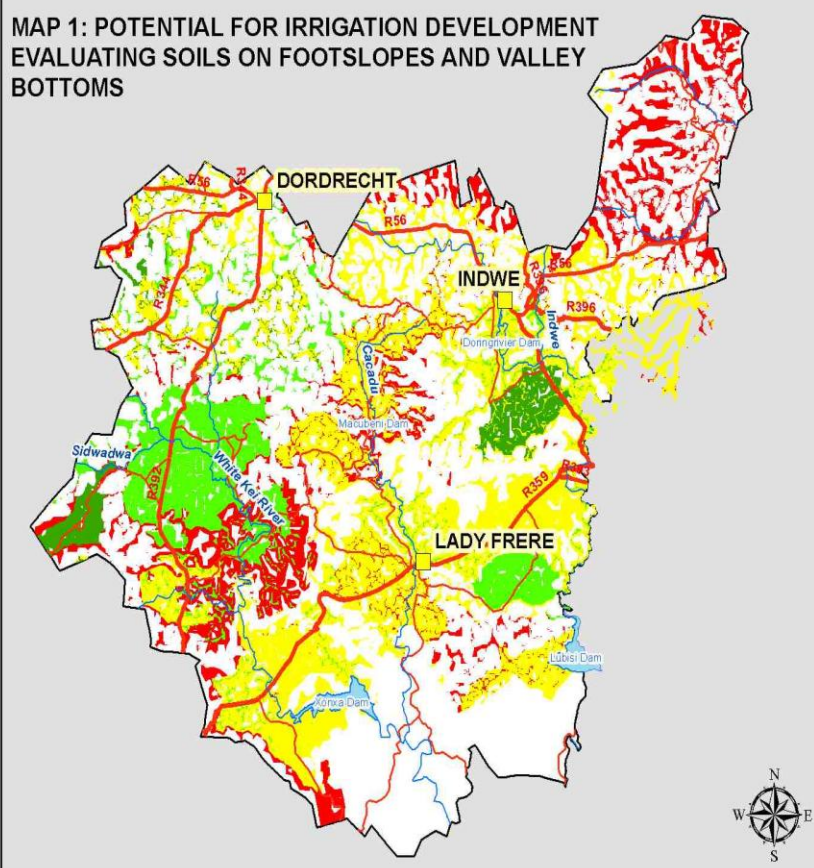
30-40

40-60

UMHLABA
CONSULTING GROUP

Date : March 2010
Project Ref : UCG100_EmalaheniSDF

**MAP 1: POTENTIAL FOR IRRIGATION DEVELOPMENT
EVALUATING SOILS ON FOOTSLOPES AND VALLEY
BOTTOMS**



Legend

Rivers

Dams

Soil Potential for Irrigation

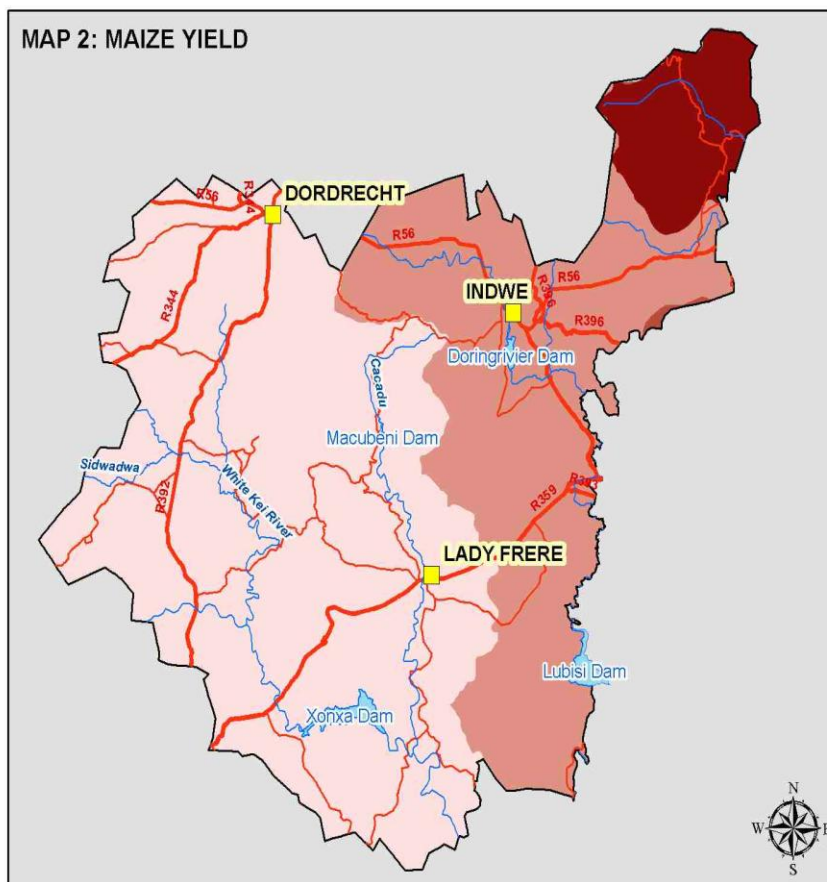
Dominantly highly suitable

Dominantly suitable

Dominantly marginal suitable

Dominantly unsuitable

MAP 2: MAIZE YIELD



Legend

Rivers

Dams

MAIZE

Tons/ HA

2.48 - 2.99

3.00 - 3.50

3.51 - 4.01

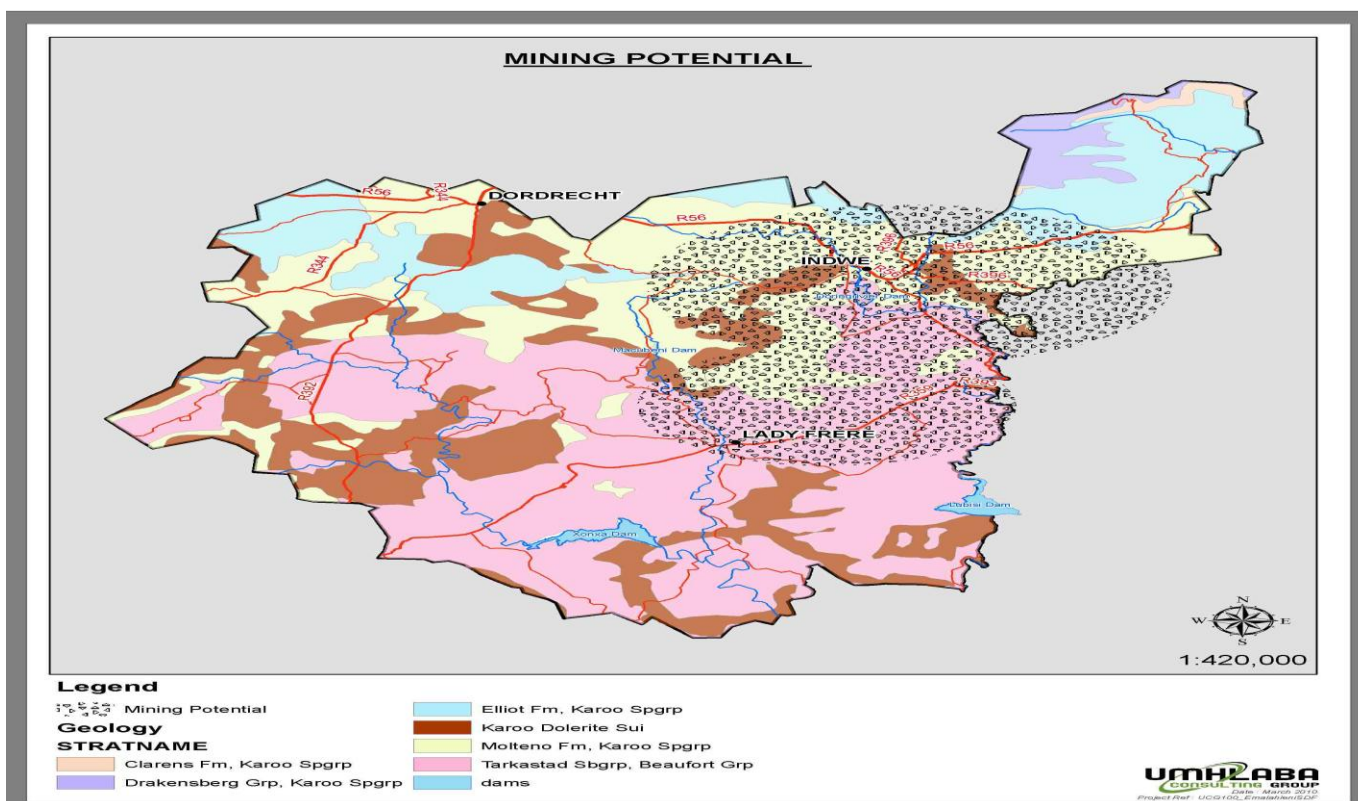
4.02 - 4.52

(b) Mining

Coal Mine

The Municipality has got coal reserve on its northeast part (Indwe, Guba A/A, Machubeni A/A and Mhlanga A/A) which is covering more than 10 000 hectares. The mining of this coal mineral is anticipated to have the life span of more than 30 years. The discovery of coal mineral took place 100 years ago at Strekstroom and Guba hoek. In the case of Emalahleni Local Municipality, the mining operation was taking place in Guba Hoek area but due to the quality of the coal which is low when it is compared with the coal mineral in Mpumalanga Province, the Emalahleni coal mine was abandoned.

In 2006, an attempt was made by Elitheni coal mine, a company which is based in Port Elizabeth; to reopen the mine. After all the required processes were followed, mining permit and mining license were granted by the Department of Mineral Resource to Elitheni Coal Mine. The mine operated in 2012, for a period of one and a half years and had to close down operations due to technical and financial capacity to date. The municipality has engaged relevant national government ministries to assist the municipality lobby for other investors to operate the mine.



Sand Mining

Small-scale excavation mining is occurring near local rivers with ad hoc mining of sand for building and brick making purposes by individuals and/or operators without permit. The lack of regulation of this activity poses an environmental threat. There is a great need for the Municipality, with the assistance of DEDEAT and DME, to develop a functional by-law to regulate and manage this activity to protect the environment from damage. There are a few companies that have obtained a mining permit based on an agreement with the affected communities.

Clay Brick-makers

The municipality is in a process of exploring potential growth out of those small scale mining activities through supporting brick makers from Indwe and Dordrecht to supply their bricks as a material in housing projects. There are efforts that need to be concerted in order to play a meaningful economic role is sand mining. The Act which is regulating mining is Mining and Petroleum Development Act No 3 of 2002.

The municipality has engaged SABS for accreditation on the quality of local manufactured clay bricks as well as the department of mineral resource for formalising clay mining operations to assist brick-makers. The municipality is also providing business support in the form of production inputs and infrastructure to clay brick producers.

Quarrying

Indwe Quarries (IQ) known as Blue Grain Quarry is a start-up mining enterprise with aspirations of being a leading producer and supplier of building and construction aggregates within the Chris Hani, Alfred Nzo and Joe Gqabi Districts. The enterprise is venturing into the mining industry specifically to produce aggregates for both the construction and the building industries. IQ's primary focus is on supplying standard concrete stone products, crusher sand, specialised road stone and base course products, non-standard rock and crush products. In addition, IQ is investigating other products such as sand (building, river and plaster sand), ready-mix concrete, sabhunga, as well as bricks and blocks. With the business and quarry operations accessible enroute the R63 road between Indwe and Dordrecht; the location is therefore within close proximity to various government infrastructural developments in the former Transkei. There is a relatively high rate of property developments in the region which also provides an increasing rate of building material demand.

With the help of ECDC, Indwe Quarries conducted a feasibility study which showed favourable results and developed a business and implementation plan for the enterprise. Other notable milestones include obtaining a mining permit, water use licence and environmental management plan. The enterprise currently employs five staff members sourced from the local community and intends to increase this to twenty once it secures finance for capital and infrastructure requirements for operating a commercial quarry. The bed and breakfast enterprises are also indirect beneficiaries to this initiative, as mining has created high demand of accommodation. The enterprise is made of nine boards of directors, with whites (three members) and blacks (six members) represented in the IQ management, but there is currently no female representation.

(c) Tourism

The municipality is a mountainous area with waterfalls and rocks which are known as Glen Grey Waterfalls that are situated in Bhozwana Village.

Indwe has a Doring Dam which has a potential of water sport. Along the dam, there is a self-catering facility called Indwe Resort with 12 chalets and a dilapidated conference facility. The municipality is in the process of engaging an external provider to manage the facility and solicit funding for the improvement of the conference facility.

In Dordrecht area there are mountains that have hiking trails and also accommodation facility which is called Kloof conservancy and it is along Hossep dam that has broken due to natural disasters. The conservancy has three self-catering chalets each with two bedrooms.

In Lady Frere area, before Indwe River to Sakhisizwe municipality, the municipality has a cultural village known as Abathembu Calabash; that is offering accommodation to tourists and a conference facility. Along R396, 5kms before Nonesi neck to Lukhanji Municipality, there is Queen Nonesi cultural village that is still under construction, which will offer accommodation and a conference facility.

The municipality has facilitated an establishment of Local Tourism Organisation which is composed of three community based organisations (Lady Frere, Indwe and Dordrecht) for the purpose of interaction and consultation on tourism initiatives. There are 117 beds in the municipal area which are in the Bed and Breakfasts and cultural villages. The Act which is regulating this is Tourism Act No 3 of 2014.

The scope for the development of the Local tourism sector within the Municipal area is vast but is hampered by the level of infrastructure development.

The areas that have been identified with potential for tourism development include but are not limited to:

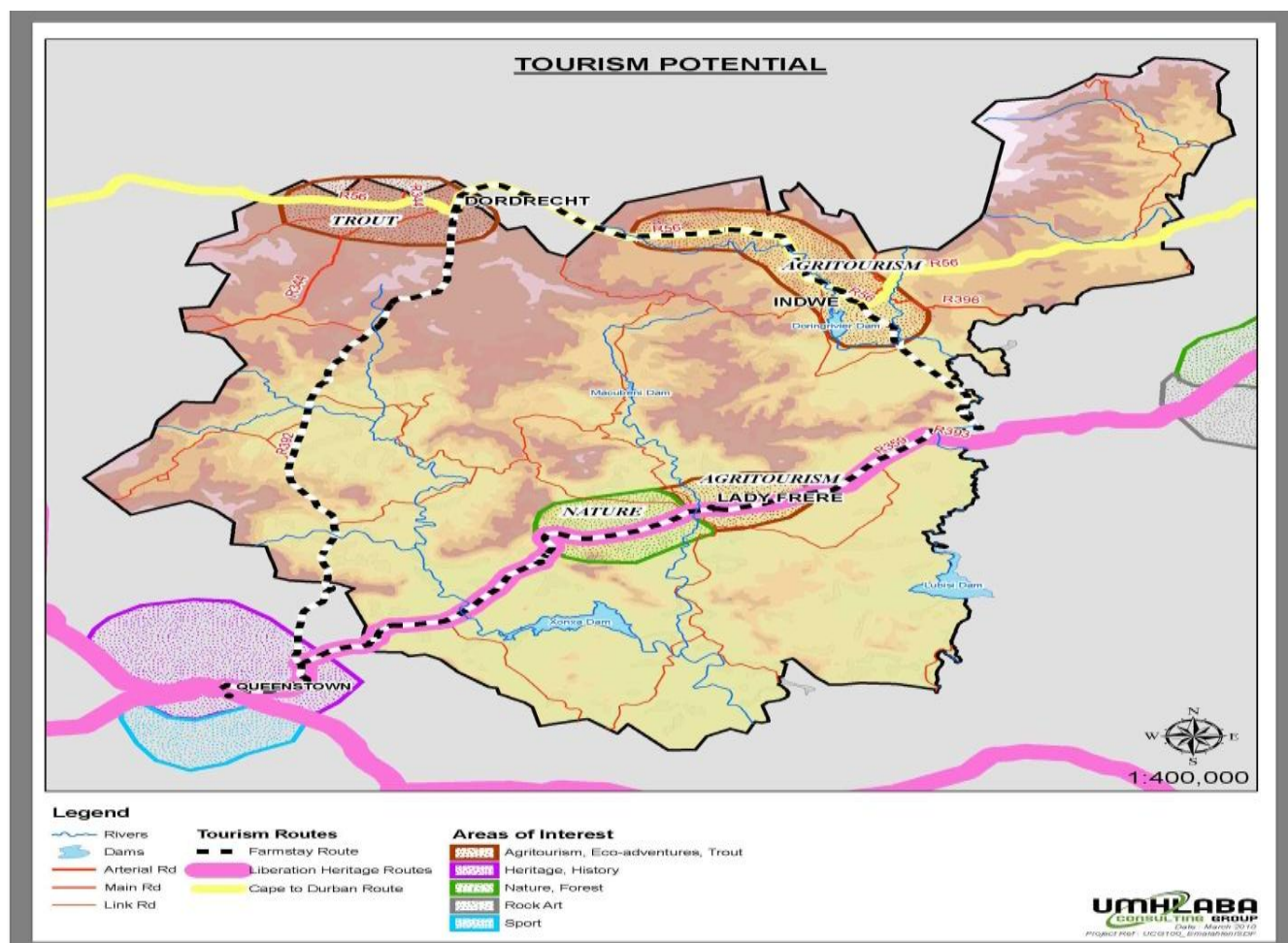
- Aqua sport linked to existing Dams (Xonxa & Lubisi)
- Cultural tourism linked to the Liberation and Heritage Route
- Craft produce
- Rock art promotion and beneficiation
- Museum – Dordrecht

There are areas where Bushmen paintings exist which have the potential to be developed into tourist attractions. The municipal area has cultural groups that are performing locally, nationally and internationally, selling authentic culture of Emalahleni. The cultural groups are located at Ngqoko, Mackay's neck, Tsembeyi and Dordrecht.

The municipality has an arts and craft center that has been established for purposes of manufacturing and marketing of bead work and Xhosa traditional attire to local and national tourists. The center is located along Indwe Road in Lady Frere town.

Tourism Routes

The area has been identified as having potential for a farm stay tourism route. The Ndondo Liberation Heritage Route follows the R356 through Lady Frere.



(d) Heritage

Qonda Hoho and Luvuyo Lerumo are the political heroes that were buried at Qoqodala Village and monuments were built on their graves. The main objective is to restore the contribution played by these freedom fighters in the late 1980s. Emalahleni has got Queen Nonesi Cultural village which is named after the Abathembu Queen and is also situated on the feet of Nonesi's Pass. There is also Abathembu Cultural Calabash at Hala No 2 under Chief Ngangomhlaba Matanzima Trust. The main objective of this is to restore the culture of Abathembu as their heritage. The Act which is regulating this is National Heritage Act No 25 of 1999.

1) Heritage Resources

A list of heritage resources within the municipality is as follows:

Site Name	Significance	Conservation Status	Management
Macubeni Coal Mine near Indwe	Washed out old coal mine showing early mining methods	Mine temporarily not operating	Department of Mineral Resources
Dams: Machubeni, Xonxa and	Water Resources for Emalahleni, Ntsika Yethuand Lukhanji	An aqua site culture being	Department of Water and Sanitation

Lubisi	municipality residents	established	
Fallen Heroes	LuvuyoLurome 1960 to 1986 QondaHoho 1956 to 1988 Queens Nonesi Tsotsi	Monuments have been built	Emalahleni LM
Glen Grey Falls near Lady Frere	A beautiful natural site	Water sample for feasibility study harvested in the area	Emalahleni LM
The Kloof near Dordrecht	Natural site with some unique flora	Degraded due to plundering for firewood	Emalahleni LM
Cacadu River at Lady Frere	Links most Ward	No planned projects for the current financial year	Emalahleni LM
Churches in Lady Frere	Two examples of 19 th Century Churches	Well looked after	Church
Anderson Museum at Dordrecht	Oldest museum	The museum is operating	Privately owned by Anderson trust
Victorian Buildings at Dordrecht	Architectural example	Building properly maintained	Municipality / Private
Burgher Statue at Dordrecht		The statue is still in existence	Privately managed
San Rock Art at Dordrecht	Ancient art	Well kept	Private
Methodist Church at Dordrecht	Architectural example	Properly maintained	Church
Abathembu Calabash and	To restore Abathembu tradition	Well looked after	NkosiNgangomhlaba development trust

Doring river Dam at Indwe	Leisure area	Could be better utilized	Department of Water and Sanitation
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Source: Chris Hani State of Environment Report

2) Liberation Route

Emalahleni is part of the Ndondo route which lies between Queenstown via R396 to Elliot and has the following sites, amongst others that form part of the history contributing to liberation in the area:

- Graves of Qonda Hoho and Luvuyo Lerumo
- Maqhashu Village
- Queen Nonesi
- Wycliffe Tsotsi Law Offices

3) Graves of Qonda Hoho and Luvuyo Lerumo

The student militancy generated by the Soweto uprising of 1976 led many students of Inkwanca High School in Queenstown to leave South Africa for military training. These included many rural youth who went to Inkwanca to complete their high school education. Two such were Qonda Hoho (1956-1988) and Luvuyo Lerumo (1960-1986) of Qoqondala who left at the different times in the 1980s. Qonda trained as a teacher before leaving to join MK. Luvuyo escaped to Lesotho, and trained in Zambia, Angola and East Germany.

They infiltrated South Africa on mission so secret that even their families did not know of their whereabouts. Luvuyo died in a fire-light between Fort Jackson and Breidbach. Qonda was betrayed by an informer and shot in Queenstown. Their burials were conducted in the presence of Hippo vehicles and strong security presence, allowing the attendance of only their family members.

4) Maqhashu Village

The Old district of Glen Grey, commonly known as Lady Frere, was part of the old Cape Colony, from which it became part of Ciskei. But in the 1970s, the apartheid authorities were concerned to persuade Chief KD Matanzima to take homeland independence for Transkei. As an inducement, he was offered the district of Glen Grey and Herschel. The people of Glen Grey voted against Transkei in a referendum but their wishes were ignored and they came under Matanzima's iron rule.

Opposition to Matanzima became linked to opposition to 'the Trust' also known as 'betterment' or 'rehabilitation'. The Trust forced people to abandon their traditional lifestyle and move into 'closer settlements', similar to urban township. People of Maqashu refused, and on a day in 1979, their homes were bulldozed and torched in broad daylight. Transkei army was everywhere rounding up their stock. Four residents- died in this forced removal, some beaten, others seemingly dying of shock. Thousands of Glen Grey residents left their homes and settled at Zweledinga in Lukhanji which was not then subject to Bantustan independence.

5) Queen Nonesi

Queen Nonesi, the daughter of King Faku of amaMpondo, was the Great Wife of King Ngubengcka of abaThembu. Ngubengcuka died quite suddenly in 1830, leaving Queen Nonesi without any child but she took Mtirara, Ngubengcuka's son by another wife, into her house and raised him as the future King of Thembuland. Queen Nonesi and Mtirara settled at Rhodana about 1841, a move which put the abaThembu Great House on the frontline of defence against the colonial invaders. After the War of Mlanjeni (1850-3), all black residents of present day Lukhanji were expelled into present day Emalahleni, and came under Nonesi's protection.

Colonial land-hunger raised its head again in 1864 when the Colonial authorities tried to persuade the residents of Emalahleni to move to present day Intsika Yethu to free up land for white farms. Four chiefs moved, but Nonesi remained adamant. She was forcibly deported to her brother's place at Nyandeni where she died in about 1880. But by that time, she had saved the land of Emalahleni for black people.

6) Wycliffe Tsotsi Law Offices

WM Tsotsi (1914-2005) was President of the All Africa Convention from 1948 to 1958 (later known as the New Unity Movement) as well as a founder of the Cape African Teachers Association (CATA), but he is best remembered as a gifted lawyer and organiser of people at grassroots level, earning the jocular title of 'Chief of the Thembus'.

Trained as a teacher, he was the first principal of Freemantle High School but he left teaching in 1948 to do his legal articles in Port Elizabeth. His legal expertise was legendary, and distinguished by his shrewd use of procedural rules to win seemingly hopeless cases. From early on he became conscious that his chances of winning cases in a legal system where the magistrate and the prosecutor were both white were limited. He relied on provoking the racist establishment into blunders, then winning his cases on appeal.

Tsotsi's offices were built according to his own design on land which he owned, an unusual situation in Lady Frere, at the time solely owned by white residents. His rights to own land was indeed challenged, but Tsotsi was able to point to neighbouring plot used by a local white trader to accommodate his hunting dogs. Does this mean, Tsotsi asked, that dogs have more right in Lady Frere than black people? He won that case too.

Tsotsi's was often harassed by the police but they could not make any charge stick until 1960 he received reliable information that he was about to be arrested. He fled into exile, and eventually established a successful legal practise in Maseru where he died at the ripe age of 91.

(e) SMME Development

Broad Based Black Economic Empowerment (BBBEE) Act, 2013 (Act 46 of 2013), means the viable economic empowerment of all black people in particular women, workers, youth, people with disabilities and people living in the rural areas, through diverse but integrated socio-economic strategies that include, but are not limited to:

- 1) Increase the number of black people that manage, own and control enterprises and productive assets
- 2) Facilitating ownership and management of the enterprises and productive assets by communities, workers, cooperatives and other collective enterprises

- 3) Human resource and skills development
- 4) Achieving equitable representation in all occupational categories and levels in the work force
- 5) Preferential procurement from enterprises that are owned and managed by black people and;
- 6) Investment in enterprises that are owned or managed by black people
- 7) In responding to that Act the municipality identifies black owned Enterprises which are as follows: Taxi Operators within the municipality are the affiliates of Uncedo Taxi Association. In terms of infrastructure only Lady Frere unit that has got functional taxi rank Indwe and Dordrecht units are still outstanding. The taxi association is on the municipality database and their services are being utilised by the municipality and other government departments
- 8) Street traders: mostly dominated by black people they are affiliates of Hawkers Association. In terms of the infrastructure some of them have been provided with hawker stalls in all three towns.
- 9) Service providers (caterers and contractors), they are affiliates of Local Business Forum, they are in the municipality's database and their services are utilised. The municipality facilitates and provides the support through capacity building programmes.
- 10) Formal retailers- In the municipality most of retail space used to be occupied by the black people, but more than 95% to date have been leased out to foreign nationals and few big retailers like Spar, Kwik Save, Boxer, Cash Build, Build-It, furniture shops are occupied by White People. The challenge at hand is lack of capacity, creativity and innovation. Above all is non-cooperation among themselves as local black retailers to minimise operational costs.

An identified SMME receives support financially for the period of three years consecutively. This is to ensure the SMME is left in a good state for its sustainability. The municipality continues to support SMME even after completing financial cycle and the support provided is administratively. The aim of this kind of support is to oversight the operations, identify challenges and assist in mitigating those challenges with the aid of LED stakeholders.

(f) Forestry

Emalahleni area has got communal plantations in the area of Maqhashu, Hala No 1, Mount Arthur and Machubeni. There are natural forests that are situated in the mountains of Hala No 1 Longo forest and Cumakala Village Khophe Forest The municipality is not involved in activities taking place in these forests as they are mainly used for fire wood collection. These woodlots have a tourism potential which will have to be exploited for the development of tourism in the municipal area.

2.8. LEGISLATIVE AND POLICY CONTEXT FOR LED

2.8.1. NATIONAL POLICIES, PLANS AND LEGISLATIONS

National Development Plan 2030

- A plan for a country to eliminate poverty and reduce inequality by 2030 through uniting South Africans

Tourism Development Act No 3 of 2014

- The act is to provide for the development and promotion of sustainable tourism for a benefit of republic, residence and visitors.

National Framework on Local Economic Development of South Africa 2014- 2019

- To support the development of sustainable local economics through integrated government action which consists of a collection an enterprises including cooperatives that operate in local municipal spaces.

Municipal Systems Act 32 of 2000 as Amended

- This Act together with Municipal Planning and Performance Regulations of 2001 provides legislative background for Integrated Development Planning (IDP).

Constitution of the Republic of South Africa Act 108 of 1996

- To structure and manage administration and budgeting and planning processes to give priority to basic needs of the community and to promote the social and economic development of the community.

SPLUMA Act 16 of 2013

- Integration of a sustainable development and land use in planning

Municipal Finance Management Act No 56 of 2003

- To put in place a sound financial government framework by clarifying and separating the roles and responsibilities of the council, mayor and officials.

Municipal Demarcation Act 27 of 1998

- To provide criteria and procedure for determination of municipal boundaries

Municipal Structures Act 117 of 1998

- To provide for the establishment of municipalities in accordance with the requirements of the relating categories.

Mineral and Petroleum Resources Development Act 28 of 2002

- To formulate and implement policy to ensure optimum use of the resources.

2.8.2. PROVINCIAL POLICIES AND PLANS

Eastern Cape Vision 2030 Provincial Development Plan

- Creating a virtuous circle of expanding opportunities, building capabilities, reducing poverty and involvement of communities in their own development, all leading to rising living standards and well being

Eastern Cape Tourism Master Plan (2009- 2014)

- To guide tourism development in the Eastern Cape

2.8.3. INTRA-MUNICIPAL PLANS, POLICIES AND STRATEGIES

Integrated Development Plan (IDP)

- IDP is a strategic planning document of the municipality which provides guidance on development planning, budgeting and implementation of economic related programmes and projects. It as well provides guidance on how projects should for planned for, implemented and reported through monitoring of the Service Delivery Budget Implementation Plan (SDBIP).

Spatial Development Framework (SDF)

- It provides guidance on potential economic growth and space reconfiguration of the locality (natural resources, environmental sensitive areas, available land for housing, important routes, and available land for town expansion).
- It shows the level of physical infrastructure development in a form of main roads as well as development nodes

Master Plan (MP)

- It is a vision 2030 for the municipality which is talking about the ideal infrastructure development of the municipality for the purposes of economic growth and economic development through large scale mining

Supply Chain Management Policy

- Implementation of Preferential Procurement Act No. 5 of 2000 and BBBEE Act No. 46 of 2014 for the local businesses

3. SWOT ANALYSIS

3.1. Institutional SWOT Analysis

STRENGTHS (Internal)	IMPLICATIONS
<ul style="list-style-type: none"> The natural and built environment in Emalahleni offers some key opportunities to enhance the local economy and to offer residents the prospects of a better life. These include: - <ul style="list-style-type: none"> There is potential for higher productive uses of certain land areas for agriculture, especially in the sectors dry land of crop production and maximise the use of current water resources to revive irrigation schemes from the Xonxa and Lubisi dams and Huge potential for large and small stock production (sheep, cattle, dairy and goats. There is identified potential for coal mining to be revived and extended throughout the coal belt that starts at Indwe and end at Molteno. 	<ul style="list-style-type: none"> The Emalahleni Municipality needs to adopt a strategic approach to its developmental duties so that a clear prioritization of effort is enabled (i.e. focus on doing a few things well instead of trying to spread resources too thin). In so doing, the LM will dedicate its efforts in establishing value chains in cropping, vegetables and livestock linking these to the other district wide initiatives. LM will need to engage in clearly structured partnership approaches to develop other main sectors of potential mining and tourism in order to ensure the appropriate scale of interventions.
<ul style="list-style-type: none"> In terms of the land capability, some 34% of the total land area is deemed suitable to moderate and limited crop production (sorghum and wheat). The remainder of the land area is best suited to livestock farming. 	<ul style="list-style-type: none"> From a strategic point of view, Agencies wanting to promote crop production for commercial purposes in Emalahleni will need to carefully plan the location of their projects as well as their strategies to include local land rights holders as partners in the initiatives. For the most part, it would appear that appropriately designed household livelihood strategies and livestock improvement programmes should be actively pursued.
<ul style="list-style-type: none"> The town of Lady Frere has a relatively strong-functioning wholesale and retail trade sector that services the surrounding rural settlements. The town of Indwe, too, has a Rural Service Centre function and also has potential to be formalised as a base for a resurgent coal mining industry in the local area. Dordrecht , too, plays a Service Centre role to surrounding areas, which are predominantly comprised of extensive farming lands and there may be some potential to revive past sectors of activity in the town (dairy/cheese manufacturing) 	<ul style="list-style-type: none"> A careful approach to urban management needs to be followed in all three of the Municipal towns to ensure that the elements of sustainability are central to future plans for growth. The towns' infrastructure networks need to be properly managed and extended to ensure a secure and appropriate Level of Service (LOS) to residents and businesses operating there. There is a need for a dedicated focus to establish suburban settlements closer to the towns to

STRENGTHS (Internal)	IMPLICATIONS
	create a new revenue base for the municipality.
<ul style="list-style-type: none"> Whilst the human resources capacity at Municipal level in relation to managing spatial development is presently relatively limited, the fact remains that Emalahleni Municipality has qualified staff members attending to the function, which is not the norm across the Eastern Cape and must be regarded as strength in comparison with most other Local Municipalities in the Province. 	<ul style="list-style-type: none"> As the issue of municipal capacity to manage spatial development is a universal problem in the Eastern Cape, a multi-lateral approach to this issue is required. Staff retention policies need to be put in place, including the provision for training and skills enhancement.

WEAKNESSES (Internal)	Implications
<ul style="list-style-type: none"> At a regional level, Emalahleni may be described as a peripheral area in relation to the national space economy (where the dominant regions include Gauteng/Tshwane, the Western Cape and the eThekweni Metropolitan area) as well as the Eastern Cape economy (where the space economy is dominated by the Nelson Mandela Metropolitan area and Buffalo City). <ul style="list-style-type: none"> From the perspective of economic production, the Emalahleni area is currently of marginal significance at both the level of the National economy (where it contributes less than 6/10ths of a percent to GDP) and the Provincial economy (where it produces less than a percent to GDP). Given its relative position in relation to the major economic centres and the key transportation routes of the country, it appears likely that the area will remain relatively marginalized. 	<p>The implications of the relatively peripheral location and under-developed economy of Emalahleni are seen to be: -</p> <ul style="list-style-type: none"> There is likely to be a continued reliance on external investment into the area (mainly in the form of state-led investment) Local development initiatives (LED programmes etc.) must be actively pursued but care needs to be taken as to the sustainability and enduring impact of initiatives A strong focus needs to be placed on ensuring the development and enhancement of road linkages with neighbouring areas as well as within the Emalahleni municipal area
<ul style="list-style-type: none"> From an overall economic perspective, the Emalahleni economy is dominated by the state sector, with the primary sector (agriculture, forestry and fisheries) contributing only 2% of Gross Value Added (GVA) to the economy whilst the GVA contributed by Government and Services sectors is 55%. The above facts are underlined by the extent to which state grants and subsidies in the form of pensions and grants in aid appear to bolster the 	<ul style="list-style-type: none"> The figures on the state of the Emalahleni economy indicate an undiversified local economy where productive activities are presently secondary to a focus on subsistence. Economic development strategies need to be focused spatially in areas where there are demonstrable prospects of sustainable impacts (as

WEAKNESSES (Internal)	Implications
<p>livelihoods of Emalahleni residents, where annually almost R800 million is paid over to households. This figure represents around 44% of the total GVA produced in Emalahleni.</p>	<p>measured in terms of the natural resource base as well as the willingness of communities to participate.</p>
<ul style="list-style-type: none"> The proximity of Queenstown means that it is more difficult for local businesses based in the three smaller towns to thrive and compete against businesses in the larger centre that enjoy far greater trading thresholds and therefore are able to be more competitive in terms of pricing as well as range of goods and services provided. 	<ul style="list-style-type: none"> Urban management and infrastructure upgrades in the towns of Lady Frere, Indwe and Dordrecht must be carried out to improve the quality of these urban areas for residents, local business and commuters to town accessing goods and services (the towns – especially Lady Frere – must become more pleasant to live in and do business in so as to be more competitive with Queenstown as a destination of choice).
<ul style="list-style-type: none"> The resident population of Emalahleni (approximately 116,000 people or 30,000 households) is characterized by a preponderance of youth (almost 60% of the population is below the age of 20) and an overall gender ratio of 51% females to 49% males. <ul style="list-style-type: none"> Indications are that the area's status as a marginal/peripheral area result in young people of working age (20+) leaving the area in search of better opportunities. It further appears that more men do so than women. Of the resident population, unemployment appears to be as high as 50% within the economically active age group. Skills levels are generally low amongst the population, with only just over 12% of the adult population having matric or higher qualifications. 	<ul style="list-style-type: none"> From a spatial development perspective, Emalahleni is unlikely to be identified by prospective investors as an area of potential interest based on any unique skills of the resident population. This means that development initiatives in the area must be focused on the people and their skills and abilities to learn and projects must make use of local knowledge and provide skills enhancement inputs. Where project initiatives are skills intensive and/or labour intensive in a way that is beyond the reasonable scope of the resident population, such projects should be undertaken on an Agency basis (with the ASGISA EC approach serving as a model).

WEAKNESSES (Internal)	Implications
<ul style="list-style-type: none"> • The Emalahleni area (like most rural municipalities) is characterized by a settlement pattern that comprises largely of low density and dispersed rural settlements surrounded by undefined commons land. • Urban-style development in the area is limited to the three towns of Lady Frere, Indwe and Dordrecht. • There is also a clear trend for settlement densification along the major transport routes serving the area, with accessibility/ease of movement becoming a priority for residents. 	<ul style="list-style-type: none"> • There is a need to “order” the spatial development pattern in Emalahleni such that a hierarchy of urban and rural service centres is created where higher order goods and services may be accessed and where social and economic facilities could be clustered. • Linkages to these higher order nodes must be prioritised • The trend of settlement development in areas of better accessibility needs to be managed to ensure an appropriate form of land development occurs there and that the functionality of the main road network is not compromised to the point that negative economic impacts are generated.
<ul style="list-style-type: none"> • Solid Waste Management is a weakness in that only Dordrecht has a licensed solid waste site and, it is reported, no solid waste collection system is in operation in Lady Frere, which is the Municipality’s most important urban centre (from an administrative as well as economic point of view) 	<ul style="list-style-type: none"> • Solid waste management (collection and environmentally sound waste management) is an important component of urban management as it is one of the most visible signs of local government delivery. • As such, the service needs to be prioritised and managed accordingly.
<ul style="list-style-type: none"> • The Emalahleni area is dominated by highly erodible claypan soils in the central and southern basins and an assessment of Land Cover indicates that approximately 18% of the Municipal area may be classified as degraded and/or impacted by soil erosion. 	<ul style="list-style-type: none"> • A Land Care programme that addressed the issue of rehabilitating areas where land degradation and soil erosion have had severe impacts is needed. • Part of a programme of wise land use and Land Care would need to comprise a clear strategy to manage land in sensitive areas.
<ul style="list-style-type: none"> • Land tenure in the former Transkei portions of Emalahleni is characterized by so-called old order rights (PTOs and informal land rights) in the areas falling outside the proclaimed town 	<ul style="list-style-type: none"> • There is a need to ensure that issues related to land tenure do not hinder identified Priority projects and where this occurs, a Local Planning

WEAKNESSES (Internal)	Implications
<p>area of Lady Frere.</p>	<p>Process should be embarked upon to clarify land use rights and to formalize the layout of the relevant area.</p>
<ul style="list-style-type: none"> • Jurisdictional uncertainty over land use management authority in areas outside the Lady Frere town commonage appears to be resulting in unmanaged (or at least un-planned) settlement development, especially in areas of better accessibility. • Given the reliance on the natural resources of the Emalahleni area for economic development in the primary sector as well as the tourism sector, a significant threat to the sustainable use of these resources is presented by the continuation of the current mode of un-planned and un-managed land use and settlement development in the rural areas outside the town jurisdictions. • Un-planned development threatens the natural resources base of the area and represents a threat the environmental “quality” of the area as well. • Moreover, the trend towards un-managed settlement development occurring in a ribbon along the main transport routes threatens the use of the major routes for effective transportation of goods and people. 	<ul style="list-style-type: none"> • There needs to be process of engagement with the key role players around the issue of wise land use and land use management in rural areas such that the needs of rural dwellers are continued to be met but that major assets of the modernizing economy of the Eastern Cape (such as the N2/R61) are better protected from un-managed settlement development encroachments.
<ul style="list-style-type: none"> • Given the context that is the specific history of underdevelopment in the Emalahleni area, there remains an ongoing legacy of basic infrastructure backlogs, which is a fundamental challenge for the relevant authorities. • Such backlogs exist in both the rural and urban settlements of Emalahleni • The infrastructure backlogs also apply to higher order infrastructure related to identify potentials in the tourism sectors (facilities and tourism-related infrastructure such as health facilities at tourism nodes etc.). 	<ul style="list-style-type: none"> • The proper functioning of the towns as urban centres is compromised by the inability to ensure appropriate levels of service to residents and enterprises in the towns. • As the towns are key elements in the socio-economic “fabric” of Emalahleni, the upgrade of the infrastructure there should be a priority. • The eradication of the backlogs in the provision of basic services in the rural settlement areas remains an on-going objective and is to be

WEAKNESSES (Internal)	Implications
	<p>pursued programmatically as resources permit.</p> <ul style="list-style-type: none"> In the case of both the urban and rural instances, the existence of a sound planning framework and a clear system of land use management is seen as essential to improve the sustainability of the provision of infrastructure.
<ul style="list-style-type: none"> Apart from the areas alongside the main traffic routes through the Emalahleni area, accessibility is a major issue impacting on spatial development. This is especially so for the dispersed rural settlements located at greater distances from the main proclaimed roads 	<ul style="list-style-type: none"> The prioritization of road development, upgrading and maintenance is a KEY developmental priority in a rural municipality such as Emalahleni
<ul style="list-style-type: none"> The institutional challenges of the Municipality in relation to spatial development are particularly compounded by the jurisdictional complexities in relation to land matters set out above. 	<ul style="list-style-type: none"> The Municipal Council and Senior Management need to understand and acknowledge the critical importance of spatial planning and land use management in ensuring sustainable development for the current future generations of Emalahleni residents. A strategic approach to addressing these issues needs to be adopted, which also draws together other key role players such as the Chris Hani District Municipality, the Department of Rural Development and Land Reform and Traditional Authorities.

OPPORTUNITIES (External)	Implications
<ul style="list-style-type: none"> With the identification of the potential to revive and extend productive utilisation of the coal mining resource in the Indwe area, there is an opportunity to begin to develop production and marketing strategies to target markets outside of Emalahleni. 	<ul style="list-style-type: none"> A clear need to enable the effective marketing of the product is the development and maintenance of an effective network of road links to prospective markets outside of Emalahleni. In this regard, the upgrade of the

OPPORTUNITIES (External)	Implications
	R56 is likely to be of particular importance as this is the closest regional link route to the resource.
<ul style="list-style-type: none"> The proximity of Queenstown (as a market) suggests that there are opportunities to export local agricultural products for sale or processing there (in the case of processing, this is especially the case in the interim while the feasibility of developing such facilities locally are examined). 	<ul style="list-style-type: none"> Clear strategies need to be developed to target areas of development potential for the piloting of projects aimed at achieving commercial-scale production of saleable crops and/or agricultural products..
<ul style="list-style-type: none"> Whilst the undiversified nature of the Emalahleni economy and its over-reliance on the state sector is a weakness, the fact that state investment in the area is occurring needs to be embraced as an opportunity. (The fact remains that state grants and pensions effectively provide a “safety net” for poverty stricken households). In addition state support for infrastructure development and housing development offers opportunities to direct such investment to strategic localities such as the towns of Libode and Ngqeleni (for infrastructure) and key rural localities for human settlement development. 	<ul style="list-style-type: none"> The Emalahleni municipality needs to adopt a focused approach to supporting development in key strategic localities, which have either been identified by itself or by other sectoral Agencies
<ul style="list-style-type: none"> Finally, of interest from a developmental perspective is the current involvement of state and quasi-state Agencies in providing funding, planning and logistical support for development initiatives. Some key agencies active in the Emalahleni area include: - <ul style="list-style-type: none"> Department of Rural Development & Land Reform Department of Agriculture Chris Hani District <ul style="list-style-type: none"> The Chris Hani District Municipality’s Regional Economic Development Strategy (REDS) has identified a” North-Eastern” Corridor extending through the Emalahleni area, and has pinpointed the area’s key potential development sectors as MINING and AGRICULTURE. 	<ul style="list-style-type: none"> From a strategic perspective, the Emalahleni Municipality needs to actively pursue and participate in broader state programmes (including REDS, DRDLR’s Comprehensive Rural Development Programme, and the various initiatives undertaken in terms of the Eastern Cape Provincial Growth & Development Plan). From a spatial planning perspective, focus needs to be placed on areas of identified development potential (mining, agriculture and tourism) and efforts must be aimed at making such areas function optimally by ensuring clear planning and land use management frameworks are in place and basic Levels fo Service

OPPORTUNITIES (External)	Implications
<ul style="list-style-type: none"> ▪ In addition, the CHDM has developed its Tourism Plan that proposes key routes within the Emalahleni area (the Farm-Stay Route and the Liberation Heritage Route). 	are developed and maintained there.

THREATS (External)	Implications
<ul style="list-style-type: none"> • The unpredictable effects of Climate Change represent a threat to areas such as Emalahleni, where the natural environment plays such a significant role in the development potential of the area. Specific effects that hold a potential threat include: - <ul style="list-style-type: none"> - The possibility of more severe weather events - The possible impact of a change in rainfall patterns 	<ul style="list-style-type: none"> • There is a need to pay particular attention to environmental science inputs when planning for long-term investments in – especially – agricultural projects depending on rainfall (ie. Dryland cropping) as well as when planning human settlements (with specific focus on flood-related risks and risks to water supply [water sources]).
<ul style="list-style-type: none"> • Because of the priority placed on gaining some form of control by planning authorities over land development processes (formal and informal) in the rural areas, a clear threat is presented by the possibility of a disunity of VISION and Action amongst the key role players. This could lead to inaction and the continued disorder of the spatial development pattern 	<ul style="list-style-type: none"> • In the absence of a clear policy and/or legal framework for grappling with the issue, the Emalahleni Municipality will, to an extent, need to engage in a path finding role to bring together the key role players to chart a way forward. • It is envisaged that the Chris Hani DM, the Dept. of Rural Development & Land Reform and the Department of Local Government & Traditional Authorities could play a leading role in assisting with this.
<ul style="list-style-type: none"> • The potential for state grant and pension recipients to develop a long-term dependency on state subsidies (grants and pensions) leading to loss of motivation to engage in productive economic activity is a significant threat already identified by, amongst other, the Organisation for Economic Co-Operation and Development (OECD) 	<ul style="list-style-type: none"> • There is a need to focus local economic development projects on achieving the goals of drawing in more local residents into productive activities. • Such efforts must acknowledge and take into account the specific demographic profile of a targeted community and must ensure that the initiatives pursued are appropriate to

THREATS (External)	Implications
	the profile (e.g. balance of female to male and the number of able-bodied people to work in a project).

3.2. SWOT Analysis of the Directorate per Priority Area

a) Agriculture (Agricultural Production and Agro-Processing)

Strengths

- There is potential for higher productive uses of certain land areas for agriculture, especially in the sectors of crop production in areas where irrigation is possible from the Xonxa and Lubisi Dams and livestock (sheep farming)
- In terms of the land capability, some 34% of the total land area is deemed suitable to moderate and limited crop production. The remainder of the land area is best suited to livestock farming
- Emalahleni Local Municipality possesses a competitive advantage in sorghum and livestock production which, if fully exploited would place the municipality in a good position for high-value agricultural products
- Dordrecht, too, plays a Service Centre role to surrounding areas, which are predominantly comprised of extensive farming lands and there may be some potential to revive past sectors of activity in the town (e.g. dairy/cheese manufacturing)
- Agro-processing is strongly linked to consumer preferences and changes in the level of consumer demand which in turn is linked to the economic growth rate
- There is a wide range of natural-growing vegetation

Weaknesses

- Limited access to markets for local agricultural produce
- Minimal agriculture infrastructure
- Crop diversification
- Non existing joint ventures between commercial and emerging farmers

Opportunities

- Municipality possesses a competitive advantage in sorghum and livestock production which, if fully exploited would place the municipality in a good position for high-value agricultural products
- On the non-food side there are opportunities that could be exploited for high-value products for the medicinal, aromatics and flavourants markets
- Growing potential of graduating Subsistence to Commercial farming
- Diversification of Livestock Improvement programmes

Threats

- Stock theft
- Climatic changes
- Disaster
- Invasion of Alien Plant
- Economic climate change
- Change in leadership
- Community / social unrest

b) SMMES (Mining and Small Medium Micro Enterprise Development)

Strengths

- Sound Inter-governmental relations among LED role players
- Updated database of SMMEs
- Structured business entities
- Access to skills development initiatives
- There is identified potential for coal mining
- The town of Lady Frere has a relatively strong-functioning wholesale and retail trade sector that services the surrounding rural settlements.

Weaknesses

- LED as a cross cutting function does not get the required attention in terms of planning and budgeting
- Lack of self-employment or entrepreneurial culture
- Low level of physical infrastructural development of the municipality's jurisdiction impacts negatively on tourism markets and other external investments
- Lack of cooperation and sound relationship within the local business sector

Opportunities

- Proximity of towns to each other gives opportunities for improved markets
- Rezoning of residential areas to increase business zone
- Community involvement in matters of local government
- Public Private Partnership
- Capacity development
- Utilisation of local service providers

Threats

- Climatic changes
- Economic climate change
- Lack of funding

- Changes in technology
- Change in leadership
- Community/social unrest

c) **TOURISM AND HERITAGE MANAGEMENT**

Strengths

- There is a notable commitment by government to invest in the sector;
- Craft industry
- Bed and breakfast facilities
- Natural attractions
- R392 Route (From KZN Middlelands to Western Cape Midleland)
- R410 Route (Cala to Queenstown via Lady Frere)

Weaknesses

- Low level of physical infrastructural development of the municipality's jurisdiction impacts negatively on tourism markets and other external investments
- Lack of cooperation and sound relationship within the local business sector
- Given the importance of growing tourism demand to inform industry development, a major constraint is the difficulty experienced by individual tourism enterprises to access markets, both domestic and foreign markets.
- A number of factors including physical distance from primary markets, cost of national and international marketing, and large operators dominating the distribution channel make it difficult for individual tourism enterprises to compete with their counterparts in comparable destinations;

Opportunities

- Proximity of towns to each other gives opportunities for improved markets
- Tourism demand can be grown through scaling up destination marketing efforts and creating new markets;
- While increased destination marketing will require a greater allocation of marketing resources to the municipality, opportunity exist to diversify the local tourism economy and create new markets by focusing on high growth and high yield niche markets;
- Investment in new tourism products will stimulate the creation of skilled employment;
- Interlink road (R396, R400 and R56) between KZN – WC
- Tourist attractions in the form of waterfalls, dams, mountains, resorts, cultural villages and local heritage

Threats

- Climatic changes
- Economic climate change
- Changes in technology
- Change in leadership
- Community/social unrest

4. LED STRATEGY FRAMEWORK

KEY ELEMENTS OF LED STRATEGY	
Vision	A vision makes clear the core values & principles that are central to what the local area want to become. It is informed by the current situation & looks to the future to alter the current into the desire . A vision forms the basis for the objectives, programmes, projects and actions
Objectives	Objectives are more specific than a vision in pointing to where a municipality wants to be in terms of its economic development. Objectives answer the questions; 'what matters' and 'why do we want to do this or that'. As such, objectives define the priorities for economic development and are the basis upon which to decide what actions are ultimately to be undertaken.
Programmes	Each objective has a number of programmes related to it. A programme is a group of projects which collectively address the same objective.
Projects	Projects are specific initiatives to affect a programme, and ultimately enable objectives and visions to be achieved. A group of projects are designed to meet the same objective as the programme that they fall under.
Actions	Actions are very specific tasks needed to implement a project

For the purposes of this LED strategy, the vision, objectives and programmes are strategic in nature. Projects and actions on the other hand are specific and measurable, and therefore form the basis of the action plan for this strategy.

Institutional	Directorate
<i>Vision: A municipality that delivers appropriate, sustainable and affordable services towards socio-economic growth for the development of its community</i>	Vision: <i>A municipality with an attractive environment for job creation, investment and sustainable local economic growth</i>
<i>Mission Statement: The municipality promotes quality and excellent services that are valued by its customers through effective partnerships and active community participation as it plans for the future.</i>	Mission Statement: <i>We shall create this vision of LED through the creation of an environment that attracts business investments and contributing to sustainable opportunities for job creation and economic upliftment</i>

4.1. OBJECTIVES

In order to achieve the LED vision outlined above, a LED Strategy presents a number of objectives which are achievable, measureable, and viable, and provide guidelines to the municipality.

- Objective 1: To encourage the formation and support the development of SMMEs with ELM
- Objective 2: To facilitate the development of land in a sustainable manner
- Objective 3: To provide appropriate human resources to support all directorates in the municipality
- Objective 4: To promote Agricultural and Tourism Development in ELM

4.1.1. OBJECTIVE 1: TO ENCOURAGE THE FORMATION AND SUPPORT THE DEVELOPMENT OF SMMEs WITH ELM

One of the key roles of local government in LED is the creation of an enabling environment for LED. While it is businesses that create the jobs, and contribute to the economy, they are reliant on government, in this case local government, to put measures in place for them to conduct their businesses. This applies to the day to day operations of business currently operating, to current businesses wanting to expand, and also to attracting new businesses to investment within the local municipality.

The programmes designed to meet this objective are as follows

a) Programme: Facilitate Business Investment & Growth Through An Improved Business Climate

Business development is premised on the idea of encouraging the establishment of new businesses, and retaining businesses within the area, while sustaining and expanding local firms in and around a particular area. Businesses require a number of resources for them to function optimally. Natural resources can to a large extent not be changed by a municipality and businesses requiring those resources are likely to be located close to these resources. However, there are a number of other factors relevant to the location of businesses, and these can to some extent be influenced by government interventions. Other locations will compete for these businesses to invest within that location, and it is therefore critical that municipality provide the business climate necessary for investment and business growth. This business climate can be created through business friendly policies and regulations, through the provision of land and other infrastructure, through assistance on queries, and through turnaround time in responding to town planning applications and actively marketing the destination to businesses.

The projects under this programme are;

- Create a business advisory service and support within the municipality
- Facilitate red tape reduction
- Develop investment opportunities for new and growing businesses

b) Programme: Facilitate Business Growth Through A Local Purchasing Programme

A key way to stimulate a local economy is through the preventions of economic leakages to other municipalities or areas. Through the creation of forward and backward value chains within a

municipality, new and existing businesses can be stimulated. While local government cannot itself create businesses or force local procurement, it can however create an enabling environment for this.

The projects under this programme are;

- Make use of municipality tenders to purchase locally produced goods and local services
- Develop a "buy local, support local, produce local campaign"

c) Programme: Facilitate the Development of SMMEs & New Entrepreneurs

SMMEs are critical to economic growth and job creation within a local economy. Small business service mainly local markets, both forwards and backwards along a value chain. SMMEs are more likely than big businesses to be locally owned, and the profit from a SMME is therefore more likely to remain within a local municipality. SMMEs are large employers of local residents, and operate both in the formal and informal economies. However, many SMMEs require assistance, and local governments are well placed to provide and / or facilitate this assistance. A number of projects are included within the LED strategy to assist SMMEs and new entrepreneurs within the ELM.

The projects under this programme are;

- Facilitate SMME development
- Develop SMME and entrepreneurship mentoring programmes
- Create linkages between established businesses, and SMMEs and informal service providers
- Establish an annual Emalahleni SMME Indaba

d) Programme: To Attract Investment To The Municipality

A municipality should not only be reactive to economic conditions and opportunities, but rather plans their economic growth around attracting and facilitating growth in strategic sectors and / or businesses with a competitive advantage within the municipality. This requires having significant insight into the local economy and the opportunities that are presented to current and potential businesses and implementing measure to create an enabling environment for business to grasp these opportunities. It is critically important that the municipality begin to attract investment in the municipality if they are to achieve their economic development vision, and create local jobs.

The projects under this programme are;

- Develop Investment Attraction Plan (IAP)
- Marketing of investment opportunities to all potential stakeholders and investors

e) Programme: Assist Informal Economy Businesses

Informal businesses are taken care of in LED projects. The major challenge is the influx especially in Lady Frere Unit. The steps need to be taken to address their mode of operation.

The project under this programme is;

- Assist informal traders and informal service providers to be formalised

f) Programme: Facilitate The Availability Of Required Skills For Business Investment, Retention And Growth

The availability of skills within a municipality is key to attracting investment, business and economic growth. Furthermore, these need to be the right skills, in demand by local businesses and needed to grasp economic opportunities. It is not the role of local government to embark on skills training, but there are many activities that they can do to facilitate skills development such as creating linkages, financial support, mentoring and facilitating the presence of skills development companies. The projects that make up this programme are directed towards demand driven skills development and linking skills in supply with demand areas for those skills.

The projects under this programme are;

- Match skills in demand with skills in supply in the municipality
- Facilitate demand led skills development

4.1.2. OBJECTIVE 2: TO FACILITATE THE DEVELOPMENT OF LAND IN A SUSTAINABLE MANNER

As stated above, natural resources cannot be changed, but a local government can put programmes and projects in place to facilitate the provision of some of the resources necessary for economic development. These include both built and human resources (e.g. know how, information, facilities, transport, roads and other infrastructure, human resources,) The programmes designed to meet this objective are selected from the analysis of the current situation of resources within the municipality, and resources necessary for future economic growth in key economic sectors.

The programmes designed to meet this objective are as follows;

a) Programme: Ensure The Availability of Physical Infrastructure to Facilitate Business Investment, Retention And Growth

Physical infrastructure includes land, roads, and bulk infrastructure. These are critical elements for economic development particularly the case given to the agricultural, manufacturing and tourism strengths and opportunities within the municipality.

The projects under this programme directed towards physical infrastructure provision are;

- Ensure continued good quality water supply
- Identify and make government land available for investment

b) Programme: Facilitate improved transport in the municipality for economic development

This programme is directed towards ensuring that sufficient road and transport networks exist within the municipality to enable optimal economic sector functioning and attraction of new businesses. As the municipality is primarily an export economy, transport infrastructure is of critical importance to the economy and local government has an important role to play in facilitating this transport infrastructure. Furthermore, the tourism trade in municipality is also reliant of safe, reliable road networks. Projects falling under this programme are focussed on both public transport and general road networks. They are as follows;

- Improve public transport
- Strategically develop roads to facilitate economic development

4.1.3. OBJECTIVE 3: TO PROVIDE APPROPRIATE HUMAN RESOURCES TO SUPPORT ALL DIRECTORATES IN THE MUNICIPALITY

As well as creating an enabling environment through the provision of infrastructure and business support services, local government needs to create a supporting environment for the planning, implementation, monitoring and evaluation of LED. It is not done by government alone, but through collaboration and cooperation of businesses, government, NGOs and communities. This objective is focussed on creating that enabling environment within the municipality, and with how they and other stakeholders communicate and cooperate for LED.

The programmes designed to meet this objective are as follows;

a) Programme: Ensure Sufficient Collaboration and Cooperation within the municipality to Fulfil The LED Mandate

In order for a LED unit to fulfil its mandate, it is critical that all directorates within the municipality have a defined role to play towards realisation of LED. This role should be stipulated in the IDP and budget, SDBIP and Performance Management System.

The projects under this programme are;

- Ensure commitment of intra-cooperation and collaboration
- Create awareness of LED within the municipality to enable LED mandate to be achieved

b) Programme: Improve Participation of All Key LED Stakeholders In LED Research, Planning, Implementation And Monitoring & Evaluation

A critical element of LED is the cooperative planning and implementation of LED by all stakeholders including local government, local businesses, relevant provincial and national government departments and agencies, NGOs etc. Such cooperation is best achieved through some kind of structure, and regular meetings under specific frameworks. Furthermore, cooperation is reliant on regular communication between all stakeholders for LED.

The projects under this programme are;

- Make use of stakeholders for cooperative planning for LED
- Develop communication plan LED matters

4.1.4. OBJECTIVE 4: TO PROMOTE AGRICULTURAL AND TOURISM DEVELOPMENT IN ELM

The focus of this objective is the development of key economic sectors within the municipality to aid economic growth and employment. The sectors selected to form part of programmes are those that are currently significant sectors (in terms of either contribution to GDP or employment) and / or those sectors with growth potential. Furthermore, the focus is on sectors with the ability to create forward and backward linkages within the sector, or with other sectors businesses within the municipality and or those sectors with a competitive advantage.

The programmes designed to meet this objective are as follows;

a) Programme: Make Use Of Agriculture To Further Drive The Local Economy

Agriculture has been significant for the development of the municipality economy. This together with its competitive advantage, as well as its strong linkages with the manufacturing sector makes it a key economic driver within the municipality. The sector's contribution to the local economy is constrained by its past and current shedding of jobs, which is of concern given the current unemployment rate within the municipality. The projects that collectively fall under this programme are as follows;

- Support small scale farmers
- Investigate diversification of the local agricultural economy
- Investigate mechanisms to reduce further job losses in agriculture

b) Programme: Further Develop The Tourism Sector Within the municipality

The tourism sector is one of the key sectors within municipality, through its contribution to the economy, but also it links to other sectors, and the role it has in marketing the area as a whole. A number of constraints currently exist with the sector, and this has hindered to some degree its potential. The focus of projects selected under this programme is around marketing the municipality as a whole, rather than as individual towns, the transformation of the tourism sector, and the provision of tourism infrastructure to facilitate sector growth.

Specifically, the projects under this programme are;

- Diversification of tourism sector
- Collaborative marketing of the key towns and products within the municipality
- Create tourism infrastructure

c) Programme: Investigate Options For Diversification Of The Local Economy To Reduce Seasonality Of Economic Activities

The economy of the municipality is currently not particularly diversified, with a large reliance on agriculture, and the manufacturing of agricultural products, in particular, agro-processing. The local economy is also constrained by its seasonality and the resultant seasonality of work opportunities for non-permanent employees. This programme is therefore focussed on seeking to reduce the seasonality of employment, and facilitate diversification of the economy.

The projects under this programme are;

- Create new economic sectors and opportunities
- Addressing seasonality of sectors in the municipality

5. ACTION PLAN

The vision, mission, objectives and programmes that make up this LED strategy have been outlined above. Projects and tasks are the key elements of an action plan, and need to be implemented to achieve objectives. The following tables show the projects and tasks for each programme and objectives for LED in the Emalahleni Local Municipality.

Objectives	Programme	Project	Action	Timeframe	Custodian
1. To encourage the formation and support the development of SMMEs with ELM	Programme A: Facilitate Business Investment & Growth Through An Improved Business Climate	Create a business advisory service and support within the municipality	Place relevant contact details, information, and 'Guide' on website.	Annual	<ul style="list-style-type: none"> • EDTA • Municipal Manager Office • Corporate Services
			Create a guide to doing business in the municipality booklet and distribute.	Annual	<ul style="list-style-type: none"> • EDTA • Municipal Manager Office
		Facilitate red tape reduction	Ensure internal capacity to deal with business development processes	Annual	<ul style="list-style-type: none"> • Corporate Services
			Designate persons responsible for different processes and monitor targets for task completion.	Annual	<ul style="list-style-type: none"> • EDTA
		Develop investment opportunities for new and growing businesses	Assist small businesses to identify funding institutions for incentive schemes.	Annual	<ul style="list-style-type: none"> • EDTA
			Determine strategic growth sectors for incentivisation	Annual	<ul style="list-style-type: none"> • EDTA

Objectives	Programme	Project	Action	Timeframe	Custodian
	Programme B: Facilitate Business Growth Through A Local Purchasing Programme	Make use of municipality tenders to purchase locally produced goods and local services	Provide assistance with tenders / supply chain management forms to local companies and SMME's	Annual	<ul style="list-style-type: none"> • EDTA • Supply Chain Management Unit
			Ensure all tenders notices are available in all units of the municipality (Indwe, Dordrecht and Lady Frere).	Annual	<ul style="list-style-type: none"> • EDTA • Supply Chain Management Unit
			Communicate tenders through various means to all local businesses	Annual	<ul style="list-style-type: none"> • Supply Chain Management Unit
			Facilitate local company's registration on supplier database.	Annual	<ul style="list-style-type: none"> • EDTA • Supply Chain Management Unit
		Develop a "buy local, support local, produce local campaign"	Distribute database to local businesses, general public and encourage use of local businesses	Annual	<ul style="list-style-type: none"> • EDTA • Supply Chain Management Unit
			Ensure preferential government procurement for local companies	Annual	<ul style="list-style-type: none"> • EDTA • Supply Chain Management Unit
	Programme C: Facilitate the Development of SMMES & New Entrepreneurs	Facilitate SMME development	Ensure EDTA directorate is equipped to assist SMMEs and potential entrepreneurs	Annual	<ul style="list-style-type: none"> • EDTA • Corporate Services
			Create linkages with district, provincial and	Annual	<ul style="list-style-type: none"> • Economic Development,

Objectives	Programme	Project	Action	Timeframe	Custodian
			national initiatives to assist SMMEs, entrepreneurs		Tourism and Agriculture
		Develop SMME and entrepreneurship mentoring programmes	Identify potential mentors / businesses able to assist in mentoring	Annual	• EDTA
			Create linkages with local schools for entrepreneurship training / mentoring	Annual	• EDTA
			Link learners / SMMEs with mentors	Annual	• EDTA
		Create linkages between established businesses, and SMMEs and informal service providers	Engage with developers on opportunities for smaller contractors	Annual	• EDTA
			Make available database of SMMEs to current and potential developers	Annual	• EDTA
			Keep SMMEs informed on planned developments and related opportunities	Annual	• EDTA
		Establish an annual Emalahleni SMME Indaba	Identify SMMEs to invite, Organise annual summit	Annual	• EDTA
			Marketing of Indaba to all local businesses, residents and potential business partners	Annual	• EDTA • Municipal Manager Office
	Programme D: To Attract Investment To	Develop Investment Attraction Plan	Develop investment	Annual	• EDTA

Objectives	Programme	Project	Action	Timeframe	Custodian
	The Municipality	(IAP)	strategy		
			Develop Tourism Marketing Strategy / tools	Annual	<ul style="list-style-type: none"> • EDTA
		Marketing of investment opportunities to all potential stakeholders and investors	Ensure regularly updated investment page on website, with information and contact details	Annual	<ul style="list-style-type: none"> • EDTA • Corporate Services • Municipal Manager Office
			Attend investment conferences and business networking events	Annual	<ul style="list-style-type: none"> • EDTA
			Link with district for investment marketing	Annual	<ul style="list-style-type: none"> • EDTA
	Programme E: Assist Informal Economy Businesses	Assist informal traders and informal service providers to be formalised	Create informal traders strategy	Annual	<ul style="list-style-type: none"> • EDTA
			Communicate to all traders the regulations	Annual	<ul style="list-style-type: none"> • EDTA
			Facilitate development of associations / forums for informal businesses	Annual	<ul style="list-style-type: none"> • EDTA
			Enforcement of regulations and by laws	Annual	<ul style="list-style-type: none"> • Community Services
	Programme F: Facilitate The Availability Of Required Skills For Business Investment,	Match skills in demand with skills in supply in the municipality	Identify skills shortage in the municipality through surveys and business forums.	Annual	<ul style="list-style-type: none"> • EDTA • Corporate Services

Objectives	Programme	Project	Action	Timeframe	Custodian
	Retention And Growth		Match skills database to market demand	Annual	<ul style="list-style-type: none"> • EDTA • Corporate Services
		Facilitate demand led skills development	Initiate partnerships with businesses, colleges, etc. for training in skills gaps	Annual	<ul style="list-style-type: none"> • EDTA • Corporate Services
			Initiate skills development mentoring programme	Annual	<ul style="list-style-type: none"> • EDTA • Corporate Services
			Create linkages with residents and skills development opportunities	Annual	<ul style="list-style-type: none"> • EDTA • Corporate Services

Objectives	Programme	Project	Action	Timeframe	Custodians
2. To Facilitate the Development of Land in a Sustainable Manner	Programme A: Ensure The Availability of Physical Infrastructure to Facilitate Business Investment, Retention And Growth	Ensure continued good quality water supply	Continue with initiatives for improved water supply	Annual	<ul style="list-style-type: none"> • CHDM
			Assist companies with research into more efficient, sustainable use of water resources	Annual	<ul style="list-style-type: none"> • CHMD
			Address issues around water quality in the municipality	Annual	<ul style="list-style-type: none"> • CHDM
		Identify and make government land available for investment	Conduct land audit / soil testing for agricultural activities	Annual	<ul style="list-style-type: none"> • DRDLR • DRDAR
			Analyse available land in conjunction with zoning	Annual	<ul style="list-style-type: none"> • Infrastructure Directorate
			Where necessary, embark on rezoning process	Annual	<ul style="list-style-type: none"> • Infrastructure Directorate

			Create land information database of government owned land including location, services, zoning and restrictions.	Annual	<ul style="list-style-type: none"> Infrastructure Directorate
			Identify land available for land reform and allocate as such	Annual	<ul style="list-style-type: none"> DRDLR
			Advertise land available for investment through investment, business communication channels	Annual	<ul style="list-style-type: none"> EDTA Infrastructure Directorate
			Regularly maintain land database	Annual	<ul style="list-style-type: none"> Infrastructure Directorate
	Programme B: facilitate improved transport in the municipality for economic development	Strategically develop roads to facilitate economic development	Improve key access roads	Annual	<ul style="list-style-type: none"> Infrastructure Directorate
			Prioritised road development for catalytic or high value investments	Annual	<ul style="list-style-type: none"> Infrastructure Directorate
			Ensure road maintenance for high tourism routes, roads important for economic development	Annual	<ul style="list-style-type: none"> Infrastructure Directorate
Objectives	Programme	Project	Action	Timeframe	Custodians
3. To provide appropriate	Programme A: Ensure Sufficient Collaboration and Cooperation	Ensure commitment of intra-cooperation and collaboration	Establishment of intra forums for alignment of programmes	Annual	<ul style="list-style-type: none"> EDTA All internal affected directorates

	within the municipality to fulfil The LED Mandate	Create awareness of LED within the municipality to enable its mandate to be achieved	Awareness programme with councillors on LED	Annual	<ul style="list-style-type: none"> • EDTA • Municipal Manager's Office
	Programme B: Improve Participation of All Key LED Stakeholders In LED Research, Planning, Implementation And Monitoring & Evaluation	Make use of stakeholders for cooperative planning for LED	Create LED Partnership / forum	Annual	<ul style="list-style-type: none"> • EDTA
			Assist in development of informal business groupings	Annual	<ul style="list-style-type: none"> • EDTA • CHCDC
			Participate in district LED forum.	Annual	<ul style="list-style-type: none"> • EDTA
		Develop communication plan LED matters	Make use of bulk SMS to communicate with businesses with no email	Annual	<ul style="list-style-type: none"> • EDTA
			Training of all staff on LED awareness	Annual	<ul style="list-style-type: none"> • EDTA
			Develop detailed business profile with contact details	Annual	<ul style="list-style-type: none"> • EDTA

Objectives	Programme	Project	Action	Timeframe	Custodians
4. To promote Agricultural and Tourism development in ELM	Programme A: Make Use Of Agriculture To Further Drive The Local Economy	Support small scale farmers	Develop and regularly update a small farmer database (contact details and farming type) Provide information on accessing loans and government support	Annual	<ul style="list-style-type: none"> • EDTA • DRDAR
			Link farmers to district small scale farming	Annual	<ul style="list-style-type: none"> • EDTA • DRDAR

Objectives	Programme	Project	Action	Timeframe	Custodians
			programme		
			Create linkages between small scale farmers and purchasers/markers	Annual	<ul style="list-style-type: none"> • EDTA • DRDAR • CHDM • ECRDA • CHDA • DRDLR
		Investigate diversification of the local agricultural economy	Investigate further agro-processing opportunities	Annual	<ul style="list-style-type: none"> • EDTA • DRDAR • CHDM • ECRDA • CHDA • DRDLR
			Investigate maize cultivar that can stand weather condition of the municipal area	Annual	<ul style="list-style-type: none"> • EDTA • DRDAR • CHDM • ECRDA • CHDA • DRDLR
		Investigate mechanisms to reduce further job losses in agriculture	Establishment / revitalisation of irrigation schemes to address seasonality challenges.	Annual	<ul style="list-style-type: none"> • EDTA • DRDAR • CHDM • CHDA • DRDLR
	Programme B: Further Develop The Tourism Sector Within the municipality	Diversification of tourism sector	Develop mechanisms to assist in transformation of the tourism sector	Annual	<ul style="list-style-type: none"> • EDTA • CHDM • DEDEAT • ECPTA
			Look at tourism opportunities beyond traditional areas, markets	Annual	<ul style="list-style-type: none"> • EDTA • CHDM • DEDEAT • ECPTA
			Marketing of opportunities	Annual	<ul style="list-style-type: none"> • EDTA • CHDM • DEDEAT • ECPTA
			Facilitate training on what is tourism, how to create tourism business	Annual	<ul style="list-style-type: none"> • EDTA • CHDM • DEDEAT • ECPTA
			Assist with marketing of new	Annual	<ul style="list-style-type: none"> • EDTA • CHDM

Objectives	Programme	Project	Action	Timeframe	Custodians
			tourism ventures		<ul style="list-style-type: none"> • DEDEAT • ECPTA
		Collaborative marketing of the key towns and products within the municipality	Look at opportunities to brand export goods from the municipality	Annual	<ul style="list-style-type: none"> • EDTA • CHDM • CHDA • DTI
			Conduct product audit	Annual	<ul style="list-style-type: none"> • EDTA • CHDM • CHDA • DTI
			Define unique qualities of the municipality	Annual	<ul style="list-style-type: none"> • EDTA
			Agree on marketing strategy of municipality as a whole	Annual	<ul style="list-style-type: none"> • EDTA
			Develop and distribute marketing material	Annual	<ul style="list-style-type: none"> • EDTA
			Attend tourism Indaba and promotional opportunities		
		Create tourism infrastructure	Develop signage to key tourism products across the municipality area of jurisdiction	Annual	<ul style="list-style-type: none"> • EDTA • IDHS
			Develop tourism information offices in each town.	Annual	<ul style="list-style-type: none"> • EDTA • IDHS
	Programme C: Investigate Options For Diversification Of The Local Economy To Reduce Seasonality Of Economic Activities	Create new economic sectors and opportunities	<p>Feasibility assessment of farming and processing</p> <p>of new farming activities (e.g. Lucerne, wheat, fruit and</p>	Annual	<ul style="list-style-type: none"> • EDTA • DRDAR • DRDLA • CHDM

Objectives	Programme	Project	Action	Timeframe	Custodians
			vegetables)		
			Feasibility assessment of the green economy	Annual	<ul style="list-style-type: none"> • EDTA • Community Services • DRDAR • DRDLA • CHDM • CHDA
		Addressing seasonality of sectors in the municipality	investigate varied tourism marketing of Emalahleni round season changes	Annual	<ul style="list-style-type: none"> • EDTA • CHDM • DEDEAT • ECPTA
			Investigate new, non seasonal agricultural products	Annual	<ul style="list-style-type: none"> • EDTA • DRDAR • DRDLA • CHDM
			Investigate the creation of economic opportunities for seasonal workers	Annual	<ul style="list-style-type: none"> • EDTA • DRDAR • DRDLA • CHDM

6. RISKS

There are a number of risks that could derail the strategy and demand a rethink and changes to the strategy. Some of the risks identified by stakeholders are:

- Political instability and a lack of political leadership and will as a result of changes in the political leadership;
- The lack of alignment between spheres of government and between government and state-owned enterprises and the private sector which could undermine the strategy;
- Lack of buy-in and ownership across sectors to the LED plan
- Unfunded mandates which in turn will result in a lack of delivery around core areas;
- Non participation of Sector departments
- Non participation of SMMEs
- Failure to attract investors
- Internal Capacity gap

7. RISK MITIGATION STRATEGIES

- Strengthen Inter Governmental Relations
- Strengthen Business Forums
- Establish Public Private Partnerships

CONCLUSION

This strategy provides the framework for a more detailed implementation plan in which a few lead multi-stakeholder projects need to be identified to set the tone and begin the process of turning around the local economy through creating sustainable jobs. Within each stakeholder grouping there needs to be a champion to drive the LED programme. In the municipality this will be the LED directorate active support from the Mayor, Council and more particularly the Economic Development Portfolio Holder. The municipalities' plan will be woven into the IDP.

REFERENCE LIST

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