

LOCAL ECONOMIC DEVELOPMENT STRATEGY REVIEW

SITUATIONAL ANALYSIS

2014-2019



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1 Introduction

This chapter introduces the LED Strategy Review; it also highlights the adherence to the principles of sustainable development. The review of the existing LED Strategy (2009) has become necessary due to the developments and changes in the policy framework at a macro level, as well as changes which have occurred at a local level. The intention is not to re-create a strategy, so much as to revise the existing strategy and ensure that the assumptions and outcomes are embedded in a thorough understanding of the local context and the parameters within which the District Municipality currently operates.

1.1 PROJECT AREA

The Joe Gqabi District Municipality is located in the north eastern part of the Eastern Cape and is bordered by the Alfred Nzo District Municipality, the O.R. Tambo District Municipality and the Chris Hani District Municipality to the south. The Joe Gqabi District Municipality shares a border with the Free State, the Northern Cape and Lesotho. Joe Gqabi DM located in the northern region of the Eastern Cape



Figure 1: Joe Gqadi DM – Locality Plan

1.2 OBJECTIVES OF THE REVIEWED LED STRATEGY

The objective of the LED Strategy is to contribute towards meeting the following targets:

Reduce by 60-80% the number of households living below the poverty line;

Increase the number of jobs created locally through all municipal-run capital projects;

Increase the percentage of budget spent on implementing economic development programmes for a particular financial year in terms of the IDP;

Increase the economic growth rate;

Increase the proportion of development activities that take into account the interests of vulnerable groups (i.e. women, elderly, youth and the disabled); and

Increase the amount of funds injected to the District Municipality by sector departments and other development agencies

A policy review was undertaken, in order to ensure that any subsequent processes would be based on, and align to, national, provincial, and other district strategies. The following concepts were incorporated into the Joe Gqabi LED Strategy development process:

- Focus on strategic, priority sectors, most notably agriculture; agri-business; forestry and the related timber industry; and tourism.
- Development of key programmes such as the Umzimvubu Basin Development and Timber Industries Development Initiative.
- Investment in infrastructure.
- Education and skills training.
- Strategic investment in high potential areas/settlements.

It is therefore a prerequisite that the Situational Analysis focuses on the areas highlighted in these objectives.

1.3 METHODOLOGY

The formulation of this LED Strategy was based upon purposive sampling. Within purposive sampling, one already has specific, predefined groups in society in mind upon which the assessment is based. In the case of the Joe Gqabi DM, these were business people within

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the District Municipal area, including the farming community, as well as resource persons who provided their expert opinion and perspectives on the evolution of the economy within JGDM.

Taking into account the universe of business entities and the maximum number of interviews one would be able to conduct, a sample was required which would, at least somehow, reflect the proportions of each of the economic sectors. The sample reflected the local municipal representation within the project area. Gender balance was also considered, which is reflected in the representation of both male and female businesses managers or owners, and resource persons. By this the possibility existed to capture gender-specific issues within the local economy while also preparing a gender-balanced verification process.

In practical terms the JGDM followed these procedures for constructing the sample and required at least the following compulsory respondents: the Municipal Manager and Strategic Manager, IDP & LED Managers, the Municipal Environment and Natural Resources Officer (MENRO) and the Mayor/Speaker.

1.4 REPORT STRUCTURE

The report is structured so as to provide the reader and decision makers with sufficient information to clearly understand the context within which the economy of Joe Gqabi functions. This provides important insights into the possibilities which exist for economic development, as well as the stumbling blocks which are likely to be experienced.

Given that this is a **Review** of the existing LED Strategy for Joe Gqabi DM, the report maintains a strong correlation with the 2009 report. The situation analysis report comprises four components namely the:

Environmental context;

Policy and institutional profile;

Socio-economic profile; and

Economic profile.

1.4.1 Structure of the Document

This structure of this document is as follows:

Chapter 1: Introduction	This chapter introduces the LED Strategy Review. It
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	also highlights the adherence to the principles of sustainable development.
Chapter 2 : Policy and Institutional Framework	This chapter contextualises the implementation of LED at a District level. It provides an overview of the international, national, provincial and district policies and initiatives that provide the framework in which the LED strategy will be developed. It further provides an overview of the institutional structure and capacity of the JGDM and the four Local Municipalities which will implement the strategy.
Chapter 3 : Environmental Profile	Chapter 3 provides an overview of the current environmental and biophysical conditions within Joe Gqabi.
Chapter 4 : Socio-Economic Profile	The socio-economic profile provides a demographic overview of the population residing in the Joe Gqabi and considers indicators such as population growth, education and income.
Chapter 5 : Economic Profile	The economic profile considers various economic indicators such as GGP, sectoral trends and provides a profile of each of the productive economic sectors in the project area.
Chapter 6 : Infrastructure Profile	This chapter assess the level of economic infrastructure in JGDM in terms of the roads and electricity network, water, sanitation and telecommunications so as to better, understand the resources available to industry in JGDM.
Chapter 7 : Opportunities and Constraints	This chapter considers the opportunities and constraints that are present in JGDM as well as its

	Local Municipalities and recommends a development focus.
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1.5 PRINCIPLES

1.5.1 Sustainable Development

The JGDM has recognised the critical role of sustainable development in the development of the LED Strategy. Sustainable development will therefore act as a guiding principle throughout the project. The concept of sustainability will also strongly influence all stages of the programme, from the assessment of the status quo to the identification of opportunities and constraints, and to the development of a vision and strategic objectives. The sustainability criteria will be used to:

Identify opportunities and constraints. Through defining spatially sensitive areas and identifying areas that present opportunities for interventions.

Identify preferred alternatives by recommending the land uses and sectors to be promoted.

Integrate sustainability into the planning process.

Guide the formulation of plans and programmes. Use the vision and objectives to guide the identification of appropriate development interventions.

Provide a measure against which existing plans can be assessed, through the use of the sustainability criteria to prioritise interventions.

There are three levels of sustainability: weak, moderate and strong. **Weak sustainability** is when total capital is maintained without regard to the type of capital. **Moderate sustainability** recognises that not only the total capital, but the level of each type of capital is important, and that development must ensure that human and social capital is maintained. **Strong sustainability** is when human and social capital improves, but there is not loss of natural capital.

Based on these criteria, a moderate to strong definition of sustainability has been adopted. Further, the LED Strategy uses the following definition for sustainable development:

“Sustainable development is development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987: 43)

One of the core principles of sustainable development is therefore to improve the well-being of individuals, indefinitely. Well-being in this sense can be measured in terms of natural, manufactured, human, social and financial resources. These resources are frequently in conflict given the differing objectives of various developmental stakeholders. It is therefore important to establish where trade-offs can be made and which resources should be prioritised.

1.5.2 Local Economic Development

Understanding what Local Economic Development is and the principles underpinning it is paramount in the development of a useful LED Strategy. GtZ (now GIZ)¹ provides the following principles which underpin LED:

LED aims at creating favourable locational factors, i.e. qualities which make your place a good place to do business. This includes obvious elements such as improving the infrastructure and training workers, but also less obvious elements such as the business-mindedness and efficiency of local administration.

LED aims at promoting business. This can be existing businesses, start-ups or external companies coming into your location. You would also look at linking things: promote and support spin-offs and subcontracting, attract investors which fit nicely into the local economic structure, and consider franchises as a source of new local businesses. At the same time, LED must never create unfair competition for existing businesses, in particular by subsidising some companies to the detriment of others. It may often be justified to support start-ups, even financially, but this must be based on a clear understanding of barriers to entry (e.g. due to economies of scale) and other types of market failure, and it must be clear that this is a fixed-term support.

LED aims at making local markets work better. It aims at creating places and opportunities to match supply and demand, as well as to discover, propagate and promote new business opportunities.

¹Meyer-Stamer J. Principles for Local Economic Development: Options for South Africa. Published by GtZ

LED aims at making better use of locally available resources Instead of complaining about the difficulties of finding adequate advisors for the Local Business Service Centre, why not involve experienced businesspeople and managers in coaching both entrepreneurs and advisors?

In the same article, the following principles are proposed to ensure that an LED Strategy indeed has the outcome which it seeks:

Establish a clear distinction between LED and community development. LED is about creating functioning markets that encourage competitive businesses. Community development is about solving social problems (health, housing, education, neighbourhood), and it involves principles such as solidarity and support for the weak and marginalised.

Introduce a clear market and business focus in LED. Conceptualise black empowerment and the promotion of emerging entrepreneurs from this perspective. For instance, townships are full of business opportunities, but also full of market failures. Addressing market failure is the appropriate way to stimulate business opportunities, not subsidising potential entrepreneurs or entertaining them with shallow training courses. You don't solve a problem by throwing money at it.

Realise the opportunities involved in the better utilisation of local resources. Why not use the business skills of experienced businesspersons to strengthen the capabilities of emerging entrepreneurs? Why not look systematically for local sourcing opportunities? Why not mobilise the locally available capital for local business investment?

Instead of encouraging the creation of oversized, ineffective LED Fora, persuade local stakeholders to look for specific project ideas that are quickly implementable and will make a difference for local businesses. The idea that innovation can be based on consensus makes no sense. With a huge LED Forum aiming at consensus, you get very boring, conventional ideas, and probably no practical results at all. Encourage local stakeholders to establish a governance structure only when there is something to be governed, i.e. when some practical projects are under way.

Involve both the public and the private sector in LED. Don't leave LED to the private sector alone, since this may create too narrow a perspective. But also don't leave it to government alone, since government is usually not very good at understanding business matters. LED must be based on a partnership between government and the private sector, and it should involve other stakeholders, which are targeting economic issues.

2 Policy Framework

2.1 INTERNATIONAL PERSPECTIVE

Local economic development is an issue which reaches across the world and is at the centre of many international initiatives to enhance the quality of life experienced by all the world's citizens.

2.1.1 Millennium Development Goals

The United Nations Millennium Campaign, started in 2002, supports and inspires people from around the world to take action in support of the Millennium Development Goals². There are 8 goals which were identified as catalytic and worthy of international attention. All have an implication for LED at the local level. They are to:

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Improve maternal health
- Combat HIV/Aids, malaria and other diseases
- Ensure environmental sustainability; and
- Establish global partnerships for development

In September 2014, the General Assembly of the United Nations proposed a set of Sustainable Development Goals, which are to be adopted in 2015. The proposed goals are to:

- End poverty in all its forms everywhere
- End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
- Ensure healthy lives and promote well-being for all at all ages
- Ensure inclusive and equitable quality education and promote life-long learning opportunities for all

² Source: www.un.org/millenniumgoals/bkgd.shtml

- Achieve gender equality and empower all women and girls
- Ensure availability and sustainable management of water and sanitation for all
- Ensure access to affordable, reliable, sustainable, and modern energy for all
- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Reduce inequality within and among countries
- Make cities and human settlements inclusive, safe, resilient and sustainable
- Ensure sustainable consumption and production patterns
- Take urgent action to combat climate change and its impacts
- Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- Strengthen the means of implementation and revitalize the global partnership for sustainable development

The international platform is set for State-led and supported LED initiatives to make maximum impact.

2.2 NATIONAL POLICY FRAMEWORK

The key pieces of legislation relevant to LED in the South African context are:

The **Constitution** (1996) recognises the importance of local government in economic development in the statement: ““A municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.”

The **White Paper on Local Government** (1998), introduces the concept of “developmental local government”, defined as: “Local government committed to working with citizens and

groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives.”

The **Municipal Systems Act** (2000), which made integrated development planning compulsory, and legislated a number of key LED functions, roles and responsibilities. The aim of the Act is :*“To provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities.”*

The **National Spatial Development Perspective** (2006), which asserts that: “rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, among which poverty alleviation is key” and that “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, to stimulate sustainable economic activities and to create long-term employment opportunities.” It further asserts that government should focus on people, not places and that “future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or that link the main growth centres”.

The **Integrated Sustainable Rural Development Strategy**(ISRDS) of the DPLG, which seeks to “attain socially cohesive and stable communities with viable institutions, sustainable economies and universal access to social amenities, able to attract skilled and knowledgeable people, equipped to contribute to their own and the nation’s growth and development.”

The successful implementation of ISRDS rests on three elements namely:

- Rural Development focusing on:
- Improved provision of services
- Enhanced opportunities for income generation and LED
- Improved physical infrastructure
- Active representation in local political processes
- Sustainability including both financial and social
- Integrated with other government mechanisms and processes

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The Accelerated and Shared Growth Initiative for South Africa (AsgiSA). The overarching objectives are to:

- Reduce the unemployment rate from 30% to 15% by 2014;
- Reduce poverty from one-third to one-sixth of the population by 2014; and
- Increase the annual GDP growth rate from the then average of 3% to 4,5% per year for the period 2005 to 2009 and to 6% for the period 2010 to 2014. This target should create a sustainable annual growth rate of 6%.

The task team developed proposals to address the constraints and identified the following priorities for intervention:

- Macro-economic issues
- Infrastructure
- Education and skills
- Sector development strategies
- Second Economy, and small, medium and micro enterprise (SMME) development governance and public administration.

The **Joint Initiative on Priority Skills Acquisition Mandate**(JIPSA) was launched in 2006, in support of AsgiSA, to *identify solutions to the major skills shortages*.

The Strategic Plan for the Department of Agriculture, Forestry and Fisheries (2013/14 to 2017/18) has the following goals:

- SG 1: Increased profitable production of food, fibre and timber products by all categories of producers
 - SO 1: Promote efficient production, handling and processing of food, fibre and timber
 - SO 2: Coordinate government food security initiative
 - SO 3: Improve production systems anchored in commodities with a competitive and comparative advantage in each province
 - SO 4: Comprehensive support towards rural development
- SG 2: Sustained management of natural resources
 - SO 1: Ensure the sustainable management and efficient use of natural resources

SO 2: Ensure protection of indigenous genetic resources

SO 3: Increase contribution to green jobs to improve livelihoods

- SG 3: Effective national regulatory services and risk management systems

SO 1: Manage the level of risks associated with food, diseases, pests, natural disasters and trade

SO 2: Establish and maintain effective early-warning and mitigation systems

- SG 4: A transformed and united sector

SO 1: Increase equity, ownership and participation of PDIs

SO 2: Enhance systems to support the effective utilisation of assets

SO 3: Improve social working conditions in the sector

SO 4: Provide leadership and support to research, training and extension in the sector

- SG 5: Increased contribution of the sector to economic growth and development

SO 1: Increase growth, income and sustainable job opportunities in the value chain

SO 2: Increase the level of public and private investment in the sector

SO 3: Increase market access for South African and African agricultural, forestry and fish products, domestically and internationally

SO 4: Increase production of feedstock to support the manufacturing sector

- SG 6: Effective and efficient governance

SO 1: Establish and strengthen cooperative governance and functional relations with local and international stakeholders

SO 2: Strengthen policy, planning, monitoring, evaluation, reporting and sector information

SO 3: Provide effective audit, investigative and legal, human resources and financial risk management

SO 4: Improve departmental service excellence through implementation of quality standards, Batho Pele principles and the general legislative mandate

SO 5: Provide leadership and manage communication and information

The following sectors are highlighted as key – which are also critical elements of the JGDM agricultural sector:

- Food security
- Cooperatives and smallholder farmers
- Agro-processing
- Forestry
- Fisheries

2.3 PROVINCIAL POLICY FRAMEWORK

In addition to the above, local economic development is also guided by provincial policies and strategies. The key provincial policies and plans are:

2.3.1 Provincial Growth and Development Plan: 2004 – 2014.

The PGDP has the following core objectives:

- Systematic poverty eradication through a holistic, integrated and multi-dimensional approach to pro-poor programming;
- Agrarian transformation and strengthening of household food security;
- Consolidation, development and diversification of the manufacturing base development and tourism potential;
- Infrastructure development;
- Human resource development; and
- Public sector and institutional transformation.

2.3.2 Spatial Development Plan: Eastern Cape Province

The Spatial Development Plan (SDP) is intended as a coordinating document that sets out broad framework for the investment of public funding and management of development in the Eastern Province, towards achievement of a common vision and set of objectives. The following principles are therefore adopted:

- A focus on developing nodes and areas where economic opportunities and resources exist, or where such opportunities can be stimulated
- Investment should be targeted into areas where the economic opportunities and returns are greatest
- Inter-departmental investment linkages should be identified in order to maximize benefits and achieve a coordinated effort
- Social expenditure on basic infrastructure for basic needs should be specified as spin-offs from economic development investments, wherever possible.

2.3.3 The Eastern Cape Industrial Strategy

The ECIS is a means of articulating the national and provincial developmental policy framework. As such, the focus is on key economic sectors, namely:

- Agro-processing (especially biofuels)
- Forestry and timber industries,
- Tourism and cultural industries
- Business process outsourcing (BPO)
- Construction
- Chemicals
- Metals processing
- Auto sector
- Clothing and textiles

2.3.4 Eastern Cape Rural Development Strategy

The strategy begins by asserting that “rural development must be a process where people are involved in creating a different society, an inclusive process of animating self organisation. Rural Development must thus be premised on mobilisation and organisation of people within communities. Government systems and structures must support such forms of organisation, and create an environment where people’s own development and organisation can thrive.” (Draft Fund Development Strategy: pp 9)

- The pillars of the Rural Development Strategy are:
- Land reform,
- Agrarian transformation and food security,
- Non-farm rural economy,

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- Infrastructure,
- Social and human development
- Enabling environment

With particular reference to the development of the local economy in Joe Gqabi DM, the Strategy seeks to:

- Reduce the barriers to economic development due to land tenure –
- Facilitate the acceleration of land redistribution for sustainable rural development;
- Facilitate access to tenure security that creates socio-economic opportunities for people living and working on farms and in communal areas;
- Facilitate access to rights in land, including land ownership and sustainable development;
- Provide an environment which is pro-poor and LED-enabling:
- Provide efficient state land management that supports social and economic development;
- Accelerate participation, equity and productivity in agricultural development
- Facilitate and support access to markets and distribution channels for rural farmers
- Provide water and sanitation infrastructure to rural areas
- Facilitate accelerated access to energy
- Co-ordinate and ensure access to quality services
- Create economic opportunities for sustainable livelihoods through non-farm activities, including:
 - Agro-processing
 - Forestry
 - Marine and in-land fisheries
 - Tourism
 - Other LED and small-scale initiatives
- Improve rural roads, transport and logistics network

2.3.5 Eastern Cape Provincial Industrial Development Strategy (PIDS)

The Eastern Cape PIDS has 3 strategic imperatives:

Economic Growth: Increasing economic growth through strengthening of existing sectors and investment into new high potential industrial sectors, coupled with state investment in infrastructure.

Labour Absorption: Improved labour absorption through skills development, especially for the youth, and through spatial spread of sectors, especially manufacturing industry.

Job Retention: The net retention of existing jobs through the development of sectoral industrial policies and strategies and through the utilization of bridging and retraining strategies in declining industries.

Six priority sectors have been identified:

- Agro-processing
- Petro-chemicals
- Automotive
- Tourism
- Capital goods
- Green industries – renewable energies

Within JGDM, the agro-processing, tourism, capital goods and green energies sectors are likely to be the most relevant.

2.3.6 Eastern Cape Jobs Strategy

The Provincial Jobs Strategy has 5 pillars, namely:

1. Retain existing jobs
2. Stimulate new jobs in priority sectors
3. Build our social economy
4. Increase the pace of Provincial economic infrastructure investments in critical areas
5. Radically improve our skills development processes.

Similar to other strategies, the Jobs Strategy highlights the following areas of comparative advantage for the Eastern Cape, and indeed the JGDM:

- Agriculture and animal husbandry
- Fishing and aquaculture
- Minerals

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- Energy
- Forestry
- Tourism

The JGDM is immediately positioned to take advantage of 3 out of 6 of these priority areas. Agriculture, forestry and tourism have already been identified, in previous LED strategies, as potentially catalytic sectors on which to focus. In addition, there is scope to consider the development of aquaculture – especially trout – in the District.

2.3.7 Eastern Cape Tourism Master Plan 2009-2014

The EC Tourism Master Plan highlights 8 areas of intervention which are critical when seeking to grow the tourism sector in the Eastern Cape, namely:

- Tourism product development
- Tourism marketing
- Human resource development
- The development of tourism relevant infrastructure
- Transformation of the tourism sector
- Tourism research and information
- Tourist safety and security
- Management of the tourism sector

With regards to JGDM, the following findings were published:

Tourism is strongly linked to the quality of service delivery in primary and secondary towns, services, skills and tourism awareness

Organised tourism agree to:

- Partner with and mentor emerging tourism entrepreneurs
- Implement social responsibility programmes
- Support learnership programme through placement of learners for internships
- Market crafts and products manufactured in the areas of their establishments
- Make available expertise in marketing for micro tourism enterprises

Government and private sector agree to:

- Provide funds for upgrade of roads and tourism infrastructure
- Maletswai LM (with support) to upgrade Aliwal North Spa
- Development of functional tourism institutions such as district, local and community tourism organisations
- Improve tourism capacity in government
- DEAET to improve data management and research around tourism
- Numerous sites to be developed with assistance of DSRAC
- All municipalities to identify heritage sites within the district
- Commit to preserve and protect historic and heritage sites
- Collaborate on destination planning, product development, quality management and marketing
- Commitment to identification of opportunities for tourism related to 2010 FIFA World Cup
- Commit to the development of youth, women and disabled through tourism
- Commit to processes around amalgamation and expansion of parks around Gariiep Dam
- Agree to principles of responsible tourism

2.3.8 LED Implementation at a Provincial Level

At a provincial level, the primary drivers of LED are the Departments of Economic Affairs, Environment and Tourism (DEAET) and Agriculture. The Eastern Cape Development Corporation (ECDC) is also a strategic partner herein.

Some of the mechanisms employed for LED integration currently are the institutional development of municipalities, the creation of training of LED facilitators, district support teams, and cooperation by the provincial government with micro-finance institutions and other training activities for government officials tasked with facilitating LED. These and other future activities are seen as key interventions which could support and entrench a focus on local development, especially through the creation of viable and sustainable economically-productive enterprises which meet local demand for goods and services and foster growth.

2.4 DISTRICT POLICY FRAMEWORK

The **JGDM Integrated Development Plan** provides the strategic framework for all development within the District. This LED Strategy is aligned to the vision, mission and objectives of the current IDP.

The **JGDM Spatial Development Framework Plan** (2009) provides the spatial framework for development across the District. The following key issues are addressed:

- Addressing Basic Needs – through ensuring the availability of minimum acceptable level of infrastructure and services throughout the DM and improved service delivery capacity
- Overcoming Spatial Fragmentation - by creating efficient and integrated settlement patterns across the DM
- Ensuring Good Linkages and Access – by providing a well structured network system, which allows for ease of movement; and ensuring efficient and effective links between identified nodes and relevant products and services
- Managing Land Use – through the implementation of an appropriate Land Use Management System across the DM and securing access to land for development
- Managing the Environment – through adherence to sound environmental practices and the protection of environmentally sensitive areas.

The SDF provides a hierarchy of settlements, which is of assistance to the development of the LED Strategy, as it provides a point of reference when deciding where to focus certain forms of economic development support. The following hierarchy is defined:

Table 1: Settlement Hierarchy

Type of Node	Settlement Area
Urban	
Primary Urban Node	Aliwal North
Secondary Urban Nodes (major service centres)	Sterkspruit Ugie Mount Fletcher Maclear
Secondary Urban Nodes (minor service centres)	Burgersdorp Lady Grey Barkly East.
Rural	
Sterkspruit sub-region (Senqu)	Ndofela Qoboshane/Telle-B Hillside-E Herschel
Mount Fletcher sub-region (Elundini)	Mangolaneng Katkop Ngcele
Development Corridors: Tourism	The Madiba Corridor, which links the JGDM to the current Madiba route via the Ugie-Langeni road and extends it to the north-west along the R58 to Aliwal North, and along the R56 to the north-east through Mount Fletcher to the

Type of Node	Settlement Area
	Maloti-Drakensberg National Park area.
Special Development Areas	
Timber Programme	Areas within the Elundini Municipality - centring on Ugie and Maclear
Special Tourism	Areas around Venterstad and the !Gariep Dam
	The area incorporating the highlands and including the towns of Lady Grey, Rhodes, Barkly East, Maclear and Ugie, Dam
Basic Needs and Upgrade of Infrastructure	The former Transkei areas of Herschel and Mount Fletcher sub-regions

Other key documents consulted include:

The **Strategic Plan Of Joe Gqabi Economic Development Agency** (2012-2016) which is established to serve as the primary vehicle for economic development & investment within Joe Gqabi District so as to enhance economic development and investment into region. The Economic Development Agency's focus is on catalytic projects and programmes, such as the Aliwal Spa, Lake Gariep development, middle income housing, the Aliwal Private Hospital, the development of the maize-meat hub and attraction of investors such as Senqu Plastics. Skills development is also a critical intervention.

The Sustainable Development Strategy for the Eastern Section of the Joe Gqabi District Municipality (2009), which seeks to:

- Progressively move towards achieving the biodiversity target, to:
- Update the biodiversity information and resulting biodiversity conservation plan for the area by 2012.
- Ensure that protection of existing intact vegetation in degraded areas takes place, and that 8% of all threatened vegetation types are formally conserved by 2012.
- Establish a core conservation zone by 2012
- Ensure that 100% of remaining wetlands and mires are protected and correctly managed by 2010 (as per the Water Act) and ongoing thereafter- including any rehabilitation of previously distributed wetlands
- Strengthen local government capacity in environmental management in the Joe Gqabi Mountain Region of the Eastern Cape
- Develop the tourism sector so that it contributes meaningfully to sustainable economic growth and development:

- To transform the tourism sector, thereby ensuring that 35% of tourism enterprises are black-owned by 2014.
- To increase visitor numbers to the region by at least 5% per annum until 2010, and by 7.5% from 2010 onwards.
- To achieve an average length of stay of 3 nights by 2010.
- To increase the number of 'outside' participants/visitors to local events by 5% per annum.
- To develop and market at least two new tourism products in the study area by 2010.
- Maximize the potential of agriculture within biodiversity targets/water constraints:
- To grow the contribution that agriculture makes to the regional economy by 3% per annum.
- To maintain current employment levels in agriculture (excluding forestry) until 2010 and then increase employment opportunities from 2010 onwards.
- At least two new value adding opportunities in agriculture are investigated by 2009 and implemented by 2014.
- Strengthen formal relationship between emerging and commercial farmers by 2009.
- To transform the agricultural sector, thereby ensuring that 35% of agricultural enterprises are black-owned, by 2014
- Strengthen institutional capacity of JGDM, Elundini Local Municipality and Senqu Local Municipality:
- Fulfil the mandate of local and district municipalities and improve the quality of municipal services by 2010.
- Fill all posts set out in Section 57 of The Municipal Systems Act, 32 of 1996; by 2010.
- Increase the percentage of total positions filled within the Elundini and Senqu Municipalities to 50% by 2010 and 75% by 2012.
- Increase average tenure of newly appointed staff, to a year and a half at the District and Local Municipalities.
- Strengthen the trade sector:
- Increase the average growth rate of the trade sector to 17% by 2010.

- Increase employment in trade sector grow by 16% of total employment in the study area by 2010

To this end, five main pillars have been identified that will stimulate local economic development ensuring that it is environmentally sensitive, namely:

1. Sector Development
2. Environmental Management
3. Investment in Infrastructure
4. Creation of Strategic Partnerships and Institutional development
5. Human Resource Development

Joe Gqabi Growth and Development Summit Agreement (signed 2007), which seeks to fight poverty through economic development. Eight (8) anchor projects were defined:

- Timber cluster development programme
- Maximising tourism potentials of the District area
- Development programme for maximising agricultural potentials
- Eradication of backlogs in water and sanitation
- Service upgrading in primary and secondary towns, key rural nodes, and mobility corridors
- Improvement of access and linkages to basic services to support the economy
- Creation of a secure social safety net
- Governance and administration development programme

The **JGDM Forest Sector Development Plan** (2010) points to the fact that the Elundini area is well suited to the growing of trees and that the further development of this sector, small grower forestry development in particular, can play a strategic role in job creation and local economic development. This can be achieved through three interrelated processes:

- The optimisation of existing plantations
- The establishment of new plantations
- The productive use of wattle jungle and other wooded areas

The **JGDM Agricultural Sector Plan** (2010) points out that the JGDM has a strong agricultural sector with good natural resources. Commercial agriculture has adapted to the

climatic challenges but small-scale agriculture is still under-developed with specific challenges in especially Sterkspruit/Herschel and in the Elundini district. The importance of agri-businesses in agricultural development is also highlighted. The report highlights the fact that commodity production (wool, meat, mutton, grains) is already efficient with little room for improvement. With regards to commonage land, the common problems relate to over-grazing, lack of fencing and little or no management. The former Transkei areas of Sterkspruit/Herschel and Mount Fletcher are characterised by small-scale farming with low outputs. Farmers in these areas also have similar problems such as water reticulation, fencing, high mortalities etc. Agri-tourism and geo-tourism were highlighted as areas with the potential to enhance the economic impact of the agricultural sector.

The following LED programmes are currently being implemented at a District Level and provide clear guidance as to how implementation should occur:

The **JGDM SMME and Cooperatives Strategy** (2010) contains a clear action plan and targets. A Co-operatives Strategy Review is underway. Currently SMMEs and supported through a collaborative effort between the District, local municipalities, ECDC, DEDEA and SEDA. Moreover, an invoice based payment system was introduced to link SMMEs and Cooperatives to funding sources in partnership with ECDC and the District Municipality. The programme is currently being implemented.

A **business expansion and retention strategy** was piloted in Maletswai Local Municipality in 2012. Due to the high success rates of the project, a process to replicate the programme in other municipalities is being considered. For the long term business attraction and retention plans, the review of the LED strategy of the District will provide specific actions that need to be implemented by the District and all stakeholders involved in the sector.

Road Maintenance within Joe Gqabi is done through the **Expanded Public Works Programme**, focusing on labour intensive strategies. In the District area, most government Departments implement EPWP and some of the programmes include community health workers. The **Community Works Programme** (CWP) is having a profound impact on the micro-economy of the District. The District is involved in facilitating implementation of the CWP programme as the actual implementation rests with other stakeholders. The District has previously implemented the programme in a number of wards in Senqu LM, Elundini LM and Gariep local municipality. Two thousand people Senqu and one thousand people from each of the other two municipalities will benefit from the programme.

A **Tourism Marketing and Development Plan** has been prepared for the Joe Gqabi District Municipality (JGDM). The Joe Gqabi tourism marketing and development plan adopts a systems approach to tourism development. The advantage of such an approach is that it adopts a more holistic method of developing tourism rather than merely focusing on and trying to improve the tourism products and services (i.e. product development) that an area offers. The systems approach focuses on a number of integrated components that are integral to the efficient functioning of the tourism sector and industry as a whole.

2.5 INSTITUTIONAL FRAMEWORK

2.5.1 District Level

The JGDM has a responsibility for promoting and facilitating socio-economic development within the area of the District.

An LED Section is located within the Office of the Chief Operations Officer as contained in the organogram. Currently the Section is composed of the socio-economic development manager (contract), three coordinators (agriculture, forestry, and socio-economic development), economic planner and an administrator. LED is mainstreamed within the institution and all departments and organizations have a role to play in the creation of an enabling environment.

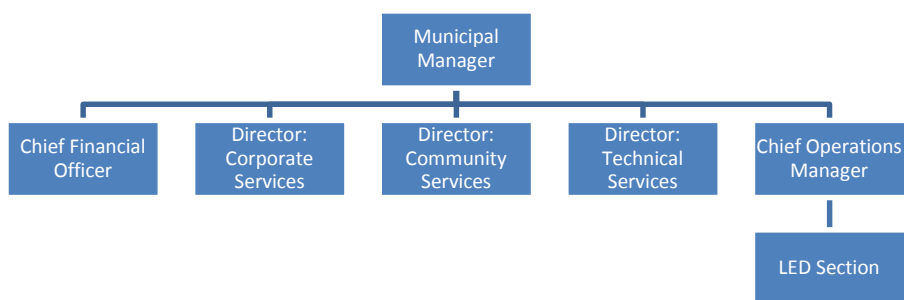


Figure 2: Organogram showing the LED Section within the Municipal Structure

The following diagram provides detail on the structure of the LED Unit:

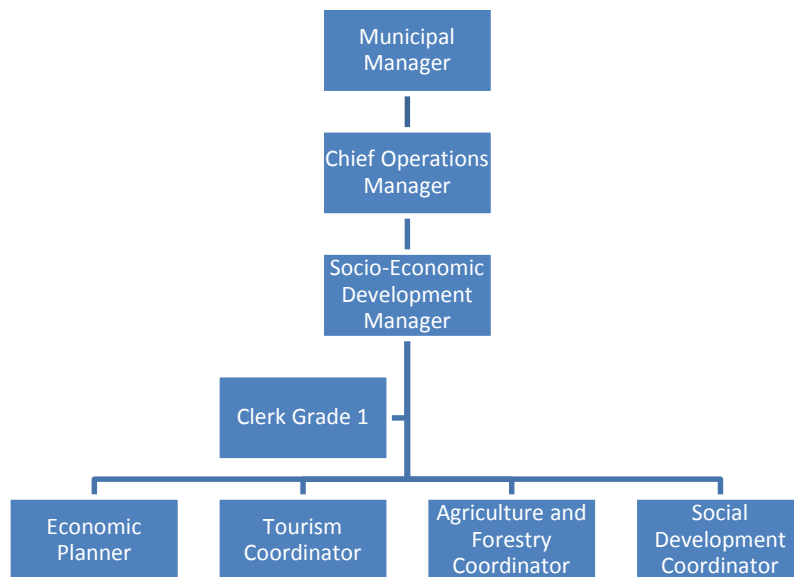


Figure 3: Organisational Structure of the LED Unit

Notably the above organisational structure for LED is populated with posts on contract basis. There seems to be little attention to LED in terms of dedicated personnel. For this reviewed LED Strategy to succeed, focus should be given to constant interaction with organised business and other local stakeholders and support and provide assistance to local municipalities during implementation of this strategy.

2.5.2 Local Municipal Level

The ability of the JGDM to implement LED initiatives relies heavily on the ability of the local municipalities to engage with the initiatives and partner with the District. The following is a synopsis of the current status of LED within each local municipality within the District:

Table 2: Local Municipal LED Structures

Local Municipality	LED Status	Comments
Maletswai	LED is accommodated within	Some of the staff originate

	<p>the Planning and Economic Development Unit, within the MM's Office</p> <p>The following posts exist:</p> <p>1 Manager</p> <p>1 LED Coordinator</p> <p>2 LED Officers {1 is vacant}</p>	<p>from the Mthombo Sediba Development Agency (now closed) and are therefore well experienced in LED.</p>
Senqu	<p>Only 2 LED-specific positions are accommodated on the organogram: LED Officer & Tourism Officer</p> <p>These are located within the Directorate of Integrated Planning, Monitoring and Evaluation, and both report to the Manager of Integrated Planning and Economic Development</p>	<p>The LED coordinator position is presently vacant. There are future plans to hire an additional staff member to coordinate SMME's and other small enterprises.</p>
Gariep	<p>There is 1 LED Coordinator (also the IDP Coordinator)</p> <p>This position is located within the Directorate of Community Services</p>	<p>There is a functional Local Tourism Association and Agricultural Association so it is not felt that there is a need to expand the unit.</p> <p>However both a dedicated LED and IDP coordinator are required.</p>
Elundini	<p>LED is situated within the Strategic Planning and Economic Development directorate</p> <p>The following posts exist:</p> <p>Assistant Manager: LED</p> <p>SMME Coordinator</p> <p>Tourism Coordinator</p> <p>Agriculture and Forestry</p>	

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	<p>Coordinator</p> <p>All coordinators report to the Assistant Manager</p> <p>LED experience in the LED unit is limited and all staff should receive further training around economic development</p>	
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3 Environmental Profile

The JGDM spans an area of 25,689.1 square kilometres and comprises of four local municipalities namely: Elundini, Gariiep, Maletswai and Senqu, as reflected below:

Name	Seat	Area (square km)	Population in 2011	Population density (per square km)
Elundini Local Municipality	Maclear	5065	138141	27.3
Gariiep Local Municipality	Burgersdorp	8911	33677	3.8
Maletswai Local Municipality	Aliwal North	4358	43800	10.1
Senqu Local Municipality	Lady Grey	7329	134150	18.3

The main towns in the area are: Burgersdorp, Steynsburg, Venterstad (Gariiep), Aliwal North, Jamestown (Maletswai), Barkly East, Rhodes, Rossouw, Lady Grey, Sterkspruit (Senqu), Maclear, Ugie and Mount Fletcher (Elundini). The area is bisected by the N6, which is located almost in the centre of the district, and runs in a north-south direction, linking East London with Bloemfontein and Johannesburg. The N1 and N2 are to the west and east of the District, respectively. Maletswai is the main economic centre within the District, with Aliwal North town is strategically located on the national N6 route.

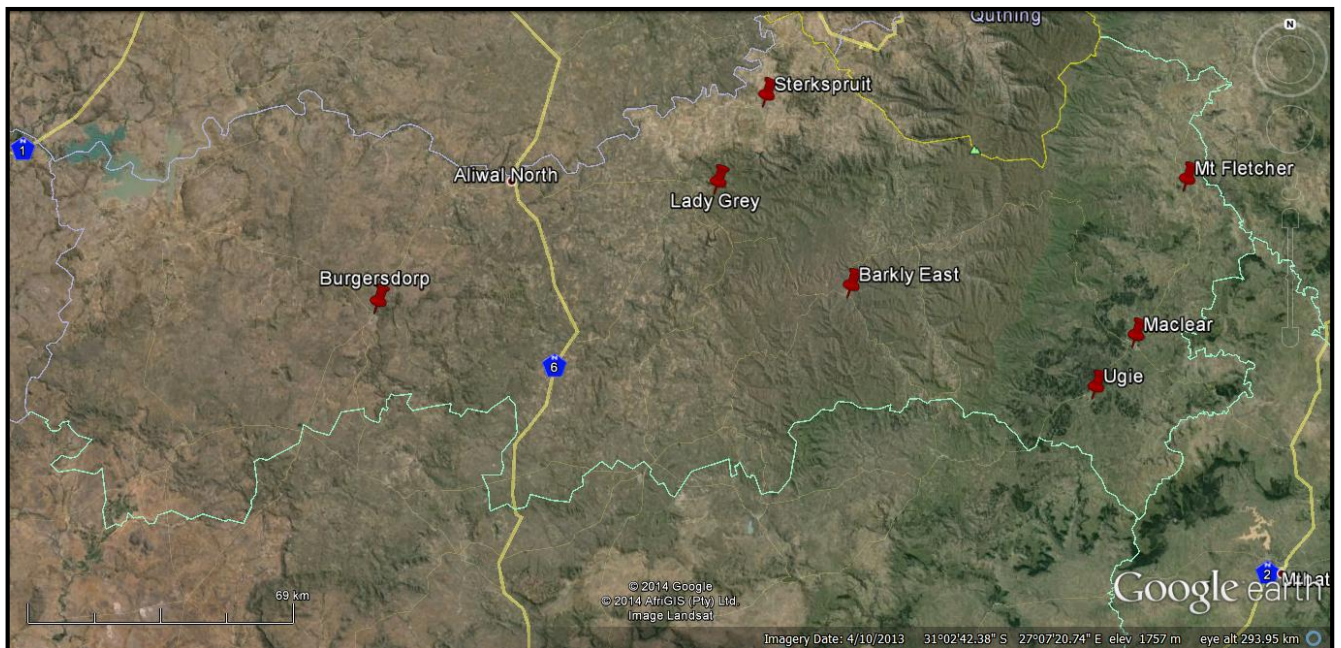


Figure 4: Aerial view of JGDM

3.1.1 Elundini

Elundini is the eastern most local municipality in the District and borders the Alfred Nzo and O.R. Tambo District Municipalities, Senqu Local Municipality and Lesotho. The Elundini Local Municipality has three commercial centres i.e. Mount Fletcher, Maclear and Ugie all of which are considered secondary nodes (major service centres) in terms of the JGDM SDF.

The Elundini Local Municipality incorporates large portions of the former Transkei. Given that the Transkei is one of the largest and most unfortunate beneficiaries of many years of neglect and lack of resources under the apartheid government, the Transkei is generally acknowledged as a priority area for development. When considering the Provincial Growth and Development Plan, intervention within all six focus areas is critically required if the Transkei is to reach the level of development that the surrounding areas have already reached. This includes:

- Systematic poverty eradication through a holistic, integrated and multi-dimensional approach to pro-poor programming.
- Transformation of the agrarian economy and strengthening of household food security.
- Consolidation, development and diversification of manufacturing and tourism.
- Infrastructure development.
- Human resource development.

- Public sector and institutional transformation.

3.1.2 Senqu

The Senqu Local Municipality consists of the former Cape Border region as well as a portion of the former Transkei region. The latter Transkei region corresponds with the boundaries of the former Sterkspruit/Herschel magisterial district. There are no major urban centres in Senqu, but there are a number of small towns including Sterkspruit, Lady Grey, Rhodes and Barkly East. Barkly East serves as the seat of the Joe Gqabi District Municipality. Sterkspruit is the only secondary node in Senqu and is recognised as a priority development area for the Local Municipality and the District. Lady Grey is the seat of the Senqu Local Municipality.

3.1.3 Maletswai

The Maletswai Local Municipality lies to south of the Free State Province and is boarded by the Senqu Local Municipality, the Gariep Local Municipality and the Chris Hani District Municipality. It is dominated by commercial agriculture. The primary town in the area is Aliwal North which serves as the economic hub for both the Maletswai Local Municipality and the District as a whole. The only other significant town in the Local Municipality is Jamestown.

3.1.4 Gariep

Bordered by the Free State Province, Maletswai Local Municipality, the Chris Hani District Municipality and the North Cape, the Gariep Local Municipality is the largest LM in the District. It however is one of the least populated. The major towns in the area are Burgersdorp, Steynsburg and Venterstad. Burgersdorp is the largest town, and is the seat of the Gariep Local Municipality.

3.2 CLIMATE³

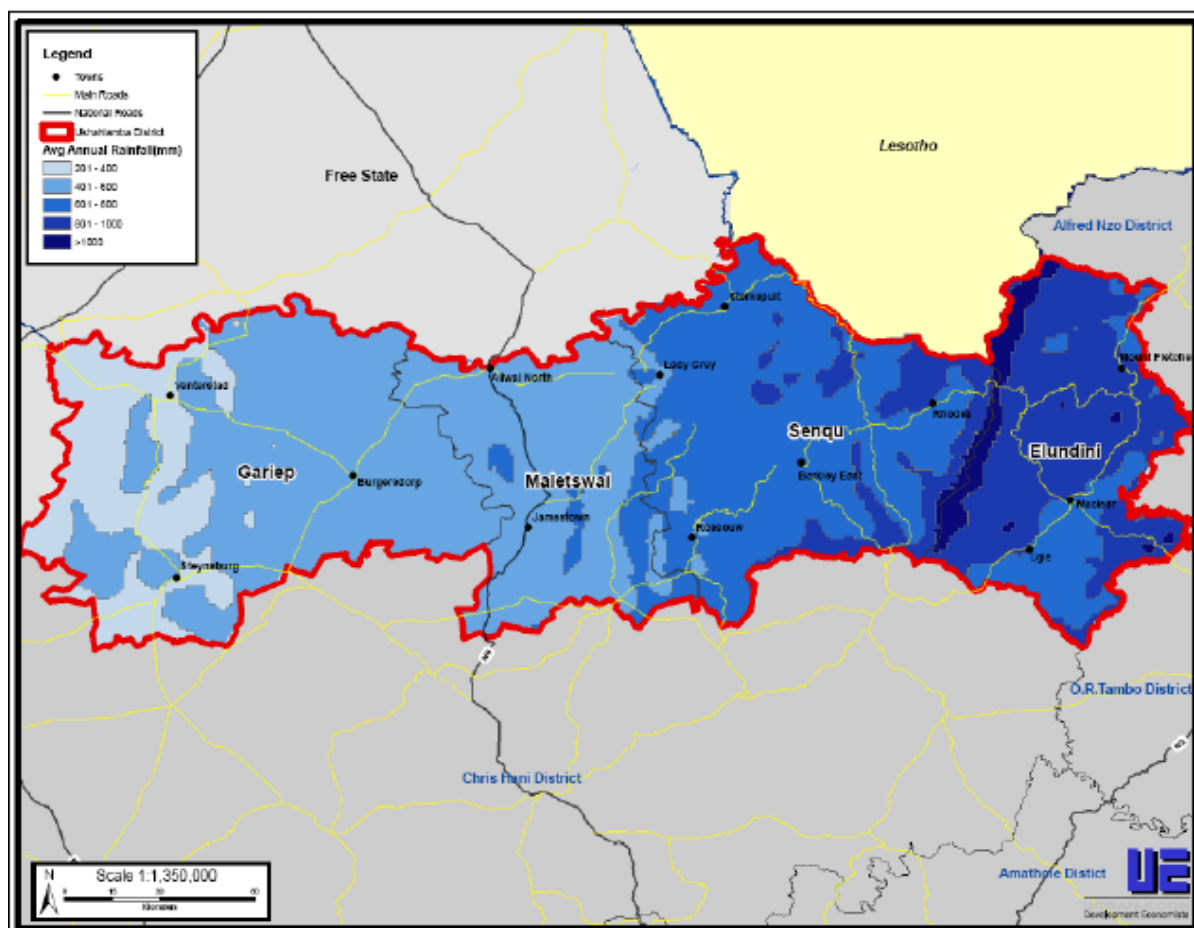
JGDM experiences extreme fluctuations in temperatures, with temperatures ranging from 42°C to -11°C. Daily maximum temperatures for summer (January) range from 24°C to 32°C in the Gariep and Maletswai LM's, and 18°C to 26°C in Eludini and Senqu LM's. Minimum temperatures in winter (July) are lowest (-7 to -1°C) on the high lying areas of the Southern Drakensburg and the south central areas of the Gariep LM. The more moderate (2 to 6°C) winter temperatures are experienced in the foothills of the Drakensburg in the extreme

³Source: Ukahlamba DM LED Strategy 2009

eastern reaches of JDGM (SDF, 2006). On average there are 150 days of frost a year – between March and November. There are also regular snow falls in the district, usually in Senqu and Elundini, although snow has been known to fall in the high lying areas in Maletswai and Gariiep. Unseasonal frost and cold, however, are also common and have a negative impact on the agriculture sector.

JGDM can be divided into four distinct rainfall zones. Some of the higher mountain peaks in Elundini receive as much as 800mm to 1200mm of rainfall a year. The eastern part of the district encompassing the rest of Elundini and the north-eastern portion of Senqu experience 600mm to 800mm a year. The central area encompassing Maletswai and the eastern part of Gariiep experiences rainfall of 400mm to 500mm. The western area (Venterstad, Steynsburg and most of Burgersdorp) has less than 500mm of rain a year. Most of this rain experienced in JGDM falls during the summer months.

Although most of the District experiences rainfall in the 400-600mm range, there is a decrease in rainfall from east to west. The high lying areas in the east receive more than 800mm but usually less than 1500mm, whereas the lower lying western portion of the District generally receives less than 400mm. This rainfall pattern is illustrated in Figure 4, which shows the mean average annual rainfall for the JGDM.



Source: AGIS (2009)

Figure 5: Mean Annual Rainfall

Although temperature data for JDGM has not been assessed to determine the effects of climate change, a more general overview is provided to highlight the global significance of climate change. It has been established that the average temperature of the earth’s surface has risen by 0.6°C since the late 1800s. It is expected to increase by another 1.4 to 5.8°C by the year 2100, which will have profound implications for global climatic conditions (Southern Drakensburg Sustainable Development Strategy, 2008). The principle reason for the projected increase in temperature is the global warming phenomenon which results from the burning of fossil fuels (oil, petrol and coal), the depletion of forests as carbon sinks and certain farming methods.

These activities have increased the amount of "greenhouse gases" in the atmosphere, especially carbon dioxide, methane and nitrous oxide, which in elevated concentrations prevent heat from escaping the earth’s atmosphere, thus raising global temperature to artificially high levels and altering the climate (Southern Drakensburg Sustainable Development Strategy, 2008).

The current warming trend is expected to cause numerous plant and animal extinctions over the next 100 years, including a decline in agricultural yields which will disrupt land use and food supply. In addition, the range of diseases such as malaria may expand.

3.3 TOPOGRAPHY⁴

Approximately 12% of JGDM has slopes steeper than 1:8. Elundini and parts of Senqu fall within the Southern Drakensburg Mountain Range and therefore their topography is generally rugged, with steep slopes and high elevations. Areas of higher elevation dominate the eastern and western sections of Senqu and Elundini respectively, with elevations generally higher than 1600m, and often exceeding 2000m. Towards the eastern portion of Senqu, the elevation can reach up to 2400m. A distinct feature of the elevation is the ridge of Drakensburg mountains running from the north-eastern part of Senqu in a south-westerly direction. This escarpment essentially forms a divide between the Elundini and Senqu Local Municipalities. To the east of this the topography drops off fairly steeply, with much of the Elundini area being below 1600m (Southern Drakensburg Sustainable Development Strategy, 2008). From Lady Grey the landscape flattens out towards the west. Large flat plains of land broken by relatively low-lying mountain ranges and hills characterise the entire Gariiep Local Municipality, stretching through to Aliwal North. As a result most of this area lies between 1000m and 1500m above sea level.

Joe Gqabi's topography influences the type of agricultural activities that occurs in the District. The open flat areas in the west allow for extensive agriculture whereas in the east, agriculture is limited to specific land pockets. The mountainous terrain also limits accessibility and therefore hampers service and infrastructure delivery in the region. Although very little land is ideally suited for cultivation, much of the land can still be used for grazing. From a developmental point of view, development should not be permitted in areas with slopes greater than 18°. On slopes of 5 – 18° limited development (for example, no clearing for crops, but isolated tourism lodges might be appropriate, should an EIA indicate that impacts are acceptable). Slopes of 0 – 5° are suitable for most types of development.

⁴Source: Ukahlamba DM LED Strategy 2009

3.4 HYDROLOGY^{5 6}

The eastern and western parts of JGDM are separated by the southern Drakensburg Mountains which creates a natural watershed dividing the district. The primary source of water for the district is the Orange River, with its catchment area covering most of Gariep, Maletswai and Senqu. Elundini, on the other hand falls within both the Mzimvubu and Tsitsa River Basins. The Orange River catchment area drains toward the Atlantic Ocean, while the Mzimvubu catchment area drains toward the Indian Ocean (JGDM SDF, 2006).

According to DWAF (2005a) the Mzimvubu River Basin, although it has a large population, has one of the lowest total water requirements in South Africa. This can largely be attributed to the relatively high rainfall, and low level activity in the basin area. The current quantity of water available from the Mzimvubu River Basin is estimated at 91 million m³/a with an overall surplus of 58 million m³/a (98% equivalent assurance) that can be apportioned from the basin for domestic and industrial uses such as forestry and irrigation. In the Mzimvubu River Basin Water Opportunities document, the DWAF proposes the development of a Northern Transfer Scheme (DWAF, 2005a). This will consist of the construction of number of additional dams in the Mzimvubu River Basin together with a system of canals, pump stations, pipelines and tunnels that transfer the water into a small tributary of the Orange River near Rhodes. From here the water flows to the Orange River from where it can be released through the Orange Fish Tunnel into the headwaters of the Fish River at Teebus, for further distribution. Of the three schemes proposed by DWAF, this option would be the least costly. Estimated river losses occurring at the point of discharge into the Bell Spruit near Rhodes to the Orange River is estimated at approximately 1.2 m³/s. Once this planned development has taken place water utilisation capacity is estimated to be 660 million m³/a, with a 98% equivalent assurance (DWAF, 2005a).

The !Gariep Dam is the largest dam in South Africa and is a major source of water for irrigation in the Joe Gqabi as well as for the Fish River scheme (to the south of JGDM) (JGDM IDP, 2008). In addition to the !Gariep Dam there are a further 17 dams that provide JGDM with water. These dams are mainly clustered around the high lying areas of Senqu

⁵Hydrology refers to the study of the movement, distribution, and quality of water throughout a specified area.

⁶Source: Ukahlamba DM LED Strategy 2009

and Elundini which have five and six dams respectively. In addition to the!Gariiep dam, the Gariiep Local Municipality has a further three dams. Maletswai has the least number of dams with two (JGDM WSDP, 2008).

A study conducted by the CSIR into groundwater potential in South Africa established three categories of classification. These are:

Major groundwater systems which can supply a community of 4,890 people from a single borehole at 30 l/c per day. Properly managed boreholes in these systems can generate an average yield of 4.26 l/s.

Minor groundwater systems which can supply a community of 1,510 people from a single borehole at 30 l/c per day. Properly managed boreholes in these systems can generate an average yield of 1.58 l/s.

Poor groundwater systems which can supply a community of 1,200 people from a single borehole at 30 l/c per day. Properly managed boreholes in these systems can generate an average yield of 1.25 l/s (JGDM WSDP, 2008).

The largest part of the Joe Gqabi District Municipality area falls in the Minor groundwater system type with only the most western portion of the Gariiep Local Municipality falling in the major groundwater system type.

An investigation into groundwater potential in Elundini and Senqu indicated that while Elundini had high to moderate groundwater developmental potential, Senqu only had low to very low groundwater developmental potential. The study however indicated that due to the mountainous topography of Elundini, exploitation of this resource would be difficult (JGDM WSDP, 2008). The table below indicates the groundwater potential for the various urban areas as well as the number of boreholes in these areas.

Table 3: Number of boreholes and groundwater potential in urban areas

Local Municipality	Number of Boreholes	Town	Groundwater Potential
Elundini	107	Maclear Ugie	Moderate Good
Senqu	57	Barkley East Rhodes Lady Grey	High Moderate High
Maletswai	8	Aliwal North Jamestown	Moderate Moderate
Gariep	18	Burgersdorp Steynsburg Venterstad Oviston	Moderate to High High and High

Source: JGDM Water Services Development Plan, 2008

3.4.1 Town Water Sources

Currently, boreholes are used by Barkly East, Burgersdorp Jamestown, Lady Grey and Steynsburg to augment supplies. Herschel, Rossouw and Mount Fletcher however use boreholes for all their water requirements. Although Mount Fletcher is currently dependent on borehole water, construction is underway on the Mount Fletcher Regional Water Scheme which aims to provide bulk water to the town with the objective of using borehole water to augment water supplied by the scheme. A total of R975,000 was budgeted for this scheme in 2008/09 financial year with this figure increasing to R7.65 million in 2009/10 and R15 million in 2010/11 (JGDM WSDP, 2008). Many commercial irrigation ventures are also fed from groundwater.

4 Socio- Economic Profile

The socio-economic profile is intended to provide a snapshot of the current population residing in JGDM. Unless otherwise stated, all figures are based on Census 2011 data sourced from Statistics SA.

The indicators in this profile provide input into identifying specific focus areas that could result in economic growth within the District. Indicators that form part of this profile include:

- Population statistics
- Education level
- Occupation types
- Household income
- Provision of basic services

- Migration

4.1 POPULATION STATISTICS

4.1.1 Population Size

Census 2011 estimates that the population of JGDM was 349 768 people in 2011. This represents a 2.3% growth in the population per annum, since 2001. Based upon this growth rate, the population can be expected to reach just less than 392,000 people by 2016.

4.1.2 Population Profile

4.1.2.1 By Age and Gender

The highest population recorded by the Census 2011 is the age group 10 – 19 which stood at above 41 000. This is followed by the age group 20-29. The age group 0 – 4 also represents a greater proportion of the population. The older age groups continue to decline with the increase in the number of years. This presents the District with an opportunity to design its programmes and intervention in manner that supports the youth, within the legislated mandate of the District.

Table 4: Population Distribution by Age and Gender Balance(2011):

Municipality	<15 yrs (%)	15-64 yrs (%)	65+ yrs (%)	Males per 100 females
JGDM	34.1	58.4	7.5	89.8
Elundini	35.4	56.4	8.3	90.1
Senqu	34.0	58.3	7.7	88.0
Maletswai	32.4	62.1	5.5	89.9
Gariep	31.7	61.8	6.5	95.2

It is notable, from the above table, that the 15-64 cohort – i.e. the potential workforce - represents only 58% of the District's population.

There are also notably fewer men than women living in the District, although this is less true in Gariep, where the balance is somewhat more equal. This may suggest that more men remain in the Gariep area due to the possibility of finding employment. Given the rural nature of much of the district, traditional gender-based roles result in women being the primary care-givers and therefore being most likely to remain at home while the men are most likely to leave their traditional homes in search of work.

The following diagram reflects a changing population dynamic, with a consistently lower birth rate over the past 10 years. Therefore, although the population remains a youthful one, the large young child component has diminished over the past years.

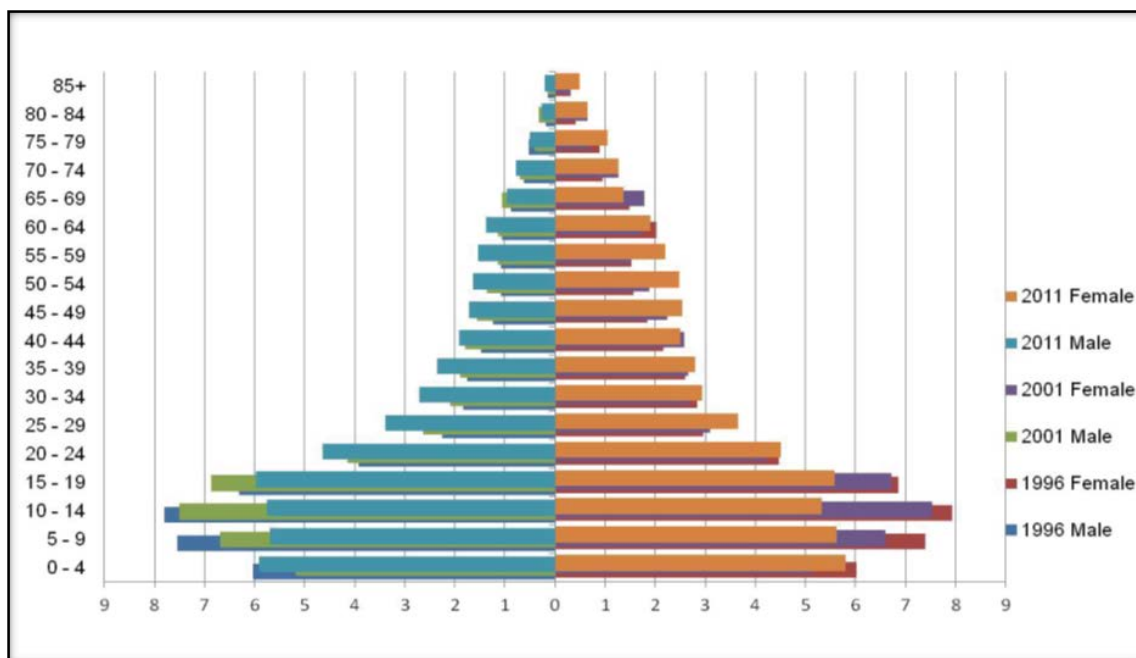


Figure 6: Distribution of the population by age and gender: Joe Gqabi – 1996, 2001 and 2011

4.1.3 Household dynamics

As shown in table 4 below, the numbers of persons in each household have shown a slight decline from 4.0 in 2001 to 3.6 in 2011. This is directly congruent with the increase in the number of households which increased from 84 835 in 2001 to 97 775 in 2011, representing a 15% increase.

Table 5: Household Dynamics

Municipality	Average Household Size		Female Headed Households %		Formal Dwellings %		% Housing owned/paying off	
	2001	2011	2001	2011	2001	2011	2001	2011
JGDM	4.0	3.6	51.4	49.3	59.8	60.3	58.5	61.3
Elundini	4.1	3.6	56.0	52.1	40.1	33.0	55.9	61.9
Senqu	4.0	3.5	52.1	50.5	70.9	70.2	68.2	68.5
Maletswai	3.8	3.6	44.2	44.0	66.2	85.6	37.4	44.5
Gariep	3.8	3.4	38.6	40.3	85.7	96.0	53.0	52.1

This appears to signify that the provision of housing is having an impact on the average household size. It should be noted that with the development of more houses come some economic implications: More houses mean more expenditure on maintenance in the long term. More space per person in each house may improve the opportunities for small businesses to grow within households.

Interestingly, there are slightly fewer female headed households in 2011 than in 2001. It is not clear why this is so or whether this is due to flaws in data collection.

4.1.4 Child Headed Households

Child headed households are becoming increasingly common. In 2011, there were an estimated 1,176 child headed households in JGDM. This sector of the population requires special attention from the government services sector and is unlikely to be economically active.

	Male	Female	Total
Head of household aged <18 years	677	499	1176

4.2 EDUCATION LEVELS

4.2.1 Type Of Sector By Level Of Education

Table 5 below shows that about 76% of the District population has an education level of not more than Grade 12. This is the largest proportion of the population. Approximately 2% of the population are classified within the N1 to a certificate level. Only 1% of the population has achieved degrees and post graduate levels of education.

Table 6: Type Of Sector By Level Of Education

	Grade 0 - Grade 7 (Std 5/ ABET 3)	Grade 8 - Grade 12 (Std 10/Form 5)	NTC I / N1/ NIC/ V Level 2 - NTC III /N3/ NIC/ V Level 4	N4 / NTC 4 - N6 / NTC 6	Certificate with less than grade 12	No schooling	Higher Diploma - Higher Degree Masters / PhD
In the formal Sector	6422	16805	282	209	2880	2043	3896
In the informal sector	3818	5378	44	45	323	1242	454

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Private Household	2642	3390	33	17	170	853	203
Do not know	491	742	3	3	32	179	23

When the percentage of each group is considered, it is notable that those working in private households and (to a slightly lesser extent) those in the informal economy are almost twice as likely to be functionally illiterate as those in the formal sector. This once again points to the dire need for access to good quality education across the entire District.

Table 7: Type Of Sector By Level Of Education (%)

	Grade 0 - Grade 7 (Std 5/ ABET 3)	Grade 8 - Grade 12 (Std 10/Form 5)	NTC I / N1/ NIC/ V Level 2 - NTC III /N3/ NIC/ V Level 4	N4 / NTC - N6 / NTC 6	Certificate with less than grade 12	No schooling	Higher Diploma - Higher Degree Masters / PhD
Formal Sector	19.7%	51.6%	0.9%	0.6%	8.9%	6.3%	12.0%
Informal Sector	33.8%	47.6%	0.4%	0.4%	2.9%	11.0%	4.0%
Private Household	36.2%	46.4%	0.5%	0.2%	2.3%	11.7%	2.8%
Do not know	33.3%	50.4%	0.2%	0.2%	2.2%	12.2%	1.6%

The Eastern Cape Post Recession Report 2009-2013 (ECSCECC:2014) reveals that there is a strong correlation between not only education and employment, but also between the level of one's education and the likelihood of becoming a discouraged workseeker. It is notable that more than 50% of the unemployed people and those who are discouraged work seekers have not completed their secondary education.

Table 8: Employment Distribution by Education Level: Eastern Cape 2nd Quarter 2013

	Employed	Unemployed	Discouraged
No schooling	2%	1%	2%
Less than primary completed	9%	9%	21%
Primary completed	6%	6%	10%
Secondary not completed	39%	51%	52%
Secondary completed	28%	28%	15%
Tertiary	16%	5%	1%
TOTAL	100%	100%	100%

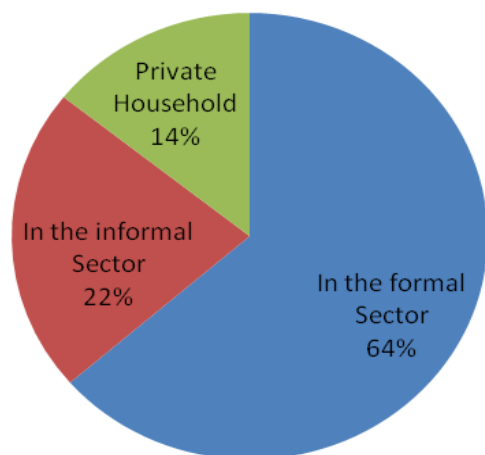
Source: Statistic South Africa's Quarterly Labour Force Survey

The low level of education within the District is one of the key challenges. In order to improve this situation the District needs to strengthen programmes dealing with education. The poor level of higher education in the District could be attributed to the limited choice of institutions of higher learning in the District. There is currently one Ikhala Public FET College and one agricultural school in the district. The low level of education amongst the inhabitants of the District clearly has a negative effect on both the employability of the labour force and the attractiveness of the District to external investment. The low average levels of education in the District are attributable to the poor provision of education in the rural areas of the Eastern Cape in general.

In order for the local economy to flourish, there must be an emphasis on the provision of primary and secondary education for all sectors of the population. However, further attention needs to be paid to providing specialised education which will meet the needs of the local economy. Institutions which provide technical skills – such as carpentry and plumbing – as well as those with a focus on a key sector of the local economy – such as agriculture – should be actively sought and encouraged to operate within the District.

4.3 EMPLOYMENT AND OCCUPATION

4.3.1 Employment per Sector

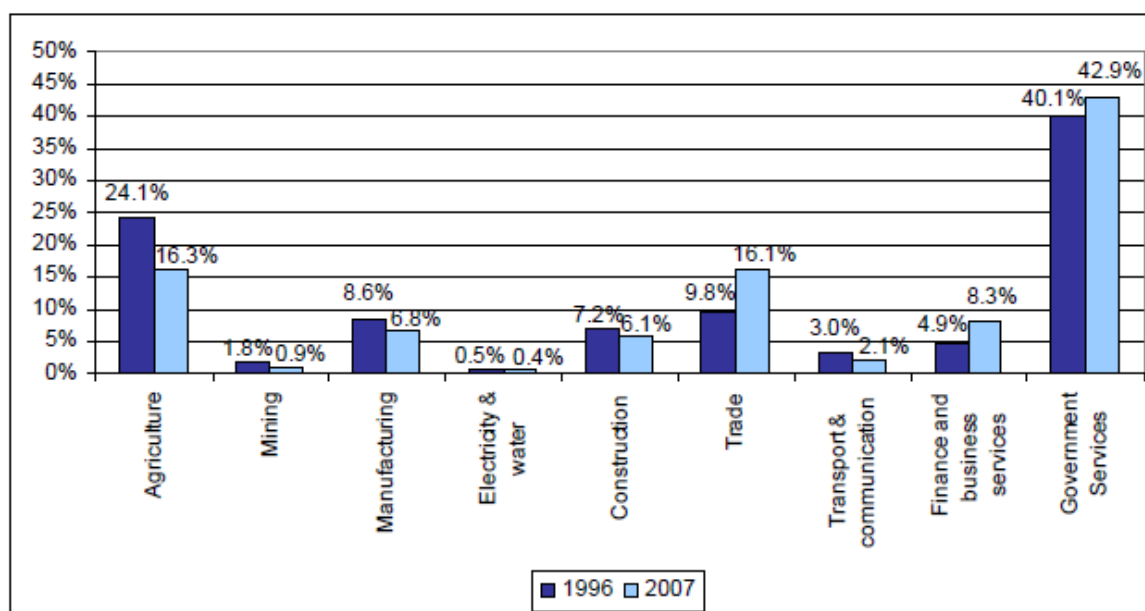


The formal sector accounts for most of the income generating opportunities in the District, with almost 3 times the number of people in the formal sector than in the informal sector.

Figure 7: Employment per Sector

Source: Extrapolated from data contained in the Joe Gqabi DM Annual Report 2012

The following figure, sourced from the 2009 LED Strategy, provides an overview of the sectors which dominate the district economy. Unfortunately the 2011 Census does not seem to have provided comparative data. However, it can be expected that the ratios have remained similar over time, with Government Services providing the bulk of the region’s formal employment opportunities.



Source: Urban-Econ EC Calculations Based on Quantec (2009)

Figure 8: Employment Per Sector

4.3.2 Unemployment

Table 9: Unemployment Rate Per Local Municipality

Local Municipality	Unemployment
Elundini LM	44.4%
Senqu LM	35.5%
Maletswai LM	26.7%
Gariep LM	25%

Unemployment remains very high for the District due to absence of productive economic activities within the District. Using the broad definition of unemployment, which is an appropriate one to measure unemployment in the District, about 46% of the population is unemployed. The District's core goal should be to create employment in the quest to fight against poverty which is a result of unemployment, this can be done through stimulating economic growth and increasing households' ability to provide for themselves. In such a scenario, cooperatives and small scale businesses are imperative in breaking the cycle of poverty.

4.4 HOUSEHOLD INCOME

Household income levels are very low in JGDM. Only 18,237 households earn in excess of R38,200 per annum (R3,183 pm). Almost 15,000 households have no income whatsoever.

Table 10: Household Income per Annum

	Elundini	Senqu	Maletswai	Gariep	JGDM
No income	6390	6081	1323	889	14683
R 1 - R 4800	3113	2729	522	316	6681
R 4801 - R 9600	4868	4609	932	769	11178
R 9601 - R 19 600	10770	10680	2640	2574	26664
R 19 601 - R 38 200	7217	8010	2576	2523	20327
R 38 201 or more	5493	5935	4112	2698	18237

Affordability levels are therefore exceptionally low. LED strategies need to be tailored to meet the basic needs of a severely impoverished community while finding ways to also grow the local economy so that people are able to move out of the lowest income brackets.

4.5 MIGRATION PATTERNS

The levels of out-migration from Joe Gqabi are higher than the provincial average. At least 18% of District households against 15.2% of provincial households reports of at least one migrant household member. Approximately, 7% of the District population overall migrates from their households, while the provincial migration rate amounts to 5.6% of the provincial population as depicted in the table below:

Table 11: Migration Patterns

Area	Household Migration	
	% of population	% of households
Eastern Cape	5.6	15.2
Joe Gqabi	7	18
Elundini	4.3	11.6
Senqu	12.6	31.9
Maletswai	1.4	5.6
Gariep	2.5	9

The Local Economic Development strategy will need to deal with business retention and attraction. Other interventions, such as small town regeneration programmes should also be considered.

4.6 SOCIO-ECONOMIC SNAPSHOT

Table 12: Socio-Economic Status Snapshot (2011/12)

Housing Backlog as proportion of current demand	5%
Unemployment Rate	46%
Proportion of Households with no Income	61%
Proportion of Population in Low-skilled Employment	21%
HIV/AIDS Prevalence	30%

It is notable that there is very high unemployment rate in this District and the majority of the people are very poor. Consequently, there is a serious reliance on various categories of government grants by both adults and children within the District area. New investment opportunities that will improve the livelihoods of the people by creating opportunities are needed. The following business sectors have potential to offer future employment:

- Agriculture (Livestock farming, crop farming),
- Forestry, Tourism (Eco, Agri, Cultural, Adventure tourism)
- Construction and mining,
- Trade and business services,

Unemployment remains very high for the District due to absence of productive economic activities within the District. Using the broad definition of unemployment, which is an appropriate one to measure unemployment in the District, about 46% of the population is unemployed. About 61% of households are poor, with annual earnings of less than R19 600. This creates an enormous challenge for the District in terms of recovery of user fees from provision of services.

Housing backlogs, as measured by those living in informal settlements, is reflected to be 5%. This is a relatively low proportion, although it must also be remembered that the majority of the population lives in rural areas, therefore this figure does not accurately portray the number of households which are inadequate for habitation.

The proportion of the population in low skilled employment, as measured by those with grade 12 and less that are employed, stood at 21%. This means that 21% of the employed population only has a grade 12 qualification and is therefore unlikely to find skilled

employment. 11% of the population over the age of 14 years is functionally illiterate (have less than Adult Basic Education Training (ABET) and grade B). Limited education is a severely limiting factor in the ability of a person to either find employment or begin their own start-up business. The District has prioritised education as it is very critical to the eradication of poverty. This will assist to provide better opportunities for employment which leads to household poverty reduction. The low levels of education within the region increases the levels of dependency on government grants and this becomes a vicious cycle of poverty and underdevelopment.

The prevalence of HIV within the District, as measured by the 2011 National Antenatal Sentinel HIV & Syphilis Prevalence Survey, increased between 2009 (24%) and 2011 (30%). An unwell population cannot be highly productive. In addition, the provision of care is costly, both to the government and to private households who often forgo the income of at least one member of the family to take care of the ill person. The HIV and AIDS programmes need to be enhanced for the District to play a critical part in the fight against HIV and AIDS.

5 Economic Profile Overview

5.1 INTRODUCTION

The performance of Joe Gqabi district has been satisfactory over the past decade or so, with an average annual growth rate from 2000 to 2010 of 5.2%. In 2010 the growth rate was only 2.3%. This figure is lower than the provincial growth rate (4.2%) and the national growth rate of 3.16%. The government and community services sector is by far the largest contributor to GGP. Other significant contributors to GGP are the manufacturing and trade sectors. Joe Gqabi economy exhibits a strong comparative advantage in the agricultural sector and a relative comparative advantage in the mining construction and government services sectors.

5.2 MAIN ECONOMIC ACTIVITIES

The tertiary sector is the largest contributor to the municipality's economy, with a contribution of 80%. This followed by the secondary sector (14.9%) and the primary sector (5.1%). Joe Gqabi district relies heavily on agriculture and a small amount of agro-processing. Small-stock farming in the Karoo areas produces wool, mohair and mutton, goat and sheep farming are also practiced. The agricultural sector is the largest private sector employer in the district. Livestock farming dominates throughout the District, with limited crop farming in Senqu and Elundini. Forestry is also a key growth point in the area. It is estimated

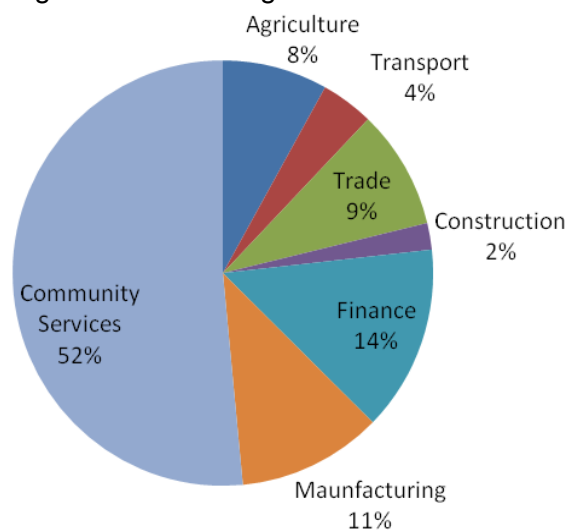
that there are 56,681 hectares of good forestry potential and 133,363 hectares of moderate forestry potential in the Elundini local municipal area alone.

The secondary and tertiary industries in the region are under-developed. A limited amount of agricultural processing occurs in the District with most products transported to larger centres for processing. This suggests the need to encourage the establishment of manufacturing enterprises and stimulate private sector investment.

The greatest potential for economic growth and job creation exist in the agriculture and tourism sectors. The economic impact of tourism has been small so far. It is however a growth sector for the District, due to the unique attractions: the only ski resort in Southern Africa, hot springs and the largest dam in South Africa. The tourism industry in Joe Gqabi is fairly small and undeveloped with most tourism products concentrated in Senqu (around Alpine tourism) and Maletswai which captures the business tourism and transient markets. The District however has not yet exploited the full potential of the various tourism products throughout the area.

5.2.1 Contribution to GDP

Figures show that government is the main driver of the district's economy. The economy needs to be diversifying to increase the contributing value of other sectors in the development of local economy. Marginalized sectors are being left behind and a big share of input requirements sourced outside the District should be reduced.

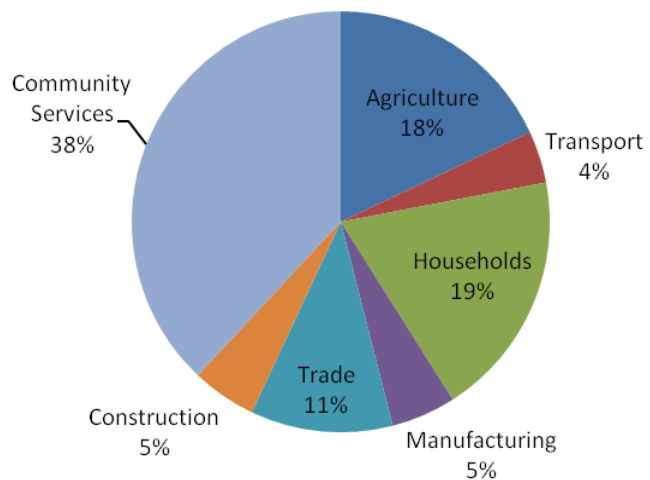


Source: ECSECC 2012

Figure 9: Sector Contribution to the GDP

5.2.2 Contribution to Employment

As depicted in the figure below, the Community services sector (38%); Households (19%), Agriculture (18%) and trade (11%) were the top four in employment creation. Other sector contributed minimally. The agricultural sector plan should seek to deal with growing this sector in terms of output and job creation. Employment in the community services sector has shown a constant increase over the period.



Source: ECSECC 2012

Figure 10: Sector Contribution to Employment

5.3 SUMMARY

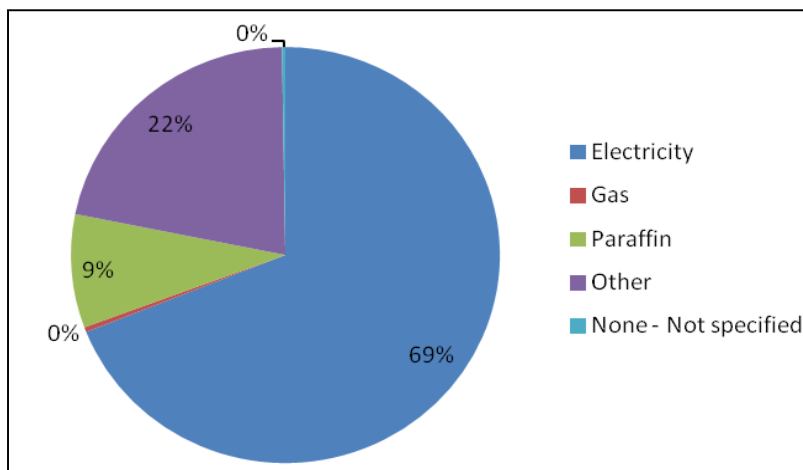
Joe Gqabi District Municipality`s economy is relatively small and is growing at a snail pace, it contributes only 3.5% to the Eastern Cape economy. The recovery from the 2008-2009 recessions has been very slow though consistent. The district poverty is however lower than provincial average, it is still relatively high, with an estimated 58% of the population living in poverty. The district needs to salvage this situation through stimulating all economic sectors and putting more emphasis on the ones showing potential, such as agriculture and community services. The District shows promising opportunities within agro-industrial, forestry and tourism sectors, with several catalytic initiatives in these sectors that JOGEDA (Joe Gqabi Development Agency) has already earmarked for implementation to increase the gross value add of the region and ensure that unemployment is reduced to a minimum.

6 Infrastructure Profile

The district has low access to infrastructure, with levels of improvement from 39% in 2010 to 47% in 2013. This was mainly driven by an increase in access to electricity, as well as some improvement in access to hygienic toilets and piped water.

While 35% of households still do not have access to clean water, this profile confirms that infrastructure prioritisation in Joe Gqabi District should focus on water and sanitation, with both capacity and funding needs to be addressed. Joe Gqabi District Municipality has partnered with the Department of Roads and Public Works. In line with growing demand and the requirement to constantly ensure supply of clean portable water, the District has continued to maintain and expand water purification works and waste water treatment works. Compliance with drinking water quality and effluent standards has seen consistent improvements. More than R5.6 million was spent in this programme.

6.1.1 Access to Electricity



The majority of the population of Joe Gqabi has access to electricity, which is a beneficial factor when considering economic development opportunities.

Figure 11: Access to Electricity

6.1.2 Access to Water

The vast majority of the population has inadequate access to piped potable water. 26% of the population has no access to piped water. These communities are reliant on nearby water natural water sources.

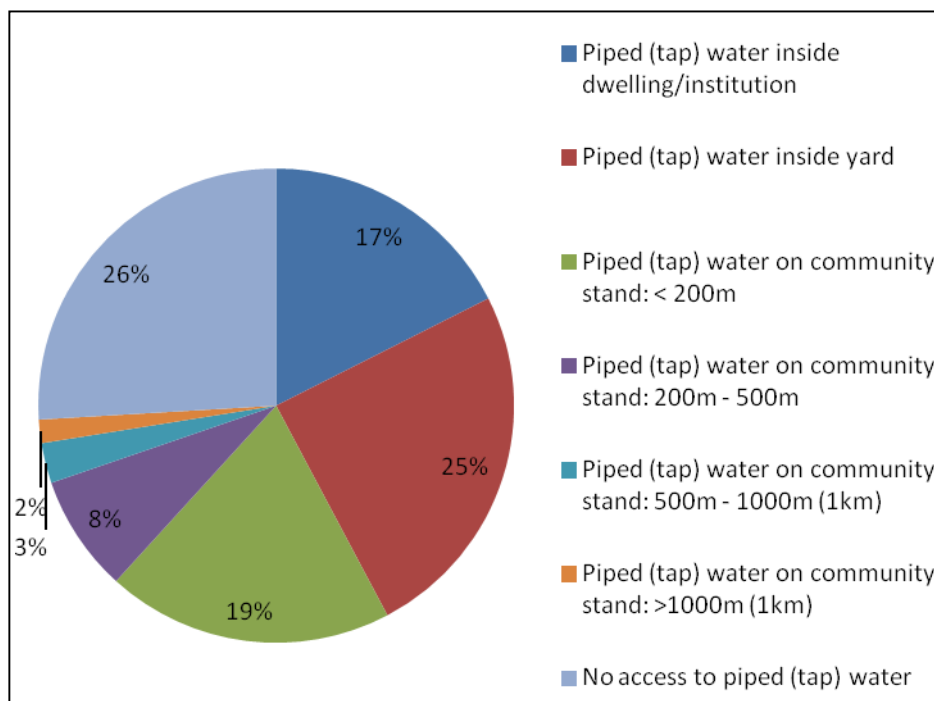


Figure 12: Access to water

6.1.3 Access to Sanitation

Similar to the access to water, many of the District’s residents do not have access to

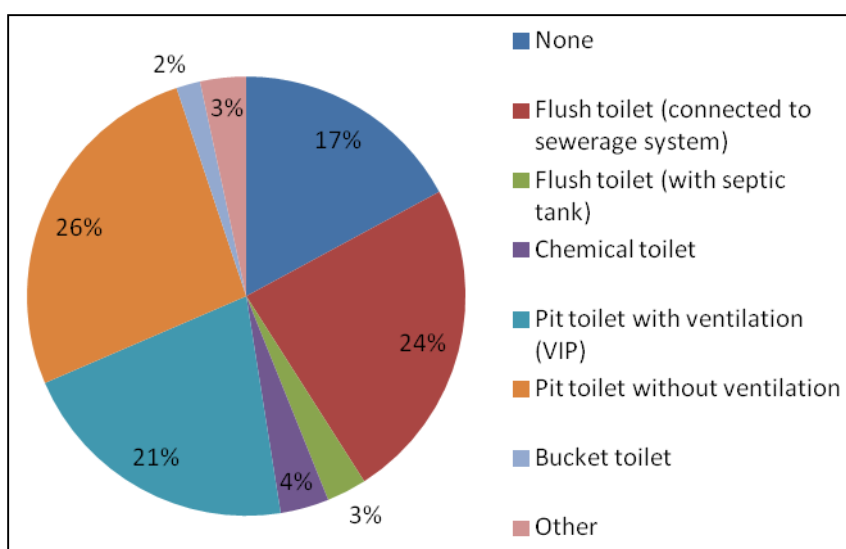


Figure 13: Access to Toilets

appropriate sanitation facilities. As at 2011, there were approximately 1,730 bucket toilets still in use. The Annual Report 2012/13 suggests a marginal decrease, with 1,718 buckets being counted.

6.1.4 Improved Access to Basic Services

The table below provides a brief summary on some of the achievements that were realised during 2012/2013 review period.

Table 13: Access to Basic Services – 2012/13

Proportion of Households with minimum level of Basic services	
	2012/13
Electricity service connections	69%
Water - available within 200 m from dwelling	65%
Sanitation - Households with at least VIP service	78%
Waste collection - kerbside collection once a week	28%

Source: JGDM Annual Report

From the table above, it is evident that the service with the lowest level of access remains waste collection, although this figure is biased as waste management services are generally only available in the urban areas, due to the logistical challenges experienced by in attempting to provide this service to the rural areas.

6.1.5 Infrastructure Development Interventions

Below is the list of Municipal Infrastructure Grant (MIG) projects currently underway. The purpose of the MIG is to supplement municipal capital projects in an effort to eradicate backlogs in basic municipal infrastructure provision. MIG funding continues to be one of the best sources of funding for transport projects due to the favourable condition of road infrastructure spending imposed there-on.

Table 14: MIG projects

Municipality	Project name	Registered MIG funds	Total actual expenditure in the 2010/11 financial year	Project status (Registered/ design/tender/ construction)	Project category (e.g. water, sanitation, PMU)
Joe Gqabi DM	Gariep: Steynsburg - Proposed Orange Fish Tunnel Pumping Scheme	R 70,995,547	R 9,029,082	Construction	Water
	Mt Fletcher Bulk Water	R 201,249,374	R 25,917,355	Construction	Water

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	Supply Scheme Phase 2				
	Senqu: Barkly East Bucket Eradication Phase 2	R 3,128,964	R 2,781,609	Construction	Sanitation
	Joe Gqabi DM: Upgrading of Sterkspruit Water Treatment Works	R 48,265,951	R 21,316,618	Construction	Water
	Joe Gqabi: Elundini - Ugie Water Infrastructure for the Town	R 19,735,578	R 1,718,488	Construction	Water
	Aliwal North Area 13 Bulk Sewer - Phase 2	R 5,342,890	R 5,363,105	Construction	Sanitation
	Lady Grey Bulk Water Upgrade	R 25,450,044	R 9,028,611	Construction	Water
	Ugie Bulk Sanitation Infrastructure	R 49,104,611	R 2,088,081	Construction	Sanitation
	Planning Studies - 'Eluding Rural Areas	R 2,500,000	R 248,771	Construction	Water
	Steynsburg Bucket Eradication Phase 3	R 24,108,03	R 344,839	Design & Tender	Sanitation
	Bucket Eradication & Sanitation in Khwezi-Naledi, Lady Grey	R 12,147,288	R 1,165,985	Design & Tender	Sanitation
	Aliwal North Treatment Plant - Refurbishment Phase 3b, 4, 5	R 13,694,048	R 3,786,464	Design & Tender	Water
	Jamestown Bucket Eradication and Sanitation - Phase 2	R 38,550,082	R 849,150.06	Design & Tender	Sanitation
	Elundini Rural Water Programme	R 182,117,245	R 42,628,289	Design & Tender	Sanitation
Elundini LM	Mahanyaneng Access Road	R 3,700,000	R 2,361,778	Completed	Roads & s/water
	Ntabelanga Access roads	R 792,000	R 153,147	Completed	Roads & s/water
	Lehana Access Road	R 4,741,298	R 2,537,349	Completed	Roads & s/water
	Renovation of Maclear	R 1,900,000	R 1,380,258	Completed	Building

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	town hall				
	T83 Matugulo via Tsikarong access road	R 7,671,144	R 3,649,639	Construction	Roads & s/water
	Mount Fletcher Access roads	R 1,827,250	R 705,446	Construction	Roads & s/water
	Moroga to Sophonia	R 11,995,374	R 4,683,337	Construction	Roads & s/water
	Mangoloanang East Access	R 6,473,304	R 1,980,298	Construction	Roads & s/water
	Rehabilitation of ugie streets	R 10,915,073	R 108,569	Design & Tender	Roads & s/water
	Renovation of Mount Fletcher town hall	R 1,170,968	R 365,423	Completed	Building
	PMU			No status	PMU
Maletswai LM	Jamestown Cemetery	R 770 104	R 770 104	Construction	Cemeteries
	Hospital access road	R 4 692 828	R 3 644 526	Construction	Roads & s/water
	Dukathole phase 2 taxi route	R 4 500 000	R 4 500 000	Construction	Roads & s/water
Senqu LM	The Upgrading of Roads in Wards 7,8,9 and 12 Phase 2	R 14,500,000.00	R 9,173,465	Construction	Roads & s/water
	Upgrading of Roads and Stormwater Drainage Wards 1,2,&3 Phase 1	R 12,000,000	R 7,554,719	Construction	Roads & s/water
	Senqu Lm:Mogesi School Bus Route, Sterkspruit	R 4,083,025	R 1,041,534	Completed	Roads & s/water
	Construction of new Solid Waste Site	R 2,736,000	R 128,192	Design & Tender	Solid waste disposal site
	Sterkspruit Taxi Rank and Hawker Facility	R 5,000,000	R 307,800	Design & Tender	Roads & s/water
	Project Management Unit			No status	PMU

6.1.6 Summary

The infrastructure profile takes into account all the priority issues of service delivery of the District and its communities. With regard to infrastructure development and service delivery the District committed itself to improve drinking water quality, effluent quality, reduce water losses, eradication of alien plants, improve basic level of access to basic services, improve municipal health services and perform the roads maintenance function as per our partnership with the Department of Roads and Public works in the Province. The impact of this programme has led the District to retain its status on the blue drop assessment whereby two blue drops were achieved. The open natural sources however still remain a challenge in rural areas of Elundini local municipality which impacts negatively on water quality results. The District is committed to expedite water provision project to eliminate the use of open natural sources. Where these systems still exist, they will be protected from animals. To improve water safety throughout the District, water safety plans have been developed for all towns. In the current year, the District initiated development of two water safety plans though limited progress was achieved due to cash flow challenges within the institution. Water and sanitation services still face some challenges as issues around growing demand; aging infrastructure and limited operations and maintenance budget continue to be raised in various municipal reports.

7 Opportunities and Constraints

7.1 SWOT ANALYSIS

The SWOT matrix is a structured planning method used to evaluate the strengths weaknesses, opportunities and threats involved in an organisation, region, etc. The SWOT analysis will help to identify and evaluate both internal and external factors of Joe Gqabi District that could be either favourable or unfavourable. SWOT analysis is important because it can inform later steps in planning to achieve the objective. This can also bring to the fore the comparative and competitive advantage of the organisation.

7.1.1 Development Potential of Joe Gqabi DM

There are a number of broad opportunities and constraints that are present throughout the Joe Gqabi District Municipality and which apply to all the local municipalities in the district.

7.1.2 Strengths across JGDM

- The District economy, as a whole, is more diverse than the individual local economies and is dominated by the community services sector.
- The District is home to areas of high potential agricultural crop and livestock production, with potential for meat and wool processing and for large and small scale irrigation.
- The scenic and mountainous natural surroundings of the Eastern Mountainous area make it an ideal location for nature-based tourism such as hiking, fly-fishing, mountain biking.
- The only ski resort in Southern Africa is in the district.
- Tourism marketing Plan is in place.
- SMME Strategy has been developed.

7.1.3 Weaknesses across JGDM

- There are only 233 hectares of high potential arable land in Joe Gqabi. With limited rain-fed arable land for crop production, irrigation schemes and stock farming play a significant role in agriculture. Intensive farming only occurs in areas where water and infrastructure are available. The limited land which can sustain intensive farming, and land which has been identified as having a high agricultural potential, should be reserved for farming in order to enhance food security and therefore economic welfare.
- Water and sanitation backlogs are still prevalent in the district. Road access is another critical issue and the roads need constant maintenance and repair.
- The district municipal area is predominantly rural
- Finance and enterprise support is limited. There is limited access to business service providers, across the District.
- Unfilled posts in the LED unit.
- No diversity of tourism offering.
- Lack of sufficient signage within the district to promote tourism facilities and attractions.

7.1.4 Opportunities across JGDM

The following opportunities are identified, and should be used as springboards for the further development of the JGDM local economy:

OPPORTUNITY	DESCRIPTION
Malaria free	This is an opportunity linked to tourism development as visitors may find malaria free area more attractive than those where precautions against malaria must be taken. This is particularly true for international tourists.
Low levels of crime	This area is relatively safe, with low incidents of crime. This can be marketed more effectively to attract tourists, especially South African visitors.
Biodiversity	JGDM has nine distinctive vegetation types found in the District covering three biomes. Two of these biomes are of some national significance, namely the Drakensberg Alpine Centre of Endemism in the east and Eastern Mixed Nama Karoo in the west. The mountainous areas of Elundini and Senqu also contain a number of endemic species.
Scenic beauty	The district has some of the most beautiful scenery in the Eastern Cape, ranging from the Drakensberg and Witteberg Mountain ranges to Karoo grasslands, Drakensberg Alpine Centre of Endemism and Pondoland grasslands. This offers unique potential to tourists interested in nature based tourism.
Tourism Value chain	The tourism value chain illustrates the order through which tourist products pass before they reach the end consumer. Each stage of the chain adds more value to the final product than the previous stage. The tourism value chain comprises suppliers, distribution, intermediaries and customers. At a supplier level there is potential around SMME's developing small scale accommodation facilities for through tourists. At an intermediary level there is also potential for SMME's to focus on increasing awareness around tourism products both locally and nationally.
Local Procurement	Local procurement entails obtaining personnel, services, supplies, and equipment from local or indigenous sources. The opportunity exists for the JGDM to secure products such as furniture, bottled water, or personal services such as repairs and maintenance, from local suppliers.
Synergistic Relationships	<p>The District's inclusion in the Mzimvubu Basin Management and Development Programme may further enhance the infrastructure and services, as well as economic, performance of the area.</p> <p>Inclusion in the Fish River Irrigation Belt – one of the PGDP Corridors, targeting tourism, agro-processing and agriculture.</p>

7.1.5 Constraints Across JGDM

While the region certainly does have much economic potential, there are certain constraints which will impede development. These issues should be considered as areas of intervention to mitigate their detrimental effect or, if possible, to be turned around to become sources of opportunity.

CONSTRAINTS	DESCRIPTION
<p>High level of poverty and unemployment</p>	<p>The level of poverty and unemployment in the area is very high, with 37.4% of the population in earning between R0-R800 per month (i.e. live below the poverty line) and over 14.9% earning no income, not even government grants.</p> <p>(Quantec, 2009). In terms of unemployment over 17.9% of the population is unemployed while a further 55.8% are not economically active. (Quantec, 2009). The highest unemployment levels are in the rural communities around Mount Fletcher and Sterkspruit with employment rates in these areas of between 3 and 5 per cent</p>
<p>Low skill levels</p>	<p>The Joe Gqabi District is characterised by low education and skills levels. Areas where education levels are particularly poor are in the former homeland areas in Senqu and Elundini. Rural villages in the former homeland areas are the most disadvantaged in terms of access to educational facilities and services. In Joe Gqabi less than 9% of the population has a matric certificate or some form of higher education while roughly 11% people have no education at all. (Quantec, 2009) Low levels of education and poor skills development are internationally recognised as a barrier to economic growth and development. Many of the skills possessed by people in the area are self-taught or passed down from generation to generation and include sewing and knitting, gardening, driving, bricklaying, singing and dancing, cooking, etc.</p>
<p>Migration</p>	<p>The area is characterized by a high level of out migration of skilled and semi-skilled people and students, but also by urban migration from rural areas to the peri-urban centres. This has occurred in the Sterkspruit area, where the population surrounding the urban area of Sterkspruit has increased from 6,200 in 1996 to approximately 110,200 in 2001 (Senqu IDP 2007). There is also evidence of in-migration from Lesotho into the District to access services in South Africa. This has the potential to increase conflicts between groups as resources when services are stretched.</p>

<p>Poor infrastructure</p>	<p>There is poor access to infrastructure, such as water, electricity, telephones and other types of services; especially in the former homeland and rural areas around Sterkspruit and Mount Fletcher.</p> <p>In addition to this the municipality is unable to provide water, sewerage, roads and storm water of adequate capacity for business purposes.</p> <p>Roads are also in a poor state in the area, which makes accessibility a challenge and the signage plan remains un-implemented.</p>
<p>Lack of institutional capacity</p>	<p>The local and district municipalities have high vacancy and turnover rates which make it difficult for local government to respond to the needs of business and the community.</p> <p>Local municipalities also face the challenge of generating income from the local tax base, which is severely constrained, and as a result the local municipalities are heavily dependent on government funding – this also impacts on the capacity of the municipality to provide services.</p> <p>As a result, there is limited synergy between the local municipalities and the DM.</p>
<p>Long distance to markets</p>	<p>Joe Gqabi is isolated with regard to its location and the closest secondary economic hubs are Bloemfontein, East London, Queenstown and Mthatha but these centres are some distance far away.</p> <p>From a tourism point of view, the distance from Gauteng and Cape Town is a constraint as there is a significant domestic tourism market in Gauteng. Durban, Port Elizabeth and Buffalo City are the closest metropolitan areas, however these markets are at least 4-7 hours away by road, which is longer than many people wish to travel. The region is also seen as a “stopover” rather than a destination of choice.</p> <p>Added to the above, is the poor condition of the road network, making the region even less accessible.</p>
<p>Dependence on non-productive sectors</p>	<p>The largest contributor (40.5%) to the formal economy in the Joe Gqabi is the government sector, which is a non-productive sector of the economy (Quantec, 2009). This is undesirable from an economic point of view as the private sector (and not the public sector) should be the driver of the economy.</p>
<p>Inability of economy to absorb the labour</p>	<p>The number of people entering the work force per annum exceeds the number of people who can be taken up in the local economy. Job creation has not kept pace with population growth so the percentage of the total</p>

force	population that is employed has actually decreased. Agriculture, including forestry, has shed jobs since 1996 although it is one of the largest contributors to the economy. (Quantec, 2009) This is often due to developments such as mechanisation, but by expanding forestry and practicing more intensive agriculture it could be possible to stem the loss of jobs in these sectors.
Downturn in Economic Demand	South Africa's GDP growth slowed to 3.5% in 2008, down from over 5% in the preceding two years. Predictions for 2009 are for a 0-1% growth rate, which points towards the possibility of a contraction in economic activity. This economic slowdown has significant impact on the Joe Gqabi economy by decreasing the demand for goods produced in the area. Furthermore, access to credit has become harder to come by which means that the private sector is less likely to invest large sums of money on potentially risky ventures in the Joe Gqabi District.
Access to Water	Without sufficient water provision new business ventures will be discouraged from entering the area. The lack of adequate water supplies also has a negative impact on the agricultural sector, as farmers are unable to fully irrigate their crops. This in turn leads to low crop yields which will impact negatively on the districts income, given that agriculture contributes 6.5% to Joe Gqabi's GGP.
Complex Land Tenure Arrangements	More than half (58%) of all households form part of tribal settlements, wherein land ownership is generally considered communal, thereby making individual development complex
Fragmented tourism system	There is a lack of co-operation and coordination between local government, tourism product owners and tourism stakeholders

The SWOT factors surfaced above give an indication that the organisation has more opportunities than weaknesses; it also has more strengths than threats. This realisation puts the municipality in a positive standpoint. This then means that plans and strategies have to be devised to capitalise on this realisation. For example the inclusion of the district municipality in the Mzimvubu Basin Management and Development Programme may further enhance the infrastructure and services, as well as economic, performance of the area. Also the Inclusion in the Fish River Irrigation Belt will attract numerous investment to both agriculture and tourism developments. The fact that an estimated 58% of the land is locked in tribal settlement is a worrying factor. Such a situation has a potential to scare away potential investors. Investors want to see a situation where the municipality controls the land

or has concrete partnerships with authorities controlling the land. The analysis further shows that both tourism and agriculture have the potential to lift local economy to its desirable heights.

7.2 DEVELOPMENT POTENTIAL ASSESSMENT OF ELUNDINI

This section presents an overview of the unique opportunities and constraints that are evident in the Elundini Local Municipality. These characteristics apply to the local municipality along with the broad opportunities and constraints that were represented in above.

7.2.1 Opportunities in Elundini LM

OPPORTUNITY	DESCRIPTION
Cultural and Natural Heritage	The unique cultural heritage of the Elundini can be packaged as a tourism product. The area is also home to a number of waterfalls and wetlands that need to be protected and could form the basis of adventure and nature tourism developments in the area. There are also a number of cultural sites such as the Anglo-Boer War battlefields, San rock paintings and prehistoric fossils that could benefit significantly from further investment and marketing.
High potential arable land	Elundini has the best soil quality and most optimal level of rainfall in the JGDM making it ideally suited for intensive farming, particularly around Mount Fletcher and Maclear (JGDM SDF, 2006). The central portion of the Elundini Local Municipality is best suited for maize. While the eastern portion is better suited for potatoes. Opportunity for soya beans, sugar beet and maize has been identified in the area. (JGDM SDF, 2006)
Emerging farmers have an organised presence in the area	There are roughly 75 emerging farmers spread over the Maclear/Ugie area one and over the southern parts of Mount Fletcher. In addition to these there are also 10-15 LRAD farms (Interview with DoA, 2007). The Elundini Emerging Farmers Union represents the needs of this sector. Emerging farmers face a number of challenges to fully achieving their potential, which are not limited to the Elundini Local Municipality, but which are widespread problems throughout South Africa.
Opportunity for forestry	The Elundini LM has a total forestry potential, based on biophysical features, of 129 840 ha of good and 248 036 ha of moderate forestry potential, for a total of 377 875 ha. Of this amount, approximately 56 681 (15%) to 113 363 ha (30%) could be considered as a maximum amount to be planted based on socio-economic constraints. Although from a rainfall perspective this area is shown as being good for forestry, the landscape is

extremely rugged, the transport infrastructure is poor and the environmental and hydrological sensitivities are severe, leading to a final conclusion that at most the total area where forestry could be planted within the Ugie/Matiwane block is 27,000ha. Thus, there is an opportunity for forestry in the Ugie/ Maclear and Mount Fletcher areas (DWAF, 2005b).

In 2012, ECSECC and RULIV arranged a Forestry Tour⁷ to better understand the current situation. In Langeni, the following was noted:

Plantations have been well managed and there is potential for deepening exploitation for community beneficiation.

There is an opportunity for entrepreneurs to add value to chipboard with support from PG Bison – there is a vacant processing facility available. The 2 primary markets currently are in the provision of school desks and coffins.

PG Bison has committed to provide technical, management and administrative support to two reasonably scaled forestry development projects.

Improved connectivity between Mount Fletcher and Maclear Historically the Mount Fletcher area had better linkages with Kwa-Zulu Natal than with the rest of the Joe Gqabi because the road between Maclear and Mount Fletcher was a gravel road and in poor condition. It used to take 2 hours to travel roughly 25km, with the upgrade of the road the travel time will be reduced to 30 minutes. This will create a transportation route through Elundini Local Municipality that should increase traffic through Mount Fletcher and benefit local business. The tarring of this road will also provide an alternative route to the Southern Drakensberg.

Trout Fishing There are more than 25 dams and 600km of fishable rivers in the area, which is already attracting a niche tourism market to the area. However, this opportunity could be more fully exploited and will require partnership with PG Bison, on whose land many of the dams are located.

Rock Art Roughly 800 rock art sites are located on private farms in the area. These sites can be visited through registered rock art guides, but there is no coordinated effort to market the art. Furthermore, there are no responsible tourism guidelines in place to protect this resource. This is a tourism opportunity that could be packaged.

⁷Source: ECSECC Forestry Tour Report: Industry Notes

<p>Wetlands</p>	<p>The area contains many wetlands. They have been identified in the Eastern Cape Biodiversity Conservation Plan as natural and of critical importance to conserve. The wetlands are threatened by forestation and grazing pressures.</p> <p>Wetlands are, however, protected under the National Water Act and an opportunity exists to protect these wetlands to ensure they provide the ecosystem services of clean water. Wetlands also house a large proportion of water birds and provide good tourism opportunities for bird watching.</p>
<p>Cashmere Goat Project</p>	<p>This project improves the quality of goats through the exchange of rams. Farmers are also given training in the appropriate techniques for farming cashmere goats, while the project ensures the proper testing of wool. There has also been investigation by the CSIR into involving emerging farmers in the production of cashmere. There is also considerable demand for cashmere in South Africa with demand outstripping supply. Should production expand significantly there is also the possibility of introducing a processing plant into the area.</p>
<p>Diverse Flora and Fauna</p>	<p>There are more than 215 species of birds in the area, notably the crowned and wattled cranes in addition to 40 species of orchids. This can be packaged as a niche tourism opportunity, but would have to be carefully managed to ensure that the natural resources are protected.</p>
<p>Tsitsa River Basin</p>	<p>The Tsitsa River Basin Land Use and Environmental Management Plan identifies potential areas of development in respect of agriculture, forestry, power generation and water supply in the Elundini area. There is considerable opportunity around this project which has the capacity to create a number of jobs during the construction phase. There is also the potential to create several downstream jobs in forestry, agriculture and conservation. The area is also uniquely positioned to act as a tourism attraction for visitors interested in environmental tourism.</p>
<p>Niche Industries</p>	<p>Some potential to develop niche industries, based on the competitive advantages of the area exist, for example the bottling of fresh spring water and the manufacturing of boutique furniture and other timber products. The mountainous areas of Elundini have pure, clear water that is already being bottled on a small scale. SEDA is developing a business plan to explore the potential of expanding this enterprise. Potential may exist to expand boutique furniture production for the benefit of local communities.</p>
<p>Potential for Renewable Energy</p>	<p>As a means to eradicate the electricity backlog in Elundini there is a possibility of introducing several types of sustainable energy generation</p>

generation	such as solar, wind and hydro energy. The Department of Minerals and Energy is also in the process of procuring service providers to install solar home systems as an interim source of energy for Elundini (JGDM IDP, 2008).
Mzimvubu River Basin	The Mzimvubu River Basin development is an ASGISA anchor project which aims to develop the Mzimvubu Basin by damming certain rivers situated in the mountainous areas of Elundini. Job opportunities will be created during the construction phase as well as permanent positions once the dams are operational. The development also entails the rehabilitation the area surrounding the river banks along the main river routes of the basin. Further jobs will be created around this.
Budget Tourism	There is considerable potential, particularly given its close linkage to the Mthatha airport, for Maclear to develop backpacker's lodges and other budget accommodation to accommodate domestic tourists travelling between Kwa-Zulu Natal and the Western Cape. This can also link with the PG Bison Hotel in Maclear.
Madiba Tourism Corridor/Route	Opportunities existing to upgrade/maintain Naude's Nek Pass and the Bastervoetpad. This would mean additional visitors travelling through Ugie and Maclear, which presents an opportunity for tourism functions. The Madiba Tourism Corridor is a proposed tourism route linking Mthatha and Maclear via Langnei. The route does not link any major city centres or tourist attractions and therefore it may have not have a significant effect on tourism in the area.

7.2.2 Constraints in Elundini LM

CONSTRAINTS	DESCRIPTION
Land tenure and ownership	As is characteristic in the former homeland areas, communal land ownership is the dominant land tenure form in Elundini. This makes it difficult to enforce accountability with regards to natural resource management, but also to promote large-scale development, as investors and business wish to own the land they develop on. There are a total of seven traditional leaders in Elundini area according to the Elundini Local Municipality. There is also the potential for conflict between commercially owned land and commonages with commercial land owners frequently exploiting the commonage areas,
Overgrazed and Eroded	There is a significant number of large and small scale livestock in and around Mount Fletcher. The carrying capacity of the land is relatively low due to the erratic rainfall, shallow soil and steep topography of the land in

	<p>this area. The current number of livestock therefore exceeds the carrying capacity of the land. For this reason overgrazing is widespread and large areas have become eroded over time. There is a need to develop a detailed understanding of the extent of the erosion and formulate an appropriately prioritised strategy to stop erosion and rehabilitate the land in the most critical areas in the most effective and efficient manner. This will require education with regards to the carrying capacity of the land, which will have a social implication where livestock is an important element of a family's wealth.</p>
<p>Subsistence agricultural practises</p>	<p>This is considered a constraint due to the unmanaged use of natural resources at present. If correct management practices could be introduced, then subsistence agriculture could be turned into an opportunity for development.</p>
<p>Absence of industry</p>	<p>There is virtually no industry or value-adding taking place in Elundini. The bulk of economic activity is in subsistence agriculture and trade, both informal and formal trade. Furthermore the bulk of raw products leave the area for processing in other regions.</p>
<p>Bio-diversity conflicts with agriculture and forestry</p>	<p>A large proportion of the area is in a near natural state i.e. the vegetation still has a large number of species present (i.e. biodiversity) and is therefore important to conserve. Most agricultural and afforestation practices reduce biodiversity by replacing the natural vegetation with alien species.</p>
<p>Under-capacitated Tourism structures and poor marketing</p>	<p>The Elundini Municipality lacks a clear tourism brand and marketing strategy. It is difficult to identify tourism products and facilities over the Internet and via regional tourism information centres. There is a local tourism organisation and 3 community tourism organisations in Elundini, but they are under-capacitated and not able to effectively market the region. The Tourism Plan currently being finalised for Elundini addresses both the issues of marketing and branding, and developing an effective institutional structure that can promote Elundini as a tourism destination.</p>
<p>High input costs for agriculture</p>	<p>Crop farming in the Elundini area has high input costs (fertilizer, irrigation, harvesting) and tends to be quite labour intensive due to the low level of mechanization (such as potato harvesting).</p>
<p>Afforestation</p>	<p>PG Bison is planning to expand its plantations by a further 33,000 ha around Ugie, while economic opportunities around afforestation exist, it is often in conflict with agriculture and conservation as forestry competes with other types of land uses and is a stream flow reduction activity as the trees use a lot of water. Afforestation therefore significantly impacts on rivers and wetlands.</p>

Topography	The area is characterised primarily by very steep, mountainous slopes which makes it difficult to maintain infrastructure, such as roads. Erratic precipitation also contributes to high infrastructure maintenance costs.
Small economic base	The economy in Elundini is predominantly what is termed the second economy, which means that it is isolated, underdeveloped and not growth orientated. Second economy areas generally have a low circulation of financial capital because of the limited income of the population and large leakages of income because of limited services and facilities in the area.
High altitude and Remoteness makes area inaccessible	There is limited infrastructure in the area which may be a constraint to attract large numbers of tourists to the area; marketing to smaller niche tourism markets will be more appropriate. There is an opportunity to link with conservation efforts and promote eco-tourism.
Extreme weather not suitable for sensitive crops	The climate in parts of Elundini contributes to the fact that most farmers in the area practice mixed farming to remain viable. The weather is very warm in summer and very cold in winter, which makes it difficult for farmers to specialise or plant high value crops if they are sensitive to climate conditions.

7.2.3 LED Potential in Elundini LM

This section sets out the development approach in the Elundini Local Municipality.

7.2.3.1 Tourism

The proximity to the Southern Drakensberg Mountains, presence of rock art, adventure tourism products, an established fly fishing market and presence of a road looping through the Maclear/Ugie area all contribute towards the tourism potential of the area, which can be developed over the short to medium term. A new tourism loop over the Bastervoetpad, along the R393, through Rhodes, over Naude's Nek and Pitseng Pass through Maclear and Ugie could be developed with various tourism products offered along the way. This could also be linked to the Madiba Tourism Corridor.

Another unique development opportunity is around the wetland areas in Elundini. These can be marked as a unique tourist experience for tourists interested in nature based tourism. These wetlands are also home to a number of bird species most notably the crowned and wattle cranes as well as over 40 species of orchids. These areas however need to be carefully managed and the benefits must be weighed against the costs of not developing the area through forestry or agriculture.

Other developmental potential exists around catering for budget tourists and backpackers. This can be achieved through the development of backpackers' lodgers around Maclear as well as the proposed PG Bison Hotel planned for the town.

7.2.3.2 Agriculture

There is potential for intensive agriculture in small pockets of land throughout Elundini, which should be more fully explored. The Joe Gqabi SDF and IDP make reference to the potential to grow maize, sugar beet, soya and rapeseed; which can also be explored further. Water provided from the Mzimvubu and Tsitsa River transfer schemes can assist in enhancing the intensity of agriculture in the area. The potential also exists for established commercial farmers to develop formal linkages with emerging farmers in the surrounding area and thereby establish a stronger commercial agriculture base in the area.

Another agricultural programme that exhibit developmental potential in Elundini is the Cashmere goat project. As an expensive and highly sought after material the expansion of this project should be expanded. Further developmental potential also exists in downstream operations such as washing, cleaning and weaving of the wool.

The potential also exists to introduce a hatchery, cages and a processing plant at a later stage. The indicated areas however are also ideally suited for trout fishing and thus cognisance must be taken of the impact that these farms will have on the wild trout population.

7.2.3.3 Forestry

Based on DWAF (2005b) there are 56,681 hectares of forestry potential and a further 133,345 hectares of moderate forestry potential land available in Elundini. There is the potential for PG Bison or other smaller timber producers to expand their operations into these areas. Linkages can also be established with small scale forestry operators which could be linked with SMME development.

7.2.3.4 Infrastructure

Two key infrastructure development areas are the R56 linking Mount Fletcher and Maclear and the upgrading of the airstrip in Ugie and Maclear. It is necessary to continuously maintain the R56 as it acts as a tourist gateway between Elundini and the Southern Drakensberg. The Ugie airstrip is important as it is utilised by PG Bison to transfer its products out of Elundini while the Maclear airstrip acts as a possible access point for visiting tourists.

7.2.3.5 Manufacturing

There is developmental potential around the expansion of existing niche markets for bottled water and boutique furniture. SMME's can be encouraged to move into the furniture market using locally procured timber sourced from PG Bison or other smaller forestry plantations.

7.3 DEVELOPMENT POTENTIAL ASSESSMENT OF GARIEP

This section presents an overview of the unique opportunities and constraints that are evident in the Gariep Local Municipality. These characteristics apply to the local municipality along with the broad opportunities and constraints that were represented earlier in this section.

7.3.1 Opportunities in Gariep LM

OPPORTUNITY	DESCRIPTION
Gariep Dam	<p>The Gariep Dam is the largest fresh water dam in South Africa and has considerable potential for further development as an anchor project for the Joe Gqabi District. The Gariep Dam is very underdeveloped in terms of tourist products, and thus focus should be placed on developing a cluster of tourist products around the dam area. There is also significant potential for the development of water based recreational activities, nature walks and fishing around the dam. The dam is also near to the N1, therefore making it easily accessible to tourists travelling between Cape Town and Johannesburg.</p> <p>The Gariep dam also offers irrigation potential to surrounding farm land. The hydro-electric power generated by the dam could also be used to provide consistent and reliable electricity to the western portion of the Joe Gqabi District.</p>
Oviston Nature Reserve	<p>The Oviston nature reserve in conjunction with the Gariep dam, can act as an eco and environmental tourist hub for the Gariep LM. The town of Venterstad close proximity to both the nature reserve and the dam makes it the ideal gateway town for visitors. Venterstad is also easily accessible from the N1 via the R58.</p>
Large scale stock farming potential	<p>Although the clayed loam soil makes the area ill-suited for crop farming even with irrigation from the Gariep dam, the flat landscape and temperate climate makes it ideally suited for large scale stock farming. The whole area is suitable for sheep and goat farming while certain areas are also suitable for cattle farming. With the current interest in organic and free range animal</p>

	<p>products there is also the potential for livestock farmers to move into this field. Organic and free range products command higher prices, and therefore farmers can benefit from higher earnings.</p>
Game farming potential	<p>The flat landscape, temperate climate and the predominance of low mixed Karoo bush makes the area optimally suited for game farming. The areas that that have the highest potential for game farming are around the Venterstad and Steynsburg magisterial districts. The expansion of game farming in the LM also opens up potential for the introduction of lucrative hunting safaris for overseas tourists.</p>
Historical heritage	<p>The town of Burgersdorp is the oldest town in the north Eastern Cape and offers both heritage and historical tourism potential as a result of the large number of battle sites, war memorials, old jails and war museums situated in and around the town.</p>
Agri-Processing	<p>There are few agri-processing industries in the Gariiep area, with the few that do exist being fairly small. According to Wilkinson and Rocha (2006) there is also a general trend away from the provision of raw materials to markets. In addition, processed products add additional value meaning that producers can obtain more money for their produce. The export of raw materials out of the District for processing in other regions, also leads to income leakages.</p>
Rail link from Gauteng to East London	<p>This main rail link running from Gauteng to East London and passing through Burgersdorp can serve to complement the agri-processing industry by creating an easy, cost effective way of moving processed goods to the more advanced markets of Johannesburg and East London. Although the rail link is currently limited to the transport of goods there is the potential to introduce a passenger train travelling on the same route. This can in turn act as a unique draw card for tourists travelling to the coast via train. By combining this route with the historical rail link between Aliwal North and Barkly East the Joe Gqabi District can offer a unique railway holiday to Gauteng tourists.</p>
Beautification of towns	<p>A number of towns in Gariiep such as Burgersdorp and Steynsburg are in need of beautification (i.e. removal of weeds and other waste, planting trees, flowers etc.). These beautification programmes can create job opportunities for SMME's as well as making these historic towns more attractive to tourists.</p>
Craft Hub in Oviston	<p>A craft hub is a form of craft enterprise that empowers crafters to enter the arts and crafts sector as a collective and benefit from economies of scale. A craft hub performs functions such as purchasing raw materials, providing training, accessing markets and selling, providing basic services, maintaining quality standards and marketing for a collective of crafters. A</p>

	craft hub provides a platform for crafters from marginalised communities to access the market and reap the benefits from this improved market access.
Orange River Development	The proposed 'Red River Route' linking Lake Gariep along the Orange River, to the town of Aliwal North can be expanded to encompass the Oviston Nature Reserve. There is also potential to develop river-side lodges along this route so as to create accommodation for tourists travelling along the route via kayak, river raft or canoe. Should tourists be travelling from Aliwal North to Lake Gariep there is potential to revitalise the Gariep House boat so as to create a unique accommodation type on the Gariep Dam.

7.3.2 Constraints in Gariep Local Municipality

CONSTRAINTS	DESCRIPTION
Lack of critical mass for development	The Gariep Local Municipality had a population of roughly 23,700 in 2007 (Quantec, 2009), which is very small. This includes the settlements of Burgersdorp and Steynsburg, where the majority of the people reside. The remaining population is spread across the many commercial farms in the area. For this reason the population density in the area is relatively low and there is an insufficient critical mass for development. This is evidenced by the few national chain stores represented in the area.
Poor road infrastructure is a deterrent for tourism	The area has poorly maintained road infrastructure (e.g. R58 around Venterstad is in a very poor condition) in the region. Presently people try to avoid these roads, rather than use them as preferred transportation routes.
Very limited manufacturing	The area has a weak manufacturing base, with manufacturing enterprises that are present being concentrated around Burgersdorp. The area does however, have one furniture making business and some dairy processing. Manufacturing is often viewed as a strong driver for economic development due to the strong forward and backward linkages manufacturing has with other sectors (e.g. mining, agriculture, trade), however this is not a strength of the economy in this area.
Absence of industry	There is virtually no industry or value-adding taking place in or around the Gariep LM. The bulk of economic activity is in subsistence agriculture and trade, both informal and formal trade.
Small economic base	The economy of Gariep is predominantly what is termed the second economy, which means that it is isolated, underdeveloped and not growth orientated. Second economy areas generally have a low

circulation of financial capital because of the limited income of the population and large leakages of income because of limited services and facilities in the area.

7.3.3 LED Potential in Gariep LM

This section sets out the development approach in the Gariep Local Municipality.

7.3.3.1 Tourism

The Gariep Dam along with the Oviston Nature Reserve serves as one of the anchor developmental projects in the Gariep Local Municipality. Lake Gariep is very underdeveloped on terms of tourist products and there is the capacity to introduce a number of water based recreational activities, nature walks and fishing centred on and around the lake. Although the dam is close to the N1 it is necessary to ensure that the R58 linking the N1 and the Gariep Dam is in good repair.

There is also the opportunity to develop and expand the irrigation potential of the dam. The hydro-electric power generated by the dam could also be used to augment Gariep and the Districts ordinary supply.

The town of Burgersdorp in addition to being the oldest town in the north Eastern Cape has a number of heritage sites. With adequate marketing the town can be packaged with either a hunting/game drive experience or a Gariep Dam visit. With its close proximity the tourist market visiting the Gariep Dam, the town of Oviston can develop a craft hub to sell and develop local indigenous products such as pottery, bead jewellery and clothing. The expansion of the Red River Route to include the Oviston Nature Reserve can be used as a catalyst to expand accommodation facilities along the Orange River. There is also the potential to include the Gariep House Boat as part of this experience.

7.3.3.2 Agriculture

The flat landscape, temperate climate and predominance of low mixed Karoo bush make the area well suited for stock and game farming. There is considerable potential, due to the large tracts of land, to expand stock farming in the area. Stock farming in the area should be centred around organic and free range produce as stock reared in this manner can fetch considerably more revenue for farmers.

The introduction of more game farms has the potential to lead to lucrative hunting safaris for overseas tourists. This game farming can also lead to the development of a number of spin off industries to cater for these tourists such as taxidermists.

7.3.3.3 Manufacturing

With the large number of livestock in the area there is the potential to introduce agri-processing in the form of a tannery and/or a slaughter house. This could encourage the development of other downstream manufacturing centred around leatherwork. Furthermore any additional processing that does occur will add considerable value to the local products.

7.3.3.4 Infrastructure

The rail link running through Burgersdorp has the potential to be used to transport either livestock or processed goods to larger markets outside Gariep. The option also exists to lobby Transnet to introduce a passenger train running along the railway line. Such a route could then be marketed to tourists wishing to travel to the coast via train with a forced stop in Burgersdorp. This could also be linked to the historical railway between Aliwal North and Barkly East.

7.4 DEVELOPMENT POTENTIAL ASSESSMENT OF MALETSWAI

This section presents an overview of the unique opportunities and constraints that are evident in the Maletswai Local Municipality. These characteristics apply to the local municipality along with the broad opportunities and constraints that were represented above.

7.4.1 Opportunities in Maletswai Local Municipality

OPPORTUNITY	DESCRIPTION
Aliwal North Spa	<p>The Aliwal North Spa, just outside Aliwal North, is an iconic holiday resort that is one hundred percent owned by the Maletswai Local Municipality. The Spa infrastructure needs rehabilitation and thus the Mthombo Sediba Development</p> <p>Agency has undertaken the Aliwal Spa Revitalisation project, which focuses on the revitalisation and re-development of Aliwal Spa as a unique world-class tourist destination offering. A concession contract will be awarded to a private sector company and they, with the input of the private sector and the local community will operate the Spa. The spa is also strategically located along the N6 making it easily accessible for tourists from Bloemfontein, East London or Queenstown.</p>

High skill level	Maletswai has the lowest number of individuals with no schooling (10%) in Joe Gqabi. The LM also has the highest number of individuals (18%) who have a matric or some other form of higher education. This makes Maletswai better suited for business investment than the other LM's because of its higher skill base.
N6 linkage	The only national road running through Joe Gqabi passes through the District at Aliwal North. The N6 serves as a link between the interior and the coast as well as a tourist attraction in the form of the Friendly N6 tourist route. The N6 link can also serve as a gateway between the Eastern Cape, Free State and Gauteng. Aliwal North's proximity to the national road makes it ideally situated to capture stop-over, transient and business visitors as well as holiday makers. The N6 also forms part of the Friendly N6 tourist route which effectively starts in Joe Gqabi at Aliwal North.
Developed economy	Maletswai, particularly around Aliwal North, has some of the best economic infrastructure in JGDM. In addition, Aliwal North has a stable manufacturing sector and a relatively strong economic growth rate. Also, as a primary node, it benefits from shoppers visiting it from the smaller, outlying towns in the District. Maletswai also has the benefit of having its own development agency – Mthombo Sediba which is specifically focused on economic development. As a result of these factors the local economy is highly developed. Accordingly, Aliwal North will be the focus of future industrial and economic growth in the region, and should therefore focus on land use management issues and the maintenance of infrastructure to support this future growth.
Exhibition and Conference facilities	There is potential to attract business tourism, from areas such as Bloemfontein and Mthatha, to Joe Gqabi by developing conference facilities within Aliwal North. The introduction of exhibition venues in Aliwal North also has the potential to create a platform from which local arts and crafts communities can display their pieces. Furthermore, exhibition venues will allow for the hosting of expos and similar events in Aliwal North. The establishment of exhibition venues will also encourage the development of the arts and crafts industry within Joe Gqabi and thus provide tourists with an additional tourism product.
Orange River irrigation	The JGDM (Ukahlamba) Spatial Development Framework (SDF) identifies the area along the Orange River as having irrigation potential – this opportunity should be explored in more detail.
Boer War Package	There are a significant number of heritage sites (e.g. concentration camps; battle fields; monuments; military block-house etc.) in Maletswai

	that are from the Anglo-Boer War and thus there is an interesting historical narrative present. However, these heritage sites are not viable tourist attractions on their own and therefore should be linked to one another as an Anglo-Boer War package trip. A historical narrative of the history of the Anglo-Boer war and how Maletswai fits into this history, should be included.
Jamestown CBD Upgrade	In order to capitalize more on passing traffic, the aesthetic enhancement of Jamestown CBD along the N6 route could serve as a key factor in attracting new business in the form of B&B's and restaurants.
Maloti Route	The Maloti Route spans the borders between South Africa and the mountain kingdom of Lesotho. The route covers substantial areas of Lesotho, Eastern Free State and the Eastern Cape, in particular the Joe Gqabi District, running through Aliwal North. The route seeks to increase the flow of tourists to these areas by opening up the areas diverse natural and cultural heritage.
High potential for stock farming	Although Maletswai is poorly suited crop farming even with irrigation from the Orange River, the landscape makes the area optimally suited for large scale stock farming. The area is suitable for sheep and goat farming while certain areas are also suitable for cattle farming.
Township Tours	Township tours are a vital means of bringing the tourism sector to the local communities who might not otherwise be able to access the benefits of the tourism industry. Township tours can include attractions such as visits to shebeens, cultural dancing, village stays, traditional meals and sales of arts and crafts. These township tours further have the potential to create employment and alleviate poverty among the more marginalized population in Maletswai.

7.4.2 Constraints in Maletswai Local Municipality

CONSTRAINTS	DESCRIPTION
Electricity shortage	The Maletswai Local Municipality frequently suffers from power outages or interruptions to the supply. Should this occur on a regularly basis electronic equipment (i.e. computers) will be damaged forcing individuals to purchases new equipment. This also discourages business from investing as they will be unwilling to invest in an area where there operations could be halted indefinitely due to a lack of power.
Large young population	The 15 to 64 age group makes up 61% of the population of Maletswai. This puts immense pressure on the local economy to absorb such a large number of economically active individuals.

<p>Poor Tourism marketing</p>	<p>A number of the tourist facilities in Maletswai are not graded with the South African Tourism Council. As a result there is uncertainty about the available accommodation facilities in the area. Furthermore the tourism signage in the area is either absent or in poor condition. This hampers the expansion of tourism.</p>
<p>Limited arable land</p>	<p>The soils and rainfall in the area contribute to the bulk of Maletswai being classified as non-arable and not suited to cultivation, with most soils falling into land classes VI to VIII</p>
<p>Poor infrastructure</p>	<p>There is poor access to infrastructure, such as water, electricity, telephones and other types of services. In addition to this the municipality is unable to provide water, sewerage, roads and storm water of adequate capacity for business purposes. Roads are also in a poor state in the area, which makes accessibility a challenge.</p>
<p>Lack of investment Opportunity marketing</p>	<p>Aliwal North is the economic hub of Joe Gqabi however it is inadequately marketed to investors. Emphasis should be placed on the LMs high skill base as well as its better quality infrastructure. The existence of the Mthombo Sediba Development agency can be used as a key marketing tool for Maletswai.</p>

7.4.3 LED Potential in Maletswai LM

This section sets out the development approach in the Maletswai Local Municipality.

7.4.3.1 Tourism

The Aliwal North Spa should be developed as a boutique health spa and relaxation centre. As the Spa is wholly owned by the Maletswai Local Municipality there is the opportunity to only employ local staff thereby creating additional employment. Furthermore any reconstruction done on the spa would also benefit local builders.

There are a number of historical buildings and heritage sites in an around Aliwal North that are poorly marketed to tourists. By developing a coordinated tourism marketing strategy these products can be marketed collectively so as to maximise their impact. Due to its proximity to the N6 and Bloemfontein, there is the possibility of developing a local conference facility and exhibit centre in Aliwal North. While the conference centre can be used to by business tourists, the exhibition centre can be used to as a platform for local artists to show their work and possibly market it to visiting business tourists.

Other possible areas of development are around township tours in Maletswai, such tours can serve as catalysts for development in the townships by encouraging the construction of B&B's and the training of local guides.

7.4.3.2 Infrastructure

The fact that the N6 runs directly through Maletswai and Aliwal North is of considerable significance when it comes to economic development. The N6 serves as a gateway to the Eastern Cape and also forms part of the Friendly N6 tourism route. Tourism products centred around the N6 should be developed so as to capture visiting business tourists. The N6 also forms part of the Maloti Route which links Joe Gqabi to Lesotho. Development should focus around upgrading the road infrastructure of these two routes so as to make them more accessible to tourists.

Another area of potential development is the Jamestown CBD. Like Aliwal North there are opportunities to capture business tourists and truckers travelling along the N6 towards East London. Making the CBD more user-friendly would encourage tourists to remain in the area for longer periods.

7.4.3.3 Agriculture

Although the majority of land in Maletswai is unsuitable for crop farming there is still the possibility to use water from the Orange River for irrigation. Options for this should be explored further. Although the area is ill suited for crop farming there is considerable potential to expand existing stock farming in certain areas.

7.5 DEVELOPMENT POTENTIAL ASSESSMENT OF SENQU

This section presents an overview of the unique opportunities and constraints that are evident in the Senqu Local Municipality. These characteristics apply to the local municipality along with the broad opportunities and constraints that were represented earlier.

7.5.1 Opportunities in Senqu Local Municipality

OPPORTUNITIES	DESCRIPTION
Access to Lesotho	The Telle Bridge border post is an opportunity in terms of both trade and tourism that can be exploited further. Sterkspruit acts as a shopping destination for people in Southern Lesotho as it is the closest urban settlement. In addition to this tourists can enter/exit South Africa from this

	<p>point. Tourism linkages between South Africa and Lesotho in Senqu Local Municipality is an opportunity that has not been fully explored to date. Road linkages through Telle Bridge would need to be improved as well as signage. Co-operation with the Quthing District (Lesotho) could develop tourism products in and around Quthing, to attract visitors to visit Sterkspruit and Quthing.</p>
<p>Holo Hlahatsi Dam development</p>	<p>There are plans to develop the Holo Hlahatsi Dam as a tourism project which could provide an attraction in an area that has very few established tourism products. The dam will have limited appeal as motorised water craft cannot be used on the dam, as it supplies water to Sterkspruit. This development could be a minor attraction but it is not an anchor tourism project for the Sterkspruit area.</p> <p>In addition to this the dam project is intended to provide additional water resources that can be used for irrigation purposes. This could be of benefit to agricultural projects that are currently dependent on rainfall. Land claims in this area are stalling this development.</p>
<p>Maize and dry land lucerne</p>	<p>There is a limited opportunity for the production of maize and lucerne in the area particularly in areas under irrigation from the Orange River. Areas identified for maize production include the Witteberg area and Rockcliffe.</p>
<p>Snow Tourism</p>	<p>Snow is a major attraction as many people in South Africa have never seen snow before. The area is known for getting snow as late as November and as early as March. This makes the area even more scenic and enhances the feeling of remoteness as visitors are often cut off from the rest of the world during snow storms.</p>
<p>Niche tourism market</p>	<p>Due to its remote location, small resident population and limited services and infrastructure it is anticipated that this area would be targeting a niche tourism market(s) such as skiing, fly fishing, hiking, up-market accommodation and resorts, etc. Agri-tourism is another opportunity, particularly in the Moshesh's Ford area where farms are near the R393 and Bastervoetpad. These areas are scenic and offer opportunities to experience a farm-stay, visit a farm stall, see sheep shearing taking place, etc. Other niche markets that could be attracted to the area are people interested in flowers, birds, mountain passes.</p>
<p>Tiffendell Ski Resort</p>	<p>As the only ski resort in South Africa, Tiffendell is ideally suited to capture the local tourist market interested in snowboarding and skiing. The resort has recently undergone a R400 million upgrade which included the development of</p>

	<p>an up-market hotel and timeshare residential units. The existing ski slopes were expanded as was the air strip. There is an opportunity to jointly market Tiffendell and establish linkages between Tiffendell and Rhodes, Tenahead and other tourism products in the area.</p>
Land Care Programme	<p>LandCare projects in the Sterkspruit area include: Fencing of arable land, fencing of grazing camps, gabion structures to rehabilitate dongas, livestock improvement, and the provision of dipping tanks and shearing sheds.</p>
Established tourism association and branding	<p>Senqu has a capacitated tourism association (Senqu Tourism) and the private sector has also organised itself into local tourism organisations (e.g. Rhodes) to track tourism trends. Senqu has developed its own brand and is also marketed as a part of the Maloti Route. The area is also marketed as a part of the Friendly N6 tourism route although the N6 does not traverse the area.</p>
Critical mass for development	<p>As is characteristic of the former homeland areas of South Africa, there is a relatively large population residing in and around Sterkspruit in Senqu (118,177 in 2007) (Quantec, 2009) which is an opportunity as a large potential labour pool exists and critical mass for services and facilities exists. Although there are many people living in this area, the population density is much less than in the urban areas of Senqu which indicates that the population is spread over a large area. This is also characteristic for former homeland areas where many villages are spread throughout the landscape. (Quantec, 2009)</p>
Air and rail link	<p>The area has existing (although unutilised) rail infrastructure and an airstrip in Barkly East. The unique eight railway reverses on the Barkly East – Lady Grey railway line could be a possible tourist attraction for domestic and international rail enthusiasts. The railway line is unused at present and the feasibility of reinstating this service could be investigated. There is also potential to develop an airstrip to complement the airstrip at Tiffendell.</p>
Large producer of wool	<p>The Barkley East area produced more kilograms of greasy wool (993,140) in 2004/05 than any area of the Eastern Cape (with the exception for the former Transkei/Ciskei areas). Lady Grey also produced 219,800 kgs in 2004/05. Together this area of Joe Gqabi contributes roughly 10% to wool production in the Eastern Cape. (ECSECC, 2006)</p>
High Altitude Conservation Area	<p>Potential for a high altitude national park, or conservation area, exists in the mountainous areas of Senqu. This will have to be established in partnership with local land owners through land stewardship programmes as it is unlikely that the land can be bought. The development of a</p>

	national park in the area would not only fulfil conservation targets, but would also increase the profile of the area as a tourism destination.
Ecosystem Services	There is the opportunity to introduce a number of ecosystem services into the Senqu Local Municipality such as the production of clean water, soil protection, contribution to groundwater, carbon sequestration (i.e. carbon credit trading) , grazing and harvestable products, including medicinal plants.
Trout Fishing	There are a large number of freshwater rivers and streams in Senqu which are home to a diverse range of trout. Trout fishing can offer a unique tourist product provided that it is developed further.
Clearing of alien vegetation	While the presence of alien vegetation in the area is a constraint as it competes the natural grasslands, is not nutritious for livestock, and reduces surface water runoff. It also presents an opportunity as the clearing of alien vegetation through programmes such as Working for Water can generate income within the local communities and secondary industry opportunities (e.g. crafts, firewood, etc.) do exist for off-cuts of some species. In this regard the Amathole District Municipality (in 2006) called for proposals for a project to undertake activities that would result in the development of a Feasibility Study and Business Plan for Sustainable Utilization of Wattle in Keiskammahoek. The status of this is not known, but is evidence of the range of opportunities that exist to clear wattle and create economic opportunities. Wattle areas present an opportunity for previously disadvantaged communities to participate in the forestry industry through the rehabilitation of these stands, and to sell the timber for paper production. Wattle can be harvested after 8 to 10 years and is thus, from a cash flow point of view, a feasible crop for communities to grow. Wattle is a globally sought after timber for the production of fine paper and commands the highest price of all species grown for pulpwood in South Africa.
Niche industries	Some potential to develop niche industries, based on the competitive advantages of the area exist, for example the bottling of fresh spring water. Senqu has pure, clear water that is already being bottled on a small scale. Potential may exist to expand these industries for the benefit of local communities.

7.5.2 Constraints in SenquLocal Municipality

CONSTRAINTS	DESCRIPTION
Overgrazed and eroded	The carrying capacity of the land around Sterkspruit is naturally relatively low due to the limited rainfall and arability of the land in this area. The current number of livestock in the area also well exceeds the carrying capacity of the vegetation. As a result overgrazing is widespread and large areas have become badly eroded impacting negatively on future farming endeavours.
Limited arable land	The soils and rainfall in and around Sterkspruit contribute to the bulk of the area being classified as non-arable. Soils in the area are generally shallow and weakly developed. This results in people practicing agriculture on marginal land and deriving limited return on their investment. This is a fundamental constraint in this zone to try and promote improved and more commercialised agriculture in the area as there is limited overall potential.
Extreme weather not suitable for sensitive crops/livestock	The area is characterised by extreme weather patterns, with snow fall being a regular occurrence. For this reason the area is not suitable for sensitive livestock (e.g. mohair) or frost sensitive crops.
Land availability and equality	The majority of all farms around Barkly East and Lady Grey are in private hands, predominantly white farmers, and it is difficult to purchase land in the area because the demand for agricultural land is high and farms are large. This impact on the price of land in the area, which is high.
Subsistence agriculture	This is considered a constraint due to the unmanaged use of natural resources at present. If correct management practices could be introduced, then subsistence agriculture could be turned into an opportunity for development
Decline in dairy industry	The Lady Grey/Barkly East/Rossouw area of Senqu had a small but vibrant dairy industry that provided farmers with supplemental income. However, due to downsizing of the dairy industry in Aliwal North and poor road infrastructure (making deliveries difficult), the dairy industry has declined significantly. The remaining dairies primarily serve the local market.
Stock theft	The continued incidence of stock theft is resulting in some farmers changing their focus from small stock to large stock (cattle) which require fewer input costs and are relatively easier to manage. Stock theft accounts for roughly 6.6% of total crime in Senqu municipality and statistics indicate that stock theft has decreased by roughly 13.5% per annum from 2001 to 2005.

<p>Limited remaining wildlife and potential for wildlife</p>	<p>Often the former homeland areas have limited wildlife due to the large populations living in the areas, as people have often hunted the available game for livelihood purposes. Due to the degraded nature of the land, competition from subsistence agriculture, high levels of poverty in the area and local climate conditions, it is unlikely that substantial wildlife can be reintroduced and sustained.</p>
<p>Presence of alien vegetation</p>	<p>Due to various factors e.g. overgrazing and other disturbances, natural vegetation is replaced by alien invasive species. These plants thus reduce biodiversity and do not provide as much nutrition to animals as the indigenous vegetation.</p>
<p>Subsistence agricultural practices</p>	<p>This is considered a constraint due to the unmanaged use of natural resources at present. If correct management practices could be introduced, then subsistence agriculture could be turned into an opportunity for development.</p>
<p>Small economic base</p>	<p>The economy in parts of Senqu is what is termed the second economy, which means that it is isolated, underdeveloped and not growth orientated. Second economy areas generally have a low circulation of financial resources because of the limited income of the population and large leakages of income because of limited services and facilities in the area.</p>
<p>Snow (Access)</p>	<p>The altitude and climate of the area can also be viewed as a constraint in that it makes the Rhodes region even more inaccessible when it snows. For example, there are only 2 roads into Tiffendell and both are closed when it snows. There is therefore no way for skiers to reach the ski resort – a large potential income earner - when there is fresh snow on the ground. Similarly people cannot cross the Drakensberg Mountains when it snows because Naude’s Nek Pass and Bastervoetpad cannot be navigated.</p>

7.5.3 LED Potential in Senqu LM

This section sets out the development approach in the Senqu Local Municipality.

7.5.3.1 Tourism

Senqu has a well-established tourism industry with a local municipal tourism association as well as a private sector body. Senqu has also developed its marketing brand. This is helped by the number of unique tourist products available in the area. One of the most significant areas in terms of developmental potential is the Tiffendell Ski resort. As the only ski resort in South Africa Tiffendell is unique positioned to capture the local skiing market as well as

foreign tourists interested in skiing. Opportunities exist to promote Tiffendell as a venue for international events such as the World Snow Boarding Championships.

The Telle Bridge border post is a key area of development as it serves as the only access from Joe Gqabi into Lesotho. This development should be linked to the revitalisation and upgrade of Sterkspruit so as to cater for shopping tourists and day-travels from Lesotho. Options around developing a tourist route between Senqu and Lesotho should also be explored. The mountainous area round Tiffendell and Rhodes also has the potential to be developed into a high altitude national park or conservation area. It will however be necessary to ensure local land ownership involvement in the process as many of the farms that would comprise the conservation area are privately owned.

Another unique developmental option is the reopening of the historic railway line between Aliwal North and Barkly East passing through Lady Grey. Due to the eight rail reverses this line can serve as a draw card for international railway enthusiasts. As with Elundini there are a number of rivers with abundant trout populations. These areas can be further developed to focus on the fly-fishing tourist market.

7.5.3.2 Infrastructure

There is also significant potential to upgrade existing roads throughout most of Senqu given their poor condition. Such programmes boost employment particularly among those individuals who lack adequate education.

7.5.3.3 Agriculture

Between Barkly East and Lady Grey over 1.2 million kilograms of greasy wool was produced in 2004/05. This makes the area one of the largest producers of wool in the Eastern Cape. Due to the climate as well as the topography the area is well suited to the expansion of this type of farming. Development plans centred around the Holo Hlahatsi Dam (number 2 on Map 8.4) can also be explored. These plans should recognise that, since the dam supplies water to Sterkspruit, it cannot be used for motorised water sports. As a result development opportunities should be focused around agricultural irrigation. There is also limited developmental potential around dry land lucerne and maize production in Senqu. These areas however are limited to areas under irrigation from the Orange River.

7.6 COMPETITIVE AND COMPARATIVE ADVANTAGE

Comparative advantages in terms of GDP contribution are reflected for the sectors of Agriculture (dominated by the Agriculture and Hunting sub-sector) and Community

Services (centred on Education, Health, and then Public Administration sub-sectors). Comparative advantages in employment contribution are again reflected for Agriculture (Agriculture and Hunting) and Community Services (principally Education) as well as Households.

The Municipality is home to the Gariep Dam, which is an asset in terms of water resources and related agricultural and tourism development. Potential for agriculture and tourism development may be enhanced through Joe Gqabi's inclusion in the Fish River Irrigation Belt – one of the PGDP Corridors, targeting tourism, agro-processing and agriculture, in addition to its inclusion in the Mzimvubu Basin Management and Development Programme.

7.6.1 Agriculture

The District is home to areas of high potential agricultural crop and livestock production. Comparative advantages and associated opportunities exist in the agricultural sector because of labour surpluses, pockets of fertile land and underutilised irrigation potential. 80% of agriculture practiced in the District is at a commercial scale. Only 20% is subsistence farming.

In the Gariep, Maletswai and part of Senqu municipal areas, commercial farmers are mainly small stock farmers (sheep and limited numbers of goats) but there is also some cattle farming. There is some game farming especially to the west and this has positive synergies with the conservation areas of the Nama Karoo (Oviston Nature Reserve). In the wetter Elundini area more cultivation is practised, mainly maize and potatoes mixed with livestock farming.

However, there are many challenges within the sector:

Accessibility - The deterioration of road networks makes access to the markets difficult and costly, and also negatively impacts the farm workers who have to pay higher taxi fees due to the bad condition of the roads. The closing down of the railway system also increases transport costs because all inputs and products now have to be transported by road. This places an ever-increasing burden on the road infrastructure.

Poverty & Lack of Education - In communal areas, the predominant economic activities focus around livestock farming and vegetable production. However, poverty, a fundamental lack of skills and difficulties in accessing loan funding pose enormous challenges to those wishing to enhance their production in these areas. Support for emerging farmers and land reform beneficiaries in particular needs is required. A lack of farm infrastructure, large

debts, insufficient stock and often lack skills and experience. With regard to communal farming there is shortage of agricultural facilities such as dipping tanks, loading ramps, sheds, water points and fences. Commonages are poorly managed, extensively overgrazed and poorly maintained. Plans have been developed for the development and management of some commonage areas.

Stock Management - The continued incidence of stock theft (and deaths due to small predators) has resulted in many farmers changing their focus from small stock to large stock (cattle) and game which require fewer input costs and are relatively easier to manage.

Value-Chain - The District is one of the major wool producing areas in the country. The National Wool Growers Association plays a vital supporting role and the wool industry in the District and is well organized. However, it is difficult to maximise on the value chain within the District. Wool is transported to Port Elizabeth for sale. It is then sold into a global market and it has been difficult in the past to make an impact in this area. There are currently initiatives geared towards establishing wool washing facility in the Elundini municipal area. Other areas in which the value chain could be expanded include: livestock husbandry (Elundini and Gariiep), maize (Elundini, and Senqu), Forestry (Elundini) and dry land Lucerne (Senqu). However, commercialising these activities and enhancing productivity remains a major challenge.

7.6.2 Tourism

Tourism has the potential to reach higher heights with leading tourism product in located in Elundini. It has scenic beauty, trout fishing and South Africa's only ski resort, Tiffendell, which is has undergone expansion and improvements to its airstrip to cater for charter flights.

The District's stark topography and undisturbed landscapes in conjunction with low reported crime levels, creates the potential for tourism. The District is one of the few mountainous areas within the country and it is the only area in the country with a ski resort – Tiffendell - which has undergone expansion and improvements to its airstrip to cater for charter flights. Other exiting tourism attractions include trout fishing, trail running, mountain biking and san rock art.

The strengthening of the tourism sector in JGDM has significant potential to benefit the lives of all sectors of society – if correctly implemented. The World Tourism Organisation

(UNTWO) recommends that governments adopt the following principles to maximize the potential of tourism to contribute towards poverty eradication⁸:

Mainstreaming: ensure that sustainable tourism development is included in general poverty elimination programmes. Include poverty elimination measures within overall strategies for the sustainable development of tourism;

Partnerships: develop partnerships between international, government, non-governmental and private sector bodies, with a common aim of poverty alleviation through tourism;

Integration: adopt an integrated approach with other sectors and avoid over-dependence on tourism;

Equitable distribution: ensure that tourism development strategies focus on more equitable distribution of wealth and services;

Acting locally: focus action at a local/destination level, within the context of supportive national policies;

Retention: reduce leakages from the local economy and build linkages within it, focusing on the supply chain;

Viability: maintain sound financial discipline and assess viability of all actions taken;

Empowerment: create conditions which empower and enable the poor to have access to information and to influence and take decisions;

Human rights: remove all forms of discrimination and exploitation against people working in tourism, particularly against women and children;

Commitment: plan action and the application of resources for the long term; and

Monitoring: develop simple indicators and systems to measure the impact of tourism on poverty.

The UNTWO (in its publication: *“Tourism and Poverty Alleviation: Recommendations for Action”*) has also identified seven ways in which poverty may be addressed through tourism, namely:

⁸Source: Yunis E. (n.d.) : Poverty-Sensitive Value Chains in the Tourism Industry

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- Employment of the poor in tourism enterprises
- Supply of goods and services to tourism enterprises by the poor or by enterprises employing the poor
- Direct sales of goods and services to visitors by the poor (informal economy)
- Establishment and running of tourism-related enterprises by the poor - e.g. micro, small and medium sized enterprises (MSMEs), or community based enterprises (formal economy)
- Tax or levy on tourism income or profits with proceeds benefiting the poor
- Voluntary giving/support by tourism enterprises and tourists
- Investment in infrastructure stimulated by tourism also benefiting the poor in the locality, directly or through support to other sectors

In the JGDM, this can be interpreted as:

- Employment of local (often poor) people – with an added emphasis on the employment and up-skilling of women
- Formulation and support of cooperatives and other organised groups of poor people so as to enable them to supply goods and services into the tourism industry
- Promotion of locally produced goods – including crafts, food products, etc – and the establishment of viable outlets at tourism hotspots and possibly internet marketing
- Similar to 2 and 3 above, the promotion, support and facilitation of local groups who have a keen desire to enter the tourism industry and offer some form of service. This may be in the form of accommodation, tour guides, transport or any other offering which one could imagine
- A levy is a generally recognised and accepted practice in tourism establishments across South Africa. The issue at hand is how this levy gets used – who ultimately benefits?
- Voluntary giving or support should be via organised structures. For example, there are many instances across South Africa and the Eastern Cape in which international volunteers offer their time and skills to support a local charity. This has a double benefit: poor people (often women and children) benefit from the time and skills donated; and the tourism industry benefits from increased tourism activity and word-of-mouth marketing which is most likely to bring more international visitors
- Investment in infrastructure is government's primary responsibility. If this is implemented correctly, both business (tourism) and society at large will benefit from increased access to services.

Tourism in the JGDM should maximise on the area's unique setting and relatively easy access. Some forms of tourism which should be considered include:

- Adventure and sport tourism – skiing; snowboarding; abseiling; mountaineering; caving; trail running; mountain biking; enduro and cross country motorcycle events; 4x4 trails, trekking; orienteering; geo-caching

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- Eco-tourism tourism – including fly-fishing, canoeing, cultural experiences, camping
- Historical tourism – san rock art, historically significant sites
- Agri-tourism – farm stays, horse-back riding, hunting
- Volunteer tourism – linked to local charities
- Educational and research tourism – including archaeology and geology

7.6.3 Trade

Trade in the JGDM relates most particularly to wholesale and retail trade. It is a given that trade is part and parcel of a global value chain, which is something that would be difficult if not impossible or even undesirable to change. However, the manner in which the trade value chain is implemented can and does have an impact on the local economy. In addition, consideration must also be given as to how the local economy can more effectively participate in the Global Value Chain. Some issues to consider, from the perspective of JGDM, include:

- The promotion, support and development of local producers
- The creation and promotion of local markets
- The promotion of global competitiveness – this includes standards and certification, innovation, price competitiveness, etc
- Access to markets – locally, nationally and internationally
- Access to enabling infrastructure and services – transportation, water, electricity, ICT, etc

7.6.4 Government Services

Government (community) services account for the vast majority of jobs in the District and more than 50% of the GDP. While ensuring that government operations are fully functional and able to properly implement their responsibilities is essential, it is erroneous to consider this sector as being able to offer more jobs. Instead, the community services sector's procurement process must be assessed for areas within which locally produced goods and services may be sourced, as this will significantly support the local economy. Government services should consider the benefits (to themselves and their constituencies) of paying a slight premium on locally sourced goods, which then encourages the economic prosperity of the region over the short-term advantage of cheaper goods made in foreign countries, resulting in no economic benefit to the region. Some examples of procurement which could easily be from local sources includes:

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- Wooden furniture – the District has a thriving forestry sector, which needs to be taken full advantage of. Furniture such as school desks, bookshelves and boardroom tables can be made locally
- School uniforms – with each school requiring a unique uniform, there is sufficient work to keep numerous sewing groups/cooperatives busy all year around
- Cleaning and security services
- Catering services
- ICT services

It is noted that the above are ideas which need to be further developed and researched. However, local procurement needs to become part of government's commitment to local economic development.

In addition to the above, government services should be considered as enablers of economic development. To this end, the provision of efficient, reliable and appropriate infrastructure is the foremost responsibility of the JGDM and local municipalities. Other government services – including the departments of health, education and others – must be accountable for providing the necessary services to ensure that those living in the District are physically able to play a part in the local economy – i.e. that they are healthy, have appropriate education and skills, have access to transport, etc. The real economic upliftment of the District relies on the government services sector to enable and support all economic development initiatives, be they government or private initiatives.

8 Acronyms

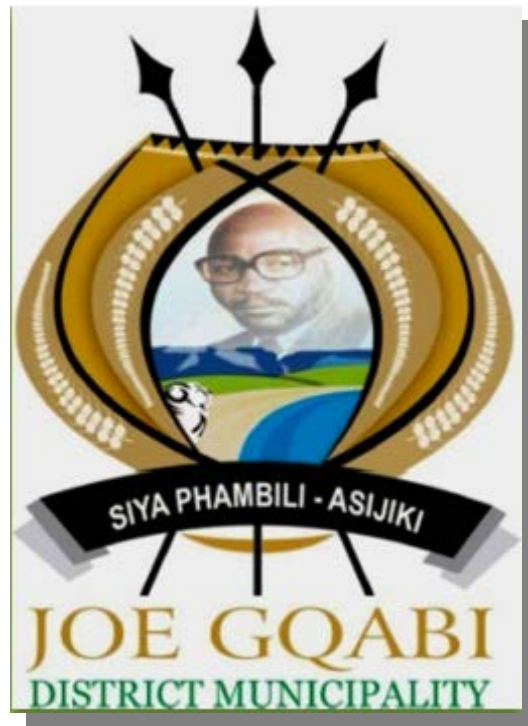
ABP	- Area Based Plan
ASGISA	- Accelerated and Shared Growth Initiative for South Africa
BEE	-Black Economic Empowerment
BBBEE	- Broad Based Black Economic Empowerment
BPO	- Business Process Outsourcing
DFA	- Development Facilitation Act
DLG&TA	-Department of Local Government and Traditional Affairs
DIMAFU	- District Mayors Forum
DLA	- Department of Land Affairs
DM	- District Municipality
DoA	- Department of Agriculture
DoE	- Department of Education
DoH	- Department of Housing
DoRT	- Department of Roads and Transport
DPLG	- Department of Provincial and Local Government
DPISA	- Department of Public Service and Administration
DPW	- Department of Public Works
DSRAC	- Department of Sports, Recreation, Arts & Culture
DTO	- District Tourism Organisation
DWAF	- Department of Water Affairs and Forestry
EC	- Eastern Cape
EIA	- Environmental impact assessment
EPWP	- Expanded Public Works Programme

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FET	- Further Education and Training
GDP	- Gross Domestic Product
GDS	- Growth and Development Summit
GGP	- Gross Geographical Product
HRD	- Human Resource Development
ICT	- Information and Communication Technology
IDP	- Integrated Development Plan
IGRF	- Intergovernmental Relations Framework Act
IGR	- Intergovernmental Relations
ISRDS	- Integrated Sustainable Rural Development Strategy
IWMP	- Integrated Waste Management Plan
JGDM	- Joe Gqabi District Municipality
JIPSA	- Joint Initiative on Priority Skills Acquisition
KPA	- Key Performance Area
LDO	- Land Development Objectives
LED	- Local Economic Development
LM	- Local Municipality
LQ	- Location Quotient
LSM	- Living Standards Measure
LTO	- Local Tourism Organisation
MEC	- Member of the Executive Council
MFMA	- Municipal Finance Management Act
MIG	- Municipal Infrastructure Grant
MSDA	- Mthombo Sediba Development Agency

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NSDP	- National Spatial Development Perspective
PGDP	- Provincial Growth and Development Plan
PLAS	- Proactive Land Acquisition Strategy
REDZ	- Rural Economic Development Zones
SDF	- Spatial Development Framework
SDP	- Spatial Development Plan
SEDA	- Small Enterprise Development Agency
SMME	- Small, Medium and Micro Enterprises
UNTWO	- World Tourism Organisation
WFW	- Working for Water



LOCAL ECONOMIC DEVELOPMENT STRATEGY REVIEW

2014-2019



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Executive Summary

INTRODUCTION

The main purpose of the Joe Gqabi District Municipality's Local Economic Development (LED) Strategy is to facilitate the development of a District Economic Strategy and implementation framework that would guide development interventions to improve the economy and empower the people of Joe Gqabi. The objective of the LED Strategy is therefore to contribute towards:

- Reducing the number of households living below the poverty line
- Increasing the number of jobs created locally through all municipal-run capital projects
- Increasing the percentage of budget spent on implementing economic development programmes for a particular financial year in terms of the IDP
- Increasing the economic growth rate
- Increasing the proportion of development activities that take into account the interests of vulnerable groups (i.e. women, elderly, youth and the disabled)
- Increasing the amount of funds injected to the District Municipality by sector departments and other development agencies

The Joe Gqabi LED Strategy comprises of two reports namely:

- Situation Analysis Report
- Strategic Framework Report

SITUATION ANALYSIS

The Joe Gqabi District Municipality is located in the north eastern part of the Eastern Cape and is bordered by the Alfred Nzo District Municipality, the O.R. Tambo District Municipality and the Chris Hani District Municipality to the south. The Joe Gqabi District Municipality shares a border with the Free State, the Northern Cape and Lesotho. The district spans an area of 25,689.1 km² and comprises four local municipalities namely: Elundini, Gariep, Maletswai and Senqu. The main towns in the area are: Aliwal North, Barkly East, Burgersdorp, Maclear, Mount Fletcher and Sterkspruit.

Policy Framework

A policy review was the first step undertaken, in order to ensure that any subsequent processes would be based on, and align to, national, provincial, and other district strategies. Several policies and strategies were used as references and summarised. The following approaches were incorporated into the Joe Gqabi LED Strategy review process:

- Focus on strategic, priority sectors, most notably agriculture; agri-business; forestry and the related timber industry; and tourism
- Development of key programmes such as the Umzimvubu Basin Development and Timber Industries Development Initiative
- Investment in infrastructure
- Education and skills training
- Strategic investment in high potential areas/settlements

Institutional Profile

The Joe Gqabi District Municipality faces a number of institutional constraints in terms of implementing LED. Two constraints that are key to the successful implementation of the Joe Gqabi LED Strategy are inadequate human and financial resources. The District Municipality is too eliminated equipped to implement LED initiatives with a dedicated LED staff and a budget, as well as the establishment of the economic development agency: JoGEDA which has been implemented. There is a need to strengthen the relationships between the District Municipality and JoGEDA and relevant stakeholders.

Environmental Profile

The Joe Gqabi District is exceptionally diverse in terms of its environment with nine distinct vegetation types across the district. The high altitude areas of Elundini and Senqu are known to host a large number of endemic plant species, and are classified as important centers of plant diversity and endemism.

Currently many of the grasslands, indigenous forests and wetlands are experiencing severe pressures and degradation as a result of inappropriate ploughing practices and overgrazing. Future pressures from farming practices, alien vegetation encroachment, poverty, the need for development, and the lack of formal protection will jeopardize the biodiversity of the area.

Socio Economic Profile

The Joe Gqabi District Municipality is very sparsely populated (about 6 people per km²). The economy of the Joe Gqabi district is relatively small, contributing only 4.7% to the Eastern Cape economy. The economic performance of the Joe Gqabi district has been satisfactory over the past decade or so. The average annual growth rate from 2000 to 2013 was 3.5%. The 2008-09 recessions had a marginal effect on overall performance and growth rates increased by 1.9%, as opposed to a national average of -1.5% and a provincial average of -1%. In 2013 the growth rate was 2.7% in comparison with a South African and an Eastern Cape average annual growth rate of 1.9% and 1.6% respectively.

The population's quality of life is deteriorating as measured by the Human Development Index (HDI). This is largely because life expectancy is lower as a result of the HIV/AIDS pandemic. Nevertheless, the Joe Gqabi district's HDI is higher than the provincial average but less than that of South Africa. Using the Gini coefficient, inequality in South Africa improved marginally from 0.664 in 2007 to 0.654 in 2013. The Eastern Cape, however, has become more unequal with Gini coefficients of 0.636 in 2007 and 0.656 in 2013. The Gini coefficient for the district was 0.62 in 2008 and 0.59 in 2013 indicating a moderate improvement. Nevertheless equity remains a problem. Although the district's poverty rate is lower than the provincial average, it is relatively high, with an estimated 141 000 people living in poverty.

The economy of the Joe Gqabi District Municipality is relatively small and there is evidence of above average economic growth in recent years. Its GDP per capita is higher than the provincial average. The tertiary sector is the largest contributor to the municipality's economy. The illiteracy rate in the Joe Gqabi district is relatively high with over 21.7% of the population being functionally illiterate. The number of people aged 15 years or older without any schooling is a matter for concern, although the number has fortunately been coming down. In 1995 more than 41 000 adults had not received any schooling, but this figure dropped to just over 21 000 in 2013. This represents 8.6% of the population as opposed to 12.4% in 1995. This 8.6% is higher than the figure for the Eastern Cape which stands at 7.2% and also higher than South Africa's at 6.3%. The number of economically active people in Joe Gqabi in 2009 was 80 000, representing 24% of the region's population. The corresponding figures for the Eastern Cape and South Africa are 27% and 33% respectively. In 1995 30% of the population was economically active. The LFPR has been falling and is lower for the Joe Gqabi district at 32% compared to South Africa at 52% and the Eastern Cape at 44%. The unemployment rate in 2013 was 25%.

Crime in Joe Gqabi has generally been on a downward trend since 2004. The unweighted decline for total serious crimes has been -1.3% pa since 2004. In comparison, the decline for South Africa was an average of -2.5% pa and -3% pa for the Eastern Cape. The South African Constitution states that municipalities have the responsibility to make sure that all citizens are provided with services to satisfy their basic needs. Improving access to services has a crucial role to play in alleviating poverty, improving health and wellbeing and ensuring the dignity of people.

The term “services” broadly refers to infrastructure, in particular, civil and electrical engineering infrastructure. The Eastern Cape lags behind the South African average with 24% of the population enjoying piped water and 17% having piped water inside their yards. Almost a quarter relies on dams, rivers, streams, or springs, while only 7 430 rely on a water-carrier, tanker or water vendor for their water requirements. Although the number of households having water piped into their dwelling or yard has increased since 1995, 19% still have to get their water from a community stand and a further 0.9% rely on a natural water supply. In Joe Gqabi the proportion of households with access to electricity is less than in the Eastern Cape as a whole. The proportion increased from just over one-third in 1995 to 60% in 2013. The number of households that rely on paraffin has halved from 27 to 14%.

Infrastructure Profile

The term “services” broadly refers to infrastructure, in particular, civil and electrical engineering infrastructure. The Eastern Cape lags behind the South African average with 24% of the population enjoying piped water and 17% having piped water inside their yards. Almost a quarter relies on dams, rivers, streams, or springs, while only 7 430 rely on a water-carrier, tanker or water vendor for their water requirements. Although the number of households having water piped into their dwelling or yard has increased since 1995, 19% still have to get their water from a community stand and a further 0.9% rely on a natural water supply. In Joe Gqabi the proportion of households with access to electricity is less than in the Eastern Cape as a whole. The proportion increased from just over one-third in 1995 to 60% in 2013. The number of households that rely on paraffin has halved from 27 to 14%.

The infrastructure within the Joe Gqabi varies considerably amongst the local municipalities. Senqu and Elundini, due to the fact that they incorporate parts of the former Transkei, have

significant backlogs with regard to electricity provision, water accessibility, sanitation and roads. The infrastructure in Gariep and Maletswai on the other hand is relatively well developed. However, a number of challenges still exist within these areas, both in terms of the provision of basic services and investment in infrastructure for the creation of an environment conducive for local economic development.

The continual upgrade and maintenance of roads and other infrastructure throughout Joe Gqabi is critical to ensuring the District's competitiveness, as well as to encourage the introduction of new business to the area.

Economic Potential

Table 1: shows some of the opportunities identified for the Joe Gqabi District Municipality.

Development potential was assessed based on the unique characteristics of each local municipality. Based on this process the following development areas were proposed for each of the Joe Gqabi's local municipalities:

Table 1: Local Municipalities' Development Focus

Municipality	Development Focus
Elundini	Tourism, niche agriculture, forestry value chain, infrastructure development, manufacturing development based on forestry value chain
Gariep	Tourism linked to key attractions i.e. Gariep dam, agricultural development (stock and game farming), manufacturing associated with agro-processing, utilisation of rail infrastructure to transport agricultural output
Maletswai	Niche agricultural crops/products, tourism development around Aliwal North Spa, tourism and infrastructure development linked to N6, Aliwal North as a regional services hub
Senqu	Tourism linked to Lesotho and Alpine areas, intensification of agriculture particularly wool, infrastructure development

STRATEGIC FRAMEWORK

The Strategic Framework provides a structured plan on how to exploit the opportunities identified in the Situation Analysis. The strategic framework sets out how the Joe Gqabi LED Strategy is to be implemented through the following elements

- Vision and Mission

- Objectives
- Strategic pillars
- Programmes
- Projects

The components of the strategy were defined through brainstorming workshops with stakeholders and interdisciplinary workshops between the service provider and peer advisors. In the review period, these were re-assessed with the LED Unit staff.

Vision and Mission

The following vision and mission were used for the Joe Gqabi LED Strategy:

Improving the quality of life for all by fighting poverty through stimulating the economy and by meeting basic needs, improving service delivery and capacitating government and communities in a sustainable manner.

Grow the economy in an environmentally conscious manner which focuses on the areas of comparative advantage whilst at the same time encouraging partnerships with all role-players and promoting Private Public Partnerships.

The following Goals & Objectives were adopted:

Goal 1: Grow priority sectors namely agriculture (including forestry), agro-processing, trade and tourism.

Objective 1.1: Maintain current employment levels in the broader agricultural sector over the next five years.

Objective 1.2: Grow employment in the trade sector (incl. wholesale and retail; tourism) by 2% between 2015 and 2017.

Goal 2: Improve government capacity

Objective 2.1: Reduce the vacancy rate to no more than 12% across all government institutions situated in the Joe Gqabi District Municipality.

Goal 3: Stimulate economic growth through government and private sector investment

Objective 3.1: Maintain current levels of government investment in the JGDM between 2015 and 2016, increasing by 2% annually between 2016 and 2017.

Objective 3.2: Match the provincial economic growth rate so as to meet the economic vision and mission of Joe Gqabi District Municipality

Goal 4: Environmental sustainability

Objective 4.1: To ensure that at least 10% of critically endangered and vulnerable vegetation is formally conserved through a system of national or provincial protected areas by 2017.

Objective 4.2: To promote responsible (green) energy management and economic spin-offs.

Strategic Pillars

In order for the vision and objectives to be realised, it is essential that an environment conducive to growth be created. This involves activities that tackle both present constraints to development and initiatives to boost economic activity. The Joe Gqabi LED Strategy recommends that these actions be undertaken through the following strategic pillars:

- Infrastructure Investment
- Institutional Development
- Investment Promotion
- Sector Development
- Environmental Management

Each pillar was discussed and projects and programmes were classified per pillar. See Strategic Framework Report for full list of projects and programmes.

The following projects were prioritized for implementation, and are presented in order of priority based on the assessment carried out with the aid of the project prioritisation tool:

1. Expansion of EPWP & CWP around environmental issues
2. Tourism Routes enhancement
3. Review SMME And Microenterprise Strategy
4. Small town regeneration
5. District LED Support Structures
6. Identify and Support Strategic Partnerships
7. Signage
8. Local Procurement and Supply Chain Policies
9. Develop and implement an institutional marketing and branding strategy
10. Implement Tourism Marketing and Development Plan
11. Value chain analysis around tourism and other sectors

It is recommended that the Joe Gqabi LED Strategy be implemented using a combination of both existing internal and external structures within the Joe Gqabi Municipality. The primary external delivery structure that will be responsible for supporting the Joe Gqabi LED Strategy will be the Joe Gqabi Development Agency (JoGEDA). The proposed implementation recommendations for the Joe Gqabi LED Strategy are as follows:

1. Strengthening the monitoring and evaluation role of the various forums currently operating in the District, particularly the District LED Forum, District Support Team, District Agricultural Forum, District Tourism Organisation
2. Monthly LED Practitioners' Forum between the Joe Gqabi District Municipalities Tourism, Business Development, Agriculture and Social Development officers to promote information sharing
3. The establishment and strengthening of Local Action groups (LED fora) below the District Support Team which would facilitate and support the District Support Team at a local municipality level

4. Creation of Community-based Development Facilitators tasked with mobilising communities to generate ideas and form groups to assist in LED. This could be done by training Community Development Workers.
5. Strengthening of staffing capacity in the Joe Gqabi LED Unit
6. The establishment of a tourism desk operated by the Tourism Officer and responsible for providing visiting tourists with information about the area
7. The establishment of a SMME helpdesk operated by the Business Development Officer and responsible for handling small scale issues related to SMMEs (i.e. registration business, applying for licenses)
8. The Development Agency and the District Municipality (particularly the LED Unit) establish a common vision and agreement on the roles and responsibilities of each entity, so as to ensure that the full value of the economic development agency can be realised.

The implementation plan highlights the critical interventions over the next 4 years. To this end, a budget of R16 700 520 is required over the next 4 years, as outlined below:

2015/16	2016/17	2017/18	2018/19
R 3 158 000	R 5 545 000	R 4 332 200	R 3 665 320

1 Introduction

1.1 BACKGROUND

The White Paper on Local Government provides the context and the direction for the role of municipalities in economic development. The White Paper states that *“Local government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities.”*

The National Framework for Local Economic Development in South Africa propagates that the private sector that operates in a municipal region is the engine of economic growth. Their existence and ability to produce competitively and generate greater levels of income and employment is dependent on an active state role in generating the appropriate and necessary conditions, stimulus and governance efficiencies. However, inward investment from the state or private sector will only be effective where the potential and competitive advantages of each area are known and exploited. To this end the National Framework for Local Economic Development in South Africa recommends that municipalities have credible Local Economic Development programmes, which are being effectively implemented by a dedicated local economic development unit or similar entity.

Joe Gqabi District Municipality faces a number of developmental challenges related to the large disparities in the quality of services, employment, income potential and access to facilities between rural and urban areas within the municipalities and also between towns and informal settlements. The District is characterised by high levels of unemployment with the unemployment rate being 46%. Poverty in JGDM is also very high with 61% of the population earning less than R1,633 per month. Extreme poverty is significant, with 22% of households earning less than R400 per month¹.

For these reasons the Joe Gqabi District Municipality has prioritised LED in its Integrated Development Plan (IDP) and has established a district wide development agency to not only promote economic investment, but to address the critical social needs of the region. However without a comprehensive strategic economic framework in place to guide planning, the District Municipality and its development agency will find it difficult to develop and implement sustainable initiatives that have a significant economic impact.

¹ Statistics SA (2011): National Census Data

This LED Strategy will provide Joe Gqabi District Municipality with the strategic framework it needs to implement initiatives that will fast track economic development in the region.

1.2 PURPOSE OF THE REPORT

This report presents the strategic development framework for the Joe Gqabi District Municipality Local Economic Development and a recommended implementation plan. Also included are action plans for all the prioritised projects as well as a Monitoring and Evaluation Framework to assess the progress of identified projects. The strategic development framework is based on the economic potential of the Joe Gqabi District Municipality and strategic opportunities identified in the Local Economic Development Strategy: Situation Analysis.

1.3 REPORT STRUCTURE

Chapter 2:	Strategic Development Framework	<ul style="list-style-type: none"> • Vision and Mission of the Joe Gqabi DM; • District's Objectives pertaining especially to the goals of Local Economic Development across Joe Gqabi; and • Strategic Pillars which are identified to support the attainment of the defined objectives.
Chapter 3:	Implementation Plan	<ul style="list-style-type: none"> • Programmes and Projects which are to be implemented by various role-players in order to achieve the economic development of the region as envisioned.
Annexure A:	Project Identification Matrix	<ul style="list-style-type: none"> • An updated project identification matrix which will guide development and facilitate prioritisation of future projects
Annexure B:	Business Opportunities Database	<ul style="list-style-type: none"> • Spreadsheet of opportunities as identified by the LED stakeholders in JGDM

1.4 METHODOLOGY

The components of the strategy were defined through brainstorming workshops with stakeholders and interdisciplinary workshops between the service provider and peer advisors.

2 Strategic Development Framework

2.1 INTRODUCTION

The purpose of this section is to present the developmental framework for the Joe Gqabi District Municipality Local Economic Development (LED) Strategy and describe the rationale for the composition of each element within the framework.

The strategic framework has been developed with the context of the status quo in Joe Gqabi, which is presented in the Situation Analysis, and within the context of stakeholder inputs.

The subsequent sections of this report provided an assessment of the policy environment in which economic development is framed and an overview and analysis of the local economy, the key drivers and the latent potential thereof.

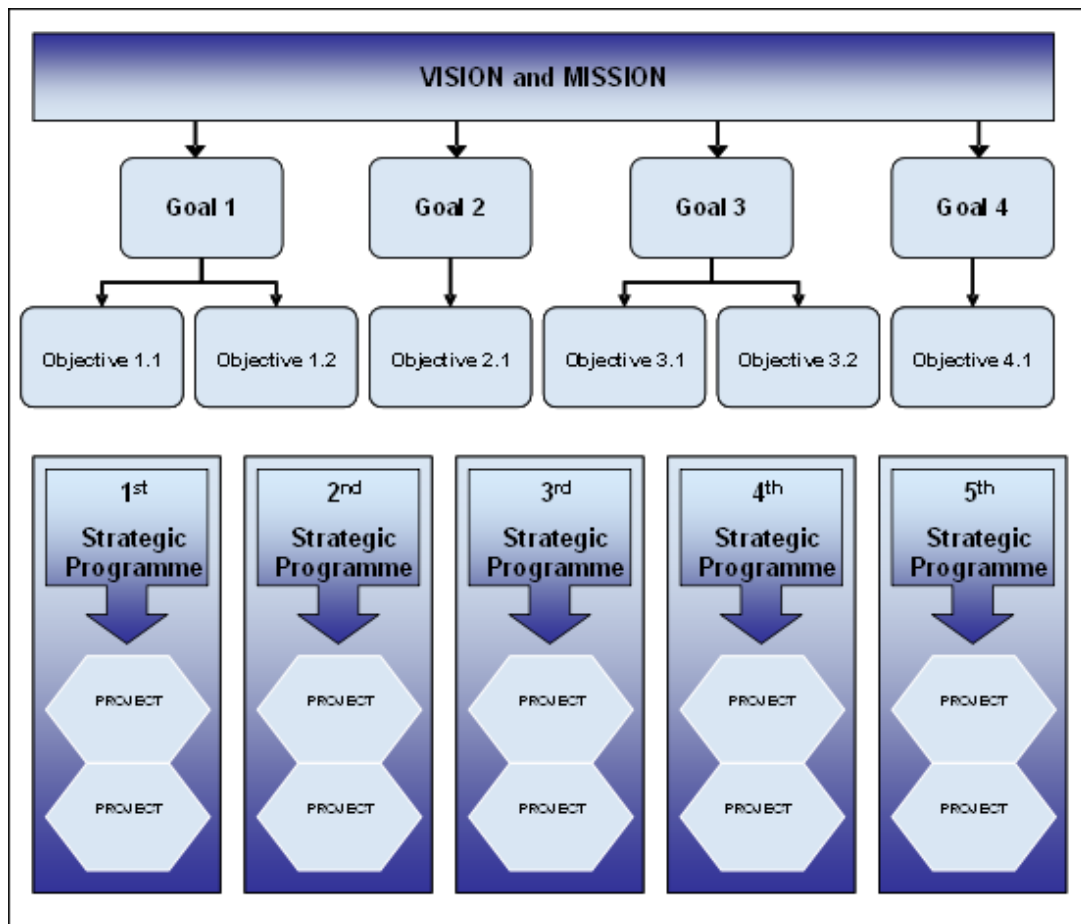


Figure 1: JGDM LED Strategy Framework

Figure 1: above represents diagrammatically, the strategic framework of the Joe Gqabi LED Strategy.

Following the identification of all the opportunities and constraints in the situation analysis, the next step in the review of the local economic development strategy is the vision. Flowing from the vision is the development of objectives that provide measures against which the strategy can be monitored.

Based on the policy environment, stakeholders comments and the assessment of the *status quo* of Joe Gqabi DM in terms of the economy, social circumstances, policy directives, environmental conditions, infrastructure availability and institutional capacity, it is possible to identify strategic pillars upon which the LED strategy will be built. These strategic pillars seek to address the constraints and threats identified in the situation analysis and have to be set in the context of the long-term vision for the local economy. Within each of these pillars, specific projects have been identified, which should collectively contribute towards achieving the goals and overarching economic vision for JGDM.

The World Bank describes these elements of local economic development as follows:

Vision: The vision usually describes the stakeholders' (community, private sector, municipality, non-governmental organisations) agreement on the preferred economic future of the economy.

Goals: Goals are based on the overall vision and specify desired outcomes of the economic planning process.

Objectives: Objectives set performance standards and target activities for development. They are time bound and measurable.

Programmes: Programmes are set out approaches to achieving realistic economic development goals. They are time bound and measurable.

Projects: Projects implement specific program components. They must be prioritised and all cost must be established. They are time bound and measurable.

Source: World Bank, 2002. Local Economic Development; Quick Reference

The following sections describe the JGDM LED strategy framework in terms of the above.

2.2 VISION

The JGDM vision, as articulated in the IDP, was used as the strategic, long-term vision for the Joe Gqabi District LED Strategy as it incorporated the key principles and priorities of the District.

Improve the quality of life for all residence by fighting poverty through stimulating the economy and by meeting basic needs, improving service delivery and capacitating government and communities in a sustainable manner.

2.3 MISSION

The District Municipality's mission, with specific reference to Local Economic Development is to:

Grow the economy in an environmentally sustainable manner which focuses on the areas of potential, comparative and competitive advantage whilst at the same time encouraging partnerships with all role-players and promoting Private Public Partnerships.

2.4 KEY PRINCIPLES OF THE STRATEGIC VISION

The following principles underpin the vision and mission statements, and will also underpin the objectives and implementation of LED across the District.

Grow the economic base: Growing the economy or economic growth is defined as an increase in the capacity of the economy to produce goods and services, within a specific time period. An integral part of local economic development is that of growing the economic base of the local economy through increasing revenue, increasing employment opportunities, increasing production etc.

Environmental sustainable: Although economic growth and development are important to improving individuals' quality of life, such development should not take place at the expense of the environment, without considering future generations. In the decision-making process, economic development and the environment should be considered as equally important principles that should complement each other and thus result in sustainable development.

Failure to adhere to this principle is likely to cause unnecessary damage and associated negative impact on the lives of those which this Strategy ultimately seeks to serve.

Maximise comparative advantage: Comparative advantage refers to the District's ability to produce a particular good at a lower marginal cost (i.e. the change in the total cost of producing one extra unit of that particular good) and opportunity cost (i.e. the value of the next best alternative forgone) than another area. ***It is therefore the ability to produce a product more efficiently than another area given all the other products that could be produced.*** It also applicable to the comparative advantage of an area's natural resources which may make it more appealing to a potential business or client than another area for "softer" reasons which also ultimately have an economic impact.

Encouraging Partnerships: It is recognised that local economic development cannot occur without a number of role-players and stakeholders working together. Thus the partnerships referred to in the vision involves the coming together of stakeholders from government, the private sector, NGO's and individual communities in Joe Gqabi so as to cooperate towards a common objective: namely economic development.

Promoting Private Public Partnerships: Public Private Partnerships or PPP's refer to a contract between a public sector institution/municipality and a private party, in which the parties share substantial financial, technical and operational risk in the design, financing, building and operation of a project. PPP's help promote development by bringing in private sector skills and expertise.

2.5 GOALS AND OBJECTIVES

Goal 1: Grow priority sectors namely agriculture (including forestry), agro-processing, trade and tourism.

Objective 1.1: Maintain current employment levels in the broader agricultural sector over the next five years.

Objective 1.2: Grow employment in the trade sector (incl. wholesale and retail; tourism) by 2% between 2015 and 2017.

Goal 2: Improve government capacity

Objective 2.1: Reduce the vacancy rate to no more than 12% across all government institutions situated in the Joe Gqabi District Municipality.

Goal 3: Stimulate economic growth through government and private sector investment

Objective 3.1: Maintain current levels of government investment in the JGDM between 2015 and 2016, increasing by 2% annually between 2016 and 2017.

Objective 3.2: Match the provincial economic growth rate so as to meet the economic vision and mission of Joe Gqabi District Municipality

Goal 4: Environmental sustainability

Objective 4.1: To ensure that at least 10% of critically endangered and vulnerable vegetation is formally conserved through a system of national or provincial protected areas by 2017.

Objective 4.2: To promote responsible (green) energy management and economic spin-offs

2.5.1 Objectives Unpacked

Objective 1.1: Maintain current employment levels in the broader agricultural sector over the next five years.

In 2012 employment in the agricultural sector (including forestry) accounted for 18% of the total number of people employed in the JGDM. This figure has decreased consistently since 1996 when the agricultural sector account for 24.1% of employed individuals. This objective therefore aims to stabilize the employment losses in the agricultural sector over the next five years. This growth in employment is to be achieved through the promotion of value-adding in the broader agricultural sector, the development of the agro-processing sector, and the utilization of existing potential in the forestry sector.

Objective 1.2: Grow employment in the trade sector (incl. wholesale and retail; tourism) by 2% between 2015 and 2017.

Formal retail and wholesale trade, has exhibited the second highest growth rate in terms of the number of people it employs (5.4%). Currently, the trade sector accounts for 11% of the

people employed across the District. Through targeted strategies designed to encourage the trade sector's average growth of 2% can be enabled over the next five years.

Objective 2.1: Reduce the vacancy rate to no more than 12% across all government institutions situated in the Joe Gqabi District Municipality.

This objective aims to ensure that all government organizations including the District and Local Municipalities and other government departments situated within the JGDM have a benchmark vacancy rate of 12%. In addition when a vacancy does occur it should be filled within 9 months. In the process of filling these positions the various government organizations should particularly focus on employing individuals from the local area.

Objective 3.1: Maintain current levels of government investment in the JGDM between 2015 and 2016, increasing by 2% annually between 2016 and 2017.

This objective seeks to promote investment in the area through focusing on the District's competitive and comparative advantages. The JGDM will aim to promote investment through creating an enabling environment; this includes focusing on areas such as the provision of infrastructure and basic services, ensuring safety and security, enforcing by-laws, etc. Government-led investment in the region would focus on infrastructure, social development and developing an enabling environment for the private sector. Efforts would also be made to secure more grant funders.

Objective 3.2: Match the provincial economic growth rate so as to meet the economic vision and mission of Joe Gqabi District Municipality

Between 2002 and 2007, the Eastern Cape exhibited a GGP growth rate of between 1.8% and 5%. Over this same period the GGP growth rate for the Joe Gqabi (Joe Gqabi) District Municipality was between 1% and 5.4%. It is therefore realistic to expect that the JGDM achieves an economic growth rate in line with the provincial average.

Objective 4.1: To ensure that at least 10% of critically endangered and vulnerable vegetation is formally conserved through a system of national or provincial protected areas by 2017.

The rural nature of the Joe Gqabi District Municipality and the focus on agriculture and tourism as key economic sectors means that the natural environment is an important component of economic development. The National Biodiversity Strategy and Action Plan (NBSAP) aims to formally protect 8% of endangered vegetation by 2010. Currently critically

endangered and vulnerable plant species account for 3.1 million hectares of land in the JGDM and this objective therefore aims to formally protect at least 10% of this area by 2017. Biodiversity is also a competitive advantage in the area and can act as a tourist attraction as well as being a potential draw card for tourism investment.

Objective 4.2: To promote responsible (green) energy management and economic spin-offs

Sustainable energy management is the responsibility of everyone. Programmes to educate and encourage responsible energy management should be undertaken across the District. In addition, the “green” sector is host to numerous economic opportunities for which the JGDM is ideally positioned. Further attention to this sector is required in order to unlock its potential to make a massive positive economic impact on the region.

2.6 STRATEGIC PILLARS

In order for the vision and objectives to be realised, it is essential that an environment conducive to growth be created. This involves activities that tackle both present constraints to development and initiatives to boost economic activity. The Joe Gqabi LED Strategy recommends that these actions be undertaken through the following strategic pillars:

- Infrastructure Investment
- Institutional Development
- Investment Promotion
- Sector Development
- Environmental Management

2.6.1 Infrastructure Investment

Infrastructure investment focuses on the development and maintenance of economic infrastructure. This economic infrastructure focuses on physical structures but also includes the provision and maintenance of:

- Transport Infrastructure (i.e. roads, railways, airstrips)
- Waste disposal sites
- Electrical power

- Water and sanitation
- Telecommunications

The focal point of this programme is therefore the upgrading and maintenance of economic infrastructure as well as the creation of new, key economic infrastructure. The reason for the development of the key economic infrastructure (roads, telecoms, water, electricity, etc) is due to the critical role that such infrastructure plays in economic development. Economic infrastructure is also important because:

- 1 Socio-economic conditions of any area are inextricably linked to the basic infrastructure. Social development can therefore be facilitated and accelerated through the provision and maintenance of economic infrastructure, which can subsequently improve the standards of living for residents in Joe Gqabi.
- 2 The lack of adequate infrastructure and basic services compromises the international, national and local investment environment (Refer to the Investment Promotion programme). The improvement in the state and quality of general economic infrastructure enhances the accessibility to markets, mobility of goods and services and interregional linkages.
- 3 Through the attraction of new public and private investments, critical bulk and sector specific infrastructure backlogs can be addressed. This then acts as a pre-condition to unlocking new economic growth levels.
- 4 Infrastructure development is regarded as one of the most prominent methods of employment creation, owing to the high labour intensity required for such projects. The Joe Gqabi District Municipality is faced with a number of challenges in terms of infrastructure provision as well as addressing the current backlogs in infrastructure. The most important consist of the following:

- Poor quality of roads
- Unreliable energy supply to all communities
- Restitution of outstanding land issues
- Access to adequate and appropriate levels of water and sanitation services

Poorly maintained roads due to limited resources are currently one of the largest infrastructure problems in Joe Gqabi with the existing infrastructure being in an inadequate condition to cope with an increase in traffic volumes. Such a situation inhibits the expansion of industry in the district, particularly those which require a well maintained road network to transport their goods. This is particularly evident in the Elundini Local Municipality. The programmes and projects identified for sector development are as follows:

Table 2: Infrastructure Development: Projects and Programmes

Programmes	Projects
Economic Infrastructure and Tourism Development	<ul style="list-style-type: none"> • Tourism Routes • Signage • CBD / Small Town Regeneration in primary and secondary nodes
Transport Capacity Development	<ul style="list-style-type: none"> • EPWP (Infrastructure maintenance) • Implement Integrated Transport Plan Rail linkages
Effective Water and Waste Management Promotion	<ul style="list-style-type: none"> • Water Capacity Report • Implement Integrated Waste Services Development Plan

These projects are briefly described below.

Table 3: Infrastructure Investment: Project Description

Programme	Economic Infrastructure and Tourism Development
Projects	<p>Tourism Routes:</p> <p>The JGDM Tourism Marketing and Development plan identifies the opportunity to develop and market new tourism routes linked to the Friendly N6, Maloti- Drakensburg Route and Liberation Routes. This project therefore focuses on identifying and developing new routes while at the same time using the JGDM Tourism Marketing and Development plan to ensure that tourists remain within the district once they arrive.</p> <hr/> <p>Signage:</p> <p>Another key element to economic development in the area is having adequate road signage. This is particularly true for the tourism industry which requires suitable signage to make tourists aware of the many attractions that are available in the District as well as to guide them effectively between these various attractions. This project therefore focuses on implementing the Signage Strategy identified in the JGDM Tourism and Marketing Plan. An integrated plan around road signage would be developed to assist with signage for all economic sectors.</p>

	<p>CBD revitalization in primary and secondary nodes:</p> <p>The CBD's in the District need to be revitalized so as to attract more business and tourists to these areas. It is recommended that urban renewal plans be developed for the CBD's of all primary and secondary nodes in the District. These plans should consider transportation, urban design, environmental, engineering and market related economic opportunities for re-development.</p>
Programme	Transport Capacity Development
Projects	<p>EPWP (Infrastructure maintenance):</p> <p>Expanded public works programmes have significant potential to create a number of new, low skilled jobs for unemployed individuals in the Joe Gqabi District Municipality. Such projects should be linked to the maintenance and construction of existing and new infrastructure, particularly roads, identified as being of critical importance in the districts Integrated Transport Plan.</p> <hr/> <p>Implement Integrated Transport Plan:</p> <p>The Integrated Transport Plan (ITP) identifies key transport infrastructure that need to be built and/or maintained. The ITP therefor focuses on ensuring that the critical projects identified are prioritised and implemented.</p> <hr/> <p>Rail linkages:</p> <p>This project is in two parts. Firstly it involves an investigation into the feasibility of using the railway line running through Burgersdorp to transport processed agricultural produce from the district to larger markets such as Johannesburg and East London. The second part of the project focuses on the development of an operational Aliwal North to Barkly East railway route. This railway line could then be linked to other tourism products along this route. The line has historic value due to the unique number of railway reverses.</p>
Programme	Effective Water and Waste Management Promotion
Projects	<p>Water Capacity Report:</p> <p>The shortage of water is a constraint to the development of the tourism, business and agricultural sectors across the District but especially in the Senqu area. This project entails a feasibility study into what water constraints are we facing and how these could be mitigated. This project should be informed by the Water Services Development Plan, and linked to its implementation.</p> <hr/> <p>Implement Integrated Waste Services Development Plan:</p> <p>The implementation of the Integrated Water Services Development Plan entails the municipality using the findings of the plan to address critical backlogs in terms of access to water and sanitation. Through the successful implementation of this plan, economic development activities can be expanded.</p>

2.6.2 Institutional Development

Institutional Development refers to the development of organizational systems that are efficient and effective. Institutional development considers increasing the capacity of local government, especially the ability to implement LED, as well as the general expertise of officials responsible for the implementation of LED. Institutional development also focuses on the capacity of the municipality to perform the specific powers and functions allocated to it by the Municipal Structures and Systems Acts.

Effective intervention against poverty and the attainment of a better quality of life for residents requires that local government institutions are effective. The District Municipality should therefore provide support towards building capacity of local municipalities to undertake their roles, powers and functions effectively. The Provincial and National government should also, within their mandates, provide support to local government.

Key to this process is ensuring that there is an adequate number of staff, both at a district and local municipality level, to ensure that LED projects and initiatives can be effectively implemented. A subcomponent of this is ensuring that there are specific retention strategies in place to ensure that key officials remain in the district. Such strategies should be in place at both a district and local municipality level.

Another critical area of importance in terms of institutional development is the skill level of municipal officials responsible for the implementation of LED at the District and various local municipalities. While most LED officers in Joe Gqabi have extensive experience in government, some lack the specialized skills necessary to manage LED. The focus of this programme is therefore also to ensure skills transfer between officials who have extensive knowledge around LED and those that do not. This requires continuous capacity building.

Critical to institutional development is also the need to ensure institutional memory amongst the various LED units. This means that an LED unit should constantly focus on training new individuals to ensure that should senior LED officials leave, the LED unit can still operate effectively.

An effective means of addressing the poor institutional capacity and lack of LED expertise at a local municipality level is through the District Support Team and the LED Practitioners' Forum. Since both of these forums include stakeholders from all municipalities they can be used as a means of providing training and increasing the skills expertise of municipal officials who lack inadequate expertise. In addition, the Joe Gqabi Economic Development

Agency (JoGEDA) has been established to ensure that catalytic interventions are prioritised and supported.

The focus of the Joe Gqabi District Municipality, in terms of institutional development, should therefore be:

- Skills training
- Staff retention
- Institutional memory
- Hiring of additional qualified staff

The programmes and projects identified for sector development are as follows:

Programmes	Projects
LED Capacity Development	<ul style="list-style-type: none"> • District LED support structures • Guidelines for implementation of LED and feasibility studies • LED skills development
Communication Development	<ul style="list-style-type: none"> • District Communication Policy around • economic issues
District Institutional Mainstreaming	<ul style="list-style-type: none"> • Identify and support strategic partnerships • Widen the influence of the District IGR Forum • Widen the cross border cooperation through IGR
Environmental Capacity Development	<ul style="list-style-type: none"> • Environmental capacity building within LM's

These projects are briefly described below:

Programme	LED Capacity Development
Projects	<p>District LED Support structures:</p> <p>The establishment of District LED support structures is critical to ensuring that LED initiatives are efficiently and effectively implemented throughout the District. This project therefore aims to conduct a comprehensive assessment of existing LED units in the district in terms of their training and capacity to implement LED projects. This assessment will assist in identifying what form of support structures (i.e. LED training, LED document library etc.) need to</p>

	<p>be established to ensure the optimal operation of LED in the district.</p> <p>Guidelines for implementation of LED and feasibility studies:</p> <p>This project focuses on developing a LED and feasibility study manual that can be used by local officials and councillors to provide them with:</p> <ol style="list-style-type: none"> 1) an understanding of the meaning of LED and feasibility studies, 2) the policy framework that guides municipal responsibilities in the operation of LED, and 3) key economic principles that are relevant to LED and feasibility studies. <p>The manual would also outline practical aspects of LED and feasibility studies, including, project identification, implementation and management.</p> <p>LED skills development:</p> <p>Inadequate LED skills are identified as a key stumbling block for the successful implementation of LED projects in the District. This project would focus on building LED skills among the various LED units as well as clearly defining roles and responsibilities for each respective LED stakeholder.</p>
Programme	Communication Development
Projects	<p>District Communication Policy around economic issues:</p> <p>The purpose of the communication policy is to provide a framework, values and principles of communication between the municipality and all JGDM stakeholders around economic issues so as to encourage a thriving positive communication culture within the municipality. The policy will provide internal processes and structure for communication which will ultimately enhance the work of the municipality and relationships between the municipality and JGDM stakeholders, thereby supporting local economic development.</p>
Programme	District Institutional Mainstreaming
Projects	<p>Identify and support strategic partnerships:</p> <p>This project involves the identification and support of strategic partnerships (i.e. the development of formal relationships between both public and private sector organizations). Such partnerships would primarily be created through the establishment of district and local forums where said organizations are brought together to address issues facing their organizations. These forum meetings would also serve to transfer skills, build capacity, improve co-operation and support for LED initiatives, and access funding.</p> <p>Widen the cross border cooperation through IGR</p> <p>This project therefore aims at broadening the cooperation between Lesotho and JGDM to include issues such as cross border cooperation, land management, biodiversity and tourism.</p>

Programme	Environmental Capacity Development
Projects	<p>Environmental capacity building within LM's:</p> <p>This project entails strengthening the districts local municipalities' capacity to enforce environmental legislation and by-laws, and conduct sustainable development planning.</p>

2.6.3 Investment Promotion

Promoting investment is central to creating a vibrant and growing economy as it involves businesses spending money, either to expand an existing local business or open a new business. Investment, in the context of local economic development, may be measured according to different variables, including:

- The monetary value of the investment;
- The jobs to be created by the investment; and
- The catalytic impact of the investment in terms of it being a project that is likely to attract additional and complimentary investment

Promoting investment implies that additional money will be spent in the local economy, which has direct, indirect and induced benefits for the local community. Investment and technical change in Joe Gqabi will simultaneously help to grow the economy and decrease the level of poverty in the area.

The Joe Gqabi District Municipality is responsible for creating an environment that encourages investment in the local area and can primarily achieve this through the provision of hard infrastructure (e.g. roads, railways, water supply, electricity, telecoms, backlogs etc), which can make the area more attractive for business investment and through facilitating improvements in soft infrastructure. Soft infrastructure refers to enhancing government policies and processes to make conducting business in Joe Gqabi easier. Such soft infrastructure includes skills development and training, investment in research and development, facilitating access to capital and finance, supporting the development of trade and business associations, etc.

Therefore, in order to achieve the economic growth objectives of the district, the Joe Gqabi Municipality should focus on attracting investment; local, domestic or foreign investment so as to diversify the economy, create industry clusters and improve competitiveness.

The programmes and projects identified for sector development are as follows:

Joe Gqabi District Municipality LED Strategy Review (2014)

Table 6: Investment Promotion: Projects and Programmes

Programmes	Projects
Investment-Conducive Strategy Creation	<ul style="list-style-type: none"> • Develop and implement District Marketing and Development Plans for all sectors • SMME and Co-operative Plan • Skills Development Strategy
Spatial Prioritisation	<ul style="list-style-type: none"> • Tri-district Gariep Dam Development • Development around nodes identified in SDF • Forward and spatial planning
District Economic Support Mechanisms	<ul style="list-style-type: none"> • Provision of market and baseline information to aid investors • Mentorship and support of emerging sectors • Implementation of Anti-Poverty Strategy
Enabling Local Sector Development	<ul style="list-style-type: none"> • Red tape reduction programme and awareness around government processes • Buy-local Campaign • Value chain analysis around Tourism and other sectors • Local procurement and supply chain policies

These projects are briefly described below.

Table 7: Investment Promotion: Project Description

Programme	Investment-Conducive Strategy Creation
Projects	<p>Develop and Implement District Marketing and Development Plans for all sectors:</p> <p>Although there are several sector plans most of them lack a marketing aspect. Furthermore there is no comprehensive marketing strategy to promote the Joe Gqabi District as a brand. The focus of this project is therefore to develop a comprehensive brand marketing strategy for the District while at the same time developing similar marketing plans for the local Municipalities.</p> <hr/> <p>SMME and Co-operative Strategy:</p> <p>This project aims to develop a SMME and microenterprise strategy which is needed to promote and support the development of SMMEs and microenterprise in Joe Gqabi. Through this strategy an audit of existing SMME and microenterprise should be conducted including their skill levels, access to finance, training received etc. The strategy should also identify</p>

what structures need to be put in place to facilitate the implementation of successful SMME and microenterprise development, which will be able to generate wealth and create employment for the JGDM.

Skills Development Strategy:

This project focuses on conducting a skills audit across the District and, based on the findings, develop a comprehensive strategy on how to improve the overall skills level. Part of this strategy would be lobbying for further institutes of higher learning in the District.

Programme

Spatial Prioritisation

Projects

Forward and spatial planning:

This project focuses on developing a model to assess what the future infrastructural demand for the district will be, based on the forecast of the growth potential of the district. The purpose of this project is therefore to entrench forward planning into the District and Local Municipalities so as to consider future expansion of nodes when planning and budgeting.

Development around nodes identified in SDF:

This project aims to focus infrastructure spending and other development initiatives on priority nodes identified by the SDF. This project should entail a detailed assessment of each priority node in terms of what competitive advantages it has in terms of developmental potential.

Tri-district Gariep Dam Development:

The Gariep Dam borders three district municipalities namely Xhariep (Free State), Joe Gqabi (Eastern Cape) and Pixley ka Seme (Northern Cape). This project aims, through the cooperation of the districts to develop an integrated development strategy for the Gariep Dam to make it an attractive destination for investment. This investment should be focused on expanding existing tourism products, ensuring that water from the dam is used to expand agricultural production in the district municipalities, and to ensure the protection of sensitive vegetation in the area (particularly the Eastern Mix Nama Karoo Biome). Linked to this project will be joint marketing strategy (which will focus on developing a unique Gariep brand) and tourism promotion strategy (which will focus on developing tourist routes, upgrading facilities and packaging tourist products).

Programme

District Economic Support Mechanisms

Projects

Provision of market and baseline information to aid investors:

An important part of promoting investment in the District is having economic information readily available to be accessed by potential investors. This project therefore aims to create electronically available information to aid investors in decision making. Such information would include:

- Cost of doing business
- Rates and taxes

- Economic baseline information in the form of prospectus
- GGP
- Skill levels

Mentorship and support of emerging sectors:

The District should aim through this project to provide mentorship and other technical support such as grant funding and skills training to emerging sectors identified in the Joe Gqabi LED strategy. Interventions should be focused on ensuring that these sectors become self supporting and profitable over the medium to long term.

Anti-Poverty Strategy:

Implement a strategy which will:

- Reduce the incidence of poverty
- To prevent the reproduction of poverty within households and communities
- Contribute to addressing poverty in an integrated and holistic manner
- Transfer resources to the poor, empower and enhance access and ownership by the poor

Programme	Enabling Local Sector Development
Projects	<p>Red tape reduction programme and awareness around government processes:</p> <p>This is an awareness campaign around processes involved in rezoning, investor querying, setting up a business in JGDM, complaint procedures for services/rates etc. Part of this programme includes the development of flow charts to graphically illustrate the aforementioned procedures. This programme will also serve as a campaign within the municipality on the procedures to be followed in addressing the above mentioned processes.</p> <p>Buy-local Campaign:</p> <p>This project would involve a focused marketing and advertising campaign, linked to radio and press media as well as other direct advertising techniques, to encourage the Districts inhabitants to buy locally produced products.</p> <p>Value chain analysis around Tourism and other sectors:</p> <p>This project aims to assess where gaps exist in the value chains of various sectors and investigate the feasibility of establishing businesses in these sectors to fill the gap.</p> <p>Local procurement and supply chain policies:</p> <p>This project focuses on the district and local municipal governments using local suppliers to acquire basic products such as catering, building supplies etc.</p>

2.6.4 Sector Development

Sector development refers to the identification and development of key economic sectors within an economy, for the purpose of increasing the economic activity of that sector, i.e. an increase in GGP contribution and increasing investment into the sector and thereby growing the economy. Sector development therefore seeks:

- To grow the numbers and improve the competitiveness and productivity of small, medium and micro enterprises
- To increase the numbers and productive capacity of SMME's and large enterprises in the specific sectors of the economy
- To increase employment by SMMES as well as improve the quality of jobs created by them
- To increase the contribution of the targeted sectors in terms of employment and GGP contribution.

The sectors in the Joe Gqabi District Municipality that have been identified for sector development are:

- Agriculture and forestry
- Tourism
- Trade
- Government services

2.6.4.1 Agriculture

The agriculture sector includes establishments that are primarily engaged in farming activities, such as the growing of field crops, the raising of livestock and the production of milk and wool.

Establishments rendering agricultural services such as harvesting, baling, threshing and spraying are also included in this sector. For the purpose of this programme the broader agricultural sector however is considered and therefore agriculture also includes manufacturing of agricultural products and agro-processing.

The economic potential analysis (refer to Joe Gqabi District Municipality Local Economic Development Strategy I: Situation Analysis) identified opportunities for the development of the agricultural sector such as:

- Niche agricultural products: peaches, walnuts, berries, sugar beet
- Agri-processing (value-chain analysis)
- Agri-tourism
- Forestry expansion
- Organic Farming
- Expand the Working for Water programme
- Game farming
- Agri Parks

However due to the strategic nature of the District Municipalities mandate it should focus on addressing the larger issues in the agricultural sector . These issues include:

- Review and implementation of the Agricultural sector plan
- Establishing agricultural by-laws
- Review and Implement the forestry plan
- Addressing cross-border stock theft

2.6.4.2 Tourism

Tourism can be an important contributor to the economy of the district and can provide opportunities for informal sectors and SMME's in general to enter the market. The Joe Gqabi tourism sector has all the characteristics of an area which has considerable growth potential which includes natural scenic beauty and bio-diversity.

The Joe Gqabi Tourism Marketing and Development Plan provide a full analysis of the tourism sector, its existing tourism products and tourism potential in the region. Most of the tourism products in the municipal area are located in the Senqu and Elundini Local Municipalities, with the rest of the district only having a small number of tourist attractions. Tourist attractions in the area include birding, hiking, fly fishing and skiing.

In order to effectively develop the tourism industry in the area, a number of prerequisites are required, including:

- Infrastructure development
- Development of tourism products and services most notably signage's
- Development of marketing material

Tourism initiatives conducted by the Joe Gqabi District Municipality should be confined to the implementation and review of the Tourism Marketing and Development Plan.

2.6.4.3 Trade

Currently, trade contributes 14.1% to total GGP and accounts for 16.1% of formal employment in Joe Gqabi. The trade sector has exhibited positive growth for the last 6 years with most of this growth being centered in the primary and secondary nodes (i.e. Aliwal North, Sterkspruit, Mount Fletcher, Maclear, Barkly East, Burgersdorp, Lady Grey and Ugie).

Although growth slowed in 2007 there are a number of opportunities that can still be exploited i.e. local procurement, supply chains.

2.6.4.4 Government Services

The government services sector includes all national, provincial, district and local agencies that engage in administrative activities such as foreign affairs, taxation and finance, tourism promotion, business regulation and registration, collection and analysis of statistics and general economic, social and community policies. Government services also include the provision of infrastructure and social services.

Currently, the government services sector is the single largest sector in Joe Gqabi contributing 40.5% to total GGP and 42.9% to formal employment in the District. Although primarily an unproductive sector due to the fact that it does not produce or transform any product, the government services sector plans a significant role in the economy through its various work programmes.

The Joe Gqabi District Municipality should therefore focus on expanding this sector by encouraging the use of local procurement and supply chain policies that promote the use of SMME's and local suppliers.

The programmes and projects identified for sector development are as follows:

Table 8: Sector Development: Projects and Programmes

Programmes	Projects
Enabling Environment Creation	<ul style="list-style-type: none"> • Expansion of EPWP (Landcare, livestock improvement programme) • Stock theft control • By-law development and enforcement
Implementation of prioritized sector strategies	<ul style="list-style-type: none"> • Implement Tourism Sector Plan • Implement Area Based Policy for Land Reform • Implement Forestry Development Plan
Development of Sector Strategies	<ul style="list-style-type: none"> • Agro-processing Strategy • Development of an Energy and Electrification Plan

These projects are briefly described below.

Table 9: Sector Development: Project Description

Programme	Enabling Environment Creation
Projects	<p>By-laws:</p> <p>Through this project by-laws should be established to govern the operation of key sectors including agriculture, agro-processing, trade, forestry and tourism. These by-laws should focus on adequately regulating these sectors and ensuring that businesses operating in these sectors comply with the laws. Part of the project should also include an awareness campaign around existing and new by-laws for role-players in these industries.</p> <hr/> <p>Expansion of EPWP (Landcare, livestock improvement programme):</p> <p>The Landcare and Livestock programmes are important poverty reduction programmes and promote sustainable livelihoods in the District. This project therefore involves an investigation into sourcing funding for developing a business plan to expand the current Landcare and Livestock Improvement programmes across the District.</p> <hr/> <p>Stock theft:</p> <p>Stock theft is a major issue across the district and results in financial loss for farmers. This project therefore aims to investigate how partnerships can be developed between farmers and other role-players in an attempt to address this issue.</p>
Programme	Implementation of Prioritised Sector Strategies
Projects	<p>Implement Tourism Sector:</p> <p>This is ensuring that JGDM Tourism Marketing and Development Plan is implemented successfully. The implementation process will include the development of tourism products, conducting marketing around said</p>

	products, and upgrading tourism infrastructure.
	<p>Implementation and Support Area Based Policy for Land Reform:</p> <p>This project supports the implementation of the Area Based Plan for Land Reform. The implementation process should focus on establishing partnerships with land owners in the District as well as accelerating the transformation of land ownership.</p>
Programme	Development of Sector Strategies
Projects	<p>Agro-processing Strategy:</p> <p>Based on the findings of the Agricultural Development Strategy a comprehensive agro-processing strategy should be developed to capitalise on potential value-adding opportunities in the agricultural sector.</p> <p>Forestry Development Plan:</p> <p>As a key GDS priority area, the development of a forestry development plan is of critical importance to the expansion of the timber industry. This plan should focus on identifying what opportunities exist to expand forestry in the area, how SMME's can benefit from forestry expansion and what up or down stream businesses can be introduced.</p> <p>Development of an Energy and Electrification Plan:</p> <p>One of the biggest challenges facing the expansion of the Districts economic sectors is its erratic electricity supply. This project entails investigating the feasibility of developing alternative energy sources particularly hydroelectric power from the Mzimvubu Basin Development, wind power and solar power. This information should then be compiled into a detailed energy plan for the District.</p>

2.6.5 Environmental Management

Environmental Management is the management and control of the environment and natural resource systems in such a way so as to ensure sustainability of development efforts over a long terms basis (Food and Agricultural Organisation of the United Nations, 2008).

Environment does not mean the management of the environment but rather the management of mankind's interaction and impact with the environment. Environmental management activities aim to develop a sustainable society by reducing environmental impact and risk and making more efficient use of resources.

In order to achieve sustainable development in Joe Gqabi, environmental management needs to be promoted. The expansion of land rehabilitation and expanded public works programmes such as Working for Water and Working for Wetlands, land care programs, etc enhances the attractiveness of the environment for residents and tourists, improves the

yields from agriculture and protects biodiversity. These projects have a positive direct and indirect effect on livelihoods, indirectly through the improvement of land for subsistence agriculture and directly through employment in these programmes. The Working for Water programme and others are run as expanded public works programmes that employ local residents.

The Economic Potential analysis identified the following opportunities for the development of the environmental management:

- Land stewardship arrangements for conservation purposes
- Core conservation area – high altitude national park
- Improving the natural environment

This programme seeks to increase the protection of natural resources through direct protection initiatives such as the investigation into a core conservation area and indirect initiatives such as environmental awareness.

The programmes and projects identified for sector development are as follows:

Table 10: Environmental Management: Projects and Programmes	
Programmes	Projects
Environmental Protection	<ul style="list-style-type: none"> • Implement Waste Management Plans • Investigate spin-off opportunities around Waste Management Plan • Develop a municipal wide Health Management Plan • Establishment of a high altitude conservation and development area • Investigate environmental legislation and by-laws • Develop a Regional Sustainable Energy Strategy
Biodiversity Assessment	<ul style="list-style-type: none"> • Develop a Biodiversity Conservation Plan • Mzimvubu Impact assessment Expansion of Rehabilitation Programme • Expansion of EPWP (Working for water, Working for wetlands)

These projects are briefly described below.

Table 11: Environmental Management: Project Description

Programme	Environmental Protection
Projects	<p>Implement Waste Management Plan:</p> <p>The Integrated Waste Management Plan was developed for the District in 2005. To date however there has been only been piecemeal implementation of the plan. This project aims to assess what institutional constraints are hampering the effective implementation of the plan and rectify them so as to successfully implement the strategy. Furthermore this project aims to allocate resources to implement the current plan.</p> <hr/> <p>Investigate spin-off opportunities around Waste Management Plan:</p> <p>Currently there are several recycling projects occurring throughout Joe Gqabi. These projects however are all on a small scale, and operating in an uncoordinated manner. This project aims to investigate the feasibility of a large scale recycling project as well as what other potential projects can be developed around waste management.</p> <hr/> <p>Develop a municipal wide Health Management Plan:</p> <p>This project aims to develop a district wide health plan that not only focuses on conventional health issues, but also encompasses environmental health issues particularly air pollution and other forms of environmental contamination.</p> <hr/> <p>Establishment of a high altitude conservation and development area:</p> <p>This project should focus on securing funding for a business plan of a national high altitude development and conservation area, within the Elundini and Senqu municipal areas. This project should further focus on conserving threatened vegetation types in the area. The project's main component is therefore to:</p> <ul style="list-style-type: none"> • Develop a business plan <hr/> <p>Investigate environmental legislation and by-laws:</p> <p>Adequate environmental legislation should be in place to ensure that critically endangered and vulnerable areas throughout the district are properly protected. Such legislation should involve clear areas for waste disposal and penalties and fines for illegal dumping. There is also a need to increase the district and local municipalities' as well as SAPS capacity to enforce environmental legislation and by-laws.</p> <hr/> <p>Develop a Regional Sustainable Energy Strategy</p> <p>Numerous technologies exist which enable organisations to utilise and create energy in a sustainable manner. A Strategy is required which provides an overview of energy efficiency technologies available to local government, and those most suitable for local application. Local policy should be developed upon the basis of this research and implemented across the District.</p>
Programme	Biodiversity Assessment

Projects	<p>Develop a Biodiversity Conservation Plan:</p> <p>As part of this project a comprehensive, integrated Biodiversity Conservation Plan should be developed to protect the biodiversity of the district. This strategy should take into consideration biodiversity targets (see Environmental Management objective) and outline how they can be achieved. As part of this plan a wetlands audit should be conducted and a conservation areas database established.</p> <hr/> <p>Mzimvubu Impact assessment:</p> <p>The proposed Mzimvubu Scheme could have far reaching consequences for biodiversity in the area. This project will entail an Environmental Impact Assessment of the Mzimvubu Scheme on the district in terms of economic and environmental issues.</p>
Programme	
Expansion of Rehabilitation Programme	
Projects	<p>Expansion of EPWP (Working for water, working for wetlands):</p> <p>The Working for Water and Working for Wetlands programmes are considered important means of ensuring poverty reduction and promoting sustainable livelihoods in the District. This project therefore involves an investigation into sourcing funding for developing a business plan to expand the current Working for Water and Working for Wetlands programmes across the district.</p>

2.6.6 Recommendations Towards Implementation

It is recommended that the reviewed Joe Gqabi LED Strategy be implemented using a combination of both existing internal and external structures within the JGDM. The primary external delivery structure that will be responsible for supporting the JGDM LED Strategy will be the Joe Gqabi Development Agency. The proposed implementation recommendations for the JGDM LED Strategy are as follows:

- Strengthening the monitoring and evaluation role of the various forums currently operating in the District, particularly the LED Practitioners' Forum, District Support Team, District Agricultural Forum, District Tourism Organisation
- Monthly coordinators' meetings between the Joe Gqabi District Municipalities Tourism, Business Development, Agriculture and Social Development officers to promote information sharing
- The establishment and strengthening of Local Action groups (LED fora) below the District Support Team which would facilitate and support the District Support Team at a local municipality level

- Creation of Community-based Development Facilitators tasked with mobilising communities to generate ideas and form groups to assist in LED
- Strengthening of staffing capacity in the Joe Gqabi LED Unit
- The establishment of a tourism desk operated by the Tourism Officer and responsible for providing visiting tourists with information about the area
- The establishment of a SMME helpdesk operated by the Business Development Officer and responsible for handling small scale issues related to SMMEs (i.e. registration business, applying for licenses)
- The Development Agency to work closely with the DM and concentrate on the implementation of catalytic projects.

2.7 ALIGNMENT

As part of the development process it is necessary to ensure that the broad Joe Gqabi LED Strategy goals, objectives, strategic pillars, programmes and project align with, not only each other, but also the priorities of the Districts local municipalities. Figure 2: shows the alignment process.

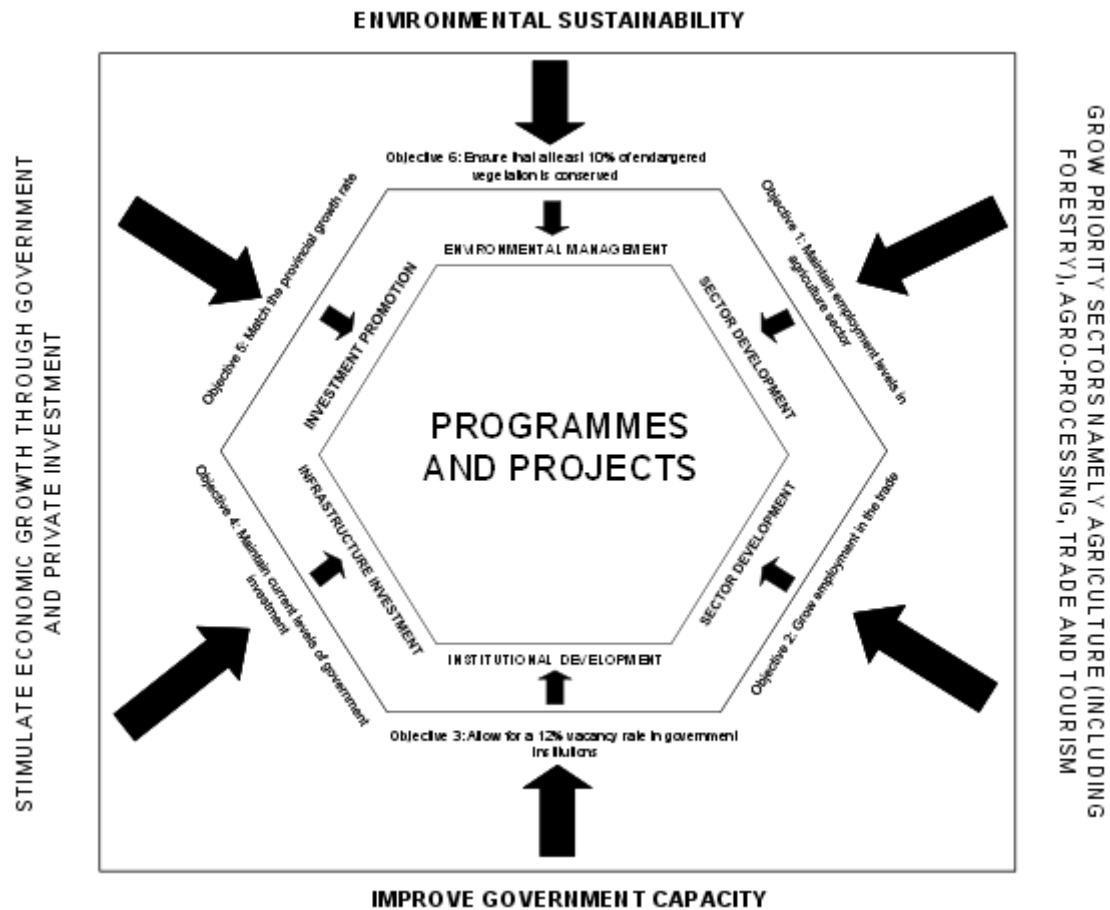


Figure 2: Strategy alignment processes

The sides of the outer square in Figure 2: show the four identified broad strategy goals namely:

1. Grow priority sectors namely agriculture (including Forestry), agro-processing, trade and tourism
2. Improve government capacity
3. Stimulate economic growth through government and private sector investment
4. Environmental sustainability

The outer most arrows inside the square, show which objectives relate to which broad goals. Each one of the objectives in turn relates to a specific strategic pillar as indicated by the next set of arrows. The strategic pillars then each lead into a set of specific programmes and projects as shown by the innermost hexagon.

Within each of strategic pillar are a set of programmes that set out priority intervention areas for that respective pillar as well as a list of projects linked to that programme and pillar.

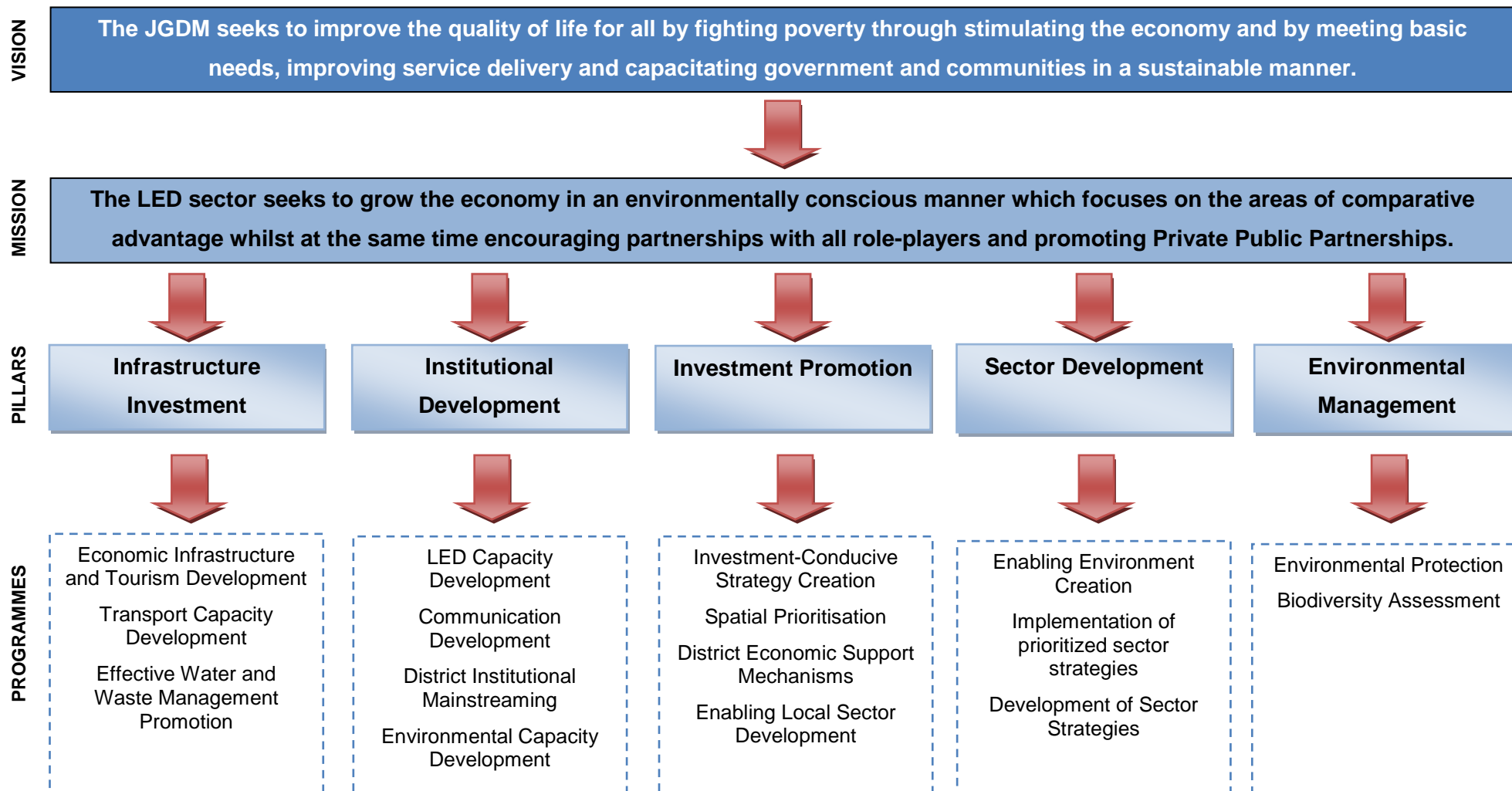
2.7.1 Alignment of JGDM Vision with Strategic Pillars and Programmes

The diagram overleaf summarises the alignment of the strategic framework for the JGDM LED Strategy. It is important to note that several of the identified strategic pillars are cross-cutting in nature. That is to say that the effectiveness of the Joe Gqabi District Municipality in meeting both its economic vision and mission as well as attaining the broad goals identified in the LED Strategy is dependent on the successful implementation of the various programmes and projects linked to these cross-cutting pillars. These cross-cutting strategic pillars are:

- Infrastructure Investment
- Institutional Development
- Environmental management

These three strategic pillars find expression in both Investment Promotion and Sector Development. That is, each of the aforementioned pillars has an infrastructural, institutional and environmental component.

In addition to the LED Strategies high level alignment with the Districts GDS programmes, the strategic pillars also need to align with the priority areas identified in the Districts local municipalities LED Plans.



2.7.2 Alignment between JGDM and the Local Municipalities

Clearly, the implementation of identified projects finds expression at a local level. It is therefore imperative that the local municipalities find expression of their LED Strategy in this District-wide strategy, and also that the District Municipality is influenced by the priorities and needs as expressed in the Local Municipal Strategies. The following diagram serves to highlight the level of alignment between the District LED Strategy the local municipal programmes:

Table 12: Alignment between DM & LM Strategies

JGDM Strategic Pillars	Infrastructure Investment	Institutional Development	Investment Promotion	Sector Development	Environmental Management
JGDM Programmes	Economic Infrastructure and Tourism Development Transport Capacity Development Effective Water and Waste Management Promotion	LED Capacity Development Communication Development District Institutional Mainstreaming Environmental Capacity Development	Investment-Conducive Strategy Creation Spatial Prioritisation District Economic Support Mechanisms Enabling Local Sector Development	Enabling Environment Creation Implementation of prioritized sector strategies Development of Sector Strategies	Environmental Protection Biodiversity Assessment
Elundini			Cooperative Centre development Mt Fletcher Commercial development Elundini formalisation of street trading project Esixhotyeni Community Forestry project ELM water bottling Feasibility study on bio-fuel energy	Maize Meat Hub Mt Fletcher Craft Centre Wool washing facility	

JGDM Strategic Pillars	Infrastructure Investment	Institutional Development	Investment Promotion	Sector Development	Environmental Management
			Registration of primary cooperatives for shearing sheds		
Gariep	Route Tourism Development Initiative		Assist Packaged Tour Development Support Gariep Ostrimark Investment Steynsbrg Skills Training Centre	Lake !Gariep Development Initiative Integrated Tourism Marketing & Development Strategy Meat Industry Development	Urban Environmental Design Commonage Management Plan
Maletswai	Buffelspruit Nature Reserve-2 Island Conference Centre Friendly N6 TIC Retail Centre Development Ikhala FET College Expansion		Informal Business Upliftment Agriculture Enhancement Township Economies Improvement	Aliwal Spa Holiday Resort	Batho Ba Kopane Composting Maletswai Waste Recovery
Senqu	Telle Liberation Route Tourism Programme Implementation Updating of the Roads Master Plan Implementation Programme Special	Business chamber establishment Municipal JOGEDA partnership agreement Hawkers Association Agriculture, Tourism and	Sterkpruit regeneration plan Poverty alleviation strategy Poverty alleviation funding Town economic	Job creation Senqu Plastics Lucerne Project Wool processing facility Feasibility study Agro-Processing Incubator Agriculture Development	Slangbos eradication Integrated veld management Renewable Energy Programme by 2016

JGDM Strategic Pillars	Infrastructure Investment	Institutional Development	Investment Promotion	Sector Development	Environmental Management
	<p>Infrastructure Jobs Programme (SIJP). Household Contractors Programme Partnership CWP</p>	<p>LED Learnerships LED Unit Capacity Building Programme Economic Development Cluster Committee Local Economic Development Capacity Development Programmes Local Action Team</p>	<p>profiles Senqu Commercial Project Rural Development SPLUMA Implementation BE Revitalization implementation Trade and Investment Policy Informal trading policy Business Audit Leaking Bucket Study Sustainable Livelihoods Strategy (Poverty Alleviation Strategy) Priority Skills Development Plan Rural Women and youth Skills Development Programme Contractor Training Co-operative support programme Business Development Support Local Impact</p>	<p>Programme</p>	

JGDM Strategic Pillars	Infrastructure Investment	Institutional Development	Investment Promotion	Sector Development	Environmental Management
			Procurement Programme		
JoGEDA	Elundini Middle Income Housing Gariep Middle Income Housing		Senqu Commercial Property Development Project (Sterkspruit & Barkly East) Investment Strategy [Gariep Regional Development Strategy]????? [Business Incubation Hubs]	Aliwal Spa Maize Meat Hub Senqu Plastics	

Notes:

[] denotes a project which is currently on hold

2.8 PROJECT PRIORITISATION

The aim of project prioritisation is to determine which of the projects achieve the vision and which projects are catalytic to economic development in the Joe Gqabi DM.

The projects presented below have been subjected to a project prioritisation matrix and are listed in order to priority.

Table 13: Prioritized Projects

Project	Strategic Pillar	Programme
Expansion of EPWP & CWP around environmental issues	Environmental Management	Environmental Protection
Tourism Routes	Infrastructure Investment	Economic Infrastructure and Tourism Development
Review SMME and Microenterprise Strategy	Sector Development	Development of Sector Strategies
CBD Revitalization	Investment Promotion	Spatial Prioritisation
District LED Support Structures	Institutional Support	District Institutional Mainstreaming
Identify and Support Strategic Partnerships	Institutional Support	District Institutional Mainstreaming
Signage	Infrastructure Investment	Economic Infrastructure and Tourism Development
Local Procurement and Supply Chain Policies	Investment Promotion	District Economic Support Mechanisms
Develop and implement a district marketing and branding strategy	Investment Promotion	Enabling Local Sector Development
Implement Tourism Marketing and Development Plan	Sector Development	Implementation of prioritized sector strategies
Value chain analysis around tourism and other sectors	Sector Development	Implementation of prioritized sector strategies

3 Risks and Assumptions

In striving to enhance the local economy and promote local economic development, there are a number of assumptions and associated risks which JGDM should take cognisance of:

Assumption – The DM has the necessary staff, skill sets and access to funds to implement the identified and prioritised projects and programmes

- ▶ **Risk:** Extended out-of-office time (for work or other reasons) results in progress being delayed. This risk is exacerbated in the event that a person leaves the organisation.
 - **Risk Reduction Strategy:** Project managers should ideally have at least 1 staff member with whom they work closely who is able to ensure continuity
- ▶ **Risk:** Although the organogram is currently fully funded, staff retention tends to be low and the turnaround time of replacement too high
 - **Risk Reduction Strategy:** Staff retention strategy to be implemented and staff replacement systems need to be implemented with a sense of urgency
- ▶ **Risk:** Lack of funding to implement projects
 - **Risk Reduction Strategy:** Costed business plans are developed for each identified project and submitted to potential funders
 - **Risk Reduction Strategy:** Annual budgeting to be undertaken in line with the properly costed business plans

Assumption: Everyone understands what LED is about and what we seek to achieve; and we all work together to improve the economy of this region

- ▶ **Risk:** Decision-makers confuse LED with poverty alleviation, and other interventions
 - **Risk Reduction Strategy:** Ongoing interventions to generate a shared language and understanding around LED concepts and expectations
- ▶ **Risk:** Limited synergy between JoGEDA, the LM's and the Joe Gqabi LED Unit
 - **Risk Reduction Strategy:** Focussed interventions to resolve any exiting tensions

- **Risk Reduction Strategy:** Participation in regular fora, which are structured and conducted in such a way as to effectively meet their objective; with the intention to stimulate a shared vision and shared understanding of the most effective strategic response to LED across the region, creating synergies between key partners
- ▶ **Risk:** The District's LED Unit has limited access to a holistic perspective on LED issues at a national, regional and local level
 - **Risk Reduction Strategy:** Prioritise the inclusion of the LED Unit in all relevant strategic fora – including IDP and/or IGR fora
 - **Risk Reduction Strategy:** LED officials are encouraged to attend critical/strategic meetings and the necessary budget is made available for such meetings
- ▶ **Risk :** Government departments work in silos, resulting in duplication
 - **Risk Reduction Strategy:** Establishment of and participation in relevant, focussed and effective local economic development fora at operational and political levels
- ▶ **Risk:** Communication breakdowns at project implementation
 - **Risk Reduction Strategy:** Clearly articulated Roles & Responsibilities (Terms of Reference) for each party – including all government stakeholders – on each project

4 IMPLEMENTATION PLAN

4.1 BACKGROUND

This section looks at which institutional mechanism would be the most effective means of implementing the JGDM LED strategy. The Joe Gqabi District Municipality is under budgetary and human resources capacity constraints and therefore the proposed institutional arrangements need to build on existing institutions, as much as possible, whilst still achieving the strategy's objectives.

This chapter will be discussed in following subsections:

- LED institutional arrangements
- Recommended implementation mechanism
- Roles and responsibilities in LED
- Implementation action plan
- Monitoring and Evaluation Framework

4.2 LED INSTITUTIONAL ARRANGEMENTS

To implement this LED Strategy effectively, financial and human resources need to be allocated through a structured mechanism. In this regard, there are two options available to the District in the implementation process namely, an *internal implementation mechanism* or an *external implementation mechanism*.

Internal mechanisms would include any department, business or administrative unit *within* the Joe Gqabi District Municipality while an external implementation mechanism would entail a unit or corporate body outside of the municipality. There are various forms that such an external mechanisms can take, the most common being a *municipal entity*.

The subsequent section discusses the JGDM's current internal and external implementation capacity.

4.2.1 Current Internal Implementation Mechanism

Internal mechanisms for the implementation of the Strategy include an LED Section, located within the Office of the COO under the Office of the Municipal Manager.

Organisational structure and reporting relationships

There is currently an established LED unit operating at a district level as well as functional LED units in all of the local municipalities. Both formal and informal reporting relationships exist between departments within the Municipalities and between the Municipalities themselves. Communication is essential and should be enhanced between the LED officers, community service managers, agricultural officers and tourism officers of the Local Municipalities and the District Municipality.

Human Resources

The District LED unit is led by the Socio-Economic Development Manager. This manager reports directly to the COO and is responsible for the operation of the LED Unit. Reporting to the Socio-Economic Development Manager are four units each headed up by a coordinator.

There are future plans to hire an additional staff member to coordinate SMME's and other small enterprises.

4.3 EXTERNAL IMPLEMENTATION MECHANISM

The capacity of the District to implement the LED strategy has been enhanced, through, *inter alia*, the establishment of District Economic Development Agency. The mandate of the agency can be summed up as:

- Implementation of strategic, high-impact, economic development projects, in an integrated and sustainable fashion
- Asset development, management and acquisition, allowing the Development Agency to take extract fees or acquire a stake in the developments it facilitates
- Maximisation of return on assets in the medium and long term
- Coordinating public, private and civic resources and contributions into projects and programmes
- Marketing, promotion, public and community relations in support of its project portfolio

The following diagram depicts the organisational structure of JoGEDA:

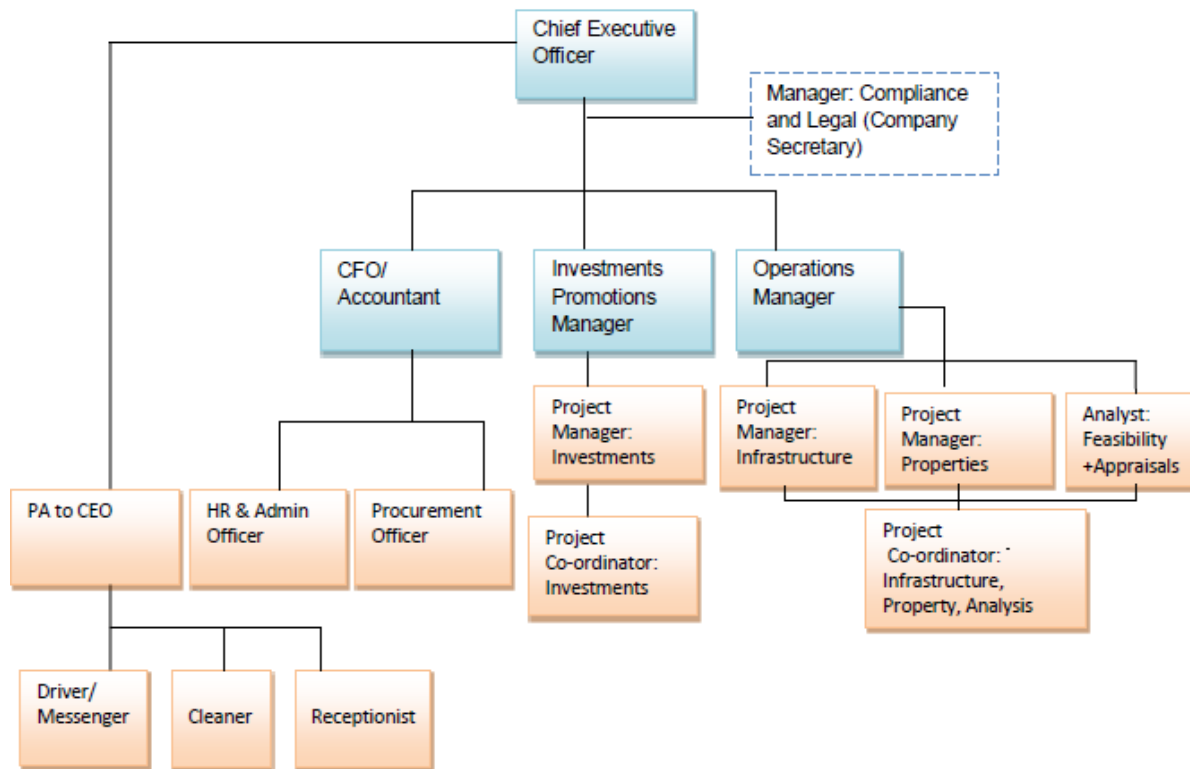


Figure 3: JoGEDA Organisational Profile

4.4 RECOMMENDED IMPLEMENTATION MECHANISM

Based on the above, there are two implementation mechanisms, namely Internal and External mechanisms.

4.4.1 Internal Mechanism

Forum Meetings

There are a number of existing stakeholder and intergovernmental structures that can be utilised for the implementation and monitoring/evaluation of the Joe Gqabi LED Strategy. These include the

- District LED Practitioners' Forum
- District Support Team
- District Agricultural Forum

- District Tourism Organisation

These forums meet on a regular basis and bring together all relevant LED stakeholders in the district from both the public and private sectors. Of critical importance however is that these forum meetings occur as scheduled. Other recommendations for these forums include:

1. These **LED forums should conduct road shows and business seminars** to educate the private sector and other stakeholders on the value of LED.
2. The District LED Forum should ensure that the **monitoring and evaluation framework** developed for the Joe Gqabi LED Strategy is **used for all LED projects** in the District.
3. The Joe Gqabi **LED forum should be chaired by a senior political representative** to ensure adequate political buy-in and understanding around the functioning of the forum.
4. The Forum should **foster good relationships** amongst attending stakeholders so as to ensure members continuous support.
5. **Guest speakers should be sought** and encouraged to give presentations around LED in Joe Gqabi as this will assist forum members who may be unfamiliar with certain aspects of LED. For example, certain members may be unaware of what funding opportunities are available for LED projects.
6. Provincial and **National government representatives should make presentations** on strategies, projects and programmes taking place by their respective departments in Joe Gqabi.
7. **Issues** identified at the monthly **coordinators meetings** that are relevance to the forum should be **presented**.

In order to coordinate the efforts of the JGDM's Tourism, Business Development, Agricultural and Social Development coordinators; a monthly coordinators meeting is proposed. These meetings would be in addition to the District LED Forum and Support Team meetings. A monthly meeting is proposed between these staff members to report back on the developments in their respective fields, developments at their respective stakeholder forums and the progress in implementing the Joe Gqabi LED Strategy. Community-based Development Facilitators should be included in these Local Action Groups. These Community-based Development

Other internal issues that need to be addressed, as well as their measurable milestones are illustrated in Table 14: .

Table 14: Internal operational issues and milestones

Issue	Milestone
Provide technical support to LED Coordinator in implementing LED Strategy	<ul style="list-style-type: none"> • Obtain council resolution to support LED • Coordinator in implementing Joe Gqabi LED Strategy • Meeting between Mayor, Municipal Manager, HODs and LED Coordinators to confirm milestones and priorities (as per Joe Gqabi LED Strategy)
Refining the project implementation plan through the completion of detailed project action plans for each project identified in the Strategy	<ul style="list-style-type: none"> • Refer to project implementation plan and complete detailed action plans for the three prioritized projects¹ • Integration into JGDM IDP Review • Feed into Local Municipalities IDP Reviews • Assign responsible agents for each project and get buy-in
Market engagement with potential funding organizations / developers /other stakeholders	<ul style="list-style-type: none"> • Identification of potential funding organizations (as detailed in subsequent sections) per project • Investment brokering as a necessary step for securing potential investors / developers interest involving investment promotion presentation • Application forms submitted • Follow-up: applications • Feedback from funding organization

LED Unit

The LED projects within the strategy will be implemented by the Joe Gqabi District LED Unit and will, like any other LED project feed, into the IDP planning processes. Key to the successful implementation of the LED Strategy is ensuring that all the LED units have a full staff complement.

In addition the LED Unit Coordinators should all have specific targets, related to the implementation of their specific component of the LED Strategy. These targets should in turn be linked to their Performance Based Contract with this contract being reviewed on an annual basis to determine the degree to which the unit has effectively implemented the strategy.

The LED Coordinator heading up each LED unit should also be responsible for:

- Integrating and coordinating the efforts of other national, provincial and local government departments in the implementation of LED projects, specific to their unit identified in the strategy.
- Attending PSC (project steering committee) meetings in Local Municipalities
- Attending the monthly coordinators meetings, which includes:
 - Reporting back at these meetings on developments in the LED Unit
 - Taking forward issues of relevance raised at the District LED Forum and the District Support Team for discussion at the monthly coordinators forum (and vice versa); and
 - Ensuring two-way communication between the forum and the Municipality.
- Implementing LED unit specific projects identified in the JGDM IDPs and JGDM LED Strategy at the district level.
- Monitoring the LED projects of the JGDM LED Strategy through the M&E framework.
- Facilitating LED projects.
- Planning and promoting LED projects that require outside support or implementation

The role of the offices in each LED unit (i.e. tourism, agriculture and forestry, business development, social development) should be to assist the coordinator in the implementation of LED projects specific to the unit's mandate.

In addition to assisting the coordinator, the tourism officer should be responsible for staffing a tourism desk. This tourism desk would be the first port of call for tourists wishing to find out more about what tourist activities are available in Joe Gqabi. This officer would also be responsible for answering any tourism based queries. If feasible, the Joe Gqabi District

Municipality should appoint a further officer to the tourism unit. This officer would be responsible for the marketing the District as a destination of choice for tourists. The role of the tourism coordinator would then be to provide strategic direction to the Tourism Unit as well as ensure the successful implementation of catalytic tourism projects.

A similar model is proposed for the Business Development Unit, with the business development officer being responsible for managing a SMME help desk. This help desk would handle small scale issues such as assisting SMME's in registering their business, applying for licences, educating them on trade by-laws etc. The role of the business development coordinator would then be to facilitate the strategic objectives of the unit.

4.4.2 External Mechanisms

The primary external driver of the Joe Gqabi LED Strategy should be JoGEDA.

The purpose of the Development Agency is primarily to facilitate sustainable investment, economic growth and social transformation with the aim of benefiting the whole Joe Gqabi District. The Development Agency is established to initiate, promote and manage private and public investment. Specific functions include:

1. Fulfil the mandate provided by Joe Gqabi District Municipality

The role of JoGEDA is to leverage the resources required to implement catalytic projects and make them a success. JoGEDA bridges the gap between municipalities and the private sector. The primary role of JoGEDA is therefore to leverage resources (i.e. expertise, funding, etc.) from the private and public sectors to facilitate the implementation of catalytic and high-impact projects. The agency should avoid becoming the implementing agent of projects, as this requires too many resources, but rather facilitate opportunities and partnerships.

2. Report back to Joe Gqabi District Municipality on operational matters

It is the development agency's responsibility to report to the District Municipality in line with the guidelines provided by the Municipal Financial Management Act in terms of operational matters including staffing, funding, finances, etc. JoGEDA should comply with Joe Gqabi's reporting requirements so that the municipality can easily report on the agency's affairs.

Lesson Learnt:

It is not the role of a LEDA to focus on service delivery or take on *all LED responsibilities of a municipality*. LEDAs are most effective if they are mandated to implement *key, strategic, bankable and catalytic projects*.

Like municipalities, LEDAs should *not run businesses/implement projects themselves*, but *coordinate and manage* the processes required to implement projects.

It remains the municipality's role to develop policy, create an enabling environment for investment and facilitate *small community economic projects* that are important, but not catalytic.

Source: 10 Things You Should Know if you Wish to Establish a LEDA, Blue Crane Route Municipality, 2008

4.4.3 Relationships between the Development Agency and the District and Local Municipalities

The relationship between the Development Agency and the District Municipality needs to be clearly defined. The District Municipality will be the primary shareholder and will therefore be responsible for appointing the board of directors. The board of directors in turn sets the agency's strategic direction and operational procedures along with the CEO. Furthermore the Joe Gqabi LED Strategy, developed by the District, will be the guiding document for identifying projects that the Development Agency engages in.

At a Local Municipality level the relationship is more complex. The Development Agency should focus on engaging in strategic, cross cutting projects that effect the District as a whole. In addition, it would benefit Local Municipalities to consider appointing sector-based officials rather than LED generalists, especially where there are identified areas of focus. This will permit the local municipalities to still conduct their own LED projects that have a more localised impact.

Lesson Learnt:

It is important to understand the role/responsibility of LEDAs vs. the LED Unit/parent municipality. It is the role of a Municipality to develop policy and the role of a LEDA to implement the policy (*not* make it). Municipalities should not think that they can hand over LED responsibilities to an independent entity that does not require oversight and attention. Municipalities remain politically accountable for LED and cannot delegate political responsibility to another institution.

If there is no strong leadership from the municipality this can create tension between the LEDA and municipality.

It is important for the parent municipality to provide a 'home' for a LEDA within the municipality, to which the agency reports and also receives assistance from.

Agencies need political independence in order to operate effectively, but they have political accountability and need political buy-in and support to be effective.

It is important that officials and councillors all fully understand the role of LEDAs and municipalities to avoid confusion and rivalry. The two should view each other as developmental partners and work towards a common goal.

Source: 10 Things You Should Know if you Wish to Establish a LEDA, Blue Crane Route Municipality, 2008

4.5 ROLES AND RESPONSIBILITIES IN LED

The roles and responsibilities of national and provincial government, the Joe Gqabi District Municipality, the local municipalities, civil society and the private sector are considered in this section. A key element of the implementation process is to ensure that the roles and responsibilities of various LED actors are clearly defined.

4.5.1 National Government

1. Provide support to municipalities to implement their developmental mandate

This support can either be tangible such as infrastructure or intangible such as skills development. In both cases consideration should be given to what type of support would be most helpful in terms of meeting the locality's developmental mandate. Part of this role would also be to disseminate information on LED support initiatives to local and provincial departments.

2. Provide the overall legislative and regulatory framework for LED

The responsibility of national government is to provide legislation and other regulations/bills/strategies to guide local economic development. Currently the guiding document in terms of LED is the National Framework for Local Economic Development in South Africa. It is further the responsibility of national government to regularly review these documents to ensure that they are relevant.

3. Maintain strong inter-governmental relationships and institutions

It is imperative that government departments at all levels not only diffuse relevant information about opportunities and resources at local level, but also provide this information in a coordinated manner, so as to prevent coordination problems. Key to this process is therefore the promotion of regular inter-governmental meetings and activities. National government should also provide support to key inter-governmental institutions.

4. Increase administrative efficiency (such as access to land and finances)

National government should focus on streamlining the administrative process in accessing key assets used for LED particularly land and finances. Coupled with this should be creating awareness among provinces and district municipalities about what assets are actually available for LED.

5. Monitor the outcomes and impact of municipal-led LED activities.

National government should focus on ensuring that the targets and objectives set by provinces and district municipalities in terms of LED are met. National government should also ensure that provinces and municipalities have formalised LED Strategies/Plans which are in line with national priorities.

4.5.2 Provincial Government

1. Align LED initiatives with national and local priorities

Any LED initiative identified by a province should naturally align with the priorities and objectives set out at a national level. The provincial government should also ensure that LED initiatives at a district and local level also align with national imperatives. Provincial governments are also responsible for providing a strategic vision through their Provincial Growth and Development Plans.

2. Strengthen and support the capacity of local government

This entails, where possible, the provincial administration providing key staff, for short periods of time to district and local municipalities who are facing chronic staff shortages. Capacity support is however not limited to staff and could also include the provision of funding for specific projects. The provincial government should also provide regular LED training and capacity building for municipalities.

3. Make available financial and technical resources to implement and sustain LED

District and local municipalities frequently lack the financial and technical resources to effectively exploit identified LED opportunities. The role of provincial government is therefore to either partner with the local authority in the LED programme/project or assist in identifying other potential partners that could assist financially or technically.

4. Share information regularly with municipalities

This information should focus on key elements relating to LED and can include elements such as provincial economic trends, land use, investment opportunities, planned new developments etc.

5. Monitor and evaluate the impact of LED initiatives provincially

As with the national government, provincial government has the responsibility to monitor and evaluate LED initiatives that are run at a provincial, district and local level.

4.5.3 Joe Gqabi District Municipality

1. Support functioning LED institutions

Currently the district has several LED institutions including a LED unit, District LED Forum and District LED Support Team (previously the LED Practitioners Forum). Although these institutions exist it is the responsibility of the District Municipality to ensure that they are functional and meeting their targets. For example the terms of reference require that the District LED Forum hold meetings at least once a quarter, therefore the District should ensure that at least four such meetings are held annually.

2. Identify critical economic sectors

The Joe Gqabi District Municipality, through analysis of the district economy and informed by the LED Strategy, should identify key economic sectors that can drive development in the area. It is then the responsibility of the District to ensure that these sectors have access to all necessary economic infrastructure so as to ensure their expansion and development (i.e. well maintained roads, continuous supply of electricity etc.)

3. Build the LED capacity of Local Municipalities

This is a key intervention area for the District Municipality and entails monitoring the operational capacity of the various LED units across the district in terms of human resources, financial allocations and skills training.

At a human resource level, the District Municipality should ensure that there are full staff complements in each local municipality LED unit and in cases where there are insufficient staff members, should consider, where possible, seconding District staff to assist these Local Municipalities LED units in performing their functions.

Skills sharing and upskilling is another critical area where the District Municipality should aim to build capacity. Where permitted by the Municipal Finance Management Act, the District Municipality should also provide top up funding to ensure the implementation of Local Municipalities LED projects are not compromised.

This function should also involve the collection and disseminating of economic information, and new developments in the economy to local municipalities to assist them with their LED interventions.

4. Identify available financial and non-financial resources

Where the Municipal Finance Management Act does not permit the direct transfer of funds, the District Municipality should assist local municipalities in identifying alternative funding options such as provisional grants. In addition the District Municipality can assist the local municipalities by providing non-financial resources such as land for development or basic infrastructure.

5. Develop a district-wide LED strategy

This is one of the most important roles of the District Municipality as the LED strategy will inform all economic development that occurs throughout the District. Once this LED Strategy has been developed, the role of the District changes to that of an implementing agent. This means that Joe Gqabi District Municipality is now responsible for ensuring that the projects and programmes identified in the Strategy are successfully implemented and monitored. Such monitoring and evaluation should occur on an annual basis.

4.5.4 Local Municipalities

1. Carry projects through to the Local Municipalities Integrated Development Plan

The LED Strategies are Sector Plans of municipalities IDP and therefore must be carried into the IDP. All projects and programmes identified in this strategy should be reflected in the IDP in order to ensure that funding can be obtained and that projects can be implemented. The IDP should clearly indicate who is responsible for implementing the project.

2. Create an enabling environment conducive to investment

Local Municipalities are responsible for creating an environment conducive to investment in their respective areas. This relates to many things including the provision of hard and soft infrastructure, ensuring that development approvals are provided timeously, ensuring that relevant information is available to the private sector, communicating with development stakeholders, ensuring that service delivery is efficient, conducting forward planning to account for future development and providing a clean, healthy environment.

3. Allocate resources to Local Economic Development

All Local Municipalities should allocate financial and human resources to LED. The respective LED units require adequate resources to ensure the successful implementation of identified LED projects.

4. Coordinate, manage and facilitate LED planning

The primary role of Local Municipalities, through their respective LED units, is to ensure that identified LED projects are successful and consistently implemented. This role also focuses on ensuring ongoing public participation around LED

initiatives. As part of this process the LED unit can take on a number of roles these include:

- Implementation
- Facilitation
- Coordination

Implementation

As an implementing agent the respective local municipality will initiate, fund (through its own budget or government allocations), design and project manage. These projects will generally be related to the strategy/policy framework in which LED is implemented, provision of infrastructure or to creating a more conducive environment for investment

Facilitation

The facilitation of projects entails the local municipality assisting in obtaining funding for LED projects, illustrating and facilitating the opportunities in the region and assisting in removing restrictions, providing infrastructure and facilitating the project as effectively as possible.

Coordination

As a coordinating agent the local municipality is responsible for providing motivation for the funding of projects, monitoring projects, integrating these projects with other ongoing initiatives and liaising with the relevant departments/organizations implementing these projects.

5. Monitor and evaluate the LED Plan

Local Municipalities should take primary responsibility for monitoring progress made in implementing their respective LED Plans. Local Municipalities should monitor the implementation of their LED Plans at a minimum on an **annual basis** to assess whether the identified projects are being implemented. Regular report backs should then be given to the LED Forum on successful projects and/or challenges faced. If there are obstacles to implementing specific projects then mitigation measures and

interventions should be designed by the various Local Municipalities in conjunction with the implementing parties.

4.5.5 Private Sector and Civil Society

Table 15: shows a summary of the roles and responsibilities of both the private sector and civil society in terms of LED.

Table 15: Roles and responsibilities for the private sector and civil society

Private Sector	Civil Society
Establish and manage the operation of business enterprises to the benefit of the enterprise and the community in the area	Provide support to economic growth and development policies and strategies
Provide support to economic growth and development policies and strategies	Where possible, provide implementation support
Actively engage with government through public private partnerships	
Where possible, provide implementation support	
Sustainable employment creation	
Income generation and investment	
Assist in building the capacity of personnel	

4.6 IMPLEMENTATION FRAMEWORK

Implementation constitutes a series of projects and programs. These are discussed under the following sections:

- Anchor projects – which are catalytic projects to be implemented by JoGEDA; and
- Enabling projects – which are designed to unlock the economic potential of the District

Thereafter, the full detail of LED projects is outlined in the Action Plans.

4.6.1 Anchor Projects

In the short to medium term the District will focus on the following economic development anchor programmes:

- Senqu Plastics Manufacturing
- Elundini Residential Housing Project
- Senqu Commercial Property Development
- Gariiep Residential Housing Project
- Aliwal Spa
- Maize Meat Hub Feedlot

A brief description of each of these projects is outlined below.

Gariiep middle income housing project

pls contact Jogeda)

Aliwal Spa

The development of the Aliwal Spa as a key attraction into the Eastern Cape, and the potential for this region has not yet been realized. The Aliwal Spa has undergone several stages of development, from development of pre-feasibility studies, business plans and applications to Treasury.

The socio-economic impact of implementation of this project will be the enhancement of economic development and investment into the region through increased tourism demand, enhanced branding and marketing of the Eastern Cape Highlands as a preferred destination and improved infrastructure development

Senqu Plastics Manufacturing

Senqu Plastics is a poly vinyl chloride (PVC) plastic pipe manufacturing project. PVC pipes are the most used pipe product in the construction, civil engineering, plumbing and general building industries. The product requires a moderate level technology to produce it. The venture can develop the manufacturing capacity in a short space of time. The product itself is environmental friendly.

The plastic pipe market in South Africa is worth about R1.7 billion, and the Eastern Cape Province market is estimated at R245 million. The national market is semi-saturated with about 10 major manufactures. Four of the manufacturers control 80% of the market. The

main competitors are DPI Plastics, Marley Pipe Systems, Petzetakis Africa, Amitech and Gazelle Plastics. The four manufacturers altogether accounted for approximately R1.36 billion of sales revenue in year 2006. They are well established and will be formidable rivals.

The socio-economic impact of implementation of this project will be the enhancement of the economic development and investment into the region through:

- Improved infrastructure development
- Promotion of industrialization and development value
- Creation of employment for unemployed youth
- Acceleration of private sector investment into the region

Elundini Integrated Middle Income Housing Development – Maclear, Elundini

This project involves development of 90 hectares of land in Maclear that was donated to Elundini Local Municipality by PG Bison/Steinhoff. The land is suitable for middle income housing development. In support of this development, various studies were undertaken by external service providers, Elundini Local Municipality, and JGDM technical teams and concluded that:

- Bulk services, particularly water, present several challenges. These could only be overcome with increasing supply. Increasing water demand without increasing water supply will lead to increases in water shortages and deterioration in water quality.
- Risk: Water borne sewerage and septic / conservancy tank system would not function without adequate water supply.
- Bulk sewerage system is available and currently under-utilised.
- Bulk supply of electricity available, as a result of ongoing electrical upgrade and implementation of Maclear Master Plan.
- Project will improve the municipality's revenue base, and provide needed human settlements.

Maize-Meat Hub and Feedlot

Primary objective of the proposed business plan is to establish sustainable maize meat hubs in high potential areas in need of economic growth and generation of poverty alleviation. The secondary objectives of the rollout are the following:

- Identify areas with sustainable maize and cattle potential to create a flow of products through the maize-meat hub
- Identify and accommodate potential role players to ensure sustainable feed and cattle production
- Identify and locate all necessary role players for running a maize meat hub successfully
- Determine the optimum marketing channels for the final product
- Locate role players who are active in farmer training (crop production) animal production, marketing, financial planning as well as sustainable production practices.
- Identify and evaluate the infrastructure necessary for a specific maize meat hub in a specific area.

The socio-economic impact of implementation of this project will be the enhancement of the economic development and investment into the region with a view through:

- Enhance economic development and investment into the region
- Improve infrastructure development
- Growing the agricultural sector
- Job creation
- Food security

Senqu Commercial Property Development

Various, multiple commercial property development opportunities are in the process of being identified and fully investigated in various areas and towns of Senqu Local Municipality.

Various opportunities identified in the following configurations:

- Small to medium shopping centres;
- Apartments
- Townhouses to be sold on sectional title basis, or rented;
- Rental housing units
- Feasibility investigations not yet fully undertaken on any of the identified opportunities. Opportunities are broadly at information gathering stage.
- Pre and detailed feasibility investigations to be undertaken by the Development Agency in establishment phase.

4.6.2 LED Enabling Interventions

There are a number of interventions which are aimed at enabling the implementation of LED projects and programmes and unlocking the potential of the District. These are detailed below.

4.6.2.1 Land Reform

It is important that the redistribution programmes (LRAD, State Land Disposal, and Commonage Extension) be accelerated. Similarly, restitution settlements also need to be urgently completed.

4.6.2.2 LED Marketing and Communication

The JGDM is in a process of developing a Marketing and Branding Strategy for the institution which must focus on all LED related development. The challenges confronting the District can be summed as follows:

- Poor quality of roads and the area's accessibility.
- Few community based tourism enterprises have not succeeded and have not been sustainable, mainly due to a lack of skills, a lack of market, high establishment costs and community challenges.
- Limited investment and sustainability of tourism development
- Lack of long term commitment to tourism is a significant challenge.
- Non availability of land for development
- Poor connectivity network
- Poor infrastructure
- Lack of higher learning institution
- High rate of illiteracy

4.6.2.3 SMME and Cooperatives

The institution has developed an SMME and Cooperatives Strategy which was adopted by Council in 2010. The strategy contains a clear action plan and targets. A process to review the strategy is underway. Currently SMMEs are supported through a collaborative effort between the District, local municipalities, ECDC, DEDEA and SEDA. Moreover, an invoice based payment system was introduced to link SMMEs and Cooperatives to funding sources in partnership with ECDC and the District Municipality. The programme is currently being implemented.

4.6.2.4 Business Retention Strategy

Business expansion and retention strategy was piloted in Maletswai local municipality in 2012. Due to the high success rates of the project, a process to replicate the programme in other municipalities is being considered. For the long term business attraction and retention plans, the review of the LED strategy of the District will provide specific actions that need to be implemented by the District and all stakeholders involved in the sector.

4.6.2.5 Expanded Public Works and Community Works Programme

Road Maintenance within Joe Gqabi is done through EPWP principles focusing on labour intensive strategies. In the District area, most government Departments implement EPWP and some of the programmes include community health workers.

The Community Works Programme (CWP) is having a profound impact on the micro-economy of the District. The District is involved in facilitating implementation of the CWP programme as the actual implementation rests with other stakeholders. The District has previously implemented the programme in a number of wards in Senqu LM, Elundini LM and Gariiep local municipality. Two thousand people Senqu and one thousand people from each of the other two municipalities will benefit from the programme.

4.6.2.6 Infrastructure Projects

As the Joe Gqabi DM is the Water Services Authority all water assets have been identified and included in the financial records of the municipality. These assets will need a substantial maintenance budget as part of the operational budget.

4.7 IMPLEMENTATION ACTION PLANS

This section provides action plans for both the District and Local Municipalities.

The District Action Plans are supplemented in Annexure C with detailed information with regards to each project. The Local Municipal projects are provided to reflect the manner in which the local municipalities are effectively implementing the District-wide vision to promote local economic development for the benefit of the entire population. The Local Municipal information should be read in conjunction with their LED Strategies, as the intention is not to replicate what already exists.

4.7.1 District Municipality - Action Plan

The following sub-section presents the project implementation plan for the Joe Gqabi District Municipality LED Strategy and is presented per programme. Projects are shown in standardised table format, which is aligned to the presentation of projects in the Joe Gqabi IDP for ease of integration. It is important to note that projects are not listed or referenced in order of priority or importance.

Project Name	JGDM Strategic Focus Area	Implementing Agent	Source of Funding	Estimated Budget Amounts				
				2015/16	Time Frame 2015/16	2016/17	2017/18	2018/19
Local Procurement And Supply Chain Policies	Build economic and Social Infrastructure	JGDM	JGDM, DBSA, DEDEAT, National Development Agency, other government depts.	R213 000				
Value Chain Analysis Around Tourism And Other Sectors	Job Creation And Poverty Alleviation	JGDM	ECTB, DBSA, National Development Agency, DEDEAT, other government depts.			R250 000		
Develop And Implement A District Marketing And Branding Strategy	Job Creation And Poverty Alleviation	JGDM	JoGEDA, DBSA, other government depts.			R300 000		
Review Smme And Microenterprise Strategy	Job Creation And Poverty Alleviation	JGDM	DBSA, JGDM, DEDEAT, other government depts.			R250 000		
Led Support Structures	Build economic and Social Infrastructure Intergovernmental Coordination	JGDM	JGDM	R100 000		R110 000	R121 000	R133 100
Tourism Routes	Job Creation And Poverty Alleviation	JGDM	JGDM, ECTB, DEDEAT, DEAT, MIG, other government depts.	R100 000		R150 000	R165 000	R181 500
Implement Tourism Marketing And Development Plan	Job Creation And Poverty Alleviation	JGDM	JGDM, ECTB, DEDEAT, DEAT,, other government depts.	R1 425 000		R2 703 000	R 1 751 000	R1 341000
Expansion Of EPWP And Community Works Projects Around Environmental Issues	Job Creation And Poverty Alleviation	JGDM	JGDM, DEDEAT, DEAT, DWAF, other government depts, donor organisations	R200 000		R250 000	R300 000	R350 000

Project Name	JGDM Strategic Focus Area	Implementing Agent	Source of Funding	Estimated Budget Amounts				
				2015/16	Time Frame 2015/16	2016/17	2017/18	2018/19
Identify And Support Strategic Partnerships	Build economic and Social Infrastructure Intergovernmental Coordination	JGDM & Partners	JGDM, DLGTA, other government depts.					
CBD Revitalization In Primary And Secondary Nodes	Build economic and Social Infrastructure	JGDM & LMs	JGDM, MIG, DoT, DBSA, DEDEAT, other government depts.	R1 000 000		R1 100 000	R1 500 000	R1 500 000
Signage	Build economic and Social Infrastructure	JGDM; LM's DTO, SANRAL	JGDM, SANRAL, ECTB	R120 000		R132 000	R145 200	R159 720
Review & Implement Agriculture & Forestry Development Plans	Environmental conservation and protection Job Creation And Poverty Alleviation	JGDM	JGDM; JoGEDA; DRDLR; DRDAR; SEDA, other government depts.			R300 000	R350 000	
Roll Out The Business Retention & Expansion Strategy	Build economic and Social Infrastructure Build social fabric	JGDM	JGDM; JoGEDA; relevant sector departments					
TOTAL Budgets				R 3 158 000		R 5 545 000	R 4 332 200	R 3 665 320

4.7.2 Local Municipality - Projects

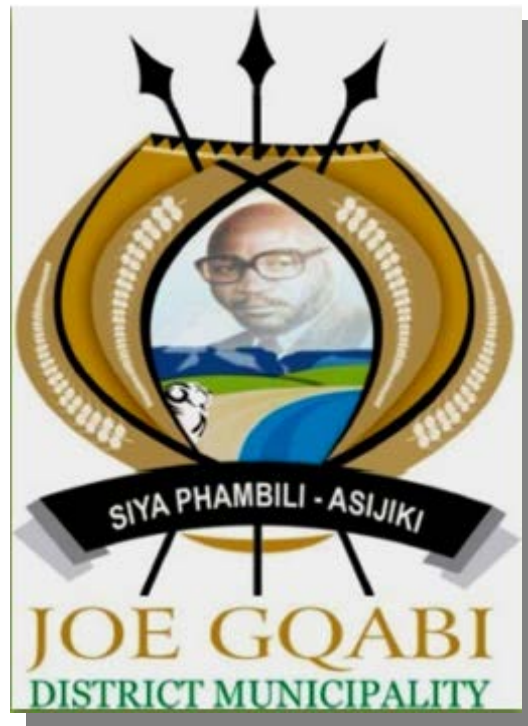
Programme	Project	Local Municipality	Locality	Budget	Responsible/Funding
District Economic Support Mechanisms	Cooperative Centre development	Elundini	Maclear		DEDEAT
District Economic Support Mechanisms	Mt Fletcher Commercial development	Elundini	Mt Fletcher		DPW
District Economic Support Mechanisms	Elundini formalisation of street trading project	Elundini			
Enabling Local Sector Development	Esixhotyeni Community Forestry project	Elundini	Maclear		CRDA
Enabling Local Sector Development	ELM water bottling	Elundini	Maclear		DEDEAT
Enabling Local Sector Development	Feasibility study on bio-fuel energy	Elundini			
Enabling Local Sector Development	Registration of primary cooperatives for shearing sheds	Elundini			
Implementation of prioritized sector strategies	Maize Meat Hub	Elundini			JoGEDA
Implementation of prioritized sector strategies	Mt Fletcher Craft Centre	Elundini	Mt Fletcher		
Implementation of prioritized sector strategies	Wool washing facility	Elundini	Mt Fletcher		
Development of Sector Strategies	Integrated Tourism Marketing & Development Strategy	Gariep	Gariep	R 402 800	LTO, CTO's, ECTB , JGDM Tourism
Economic Infrastructure and Tourism Development	Route Tourism Development Initiative	Gariep	Gariep	R 946 050	LTO, CTO, ECTB, JGDM Tourism, DEDEA, Private Sector, Open Africa, UFS, Karoo Highways, Gariep Route

Programme	Project	Local Municipality	Locality	Budget	Responsible/Funding
Economic Infrastructure and Tourism Development	Assist Packaged Tour Development	Gariep	Gariep	R 406 300	LTO, CTO's, DoBEed, DSRAC, Private sector, Town Museums
Enabling Environment Creation	Urban Environmental Design	Gariep	Gariep	R 2 535 000	LTO, CTO's, ECTB, JGDM, DPW, DEDEA
Enabling Environment Creation	Commonage Management Plan	Gariep	Gariep	R 3 520 000	Emerging Farmers Association, Commercial Farmers Association, DARD, DsocDev
Enabling Local Sector Development	Steynsburg Skills Training Centre	Gariep	Steynsburg	R 6 002 000	Department of Higher Education and Training, SETA's (esp AgriSETA), Steynsburg Skills Training Centre Steering Committee, DARD, Emerging Farmers, Commercial Farmers
Implementation of prioritized sector strategies	Support Gariep Ostrimark Investment	Gariep	Gariep		Commercial farmers, Department of Agriculture and Rural Development, Klein Karoo International, Farmers associations
Implementation of prioritized sector strategies	Meat Industry Development	Gariep	Gariep	R 500 000	Emerging Farmers Association, Commercial Farmers Association, DARD, DsocDev

Programme	Project	Local Municipality	Locality	Budget	Responsible/Funding
Spatial Prioritisation	Lake !Gariep Development Initiative	Gariep	Gariep Dam		JoGEDA, ECTB, Office of the Premier, ECSECC, DWA, Private Sector, Neighbouring LM's, Neighbouring DM's, DEDEA, JGDM, ECPB
District Economic Support Mechanisms	Township Economies Improvement	Maletswai		R20-million	All departments + business
Effective Water and Waste Management Promotion	Batho Ba Kopane Composting	Maletswai	Aliwal North	R3-million	DEDEAT
Effective Water and Waste Management Promotion	Maletswai Waste Recovery	Maletswai	Aliwal North	R5-million	DEDEAT, DEA
Enabling Environment Creation	Agriculture Enhancement	Maletswai		R7-million	DEDEAT, DRD&AR
Enabling Local Sector Development	Informal Business Upliftment	Maletswai		R3-million	Maletswai LM & DEDEAT
Enabling Local Sector Development	Retail Centre Development	Maletswai		R30-million	Private sector
Enabling Local Sector Development	Ikhala FET College Expansion	Maletswai		R200-million	DoH&T
Implementation of prioritized sector strategies	Buffelspruit Nature Reserve-2	Maletswai	Buffelspruit Nature Reserve	R15-million	NDT, DEA,
Implementation of prioritized sector strategies	Island Conference Centre	Maletswai		R20-million	NDT
Implementation of prioritized sector strategies	Friendly N6 TIC	Maletswai	N6	R30-million	NDT
Spatial Prioritisation	Aliwal Spa Holiday Resort	Maletswai	Aliwal North	R40-million	Private sector
District Economic Support Mechanism	Town economic profiles	Senqu	Barkly East, Sterkspruit, Lady Grey		Senqu LM

Programme	Project	Local Municipality	Locality	Budget	Responsible/Funding
District Economic Support Mechanisms	Poverty alleviation strategy	Senqu	Senqu		Senqu LM
District Economic Support Mechanisms	Poverty alleviation strategy & funding	Senqu	Senqu	R 530,000	Senqu LM
District Economic Support Mechanisms	Job creation	Senqu	Senqu	R 25 000 000	Senqu LM
Enabling Environment Creation	CWP	Senqu	Ward1,2,3,4,& 7		COGTA
Enabling Environment Creation	Slangbos eradication	Senqu	Mei,Skisizana, Blue Gums Ward 11	R 2,492,000	DEDEA
Enabling Environment Creation	Rural Development	Senqu	Ward 2		DLA
Enabling Environment Creation	Integrated veld management	Senqu	Barkly East, Ward 19	R 7,000,000	DLA
Enabling Environment Creation	SPLUMA Implementation	Senqu	Senqu	R 1,200,000	Senqu LM
Enabling Local Sector Development	Senqu Plastics	Senqu	Lady Grey		JOGEDA
Enabling Local Sector Development	Senqu Commercial Project	Senqu	Sterkspruit W 14		JOGEDA
Implementation of prioritized sector strategies	Telle Liberation Route	Senqu	Qoboshane W 2 & 3		DSRAC & DSD
Implementation of prioritized sector strategies	Lucerne Project	Senqu	Lady Grey	R 15,000	Senqu LM
Implementation of prioritized sector strategies	Tourism	Senqu	Senqu	R 500,000	Senqu LM
Investment-Conducive Strategy Creation	Business chamber establishment	Senqu	Senqu		Senqu LM
Spatial Prioritisation	Sterkspruit regeneration plan	Senqu	Sterkspruit W 14	R 350,000	Senqu LM

Programme	Project	Local Municipality	Locality	Budget	Responsible/Funding
Spatial Prioritisation	BE development project implementation	Senqu	Barkly East, Ward 19	R 250,000	Senqu LM



LOCAL ECONOMIC DEVELOPMENT STRATEGY REVIEW

Annexures A - C

2014-2019



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Annexure A - Opportunities Database

JoGEDA has developed a very useful tool for marketing the District – which includes a synopsis of each local municipality and the opportunities therein. This should be utilised by all local municipalities when seeking investors.

The following opportunities are detailed in the prospectus:

- The Aliwal Holiday and Island Spa Resorts
- Maize - Meat Hub
- Aliwal Private Hospital
- Senqu Plastics
- Gariiep Middle Income Housing Development – Burgersdorp
- Elundini Mixed Housing Development – Maclear
- Senqu Commercial Property - Retail, Office and Industrial
- Business Incubator Hubs
- Orange River Irrigation
- Rhodes Airfield

In addition, the following opportunities present themselves in the local and district LED Strategies (See overleaf):

Table 1: Additional Opportunities Across JGDM

Project	Description	Local Municipality	Locality	Budget	Key Partners
Cooperative Centre development		Elundini	Maclear		DEDEAT
Mt Fletcher Commercial development		Elundini	Mt Fletcher		DPW
Route Tourism Development Initiative	<p>The Gariep LM currently has one tourist route – the Gariep Route – which runs around the Gariep Dam and Lake and incorporates a number of different businesses in the Eastern Cape and Free State. This project is driven exclusively by the private sector. The Karoo Highways project has identified a number of routes that incorporate the Gariep LM, most notably the N1 Great Karoo Highway and Sunday's River Highway. Open Africa is marketing a Mid-Karoo Route that incorporates the town of Steynsburg. The Gariep LED Plan also supports the need for the development of tourism routes.</p> <p>The Competitiveness Assessment Report makes two proposals as part of its assessment. Firstly, the Gariep LM should investigate the potential for the development of a niche route tours that could operate in the municipality. Potentially the first option that could be explored is a cheese route centred on the Stormberg Cheese Factory. Secondly, partner with the private sector and Karoo Highways Project to strengthen the effectiveness of existing routes. The intention of this project is therefore to consolidate existing products into a single packaged project and strengthen and support existing routes.</p>	Gariep	Gariep	R 946,050	LTO, CTO, ECTB, JGDM Tourism, DEDEA, Private Sector, Open Africa, UFS, Karoo Highways, Gariep Route
Packaged Tour Development	The development of a four day packaged edu-tour is in the process of being developed by the Gariep LTO. The intention of this tour is to transport school learners (between Grade 1 and	Gariep	Gariep	R 406,300	LTO, CTO's, DoBEEd, DSRAC, Private sector, Town Museums

Project	Description	Local Municipality	Locality	Budget	Key Partners
	<p>Grade 7) from other areas of the Eastern Cape up to the Gariiep LM and provide them with a four day educational tour of the municipality. Specific outings are planned in which learners would be provided with the opportunity to visit an Nguni farm, see Paul Kruger's birthplace, visit the Orange River tunnel etc. Learners would spend a night in each town where they would be accommodated in one of the town's hotels or B&B's.</p> <p>Given that this is a project that is being driven by the private sector the municipality role is a supportive one. The Gariiep LM has the opportunity to play a more driving role in the project, particularly in terms of assisting the private sector in overcoming existing challenges that are being experienced. The intention of this project is also to, once the project is operational and successful, expand the target audience to include tourists visiting the area. The project therefore focuses on developing the packaged tour in conjunction with the LTO and rolling it out to target school groups.</p>				
Batho Ba Kopane Composting	<p>This project seeks to create a social enterprise that will produce organic compost for consumption by community members, small holder crop farmers to established businesses.</p> <p>This project is dedicated to community members with physical disabilities (10 of them will be direct beneficiaries) institutionalised in a co-operative and will operate on a profit motive (as a business).</p>	Maletswai	Aliwal North	R3-million	DEDEAT
Maletswai Waste Recovery	<p>This project seeks to develop an infrastructure called a waste materials buy-back centre. This is a place where community members or individual waste collectors can go and exchange whatever recyclable waste materials for payment or goods. A service level agreement (SLA) has been signed by the municipality and the department.</p> <p>The project is located in Aliwal North and the buy-back centre will be constructed at the Maizefield Farm (next to MRF and the</p>	Maletswai	Aliwal North	R5-million	DEDEAT, DEA

Project	Description	Local Municipality	Locality	Budget	Key Partners
	landfill site). The project is EPWP compliant (35% labour intensive).				
Esixhotyeni Community Forestry project		Elundini	Maclear		CRDA
ELM water bottling		Elundini	Maclear		DEDEAT
Feasibility study on bio-fuel energy		Elundini			
Registration of primary cooperatives for shearing sheds		Elundini			
Steynsburg Skills Training Centre	<p>There are no institutes of higher learning or FET colleges in the Gariep Local Municipality. This coupled with the low skill levels that characterise both the employed and unemployed means that it will be very difficult for workers in the area to take up new jobs in ether agriculture or tourism. There is also a serious lack of basic agricultural knowledge and skills amongst both commonage and LRAD farmers in the area. This could potential hamper the success of any agricultural interventions that are proposed for the area.</p> <p>The intention for this project is to establish a multipurpose skills training centre in the Kruger College at Steynsburg. This building has been refurbished and ear-marked for further investment by the National Department of Public Works. The proposed skills college would target several scares skills within the municipality (i.e. plumbing, carpentry etc.) but focus particularly on agricultural learnership training amongst emerging, women and youth farmers. These training programmes would all be</p>	Gariep	Steynsburg	R 6,002,000	Department of Higher Education and Training, SETA's (esp AgriSETA), Steynsburg Skills Training Centre Steering Committee , DARD, Emerging Farmers, Commercial Farmers

Project	Description	Local Municipality	Locality	Budget	Key Partners
	accredited and geared towards practical skills.				
Retail Centre Development		Maletswai		R30-million	Private sector
Ikhala FET College Expansion		Maletswai		R200-million	DoH&T
Mt Fletcher Craft Centre		Elundini	Mt Fletcher		
Wool washing facility		Elundini	Mt Fletcher		
Gariep Ostrimark Investment	<p>The Ostrich industry in the Gariep Local Municipality, centred in Burgersdorp, has exhibited exceptional growth over the last several years. This strong growth has seen ostrich numbers increase from an estimated 1 967 in 2001 to around 30 000 by 2009 with 12 farmers now farming exclusively with ostriches in the municipality. The majority of ostrich meat produced in South Africa is destined to the European market and as a result of this stringent slaughtering requirements need to be met in which ostrich abattoirs having to be compliant with strict EU regulations.</p> <p>There are, at present, only 7 ostrich abattoirs in South Africa that meet these EU requirements, the closest one is situated in Graaf Reinet. The major ostrich processors have identified the lack of abattoirs in the northern part of the Eastern Cape as a constraint to the further development of the industry particularly due to the fact that the expansion of the industry is anticipated to occur in the Eastern Cape and Free State area.</p>	Gariep	Gariep		Commercial farmers, Department of Agriculture and Rural Development, Klein Karoo International, Farmers associations

Project	Description	Local Municipality	Locality	Budget	Key Partners
	Through consultation with local farmers it was established that there was an interest by the Klein Karoo Group to potentially establish an abattoir in the Burgersdorp area to meet the future demand. The Klein Karoo Group indicated that the ostrich numbers were not currently high enough to warrant the establishment of an abattoir but that numbers should achieve a critical mass over the next 3 to 5 years. The focus of this project is then to support future developments within this industry and to encourage the establishment of an abattoir in the area when required.				
Meat Industry Development	<p>Farming activities in the Gariep Local Municipality are almost exclusively centred on the production of livestock. There are however no processing or value adding activities relating to livestock within the municipality (i.e. feedlots, abattoir etc). This means that all livestock reared within the Gariep Local Municipality is sent to abattoirs and feedlots outside of the area. This means that the additional value generated as part of these processes is lost to the local agricultural sector. Furthermore, the existence of such value adding activities is identified as the principle vehicle by which employment is created within the agricultural sector.</p> <p>The creation of greater agricultural demand for primary livestock products through the establishment of an abattoir and associated meat processing facilities will result in increased production of livestock through production contracts. The establishment of an abattoir within the municipality will also create a primary market for emerging and commonage farmers who are currently unable to transport their products outside of the municipality for fishing and slaughtering</p>	Gariep	Gariep	R 500,000	Emerging Farmers Association, Commercial Farmers Association, DARD, DsocDev
Buffelspruit Nature Reserve-2	<p>This project seeks to achieve the following deliverables:</p> <ul style="list-style-type: none"> - Construction of the main entrance gate, 	Maletswai	Buffelspruit Nature	R15-million	NDT, DEA,

Project	Description	Local Municipality	Locality	Budget	Key Partners
	<ul style="list-style-type: none"> - Construct an administration block (offices), - Install and upgrade water pipes and construct animal watering points, - Construct of eco-friendly fully equipped and furnished chalets, - Construct a public parking area, - Construct public picnic sites and ablution facilities, - Upgrade the electric fence and reticulation, - Upgrade reserve fence and replace steel gates to protect the nature reserve. 		Reserve (Aliwal North)		
Friendly N6 TIC		Maletswai	N6	R30-million	NDT
Tele Liberation Route	The municipality has an adopted Tourism master plan with an implementation plan. Coming out of this is the recommendation that the LM establishes a partnership with the national liberation route to look at creating a Tele liberation route	Senqu	Qoboshane W 2 & 3		DSRAC & DSD
Lake !Gariep Development Initiative	The Lake !Gariep Development Initiative (LGDI) concept was created out of a need from communities, municipalities and provincial government structures to integrate conservation and development initiatives around the Gariep Dam Complex into a single initiative for the development of the area and poverty alleviation. To achieve this a Tri-District Alliance, comprising the Joe Gqabi, Pixley ka Seme and Xhariep District Municipalities was established in 2002 to a) explore the potential cross border opportunities, b) influence national and provincial policies affecting the area, and c) enter into joint ventures for mutual development. While this project was initiated in 2002 no	Gariep	Gariep Dam		JoGEDA, ECTB, Office of the Premier, ECSECC, DWA, Private Sector, Neighbouring LM's, Neighbouring DM's, DEDEA, JGDM, ECPB

Project	Description	Local Municipality	Locality	Budget	Key Partners
	<p>progress has been made with regard to its implementation.</p> <p>While not part of the LGDI, the private sector tourism product owners surrounding the Gariep Dam have developed a marketing plan around the products centred around the Gariep Dam called the Gariep Route. This route incorporates and consolidates a number of different tourist activities and accommodation establishments in the towns of Bethulie, Burgersdorp, Colesburg, Donkerpoort, Edenburg, Gariep Town, Novalspont, Oviston, Philippolis, Smithfield, Springfontein, Steynsburg, Trompsburg and Venterstad. This route is now being marketed by the private sector by means of a website and brochures.</p> <p>The following project seeks to facilitate cooperation between the various role-players in the LGDI as well as improve relationships with the private sector, thereby promoting the Gariep Lake as a tourist destination. Part of this project includes the establishment of key infrastructure to promote the Gariep Route.</p>				
Sterkspruit regeneration plan	<p>This project is intended to reposition Sterkspruit as a regional economic centre of Joe Gqabi District Municipality the region. This plan is to kindle a renewed sense of appeal to retain and attract investors into the area through:</p> <ul style="list-style-type: none"> • Improved town planning; • Improved bulk infrastructure provision; • Packaged land development options; • Improved human settlements; • Improved accessibility and transportation; • Improved business infrastructure and services; 	Senqu	Sterkspruit W 14	R 350,000	Senqu LM

Project	Description	Local Municipality	Locality	Budget	Key Partners
Barkly East development project implementation	<ul style="list-style-type: none"> Improved trading and business conditions Develop 4000 m ² of earmarked municipal land for commercial and economic purposes with the intent to create of long-term and sustainable economic growth and relevant spin-offs in Barkly East.	Senqu	Barkly East, Ward 19	R 250,000	Senqu LM

Annexure B - Project Prioritization Matrix

INTRODUCTION TO PROJECT PRIORITIZATION ¹

Assessing and prioritizing LED projects is a vital component of LED strategy formulation. Many types of LED projects can be considered but some will be more practical (and feasible) than others. In initially identifying projects, participants should have already considered a number of pertinent questions relating to the impact of the project on achieving goals and objectives, the preliminary aspects of feasibility, and who the implementing partner might be. A more detailed assessment that will contribute to the prioritization and final selection of projects should be based on the following points:

- Does the project have a significant and positive direct and indirect economic impact on the community? What will this be? Does this impact take into consideration social, environmental and physical concerns, and do they contribute to the goals and objectives of the strategy?
- Are the lead time and costs associated with the project justifiable on the grounds of effectiveness, efficiency and efficacy? Would these resources be better used on an alternative project? What is the opportunity cost of selecting the project?
- How will this project impact on, or relate to, other projects within the strategy? Are the projects complimentary?
- Does the project have support in the municipal government, business and community sectors?
- How feasible is the project? What obstacles exist to the realization of the project?
- Which constituencies stand to gain from the project progressing, and which lose?
- Which institution/individual will be primarily responsible for project implementation?
- What conditions/preconditions will be required for successful implementation of the project? Do these conditions/preconditions have a cost implication?
- Is the project sustainable?

A detailed assessment should focus on three points:

Meeting Goals and Objectives

- Review each potential project individually and compare how well it meets and fulfills the specific objectives that have been set.

¹ Source: Cities of Change: Module 3: Formulating the LED Strategy

Impact

- Determine the negative and positive impacts of the project on the local economy.
- Calculate the extent of the project's impact and rank the projects with the greatest net effect at the top.

Feasibility

- **Economic Feasibility (Time):** Incorporate the lead time of the project as part of the economic feasibility. Projects that can be completed in two or three years should rank highly. The longer the time it takes for the project to be completed, the higher the uncertainty of the outcome and the lower it should rank.
- **Economic Feasibility (Cost):** What are the capital expenses required to start the project and what are the operational expenses of running the project? What is the cost-benefit in terms of the outcome received and the costs expended? What is the likelihood of securing financing? Who controls the funding sources and when may the funds become available?
- **Social and Political Feasibility:** What level of support does the project have from public leaders, business leaders, the community and other tiers of government. Support for the project is critical for successful implementation and funding. If the project requires large municipal or state expenditures, it will be necessary to consider the level of municipal and state support as a significant determining factor. If the project requires approvals from other tiers of government, this may add risk. If the project depends on non-local government institutions, or the business community, is their support and involvement assured?
- **Technical Feasibility:** Are the necessary resources, technical skills and experience available to successfully effect project implementation? Is there a competent institution (municipal government or other) with the requisite technical capacity to effectively manage the project? What potential problems are associated with the project's feasibility? For each of these, very specific criteria can be developed based on the local situation, the resources available, the institutions that will be involved, and the critical issues that need to be addressed. At this stage it is necessary to think through the potential details of project implementation in order to carry out an appropriate analysis and to prioritize.

METHODOLOGIES ADOPTED FOR ANALYZING AND PRIORITIZING PROJECTS

There are two methods that can be used:

- Ranking projects, based on the feasibility and value of the project in and of itself
- Comparing one project to another

The team chose to rank projects, by providing a number score to a number of different criteria or components, and then totalling the score. Each criteria and component was assigned a different number of points, depending on how important it is perceived to be.

The following criteria were used:

- Impact on objectives and goals: 0-5 points
- Financial feasibility: 0-6 points
- Human resources and organizational capacity: 1-3 points
- Environmental feasibility: 1-3 points
- Lead time (before implementation): 1-3 points
- Compatibility with other projects: 0-5 points
- Existing stakeholder support: 1-3 points
- Long term sustainability: 1-3 points
- Positive social impact on HDIs: 1-3 points
- Job creation: 1-3 points

The outcomes are displayed overleaf.

Using a project prioritization matrix developed by the LED Unit, the following projects can be prioritized:

Table 2: Prioritised Projects

Project Name	Impact on Goals & Objectives	Financial Feasibility	HR & Organisational Capacity	Environmental Feasibility	Lead Time	Compatibility with Other Projects	Existing Stakeholder Support	Long term Sustainability	Positive Social Impact on HDIs	Job Creation	TOTAL	RANKING	Assumption
	0-5	0-6	1-3	0-3	1-3	0-5	1-3	1-3	1-3	1-3			
Expansion of EPWP & CWP around environmental issues	5	6	3	3	3	5	3	3	3	3	37	1	
Tourism routes	5	6	3	3	3	5	3	3	3	3	37	1	That DM participates in relevant forums & structures
Review SMME and microenterprise strategy	5	5	3	3	3	5	3	3	3	3	36	3	
CBD revitalization	5	5	3	3	3	5	3	3	3	3	36	3	
District led support structures	5	5	3	3	3	5	3	3	2	3	35	5	Capacity training supplied by a range of other stakeholders
Identify and support strategic partnerships	5	4	3	3	3	5	3	3	3	3	35	5	

Project Name	Impact on Goals & Objectives	Financial Feasibility	HR & Organisational Capacity	Environmental Feasibility	Lead Time	Compatibility with Other Projects	Existing Stakeholder Support	Long term Sustainability	Positive Social Impact on HDIs	Job Creation	TOTAL	RANKING	Assumption
	0-5	0-6	1-3	0-3	1-3	0-5	1-3	1-3	1-3	1-3			
Signage	5	5	3	3	2	5	3	3	3	3	35	5	
Local procurement and supply chain policies	5	3	3	3	3	5	3	3	3	3	34	8	
Develop and implement a district marketing and branding strategy	5	3	3	3	3	5	3	3	3	3	34	8	LMs & other sector departments - financial support
Implement tourism marketing and development plan	5	3	3	3	3	5	3	3	3	3	34	8	
Value chain analysis around tourism and other sectors	5	1	3	3	2	5	3	3	3	3	31	11	
	0-5	0-6	1-3	0-3	1-3	0-5	1-3	1-3	1-3	1-3			

Annexure C - LED Projects

PROGRAMME NAME: Enabling Sector Development										
PROJECT NAME: Local Procurement and Supply Chain Policies										
Description	Objectives:					Indicators of Achievement of Objectives:	(SMART) Is it still relevant? Is it sustainable? yes/no	Responsible: DM/LM/Sector department	Priority: High Medium Low	Resources
<ul style="list-style-type: none"> This project aims to develop local procurement policies as well as encourage government expenditure from local suppliers. To identify gaps in the supply chain and promote local business to take up gaps in the supply chain. 	<ol style="list-style-type: none"> Develop a local procurement strategy Adopting supply chain policy by DM, LM's and government departments Set a local procurement targets from local suppliers Develop audit of local producers Identify gaps for local producers 					<ol style="list-style-type: none"> Completed procurement strategy Purchases from local suppliers 	yes	JGDM, Stakeholders, LM's, JoGEDA	high	Funds, Capacity, Human Resources
Project Outputs: <ol style="list-style-type: none"> Procurement strategy Annual purchasing target from local suppliers Adopted procurement strategy implemented by Supply Chain Unit Local supplier inventory 	Target Groups: <ul style="list-style-type: none"> JGDM Procurement departments LM's and other government departments Local producers and manufactures SMME's 					Location(s): Joe Gqabi District				
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:				
Procurement of service provider	X					JGDM LED Unit, Supply Chain Unit				
Establish PSC		X				JGDM LED Unit, stakeholders				

Audit of local suppliers and gap analysis			X			JGDM LED Unit, Supply Chain Unit
Develop procurement policy			X			Economist (consultant)
Adopt procurement policy			X			JGDM
Procure local supplies			X	X	X	X JGDM
Costs:						
Budget	2015/ 16	2016/ 17	2017/ 18	2018/19	Source of Finance:	Experience:
Equipment					JGDM, DBSA, DEDEA, National Development Agency, other government dept.	<ul style="list-style-type: none"> • Previous experience in local procurement and Supply chain policy development • Awareness of current supply chain policies in local government • Understanding of conditions in the JGDM • Use of local expertise
Marketing						
Rent						
Running						
Staff	213,000					
Sundries					Human Resources:	
Vehicle					JGDM LED Unit, JGDM supply chain manager, Economist, LED forum, SEDA	
Visits						
Workshops						
TOTAL	213,000					

PROGRAMME NAME: Enabling Local Sector Development								
PROJECT NAME: Value chain analysis around tourism and other sectors								
Description	Objectives:		Indicators of Achievement of Objectives:		(SMART) Is it still relevant? Is it sustainable Yes/No	Responsible: DM/LM/JoGED A/ Sector Departments	Priority: High Medium Low	Resources
This project assesses exiting gaps in the value chains of key sectors in JGDM and how local business can capitalise on them	1) Develop value chain of the Tourism sector 2) Develop value chain of the Forestry sector 3) Develop value chain of the Agricultural and agri-processing sector 4) Develop value chain of the Government sector		1) Completed value chain analysis 2) Identified business opportunities within value chains		Yes	JGDM/ JoGEDA	High	Funds, Human Resource
Project Outputs:	Target Groups:				Location(s):			
1) Tourism sector value chain 2) Other sectors value chains 3) Identify market gaps in sectors	<ul style="list-style-type: none"> • SMME's • Business Support Centres • Existing formal and informal business 				Joe Gqabi District Municipality			
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:		
Procurement of service provider	X					JGDM LED Unit, DoA		
Establish PSC	X					JGDM LED Unit, stakeholders		
Develop and analyse value chains	X	X				Economist (consultant)		
Opportunity assessment	X	X				Economist (consultant)		
Package and market	X	X				JGDM LED Unit		

opportunities						
Costs	2015/16	2016/17	2017/18	2018/19	Source of Finance: ECTB, DBSA, National Development Agency, DEDEA, other government dept. Human Resources: JGDM Business Development Coordinator, Economist	Experience: <ul style="list-style-type: none"> • Previous experience in: <ul style="list-style-type: none"> ○ LED ○ Value chain analysis • Has conducted similar projects before • Experience in JGDM area • Uses local expertise
Equipment						
Marketing		20,840.00				
Rent						
Running						
Staff	177,500	38,340				
Sundries	2,840	2,840				
Vehicle						
Visits						
Workshops	9,940	21,300				
TOTAL	190,280	83,320				

PROGRAMME NAME: Investment Conducive Strategy Creation										
PROJECT NAME: Develop and implement a district marketing and branding strategy										
Description	Objectives:					Indicators of Achievement of Objectives:	(SMART) Is it still relevant? Is it sustainable? Yes/ No	Responsible: DM/ LM/ Sector Departments/ JoGEDA	Priority: High Medium Low	Resources
Project deals with developing a marketing plan for the promotion the District Municipality's brand and the promotion	Review marketing plan for the entire District					Reviewed marketing plan	Yes	JGDM. JoGEDA, LM's	High	funds, Human Resources
Project Outputs: Develop District Marketing plan and branding strategy	Target Groups:					Location(s): JGDM				
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:		Experience:		
Identify in-house coordinator	X					JGDM LED Unit		Previous experience in: 1) Marketing, branding and advertising for 2) Strategy development 3) Developing sector marketing strategies Has conducted similar projects before Experience in JGDM area		
Set timeframes	X					JGDM LED Unit				
Advertise project		X				JGDM LED Unit				
Appoint service provider		X				JGDM LED Unit				
Develop sector marketing plans		X				Marketing consultant, Business consultant				
Develop district marketing plan		X				Marketing consultant, Business consultant				
Implement Marketing Plan		X	X	X	X	JGDM LED Unit				
Costs	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance:				
Estimated cost: R 250,000 for development of the strategy	Equipment					JGDM Development Agency				
	Marketing					DBSA, other				
	Rent					government depts.				
	Running									

<i>R 50,000 annually for implementation</i>	Staff					Human Resources:
	Sundries					JGDM Business
	Vehicle					Development
	Visits					Coordinator, Business
	Workshops					consultant, Marketing
	TOTAL					consultant

Programme Name: Investment Conducive Strategy Creation						
Project Name: Review SMME And Microenterprise Strategy						
Description	Objectives:	Indicators of Achievement of Objectives:	(SMART) Is it still relevant? Is it sustainable? Yes/No	Responsible: DM/ LM/ JoGEDA/ Sector Department	Priority: High Medium Low	Resources
Project deals with developing integrated SMME and Microenterprises Strategy for Joe Gqabi that focuses on emerging and priority sectors	Review a 5 year SMME and Microenterprise Strategy	Reviewed SMME and Microenterprise Strategy	Yes	JGDM, JoGEDA	High	Funds, Human Resources
Project Outputs: SMME and Microenterprise Strategy	Target Groups: - SMME's - Existing formal and informal enterprises - Broader community of JGDM		Location(s): Joe Gqabi District			
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:
Identify in-house coordinator	X					JGDM LED Unit
Set timeframes	X					JGDM LED Unit
Advertise project		X				JGDM LED Unit
Appoint service provider		X				JGDM LED Unit
Develop SMME and Microenterprise Strategy		X				Consultant
Implement SMME and Microenterprise Strategy		X	X	X	X	JGDM LED Unit
Costs	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance: DBSA, JGDM LED Unit, DEDEA, Other government dept.
Estimated cost:	Equipment					
	Marketing					
	Rent					
	Running					
<i>R 250,000 for development of the strategy</i>						Experience: Previous experience in: 1) SMME & Business Development 2) Understanding of informal sector

Staff					Human Resources: JGDM Business Development Coordinator, Economist (consultant)	3) LED
Sundries						Has conducted similar projects before
Vehicle						
Visits						
Workshops						Experience in JGDM area
TOTAL						

PROGRAMME NAME: LED Capacity Development							
PROJECT NAME: District LED Support Structures							
Description	Objectives:	Indicators of Achievement of Objectives:	(SMART) Is it still relevant? Is it still sustainable? Yes/ No	Responsible: DM/ LM/ Jogeda/ Sector Department	Priority: High Medium Low	Resources	
Project entails assessing existing JGDM LED support structures in terms of capacity, training, human resources, finances etc.	1) Strengthen and enhance LED Structures 2) Facilitate attendance of training programmes	1) Number of training sessions held 2) Number of trainees attending training sessions	Yes	JGDM. JoGEDA, Stakeholders, Lm's	High	Funding, Human Resources	
Project Outputs: 1) Capacity report 2) Training programme 3) Training sessions	Target Groups: - JGDM and LM LED units - DTO and LTO - Agricultural Associations, Chambers of Commerce etc. - Private sector		Location(s): Joe Gqabi District Local Municipalities				
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:	
Identify in-house driver	X					JGDM LED Unit	
Evaluate LED capacity	X					JGDM LED Unit	
Develop Capacity Report	X					JGDM LED Unit	
Evaluate training needs	X					JGDM LED Unit	
Conduct Training sessions	X	X				JGDM LED Unit	
Secure funding to LED support structures	X	X	X	X	X	JGDM LED Unit	
Costs	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance:	Experience:
	Equipment					JGDM, JGDM LED Unit	None
	Marketing						
	Rent						

Running					Human Resources: JGDM Business Development officer and Coordinator
Staff					
Sundries					
Vehicle					
Visits					
Workshops	R 14,200	R 21,300	R 28,400	R 35,500	
TOTAL	R 14,200	R 21,300	R 28,400	R 35,500	

PROGRAMME NAME: Economic infrastructure and Tourism Development										
PROJECT NAME: Tourism Routes										
Description		Objectives:		Indicators of Achievement of Objectives:			(SMART) Is it still relevant? Is it sustainable? Yes/No	Responsible: DM/ LM/ JoGEDA/ Sector Department	Priority: High Medium Low	Resources
Project entails the development of tourism routes in the JGDM based on the recommendations from the Tourism Sector Plan and JGDM LED Strategy		1) Strengthen the N6 and Maluti-Drakensberg scenic routes 2) Upgrade infrastructure along these routes 3) Market the routes to tourists visiting JGDM		1) Two (2) scenic routes are more highly promoted 2) Maintenance of 2 routes is undertaken regularly 3) Increase in number of tourists utilising routes			Yes	JGDM, LM's sector Departments JoGEDA	High	Funds, Human Resource
Project Outputs: 1) Two scenic mountain routes developed 2) Marketing around these routes		Target Groups: - Tourists visiting JGDM - DTO and LTO					Location(s): Joe Gqabi District			
Major Activities:		2015	2016	2017	2018	2019	Responsible Agencies:			
Identify potential mountain routes		X	X				JGDM LED Unit			
Identify tourism products along the routes		X	X				JGDM LED Unit			
Create linkages between product owners along the routes		X	X	X	X	X	JGDM LED Unit			
Upgrade infrastructure along routes			X	X	X	X	JGDM			
Develop rest/picnic/look-out points along the route			X	X			DTO			
Market the routes				X	X	X				
Costs	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance:			Experience:	
	Equipment					JGDM, JGDM LED Unit, CTB, DEDEA, DEAT, MIG			None	

Marketing		R 28,400	R 28,400	R 28,400	other government depts
Rent					
Running					
Staff					Human Resources: JGDM Tourism Unit, Members of DTO and LTO's, Technical services dept., DoRT, Graphic designer, Marketing professional
Sundries		R 369,200	R 156,200	R 113,600	
Vehicle					
Visits					
Workshops					
TOTAL	R 0	R 397,600	R 184,600	R 142,000	

PROGRAMME NAME: Implementation of Prioritized Sector Strategies							
PROJECT NAME: Implement Tourism Marketing and Development Plan							
Description	Objectives:	Indicators of Achievement of Objectives:	(SMART) Is it still relevant? Is it sustainable? Yes/No	Responsible: DM/LM/Sector Department/ JoGeda	Priority: High Medium Low	Resources	
Project entails implementing the Tourism Sector Marketing and Development Plan for the JGDM	1) Implement projects identified in JGDM Tourism Sector Plan 2) Monitor progress of Tourism projects 3) Increase resources to Tourism projects	1) Project progress reports 2) Implemented projects	Yes	JGDM, LM's Sector Departments JoGEDA	High	Funds, Human Resources	
Project Outputs: 1) Implement prioritised tourism projects	Target Groups: - DTO, LTOs - Tourism product owners - JGDM Tourism unit - SMME's			Location(s): Joe Gqabi District			
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:	
Source funding	X					JGDM LED Unit	
Develop Terms of Reference	X					JGDM LED Unit	
Procure service provider	X					JGDM LED Unit	
Implement prioritized projects		X	X	X	X	JGDM LED Unit, DTO	
Monitor project implementation		X	X	X	X	JGDM LED Unit	
Follow monitoring and evaluation framework of strategy		X	X	X	X	JGDM LED Unit	
Costs	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance:	Experience:

<i>(Cost allocations are based on the figures indicated in the JGDM Tourism Marketing and Development Plan)</i>	Equipment					JGDM, JGDM LED Unit, ECTB, DEDEA, DEAT, other government depts.	None
	Marketing						
	Rent						
	Running						
	Staff					Human Resources:	
	Sundries	R 2,023,500	R 3,838,260	R 2,486,420	R 1,549,220	JGDM Tourism Development officer and Coordinator, Members of DTO and LTO's	
	Vehicle						
	Visits						
	Workshops						
	TOTAL	R 2,023,500	R 3,838,260	R 2,486,420	R 1,549,220		

PROGRAMME NAME: Expansion of Rehabilitation								
PROJECT NAME: Expansion of EPWP and Community Works Projects around environmental issues								
Description Project involves expanding the current working for water and working for wetlands projects in the JGDM as a means of increasing poverty alleviation measures and to protect endangered vegetation.	Objectives: 1) Apply to relevant government departments to expand EPWP programmes in JGDM 2) Ensure better coordination between JGDM, DWAF, DEDEA 3) Develop a model to expand poverty alleviation projects 4) Increase number of beneficiaries and working for water sites		Indicators of Achievement of Objectives: 1) Successful application to DWAF/MIG/ Donor org./ other government departments 2) Awarded funds for increased number of EPWP projects 3) Implementation of EPWP		(SMART) Is it still relevant? Is it sustainable? Yes/No Yes	Responsible: DM/LM/ Sector Department/ JoGEDA JGDM, LM's JoGEDA Sector Departments	Priority: High Medium Low High	Resources Funds, Human Resources
Project Outputs: 1) Increase in EPWP projects implemented and expansion of geographical area 2) Increased maintenance of sites 3) Increase number of beneficiaries	Target Groups: - Poor/Unemployed - Youth - Women - People with disabilities				Location(s): Joe Gqabi District			
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:		
Application Meetings		X				Working for Water coordinator		
Research		X				Working for Water coordinator		
Submission of documentation to		X				Working for Water coordinator		

relevant department							
Implement projects			X	X	X	Working for Water coordinator	
Costs	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance: JGDM, DEDEA, DEAT, DWAF, other government depts., donor organizations	Experience: None
	Equipment	R 1,420	R 1,420				
	Marketing						
	Rent						
	Running						
	Staff	R 17,040	R 17,040			Human Resources: Working for Water coordinator	
	Sundries			R 284,000	R 355,000		
	Vehicle	R 2,000	R 2,000				
	Visits						
	Workshops						
	TOTAL	R 20,460	R 20,460	R 284,000	R 355,000		

PROGRAMME NAME: District Institutional Main-streaming								
PROJECT NAME: Identify and Support Strategic Partnerships								
Description Project involves the strengthening of existing forums particular those around LED as well as supporting the establishment of new forums where ones do not presently exist	Objectives: 1) Identify relationships between LED stakeholders in JGDM 2) Strengthen new and existing relationships with technical support, human resources, finance etc.		Indicators of Achievement of Objectives: 1) Number of strategic partnerships identified 2) Number of support sessions held 3) Number of attendees at support sessions 4) Increased interaction, technical and material support to partnerships		(SMART) Is it still relevant? Is it sustainable? Yes/No Yes	Responsible: DM/LM/ Sector Department/ JoGEDA JGDM, LM's Sector Departments JoGEDA	Priority: High Medium Low High	Resources Funds, Human Resources
Project Outputs: 1) Memorandum of understanding between strategic partners 2) Increased budget allocation to forums	Target Groups: - Government departments and local government - District and Local LED forums - LED units and managers - Private sector				Location(s): Joe Gqabi District			
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:		
Identification of partnerships	X					JGDM LED Unit		
Support of new and existing partnerships	X					JGDM LED Unit		
Costs (annual budget allocation of between R 15,000 and R 35,000)	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance: JGDM, JGDM LED Unit, DLGTA, other government depts.	Experience: None	
	Equipment							
	Marketing							

for the support of partnerships)	Rent					Human Resources: JGDM LED Unit
	Running					
	Staff					
	Sundries					
	Vehicle					
	Visits					
	Workshops					
	TOTAL					

PROGRAMME NAME: Economic Infrastructure and Tourism Development								
PROJECT NAME: CBD Revitalization in Primary and Secondary Nodes								
Description	Objectives:		Indicators of Achievement of Objectives:		(SMART) Is it still relevant? Is it sustainable? Yes/No	Responsible: DM/LM/ Sector Department/ JoGEDA	Priority: High Medium Low	Resources
Project involves the revitalization of CBD's in the JGDM's primary and secondary nodes so as to encourage the development of key economic sectors	1) Develop an small town regeneration plan for 2 priority nodes 2) Implement small town regeneration plans for priority nodes		1) Terms of Reference developed 2) Service provider appointed 3) Plans are completed		Yes	JGDM, LM's Stakeholders JoGEDA	High	Funds, Human Resource
Project Outputs:	Target Groups:				Location(s):			
1) Development plans for each priority area with spatial components	- Business located with nodes - SMME's				Joe Gqabi District			
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:		
Terms of Reference developed	X					JGDM LED Unit, JGDM Development Agency		
Service provider appointed	X					JGDM LED Unit, JGDM Development Agency		
PSC established	X					Consultant (economist)		
Plans developed		X				Consultant (economist)		
Infrastructure investment around priority nodes		X	X	X	X	JGDM		
Costs	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance: JGDM, MIG, DoT, DBSA, other government dept.	Experience: - Previous experience in: 1) Urban renewal and small town development	
<i>Infrastructure investment should be</i>	Equipment							
	Marketing							
	Rent							

<i>between R 1.5 million and R 2.5 million per annum from 2016/17 onwards</i>	Running					Human Resources: JGDM LED Unit, JGDM Development Agency, Consultant, JGDM Technical services manager	2) Town planning and urban design - Has conducted similar projects before - Experience in JGDM area - Uses local expertise
	Staff		R 497,000				
	Sundries						
	Vehicle						
	Visits						
	Workshops						
	TOTAL		R 497,000				

PROGRAMME NAME: Economic Infrastructure and Tourism Development									
PROJECT NAME: Signage									
Description	Objectives:				Indicators of Achievement of Objectives:	(SMART) Is it still relevant? Is it sustainable ? Yes/No	Responsible: DM/ LM/ Sector Department/ JoGEDA	Priority: High Medium Low	
Project involves the implementation of the Signage Strategy developed in the JGDM Tourism Marketing and Development Plan and implementation of signage to promote all economic sectors	Develop a Signage Strategy and enforce relevant by-laws 1) Ensure that tourists have knowledge of current location through appropriate signage 2) Ensure Routes in JGDM have proper signage 3) Ensure tourism signs showcase all tourist products available 4) Ensure standardisation and control of signage in JGDM				1) Existing signage upgraded and maintained 2) New signage introduced	Yes	JGDM, LM's Sector Departments JoGEDA	High	
Project Outputs: 1) Increased adequate signage	Target Groups:					Location(s): Joe Gqabi District			
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:			
Identify key signage needs	X					JGDM LED Unit, LM's DTO, SANRAL			
Identify key locations for new signage	X					DTO, LM's			
Evaluate current direction signs and location	X					JGDM LED Unit, LM's			
Install new signage where necessary		X	X	X		JGDM, JGDM LED Unit			
Costs	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance:		Experience:	
	Equipment					JGDM, JGDM LED Unit,		none	

Marketing	R 28,400	R 553,800	R 170,400	R 213,000	SANRAL, ECTB Human Resources: DoRT, LM's, JGDM LED Unit
Rent					
Running					
Staff					
Sundries					
Vehicle					
Visits					
Workshops					
TOTAL	R 28,400	R 553,800	R 170,400	R 213,000	

PROGRAMME NAME: Implementation of Prioritized Sector Strategies							
PROJECT NAME: Review & Implement Agriculture & Forestry Development Plans							
Description	Objectives:			Indicators of Achievement of Objectives:	(SMART) Is it still relevant? Is it sustainable? Yes/No	Responsible: DM/LM/Sector Department/ JoGeda	Priority: High Medium Low
Project entails reviewing and implementing the Forestry & Agric Plans	Review existing plans 1) Implement projects identified 2) Monitor progress of Agric & Forestry projects 3) Increase resources to Agric & Forestry projects			1) Project progress reports 2) Implemented projects	Yes	JGDM, LM's Sector Departments, JoGEDA, Organised Agric	High
Project Outputs:	Target Groups:			Location(s):			
1) Implement prioritised agriculture & forestry projects 2) Undertake Pre-Feasibility 2 priority projects 3) Develop 1 Business Plan for Funding 4) Implement food security projects	- Organised agriculture - PG Bison - Private sector - SMMEs & co-ops			Joe Gqabi District			
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:	
Source funding	x	x	x	x	x	JGDM LED Unit	
Procure service provider	x	x	x	x		JGDM LED Unit	
Implement prioritized projects	x	x	x	x	x	JGDM LED Unit; Organised Agriculture; private sector; DRDLR, DRDAR, SEDA	
Monitor & evaluate project implementation using M&E framework	x	x	x	x	x	JGDM LED Unit; Organised agriculture	
Costs	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance:	Experience:
	Equipment					JGDM; JoGEDA; DRDLR; DRDAR;	

<i>(Cost allocations are based on the figures indicated in the Forestry & Agriculture Plans)</i>	Marketing					SEDA other government depts.	None
	Rent						
	Running						
	Staff					Human Resources: JGDM; JoGEDA; DRDLR; DRDAR; DsocDev; DAFF; other government depts.	
	Sundries						
	Vehicle						
	Visits						
	Workshops						
	TOTAL	R 0	R 0	R 0			

PROGRAMME NAME: Investment Conducive Strategy Creation							
PROJECT NAME: Roll Out the Business Retention & Expansion Strategy							
Description	Objectives:	Indicators of Achievement of Objectives:	(SMART) Is it still relevant? Is it sustainable? Yes/No	Responsible: DM/LM/Sector Department/ JoGeda	Priority: High Medium Low	Resources	
To stimulate local economic development and create employment opportunities by retaining and expanding existing businesses	1) Create new enterprises 2) Attracting businesses from outside 3) Retain & grow existing businesses 4) Create an enabling regulatory environment	1) New businesses are being established 2) Existing businesses are prospering 3) Business surveys are conducted regularly 4) Implementation of outcomes of surveys	Yes	JGDM, LM's Sector Departments, JoGEDA, LED Forums, Organised Business	High	Funds, Human Resources	
Project Outputs: Undertake 2 BRE exercises across the DM	Target Groups: - private sector business			Location(s): Joe Gqabi DM			
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:	
Source funding	x					IDC	
Procure service provider	x	x				JGDM LED Unit	
Develop an action plan per LM		x				Participating LMs	
Monitor implementation			x	x	x	Volunteers	
Costs <i>(Cost allocations are based on the figures indicated in the Forestry & Agriculture Plans)</i>	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance: JGDM; JoGEDA; relevant sector departments	Experience: None
	Equipment						
	Marketing						
	Rent						
	Running						
	Staff					Human Resources:	

Sundries	R 284,000	R 284,000			JGDM; JoGEDA; relevant sector departments
Vehicle					
Visits					
Workshops					
TOTAL	R 284,000	R 284,000	R 0	R 0	

PROGRAMME NAME: District Economic Support Mechanisms									
PROJECT NAME: Anti-Poverty Strategy									
Description	Objectives: Reduce the incidence of poverty To prevent the reproduction of poverty within households and communities Contribute to addressing poverty in an integrated and holistic manner Transfers resources to the poor, empowerment and enhanced access and ownership by the poor			Indicators of Achievement of Objectives: 1) Project progress reports 2) Implemented projects		(SMART) Is it still relevant? Is it sustainable? Yes/No Yes	Responsible: DM/LM/Sector Department/ JoGeda JGDM, LM's Sector Departments	Priority: High Medium Low High	Resources Funds, Human Resources
Project Outputs: 1) Community mobilisation & co-ordination 2) Early childhood development 3) Integrated Nutrition & Food Security 4) Micro-credit & savings programme		Target Groups: Local (impoverished) communities Women Children SMMEs & co-ops		Location(s): Joe Gqabi DM					
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:			
Source funding	x	x	x	x	x	JGDM LED Unit			
Procure service provider	x	x	x	x		JGDM LED Unit			
Implement prioritized projects	x	x	x	x	x	JGDM LED Unit; DoSDEV ,DRDLR, DRDAR, SEDA			
Monitor & evaluate project implementation using M&E framework	x	x	x	x	x	JGDM LED Unit			
Costs	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance:		Experience:	

DRDAR 2014/2015 R1.8m Food Security & Nutrition programme DoSDEV R2m	Equipment					JGDM; Elundini LM; dti, DRDLR; DRDAR; SEDA, ECATU; DWA, other government depts.	None
	Marketing						
	Rent						
	Running						
	Staff						
	Sundries						
	Vehicle						
	Visits						
	Workshops						
TOTAL		R 0	R 0	R 0	R 0	Human Resources: JGDM; Lms; ECATU, DRDLR; DRDAR; DsocDev, DWA, other government depts.	

PROGRAMME NAME: Implementation of Prioritized Sector Strategies									
PROJECT NAME: Develop a Regional Sustainable Energy Strategy									
Description Assessing the area's potential Provide an overview of energy efficiency technologies available to local government, and suitable for local application	Objectives: Assess area's potential Identify appropriate technologies Develop a strategy for implementation				Indicators of Achievement of Objectives: 1) Strategy developed 2) Project progress reports 3) Implemented projects	(SMART) Is it still relevant ? Is it sustainable? Yes/No Yes	Responsible: DM/LM/Sector Department/ JoGeda JGDM, LM's, Sector Departments, JoGEDA, DEDEAT	Priority: High Medium Low High	Resources Funds, Human Resources
Project Outputs: Motivation & alignment with existing strategies Assess potential of RE and EE technologies specific to the region Local policy regulations and barriers Target setting Action Planning Implementation Monitoring and Reporting	Target Groups:				Location(s): Joe Gqabi District				
Major Activities:	2015	2016	2017	2018	2019	Responsible Agencies:			

Source funding	x	x	x	x	x	JGDM LED Unit; DEDEAT	
Develop Strategy	x	x	x	x		JGDM LED Unit; DEDEAT	
Implement prioritized projects	x	x	x	x	x	JGDM LED Unit; Lms; private sector; DEDEAT	
Monitor & evaluate project implementation using M&E framework	x	x	x	x	x	JGDM LED Unit; DEDEAT	
Costs	Budget	2015/16	2016/17	2017/18	2018/19	Source of Finance:	Experience:
	Equipment					DEDEAT; JGDM, other government depts. private sector	None
	Marketing						
	Rent						
	Running						
	Staff						
	Sundries						
	Vehicle						
	Visits						
	Workshops						
	TOTAL	R 0	R 0	R 0	R 0		

