



Section D Strategies





4.1 MUNICIPAL VISION AND MISSION

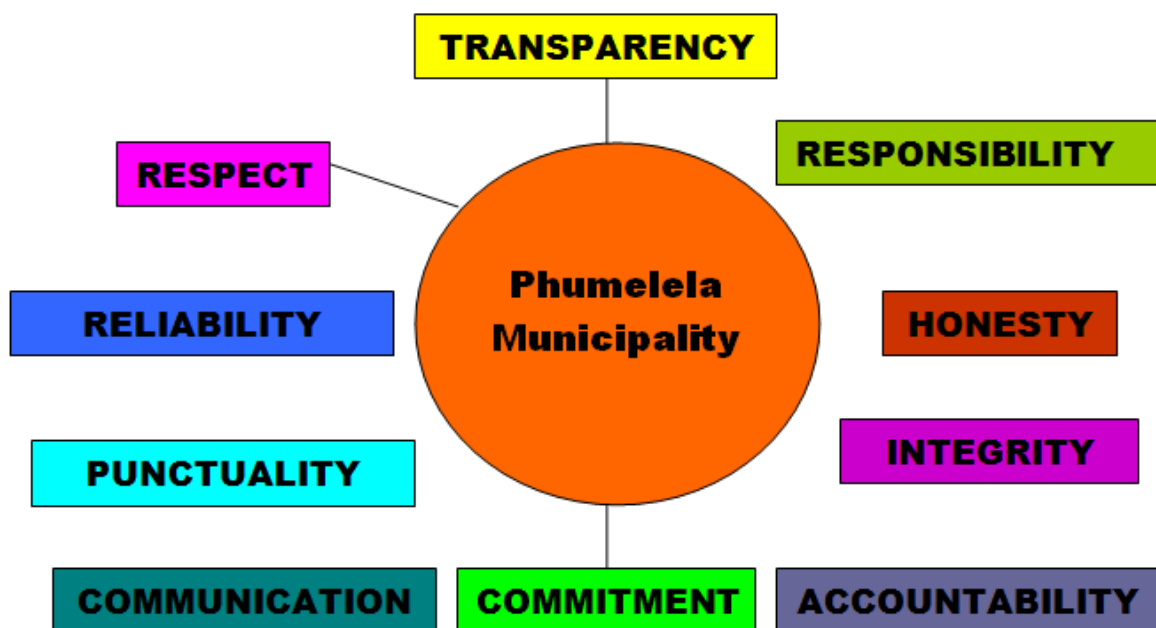
Vision Statement

Well governed, peaceful and prosperous local municipality where all residents actively benefit from sustainable economic growth, service delivery, health and education”.

Mission Statement

Maintain highly committed and motivated politicians and employee’s who are prepared to serve communities by ensuring quality service delivery, financial viability and accountability, manage assets and resources efficiently as well as to encourage community participation in developmental initiatives.

Figure 4.1: *Values of the Phumelela Local Municipality*





4.2

Basic Service Delivery & Infrastructure



4.2.1 PRIORITY 1: WATER

(1) Assessment of the Water Services Development Plan (WSDP)

The municipal Water Services Development Plan (WSDP) is a key document to be considered when strategies for water, sanitation and waste water management are formulated. It is therefore important to reflect on the credibility of the WSDP of the Phumelela Local Municipality. This will be done on the hand of the Department of Water Affairs's assessment of the status of the Phumelela Municipality's.

With the publication of the Water Services Act 108 of 1997, all water services authorities are required to prepare a Water Services Development Plan (WSDP). The WSDP is a business plan setting out the way in which the water services authority plan and deliver water services to individuals and businesses in its area of jurisdiction. It must also describe the current and future consumer profile, the type of services, which are provided, the infrastructure requirements, a water balance, organisational and financial arrangements to be used, an assessment of the viability of the approach, and an overview of environmental issues¹.

Table 4.2: WSDP Status Report (1)

The Department of Water Affairs classified the Municipality's WSDP as *interim / working document*.

Water Services Authority Name	Type	Interim (Working document)	Draft (Pre public comments)	Draft (Post public comments)	Adopted
Thabo Mofutsanyane District municipality - [DC19]	DM / WSA	x			
» Setsoto Local Municipality - [FS191]	LM / WSA	x			
» Dihlabeng Local Municipality - [FS192]	LM / WSA	x			
» Nketoana Local Municipality - [FS193]	LM / WSA	x			
» Maluti a Phofung Local Municipality - [FS194]	LM / WSA			X	
» Phumelela Local Municipality - [FS195]	LM / WSA	x			No

The WSDP must be made available to the public and other stakeholders for comments. This facility allows the WSDP administrators to keep track of comments and/or change the status of the document.

¹Source: <http://www.capetown.gov.za/en/Water/Pages/WaterServicesDevelopmentPlan.aspx>



Table 4.3: WSDP Status Report (2)

Hardcopy Status	Date Received	Relevant Year	Version	Hardcopy Type
Adopted	14 August 2002	2001/02		Hardcopy document submitted
Draft (Pre public comments)	12 February 2004	2003/04		Hardcopy document submitted
Draft (Pre public comments)	18 May 2004	2002/03		
Interim (Working document)	18 October 2005	2004/05	Basic Level WSDP in final stages of completion. Official handover ceremony to WSA scheduled to take place on 18 October 2005. Hardcopy and electronic copy will be handed over to DWAF regional office on the same day.	
Interim (Working document)	31 March 2006	2005/06	Draft WSDP (Pre public comments) due end of March 2006	
Interim (Working document)	14 November 2007	2007/08	The Local Municipality still make use of 2004/2005 WSDP version.	Both
Interim (Working document)	16 April 2009	2008/09	The WSA is still using 2004/5 WSDP document and there are no signs of improvements in this WSA. Intervention is required as no WSDP enhancement is initiated.	Both

(2) Framework for Strategy Formulation

The Phumelela Local Municipality is a Water Services Authority. After December 2000 elections, South Africa saw the establishment of Water Services Authorities throughout the country in terms Water Services Act, Act No 108, 1997. The WSAs were to take over some of the functions that were done by the Department of Water Affairs and Forestry. In terms of Municipal Systems Act, the municipalities must undergo the process of Section 78 Assessment (Internal and External), which is the process of checking the capacity as far as service provision is concern. Section 12 of the Water Services Act, Act No 108 requires WSAs to prepare Water Services Development Plans which are 5 year plan for the provision of Water and Sanitation to their respective area of jurisdiction².

According to the Draft White Paper on Water Services (October 2002) Government's objectives for water services include:

- improving access to, and affordability and reliability of, water and sanitation services for both households and firms; with a special focus on sustainable access to safe and adequate clean water and sanitation for the poor;
- improving governance of sector institutions;

² Source: <http://amajuba.gov.za/wsa> (web site of the Amajuba District Municipality)



- ❑ mobilising government funds to focus on the pressing needs of the poor and increasing other investments by reducing risks associated with private sector financing;
- ❑ building effective institutions and developing skills and knowledge for the effective and efficient operation of water and sanitation services; and
- ❑ promoting community and user involvement in infrastructure construction, maintenance and management, especially in poor urban and rural areas, as part of establishing developmental local government.

Water services are defined as follows:

Water supply services means the abstraction from a water resource, conveyance, treatment, storage and distribution of potable water, water intended to be converted to potable water and water for industrial or other use, where such water is provided by or on behalf of a water services authority, to consumers or other water services providers. This includes all the organisational arrangements necessary to ensure its provision including, amongst others, appropriate health, hygiene and water resource-use education, the measurement of consumption and the associated billing, collection of revenue and consumer care.

Sanitation services means the collection, removal, disposal or treatment of human excreta and domestic wastewater, and the collection, treatment and disposal of industrial wastewater where this is done by or on behalf of a water services authority. This includes all the organisational arrangements necessary to ensure its provision including, amongst others, appropriate health, hygiene and water resource-use education, the measurement of consumption and the associated billing, collection of revenue and consumer care.



Map 4.3: Water Services Authorities

(Source: Housing Atlas, Department of Housing [www.doh.gov.za])

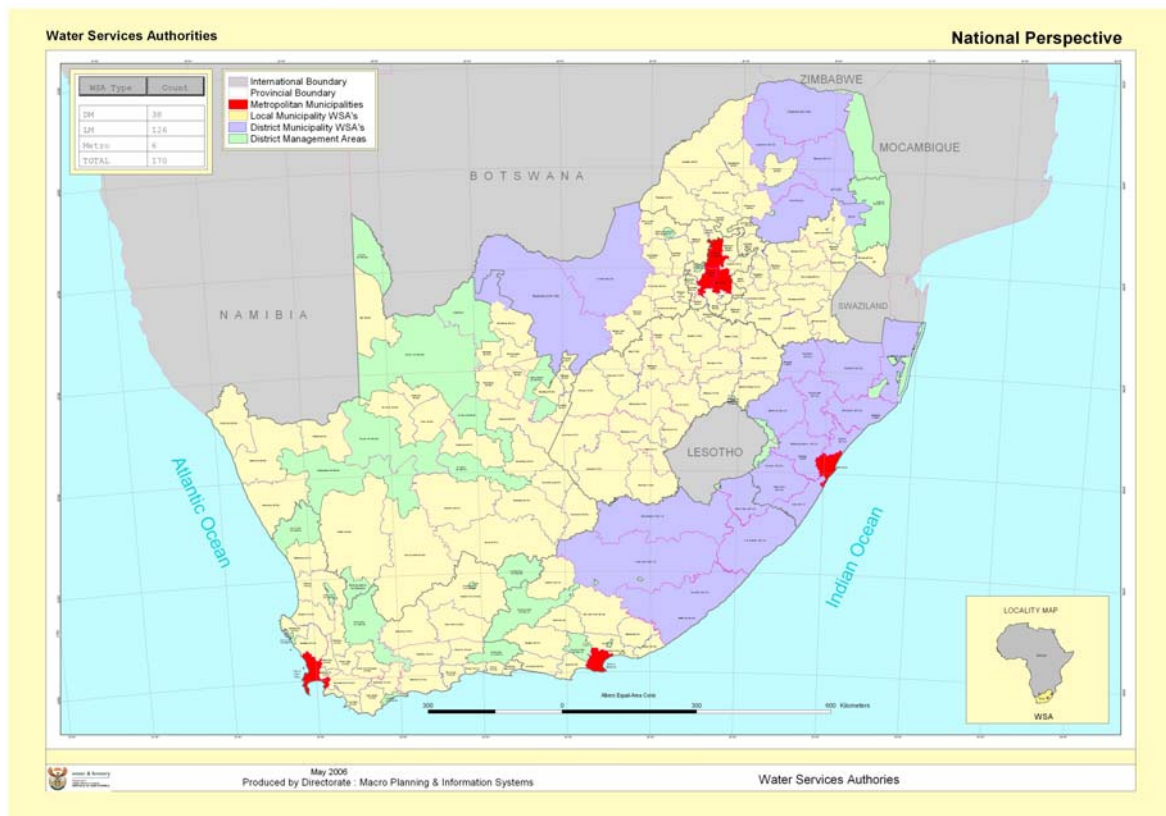


Table 4.4: Free State WSA Status List

(Source: Water Affairs Information Database)

Water Service Authority	Households	Served	%	Poor	Served	%	Providing
Dihlabeng Local Municipality (FS192)	37,182	30,130	81.0%	16,368	16,266	99.4%	YES
Kopanonong Local Municipality (FS162)	19,458	16,437	84.5%	14,336	14,336	100.0%	YES
Letsemeng Local Municipality (FS161)	13,541	11,544	85.3%	8,435	8,435	100.0%	YES
Mafube Local Municipality (FS205)	16,211	16,211	100.0%	10,792	10,792	100.0%	YES
Maluti a Phofung Local Municipality (FS194)	98,545	98,545	100.0%	56,639	56,639	100.0%	YES
Mangaung Local Municipality (FS172)	204,104	168,875	82.7%	86,307	86,306	100.0%	YES
Mantsopa Local Municipality (FS173)	15,296	13,256	86.7%	13,166	12,134	92.2%	YES
Masilonyana Local Municipality (FS181)	18,321	18,321	100.0%	13,445	13,445	100.0%	YES
Matjhabeng Local Municipality	125,697	125,489	99.8%	64,552	64,454	99.8%	YES



(FS184)							
Metsimaholo Local Municipality (FS204)	35,677	34,996	98.1%	14,310	14,309	100.0%	YES
Mohokare Local Municipality (FS163)	10,216	8,948	87.6%	8,820	8,328	94.4%	YES
Moqhaka Local Municipality (FS201)	45,087	39,824	88.3%	13,047	13,047	100.0%	YES
Nala Local Municipality (FS185)	28,882	28,882	100.0%	21,213	21,213	100.0%	YES
Naledi Local Municipality (FS171)	8,422	8,422	100.0%	5,869	5,869	100.0%	YES
Ngwathe Local Municipality (FS203)	34,889	34,722	99.5%	24,314	24,314	100.0%	YES
Nketoana Local Municipality (FS193)	16,061	16,061	100.0%	13,402	13,402	100.0%	YES
Phumelela Local Municipality (FS195)	13,257	13,257	100.0%	8,079	8,079	100.0%	YES
Setsoto Local Municipality (FS191)	36,363	36,363	100.0%	24,276	24,276	100.0%	YES
Thabo Mofutsanyane District municipality (DC19)	38	0	0.0%	0	0	N/A	NO
Tokologo Local Municipality (FS182)	9,918	9,918	100.0%	7,631	7,631	100.0%	YES
Tswelopele Local Municipality (FS183)	13,511	13,511	100.0%	10,242	10,242	100.0%	YES
Total	800,675	743,709	92.9%	435,244	433,517	99.6%	

The strategic priority framework for water services in South Africa is well captured in the remarks of the Director-General of the National Department of Water Affairs in his introduction to the Department's Strategic Plan³:

(a) Ensuring sustainable and equitable water resources management

Under this strategic goal,

- focus will be given to the forecasting and balancing of water demand and supply through the implementation of the four river systems plans to reconcile water requirements and available resources;
- secondly, to ensure adequate information and knowledge to sustainably manage water resources through the implementation of the Water for Growth and Development Framework;
- thirdly; to improve water use efficiency through the implementation of the water conservation and demand management;
- We will also ensure the improvement of water resource quality as well as protect the water resource quality and quantity.

(b) Ensure universal access to safe and affordable basic water

Key deliverables in this area will be to ensure water service delivery through the implementation of policies and regulation with specific emphasis on providing support to municipalities and also implement the resolutions taken during the Municipal Indaba held in September 2008. The regulation of water services authorities through the implementation of the comprehensive Monitoring and Evaluation system will also be of great significance.

(c) Build, operate and maintain infrastructure

This strategic goal mainly focuses on the water resources infrastructure that we will develop, construct, manage, refurbish and rehabilitate to ensure that they do not become dilapidated. Initiatives to be implemented relates to the implementation of new bulk infrastructure to meet social needs, economic growth and development. Focus will also be placed on the operation and maintenance of water resources to ensure bulk supply of raw water as well as water

³ Strategic Plan 2009-2014; National Department of Water Affairs (Ms P.B. Yako Director-General: Department of Water Affairs)



supply and demand. Regional bulk schemes will be implemented in all the provinces and also to ensure that all schemes such as dams, canals and pump stations are fully functional.

(3) *Key legislative mandates*

Water Services Act, 1997 (Act No. 108 of 1997)

The objective of the Act is to provide for the rights of access to basic water supply and basic sanitation by setting national standards and norms. Section 156, read in conjunction with Part B of Schedule 4 of the Constitution of the Republic of South Africa (Act 108 of 1996) vests the executive authority and responsibility to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

National Water Act, 1998 (Act No. 36 of 1998)

The objective of the Act is to ensure that South Africa's water resources are protected, used, developed, conserved, managed and controlled in a sustainable and equitable manner, for the benefit of all persons. The Act provides that the National Government, as the public trustee of the nation's water resources and acting through the Minister of Water Affairs and Forestry, has the power to regulate the use, flow and control of all water in the Republic

Water Research Act, 1971 (Act No. 34 of 1971)

To provide for the promotion of research in connection with Water Affairs and, for that purpose, to establish the water Research Commission and Water research fund, the Minister of Water affairs and Forestry appoints members of The Commission and exercise executive oversight in regard to The Commission.

(4) *Access to Water*

National Government's targets in respect of access to water:

Goal
All households to have basic level of water by 2014.
Indicator
Number of households receiving basic level of water supply.
Definition
<input type="checkbox"/> Higher level of service includes piped water inside dwelling. <input type="checkbox"/> Basic level of service includes piped water inside yard and piped water within 200m.



Data source
<ul style="list-style-type: none"> <input type="checkbox"/> Stats SA, Census 2001. <input type="checkbox"/> Stats SA, GHS – July 2007 survey based on households. <input type="checkbox"/> Stats SA, Community Survey February 2007 based on households. <input type="checkbox"/> DWEA ,2008, data based on updated census 2001 (households). <input type="checkbox"/> Municipal Source, 2009, data gathered via comprehensive infrastructure planning in April 2009.

(Source: Basic Services – Publication, comparative information on basic services – 2009 (Department of Co-operative Government and Traditional Affairs)

Current Situation:

Table 4.5: Situation Analysis: Water

Core Issue	Description
Sufficient Bulk water supply	Bulk supply of water sources as well as the maintenance of storage and purification infrastructure and equipment (especially in Warden) should enjoy highest priority as this would be the biggest direct threat of being able to provide sufficient potable water to households.
Individual connections	The continuous individual connection of erven to available reticulation networks is the most direct activity of providing water to households. Although other resource constraints exist, such connections should not be neglected as a result and should receive constant implementation.
Water provision to Rural areas	The farm workers in Phumelela have difficulties in obtaining water from the farmers, resulting in them having to travel long distances to get water and transport it to their homes. The intention is that councillors/officials should engage in negotiations with the farmers to try and persuade them to provide water to their workers

(5) Free Basic Services⁴

The primary intended recipients of free basic water are poor households. Although there is a broader policy commitment to the extension of free basic services to *all* households the primary target of the policy is poor households for whom free basic services represent a significant poverty alleviation measure.

⁴ Source: Department of Water Affairs and Forestry: Chief Directorate : Water Services - 'FREE BASIC WATER' - Implementation Strategy Document (Version 1, May 2001 - Prepared by Palmer Development Group, for the Directorate : Interventions And Operations Support)



There is no commonly accepted definition of poverty in South Africa. A straightforward approach to defining poor households is one based on income. Households below a certain level of monthly income can be classified as 'poor'. There are certain problems with this approach, however, as well as with the actual identification of such households. At present the Equitable Share of national revenue transferred to local government is based largely on income level as an indicator of poverty (currently R800 a month but likely to increase in the near future). This definition will be the default definition of poor households unless otherwise specified.

The national policy does not define 'poor' and local governments will have an important role to play in defining local poverty indicators and identifying which households fall within the local definition. Local and international experience indicates that it is appropriate that local authorities continue to have primary responsibility for defining poverty thresholds and identifying such households. It is likely that due to cost differences across the country and due to other local issues (such as seasonal unemployment in some areas) those specific local poverty indicators will be more appropriate than national indicators.

Volume of water – what is a basic amount

South African standards relating to a 'basic' level of water supply, that is, a level sufficient to promote healthy living, come from the World Health Organisation standard of 25 litres per person per day. This amounts to about 6 000 litres per household per month for a household of 8 people. This volume of 6 000 litres per month has therefore been set as the target as a 'basic' level for all households in South Africa.

Again it needs to be recognised that local authorities should still have some discretion over this amount. In some areas they may choose to provide a greater amount, while in other areas only a smaller amount may be possible. For example, in some remote areas with scattered settlements, high water costs, and water stressed areas it is often not feasible to provide 6 000 litres of water. In such cases a 'basic' level could be related to the technology which is suited to serving the area (handpumps or boreholes for example). In some areas where poor households have waterborne sanitation the total amount of water seen as a 'basic' supply may need to be adjusted upwards (if financially feasible) to take into account water used for flushing. Some local authorities, where affordable, have already defined free basic water as 9 000 litres per month to take into account waterborne sanitation.

(6) Water Infrastructure

Strategic Framework from the WSDP:

Table 4.6: Strategic Framework: WSDP	Bulk Connector Infrastructure
Internal Infrastructure	Internal Infrastructure
<i>Objective:</i> To provide RDP standards of water supply to all residents in urban and rural areas with metered connections to all formal sites	<i>Objective:</i> To ensure provision of sufficient bulk water within the next 2 years



Table 4.6: Strategic Framework: WSDP Internal Infrastructure	Bulk Connector Infrastructure
<p>Strategies: Provide individual connections through the implementation of an approved water tariff structure on formal sites Reducing water losses through effective metering and maintenance Provide water to rural communities through systematic approach</p>	<p>Strategy: Upgrade and maintain bulk infrastructure according to a systematic schedule while addressing current problems first</p>
<p>Projects: Network extensions and upgrading Extension of individual connections Rural water provision</p>	<p>None</p>
<p>Critical Issues: <i>Vrede</i> Upgrading of network and internal network <i>Thembalihle (Vrede)</i> Provision of main network to unserved areas <i>Memel</i> Provision of main network to unserved new areas and upgrading of internal water networks <i>Vrede/Memel/Warden</i> Urgent and adequate provision of hydrants in all urban areas</p>	<p>None</p>

Due to the fact that the WSDP has not been reviewed periodically, the activities and projects indicated in it were finalized and not relevant any more. The objectives, activities, projects and targets in this IDP have therefore been adjusted to reflect the current realities in the municipal area.

Current Situation:

Table 4.7: Situation Analysis: Water (Capital)

Core Issue	Description
Maintenance and upgrading of equipment	Maintenance and upgrading of equipment will facilitate the constant and uninterrupted provision of water services. Proper equipment will also ensure a long term cost saving through maintenance rather than constant replacement.
Management of Capital projects	The municipality does not have the capacity to design and management large capital projects yet. Constant effort should be made increase internal capacity to monitor and manage such projects to ensure compliance with internal planning and constantly becoming less dependent.



(7) Water Quality

The Department of Water Affairs has developed a hierarchy of water quality management decision-taking that could be utilized by municipalities to work towards blue-drop water quality status. This hierarchy is as follows:

Prevention of Pollution

Prevent waste production and pollution of water resources wherever possible.
"Prevention is better than cure"

Minimisation of Pollution at Source

Minimise unavoidable waste production through:

- Recycling/ Re-use of waste or water containing waste;
- Detoxifying;
- Neutralisation; and/ or
- Treatment of waste streams; and/ or
- Introduction of cleaner technologies and best management practices ("Housekeeping").

Disposal of Waste and/or Discharge of Water Containing Waste According to the Precautionary Principle

If there exists no alternatives to the disposal of waste and/ or the discharge of water containing waste, the precautionary principle applies.

- In the instance of the discharge of water containing waste, the Waste Discharge Standards, as set by the Department of Water Affairs and Forestry (currently the General, Special and Special Standards for Phosphate), applies as the minimum requirement.
- In the instance of the disposal of waste, the Minimum Requirements for waste disposal, as set by the Department of Water Affairs and Forestry, applies as the minimum requirement.

(Such disposal of waste and/ or discharge of water containing waste will only be allowed if the receiving environment has the capacity to assimilate the additional waste load.)

Disposal of Waste and/or Discharge of Water Containing Waste According to the Differentiated Approach

If the minimum requirements, mentioned above, are insufficient to ensure the fitness for use of the receiving water environment, stricter standards will be enforced in accordance with the differentiated approach.

Relaxation from compliance with the minimum requirements, mentioned above, will only as a last resort be considered if the receiving environment has the capacity to assimilate the additional waste load. Relaxation would have to be justified on the basis of technology, economic and socio-political considerations.

The differentiated approach takes account of catchment specific conditions and includes the determination of Resource Quality Objectives (RQOs), Resource Water Quality Objectives (RWQOs) and the setting of standards that must ensure compliance to both RQOs and RWQOs. The levels at which the above in-stream objectives will be



set; will be determined through the application of a Management Classification System for the particular water resource.

In summary, the criteria for being awarded blue drop status are as follows:⁵

- (1) Comprehensive, preventative DWQ management is practiced according to a Water Safety Plan. Plans reviewed every 3 years.
- (2) Compliance with Regulation 2834 under the Water Act, 1956 (under revision - Reg 17 of the Water Services Act, 1998):
 - Water treatment works, Process Controllers & Supervisors classified & registered;
 - The WTW have a site-specific Operator's Manual to guide Process Controllers;
- (3) Suitable monitoring programme (in accordance with the requirements of SANS 241)- Monitoring includes operational & compliance monitoring. Samples taken & analysed according to the monitoring programme;
 - This monitoring programme must be representative of a minimum of 80% of the population served in the town and/or the volume of water supplied;
 - The monitoring programme must be registered with DWAF
 - (1) Samples are analysed in laboratories which are either ISO/IEC 17025: 2005 accredited or are DWAF-approved per method of analysis;
 - (5) All results from the monitoring programme must be submitted to DWAF at a monthly frequency; DWQ results must comply with the requirements of SANS 241 (latest version);
 - (6) The water supplied to the town must be classified as EXCELLENT;
 - (7) An Incident Management Protocol must exist to guide the WSAs response to resolution & communication of DWQ failures;
 - (8) Performance against the latest version of SANS 241 must be reported and published at an annual frequency.
 - Treatment processes & infrastructure must be managed, including:
 - Annual process audit of works
 - Asset Management Inspection of the system every 5 years
 - Evaluation of maintenance costs versus operating costs
 - Evaluation of actual maintenance costs versus budgeted maintenance costs
 - Assessment of the water treatment works design and operating capacity

Current Drinking Water Quality Status of South Africa.

Table 4.8: Compliance percentages are calculated only from submitted data

Source: Department of Water Affairs (www.dwaf.gov.za)

Province	Submission Ratio*		Microbiological Compliance*		Chemical Compliance*			
					Health*		Non Health*	
	Sept 09	Oct 09	Sept 09	Oct 09	Sept 09	Oct 09	Sept 09	Oct 09
Eastern Cape	1 : 12,753	1 : 10,453	94%	88%	100%	97%	93%	90%
Free State	1 : 10,884	1 : 10,101	97%	100%	100%	100%	99%	99%
Gauteng	1 : 12,960	1 : 12,684	100%	99%	99%	99%	100%	100%

⁵ Water & Waste Water Management –Challenges & Solutions, Dept of Water Affairs: Water Services Regulation-blue & green certification process



🇰🇼 Kwazulu-Natal	1 : 14,682	1 : 15,736	97%	97%	99%	99%	93%	95%
Limpopo	1 : 10,615	1 : 11,826	97%	98%	96%	99%	99%	94%
🇵🇹 Mpumalanga	1 : 12,401	1 : 15,245	94%	87%	99%	98%	96%	94%
🇳🇷 North West	1 : 19,497	1 : 75,204	96%	100%	98%	100%	94%	100%
🇳🇨 Northern Cape	1 : 3,184	1 : 3,705	91%	93%	96%	100%	87%	97%
🇿🇦 Western Cape	1 : 9,586	1 : 11,033	98%	98%	87%	90%	93%	96%
National	1 : 11,795	1 : 12,558	97%	96%	97%	97%	96%	96%

Submission Ratio*

The number of sites that submitted results in relation to the total population with access to water. The SANS 241 Std requires a minimum of 1 : 10 000 Ratio.

Microbiological Compliance*

Microbial water quality is the state of the water with respect to the absence (good water quality) or presence (poor water quality) of micro-organisms. Microbial water quality is usually indicated by reporting the count (number) of indicator organisms present in a given volume of water. SANS 241 requires a 97% compliance

Chemical Compliance Health*

Physical: Water Quality properties determined by intrinsic characteristics which include conductivity, pH and turbidity.
Organoleptic: Determinants that affects the smell, taste and appearance of water. Chemical water quality refers to the nature and concentration of dissolved substances such as salts, metals and organic chemicals. All determinants with a possible threat to health are listed. SANS 241 requires a minimum 85% compliance.

Chemical Compliance Non Health*

Physical: Water Quality properties determined by intrinsic characteristics which include conductivity, pH and turbidity.
Organoleptic: Determinants that affects the smell, taste and appearance of water. Chemical water quality refers to the nature and concentration of dissolved substances such as salts, metals and organic chemicals. In this category all determinants listed have no threat to human health. SANS 241 requires a minimum 85% compliance.

(8) Water Losses

The direct responsibility for reducing water loss is that of the various Water Services Authorities and Water Services institutions. However, the Department of Water Affairs and Forestry has taken a number of steps to promote the reduction of water loss both in terms of regulatory functions and the support and promotion of water efficiency and conservation, through policy and guidelines as well as case studies and project intervention.

Regulatory functions

A number of clauses in the regulations promulgated under section 9(1) of the Water Services Act, 1997 (Act 108 of 1997) are aimed at the reduction of water loss. Of key significance is clause 11(2)(b), which requires water services institutions within two years of the promulgation of the regulations, to take steps to reduce the quantity of water unaccounted for.



One of the key evaluation requirements for water use authorisations required under the National Water Act, 1998 (Act 36 of 1998) is the level of water use efficiency.

As part of the Water Services Development Plan (WSDP), Water Services Authorities have to report on various aspects and activities regarding water use efficiency and the reduction of water loss. My Department evaluates and comments on these WSDPs.

(Formal oral reply by the then Minister of Water Affairs and Forestry in response to a question by S. Simmons in the National Assembly regarding water quality [June 2003] – Internal Question Papers 32).




(9) Development Strategies: Water

Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Medium Term Outcomes: 10 Years +	Projects	Budget Alignment
Access to water: National targets	National Goal (Vision 2014) Strategic Objective 1.1 <input type="checkbox"/> All households to have basic level of water by 2014.	National service delivery target: Vision 2014	Indicator _ Number of households receiving basic level of water supply. Definition _ Higher level of service includes piped water inside dwelling. _ Basic level of service includes piped water inside yard and piped water within 200m. Indicator _ Number of households below basic level of water supply. Definition _ Below basic level constitutes backlogs and includes, piped water further than 200m, springs, rain water tanks, dam/pool/stagnant water and water vendors.	<input type="checkbox"/> All households in formal residential areas have access to basic water <input type="checkbox"/> The need lies with the informal settlements <input type="checkbox"/> Movement of people make it difficult to formalise informal settlements. <input type="checkbox"/> New township developments are provided with basic infrastructure.	Provide clean, drinkable water to all households in formal areas in the municipality	100% households in formal urban areas access required level of service	100% households access required level of service Maintain. Formalise informal settlements to bring within the scope of the definition intended by the national goal		



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Medium Term Outcomes: 10 Years +	Projects	Budget Alignment
Access to water: National targets	National Goal (Vision 2014) Strategic Objective 1.2 All indigent households to have access to Free Basic Water by 2014.	National service delivery target: Vision 2014	Indicator <input type="checkbox"/> Number of indigent households receiving Free Basic Water. Definition <input type="checkbox"/> An amount of water determined by government that should be provided free to poor households to meet basic needs, currently set at 6kl per month per household.	<input type="checkbox"/> Indigent Register has been updated and finalised – will be maintained. <input type="checkbox"/> Free basic services are rendered to registered indigents. <input type="checkbox"/> Water atriff structures has been finalised (uniform system that includes a flat rate)	Indigent Register to be regularly updated and maintained.	Uninterrupted provision of clean, potable water to indigent communities	All members of the communities that qualify must have access to free basic water according to Government's policies and targets		
Water Services Development Plan	Strategic Objective 1.3: To review and approve the Water Services Development Plan according to legislative requirements	Requirement of the Water Services Act, 1997 (s. 23) WSDP required to access water grants	<input type="checkbox"/> Regulatory and statutory requirements for the compilation of a WSDP	<input type="checkbox"/> Municipality not sure what water use is. <input type="checkbox"/> Users patterns must be determine before water infrastructure requirements could be determined.	Short-term initiative: Finalisation of Water Masterplan	Compile WSDP according to regulatory requirements	Water provision and infrastructure maintenance according to WSDP		



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Medium Term Outcomes: 10 Years +	Projects	Budget Alignment
Water quality	Strategic Objective 1.4: To ensure that acceptable water quality (DWAF standards) is maintained at all times	 Blue drop accreditation requirements	<input type="checkbox"/> Requirements for blue drop accreditation <input type="checkbox"/> Train the communities about awareness when dealing with water <input type="checkbox"/> Policy approach: Existing sources must be used efficiently	<input type="checkbox"/> Work towards blue drop status, but not yet achieved <input type="checkbox"/> Acceptable minimum quality water <input type="checkbox"/> Selective areas subject to contamination: leaking toilets, old pipes, contaminated surface water	Launch continuous training and awareness campaigns within the community relating to water management and conservation: 1 per quarter (4 per year)	Launch continuous training and awareness campaigns within the community relating to water management and conservation: 1 per quarter (4 per year) Water Demand Management Plan	Blue drop status	Purify own water (R500,000) – funds not available	
			Results of monthly tests meet the quality standards set by DWAF	Daily quality tests	Continuous monitoring of water quality against DWAF standards	Continuous monitoring of water quality against DWAF standards	Continuous monitoring of water quality against DWAF standards		
Unaccounted for water (water losses)	Strategic Objective 1.5: To reduce and limit unaccounted for water losses	WSDP / MIG	Old meters	Awareness campaigns about leakages	Concentrate on regularly testing extension of greater than 50mm Awareness campaigns about leakages	Reduce water losses to below 20% (100% reading according to schedule)	Reduce water losses to below 20% (100% reading according to schedule)	Upgrading of all meters and extension to areas where there are no meters Awareness regarding water management and	



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Medium Term Outcomes: 10 Years +	Projects	Budget Alignment
Uninterrupted water supply	Strategic Objective 1.6: To ensure uninterrupted water supply to all formal settlements	WSDP / MIG	<input type="checkbox"/> Adequate water source <input type="checkbox"/> Possible extension of water reticulation works	Dam at Warden not capable of providing water (quality and quantity) required.	Get conclusion from Water Affairs about the Project	Reliable water source for sustainable water provision	Reliable water source for sustainable water provision	conservation Replacement of dam at Warden upgrade of water treatment works Memel Water Works	



4.2.2 PRIORITY 2: SANITATION

(1) *Framework for Strategy Formulation*

Principles

According to a publication by the United Nations Environment Programme (UNEP)⁶ there are ten basic principles for planning and implementing a successful municipal waste water management system, which are as follow:

(1) *Secure political commitment and domestic financial resources*

A political climate has to be created in which high priority is assigned to all the aspects of sustainable municipal wastewater management, including the allocation of sufficient domestic resources.

(2) *Create an enabling environment at national and local levels*

Public authorities remain responsible for water and wastewater services. The 'subsidiary principle', i.e. the delegation of responsibilities to the appropriate level of governance, applies to the entire water sector. National authorities should create the policy, legal, regulatory, institutional and financial frameworks to support the delivery of services at the municipal level in a transparent, participatory and decentralized manner.

(3) *Water supply and sanitation is not restricted to taps and toilets*

A holistic approach to water supply and sanitation should be adopted. This incorporates not only the provision of household services, but various other components of water resource management, including protection of the resource that provides the water, wastewater collection, treatment, reuse and reallocation to the natural environment. Addressing the environmental dimensions mitigates direct and indirect impacts on human and ecosystem health.

(4) *Develop integrated urban water supply and sanitation management systems also addressing environmental impacts*

Municipal wastewater management is part of a wider set of urban water services. The wastewater component is usually positioned at the end of a water resource management chain. Integration of relevant institutional, technical, sectoral, and costing issues of all major components of the chain is required. Consideration should be given to the joint development, management, and/or delivery of drinking water supply and sanitation services.

(5) *Adopt a long-term perspective, taking action step-by-step, starting now*

⁶ *Guidelines on Municipal Waste Water Management: 10 Keys for Local and National Action, 2003*



The high costs of wastewater systems necessitate a long-term, step-by-step approach, minimizing current and future environmental and human health damage as much as possible within existing budgetary limits. Non-action imposes great costs on current and future generations and misses out on the potential of re-using valuable resources. A step-by-step approach allows for the implementation of feasible, tailor-made and cost-effective measures that will help to reach long-term management objectives.

(6) *Use well-defined time-lines, and time-bound targets and indicators*

Properly quantified thresholds, time-bound targets and indicators are indispensable instruments for priority setting, resource allocation, progress reporting and evaluation.

(7) *Select appropriate technologies for efficient and cost-effective use of water resources and consider ecotechnology alternatives*

Sound water management relies on the preservation and efficient utilization of water resources. Pollution prevention at the source, efficient use and re-use of water, and application of appropriate low-cost treatment technologies will result in a reduction in wastewater quantity and in investment savings related to construction, operation and maintenance of sewerage systems and treatment facilities. Depending on the local physical and socio-economic situation, different technologies will be appropriate. Ecotechnology is a valid alternative to traditional engineering and technical solutions.

(8) *Apply demand-driven approaches*

In selecting appropriate technology and management options attention must be given to users' preferences and their ability and willingness to pay. Comprehensive analyses of present and future societal demands are required, and strong support and acceptance from local communities should be secured. With such analyses realistic choices can be made from a wide range of technological, financial and management options. Different systems can be selected for different zones in urban areas.

(9) *Involve all stakeholders from the beginning and ensure transparency in management and decision-making processes*

Efforts and actions on domestic sewage issues must involve pro-active participation and contributions of both governmental and non-governmental stakeholders. Actors stem from household and neighborhood levels to regional, national and even international levels, and possibly the private sector. Early, continuous, targeted and transparent communication between all parties is required to establish firm partnerships. The private sector can act as a partner in building and improving infrastructure, in operating and maintaining of facilities, or in providing administrative services.

(10) *Ensure financial stability and sustainability*

Link the municipal wastewater sector to other economic sectors

Sound and appropriate wastewater management may require substantial construction and operational investments in wastewater infrastructure and treatment facilities. Relative to the water supply sector, cost recovery in the wastewater sector is traditionally a long process. Developments in other (socio-) economic sectors, for instance water supply or tourism, may create opportunities to address sanitation at the same time.



Linking wastewater management with other sectors can ensure faster cost-recovery, risk-reduction, financial stability and sustainable implementation.

Introduce innovative financial mechanisms, including private sector involvement and public-public partnerships

Traditionally, sanitation services have been provided by public authorities. Costs for investments, operation and maintenance, however, often outstrip their capacities, as do present and future requirements for serving the unserved. Therefore, innovative, more flexible and effective financial management mechanisms have to be considered, e.g. micro-financing, revolving funds, risk-sharing alternatives, municipal bonds.

Public-private partnerships, and also public-public partnerships, are important tools to assist local governments in initial financing and operating the infrastructure for wastewater management.

Consider social equity and solidarity to reach cost-recovery

The employment of principles like ‘the water user pays’ and ‘the polluter pays’ is required to achieve stable and sustainable wastewater management with efficient cost-recovery systems. These principles should be applied in a socially acceptable way, considering solidarity and equitable sharing of costs by all citizens and facilities.

Various user groups should be made aware of - and be able to identify with – concepts such as “water-” and “catchment solidarity”. All users will benefit from environmental improvement.

National Guidelines to be considered in Strategy Formulation

A booklet issued by the Department of Water Affairs and Forestry⁷ stated that South Africa’s sanitation problem has two main causes:

- ❑ Poor hygiene (many people don’t realise that they need to wash their hands after defecating or changing nappies many think it’s fine to use the veld as a toilet), and
- ❑ Lack of infrastructure (no toilets and no water for hand washing).

Government has a constitutional responsibility to ensure that all South Africans have access to adequate sanitation. Government has a responsibility to ensure that adequate sanitation infrastructure are provided to households, schools and clinics, that household waste collection and disposal are improved, and that the public is educated about hygiene.

Government plans to facilitate improved service delivery by supporting communities in providing and using sustainable (affordable, community-run) sanitation services. Key focus areas will include rural, peri-urban and informal settlements where the need is greatest.

Sanitation is vital to national health. To achieve good sanitation, the matter needs to be part of an overall development drive. Sanitation is thus *only one* of many development programmes being promoted by government. Success also depends on community support. Sanitation capacity must urgently be built in communities so that citizens are empowered to contribute to the national sanitation programme.

Sanitation programmes will improve the social and psychological problems associated with poor sanitation. Lack of toilet facilities, toilets placed at a distance from the home, inadequate communal facilities, inadequate disposal of

⁷ Source: *Sanitation for a healthy nation: The policy on basic household sanitation made easy*. Department of Water Affairs and Forestry. February 2002. (National Sanitation Task Team)



waste and other poor sanitation practices result in loss of privacy and dignity, exposure and increased risks to personal safety.

Local government planning takes place through the Integrated Development Plans (IDPs) - of which the Water Service Development Plans (WSDPs) are a component. In order to implement sanitation improvement programmes, local government must budget and source funding for this purpose. The funding arises from various sources, including revenue collection and provincial and national government.

Local government must also plan and budget for the operation and maintenance of sanitation systems. It is also responsible for assisting households to provide their own sanitation and to build their own toilet facilities. Specific responsibilities include:

- Providing access to sanitation.
- Making communities aware of the importance of sanitation in terms of health.
- Launching, together with the communities, health and hygiene promotion programmes.
- Monitoring the health of communities.
- Assisting households to operate and maintain sanitation facilities⁸.

Basic Sanitation Policy Principles

- Sanitation must respond to the demands of communities and should link to improved hygiene awareness. For people to benefit from sanitation improvements, everybody must understand the link between their own health, good hygiene and toilet facilities.
- Communities must be fully involved in projects. DWAF is only the regulator. Citizens have rights but also responsibilities in taking charge of their own health.
- Sanitation must be provided in conjunction with water supply and other municipal services.
- Sanitation is more than just toilets; it must be accompanied by environmental and health education.
- Access to basic sanitation is a human right.
- Local government has the constitutional responsibility to provide access to sanitation services.
- Scarce public funds must be prioritised to help those most at risk.
- Limited national funds should be fairly distributed throughout the country.
- Water has an economic value and must be protected through sanitation.
- Polluters must pay to clean up the water and the environment they have polluted.
- Sanitation must be financially sustainable.
- The environment must be protected when sanitation systems are set up and run⁹.

⁸ Source: *Sanitation for a healthy nation: The policy on basic household sanitation made easy*. Department of Water Affairs and Forestry. February 2002. (National Sanitation Task Team)

⁹ Source: *Sanitation for a healthy nation: The policy on basic household sanitation made easy*. Department of Water Affairs and Forestry. February 2002. (National Sanitation Task Team)



Responding to the demands for sanitation services: Strategy Formulation: Sanitation

Based on the principles and requirements stated above, the strategies to address the demands for sanitation in the Phumelela Local Municipality will be formulated to reflect and respond to the following principles and requirements:

Requirements:

- (1) Create an enabling environment for the municipality to maintain and upgrading the town's sanitation and waste water infrastructure, within the context of its resource and capacity constraints. The ultimate aim will be to commit the municipality to do all in its ability to achieve the national sanitation targets by 2014.
- (2) Sanitation and waste water management must be managed in its broadest context – which implies that sanitation strategies must reflect an awareness of the potential impact of sanitation and waste water practices on the environment and the disaster management limitations of the municipality. An important consideration in this regard is the protection of catchment areas.
- (3) Sanitation and waste water strategies must be seen in the context of integrated development planning in the municipality. The implication is that sanitation and waste water management systems and strategies must consider the impact of other strategies and systems; for instance, the system is total dependent on the municipality's overall water preservation and management policies and systems. Sanitation and waste water management systems and strategies in turn have an important impact on the ability of the town to support its economic development strategies and plans in a sustainable manner. Sanitation and waste water management is part of a broader, integrated system of municipal planning and management.

Principles:

- The strategies formulated for sanitation and waste water management will incorporate a time-frame of 3-5 years. The annual targets will be related to the budget allocations for the 2009/10 and key performance indicators and targets will be detailed in the annual Municipal Services Delivery and Budget Implementation Plan (SDBIP).
- The strategies will be formulated based on an analysis of the immediate and perceived future demands of the area's communities.
- The sanitation and waste water management strategies must be read in conjunction with the municipality's priorities to achieve sustained financial viability and resolve its current cash flow challenges.



In general terms, local governments can pursue a variety of actions to improve sanitation infrastructure and facilities by¹⁰:

1. considering a range of sanitation options in consultation with residents and choosing solutions that are affordable and suit the wishes of the people who will use them,
2. examining alternative sanitation infrastructure and facilities that are less water-intensive, less expensive, more energy-efficient, and easier to build and maintain than traditional water-borne sewage systems (such as ecological sanitation),
3. upgrading existing sewage treatment plant infrastructure (i.e., from primary to secondary to tertiary treatment),
4. implementing hygiene programs to complement the introduction of sanitation facilities and encourage their consistent use,
5. mobilizing funding to improve sanitation systems through partnerships with the private sector, national governments, or non-governmental organizations to support the construction, operation, or maintenance of sanitation infrastructure or facilities,
6. learning from other local governments' experiences to ensure the effective improvement of sanitation infrastructure and facilities, such as facilitating technology transfers through the active use of sister-city relationships, including south-south technology transfers,
7. postponing the need for expensive wastewater infrastructure expansions by limiting sewage production through "low-flow" toilet replacement programs or recycling greywater, and
8. Implementing low-impact treatment of greywater (water released from dishwashers, washing machines, bathroom sinks, showers, etc.) and storm water to decrease the amount of water requiring expensive sewage treatment.

¹⁰ Source: http://www3.iclei.org/implementationguide/sanitation/sanitation_infra.htm



Table 4.9: Status of sanitation development in the municipality

(Source: DWAF web-site [<http://www.dwaf.gov.za/>])

Backlog				Costing																		
Backlog	Sanitation Services	Population	61,262	Costing	Available WSA funds for backlog eradication	Funds allocated to the WSA for Sanitation Services	None	24,818,000														
		Households	21,198				RDP-(Pit / less than VIP)	11,176,000														
		Number of settlements	8				Total (historical backlog only)	35,794,000														
	Housing	Household size	2.89				Basic, but not appropriate (VIPs in waterborne supply areas)	8,208,000														
		Population	18,808				Internal bulk (Sanitation only)	17,543,800														
		Households	6,508				Total (with inappropriate services)	61,545,850														
Backlog definitions	Sanitation Services	Population	0	3-year budget	End 2008	Buckets	0															
		Households	0				2,403,810															
		Households	None				4,476	8,790,830														
	Housing backlogs	RDP - Pit/less than VIP	2,032					<table border="1"> <thead> <tr> <th>Category</th> <th>Cost (ZAR)</th> </tr> </thead> <tbody> <tr> <td>None</td> <td>24,818,000</td> </tr> <tr> <td>RDP-(Pit / less than VIP)</td> <td>11,176,000</td> </tr> <tr> <td>Total (historical backlog only)</td> <td>35,794,000</td> </tr> <tr> <td>Basic, but not appropriate (VIPs in waterborne supply areas)</td> <td>8,208,000</td> </tr> <tr> <td>Internal bulk (Sanitation only)</td> <td>17,543,800</td> </tr> <tr> <td>Total (with inappropriate services)</td> <td>61,545,850</td> </tr> </tbody> </table>	Category	Cost (ZAR)	None	24,818,000	RDP-(Pit / less than VIP)	11,176,000	Total (historical backlog only)	35,794,000	Basic, but not appropriate (VIPs in waterborne supply areas)	8,208,000	Internal bulk (Sanitation only)	17,543,800	Total (with inappropriate services)	61,545,850
		Category	Cost (ZAR)																			
		None	24,818,000																			
RDP-(Pit / less than VIP)	11,176,000																					
Total (historical backlog only)	35,794,000																					
Basic, but not appropriate (VIPs in waterborne supply areas)	8,208,000																					
Internal bulk (Sanitation only)	17,543,800																					
Total (with inappropriate services)	61,545,850																					
Total (historic backlog only)	6,508																					
Basic, but not appropriate (VIPs in waterborne supply areas)	684																					
Total	13,700																					
Buckets	0																					
Interim	0																					
Permanent	0																					

Core Issues to be considered by the Municipality in formulating strategies

Table 4.10: Issues to be considered in formulating water strategies

Core Issue	Description
Sufficient Bulk capacity	Bulk sewerage infrastructure capacity upgrade as well as the maintenance of such infrastructure and equipment should be viewed as the highest priority as no sanitation system can be implemented without the ability to dispose of effluent sufficiently and safely.



Upgrading sub standard services		The continuous provision of suitable sanitation services to all unserved erven is the most direct activity in addressing current backlogs. In some cases (eg. 1261 erven in Thembalihle) night soil removal, which is below the RDP standards, are still in use and need to be replaced with a more acceptable system.
Rural sanitation provision		Within the drastic resource shortage of the municipality, the plight of rural communities is pushed to the side. Efforts will have to be made to include rural areas within the projects and budget of the municipality
Shortage of personnel		None of the town units within the municipality has sufficient technical and human resources to be able to upgrade and maintain the sanitation infrastructure beyond basic repairs. Organisational structures should include sufficient technical personnel as far as possible.
Issues of alignment	Maintenance and upgrading of network and equipment	Maintenance and upgrading of equipment will facilitate the constant and uninterrupted provision of sanitation services. Proper equipment will also ensure a long-term cost saving through maintenance rather than constant replacement.
	Alignment with the National Spatial Development Framework	Principle of the NSDP: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.
	Alignment with priorities of AsgiSA	A massive investment in infrastructure
	National Spatial Development Perspective	Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.
Issues of alignment	Strategic Plans of National or Provincial Departments	National Department of Water Affairs and Forestry: DWAF regulations and policies related to water and sanitation to be adhered to.
	Strategic Plans of National or Provincial Departments	National Department of Water Affairs and Forestry: Utilise financial and capacity support from DWAF in planning for and providing water and sanitation services in the Phumelela municipal area.
	Asgi-SA	Aims to guide and improve on the South Africa's economic recovery. Beefing up public administration.



(2) Waste Water Treatment

Strategic Framework from the WSDP:

Objective: To ensure that each household in the rural areas has access to sanitation that at least complies with the minimum RDP standards

Strategies:

- Support the access of rural communities to different sources of sanitation through investigations, consultations and the dissemination of information
- Make use of alternative, but acceptable, technologies where viable to reduce water requirements and long terms maintenance cost

Project: Dry/organic toilet units in rural areas

Due to the fact that the WSDP has not been updated annually, the activities and projects indicated in it were finalized and not relevant any more. The objectives, activities, projects and targets in this IDP have therefore been adjusted to reflect the current realities in the municipal area.

Analysis of the current situation

The WSDP reflects the following information regarding waste water treatment in the Phumelela Local Municipality:

Table 4.11: Industrial Consumer Units for Sanitation: Urban and Rural

Industry	Number of service units
Memel Abattoir	1
Mizpah Meats (Memel)	1
KW Abattoir (Vrede)	1
Warden Abattoir	1

Table 4.12: Existing sewage treatment works infrastructure



General information	STW1	STW2	STW3
Component name	Vrede Oxidation Ponds	Memel Oxidation Ponds	Warden Oxidation Ponds
Scheme name	Vrede	Memel	Warden
Institutional status			
Current owner	Phumelela	Phumelela	Phumelela
Current operator	Phumelela	Phumelela	Phumelela
Future owner / WSA (If applicable)	Phumelela	Phumelela	Phumelela
Future operator / WSP (If applicable)	Phumelela	Phumelela	Phumelela
Asset assessment: No data provided			
Type (process) & capacity			
Type of plant (i.e. Active sludge / Bio-filter / Oxidation Ponds)	Oxidation ponds	Oxidation ponds	Oxidation ponds
Design Capacity - Hydraulic Load (Ml/day)	1.6	unknown	1.452
Operation			
Operating hours per day	24	24	24
Effluent control (by whom)	Phumelela	Phumelela	Phumelela
Functionality			
Describe the physical condition (in operation, poor, good)	In operation	In operation	In operation
How well is the infrastructure maintained? (none, infrequent, demand, planned)	Demand	Demand	Demand
Are spare parts readily available? (Yes/No)	Yes	Yes	Yes

According to the information statistics of the Department of Water Affairs¹¹ the status in respect of waste water treatment in the Phumelela municipal area are as follows:

¹¹ Water Services National Information Systems (www.dwaf.gov.za)



- There are 3 WWTF (waste water treatment facilities) operated and maintained in the municipality.
- There is not an appropriate license / permit issued for the municipality to operate its waste water treatment facilities; although the municipality did apply for it.
- Not all facilities comply with the license / permit requirements.
- All WWTFs are operating within their designed capacities.
- The volume of discharge from all WWTFs is monitored.
- The waste water effluent quality at all WWTFs is monitored monthly.
- The laboratories used to test the quality of waste water are accredited.

The National targets for sanitation provision to individual households are as follows:

Goal
All households to have basic level of sanitation by 2014.
Indicator
<input type="checkbox"/> Number of households having access to basic level of sanitation.
Definition
<input type="checkbox"/> Higher level of service includes, flush toilet connected to sewerage system
<input type="checkbox"/> Basic level of service includes flush toilet with septic tank and PIT latrine with ventilation.
Data sources
<input type="checkbox"/> Stats SA, Census 2001.
<input type="checkbox"/> Stats SA, GHS – July 2007 survey based on households.
<input type="checkbox"/> Stats SA, Community Survey February 2007 based on households.
<input type="checkbox"/> DWEA , 2008, data based on updated census 2001 (households).
<input type="checkbox"/> Municipal Source, 2009, data gathered via comprehensive infrastructure planning in April 2009.

There are a number of funded projects provided for on the Municipality’s capital budget to provide for infrastructure creation and expansion aimed at expanding the scope of basic sanitation facilities made available to communities (refer to the topic “Sanitation Infrastructure” below).

The responsibility for providing sanitation infrastructure to schools in the Phumelela Municipal area is primarily the responsibility of the Free State Departments of Education and Public Works, in collaboration with the Department of Water Affairs. It was therefore not provided for in the Phumelela budget.



The Phumelela municipality will share in the benefits of the Provincial Department of Education's (in collaboration with the Department of Water Affairs) efforts to improve basic services infrastructure at schools. In this regard, the Free State MEC for Education stated as follows in his Budget Speech¹² (2009/10 financial year):

"The provisioning of basic services where needed at schools (water and sanitation) will be implemented in partnership with the Department of Water Affairs and Forestry (DWAF). An anticipated amount of R24 million will be made available through this partnership. An amount of R 9,78 m is available for day-today emergency maintenance at schools".

(3) *Free Basic Sanitation*

A basic sanitation facility is defined as infrastructure necessary to provide a sanitation facility which is safe, reliable, private, protected from the weather and ventilated, keeps smells to the minimum, is easy to keep clean and minimises the risk of the spread of sanitation related diseases by facilitating the appropriate control of disease carrying flies and pests, and enables safe and appropriate treatment and/or removal of human waste and black or grey water in an environmentally sound manner.

A basic sanitation service is the provision of a basic sanitation facility which is easily accessible to a household, the sustainable operation of the facility, including the safe removal of human waste and wastewater from the premises where this is appropriate and necessary, and the communication of good sanitation, hygiene and related practices¹³.

*Free Basic Sanitation: The Policy Framework*¹⁴

Defining basic sanitation:

Basic sanitation has been defined in South Africa as a dry on-site system such as a ventilated improved pit (VIP) latrine or equivalent. Other sanitation options: There is a range of service levels which is described in the draft national sanitation policy. In urban areas it is typical that full waterborne sanitation is provided. This is a high service level with high costs.

Impact on water use:

From the point of view of a free basic water policy the amount of water that the sanitation system uses is important. This varies depending on the type of flushing system, household profile and household habits. Generally higher income households return larger amounts of water to the sewer.

National Government's Targets:

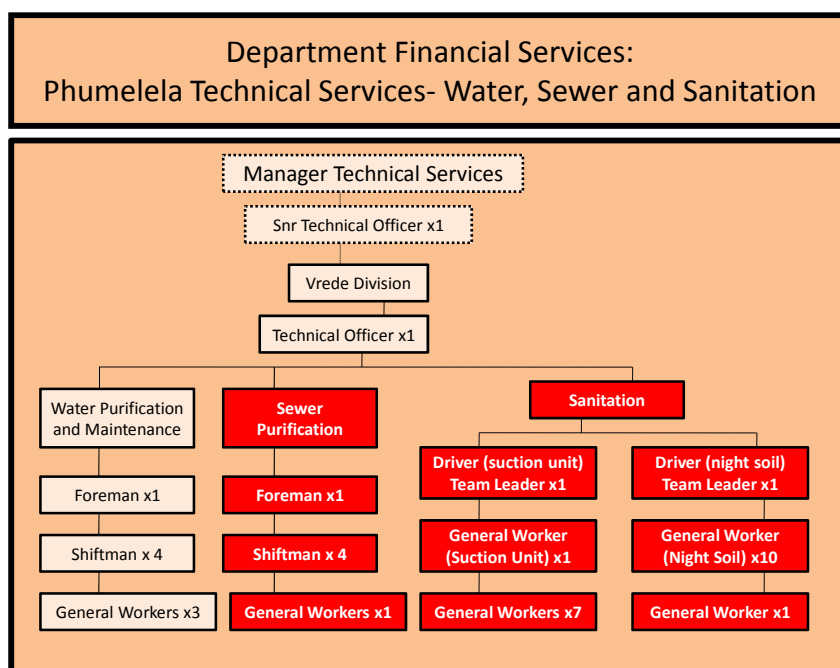
¹² MEC for Education, Free State: Mr PHI Makgoe

¹³ *Towards the realization of free basic sanitation: evaluation, review and recommendations (Nozibele Mjoli, Gillian Sykes & Tracy Jooste) Report to the Water Research Commission - WRC Report No. TT 422/09 November 2009 (Water Research Commission)*

¹⁴ Department of Water Affairs and Forestry - Chief Directorate : Water Services - *Free basic water (Guideline for local authorities (Version 2.3)). JUNE 2001. Prepared by Palmer Development Group, for the Directorate: Interventions And Operations Support.*



Goal
All indigent households to have access to FBS by 2014.
Indicator
Total indigent households benefiting from free basic sanitation services.
Data source
Stats SA, NFCM - 2007, survey-based municipalities.
Data note/explanatory note
All data on table 4 'Sewerage and Sanitation' are drawn from one source, namely NFCM, 2007.



The staff establishment of the Municipality available for performing the inter-related functions of sanitation, sewerage and waste water management is adequate if the capacity limitations of the municipality is considered.



(4) Development Strategies: Sanitation

Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
National Sanitation Targets	<p>National Goal Strategic Objective 2.1: All households to have basic level of sanitation by 2014.</p>	Vision 2014	<p>Indicator _ Number of households having access to basic level of sanitation. Definition _ Higher level of service includes, flush toilet connected to sewerage system _ Basic level of service includes flush toilet with septic tank and PIT latrine with ventilation. Indicator _ Number of households that have access to sanitation. Definition _ Below basic level constitutes a backlog and includes chemical toilets, pit latrine without ventilation, bucket latrine and</p>	<p>Provision of water for full waterborner systems. DWAF has done a status quo analysis. Warden, Vrede, Thebahihled, Memel achieved. Problem in Zamani – current financial year – 144 households to be connect.</p>	<p>300 households to be provided during 2010/11. (Total: 1,200 stands)</p>	<p>All stands in formal settlements to be served</p>	<p>All stands in formal settlements to be served</p>	<p>Provision of sanitation to 300 erven (Zamani)</p>	



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
			no sanitation facility.						
	National Goal Strategic Objective 2.2: _ All indigent households to have access to FBS by 2014.	Vision 2014	Indicator _ Total indigent households benefiting from free basic sanitation services.	Achieved in formal urban areas	Maintain access according to registered indigents on Indigent Register	Maintain access according to registered indigents on Indigent Register	Maintain access according to registered indigents on Indigent Register		
Strategic Framework for water management	Strategic Objective 2.3: Develop a Water Treatment Masterplan	Water Services Act	Water Treatment Master plan completed	Water Treatment masterplan required to inform strategic management and control of waste water management	Commence work of Plan	Water Treatment Master plan completed	Implementation of the Water Treatment Master Plan	Compilation of Water Treatment Master Plan	
Access to sanitation	Strategic Objective 2.4: To provide full waterborne sanitation to all households on formally developed sites in urban areas	WSDP / Green drop status	Full waterborne sanitation to all households on formally developed sites in urban areas	Provision of water for full waterborner systems. DWAF has done a status quo analysis. Warden, Vrede, Thebahihled, Memel achieved. Problem in Zamani – current financial year – 144 households to be connect.	100% (address backlogs)	100% (amintenance) (All households have access to basic sanitation by 2010)	100% (amintenance) (All households have access to basic sanitation by 2010)	Provision of sanitation to 300 erven (Zamani)	
		WSDP / Green drop status	Construct public toilets facilities (one in each town)	Lack of public toilet facilities deter tourists	No funds	Construct 1 public toilet facility per town	Maintenance and extension as required and affordable	Construct 1 public toilet facility per town	
Sanitation: Rural areas	Strategic Objective 2.5: To ensure that	WSDP / Green drop	Ensure that all schools in rural	--	Backlog reduced to	Address another 20%	Alleviate the backlog (All		



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
and schools	schools and households in the rural areas has access to sanitation that at least comply to minimum RDP standards	status Vision 2014	areas have access to sanitation		35% of schools and households	of the current backlog of schools and households	households have access to basic sanitation by 2010)		
			Ensure that the backlog in terms of sanitation in rural areas are reduced by 15% per year	--	15% reduction	15% reduction	Eradication of backlogs (All households have access to basic sanitation by 2010)		
Asset register	Strategic Objective 2.6: To ensure internal capacity to effectively maintain sanitation services	--	Development of an asset register	Asset register developed and implemented	Asset register developed aligned with GRAP requirements	Asset Register updated and maintained	Asset Register updated and maintained. Provided for all municipal assets, current values and depreciation		
		WSDP	Administration of sanitation services according to the Refurbishment and Maintenance Plan.	--	Not within capacity of the Municipality	Not within capacity of the Municipality	Refurbishment and Maintenance Plan developed and approved	Refurbishment and Maintenance Plan developed	
		--	Awareness campaigns	--	Targets groups to be identified and sensitised				



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
					in sanitation and hygiene-related matters				
Sanitation Infrastructure operation and maintenance	Objective 2.7: To ensure maintenance of sanitation infrastructure and services	WSDP	Sewerage purification and reticulation	<p>Bucket eradication finished – all formal stands have been served</p> <p>Operation of current infrastructure have certain environmental risk due to the age thereof (pumping stations, as well as treatment works).</p> <p>Vrede’s water treatment works are adequate for current demand. Both Memel and Warden need new treatment works.</p> <p>Memel’s treatment works is currently under construction.</p> <p>Purification works in Warden are current being addressed (feasibility study for new dam in progress).</p> <p>New water treatment plant in progress.</p> <p>Purification works must also be replaced.</p> <p>Purification works are</p>	Phase III of Memel purification works: Complete the works and commission it. Full waterborne systems in Memel	Phase III of Memel purification works: Complete the works and commission it. Full waterborne systems in Memel	On-going operations and maintenance	Phase III of Memel purification works: Complete the works and commission it. Full waterborne systems in Memel Possible upgrading of Warden’s sewerage works by Water Affairs	



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				being investigated for possible relocation – closer to the source. Memel: Structure was built during phase I, but is not functional. Phase II currently in progress: Structures were finished					



4.2.3 PRIORITY 3: STREETS & STORMWATER

The most common cause of the failure of paved (usually bituminous) road surfaces is neglect – neglect of routine maintenance, and neglect to repair damage without delay. Neglect of surface damage or of cracking leads to water penetration of the underlying layers, and consequent erosion followed by loss of a portion of the paved surface (the formation of "potholes"). Another common cause is overloading – for example, a road might, for economic reasons, be designed in the expectation that heavy traffic will be infrequent, but the use by heavy vehicles then increases significantly, with consequent damage.

Of all the infrastructure services, roads have been usually the most affected by municipal boundary changes. When the pre-2000 municipalities that constituted the core of many of the new municipalities formed in 2000 were absorbed into geographically large entities, the additional areas usually had a roads system longer, sometimes by multiples, than that in the core municipality, and often in substandard condition.

Because of the two sets of municipal boundary changes that took place, in 1996 and in 2000, there are major discontinuities in the road condition trend data that many municipalities had been keeping over the years. However, one broad study conducted by the DBSA in 1998 does indicate the condition of the country's road network. At that time, the DBSA estimated that R 4.1 billion would be needed per year for the following 10 years to prevent the further deterioration of South Africa's road network. However, "treasury funds are adequate for only 60% of maintenance needs. In 1993, 25% of the road network was considered to be in a good condition. It is estimated that this figure decreased to 5% in 1997. If roads do not receive adequate maintenance to remain efficient transport routes, an investment of R150 billion could be wasted" (DBSA 1998:30).

Table 4.13: Break down of Infrastructure to be constructed over the next 5 years

(Source: Infrastructure Sector Plan for the Expanded Public Works Programme)

<i>Targeted Categories of Infrastructure (Outputs-Kms)</i>	<i>2004/5</i>	<i>2005/6</i>	<i>2006/7</i>	<i>2007/8</i>	<i>2008/9</i>	<i>Total</i>
<i>Provincial Roads (Km) (Regravelling, light seals)</i>	<i>4,300</i>	<i>4,800</i>	<i>5,300</i>	<i>6,000</i>	<i>6,400</i>	<i>26,800</i>
<i>Municipal Roads (Km) (Regravelling, Light Seals and Roads < 500 vpd) (Km)</i>	<i>1,600</i>	<i>1,900</i>	<i>2,100</i>	<i>2,300</i>	<i>2,500</i>	<i>10,400</i>
<i>Water Reticulation (Pipelines) (Km)</i>	<i>4,100</i>	<i>4,800</i>	<i>5,400</i>	<i>5,800</i>	<i>6,300</i>	<i>26,400</i>
<i>Sanitation (Pipelines)</i>	<i>850</i>	<i>990</i>	<i>1,000</i>	<i>1,000</i>	<i>1,100</i>	<i>5,240</i>
<i>Storm water (Km)</i>	<i>230</i>	<i>270</i>	<i>300</i>	<i>320</i>	<i>350</i>	<i>1,470</i>
<i>Pavements (Km)</i>	<i>20</i>	<i>25</i>	<i>30</i>	<i>30</i>	<i>35</i>	<i>150</i>



(1) Situation Analysis: *Phumelela Local Municipality*

Regular maintenance on the road network in the region is required. The road condition is deteriorating at a rapid pace and very little maintenance is done due to a lack of funding. It is very important to maintain and upgrade all main routes in order to continue the flow of traffic throughout the area. An emerging fact is that since the drive to curb the overloading of vehicles, secondary roads are more frequented by overloaded trucks to avoid demarcated truck routes. These secondary roads are not designed to carry these loads and are therefore causing damages in a short space of time.

Table 4.14: Summary of *Phumelela's* roads

(Source: Central Statistical Services, IDP 2002)

<i>Town / area</i>	<i>Tarred Streets (km)</i>	<i>Graveled streets (km)</i>	<i>Graded streets (km)</i>	<i>Total length (km)</i>
Vrede	14	36	0	50
Thembalihle	0	0	0	0
Vrede	14	36	0	50
Memel	4	30	0	34
Zamani	1	50	0	51
Memel	5	80	0	85
Warden	8	24	24	56
Ezenzeleni	1	36	0	37
Warden	9	60	24	93
<i>Phumelela</i>	28	176	24	228



There are two railway lines operating in the Phumelela vicinity. The one railway line runs from Gauteng, through Standerton, to Vrede. The second railway line connects Warden with Harrismith. No railway line operates near Memel and no air transport takes place within the Phumelela area. There are no airfields or airstrips recorded in Vrede, Memel or Warden.

Table 4.15: Road Network in Phumelela

(Source: Department of Provincial and Local Government)



Continued maintenance of tertiary roads is important as it forms the lifeline for the rural community, health, emergency and educational services. In the urban areas the main problem is the poor condition of the streets and storm water drainage in the townships. In most of the townships, streets are in poor conditions with very little water drainage systems. This is not only a problem to the local inhabitants but also complicates effective service delivery, policing, emergency services, public transportation, economic development and accessibility in general. Due to high cost of road construction this problem also has to be resolved in a systematic, integrated and sustainable way.

The older roads within Vrede/ Thembalihle were tarred in 1992, although now deteriorating at a notable rate. The biggest threat to road maintenance in Vrede is the absence of proper bulk storm water drainage systems. The roads within certain areas of Thembalihle are regarded as the worst in the region.



The situation in Memel/ Zamani is slightly different; although the roads are also in a fairly poor state, there is sufficient storm water drainage. The main problem in this area is the dilapidated and unsurfaced state of access roads, especially in Zamani.

Where both Thembalihle and Zamani have a small portion of tarred ring roads, Ezenzeleni has no tarred roads at all, and only a small section is paved.

Table 4.15: *Situation Analysis - Roads*

Core Issue		Description
Insufficient storm water drainage in various areas.		The lack of storm water drainage contributes greatly to the poor state of roads. The provision of adequate storm water drainage will drastically limit the need for maintenance.
Weak condition of roads.		Roads are not maintained regularly with the result that the condition of poor roads deteriorate rapidly. Large trucks make use of many of the major roads in Phumelela due to its border with Mphumalanga and Kwa-Zulu Natal and contribute further to the poor state of the roads.
Established urban areas with no roads.		Streets in urban areas fulfill an important role in that it ensures the delivery of goods and services, but more importantly it forms the medium for public transport. Streets should therefore always be in a good and safe condition.
Structured maintenance programme.		Sustained maintenance is required to minimize infrastructure losses and breaks in service delivery.
Issues of Alignment	Alignment with the National Spatial Development Framework	Principle of the NSDP: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.
	Alignment with priorities of AsgiSA	A massive investment in infrastructure



	Strategic Plans of National or Provincial Departments	<p>Free State Department of Public Works, Roads and Transport:</p> <p>Upgrading and maintenance of roads in the Phumelela area</p> <p>Indirect benefit of job creation in the Phumelela area</p> <p>Opportunity to improve transport infrastructure in the Phumelela area</p>
	Asgi-SA	<p>Aims to guide and improve on the South Africa's economic recovery.</p> <p>Beefing up public administration.</p>



(2) Development Strategies: Streets & Stormwater

Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
Strategic framework for Streets and Stormwater	Strategic Objective 3.1: To finalize the municipal strategic management framework for streets and stormwater.	--	To develop an Integrated Roads and Stormwater Master Plan (must also address O&M issues)	MIG funds negotiated to address internal roads in settlements Access roads are priorities Streets and stormwater network is too large to operate and maintain properly with available funds Ageing tar roads became dysfunctional There is a need to properly maintain gravel roads; but the huge backlog in this regard remains a problem Some roads are used by heavy vehicles – attention must be given to allocate specific roads to heavy vehicles to keep them out of the CBD areas of the main towns.	Integrated Roads and Stormwater Master Plan approved (1 Plan)	Develop a proper Roads and Pavement Maintenance Plan for all areas in Phumelela A pavement management strategy developed and implemented	Good quality (acceptable standards) roads and stormwater	Integrated Roads and Stormwater Master Plan Roads and Pavement Maintenance Plan	



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
Urban transport	Strategic Objective 3.2: To promote safe, affordable and accessible public transport services in all urban areas	--	Traffic control: Enforcement of by-laws	No capacity – Staff to perform these functions have just been appointed	Enforcement of by-laws	Enforcement of by-laws	Enforcement of by-laws		
		Integrated Transport Plan	Maintenance of road signs	60 road signs already obtained – still to be constructed	Maintenance and upgrading	Maintenance and upgrading	Maintenance and upgrading	Maintenance and upgrading of road signs	
		Disaster Management Plan	Fire fighting capacity	No capacity to perform this function to date	Function to be part of responsibilities of Law Enforcement Officer	Establish a fire fighting capacity within the convinces of affordability	Fire fighting within the context of institutional capacity		
Operations and maintenance	Goal 3.3: To maintain and upgrade streets and stormwater infrastructure.	Integrated Transport Plan	Maintenance and upgrading of municipal streets and stormwater infrastructure	No capacity to perform this function to date	Maintenance and upgrading as budgeted (Projects)	Maintenance and upgrading as budgeted (Projects)	Maintenance and upgrading as budgeted (Projects)	Roads Thembalihle Roads paved Zamani	



4.2.4 PRIORITY 4: WASTE MANAGEMENT

(1) Focus and Aims of Integrated Waste Management

The management of both general and hazardous waste is an environmental issue causing concern globally as well as in South Africa and more specifically, Mpumalanga shows the need for a plan of action to deal with the management of waste in the province. There has been a shift in South Africa's waste management strategy from control to prevention (White Paper on Integrated Pollution and Waste Management for South Africa, RSA 2000) and this focus is emphasized by the fact that municipalities now have to prepare an Integrated Waste Management Plan (IWMP) as part of their operational strategies of their Integrated Development Plans (IDP) (DPLG, 2001).

The National Waste Management Strategy spell out the objectives with integrated waste management:

Development objective:

- Reduced generation and environmental impact of all forms of waste, so that the socio-economic development of South Africa, the health of its people, and the quality of its environmental resources are no longer adversely affected by uncontrolled and uncoordinated waste management.

The Immediate Objectives:

1. *Objective 1: Improved Health Care Waste Management:* Sustainable and integrated Health Care Waste Management in South Africa, established within the frames of the NWMS, covering the full waste stream for all generators of HCW from areas with varying population densities and varying degrees of accessibility.
2. *Objective 2 - Waste Information System is established and in use:* A Waste Information System (WIS) has been established in DEAT with management and software in place. Minimum reporting requirements has been established for provincial and local level.
3. *Objective 3 - Recycling of waste is increased and extended:* In the pilot areas, new waste streams are identified, existing initiatives are expanded, and improved and new initiatives are implemented. Appropriate mechanisms are identified and developed that promote sustainable recycling by all members of the recycling chain. Appropriate mechanisms for recycling within specific circumstances will be based on an appraisal of the social, environmental and economic benefits and costs of recycling in comparison with one-way consumption and disposal.
4. *Objective 4 - DEAT is capacitated to take full control of NWMS:* The NWMS is deeply anchored in the DEAT who through capacity development and project involvement has been enabled to take full control of future implementation. Long term sustainability has been secured by DEAT staff capacitation as well as successfully tested mechanisms for dissemination of project results.



Objectives of the Phumelela Local Municipality waste management policy

- Ensure that efficient and effective basic waste management services are accessible and available;
- Maintain acceptable cleanliness standards
- Promote and ensure waste minimization
- Reduce the impact of waste

*Constitutional and Legal Framework*¹⁵

The Constitution of South Africa, 1996 (Act 108 of 1996) (the *Constitution*) provides the foundation for environmental regulation and policy in South Africa. The right to environmental protection and to live in an environment that is not harmful to health is set out in the Bill of Rights (Section 24 of Chapter 2). This is the fundamental principle that underpins environmental policy (such as the White Papers on *Environmental Management* and *Integrated Pollution and Waste Management*) and law (principally the *National Water Act*; and *National Environmental Management Act (NEMA)*). The Waste Act forms an integral part of this overarching legal and policy framework, providing specifically for the management of the waste sector and regulation of waste management activities.

The Waste Act is required to adhere to the Constitutional assignment of legislative and executive powers between spheres of government. The Constitution assigns concurrent legislative competence to national and provincial government in respect of the *environment* and *pollution control* (Section 146 of the Constitution) and exclusive provincial legislative competence to the local government matters of *cleansing* and *refuse removal, refuse dumps* and *solid waste disposal*. The Constitution allows national legislation to provide for national norms and standards relating to these matters where national uniformity is required to deal effectively with an issue. Accordingly, the development of norms and standards is the foundation of the regulatory system established in terms of the Waste Act.

National government is obliged to develop norms and standards on certain matters, while provinces and municipalities are permitted to develop standards provided they are not in conflict with national standards. National and provincial government departments are also Constitutionally obliged to support municipalities in the execution of their functions. The Waste Act accordingly establishes cooperative governance mechanisms for dealing with matters such as waste planning, appointment of waste management officers and performance reporting.

White Paper on Environmental Management introduced the concept of the waste hierarchy, and the concept was subsequently given legal expression in NEMA. The waste hierarchy approach establishes waste avoidance or minimization as the key policy objective of waste management. NEMA introduced a number of additional guiding principles into South African environmental legislation, including the life-cycle approach to waste management, producer responsibility, the precautionary principle and the polluter pays principle. NEMA also placed a *duty of care* on any person who causes significant pollution or degradation of the environment, requiring them to institute

¹⁵ Source: *National Waste Management Strategy-Phase 2 Research, Summary of key strategic issues to inform NWMS (Department of Environmental Affairs)*



measures to prevent pollution from occurring, or to minimise and rectify the pollution or degradation where it cannot reasonably be avoided.

The Waste Act echoes the duty of care provision by obliging holders of waste to take reasonable measures to implement the waste hierarchy whilst protecting the environment and public health.

Subsequent amendments to and regulations issued in terms of NEMA have provided a detailed regulatory framework for the performance of Environmental Impact Assessments, which need to be closely aligned with the provisions for licensing of waste management activities. Environmental Management Inspectors (EMIs) are also designated and appointed in terms of NEMA, and these provisions form the backbone of the compliance and enforcement system that is required to support implementation of the Waste Act.

The Waste Act necessarily introduced a definition of waste, which has major implications for those activities that have traditionally not been treated or regarded as waste. Importantly for industry, the waste products and activities that fall outside the definition of waste are able to avoid the provisions of the Act. In order to clarify some of the definitional issues, a technical guideline will be developed by DEA as a basis for interpreting and applying the definition by both government and industry.

Objects of the Waste Act

The objects of the Act are:

1. To protect health, well-being and the environment by providing reasonable measures for—
 - a. minimising the consumption of natural resources;
 - b. avoiding and minimising the generation of waste;
 - c. reducing, re-using, recycling and recovering waste;
 - d. treating and safely disposing of waste as a last resort;
 - e. preventing pollution and ecological degradation;
 - f. securing ecologically sustainable development while promoting justifiable economic and social development;
 - g. promoting and ensuring the effective delivery of waste services;
 - h. remediating land where contamination presents, or may present, a significant risk of harm to health or the environment; and
 - i. achieving integrated waste management reporting and planning;
2. To ensure that people are aware of the impact of waste on their health, well-being and the environment;
3. Generally, to give effect to section 24 of the Constitution in order to secure an environment that is not harmful to health and well-being.

(2) The National Waste Management Strategy¹⁶

¹⁶ Source: *National Waste Management Strategy-Phase 2 Research, Summary of key strategic issues to inform NWMS (Department of Environmental Affairs)*



The Polokwane Declaration at the National Waste Management Summit in 2002 set targets for waste generation to decrease by 50% by 2012, and waste disposal to decrease by 25% by 2012, with the ultimate aim of developing a plan for zero waste by 2022. These ambitious targets not only draw attention to government's commitment to integrated waste management, but also emphasize waste minimisation as an environmental policy priority.

The waste hierarchy is a conceptual model that looks at the progression of waste from the production or generation stage to its ultimate disposal. Inherent in the waste hierarchy approach is the notion of waste minimisation, primarily at the production or generation stage, but also at other stages of the hierarchy. There is general consensus regarding the waste hierarchy as a policy framework, which informs the overall approach adopted for waste management in South Africa. The waste hierarchy model is the strategic foundation for the NWMS.

The waste industry plays an instrumental role in the progression of waste through each stage of the hierarchy. The main components of the waste industry include collection, transportation, disposal and recycling (including both formal and informal components).

Waste minimisation will inevitably impact on the volume of waste that enters the waste industry, as well as affect the flow of waste once it enters the industry. This in turn will have an impact on environmental objectives, sustainable development, socio-economic factors and broader macro-economic goals. Given the economic significance of the waste industry, it is important to understand the consequences which stem from the implementation of the waste hierarchy.

This section outlines how the NWMS will go about implementing the waste hierarchy, by outlining the overall approach which will be used in the implementation of the NWMS, and the tools and strategies to be applied to the management of waste.

Overall goals, approach and regulatory model

The primary goal of the NWMS is the achievement of the objects of the Waste Act, which are in summary:

- minimizing pollution, environmental degradation and the consumption of natural resources,
- implementing the waste hierarchy,
- balancing the need for ecologically sustainable development with economic and social development, and
- promoting universal and affordable waste services.

(3) Elements of an Integrated Waste Management System¹⁷

Sustainable Living

Municipalities are in a unique position to encourage the kind of lifestyle choices that will promote sustainable living. They can achieve this by taking into account economic, social and natural environmental factors in their decisions and the activities that they undertake.

Our constitution embodies the principle that all citizens have the right to live in an environment that is not detrimental to their health and well being - municipal councillors and officials have a legal duty to make choices that will ensure that the areas under their control do not become degraded or polluted. The way that a municipality

¹⁷ Elements of a Waste Management System



controls and manages the waste that is generated within its boundaries has a significant effect on the quality of life of its residents.

When we produce waste it eventually returns to the natural environment - to land, water or the air, and if it is not properly managed it causes pollution which can be easily transferred from one part of the environment to another, e.g. uncontrolled burning of waste results in air pollution.

The environment that receives the waste must be able to assimilate it (take it up) without becoming degraded or polluted. Waste must be managed in a way that does not have an adverse effect on the environment, and that is affordable, acceptable and as convenient as possible to the people who might be affected by it.

Economic Incentives

Recycling is an activity that needs both financial and logistical support, especially in the early stages of an initiative, if it is to be successful and sustainable. Such support could include the following:

- Direct cash payment in return for materials delivered or collected e.g. at a buy back facility
- Subsidies for collection and transport of materials for recycling
- Tax incentives, including tax exemption for recyclers who purchase new recycling equipment; low interest loans for purchase of recycling capital equipment; landfill charges or taxes; and raw material charges.
- Enhancing market conditions for recycling by ensuring the supply of recyclable materials and simultaneously stimulating demand for products made from recycled materials.

Regulations

Government might set targets to promote recycling. Although there is currently no law requiring recycling, future recycling targets might be regulated by law. Such targets should set realistic levels of recycling within achievable timeframes and be agreed in consultation with the key role-players in the recycling chain.

A phased approach should be adopted to achieve such targets:

- Inclusion of recycling options in Integrated Waste Management Plans which should be an element of an Integrated Development Plan, required of every municipality by law.
- Requiring business and industry to produce recycling plans as part of their broader environmental strategy
- Municipalities and other government departments adopting a procurement (purchasing) policy that requires a certain proportion of the products they purchase to contain recycled material e.g. paper, lubricating oil, traffic cones, envelopes, plastic desktop accessories, refillable ink cartridges
- Registration of recyclers operating within the municipal area.
- Municipal support for recycling initiatives in the form of bylaws that facilitate the location, operation and use of such facilities.

The roles and responsibilities in terms of the NWMS for local government include:

- Integrated waste management planning:* Local government will be responsible for the compilation of general waste management plans for submission to provincial government.
- Waste information system:* Local government will be responsible for data collection.
- Waste minimisation:* Local government will implement and enforce appropriate national waste minimisation initiatives and promote the development of voluntary partnerships with industry.
- Recycling:* Local government is to establish recycling centres and/or facilitate community initiatives.

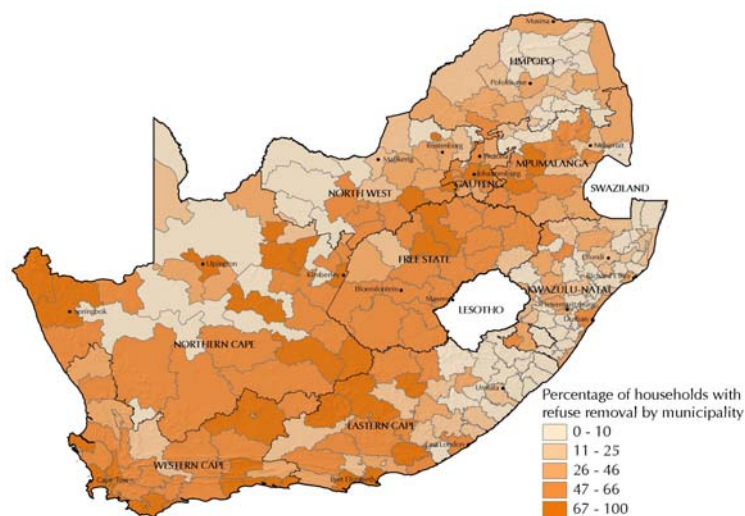


- Waste collection and transportation:* Local government is to improve service delivery. Private public partnerships to assist service delivery are encouraged.
- Waste disposal:* Local government is to take responsibility for the establishment and management of landfill sites, and to promote development of regionally based facilities.
- Formalising and controlling of scavenging is the responsibility of the permit holder.

(4) Current Situation

Table 4.16: Percentage of households with refuse removal by municipality

(Source: Department of Environmental Affairs and Tourism)



Municipal waste collection has improved countrywide by only 2.7% between 1996 and 2001, and almost 50% of the population is still not receiving a regular waste collection service. The metropolitan municipalities deliver an almost complete service, while local municipalities in many remote rural areas deliver no service at all. Yearly assessments of the ability of local municipalities to perform their refuse removal and disposal functions, which is undertaken by the Municipal Demarcation Board, show a growing inability of municipalities (in terms of staff, capacity, and budget) to deliver efficient waste-collection services.

A total of 475 general landfill permits has been granted for the country as a whole, and 12 new applications are under consideration. This represents a 64% compliance with Section 20 of the Environment Conservation Act, as evidence exists of more than 760 sites (legal and illegal) across the country. There could, however, be as many as

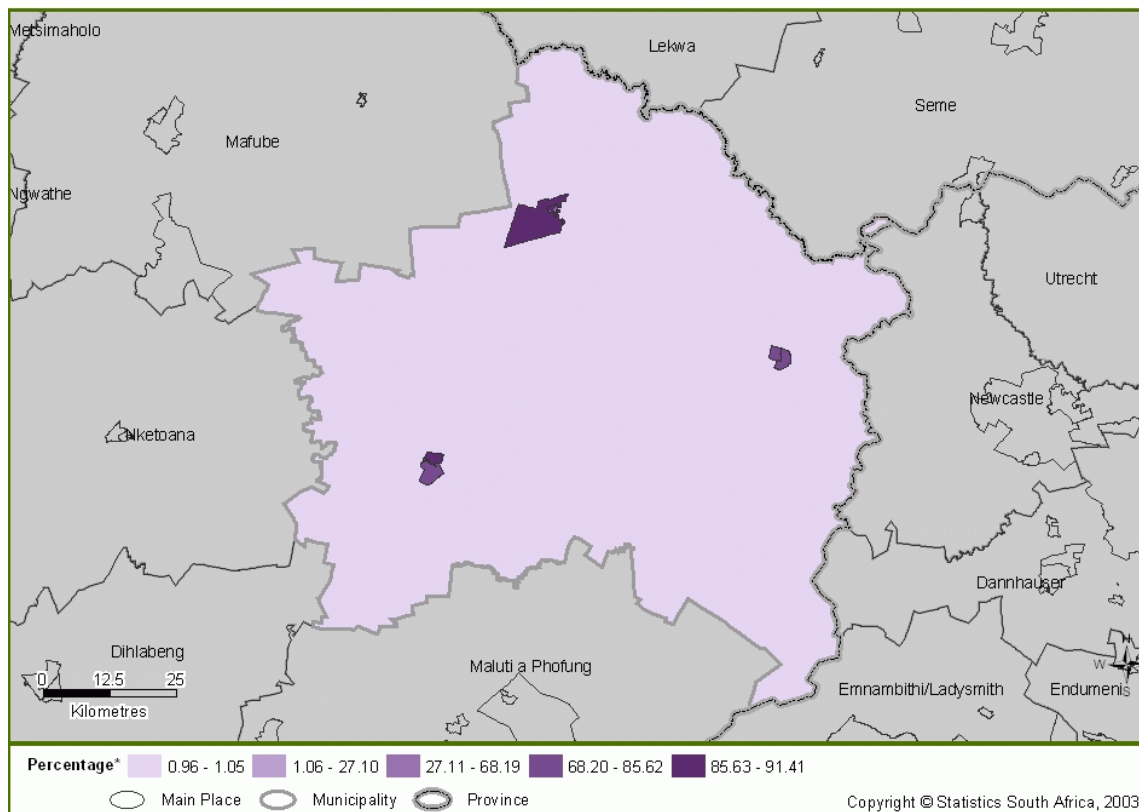


15 000 unrecorded communal sites in the rural areas. More than 300 incineration facilities were operating in South Africa in 1997, many of which failed to comply with the required emission standards for human health and environmental protection.

In the Phumelela Local Municipality, access to weekly refuse removal services, according to the results of the 2001 Census, were as follows:

Table 4.17: *Percentage of households with access to weekly refuse removal services*

(Source: Statistics South Africa, 2001 Census)



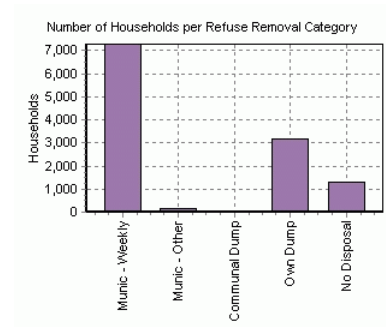
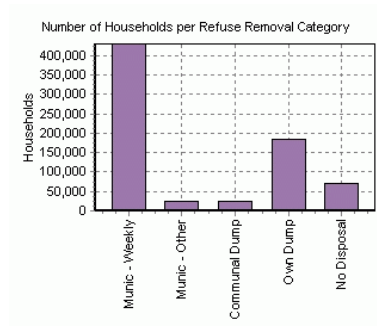
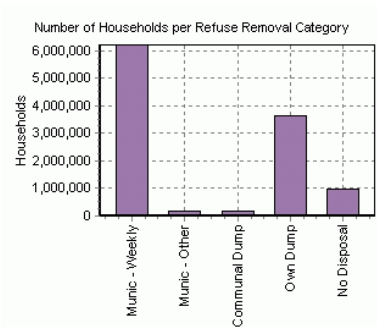
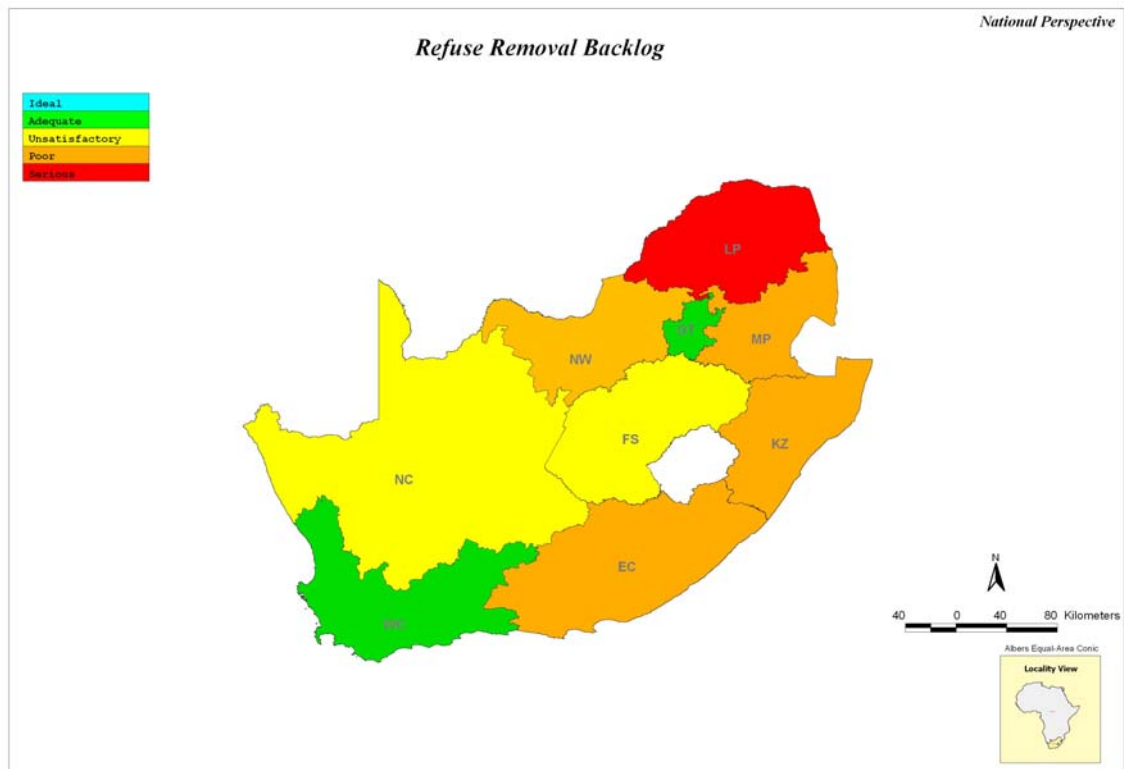


Table 4.18: Refuse Removal Backlogs

(Source: Department of Water Affairs)



The Phumelela Municipality falls in the category where refuse removal services is classified as unsatisfactory.



Table 4.19: *Percentage distribution of households by type of refuse removals*

(Source: Stats SA, Census 2001, Community Survey 2007)

Percentage distribution of households by type of refuse removals		
Indicator	Census 2001	Community Survey 2007
Removed by local authority / private company at least once a week	60.9	70.9
Removed by local authority / private company less often	1.5	
Communal refuse dump	0.2	
Own refuse dump	26.4	14.2
No rubbish disposal	10.9	14.9

Table 4.20: *Percentage distribution of households by type of refuse removals (number of households)*

(Source: Stats SA, Community Survey 2007)

Percentage distribution of households by type of refuse removals		
Indicator	%-Census 2007	No. of households
Removed by local authority / private company at least once a week	71.00%	8,187
Removed by local authority / private company less often	0.00%	0
Communal refuse dump	0.00%	0
Own refuse dump	14.00%	1,614
No rubbish disposal	15.00%	1,730

(6) Analysis

Most towns experience problems with the management of their waste disposal sites, and do not adhere to the requirements of the Department of Water Affairs. A plan to establish a regional framework for effective waste disposal, including the possibility of regional dumping sites and how to deal with toxic waste, is required.



All the urban areas are serviced, with refuse removal on a weekly basis. However, the effective and co-ordinated functioning of this service will have to be addressed. The equipment used for removal (mostly a tractor and trailer) are old and in poor condition.

Each of the urban units has one waste disposal site. However, the capacity and condition of two of these sites need to be improved as soon as possible. The Vrede site is located near the airstrip and is not fenced in, (because of theft). Furthermore the site has insufficient capacity for even short-term use. The site within Memel is situated close to the Pamponspruit, which is a tributary to the Seekoeivlei wetland area. This site is also unfenced as a result of theft, and will have to be expanded or relocated for future demands. Warden's site was upgraded recently with the addition of an incinerator.

Table 4.21: Percentage distribution of households by type of refuse removals (number of households)

Area	Waste sites	Legal status	Refuse removal	Equipment	Personnel
Vrede	1	Legal	4 times p/m	Tractor	20
Thembalihle	-	Legal	16 times p/m	Tractor	20
Memel	1	Legal	4 times p/m	Tractor	5
Zamani	-	Legal	12 times p/m	Tractor	5
Warden	1	Legal	4 times p/m	Tractor	12
Ezenzeleni	-	Legal	12 times p/m	Tractor	12
Phumelela	3	Legal		Tractor	74

Core issues that need to be addressed are summarized in the table below:

Table 4.22: Percentage distribution of households by type of refuse removals (number of households)

Core issues	Description
Condition and capacity of waste disposal sites	Waste disposal sites in Vrede and Warden are in a poor condition and the fences that have been erected were stolen. The capacity of these sites is only sufficient for the short term.



Core issues	Description
Position of waste disposal sites	The waste disposal site in Memel is situated near the Pampoenspruit and holds a danger of polluting the Seekoeivlei wetland. This site will have to be relocated within the near future.
Buying of Bulk containers with equipment	The residents in the townships of Phumelela tend to through their refuse (with the exception of ash) on streetcorners etc. resulting in a huge necessity to place bulk containers on strategic places for that purpose. However, the relevant equipment to remove the containers must also be obtained
Equipment for the rehabilitation of waste disposal sites	Throughout Phumelela there is a need for a Bulldozer to rehabilitate the waste disposal sites. Comparison between the purchase of a bulldozer and the renting of equipment occasionally should be done.
Illegal dumping and pollution	The entire waste management system would be ineffective if the community at large does not adhere to and support it. Illegal dumping, in especially the former township areas, places strain on the ability of the municipality to effectively remove refuse from residential areas and furthermore contributes to the pollution of the natural environment. Community education, even more effective systems and strict control measures could address this problem.

(7) Integrated Waste Management Planning

The implementation of an Integrated Waste Management Planning system was seen as key to aligning and coordinating the activities of government and industry, in order to optimise waste management, maximise efficiency and minimise the associated environmental impacts and financial costs of waste.

The Action Plan for the integrated waste management planning system required the promulgation and enforcement of regulations for integrated waste management planning, preparation of guidelines for the development of the plans, and awareness campaigns to promote the need for and approach to integrated waste management planning.¹⁸

The Phumelela Local Municipality's response to the demands for integrated waste management planning is as follows:

(1) Review the regulatory guidelines for waste management in the area

The Municipality will review its by-laws, policies, strategies, plans and programmes related to waste management in order to ensure that it is in line with the National Waste Management Strategy and Action Plan

¹⁸ Source: *A Framework for the National waste Management Strategy* (Department of Environment Affairs and Tourism)



and to ensure that there is a sound and effective statutory framework in place for waste management practices in the municipality. It is envisaged that the integrated statutory framework will ultimately address the waste management needs of the municipality holistically.

(2) Conduct a comprehensive waste situation analysis

The Municipality will conduct a comprehensive analysis and survey of the waste situation, challenges, constraints and actual waste disposal capacity in the area. The aim will be to obtain accurate and reliable data that could be used to inform the envisaged by-laws, programmes and strategies aimed at effective and environmental friendly waste disposal.

Such a survey would address the following issues:

- A Gaps and Needs Analysis.
- A Waste Generation Model.
- Economic Analysis of Options concerning Landfill Sites.
- Collection Needs.

(3) Awareness campaigns

The Municipality plans to make extensive use of awareness campaigns as an inexpensive way of working towards achieving its waste management objectives.

(8) Waste Information System

DEAT's vision has been to establish a Waste Information System for South Africa which supports the needs of local, provincial and national government with respect to the management of waste, by collecting reliable, national data on waste, and by providing "accessible information to interested and affected parties, that will support effective integrated pollution and waste management" (DEAT, 2000).

It is also DEAT's intent to collect this data without placing an undue financial and capacity burden onto industry and the private sector, which are responsible for providing the data, and government, which is responsible for collecting, verifying and disseminating the data and information.

Key challenges with respect to the effective deployment of the Waste Information System will be to ensure that the database is populated and that the information is used to support effective integrated pollution and waste management¹⁹.

¹⁹ Source: *A Framework for the National waste Management Strategy* (Department of Environment Affairs and Tourism)



The Municipality intends to set up a data-base with the aim of keeping records of all waste management and waste disposal statistics, as required by the National Waste Management Strategy, as soon as the necessary administrative capacity is in place.

(9) Waste minimization and waste recycling

Waste minimization and recycling has been one of three focal areas for the NWMS implementation project. The objectives of this component of the project were to increase and extend waste recycling in selected pilot areas; identify new waste streams for recycling; expand existing recycling initiatives and improve as well as implement new recycling initiatives; and identify and develop appropriate mechanisms to promote sustainable recycling by all members of the recycling chain.

The Municipality is planning to gradually introduce and popularize waste recycling initiatives. However, due to resource and capacity constraints, these initiatives will for the short and medium term focus on awareness creation.

(10) Waste collection and transportation

The starting point with regard to waste collection and transportation was to develop an understanding of the status of waste collection, and associated backlogs, at municipal level. Alternative approaches to waste collection have been successfully explored throughout the country. This includes the use of community-based SME contractors to collect waste in traditionally unserved areas and 'food for waste' programmes whereby poor households collect domestic waste weekly in exchange for food parcels.

National guidelines in this regard are as follows²⁰:

The Waste Act specifies general principles for the storage and transport of waste to prevent pollution of the environment and harm to health. The measures in this section include specific requirements in relation to waste collection services that need to inform the NWMS:

- Municipalities should equitably allocate waste collection services;
- An obligation exists on persons receiving waste collection services to pay applicable service charges;
- Municipalities can withhold provision of services where there is failure to comply with reasonable provisions (such as payment), so long as not providing the service will not pose a risk to health or the environment;

²⁰ Source: *A Framework for the National Waste Management Strategy* (Department of Environment Affairs and Tourism)



- ❑ Municipalities can distinguish between different categories of users and geographical areas in terms of the services they provide, and
- ❑ Municipalities are obligated to provide publically accessible containers and receptacles for the collection of recyclable waste.

The Municipality does not currently have the resource and budget capacity to invest in alternative waste collection and transportation. The immediate focus will be to sustain current levels of services and make the community aware of the importance of sustainable waste collection practices.

(11) Waste treatment

A number of interventions have been put into effect to achieve the objectives of the 1999 NWMS. From a regulatory perspective, air emission standards have been reviewed and revised, and enforcement of standards has been significantly improved by DEAT. A review of the classification of hazardous waste is underway and an incineration policy has been drafted and made available for public comment. With regards to the status quo of waste treatment facilities, a great deal of attention has been invested in understanding the status of healthcare risk waste treatment, and demonstration projects in both an urban and rural context have yielded interesting results, which may address the challenges with regard to the effective and safe disposal of healthcare risk waste in poorly resourced environments. While the Department has taken great strides in relation to the priorities and action plans for waste treatment, it will be useful to ensure that all elements of the 1999 NMWS are fully implemented with regard to waste treatment²¹.

Given the current capacity limitations of the Municipality, short to medium term strategies will focus on developing and implementing a waste classification system. In this regard, mention could be made of the following categories of waste²²:

Solid Waste is waste of a solid nature generated by a person, business or industry.

Domestic solid waste (General Waste) is solid waste generated by single or multifamily residential dwellings, and solid waste of a non-hazardous nature, generated by wholesale, retail, institutional or service establishments such as office buildings, stores, markets, restaurants, theatres, hotels, warehouses, industrial operations and manufacturing processes.

Hazardous waste is any waste which by reason of chemical reactivity, or toxic, explosive, corrosive or other characteristics causes danger or is likely to cause danger to human health or the environment, whether alone or in combination with other wastes. Hazardous waste is categorized in four hazard ratings with 1 being the most hazardous and 4 being the least hazardous.

²¹ Source: A Framework for the National Waste Management Strategy (Department of Environment Affairs and Tourism)

²² Integrated Waste Management Master Plan - June 2003 (Amajuba Municipality)



Medical waste is any waste generated by hospitals, clinics, nursing homes, doctor's offices, medical laboratories, research facilities and veterinarians, which are infectious or potentially infectious.

Special waste is a non-hazardous waste, which due to its nature requires special or separate handling at a sanitary landfill. Special wastes include but are not limited to tires, asbestos, demolition waste, industrial sludges of a non-hazardous nature, paper mill sludge, olive oil waste, abattoir wastes and petroleum waste oil.

In terms of waste disposal sites, the short to medium term emphasis of the Municipality will be on solving issues related to the location of landfill sites (too close to urban areas)²³ and the fact that some landfill sites are located on private property.

(12) Waste disposal

The challenges with regard to waste disposal are multiple, and underline the need for an updated understanding of the state of waste disposal, the extent of unpermitted landfill sites, the lack of landfill space, and the need to update the classification of hazardous waste. There are various initiatives underway or in place to address these issues. In terms of the need to improve waste information and statistics, the Waste Information System has been designed and implemented although it is currently underutilized. There is a process underway to identify which landfill sites have not been permitted and to prioritise and fast-track their permitting. There is also a review of the classification of hazardous waste, which will culminate in a new classification system to replace DWAF's minimum requirements for waste categorization (2nd version, 1988).

The Minimum Requirements provide applicable waste management standards or specifications that must be met, as well as providing a point of departure against which environmentally acceptable waste disposal practices can be assessed. The objectives of setting Minimum Requirements are to:

- Prevent water pollution and to ensure sustained fitness for use of South Africa's water resources.
- Attain and maintain minimum waste management standards in order to protect human health and the environment from the possible harmful effects caused by the handling, treatment, storage and disposal of waste.
- Effectively administer and provide a systematic and nationally uniform approach to the waste disposal process.
- Endeavour to make South African waste management practices internationally acceptable.
- Before a waste disposal site permit is issued, adherence to the Minimum Requirement conditions will be required from the permit applicant. The Minimum Requirements promote the hierarchical approach to waste management, as well as a holistic approach to the environment.

The Municipality's capacity constraints do not allow it to fully comply with all the requirements mentioned above. However, once the current challenges relating to the existing landfill sites are resolved, the Municipality will amend its waste management strategies to ensure a gradual introduction of initiatives aimed at ensuring full compliance.

²³ The waste disposal site in Memel is situated near the Pampoenspruit and holds a danger of polluting the Seekoeivlei wetland. This site will have to be relocated within the near future.



(13) Healthcare risk waste management

There are a number of health facilities in the Phumelela municipal area, which makes the adoption of healthcare risk waste management policies an important component of the municipality’s overall waste management policies and strategies. The registered health care facilities are as follows:

Table 4.23: *Registered health care facilities in the Phumelela area*

(Source: Municipal Demarcation Board)

Medical Facilities
Memel Clinic
Memel Clinic Mobile
Memel Clinic Satellite
Memel Clinic Zamani
Memel PHC Mobile
Vrede Clinic
Vrede Clinic Bobholong
Vrede Hospital
Vrede PHC Mobile
Warden Clinic
Warden Clinic Ezenzele

(14) Environmental Impact Assessment of Waste Management Options

From an environmental perspective, there are two major waste management risks to the Phumelela Local Municipality that were specifically considered in developing its waste management IDP strategies. These are:

- (1) The environmental impact of inadequate waste water management; and
- (2) The environmental impact of poor management of landfill sites.

The Environmental Impact of Inadequate Waste Water Management

Pollution of the water resource occurs when waste and stormwater services fail. Services failures are related to both the way in which the services are maintained and operated by the local authority, but also by the way in which communities use these services.



In most cases there is a complex interaction between the local authority's capacity to operate and maintain effective waste services, and the community's use (or misuse) of these services. Sustainable management of the impacts of service failures on the quality of water resources rests on identifying and addressing these underlying interactions²⁴.

Municipal pollution increases the costs of treating water to potable standards. These costs must either be passed on to the consumer or must be borne by the local authority or bulk water supplier. It also impacts on downstream ecosystems, decreasing biodiversity and affecting ecosystem functioning. This impairs the river's ability to assimilate pollution, resulting in impacts on users far downstream. Municipal pollution can also make water unfit for recreational water use, and is often responsible for the closing down of recreational sites. This too can impact directly on downstream local authorities that rely on income from recreation.

The most significant change in local government since 1994 has been the amalgamation local authorities. While this process has made it difficult to meaningfully engage local government since December 2000, the process has left them more capacitated than ever before.

The recent promulgation of the powers and functions of local government has also given more certainty with respect to local government's role in the provision of services (including waste services). These changes have been accompanied by extensive capacity building for the new councillors and officials.

In addition, the equitable share grant has increased significantly over the last few years. Similarly, the consolidation of the various Municipal Grant mechanisms means that local government can now access more financial support. This has been accompanied with financial management capacity building.

Local government is responsible for providing services to the South African consumer. These services include waste, water, health and sanitation services, all of which can directly impact on the water resource. As the provider of services, local government directly addresses the worst deprivations of poverty. This is, and should remain, their primary goal, and pollution abatement should not detract from this. However, well maintained and operated services that are used to best effect by the community, also reduces the costs of providing health services and of ongoing repairs.

Waste services include water and sanitation services, solid waste removal and cleansing services, and include the whole cycle – from the point of collection at or near the home – to the final disposal. Failing services and the consequent pollution, points to problems somewhere in this cycle.

Ultimately, addressing urban pollution will help provide better services, and will help the consumers use the services better. But this is clearly local government's responsibility and ultimately they are the only agency that can priorities their needs in this respect.

It is important to emphasise that the approach helps to find the root causes of pollution. While this may be time consuming it does lead to more sustainable solutions. Ultimately this saves money, and reduced maintenance costs.

It is important to draw the links between the actual pollution problem and the increased costs to the local authority.

It is also important to emphasise that finding the root causes of the problem will lead to sustainable improvements in the quality of life for consumers.

It is important to emphasise the consequences of services failure, over and above the impacts on the environment.

This could include health related problems for the consumers, as well as a reluctance to pay for the services.

²⁴ Source: *Managing failing waste services and their environmental impacts (Towards cooperative governance)* produced by the project to manage the water quality effects of settlements, Department of Water Affairs and Forestry



Involvement of the community in finding the solution, using the structured-facilitated approach also improves local authority - consumer relationships²⁵.

Some of the damage associated with inadequate handling of wastewater

- Increased direct and indirect costs caused by increased illness and mortality.
- Higher costs for producing drinking and industrial water, resulting in higher tariffs.
- Loss of income from fisheries and aquaculture.
- Poor water quality deters tourists, immediately lowering income from tourism.
- Loss of valuable biodiversity.
- Loss in real estate values, when the quality of the surroundings deteriorates : especially important for slum dwellers where housing is the primary asset.

The Environmental Impact of Poor Management of Landfill Sites²⁶

The term “leachate” refers to liquids that migrate from the waste carrying dissolved or suspended contaminants. Leachate results from precipitation entering the landfill and from moisture that exists in the waste when it is disposed. Contaminants in the buried refuse may result from the disposal of industrial waste, ash, waste treatment sludge, household hazardous wastes, or from normal waste decomposition. If uncontrolled, landfill leachate can be responsible for contaminating ground water and surface water.

The composition of leachate varies greatly from site to site, and can vary within a particular site. Some of the factors affecting composition include:

- Age of landfill
- Types of waste
- Degree of decomposition that has taken place; and
- Physical modification of the waste (e.g. shredding).

Once ground water is contaminated, it is very costly to clean up. Today’s landfills, therefore, undergo rigorous siting, design, and construction procedures that provide many safeguards for the control of leachate migration.

A designed lining system, which ensures low-permeability limit the movement of leachate into ground water. Liners are made from low-permeability soils (typical clays) or synthetic materials (e.g. plastic). Landfills can be designed with more than one liner, and a mix of liner types may be used. Leachate collection systems are installed above the liner and usually consist of a piping system sloped to drain to a central collection point where a pump is located. Once the leachate has been collected and removed from the landfill, it must undergo some type of treatment and disposal. The most common methods of managing leachate are:

²⁵ Managing failing waste services and their environmental impacts (Towards cooperative governance) produced by the project to manage the water quality effects of settlements, Department of Water Affairs and Forestry

²⁶ Source: Obtained from a document published by DWAF, titled “Guidelines For Leachate” Control www.dwaf.gov.za (Compiled by G le Roux)



- Discharge to sewage treatment works.
- On-site treatment followed by discharge; and
- Recirculation back into the landfill.

Treatment in a sewage works

In some cases, landfill leachate can be added into incoming wastewater stream at a sewage works, where it is biologically, physically, and/or chemically treated. In South Africa the routine treatment of leachates has tended to concentrate on biological treatment in order to reduce the organic components to acceptable levels. Biological treatment can be preceded by treatment of the organic constituents by physical or chemical treatment, in order to make the liquid more acceptable for biological processing, since the best overall treatment efficiencies can generally be achieved by removing the inorganic constituents first, and then removing the organic constituents. The approach protects the subsequent biological and other processes such as adsorption and air stripping from problems caused by metal toxicity, corrosion and scaling. A third stage treatment by using various physical and chemical treatment methods can be used after the biological process to clean up or “polish” the leachate in order to remove recalcitrant organics or inorganic materials such as high salt levels that cannot be directly discharged into the environment.

Physical treatment processes

Physical treatment methods are used to remove, separate and concentrate hazardous elements and compounds, both organic and inorganic, from dilute and concentrated waste streams. Most physical treatment methods that have been applied to leachate treatment are conventional technologies and can remove a variety of problem contaminants. Increasingly, membrane technologies other than simple reverse osmosis such as Electrodialysis and Ultrafiltration are being applied. However, most membrane technologies suffer from problems associated with blockage of the membranes and landfill leachates with their relatively high COD's are often not good candidates for these technologies. Reverse osmosis, has, however, had some success.

Pre-treatment with physical technologies prior to biological treatment have been largely using sedimentation, coagulation and flocculation or filtration in order to remove suspended solids. After biological treatment, the presence of high concentrations of salts normally prevents direct discharge to the environment. Options for treatment include evaporation or reverse osmosis with the recovery of a brine or solid salt material that often has to be disposed back into the landfill. Clearly, unless this process is managed carefully it is essentially self-defeating, since the salt can re-enter the leachate and the treatment cycle has to be repeated.

- **Chemical treatment methods**

Chemical treatment methods have been widely used to treat leachate. This includes neutralisation, oxidation, precipitation and wet-air oxidation. Chemical pre-treatment of leachate prior to biological treatment has included the addition of an alkali, usually lime, in order to raise the pH and to precipitate out heavy metals or, if the amount of Ca in leachate is a problem, soda ash is added to precipitate calcium carbonate.

Chemical oxidation has also been widely used in South Africa. Hydrogen peroxide is being used at most H sites in South Africa for the mitigation of odours produced by the leachate, since it readily reacts with any sulphide and mercaptan components that normally cause the odour. Hydrogen peroxide is expensive and



large amounts would be required to have any significant impact on the concentration of organics in the leachate. In the UK, ozone has been used to oxidise recalcitrant organics such as human acids, in order to break the molecules and make them more susceptible to biological treatment.

- **Biological treatment**

Biological treatment methods are processes whereby microbes are used to destroy or at least reduce the toxicity of a waste stream. Normally biological treatment of predominantly aqueous wastes such as leachate is accomplished in specially designed bioreactors. A suitable culture of the micro-organisms or microbial association, either aerobic or anaerobic, is chosen.

Biological treatment is firmly established as the standard method of waste treatment for some wastes. i.e.

- Domestic sewage
- Waste from food processing
- Hazardous waste e.g. phenols, cyanide, oils
- Leachates

For leachates, a large number of approaches to biological treatment are proposed, but many are unproven and have not yet been shown to be effective on site.

The general types of transformations that can be accomplished biologically include:

- Degradation of organics to products such as carbon dioxide, methane, water and inorganic salts e.g. phenols
- Reduction of inorganic compounds e.g. nitrate
- Complexation of heavy metals e.g. nickel

Discharge to a sewage works, however, is not an option in all cases. Care must be taken not to interfere with operations at the sewage works. The contaminants in leachate can sometimes upset sewage work operations.

Typical leachate can often exceed the required discharge limits particularly in terms of COD and salt content. The discharge of heavy metals into the sewer system is, normally strictly controlled. Those metals of concern to the water authority include Fe, Zn, Cd, As, and Hg. The last three are normally present in extremely low amounts of leachates, particularly from domestic sites, although high amounts of Fe are often found.

On-site treatment

When discharge to a sewage system is not feasible, constructing treatment facilities on-site with the sole purpose of treating leachate may be necessary. The Aloes Class H:H disposal facility in the Eastern Cape is an example of this. These facilities will add to the cost of a new facility, but may be required to meet environmental standards.

On site treatment reduce high concentrations of COD and BOD. Retention times from 10 to 50 days can result in the removal of 90% of COD and ammonia. Nitrification of high concentrations of ammonia can be achieved by extended aeration and at increased temperatures. The addition of phosphoric acid may be required for microbial growth and inputs of sodium hydroxide for pH adjustment. The operating parameters vary, depending on the quality and nature of the leachate and extended trials are required to determine these for a specific leachate. Aerobic treatment results in a reasonable reduction in COD and ammonia and can be accomplished at quite high conductivity



and chloride levels. However, the resulting effluents will still have a relative high COD and high conductivity, which is mainly related to chloride levels. Polishing of the leachate has included the use of artificial reed beds and ozone treatment prior to discharge to a watercourse.

These methods have been applied widely to the on-site treatment of leachate from domestic waste sites, although waste sites that have accepted limited hazardous waste have also been successfully treated.

Recirculation

Recirculation is another management technique for leachate. When leachate is recirculated through the waste pile, the decomposition process in the landfill speeds up, resulting in a shorter time for the landfill to stabilise. The technique, however, does not eliminate the leachate. Ultimately, the leachate will have to be treated by one of the other methods. Especially in cases where too much leachate is produced for storage thereof in evaporation ponds.

The objectives of recirculation are to:

- Encourage early establishment and methanogenesis that is promoted by a high moisture content and the movement of moisture. It also promotes degradation of hazardous organic and other biodegradable waste.
- Develop a more uniform quality of leachate in order to facilitate an easier operation of the landfill site.
- Encourage leaching of solid industrial wastes
- Minimise dry zones in the waste that would remain undegraded for many years
- Take up absorptive capacity and reduce fluctuations in leachate flow rate
- Promote enhanced evaporative losses by surface spraying.
- Provide temporary storage of short-lived peak flow rates.

The main advantage of recirculation of leachate for a landfill operator is the increase in the waste stabilisation rate and the considerable decrease in leachate volume that can be obtained.

Many disadvantages are:

- Surface flooding
- Spraydrift that can cause pollution and health problems
- Malodours
- Clogging of subsurface recirculation systems; and
- Without pre-treatment, undesirable inorganic contaminants can build up (e.g. chloride and ammonia)



(15) Development Strategies: Waste Management

Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
Landfill sites	Objective 4.1: To ensure that disposal sites to all areas and according to legal requirements and environmental health standards	Integrated Waste Management Plan	Development of legislatively compliant and environmentally friendly waste disposal sites	<p>None of the landfill sites are registered</p> <p>Environment impact studies required</p> <p>Existing sites must be closed down</p> <p>Vrede's dumping site next to airport, instead of legislatively required distance</p> <p>R1 million required</p> <p>The operation and maintenance of dumping sites need to be addressed as part of feasibility study</p> <p>Incinerator required to ensure compliance with environmental legislation</p> <p>Waste collection – inadequate equipment is a problem (e.g. all tractors are older than 10 years and need to be replaced). An application for R3 million has been prepared to the Development Bank</p>	Registration and approval	Implementation to be done	Legislatively compliant landfill sites	<p>Development of registersred landfill sites</p> <p>Waste Disposal site Vrede</p> <p>Waste Disposal Site Warden</p> <p>Waste Disposal Site Memel</p>	



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
			Develop waste recycling capacity in the Phumelela area	No waste recycling capacity	--	Development of recycling capacity	Waste recycling: Implementation of environmental friendly practices for recycling and landfill sites	Develop waste recycling capacity in the Phumelela area	
			Promote environmental health by the way in which the waste disposal function is managed	Gradual re-allocation of waste disposal sites (refer to Objective 4.1)	Awareness campaigns (4 [1 per quarter])	campaigns (4 [1 per quarter])	campaigns (4 [1 per quarter])	Purchasing of the necessary waste disposal equipment and vehicles	



4.2.5 PRIORITY 5: ELECTRICITY (ENERGY)

Acceptable level of development	Secondary development priority	Primary development priority
<ul style="list-style-type: none"> More than 78% of the Phumelela population has access to electricity as a source of lighting. 	<ul style="list-style-type: none"> Close the current gaps that remains in respect of access to electricity as a energy source for heating and cooking: 54,6% in respect of heating and 44,5% in respect of cooking 	<ul style="list-style-type: none"> Close the current 22% gap that remains in respect of access to electricity as a energy source of lighting Maintenance of ageing electricity infrastructure.

With the exception of Warden, Eskom distributes electricity throughout the region. Although the distribution of electricity is seen as an additional source of income to the council, the network within Warden is old and in desperate need of repair, the proper metering of this service will also need to be attended to. The Objectives below therefore reflect the Phumelela Municipality's obligations and capacity to respond the above-mentioned needs. Actual expansion of access to electricity is primarily the responsibility of Eskom.

(1) Core Issues to be considered by the Municipality in formulating strategies:

Core Issue	Description
Reclamation of electrical distribution infrastructure.	Electricity is seen as a reliable source of income for the municipality, but the municipality provides electricity only in Warden. Negotiations with Eskom will have to be undertaken to transfer the service provision function to the municipality in all the other towns.
Old distribution networks causing power dips and failures.	The electricity network and infrastructure is very old and the capacity is not sufficient for current usage. This causes power dips and failures on a regular basis. The replacement of the entire network or parts thereof should be a priority to the municipality and Eskom.
Small cluster of erven without electricity.	The clusters of households in the various towns that are not connected to the electricity network should receive attention. These households should be connected to the network as soon as possible to provide equality of services to all.



Stealing of electricity / electrical infrastructure.		Theft of electricity cables contributes to the problem of power failures. This is an expense the council and Eskom has to make, but the money can rather be used for upgrading and maintaining the network. The theft should be stopped at all cost.
Insufficient area lighting in most areas.		The lack of area lighting in most areas makes nightlife dangerous and difficult. Crime is more evident in these areas and especially women and children are vulnerable in these situations.
Issues of alignment	Alignment with priorities of AsgiSA	A massive investment in infrastructure
	National Spatial Development Perspective	Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.
	Strategic Plans of National or Provincial Departments	To build and enhance the governance system in order to enable sustainable development and service delivery.
	Asgi-SA	Aims to guide and improve on the South Africa's economic recovery. Beefing up public administration.

(2) Responding to the need for electricity: The National Perspective²⁷

National Response to South Africa's Electricity Shortage

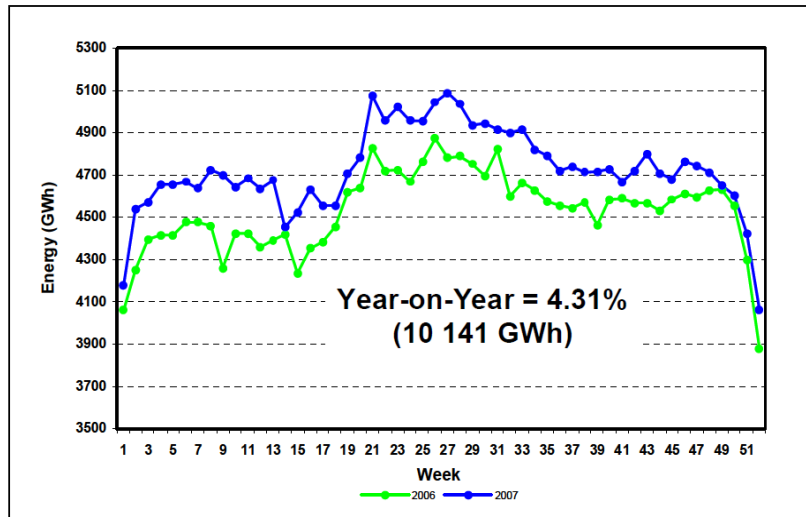
The recent past has seen unprecedented levels of load shedding nationally. Load shedding has been brought about by a shortage of generation supply capacity and is a last resort measure to prevent a collapse of the national electricity supply system. Load shedding is the last of a number of interventions taken to reduce demand in a system emergency situation. The risk of load shedding will remain high until at least 2013 if we do not take immediate actions to ameliorate the situation, especially during times of high levels of planned maintenance. Specific and immediate interventions are needed to minimise the risk of load shedding until the new peaking plant and baseload electricity generating capacity being built comes online.

²⁷ National Response To South Africa's Electricity Shortage (January 2008 – Eskom)



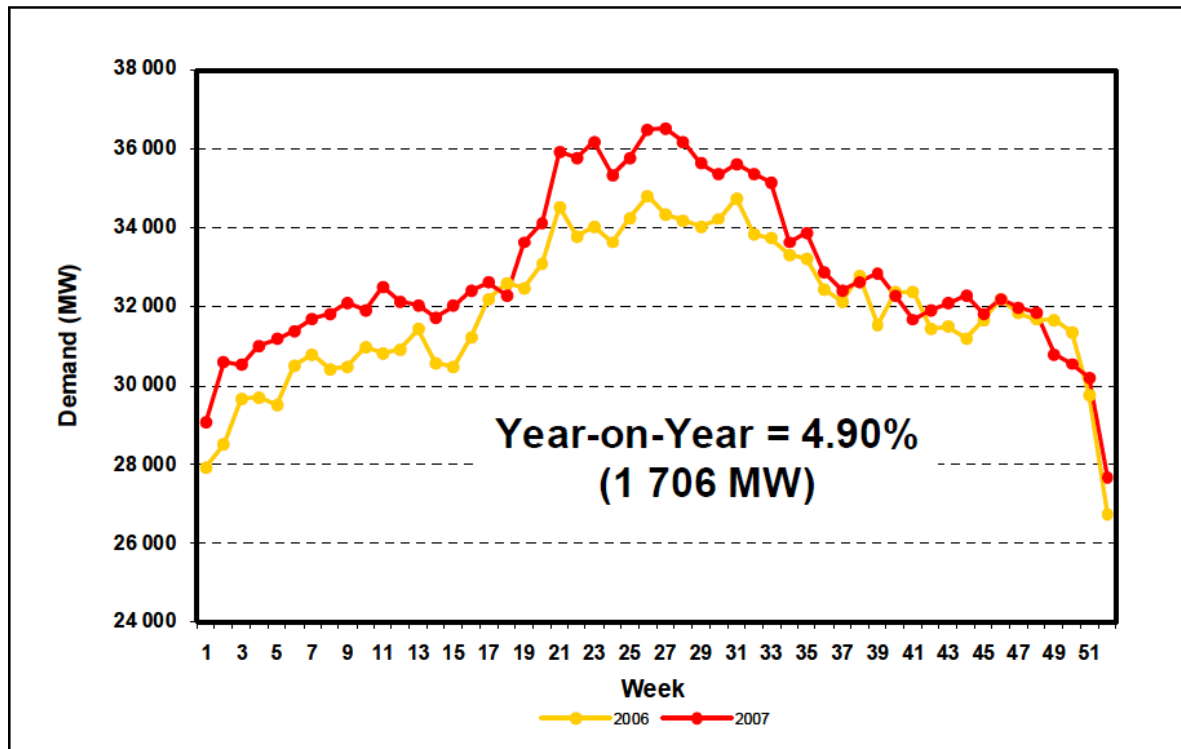
South Africa Electricity Consumption

Figure 4.24: South Africa has seen significant levels of growth in electricity consumption and the level of demand



In addition to this growth in energy consumption, the growth in peak demand from 2006 to 2007 was 4.90% which is 1 706MW. What is important to note is that for almost every week in 2007, the peak demand was higher than that of 2006 and significantly so.

Figure 4.25: Fluctuation of electricity demand





Electricity Pricing

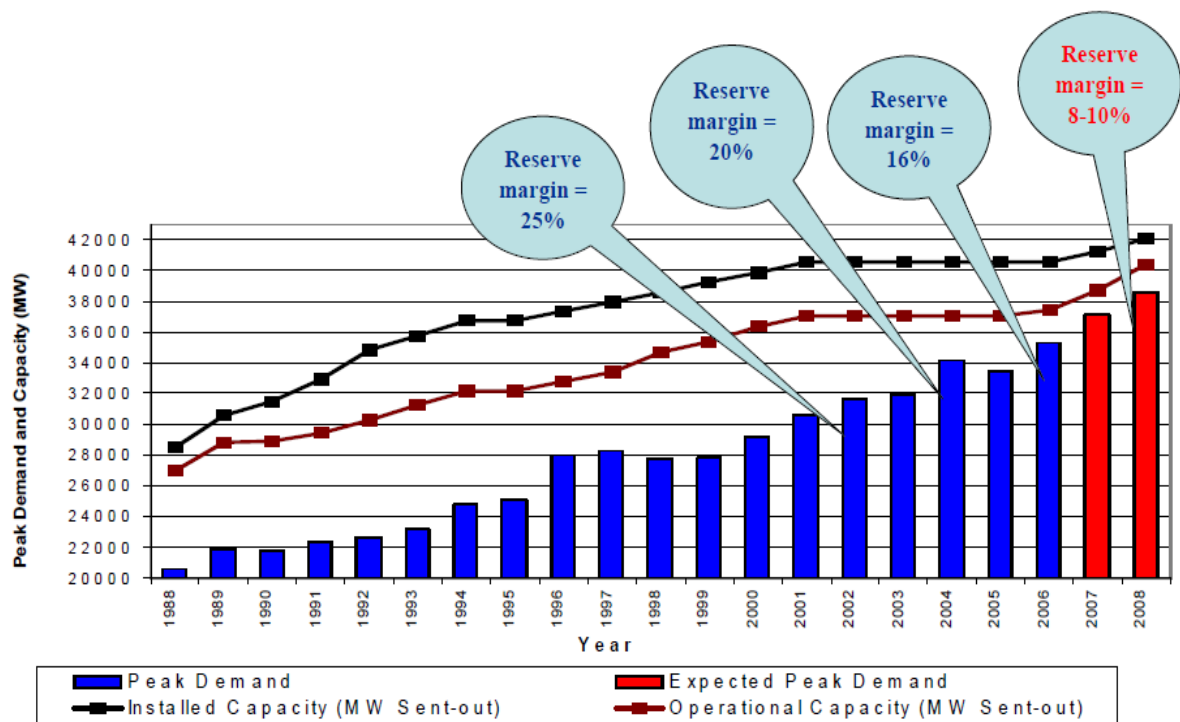
Electricity prices will need to increase substantially to fund the new capacity being built; the current approved tariff by the Energy Regulator is 22.1c/kWh whereas the Long Term Average Cost is significantly higher. Electricity prices will need to move in the direction of the long term cost to be cost-reflective. This is also needed to ensure that electricity is used more efficiently and effectively in South Africa. In order not to adversely affect poor households, the tariff will have to be pro-poor and discourage wasteful consumption.

Reserve Margin

Peak demand is important to the reserve margin because there has to be enough generation plant available at any time to meet the level of electricity demanded at that time. Failure to do this will result in the national electricity supply system becoming unstable thus leading to supply interruption if left unchecked. If the entire national electricity supply system were to shut down, it would take days, possibly even weeks to restore.

The spare power plant available to provide supply at any time of the day is known as the reserve capacity and the spare plant available when the highest demand of the year is recorded is known as the reserve margin. South Africa has historically enjoyed a large reserve margin, but that has declined over the recent past as a result of robust economic growth and the associated demand for electricity.

Figure 4.26: Reserve margins





Immediate need and the Options to address constraint

The immediate need is to bring the Eskom system back into balance by:

- Restoring a workable reserve margin, thereby,
- Alleviating the strain on the generation assets and the primary energy supply chain, and
- Allowing “breathing space” for maintenance to be done.
- Current estimates are that 3 000MW of capacity needs to be released to provide the necessary “breathing space”.

This need can either be addressed from the Supply Side or the Demand Side.

Short term interventions – Core demand reduction programme

- Immediate implementation of the Power Conservation Programme
- Immediate implementation of specific demand side behavioural change programmes
- Fast tracking of medium and long term initiatives

Figure 4.27: Electricity demand – recommended interventions

DEMAND REDUCTION OPTIONS	SUPPLY CONSTRAINTS	COUNTRY IMAGE	CLIMATE CHANGE	FINANCIAL SUSTAINABILITY	SA ECONOMY	PROBABILITY OF DESIRED OUTCOME
LOAD SHEDDING	No improvement	Extremely negative impact	No impact	No impact	Extremely negative Indiscriminate allocation Impossible to plan	NOT AN OPTION
ROLLING BLACKOUTS	Some improvement	Extremely negative impact	Limited impact	Limited impact	Extremely negative Indiscriminate allocation Impossible to plan	NOT AN OPTION
PRIORITISATION OF NEW LOAD	Potentially negative	Negative Impact May be considered unfair	Limited benefit	Depends on priorities	Negative Deter investment	LOAD SHEDDING REMAINS BEST USED IN CONJUNCTION WITH POWER RATIONING
INTENSIFIED “ENERGY EFFICIENCY” DSM	Positive in long term	Slight positive impact	Positive in long term	Neutral to Eskom if funded by NERSA/customers	Positive in long term High Initial cost	LOAD SHEDDING REMAINS ELEGANT SOLUTION, BUT SLOW
SEVERE NMD PENALTIES	Some improvement	Neutral	Some improvement	Limited improvement	Neutral	LIMITED IMPACT WILL NOT RELIEVE CURRENT
SUSPEND NEW APPLICATIONS	No improvement	Very negative impact	Mildly positive impact	Neutral in short term Long term risk	Constrains growth Deter investment	LOAD SHEDDING REMAINS TEMPORARY RELIEVE NEGATIVE LONG TERM IMPACT
POWER CONSERVATION PROGRAMME	Im				Facilitate intensive economy can grow	PROVEN SOLUTION IMMEDIATE IMPACT DELIVERS INTENSIFIED DSM

Power Conservation is the Recommended Option

Positive impact Neutral Negative Impact



Most of the Demand Side Management (DSM) consumer behavioural change programmes need immediate implementation, however the impact will only be observed in the medium term. A Power Conservation Programme will have an immediate “quick wins” solution that will reduce and, depending on its success, negate the need for load shedding or significantly reduce these in future.

Power Conservation Programme

The concept proposal for the PCP draws heavily from the publication, “Implementing Power Rationing in a Sensible Way: Lessons Learned and International Best Practices (ESMAP Report 305/05, August 2005)”, which commends the energy rationing applied in Brazil in 2001 as best practice in the event of an energy crisis. The key elements of the programme would be as follows:

Quota Allocations

- The programme is designed to achieve the overall savings target of between 10 - 15% over time. This target allows for a moderate growth of approximately 3.6% in electricity consumption. The quota allocation allows for differentiation of customers by class. To illustrate this, for example, based on a possible target of an immediate 8% overall savings, the large energy consumers could be required to reduce their consumption based on the following targets:
 - ✓ Industrial = 10%
 - ✓ Commercial (general) = 15%
 - ✓ Hotels, resorts, shopping malls & conference centres = 20%
 - ✓ Large office buildings, government, municipal & electricity utility offices = 15%
 - ✓ Agriculture = 5%
 - ✓ Residential = 10%
- For special cases, there will no targets that will be imposed. The special cases include, but not limited to hospitals, essential and security installations.

Penalties & Cut-offs

Various penalty measures are being explored. The measures that are currently being explored include but not limited to:

- Penalty tariff rates for energy use above the allocated quota
- Cut – offs for a specific period for repeat offenders
- Special cases will be exempt from penalties

Incentives

An incentive scheme is being established for the smaller consumers that exceed their savings targets

Trading

- Large consumers can trade in their unused portion of quota allocation. There will also be possible provision for larger consumers to “take or pay” their allocated portion.

Built-in Flexibility

The plan will be designed to ensure that there are possibilities to be able to adjust the quotas and penalties to address the possible changing needs in future.



(3) Development Strategies: Electricity (Energy)

Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
Electricity Maintenance Manual compiled	Objective 5.1: To compile an electricity maintenance manual to ensure proper maintenance of networks under control of the municipality	-	Electricity Maintenance Manual compiled	Electricity Maintenance Manual to be compiled – especially in Warden	Electricity Maintenance Manual compiled	Electricity maintenance in terms of the Electricity Maintenance Manual compiled			
Refurbishment of the electricity network in Warden – on-going	Objective 5.2: To refurbish the electricity network to reduce costs accumulating due to leakages and losses in Warden	-	To maintain electricity network in Warden	Refurbishment of the electricity network in Warden – on-going	Refurbishment of the electricity network in Warden – on-going	Refurbishment of the electricity network in Warden – on-going			
Electricity audit done and findings dealt with	Objective 5.3: To perform an electricity audit	-	Results of audit dealt with: Development of appropriate strategies	Development of appropriate strategies Upgrading of transformers – Funding requested (depending on result of requests 2010/11 or later)	Development and implementation of strategies	Continuation (if required)	Continuation (if required)		



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				Deal with tempering with electricity – 2010/11 law enforcement – remove illegal connections and correction at payment of re-connection fees Cabling to go underground – long term Conversion to prepaid meters – 2010/11 – 2011/12 Only in Warden town					
Number of defaulting accounts decreased	Objective 5.4: To maintain and expand access to electricity	-	Number of defaulting accounts decreased	Address defaulting accounts continuously	10 defaulters	Number of default accounts limited			
Consumers in Warden have access to electricity purchases over weekends		-	Consumers in Warden have access to electricity purchases over weekends	Consumers in Warden have access to electricity purchases over weekends	Access ensured (100%, in line with national targets)	Access ensured (100%, in line with national targets)			
Expansion of		-	Electricity to all	Long term objective	Long term	Expansion of	Expansion of		



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
the electricity network			households		objective due to budget constraints	the electricity network – long term	the electricity network – long term		
Identification and implementation of renewable energy options	Objective 5.5: To research and implement strategies for renewable energy	Premier's strategy on renewable energy	Identification and implementation of renewable energy options	Long term objective	Long term strategy	Identification and implementation of renewable energy options – long-term (Premier's strategy)	Identification and implementation of renewable energy options – long-term (Premier's strategy)		



4.2.6 PRIORITY 6: CEMETERIES

Acceptable level of development	Secondary development priority	Primary development priority
<p>Available cemeteries provide in current needs.</p>	<p>Limited capacity of current cemeteries.</p>	<p>Proper maintenance of existing cemeteries.</p>

(Source: Community Survey, 2007)

(1) Core Issues to be considered by the Municipality in formulating strategies

Core Issue	Description
Insufficient capacity of existing sites.	Due to the rapid rate that cemeteries are occupied many of the cemeteries can only provide in the short-term need. New cemeteries will have to be developed in Vrede, Zamani and Ezenzeleni.
Public facilities at cemeteries.	Most of the cemeteries in Phumelela are not provided with public facilities. Unfortunately these facilities are a target for vandalism and are thus expensive to maintain.
Possible effects of HIV/AIDS.	The number of deaths has increase drastically over the last few years mostly due to HIV/AIDS. Reducing the number of people infected with HIV/AIDS will reduce the short-term need for cemeteries.
Alignment with the Spatial Development Framework	Principle of the NSDP: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.
Alignment with priorities of AsgiSA	A massive investment in infrastructure



(2) Development Strategies: Cemeteries

Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
An improved cemetery maintenance system developed and implemented	Objective 6.1: To provide and maintain sufficient cemeteries and facilities in all urban areas within the next year	Spatial Development Perspective	An improved cemetery maintenance system developed and implemented	An improved cemetery maintenance system developed and implemented EPWP Fencing of cemeteries Initiative: Planting grass – easier to maintain	Effective cemetery maintenance, upgrading and planning taking into consideration budget constraints	Effective cemetery maintenance, upgrading and planning	Sustainable cemetery planning – based on municipal SDF.	No provision on budget	
Develop new sites for cemeteries in 2 areas namely Warden and Vrede		-	Develop new sites for cemeteries in 2 areas		Develop new sites for cemeteries in 2 areas: Warden and Vrede (2010/11)	Preliminary site identification and development (dependent on availability of money)			



4.2.7 PRIORITY 9: DISASTER & ENVIRONMENTAL MANAGEMENT

(1) Disaster Management

The physical environment and resources in the area needs to be monitored and protected. Although this focus area will now be managed by the District Municipalities, it cuts across development issues to be address by the municipality during the implementation of the IDP. These strategies and projects should take into consideration the existing environmental problems and threats as well as the environmental assets which require protection and controlled management.

The Municipality's disaster planning centres around the four national Key Performance Areas for disaster management, which are:

- Integrated Institutional Capacity for disaster planning and response;
- Disaster Risk Assessment;
- Disaster Risk Awareness; and
- Response and Recovery.

This, the above-mentioned disaster management framework originated from the National Disaster Management Framework, which is informed by the Disaster Management Act, 2002 (Act 57 of 2002).

The Act provides for:

- an integrated and co-ordinated disaster risk management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, preparedness, rapid and effective response to disasters, and post-disaster recovery;
- the establishment of national, provincial and municipal disaster management centres;
- disaster risk management volunteers matters relating to these issues.

The Act recognises the wide-ranging opportunities in South Africa to avoid and reduce disaster losses through the concerted energies and efforts of all spheres of government, civil society and the private sector.

The national disaster management framework is the legal instrument specified by the Act to address such needs for consistency across multiple interest groups, by providing 'a coherent, transparent and inclusive policy on disaster management appropriate for the Republic as a whole' (section 7(1)).

(Source: National Disaster Management Framework)

The Disaster Management Plan of the Municipality focuses on:

- Preventing or reducing the risk of disasters
- Mitigating the severity or consequences of disasters
- Emergency preparedness
- A rapid and effective response to disasters
- Post-disaster recovery and rehabilitation.



The following is a listing of the responsible roleplayers, prevention strategies and mitigation strategies in the case of certain likely types of disasters/hazards/risks that might occur.

Based on the above mentioned information the council will in general direct its resources, policies and actions towards the following preventative and mitigation principles:

- A Disaster Management centre will be established to form a central contact and co-ordination centre relating to all disaster management issues.
- The vulnerability of all the communities will firstly be reduced through the upgrading of emergency services and education.
- No development will be supported in an area where such a development might contribute to the susceptibility of a particular community to a potential disaster.
- The municipality will formulate a detailed disaster management plan, involving all roleplayers and communities and having as output, detailed action and contingency plans.
- The municipality will attempt to secure access to sufficient financial and physical resources to prevent disasters and mitigate the effects thereof.

(Phumelela Disaster Management Plan)

Core Issues to be considered by the Municipality in formulating strategies:

Core Issue	Description
Improve the capacity of the Phumelela municipal area to deal effectively with disasters	The process of constructing a fire station and two substations in Memel and Vrede each is in process. This will improve the ability of the Municipality to respond to natural disasters.
Physical environment and resources in the area need to be monitored and protected.	Develop mechanisms to facilitate partnership with District Municipality, take into consideration the existing environmental problems and threats as well as the environmental assets which require protection and controlled management

Table 4.34: *Likelihood of hazards that can cause a disaster in Phumelela*

Type of Hazard	Community at Risk	Nature of the Disaster	Probability of Occurrence
Fires	Along main roads	Loss of live and property	Very high
	Informal settlements	Winds that spread fires	High
Water and Sanitation	Communities that lack information	Related deceases	Medium to high depending on the town/ area
Communication	Telephone, radio and electronic data	Loss of information and data Unable to communicate	Low
Drought	Mostly farms	Lack of income and resources	Medium



Type of Hazard	Community at Risk	Nature of the Disaster	Probability of Occurrence
Socio-economic	Poor communities	Unemployment	High
Transport related	Whole community	Accidents	High due to poor condition of roads
Floods	Communities settled near rivers or the dam, for example in Warden	Loss of property and poverty	Medium
Endemic disease	All communities that lack information	Health related	Low



(1) Environmental Management

Environmental Management Objectives

The aim of integrated environmental management as outlined in section 23(2)(b) of NEMA is to:

“identify, predict and evaluate the actual and potential impact on the environment, socio-economic conditions and cultural heritage, the risks and consequences and alternatives and options for mitigation of activities, with a view to minimize negative impacts, maximizing benefits, and promoting compliance with the principles of environmental management set out in section 2 of NEMA”

Environmental management as a process under the implementation framework thus provides for the integrated consideration of human, natural and cultural environment matters into the coordinated policy, implementation and monitoring and review frameworks of development plans. Environmental management forms an integral part of the planning and development process and provides for the sustainable utilization of available resources. The Integrated Environmental Programme’s purpose is to contribute to a healthy environment by ensuring that urgent environmental issues are adequately addressed and that proposed projects have no negative impact on the natural environment.

Legislative and Policy Framework for Environmental Sustainable Development

A major component of this environmental programme is an assessment of the legal requirement necessary for sustainable development in Phumelela. This section constitutes an indication of those requirements.

□ The National Environmental Management Act principles:

Section 2 of The National Environmental Management Act (107 of 1998), or referred to as NEMA, requires all organs of the State to implement and adhere to the principles set out in Chapter one of NEMA. All organs of State also have the responsibility to protect, promote and conserve the needs of the people. NEMA Section 2 also stipulates that the organs of State have to serve as a framework for environmental management and it is their duty to guide the implementation of this Act. It is therefore a prime requisite of the Phumelela local municipality to incorporate this wider environmental analysis.

NEMA sets clear principles for guidance in the stipulation of general principles for the environmental programme (Section 2 of NEMA).

These principles are summarized below:

1).Environmental management must place people and their needs at the forefront of its concern, and serve their physical, psychological, developmental, cultural and social interests equitably.

2).Development must be sustainable socially (people), environmentally (planet) and economically (prosperity).

3).Sustainable development requires the consideration of all the relevant factors, including the following:

- To avoid and minimize:
 - the disturbance of ecosystems and loss of biological diversity
 - the disturbance of landscapes and sites that constitute the cultural heritage
 - pollution and degradation of the environment



- waste (re-use or recycle)
- The responsible and equitable use of renewable and non-renewable resources
- That a risk prevention approach are taken, and
- The prevention of negative impacts on the environment and on people's environmental rights
- Environmental justice must be pursued so that adverse environmental effects shall not be distributed in such a manner as to unfairly discriminate against any person.

At the core of the NEMA principles are thus primarily the needs of the people, and social, environmental and economical sustainable development. These core guidelines act as excellent indicators when measuring all potential development.

❑ **Strategic Environmental Assessment principles:**

Strategic Environmental Assessment (SEA) aims to ensure that environmental issues are addressed from an early stage in the process of formulating policies, plans and programmes, and incorporated throughout this process. In The development and understanding of SEA will assist in practically implementing sustainability and moving towards a true integration of economic, social and biophysical goals.

Ten principles are proposed for SEA in South Africa. These principles are the fundamental premises underpinning SEA methodologies in South Africa and provide the theoretical base for the development of local SEA processes.

The following is the ten principles of SEA for South Africa:

1. SEA is driven by the concept of sustainability;
2. SEA identifies the opportunities and constraints, which the environment places on the development of plans and programmes;
3. SEA sets the criteria for levels of environmental quality or limits of acceptable change;
4. SEA is a flexible process, which is adaptable to the planning and sectoral development cycle;
5. SEA is a strategic process, which begins with the conceptualization of the plan or programme;
6. SEA is part of a tiered approach to environmental assessment and management;
7. The scope of an SEA is defined within the wider context of environmental processes;
8. SEA is a participative process;
9. SEA is set within the context of alternative scenarios;
10. SEA includes the concepts of precaution and continuous improvement.

❑ **The Environmental Conservation Act (Act 73 of 1989)**

The MEC may, through the Environmental Conservation Act (ECA), identify those activities that will have a detrimental effect on the environment, and those activities will be prohibited. The MEC also has the right to identify areas of limited development for any activities relating to infrastructure, land use or resources. This could be areas with red-data species, wetlands or any other environmentally sensitive areas.

The following table is a summary of the environmental management functions of the different departments and the applicable legislation.

Table 4.35: *Summary of environmental management functions*



Responsible department	Environmental management function	Applicable legislation
Department of Tourism, Economic and Environmental Affairs	Nature Conservation, game management, control of alien species.	<ul style="list-style-type: none"> ◆ Environmental Conservation Act, No. 73 of 1989 ◆ Orange Free State Conservation Ordinance No. 8 of 1969
Department of Tourism, Economic and Environmental Affairs	Impact Assessments.	<ul style="list-style-type: none"> ◆ Environmental Conservation Act, No. 73 of 1989 ◆ Minerals Act, No. 50 of 1991 ◆ Atmospheric Pollution Prevention Act, No. 45 of 1945 ◆ Conservation of Agricultural Resources Act, No. 43 of 1983 ◆ Hazardous Substance Act, No. 15 of 1973 ◆ Health Act, No. 63 of 1977 ◆ SABS Code of safe disposal of medical waste ◆ National Heritage Resource Act ◆ National Parks Act, No. 57 of 1976 ◆ National Road Act, No. 54 of 1971 ◆ Occupational Health and Safety Act, No. 85 of 1993 ◆ National Water Act, No. 36 of 1998 ◆ Development Facilitation Act, No. 67 of 1995 ◆ National Environmental Management Act, No. 107 of 1998
Department of Agriculture	Land Care; Soil Conservation	<ul style="list-style-type: none"> ◆ Subdivision of Agricultural Land Act, No. 70 of 1970 ◆ Conservation of Agricultural Resources Act, No. 43 of 1983
National Department of Agriculture	Public Health; Animal Health; Veterinary services	<ul style="list-style-type: none"> ◆ Pest Control Act, No. 36 of 1963 ◆ Fencing Act, No. 31 of 1963 ◆ Veld and Forest fires Act, No. 101 of 1998 ◆ Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, No. 36 of 1947
Department of Health	Integrated Environmental Health;	<ul style="list-style-type: none"> ◆ National Water Act, No. 36 of 1998 ◆ Water Services Act, No. 108 of 1997



Responsible department	Environmental management function	Applicable legislation
	Safe food; Air pollution control	1997 <ul style="list-style-type: none"> ◆ Health Act, No. 63 of 1977 ◆ Environmental Conservation Act, No. 73 of 1989 ◆ Guidelines on sewerage sludge ◆ Quality of domestic water supplies sampling guides ◆ National Sanitation policy ◆ Hazardous Substance Act, No. 15 of 1973 ◆ Food Premises Hygiene Regulations R918 of 30 July 1999
Department of Local Government and Housing	Land Use Control	<ul style="list-style-type: none"> ◆ Development Facilitation Act, No. 67 of 1995 ◆ Township Ordinance, No. 9 of 1969 ◆ Removal of Restrictive Conditions, No. 84 of 1967 ◆ Physical Planning Act, No. 125 of 1991 ◆ Subdivision of Agricultural land Guidelines ◆ Regulations for the amendment or withdrawal of regional or urban structure plans ◆ Free State LDO regulations (PG 246 of 14 November 1997) ◆ National Heritage Resource Act of 1999 ◆ Local Government Municipal Systems Act, No. 32 of 2000 ◆ Guidelines for Human Settlement and Design
Provincial office of Department of Water Affairs and Forestry	Water Resource management; Waste management	<ul style="list-style-type: none"> ◆ National Water Act, No. 36 of 1998 ◆ Water Services Act, No. 108 of 1997 ◆ Health Act, No. 63 of 1977 ◆ Environmental Conservation Act, No. 73 of 1989 ◆ Minerals Act, No. 50 of 1991 ◆ Mountain Catchment Areas Act, No. 63 of 1970
Provincial office of Department of	Mineral resources management;	<ul style="list-style-type: none"> ◆ National Water Act, No. 36 of 1998



Responsible department	Environmental management function	Applicable legislation
Mineral and Energy Affairs	Assessing of EMP's	<ul style="list-style-type: none"> ◆ Water Services Act, No. 108 of 1997 ◆ Health Act, No. 63 of 1977 ◆ Environmental Conservation Act, No. 73 of 1989 ◆ Minerals Act, No. 50 of 1991 ◆ Mountain Catchment Areas Act, No. 63 of 1970 ◆ Development Facilitation Act, No. 67 of 1995 ◆ National Environmental Management Act, No. 107 of 1998 ◆ Atmospheric Pollution Prevention Act, No. 45 of 1945 ◆ National Nuclear Regulator Act, 1999 ◆ Mine Health and Safety Act, 1996 ◆ Conservation of Agricultural Resources Act, No. 43 of 1983 ◆ Free State Nature Conservation Ordinance, No. 8 of 1969 ◆ National Monument Act, No. 28 of 1969 ◆ National Heritage Resource Act, 1999 ◆ Free State Township Ordinance, No. 9 of 1969

Phumelela Environmental Issues

In order to ensure that the negative impacts of the priority environmental issues are minimized there needs to be a sound understanding of the relationship between the causes and the effects of these issues.

In the following table the various environmental problems associated with the proposed projects, (set out in the analysis phase), are presented, together with the most prominent causes of these environmental problems. The various effects of these environmental problems on the people, as well as the communities/towns being affected by these problems are also presented.

Table 4.36: *Environmental problems, causes, effects and people being affected*



Project No.	Environmental problems, risks and threats	Causes of the problem	Effect(s) of the problem on the environment	People being affected
48-50	Cemetery development	<ul style="list-style-type: none"> ▪ Shortage in capacity ▪ Increased number of deaths, due to HIV/AIDS 	<ul style="list-style-type: none"> ▪ Shortage in burial sites ▪ Creates an unhealthy environment ▪ Loss in arable land 	All urban areas
20	The provision of waterborne sanitation	<ul style="list-style-type: none"> ▪ Population growth, thus increased demand for sanitation systems ▪ Contamination of underground water through the old sanitation systems 	<ul style="list-style-type: none"> ▪ Increase in water use, which leads to a decrease in the resource 	Rural areas Vrede
22 23 25	The upgrading of the refuse sites	<ul style="list-style-type: none"> ▪ Insufficient and unfenced waste disposal sites ▪ Not sufficient capacity ▪ Waste management not effective 	<ul style="list-style-type: none"> ▪ Pollution ▪ Creates an unhealthy environment 	Vrede
1 3 5 7 10	Increased water supply	<ul style="list-style-type: none"> ▪ Population growth, thus increased demand for water ▪ Improvement of water supply ▪ Will improve the lives of the people 	<ul style="list-style-type: none"> ▪ Decrease in the water resource 	Vrede Warden
8693 94	Parks and Sports field development	<ul style="list-style-type: none"> ▪ There is a need for more recreational facilities 	<ul style="list-style-type: none"> ▪ Disturbance of natural resources: trenches will be dug, trees will be cut down ▪ Visual pollution 	All towns
35-38	The provision, upgrading and maintenance of transport routes	<ul style="list-style-type: none"> ▪ Poor infrastructure of roads ▪ Neglect of maintenance of roads 	<ul style="list-style-type: none"> ▪ Increase in air pollution (increased amount of private vehicles on roads) ▪ Increase in accidents ▪ Damage to land alongside roads 	All towns
28-34	The installation of area lighting	<ul style="list-style-type: none"> ▪ For improved lighting, and safety 	<ul style="list-style-type: none"> ▪ Visual pollution: Erection of towers or masts ▪ Impact on the biodiversity 	Memel Vrede Warden



Project No.	Environmental problems, risks and threats	Causes of the problem	Effect(s) of the problem on the environment	People being affected

Activities/projects that will need an Environmental Impact Assessment (EIA), will be mentioned below. The additional activities not mentioned below, would all require scoping reports.

Activities, which will require an Environmental Impact Assessment (EIA), are:

- The construction of proper infrastructure for water and sanitation services
- The new cemetery sites
- The construction and maintenance of roads
- The construction of infrastructure for electricity
- The establishment of a sports field

Institutional Structures

The following section deals with the various bodies at national, provincial and local levels of government, all of which have capacity to deal with specific tasks. From a local government perspective the strategy should be to build sufficient capacity to access these resources effectively rather than trying to undertake all tasks at local level.

External Institutional Capacity

Current institutional bodies that have environmental responsibilities include:

i). The Department of Environmental Affairs and Tourism (DEAT) (National)

DEAT is the ultimate policy making department for general environment management and for adjunction of Environmental Impact Assessments for major projects. Their focus is on issues at a national level.

ii). The Department of Water Affairs and Forestry (DWAF) (National)

DWAF has major responsibilities particularly relating to the protection and management of water resources. They are divided into Forestry and Water Affairs branches.

The Forestry branch is primarily involved with development of conservation, commercial (industrial) and community forestry through policy development, regulation, facilitation and monitoring, along with the effective management of State forest timber and conservation areas.

The Water Affairs branch is primarily involved with management and protection of water resources, the provision of water resources and control of water utilization, in terms of stream flow reduction allocations. Their main tool is the recent Water Act that provides far-reaching powers in terms of enforcement and management.

In implementing service provision under each of the core functions, community forestry adheres to three basic principles namely social development, economic development and environmental sustainability.



iii). The Department of Minerals and Energy (DME) (National)

DME is divided into three branches:

- The Mineral Development Branch’s purpose is to promote the orderly and continuous mining and utilization of mineral resources.
- The Mine Health and Safety Inspectorate’s purpose is to ensure the safe mining of minerals under healthy working conditions.
- The Energy Branch’s purpose is to promote the optimum development and utilization of energy resources.

iv). The Department of Agriculture (DoA) (National)

DoA has a mandate to guide and support capacity building, sustainable resource use, production, trade and research in agriculture in order to maximise the contribution of the agricultural sector to economic growth, equity and social development in a sustainable manner.

The Department also deals with applications for the subdivision and rezoning of agricultural land.

v). Free State Department of Tourism, Economic and Environmental Affairs

The Environmental Affairs Directorate is recognised as the Provincial Environmental Authority in terms of administering the EIA regulations under the Environmental Conservation Act. In addition to undertaking adjudication of EIA’s the department are also responsible for strategic level planning and management. It is the responsibility of local councils to flag projects where there are likely to be environmental or social problems, as well as projects where law requires EIA’s.

vi). Free State Conservation Services

Their prime role is to manage, protect and monitor the more pristine and sensitive areas of the province, including a number of game reserves. They are also the custodians of much environmental research and data for the province.

vii). Local Municipality (LM)

The LM has limited in house dedicated to environmental capacity. They are however actively addressing environmental issues through planning staff and local interested parties. The LM currently tend to “buy-in” environmental expertise when they require it.

4.2 External Non-Governmental Capacity

In addition to formal institutional capacity there are numerous Non-Governmental Organizations (NGO’s) that have established to focus on specific areas or concerns. Some of the organisations that have a bearing on the environment are:

i). Wildlife and Environment Society of Southern Africa (WESSA)

WESSA’s aim is: “to contribute to the Earth’s vitality and diversity by:

- Promoting sound environmental values and sustainable lifestyles;
- Integrating conservation and development
- Generating individual and community action;
- Securing the protection and wise use of natural resources;
- Serving as environmental watchdogs;
- Promoting and participating in environmental education;



- Influencing policy and decision-making;
- Adapting to changing needs.

ii). Conservancies

Conservancies defines itself, and its role as: the voluntary cooperative environmental management of an area, by its community and users, and in respect of which registration has been granted by the relevant provincial nature authority.

Internal Council Capacity

There is currently very limited environmental management capacity within Council. Current practice is for planning and technical staff to utilize consultants input as and when necessary. This is occurring in an *ad hoc* basis and is used to address the most pressing issues. It should be considered as a temporary solution as it is difficult to apply coordinated strategies in these circumstances.

(Source: Integrated Municipal Environmental Management Plan)



(2) Development Strategies: Disaster and Environmental Management

Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
Local assistance provided for the alleviation of disasters	Objective 9.1: To provide local assistance with the alleviation of disasters	National Disaster Management strategy	Local assistance provided for the alleviation of disasters	<p>Fire – Westly winds – N3 west of Phumelela – fires start on N3 – accidents, recklessness etc (route that trucks – R108 (alternative route between Villiers and Warden). Informal settlements – fire dangers. Terrain not flat – inaccessible to fire vehicles. Every year</p> <p>Agricultural Union – Bartoleus – 0823782951</p> <p>Department of Agriculture has provided farmers with fire fighters.</p> <p>Districts suppose to make fire breaks. Area divided into sections. Municipality must be</p>	Pro active preventative measures taken to deal with fire issues	Pro active preventative measures taken to deal with fire issues	Pro active preventative measures taken to deal with fire issues		



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				<p>involved. Town supposed to be surrounded by fire breaks.</p> <p>Registration with the Fire Association of Phumelela. Once registered, the Association will plan for proper fire breaks for the town and farmers alike. The Association is currently co-ordinated by the Fire Protection Association.</p> <p>Fire fighting offices build in Warden by the district – fully equipped. It will be transferred to Phumelela Municipality. Can also serves as a call center.</p> <p>Previously no firefunction capacity. A Chief Protection Officer</p>					



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				has been appointed since to co-ordinate the function. With fire fighting Next phase is to identify people to be trained with a view of establishing a fire fighting capacity in each of the towns of the Municipality; either on-call or as permanent employees that could perhaps also perform other functions.					
Promote environmental awareness	Objective 9.2: To promote a safe and secure environment	National Disaster Management Strategy	Promote environmental awareness	(1) Drought (minor – not very likely) – Dam in Warden has salted up. Storage capacity. With the slightest drought, there is a water problem. Shortage of water (Warden). New waterborne sewerage + influx of new people	Community education about environmental protection (4 awareness campaigns per year)	Community education about environmental protection (4 awareness campaigns per year)	Community education about environmental protection (4 awareness campaigns per year)		



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				<p>caused water shortage. 500 new sites planned – will increase the problem.</p> <p>Proposal to build new dam. Three options: (1) Build new dam, (2) increase capacity of dam, (3) tap water from Sterkfontein dam.</p> <p>Short term solution: Boreholes, which are very expensive.</p> <p>Landfill sites – health risk (Vrede – landfill sites too close to residential areas)</p> <p>Warden – landfill sites in commonage area</p>					



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				<p>Memel – Too close to Pampeonspruit</p> <p>Specialists to determine appropriate location for landfill sites already busy.</p> <p>R7million to build a single landfill site that comply with all regulations required for full compliance.</p> <p>Municipality will phase the re-location of landfill site in over a period. R21 million required will be obtained from MIG)</p> <p>ENVIRONMENTAL ISSUES:</p> <p>(1) Old sewerage network – spillages, overflowing</p>					



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				<p>Grow in municipality – infrastructure need to be expanded constantly</p> <p>Demand too big for available infrastructure</p> <p>Attend to emergency breakdowns</p> <p>(2) Water pollution in Warden due to shut-down of electricity – sewerage cannot be pumped to sewerage works.</p> <p>(3) Old Vrede Marina dam and the Greyling dam. Old Vrede Marina dam is salted up. Water sometimes smelly.</p> <p>Prioritise usage from Greyling dam, which will</p>					



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				<p>allow the old dam to be used for recreation and be allowed to fill up. When it is full, it will provide water to the Greyling dam. De-saulting of the old dam will be a long term objective.</p>					



4.2.8 PRIORITY 11: SPORT & RECREATION

Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes : MTREF 2010/11-2012/13	Long Term Outcomes : 10 Years +	Projects	Budget Alignment
Sports Development Programme developed and implemented	Objective 11.1: To develop and implement a Municipal Sports Development Programme	-	<p>Sports Development Programme developed and implemented</p> <p>Sports Development Programme developed and implemented</p> <p>Organizing of sports in the area</p> <p>Vandalized sport facilities to be upgraded.</p> <p>Priority: Soccer sport fields; upgrading and fenced in</p> <p>Establishment of sport association. Better organizing of such associations. All areas to be covered. Engage all</p>	Sports Development Programme developed and implemented	Sports Development Programme developed	Sports Development Programme implemented	Sports Development Programme developed	Construction / upgrading of sporting facilities (Not budgeted for)	



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes : MTREF 2010/11-2012/13	Long Term Outcomes : 10 Years +	Projects	Budget Alignment
			<p>participants to take ownership of sport facilities.</p> <p>Place caretakers at the sport facilities that were repaired and/or upgraded</p> <p>Functionality of the Sport Council</p> <p>Group 5 has been requested to refurbish the sport facilities in Thembahihle. Proposal already submitted.</p> <p>Look for funding through sector departments or other donors.</p> <p>2010/11: Sport Council is functional; sport associations in each town established. Integration of sport facilities</p>						



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes : MTREF 2010/11-2012/13	Long Term Outcomes : 10 Years +	Projects	Budget Alignment
			and codes in the Municipality. Funding could then be sought through the structures.						
Co-ordinate and promote local sports development and maintenance of facilities	Objective 11.2: Utilisation of the local Sports Council. (Sectoral Initiative – Sports, Art and Culture)	-	Co-ordinate and promote local sports development and maintenance of facilities	Co-ordinate and promote local sports development and maintenance of facilities	Utilisation of the Sports Council	Utilisation of the Sports Council	Utilisation of the Sports Council		
Management of libraries	Objective 11.3: To effectively manage library services		Management of libraries	Management of libraries 5 Libraries: Vrede, Warden (on in Ezenzeleni, Thembahihle, Memel). One in Memel need to be upgraded. (Mobile library?) Upgrade Memel library – not fenced – security risk – computer can only be provided once the security has been improved.	Uninterrupted management of libraries	Under interrupted management of libraries	Under interrupted management of libraries		



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes : MTREF 2010/11-2012/13	Long Term Outcomes : 10 Years +	Projects	Budget Alignment
				Regional Library Services offered library containers to Memel. Follow-up will be done in respect of physical inspection of containers (temporary structures).					
Maintenance and upgrading of parks and other recreational facilities	Objective 11.4: To maintain parks and other recreational facilities	-		<p>Maintenance / upgrading of all parks and other recreational facilities within the capacity of the funds allocated through the operating budget</p> <p>Wilgespruit Conservancy</p> <p>Plans to develop it into a recreational area. Fencing required. Long-term plans.</p> <p>Caravan Park in Memel vandalized and not utilized presently.</p>	Maintenance / upgrading of all parks and other recreational facilities within the capacity of the funds allocated through the operating budget	Maintenance / upgrading of all parks and other recreational facilities within the capacity of the funds allocated through the operating budget	Maintenance / upgrading of all parks and other recreational facilities within the capacity of the funds allocated through the operating budget	Construction / maintenance of parks and other community infrastructure (Not budgeted for)	



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes : MTREF 2010/11-2012/13	Long Term Outcomes : 10 Years +	Projects	Budget Alignment
				<p>Possibility of PPP arrangement. Long-term.</p> <p>Community halls: Vrede, Warden, Ezenzeleni, Thembahihle and Zamani</p> <p>Maintenance</p> <p>New one in Memel: 2010/11 (try to source funds) urgent. Problem with youth in Memel – lack of recreational facilities.</p>					

There is inadequate sport and social facilities, in the region, and that contributes to the social problems experienced in most of the communities. Unemployed youth loiter in the street and recreational facilities and programs must be implemented to direct their behavior towards active participation and to serve as a deterrent to unsociable and criminal behavior. Sport does have the potential to unite communities across cultural and racial boundaries and all inhabitants must be encouraged to participate in sport and social activities. It is therefore essential to improving on creating the necessary infrastructure and facilities in both urban and rural areas. Although effective recreation activities, such as sport support development, there is only 1 sport centre in the district.



4.2.9 PRIORITY 12: SAFETY & SECURITY

The general crime rate is lower than other urban nodes in the province, due to the area being rural. However, certain crimes are more prevalent and on the increase. Within urban areas these particularly include crime associated with alcohol abuse, such as vandalism, assault etc. Within the rural areas stock theft is constantly increasing and personal attacks on farms are also emerging.

Within particular areas such as Memel and Warden, housebreaking is also increasing at an alarming rate. Within Warden an increase in rape cases and truck hi-jacking is also evident and these are directly associated with the high transport industry activities in the area.

The ability to combat crime is hampered through a lack of proper communication equipment on farms, a lack of information from community members and under resourced police stations. It is believed that a greater community involvement through existing structures should address most of these problems.

Core Issues to be considered by the Municipality in formulating strategies:

Core Issue	Description
Mainly stock theft	Stock theft accounts for most of the crime reports. Rural communications channels and community co-operation could assist in reducing these crimes.
Increase in violent crimes and substance abuse	A slight, but notable increase in violent crimes and domestic violence has been experienced in recent times and is for most part associated with substance abuse. Community awareness and co-operation should be able to curb these crimes.
The Free State Growth & Development Strategy	Significantly reduce the number of serious and priority crimes as well as cases awaiting trial, with a society that actively challenges crime and corruption, and with programmes that also address the social roots of criminality
Government's Programme of Action, 2008	Governance and Administration cluster: Implementation of the Local Government Anti-corruption Strategy
Capacity of local stations	The capacity of SAPS stations is limited due to a lack of equipment and vehicles and inadequate police officers. This problem is caused by a lack of financial resources.



Development Strategies: Safety and Security

Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
Business Plan to resource and implement a Community Safety Plan formulated	Goal 12.1: To develop a Business Plan to resource and implement a Community Safety Plan	-	Business Plan to resource and implement a Community Safety Plan formulated	<p>To develop a Business Plan to resource and implement a Community Safety Plan</p> <ul style="list-style-type: none"> • Research about exact contents / formulation of strategy: Method for involvement of communities and the Municipality • Sector meetings: Police with ward councilors • Response times • Community Policing Forums • Assistance to 	Formulation of a Business Plan to resource and implement a Community Safety Plan	Implementation of a Community Safety Plan	Implementation of a Community Safety Plan		



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				Police to combat crime					
Safety and security related services provided in order to enhance law enforcement	Goal 12.2: To support law-enforcement agencies to combat crime in the Phumelele local area	-	Safety and security related services provided in order to enhance law enforcement	Grass cutting/herbicide spraying in all public areas Street and area lighting maintained Public trees pruning plan developed and implemented	Grass cutting/herbicide spraying in all public areas Street and area lighting maintained Public trees pruning plan developed and implemented	Grass cutting/herbicide spraying in all public areas Street and area lighting maintained Public trees pruning plan developed and implemented			
Municipal law enforcement established	Goal 12.3: To establish a municipal law enforcement function	-	Municipal law enforcement established	Chief Protection Officer appointed, acting as Law Enforcement Officer <ul style="list-style-type: none"> • Insufficient • Position on organogram for Traffic Officer (appointment: 2010/11) • By-laws still to be promulgated 	Municipal law enforcement	Municipal law enforcement			



4.3

Local Economic Development (LED)



4.3.1 PRIORITY 7: LOCAL ECONOMIC DEVELOPMENT (LED)

Acceptable level of development	Secondary development priority	Primary development priority
<ul style="list-style-type: none"> The Phumelela area has a variety of potential tourist attractions, a well established agricultural sector and adequate infrastructure to sustain potential economic expansion. 	<ul style="list-style-type: none"> Build on the current light industries in the area. Tourism promotion. 	<ul style="list-style-type: none"> Employment creation. Skills development.

(1) Core Issues to be considered by the Municipality in formulating strategies:

Core Issue	Description
AGRICULTURE DEVELOPMENT	
Very little value adding taking place.	The fact that very limited value adding is taking place places a large burden on the agricultural sector and makes the region very vulnerable to factors influencing agriculture. Many of these factors cannot be controlled such as the weather and prices. To limit the vulnerability to markets it is important to add value to products before it is exported out of the municipality.
Good agriculture potential.	The Phumelela area has proven that it has good agricultural potential. This should be exploited, but as mentioned above the necessary supporting sectors will have to be developed before the agricultural sector can expand.
Role of emerging farmers.	Emerging farmers need support from existing commercial farmers and the Department of Agriculture in terms of knowledge and information sharing. The agricultural sector should be made more accessible to emerging farmers.
TOURISM PROMOTION	
Co-ordination of efforts	To maximise the potential of tourism within the area it is important that there is a coordinated approach in planning and developing the tourism industry. This will limit duplication and strengthen existing efforts.



Seekoeivlei development	The Seekoeivlei development forms the core of the Phumelela tourism attraction. It will however need to be developed to secure any substantial income to the area. Support infrastructure and services will furthermore determine the success of such a development.
Cultural tourism attraction	The cultural diversity of the area, coupled to the increase in international cultural interest should be exploited as integral part of the tourism effort.
Accessibility of facilities	Accessibility refers to both physical accessibility as well as socio-economic affordability.
LIGHT INDUSTRIES & SKILLS DEVELOPMENT	
Low market potential	Consumer price indexes should be targeted to stimulate local markets and expenditure.
Cost of infrastructure and services	To establish industries are expensive. Furthermore, the specialised services needed by many of the industries are not found in Phumelela. The key is to develop what is in place and to encourage people to start small.
Organized and mobile labour force	A large contribution to the high unemployment rates are the fact the a major portion of the potential labour market is unskilled or unstructured, making it difficult to access information and opportunities which might arise.
Skilled labour force	Skilled labourers are leaving the area constantly and should be engaged in the LED process to retain them. Unskilled labourers should also be trained locally for local potentials and needs.

(2) Sector Alignment in Strategy Formulation (sector priorities considered with the formulation of IDP objectives)

Relevant programme / strategy	Sector Consideration
National Spatial Development Perspective	Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, amongst which poverty alleviation is key.
National Spatial Development Perspective	Beyond the constitutional obligation identified in Principle 2 above, government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.
National Spatial Development Perspective	Efforts to address past and current social inequalities should focus on people, not places.



Relevant programme / strategy	Sector Consideration
National Spatial Development Perspective	In localities where there are both high levels of poverty and demonstrated economic potential, this could include fixed capital investment to exploit the potential of those localities.
National Spatial Development Perspective	In localities with low economic potential, Government should, beyond the provision of essential services, concentrate primarily on human capital development by providing social transfers such as grants, education and training and poverty relief programmes and reducing migration costs by providing labour market intelligence so as to give people better information, opportunities and capabilities to enable people to gravitate, if they chose to, to localities that are more likely to provide sustainable employment and economic opportunities. In addition sound rural development planning, aggressive land & agrarian reform & expansion of agricultural extension services are crucial.
Free State Growth and Development Strategy	Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment, and sustainable community livelihoods
Free State Growth and Development Strategy	Provide the skills required by the economy, build capacity, and provide resources across the society to encourage self-employment with an education system geared towards productive work, good citizenship, and a caring society
Free State Growth and Development Strategy	Reduce poverty by half through economic development, comprehensive social security, land reform, and improved household and community assets
Strategic Plans of National or Provincial Departments	Free State Department of Agriculture: Proper utilization of resources on municipal communal land Implications for agriculture development and land use management
Strategic Plans of National or Provincial Departments	Free State Department of Agriculture: Support to emerging farmers
Asgi-SA	<input type="checkbox"/> Targeting economic sectors with good growth potential. <input type="checkbox"/> Developing the skills of South Africans, and harnessing the skills already there. <input type="checkbox"/> Building up small businesses to bridge the gap between the formal and informal economies. <input type="checkbox"/> Creating a macroeconomic environment more conducive to economic growth.

Priority Tourism Areas identified in the Municipal SDF:

- Seekoeivlei Wetlands;
- Cultural Activities;
- Vrede Dam;
- Bird Watching
- Eco-Tourism
- Farm Holidays;
- Verkykerskop area;
- Caravan Park in Warden;



- Recreation area and wildlife camp at Twin dams (Vrede);
- Game farming; and
- Promotion of the Hospitality industry.



Issues to flag

- (1) The development of an LED Strategy is a high priority for the Municipality. The district municipality will be approached to assist with funding for the compilation of the strategy.
- (2) The Municipality must aim to strengthen its relationships with stakeholders in the local economy.
- (3) Issues related to the second economy will be specifically addressed in the LED Strategy.

The most important source for DPLG's recommendations on LED is contained in the National Framework for LED in South Africa.²⁸

Flowing from the evolving practice of LED described above and the South African national context described below, there are nine(9) principles identified that guide this framework. These are:

- Through a developmental approach, Government has a decisive role to play in shaping the economic destiny of our country.
- Local Economic Development is an outcome of actions and interventions resulting from local good governance and the constant improvement and integration of national priorities and programs in local spaces.
- Inward investment from the state of private sector will only be effective where the potential and competitive advantages of each area are known and exploited.
- Promoting robust and inclusive local economies required the concerted, coordinated action of all spheres and sectors of government centred on the application and localization of the principles espoused in the National Spatial Development Perspective (NSDP).
- Locally owned appropriate solutions and strategies must emerge to support national frameworks in both rural and urban local spaces and should promote sustainable development and sustainable human settlements.
- South Africa competes in a global and increasingly integrated world economy whose threats must be minimized and whose opportunities must be exploited.
- Private companies, including social enterprises and cooperatives, form the heart of the economy and have a crucial role to play as partnerships with public and community role players that will ultimately robust and inclusive local economies.
- People are the single greatest resource and including all citizens in development and increasing their skills through greater role playing leads to increased opportunities for stimulating local economies.
- Local initiative and responsibility, energy, assertive leadership and skills will shape local spaces.

²⁸ The contents of this section is obtained from a Toolkit for Local Economic Development, issued by DPLG.



The framework states that the objectives and anticipated outcomes of LED are:

Objectives of the framework:

- To shift towards a more strategic approach to the development of local economies and to overcoming challenges and failures in respect of instances where municipalities themselves try to manage a litany of non-viable projects or start-ups.
- To support local economies in realizing their optimal potentials and making local communities active participants in the economy of the country.
- To elevate the importance and centrality of effectively functioning local economies in growing the national economy.
- To wage the national fight against poverty more effectively through local level debates, strategies and actions.
- To improve community access to economic initiatives, support programmes and information.
- To improve the coordination of economic development planning and implementation across government and between government and non-governmental actors.
- To build greater awareness about importance and role of localities and regions which globally are playing an increasingly significant role as points of investment facilitated by supportive national policies.

Visions of LED

Practicing LED means:

- Improving economic capacity to improve the future of the local economy; and
- Increasing the productive capacity of local industries, mines, farms, firms, entrepreneurs and workers to improve and build competitive strength.

Strategic Choices that will Promote or Hinder Poverty and Job Creation

When thinking of resources in a local economy we should consider the social, human, natural, physical, and financial resources that we have in an economy.

Social Resources: Social resources refers to schools, hospitals, policing, social services, organized community groups, churches (and other places to worship), social and entertainment facilities.

Natural Resources: Natural resources are features which occur in nature: land for grazing and cultivation, minerals or natural features which will attract visitors.

Human Resources: Human resources or human capital is measured by the extent of skills that are present in an economy and the skills to provide social services.

Physical Resources: Physical resources refer to the buildings, housing, social facilities and different types of infrastructure.



Financial Resources: Financial resources include the range of financial services that people living in an area require as well as the instruments and finance required by businesses and government.

Components of LED Strategies

Given the diversity of economic challenges and the range of possible programmes, LED strategies are likely to entail considerable variation. A guiding principle should be that local economies should prioritise programmes that will create the most impact in view of their Objectives. Some key components that should be incorporated:

- ❑ A balanced set of hard and soft infrastructure programs, i.e. meeting needs for transport, energy, water, waste management and telecommunications networks (hard_ as well as social needs for education, training, business support and healthy lifestyles (soft);
- ❑ A summary table highlighting priority initiatives and sectors earmarked for investment with budgets and plans to attract investors;
- ❑ A schedule of LED projects consisting of a breakdown of costs and budgetary expenditures, together with projected and specific program targets, which include land area, jobs created and/or safeguarded, new small and medium sized enterprises, learning opportunities and businesses assisted;
- ❑ An outline of processes for monitoring, review and evaluation;
- ❑ A project implementation table that clearly identifies individual projects with appropriate Objectives, sources of funding, implementing agency, start date and project duration;
- ❑ Clear statements of the nature and requirements of each project, along with expected outputs and outcomes. These can be used as a benchmarking mechanism for monitoring the progress and output of project as it is implemented;
- ❑ A table that clearly identifies LED project partners, funding sources, project duration, target groups and commencement and expected completion dates.
- ❑ The plans should document the conceptual links from vision to projects. This will keep the logi consistent and will help in reviewing progress in realizing the vision;
- ❑ Plans should reflect the resources that partners bring to LED projects and further resources required to achieve Objectives; and
- ❑ Projects should identify the risks that could hinder progress and consider methods to contain or manage these.

Stimulating and Developing Sustainable Local Economies

Government's Strategy

STRATEGY 1: *Improve good governance, service delivery, public and market confidence in municipalities*



Improving confidence in municipalities is a critical first step in attracting investment and building loyalty to local areas. The way local areas are governed by municipalities is a key determinant of local economic development. Allied to this is the marketing of localities. This must be in co-ordination with national and provincial programmes.

Municipalities will focus on providing good local governance, reliable and effective services and sound administration. The requirements for this are clearly spelt out in policy and legislation and the local government system is evolving in practice. Recognising that everything a municipality does impact on the local economy it will be necessary to pay particular attention to the following:

- i) Basic financial management, project management linked to the provision of infrastructure and services in a financially sustainable manner.
- ii) Provision and maintenance of quality and reliable infrastructure and services
- iii) Establishment of clear and well supported spatial policies and land-use management systems with particular emphasis on integrating small and informal traders in business zones.
- iv) Clear and unambiguous policies for economic development at the local level based on market realities.
- v) Speedy and effective handling of development applications for business establishment, property development, and township establishment.
- vi) Sound and strategic property rates and service tariff policies.
- vii) Proper community care/interface, billing and revenue collection systems.
- viii) Communication and marketing of the services and regulations in an inclusive manner.

Especially in the metropolitan municipalities and secondary cities, greater attention should be paid to creating more efficient spaces that integrate land and housing (especially social and rental accommodation), trade and public transport systems.

Main Actions

- i) Intensify support to municipalities under Project Consolidate
- ii) Monitor and Report on Implementation of the Municipal Finance Management Act (MFMA) and Property Rates Act.
- iii) Assist municipalities to finalise appropriate spatial policies in their IDPs that are linked to a municipal-wide land-use management system.
- iv) Improve infrastructure investment and intergovernmental coordination.
- v) Support Municipal- Economic Forums.



STRATEGY 2: *Spatial development analysis and planning exploiting the comparative advantage and competitiveness*

Accelerated growth in South Africa will depend on developing a dynamically performing economy – one in which all areas across the national space economy optimize their contribution to national product.

Analysis of the space economy discussed shows that different spatial areas require different institutional responses across national, provincial and local government to their economic development challenges.

A better understanding of the opportunities and constraints in local economies should inform a more balanced development path that overcomes the “enclave” problem where economic opportunities are dispersed in a concentrated fashion across the country. This concentration is often at the expense of not appreciating opportunities elsewhere that can be unleashed through justifiable public investments guided by the national spatial planning principles and guidelines.

In many cases economic opportunities can be decentralized in close proximity to production sites or the major city centers where many South Africans live.

Main Actions

- i) Undertake analysis of the 52 municipal economies.
- ii) Target priority growth sectors.
- iii) Build capability for a knowledge economy and innovation.
- iv) Market the 52 Regions and their Products.
- v) Establish innovative Funding Instruments
- vi) Regulatory impact assessment.

STRATEGY 3: *Intensify Enterprise support and business infrastructure development in local areas*

Enterprise support, or the provision of business development services, exists to improve the quality of small business management. It does this through the provision of business training and advice. Enterprise do not rate training and business counseling high on their list of needs and many have been reluctant to use enterprise support services or business development services (BDS) services, especially where they are expected to meet the cost of provision. This reluctance is in part a result of a lack of critical awareness of the importance of management in business success and of their own weakness as managers.



Main Actions

- i) Implement the new small business development strategy
- ii) Improve Access to Finance

The key market failures for SMME financing have been identified as:

- Limited availability of risk capital for start up and early stage businesses
- Insufficient lending activity in poorer province and township areas
- Market preference for high loan sizes (above R250,000 per loan)
- High cost of finance facilities.

A comprehensive service system is needed, capable of coordinating:

- Training
- BDS
- Support to association and local network building
- Support to social inclusion
- Territorial Marketing
- Monitoring and evaluation
- Support to internationalization and international partnerships
- Innovation
- Project development and finance.

STRATEGY 4: Introduce Sustainable Developmental Community Investment Programming

Sustainable Developmental Community investment Programming (SDCIP) is about moving beyond project-based community economic development. It is rather a much more empowering approach, utilizing innovative instruments to systematically build community competence and capacity.

SDCIP suggests building community, and using a powerful cultural dynamic as the vehicle and partner for LED together with the resourcing of organized communities to carry out key local functions, provide services and become important productive units. To do this, there needs to be a paradigm shift, a corrective to the dominant 'globalisation' model. A new balance has to be struck between globalization and 'localisation'. Localisation requires a new set of policies and programmes to exist.

The statement that business in the second economy can produce locally but cannot sell locally is a truism that explains the reason why many of the traditional LED products struggle to become sustainable. 'Delivery' and LED is not being used to alter the paucity of local effective demand and to mobilize the vast labour and personal resources of the majority of adults caught in the non-working local economies of this country.

Possible techniques and processes illustrating SDCIP can be applications are illustratend in Annex 1 by way of examples. Sectors in which the techniques and approaches can be applied are as follows:

- Crafts.** The 500,000 people or so employed in this sector should be introduced to SDCIP.



- ❑ **Fresh Produce.** There is potential, as already demonstrated by some organizers of community gardens, to produce cash incomes from community gardens, and expanding their scope and co-ordination through the creation of agricultural (produce) and consumer cooperatives.
- ❑ **Waste Collection.** Through the use of SDCIP approaches and eliminating the middlemen, incomes of waste collectors can be improved.
- ❑ **Street trading.** In 2003, there were 1 million street traders in South Africa. SDCIP offers these traders an opportunity to become more involved in decisions that impact on their livelihoods.
- ❑ **Sub-contracted Clothing and Textiles.** Clustering, through SDCIP approaches, offers potential to increase incomes through order sharing in the sector where 55 percent of the operators are informal.
- ❑ **Traditional Medicine.** SDCIP can play a role in better regulation and increased support and integration into value chains.

(3) LED Strategy Alternatives

The strategies to be proposed in this document will be based on the interventions recommended by the Worldbank²⁹. These are the strategic interventions identified:

Improving the Local Business Investment Climate

A business environment assessment for the local government should assess the performance of the local government in terms of those aspects of the investment climate that it has control over. This include issues such as the land use management system, including property registration, planning and development control, real estate improvements, building plans passed. Other issues include infrastructure provision and maintenance, internal roads, electricity (in collaboration with ESKOM), water and sewage, refuse collection, business registration and licensing, local rates and taxes collection, health and safety (including environmental issues), support for HIV/AIDS programs, environmental standards and anti-corruption issues.

Once the diagnosis is completed then a Local Business Enabling Environment Implementation Program should be developed. Some projects may include:

Bureaucracy Reduction Programs

The number of permits and approvals that businesses need to obtain, and the time it takes to obtain them, are not only expensive and time consuming, they can also be a disincentive to register into the formal economy or expand. A good place to start is to review existing regulations and laws, consult with stakeholders and develop a remedial plan. This will probably include streamlining local government processes and may also include a

²⁹ Source: *Organizing a Local Economic Development Strategy* (<http://web.worldbank.org/>)



lobbying program to reduce bureaucracy in other government areas. A program to minimize the complexity, costs and bureaucracy associated with approval processes will improve the economic strength of an area.

Investment in Hard Strategic Infrastructure

Investment in hard infrastructure involves investing in improving the physical environment for businesses thereby making it more attractive for business retention, expansion and recruitment. Possible projects include:

- Building or improving key access roads;
- Developing, improving and/or expanding the local airport;
- Developing, improving and/or expanding industrial sites and buildings. This could include anything from planting trees, to comprehensive landscaping, to building entire new science parks;
- Developing, improving and/or expanding commercial sites and buildings (for shops and offices);
- Increasing the availability of industrial and potable water;
- Improving and/or expanding the sewerage disposal system;
- Improving and expanding the telecommunications systems;
- Improving and expanding the energy systems;
- Environmental enhancements; and
- Crime prevention equipment installation.

These projects all involve considerable expense, outside agencies and often national government departments and the private sector. Competing demands for hard infrastructure investment are always hard to prioritize, especially when there are massive poverty issues for communities to face. However, a LED strategy can help local governments prioritize infrastructure investments according to need, potential for cost-recovery, opportunities for leveraging additional resources, etc. They can also provide an opportunity to identify possible public private partnerships in the provision of infrastructure and related maintenance.

Investment in Sites and Premises for Business³⁰

Investment in sites and premises for business involves improving the physical environment for businesses thereby making it more attractive for business retention, expansion and recruitment. Possible projects include:

Adaptation of disused buildings

In some instances redundant buildings will be able to be adapted for further use such as for a managed workspace, which can be owned by the public or private sector. Some buildings may benefit from splitting into smaller workspaces. Some of the most historic buildings are often the hardest to reclaim, but this should not stop efforts to save all buildings of historic or architectural importance.

Industrial and commercial site preparation

In most regeneration programs there will be a need to develop some land for incoming and expanding businesses. To accommodate these most effectively, it is better to have some sites serviced with basic infrastructure at the outset, if this is possible. There should at least be some assessment of the likely costs and timescales involved in installing basic infrastructure. There is significant expenditure involved with this, so partnerships with the private sector are ideal.

³⁰ Source: *Organizing a Local Economic Development Strategy* (<http://web.worldbank.org/>)



Investment in Soft Infrastructure³¹

Investment in soft infrastructure involves investing in improving the commercial environment for businesses. Possible projects include:

Enabling or providing skills training

In communities where enterprise has not been a key priority, enterprise training could be targeted. Wherever possible this should be linked to education programs in schools. The provision of skills training should be demand-led, i.e. training should be provided in response to employer skills needs.

Providing increased business focused education and access to education

The more schools can do to prepare young people for the 'world of work' the better. Projects could include: work ethics, information technology, basic entrepreneurship education and sector studies where students can study key business sectors of importance to their communities. Meanwhile, if adult literacy is a major problem, it could be addressed through education and outreach strategies.

Supporting research and development

Research and development support can be provided through collaborative projects between businesses and institutions of higher learning. A local research fund could be established, or a graduate placement program, where new graduates can pass on their skills to local businesses.

Providing business advisory services

This service could start with one person who just points people in the right direction, e.g., to lenders, skills training and so on. Clear sign posting is the key to good business advisory services. Good practice points to one-stop shops as an effective way of providing technical and financial support. Effective one-stop shops are usually housed in one building where local businesses may access all the technical support they need. Good practice also points to these facilities offering a one-stop service center for all local authority legal and regulatory issues as well as business issues. These services are often housed in buildings that have become redundant due to structural change so the one-stop shop facility may also be used to house incubator or managed work or office space, thus generating cost savings.

The provision of access to capital and finance

At the most basic level, this could be a sign posting service where businesses are directed to potential sources of finance. Local authorities rarely become involved in detailed advice to businesses on funding issues as these services are provided by specialist institutions. However, local governments can provide information on national programs in this or other areas.

Supporting the development of business and trade associations

This is a basic institution building process that could bring considerable benefits to the business community and LED efforts. Ideally all towns/cities should have a number of these organizations including Chambers of Commerce, Boards of Trade, etc. More specific groups can be supported such as town center promotion groups, sector activities such as a tourism marketing group or an exporters club. Most are likely to need some initial funding to start the scheme and capacity building support.

³¹ Source: *Organizing a Local Economic Development Strategy* (<http://web.worldbank.org/>)



Social inclusion strategies

A first stage should be to establish who and where the most vulnerable communities are, and then develop strategies to include them. These strategies could include, for example, language programs for ethnic minority communities, helping women in/back to work, encouraging the recruitment of disabled people into the workplace, and encouraging social activities for the very young and elderly citizens.

Crime prevention measures

Introducing good citizenship classes into the school curriculum; initiating after-school activities to keep young people busy. Other initiatives could include everything from drug-free zones to imposing curfews at night.

Encouraging Local Business Growth³²

Most local economic growth is generated by small and medium-sized businesses that are already established in the community. Encouraging local business growth involves providing advice, support and resources to enable these existing local businesses to grow. These strategies are sometimes called business retention and expansion strategies. The range of initiatives to support local businesses is vast. Some can be expensive, but others are not. Some projects include:

Business retention visits and surveys

Visits and surveys of existing firms can be used to help identify problems and determine how the business is performing, from where it sources its inputs, whether it is expanding, etc. These visits can be used to encourage local businesses to source more inputs locally, identify and finance training and skills needs, and contribute to LED strategy development. An important role these visits can have is to identify factors that might forestall a business leaving the area.

Technical assistance to business

This can include broad-based management and marketing programs, quality and environmental standards training and advice, through to more specialized export training or research and development support. The focus here should be on providing accredited, demand-led, technical assistance, paid for on a fee-for-service basis, if possible. Often these services are provided through one-stop business service centers and frequently these are provided by the private sector.

Financial advice and assistance

One of the hardest issues for businesses is to access capital. An appropriate financial support program will be able to give advice and training on financial planning, access to capital and credit, etc. In some cases it may be possible to establish small grant or loan programs to encourage, for example, investment in modern technology. Great care should be taken with these to ensure fairness; these schemes should always be transparent. Often these are provided at national/state level rather than at local level.

Public procurement policies and 'buy local' campaigns

These are local, business friendly policies where the local government, public sector organizations and larger

³² Source: Organizing a Local Economic Development Strategy (<http://web.worldbank.org/>)



local businesses make their contracts more accessible to local companies. This can be done within fair-practice laws. Initiatives could include adjusting the size of contracts so that smaller companies may bid, encouraging and accepting bids from groups of local companies, holding procurement events for local businesses, publishing local business competency directories and so on. It can also be done by facilitating more interaction between firms (network facilitation) and by supporting local supplier development programs with local industry associations.

Provision of sites and premises

Since local authorities and the state are often the owners of industrial and commercial land and buildings, they can use these to encourage business investment and expansion. A good understanding of the local property market should enable a local authority to plan for growth. Funding such infrastructure investments is a challenge; however, rents and sales should provide a market return for the authority. The option of private sector delivery or partnership should always be examined to ensure best use of local authority resources.

Encouraging New Enterprises³³

Encouraging new enterprises involves providing advice, technical support, information and resources to help individuals to set up their own businesses in the form of sole traders, partnerships, cooperatives or community enterprises. Projects include:

Provision of finance for new businesses

Micro-enterprise financial support is key to enabling businesses to start up as they usually cannot access traditional lending and investment institutions. Micro-enterprise financing is a specialist area and is well documented. There are many examples of largely private successful micro-enterprise support institutions, all of which need some money to start with, but that can become self-sustaining, through revolving funds. Local authorities normally become involved in these schemes by meeting with micro-enterprise institutions to assess the forms of support needed and ways of collaboration. It is not normal for local authorities to be involved in micro-finance schemes as they generally do not have the skills and resources to do this. Their role is to identify needs and encourage institutions and private sector players to intervene.

Provision of micro and managed workspace

The provision of micro and managed workspaces to support new enterprises is one of the most effective ways to assist new businesses, especially when tied to technical and administrative support and mentoring programs. These facilities may be provided by the public and private sector.

Providing technical advice on business management

Someone establishing a business for the first time needs to know how to produce his or her product. They must also understand finance, business planning, marketing, some aspects of the law including employment, taxation, safety at work, environmental legislation and so on. The provision of access to un-formable training and support in these areas meets a basic need and can be provided through 'one stop shops' or independent advisers. As in most areas of technical assistance, it is usually better for the local authority to enable the provision of

³³ Source: Organizing a Local Economic Development Strategy (<http://web.worldbank.org/>)



these services rather than provide them itself, again an issue of skills and resources. Charging for these services can be difficult, and some agencies give a limited number of consultations and then make modest charges thereafter. Establishing 'one stop shops' with access to market information is often extremely useful.

Supporting the establishment and implementation of formal and informal business networks

People learn from each other. Networks facilitate that learning. Active involvement in business networking is also important for developing a customer base, acquiring intelligence for expanding businesses and developing collaborative relationships with businesses in the same sector.

Conducting business mentoring programs

Good practice suggests that by linking new and small business owners with established businesses, significant benefits can result for both businesses. These need not be formal networks. In addition, informal networks of mentors and new businesses can create further benefits by developing supplier linkages, establishing critical mass for specialist training and so on.

Promoting Inward Investment³⁴

The promotion of inward investment means to attract businesses to an area from elsewhere in the country and from other countries. Attracting large manufacturing and service sector employers into communities is one of the most difficult, frustrating and riskiest of all LED strategies. This is partly because there are far fewer investors than there are communities seeking to attract them and many communities are prepared to offer massive incentives to inward investors. Foreign direct investors often prefer Greenfield, edge-of-town sites. To accommodate these wishes, communities often over-ride their planning policies in order to attract the investment. This may bring with it considerable problems and may contribute to urban sprawl and transportation problems. Careful consideration should be given to the costs and benefits of attracting inward investors. When locating a business, inward investors seek:

- A stable macro-economic climate
- A stable political and regulatory environment
- Market access and open competition
- A welcoming environment
- Available sites and/or premises
- Appropriate, available and reliable utilities and transportation
- Available skilled workforce
- Available local suppliers and resources
- Appropriate education, training and research facilities
- A good quality of life, especially when bringing ex-patriots
- Manageable regulation and taxation systems
- Incentive schemes

The benefits when success is achieved can be great. Besides direct employment, an increase in the tax base and indirect employment, there are potential wins for the local community through up-skilling of the workforce,

³⁴ Source: Organizing a Local Economic Development Strategy (<http://web.worldbank.org/>)



increases in wages, and opportunities for local SMEs that supply and buy from these investors. Inward investment strategies are likely to be successful when:

- They are a component of a broader LED strategy
- The community has the appropriate hard and soft infrastructure in place or available to support the likely investments
- Targeted investments fit the competitive advantage of the receiving community (normally a sector/cluster approach is likely to be most successful)
- Marketing strategies are carefully prepared, budgets are appropriate and follow up procedures are in place
- Incentive programs are considered, varied and not excessive
- Staff involved in attracting strategic investors have an understanding of investment needs and what their community has to offer

Opportunities for local businesses are optimized through careful aftercare programs. This means that when a new investor is attracted to a community, every opportunity is taken to encourage the investor to source his/her supplies locally, enabling supply chain advantages to be exploited locally. This is most successfully achieved through developing an investor aftercare program. Such programs are aimed at ensuring investors are happy and that they are given every opportunity to source their inputs from the local community.

Sector (and Business Cluster) Development³⁵

Cluster development means that LED initiatives are concentrated on encouraging and supporting inter-firm collaboration, institutional development and support in targeted industrial sectors. These are quite sophisticated LED strategies and may only be undertaken following in-depth research. The sectors are targeted at those that offer the most local economic development potential. Where the local economy has existing clusters this may provide a more targeted approach to improving economic development activity by leveraging resources in the direction of greatest potential return. These cluster strategies are undertaken within a broader LED strategy that would normally include the standard approaches. Possible projects include:

Developing broker and network agencies

Special attention is paid to encouraging local people engaged in the same cluster to meet together to enable business development opportunities. These could include encouraging local business-people to meet and exchange ideas on improving facilities and adding more value to their products so they would all benefit. Another example could be to start a craft network. The network could jointly market their goods and then start inter-trading with each other, building synergies.

Supporting joint research

Institutions of higher learning can undertake research that benefit all in the cluster. One example of this would be to engage in public-public, municipal service and public-private partnerships.

Developing cluster-focused public procurement and local purchasing agreements

The public sector is often the largest buyer in a town and as such there are opportunities to enable local businesses to access tender processes more easily. It is often difficult for small businesses, in a cluster or not, to

³⁵ Source: Organizing a Local Economic Development Strategy (<http://web.worldbank.org/>)



bid for large government contracts. A cluster initiative here could include developing a food supplier network to supply government catering needs. A logical cluster development initiative could be to encourage suppliers of basic food products to enter into some form of food processing. Cluster development activities could then move on to transportation, storage and packaging of food products. From there it is likely businesses could start retailing and producing processed foods for the private sector.

Providing cluster specific information

One of the most effective ways of developing a cluster is to gather information about businesses and institutional support systems in the cluster and then produce it so that it can be shared. Thereafter, with a small amount of effort, supplier linkages can be developed. These do not need to be sophisticated.

Developing cluster related marketing efforts

Once a cluster has been identified and it starts developing, there are opportunities to promote it and attract supporting investment as well as promoting business opportunities externally for cluster members.

Developing demand-led skills and education training programs

A significant benefit to developing a cluster initiative is that a key outcome of business networking will be an appreciation of skills needs in the sector. When a number of businesses express a skills need, it is more likely that training or education will be provided. A lone voice is not likely to be taken as seriously.

Area Targeting/Regeneration Strategies³⁶

Strategies for area targeting and regeneration are developed to address specific site or small area LED issues. While most LED initiatives can be targeted at specific locations, area targeting examines a specific area within a municipality to address a specific area-based problem such as the renovation of old buildings, a declining shopping area, a slum and so on. They may also be targeted at opportunity areas such as a central business district. Although many LED initiatives are aimed at ensuring that the entire town becomes more competitive, there are normally areas that need special attention for one reason or another. An example could be a run-down town center or an abandoned shopping complex. Possible projects include:

Town center enhancement schemes

These can include a wide range of initiatives including developing a business partnership, marketing the town center, undertaking surveys, upgrading the physical environment, targeting investment and so on. A vital and vibrant town center is the heart of an area's ability to be competitive.

Encouraging investment into growth nodes

One strategy to encourage growth is to identify specific areas within a town where certain types of businesses will be encouraged to locate. A growth node may then act as the center for planned growth and employment. However, this should not be created from nothing but rather built upon an existing agglomeration of firms showing high potential.

³⁶ Source: Organizing a Local Economic Development Strategy (<http://web.worldbank.org/>)



Encouraging investment into corridors

These are similar to nodes, but here growth is encouraged to expand from an area of promising economic activity out towards a more challenging area. By encouraging incremental investment, the aim is to develop an active growth corridor linking richer and poorer areas, reducing social and economic exclusion.

Informal markets

Areas where informal economy activities agglomerate are also areas ripe for regeneration. In addition to ensuring adequate health safety standards, these projects also support the poor.

The implementation of effective regeneration programs and the tackling of socially and economically disadvantaged groups represent two of the major challenges facing contemporary policy makers. Regeneration strategies go some way to meet these challenges. They use all the tools available, but because an area is in need of regeneration, specific, community-focused and often highly targeted policy responses are usually needed. Regeneration strategies are likely to be the most challenging, the most expensive, take the longest time and be the most necessary activity a local authority is likely to undertake. Possible projects include:

Retraining of redundant workers

Redundancy is a serious problem in most communities undergoing structural readjustment. The likely target populations will be older men who have clearly defined skills sets. The challenge is to ensure that skills training are given on a demand-led basis. This is hard, and there are no easy solutions especially as there is likely to be high unemployment in the community at large.

Job search and employment outreach

One of the most difficult areas is for redundant workers to find a new job. This is often because they do not know basic job search skills (such as where to find opportunities). Job search programs can be very effective and can involve everything from confidence building, resume writing, interview skills to matching the unemployed with potential employers.

Entrepreneurship training and SMME support programs

The city's mainstream programs could be adapted to meet the specific needs of this target group and area. Local delivery of services could also be helpful.

Community confidence building

This can include many measures such as promoting local success stories, encouraging the community to develop its own newsletter, and developing arts and crafts initiatives.



Integrating Low Income or Hard-to-Employ Workers³⁷

Integrating Low Income or Hard-to-Employ Workers and the targeting of disadvantaged groups means that measures are targeted at groups of individuals such as ethnic minority groups, the urban poor, women, redundant workers, the long-term unemployed and youths. Possible projects include:

Language training

This is a key issue where there are groups of foreign workers and minority communities. Outreach programs are often successful.

Skills retraining and job placement programs

Skills retraining should be done using a demand-led approach i.e. businesses need to be involved in articulating the skills needs. There is little point in retraining individuals in skill areas for which there is no local demand. Job placement programs assist individuals in acquiring the skills they need to access jobs and assist in identifying opportunities.

Raising educational achievement

This is usually an issue for an entire city, but specific communities may be in need of extra support.

Enterprise training

Many disadvantaged groups have both high unemployment and a large proportion of workers in the informal sector. Basic training in terms of business management, finance and marketing can have a significant impact on these communities.

Helping women to access employment and self-employment programs

Projects could include skills development, confidence building programs, and provision of crèches and after-school clubs.

Micro-enterprise lending programs

This area of activity is also well suited to assisting disadvantaged groups to access self employment.

Work experience and teacher/pupil placement schemes

These schemes involve teachers and students working for short periods of time in businesses to gain work experience and a work ethic skills. Teachers do this, which gives them a better understanding of workplace requirements.

Developing mentor programs

The idea is that more experienced business people mentor new starters and give them support, encouragement and ideas. Mentor programs can be very informal, and are a way of helping individuals to start their own business.

Health awareness programs

Often the most disadvantaged suffer from the worst health. Besides the direct effects on individuals, poor health becomes a serious limiting factor when trying to access work. Health awareness programs can be closely targeted at, for example, specific schools, communities and so on. They may also be delivered through

³⁷ Source: Organizing a Local Economic Development Strategy (<http://web.worldbank.org/>)



community resource centers. HIV/AIDS programs will be a priority for many LED programs in areas affected by the epidemic. Prevention and care reduce the negative burden imposed on families – particularly the poor.

Development of community resource centers

The purpose of these centers is to gather together information, support and services to meet the needs of the local community. These centers do not need to be sophisticated. Services may include everything from health care, education services, and business advice to paying taxes, play areas for children and so on.

Institution-building to support sustainable local economic value adding³⁸

Recognising that everything a municipality does impact on the local economy it will be necessary to pay particular attention to the following:

- (1) Basic financial management, project management linked to the provision of infrastructure and services in a financially sustainable manner.
- (2) Provision and maintenance of quality and reliable infrastructure and services.
- (3) Establishment of clear and well supported spatial policies and land-use management systems with particular emphasis on integrating small and informal traders in business zones.
- (4) Clear and unambiguous policies for economic development at the local level based on market realities.
- (5) Speedy and effective handling of development applications for business establishment, property development, and township establishment.
- (6) Sound and strategic property rates and service tariff policies.
- (7) Proper community care/interface, billing and revenue collection systems.
- (8) Communication and marketing of the services and regulations in an inclusive manner

Specific initiatives:

- Finalisation of an appropriate spatial policy in the IDPs that are linked to a municipal-wide land-use management system
- Improve infrastructure investment and intergovernmental coordination.

³⁸ Source: National LED Framework



Intergovernmental LED Strategy Framework

The Thabo Mofutsanyana LED Summit

Thabo Mofutsanyana held a LED Summit from 30 January to 1 February 2002, with the key participants local municipalities, national and provincial departments, tourism enterprises, the IDC, Khula, Ntsika, banks, Vodacom, MTN, Eskom, Telkom, NGOs, business organisations, NAFCOC, institutions of higher learning, local businesses, etc. The summit came up with strategies and recommendations on the following:

Key issues:

- Job creation and sustainable communication
- Wealth creation and prosperous societies
- Infrastructure creation and human capital development
- Future hope creation for the youth, woman and disabled people

Main strategies

- Woman economic empowerment and social empowerment of the disable people
- Development of the youth entrepreneurs and innovators
- Individual development, infrastructure development and human capital
- Supplier development of agricultural products, crafts and art work
- Beneficiaries of minerals and other resources

The LED Summit was held amidst current realities in the district, such as the closing down of businesses, factories and industries, the decline in the agricultural sector and other retrenchments, leading to the decline of the local economy. As a result just about half of the population was left unemployed, which in turn had an adverse effect on buying power in the region.

The **purpose of the LED Summit** was therefore to come up with strategies that will deal with / answer the following :

- How to revive the local economy of the district
- How to create opportunities for employment and job creation
- How to improve living conditions of people in a sustainable manner

The primary **focus** is on :

- Growing newly established small and medium enterprises
- Capacity building on newly established business in terms of business management and business accounting
- Promotion of especially agriculture, tourism, retail and manufacturing sectors

The summit also endeavoured to create an environment that would produce sustainable opportunities for **SMME's** in the short and long term with a view to :

- Widening the scope of business opportunities
- Entrepreneurship development through relevant training
- Active financing of small business



- Small business participating in job creation
- Wealth creation for economic growth

Economic regeneration study

The District Municipality has applied to the Local Economic Development Fund of the Dept. of Local Government & Housing for an economic regeneration study. However due to the limited resources, the study eventually focused only on the specific nodal municipality, viz. Maluti A Phofung.

Strategic guidelines for LED

National policy documents

- White Paper on Local Government
- Growth, Employment and Redistribution Programme.
- Local Economic Development Policy Paper

Strategic guidelines

Focal economic, sectors and geographical areas for promotion

- Tourism (eco-tourism) – Clarens, Qwaqwa, Bethlehem, Ficksburg, Fouriesburg, Harrismith, Kestell, Reitz and Memel
- Agriculture (agricultural products and agri-businesses)
- Whole area of Thabo Mofutsanyana
- Fruit production: Ficksburg
- Horticulture: Reitz and Bethlehem

Basic principles for promotion

- Labour intensive techniques
- Use of SMME's in projects such as repairing roads
- Create district markets
- Promote involvement of women
- Good marketing strategies
- Improve knowledge (empowerment through training)
- Maintenance of infrastructure (roads, water, sanitation)
- Manage spread of HIV

The Integrated Local Economic Development (LED) Programme

The LED programme provides an overview of interventions to promote economic development and employment generation in the Municipality, in a co-ordinated way to achieve a significant impact. The LED Programme consists of:

- a socio-economic analysis,
- strategy guidelines on local economic development and
- a consolidated summary of independent LED projects and LED activities which are part of the designed projects.



In March 2008 the Integrated Local Economic Development Programme was reviewed at a workshop for the purpose of reviewing the plan. The outcomes of the review are stated below:

- The workshop identified an imbalance in the economy of Phumelela Municipality.
- The economy of the area is driven by agriculture, as is illustrated in the following pie chart:

It is imperative for the Municipality to diversify the economy. The high dependence on agriculture renders it vulnerable to economic instability when indices and market indicators for the agricultural sector decline. Furthermore, a local economy based in a single commodity type finds itself inadequate to respond to diverse local needs and for the broad based economic empowerment.

The following key areas were pointed out:

- The ASGISA programme must be linked to the Phumelela Municipality's Economic Strategy as well as the Free State Growth and Economic Strategy;
- The Second economy must be unpacked in order to ensure all people benefits;
- The SMME development strategy as well as a Rural development plan must create the integration to building the local economy;
- The Municipality must ensure that it play a role in facilitating and stimulating the economic growth patterns in the area by creating "an economic environment " in which investors and local people will build the local economy.

The following were inputs made on SMME projects within the area:

Table 4.28: SMME Projects (1)

Existing project/s	Area
<input type="checkbox"/> Manufacturing	- Vrede
<input type="checkbox"/> *Cleaning chemicals by: Home Sweet Home	
<input type="checkbox"/> Knitting/Sewing	- Vrede
<input type="checkbox"/> (Reithieteng & Vrede Flagship)	
<input type="checkbox"/> Bricklaying (Tswelopele)	- Vrede
<input type="checkbox"/> Laundry	- Vrede
<input type="checkbox"/> Carpentry Companies:	- Vrede
<input type="checkbox"/> *Coffins	
<input type="checkbox"/> *Tables (Vukamad)	
<input type="checkbox"/> Casing for the aged	- Vrede
<input type="checkbox"/> Poultry	- Vrede



Initiatives	Area
<input type="checkbox"/> <i>Tombstone businesses</i>	- Vrede
<input type="checkbox"/> <i>Abattoir</i>	- Vrede
<input type="checkbox"/> <i>Arts/Craft</i> <input type="checkbox"/> <i>Tourism</i>	- Vrede
<input type="checkbox"/> <i>Car wash</i>	- Vrede, Memel, Warden
<input type="checkbox"/> <i>Gardening Services</i>	- Vrede
<input type="checkbox"/> <i>Social Integration</i> <input type="checkbox"/> <i>*1 Wood work, E.T.C</i>	- Vrede
<input type="checkbox"/> <i>> Bio-fuel</i>	- Phumelela
<input type="checkbox"/> <i>> Dairy products</i>	- Phumelela

Project/s	Area
<input type="checkbox"/> <i>Sakhisiziwe Sewing Project</i>	- Vrede
<input type="checkbox"/> <i>- Cultural Village (tourism) B+B</i>	- Vrede
<input type="checkbox"/> <i>- Poultry (meat, eggs)</i>	- Vrede
<input type="checkbox"/> <i>- Hydro phonic (vegetables)</i>	- Vrede
<input type="checkbox"/> <i>Cleaning of graves</i> <input type="checkbox"/> <i>(Refuse removal-cut grass)</i>	- Vrede
<input type="checkbox"/> <i>- Bakery (feeding Scheme)</i>	- Vrede
<input type="checkbox"/> <i>- Road paving (access roads)</i>	- Vrede
<input type="checkbox"/> <i>- Feedlot piserry (Meat auction)</i>	- Vrede
<input type="checkbox"/> <i>- Coal yard (Depends on season)</i>	- Vrede
<input type="checkbox"/> <i>- Mining (brick making)</i>	- Vrede
<input type="checkbox"/> <i>- Sheep Shearing (wool)</i>	- Vrede



Project/s	Area
<input type="checkbox"/> - Dairy product (milk, cheese, yogurt)	- Vrede
<input type="checkbox"/> - Nursery (flowers, trees)	- Vrede
<input type="checkbox"/> - Bee project (honey, sweet, medication)	- Vrede
<input type="checkbox"/> - Fish breeding (transportation, abattoir, snoekfish)	Vrede
<input type="checkbox"/> *Sakhimpilo Disposal Project (tissue, pampers)	Vrede
<input type="checkbox"/> Waste Recycle Project (plastic-glass, beads, mats, hat, shoes)	Vrede
<input type="checkbox"/> *Carpentry-coffins, furniture, ceiling.	Vrede

Further Challenges:

The following were identified as challenges in the area:

- Marketing
- Lack of financial skills
- Bookkeeping
- Location
- Transport cost
- High rate of unemployment
- Drought-heavy rain
- Communication
- Competition

The following lists of projects were identified:

- Agri-Businesses must be explored. The Province could assist with funding to conduct a needs analysis.
- A bio-fuel plant could hold great possibility;
- The Department of Tourism And Local Economic Development office could assist with funding for the development of an Integrated Rural Development Strategy;

Many participants believe a lack of funding stops them from becoming real entrepreneurs and for them to create jobs in the area. The structure to drive the local economy was also mentioned as a problem. The Municipality only has one official, dealing with the local economy, and this causes a capacity constraint. The Phumelela Local Municipality must appoint a service provider to develop an overall economic strategy that will:

- Deal with the promotion of BEE development;
- Create Private sector and Business Partnerships;
- Outline promotion of Cooperatives;



- Identify priorities of ASGISA within a local context;
- Formulate an Economic Strategy that is informed by the National LED Framework and the principles of NSDP, PGDS and ASGISA.

Integrated Poverty Reduction and Gender Equity Programme

The Integrated Poverty Reduction Programme comply with the IDP to poverty and gender issues. It helps to achieve a conclusive set of measures directed towards alleviating poverty and gender inequalities and serves as a basis for poverty and gender specific monitoring.

The programme outlines:

- results of the socio-economic analysis,
- strategy guidelines on poverty and gender and
- a consolidated summary of poverty and gender-related activities which are part of the designed projects.

LED initiatives of the Free State Department of Tourism, Environmental and Economic Affairs that benefit the Phumelela Local Municipality

The following initiatives from the Annual Performance Plan of the Free State Department of Tourism, Environment and Economic Affairs could potentially benefit the aims of this LED Strategy³⁹:

- The grading of new Free State tourism facilities.
- Implementation of a programme to broaden the tourism product base in the Free State Province.
- A workshop to be held in the district regarding the development of bird, heritage and cultural routes.
- The annual training of stakeholders in specific fields related to hospitality.
- The training of SMME product owner for participation in shows and exhibitions.
- The implementation of a tourism mentorship strategy through the mentorship of emerging product owners (SMMEs) by established businesses.
- The training of all resort personnel in hospitality management.
- The training of tourism organization members in responsible tourism.
- The training of regional tourist guides.
- The training of tour operators.
- The training of quality assurance assessors.
- The training of tourist owners in customer care.
- The roll-out of a Free State value chain training programme to the district.
- The conducting of a tourism safety awareness workshop in the district.
- Participation in the National Schools Programme (tourism) and the Emerging Tourism Entrepreneur of the Year Award competition.
- A planned workshop in the district to deal with the implementation of BEE charters and policies.
- A workshop in the district regarding the implementation of a BEE scorecard.

³⁹ Source: *Annual Performance Plan*, Free State Department of Tourism, Environment and Economic Affairs



(4) LED Goals and Strategies

Table 4.29: LED Strategies

<p>Improving the local business climate</p>	<p>LED Goal 1: To have a fully functional and responsive LED capacity in the Phumelela Municipality</p> <p><i>Indicators:</i></p> <ol style="list-style-type: none"> (1) Finalize the LED Strategy (2) Finalization of SDF / IDP / LED Strategy Integration (3) Fully functional Land Use Management System (4) Review of a Poverty Alleviation Programme (5) Review of an HIV/Aids Strategy <p>LED Goal 2: To establish an LED Forum</p> <ol style="list-style-type: none"> (1) Get all stakeholders in the local economy together. (2) Forum to include representatives from the business, tourism, farming and community sectors.
<p>Investment in hard infrastructure</p>	<p>LED Goal 3: To ensure infrastructure maintenance and upgrading capable of supporting LED programmes and projects</p> <p><i>Indicators:</i></p> <ol style="list-style-type: none"> (1) Achieving targets in the IDP related to development-orientated infrastructure maintenance and upgrading (targets to be aligned with the WSDP). Specific indicators that are important to support the LED programmes and projects in this strategy are: <ul style="list-style-type: none"> <input type="checkbox"/> Access roads <input type="checkbox"/> Water <input type="checkbox"/> Electricity <input type="checkbox"/> Refuse removal <p>LED Goal 4: To revive railway lines that could facilitate increased economic activity</p> <ol style="list-style-type: none"> (1) Revival of the railway line between Vrede and Standerton (2) Revival of the railway line between Warden and Harrismith
<p>Encouraging local business growth</p>	<p>LED Goal 5: To promote SMMEs, BBEs and local businesses through the procurement practices of the Phumelela Local Municipality</p>



	<p><i>Indicators:</i></p> <ol style="list-style-type: none"> (1) Percentage (%) of goods and services procured from SMMEs. (2) Percentage (%) of goods and services procured from BBEs. (3) Percentage (%) of goods and services locally procured. <p>LED Goal 6: To promote the expansion of the tourism sector in the Phumelela Local Municipality</p> <p><i>Indicators:</i></p> <ol style="list-style-type: none"> (1) Number of tourists visiting the Phumelela municipal area (increase) (2) Selling Memel as a tourism destination. (3) Promoting Vrede as a holiday destination. (4) Establish and operationalise a local tourism information center. (5) Produce a tourism promotion brochure. (6) Utilise opportunities presented by the Soccer World cup 2010. (7) Improving the signage and grading of guesthouses. (8) Promote cultural tourism. <p>LED Goal 7: To promote the establishment of light industries in the Phumelela Local Municipality</p> <p><i>Indicators:</i></p> <ol style="list-style-type: none"> (1) Number of new light industries established in the Phumelela municipal area (2) Support community initiatives (Registration of co-operatives). (3) Capacity building and training. <p>LED Goal 8: To support the local agricultural sector in order to increase employment in the sector</p> <ol style="list-style-type: none"> (1) Growth in the agricultural sector (2) Number of additional jobs created in the agricultural sector (3) Partner with established farmers to promote broad-based success in farming in the area <p>LED Goal 9: To explore the possibility of investing in long-term</p>
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	<p>economic growth opportunities</p> <ol style="list-style-type: none"> (1) Establish a fresh produce market where all farmers could sell their products. (2) Establish a buy-back center for recycled products (3) Fish breeding and poultry farming
<p>Integrating low income and hard-to-employ workers</p>	<p>LED Goal 10: To create jobs in the Phumelela Local Municipality in support of government’s employment creation targets</p> <p><i>Indicators:</i></p> <ol style="list-style-type: none"> (1) Number of temporary jobs created (2) Number of permanent job opportunities created (3) Establishment of an employment database for the Phumelela area. <p>LED Goal 11: To expand the EPWP in the Phumelela municipal area</p> <p><i>Indicators:</i></p> <ol style="list-style-type: none"> (1) Targets and indicators to be related to the requirements and conditions of the EPWP (2) EPWP considerations to guide MIG projects. (3) Specific EPWP-based MIG projects to be identified.
<p>Institution-building to support sustainable local economic value adding</p>	<p>LED Goal 12: To create a responsive municipal administration, capable of achieving its LED targets</p> <p><i>Indicators:</i></p> <ol style="list-style-type: none"> (1) Finalise the municipal turnaround strategy (2) Implementation of the MFMA (3) Number of officials trained in LED

(4) Focus Areas in the development of LED Strategies

The focus-areas for the Phumelela Local Municipality for the development of its short-term LED strategies are the following:

- Competitive advantage of Phumelela lies in Tourism and Agricultural Development.
- Commitment by the Municipality on SMME development (formal and informal) in the area.



- Acceleration, exploration and expansion of the Tourism potential of the area.
- A comprehensive partnership for job creation and expansion of the local economy.

Agricultural Development

To develop the agricultural sector in such a way that --

- Current agricultural practices are maintained and further enhanced as this forms the back bone of the local economy.
- Value adding practices in the form of agri-processing are initiated and become sustainable.
- Agri-processing industries involve the large number of economically active unemployed females in the area.

Tourism Development

Tourism hotspots:

The village of Memel is the central hub of the local farming community, but is fast becoming one of South Africa's most sought after birding spots. It has become a magnet for the Johannesburg yuppies to seek absolute relaxation, fresh air and pristine mountain experience. Memel is primarily noted for three things. Firstly, its breathtaking scenic beauty. To the east and the south of the village you drive within minutes into the majestic and picturesque mountains, with their rocky hillsides, sandstone cliffs, high altitude grasslands, through valleys and alongside clear mountain streams and lakes. On the Drakensberg Escarpment at Moorefield, only 25 kms from Memel, big areas with unspoilt indigenous forest are to be found. To the north and west the landscape comprises mainly undulating grasslands and includes the extensive 5000 ha Seekoeivlei Nature Reserve – which is the second reason to visit Memel.

The spectacular internationally important 2000 ha Seekoeivlei Wetlands - listed as a Wetland of International Importance (RAMSAR) - which is situated in the Reserve along the Klip River. The wetlands is made up by an extensive meandering floodplain and is now once again home to the hippo, 100 years after the last one was shot in the area.

The Seekoeivlei Nature Reserve is located around the city, and in earlier years the wetlands were being starved of water due to farmers building drainage canals for agricultural land. This has now almost been rectified, with rehabilitation programs being put into place in the 1990's, allowing more than 250 bird species to return to their home, and reintroducing hippopotamus to the wetlands. Bird watching enthusiasts therefore descend on the town in their hundreds to explore the wetlands and enjoy the thrill of seeing some of the most beautiful birds that South Africa has to offer.

And thirdly – and probably the best-known - the district is also noted for its estimated 350 bird species including many 'specials' and 15 Red Data listed species. Memel is becoming a great birding destination.

At certain time of the year thousands of water birds congregate on the wetlands, and the grassland areas abound with bird life, making the area a true birding paradise. Scarce and endangered species such as the Wattled, Blue and Crowned Crane may be seen and sometimes roost together in the same part of the wetland. Special birds of the grasslands include Southern Bald Ibis, Blue Korhaan, Rudd's and Botha's Larks and Yellow-breasted Pipit.



350 bird species have been estimated in Memel that include 15 Red Data listed species and genuine gems like the southern bald ibis, Rudd's and Botha's larks and the yellow-breasted pipit. Memel is a place where time stands still and one's greatest exertion is spotting birds through binoculars, and the night sky that provides incredible star-gazing possibilities

The town of Vrede is surrounded by undulating, highveld hills. It is a holiday and adventure breakaway with a wide range of activities on offer. From fishing and boating on the Vrede Dam, hiking, mountain biking, caving, abseiling, rock climbing, horse riding, game viewing, hunting, browsing and shopping or just relaxing in the quaint pubs and restaurants in the area, there is something for every taste.

Tourist Attraction and Facilities

The table below provides a brief overview of tourist attractions and facilities within the various towns.

Table 4.30: *Tourist attractions and facilities*

Attraction/facilities	Vrede	Memel	Warden
Festivals	Red meat festival	None	None
Memorials / Historical / Cultural sites	Bohlokwa tribe Dutch Reform Sandstone church	Sadiba Hiking Trail	Dutch Reform Sandstone church
Game farms	Dipka Moreson	Vere en snawels (Farm ewewyd)	None
Attractions	Twin dams Rose Farm Hiking Trials Semi-gem stones (Middelpoort farm)	Seekoeivlei wetlands	“Murasië”
No of guesthouses & Hotels	9	7	2
Tourism Forum	Yes	Yes	Yes

The northern boundary of the Eastern Free State forms part of the Highlands tourism route, due to its natural and scenic beauty, historical value and fairly good accessibility. The area has a tremendous potential for tourism development. The Seekoeivlei wetlands bird sanctuary forms part of the tourist attractions. A conservation area is planned between the two dams of Vrede.

SMME Development

Unemployment is one of the most important challenges facing the poor people in our country. This has been made worse by the fact that over the last two decades, the formal economy (especially mining) has been



shedding jobs and many workers were retrenched. Furthermore, every year hundreds of thousands of new job seekers (the vast majority of them youth) join the army of unemployed.⁴⁰

It is accepted worldwide that the development and growth of small, micro and medium enterprises (SMMEs) can play an important role in turning this situation around. Policies and programmes to support the development of SMMEs are therefore an important part of the democratic government's programmes to create a better life.⁴¹

The National Small Business Act divides SMMEs into the following categories⁴²:

Table 4.31: SMME Categories

Category of SMME	Description
Survivalist enterprises	Operates in the informal sector of the economy. Mainly undertaken by unemployed persons. Income generated below the poverty line, providing minimum means to keep the unemployed and their families alive. Little capital invested, not much assets. Not much training. Opportunities for growing the business very small.
Micro enterprises	Between one to five employees, usually the owner and family. Informal - no license, formal business premises, labour legislation Turnover below the VAT registration level of R300 000 per year. Basic business skills and training Potential to make the transition to a viable formal small business.
Very small enterprise	Part of the formal economy, use technology Less than 10 paid employees Include self-employed artisans (electricians, plumbers) and professionals.
Small enterprise	Less than 100 employees More established than very small enterprises, formal and registered, fixed business premises. Owner managed, but more complex management structure
Medium enterprise	Up to 200 employees Still mainly owner managed, but decentralised management structure with division of labour Operates from fixed premises with all formal requirements.

Note: Women represent approximately 56 percent of the survivalist company category, 38 percent of micro-enterprises with no employees, and 15 percent of micro-enterprises with 1-4 employees.

Small business can also be divided between *established formal SMMEs* (mainly white and some Indian ownership) in predominantly urban settings and *emerging SMME economy* (mainly African and Coloured) situated in townships, informal settlements and rural areas. According to the White paper, by far the largest

⁴⁰ Source: *Small Business Development* (<http://www.etu.org.za/toolbox/docs/government/sbd.html>)

⁴¹ Source: *Small Business Development* (<http://www.etu.org.za/toolbox/docs/government/sbd.html>)

⁴² Source: *Small Business Development* (<http://www.etu.org.za/toolbox/docs/government/sbd.html>)



sector is the survivalist enterprise sector. This means that most people are active in the informal sector where they have little institutional support.⁴³

The government's national small business strategy seeks to address the following common problems faced by SMMEs⁴⁴:

- An unfavorable legal environment
- Lack of access to markets and procurement
- Lack of access to finance and credit
- Low skills levels
- Lack of access to information
- Shortage of effective supportive institutions

The White paper and Act sets out the objectives of our SMME development policy as⁴⁵:

- Alleviating poverty, by making it possible for poor people to generate income to meet basic needs;
- Reducing poverty through employment creation;
- Redistribution of wealth, income and opportunities; and
- Contributing to economic growth, by improving innovation and thus competitiveness.

The national small business development strategy also seeks to strengthen cohesion amongst small enterprises and to level the playing field between big and small business.

The second National Small Business Conference organised by the DTI in 1998 focused on the role of local government in SMME support. Local councils do procurement and sometimes form partnerships with business to deliver services. The Local Economic Development approach encourages local government to also play their role in promoting small businesses. The Department of Provincial and Local Government administers a fund of about R42 million, to which municipalities can apply for their LED projects. Many of the approved projects relate to small business activities.⁴⁶

The promotion of SMMEs has become an objective across government. Many departments have specific strategies in place, for example developing SMMEs in the tourism sector, or developing small and emerging contractors by Housing and Public Works, Land and Agriculture, Arts and Culture and so forth. The promotion of SMMEs is also an important part of the different spatial development initiatives and the Urban Renewal and Rural Development strategies.⁴⁷

As part of the National Skills Development Strategy, the Sector Education and Training Authorities (SETAs) are also supposed to develop programmes that help develop small businesses in their respective sectors.

⁴³ Source: *Small Business Development* (<http://www.etu.org.za/toolbox/docs/government/sbd.html>)

⁴⁴ Source: *Small Business Development* (<http://www.etu.org.za/toolbox/docs/government/sbd.html>)

⁴⁵ Source: *Small Business Development* (<http://www.etu.org.za/toolbox/docs/government/sbd.html>)

⁴⁶ Source: *Small Business Development* (<http://www.etu.org.za/toolbox/docs/government/sbd.html>)

⁴⁷ Source: *Small Business Development* (<http://www.etu.org.za/toolbox/docs/government/sbd.html>)



There are a number of other parastatals which also support small businesses, though mainly at the upper end of the spectrum. These include⁴⁸:

- Independent Development Corporation (IDC): tourism development, venture capital, low interest empowerment and emerging entrepreneur schemes.
- South African Bureau of Standards (SABS): through its missing links programme provide quality assistance and awareness to SMMEs.
- Centre for Science and Industrial Research (CSIR): product improvement and manufacturing assistance to SMMEs through their National Manufacturing Centre.

The Manufacturing Strategy (2001) of the DTI identified a range of sectors with potential for growth of SMMEs. These included tourism, agro-processing, business services, cultural industries, etc, with sectoral strategies to achieve this objective for each of these sectors⁴⁹.

Given the current capacity limitations of the Phumelela Local Municipality, the short-term emphasis in respect of SMME development will be on the utilization of municipal procurement practices to promote businesses that are local, run and managed by HDIs women, and/or the youth. It is, however, envisaged that, during the second LED Strategy formulation Phase, the emphasis will increasingly fall on training and hands-on support to SMMEs and BBEEs that wish to start, expand or run a businesses in the municipal area. During the third LED Strategy formulation Phase the emphasis will shift towards the creation of collaborative networks of SMMEs and BBEEs, where the municipally acts mainly as a facilitator and the emphasis falls on self-sustainability of this sector of the business community.

Considering the **National goal: “The creation of decent work & sustainable livelihoods is the primary focus of economic policy”** it is important for the LED Strategy of the Phumelela Municipality to consider the following criteria in its employment creation initiatives⁵⁰:

“Decent work” means sufficient work opportunities, the ability to live at acceptable level, human rights respected, and workers that must be able to influence matters affecting their lives

This will involve:

- Halving unemployment in the country between 2004 and 2014 in a way that enables further improvement to 2024. This requires average 500,000 net new jobs per annum.
- Achieving economic path that enables long term real wage growth and reductions in working poverty
- Cost of living affordable to working people

Principles

- As much self-sustaining market-based activity as possible
- As much public provision as possible to make up shortfall and improve delivery
- Commitment to ensuring affordable cost of living for poor households

Immediate interventions

- EPWP: major new opportunities for NPOs and communities to access the employment incentive and community works
- Review of job hierarchies to enable lower and semi-skill entry in public sector
- Local procurement

⁴⁸ Source: Small Business Development (<http://www.etu.org.za/toolbox/docs/government/sbd.html>)

⁴⁹ Source: Small Business Development (<http://www.etu.org.za/toolbox/docs/government/sbd.html>)

⁵⁰ “Working in the cities”- presentation to SACN 3rd Urban Conference on State of the Cities. Delivered by Dr. Miriam Altman Executive Director, Centre for Poverty, Employment (HSRC) on Nov 24-25, 2009 - Feathermarket Hall, Nelson Mandela Bay



- Payment in 30 days that stimulates the availability of working capital, especially to small and medium size enterprises
- Post school opportunities for youth
- Transitional jobs for youth in the public sector
- Social welfare: soup kitchens, enable grants roll-out, home food production, etc

Employment policy needs to aim at long term challenges & misalignments

- Human resource development
- Housing/transport configurations
- Network services (electricity, commercial transport, telecoms, water)
- Industrial stimulation & market access
- Social infrastructure

Need to find more ways of generating “good jobs”

- Manufacturing seen as key to private sector employment creation & growth is historical bias that has not been sufficiently updated in economic thinking globally.
- The trend is towards both skill-intensive and labour-intensive services employment in SA is common globally.
- Trend to divergence between growth & employment encourages wage inequality.
- Need to identify ways of aligning growth & employment, especially in services, that is a growing contributor to global trade.

Expanded Public Works Programme (EPWP)⁵¹

Unemployment is the prime cause of the deepening poverty that has characterized the post-apartheid era. It is not surprising that employment creation has become a priority for all tiers of government. The EPWP represents a key policy instrument at the national level to directly tackle unemployment.

It is therefore imperative that the evaluation of the EPWP as a short to medium-term measure to mitigate the adverse social, political and economic consequences of high and growing levels of unemployment is located within an understanding of the magnitude and nature of the unemployment crisis.

The causes of unemployment in South Africa are manifold and complex. While a discussion of the research and debates in this area lies beyond the scope of this report, it is important to note that there is substantial agreement that the cause of unemployment is structural rather than cyclical. In particular, the skill composition of the labour force, the capital-intensive nature of the South Africa’s development trajectory, and the rapid loss of lower skill mining and agriculture jobs in the 1990s have reinforced the inability of the economy to absorb unskilled and semi-skilled labour, which account for the vast majority of the unemployed.

It is essential that the EPWP is evaluated against this backdrop. Critically, while it provides an important avenue for labour absorption and income payment to poor households in the short to medium-term, the EPWP is not designed to be a policy instrument to address the structural nature of the unemployment crisis. That would require a more forceful and sustainable intervention to place the economy on a labour-absorbing development path.

The world over, public works programmes are seen as a short-term measure to alleviate poverty and unemployment. Stated differently, the objective is not to create sustainable employment opportunities. Rather,

⁵¹ Framework for evaluating the Expanded Public Works Programme, Project Leader: Dr Miriam Altman; Project Manager: Ms Marina Mayer – Human Sciences Research Council (April 2004)



public works programmes are a means of creating a high volume of employment in the short-term in a context of chronic unemployment that is a consequence of natural disasters (such as drought and famine) and acute social and political crises. It is also appropriate where marginalized groups that have difficulty accessing labour market opportunities are identified – often the youth, disabled, retrenched, or long term unemployed. Given the magnitude of South Africa’s unemployment crisis, the EPWP represents an appropriate short-to-medium term policy response.

It is also imperative that the evaluation framework situates the EPWP within the broader spectrum of government interventions to alleviate unemployment. Critically, the evaluation must be framed in a way that takes cognisance of the fact that it is merely one element within a broader government strategy to alleviate poverty through the alleviation of unemployment. Government’s medium-to-long term policy approach to halving unemployment by 2014 includes an array of measures to increase economic growth, improve skills levels through education and training, and improve the environment for business, particularly through the microeconomic reform strategy.

The EPWP comprises four sectors: infrastructure, environmental, social and economic ³. Each of the sectoral programmes is focused on unemployed, under-skilled and under-qualified persons. The key objectives of the programme are to:

- Draw significant numbers of the unemployed into productive work to enable them to earn an income.
- Provide unemployed people with education and skills.
- Ensure that beneficiaries of the EPWP are either enabled to set up their own business/ service or become employed once they exit the programme.
- Utilise public sector budgets to alleviate unemployment.

A further objective is to create social and economic infrastructure and provide social services as a means of meeting basic needs. This is a critical objective from the perspective of evaluating the programme’s impact. This is because it would be cheaper to simply transfer income to beneficiaries and therefore the assets and services must be of economic and social value to justify the cost of the programme. Moreover, these assets and services are an important mechanism for alleviating poverty.

As regards the objective of **drawing significant numbers of the unemployed into productive work**, the target of 1 million job opportunities over the 5 year period would account for about 7% to 9% of the net new jobs required to enable the reaching of an interim target unemployment rate of about 23% (from the strict definition) or 32% (by the broad definition), assuming a labour force growth rate of about 2%. Note that this contribution refers only to additional opportunities created. The contribution would be less if the million jobs also includes existing programmes that are simply grouped under the EPWP.

This is clearly a significant contribution to redressing unemployment from the perspective of providing the long-term unemployed with exposure to the world of work. However, these are short-term jobs. Their effect persists only if:

- The programme continues at the same scale
 - The programmes have a multiplier effect.
 - The programme has a positive effect on the employability of its participants, insofar as there is a labour market mismatch related to skills or information.



If the EPWP's impact on unemployment is measured from the perspective of the person-years of work it intends to create, the impact is much more muted. Person-years of work is a useful measure when comparing programmes (to enable equivalents), but not necessarily a realistic measure when comparing to national employment statistics.

In terms of **providing unemployed people with education and skills**, the provision of two days of training per month worked on the EPWP is unlikely to have a dramatic impact on the skill composition of the labour force and should not be measured on those terms⁴. Rather, it is the nature and quality of the training, the socialisation imparted and its impact on the future employment prospects of the beneficiaries that is the appropriate framework for evaluating its impact. Only in the case of the social sector, where the objective is to provide care workers with accredited and relatively high-level training, will there be a marked impact on skill formation, which is likely to greatly enhance the quality of these services.

As regards **ensuring that beneficiaries of the EPWP are either enabled to set up their own business/service or become employed once they exit the programme**, this outcome will depend on both the magnitude of demand for the categories of labour targeted by the EPWP in the broader economy and the support provided to such beneficiaries within specific programmes. Clearly, government only has control over the latter within the framework of the policy instruments available to the EPWP.

Unless government puts in place measures to stimulate labour-intensive sectors in a sustained manner – a policy measure that lies beyond the scope of the EPWP – there are unlikely to be employment opportunities for those that exit the programme. The expansion of programmes and budgets falls squarely into the mandates of line departments and Treasury. The infrastructure budgets are expanding so substantially, that new opportunities will arise around the country, especially if the labour intensive methods are increasingly adopted in urban and regional projects.

This is not necessarily the case in the environmental and social sector projects. If these budgets are not expanded, it is possible that EPWP beneficiaries that do find work may be substituting other workers – thereby not leading to net job creation. The jobs created in the social sector are only likely to be sustainable if budgets expand for Home Community Based Care and Early Childhood Development in a continuous manner, as the demand for labour in this sector will be created and supported by Government for some time. In short, the long-term solution to South Africa's unemployment crisis lies in increasing the demand for unskilled and semi-skilled labour. As the EPWP is not designed to do this, it cannot be evaluated as a means of creating sustainable employment opportunities.

Rather, the extent to which the programme contributes to longer-term employment and other income-generating activities must be evaluated against the following areas that are central to its design and implementation:

- The relevance and quality of the training it provides;
- Access to or provision of job search training,
- Access to or provision of job placement services,
- Information about how to acquire further training;
- Access to micro-finance and other support services to facilitate self-employment.

The objective of **utilising public sector budgets to alleviate unemployment** will be evaluated against the resources applied to the EPWP and the efficacy of the various programmes in creating employment. Indeed, the



monitoring framework will quantify the cost to the fiscus per employment opportunity and person-year of employment created on an ongoing basis.

Finally, the overarching objective of **poverty alleviation** must be framed within the broader policy framework for redressing poverty, including social grants. The EPWP redresses poverty at the household level through both the income paid to beneficiaries in the form of wages and the assets and services provided to poor communities. The ability of the EPWP to target beneficiaries from the poorest households will be a key marker of its impact on poverty.

(5) *Theoretical Framework for Poverty-Driven LED Planning*⁵²

The Informal Economy and LED

The easiest definition of the informal economy is based on a description of the location within which actors operate. Four categories of actors are identified:

(1) *Home based workers*

- Dependent home-base workers have the following characteristics:
 - they work at home outside the establishment that buys their products;
 - they agree by prior arrangement to supply goods or services to a particular enterprise;
 - their remuneration consists of the prices paid for their products
 - they do not employ workers on a regular basis.
- Independent home-based workers are those who work in their home and deliver their products or services to any prospective buyer. Their characteristics are those of the self-employed and are classified as part of the group "own-account workers".
 - Street traders and street vendors
 - Itinerant or seasonal or temporary job workers on building sites or road works
 - Those in between the streets and home, e.g., waste collectors

A more complicated definition is defined by the XVth International Conference of Labor Statisticians:

The informal sector comprises units in the household sector, as defined by the System of National Accounts (SNA), and which, are unincorporated enterprises or do not hold a complete set of accounts, including:

- units -- registered or not -- without permanent employees,
- units with permanent employees and which are, alternatively simultaneously unregistered units, or units which do not register their permanent employees, or units which employ, on a continuous basis,

⁵² The World Bank (<http://web.worldbank.org/>)



less than a given number of persons, according to the legislative codes (fiscal or social) or to the practices of survey statisticians when they design the scope and coverage of enterprises surveys.

- As broadly defined, the international concept distinguishes between two sub-categories of informal sector units
- "family enterprises" comprised of independent or own-account owners, family workers, apprentices and casual workers, and with no permanent employees; and

"micro-enterprises" comprised of units with less than 5 to 10 employees (or jobs), or which do not register them, or which are not registered as enterprises.

Main Problems Faced by those in the Informal Economy

Those in the informal economy are faced with many problems. Here are some of the main ones, as they affect local government.

Infrastructure Issues

- *Poor infrastructure.* Poor infrastructure affects street vendors and home-based workers differently. For street vendors, needed infrastructure includes formal markets and other street furniture such as benches and storage space. For home-based workers, poor infrastructure pertains to hard infrastructure services provided within the home such as water and electricity.
- *Crime and violence.* This particularly affects street traders.
- *Lack of access to transport.* Cost of urban transport has a negative effect on access to markets as well as access to products inputs. Both affect profit margins.

Resource Issues

- *Access to finance and banking.* Micro-credit availability is crucial to the development of those in the informal economy. However, banking facilities that cater to small actors are often absent.
- *Lack of training.* Basic math and accounting skills, as well as business management skills, are key to all successful businesses, including those located in the informal economy.

Economic Issues

- *Lack of access to economies of scale.* Many informal actors cannot afford to buy in bulk. They are thus forced to pay retail prices for their goods.
- *Demand factors.* Structural issues such as low cash flow in many of the communities, small size of the community market and shortage of customers leads to low and irregular business cash flow.
- *Poor productivity due to regulations, transport issues, etc.*
- *Thin profit margins relative to time invested and high running costs relative to turnover lead to difficulties with paying for supplies.*
- *Households engaged in informal activities often have difficulties in retaining working capital against urgent household demands for cash.*

Other

- *Development interventions.* Sometimes development interventions have a negative impact on those in the informal economy, e.g., formalizing garbage collection can result in the loss of employment in the informal economy; school feeding schemes can have negative impact on food vendors outside schools.



- *Institutional climate of the areas within which the business operates is an important determinant of success for the informal economy actors, particularly home-based workers.*

Is Addressing the Informal Economy Very Different from Addressing the Formal Economy?

The answer to this question is Yes and No. The ‘methodology’ of addressing the informal economy is similar to that of addressing the formal economy. However, the informal economy often requires special attention as it operates under different sets of assumptions, procedures, and conditions:

- Those in the informal economy are often 'invisible'. They are thus frequently overlooked in a stakeholder consultation process. A LED stakeholder process should make a specific effort to involve this group, particularly if the informal economy contributes significantly to the aggregate economy.
- Traditional methods of information collection often fail to count the informal economy.
- Informal businesses are ‘micro’. Often they earn quite little, are hampered by a lack of capacity, and are owned by women.
- Investment climate programs are common within LED strategies. At a general level, addressing an investment climate for the informal economy is similar to that of formal businesses. However, issues of harassment, policing, and health may affect those in the informal economy differently than in formal business.

Special attention is needed in addressing the economic sectors within the informal economy (i.e., cluster analysis, backward and forward linkages), recognizing the linkages between the formal and the informal economies and the importance of the informal economy as part of the city’s economy.

Urban Poverty⁵³

Urban poverty is a multidimensional phenomenon. The urban poor live with many deprivations. Their daily challenges may include;

- limited access to employment opportunities and income,
- inadequate and insecure housing and services,
- violent and unhealthy environments,
- little or no social protection mechanisms, and
- limited access to adequate health and education opportunities.

But urban poverty is not just a collection of characteristics; it is also a dynamic condition of vulnerability or susceptibility to risks. In order to provide a richer understanding of urban poverty, this site presents these two

⁵³ The World Bank (<http://web.worldbank.org/>)



analytical frameworks (i) a dynamic framework of poverty (vulnerability and asset ownership) and (ii) the multiple characteristics of poverty and its cumulative impacts.

Multidimensional Character of Urban Poverty

Urban poverty is a multidimensional phenomenon. This website sets out five dimensions of poverty:

- income poverty
- health and education poverty
- personal and tenure insecurity
- disempowerment

The poor in cities suffer from various deprivations such as lack of access to employment; adequate housing and infrastructure; and social protection and lack of access to health, education and personal security. Urban poverty is often characterized by cumulative deprivations: one dimension of poverty is often the cause of or contributor to another dimension, as illustrated in the following urban poverty matrix.

Urban Poverty Matrix

Table: 4.32: Urban Poverty Matrix

Dimension of poverty	Visible causes or contributing factors	Policy-related causes	Impacts on other dimensions of poverty
Income	<ul style="list-style-type: none"> ▪ Dependence on cash for purchases of essential goods and services ▪ Employment insecurity/casual work ▪ Unskilled wage labor/lack of qualifications to get well-paid jobs ▪ Inability to hold a job due to bad health ▪ Lack of access to job opportunities (urban poor often have to trade off between distances to jobs and costs of housing) 	<ul style="list-style-type: none"> ▪ Macroeconomic crises reduce real incomes ▪ Failure of public services such as education, health, infrastructure, transport to serve the urban poor ▪ Regulatory constraints on small enterprises perpetuate "informality" of work available to the poor, discourage asset accumulation and access to credits, and increase vulnerability of workers 	<ul style="list-style-type: none"> ▪ Inability to afford housing and land, thus, underdeveloped physical capital assets ▪ Inability to afford adequate quality and quantity of essential public services, e.g., water, thus unhygienic living conditions and depreciated health ▪ Poor human capital--bad health and educational outcomes due to stress, food insecurity, and inability to afford education and health services ▪ Depreciated social capital resulting in domestic violence and crime
Health	<ul style="list-style-type: none"> ▪ Overcrowded and unhygienic living conditions ▪ Residential environments are prone to industrial and traffic pollution due to juxtaposition of residential and industrial functions in cities 	<ul style="list-style-type: none"> ▪ Land and housing regulations can make proper housing unaffordable and result in living in disaster-prone and polluted areas ▪ Bad policy frameworks and failure of public services such as environmental and health-related services 	<ul style="list-style-type: none"> ▪ Inability to hold a job ▪ Inability to earn sufficient income ▪ Reduced ability of children to learn due to illness (e.g., lead poisoning) ▪ Risk of injury and associated income shocks



	<ul style="list-style-type: none"> ▪ The poor in cities settle on marginal lands, which are prone to environmental hazards, such as landslides and floods ▪ Exposure to diseases due to poor quality air, water, and lack of sanitation ▪ Injury and deaths rising from traffic ▪ Industrial occupational risks -- unsafe working conditions, especially for those in informal sector jobs 	<p>(water and sewerage, solid waste disposal, drainage, vector control) to keep pace with population growth</p> <ul style="list-style-type: none"> ▪ Lack of labor protection (worker safety) ▪ Poor traffic management and pedestrian facilities ▪ Lack of safety nets and social support systems for families and youth 	<ul style="list-style-type: none"> ▪ Poor education outcomes
Education	<ul style="list-style-type: none"> ▪ Constrained access to education due to insufficient school sizes in rapidly growing cities ▪ Inability to afford school expenses ▪ Personal safety/security risks deterring school attendance 	<ul style="list-style-type: none"> ▪ Incapacity of public authorities to provide for adequate classroom and school sizes ▪ Lack of safety nets to ensure ability to stay in school despite family economic hardships ▪ Insecure and unaffordable public transport 	<ul style="list-style-type: none"> ▪ Inability to get a job ▪ Lack of constructive activity for school age youth, contributing to delinquency ▪ Continued gender inequities
Security	<p>Tenure insecurity Land and housing in authorized areas are not affordable; therefore, the poor typically build or rent on public or private property. Houses lack proper construction and tend to be in unsafe areas prone to natural hazards.</p>	<ul style="list-style-type: none"> ▪ Land policies do not make sufficient developed land available for the poor ▪ Land policies do not permit regularization of tenure in most unauthorized settlements ▪ Inappropriate standards and codes make housing unaffordable ▪ Regulations impose costly and cumbersome procedures to get registered or to obtain occupancy permits ▪ Lack of access to credit 	<ul style="list-style-type: none"> ▪ Evictions that cause loss of physical capital, damage social and informal networks for jobs and safety nets, and reduce sense of security ▪ Inability to use one's home as a source of income--such as renting a room; creating extra space for income generating activities, etc.
	<p>Personal insecurity</p> <ul style="list-style-type: none"> ▪ Drug/alcohol abuse and domestic violence ▪ Family breakdown and reduced support for children ▪ Social diversity and visible income inequality in cities, which increases tensions and can provide a 	<ul style="list-style-type: none"> ▪ Lack of employment opportunities, services, and assets (both communal and personal) stigmatize certain areas within cities as centers of crime and desolation ▪ Lack of safety net policies and programs 	<ul style="list-style-type: none"> ▪ Diminished physical and mental health and low earnings ▪ Damage/loss to property and increased costs for protection and health care ▪ Depreciated social capital such as loss of family cohesion and social isolation



	temptation for crime.		
Empowerment	<ul style="list-style-type: none"> ▪ Illegitimacy of residence and work ▪ Isolation of communities that are disconnected from jobs and services ▪ Insufficient channels of information for obtaining jobs, knowing one's legal rights to services, etc. ▪ Not having the rights and responsibilities of citizens 	<ul style="list-style-type: none"> ▪ Regulatory and policy frameworks (for service provision, housing and land, and income-generating activities) make the settlements and/or occupations of the poor "informal" or "illegal"; this denies them the same rights as other urban citizens ▪ Oppressive bureaucracy and corruption ▪ Official or unofficial discrimination 	<ul style="list-style-type: none"> ▪ Lack of access to urban services ▪ Sense of isolation and powerlessness ▪ Violence ▪ Inefficient use of personal time and money to seek alternative forms of redress, e.g., payment of bribes

(6) Formalising the Informal Sector / Street Trading in South Africa⁵⁴

There are four critical factors to be recognised when considering the prevalence of street trading in South Africa:

- 1 Most street trading is the result of the push of unemployment rather than the pull of independence or entrepreneurship
- 2 There are very high levels of over-trading among street traders which often leads to low profit levels for the traders. Simultaneously, they crowd in areas and target customers with limited buying power.
- 3 People choose trading as a business because of the low skill levels required which in many cases matches their skill inadequacies
- 4 Street traders are often an unorganised business sector or they are at the mercy of 'leadership' which does not always represent their best interests. In cases where there are organised groups, women tend to be underrepresented as they lack the confidence to take official positions in organisations and they have no time for organisational activities as they have more responsibilities than men do.

The implications of these factors are:

- Many if not the majority of street traders would take a paying job instead if they could get one. This split ambition could jeopardise their keenness to learn how to improve their businesses.
- With low skills, diversifying the types or activities to increase competitiveness among businesses is likely to prove highly challenging.
- While it always possible to learn irrespective of age or educational background, learning is complex for people who have had poor education or have been outside formal learning situations for extended periods.
- Lack of organisation or undemocratic leadership among groups of businesses makes it difficult to negotiate solutions. The exclusion of women, who dominate the sector, would be a serious omission at decision making levels

⁵⁴ Source: Toolkit For Local Economic Development (DPLG)



Any attempt at formalising street trading must take into account the fragility of the circumstances of traders. They are prone to high levels of emotionalism and insecurity when confronted with options for changing their circumstances, especially if these emerge from official sources which could threaten their livelihoods. Traders do however, respond positively to discussions about improving their business prospects and regularising their income streams. Any change processes should therefore be well planned, consultative and incremental. The four factors above should be considered in enhancing their livelihoods.

Firstly, in studies done with traders they have identified their inadequate skill levels as the first barrier to improving business performance. As they often do not consider over-trading as a factor that counts against profitability, they need support with understanding markets and catering to demand factors. Secondly, attempts at trying to “teach” have to use methods which make them ‘safe’ and hold their attention given the challenges faced by adult learners. Thirdly, despite their collective disadvantages, there are entrepreneurs among street traders and other micro-enterprise operators and one does see and hear about innovation and learning by doing that occurs. There are also possibilities for building their confidence, enabling businesses to diversify and offer sustainable solutions for creating longerterm “employment” among micro-enterprises. Among the hierarchy of needs which could emerge from discussions with micro-enterprises, the option of ‘permanent’ premises could be placed high on their list of priorities. The prudence of this in the face of their fragility and low awareness levels needs to be questioned. In other words, “boxing” a whole bunch of problems is not going to make them go away.

In view of these issues, the following processes are recommended:

- Consult with traders about their learning and other interests to improve businesses
- Think through a variety of learning methods that could be used outside of classroom learning
- Separate concepts and business processes that micro-enterprises want to learn about and express these as a series of modules / knowledge groups that would benefit their business performance and diversification strategies
- Make sure that diversification and understanding market needs is a key part of learning areas
- Although classroom learning is not recommended, if it is unavoidable, ensure that learning is related to their circumstances, is highly participatory and that there is a high level learning from each other. Avoid book learning and lecturing at all costs as it runs the risk of damaging their confidence. Group work and field exercises are likely to prove more popular.
- Test the learning methods, e.g. make a pilot edu-tainment video and ask their views on this, or test SMSs as a way of sending knowledge-bytes about understanding and catering for market needs
- Release learning in an incremental process, whether it be on television, discussions in community halls or video showings in people’s homes
- Selling learning videos, tapes, pay for SMSs at accessible prices can also create more income for some
- Lift the barriers to business information in the country – street traders and most micro-enterprises do not have access to the internet, so the use of media within their reach is essential
- When the learning process has taken root and existing businesses start to see opportunities, it is likely that a number of entrepreneurs will start to diversify, start product and services improvement processes and seek more ‘affluent’ markets.
- Work with entrepreneurs on linking to better opportunities, they usually come up with the best ideas for themselves.
- As these processes start to take root, it would be optimal to work with the businesses to seek premises with a view to building diversified market share, and providing better products and services. These could be sheds for crafters, or disused premises owned by municipalities or kiosks offered by companies



- One option for premises is stalls around taxi ranks which offer a diverse range of products and services that people want to pick up on their way home. Having done their ‘homework’ business people will know better what to offer, rather than the current range on offer. A good comparison here is Japanese small markets. As use of trains is the norm in Japan and people live in small homes, every station exit route is lined with small stalls offering a range of daily needs. People then buy on the way home daily. There is thus regular trade for the businesses and fresh products / food daily. It is also customary to take sweet gifts when visiting or going to dinner. It is always possible to buy gift wrapped packages on the way there on any day of the week.
- Encourage them to think of theme markets linked to other businesses or basic functions they could offer big businesses in their localities. With BEE being a prerequisite for companies, even purchasing chickens, fruit or beaded wirehangers among other things could lead into more ‘sustainable incomes than the current over-trading. Given current growth rates, established businesses could well be willing to expand through sub-contracting a range of rudimentary functions
- Build bridges for better product design and quality. E.g. enable people in food businesses to acquire health and safety standards. This could lead to more stable incomes, by cooking and delivery to homes and businesses. Link backyard metal workers and car repair people to SETA funds to acquire certificates of competence which could enable them to extend their markets.
- Work with the businesses on setting rental levels or purchasing of stalls in ‘markets.’ This is likely to create a tradable asset for the business owners.
- Work with the traders on establishing maintenance and advertising and security for their markets.

In summary offering businesses the opportunity to diversify, understand changing market needs and preferences and increasing profitability holds more promise of ‘sustainable’ jobs than simply providing shelter for micro-enterprises. It is essential to recognise that there is unlikely to be as many viable businesses as there are microenterprises or traders at present. On the other hand offering opportunities to those willing and able to diversify is more likely to increase the potential for the growth of micro-entrepreneurs who will then become employers. Any attempt to simply provide premises is likely to bring forth resentment if the ‘wrong’ type of structures is adopted or even worse, there could be a scramble for premises which could also cause resentment among those who could be excluded. Municipalities are advised to acquire the support of external facilitators to work with street traders. Once they are organised, many of the services they require can be provided on a partial subsidy basis or local companies could be asked to support their development as part of the BEE programmes or through corporate social responsibility.

(7) Sustainable Developmental Community Investment⁵⁵

In our discussion on forms of support required by businesses, access to financial services was one that was mentioned. While it was believed that businesses required credit, international learning has shown that they require financial services as savings and insurance play a key role in building assets and safety nets. We start by understanding how these ideas evolved.

⁵⁵ Source: Toolkit For Local Economic Development (DPLG)



The Evolution of Best Practice in Microfinance

The first part discusses the progress of financial sector development internationally and locates the South African context in that process.

The roots of micro finance internationally, date back to the 1970s. At that time, the idea of growing the “informal sector” now known as the micro enterprise sector gained popularity as one of the means to expand the economy and reduce poverty by inclusion of entrepreneurs on the margins. It was assumed, then that credit was one of the means to grow this sector and further assumed that this credit should be subsidised as the poor would not be able to afford cost recovery rates. Simultaneously, in Asia and Latin America, innovators were developing new products and methods for providing credit to the poor. By the 1980s, it was realised that subsidised credit was dependent on “political fashion” and it was also learnt that it was possible for agencies providing credit to the poor to become financially sustainable. A further key piece of learning was that the poor needed access to savings as much as they needed credit. Given that asset building is a key feature of poverty reduction, this is not surprising. Due to this, there was a shift from micro credit to micro finance, based on the recognition that the poor (read un-banked) required the same set of financial services as the rest of society (24). In addition to the types of products and systems discussed here, there is widespread recognition for credit unions, village banks and other types of institutions, which can and do service the micro market efficiently and sustainably. The addition of micro insurance as providers of safety nets for the poor is a relatively recent advent in micro finance.

Thus by the 1990s an international movement on providing financial services to the poor had grown. The power of this movement is reflected in the vision of Women’s World Banking, “Building financial systems that work for the majority.”

The basic tenets of this movement are:

- That provision of financial services to the poor is desirable and necessary;
- Offering credit to the poor can contribute to poverty reduction when the credit is invested for good returns as in a business but this depends on the opportunities and markets in the environment where the business is run;
- Despite the fact that credit provision in itself does not reduce poverty, provision of safety nets for the poor through safe savings is essential;
- That the poor can afford to pay cost recovery rates for credit as the returns on the investment are more important than the cost of the funds;
- While cost recovery rates are possible, it is still important to build efficiency and scale;
- Institutional efficiency is built by increasing the case loads of staff, reducing transaction costs of the lender, and achieving and maintaining high recovery rates and scale by building on the numbers of clients reached by the institution;
- Sustainability becomes possible by progressively increasing efficiency levels and building outreach, i.e. institutions become profitable by reaching large numbers of clients at the lowest possible cost; and
- As poor people often do not have assets, collateral substitutes are necessary.

These may take the form of group guarantees, peer pressure, community standing or other means.

In South African policy provides for access to credit and savings services are accessible through banks. It has been recognised internationally that savings and credit are equally important in serving the financial service needs of businesses and the poor. Development finance has now been extended to include savings to build assets, insurance to build safety nets and credit for asset building and productive purposes such as housing, agriculture, and enterprise development.



(8) A “Township LED Strategy”⁵⁶

A township strategy might...

Develop local human, natural, financial, physical and social capital.

- Bring money in, and keep it circulating
- Foster existing businesses, which should not be disadvantaged by development
- Maximise local spin offs from development
- Integrate the township’s economy into the mainstream economy

Such a strategy may concentrate on ---

Massive investment in education (pre-school to ABET and FET)

- “Noordhoek style” skills & linkages centre --
 - satellite incubators and mini-hives
 - buying clubs, marketing clubs, networks
- Range of sources of finance
 - S&L clubs, micro-finance, banks, etc
- Infrastructure and affordable services
- Incremental housing development
- Proper CBD with local stake
 - chain stores, local shops & offices, covered market, stalls
- Transport and industrial corridor to “town”
- Retain talent, address quality of life issues

⁵⁶ Gerry Delany (Training for Township Renewal Initiative)



(9) Development Strategies: Local Economic Development (LED)

Envisaged Project Outcomes:

- (1) Clear and measurable medium term and annual LED performance targets to inform the municipal IDP and PMS
- (2) Incorporate stakeholder and partners' local economic priorities in the municipal LED planning framework

Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
To annually review the LED Strategy and align the LED Implementation Plan with the revisions	<ol style="list-style-type: none"> (1) Annual review of the LED Strategy (2) Annual alignment of the LED Implementation Plan with the reviewed Strategy 	IDP / LED Officer	R50,000	Annual performance review: 30 June 2011	<p>Reviewed, approved LED Strategy</p> <p>Approved LED Implementation Plan for the new Financial Year</p>	<p>1</p> <p>1</p>
To communicate LED strategies in the LED Annual Implementation Plan through the LED Forum, IGR Forum and the IDP / Budget engagement processes	(1) Annual discussions and deliberations regarding LED strategies and projects through the LED Forum, IGR Forum and the IDP / Budget engagement processes	Mayor	-- (Existing forums to be utilized)	30 June 2011	Minutes of forum discussions	(Not yet finalized)
To establish and effectively	(1) Co-ordinate and facilitate efforts for the	Mayor, MM and IDP / LED	R50,000	30 June 2011	Functional LED	1



Envisaged Project Outcomes:

- (1) Clear and measurable medium term and annual LED performance targets to inform the municipal IDP and PMS
- (2) Incorporate stakeholder and partners' local economic priorities in the municipal LED planning framework

Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
utilize a local LED Forum	<ul style="list-style-type: none"> establishment of a local LED Forum. (2) Formulate a clear mandate for the LED Forum 	Officer			<ul style="list-style-type: none"> Forum Constitution of the local LED Forum available 	1
To improve the structural response capacity of the Phumelela Municipality in terms of LED	<ul style="list-style-type: none"> (1) Investigate the feasibility of separating the LED and IDP functions on the municipal staff establishment. (2) Investigate the feasibility of creating an additional LED post on the staff establishment. 	MM	R50,000 (cost of feasibility investigations only)	30 June 2011	Results of feasibility studies considered by Council	2

LED Strategy: Improving the Local Business Climate (Environment)

LED Goal 1: To have a fully functional and responsive LED capacity in the Phumelela Municipality



Envisaged Project Outcomes: <input type="checkbox"/> Finalization of SDF / IDP / LED Strategy Integration <input type="checkbox"/> Fully functional Land Use Management System <input type="checkbox"/> Finalization of a Poverty Alleviation Programme <input type="checkbox"/> Finalization of an HIV/Aids Strategy						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
To finalise the SDF / IDP / LED Strategy Integration process	Integration of economic development priorities from a spatial dimension in the IDP	IDP / LED Officer	R100,000	30 June 2010	Integrated targets in the IDP that reflect the spatial development dimensions of the Phumelela communities	1
To finalise a fully functional Land Use Management System	Develop an appropriate and legislative compliant Land Use Management System for the Phumelela Municipality	MM	R250,000	June 2015	Finalization of the main elements of the Land Use Management System: <input type="checkbox"/> Spatial Development Framework <input type="checkbox"/> Land Use (Planning) Schemes <input type="checkbox"/> Rates database <input type="checkbox"/> Cadastral and property (registration) database <input type="checkbox"/> Valuation system <input type="checkbox"/> Information	1



Envisaged Project Outcomes: <input type="checkbox"/> Finalization of SDF / IDP / LED Strategy Integration <input type="checkbox"/> Fully functional Land Use Management System <input type="checkbox"/> Finalization of a Poverty Alleviation Programme <input type="checkbox"/> Finalization of an HIV/Aids Strategy						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
					regarding the provision of infrastructural services <input type="checkbox"/> Property ownership and tenure <input type="checkbox"/> Environmental management system <input type="checkbox"/> Transportation management system <input type="checkbox"/> Information system GIS	
To finalise a Poverty Alleviation Programme for the Phumelela Municipality	Review of a comprehensive Poverty Alleviation Programme	Manager Administration – LED/IDP Officer	R50,000	30 June 2011	Indicators related to the key manifestations of poverty: <input type="checkbox"/> Income <input type="checkbox"/> Unemployment <input type="checkbox"/> Exploitation and <input type="checkbox"/> lack of access to clean water, sanitation, health-care and education.	
To finalise an HIV/Aids	Research and compile a comprehensive	Manager	R70,000	30 June 2011	Define and respond to the following key	



Envisaged Project Outcomes:						
<input type="checkbox"/> Finalization of SDF / IDP / LED Strategy Integration <input type="checkbox"/> Fully functional Land Use Management System <input type="checkbox"/> Finalization of a Poverty Alleviation Programme <input type="checkbox"/> Finalization of an HIV/Aids Strategy						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
Strategy	Municipal HIV Aids Strategy	Administration			elements of an HIV Aids Strategy: 1. Understanding the terrain 2. Drawing in stakeholders 3. Analyzing incidence, impact, available resources and key interventions 4. Deciding priorities and activities 5. Setting up coordination mechanisms	



LED Strategy: Investment in hard infrastructure

LED Goal 2: To ensure infrastructure maintenance and upgrading capable of supporting LED programmes and project

Envisaged Project Outcome:						
<input type="checkbox"/> Ensuring that the necessary infrastructure is in place to support the envisaged economic growth and expansion in the Phumelela municipal area						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
To ensure that the basic infrastructure of the Phumelela Municipality is capable of supporting the proposed economic growth and expansion	Maintain, upgrade and expand internal roads, water, sanitation, electricity and waste removal capacity of the municipality to levels planned for the WSDP	Manager Technical Services	R150 million over a 3 year period	Continuously; according to targets in IDP and WSDP	Number of businesses served with key basic infrastructure: <ul style="list-style-type: none"> <input type="checkbox"/> Water <input type="checkbox"/> Sanitation <input type="checkbox"/> Refuse removal <input type="checkbox"/> Electricity (ESKOM's role is important) Repair and maintenance of internal and access roads	According to targets in IDP and WSDP
To revive the railway lines between Vrede and Standerton and	Initial feasibility studies and engagement of sector institutions	Managers LED and Technical Services	Costing still to be finalised	Long-term initiatives	Revival of railway lines	Availability of railway lines as



Envisaged Project Outcome:						
<input type="checkbox"/> Ensuring that the necessary infrastructure is in place to support the envisaged economic growth and expansion in the Phumelela municipal area						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
between Warden and Harrismith						indicated

LED Strategy: Investment in hard infrastructure

LED Goal 3: To promote SMMEs, BBEs and local businesses through the procurement practices of the Phumelela Local Municipality

LED Goal 4: To revive railway lines that could facilitate increased economic activity

Envisaged Project Outcome:						
<input type="checkbox"/> Promoting access to opportunities in the local economy to SMMEs and BBBEEs						
<input type="checkbox"/> Revival of the railway line between Vrede and Standerton						
<input type="checkbox"/> Revival of the railway line between Warden and Harrismith						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
To develop and improve institutional capacity for SMME support	Establish a fully functional Supply Chain Management Unit, with specific reference to the	CFO	R500,000	30 June 2012	Establishment of fully functional SCM Unit	1



Envisaged Project Outcome: <input type="checkbox"/> Promoting access to opportunities in the local economy to SMMEs and BBBEES <input type="checkbox"/> Revival of the railway line between Vrede and Standerton <input type="checkbox"/> Revival of the railway line between Warden and Harrismith						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
	competitive bidding function.					
To incorporate targets set by national government for SMME and BBBEE involvement in the purchasing business of municipalities into the municipal monitoring and evaluation system	Utilisation of municipal procurement systems and processes to promote BBBEES and SMMEs	CFO	Continuous task of the SCM unit: Operating budget	Monitoring to start at 1 July 2011	1) Percentage (%) of goods and services procured from SMMEs (monetary value, calculated in terms of the total municipal purchases). 2) Percentage (%) of goods and services procured from BBEs SMMEs (monetary value, calculated in terms of the total municipal purchases). 3) Percentage (%) of goods and services locally procured Percentage (%) of goods and services procured from BBEs SMMEs (monetary value, calculated in terms of the total municipal purchases).	(Initial target: 65%) (Initial target: 40%) (Initial target: 33,33%).
To collect baseline information and provide the dataset to investors	Economic information management and dissemination (Maintain a municipal supplier data-base)	CFO / IDP/PMS Manager		30 June 2011	<input type="checkbox"/> Vendor performance <input type="checkbox"/> Supplier choice (utilization trends)	Operational activity of the Finance Department – provided for in the municipality’s operating budget



LED Goal 6: To promote the expansion of the tourism sector in the Phumelela Local Municipality

Envisaged Project Outcome:						
<input type="checkbox"/> Establish tourism as a second tier primary economic activity, additional agriculture, in the Phumelela municipal area						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
To increase the economic value of tourists visiting the Phumelela area by 10% over a three year period	<ul style="list-style-type: none"> <input type="checkbox"/> Co-ordination of efforts: To maximise the potential of tourism within the area it is important that there is a coordinated approach in planning and developing the tourism industry. This will limit duplication and strengthen existing efforts. <input type="checkbox"/> Seekoeivlei development: The Seekoeivlei development forms the core of the Phumelela tourism attraction. It will however need to be developed to secure any substantial income to the area. Support infrastructure and services will furthermore determine the success of such a development. <input type="checkbox"/> Cultural tourism attraction: The cultural diversity of the area, coupled to the increase in international cultural interest should be exploited as integral part of the tourism 	IDP / PMS Officer	R1 million per annum	30 June 2012	Percentage (%) increase in the economic value of tourists visiting the Phumelela municipal area	10%



Envisaged Project Outcome:						
<input type="checkbox"/> Establish tourism as a second tier primary economic activity, additional agriculture, in the Phumelela municipal area						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
	<p>effort.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Accessibility of facilities: Accessibility refers to both physical accessibility as well as socio-economic affordability. <input type="checkbox"/> Organize journalists to visit Memel. <input type="checkbox"/> Revive relationships with private tourism and businesses associations and potential partners. <input type="checkbox"/> Include the area's tourism attractions in the provincial and district tourism brochures <input type="checkbox"/> Marketing through the municipal web-site <input type="checkbox"/> Promote the 7-pass route <input type="checkbox"/> Warden: Verkykerskop and the Standstone church promoted as tourism destinations <input type="checkbox"/> Bird watching in Memel <input type="checkbox"/> Warden to produce a black and white 					



Envisaged Project Outcome:						
<input type="checkbox"/> Establish tourism as a second tier primary economic activity, additional agriculture, in the Phumelela municipal area						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
	brochure (to be placed on municipal web-site)					
To ensure effective co-ordination and organizing of tourism promotion initiatives through the formulation and adoption of a comprehensive <i>Tourism Promotion Plan</i>	To maximise the potential of tourism within the area it is important that there is a coordinated approach in planning and developing the tourism industry. This will limit duplication and strengthen existing efforts. Cultural tourism attraction: The cultural diversity of the area, coupled to the increase in international cultural interest should be exploited as integral part of the tourism effort.		R70,000	30 June 2011	Finalization of a comprehensive <i>Tourism Promotion Plan</i>	1
To complete the branding of the municipality and engage in comprehensive annual marketing	<input type="checkbox"/> Branding of the Municipality <input type="checkbox"/> Annual marketing campaign[s] <input type="checkbox"/> Develop a pamphlet that contains the background and history of Phumelela (Anglo Boer War, New Zealand soldiers burial site, bushmen art)			Branding: 30 June 2011; Annual marketing campaign: To commence during the 2011/12 financial year	(1) Branding of the municipality finalized. (2) Annual marketing campaign launched.	1 1 per annum



LED Goal 7: To promote the establishment of light industries in the Phumelela Local Municipality

Envisaged Project Outcome:						
<input type="checkbox"/> Expansion of the value generated by light industries in the Phumelela municipal area						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
To establish new businesses in the Phumelela municipal area	<input type="checkbox"/> Low market potential: Consumer price indexes should be targeted to stimulate local markets and expenditure <input type="checkbox"/> Cost of infrastructure and services: To establish industries are expensive. Furthermore, the specialized services needed by many of the industries are not found in Phumelela. The key is to develop what is in place and to encourage people to start small. <input type="checkbox"/> Organized and mobile labour force: A large contribution to the high unemployment rates are the fact the major portion of the potential labour market is unskilled or unstructured, making it difficult to access information and opportunities which might arise. <input type="checkbox"/> SEDA to be approached for funding and training. <input type="checkbox"/> Cooperatives to be funded after receipt of registration certificates. <input type="checkbox"/> IDT linkage (and other relevant sector	LED/IDP Manager	Projected cost is difficult to determine. The municipality's role will be facilitator in nature, and the money is provided for in the operating budget.	30 June 2012 for first project to commence	Number of new businesses established per year	5



Envisaged Project Outcome:						
<input type="checkbox"/> Expansion of the value generated by light industries in the Phumelela municipal area						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
	departments)					



LED Goal 8: To support the local agricultural sector in order to increase employment in the sector

Envisaged Project Outcome:						
<input type="checkbox"/> The agriculture sector capable of creating additional employment opportunities and continue to add value to the local economy						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
To broaden access to the agricultural sector	<input type="checkbox"/> Support cooperatives focusing on small scale agriculture linked to organic products	Manager Administration IDP / PMA Officer	R1,5 million	30 June 2012	No. of beneficiaries and turnover of cooperatives	2 co-operatives
To increase the economic value of value adding in the agricultural sector by the end of the current MTREF period	<input type="checkbox"/> Very little value adding taking place: The fact that very limited value adding is taking place places a large burden on the agricultural sector and makes the region very vulnerable to factors influencing agriculture. Many of these factors cannot be controlled such as the weather and prices. To limit the vulnerability to markets it is important to add value to products before it is exported out of the municipality. <input type="checkbox"/> Good agriculture potential: The Phumelela area has proven that it has good agricultural potential. This should be exploited, but as mentioned above the necessary supporting sectors will have to be developed before the agricultural sector can expand.	Manager Administration IDP / PMA Officer	R2 million	30 June 2011	Economic value of value adding activities must equal or exceeds a growth of 5% by 30 June 2011	5%
To support the Provincial	<input type="checkbox"/> Support the Provincial Department	Manager	Absorbed in the	Continuously	Related to	



Envisaged Project Outcome:						
<input type="checkbox"/> The agriculture sector capable of creating additional employment opportunities and continue to add value to the local economy						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
Government in identifying land for redistribution	responsible for land distribution to identify land for re-distribution in support of government's comprehensive land redistribution policies.	Administration IDP / PMA Officer	municipality's operating budget. It is not foreseen that additional money will be allocated to this activity at this stage.		government's land redistribution targets.	
To render support to the agricultural sector to ensure that Current agricultural practices are maintained and further enhanced as this forms the back bone of the local economy	<input type="checkbox"/> Sustain existing agricultural practices <input type="checkbox"/> Explore and establish agri-processing industries <input type="checkbox"/> Sustain existing agricultural practices <ol style="list-style-type: none"> 1. Establish a communication channel with local farmers' association. 2. Ensure existing farms and smallholdings are provided with basic services and maintain infrastructure 3. Support initiatives taken by 	IDP/LED Manager	Part of the on-going activities of the LED personnel: Catered for in the operating budget	<i>Current IDP, as well as the 2011-2015 IDP cycle</i>	Number of job opportunities in agriculture	Current + 2% by 30 June 2012



Envisaged Project Outcome:						
<input type="checkbox"/> The agriculture sector capable of creating additional employment opportunities and continue to add value to the local economy						
Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
	farmers in the region to process farm products and market them effectively in the broader regional and provincial area					

LED Strategy: Integrating hard-to-employ and low income workers

LED Goal 10: To create jobs in the Phumelela Local Municipality in support of government’s employment creation targets

LED Goal 11: To expand the EPWP in the Phumelela municipal area

Envisaged Project Outcome:
<input type="checkbox"/> Optimize job creation



Objective	Activities	Responsibility	Estimated cost	Target dates	Performance Indicators (project outputs)	Performance Targets
To optimize job creation in the Phumelela Municipal area, with specific reference to the utilization of the EPWP as an employment creation tool	<ul style="list-style-type: none"> <input type="checkbox"/> Proper implementation of the EPWP in the Municipality <input type="checkbox"/> Clear identification and costing of EPWP projects that could optimize job creation through the request and utilization of the MIG <input type="checkbox"/> Job creation through networking; with specific reference to farmers and retail outlays 	MM IDP/LED Officer Section 57 managers	--	2010/11 to be utilized to lay the foundation	Number of temporary vs number of permanent job opportunities created Clear identification of EPWP projects and the number of jobs created as a result of such projects	Still to be finalised



4.3.2 PRIORITY 8: LAND DEVELOPMENT & REFORM

The framework within which the Phumelela Municipality approaches the issues of land development has two legs, namely:

- (1) *(On a strategic level)*: To provide support to national and provincial government's land restitution and redistribution programmes; and
- (2) *(On a technical level)*: To ensure the efficient processing of land

The Municipality undertakes its strategy formulation regarding land development within the context of the aims of the National Department of Rural Development and Land Reform. In this regard, the guiding core objectives are:

- Provision of tenure security that creates socioeconomic opportunities for people living and working on commercial farms and in communal areas.
- Redistribution of 30% of white-owned agricultural land by 2014 for sustainable agricultural development.
- Settlement of all outstanding land claims by 2011 and implementation of restitution awards.
- Provision of land for sustainable human settlement, industrial and economic development.
- Provision of efficient land use and land administration services.
- Provision of efficient State land management that supports development.
- Provision of a skills development framework for land and agrarian reform to all relevant stakeholders.
- Development programmes for the empowerment.

(Source: Department of Rural Development and Land Reform, Strategic Plan 2009-2012)

From a theoretical perspective, the municipality aims to formulate its strategic objectives for land development within the context of government's *Comprehensive Rural Development Programme Framework*. The CRDP is aimed at being an effective response against poverty and food insecurity by maximizing the use and management of natural resources to create vibrant, equitable and sustainable rural communities. A CRDP must improve the standards of living and welfare but also rectify past injustices through rights-based interventions and address skewed patterns of distribution and ownership of wealth and assets. The strategic objective of the CRDP is therefore to facilitate **integrated development and social cohesion through participatory approaches in partnership with all sectors of society**. This document therefore serves as the policy framework document for the Comprehensive Rural Development Programme - or 'CRDP'. The document therefore aims to set out the programme principles.

The vision of the CRDP is to create **vibrant, equitable and sustainable rural communities** include: contributing to the redistribution of 30% of the country's agricultural land; improving food security of the rural poor; creation of business opportunities, de-congesting and rehabilitation of over-crowded former homeland areas; and expanding opportunities for women, youth, people with disabilities and older persons who stay in rural areas.

The ultimate vision of creating vibrant, equitable and sustainable rural communities will be achieved through a three-pronged strategy based on:



- ❑ a coordinated and integrated broad-based agrarian transformation;
- ❑ strategically increasing rural development; and
- ❑ an improved land reform programme.

(Source: *The Comprehensive Rural Development Programme Framework, Ministry Of Rural Development And Land Reform*)

(1) Core Issues to be considered by the Municipality in formulating strategies

Core Issue	Description
Housing backlog.	Housing is a basic need and many of the people in Phumelela have insufficient housing. The housing backlog in Phumelela is high, approximately 5,200 and will have to be addressed to provide quality of life to these citizens.
Availability of residential land.	In most areas, (especially Thembalible) the future expansion of residential areas are hampered by the availability of open land. The municipality will have to focus on in-fill planning and securing land from surrounding and willing land sellers.
Administration and Management of projects.	To ensure proper construction and transfers, as well as countering corruption, all housing projects will have to be managed properly.
Housing maintenance and support.	To address the backlog the community will need to build their own houses, but they will need the relevant support. Capacity building programmes need to be undertaken to assist people in building their own houses and to maintain the houses they have built or received.
Related services infrastructure requirements	Housing projects should not be seen in isolation and support service infrastructure will have to be supplied to areas earmarked for housing development. The subsequent costs and ability of the municipality to deliver such services should also be considered.

IDP Objectives, Strategies and Projects:

Municipal Strategies		Outputs / Outcomes		
IDP Objective	Strategy Response	Short term (2009/10)	Medium Term (2011/12)	Long-term 3-25 Years
Objective 8.1: To promote sustainable land development	(1) Employee appointed to manage commonage	One (1) Employee appointed		Translate targets into indicators that reflect good land development that result in proper spatial planning and sustained economic



Municipal Strategies		Outputs / Outcomes		
IDP Objective	Strategy Response	Short term (2009/10)	Medium Term (2011/12)	Long-term 3-25 Years
				growth
Objective 8.2: To support the national and provincial government in realizing the objective of transferring 30% of agriculture land to HDIs by 2014	(1) Identification of suitable land for redistribution	Identification of land for redistribution, according to operational requirements	Identification of land for redistribution	Assist the Provincial Government in transferring 30% of agriculture land to HDIs by 2014
Objective 8.3: To provide support in to the Provincial Department of Local Government and Housing in delivering houses to the community of the Phumelela area	(1) Provision of erven and beneficiary administration	Provision of erven and beneficiary administration according to requirements and targets of the Provincial Department	Provision of erven and beneficiary administration according to requirements and targets of the Provincial Department	Translate indicators into the level of access to decent standard of housing to the communities of Phumelela
	(2) Conduct a housing needs analysis in collaboration with ESKOM	Needs analysis conducted and prioritized in collaboration with sector partners	Review and update of the needs analysis	Eradication of the housing backlog
Objective 8.4: To ensure sustainable land development, transport and housing planning in line with the Spatial Development Framework	(3) Integration of spatial and land planning systems and strategies			Integrated spatial and land, housing and transport planning through the Land Use System. Measurable indicators to be formulated when the budget allows for the funding of the objective.



4.4

Municipal Transformation and Organisational Development



4.4.1 PRIORITY 10: INSTITUTIONAL DEVELOPMENT

(1) Development Strategies: Institutional Development and Management

Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
Organisational Structure	Objective 10.1: To review and populize the organizational structure of the Municipality based on the requirements of the IDP and institutional affordability	Municipal Systems Act Human Resources Strategy	Review of the organizational structure Revised staff establishment (June 2009)	Staff establishment revised, to be approved by Council	Annual Review	Annual Review	Annual Review	Annual review of the organisational structure	
Filling of key vacancies		Employment Equity Act	Filling of key vacancies, based on the requirements of the Employment Equity Plan	The following posts are identified as key vacancies that needs to be filled subject to availability of funds CFO (2010/11) Payroll / Salaries Clerk (filled according to availability of funds)					



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				<p>Registry Clerk (filled according to availability of funds)</p> <p>HR Officer (filled according to availability of funds)</p> <p>Technical Officer: Memel (filled according to availability of funds)</p> <p>Admin Officer secretary to the Mayor (filled according to availability of funds)</p> <p>Electrician (filled according to availability of funds)</p>					
Employment Equity Plan to be reviewed		Employment equity act	Review of the Employment Equity Plan	<p>Annual review and reporting on Employment Equity</p> <p>Staff establishment not 100% in line with equity plan. Will be addressed with future appointments.</p>	Employment Equity plan to be submitted	Employment Equity plan to be submitted	Employment Equity plan to be submitted		
Review of the	Objective 10.2: To	Skills Develop	Review of the	Workplace Skills Plan	Annual Review,	Annual Review,	Annual Review,	Review of the	



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
Workplace Skills Plan	review and implement the Workplace Skills Plan	ment Act	Workplace Skills Plan	submitted on 30 June Review of Skills Plan (2010/11)	informed by the scarce skills requirements and capacity challenges of the Municipality	informed by the scarce skills requirements and capacity challenges of the Municipality	informed by the scarce skills requirements and capacity challenges of the Municipality	Workplace Skills Plan	
Compilation of an HR Strategy	Objective 10.3: To compile and implement an HR Strategy	Sector requirement	Compilation of an HR Strategy	(1) Compilation of an HR Strategy Implementation in 2010/11	Approval of the HR Strategy	Annual review of the HR Strategy	Annual review of the HR Strategy		
Implementation / utilization of the HR Strategy		Sector requirement	Implementation / utilization of the HR Strategy	Recruitment and selection according to the HR Strategy Succession planning according to the HR Strategy	Annual review and continuous implementation of the HR Strategy	Annual review and continuous implementation of the HR Strategy	Annual review and continuous implementation of the HR Strategy		



4.5

Municipal Financial Viability & Management



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
Increase the operational cash flows of the Municipality by 15%	Objective 10.7: To improve the financial viability of the Municipality	Municipal Financial Management Act	Increase the operational cash flows of the Municipality by 15%	<p>The post of Chief Financial Officer is vacant and urgently needs to be filled</p> <p>Get overdraft facility re-established</p> <p>Current monthly payments on billings to be increased by 100%</p> <p>Collect at least R1,2 per month more on arrears</p> <p>Critical situation of finances</p> <p>Credit Control must be improved dramatically</p> <p>67% payment level</p> <p>Poor community: Unemployment rate 82%, influx of poor people.</p>	Sustained improvement in cash flow situation of the Municipality	Sustained improvement in cash flow situation of the Municipality	Stabilise the cash flow situation in the municipality		



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				<p>Huge demand on municipal service infrastructure and services.</p> <p>Loss of more than R5 million because of inefficiencies of district municipality in Memel; over R5 million for municipal valuation of farms; electricity audit – DBSA still owns the municipality R700,000</p> <p>Valuations; should have been funded by DBSA – ultimately no funding were received. Council decision was that valuation must start after money has been received.</p> <p>Incentive to increase payment – R20 million was</p>					



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				<p>supposed to be written off – only R8 million to date.</p> <p>Outstanding debt = R50 million.</p> <p>Interests accumulatively increase the debt.</p> <p>Outstanding payments: R2 million</p> <p>Section 139</p> <p>MIG funds not utilised according to initial business plans due to financial pressures.</p> <p>Strategic implications</p> <p>Initial budget not a cash backed budget.</p> <p>ESKOM account overspent; travel allowances overspent; underspent on repairs and maintenance</p> <p>Old equipment and infrastructure</p>					



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				<p>expensive to maintain</p> <p>R10 m received for equitable share and not R11 million, because of grants money owned</p> <p>Turn around payment rate</p> <p>Collect money on arrears</p> <p>Stick to IDP. Alignment of IDP to budget NB</p> <p>Expenditure control via Budget and Expenditure Committees. No expenditure without the signature of the MM. 3 meetings a month. (Everybody affected must be present)</p> <p>Performance Management System – Performance evaluation – cascade to all officials.</p>					



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
Financial record-keeping, compliance and management improved	Objective 10.8: To improve the financial management of the Municipality	Municipal Financial Management Act	Financial record-keeping, compliance and management improved	<p>Updating of financial record-keeping system</p> <p>Accounting system upgraded</p> <p>Policy Register regularly updated</p> <p>Sundry creditors system and GAMAP / GRAP compliance have already commenced.</p> <p>GAMAP compliant, except for fixed asset register. Module will be implemented when the asset register is in place.</p> <p>Investment register – updated</p> <p>Loans register - updated</p>	<p>Key initiatives:</p> <p>Updating of financial record-keeping system</p> <p>Accounting system upgraded</p> <p>Policy Register regularly updated</p>	<p>Key initiatives:</p> <p>Updating of financial record-keeping system</p> <p>Accounting system upgraded</p> <p>Policy Register regularly updated</p>			
Upgrade / improve the debt control / debt collection capacity of the Municipality		Municipal Financial Management Act	Upgrade / improve the debt control / debt collection capacity of the Municipality	Item needs to go to Council. Credit Control Manager was	Effective writing-off of debts, in accordance with the guiding policy	Effective writing-off of debts, in accordance with the guiding policy			



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
y			y	appointed. Credit Control Manager in Vrede and soon one in Warden to built up a credit control team. First target: R20 million that needs to be written off					
Purification of indigent records		Municipal Financial Management Act	Purification of indigent records	Up to date (Indigent register) Finance department reliant on temporary workers Lack of personnel to maintain Measures will be put in place to record indigent information	Purification (100%)	Purification (100%)			
Phased implementation of the turnaround strategy	Objective 10.9: To undertake a comprehensive financial turnaround strategy	Municipal Financial Management Act	A comprehensive financial turn-around strategy developed and implemented	A comprehensive financial turn-around strategy developed by service provider	Phased implementation of the turnaround strategy	Phased implementation of the turnaround strategy			
Implementation of the credit control		Municipal Financial Management	Implementation of Credit control	Credit control policy approved.	Implementation of the credit control	Implementation of the credit	Compliance with regularity		



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
policy		ent Act	policy approved by Council	Implmenetation to commenced in 2009/10. Revised in 2010/11 and a by-law is currntly prepared to empower the municipality act to the outside.	policy	control policy	framework		
A qualified audit report obtained by 2011	Objective 10.10: To formalize audit and risk systems and procedures in the Municipality	Municipal Financial Management Act	Annual Financial Statements completed and submitted as legislatively prescribed	Smith and Kruger has commissioned a senior manager to ensure an adverse by the end of the 2009/10 financial year. <u>Target:</u> 2010/11 - unqualified	Annual Financial Statements completed and submitted as legislatively prescribed	Qualified audit opinion	Unqualified audit opinion		
Risks are identified, evaluated and managed		Municipal Financial Management Act	Risks are identified, evaluated and managed	Risks are identified, evaluated and managed	Risk Management Plan reviewed	Risk Management Plan reviewed	Effective risk prioritisation and management		
Conduct the legislatively prescribed functions of the audit committee		Municipal Financial Management Act	Conduct the legislatively prescribed functions of the audit committee	Shared function with district Advertise for audit committee members	Audit Committee performs legislative functions	Audit committee functions effectively performed			
Asset management system developed and implemented	Objective 10.11: To implement an asset management system	Municipal Financial Management Act	Asset management system developed and implemented	Asset maintenance and management plan developed and	Asset acquisition and disposal policy approved	Effective asset control			



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes: MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				implemented					
Property Rates Act implemented	Objective 10.12: To implement and execute the Property rates Act	Municipal Financial Management Act	Property Rates Act implemented	Act implemented Objections currently being addressed Farms not yet included on billing system Implementation: New financial year	Implementation	Optimise revenue from the property rates system			



4.6

Good Governance and Public Participation



(1) Development Strategies: Institutional Development and Management

Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes : MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
Utilization of Intergovernmental Engagement Structures and Forums	Objective 10.4: To facilitate intergovernmental dialogue and co-operation with relevant district, national and provincial institutions	Inter Governmental Relations Framework Act	Utilization of Intergovernmental Engagement Structures and Forums	Engage with relevant IG Forums and structures to streamline their functioning Municipal Managers' Forum Coporate Managers' Forum CFO Forum Technical Managers' Forum Functionality not 100% - to be improved. To be coordinated at a regional and provincial levels	Utilize IGR Forums and Structures to promote good governance and effective administration	Utilize IGR Forums and Structures to promote good governance and effective administration	Utilize IGR Forums and Structures to promote good governance and effective administration	Engage with relevant IG Forums and structures to streamline their functioning	
Implementation of the PMS	Objective 10.5: Implementation and annual review of the Performance Management System (PMS)	Municipal Systems Act Performance Management regulations (2006)		Finalizing the implementation of the organizational and individual PMS Finalised.	Finalise Project: Implementation of the PMS			Finalise Project: Implementation of the PMS	



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes : MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
				To be reviewed					
Review of the Performance Plans and Performance Contracts of section 57 managers		Municipal Systems Act Performance Management regulations (2006)	Review of the Performance Plans and Performance Contracts of section 57 managers	Review of the Performance Plans and Performance Contracts of section 57 managers	Review of Performance Agreements and Performance Plans of section 57 managers	Review of Performance Agreements and Performance Plans of section 57 managers	Review of Performance Agreements and Performance Plans of section 57 managers	Review of Performance Agreements and Performance Plans of section 57 managers	
Evaluation of the performance of section 57 managers		Municipal Systems Act Performance Management regulations (2006)	Evaluation of the performance of section 57 managers	Mid-year and annual evaluation Evaluation of the performance of section 57 managers	Mid-year and annual evaluation	Mid-year and annual evaluation	Mid-year and annual evaluation	Mid-year and annual evaluation	
Finalisation and utilization of the Organisational Performance Management System		Municipal Systems Act Performance Management regulations (2006)	Compilation of the Municipal and Departmental SDBIPs	Finalisation and utilization of the Organisational Performance Management System Compilation of the Municipal and Departmental SDBIPs	Compilation of the Municipal and Departmental SDBIPs	Compilation of the Municipal and Departmental SDBIPs	Compilation of the Municipal and Departmental SDBIPs	Compilation of the Municipal and Departmental SDBIPs	
Quarterly evaluation of organizational performance		Municipal Systems Act Performance Management regulations (2006)	Quarterly performance report to Council	Quarterly evaluation of organizational performance	Quarterly performance report to Council	Quarterly performance report to Council	Quarterly performance report to Council	Compilation of quarterly performance reports	
Mid-year organizational performance evaluation		Municipal Systems Act Performance	Mid-year organizational performance evaluation	Section 72 report submitted to Council	Compilation of mid-year performance and	Compilation of mid-year performance and	Compilation of mid-year performance and	Compilation of mid-year performance and	



Issue	Strategic Objective	Alignment with National and Provincial Plans and Priorities	Indicators	Situation analysis	Short-term Outputs: 2010/11 Financial Year	Medium Term Outcomes : MTREF 2010/11-2012/13	Long Term Outcomes: 10 Years +	Projects	Budget Alignment
		nce Management regulations (2006)			budget evaluation report	budget evaluation report	budget evaluation report	budget evaluation report	
Annual performance evaluation and reporting		Municipal Systems Act Performance Management regulations (2006)	Annual performance evaluation and reporting	Annual Performance Report, Annual Report and Oversight Report	Annual Performance Report, Annual Report and Oversight Report	Annual Performance Report, Annual Report and Oversight Report	Annual Performance Report, Annual Report and Oversight Report	Compilation of annual and oversight reports	
Batho Pele implementation programme developed and implemented	Objective 10.6: To ensure that the Municipality's regulatory framework is finalized to facilitate legislative compliance in the manner in which the Municipality is governed and managed	Batho Pele	Batho Pele implementation programme developed	Batho Pele implementation programme developed	Batho Pele implementation programme reviewed and implemented	Batho Pele implementation programme reviewed and implemented	Legislatively compliant municipal governance and administration		