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SECTION A: EXECUTIVE SUMMARY

1. INTRODUCTION

In accordance with the requirements of Section 34 of the Municipal Systems Act No. 32 of 2000, all Local and District Municipalities are required to review their IDP's on annual basis for their areas of jurisdiction. A credible IDP is a single, inclusive strategic plan for the municipality that:

- is based on up to date and accurate statistics and empirical data that can inform strategic decision making;
- integrates, co-ordinates and facilitates service delivery, local economic development and wise land use management within the municipal area of jurisdiction;
- forms the general basis on which annual budgets are developed;
- aligns the resources and capacity of the municipality to the implementation of the plan;
- assists a municipality in fulfilling its constitutional mandate as developmental local government; and
- facilitates the processes of democratisation and sustainability through vigorous public participation.

2. INSTITUTIONAL ARRANGEMENTS

In order to ensure ownership of the process, the municipality continued to utilise the existing institutions as much as possible. The roles and responsibilities of participants in the planning process were defined in the 2008/09 IDP Review Process Plan. The institutional arrangements for the Comprehensive IDP are shown in table below:

ENTITY	RESPONSIBILITY
Municipal Council	As the ultimate political decision-making body of the municipality, the Municipal Council has to: <ul style="list-style-type: none"> ○ Consider, approve and adopt the Process Plan and the IDP Review.
Executive Committee	The Executive Committee: <ul style="list-style-type: none"> ○ Delegate the overall management, co-ordination and monitoring of the process and drafting of the IDP to the Municipal Manager; and ○ Approve nominated persons to be in charge of the different roles, activities and responsibilities of the process and drafting.

ENTITY	RESPONSIBILITY
IDP Steering Committee	<ul style="list-style-type: none"> ○ Consists of the Municipal Manager, IDP Manager, the uMzinyathi Municipal Heads of Departments, the LED and Tourism officer, IDT Co-ordinator, Representatives from the four Local Municipalities within the uMzinyathi District, key sector departments, including Department of Local Government and Traditional Affairs (DTLGA) and the Department of Environment and Tourism (DEAT); ○ The steering committee deals with the operational issues of the IDP and co-ordination of the planning process;
IDP Representative Forum	<p>Consists of steering committee members, sector departments, business, service providers, traditional leader's representatives, NGO's and civil society organizations. The role of the Representative forum is to:</p> <ul style="list-style-type: none"> ○ Ensure alignment of programmes and projects with other spheres of government and private organizations; and ○ Provide for public, private and civil society sector input to the IDP.
IDP Manager	<p>The role of the IDP manager is to assist the Municipal Manager in the co-ordination and management of the IDP process. This entails:</p> <ul style="list-style-type: none"> ○ Being responsible for secretarial services associated with the IDP meetings; ○ Responding to comments on the draft IDP from the public; ○ Horizontal alignment with other spheres of government to the satisfaction of the Municipal Council; and ○ Ensuring proper documentation of the results of the planning process by the consultant team; ○ Day to day management of the IDP.
MANCO	<p>Consists of Heads of Departments to:</p> <ul style="list-style-type: none"> ○ Provide relevant technical, sector and financial information for priority issue analysis; ○ Contribute technical expertise in the consideration of strategies and development of project; ○ Provide departmental operational and capital budgetary information; and ○ Be responsible for ensuring that project proposals are integrated with cross cutting dimensions such as Gender Equity, Employment Equity, BEE and addressing HIV/AIDS.

3. SITUATIONAL ANALYSIS

The uMzinyathi District Municipality (DC24) is one of the ten districts of KwaZulu-Natal. The Municipality is bordered in the north by the aMajuba Municipality, in the west by the uThukela Municipality, in the south west by the uMgungundlovu Municipality, in the south east by the iLembe Municipality and in the east by uThungulu Municipality.

The district consists of four Local Municipalities, namely:

- eNdumeni (KZ 241)
- Nquthu (KZ 242)
- Msinga (KZ 244)
- uMvoti. (KZ 245)



The municipal area is 8079 km² and has extensive grasslands in the north supporting the primary agricultural sector based on cattle ranching for beef, small scale sheep and mixed farming and maize cultivation. In the southern areas substantial forestry is prevalent. Sugar cane and smaller scale fruit farming such as avocado and kiwi fruit cultivation also occur.

Mineral deposits found in the district include coal and metal ores. Only coal was mined on a large scale in the eNdumeni Municipality. The coal mining industry is undergoing a restructuring process. There is a decline in corporate interest in the industry, however there is interest in the small scale regeneration of the coal belt for SMME development. A small amount of stone quarrying occurs in the district. Within eNdumeni Local Municipality, Dundee has the main economic activities ranging from retail trade, tourism and farming. Dundee is a centre from which tourism based on the cultural heritage of the Zulu Kingdom and “Battlefields” is emphasised and managed to some extent, and there is also Glencoe which serves as a secondary centre to Dundee.

uMzinyathi Municipality, in conjunction with its north western neighbour aMajuba Municipality, is branded as the “custodian” of the “Battlefields region of the Zulu

Kingdom". The "Battlefields of the Zulu Kingdom" are located in the hinterland and lie "in the shadow" of the majestic Drakensberg mountains spanning the western boundary of KwaZulu-Natal. This branding is of international and regional significance. In conjunction with the Beaches of the South and North Coast and Big Five Game attractions in the East of KwaZulu-Natal, the "Battlefields of the Zulu Kingdom" form a vital role in the spatial economy of the province from a tourism perspective. However, within uMzinyathi, the range of battlefields attractions is not adequately harnessed for their job creating opportunities across the municipality.

The main town in the uMvoti Municipality is Greytown. It is the agricultural centre of the district and contributes substantially to the economic viability of the district. Nquthu and Msinga Local Municipalities are rural based subsistence economies with cultural heritage areas that attract some tourists but need to be substantially developed. The main towns are Nqutu, Pomeroy and Tugela Ferry.

The topography of the district is characterised by extensive variation with deep river gorges, rolling grasslands, extensive wetlands, hills and valley bush-veld. These characteristics make the development of infrastructure difficult and costly particularly in the steep terrain. The general slope of the land is between 1:5 and 1:6 and it is susceptible to soil erosion where it is not carefully managed.

3.1 Population, Density, Gender and Health- Spatial Implications

According to 2001 Census, the Umzinyathi District Municipality has a population of 456 468 and the breakdown per local Municipality is as follows:

Local Municipality	Population	Households	% of Total
Endumeni	51,105	12,280	11.20
Nquthu	145,036	25,660	31.77
Msinga	168,037	32,507	36.81
uMvoti	92,290	19,672	20.22
Umzinyathi	456,468	90,117	100.00

Based on the 2007 population projections undertaken by Global Insight of Southern Africa, the population projections for Umzinyathi District Municipality is 694 164 people (Global Insight Southern Africa 2007). There is considerable variation in the cited

population figures for the district largely as a result of the fact that the last census was completed in 2001 and a standard projection process was not developed for municipalities in South Africa until recently.

Global Insight Southern Africa has established an international standard which is now used by the National and Provincial Departments of Economic Affairs and Tourism and Trade, and Investment South Africa. This standard is therefore used in the comprehensive IDP Review with confidence: The breakdown per Local Municipality is as follows:

Local Municipality	Population	% of Total
Endumeni	77,717	11,20
Nquthu	220,560	31,77
Msinga	255,539	36,81
uMvoti	140,348	20,22
Umzinyathi	694,164	100

The breakdown of the key demographic information and service backlogs is shown in the table hereunder:

TABLE No 1: KEY DEMOGRAPHIC INFORMATION	
Extent of the District	8 079 km ²
Population	694 164
Number of households	89 658
Urban Population	18%
Rural Population	82%
Female Population	55%
Male Population	45%
Percentage of people under 35 years of age	72 %
Women 36 years and older	62,59%
Men 36 years and older	37.41%
Rate of HIV/AIDS infection	23%
Amount needed to bring population to the poverty line of one dollar per day. (Poverty Gap has doubled in 10 years)	R800 mil
Gini Coefficient (High levels of inequality. Gini Coe ficient of 1 is highest level of inequality possible)	0.67
Percentage of people living in poverty	68%

Employment Rate	15%
House or brick structure in a separate yard	28.3 %
House or brick structure on a separate stand or yard	69,1%
Households Without Basic Access to Water	74%
Households Without Basic Access to Sanitation	68%
Households Without Basic Access to Energy	75%

Approximately 18% of the population is located within the urban areas of the municipality and approximately 82% is located in the rural areas.

Based on the age breakdown of the population, approximately 72 % of the population within the district are less than 35 years old. The population composition by gender shows that 68.01% of the female population are in the 0-35 age category whilst 31.99% are older than 35. 77.23% of all males are under 35 years of age and 22.77% of all males are over 35 years of age. The percentage of women in the population starts to increase from the 20 to 24 age group. For those older than 35, 62.59% are female and 37.41% are male. The gender composition of the population is shown in table below.

uMzinyathi Municipal Area Age & Gender Profile 2005

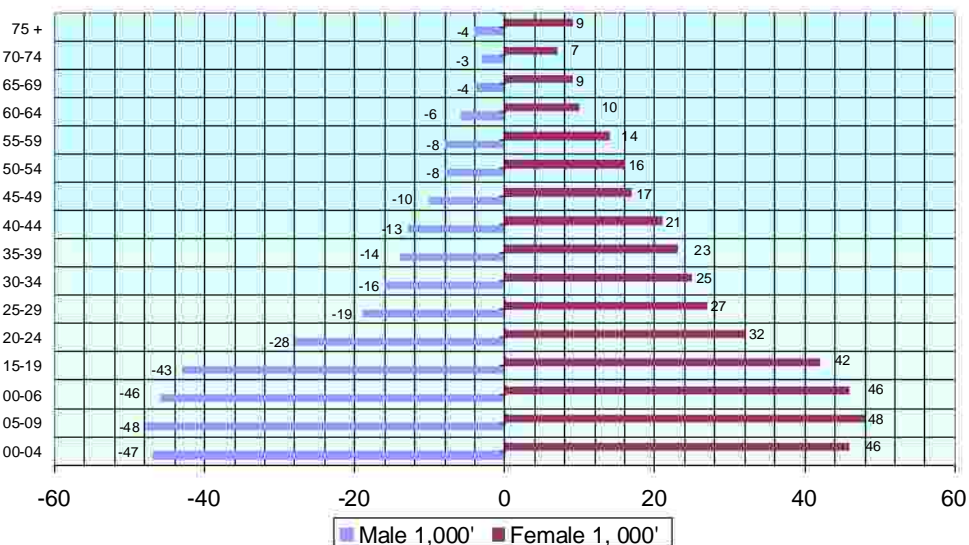


Figure No 1: uMzinyathi Municipality Area Age and Gender Profile 2007
Source: Global Insight Southern Africa RX Data Set 2007

4. CHALLENGES

Umzinyathi District Municipality is divided spatially economically between North and south, which are quite distinct with their respective nodes (Dundee and Greytown) separated by a distance of 180 kilometres. The District does not fall within a primary economic corridor or node, it is thus not a priority investment destination for public or private sector in terms of KZN Spatial Economic Development Strategy (2005). It is however an Integrated Sustainable Rural Development n (ISRDP), priority secondary corridors which are economic activity corridors, and they are as follows:

- Greytown – Msinga – Madadeni (SC 12)
- Nkandla – Nquthu – Vryheid (SC 13)

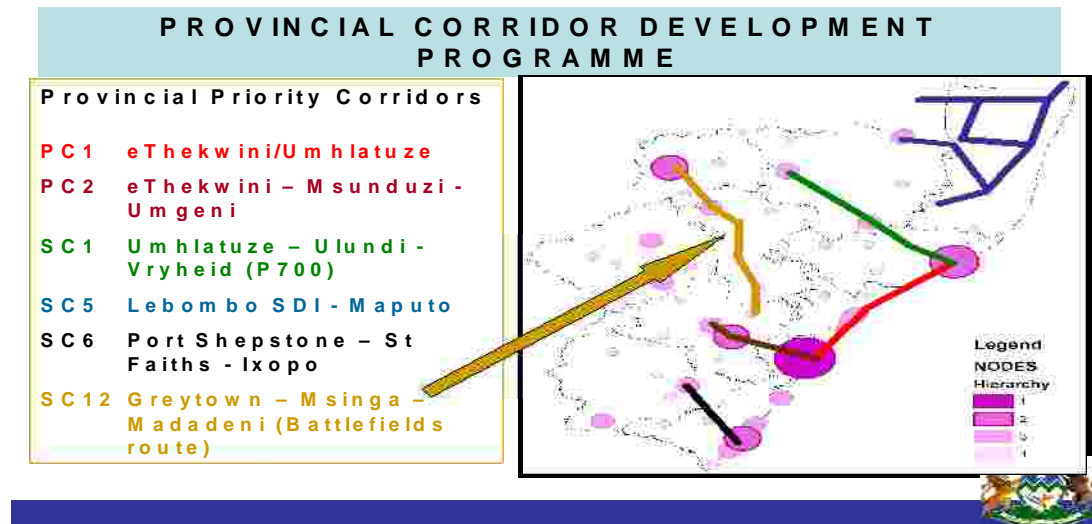


Figure No 2: Provincial Spatial Economic Development Strategy (2005)

4.1 HIV/AIDS, Poverty and Inequality

In Umzinyathi District Municipality, the HIV/AIDS infection rate for 2005 was 23% (Monitor Group, 2006) which is lower than the national average of 27.9% and significantly lower than the 37.5% average for the province of Kwazulu Natal. The province has the highest HIV prevalence rate in South Africa.

4.2 Education and Skills Levels

Only 3.7% of the adult population of Umzinyathi has a post-matric qualification and about 11% have Grade 12. 44% of adults over 20 have had no schooling with the highest rate of non schooling being Msinga which accounts for close to 50% of those in the district who have never been to school.

The District lacks significantly behind national averages where no schooling stands at about 15% and over 20% of all adults over 20 have at least Grade 12. The poor educational status of the district and consequent low skills level will be a major constraining factor on economic growth for the area in the medium term.

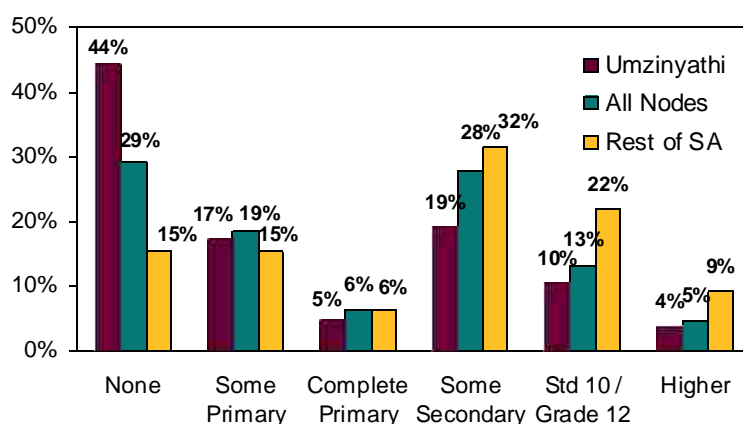


Figure No 3: Monitor Group: Economic Profiling (2006)

4.3 Levels of Poverty and Inequality

An economic Base study of the ten District Municipalities in the Province undertaken in 2006 on behalf of the Department of Economic Development provided analysis on Human Development Index (HDI) for each of the ten Districts. The HDI is a summary indicator of human development developed by the United Nations Development Programme (UNDP). The HDI measures life expectancy, education and per capita income. Against these measures, the study revealed that Umzinyathi has the second lowest HDI in the province behind Umkhanyakude District Municipality

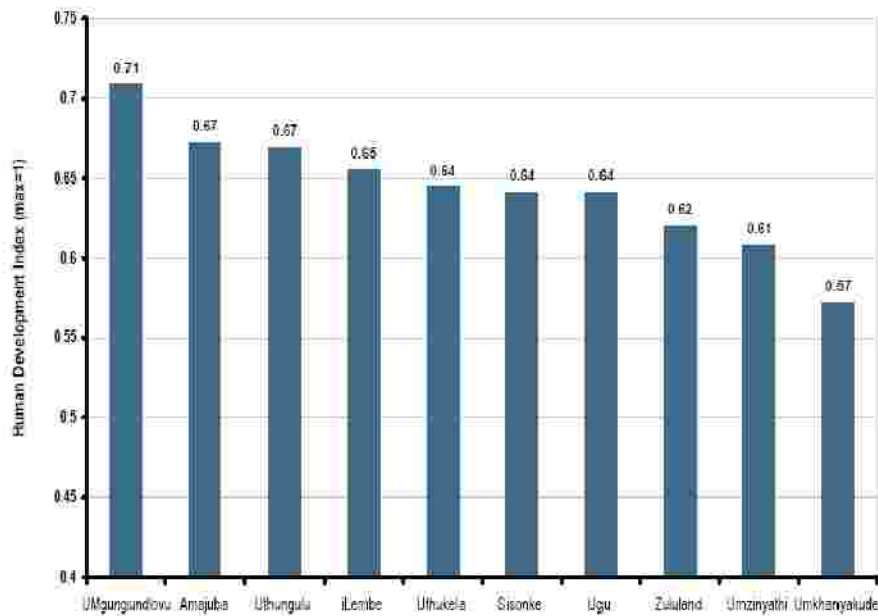


Figure No 4: Sub-provincial Human Development Index (HDI) Estimates, 2004
 Source: Economic Baseline Study for Ten Nominated Districts in KZN – 2006 (Graham Muller and Associates)

4.4 Unemployment Rate

An economic base study (2006) indicated that Umzinyathi had the highest unemployment rate of all 10 District Municipalities in the Province in both female and male population (68% and 62% respectively) based on the 2004 labour force surveys

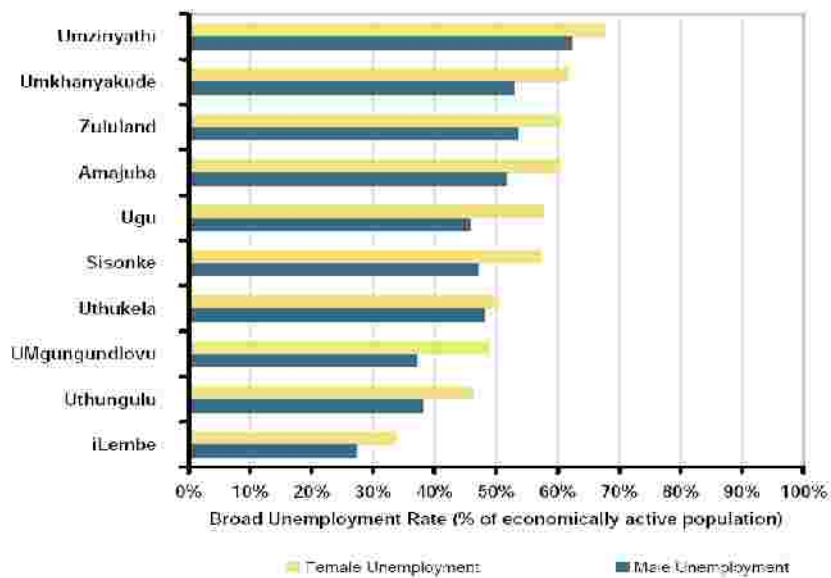


Figure No 5: A comparison of broad male and female unemployment rates across KZN, 2004
 Source: Economic Baseline Study for Ten Nominated Districts in KwaZulu-Natal, May 2006 (Graham Muller and Associates)

4.5 Economic Status

The Umzinyathi District Municipality economy is the third smallest district economy in the province of KwaZulu-Natal with a Gross Domestic Product (GDP) of R 2,6 billion (Monitor Group 2006) and GDP per capita of about R 660 (Urban-Econ Study 2004)

This is well below the Gross Domestic Product (GDP) average for the Province. When the Gross Domestic Product (GDP) of the District is compared to other District Municipalities, the GDP per capita for Umzinyathi District Municipality was the second lowest in the province and GDP basic value the was the third lowest in 2004. In terms of economic performance over the period 1996-2004 the Umzinyathi District Municipality together with Zululand and Umkhanyakude were the poorest performers in the province in terms of growth. Gijima KZN, ROP Umzinyathi District Report Global Insight, 2005) The district economy has grown at an average rate of 3,1% per annum since 1995 (Quantec 2007).

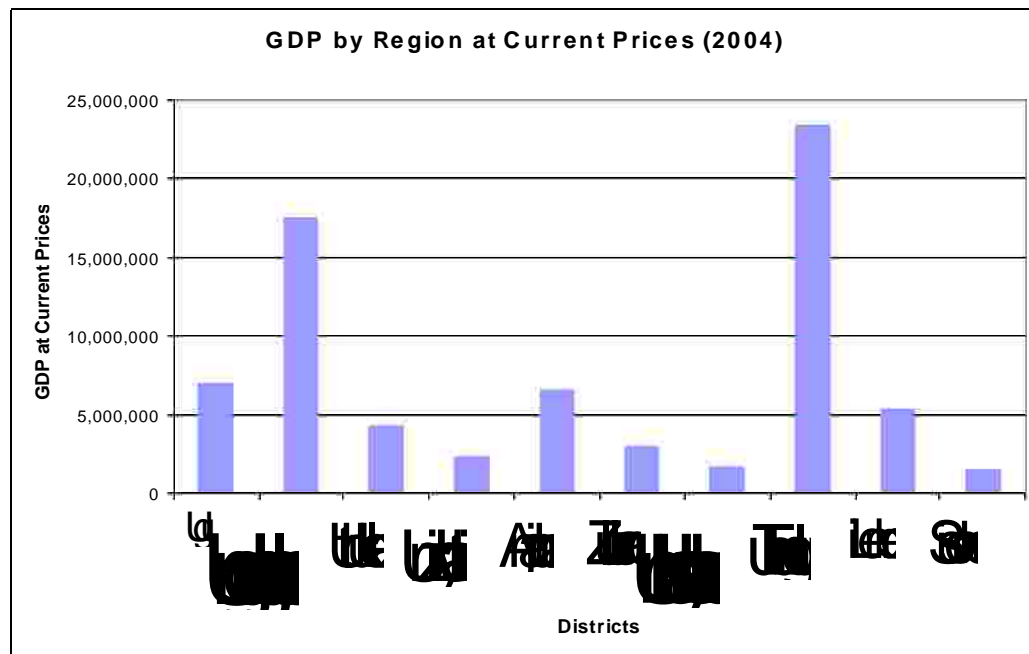


Figure No 6: GDP by Region at Current Prices (2004)
Source: (Urban-Econ Study 2004)

4.6 Service Backlogs in the Local Municipalities

The issue analysis stemming from the local municipalities during the 2007/08 IDP included concerns about service backlogs. Local municipalities within the district stress the importance of addressing service backlogs including sanitation, water, sources of energy, refuse removal and pollution¹. More than 68% of the population are dependent on candles, wood and paraffin as sources of light and energy. Within Msinga and Nquthu, this dependency soars to 88%.

There are high levels of air pollution as a result of the use of wood as a major source of energy for domestic cooking and heating especially during the cold winter months. "Service backlog" is usually understood to mean "those still to be served" or "those not yet served to a particular Level of Service (LOS)". Jeffares and Green (Pty) Ltd define service backlogs as applicable to those households that do not receive the following level of service in respect of Water; Sanitation, Roads, Electricity, and Refuse:

Service	Level of Service
Water	25l/cap/day within a 200m walking distance
Sanitation	Minimum VIP toilet / household
Electricity	Household connection to Eskom / municipal grid or solar panels. 10Ampere – 50kWh / month free to all households
Refuse	Each household should have reasonable access to a communal skip from which waste is removed weekly
Roads	All weather access to within 500m of each dwelling (gravel road – width 4.5-6m)

Source: Jeffares and Green (Pty) Ltd 2007: 6

The following breakdown of service backlogs by local municipality are highlighted by Jeffares and Green (Pty) Ltd:

Endumeni Local Municipality

This LM is unique, its population is predominantly urbanised or based on commercial farms and unlike the other LM's there is no tribal authority land and hence the backlog is comparatively low.

Endumeni	Water	Sanitation	Electricity	Refuse
Served	6329	10382	8615	9279
Not Served Backlog	6494	2441	4208	3544
Total	12823	12823	12823	12823
Backlog	50.7%	19.0%	32.8%	27.6%

Source: Jeffares and Green (Pty) Ltd 2007: 6

¹ The backlog figures, stem from the work of Jeffares and Green (Pty) Ltd. who were appointed to conduct a "backlog" study in the uMzinyathi District Municipality in March 2007.

Nquthu Local Municipality

This LM is typical of the DM's three, rural and largely tribal authority LMs where the population is largely previously disadvantaged and relatively dispersed and where services are scarce and often at rudimentary levels i.e. lower than the defined minimum LOS. Average backlogs in this LM tend to be high when compared to more urbanised areas.

Nqutu	Water	Sanitation	Electricity	Refuse
Served	8243	8767	5057	2775
Not Served Backlog	23904	23380	27090	29372
Total	32147	32147	32147	32147
Backlog	74.4%	72.7%	84.3%	91.4%

Msinga Local Municipality

Owing to its rugged terrain Msinga's population is relatively dispersed and where services exist they are concentrated along road infrastructure and water sources such as the Tugela River. Service backlog is high notwithstanding significant interventions to address the backlog.

Msinga	Water	Sanitation	Electricity	Refuse
Served	2211	3987	2810	839
Not Served Backlog	30325	28549	29726	31697
Total	32536	32536	32536	32536
Backlog	93.2%	87.7%	91.4%	97.4%

Source: Jeffares and Green (Pty) Ltd 2007:6

uMvoti Local Municipality

This LM is comprised of urban areas, commercial agricultural areas and tribal authority areas all of which exhibit typical characteristics associated with these settlement types. Service levels in urban areas are high except for informal areas, in commercial agricultural areas they are relatively high as farmers their own services and in tribal authority areas they are low to moderate. Thus backlog levels tend to average out in this LM which tends to skew the picture at community level.

Umvoti	Water	Sanitation	Electricity	Refuse
Served	8536	9305	8213	5990
Not Served Backlog	14056	13287	14379	16602

Total	22592	22592	22592	22592
Backlog	62.2%	58.8%	63.6%	73.5%

Source: Jeffares and Green (Pty) Ltd 2007: 6

Water, sanitation, electricity and refuse backlogs particularly in the rural areas are of concern. Based on the analysis of backlogs of each local municipality, herewith is the table below that indicates the District perspective on backlogs:

TABLE NO 2: WATER, SANITATION, ELECTRICITY AND REFUSE BACKLOGS IN UMZINYATHI DISTRICT MUNICIPALITY	
Backlogs	Percentage
Water	74%
Sanitation	68%
Electricity	75%
Refuse	81%

Source: Jeffares and Green (Pty) Ltd 2007: 6

The current implementation of water and sanitation projects through MIG allocation to the value of R 100,630,000.00 will have major implication in reducing the water and sanitation backlog by 10%.

The vast majority of the people in the district source water from rivers or streams. This accounts for 93.2% of the water supply in Msinga, 62.2% in uMvoti and 74.4 % in Nquthu. Only 14.6% of the population have piped water within their yard. eNdumeni has 37% of its population supplied with piped water inside the dwelling and 42 % of the population have pipes in the yard. The breakdown of the water services are shown in Table No. 3.

TABLE NO. 3: WATER SUPPLY SERVICES					
Main Water Supply	eNdumeni	Nquthu	Msinga	uMvoti	uMzinyathi
Piped water inside dwelling	37,2	3,4	1,1	15,4	9,9
Piped water inside yard	42,4	8,3	3,5	22,6	14,6
Piped water on community stand: distance less than 200m from dwelling	6,3	17,2	2,5	4,3	7,8
Piped water on community stand: distance greater than 200m from dwelling	7,1	28,3	8,1	6,4	13,7
Borehole	0,5	11,8	11,2	3,7	1,1
Spring	1,9	11,3	6,2	8,2	2,9
Rain-water tank	0,5	1,0	1,2	1,6	31,3
Dam/pool/stagnant water	0,9	2,2	4,3	3,0	2,9
River/stream	1,6	13,5	58,4	32,7	31,3
Water vendor	0,2	0,6	1,2	1,0	0,9

Other	1,4	2,4	2,3	1,2	1,9
Total	100,0	100,0	100,0	100,0	100,0

Demarcation Board , Statistics South Africa (Census 2001)

o Energy

Eskom power grid supplies the urban areas of the District and those areas along the major roads. However there is very little power supply in the rural areas. In rural areas much of the energy for cooking and heat is from wood. In those areas where there are wattle plantations, or where wattle has become invasive, this is a good supply of wood. However there is little indigenous wood for use as an alternative source, and the use of a scarce resource for firewood should not be encouraged.

There is a potential for using solar power throughout the District, as there are many sunny days. In the mist belt, in summer, the sunny days may be more limited, but this should not preclude investigations into this sustainable and relatively cheap energy source.

Hydro-electric power is also a sustainable source of power, however this is only practical in areas where there is a constant flow of water and good drop, some areas near Kranskop may be suitable. The sources of energy usage across the district are shown in Table No. 4.

TABLE NO. 4: ENERGY SOURCES IN UMZINYATHI DISTRICT MUNICIPALITY					
Source	eNdumeni	Nquthu	Msinga	uMvoti	uMzinyathi
Electricity	67.8	16.8	8.4	36.7	25.4
Gas	0.1	1.1	0.3	0.2	0.5
Paraffin	1.3	10.0	2.5	0.9	4.2
Candles	30.4	71.0	87.7	61.3	68.9
Solar	0.1	0.4	0.5	0.2	0.3
Other	0.4	0.8	0.7	0.7	0.7

(Demarcation Board , Census 2001)

- The integrated waste management plan

The Integrated Waste Management Plan was completed by iV3 Engineers in January 2006. This section is based on the report addressing waste management in the district.

Within the rural parts of the municipality, approximately 94% of the population have no access to refuse removal services. The urban areas are fairly well serviced with the eNdumeni IDP indicating that 68.0% of the population within its area of jurisdiction are served as shown in Table No 5:

TABLE NO 5: REFUSE REMOVAL FOR UMZINYATHI DISTRICT MUNICIPALITY					
Refuse Removal	eNdumeni	Nquthu	Msinga	uMvoti	uMzinyathi
Removed by local authority weekly	68.0	7.6	1.6	25.1	17.7
Removed by local authority less often	4.9	1.8	1.2	2.4	2.2
Communal refuse dump	3.1	0.9	1.3	1.6	1.5
Own refuse dump	22.0	62.2	44.7	57.5	49.9
No rubbish disposal	2.0	27.5	51.2	13.5	28.7

(Demarcation Board, Census 2001)

Within Umzinyathi District Municipality there are eight waste disposal sites. They include the:

- Pomeroy Landfill Site;
- Tugela Ferry Landfill Site;
- Greytown transfer facility;
- Greytown garden refuse site;
- Nquthu Landfill Site;
- Nondweni Transfer Station;
- Dundee garden refuse transfer station; and
- the Glencoe Landfill site.

The Nquthu, Pomeroy, Nondweni disposal sites operate in accordance with the regulations as stipulated by the Department of Water affairs. However, the municipality needs to regularise the operational permit conditions of the sites. The Glencoe and Tugela Ferry landfill sites are not operating in accordance with the permit requirements of the Department of Agriculture and Environmental Affairs.

This also applies to the Dundee and Greytown garden refuse and transfer facilities. The operational manuals for the transfer stations and landfill sites need to be developed to ensure that activities occurring at these sites are in accordance with sound waste disposal principles. An "Operational Plan" is required to correct this problem. A contingency process needs to be put in place for the replacement of vehicles and basic equipment.

With regards to the staffing of the facilities, all local municipalities exhibit severe staff shortages. There are several vacant posts within municipalities that should be filled. Landfill supervisors need to be appointed to ensure proper management of the disposal facilities. It is also essential that the municipal workers are properly trained for their specific tasks in relation to refuse removal.

At the Pomeroy landfill waste is disposed of over a large area and is not compacted or covered on a regular basis. Animals are also feeding at the site. At the Tugela Ferry site waste is burned which is detrimental to public health and is a cause of concern.

The major concerns stemming from the integrated waste management plan are:

- There are no waste minimisation strategies that have been developed within the local municipalities. These need to be addressed and implemented;
- The tribal areas of the different local municipalities within the district municipality do not receive a waste removal services and they need to be incorporated in the waste disposal service area;
- The new developments that are taking place in the different local municipalities must be included for the provision of a waste disposal service.
- There is illegal disposal of waste at various sites and across the uMzinyathi District Municipality. The illegal disposal should be addressed in order to manage and minimise the illegal activities pertaining to waste disposal;
- New Municipal by-laws should be drafted that are directly applicable to waste management such as illegal dumping of waste, waste minimisation and potential recycling processes;
- All Local Municipalities within the uMzinyathi District Municipality have a shortage of personnel. There are a number of temporary employees working for the Municipalities at this stage;
- The local municipalities have a number of waste disposal vehicles that are old and in poor condition that are due for replacement;
- Municipal waste records should be kept and maintained for informed future decision-making purposes and to comply with the Government's Waste Information System requirements; and
- A mitigation strategy or some form of succession planning should be developed for the expected increase in HIV-AIDS related deaths amongst personnel.

- Costs associated with addressing service backlogs

The following table summarises per LM and per service the approximate cost of addressing the current service backlog.

TABLE NO 6: COST OF ADDRESSING SERVICE BACKLOG TO THE MINIMUM LOS	
Place / Service	Cost
Endumeni	
Water	R38,964,000.00
Sanitation	R7,323,000.00
Electricity	R17,884,000.00
Refuse Site	R2,923,800
Refuse Collection (per annum)	R297,696
Nquthu	
Water	R143,424,000.00
Sanitation	R70,140,000
Electricity	R115,132,500.00
Refuse Site	R24,231,900.00
Refuse Collection (per annum)	R2,467,248.00
Msinga	
Water	R181,950,000.00
Sanitation	R85,647,000.00
Electricity	R126,335,500.00
Refuse Site	R26,150,025.00
Refuse Collection (per annum)	R2,662,548.00
Umvoti	
Water	R84,336,000.00
Sanitation	R39,861,000.00
Electricity	R61,110,750.00
Refuse Site	R13,696,650.00
Refuse Collection (per annum)	R1,394,568.00

Jeffares and Green (Pty Ltd state that it will take approximately 28 years to address this back log at a cost of approximately R1.37 billion. They report that: "The most significant shortcoming identified in undertaking this study is the inadequacy of information available to the DM.

It is recommended that critical field assessment and verification be undertaken on all existing municipal infrastructure and that it be captured and stored in an information system that is easily accessible to all stakeholders" Jeffares and Green (Pty) Ltd 2007:11). It is thus highly unlikely that the uMzinyathi Municipality will be able to meet the localised guideline of supplying all households with access to clean water by 2008, sanitation facilities by 2010 and electricity by 2012 as called for in 2005.

- Telecommunications

The introduction of new technology in telecommunications has made the speedy addressing of backlogs found in this sector possible. Approximately 11% of the population in the district have access to telecommunication services. More than % of the district's rural households are further than 10 kilometres away from fixed line telephone facilities. Msinga is the area most in need of improved telecommunication facilities since 27.8% of people in this area are more than 10km from a phone. There has also been a change to satellite telephone systems the cables were frequently being stolen. The problem of public phones being vandalised is also significant throughout the district which means that actual improvements since 1996 have been minimal.

- Housing & Land Reform – and alignment of services

The development of sustainable living environments is on the agenda for local municipalities. Consequently the Department of Traditional Affairs and Housing is supporting the development of housing plans within the uMzinyathi local municipalities. The eNdumeni, uMvoti, Msinga and Nquthu housing plans have been completed and adopted.

The District Municipality is working closely with the Department of Housing in order to ensure that housing planning is properly addressed so that the infrastructure elements of such planning can be aligned at the correct time and not after the plans have been completed as was the case with the previous three plans.

Similarly, the Department of Land Affairs is promoting "Area Based" land reform delivery across the district. There are numerous parcels of land in eNdumeni, Msinga, uMvoti and to a lesser extent in Nquthu that are included in this extensive land reform drive within the district.

- Transport Networks

The Provincial Department of Roads is responsible for 1 860km of road in the district. Of this, almost 560km is surfaced, and the balance is gravel. The R33 linking Dundee

with Greytown and serving the tourism routes is of concern for a number of reasons.

They include:

- safety and security;
- maintenance;
- vegetation along road verges; and
- signage.

The rural road networks are of concern because:

- community roads are in a poor state of repair;
- roads are not able to cope with increasing population pressure;
- there are minimal resources for roadwork; and
- poor storm water management is resulting in soil erosion.

Within the district there are farmers who rely on road infrastructure to transport their produce to markets. The issues raised by the farmers are that the poor road infrastructure impedes their operations and that there are roads which need to be upgraded to district level roads.

Signage in the District is poor, especially on district roads. This is a disadvantage to the tourism industry as many of the tourist destinations are located in rural areas.

• **Public Transportation and Rail**

A Public Transportation Plan was completed by Arup SA (Pty) Ltd in April 2006. The report states that the main kinds of public transport are mini bus taxis and the motorised transportation of goods and services. There are a total of 24 minibus-taxi ranks in the uMzinyathi area. Commuter services are provided for by 16 ranks, whilst the other 8 ranks provide both commuter and long-distance services. There are only 11 of the minibus-taxi ranks that are formalized and the remaining 11 take the form of informalized off-street ranks. Within the bus rank category, several public transport facilities double-up to cater for minibus-taxi as well as bus operations. The existing three bus ranks in Umzinyathi are all functioning together to include minibus-taxi facilities. The Bell Street bus rank in Greytown is currently not in use and this bus rank exists alone with no minibus-taxi facility. The “bakkie” & 4+1 service providers use the same facilities as the minibuses and taxi’s. The only facility that provide for the exclusive use by “bakkie” transport is located in Tugela Ferry.

The disposable income spent on public transport is limited. The main feeder routes to the towns such as Dundee, Glencoe and Greytown are well used while others, within the rural areas, are poorly used where less than 30% of the capacity is currently being taken up. On the whole, access is expensive and the long distance which need to be traveled make viable public transportation beyond the reach of many poor people in the district. The SEA reports that Public transport is very limited with Taxis only operating on the busier routes. The more rural areas cannot easily access shops, clinic and other facilities (SEA 2006:32)

In the north, the main railway line between Durban and Johannesburg passes through Glencoe. There is a rail link between Glencoe, Dundee, Vryheid, Richards Bay and Gauteng. In the south, Kranskop, Greytown and Seven Oaks are linked by rail. Use of the rail network has decreased in comparison to the use of road linkage. The decline in mining activity has also contributed to under utilisation of the rail network. Spoornet has recently undertaken to ensure that the existing rail network is upgraded and improved. Umzinyathi District Municipality is in the process of developing the Transport Plan and the output will be included in the 2009/10 IDP Review.

5. COMMUNICATION STRATEGY

Some of the tools used for communicating the IDP / Budget are as follows:

- Public engagements – one in each of the four local municipalities;
- Quarterly external newsletter;
- Monthly radio talk show by the Mayor on Ukhozi FM;
- Umzinyathi Website;
- Annual Report – planned for March of each year
- IDP Rep Forum meetings;
- Municipal Managers Forum;
- District Mayors Forum; and
- Audit Committee.

6. IDP REVIEW DEVELOPMENT PROCESS, PHASES AND KEY TIME FRAMES

The following phases in terms of the review of the IDP are being followed:

- Preparation Phase;
- Analysis;
- Strategies;
- Projects;
- Integration; and
- Approval.

The 2008/09 IDP Review Process Plan was presented and adopted by Council in August 2007. The details of the activities for the process plan are as follows:

ACTIONS	TARGET DATE
Assist the Mayor in the preparation of time schedule for the Budget and IDP Review and Process Plan, Budget related policies and community consultation	August 2007
Meeting with the IDP Managers of the local municipalities for the alignment of the process plan	14 August 2007
Council adopts the IDP / Budget Process Plan	24 August 2007
UDM to provide the notice to the public of the process to be followed for the IDP / Budget.	September 2007
Review and Update of the IDP Status, Identify Key Issues and address the MEC comments	September 2007
1 ST UDM IDP Steering Committee Meeting - inception meeting	01 November 2008
Review budget related related policies	November 2007
Determine guidelines for 2008/09 Budget	November 2007
IDP new format workshop	21 November 2007
1 ST UDM IDP Representative Forum	05 – 06 December 2007
Review Budget / IDP 2007/08	January 2008
Receive entity Budget from Uthukela water	January 2008
2 nd UDM IDP Representative Forum - Alignment & integration of project lists, sector plans, finalizing implementation programmes & Spatial Dev Frameworks	07 February 2008
Meeting with HOD's to align programmes and projects	12 February 2008
IDP / Budget Council workshop – to provide Council with progress to date and to obtain input on public participation process etc	ExCo Meeting – 13 March 08 Council Meeting – 27 March 08
Alignment of the Budget and IDP	March 2008
Council to consider the first draft of municipal Budget & IDP and resolve to submit it to the department for assessment	27 March 2008
Submission of the First Draft IDP to DLGTA for assessment purposes	31 March 2008
Consultation Process of the IDP and Budget (Public Eng ment) § Make public the documents as required by Section (17)() § Submit to National Treasury, Provincial Treasury and stakeholders § Submit to the local municipalities affected by the budget	18 April 2008 – Msinga Municipality 23 April 08 – Nquthu Municipality 06 May 08 – Umvoti Municipality 08 May 08 – Endumeni Municipality
2 nd UDM IDP Steering Committee Meeting - to finalize the objectives, strategies, programmes and projects.	April 2008
3 rd UDM IDP Representative Forum 3 - to finalize the objectives, strategies, programmes and projects	April 2008
Advertisement of the draft IDP and Budget for public comments for a period of 21 days	23 April 2008
Approval and adoption of the 2008/09 IDP and Budget	28 May 2008
Submission of IDP to DLGTA (within 10 days)	June 2008
Commence with the implementation of the Budget and IDP.	July 2008

SECTION B: SITUATIONAL ANALYSIS

1. STATUS QUO ANALYSIS OF THE MUNICIPAL AREA

1.1 Powers and Functions

In order to develop a functional capacity of the municipality, it is necessary to be aware of the powers and functions as they were Gazetted. The functional responsibilities applicable to uMzinyathi District Municipality in relation to the local municipal functions, which have a bearing on district responsibilities, are shown in the table below.

The District functional responsibilities are shown in light blue and the related local municipality responsibilities for that particular function are shown in orange. The yellow coloured areas represent shared functions. Local jurisdiction is shown with an L.

TABLE NO 7: DISTRICT MUNICIPALITY FUNCTIONS AND RESPONSIBILITIES		241	242	244	245
1	Water and sanitation				
2	Integrated Development Planning at District Level, Framework Plans & the support of local municipalities	L	L	L	L
3	Passenger transport regulation				
4	Tourism promotion at District level				
5	Local tourism	L	L	L	L
6	Solid waste disposal sites - strategy relating to regulation of waste disposal and establishing operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality				
7	Municipal roads which form an integrated part of a road transport system for the area of the district	L	L	L	L
8	Municipal airports serving the area of the District Municipality as a whole				
9	Municipal environmental health serving the area of the District Municipality as a whole				
10	Fire fighting services for district municipality including planning, co-ordination and regulation, specialised services as mountain, veld & chemical fires services; co-ordination of standards of infrastructure, vehicles, equipment and procedures. Training of fire officers	L	L	L	L
11	Fresh produce markets and (abattoirs) serving the area of the District Municipality as a whole				
12	Cemeteries and crematoria	L	L	L	L
13	Municipal public works relating to any of the above functions and/ or other functions assigned to the District Municipality				
15	The receipt, allocation and, if applicable, distribution of grants made to the District Municipality				
16	The imposition and collection of taxes, levies and duties as				

TABLE NO 7: DISTRICT MUNICIPALITY FUNCTIONS AND RESPONSIBILITIES		241	242	244	245
	related to the above functions or may be assigned to the District Municipality in terms of National legislation.				
17	Air Pollution				
18	Building regulations	L	L	L	L

Fulfilled functions are indicated as the shaded blocks

1.2 Institutional Analysis

An analysis of the staff by gender, race and occupation has been undertaken. The analysis applies to the staff distribution excluding the new posts to be filled since gender and employment equity would need to be considered in relation to the potential candidates for the new positions.

There are 59 people employed by the Municipality. The distribution of staff by gender, race and occupation is as follows:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	01								1
Senior Management	02								2
Professionally qualified and experienced specialists and mid-management	09					01			10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	14			01	07		01		23
Semi-skilled and discretionary decision making	01				12		01	03	17
Unskilled and defined decision making	02				04				6
Grand Total	29			01	23	01	02	03	59

Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Umzinyathi District Municipality is currently in the process of filling in the vacant critical posts and employment equity through the employment equity plan would apply. As part of ongoing training for the employees, the municipality has a workplace skills plan in place which determines the training needs of the employees and then they are capacitated.

1.3 Spatial Economy: National and Provincial Context

Within the National context, KwaZulu-Natal is second to Gauteng in its contribution to the economy of the country. A summary of the contributions to GDP is shown in Table hereunder:

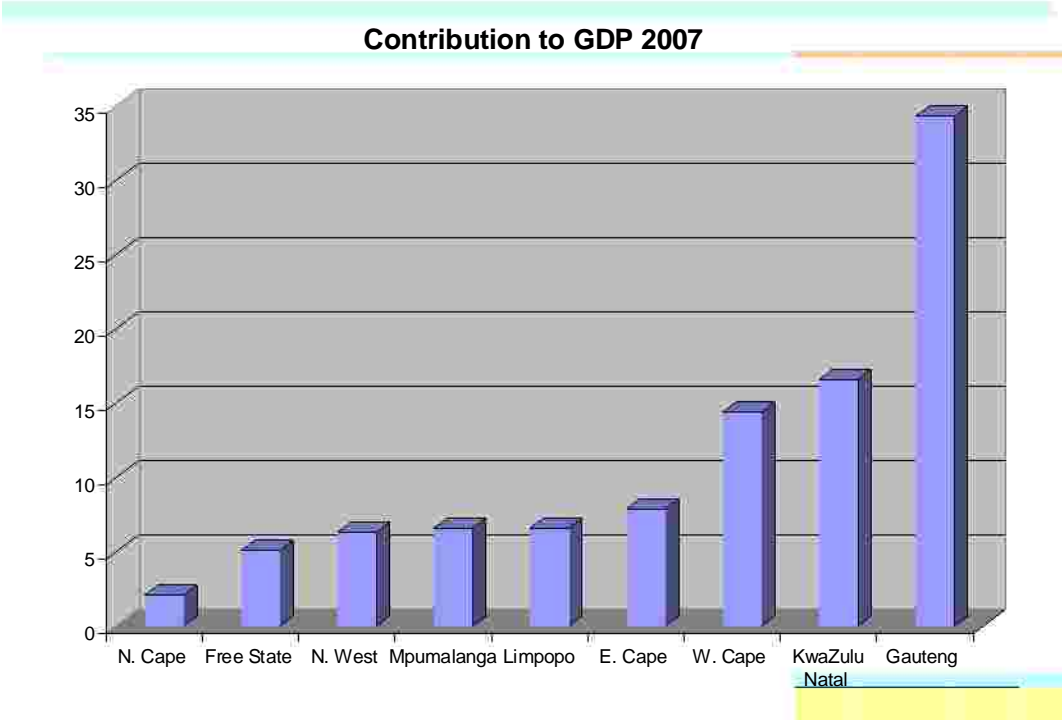


Figure No 7: Provincial Contributions to GDP 2007
Source: Quantec Regional Economic Data 2007

Within KwaZulu-Natal, eThekweni provides for 64.1% of the contributions with transportation, finance, trade, manufacturing and construction being the key sectors. uMzinyathi contributes 1.6% to the provincial economy with the main contributions coming from the agriculture, mining, construction, services and trade sectors as shown in the Table No 8:

Out of the 11 contributors shown in the below, uMzinyathi is ranked tenth in its contribution to the provincial economy.

TABLE No 8: UMZINYATHI MUNICIPALITY IN RELATION TO THE PROVINCIAL CONTRIBUTIONS												
(Source: Urban Econ uMzinyathi Growth and Development Summit 2007)												
Sector	Ugu	uMgungundlovu	uThukela	uMzinyathi	Amajuba	Zululand	uMkhanyakude	Uthungulu	iLembe	Sisonke	eThekweni	Total
Agriculture	7.5	22.9	4.1	5.0	1.4	7.0	2.5	10.2	8.8	11.4	19.1	100.0
Mining	3.1	3.3	1.8	2.6	16.8	12.8	2.0	38.4	1.7	0.5	16.9	100.0
Manufacturing	2.0	8.9	3.7	0.9	4.5	1.2	0.5	9.3	4.9	0.6	63.5	100.0
Services	6.2	19.5	13.4	2.2	3.4	1.2	0.7	3.5	1.0	1.0	47.7	100.0
Construction	4.1	11.8	3.0	2.2	2.9	3.8	1.5	7.6	2.6	2.2	58.2	100.0
Trade	3.7	10.9	3.2	1.7	3.3	2.0	1.5	5.7	2.2	1.5	64.4	100.0
Transport	2.1	6.8	3.3	0.7	1.8	1.8	0.9	6.5	2.0	0.7	73.2	100.0
Financial	3.2	9.1	2.4	1.2	2.1	2.5	0.7	3.8	1.8	0.8	72.4	100.0
Community & social services	4.5	11.0	3.5	1.5	2.4	3.1	2.0	8.3	3.3	1.4	58.9	100.0
General govt	4.0	14.1	3.9	2.8	3.9	5.2	2.6	6.1	3.2	2.5	51.7	100.0
Total	3.3	10.7	3.6	1.6	3.3	2.8	1.2	7.3	3.2	1.7	61.4	100.0

1.4 Spatial Economy: Major Patterns and Trends

The four lead sectors in the economy are government services, agriculture and forestry, manufacturing, trade and business services. The contribution of each sector to the GDP is shown in Table No 9:

TABLE NO 9: GDP BY MAJOR SECTOR			
SECTOR	1995	2005	CHANGE
Government Services	25.49	19.97	-5.52
Agriculture & Forestry	16.88	15.69	-1.19
Manufacturing	13.87	13.51	-0.36
Trade	12.67	15.87	3.20
Finance/Business Services	9.82	12.35	2.53
Community Services	6.29	5.51	0.78
Transport & Communication	5.37	6.30	0.93
Mining	3.14	2.46	0.68
Electricity	3.04	3.40	0.36
Construction	2.32	4.12	1.80
Hospitality	0.97	0.72	0.25
Water	0.16	0.09	0.07

There has been a decline in the government services, agriculture and manufacturing sectors with growth occurring in the trade and financial sectors. This trend is mirrored in the Provincial and National economy. Agriculture, within uMzinyathi has the potential for steady growth. Growth which started in 2006 and is predicted to progress to a robust position in 2010 as shown in Figure below:

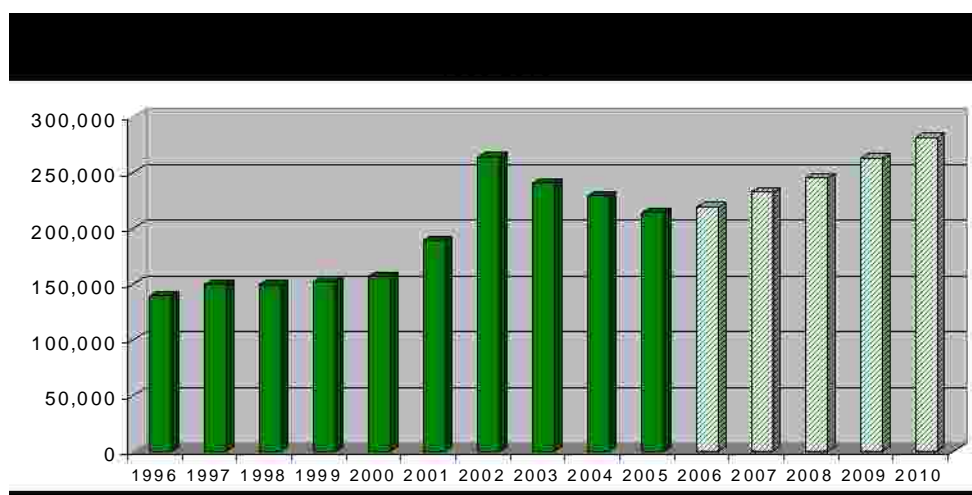


Figure No 8: uMzinyathi District Municipality GVA for Agriculture 1996-2010
Source: Global Insight Southern Africa RX Data Set 2007

The implications of this predicted growth, particularly in forestry and stock farming needs to be harnessed for systematic restructuring based on:

- effective infrastructure development;
- sound partnerships between service providers and the private sector ;
- the growth and retention of expertise and skills; and
- the reduction of “red tape” and processes which slow businesses down.

Central to the growth of the district is the development of the trade sector. Provincially, trade and services are seen to be growing and overtaking the primary sectors. In this context, trade and its sub-sectors of tourism and services are becoming the generators of growth. The tourism potential of the district is high and well branded as the “Battlefields” area in the International arena. Therefore, in the uMzinyathi district, the predicted growth in the food and beverages sectors also needs to be highlighted alongside the potential for tourism development. This is shown in the Figure No 9:

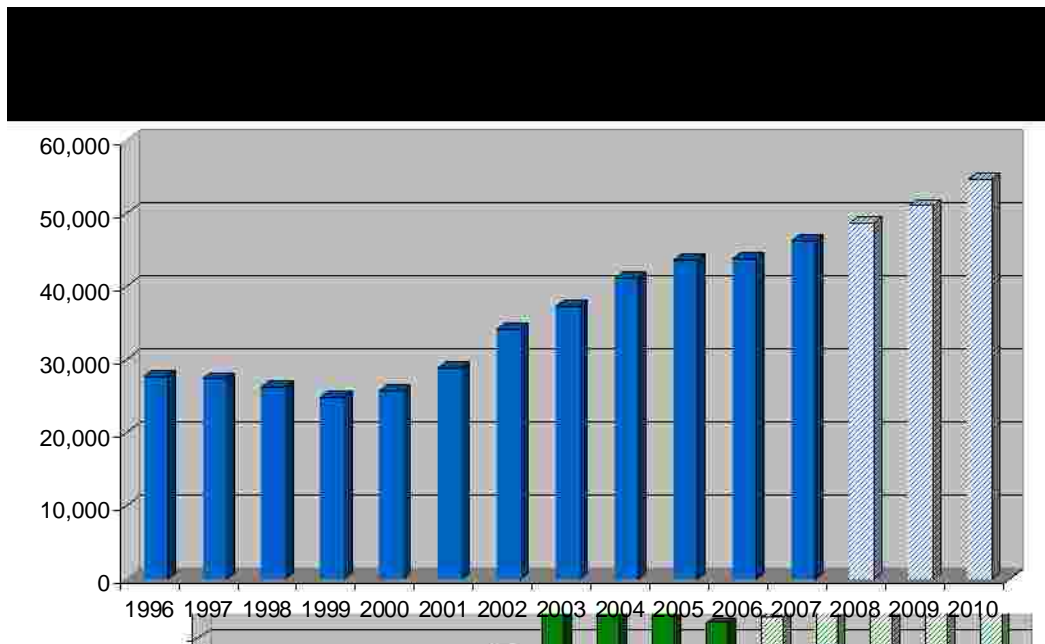


Figure No 9: uMzinyathi Food and Beverages GVA 1996-2010
Source: Global Insight Southern Africa RX Data Set 2007

The key trade sub-sectors which are growing are shown in Figure No 10:

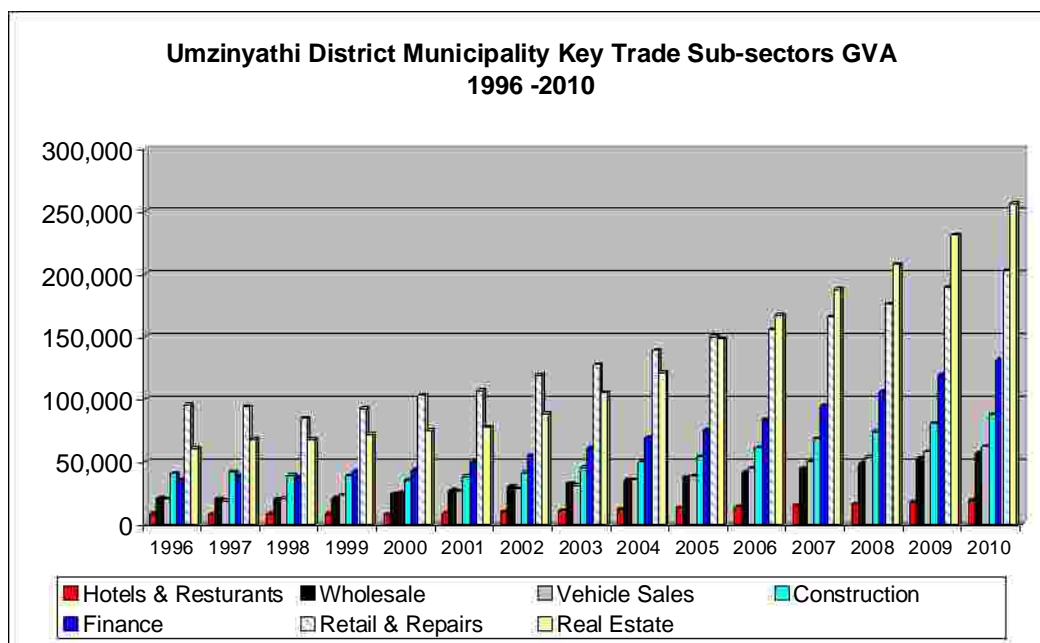


Figure No 10: uMzinyathi Key Sub-sectors 1996-2010
Source: Global Insight of Southern Africa RX Data Set 7

The trade sub-sectors showing growth are Real Estate and Retail & Repairs and Services followed by Finance and Construction. These are hence important sub-sectors for development strategies. In relation to labour trends, there is a growth in employment in the Community Services and Trade sectors with a reduction in employment in the Agricultural and Manufacturing sectors. This is shown in Figure No 11.

The employment distribution in the second economy is shown in Figure No 12. Trade and Community Services in the second economy are the most employment rich sectors followed by Construction and Manufacturing activities. Trade in products ranging from arts and crafts, food, fruit and vegetables, medicinal plants and remedies, clothing, cell phones and trinkets seem to dominate the second economy.

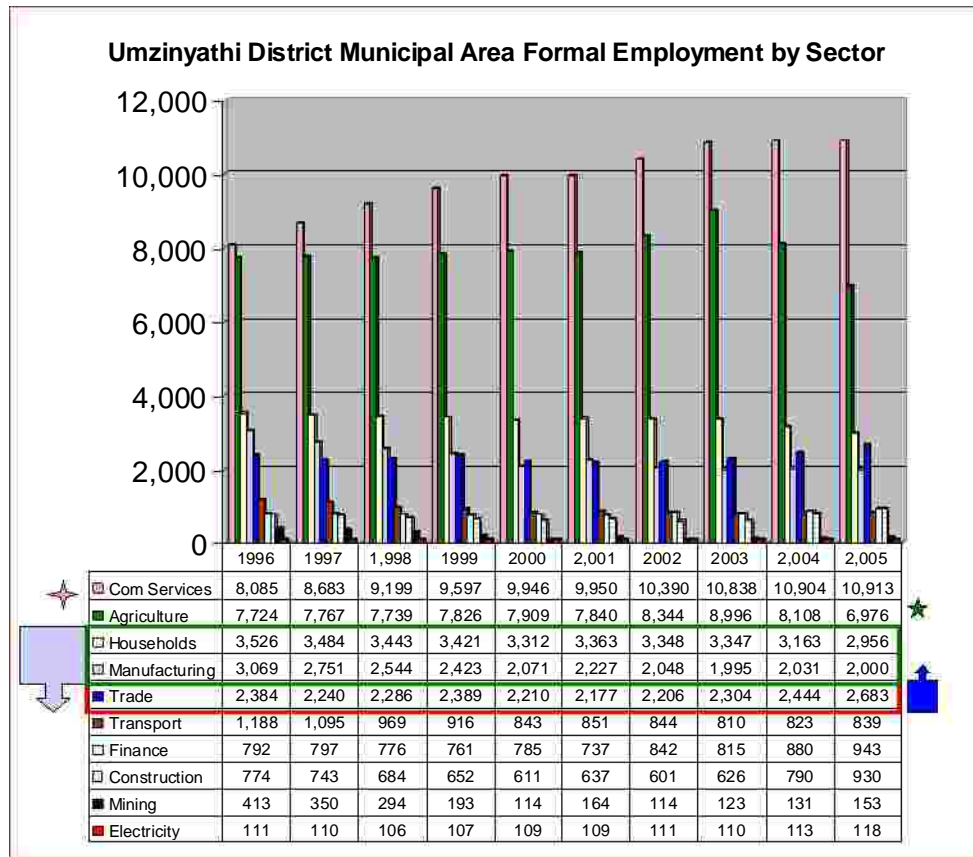


Figure No. 11: uMzinyathi District Area Formal Employment by sector
 Source: Global Insight Southern Africa RX Data Set 2007

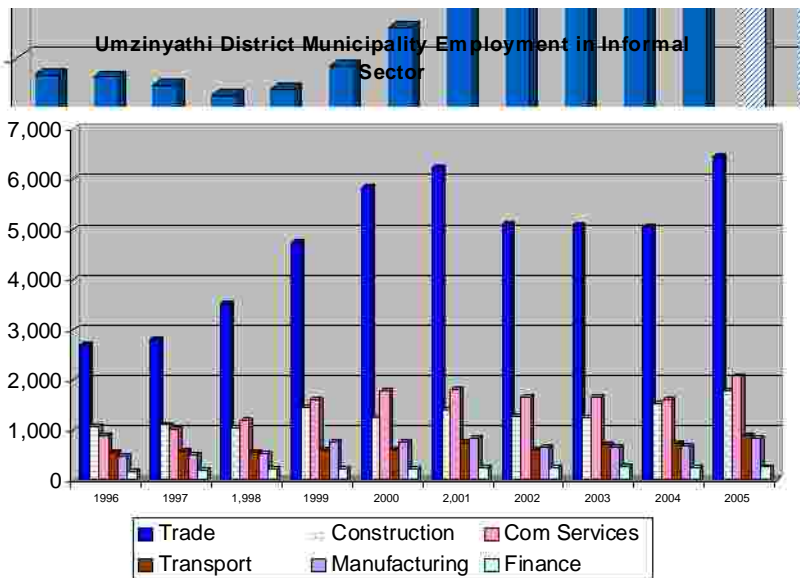


Figure No. 12: uMzinyathi Employment in the informal sector 1996-2005
 Source: Global Insight Southern Africa RX Data Set 2007

1.5 Strategic Environmental Analysis:

A Strategic Environmental Assessment was reviewed to support the IDP process. The core cross sectoral issues are briefly summarised in this section.

○ Rainfall , soils and climatic conditions

Rainfall is variable across the District, with most rain falling in the summer months. The rainfall ranges from 600mm/yr to 1200mm/yr. The largest rivers in KwaZulu-Natal flow through the District (Uthukela, Buffalo, Mooi Rivers). These rivers are perennial and would provide more than enough water for the District. However they are located far from the urban areas of Greytown and Dundee. Water supply to these towns and other urban centres is from boreholes and small dams. Wetlands are important features in the landscape with many valuable functions.

The District has very cold winters in the high lying areas and mild summers. This climate is ideal for agriculture throughout most of the year, but supplementary feeding of stock is required in winter.

The soils are as variable as the climate with some excellent arable areas while other soils are highly erodable. Most of the agricultural soils with the lowest potential are in severely degraded conditions due to bad agricultural practices in the past.

○ Valuable ecosystems

The wide variety of ecosystems and habitats in the district, allows for a very **high biodiversity** as a whole. Some areas have especially high conservation value due to the presence of endemic² species. There are a wide variety of habitats in this district, which allows for a large number of different kinds of plants and animals. The plants range from the large trees³ in the small patches of forest, to the many different kinds of grass species⁴ in the extensive grasslands.

Some of the rarest animals are birds and small creatures like reptiles, frogs and invertebrates. Examples of these are Wattled Cranes and Cape Parrots, Cream Spotted Mountain Snakes and Mistbelt Chirping Frogs. These animals have very

² Plants or animals not found anywhere else.

³ For example, "Podocarpus sps" - Yellowwood trees

⁴ For example Hyparrhenia hirta (Thatch grass) and Themeda triandra (Rooigrass)

specific habitat requirements, which are usually not common e.g. wetland or forest. This means that if the area that they live in is protected then they could survive, but they are very vulnerable to changes in the ecosystem.

This type of animal is often referred to as a **indicator** species because, if their numbers decline, they may be reflecting, or be indicative of, other changes in the ecosystem that are otherwise not apparent to people. Frogs are a good example of this, as they are extremely sensitive to poisons. Should their numbers start to drop then levels of poison in the water may be increasing, but is not yet at a level where people and animals are affected. However the authorities should then be able to take action preventing further contamination and damage to the health of surrounding people and stock.

Other species have a very high resource value and are in demand. They may occur in habitats that are common but because the community uses them, they become rare. An example of these is muthi plants like *Eucormis autumnalis* (Zulu – uMathunga) and *Bowiea volubis* (Zulu – iGiisila).

The agricultural potential of some areas is very high. Unfortunately that of the Valley Bushveld BRG, which is found in the Uthukela and Mooi river valleys, and covers a very large area of the District, has a low potential for agriculture. Stock farming, both in feedlots and on veld, is the most extensive agricultural enterprise. Areas with good soils and irrigation do produce high value crops. Timber is also an important product. Farming throughout the area requires skilled farmers. Mining too often, over stocking, poor cultivation practices, could easily destroy the agricultural potential.

Coal mining has been important in the area in the past. The closure of coal mines has resulted in polluted water running off the dumps as they have not been rehabilitated properly, in some cases, and has also impacted badly on the economy where work on the mines is no longer available.

Erosion in some areas, and the sand trapping abilities of wetlands and slower rivers, has resulted in **sand** becoming available for sand winning. Where this is licensed and conducted according to an environmental management plan (**EMP**) this can be a lucrative use of resources. However care must be taken not to impact on the water resources associated with the sand winning areas by polluting the water, or changing

the volume and velocity of water in the system.

- **Integrated industry and social considerations**

Most **industry** in the area is associated with **agriculture** or **hand work** (carpets, bead work) by trained artisans. The use of natural product , **water**, by aQuellé, is a national brand. This sector of the economy does not employ significant numbers of people.

Many of the religious communities in the District are providing **welfare** support for the local people, especially as the high incidence of **HIV/Aids** has left many orphans and vulnerable children who not only need physical care but bereavement counselling as well. Public facilities – **Drop In Centres** and **Homes** have been provided in some areas but may not be achieving their full potential due to capacity constraints or other problems that must be addressed. Churches sponsor crèches and hospices with little support from government structures.

The Department of Health does have plans for a Communi Health Centre but this has not been put into practice. There are district level hospitals at Dundee, Greytown and Nquthu. The closest Regional hospitals are in Madadeni, near Newcastle and Greys Hospital in Pietermaritzburg. The only hospice in the District is at Maria Ratschitz Mission, which has beds for 10 people only. This mission also runs home care training and life skills training for the youth to try and reduce the number of young people infected with HIV.

There are 43 Primary Health Care Clinics in the district. There is a home for the intellectually disabled, which can accommodate 60 adults in Dundee called the Dundee Adult Care Centre. The Princess Mkabayi Children's Home in Nqutu provides care for 50 children even though it can accommodate 85 children. These are not necessarily orphans but children who may have been abandoned or abused. Some concern about the management of the facility was noted during the SEA site visit to the various facilities.

The Umzinyathi Community Education Centre is one **education** initiative, which is a credit to the District.

- **Indicators and ecosystems**

In much the same way that a flashing indicator light warns people that a car is turning, certain changes in the natural environment can warn people that something is happening which will make the natural environment 'change' direction, often for the worse.

These indicators can be simple things e.g. a change in the size of a wetland, a change in the number and type of species in an area, or even changes in the things people do. A good, fairly affordable way, of tracking changes in indicators is the use of regular aerial or **satellite photographs** of the whole district to enable planners and environmentalists to have an overview of changes in the area.

Indicators, with their causes and mitigations, are found in a table in the body of the SEA and in annexure eight of the IDP. Some important social indicators that the status quo analysis brings to the fore are:

- The development of squatter camps / informal settlements near urban areas.
- The imbalance in the number of adult men and women in the District.
- The type and extent of infectious and sexually transmitted diseases.

Why are these things happening and what can be done to address these issues?

- **Opportunities and Constraints**

For almost every factor there are opportunities and constraints. Modern technology and even, in some cases, a new approaches to ancient technology, can allow these factors, such as water supply, housing, energy supply, housing, to be addressed in a much more **sustainable** manner.

South Africa has some of the best **legislation** in the world, this is an opportunity for the District, however the failure or lack of capacity in applying this legislation is a major constraint. The legislation is meant to facilitate good development on a sustainable basis, and not to hamper development. E.g. the licensing of landfill sites, or authorising of housing schemes.

Land **redistribution** will be a great opportunity for individuals or communities, but with it comes a great responsibility of maintaining and increasing the contribution that the land makes to the agricultural sector, employment, food security and the natural environment.

The main issues, analysed in relation to one another include:

- High incidence of HIV / Aids also associated with low economic status and poor access to eco-logical services such as water and food.
- Growing poverty gap associated with the high levels of soil erosion and poor land viability particularly in the rural areas;
- Severe gender imbalance in the 20-34 age group associated with few economic opportunities and stress on ecological services particularly in the rural areas;
- High levels of crime & gender based violence associated with poor health, low economic opportunities and cultural misconceptions about HIV/AIDS modes of treatment;
- Lack of social facilities in the rural areas related to poor access, topography and funding limitations;
- The cumulative social and economic effects of poor management of ecological services;
- Governance and capacity building is a problem, as many of the issues could be prevented through proper enforcement of existing policy and legislation particularly in the care of vulnerable children ;
- Soil erosion especially in the rural areas and in association with roads, pathways, quarries and inadequate water and land management;
- Loss of Indigenous vegetation and the pollution of soils and ground water associated with coal mining;
- Grassland degradation due to poor soil and grazing management;
- Poor catchments management;
- The conservation of biodiversity in inland areas is of concern;
- No rehabilitation, recycling or waste reduction in relation to poverty attacking programmes in place;
- A clearly defined district wide Open Space System is required;
- Solid Waste Management in the rural areas needs attention;
- Water pollution and waste disposal were noted as important issues;
- Ecological services rendered by the wetlands to the municipality and its neighbours is not being taken into account;
- Wetland degradation is occurring through development pressures, sewage pollution and inappropriate farming methods;
- Loss of prime agricultural land due to development pressures; and
- Road signage throughout the district is inadequate and unimaginative.

2. LOCAL ECONOMIC DEVELOPMENT ISSUES – THE DEVELOPMENT SUMMIT

The uMzinyathi Growth and Development Summit held on 19th and 20th of March 2007 which was aimed at addressing the Local Economic Development (LED) issues in the district. The intention was to reach broad agreement on a development path and programme for the district. The Growth and Development Summit was structured around the following purposes and objectives:

- Give feed-back on Provincial LED conference resolutions pertaining to District and Local municipalities;
- Work session between Government and Social partners to address economic issues in region/district;
- Contributions generated through consultations for inclusion in 2007/08 IDP;
- Reach agreement on development path and programme for district; and
- Determine each social partner's contribution.

The objectives of the Summit included the identification of:

- District wide economic potential;
- Which sectors to promote;
- Commitments sector departments;
- PPP arrangements;
- How to deal with constraints on investments; and
- Social and economic infrastructure requirements." (Growth and Development Summit Draft Report)

Three sector based commissions were set up to address the objectives:

- The Agriculture Commission;
- The Tourism Commission; and
- The Business Sector Commission.

The Summit participants ratified the proposed LED vision. It reads as follows:

“uMzinyathi shall be a self sustaining and value adding district that unlocks the full development potential of the district through partnerships ”

Each commission developed an action plan for LED which read as follows:

DEVELOPMENT PRIORITIES: AGRICULTURAL SECTOR					
OPPORTUNITY	CHALLENGES	PROPOSED INTERVENTION	TARGET DATES	REPOSIBLE AGENT	STATUS
Establish a structure to drive Agricultural Development in the district	a) No database of famers b) Lack stakeholder mobilisation	a) Identify role players b) Draft Terms of Reference and proposed process plan c) Call for the first meeting (where other possible omitted stakeholders could be identified)	31 April 2007	Umzinyathi DM & Dept of Agriculture	The database of emerging and commercial famers has been developed, through the process of the strategy. The forum has been established.
Youth and women involvement in agriculture	a) Lack of knowledge	a) Create awareness on agriculture development b) Align programme of FET with agriculture development	June 2007 June 2008	Umzinyathi & Dept of Education & Dept of Economic Development	Not completed, awaiting approval of the agricultural strategy. This has been identified as an activity in the strategy
Action on Land Reform	a) No appropriate information of transferred fams b) Ingonyama Trust Land (complications in claims and transfers) c) Lack of skills results to under and/ no effective utilisation of fams transferred	a) Proper alignment between the spheres of government on their programmes b) Provincial government to intervene c) Provide appropriate training and mentorship to beneficiaries of the programme	On going	Dept of Land Affairs, District and Local Municipalities	DLA has submitted its MTF's for this financial year, and a list of fams that have already been transferred and the ones that are about to be transferred.

Development of a District Agricultural Strategy	<ul style="list-style-type: none"> a) No proper identification on the opportunities that exist within agriculture b) No proper packaging of agricultural initiatives c) No research on market linkages (access) 	<ul style="list-style-type: none"> a) Conduct a strategy that will give clear guidance on agricultural interventions b) Develop business plan to package projects c) Do Market research 	September 2007	Umzinyathi & Dept of Agriculture	Nearing completion
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<u>DEVELOPMENT PRIORITIES: TOURISM</u>					
OPPORTUNITY	CHALLENGES	PROPOSED INTERVENTION	TARGET DATES	RESPONSIBLE AGENT	STATUS
Development of a district tourism strategy	<ul style="list-style-type: none"> a) No Proper identification of opportunities b) No packaging of developmental initiatives 	<ul style="list-style-type: none"> a) Develop a strategy to clearly identify key opportunities b) Develop business plan to package tourism projects 	September 2007	Umzinyathi	The Tourism strategy is nearing completion which will address all tourism aspects within the district.
Recognition of Tourism as one of the key economic development sectors	<ul style="list-style-type: none"> a) Tourism is not treated as a priority b) Lack financial support for tourism development 	<ul style="list-style-type: none"> a) Workshop Local government on the importance of tourism development b) Encourage budgeting for tourism developmental initiatives 	On going	Umzinyathi in partnership with TKZN , and Dept of Arts Culture & Tourism	<ul style="list-style-type: none"> -Workshops conducted - Budgeting for 2008/09 has made provision to address tourism aspects.
Interrelations with other districts	<ul style="list-style-type: none"> a) Political boundaries have created constraints on tourism development b) Lack of interrelations 	<ul style="list-style-type: none"> a) Create linkages to neighbouring routes b) Partnerships with other district to expand tourism experience 	Ongoing	Umzinyathi & Private sector	Processes to achieve the interrelations with other districts is unfolding. e.g linkages with Nkandla Forrest project, Linkages with Amajuba battlefields experience.

Transformation of the tourism industry	<ul style="list-style-type: none"> a) Tourism industry is seen as for the selected few b) Resistance to change (an inclusive sector) c) Only 0,9 % of people from the previously disadvantage communities participate in the tourism industry 	<ul style="list-style-type: none"> a) Implementation of BEE tourism Charter Score card to encourage change & partnerships) b) Create awareness on opportunities within tourism and how to unlock c) Provide support mechanism 	Ongoing	Dept of Art Culture and Tourism & Umzinyathi	To be addressed as one of the milestones of the tourism strategy once it has been completed.
Development of a district route and brochure	<ul style="list-style-type: none"> a) Failure to keep visitors b) Not much activities Limited marketing	<ul style="list-style-type: none"> a) Establish a structure for tourism development and marketing b) Identification of tourism development opportunities c) Effective marketing 	December 2007 Ongoing	Umzinyathi & Private sector	The provision has been made in the budget for 2008/09 financial year to develop the route.
Road Signage	<ul style="list-style-type: none"> a) Poor and misplaced signage around the district b) No maintenance of damaged signs 				<p>The audit for signage has been completed, new signs are currently being erected</p> <p>-The district has committed itself into annually maintenance of signage</p>
Packaging of tourism products					To be addressed as the output of the strategy.
Establishing accurate Tourism information					To be addressed as the output of the strategy

DEVELOPMENT PRIORITIES: BUSINESS SECTOR

OPPORTUNITY	CHALLENGES	PROPOSED INTERVENTION	TARGET DATES	REPOSIBLE AGENT	STATUS
1. The availability of natural	Lack of bulk infrastructure, training institutions and human resources	Create an enabling environment : Provision of bulk infrastructure, training and mentorship		Umzinyathi District, LMs and private sector, SEDA	FET college is in the process of being established in Dundee to address the

					training aspects.
2. Local business opportunities exist	Opportunities not packages and marketed both internally and externally.	Development of the District Development Agency		Gijima,	Currently liaison with IDC regarding the proposal
3. Dundee business sector exist	Lack of organised business sector in the district to co-ordinate business activities	The establishment of the District Chamber of Business.		DM and Dundee Chamber of Business	In a process of finalising the Local Municipal Chambers as the first priority.

The following resolutions were taken at the summit:

1. That we will synchronise the action plan and look at the cross cutting issues.
2. We will through our business processes initiate the outcomes of the summit.
3. Some of these action plans will require that we work very closely with the locals to realise the set objectives.
4. Our political principles will continue to strategically lead us to the right path.
5. Generic issues to be addressed in IDP engagement:
 - o Ascertain the most accurate statistics to be used;
 - o Integrate the LED initiatives that would support both business development and tourism (corridor development); and
 - o Factor the issues that came up as targets in the three sectors into the IDP so that their expression is realizable, including the land reform aspects.

It must be noted that departments, business, district and family of local municipalities were tasked with actions to implement as part of promoting economic development and integrated planning. Most of the actions that were tasked to the District and family of municipalities had been effectively implemented, it must be noted that the departments and business played a minimum role in implementing the actions that were tasked to them as part of the summit resolutions

3. SPATIAL ANALYSIS

Spatial syntax analysis reveals that the Municipality is made up of three economic areas. In the north is eNdumeni which is economically, ecologically and socially linked to the National and Provincial economic development node of Newcastle located in the district municipal area of aMajuba. The backward and forward economic linkages of this aspect of the space economy need to be explored in the strategies phase of the IDP.

In the south, Greytown is linked economically to the uMgungundlovu area and the major traffic flow is southward to Pietermaritzburg and not northward to Dundee. This has important implications for integration in the district along the north south axis. This axis is the R33 which is seen as being the major linkage road for tourism activity as well as agricultural usage. In the Provincial Spatial Development Framework, the R33 is defined as the secondary agricultural corridor. A tertiary corridor in the Provincial Spatial Development Framework links Escort to Tugela Ferry and Nkandla.

The success of this corridor will depend on a suitable linkage road being built between Tugela Ferry and Nkandla. The tourism and agricultural potential of this area needs to be investigated. The ecological linkages between the extensive wetlands in the north of the district and the catchments of eNdumeni and uThungulu are important from an economic and service provision perspective.

4. SWOT ANALYSIS

Umzinyathi District Municipality has determined the SWOT analysis as part of the preparation of the LED Strategy which serves to guide the municipality in promoting economic development, and they are as follows:

Strengths

The strengths listed below remain essentially potential strengths and need to be matched with strategic resources, capacity and commitment of key role players (government, business and civil society) to realize them.

- In terms of agriculture, the district has a distinctive competence in beef feedlotting, irrigated maize production and dairy in the North, vegetable production in Msinga

and Umvoti on the Tugela and Mooi Rivers, and Forestry in Umvoti. It has well established clusters of expertise, support services and marketing networks in these sectors except for vegetable production.

There are value added opportunities in the various value and supply chains linked to each sector: But without adding value to the products, these sectors are not likely to grow significantly. Opportunities exist within the following supply and value chains:

- Maize – Milling – Marketing - Feedlots.
 - Feedlots – Meat Processing- Leather Tanning.
 - Dairy production- dairy processing – dairy packaging - marketing.
 - Forestry- wood products- forestry waste products- marketing.
 - Vegetable production-vegetable packaging- vegetable processing.- marketing
- The area has a unique competitive advantage in terms of its Battle Fields (Heritage) Tourism products. There is a relatively well developed cluster of Heritage guides, museums, accommodation facilities to support this sector. There is however a need to improve the marketing and quality of the product through both public investment (signage, public infrastructure) and private investment. There is also a need to diversify the tourism product to include Zulu cultural, nature-based and adventure products.
 - The lead performing growth sectors over the last 10 years have been Tourism and Trade and financial services and construction.
 - The geographic position of Dundee means that it plays an important role as a central node in northern KwaZulu-Natal. It has the potential to further develop this role as a commercial, cultural, educational, sport and administrative hub for Northern KwaZulu-Natal. Dundee's potential as an educational and cultural centre has not been sufficiently optimized. The Umzinyathi Education Centre is a resource that needs to be supported in its development.

Weaknesses

- The district economy remains too dependant on government and social services;
- The GDP per capita value of the district economy is the second smallest in KwaZulu-Natal;
- Mining, manufacturing remain declining sectors but have some strength in their resilient remnants;
- There is a weak social base, with the district having the highest levels of unemployment and illiteracy in KwaZulu –Natal;
- Umzinyathi has the second lowest Human Development Index of all the districts in the province;
- There are low levels of local demand as a result of low household income;
- The southern municipal clusters in particular have an outward focus (towards the Midlands in particular). There is substantial economic leakage from these economies;
- There are low levels of reinvestment into productive sectors. The service sector dominates the economy and there is limited investment in tourism and agriculture;
- The District is largely rural, with a low population density. This means that purchasing power is diluted and service costs are higher;
- There has been a lack of progress around meaningful and practical Growth and Development partnerships between government, business and civil society to optimise the district economies strengths and deal with threats and weaknesses;

Opportunities

- There is a high demand for processed agricultural products (beneficiation of primary products) both within the district and broader areas of greatest opportunity include processed meat, irrigated maize, dairy products and processed vegetables (Msinga). There are opportunities for competitive partnerships with BEE investment companies and SMME's in the following supply and value chains:
 - Maize – Milling – Marketing- Feedlots.
 - Feedlots – Meat Processing- Leather Tanning.
 - Dairy production- dairy packaging and processing – marketing.

- Forestry- wood products-forestry waste products.
 - Vegetable production-vegetable packaging and processing - marketing.
- The Bio-fuel Initiative involving Amajuba, Umzinyathi and Zululand may provide significant opportunities in the medium term in soya bean production, particularly on dry land, but it remains to be seen if this will materialise.
 - There is potential to grow both the domestic and international share of the tourism market through improving both marketing and the experience of the existing Battlefields Heritage product and the development and marketing of complementary products in adventure tourism, nature-based tourism and Zulu cultural tourism.
 - A unique opportunity exists to develop a District Tourism route through the district which would form the basis of a coherent tourism marketing and product development initiative for the district. There is an opportunity to develop a racially diversified, competitive heritage, cultural and adventure based tourism sector with a strong focus on marketing, product development and skills development through this initiative.

Threats

- The agricultural sector has been based on primary production while opportunities and profits lie in processing. In addition, the sector has shown stagnation and job loss with lower profit levels due to rising costs of agricultural inputs.
- The land reform process is taking place as a reactive process in the district and will threaten sustained agricultural production unless there is a structured partnership between the established commercial farming sector, agricultural processors, suppliers and land reform beneficiaries and government (Department of Land Affairs, Agriculture and the Land Claims Commission) to fully integrate these initiatives into the agricultural and agri-processing supply and value chain.
- The tourism sector has not been able to develop a growth partnership between tourism associations, local and provincial government. The lack of engagement

around integrating community based tourism enterprises and SMMEs into the tourism supply and value chain, will continue to constrain public sector investment and limit the necessary product mix for a competitive local tourism economy.

5. PRIORITY ISSUES

The following are the priority issues structured according to the five year strategic local government agenda to be addressed by the municipality part of the 2008/09 IDP Review:

Basic Services Delivery and Infrastructure Development

As a whole the provision of water and sanitation, is inadequate within the municipal area, huge backlogs exists which can only be eradicated, at a minimum standard level,

§ Water supply

The provision of potable water is a high priority need for within the municipal area. Most of the households (69%) have no access to potable water supply and has to rely on natural resources such as rivers and streams.

§ Sanitation

The provision of sanitation facilities within the municipal area has also been identified as a priority need for communities. Thirty Two (32%) percent of the households within the municipal area have no access to sanitation facilities. The need to supply adequate sanitation facilities is determined by the density of the population, and health risks caused by inadequate sanitation facilities.

§ Electricity

The provision of electricity within the municipality is amongst the priorities as sixty one (61%) percent of the households have no basic access to energy within the municipal area and have to rely on paraffin, coal etc.

Socio- Economic Development

- **Local Economic Development**

Umzinyathi District Municipality is almost finalizing the LED strategy which will serve to address most of the issues mentioned below and also economic development issues, opportunities and areas where feasible projects can be implemented to improve local economic development

- **Unemployment**

Umzinyathi District Municipality has the highest unemployment rate of all 10 non metropolitan districts in KwaZulu-Natal in both female and male population (68% and 62% respectively) based on the 2004 labour Force Surveys.

- **Education and Skills**

Only 3.7% of the adult population of Umzinyathi has a post-matric qualification and about 11% have Grade 12. 44% of adults over 20 have had no schooling, with the highest rate of “non schooling” being in Msinga which accounts for close to 50% of those in the district who have never been to school. Nquthu accounts for 25%.

The district lags significantly behind national averages where “no schooling” stands at about 15% and over 20% of all adults over 20 have at least Grade 12. The poor educational status of the district and consequent low skills level will be a major constraining factor on economic growth for the area in the medium term.

- **HIV / Aids**

In Umzinyathi the antenatal HIV infection rate for 2005 was 23% which is lower than the national average of 27.9% and significantly lower than the 37.5 % average for the province of KwaZulu -Natal.

HIV/Aids affects businesses in terms of labour productivity and declining demand. It also has huge social cost factors in terms of the provision of effective education, health and social services.

Municipal Financial Viability

The implementation of the 2008/09 IDP Review is reliant on an effective financial management system, and a strategy to enhance this capacity is necessary

Good Governance and Public Participation

Constant interaction of the municipality with other spheres of government like National and Provincial is required since municipalities depend on financial, and institutional support from these tiers of government and also hold izimbizo to communicate the programmes to be undertaken by the municipality to the respective communities.

Municipal Transformation and Institutional Development

Umzinyathi District Municipality must ensure that financial and capacity resources are provided to meet the needs of the communities as indicated in the 2008/09 IDP Review, and that would also enable the adherence to the vision, objective and strategies.

SECTION C: DEVELOPMENT STRATEGIES

1. VISION, MISSION AND CORE VALUES

The uMzinyathi District Municipality reaffirmed the vision, core values and mission statements which were developed for the 2007/08 IDP. The vision and mission statements read as follows:

1.1 VISION

“uMzinyathi District Municipality shall be a self sustainable organization that promotes integrated development”

The following principles are core to the vision:

- The Municipality is intent on making itself financially viable over the long term without relying to such a large degree on grant funding from National Government for operational purposes;
- The Municipality is intent on coordinating, integrating and promoting all developmental initiatives both governmental and non-governmental for the benefit of the entire District; and
- The Municipality is intent on becoming a developmental force and catalyst within the District, able to promote, coordinate and initiate development.

1.2 MISSION STATEMENT

uMzinyathi shall be a dynamic and effective District which:

- **Strives to achieve financial, eco social sustainability;**
- **Supports co-operative governance through participation;**
- **Commits itself to deliver services according to its constitutional mandate;**
- **Supports poverty alleviation through job creation; and**
- **Preserves its cultural and natural heritage.**

The vision and mission statements need to be realised through development objectives, which in turn are made more specific through strategies, projects and project activities with their associated budget and KPI allocations. This process needs to be informed by localised strategic policy guidelines and the core values of the organisation.

1.3 CORE VALUES

- Integrity;
- Transparency;
- Professionalism
- Co-operation;
- Innovation; and
- Accountability.

1.4 LOCALISED STRATEGIC GUIDELINES, DEVELOPMENT OBJECTIVES AND STRATEGIES

Broad National and Provincial policy, guidelines and legislation need to inform the way issues are addressed through **development objectives** and **strategies** at the local level. There are a number of core dimensions, which need to be considered in developing localised guidelines for objectives, strategies and projects. They re:

- Cross cutting dimensions such as sustainability, HIV/AIDS, barrier free access and gender equity;
- Local economic development and poverty alleviation policy and incentives;
- Spatial dimensions;
- Institutional dimensions; and
- Social capital dimensions.

1.5 ALIGNMENT WITH PROVINCIAL AND NATIONAL POLICIES

1.5.1 Accelerated and Shared Growth Initiative – (ASGISA)

ASGISA's goals are to accelerate economic growth greater than 4.5% between 2006 and 2009, and then greater than 6% from 2010 to 2014 and to halve poverty and unemployment by 2014.

The four intervention areas are:

- Increasing the capacity of public infrastructure.

- Supporting investment-led growth in economic sectors with labour-intensive capacity, greater revenue generation potential and international competitiveness.
- Building comprehensive social development programmes that have the potential to enhance self-reliance in society.
- Revamping the delivery capacity and responsiveness of the public service sector.

Six spending areas have been identified which are:

- Infrastructure investment of R370 Billion over a three year period principally to develop the transport and power infrastructure.
- Sector strategies to diversify the economy through downstream activities and Broad-Based Black Economic Empowerment (BBBEE) through Business process outsourcing, Tourism, and the Bio-fuel sector. Other sectors identified include Chemicals, Metals beneficiation, Creative industries, clothing and textiles, Durable consumer goods, Wood, pulp and paper.
- § Skills and education in hard technical skills, maths, FET upgrades.
- § Second economy interventions to bridge the gap between the first and second economy through using the first economy to bridge the gap, targeting women and the youth, using public expenditure through targeted procurement and micro-finance (DTI initiatives such as SEDA etc).
- § Public administration to improve service delivery by state institutions which includes the capacity of local government to support local economic development.
- § Macro economic management issues beyond the scope of local stakeholders.

Under the ASGISA umbrella, the following micro- business support instruments are to be made available:

- A new partnership between Khula and Business Partners in a R150-million fund for business loans of between R10 000 and R250 000.
- Funds for women entrepreneurs, collaboration between the DTI, Eskom, Umsobomvu and the Women's Development Bank.

- The Financial Services Charter will release R5 billion for small business loans.
- The Apex (SAMAF) and Mafisa programmes will supply loans of under R10 000.

SMME support initiatives include the following:

- R1-billion programme from the Industrial Development Corporation (IDC) and the National Empowerment Fund's Venture Fund.
- Support from the Small Enterprise Development Agency based at the DTI which will provide operational support (particularly in manufacturing).
- A review of the regulatory environment for small businesses by Cabinet.

1.5.2 National Spatial Development Perspective (NSDP)

The National Spatial Development Perspective (NSDP) guides government in implementing its programmes in order to achieve the objectives of ASGISA of halving poverty and unemployment by 2014. The NSDP is built on four basic principles. These are:

- Principle 1: Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of poverty alleviation.
- Principle 2: Government spending on fixed investment should be focused on localities of economic growth and / or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.
- Principle 3: Where low economic potential exists investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities.
- Principle 4: In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways to the global economy.

1.5.3 KZN Provincial Growth and Development Strategy and economic strategies

The KZN government's growth and development strategy is aimed at transforming the structure of the economy and narrowing and eventually eliminating the gap between the first and second economies.

The four pillars on which this strategy rests are as follows:

- ? Increasing investment in the province;
- ? Skills and capacity building;
- ? Broadening participation in the economy; and
- ? Increasing competitiveness.

Programmes to boost growth include: promotion and attraction of Foreign Direct Investment, Investment in infrastructure, Dube Trade Port, Provincial Growth Fund, 2010 Soccer World Cup – investment in supporting infrastructure, sector development and corridor development.

To promote SMMEs and Black Economic Empowerment, the provincial government has created a series of funds, secured training through FET's and facilitated access to financing through Ithala Bank

1.5.4 Provincial Spatial Economic Development Strategy (PSEDS)

The KZN Provincial Spatial Economic Development Strategy (PSEDS) gives a spatial framework to the Provincial Growth and Development Perspective. To give effect to the fourth principle of the NSDP that settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres, the PSEDS has identified priority nodes and corridors.

In terms of nodal development, only primary and secondary nodes will be prioritised over the next 5 years. Umzinyathi District Municipality contains one tertiary node (Dundee) and three Quaternary Nodes (Greytown, Nquthu and Tugela Ferry).

The Provincial Spatial Economic Development Strategy has identified a series of prioritised Primary and secondary corridors. The corridors are defined as follows:

- Primary Corridor (PC): A corridor with very high economic growth potential within all three sectors which serves areas of high poverty densities.
- Secondary Corridor (SC): A corridor serving areas of high poverty levels with good economic development potential within one or two sectors.

Umzinyathi is not part of any primary corridors. In terms of secondary corridors, the priority corridors are indicated table below.

No.	Corridor	Classification
PC1	eThekwini - Umhlatuze	Primary Corridor
PC2	eThekwini – Msunduzi - uMngeni	Primary Corridor
PC3	eThekwini – Ugu	Primary Corridor
SC1	Umhlatuze – Ulundi - Vryheid	Secondary Corridor
SC2	Kokstad – Umzimkulu – Msunduzi	Secondary Corridor
SC3	Msunduzi – Nkandla - Ulundi	Secondary Corridor
SC4	Ulundi – Nongoma – Pongola	Secondary Corridor
SC6	Port Shepstone – St Faiths - Ixopo	Secondary Corridor
SC7	Maphumulo – Ndwedwe - Dube	Secondary Corridor
SC8	Ukhahlamba corridor	Secondary Corridor
SC9	Weenen – Nkandla – Eshowe	Secondary Corridor
SC10	Manguzi – Swaziland	Secondary Corridor
SC11	Makhatini flats corridor	Secondary Corridor
SC12	Greytown – Msinga – Madadeni	Secondary Corridor
SC13	Nkandla – Nqutu – Vryheid	Secondary Corridor
SC14	Mtubathuba – Nongoma	Secondary Corridor

Table No 10: Priority Corridors.

The implementation strategy for the PSEDS sets out the key interventions for the Provincial Government's economic cluster departments over the next five years (2007/2008 – 2012/2013) in each district municipality in order to achieve ASGISA objectives. The priority interventions defined for Umzinyathi in terms of provincial government departments include:

Umzinyathi: Provincial Economic Cluster Departments: Priority Interventions

DC24: Agriculture and Land Reform

- ? Tugela & Mooiriver valleys: develop small scale intensive agriculture.
- ? Develop land and support land reform projects concerning livestock farming and the development of an abattoir.
- ? Development of livestock and game farming potential on Trust land
- ? Develop agri-processing in Tugela Ferry – vegetables & fish

DC24: Tourism

- ? Zulu heritage route: Develop cultural potential of Msinga, provide road links between Weenen, Msinga & Nkandla, improve R33.
- ? Battle fields routes: development of linkages to benefit previously disadvantaged

DC24: Services

- ? Formalise and plan Msinga & Nqutu to position for investment
- ? Provide adequate affordable housing and related services in nodes.

Table No 11: Umzinyathi: Provincial Economic Cluster Departments: Priority Interventions

Source: Provincial Spatial Economic Development Strategy (2006)

The Department of Local Government and Traditional Affairs has committed R1,5 million to the development of the SC 13 corridor. This includes the following initiatives

- § District Tourism Strategy
- § District Signage Programme
- § Endumeni Craft and Food Market Stalls
- § Additions to Msinga Curio Shop
- § Muden Arts and Craft Centre

1.5.5 Millennium Development Goals

“The concept of a developmental state – which applies both to the country and the province – is rooted in the Millennium Development Goals (MDGs) adopted by the

United Nations. Indeed both the national and provincial government's development strategies and interventions should be viewed in the context of, and measured against, these international development goals which apply to all countries across the globe.

The MDGs which need to be achieved by 2015 are:

1. Eradication of extreme poverty and hunger
 - Halve the proportion of people with less than R6.00 per day
 - Reduce by half the proportion of people who suffer from hunger
2. Achievement of universal primary education
 - Ensure that all boys and girls complete a full course of primary schooling
3. Promotion of gender equality and empowerment of women
 - Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015
4. Reduction in child mortality
 - Reduce by two thirds the mortality rate among children under five
5. Improvement of maternal health
 - Reduce by three quarters the maternal mortality ratio
6. Combating HIV/AIDS, malaria and other diseases
 - Halt and begin to reverse the spread of HIV/AIDS
 - Halt and begin to reverse the incidence of malaria and other major diseases
7. Ensuring environmental sustainability
 - Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
 - Reduce by half the proportion of people without sustainable access to safe drinking water
 - Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020
8. Developing a global partnership for development
 - Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory, includes a commitment to good governance, development and poverty reduction— Nationally and Internationally
 - In cooperation with the developing countries, develop cent and productive work for youth
 - In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries

- In cooperation with the private sector, make available the benefits of new technologies— especially information and communication technologies”

Within the framework of the Millennium Development Goals, the National government has committed the country to specific development targets for the next ten years. The core targets which Municipalities are called upon to achieve are:

- **By 2008 all households will have access to clean water;**
- **By 2010 all households will have decent sanitation facilities; and**
- **By 2012 every household will have access to electricity.**

1.6 LOCALISED HIV/AIDS PANDEMIC STRATEGIC GUIDELINES

At a National level the role of governance is primarily that of leadership, policy formulation and resource allocation. At the local level, the role is more immediate and intimate. This stems from the developmental responsibilities local government has to the community it serves. All local government responsibilities have the potential to impact on the pandemic. In the Umzinyathi District Municipal IDP, HIV/AIDS is not approached as a "health or behavioural issue". It is embedded into the developmental context since it impacts on all sectors of development. The localised strategic guideline is generated from the Provincial and National approach to the pandemic on the one hand and the Dakar principles of 1 July 1994 on the other. The four key local guidelines are:

- The development of a district wide institutional structure for multi-sectoral co-ordination and network development in relation to HIV/AIDS; .
- Integrated prevention measures appropriate to rural and urban areas;
- The appropriate care of affected and infected people; and
- Human and legal rights of affected and infected people.

Each guideline details the following:

- **The development of a district wide institutional structure for multi-sectoral co-ordination and network development.**

The Dakar principles of responsibility, engagement, consensus building, ethics in research and sensitivity to language is relevant to local leadership responsibility and co-ordination. On the 17 – 18 October 2007, Umzinyathi District Municipality hosted the Aids Council Summit. The main purpose of the summit was to co-ordinate a holistic approach to HIV and AIDS within District by laying the foundation of the District AIDS Council that would serve as a mechanism of co-ordination and integration where all stakeholders within Umzinyathi will jointly strategies, plan and implement programmes dealing with HIV and AIDS

As the output of the summit, the District Aids Council was elected which will serve to deal with all issues related to HIV/Aids. Its representation is as follows:

- The District and Local Municipalities;
- Sector Departments;
- NGO's;
- Traditional Leaders and Healers;
- Home base care;
- Farm dwellers.

The District Aids Council has had its inception meeting on the 04 March 2008 to deliberate on the core functions of the Council and also the Terms of Reference.

- **Integrated prevention measures appropriate to rural and urban areas.**

Particular stress is placed on young women and children of the district given the gender/age profile of those at risk particularly in the rural areas. Therefore the prevention of mother to child infection is an important element of prevention in the district. Here the Dakar principles of rights to confidentiality, privacy and non-discrimination are important locally. Structured preventative programmes particularly in the rural schools need to be instituted in order to obviate the lack of knowledge relating to causation, precaution and self defence in the wake of high levels of child rape.

- **The appropriate care of affected and infected people.**

Here the principle of empowerment, particularly through access to information, freedom of choice and access to appropriate medication is a basic local guideline. Care for aids orphans in the district is an issue requiring urgent attention.

- **Human and legal rights of affected and infected people.**

The call locally is for co-ordinated human rights and legal advocacy.

Objectives and strategies need to address inter-sectoral, district wide co-ordination without losing sight of the three core provincial policy foci:

- Human and legal rights and advocacy;
- Prevention; and
- Care for affected and infected people and children.

2. DEVELOPMENT STRATEGIES

Umzinyathi District Municipality developed strategies in line with the Key Performance Areas of the Five Year Local Government Strategic Agenda. The following strategies have been developed as part of the 2008/09 IDP Review:

2.1 KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategy One: Facilitate Effective Infrastructure and Sustainable Service Delivery

This strategy focuses on facilitating the provision of new infrastructure and also the maintenance of existing infrastructure to ensure sustainable service delivery within the community.

Outcome: The first priority is to provide water and sanitation to the communities that currently do not have access at a minimum RDP standard of 25 litres per day per person within 200 metres walking distance. Sanitation target is to provide a VIP latrine per household. The ultimate aim of the strategy is to reduce backlogs of water (74%) and sanitation (68%) by 30% each financial year through the implementation of MIG projects.

The outcome of this strategy is informed by:

- 2007/08 Water Services Development Plan;
- 2008/09 Backlog study;
- Millennium Development Targets.

2.2 KPA 2: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Strategy Two: Promote Sound Administration throughout the District

This strategy focuses in promoting sound administration which is efficient and effective that will enable the municipality to meet its developmental needs.

Outcome: The municipality has to put necessary structures in place which will enable the organization to fill all posts and prepare key policies, plans and procedures to guide transformation and ensure appropriate capacity is being developed.

The outcome of this strategy is informed by the following:

- Policies (Recruitment policy etc)
- Work Skills development plan ;
- Employment equity.

2.3 KPA 3: MUNICIPAL FINANCIAL VIABILITY

Strategy Three: Promote Sound Financial Management

This strategy focuses on ensuring sound financial management and responsible budgeting as per the requirements of the MFMA that will ensure proper alignment with the municipality's IDP.

Outcome: Improve debt management processes, increase collection of revenue and tax, ensure that creditor's process is streamlined and reaches the finance department on time and improve annual receipt and utilisation of grant funding.

The outcome of this strategy is informed by the following:

- Financial Plan,
- Debt recovery plan;
- Credit Control Policy;
- Grant Allocation Policy;
- SDBIP.

2.4 KPA 4: LOCAL ECONOMIC DEVELOPMENT

Strategy Four: Promote Economically and Socially Sound District

The strategy aims to identify potential and feasible initiatives that will contribute to the alleviation of poverty within the District Municipality.

Outcome: To develop a competitive district economy which increases formal employment by 3,5% accelerates GDP growth by 6% over the next 5 years and stimulates the establishment and expansion of 50 sustainable black SMMEs and Co-operatives in the agricultural and tourism sector into the mainstream of the district economy, and reduces the level of household poverty by 5% through exploiting the competitive advantages of the district economy.

The outcome of this strategy will be based on the following:

- Economic Growth of over 4,5% per annum to 2009 up to 6% thereafter (PSEDS)
- Reduction of the gap between the 1st and the 2nd Economy (PSEDS)
- ASGISA (Accelerated and Shared Growth Initiative of Southern Africa) aims to halve poverty and unemployment by 2014.

2.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategy Five: Promote Community Empowerment

This strategy focuses mainly on accountability to the communities on developmental issues and also introducing systems, procedures and processes in place to allow maximum participation.

Outcome: The long term objective is to improve awareness of communities on municipal functions and developmental issues and have effective systems and controls in place to ensure proper accountability in relation to usage of public monies and other resources to deliver against community priorities.

SECTION D: HIGH LEVEL SPATIAL DEVELOPMENT FRAMEWORK

1. OVERVIEW OF THE SPATIAL DEVELOPMENT FRAMEWORK

Umzinyathi District Municipality is in the process of reviewing and updating its Spatial Development Framework, the current SDF was prepared as part of the 2006/07 IDP and it does not contain detailed analysis which will serve as a framework for guiding investment within the municipality.

The focus areas for the review and update of the Spatial Development Framework will be to:

- Promote sustainable functional and integrated settlement patterns in order to:
 - discourage low density urban sprawl;
 - generate social and economic opportunities for people; and
 - promote easy accessibility to those opportunities.
- Maximize resources efficiency; for example:
 - ensure the protection of the available environmental resources within a municipality;
 - protect productive land for agricultural purposes.
- Enhance regional identity and unique character of place.
- Ensure conformance with the neighbouring district's and provincial spatial development frameworks.

2. OUTCOME OF REVIEW OF THE SPATIAL DEVELOPMENT FRAMEWORK

The municipality has awarded the project and service provider has commenced with the inception report, the duration of the project is 4 months, therefore, the final SDF would not be part of 2008/09 IDP Review but it will be part of the 2009/10 IDP Review.

SECTION E: SECTOR INVOLVEMENT

Umzinyathi District Municipality in partnership with i Local Municipalities namely Endumeni, Nquthu, Msinga and Umvoti have arranged two sessions with service providers, public and private to date.

The purpose of these sessions was to discuss, share and obtain strategic development planning issues:

- a) To discuss the level of participation in the municipal Integrated Development Plans and strategies on how this can be strengthened;
- b) To obtain the medium Term Expenditure Framework (3 – 5 years) and programmes and projects for incorporation in the current 2008/09 IDP's. This information should be available for all municipalities in the District;
- c) To discuss the responsibilities in accordance with the last Growth and Development Summit held on the 19 and 20 March this year. Progress made to date will be tracked and recorded, providing a sound base for next summit. The action plan is attached.

During the first session which was held on the 05 & 06 December 2007, each Service Provider / Department was allocated an hour slot to present the MTEF (programmes and projects), the following Service Provider / Department attended:

- Department of Education,
- Department of Public Works;
- Department of Social Development;
- Eskom;
- Department of Housing;
- Department of Agriculture and Environment Affairs

Herewith are the programmes and projects for the various departments to be undertaken within Umzinyathi District Municipality:

- **Department of Housing**

The Department of Housing has provided funding to all four local municipalities for the preparation of the Housing plans and they have been adopted and approved. Each plan contains a five year housing programme with prioritized projects, time frames and financial implications.

- **Eskom**

Status of electrification in Umzinyathi District Municipality:

Municipal Name	Total No of Households	No of Households Electrified	No of Households not Electrified	Total No of Schools	No of schools electrified	No of schools not electrified
Endumeni	12,280	8,145	4,135	16	7	9
Nquthu	25,660	6,742	18,918	172	18	154
Msinga	32,507	4,261	28,246	230	13	217
Umvoti	19,672	7,673	11,999	105	37	68
Total	90,119	26,821	63,298	523	75	448

The electrification plan for 2008/09 financial year is as follows:

Municipal Name	Project Name	Connection	Capex	Status of Projects
Nquthu	Mangongoloza # 2		200,000.00	To be provided
Umvoti	Mbulwana Mangebeni	1047	6,143,436	To be provided
Nquthu	Makhonjane		100,000	To be provided
Nquthu	Isandlwana	414	3,717,720	Consultants appointed, Construction to commence in 2008/09 fy.
Nquthu	Mabululwane / Kwa-Section K	321	2,400,00	Consultants appointed, Construction to commence in 2008/09 fy.
Nquthu	Batshe Magala	323	1,765,154	Awaiting the appointment of the consultants to commence with pre- marketing
Total		2,105	14,326,310	

- **Department of Agriculture and Environment Affairs (Environmental Section)**

Herewith are the projects to be undertaken by DAEA during 2008/09 financial year.

Project Name	Project Type	Budget	Project time frame	Project Locality
Waste Management Plan	IWMP amendments	R 300 000.00	2008/09	Umzinyathi DM
Greening	Low cost houses	R 607 620	2008/09	Endumeni LM
Environmental Education	Environmental awareness campaign	R 120 000 @ R 30 000 per LM	2008/09	In all four Local Municipalities
Total	3 projects	1,027,620.00		

- **Department of Education**

Herewith are the projects to be undertaken by the Department during 2008/09 financial year, the project costs provided are still estimates and the actual costs are to be provided at the end of March 2008. The projects are structured according to different programmes as follows:

Upgrades and Additions

Name of School	Local Municipality	No. of Multipurpose Classrooms including Laboratories and Specialist Rooms	No. of Media Centres	No. of Computer Rooms	SNP Kitchen/Tuckshop	No. of Offices	No. of Storerooms	No. of Strongrooms	No. of Girls' Toilet Seats	No. of Boys' Toilet Seats and Urinal Spaces	No. of Teacher Toilet Seats	No. of Disabled Toilets	Water Required Yes = 1 No = 0	Electrification Required Yes = 1 No = 0	Fencing Required Yes = 1 No = 0	Estimate Project Cost
BATTERSEA PARK P	ENDUMENI	1	0	0	-1	-1	2	1	-2	-2	0	1	0	1	0	R 1,279,080
BUSANA H	UMVOTI	5	0	0	1	4	6	1	2	2	6	2	0	0	0	R 8,832,150
ENGUDUMENI P	ENDUMENI	1	0	0	1	0	2	1	1	1	0	1	1	1	0	R 1,518,480
LOOTSHOEK P	UMVOTI	2	1	1	1	3	2	1	4	4	4	1	1	1	0	R 4,276,710
MATIMATOLO P	UMVOTI	5	0	0	1	6	6	1	8	8	6	2	0	0	0	R 10,653,300
ZISIZE P	ENDUMENI	1	0	0	1	1	2	1	-3	0	0	1	0	1	0	R 1,484,280
																R 28,044,000
SAKHISIZWE S	MSINGA	2	1	1	1	3	2	1	4	4	4	1	0	1	1	R 4,849,560
MPUNGANENI JP	UMVOTI	1	0	0	1	1	2	1	2	1	0	1	0	1	0	R 1,641,600
JOJINGWENYA P	MSINGA	2	1	1	1	3	3	1	6	4	4	1	0	1	0	R 6,285,960
																R 12,777,120
KUBUYAKWEZWE P	MSINGA	1	0	0	1	1	2	1	3	3	0	1	0	0	0	R 1,706,580
																R 1,706,580
NSINGABANTU P	NQUTHU	4	1	1	1	4	4	1	3	2	4	1	1	0	0	R 7,883,100
EMPATHE P	ENDUMENI	6	1	1	1	6	3	1	1	-1	6	2	0	0	0	R 8,702,190
QUARME P (Relocate)	UMVOTI	0	-1	0	1	-1	2	0	1	1	0	1	0	0	1	R 697,680
DUNDEE JS	ENDUMENI	5	1	1	-16	3	5	1	-3	-10	6	2	0	0	0	R 12,147,840
EMPISINI P (Relocate)	ENDUMENI	1	0	0	1	0	1	1	-1	-1	0	1	0	1	0	R 1,251,720
TOTAL																R 30,682,530

Curriculum Redress

Name of School	Local Municipality	Laboratories	Computer Centre	Media Centre	Workshops	Library	Hospitality Room	Tech Mworkshops	ECD	Toilets	Estimate Project Cost
EMPATHE P	ENDUMENI		1							0	R 700,000
NDLANGAMANDLA S	NQUTHU		1							0	R 700,000
TOTAL											R 1,400,000

Repairs

Name of School	LOCAL MUNICIPALITY	Scope	Estimate
Esikhumbuzweni Secondary	NQUTHU	Repairs to walls and floors in 13 classrooms	R 1,000,000.00
Ngwebini Primary	NQUTHU	Roofing 5 classrooms	R 1,000,000.00
Upper Umvoti	UMVOTI	Repairs to walls and floors in all classrooms	R 1,000,000.00
TOTAL			R 3,000,000.00

ECD

Name of School	LOCAL MUNICIPALITY	ECD Classroom	Toilet	Estimate Project Cost
Sikelela		1	2	R 900,000
Ratang	NQUTHU	1	2	R 900,000
Mashesheleng	NQUTHU	1	2	R 900,000
Phalini	NQUTHU	1	2	R 900,000
TOTAL				R 3,600,000

Umzinyathi District Municipality in partnership with the Local Municipalities namely: Endumeni, Nquthu, Msinga and Umvoti arranged the second session of the IDP Rep Forum Meeting on the 07 February 2008. The purpose of this meeting was to discuss, share and obtain strategic development planning issues especially with the departments who didn't attend the first session.

The following departments /service providers attended the second session, and they are as follows:

- Department of Economic Development;
- Department of Land Affairs;
- Department of Agriculture and Environment Affairs;
- Department of Health;
- Endumeni Chamber of Business;
- Afra
- Department of Safety, Security and liaison.

Herewith are the programmes and projects to be undertaken by the Sector Departments

- **Department of Economic Development;**

Most of the projects funded by this Department commenced during 2007/08 financial year and they will be completed before the end of the financial year of the municipality. Therefore, it was deemed unnecessary to include them.

- **Department of Safety, Security and Liaison.**

The department presented new safety guidelines which need to be part of the 2008/09 IDP Review. The Safety Plan is a sectoral plan that should form part of an IDP, it sets out the municipality community safety work for the next five years. Due to the complexity of the plan, the Department promised to provide funding which will assist the municipalities in the preparing the plan. Therefore, since the funding has not been received as yet, the safety plan will be included as part of the 2009/10 IDP Review.

- **Department of Local Government and Traditional Affairs**

The Department will be supporting the municipalities in the following areas:

Strategic Support

	Medium-term estimates		
	2008/09	2009/10	2010/11
DC 24 Umzinyathi Municipality	R610 000	R388 000	R417 000
KZ 241 Endumeni Municipality			
KZ 242 Nquthu Municipality			
KZ 244 Msinga Municipality			
KZ 245 Umvoti Municipality			
TOTAL	R610 000	R388 000	R417 000

Spatial Development

	Medium-term estimates		
	2008/09	2009/10	2010/11
DC 24 Umzinyathi Municipality	R450 000		
KZ 241 Endumeni Municipality			
KZ 242 Nquthu Municipality			
KZ 244 Msinga Municipality			
KZ 245 Umvoti Municipality			
TOTAL	R450 000		

Development Administration

	Medium-term estimates		
	2008/09	2009/10	2010/11
DC 24 Umzinyathi Municipality	R250 000		
KZ 241 Endumeni Municipality			
KZ 242 Nquthu Municipality			
KZ 244 Msinga Municipality			
KZ 245 Umvoti Municipality			
TOTAL	R250 000		

Municipal Development Information Services

	Medium-term estimates		
	2008/09	2009/10	2010/11
DC 24 Umzinyathi Municipality	R250 000	R250 000	
KZ 241 Endumeni Municipality			
KZ 242 Nquthu Municipality			
KZ 244 Msinga Municipality KZ 245 Umvoti Municipality			
TOTAL	R250 000	R250 000	

Centre Management Support

	Medium-term estimates		
	2008/09	2009/10	2010/11
DC 24 Umzinyathi Municipality		R500 000	R600 000
KZ 241 Endumeni Municipality			
KZ 242 Nquthu Municipality			
KZ 244 Msinga Municipality			
KZ 245 Umvoti Municipality			
TOTAL		R500 000	R600 000

Local Economic Development

	Medium-term estimates		
	2008/09	2009/10	2010/11
DC 24 Umzinyathi Municipality	R2000 000	R1500 000	R2000 000
KZ 241 Endumeni Municipality			
KZ 242 Nquthu Municipality			
KZ 244 Msinga Municipality			
KZ 245 Umvoti Municipality			
TOTAL	R2000 000	R1500 000	R2000 000

Small Town Regeneration

	Medium-term estimates		
	2008/09	2009/10	2010/11
DC 24 Umzinyathi Municipality			
KZ 241 Endumeni Municipality			
KZ 242 Nquthu Municipality			
KZ 244 Msinga Municipality	R1000 000	R1500 000	R1500 000
KZ 245 Umvoti Municipality			
TOTAL	R1000 000	R1500 000	R1500 000

- **Department of Social Development**

Herewith are the projects to be undertaken by the Department during 2008/09 financial year:

Local Municipality	Service Office	Name of Project	Amount allocated
Umvoti	Greytown	Greytown Children's Home	2 700 000
		Beth Hatlaim Children's Home	369 000
		Crèches (15)	450 781
		Greytown Child Welfare	240 000
			307 000
		Arcadia Home	420 000
		Greytown Service Centre	16 000
		Luncheon clubs (5)	110 000
		Umvoti soup Kitchen	255 673.50
		Enhlalakahle Creative Youth Organisation	200 000
		Umvoti People with Disabilities Organisation	R350 000.00
		Siyatotoba Arts & Craft	R160 000.00
		kwaCele Poultry Organisation	R300 000.00
		Crèches (13)	289 317
		Child Welfare	100 000
		Christian Social Services	120 000
		Masikane Home	650 000
		Luncheon Clubs (3)	60 000
		Thuthukani maNgcolosi	250 000
		NICRO	120 000
	Kranskop	Zenzele Arts and Craft	145 000
		Umphise Flagship Programme	311 000
		KwaHlongwa CBO Network Kranskop town & Sinyambothi - Soup Kitchens	500 153 R74, 000.00
		Inkanyiso Gardening Project	R189 000.00
		Lindokuhle Gardening Project	R189 000.00
Endumeni	Dundee	Crèches (6)	126 947
		Enhlanhleni Care Centre	360 000
		Siphuthando Family Preservation Programme	300 000
		ELC Emseni	750 000
		Dundee Aged care	230 000
		SAVF Service Centre	17 000
		Luncheon Clubs (5)	26 000
		Dundee Adult Centre-Home	550 000
		Dundee Adult Centre- Protective workshop	10 000
		Dundee Crisis Centre –Shelter for Abused Women	100 000
		Siphuthando Community Organisation- Soup Kitchen	255 673.50
		Vukuzithathe Arts & craft	100 000
		Siyabonga Skills Centre	1 217 333.30
		Siyakhula Arts & Crafts	R350 000.00
	Glencoe	Crèches (3)	93 329
		Aryan Benevolent Home	450 000
		SAVF Service Centre	18 000

		Luncheon clubs (3)	33 000
		Umzamo wekusasa lethu	500 000
		Ekuphumeleni care centre Soup Kitchen	255 678.50
		Sibukezulu food production	420 000
		Indonsakusa Youth Project	R227 500.00
		Vulamehlo Sewing Project	R350 000.00
		Vukuzenzele Group	R322 000.00
Local Municipality	Service Office	Name of Project	Amount allocated
Nqutu	Nqutu	Crèches (52)	1 706 412
		Christian Social Services	120 000
		SAVF	120 000
		Luncheon Clubs (26)	330 000
		SANCA	120 000
		Isibindi	550 000
		Philani Community Care Centre	R146, 000.00
		Zamimpilo	
		Sinothando Aids Prevention & Welfare Society Soup Kitchen	255 673.50
		Zabalaza Youth organisation Soup Kitchen	255 673.50
		Nqutu Aids – Soup Kitchen	255 673.50 R355,673.00
		Zakheleni Poultry Farming	260 000 R355,673.00
		Asibemunye Women co-operative	500 000
		Naledi Poultry	R300 000.00
		Bambanani Community Garden	R250 000.00
		Kwanele Community Organization	R233, 000.00
		Nondweni Zamimpilo	R74, 000.00
Msinga	Msinga	Crèches (29)	933 044
		Imizamo Child Welfare	100 000
		Christian Social Services	264 000
		SAVF	120 000
		Luncheon clubs (14)	280 000
		SANCA	120 000
		Sinozweb Elandskraal & Mkhuphula Soup Kitchens	550 000 R269, 000.00
		Sinozweb Drop-in Centre Egunjini Soup Kitchen	R355 000
		Sinozweb Drop-in Centre Ekuvukeni Soup Kitchen	R355 000
		Msinga Youth organisation Tugela Ferry & Pomeroy	500 000
		Mashunka Flagship programme	3 000 000.
		Simunye food production	420 000
		Msinga Peace and Development Committee	R189, 000.00

- **Department of Transport**

Herewith are some of the projects to be undertaken by the Department during 2008/09 financial year:

New Gravel Road

Nquthu

Project Name	Location	Budget
Ntalantala Road Extension	Buhlebamangwe-Ntalatala	1,450,000
Nyakaza Road	Nquthu RRTF AREA	1,110,000
Ndwalane Road Extension	Ndwalane - Magogo	1,240,000

Umvoti

Project Name	Location	Budget
Enkambeni Road	KZ245	1,110,000
Funokwakhe Road	KZ245	810,000

Msinga

Project Name	Location	Budget
Ncikida Road No.2	KZ244	947,500
Dlomodlomo Road	KZ244	1,300,000
Ngabayena Road	Ngabayena - Mzweni	1,262,000

Blacktop Patching

Umvoti

Project Name	Location	Budget
Blacktop Patching Greytown	KZ245	130,000
Blacktop Patching Greytown	KZ245	130,000
Blacktop Patching Greytown	KZ245	130,000
Blacktop Patching Greytown	KZ245	130,000

Msinga

Project Name	Location	Budget
Blacktop Patching Msinga	KZ244	250,000
Blacktop Patching Msinga	KZ244	250,000

Nquthu

Project Name	Location	Budget
Blacktop Patching Nquthu	KZ242	130,000
Blacktop Patching Nquthu	KZ242	130,000
Blacktop Patching Nquthu	KZ242	130,000
Blacktop Patching Nquthu	KZ242	130,000

Patch Gravelling

Umvoti

Project Name	Location	Budget
D215 Patch Gravelling	Spitzkop - Vamvule River	1,050,000

Msinga

Project Name	Location	Budget
D1271 Patch Gravelling	Tugela Ferry - Ngubevu River	1,050,000
P193 Patch Gravelling	Van Tonders Pass Road	1,050,000

Nquthu

Project Name	Location	Budget
P16-3 Patch Gravelling	Qudeni-Silutshana	900,000
P372 Patch Gravelling	Nquthu-Ngwebini Store	950,000

Regravelling

Umvoti

Project Name	Location	Budget
D77 Regravelling	Welgugund St - Lilane River	990,000
D215 Regravelling	Spitzkop - Vamvule River	960,000
D331 A Regravelling	Mount Alida - Umvoti Hgths	471,111
D331 B Regravelling	Mount Alida - Umvoti Hgths	471,111
P362 Regravelling	Mizpah to Voorkeur	840,000
D1627 A Regravelling	Kwabomvu - Mvot Rivr	630,000
D1627 B Regravelling	Kwabomvu - Mvot Rivr	630,000

Msinga

Project Name	Location	Budget
P368 A Regravelling	Mpofana - Beelvue	525,000
P368 B Regravelling	Mpofana - Beelvue	450,000
P17 A Regravelling	Greytown to Ngubevu	975,000
P17 B Regravelling	Greytown to Ngubevu	450,000
P190 A Regravelling	Bonny Doone - Elandskraal	750,000
P190 B Regravelling	Bonny Doone - Elandskraal	300,000
D1285 Regravelling	Loza River - Mfenebude	600,000
P193 Regravelling	Van tonders Pass Road	656,953

Nguthu

Project Name	Location	Budget
D1302 Regravelling	Magongolza- Magabeni	900,000
D2249 A Regravelling (L1956)	Thembekile School - Blood River	620,000
D2249 B Regravelling (L1956)	Thembekile School - Blood River	620,000
D2249 C Regravelling (L1956)	Thembekile School - Blood River	624,318
D2284 Regravelling (L1977)	Esibanini School - Intoyerthu	1,080,000
D2286 Regravelling	KZ242	720,000

The overall attendance of the IDP Rep Forum meetings by the Departments was not satisfactory and the assistance of the Department of Local Government and Traditional Affairs is being required. The municipality resorted of meeting the departments one on one to ensure that proper alignment is being achieved, the outcome of the meetings resulted to programmes and projects (MTEF) of sector departments being part of the final IDP.

SECTION F: IMPLEMENTATION PLANS

Umzinyathi District Municipality has prepared the Implementation plans according to the National Key Performance of the five year strategic Local Government Agenda and they are also aligned to the departments of the municipality in relation to their implementation. The implementation plans serve as the alignment between the IDP and Budget as they have the core functions aligned to each KPA to be undertaken during the 2008/09 financial year, these core functions are then aligned to the budget to facilitate the implementation. The implementation plans have committed human and financial resources to enable the municipality to achieve its developmental mandate.

IMPLEMENTATION PLAN - KEY PERFORMANCE AREA: SOCIO-ECONOMIC DEVELOPMENT

KPI = Key Performance Indicator, a = Ongoing, T = Target, R= "1000", MR = Manager Responsible

Objective	Strategy	Project	KPI	Base Line	Target	08/09	09/10	10/11	MR
1. To explore the maximum potential of LED and agriculture within the District	Implementation of the LED plan	LED plan	Assessment of feasible projects to be implemented	2005 LED Plan	2008/09	R600	R628	R657	MPSD
	Income generating projects	LED / Mayoral Projects	Finalized the project template or criteria for assessing projects	2006/07 LED/ Mayoral Projects	2008/09	R 2M	R 2,094	R 2,190	MPSD
	Develop a marketing strategy & packaging strategy	Proper packaging of the district tourism attraction	The district being a amongst the favored destinations within the province	Marketing brochures	2008/09	R600	R628	R657	MPSD
2. Explore the Tourism opportunities within the District	Implementation of the Tourism Strategy	Tourism strategy	Packaged projects in the Tourism Sector (Business Plans prepared)	None	2009/10	R500	R523	R547	MPSD
	Promotion of LED and Tourism	LED and Tourism initiatives	Benefits obtained through the initiative	2007/08 LED and Tourism initiatives	2009/10	R898	R940	R983	MPSD

4. Exhibiting activities prepared by the municipality and SMME's	Shows and Exhibitions and incorporation of SMME's	Shows and exhibition	Packaging of activities to be exhibited	2007 packages exhibited	2008/09	R350	R366	R383	MPSD
5. HIV / AIDS Programmes	Development of HIV/Aids programmes	Develop a District HIV/Aids strategy	Terms of Reference in place by October 2008	Aids Council	2008/09	R170	R177	R186	MPSD
6. Promotion of sports within the district	Undertaking local sports activities and also participating in provincial sports tournaments	Salga-Kwanaloga games	Formation of squads finalized	2007/08 Squad	Ongoing	1,5M	R1,570	R1,642	MPSD
		Mayoral sports tournament	Determination of procedures for the tournament	2007/08 Mayoral Cup	Ongoing	R250	R261	R273	MPSD
		Ward Sports Development	Consultation with the ward representatives	2007/08 Mayoral Cup	2008/09	R65	R68	R71	MPSD
7. Days of National importance e.g Womens, youth day	Celebration of days of National importance	Womens Day, Youth day	Approval by Council the days to be celebrated	2007 /08 celebrations	Ongoing	R200	R209	R219	MPSD
8. Promotion of Arts and Culture within the District	Undertaking of Arts and Culture programmes	District Cultural Events	Consultation with representatives taking part	2007/08 cultural event	2008/09	R100	R104	R109	MPSD

		Rural Horse Riding Event	Finalize the list of individuals to take part	2007/08 event	Ongoing	R70	R73	R76	MPSD
9. To develop programmes that deals with youth, gender and physically handicapped	Projects targeting youth and gender	Youth summit and the formation of active youth committee. Mainstreaming of Gender issues	Meeting with the Local Municipalities representatives	2007/08 youth information sharing session	Ongoing	R420	R439	R459	MPSD
	Projects targeting physically handicapped	Maintenance of the District Disability Forum and the formation of Local Disability Forums. Facilitation of programmes that are cascaded by both National and Provincial departments to the District, aimed at uplifting people living with disability.	Meeting with the Local Municipalities representatives	District Disability Forum	Ongoing	R350	R366	R383	MPSD

IMPLEMENTATION PLAN-KEY PERFORMANCE: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
KPI= Key Performance Indicator, a = Ongoing, T= Target, R= "1000", MR = Manager Responsible									
OBJECTIVE	STRATEGY	PROJECTS	KPI	BASE LINE	T	BUDGET			MR
						08/09	09/10	10/11	
1. To promote sound administration throughout the Municipality	Initiate a Sound Administration Programme	Administrative needs analysis for the institution	Completed needs analysis	Individual HOD needs listings		R600	R628	R657	MCS
		Workshop councilors and officials on policies and municipal systems that promote sound administration	Completed workshop by December 2008	Existing policies and systems					
		Induction programme for new municipal employees	Induction manual programme in place	Induction system					
2. Motivation of Employees and Councillors	Undertaking of team building	Team building	Arrangements finalised	2006/07 team building exercise					
3. Capacity development for communities Development of employees	Initiate capacity programmes	Training and development of communities	Completed capacity assessment	Skills development assessment		R230	R240	R251	MCS
		Capacity building programmes for the employees	Assessment and Procedure finalized	Internships programme		R450	R471	R492	MCS

IMPLEMENTATION PLAN - KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY									
KPI= Key Performance Indicator, a = Ongoing, T= Target, R= "1000", MR = Manager Responsible									
Objective	Strategy	Programme / Projects	KPI	Base Line	Target	08/09	09/10	10/11	MR
1.0 To eradicate the water supply backlogs	1.1 Drilling of boreholes	1.1.1 Rudimentary water programme	Percentage decrease in communities without water	2007/08 Rudimentary programme	2015	R9,1M	R9,2M	R9M	MTS
	1.2 Protecting unprotected springs								
	1.3 Extension of existing schemes								
2.0 To provide a reliable water supply to communities who do not have a reliable supply	2.1 Connection and provision of infrastructure to the bulk water mains	2.1.1 Review of the WSDP and its alignment with DWAF strategic perspective	A percentage of the communities With access to standpipes not more than 200m away	2007/08 MIG water projects	2015	R40M	R40,1M	R40,2M	MTS
		2.1.2 Bulk water supply							
		2.1.3 Water reticulation							
3.0 To improve water service delivery	3.1 Refurbishing existing infrastructure	3.1.1 Annual operation and maintenance of water infrastructure	Minimum unattended water queries	2007/08 maintenance plan	Annual Basis	R46M	R53M	R59M	MTS

Objective	Strategy	Programme / Project	KPI	Base Line	Target	08/09	09/10	10/11	MR
	3.1.2 By upgrading and extending the existing schemes		Minimum water loses						
4.0 To eradicate the backlog on the provision of household sanitation	Construction of individual household sanitation with appropriate technology	Construction of basic sanitation facilities per household	Percentage of communities with the service	2007/08 MIG sanitation projects	2014	R44M	R55M	R58M	MTS
5. To provide up to standard sanitation service	Initiate a sound operation and maintenance programme	Operation and maintenance within the set guidelines	Attendance to all requests for the withdrawal of septic tanks	2007/08 maintenance plan	Annual basis	R15M	R18M	R20M	MTS
			Volume of water discharged to the environment to be within the allowable 5%						
			Number of attended sewer spillages						
Objective	Strategy	Programme / Project	KPI	Base Line	Target	08/09	09/10	10/11	MR

6. To provide safe and healthy landfill sites	Landfill upgrade programme.	Review of the Waste Management Plan	50% of existing landfill sites to be upgraded Safety and health issues are addressed	Land fill sites	2013	R1M	R2M		MTS
	Provision of regional waste sites	Development of two regional sites	Feasibility study and business plan of the two regional waste sites completed by the end of the financial year	None	2009	R29M	R30M	R30M	MTS
7. To encourage participation during 2010 World Cup	Provision of the infrastructure to cater for various sports codes	Construction of Inkosi Bhambatha Sportsfield	Contractor appointed	Informal sports field	2009	R2,6M			MTS

IMPLEMENTATION PLAN - KEY PERFORMANCE AREA: DISASTER RISK MANAGEMENT									
KPI= Key Performance Indicator, a = Ongoing, T= Target, R= "1000", MR = Manager Responsible									
OBJECTIVE	STRATEGY	PROGRAMME / PROJECTS	KPI	BASELINE	TARGET	08/09	09/10	10/11	MR
1. Upgrade District Disaster Risk Management Centre (DDRMC)	To have a fully functional and operational Disaster Risk Management Centre (DDRMC)	Equipped DDRMC with modern technological infrastructure Appoint sufficient trained and develop staff Identify roles and responsibilities of municipal departments and entities	Submission of requisition to finance department and issuing of orders Prepared adverts and approved Meeting with stakeholders to discuss roles and responsibilities	DDRMC	July 08	R290			MPSD
2. Establish a District Disaster Risk Management Volunteer Unit/Corps	To have a District Volunteer Unit in place that will support municipal needs	Recruitment of Volunteers Registration of Volunteers Training and participation of Volunteers	Advert prepared and approved for volunteers	NDRM Regulations	March 09	R200	R100	R75	MPSD

		Protective clothing and equipment for Volunteers							
		Insurance cover for Volunteers							
3. Develop a complete District Disaster Risk Management Plan	To have a fully District wide Disaster Risk Management Plan in place	Review and update the current Level 1 DDRMP A detail disaster hazard, vulnerability and risk assessment for 4 Local Municipalities Compilation of DRMP's for 4 Local Municipalities to ensure that these plans will dovetails with UDM DRMP A comprehensive GIS update on the hazard, vulnerability and risk analyses of the	Service provider appointed to assist with the preparation of fully fledged disaster management plan	Level 1 DRM Plan & Framework	December 08	R200	R100		MPSD

		UDM							
4. Response and Recovery efforts	To develop, implement and test municipal co-ordinated response and recovery system	Contingency Plans for known hazards in UDM must be developed Standing Operating Procedures and checklists must be developed	Assessment undertaken to inform the contingency plan	DRM Framework	June 09	R200	R100	R100	MPSD
5. Early Warning System	Develop a comprehensive Early Warning System to serve the entire District Municipality	Define needs for Early Warning Systems Identify role-players involved in Early Warning Systems Negotiate cooperation with relevant role-players Develop and implement systems	Meeting with Local Municipalities to define needs for respective areas	DRM Framework	Dec 09	R300	R200	R200	MPSD
6. Information and Communication System	To have an integrated Information and Communication System in place	Identify and establish communication links with disaster management role players and community in the District Municipality's Area	Disaster issues Incorporated into the existing communication plan	DDRMC & CCC	August 09				MPSD

		Develop and maintain the District Disaster Management Electronic Database							
7. Annual Reports	To have a uniform and effective reporting system in place	Prepare monthly reports for Department of Local Government and Traditional Affairs regarding Grant Funding Prepare Quarterly reports for PDRMC and DDRMAF Prepare Annual Reports for Council and NDRMC	3 monthly reports submitted during the first quarter	DDRM Frame-work	Ongoing				MPSD
8. District Disaster Risk Management Advisory Forum	To have a comprehensive and integrated training about disaster together with senior management and council.	To hold professional workshops. To buy small books Disaster Management Act 2002 and (Act No.57 of 2002) National Disaster Management Framework	DDRMAF fully operational and quarterly meetings	DDRMA Forum	Sept 08	R50			MPSD

IMPLEMENTATION PLAN - KEY PERFORMANCE AREA: GOOD GOVERNANCE & PUBLIC PARTICIPATION									
KPI= Key Performance Indicator, a = Ongoing, T= Target, R= "1000", MR = Manager Responsible									
Objective	Strategy	Project (s)	KPI	Base Line	Target	08/09	08/09	09/10	MR
1. To create awareness and active community involvement in council matters	Develop mechanisms of marketing the programmes that are being undertaken by the District	Road shows, media releases, radio talks	Review and finalize contracts with the SABC and other stakeholders	2007/08 marketing arrangements	Annual Basis	R1,7	R1,8	R1,9	MCS
2. Maintaining the Corporate image for the institution	Production of Corporate material	Installation of signage	Completion of the audit	Tourism signage project	2008/09	R500	R523	R547	MCS
3. Exhibiting activities undertaken by the District	Undertaking of shows and exhibitions	Shows and Exhibitions	Finalized arrangements for exhibition	Tourism shows and exhibition	2008/09	R350	R366	R383	MCS

IMPLEMENTATION PLAN - KEY PERFORMANCE AREA: SPATIAL PLANNING									
KPI= Key Performance Indicator, a = Ongoing, T= Target, R= "1000", MR = Manager Responsible									
Objective	Strategy	Project	KPI	Base Line	Target	08/09	09/10	10/11	MR
1. Review of a Credible IDP based on up to date and accurate statistics	To obtain up to date and accurate statistics from companies such as Quantex, Global Insight	Purchase of data and other necessary information on annual basis	Availability of date in February of each year	Date available in the IDP	Annual Basis	R 100	R104	R109	MPSD
2. To enhance co-operation with other spheres of government and other private organizations.	Develop mechanisms to engage sector departments and other service providers in the IDP processes	Biannual meetings with all service providers	Minutes of meetings.	Previous minutes of meetings and actions	Annual Basis				MPSD
		Quarterly meetings with service providers according to clusters (Social, Economic, safety and security, governance and administration)	Minutes and attendance register	Meet Quarterly	Quarterly basis				MPSD
3. To strengthen relationship between the DM and LMs	Aligning DM and LM's IDP process plans	Conduct joint IDP and PMS planning sessions and Share human and financial resources	Report submitted to ExCo and DCF	Process Plan of the previous year	Annual Basis				MPSD

4. To measure performance of the institution in reaching its developmental targets	Revisit of developmental targets in Performance Management System	Review of Organizational Performance Management System	Review and finalize targets	2008/09 Organizational Performance Management System	Annual basis	R50	R52	R54	MPSD
5. Preparation of the strategic IDP Sector Plans which have deep and sound analysis informed by Province and National Policies.	Review and implement the IDP Sector Plans which adheres to ecological, social and economically, and also aligned to provincial (PGDS, PSEDS) and national policies (NSDP, ASGISA)	Review of the SDF and LUMF. Assessment of unauthorized developments within the district	To have an updated SDF in place on five yearly basis To have the assessment in place on five yearly basis	Existing SDF None	Five yearly basis Five yearly basis	R 550	R575	R601	MPSD
6. To improve the level of community satisfaction with services rendered	To develop mechanisms to assess community satisfaction with services rendered	Customer satisfaction survey	Develop questionnaires to review community satisfaction.	None	Bi-annual basis	R250	R261	R273	MPSD
7. Capacity programmes for employees	Training and development of staff	Initiate capacity assessment programmes for employees	Completed training assessment	Skills assessment	Annual basis	R50	R52	R54	MPSD
8. To equip the GIS system with latest software and other	Software and maintenance upgrade	Upgrade of software	Discussion with GIMS regarding software upgrade	2007 Licence	Annual basis	R25	R26	R27	MPSD

related licenses of the unit									
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IMPLEMENTATION PLAN - KEY PERFORMANCE AREA: MUNICIPAL FINANCIAL VIABILITY									
KPI= Key Performance Indicator, a = Ongoing, T= Target, R= "1000", MR = Manager Responsible									
Objective	Strategy	Project (s)	KPI	Base Line	Target	08/09	08/09	09/10	MR
1. To improve annual receipt and utilisation of grant funding	Prepare Grant Allocation Policy	Grant Allocation Policy	Draft grant allocation policy in place by August 2008	Grant spreadsheet					CFO
2. To increase collection of revenue and tax.	Review and implement credit control policy	Credit Control Policy	Reviewed draft in place by July 2008	Current credit control policy					CFO
3. To ensure that creditors process is streamlined and reaches the finance department on time	Monthly processing of all payments	Credit Control Policy	Improvement on the turn around time in payment of creditors	None					CFO
4. To ensure sound financial management and responsible budgeting as per the requirements of the MFMA annually	Preparation of annual budget	Annual Budget	Draft budget in place by end of March 2007	Previous financial year budget					CFO
	Compilation of Municipal Financial Plan	Financial Plan		None					CFO
	Compilation of the Service Delivery and Budget Implementation Plan	Service Delivery and Budget Implementation Plan	Draft SDBIP mid July 2008	2007/08 SDBIP					CFO
	Prepare an	IDP, Budget and PMS	Draft process	2007/08					CFO

	integrated process plan for the IDP, Budget and PMS	Process Plan	plan in place mid August 2008	Process Plan					
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SECTION G: PROJECTS

1. INFRASTRUCTURE PROJECTS

Umzinyathi District Municipality will be implementing MIG projects during three financial years and the budget allocation is as follows. During 2008/09 financial year projects to be implemented are at a value of R 100,630,000.00, 2009/10 financial year project to be implemented are at a value of R 114,218,000.00 and 2010/2011 financial year projects to be implemented are at a value of R 93,586,000.00. The municipality intends reducing the current backlog of 74% in relation to water and 68% in relation to sanitation by 30%. Most of the water and sanitation schemes which are being implemented by the municipality are aimed at laying infrastructural foundation as they are new projects providing communities with access to water and sanitation. According to the backlog study prepared by Jeffares and Green (Pty) Ltd, it states that it will take approximately 28 years to address the current backlog at a cost of approximately R1.37 billion, this is in relation to the MIG allocation being received by the municipality. It must also be noted that 25% of the MIG projects undertaken by the municipality are EPWP compliant.

It is thus highly unlikely that Umzinyathi Municipality will be able to meet the localised guideline of supplying all households with access to clean water by 2008, sanitation facilities by 2010 and electricity by 2012 as called for in 2005.

CAPITAL BUDGET 2008/2009, 2009/2010 AND 2010/2011						
Ward No	No of Households	Municipal Area	MUNICIPAL FUNDED CAPITAL PROGRAMMES	2008/2009	2009/2010	2010/2011
		Umzinyathi D.M.	CCC Equipment	10,000		
		Umzinyathi D.M.	Office equipment and Furniture	1,223,174	974,234	1,028,047
		Umzinyathi D.M.	DIMS Server	100,000	104,700	100,516
		Umzinyathi D.M.	Vehicles	1,000,000	1,047,000	1,095,163
	Various	Umzinyathi D.M.	Infrastructure Project		3,224,760	3,373,099
		Msinga Municipality	Enkamba Community Hall 1 - Msinga	1,200,000		
		uMvoti Municipality	Enseleni Community Hall 1 - Greytown	700,000		
		Msinga Municipality	Msinga Poutry Pan	100,000		
	Various	Two Regional Sites	Development of 2 Landfill sites	1,000,000		
				5,333,174	5,350,694	5,596,825
MUNICIPAL INFRASTRUCTURE GRANT PROGRAMMES						
Ward No	No of Households	Municipal Area	Project Title	2008/2009	2009/2010	2010/2011
			DWAF			
Various	Various	Umzinyathi D.M.	Rudimentary - Umzinyathi	9,500,000	6,500,000	
Various	Various	Umzinyathi D.M.	PMU	2,500,000	500,000	
			Sub Total	12,000,000	7,000,000	-

6		Endumeni Municipality	Northern Veld (Fankomo) Water		919,000	964,950
3	600	Endumeni Municipality	Ruigterfontein Sanitation		3,500,000	
			Sub Total		-	964,950
6 & 11	1542	Msinga Municipality	Othame Sanitation	423,561	7,000,000	2,100,000
3 & 2	933	Msinga Municipality	Pomeroy Sub-Regional Sanitation		2,500,000	2,625,000
1		Msinga Municipality	Pomery-Nkalane Sanitation		5,000,000	3,150,000
10 & 14		Msinga Municipality	Kwakopi-Mhangana Sanitation		3,500,000	3,675,000
12,13 & 14	1609	Msinga Municipality	Mthembu West - Tugela Ferry Water	11,986,663		-
2 & 5	600	Msinga Municipality	Ngubukazi Water Scheme	11,200,000	2,000,000	2,100,000
2 & 1	1933	Msinga Municipality	Pomeroy Sub-Regional Water Scheme	10,708,623		-
9		Msinga Municipality	Keates Drift Water Scheme	-	6,500,000	11,993,125
6 & 10	1025	Msinga Municipality	Mbono Water	-	3,709,500	3,894,975
7 & 8	1481	Msinga Municipality	Ndaya Water	-	7,000,000	7,350,000
6		Msinga Municipality	Othame/Msinga Top Water		3,200,000	3,360,000
1		Msinga Municipality	Douglas Water		2,500,000	2,625,000
4		Msinga Municipality	Mazabeko Water		3,500,000	3,675,000
1 & 17	744	Msinga Municipality	Mzweni Water		2,000,000	2,100,000
4 & 17		Msinga Municipality	Rorkes Drift Water			

					5,000,000	2,100,000
			Sub Total	34,318,847	53,409,500	50,748,100
4	1300	Nquthu Municipality	Amangwe Buthanani - Isandlwana Phase 1&2 Sanitation	1,891,046	4,000,000	
2,5,14 & 15	3360	Nquthu Municipality	KwaJama Household Sanitation	3,593,640		
7		Nquthu Municipality	Nondweni Town Sewage Disposal	-	5,267,000	5,530,350
1		Nquthu Municipality	Qhudeni- Manxili Sanitation		3,500,000	3,675,000
1,2 & 4	740	Nquthu Municipality	Hlazakazi Water Scheme Phase 1 - Isandlwana	10,684,377		
1	1763	Nquthu Municipality	Qhudeni Water Scheme	12,668,064		-
14		Nquthu Municipality	Ntinini Regional Water		5,290,500	3,455,025
			Sub Total	28,837,128	18,057,500	12,660,375
5, 8 & 9	3976	uMvoti Municipality	Mbuba-Ward 9 Sanitation	5,853,365		-
6	960	uMvoti Municipality	Mbulwane / Hlimbithwa Sanitation		1,000,000	1,050,000
4		uMvoti Municipality	Muden / Ophathe Sanitation		3,000,000	3,150,000
11	1780	uMvoti Municipality	Makhabeleni Sanitation		1,200,000	1,260,000
10		uMvoti Municipality	KwaSenge Sanitation		1,321,500	1,387,575
4	3151	uMvoti Municipality	Ophathe - Water	11,120,660	8,510,500	
8	901	uMvoti Municipality	Eshane Water Supply Scheme Phase 1	8,500,000	7,000,000	12,600,000

6		uMvoti Municipality	Mbulwane/ Hlimbithwa Water		2,000,000	2,100,000
7		uMvoti Municipality	Njengabantu Water		1,500,000	1,575,000
9		uMvoti Municipality	Mbuba Water		2,300,000	2,415,000
10		uMvoti Municipality	Sinyambothi Water		3,500,000	3,675,000
			Sub Total	25,474,025	31,332,000	29,212,575
			TOTAL	100,630,000	114,218,000	93,586,000
			Water Projects	76,868,387	67,929,500	65,983,075
			Sanitation Projects	11,761,613	39,288,500	27,602,925
				88,630,000	107,218,000	93,586,000

CONDITIONAL GRANTS AND PROVISIONS				
Umzinyathi D.M.	Disaster relief fund	1,100,000	1151700	1,204,678.00
Umzinyathi D.M.	Provision for Bad Debts	1,588,682	1,663,350	1,739,864.00
Umzinyathi D.M.	Capital Development Fund	9,639,239	12,650,074	21,442,460.00
Umzinyathi D.M.	Finance Management Grant	500,000	1000000	1,000,000.00
Umzinyathi D.M.	MSIG	735,000	735000	735,000.00
Umzinyathi D.M.	Water Services Operational Subsidies	846,000	495000	-
Umzinyathi D.M.	Backlogs in Water, Sanitation Clinics - In Direct	5,561,000	9602000	-
Umzinyathi D.M.	Regional Bulk Infrastructure - In Direct	0		9,000,000.00
Umzinyathi D.M.	Provincial : Strategic Support Grant	610,000	386000	417,000.00
Umzinyathi D.M.	Provincial : Spatial Development	450,000		-
Umzinyathi D.M.	Provincial Development Administration	250,000		-
Umzinyathi D.M.	Provincial : Municipal Information Services	250,000	250,000	-
Umzinyathi D.M.	Centre Management Support	0	500,000	600,000.00
Umzinyathi D.M.	Provincial : Local Economic Development Catalys	2,000,000	1,500,000	2,000,000.00
Umzinyathi D.M.	Provincial Library Services	500,000		-
Umzinyathi D.M.	Provincial : Infrastructure	1,400,000		-
Sub-total		25,429,921	29,933,124	38,139,002.00
TOTAL CAPITAL EXPENDITURE AND CONDITIONAL GRANTS		131,393,095	149,501,818	137,321,827

On the 13 February 2008, Umzinyathi District Municipality hosted a one day women in construction workshop and the intentions of the workshop were to:

- Promote and share ideas in construction industry;
- Develop a database of women in construction; and
- Identify the needs of women in construction.

The database of women in construction has been developed and the municipality is currently negotiating with stakeholders to have a mentorship programme especially for women in construction but it will also involve youth and men in the construction industry.

2. LED PROJECTS

Umzinyathi District Municipality has an LED Forum which comprises of local municipalities, business and stakeholders; it makes recommendations to Council regarding all economic development initiatives. During 2006/07 financial year, the municipality through the recommendations of the LED forum managed to form partnership with the Department of Economic Development (Gijima KZN) and Department of Local Government and Traditional Affairs through Corridor Development and Integrated Sustainable Rural Development Programme units.

The packaging of these projects commenced during 2006/07 financial year and the implementation started during 2007/08, and they seem to be going to overlap to 2008/09 financial year. It must be noted that most of these projects are studies and more feasible projects are expected as an outcome of these studies. The details of these projects are as follows:

Project Name	Funding Source	Funding amount	Project Status
LED Strategy	Gijima KZN	R 522 020.00	Completed – awaiting adoption by Council
Agricultural strategy	Gijima KZN	R 476 130.00	The project is almost complete
Integrating SMME'S into the local economy	Gijima KZN	R 820 300.00	Completed – awaiting adoption by Council
District Tourism Strategy	DLGTA- Project Consolidate Unit	R500 000.00.	Draft tourism strategy in place, awaiting approval by Council
District Signage project	DLGTA- Project Consolidate Unit	R500 000.00	Audit done, project in the design phase
Mangeni Waterfall-Nquthu	DLGTA- Project Consolidate Unit	R120 000.00	Draft Feasibility study complete, awaiting approval
Endumeni Taxi Rank Market Stalls	DLGTA- Project Consolidate Unit	R1 000 000.00	Construction has commenced
Kwakopi Curio Shop- extension- Msinga	DLGTA- Project Consolidate Unit	R300 000.00	Construction has commenced
Muden Arts & Craft-uMvoti	DLGTA- Project Consolidate Unit	R120 000.00	Draft feasibility study in place, awaiting approval
Eqhudeni	DLGTA – ISRDP	R150 000.00	Feasibility study &

Agribusiness- Nquthu	Unit		business plan completed, awaiting approval
Agriculture Packhouse-Msinga	DLGTA – ISRDP Unit	R150 000.00	Awaiting approval of the business plan by Dept of Agriculture for the district to commit funds
Stone Crushing Plant-Msinga	DLGTA – ISRDP Unit	R150 000.00	Feasibility study completed by Dept. of Transport. District in the process of preparing the business plan
Bee & mushroom Farming-uMvoti	DLGTA – ISRDP Unit	R150 000.00	Draft feasibility study in place, awaiting approval

The LED Strategy which was recently completed has provided the municipality with initiatives to optimise opportunities in areas where the district has competitive advantage. The strategy was instituted to provide facilitation for partnership development and project packaging to support specific initiatives and also to consolidate the initiatives into structured, practical and implementable initiatives. The initiatives identified as part of the LED strategy are as follows:

Project 1: Land Reform Irrigated Maize and Milling Supply Agreement Initiative

1) Name of initiative

Land Reform beneficiary Irrigated Maize and Milling Supply

2) Proposed partners?

The partnership arrangement for this initiative have not yet been fully established between the two parties*, although they are known to each other. The miller is committed to the proposed partnership and will provide business and technical advice to the proposed producers. The miller previously owned the farm and has extensive experience of producing maize on the farm. The business case on the part of the miller is to secure a guaranteed local maize supply into the future.

The land reform beneficiary group have very recently taken ownership of the land. They are organized into a Communal Property Association (CPA). The Land Restitution Commission have undertaken to assist facilitate the engagement with the new land owning group in relationship to this initiative. It is not clear at this stage what the goals, capabilities and resources are of the group with regard to the 150 hectares of irrigated land they have at their disposal.

If the group is in agreement, the OVK Co-operative BEE section will be approached to become part of the partnership in terms of looking at models for production loans etc, which could be developed as a general model.

3) Aims and objectives of the potential partnership?

The primary objective of the partnership will be to develop a maize supply agreement between the land reform beneficiaries and the miller. The beneficiary has recently taken ownership of the farm and 150 hectares of irrigated land suitable for maize production. The supply agreement will be predicated on SAFEX prices. The supply agreement will guarantee both the producer and the miller a guaranteed market and supply.

4) Sectoral constraints/opportunities that the partnership is going to address?

The area has a comparative advantage in terms of maize production, but there are cost factors relating to inputs. The current trends in prices however guarantee that the maize production will be very profitable as long as the price of maize remains above a break-even price of R700 per ton.

The partnership guarantees the grower a market. The crop will be irrigated (The land was transferred with a working irrigation system), so production will not be affected by drought. There is commitment from the Miller, who previously owned the farm, to provide technical and management support. But the challenges around the capabilities of the land reform group remains unknown.

Preliminary assessment criteria (1 = very poor, 5 = excellent)

Provides a short narrative description for each criteria

Criteria	Narrative	Score
What are the levels of	One potential partner has made a full	3

commitment and willingness of partners?	commitment. Other partner still to be confirmed, but there is a strong likelihood.	
Are there clearly defined champion(s) for this initiative?	The miller is a clear champion for this project.	4
Is this a sector in which the district still has competitive advantage?	The area is a comparatively good maize producer as long as the price is above R700 per ton. Milling is highly competitive because of the strong local demand in the district.	4
Are there good prospects for growth and job creation?	Specific job creation potential has not been finalized, but it will definitely secure sustained production, income and employment on the farm	4
Are there internal and external resources or potential resources for the initiative? (Business investment, DTI grants, etc...)	Production loans for planting and working capital will need to be secured for the initiative. Various agencies will be approached, but the OVK Co-operative seems to be the most likely	4
What is the extent of prior work already completed on this initiative (business plans, modelling, market research etc...)?	The production and market are known factors. The goals and capabilities of the producers has yet to be established	3

Project 2: Dairy Sector Empowerment Initiative

1) Name of initiative

Dairy Empowerment Initiative

2) Proposed partners?

The partnership involves Orange Grove, a major dairy and dairy processing company (one of the largest in the province) and potential commercial and emerging farmers who want to take up the opportunity of becoming involved in dairy production.

The potential producers will be identified through a dairy open day to be organized as an integral part of this LED Strategy project.

3) Aims and objectives of the potential partnership?

Facilitate the strengthening of the dairy and dairy processing sector in the Endumeni local municipal area, particularly the establishment of small scale black dairy producers in partnership with Orange Grove Dairies, existing dairy suppliers and other stakeholders in the dairy and dairy processing sector. Orange Grove has reported major opportunities for increased milk supply and a large market for dairy products in Gauteng.

4) Sectoral constraints/opportunities that the partnership is going to address?

Although the dairy industry has been a difficult sector, Orange Grove dairies and its buyer group have been highly successful and have grown, making them one of the industry leaders in the Dairy sector. Business models for the establishment and sustainability of small dairy producers will have to be carefully looked at.

Preliminary assessment criteria (1 = very poor, 5 = excellent)

Provides a short narrative description for each criteria

Criteria	Narrative	Score
What are the levels of commitment and willingness of partners?	Orange Grove Buyers Group has made a full commitment and has submitted a Gijima Competitiveness Action Planning Application). The interest of small and existing commercial farmers to enter the industry will be established through a Dairy Open Day to be undertaken as an integral part of this initiative.	3
Are there clearly defined champion(s) for this initiative?	The Orange Grove Dairy is a committed and willing Champion.	4
Is this a sector in which the district still has competitive	The competitiveness of Orange Grove Dairy as a processor and industry leader makes	4

advantage?	this a competitive sector in the local area.	
Are there good prospects for growth and job creation?	Dependent on the uptake, but approximately 10 – 20 jobs per enterprise. Total number would depend on the numbers established	4
Are there internal and external resources or potential resources for the initiative? (Business investment, DTI grants, etc...)	Gijima KZN LCF CAP application submitted for feasibility. Balance of Restitution and Redistribution grants on land reform farms could be used for capital costs. Working Capital to be determined	4
What is the extent of prior work already completed on this initiative (business plans, modelling, market research etc...)?	Gijima KZN LCF Application submitted.	3

Project 3: Endumeni Meat Production and Processing

1) Name of initiative

Endumeni Meat Production and Processing

2) Proposed partners?

The partnership arrangement for this initiative have already been identified and constituted. The primary partners are a black empowerment company and a local meat industry actor. The partners appear to have a concrete and well developed relationship and are currently in the process of developing a final business plan for the proposed initiative.

3) Aims and objectives of the potential partnership?

The primary objective of the partnership will be to consolidate the meat processing value chain in Dundee, through a BEE partnership. If successful, the initiative will be the first meat processing BEE venture in South Africa. The empowerment partner will provide large scale business management and access to resources made available to BEE businesses. The local industry actor will provide industry expertise.

The partnership has identified a market gap, particularly in the lower LSM groups for affordable processed meat. The demand indicates a requirement for a guaranteed supply of beef and the initiative is looking for backward integration into the cattle feedlot and maize supply. The initiative is looking to value chain integration to improve competitiveness.

4) Sectoral constraints/opportunities that the partnership is going to address?

The local economy has a competitive advantage in beef production and a potential advantage in meat processing. By increasing the competitiveness of the value chains, it may be possible to ensure that the district remains competitive in the sector as well as secure long-term employment opportunities.

Preliminary assessment criteria (1 = very poor, 5 = excellent)

Provides a short narrative description for each criteria

Criteria	Narrative	Score
What are the levels of commitment and willingness of partners?	The partners have been identified and have confirmed their commitment to the process.	5
Are there clearly defined champion(s) for this initiative?	There are clear champions for the project and they have recently completed a comprehensive business plan for the initiative.	5
Is this a sector in which the district still has competitive advantage?	Meat processing is one of the key competitive sectors for the district, but are affected by the costs of inputs and beef pricing. There is a input-price squeeze currently in the industry.	5
Are there good prospects for growth and job creation?	Specific job creation potential has not been finalized, but it is anticipated to be a significant number of permanent and semi-permanent jobs.	4
Are there internal and external resources or potential resources for the	Expected funding has not yet been secured. However a major bank has committed a 50% loan finance on condition that the remaining	2

initiative? (Business investment, DTI grants, etc...)	50% can be sourced.	
What is the extent of prior work already completed on this initiative (business plans, modelling, market research etc...)?	A comprehensive business plan has already been drafted, but it may be necessary to rework the business plan to secure funding.	3

Project 4: Low Technology SMME coal mining initiative

1) Name of initiative

Low Technology SMME coal mining initiative

2) Who are the proposed partners?

The partners will need to be identified. Slater Coal has clearly outlined the mining potential and is willing to commit resources and expertise to the project. Slater Coal has expressed concerns of an over reliance the company by potential partners and the added responsible for health and safety in an unmanage mine as reasons for not wanting to commit to a formal partnership. It may be possible to develop the initiative through an un-constituted partnership with Slater Coal and an emerging mining SMME or entrepreneur. This emerging mining partner will still need to be identified.

3) Aims and objectives of the potential partnership?

The aim of the initiative will be to mine an un-exploited coal resource through “hand-got” extraction as a means of creating employment, revenue and skills transfer to an emerging enterprise. Slater Coal has the necessary geological planning and skills base to mentor potential partners in the extraction by hand of coal from a previously excavated Coal deposit. In return Slater Coal could potentially be paid through the remaining fine product of the mine, which will remain the raw coal is sold for household consumption.

Extracting the estimated coal deposit using “hand got” technology would potentially provide full time employment for 50 to 100 workers for a 5 year period.

4) Sectoral constraints/opportunities that the partnership is going to address?

The scope for large high technology high output coal is very limited as coal mining at scale has undergone major decline. There remain however small remnant coal mines that present themselves as profitable “cash cows” with high employment potential over a 5 year period as long as they are mined on low technology “hand got” basis.

Preliminary assessment criteria (1 = very poor, 5 = excellent)

Provides a short narrative description for each criteria

Criteria	Narrative	Score
What are the levels of commitment and willingness of partners?	Potential partners have not been identified and all players such as the land owners and potential mining right owners will need to be identified.	1
Are there clearly defined champion(s) for this initiative?	Champions do not exist, but there is adequate mentorship from Slater Coal	2
Is this a sector in which the district still has competitive advantage?	Although mining has been in a decline for some time, the coal deposits and a market currently exist as long as low technology and t.	2
Are there good prospects for growth and job creation?	There is the potential for 50 – 100 full time jobs for 5 years. The potential for growth is limited to the coal deposits that can be mined with similar hand-got techniques	3
Are there internal and external resources or potential resources for the initiative? (Business investment, DTI grants, etc...)	The need for external resources is minimal, with start-up capital required for planning processes, tools such as picks, wheel-barrows and support beams and clothing.	4
What is the extent of prior work already completed on this initiative (business	A brief feasibility study has shown that the proposed remnant mine will be financially viable using manual labour at	4

plans, modelling, market research etc...)?	R100 per ton. Each miner could extract approximately 20 tons per month, with an income of R2000 per month.	
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Project 5: Bio-Fuel Soya Bean Regional Initiative

1) Name of initiative

The Soya Bean Initiative - Regional Development in Amajuba, uMzinyathi and Zululand District Municipalities

2) Proposed partners?

The partnership institutions will still need to be established, but will ultimately consist of the Siyanda Bio-Diesel Plant (a private company) and an umbrella co-operative of a large number of organized commercially viable emerging farmers in the Amajuba, Umzinyathi and Zululand District Municipalities.

3) Aims and objectives of the potential partnership?

The project proposes to create significant employment opportunities in the region by capitalising on the bio-diesel fuel market. The Siyanda Bio-Diesel Plant will produce bio-diesel fuel, fertilizer and oil cake from 600 000 tons of Soya beans a year. The Soya beans will be supplied by a formalised network of farmer co-operatives involving up to 10 000 farmers in the three districts.

There is a strong capacity building emphasis in the project design. It is anticipated that a training programme will be conducted for every phase of the production of Soya beans. AgriCare together with Siyanda will also assist emerging farmers by instituting off-take agreements and supplying seed and fertilizer to ensure adequate crop volumes.

4) What are the sectoral constraints/opportunities that the partnership is going to address?

The proposed initiative has been designed to use dry-land agriculture techniques. If the enterprise is viable it will increase the agricultural productivity yield of the district by using dry land that would otherwise be used for subsistence farming or left fallow.

Furthermore, the Siyanda Bio-Diesel Plant will capitalise on the regions key competitive advantage of agri-processing.

Preliminary assessment criteria (1 = very poor, 5 = excellent)

Provides a short narrative description for each criteria

Criteria	Narrative	Score
What are the levels of commitment and willingness of partners?	Although there appears to be significant commitment and involvement from IDT, municipalities, and the project managers, there needs to be clarity on the status of synthetic fuel industry in the process	3
Are there clearly defined champion(s) for this initiative?	A task team and Strategic Committee have already been established and are active in taking the process forward.	5
Is this a sector in which the district still has competitive advantage?	This initiative will be competitive by using dry land agriculture and agri-processing. However it should be noted that there is uncertainty regarding the final location of the processing plant. This will either be in Newcastle or Sasolburg and the location will have significance on the financial viability of the enterprise.	5 (if plant is in Newcastle), 0 (if plant is in Sasolburg)
Are there good prospects for growth and job creation?	It is estimated that at least 10 000 jobs can be created.	5
Are there internal and external resources or potential resources for the initiative? (Business investment, DTI grants, etc...)	IDT has signed a MOU with the project task team to support and facilitate the process of rolling out set of development programmes. However funding for capital costs is still being sought.	3
What is the extent of prior work already completed on this initiative (business plans, modelling, market research etc...)?	A draft business plan has been compiled that outlines costs and financial viability. Steering committee meetings and stakeholder workshops have also been conducted.	4

Project 6: Umvoti Charcoal Processing Plant

1) Name of initiative

Umvoti Charcoal Processing Plant

2) Proposed partners?

The partnership arrangement for this initiative have already been identified and constituted. The primary partners are Mondi and local charcoal producers / SMMEs . Blackgold who used to be a contractor of local SMMEs is no longer involved in the operation. The partners appear to have a concrete and well developed relationship. DPLG and the private sector (Sappi) have expressed interest in the project. Sappi and DPLG representatives have planned a presentation to the municipality and current partners as to how they see their involvement.

3) Aims and objectives of the potential partnership?

The primary objective of the partnership is to support the emerging local charcoal producers and other related emerging/local timber sector to benefit from Mondi forest timber waste operations. This includes SMMEs that remove forest waste from the plantations (labor contractors and transportation) as well as kiln-timber drying operators. Since Mondi is FSC accredited, this charcoal production will also supply the international export market. They intend to produce at least 350 tons of charcoal per month. Mondi will provide forest waste and six (6) kiln-timber drying facilities, technical advice and support and marketing of the end product. The local SMMEs will remove forest waste from the plantation to dry and burn in the kilns. They will bag it and distribute it to the target market. Umvoti Municipality will facilitate involvement of public institution during the transaction.

4) Sectoral constraints/opportunities that the partnership is going to address?

Timber processing could be a major economic activity in this municipality. Currently timber production is not providing local benefits. Processing and transportation is outsourced. Charcoal manufacturing has been identified as one of the key economic competitive advantage focus areas for this municipality. The Umzinyathi LED Participatory Assessment (2006) noted that agriculture and forestry are becoming more competitive in the region through value adding and is one of the key employers in the district. The key constraint will be meeting and maintaining market quality standards (FSC) and general market demand. SMMEs will be required to improve their

production and processing capacities. This is where this project will provide technical SMME business operation support.

Preliminary assessment criteria (1 = very poor, 5 = excellent)

Provides a short narrative description for each criteria

Criteria	Narrative	Score
What are the levels of commitment and willingness of partners?	The partners have been identified and have confirmed their commitment to the process.	5
Are there clearly defined champion(s) for this initiative?	The champions have put together LCF CAP application that missed the submission deadline. In addition partners are currently planning a way forward and more stakeholders are becoming involved	5
Is this a sector in which the district still has competitive advantage?	Value adding activities (beneficiation) in the timber sector is one of the key competitive sectors for the Umvoti local economy...	5
Are there good prospects for growth and job creation?	Specific job creation potential has not been finalized, but it is anticipated to be in the region of fifty or so permanent and semi-permanent jobs.	5
Are there internal and external resources or potential resources for the initiative? (Business investment, DTI grants, etc...)	Public institutions that are pledging support of the project are expected to widen the scope for funding and increase loan finance from the private financial institutions. Moreover Mondi will be providing kilns to the project. Further funding to be sourced from DED.	2
<i>What is the extent of prior work already completed on this initiative (business plans, modelling, market research etc...)?</i>	A comprehensive LCF CAP business plan has already been drafted, but it may be necessary to rework the business plan to secure funding.	3

Project 7: Agro-processing Pack House in Msinga

1) Name of initiative

Agri-processing Pack House in Msinga

2) Proposed partners?

The partnership arrangement for this initiative have already been identified and constituted. The primary partners are as follows, Msinga Local Municipality, Msinga Farmers Association, the KZN Department of Health, KZN Department of Agriculture and KZN Department of Economic Development. Msinga Farmers Association has a database of co-operatives and SMMEs that have merged to establish a Secondary Co-operative. This process has been facilitated by the KZN Department of Economic Development who in turn facilitated a supply contract between this newly established Secondary Co-operative and the KZN Department of Health.

3) Aims and objectives of the potential partnership?

The primary objective of the partnership is to provide a market for the emerging crop producing business in Msinga. The secondary co-operative will buy fresh produce from these emerging farmers, process it and sell it to the Department of Health and the local market. KZN Department of Health is the main customer of this initiative. Other stakeholders will provide technical support. DED will facilitate provision of loan funding for emerging farmers through co-operative funding (Ithala Bank) so that they can meet the market demand.

4) Sectoral constraints/opportunities that the partnership is going to address?

Agro-processing in Msinga and crop production was identified as the main economic activities. The Pack House which is the main infrastructure needed is already there and operational. The market had been secured. The only constraint will be the meeting the market demand. Emerging farmers need to improve their production and processing capacities. This is where this project will provide technical SMME business operation support.

Preliminary assessment criteria (1 = very poor, 5 = excellent)

Provides a short narrative description for each criteria

Criteria	Narrative	Score
What are the levels of commitment and willingness of partners?	The partners have been identified and have confirmed their commitment to the process. A supply contract with the Department of Health has been signed.	5
Are there clearly defined champion(s) for this initiative?	Mr. Dlamini from Msinga Farmers Association with members exceeding 2500 is championing the initiative.	5
Is this a sector in which the district still has competitive advantage?	Beneficiation in the crop production sector is one of the key competitive sectors for Msinga areas.	5
Are there good prospects for growth and job creation?	Specific job creation potential is very huge. The assumption is that the majority of emerging farmers will at least employ the minimum of 2 people. The project has a potential of providing thousand of semi-permanent jobs.	5
Are there internal and external resources or potential resources for the initiative? (Business investment, DTI grants, etc...)	Public institutions that are pledging support of the project are expected to widen the scope for funding and increase loan finance from the private financial institutions. DED has pledged full support to facilitate Ithala Bank funding of SMMEs and co-operatives.	3
What is the extent of prior work already completed on this initiative (business plans, modelling, market research etc...)?	A comprehensive draft master business plan has already been compiled, but it may be necessary to rework the business plan to secure funding.	3

Project 8: Mill processor Land Reform –Miller Partnership (No 2)

1) Name of initiative

Maize producer –Mill processor Land Reform Partnership Initiative – Number 2

2) Proposed partners?

A local Miller and land reform beneficiaries on two land reform Community Property Associations (CPAs).

3) Aims and objectives of the potential partnership?

The primary objective of the partnership is to establish new black maize producers on land reform land and to provide equity ownership in the mill to create jobs and promote BEE and industry transformation.

4) Sectoral constraints/opportunities that the partnership is trying to address?

The area has a comparative advantage in terms of maize production, but there are cost factors relating to maize production inputs, which can be overcome as long as the maize price remains above a certain price.

The milling sector is competitive and finds a ready local market.

Preliminary assessment criteria (1 = very poor, 5 = excellent)

Provides a short narrative description for each criteria

Criteria	Narrative	Score
What are the levels of commitment and willingness of partners?	The Miller and the Land Reform CPAs have formed a partnership and submitted a LCF Gijima Competitiveness Action Plan Application.	3
Are there clearly defined champion(s) for this initiative?	The miller is a clear champion for this project.	4
Is this a sector in which the	The producers will have access to irrigable	4

district still has competitive advantage?	land. Competitiveness will depend on maize price remaining above a certain level. Milling is highly competitive because of the strong local demand in the district, particularly Nquthu and Msinga.	
Are there good prospects for growth and job creation?	Specific job creation potential has not been finalized, but it will definitely secure sustained production, income and employment on the farm	4
Are there internal and external resources or potential resources for the initiative? (Business investment, DTI grants, etc...)	Production loans for planting and working capital will need to be secured for the initiative. Various agencies will be approached, but the OVK Co-operative seems to be the most likely	4
What is the extent of prior work already completed on this initiative (business plans, modelling, market research etc...)?	The production and market are known factors. The goals and capabilities of the producers has yet to be established	3

SECTION H: BUDGET OVERVIEW / SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

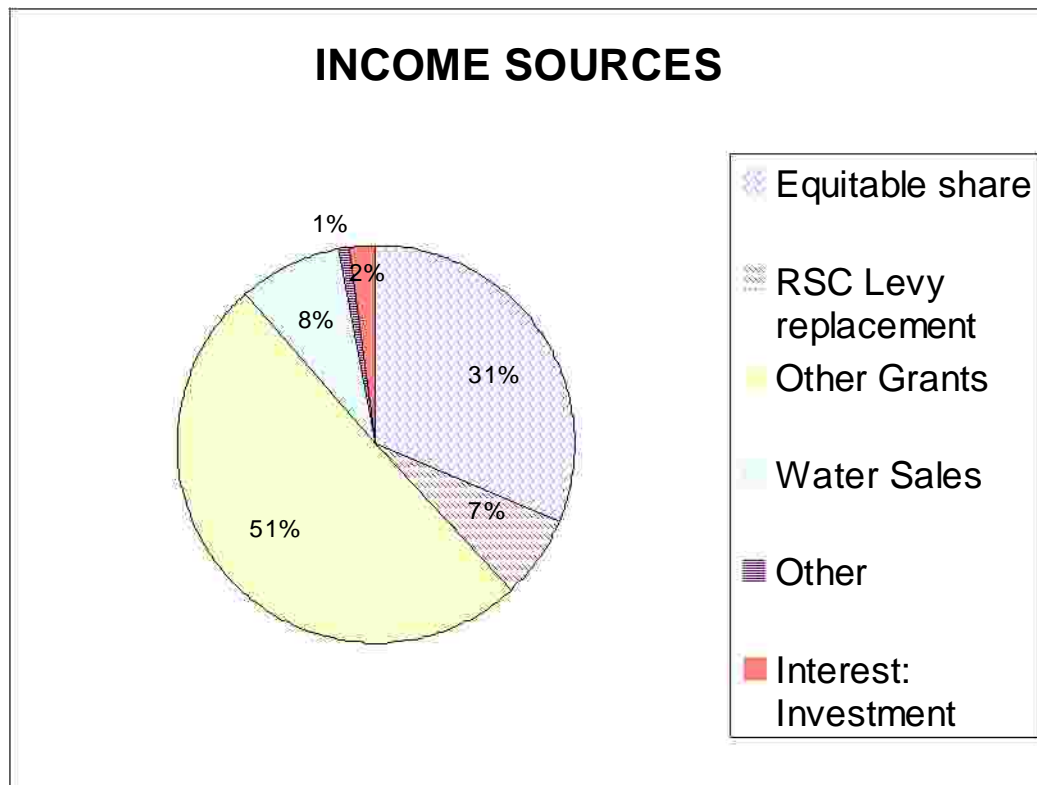
1. BUDGET OVERVIEW

The Budget for 2008/2009 has been finalised and incorporated into the IDP. The budget below is a final budget for 2008/2009 and it also contains indicative figures for 2009/10 and 2010/201 and revised budget for 2007/08.

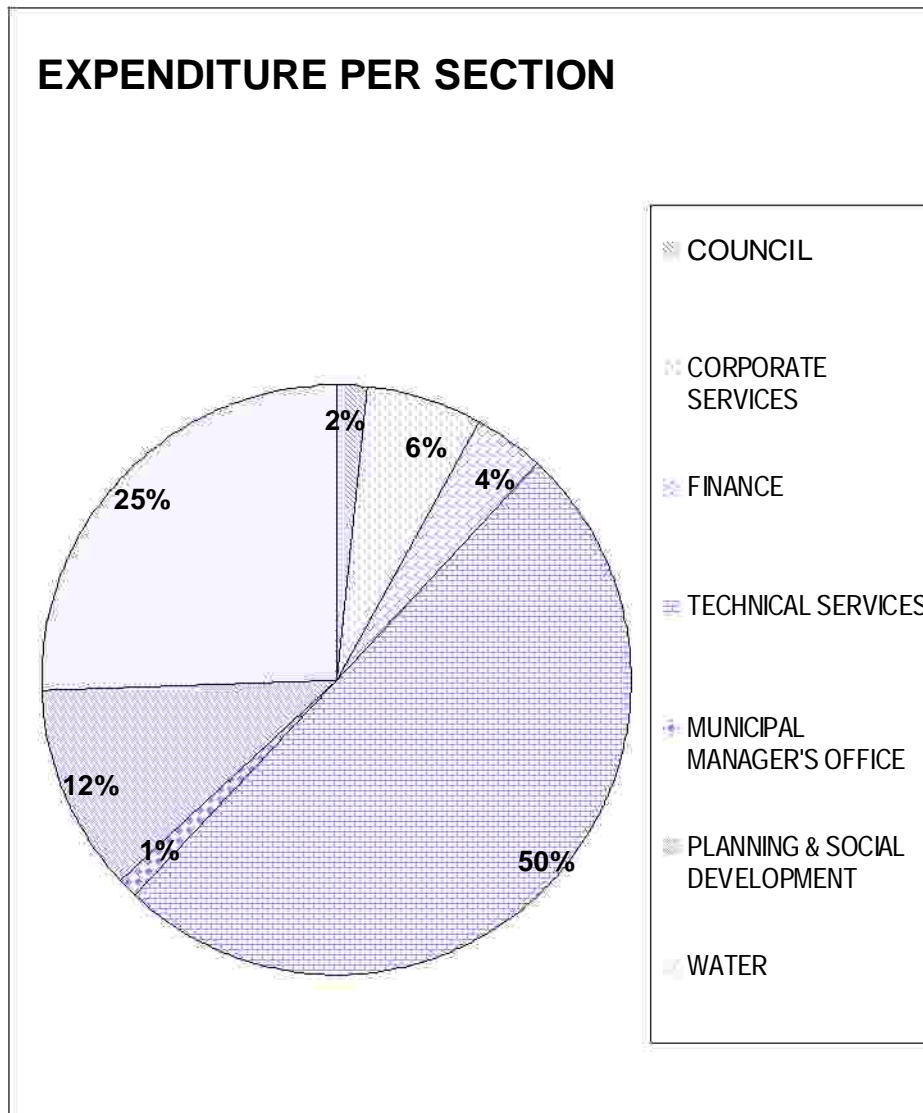
- Operation revenue which was R 19,971,000.00 from year 2007/08 has increased to R 25,863,800.00 for 2008/09;
- Grant and Subsidies which was R169,478,000.00 from year 2007/08 has increased to R 199,074,000.00 for 2008/09;
- Operation expenditure which is currently as R 85,608,058.00 has increased to R 94,262,262.00 for 2008/09.

	Revised 2007/08	BUDGET 2008/09	Indicative 2009/10	Indicative 2010/11
INCOME				
COUNCIL	0	(32,933,000)	(41,214,830)	(51,230,100)
CORPORATE SERVICES	(464,000)	(348,000)	(364,356)	(381,115)
FINANCE	(15,844,000)	(20,509,500)	(22,264,524)	(23,947,358)
TECHNICAL SERVICES	(3,000)	(107,052,000)	(124,330,705)	(102,602,427)
MUNICIPAL MANAGER	(23,341,000)	0	(2,000,000)	(5,000,000)
WATER SERVICES	(52,672,000)	(57,900,000)	(68,268,670)	(80,629,721)
TOTAL INCOME	(93,449,300)	(224,937,800)	(261,948,399)	(267,687,049)
EXPENDITURE	Revised 2007/08	BUDGET 2008/09	Indicative 2009/10	Indicative 2010/11
COUNCIL	2,935,354	4,009,682	4,265,931	4,515,410
CORPORATE SERVICES	8,186,145	16,542,115	17,413,533	18,370,576
FINANCE	6,393,619	9,366,247	14,377,464	23,369,974
TECHNICAL SERVICES	2,212,289	114,856,705	132,616,478	111,359,079
MUNICIPAL MANAGER	8,043,343	2,068,847	4,226,443	7,376,269
PLANNING AND SOCIAL DEVELOPMENT	12,716,741	25,694,335	23,943,691	25,774,530
WATER SERVICES	52,841,476	52,399,869	65,104,859	76,921,211
TOTAL EXPENDITURE	93,328,967	224,937,800	261,948,399	267,687,049
SURPLUS / DIFFICIT	(120,333)	0	(0)	0

The following graph provides a summary of income sources for the municipality, the most important element regarding the income is that 51% of the income for the municipality is being sourced from the grants.



The expenditure by department is shown in the graph below:



The largest expenditure of the capital budget is allocated for Technical Services (50%) which deals with infrastructural projects followed by water (25%). This is followed by the Planning and Social Development Department (25%) which deals with LED and other social development projects, Corporate Services (12%), Finance Department (6%), Council (4%) and Municipal Managers Office (1%).

Herewith below is the breakdown of the 2008/09 Capital programmes budget funded by the municipality:

ITEMISED MUNICIPAL FUNDED CAPITAL PROGRAMMES - 2008 - 2009			
1522	Human Resources		
4010	Office Equipment and Furniture		30,000
	Furniture		30,000
1523	Support Services		
4010	Office Equipment and Furniture		205,000
	Furniture Including Mayors Office		200,000
	Satellite Dish Mayor		5,000
4030	Vehicles		300,000
			300,000
1525	Thusong Service Centre		
3680	Land and Buildings		80,000
	Parking area and ramps for disabled persons		80,000
4010	Office Equipment and Furniture	}	300,000
	Board room furniture		
	Counter Air conditioners		298,000
	Digital Camera		2,000
1526	Buildings		
4010	Office Equipment and Furniture		20,000
			20,000
1551	Supply Chain Management		
4010	Office Equipment and Furniture		40,000
			40,000
1552	Budget and Treasury		
4010	Office Equipment and Furniture		60,000
			60,000
1570	Technical Services-Admin		
4010	Office Equipment and Furniture		2,013,000
	Scanner and Fax machine		13,000
	Enkamba Community Hall 1 - Msinga		1,200,000
	Enseleni Community Hall 1 - Greytown		700,000
	Msinga Poultry Pan		100,000
1571	Project Management		
4010	Office Equipment and Furniture		2,500
	Digital Camera		2,500

1572	Facilitation			
4030	Vehicles			350,000
	L D V(4X2 Single cab)	1	150,000	
	Double Cab (4X4)	1	200,000	
1573	Public Works			1,350,000
3680	Land and Buildings			
	Development of 2 Landfill sites		1,000,000	
	Vehicle		350,000	
1600	Planning & Social Development-Admin			
4010	Office Equipment and Furniture			120,000
	DIMS Server		100,000	
	Computer and Printer		20,000	
1601	IDP and PMS			
4010	Office Equipment and Furniture			30,000
	Laptop		15,000	
	Data Projector		15,000	
1602	Office Equipment and Furniture		15,000	45,000
	Office Equipment and Furniture		15,000	
	Office Equipment and Furniture		15,000	
1603	Disaster Management			
3580	CCC Equipment			10,000
			10,000	
1604	Environmental Health services			
4010	Office Equipment and Furniture			40,000
	Book & Filing Cabinets		40,000	
2011	Water: WSA			
4010	Office Equipment and Furniture			35,000
	Computer		10,000	
	Furniture		25,000	
	Vehicle		302,674	302,674
	TOTAL CAPITAL BUDGET FUNDED INTERNALLY		5,333,174	5,333,174

2. FINANCIAL PLAN

Umzinyathi District Municipality has successfully completed the preparation the comprehensive Financial Plan which includes the current status, future plans and the gaps, as well as a strategy on eliminating the gaps. The main objectives of the plan are as follows:

- To develop sound financial management strategies that are in compliance with the Municipal Financial Management Act;
- To maximise revenue collected to enhance service delivery;
- To formulate implementable cost recovery and revenue collection strategies;
- To strengthen financial viability and sustainability of the council; and
- To improve effectiveness and efficiency in utilisation of financial scarce resources.

The financial plan was adopted with the 2008/09 IDP Review in May 2008 and it is being submitted to the Department as an attachment to the IDP.

3. SDBIP

The 2008/09 IDP / Budget is in place, Umzinyathi District Municipality is in the process of preparing the Service Delivery and Budget Implementation Plan taking into account the 2007/08 SDBIP. The SDBIP gives effect to the IDP and Budget and it also brings together a number of strategic plans and documents to give high level analysis of key deliverables against which there is assigned accountability and responsibility.

The Service Delivery and Budget Implementation Plan will be prepared as required by the Municipal Finance Management Act (MFMA) using the National Treasury circular identifying key components as follows:

- Monthly projections of revenue to be collected for each source;
- Monthly projections of expenditure (Operating and Capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Ward information for expenditure and service delivery;
- Detailed capital works plan broken down by ward over three years.

SECTION I: ORGANIZATIONAL PERFORMANCE MANAGEMENT SYSTEM

1. PERFORMANCE MANAGEMENT SYSTEM

The Performance Management System in Umzinyathi District Municipality has been focusing on Individual Performance Management System as opposed to Organizational Performance Management System. The 2007/08 Performance agreements and employment contracts for all Section 57 Managers have been signed and quarterly assessments are being undertaken per each quarter, and reports forwarded to the Audit committee. The two performance audit reports are in the process of being submitted to Council.

The performance agreements of the Section 57 Manager emanates from the Service Delivery and Budget Implementation Plan which links the organizational goals and targets of the organization. The municipality is in the process of cascading the linking the performance agreements of the Section 57 Managers to the employees of the organization.

Since the promulgation of the 2006 Performance Regulations, the municipality has been utilising the municipal performance regulations in drafting the performance agreements of the Section 57 employees and also monitor their performance on quarterly basis.

Umzinyathi District Municipality has commenced with the process of preparing the Performance Management System that will address the performance needs of the organization and also serve to promote a culture of performance management and to administer its affairs in an economical, effective, efficient and accountable manner as required by Section 38 of the Municipal Systems Act (No32 of 2000).

The focus areas for the Performance Management System will be to:

- Cascading the existing Individual Performance Management System to the entire Organization;
- Link the OPMS to the IDP and SDBIP;
- Developing a system or a spread sheet to be utilised when measuring and reporting performance of the organization;
- Making recommendations to Council on how the reward system can be applied to individuals who have excelled in their duties; and
- Providing guidance on community participation aspects.

The municipality has outsourced this exercise through appointment of Pricewaterhouse Coopers to assist with the preparation of the Organizational Performance Management System. The process of undertaking this exercise has been finalised and submitted to the municipality, it will be undertaken as follows:

Phase 1: Gearing up for performance management

Objective of this phase: The preparation of the process of developing a performance management system and to ensure that the process followed is set out in a formally documented process plan

During this phase, collection and analyse required background information such as the Municipality's IDP, analyse the institutional capacity of the Municipality and decide on the most appropriate organisational structure to ensure alignment with IDP and PM requirements, compile a detailed PMS process plan and charter with timeframes and completion dates for each phase and facilitate the process of delegation of responsibilities to the Municipal Manager to oversee the process.

Deliverables from this phase: Detailed PMS process plan, project charter, formal delegation to the Municipal Manager in terms of the Systems Act and the institutional arrangements being in place to facilitate the development of PMS.

Phase 2: Introducing performance management

Objective of this phase: To introduce Councillors, senior management and other relevant role-players to performance management.

During this phase, run a one-day workshop for Councillors, senior management and key role-players.

Deliverables from this phase: A one-day workshop for Councillors, senior management and other key stakeholders as identified by the Municipality

Phase 3: Setting performance measures at organisational level

Objectives of this phase: To determine a comprehensive set of measures linking the Vision, Mission, Key Performance Areas, and Objectives of the Municipality as set out in its IDP.

The reviewing of performance measures is the key building block of any performance management system and is paramount to delivering value to the organisation and implementing the organisational strategy.

Deliverables from this phase: A comprehensive set of measures covering all the IDP objectives and captured in an organisational scorecard structured according to the preferred performance management model of the Municipality.

Phase 4: Setting measures at operational level

Objectives of this phase: To develop a set of measures at operational level in line with the Municipality's Service Delivery and Budget Implementation Plan (SDBIP)

This phase will entail the development of a scorecard with appropriate measures for each of the Departments of the Municipality and be linked to the measurable performance objectives as set out in the SDBIP.

Deliverables from this phase: A scorecard with measures for each of the Municipal Departments.

Phase 5: Institutionalising the reporting, measurement and review structures and formal adoption of the performance management system

Objective of this phase: Adoption of an appropriate Performance Management Framework setting out the performance management cycle of the Municipality and the scorecards.

Review the framework and bring it in line with current best practice.

Deliverables of this phase: Detailed PMS Framework and adoption of the system by the Municipal Council.

Phase 6: Community participation

Objectives of this phase: To consult the community on the measures and targets set in phases 4 and 5 above thereby meeting the requirements of the Municipal Systems Act for public input.

This phase will involve presenting the adopted PMS Framework and system to a meeting of the IDP Representative Forum of the Municipality.

Deliverables from this phase: Presentation on the Municipality's PMS to the IDP Forum

Phase 7: Linking organisational and individual PMS

Objectives of this phase: To develop performance agreements and plans for the Section 57 Managers and adopt an Employee Performance Appraisal System for all other staff.

This phase will entail the preparation of the performance agreements for all the Section 57 Managers of the Municipality for 2008/9 financial year. The said agreements will meet the requirements of the Municipal Systems Act and Municipal Finance Management Act, the Municipal Performance Regulations for Municipal Managers and Managers reporting directly to Municipal Managers and be in line with the SALGA guidelines.

Once the performance agreements for the Section 57 Managers are in place it will be necessary to align all the remaining staff's job descriptions with their Manager's

performance agreements and to adopt and implement an Employee Performance Appraisal System (EPAS).

Deliverables from this phase: Performance Agreements and Plans for all Section 57 Managers, an Employee Performance Appraisal Manual and workshop to train Managers and supervisors on the implementation of the S.

2. ANNUAL REPORT

Every municipality must prepare an annual report for e nancial year in accordance with the Municipal Finance Management Act (MFMA), and during the MFMA transitional period, the Division of Revenue Act and t e Municipal Systems Act. The purpose of the annual report is:

- To provide a record of the activities of the municipality or entity;
- To provide a report on performance in service delivery and budget implementation; and
- To promote accountability to the local community.

When the Municipal Finance Management Act No. 56 of 2003 was promulgated and came into effect, it allowed for a staggered implement tion of some of its sections by different municipalities according to their capacities. Municipalities were accordingly divided into high, medium and low level capacity municipalities. High level capacity municipalities had to implement the Act with the immediate effect, medium level municipalities had to implement the Act substantially nd low level capacity municipalities had to implement the Act incrementally over a period of three years.

Umzinyathi District Municipality is a low level capacity municipality and was one of the sections which delayed in terms of classification for the preparation of the Annual Report as required by Section 121 of the MFMA. The Annual Report has therefore been prepared by the municipality for the first time ever and accordingly has some shortfalls which to some extent are related to the newness of the exercise.

The draft Annual Report for 2006/07 financial year was submitted to Council in January 2008 for approval in principle to enable other phases to continue such as the

advertisement of the report for public comments and also the establishment of the Oversight Committee to prepare the Oversight Report. This committee is the final major step in the annual reporting process of the municipality. The Council has appointed the Oversight Committee that will prepare the Oversight Report which must include a statement whether Council:

- has approved the annual report, with or without reservations;
- has rejected the annual report; or
- has referred the annual report back to the revision of those components that can be revised.

The Oversight Committee met to scrutinize the Annual Report and then made recommendations to Council. The Annual report was then submitted to Council for approval in March 2008.

SECTION J: ANNEXURES

At the present moment, a detailed Spatial Development Framework and Disaster Management Plan for Umzinyathi District Municipality are not in place as yet. In terms of the Disaster Management, the municipality has prepared a Disaster Management Plan Level One as required by Disaster Management Act, 2002 No. 57 of 2002 Sections 52 & 53. The Disaster Management Plan Level One aims to define the measures to be taken to make communities and the environment within the municipality Disaster Resilient, the municipality is in the process of preparing a detailed Disaster Management Plan.

In terms of the Spatial Development Framework, the municipality has appointed a service provider to assist with the preparation of a detailed and sound SDF that will assist the municipality to make informed planning decisions. The Plan will be completed by August 2008, it will be included in the 2009/10 IDP Review.

No	Sector Plans	Available		If Not Available
		Yes	No	Status
J 1	Detailed Spatial Development Framework		v	Currently being reviewed and updated
J 2	Detailed Disaster Management Plan		v	Currently have a Disaster Management Plan – Level One. In the process of compiling a detailed Disaster Management Plan.
J 3	Financial Plan	v		

SECTION K: APPENDIXES

Umzinyathi District Municipality has prepared a number of Sector Plans which are aimed at assisting the municipality in making well informed decisions to enable effective implementation thereby improving the quality of life for our respective communities. A table hereunder indicates the sector plans that have been prepared by the municipality to date:

No	Sector Plans	Available		If Not Available Status
		Yes	No	
K 1	Land Use Management Framework	v		
K 2	Integrated Waste Management Plan	v		
K 3	(a) Water Services Development Plan (b) Backlog Study	v		
K 4	Integrated Transport Plan	v		In the process of being reviewed
K 5	Local Economic Development Strategy		v	Completed, to be adopted by Council
K 6	Area Based Plan		v	currently being prepared

K 7	Organizational PMS		v	currently being prepared
K 8	IDP Process Plan / Framework	v		
K 9	Agricultural Strategy		v	Currently being prepared
K 10	District Tourism Strategy		v	Currently being prepared
K 11	District Signage Project		v	Currently being prepared
K 12	Integrating SMME's into the local economy	v		