



ALFRED NZO

DISTRICT MUNICIPALITY

INTEGRATED DEVELOPMENT PLAN: 2024 – 2025 FY

ACRONYMS

BBBEE	Broad Based Black Economic Empowerment
BPs	Business Plans
CDW	Community Development Workers
COGTA	Cooperative Governance and Traditional Affairs
CWP	Community Work Programme
DDM	District Development Model
DGDS	District Growth and Development Strategy
DITP	District Integrated Transport Plan
DMPT	District Municipal Planning Tribunal
EAP	Employee Assistance Programme
EHP	Environmental Health Practitioner
EMP	Environmental Management Plan
EPWP	Extended Public Works Programme
GDP	Growth Domestic Product
HSP	Housing Sector Plans
IDP	Integrated Development Plan
IHS	Integrated Human Settlement Plan
IHSP	Integrated Human Settlement Plan
ITP	Integrated Transport Plan
IUDF	Integrated Urban Development Framework
IWMP	Integrated Waste Management Plan
LDP	Land Development Plan
LED	Local Economic Development
LM	Local Municipality
LUMS	Land Use Management SystemLUS–Land Use Scheme
MFMA	Municipal Finance Management Act
MHS	Municipal Health Services
MIT	Municipal Health System
MSA	Municipal Systems Act
MSA	Municipal Structures Act
MSCOA	Municipal Standard Chart of Accounts
MTSF	Medium Term Strategic Framework
NDoh	National Department of Health
NDP	National Development Plan
NSDF	National Spatial Development Framework
PHC	Primary Health Care
O&M	Operations and Maintenance
PMS	Performanec Management System
RM	Risk Management
RRAMS	Rural Road Asset Management System
SALGA	South African Local Government Association
SANS	South African National Standard
SDF	Spatial Development Framework
SMME	Small Medium and micro-enterprises
WSDP	Water Services Development Plan

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FOREWORD BY THE EXECUTIVE MAYOR

It is with great pleasure to present to the community and stakeholders of Alfred Nzo District Municipality (ANDM) IDP Review for 2024/2025. ANDM consulted communities and stakeholders in an integrated IDP Outreach program with local municipalities. Largely public participation programmes were successful in the sense that the district municipality was able to gather inputs and comments from stakeholders which is critical to the finalisation of the IDP.

The municipal vision 2030 which outlined 12 strategic goals that must be taken into account to improve lives of the residents of the district. These are positioning ANDM in southern Africa; enhancing environmental sustainability and protecting natural resources; spatial transformation and sustainable human settlements; promoting vibrant rural communities, an inclusive rural economy and food security; inclusive economic growth and decent employment for a skilled workforce; functional efficient infrastructure network to facilitate growth; improving education, training and innovation; promoting health care for all; providing social protection to be vulnerable; building safer caring communities; building a capable, financially sustainable and developmental governance system and promoting nation building and social cohesion through participative planning.

This is a long term plan and will require cooperation from various stakeholders such as different spheres of government, private sector and non-governmental organisations. This vision supports the National Development Plan. ANDM is required to take a leading role in the development of its region by ensuring that there is One Plan that will integrate programmes of national, provincial and local government sectors as well as private sector. This will go a long way in ensuring that development impact can be measured and that resources are not duplicated. ANDM therefore supports District Development Model (DDM) initiative and will ensure that established structures are functional to provide oversight towards success of the process.

ANDM is pleased that our local municipalities are able to deliver services in their communities although many challenges still remain to ensure universal coverage. For instance in rural municipalities such as Ntabankulu and Umzimvubu, there is a need to improve bulk water supply to these municipalities. The fundamental challenge is the lack of reliable water source which is currently on discussions between ANDM and Department of Water and Sanitation for permanent solution.

The municipality is pleased with Bizana Regional Bulk Water Supply Scheme upgrade process which will accelerate distribution of clean and drinkable water to communities of Winnie Madikizela Mandela Local Municipality and bordering villages from Umzimvubu and Ntabankulu local municipalities. Moreover, the municipality has prioritise refurbishment of Water Schemes that have been identified as either underperforming or non-functional during the 2024/25 financial year.

In conclusion, the IDP/Budget for 2024/25 gives hope to the citizens of Alfred Nzo District Municipality as we have prioritised key service delivery challenges such as water and sanitation. We therefore look forward to working with our stakeholders within and outside the district to achieve our vision.

MUNICIPAL MANAGER'S OVERVIEW

ANDM is pleased to announce that in the previous financial year 2022/23, we have been able to obtain unqualified Audit Opinion from the Auditor General of South Africa with noticeable improvement on the performance information. This represents a milestone and critical tests whether the systems and internal controls that we have put in place are yielding results. We are equally pleased that we have been running with 100% senior management team and this provided much needed stability for the institution. The Integrated Development Planning Process is guided by the provisions of Chapter 5 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) which provides that municipalities should annually review their IDP's based on the changing circumstances.

ANDM ensured that we engage with our communities so that they guide the areas where we should prioritise. On the 18-19 March 2024, the municipality held Council Strategic Planning Session to review where we come from, where we are and where we should go. This resulted in the identification of key programmes and focus areas for 2024/25. As the municipality we are also quite mindful of the impact of Loadshedding on the operations of the municipality. The administration has put in place systems and processes to ensure that we respond to loadshedding in such a manner that the municipality continue to provide services and execute administrative processes.

As we approach 2024/25 we are mindful of limited budget against impatient communities who remain unserved with water and sanitation. This simply means we should look at ways of operating in lean staff and achieving more with less. The Staff Establishment should clearly respond to the rapid changes by embracing Information Communication Technology as an enabler towards municipal operations. The municipal Cost Containment measures also guided us to reduce unnecessary items for expenditure that will not have direct impact on service delivery. The district development model as announced by the President presents new challenges and opportunities. We must improve, at government level, the way we work and interact as different spheres of government as well as private sector. This also means we should reposition ourselves as an organisation to respond to the new demands stemming from the district development model.

Lastly, let me take this opportunity to appreciate the valuable input that we receive from our stakeholders during the IDP/Budget process. We will continue to be transparent and accountable administration in achieving our vision.

CHAPTER ONE : EXECUTIVE SUMMARY

1. EXECUTIVE SUMMARY

1.1. Introduction

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

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

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

The Alfred Nzo District Municipality consists of four Local Municipalities (Winnie Madikizela-Mandela, Ntabankulu, Matatiele and Umzimvubu). As per Section 27(1) of the Municipal Systems Act 32 of 2000 as amended, Alfred Nzo District Municipality in consultation with all four local municipalities has developed an IDP Framework Plan for 2024 - 2025 financial year which gives guide on the approach that must be endorsed by all municipalities when embarking on IDP development processes to ensure coordination and alignment in the whole IDP development process by all role players. This process has allowed all four Local Municipalities when developing their IDP Process Plans to take into consideration the District IDP Framework Plan as it outlines all plans and government initiatives or priorities that must be considered within municipal plans.

The IDP is the key instrument to achieve developmental local governance for decentralised, strategic, participatory, implementation orientated, coordinated and integrated development. Preparing an IDP is not only a legal requirement in terms of the legislation but it is actually the instrument for realising municipalities' major developmental responsibilities to improve the quality of life of citizens. It seeks to speed-up service delivery by securing a buy-in of all relevant role-players and provides

government departments and other social partners with a clear framework of the municipality's development trajectory to harness implementation efforts.

Integrated development planning also promotes intergovernmental co-ordination by facilitating a system of communication and co-ordination between local, provincial and national spheres of government. Local development priorities, identified in the IDP process, constitute the backbone of the local governments' budgets, plans, strategies and implementation activities. Hence, the IDP forms the policy framework on which service delivery, infrastructure development, economic growth, social development, environmental sustainability and poverty alleviation rests. The IDP therefore becomes a local expression of the government's plan of action as it informs and is informed by the strategic development plans at national and provincial spheres of government.

In terms of Section 26 of the Systems Act, the core components of an IDP are:

- a. The Municipal Council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- b. An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic Municipal Services
- c. The Council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- d. The Council's development strategies which must be aligned with any national or Provincial sectoral plans and planning requirements binding on the Municipality in terms of legislation;
- e. A spatial development framework which must include the provision of basic guidelines for a land use management system for the Municipality;
- f. The Council's operational strategies;
- g. Applicable disaster management plans;
- h. A financial plan, which must include a budget projection for at least the next three years; and
- i. The key performance indicators and performance targets determined in terms of the Performance Management System.

Alfred Nzo District Municipality has further developed its IDP, Budget and PMS Framework Plan for 2024/25. This plan has to be adopted by the Council as guided by Section 28 of the Municipal Systems

Act 32 of 2000 as amended. Integrated Development Plans are not developed to inform the municipalities only, but are supposed also to guide the activities of any agency, all spheres of government, NGOs and CBOs, private sector, parastatals and any other interested entity within and outside the municipal area.

1.2. Guiding Framework

Within the multitude of government policy frameworks, legislation, guidelines and regulations that seek to advocate for the path, pace and direction for the country's socio-economic development agenda, the section below focuses on Vision 2014; Popular Mandate across Spheres of Government; the National Development Vision 2030 (NDP); Eastern Cape Vision 2030; National Growth Path; the Eastern Cape Growth Path; Millennium Development Goals; State of the Nation Address (SONA); sustainable development goals (SDG's) and State of the Province Address (SOPA)

1.2.1. The National Development Plan (NDP): Vision 2030

The National Development Plan¹ developed by the National Planning Commission and unveiled on 11 November 2011 states that:

"South Africa can eliminate poverty and reduce inequality by 2030. It will require change, hard work, leadership, and unity. Our goal is to improve the life chances of all South Africans, but particularly those young people who presently live in poverty. The plan asks for a major change in how we go about our lives. In the past, we expected government to do things for us. What South Africa needs is for all of us to be active citizens and to work together –government, business, communities –so that people have what they need to live the lives they would like".

The plan helps us to chart a new course. It focuses on putting in place the things that people need to grasp opportunities such as education and public transport and to broaden the opportunities through economic growth and the availability of jobs. Everything in the plan is aimed at reducing poverty and inequality. Our view is that government should shift the balance of spending towards programmes that help people improve their own lives and those of their children and the communities they live in. South Africa can become the country we want it to become. It is possible to get rid of poverty and reduce inequality in 20 years. We have the people, the goodwill, the skills, the resources –and now, a plan. This will be achieved by prioritising the following initiatives:

- a. An economy that will create more jobs
- b. Improving infrastructure
- c. Transition to a low-carbon economy
- d. An inclusive and integrated rural economy
- e. Reversing the spatial effect of apartheid
- f. Improving quality of education, training and innovation

- g. Quality health care for all
- h. Social protection
- i. Building safer communities
- j. Reforming the public service
- k. Fighting corruption
- l. Transforming society and uniting the country

1.2.2. National Growth Path

The New Growth Path must provide bold, imperative and effective strategies to create the millions of new jobs South Africa needs. It must also lay out a dynamic vision for how we can collectively achieve a more developed, democratic and equitable economy and society over the medium-term, in the context of sustainable growth. The shift to a New Growth Path will require the creative and collective efforts of all sections of South African society. It will require Leadership and strong governance. It takes account of the new opportunities that are available to us, the strength we have and the constraints we face. We will have to develop a collective National will and embark on joint action to change the character of the South African economy and ensure that the benefits are shared more equitably to all our people, particularly the poor:

JOBS DRIVERS:

- a. Substantial Public investment in infrastructure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy;
- b. Targeting more labour
- c. Absorbing activities across the main economic sectors
- d. The Agricultural and Mining Value Chains, Manufacturing and Services;
- e. Taking advantage of new opportunities in the knowledge and green economies;
- f. Leveraging social capital in the social economy and the public service; and
- g. Fostering Rural Development and Regional Integration.

1.2.3. Sustainable Development Goals

The 17 Sustainable Development Goals for the period 2015-2030 are:

- a. End poverty in all its forms everywhere
- b. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

- c. Ensure healthy lives and promote well-being for all at all ages
- d. Ensure inclusive and equitable quality education and promote life-long learning opportunities for all
- e. Achieve gender equality and empower all women and girls
- f. Ensure availability and sustainable management of water and sanitation for all
- g. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- h. Ensure access to affordable, reliable, sustainable, and modern energy for all
- i. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- j. Reduce inequality within and among countries
- k. Make cities and human settlements inclusive, safe, resilient and sustainable
- l. Ensure sustainable consumption and production patterns
- m. Take urgent action to combat climate change and its impacts (in line with the United Nations Framework Convention on Climate Change)
- n. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- o. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
- p. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
- q. Strengthen the means of implementation and revitalize the global partnership for sustainable development.

1.2.4. Key Sector Plans

Beyond the core components of an IDP, as legislated by the Systems Act, the ANDM recognised the need to develop further strategies, policies and plans, which seek to deal with specific issues that will facilitate a progressive realisation of the desired developmental trajectory of the district. A close

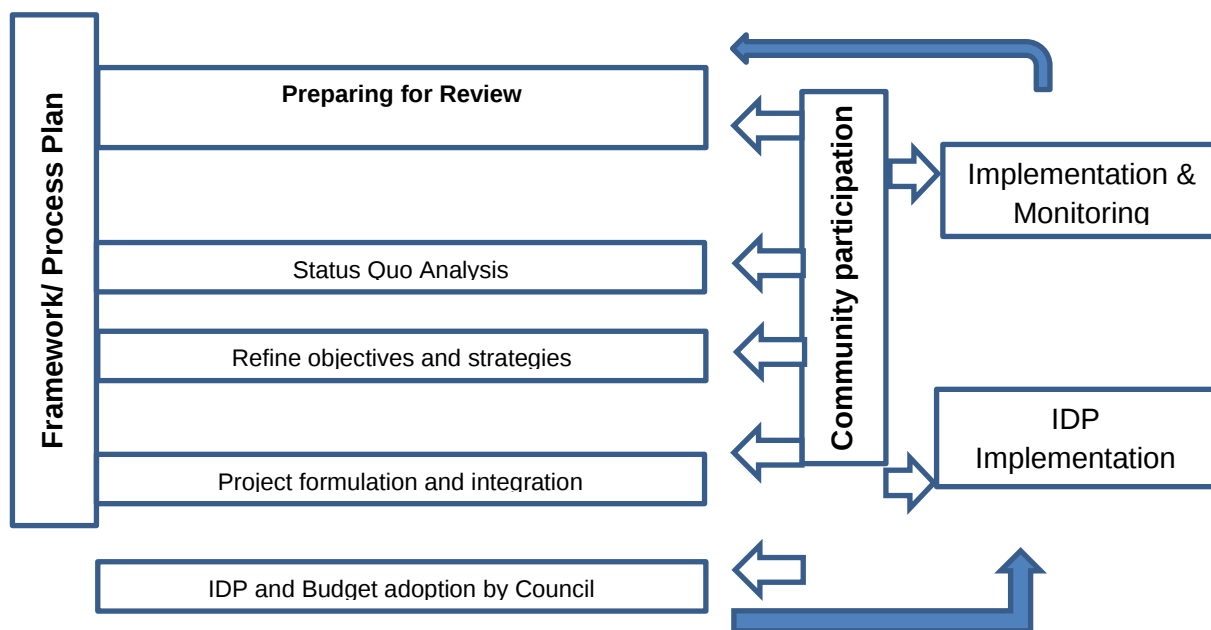
examination of all these strategies and plans will show a greater degree of alignment with all the guidelines and development directives outlined in the government policy frameworks above. Sustainable development is one of the issues that have received consideration. This is viewed as critical as sustainable development seeks to balance social, economic and ecological requirements in a long-term perspective.

Table 2: IDP Sector Plans

Sectoral Plan	Function	Status	Financial Year
KPA 1: Municipal Institutional Transformation and Development		Approved	2024/25
Staff Establishment			
Human Resource Plan			
KPA 2: Good Governance and Public Participation			
Public Participation Strategy			
Communication Strategy			
Risk Management Framework			
Organisational PMS Framework Policy			
Fraud Prevention Plan			
Fraud Prevention Strategy			
Risk Management Policy and Framework			
Risk Management Strategy			
Risk Management Committee Charter			
Communication Strategy			
District Wide IGR Framework			
Climate Change Management Strategy			
Audit Committee Charter			
Internal Audit Charter			
Internal Audit Methodology			
Delegations Framework			
Delegation Register			
KPA 3: Local Economic Development			
Local Economic Development Strategy			
Marketing Strategy			
Tourism Development Strategy			
Beach to Berg Development Corrido			
KPA 4: Municipal Financial Viability			
Revenue Enhancement Strategy			
Indigent Management Plan			
KPA 5: Service Delivery and Infrastructure Development			
Water Service Development Plan			
Disaster Management Strategy			
Fire & Rescue Management Plan			
Integrated Transport Plan			
Infrastructure Maintenance Plan			
Water Safety Plan			
KPA 6: Spatial Rationale and Development			
Spatial development framework			

1.3. IDP Review

The review process has considered the assessment of the District's performance against organisational objectives as well as implementation delivery, the recommendations of the stakeholder consultation and public participation, IDP engagement processes and also any new information or change in circumstances that might have arisen subsequent to the adoption of the 2017-22IDP. Figure 2: depicts a schematic representation of the review process followed



The manner in which the review was undertaken is outlined in the Municipal PMS Framework Plan/Process Plans, which is prepared and adopted by municipalities by August 2023 subsequent to the adoption of the District Framework Plan on the 25th of August 2023.

1.4. The Annual budget

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

The Executive Mayor of a municipality must –

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

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

This document constitutes the Framework Plan and Process Plan of the IDP review 2024/2025 and budget formulation 2024/2025 for the Alfred Nzo District Municipality and essentially fulfills the function of a business plan and or operational plan for the IDP process and presents, in a simple and transparent manner what should happen when, by whom and where during the process of formulating an IDP for the Alfred Nzo District Municipality.

1.5. Methodology and Approach

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

Local Government MEC's comments

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

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

- i. A programme specifying the time frames for the different planning steps; and
- ii. Appropriate mechanisms, processes and procedures for consultation and participation of

local communities, organs of state, traditional authorities, and other role players in the IDP drafting process.

1.6. Framework Plan

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

1.6.1. Steering Committee

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

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

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

1.6.2. IDP Representative Forum

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

1.6.3. IDP Project Task Teams

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

1.7. Roles and Responsibilities

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

Structure(s)/Person(s)	Roles & Responsibilities
Council	• Adopts and approve the IDP and Budget Framework and Process Plans. • Responsible for the overall management, coordination and monitoring of the IDP development processes. • Approves the municipal budget and other IDP Sector Plans and Policies in line with the IDP.
Executive Mayor	• Gives direction on Framework Plan and Process Plan for IDP development

	Provides political guidance and leadership for both IDP and the budget processes.
Members of Mayoral Committee	- Responsible for providing the overall management, coordination and monitoring of the process of the IDP development. - Recommends the approval of the IDP to Council
Municipal Manager	- Manages and coordinates the whole process. - Ensures that all departments fit in the organizational vision. - Ensures that resources are allocated accordingly and well managed. - Chairs the IDP management committee. - Ensures that performance management and evaluations are done on a quarterly basis.
IDP Manager/officer	-Works closely with the Municipal Manager in ensuring that the Council vision is met. - Undertakes the overall management and co-ordination of the planning process, -Ensures alignment and compliance with the legislative framework, IDP guidelines and Sector Departments. -Offers strategic guidance and management to the IDP development process. - Ensures that the planning process is participatory, strategic and implementation oriented and is aligned with and satisfies sector-planning requirements -Ensures that implementation takes place within the available resources. -Ensures that all relevant stakeholders are appropriately involved. - Responds to comments on the draft IDP from public, horizontal alignment and other spheres of government to the satisfaction of the Municipal Council.
IDP Management Committee	- Monitors, evaluates progress and provide feedback to all structures - Provides technical guidance through whole process in all municipalities - Ensure and maintain integration and alignment of all plans and programmes - Standardize the planning processes - Considers inputs from other committees or stakeholders and

	recommend corrective measures. • Considers and responds to comments by MEC for Department of Local Government and Traditional Affairs.
Budget Management Committee	• Ensures alignment of proposed budget with IDP; • Ensures that sufficient funding is provided on the budget for projects as per IDP; • Records realistic revenue and expenditure projections for current and future years; • Take cognisance of national, provincial budgets, DORA and national fiscal and macro-economic policy.
IDP Representative Forum	• Represents the interests of the constituencies in the IDP Planning and Review Processes. • Ensures communication and participation from all stakeholders in municipal planning and decision making. • To contribute by providing relevant information on provincial sector department plans, programmes, budgets, objectives, strategies and projects. • Assists in projects and budgeting linkages or alignments.
Communities	• Participate in the IDP Rep Forum • Identify and priorities their needs through guidance by municipalities. • Discuss and comment on the draft IDP and Budget documents
Private Sector	• Participate and ensures inclusion of their projects and programmes in the IDP of the municipality • Provide information on the opportunities that the communities may have in the private sector.
Traditional Leaders	• Traditional Leaders should work closely with ward councilors to identify priority developmental issues within their communities • Facilitate community consultation in collaboration with ward councilors
Other Community Organisations (FBOs, CBOs, Interested Groups etc)	• Participate in the process to ensure that interests of structures they represent are considered within the municipal planning process (IDP and Budget).

1.8. Mechanism for Community and Stakeholder Participation

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

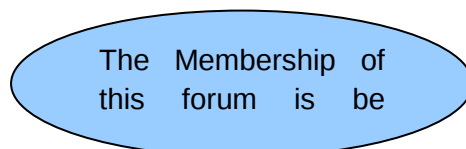
- i. The preparation, implementation and review of the Municipal Integrated Development Plan in terms of Chapter 5 of Municipal Systems Act as amended;
- ii. The establishment, implementation and review of the Municipal Performance Management System in Terms of Chapter 6 of the Municipal Systems Act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

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

Municipalities will adopt the following mechanisms for participation:

a) IDP Representative Forum

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



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

b) Media

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

The following methods were used for advertising IDP processes:

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

1.8. Schedule of Activities

Phases	Target/Activity	Role Players Stakeholders	Time Frames	Mechanisms/Tools	Output	Binding Legislation
Preparation Phase	Development of IDP & Budget Process Plan	IDP manager/Manager Budget	11 Aug 2023	Desktop work Interaction with local municipalities	Approved IDP/PMS and Budget Framework Plan	Section 27 of the Municipal Systems Act of 2000
	Advert for the revival of the IDP and Budget Representative Forum (2024/2025)	IDP manager	31 Aug 2023	Media		
	Adoption of the IDP and Budget Framework/Process Plan	Executive Mayor, Senior Management, Council	31 Aug 2023	Council Meeting		
	Submit Process Plan to the MEC Local Government	IDP Manager	01 Sep 2023	Courier & email		
Analysis Phase	First IDP & Budget Steering Comm to present the IDP and Budget Framework/Proce	IDP Manager	07 Sep 2023	Forum	Determine and assess the current level of developme	Chapter 5 of the Municipal Systems Act of 2000

	ss Plan to Stakeholders				nt and the emerging challenges	
	Review and document information submitted by Senior Management	IDP Manager	12 Oct 2023	Desktop work	, opportunities and priority issues.	
	First draft Situational Analysis ready	IDP Manager	26 Oct 2023	Desktop work		
	Community engagement sessions: Matatiele LM	IDP Manager	16 – 18 October 2023	Public Meetings	Communit y priorities and Feedback on projects implement ed	Chapter 4 and 5 of the Municipal Systems Act of 2000
	Umzimvubu Local Municipality	IDP Manager	24 – 27 October 2023	Public Meetings	Communit y priorities and Feedback on projects implement ed	
	Ntabankulu Local Municipality	IDP Manager	14 – 17 Novemb er 2023	Public Meetings	Communit y priorities and Feedback on projects implement ed	
	Winnie Madikizela-Mandela Local Municipality	IDP Manager	30 October - 03 Novemb er 2023	Public Meetings	Communit y priorities and Feedback on projects implement ed	
	Alfred Nzo District Municipality	IDP Manager	21, 23, 27 and 29 Novemb er 2023	Public Meetings	Communit y priorities and Feedback on projects implement	

					ed	
Strategic Phase	IDP and Budget Steering Committee	Senior Management	17 Nov 2023	Meeting	Develop Objectives for priority issues and determine programmes to achieve strategic intent including the development of the Strategic Scorecard.	Chapter 5 of the Municipal Systems Act of 2000
	Present first draft situational analysis to the IDP & Budget Steering Committee and request inputs for the new Municipal Vision, Mission, Strategies & Objectives	IDP Manager	24 Nov 2023	Meeting		
	Mayoral Committee to confirm and recommend approval of Situational Analysis, Municipal Vision, Mission, Strategies and Objectives	Executive Mayor	05 Dec 2023	Meeting		Chapter 5 of the Municipal Systems Act of 2000
Projects Phase	Set and agree on IDP priority programmes/projects	Senior Management	Nov 2023 – Feb 2024	Meeting	Identifying projects and set outputs & targets	Chapter 5 of the Municipal Systems Act of 2000
	Senior Management develop draft 2024/2025 SDBIP	Senior Management	12 Feb 2024	Meeting		
Integration Phase	Senior Management identifying programmes with external stakeholders	Senior Management	15 March 2024	Meeting	Incorporate programmes and projects into the IDP	Chapter 5 of the Municipal Systems Act of 2000
	Integration of sector plans and institutional programmes	IDP Manager	04 Mar 2024	Desktop work		

	Presentation of Draft IDP & Budget to the IDP and Budget Steering Committee and MAYCO	IDP Manager	19 Mar 2024	Meeting		
	Receive proposed budget from the board of directors of the municipal entity (MFMA S87 (1))	Accounting Officer	15 Feb 2024	Email		
Approval Phase	Tabling of the Draft IDP and Budget to Council	Executive Mayor	28 Mar 2024	Council Meeting		Chapter 5 of the Municipal Systems Act of 2000
	Submission of Draft IDP and Budget to MEC, Treasury and Local Government	IDP Manager	15 Apr 2024	Email/NT Portal		
	Invite public comments on Draft IDP and Budget including Outreaches	IDP Manager	Apr – May 2024	Media	Approved IDP, Budget and SDBIP	Chapter 5 of the Municipal Systems Act of 2000
	IDP & Budget Steering Committee considers submissions, representations and recommendations from IDP Outreaches. Executive Mayor be provided with an opportunity to respond to submissions during consultation and table amendments for Council	ALL	19 May 2024	Meeting		

	consideration.					
	Community Engagements: Matatiele LM	IDP Manager	02 -04 April 2024	Public Meetings to Present Draft IDP and Budget to communities to solicit comments and endorsement.		Chapter 4 & 5 of the Municipal Systems Act of 2000
	Umzimvubu Local Municipality	IDP Manager	23 - 26 April 2024			
	Ntabankulu Local Municipality	IDP Manager	07 – 10 May 2024			
	Winnie Madikizela-Mandela Local Municipality	IDP Manager	15 – 19 April 2024			
	Alfred Nzo District Municipality	IDP Manager	14 – 17 May 2023			
	Adoption of final IDP, Budget and Budget related policies	Council	02 -04 April 2024	Council meeting		Chapter 5 of the Municipal Systems Act of 2000
	Submission of final IDP and Budget to MEC, Treasury and Local Government.	IDP Manager	10 Jun 2024	Email/GoMun Portal		
	Publication of approved IDP and Budget on website and local newspaper	IDP Manager	14 Jun 2024	Media/Website/Local Newspaper	Approved SDBIP and annual performance agreements	Section 32 of the Municipal Systems Act of 2000
	Finalisation and submission of draft 2024/2025 SDBIP and annual performance agreement by Municipal Manager to the Executive Mayor	Municipal Manager	18 Jun 2023	Meeting/Desktop		Section 53 (c) (2) of the Municipal Finance Management Act of 2003

	Executive Mayor approves the 2024/2025 SDBIP and annual performance agreements of the Municipal Manager and Senior Managers within 28 days after the approval of the IDP and Budget	Executive Mayor	30 Jun 2024	Meeting		- Section 53 (c) (2) of the Municipal Finance Management Act of 2003. - Section 57 (1) (b) of the Municipal Systems Act of 2000
	Submit the approved SDBIP and performance agreements to MEC, Local Government, within 14 days after approval.	IDP Manager, Corporate Services Manager	19 Jul 2024	Courier		Section 53 of the Municipal Systems Act of 2003
Monitoring and Evaluation	Commence with the compilation of the Annual Report 2022/2023	Senior Management	Jul 2023 – Mar 2024	Desktop work	Compile Annual Report	Section 121 of the MFMA of 2003
	Quarterly SDBIP performance progress report for first quarter Section 80 Committees, MAYCO and Council	Senior Management	27 Oct 2023	Desktop work	SDBIP performance reported	Section 54 (d) of the MFMA of 2003
	Quarterly SDBIP performance progress report for second quarter, Section 80 Committees, MAYCO and Council	Senior Management	12 Jan 2024	Desktop work	SDBIP performance reported	Section 54 (d) of the MFMA of 2003
	Mid-year budget and performance assessment	Senior Management	19 Jan 2024	Management Session	Mid-Term finance and	Section 72 of the MFMA of

	MFMA Section 72 (1)(2)(3)				service delivery performance report compliant with MFMA	2003
	Mid-year budget and performance engagements	Senior Management, Executive Mayor, Provincial Treasury	14 March 2024	Meeting	Approved Mid-term Adjustment Budget	Section 72 of the MFMA of 2003
	Executive Mayor tables the Annual Report 2022/2023 MFMA Section 127 (2)	Executive mayor	25 Jan 2024	Council meeting	Draft Annual Report	Section 121 of the MFMA of 2003
	Executive Mayor tables adjustment budget for approval by Council MFMA Section 28	Executive Mayor	29 Feb 2024	Council meeting	Approved Adjusted Budget	Section 28 of the MFMA of 2003
	Publicise both the Annual Report (invite public inputs into the report – MFMA 127 & MSA section 21A) and the adjustment budget on the municipal website and in local newspapers.	Municipal Manager	14 March 2024	Media/Website/Local News Paper	Annual Report and adjustment budget publicized	Section 127 of the
	Council to consider and adopt Annual & Oversight Report by end March MFMA Section 129 (1)	Municipal Manager & Executive Mayor	28 Mar 2024	Council meeting	Approved Annual Report &	Section 129 of the MFMA of 2003
	Publicise Annual & Oversight Report, within 7 days of adoption	Municipal Manager	10 Apr 2024	Media		-Section 129 of the MFMA

	MFMA Section 129(3) & MSA Section 21A				Oversight Report	- Section 21A of the Municipal Systems Act
	Within 7 days of adoption of Annual Report & Oversight Report submit to Provincial Legislature/MEC for Local Government	Municipal Manager	10 Apr 2024	Courier		Section 121 of the MFMA
	Draft Budget/Benchmark Engagements	Senior Management, Executive Mayor, Provincial Treasury	24 Apr 2024	Meeting	Tabled Draft Annual Budget	Section 72 of the MFMA of 2003
	Quarterly SDBIP performance progress report for third quarter, Section 80 Committees, MAYCO and Council	Senior Management, Executive Mayor	16 Apr 2024	Desktop work	SDBIP performance report noted	Section 52 (d) of the MFMA of 2003
	Quarterly SDBIP performance progress report for fourth quarter, Section 80 Committees, MAYCO and Council	Senior Management, Executive Mayor	15 Jul 2023	Desktop work		Section 52 (d) of the MFMA of 2003
	Ensure board of Directors of a municipal entity approve the entity's budget after tabling account of any hearing or recommendations by Council (MFMA) (87) 4	Accounting Officer	31 May 2024		Approved Budget for the Municipal Entity	Section 87 of the MFMA

1.9. Consideration of MEC's (CoGTA) Comments for IDP Review 2023/2024 FY

As required in terms of Section 32 (a) of the Municipal Systems Act of 2000, ANDM submitted its adopted IDP as reviewed for 2023/24 to the MEC CoGTA. The District municipality further participated in the IDP Assessment process which was facilitated by the Office of the MEC and subsequently comments were obtained. The results in a form of a summary for IDP 2023/24, it was declared to be credible as it was rated high in accordance with the Department's rating criteria. For the period between 2018/19 to 2023/24 Financial Year, the overall assessment scorings are summarized below:

KPA	RATINGS 2018/19	RATINGS 2019/20	RATINGS 2020/21	RATINGS 2021/22	RATINGS 2022/23	RATINGS 2023/24
Spatial Development Framework	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Basic Service Delivery	HIGH	HIGH	HIGH	HIGH	MEDIUM	MEDIUM
Financial Viability	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Local Economic Development	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Good Governance & Public Participation	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Institutional Arrangements	MEDIUM	HIGH	HIGH	HIGH	HIGH	HIGH
OVERALL RATING	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH

1.10. Alfred Nzo District Municipality Strategic Agenda

1.10.1. Legislative Provisions

The Municipal Systems Act, 2000 requires that "Each municipal council, within a prescribed period after the start of its elected term, must adopt a single, inclusive and strategic Integrated Development Plan". According to Section 26 of the Local Government Municipal Systems Act, 2000, an integrated development plan must reflect:-

- The municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;

- c) The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- d) The council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- e) A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- f) The council's operational strategies;
- g) Applicable disaster management plans;
- h) A financial plan, which must include a budget projection for at least the next three years; and
- i) The key performance indicators and performance targets determined in terms of section 41.

1.11. ANDM SWOT Analysis

Strengths	Weakness
1. Functional and Effectiveness of Risk Management and Audit & Performance Committee 2. Effective incorporation of risk management into municipal planning systems. 3. Sound partnerships with CoGTA, AGSA, Provincial Treasury and other departments and external stakeholders. 4. Effective IA function and recognition of IA Activities by AG 5. Effective Performance Management System. 6. Political leadership that support management and ensure effective communication systems. 7. Functional Council and Council structures (79 and 80) 8. Effective mayoral system and IGR structures	1. Regular and ongoing sick leave of employees in the municipality. 2. Limitation of office space 3. Poor work ethic/culture 4. Some policies not in line with POPIA requirements. 5. Lack of automated audit management processes 6. Unfunded shared services between ANDA and ANDM. 7. Insufficient budget for IDP compilation processes. 8. Poor public participation and partitions management systems. 9. Insufficient budget for Mayoral, Speaker's and Whippery programs. 10. Insufficient budget for MPAC and resource

9. Litigation Management Framework approved 10. Approved Polices and Standard Operation Procedures (SoPs) 11. Electronic Records Management system 12. Establishment of Community ICT Centres. 13. Fully established ICT Systems 14. 90% filled positions 15. HR unity has a functional Performance Management and Organisational Development unit 16. Council Approved CPS Policies and SOPs 17. Compliant Staff Establishment 18. Sound working relations with LGSETA 19. Disposal of municipal records 20. Improved Audit opinion 21. Competent municipal staff. 22. Understanding the District needs. 23. Abundant natural resources (District is highly endowed in natural and mineral resources) 24. Excellent land potential in most areas within the district. 25. Favourable Climatic conditions. 26. The district has available indigenous forests with potential to contribute to poverty alleviation and employment creation. 27. Committed management with high political leadership support, with a team-based approach. 28. Striving to be a centre of excellence in all Community development programs locally, Provincially and Nationally 29. Review of by-laws 30. Municipal visibility to communities through community based programs, supporting community initiatives by all units of CDS and other municipal departments.	personnel. 11. Non-existence of environmental management and Catchment by-laws 12. Draft By-Laws 13. Rules and orders not in line with amended legislations. 14. Inadequate Security and loss control systems. 15. Reluctance by departments to release documents. 16. Usage of private emails for municipal business agendas. 17. Lack of confidentiality 18. Centralised municipal business centre 19. Shortage of General Assistances 20. Inadequate skills and knowledge at elementary levels, WSP and Fire and Rescue 21. Low participation in Performance Assessments 22. Limited human resource capacity to monitor project implementation. 23. Inadequate economic and financial resources to fully exploit the district's natural resource potential. 24. Low commercial output/productivity resulting in small contribution to District economy. 25. Poor coordination amongst stakeholders. 26. Poor coordination of MSMEs across various sectors of economy. 27. Underdeveloped agricultural primary sector resulting in economically inefficiency of existing economic infrastructure such as Agro-processing facility in ANDM (RED Hub in Bizana). 28. Predomination of communal land resulting to inability to exploit available opportunities i.e.
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31. Environmental Health Information System partly in place (thus easing the useful analysis of information) 32. Council has developed appropriate governance structures. 33. Team work amongst peers 34. Effective cash management and investment management 35. Leadership and management commitment and support 36. Availability of natural resources 37. Community upliftment 38. ANDM strong ISD recognized in the entire province. 39. Awareness campaigns in water usage	Xholobeni for mining and lack of maximization of economic profit from primary agricultural activities. 29. Lack of entrepreneurship in the district across all sectors of economy resulting in extremely low levels of commercial activities. 30. Poor economic infrastructure to support district economy such as poor road conditions, limited developed sources of water and alternative energy, etc. 31. Sector development plans to guide and control development e.g. Grain Master Plan, Tourism Sector Plan etc. need to be reviewed. 32. Limited budget allocation for both for Capital and operational projects. 33. High vacancy rate especially in CDS Units, which poses a high risk in our disaster prone district and compromises coverage. 34. Lack of effective and transparent communication with our customers 35. Limited resources - Inability to collect revenue 36. Poor network coverage 37. Insufficient funding to ensure that services reach everyone 38. Abuse of Municipal Assets by Officials 39. Centralization of diesel at the main office stores 40. Projects taking longer to complete due to funding constraints. 41. Insufficient resources (financial, human, machinery) allocated to IDMS esp. WCDM and WSP.
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	42. Reliance on casual workers and EPWP workers due to staff shortages for operation and maintenance. 43. Demand exceed supply in all our schemes 44. Dilapidated infrastructure exceeding design capacity. 45. Over commitment on capital projects. 46. Lack of Standard Operating Procedures 47. WSP Organogram not adequately populated to respond to the provisioning function. 48. Delay in finalisation of by-laws.
Opportunity	Threats
1. Exploit existing positive stakeholder and internal structures relation (MPAC, APC, AGSA, PT) 2. Vibrant and engaging Ratepayers Associations 3. Implementation of public administration professionalization. 4. Implementation of DDM and Eastern Seaboard (ESD) program 5. Abundance of heritage resources. 6. Development of Regional Landfill site 7. Establishment of water quality laboratory 8. Provincial Archives 9. SETA skills development funding 10. Functional District Job Evaluation Committee. 11. SALGA Capacity building programmes 12. Broadband strategy in place 13. Formation of strategic partnerships to advance development. 14. Collaboration with ANDA in the implementation of Departmental Programmes. 15. Realisation of Wild Coast N2 Toll Road Development Corridor, which will massively	1. Cyber terrorism (attacks) 2. Shrinking of national fiscus against service delivery backlogs 3. Unstable communication network and poor coverage. 4. Use of Internal Audit Reports for personal reasons. 5. Non-submission of outcome 9 reports. 6. Service delivery discontentment. 7. Youth unemployment and subsistence abuse. 8. Growing Violence against Women and Children (GBV). 9. Illegal initiation schools and death of initiates (Mbizana, Ntabankulu, KwaBhaca) 10. Global climate change 11. Potential land for development under land claims/ in the hands of private ownership. 12. Theft and Vandalism of municipal property. 13. Unstable communication network and poor coverage 14. Municipal categorization 15. Load shedding 16. Communal Land claims.

contribute to local economic development. 16. Demand for Agricultural Products. 17. Agriculture can be a large contributor to employment. 18. Potential for Renewable Energy. 19. Available vacant land for development. 20. Development of the Umzimvubu Dam presents opportunities for the district. 21. Strategic location of the district (boundary to Lesotho, with N2 as one of the major corridors in the country linking ANDM with other provinces). 22. Diverse culture of the region presents opportunities for Tourism. 23. Eastern Seaboard Development (ESD) to divulge development opportunities in different sector. 24. Opportunity to research and conceptualise models for the Agric-production, Energy, and Ocean industries. 25. Monitoring and support by the Province & National COGTA, Dept. of Health and SALGA for the quality service improvement of ANDM community 26. Sound working relations with our neighbouring district municipalities, and developed MOU for professional, effective and efficient utilisation of government resources 27. Full positive recognition of the ANDM by the National and international structures of MHS (IFEH, NdoH, SAIEH, National & Provincial SALGA) 28. N2 road can facilitate the transportation of goods and services from the nearby KZN provinces for the growth and development of	17. Climatic Change (Drought, natural disasters, flooding etc.) 18. Livestock and Crop diseases. 19. Depilated infrastructure resulting in breakdowns in water supplies. 20. Theft and vandalism of municipal assets 21. Low Revenue Base and dependency on grant 22. Culture of non-payment for services by local communities and lost public trust 23. Life threats from suppliers and employees 24. Loss of revenue due to Illegal connections, vandalism and theft of infrastructure 25. Poor local road infrastructure (difficulty to access our infrastructure) 26. Global climate change (drought, floods) 27. Construction SMMEs demands 28. Reliance on rural scheme water operators 29. 2024 elections – service delivery protests 30. Easy access to offices (poor control 31. Unsafe building 32. Load shedding
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ANDM. 29. Natural landscape of ANDM as an opportunity for growth and development. viz, Oceans, Mountains and Forests for Tourism and Local Economic Development. 30. Disaster prone area, both Natural and Man Made (all the year round in all LMs and different areas of ANDM) 31. Environmental Challenges beyond our municipal control (e.g. Climate Change and Global Warming), compromises service delivery initiatives, worsening the existing low socio economic levels and unemployment 32. Cross boarder issues, ANDM used a Dumping site of expired products from the neighbouring industrialised province 33. High poverty levels in our Communities & Low community disaster resilience exacerbated by low socio economic levels and unemployment. 34. Stray animals in ANDM national roads (R56, R61 & N2) causing road fatalities, straining the limited existing resources and infrastructure 35. Poor road infrastructure/ Inaccessible roads in other areas hindering the provision of service delivery in those areas, like Emergency Medical, Fire & Rescue and Road Accident Management Services, delayed response time etc. 36. Taking advantage of latest technology, to increasing efficiency within our internal controls and processes. In addition, to reduce turnaround times for decision making. 37. Support from sector partners 38. Water Conservation & Demand Management	
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to create socio economic sustainability of communities 39. Skills development for communities 40. Job creation EPWP and capital project 41. Availability of natural resources (springs	
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1.12. Medium-Term Strategic Framework (MTSF) Priority 1

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



A capable state

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

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

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

Ethical State

Organisational integrity: anti-fraud and corruption initiatives

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

Developmental State

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

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

CHAPTER TWO: MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

2.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

2.1.1. District Overview

Alfred Nzo District Municipality is located on the north-eastern side of the Province of the Eastern Cape and stretches from the Drakensberg Mountains, borders Lesotho in the North, Sisonke District Municipality in the East and O.R. Tambo District Municipality in the South. The municipality is predominantly rural and the majority of the population reside in rural areas. The District surface area has is about 11119 square kilometers and is sub-divided into four local municipalities: Matatiele covering 4352 km² (39% coverage of district area), Umzimvubu 2506 km² (23% coverage of district area), Winnie Madikizela Mandela 2806 km² (25% coverage of district area) and Ntabankulu occupying 1455 km² (13% coverage of district area). The district is formed by 106 wards distributed per LM: Winnie Madikizela Mandela (32 wards), Matatile (27 wards), Ntabankulu (19 wards) and uMzimvubu (28 wards).

Alfred Nzo District Municipality (DC44) was historically part of the Transkei homelands. As such the district is characterized by high levels of poverty, based on both income inequality and low level of development. In response to this deprivation, the Alfred Nzo District was one of the presidential poverty nodes identified in the Integrated Sustainable Rural Development Programme (ISRDP), and has been a subject of different forms economic intervention through time. The Alfred Nzo District Municipality is a Category C municipality that is largely rural in nature, with village settlements defined by the district's geographical footprint through mountain ranges and river systems. Agriculture and tourism make up core components of the local economy.

Economically, a mountainous terrain provides opportunities and challenges not found in other areas. Opportunities include potential for scenic tourism and forestry activity. Challenges include high costs of doing business, given the implications of mountains and hills for the provision of infrastructure such as roads, electricity and telecommunications.

2.1.2 Demographic Profile

Alfred Nzo District Municipality (EC443) was established in terms of Section 155 (1) (c) of the Constitution of the Republic of South Africa. The District is largely rural in nature, with village settlements defined by the district's geographical footprint through mountain ranges and river systems. Agriculture and tourism make up core components of the local economy. Matatiele municipality is close to the Lesotho/South Africa national border and has two urban nodes (Matatiele and Cedarville). Matatiele acts as a service node to the agrarian based economy of the area, while Cedarville serves as a secondary service centre. Umzimvubu municipality hosts the district's administrative capital in Mt Ayliff and the district's largest economic node in Mt Frere. The N2 traverses the course of the Umzimvubu

municipality, and can be seen as its most prominent defining trait.

Ntabankulu Local Municipality (NLM) has small urban settlements at Ntabankulu town. NLM has a strong rural presence and is geographically defined by several mountain ranges. Winnie Madikizela Mandela Local Municipality (WMM LM) is the district's gateway to the Wild Coast and has a medium sized town at Bizana. The district has a very mountainous terrain, with land form of the district is generally rugged, with parts of it characterized by steep slopes and high elevations. The topography has implications on the district's natural, social and economic environment. The district is characterized by a high level of biodiversity, and natural resources include river systems, indigenous forests and rich soils. Socially, settlement patterns are determined by the courses of rivers, valleys and hills. The interaction between people and nature also means that the terrain either exacerbates or ameliorates human impacts on the environment. The district map showing the coverage is presented below (figure 1):



Source: <https://municipalities.co.za/map/101/alfred-nzo-district-municipality>).

2.1.3. Demographic Composition

The population of South Africa grew by 135 118 which is 16.9 percentage points between 2011 and 2022, from 51.7 million persons in 2011 to 62 million persons in 2022. The district has a total population of 936 462, of which 439 455 (46.9%) are males and 497 006 (53.1%) are females. Alfred Nzo District house 1.5% of South Africa's total population. The population of Alfred Nzo District grew by 16.9% between 2011 and 2022, from 801 344 in 2011 to 936 462 in 2022, which is slightly lower than the

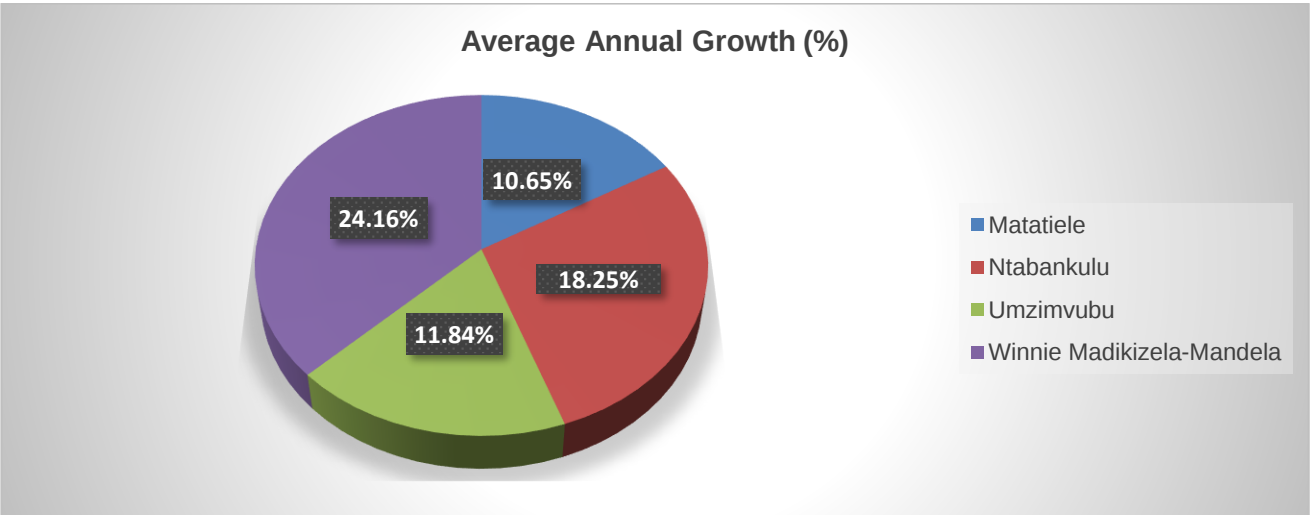
growth rate of South Africa as a whole. In comparison to the Eastern Cape's average annual growth rate (10.2%), the growth rate of the Alfred Nzo district population at 16.9% was higher than that of the province (see table 1 and figure 3 below).

Table 2: District's total population growth since 2011 to 2022

Municipalities	2022	2016	2011
Matatiele	225 562	219 447	203 843
Ntabankulu	146 423	128 848	123 821
Umzimvubu	214 477	199 620	191 775
Winnie Madikizela-Mandela	350 000	319 948	281 905
Alfred Nzo District	936 462	867 864	801 344

Source: Statistics South Africa: Census 2022

Figure 3: Alfred Nzo district average annual growth %



The Winnie Madikizela-Mandela Local Municipality increased the most, in terms of population, with an average annual growth rate of 24.16%. The Ntabankulu Local Municipality had the second highest growth in terms of its population, with an average annual growth rate of 18.25%, followed by Umzimvubu Local Municipality with a growth rate of 11.84%, while the Matatiele Local Municipality had the lowest average annual growth rate of 10.65% relative to the others within the Alfred Nzo District Municipality.

2.1.4. Population by Population Group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian,

where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts.

Alfred Nzo District Municipality's male/female split in population was 88, 4 males per 100 females in 2022. The Alfred Nzo District Municipality appears to be a stable population with the share of female population (53.1%) being similar to the national average of (51.5%). In total there were 497 006 females and 439 455 males.

Table 3: Population by gender (Eastern Cape)

District/Metropolitan Municipalities	Male	Female	Total
Alfred Nzo	439 455	497 006	936 462
Amathole	415 004	456 598	871 601
Buffalo City	461 693	513 562	975 255
Chris Hani	396 638	431 750	828 387
Joe Gqabi	186 571	206 477	393 048
Nelson Mandela Bay	563 211	627 285	1 190 496
O.R Tambo	707 798	793 904	1 501 702
Sarah Baartman	253 673	279 580	533 253
Eastern Cape	3 424 042	3 806 162	7 230 204

Source: Statistics South Africa: Census 2022

In 2022, the Alfred Nzo District Municipality's population consisted of 99.1% African (927 772), 0.2% White (2 135), 0.4% Coloured (3 404) and 0.2% Asian (1 733) people. The largest share of population is within the young working age (25-44 years) age category with 57, 6% of the total population. The age category with the second largest number of people is the children (0-14 years) age category with a total share of 35,8%, followed by the late middle age (45-64 years) age category with 48 954 people. The age category with the least number of people is the retired/old age (65 years and older) age category with only 6.6% of the District Population (refer to table 4 below).

Table 4: Alfred Nzo District Population by group, gender and age (2022)

Age Groups	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59	60 - 64	65 - 69	70 - 74	75 - 79	80 - 84	85+	ANDM Total
Alfred Nzo	119 878	105 143	110 368	100 545	82 595	76 318	59 544	52 807	41 587	35 770	29 864	30 545	29 579	22 729	15 871	9 881	6 614	6 811	936 450
Matatiele	27 045	23 877	24 967	23 562	19 060	16 636	14 451	12 908	10 843	9 470	7 979	8 497	8 309	6 799	4 728	2 975	1 785	1 669	225 560
Umzimvubu	24 955	22 246	23 983	21 756	18 719	17 883	14 489	12 686	10 426	8 866	7 400	7 552	7 347	6 038	4 269	2 738	1 568	1 550	214 473
Winnie Madikizela-Mandela	47 670	42 055	43 882	39 328	31 868	29 748	21 532	19 098	14 267	12 409	10 213	10 084	9 615	6 442	4 527	2 765	2 206	2 284	349 994
Ntabankulu	20 208	16 965	17 535	15 899	12 947	12 051	9 072	8 114	6 051	5 024	4 272	4 412	4 308	3 450	2 347	1 404	1 055	1 308	146 423

Source: Statistics South Africa: Census 2022

Although the statistics in table 3 depict that a large percentage of the district's population comprises of young people, the education levels in the district do not tell a pleasant story. The district comprises of large numbers of low levels of education. Table 4 and figure 4 exemplifies the state of education in the district. It is alarming to note that only 7,4% of the population have Higher/National/Advanced certificates with Grade 12/Occupational certificate NQ or higher in the district, considering that education is one of the government's key priorities, to ensure economic growth and stability and combat poverty in South Africa.

Table 5: Level of education in the district

Municipality	No schooling	Some primary	Completed primary	Some secondary	Grade 12/Std10	Higher	Other
Alfred Nzo	38 433	76 590	29 808	183 248	102 961	34 525	2 136
Matatiele	5 469	19 522	9 140	48 510	25 842	8 584	598
Umzimvubu	4 801	17 507	7 567	47 456	26 654	9 374	585
WMM LM	19 225	26 110	8 546	60 392	37 886	12 841	650
Ntabankulu	8 938	13 450	4 555	26 891	12 579	3 726	303

Source: Statistics South Africa: Census 2022

2.1.5. Current Population Growth Trend

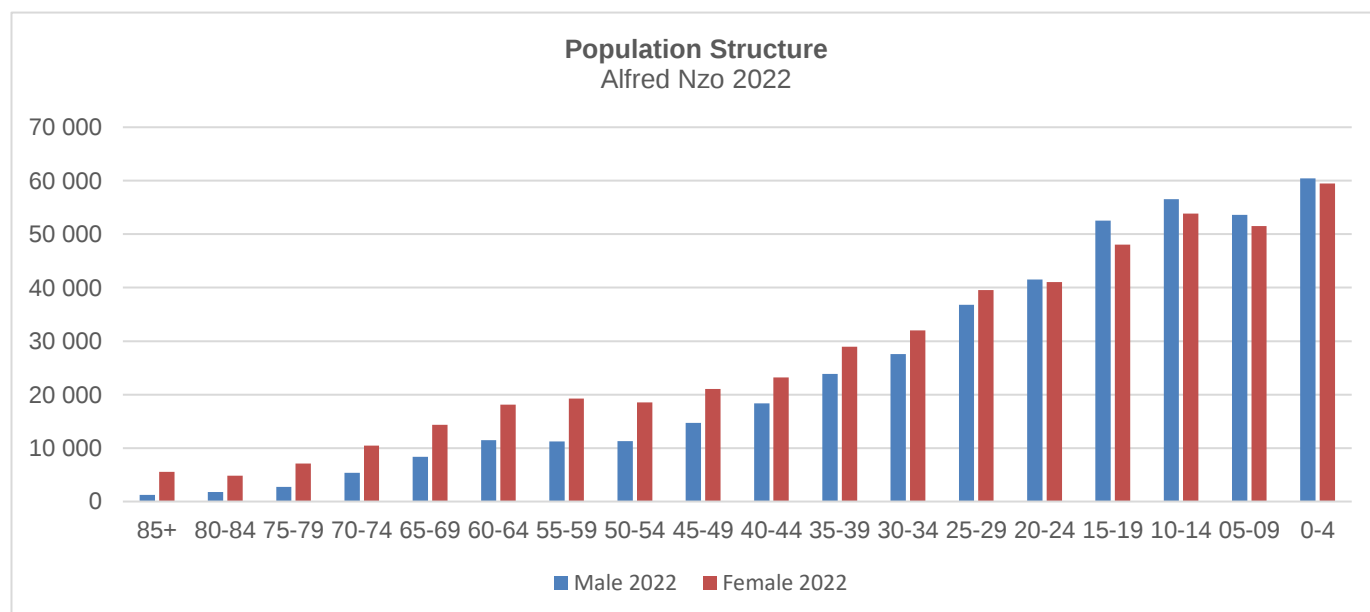
According (Statistics South Africa, Census 2022). The population Structure in figure 4 and table 5 reflects a projected change in the structure of the population between 2011 and 2022. The differences can be explained as follows:

- There was significantly increase (60%) in female population share of the elderly people over the age of 85 between 2011 (3 447) and 2022(5 564). However, the population between 80-85 years old in Alfred Nzo decreased by 6% for males and 8% for females.
- The fertility rate in between 2011 and 2022 for both male and female set at 7%.
- The average growth of male population between 2011 and 2022 for the ages 25-49 years old is 70%, this could be due to inward migration.
- For both male and female between the ages of 15-19 years old the population have decreased and this could be as a resolute of outward migration due to educational opportunities outside the district.

Table 6: Alfred Nzo District projected population growth rate by Gender between 2011 and 2022

Age	Male 2022	Male 2011	Male Populating increase	Male Population Rate	Female 2022	Female 2011	Female Populating increase	Female Populating rate
85+	1 248	1 085	163	15%	5 564	3 447	2 117	61%
80-84	1 753	1 867	-114	-6%	4 862	5 312	-450	-8%
75-79	2 767	2 714	53	2%	7 114	7 283	-169	-2%
70-74	5 387	4 212	1 175	28%	10 484	8 576	1 908	22%
65-69	8 356	5 289	3 067	58%	14 373	9 729	4 644	48%
60-64	11 482	7 730	3 752	49%	18 097	12 782	5 315	42%
55-59	11 268	8 428	2 840	34%	19 277	14 294	4 983	35%
50-54	11 301	9 951	1 350	14%	18 563	16 793	1 770	11%
45-49	14 722	9 790	4 932	50%	21 048	17 833	3 215	18%
40-44	18 367	10 261	8 106	79%	23 220	18 281	4 939	27%
35-39	23 854	13 118	10 736	82%	28 953	20 424	8 529	42%
30-34	27 564	16 020	11 544	72%	31 980	21 630	10 350	48%
25-29	36 770	22 361	14 409	64%	39 548	27 564	11 984	43%
20-24	41 536	33 850	7 686	23%	41 058	36 424	4 634	13%
15-19	52 511	53 516	-1 005	-2%	48 033	53 078	-5 045	-10%
10-14	56 519	55 512	1 007	2%	53 849	52 924	925	2%
05-09	53 616	54 365	-749	-1%	51 527	53 163	-1 636	-3%
0-4	60 424	56 420	4 004	7%	59 454	55 320	4 134	7%

Figure 7: Population pyramid –Alfred Nzo District, 2022



2.1.6. Economic Analysis

The economic state of the Alfred Nzo District is put into perspective by comparing it on a spatial level with its neighboring district municipalities. The section will also allude to the economic composition and contribution of the regions within Alfred Nzo District Municipality. The Alfred Nzo District Municipality does not function in isolation from Eastern Cape, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality, respectively.

2.1.7. Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance is used to compare economies and economic states. Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

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

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

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

Source: IHS Markit Regional eXplorer version 2201

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

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

Year	Alfred Nzo	Eastern Cape	National Total
2010	-2.2%	1.9%	2.6%
2011	2.8%	3.3%	3.2%
2012	0.5%	2.0%	2.4%
2013	0.6%	1.4%	2.5%
2014	1.3%	0.7%	1.4%
2015	1.8%	1.0%	1.3%
2016	0.9%	0.8%	0.7%
2017	0.6%	0.5%	1.2%
2018	0.5%	1.0%	1.5%
2019	0.0%	-0.1%	0.1%
2020	-5.4%	-6.6%	-6.4%
Average Annual growth2010-2020	0.35%	0.39%	0.74%

Source: IHS Markit Regional eXplorer version 2201

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

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

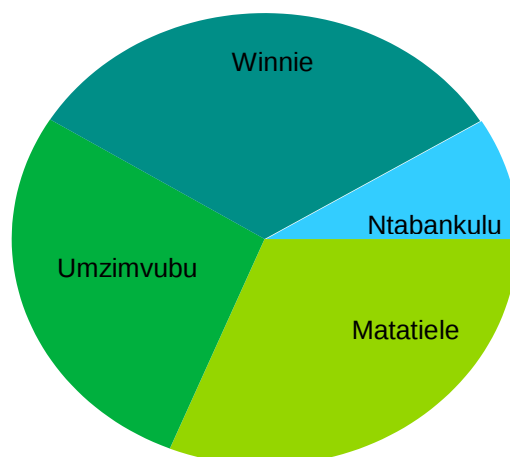
Municipality	2020 (Current prices)	Share of district municipality	2010 (Constant prices)	2020 (Constant prices)	Average Annual growth
Matatiele	4.82	31.12%	3.51	3.76	0.69%
Umzimvubu	4.30	27.76%	3.12	3.29	0.53%
Winnie MM	5.01	32.38%	3.79	3.83	0.11%
Ntabankulu	1.35	8.74%	1.10	1.05	-0.51%
Alfred Nzo	15.48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

Source: IHS Markit Regional eXplorer version 2201

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

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

Gross Domestic Product (GDP)
Alfred Nzo District Municipality, 2020



Source: IHS Markit Regional eXplorer version 2201

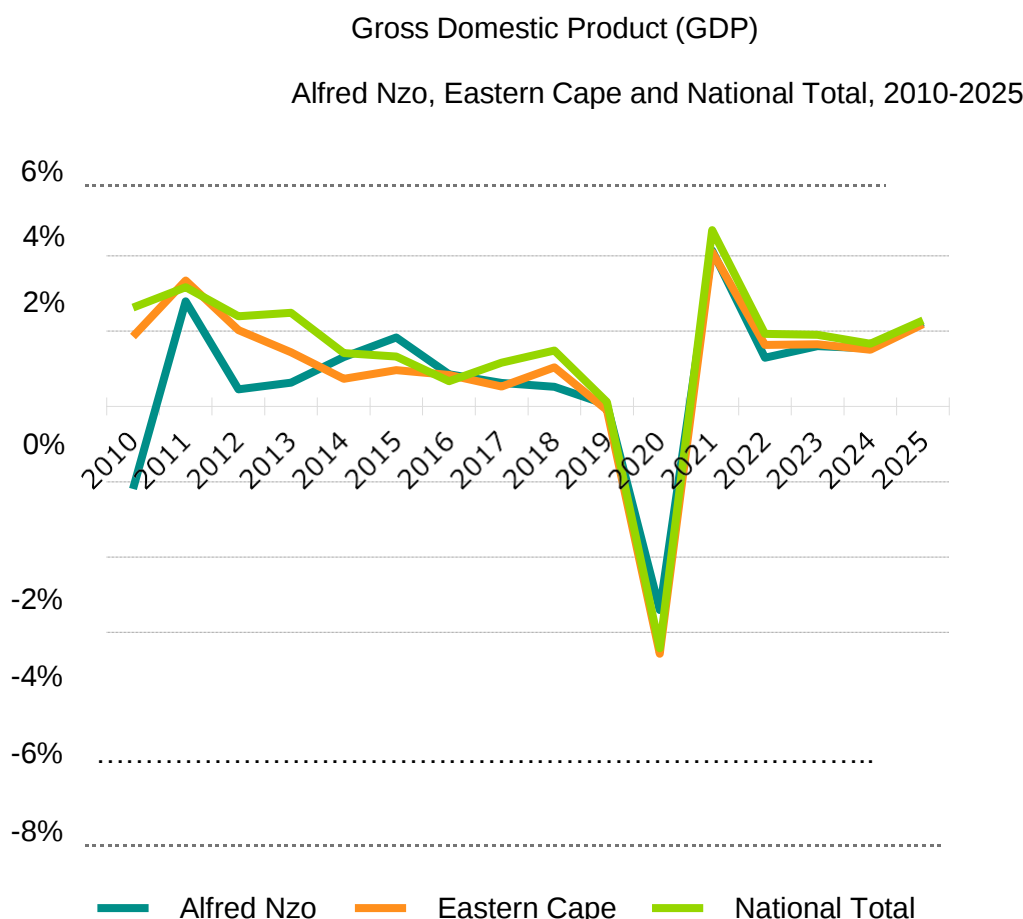
The greatest contributor to the Alfred Nzo District Municipality economy is the Winnie Madikizela-Mandela Local Municipality with a share of 32.38% or R 5.01 billion, increasing from R 2.87 billion in

2010. The economy with the lowest contribution is the Ntabankulu Local Municipality with R 1.35 billion growing from R 826 million in 2010.

2.1.8. Economic Growth Forecast

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

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



Source: IHS Markit Regional eXplorer version 2201

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

It is expected that Alfred Nzo District Municipality will grow at an average annual rate of 2.16% from 2020 to 2025. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 2.22% and 2.49% respectively. In 2025, Alfred Nzo's forecasted GDP will be an estimated R 13.3 billion (constant 2010 prices) or 3.6% of the total GDP of Eastern Cape Province. The ranking in terms of size of the Alfred Nzo District Municipality will remain the same between 2020 and 2025, with a contribution to the Eastern Cape Province GDP of 3.6% in 2025 compared to the 3.6% in 2020. At a 2.16% average annual GDP growth rate between 2020 and 2025, Alfred Nzo ranked the third compared to the other regional economies.

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

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

Source: IHS Markit Regional eXplorer version 2201

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

2.1.9. Gross Value Added by Industry (GVA-R)

The Alfred Nzo District Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its value added produced in the local economy. Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors. The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Alfred Nzo District Municipality.

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

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

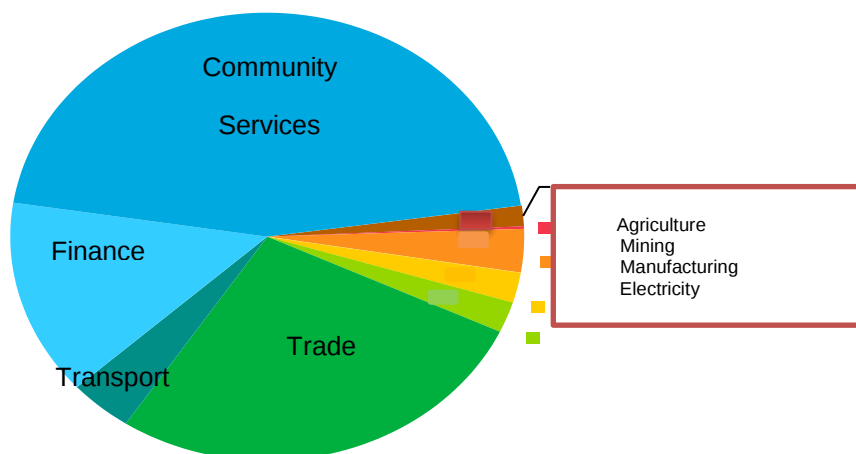
Source: IHS Markit Regional eXplorer version 2201

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

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

Gross Value Added (GVA) by broad economic sector

Alfred Nzo District Municipality, 2020



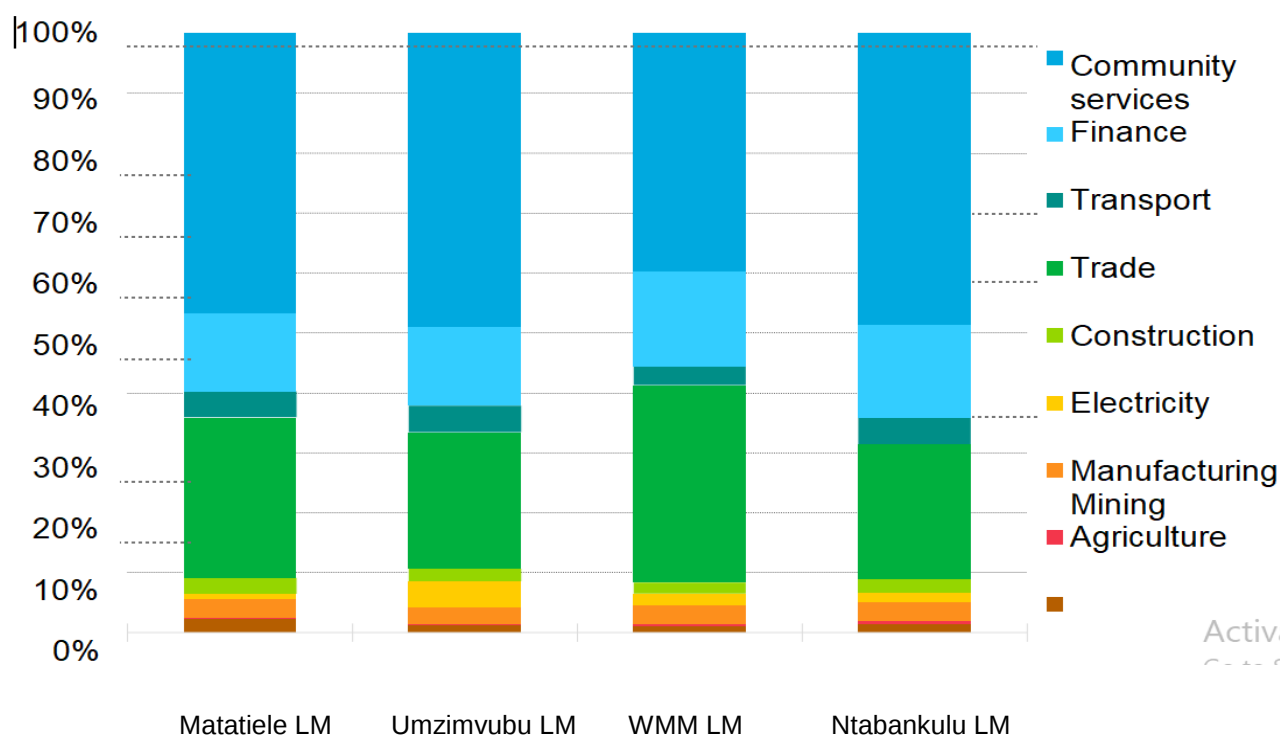
Source: IHS Markit Regional eXplorer version 2201

The community sector, which includes the government services, is generally a large contributor towards GVA in smaller and more rural local municipalities. When looking at the regions within the district municipality, the Matatiele Local Municipality made the largest contribution to the community services sector at 32.26% of the district municipality. As a whole, the Matatiele Local Municipality contributed R4.45 billion or 31.21% to the GVA of the Alfred Nzo District Municipality. The region within Alfred Nzo District Municipality that contributes the most to the GVA of the district municipality was the Winnie Madikizela-Mandela Local Municipality with a total of R 4.65 billion or 32.63%.

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

Gross Value Added (GVA) by broad economic sector

Alfred Nzo District Municipality, 2020



Source: IHS Markit Regional eXplorer version 2201

2.1.10. Historical Economic Growth

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

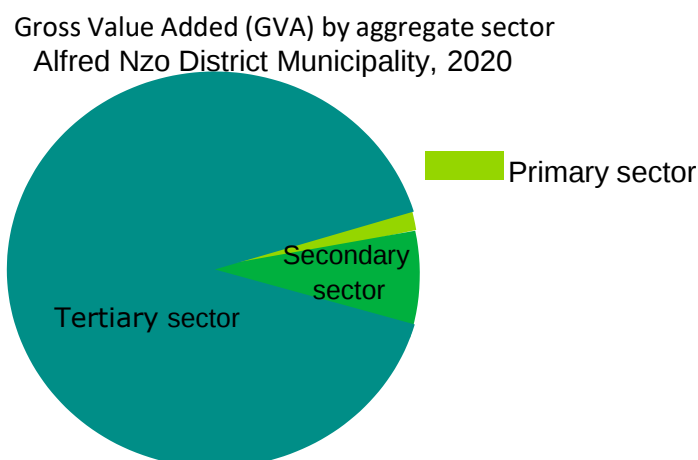
Gross Value Added (GVA) by broad economic sector - Alfred Nzo District Municipality, 2010, 2015 and 2020 [R millions, 2010 constant prices]

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

Source: IHS Markit Regional eXplorer version 2201

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

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



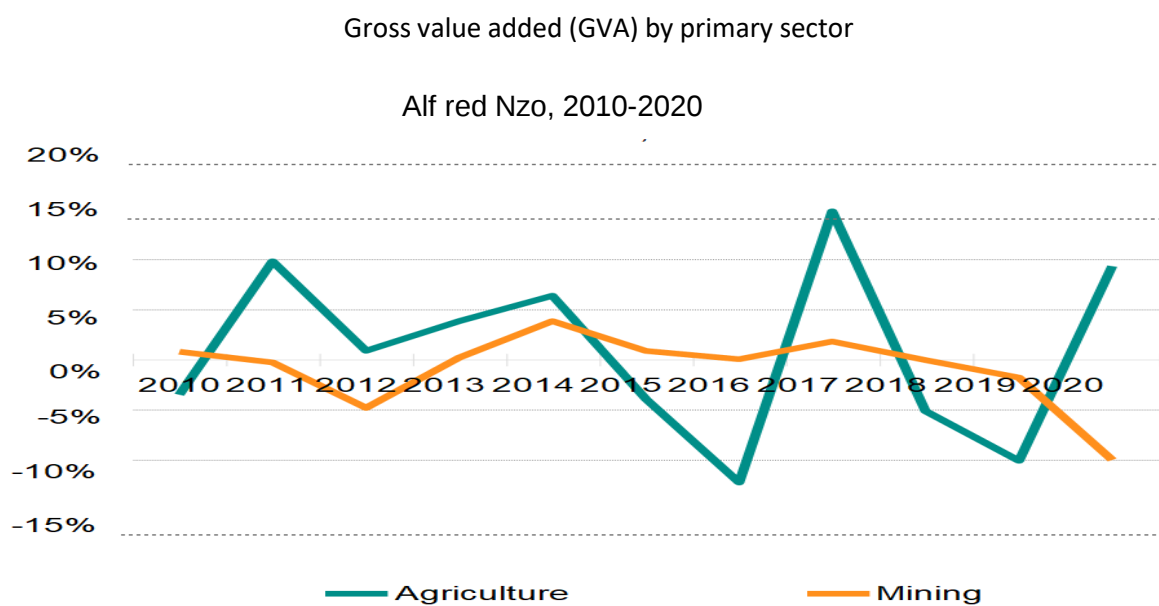
Source: IHS Markit Regional eXplorer version 2201

Breakdown of the Gross Value Added (GVA) by aggregated sector

Primary Sector

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

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



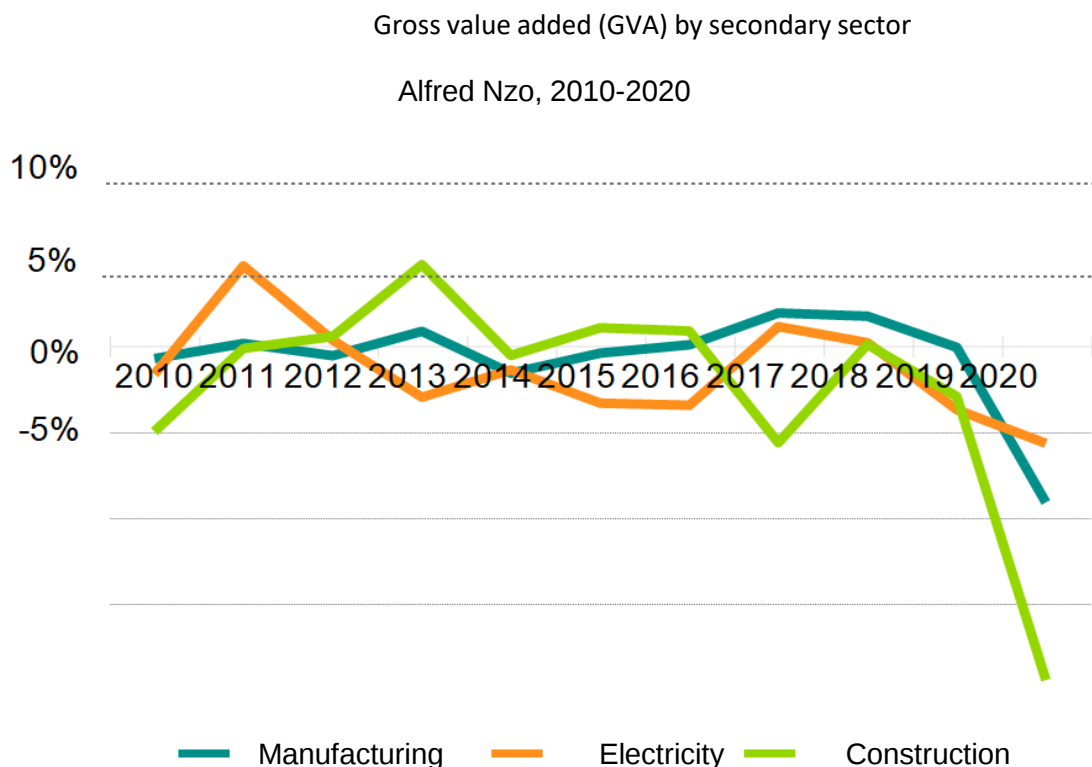
Source: IHS Markit Regional eXplorer version 2201

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

Secondary Sector

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

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



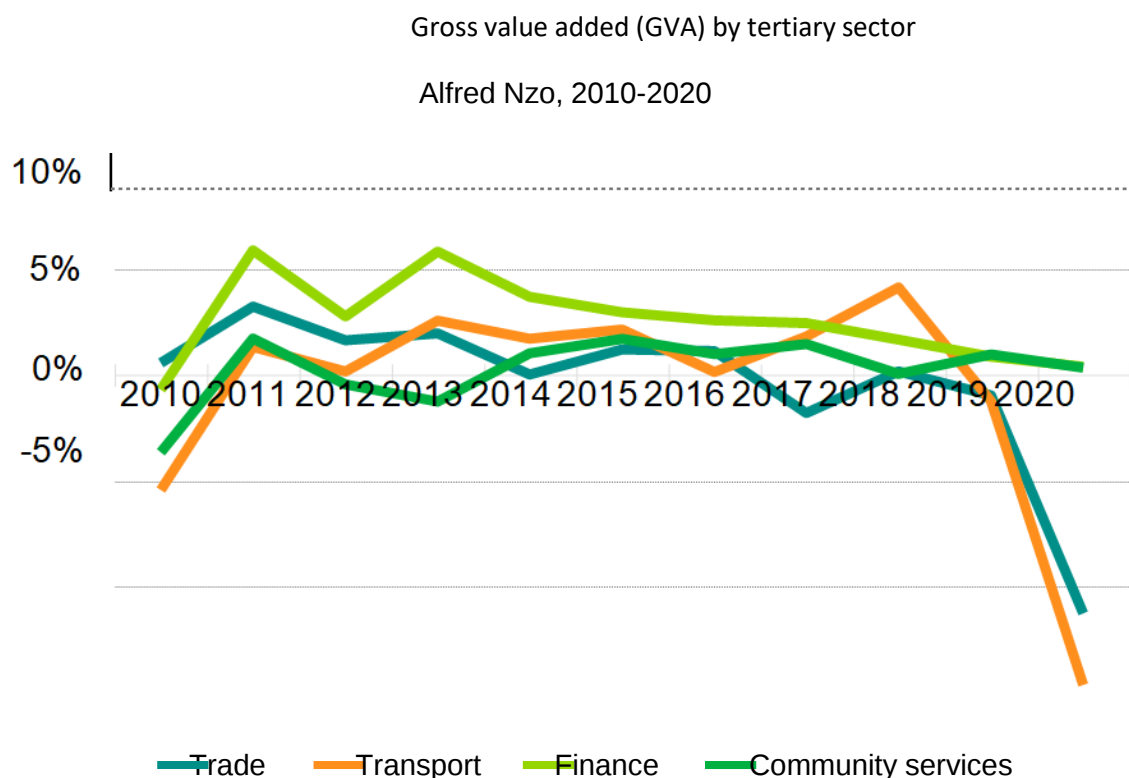
Source: IHS Markit Regional eXplorer version 2201

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

Tertiary Sector

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

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



Source: IHS Markit Regional eXplorer version 2201

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

Sector Growth Forecast

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

perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

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

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

Source: IHS Markit Regional eXplorer version 2201

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

The Primary sector is expected to grow at an average annual rate of 1.72% between 2020 and 2025, with the Secondary sector growing at 2.63% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.96% for the same period. Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.

Labour

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

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

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

Source: IHS Markit Regional eXplorer version 2201

The working age population in Alfred Nzo in 2020 was 489 000, increasing at an average annual rate of 1.03% since 2010. For the same period the working age population for Eastern Cape Province increased at 1.12% annually, while that of South Africa increased at 1.56% annually. The graph below combines all the facets of the labour force in the Alfred Nzo District Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side. The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

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

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

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

Source: IHS Markit Regional eXplorer version 2201

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

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

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

Source: IHS Markit Regional eXplorer version 2201

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

Labour force participation rate

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

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

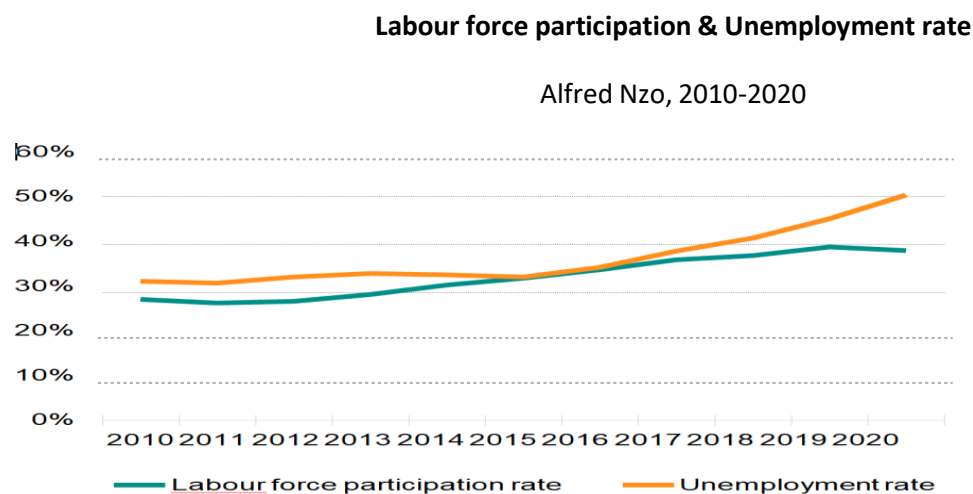
The labour force participation rate - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [percentage]

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

Source: IHS Markit Regional eXplorer version 2201

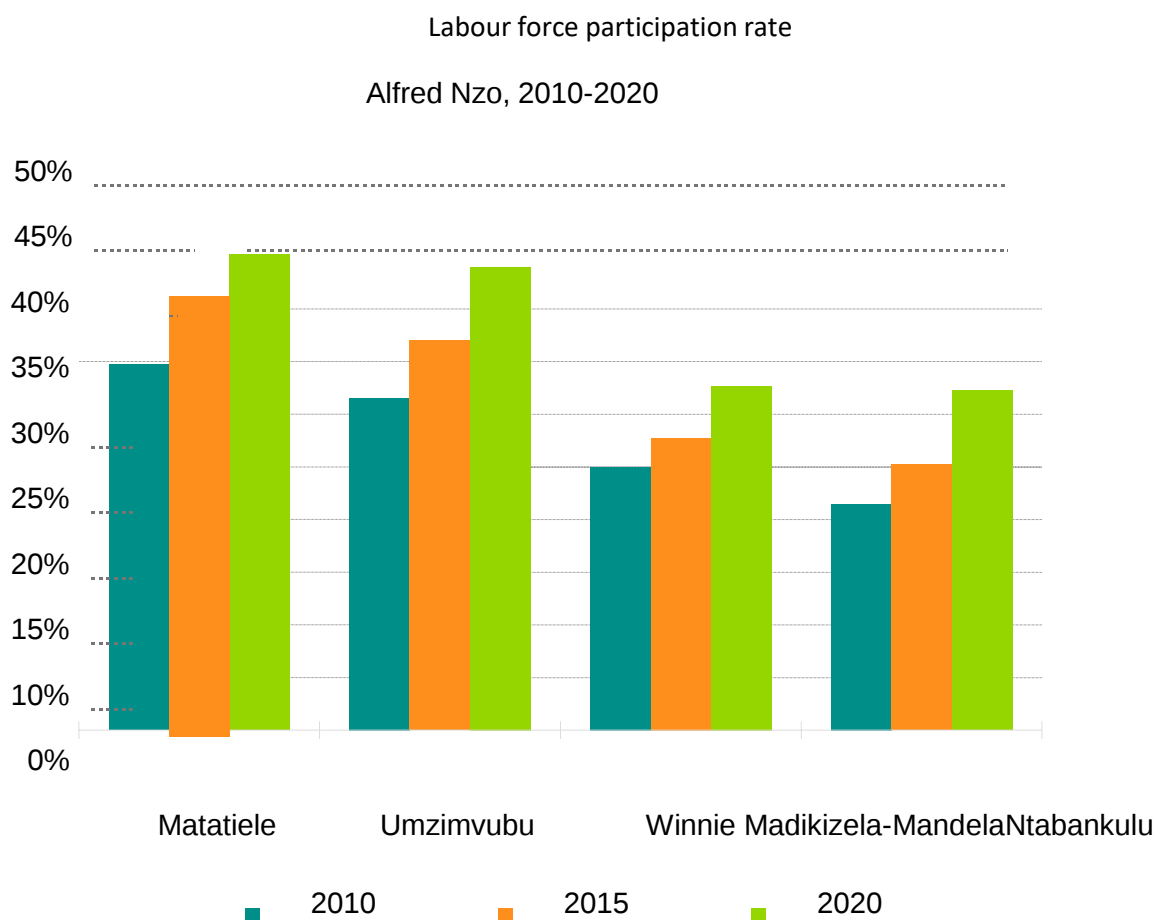
The Alfred Nzo District Municipality's labour force participation rate increased from 28.62% to 38.66% which is an increase of 10 percentage points. The Eastern Cape Province increased from 42.52% to 51.49%, South Africa increased from 54.14% to 57.01% from 2010 to 2020. The Alfred Nzo District Municipality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

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



Source: IHS Markit Regional eXplorer version 2201

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



Source: IHS Markit Regional eXplorer version 2201

Total employment

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

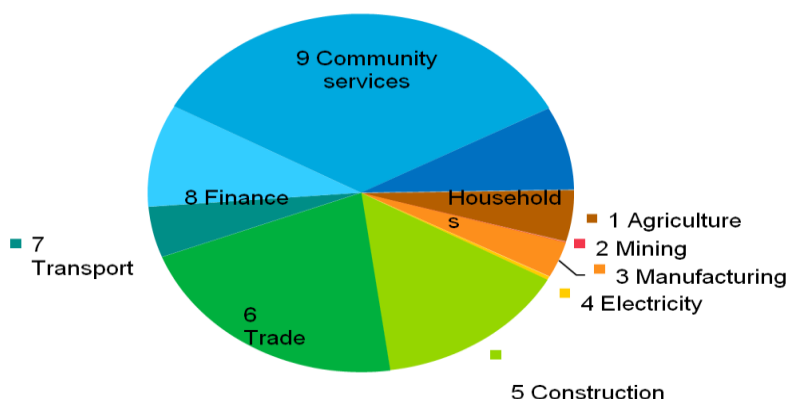
Total employment - Alfred Nzo, Eastern Cape and National Total, 2010-2020 [numbers]

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

Source: IHS Markit Regional eXplorer version 2201

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

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



Source: IHS Markit Regional eXplorer version 2201

Formal and informal employment

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

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

The number of formally employed people in Alfred Nzo District Municipality counted 56 700 in 2020, which is about 69.51% of total employment, while the number of people employed in the informal sector counted 24 900 or 30.49% of the total employment. Informal employment in Alfred Nzo increased from 22 200 in 2010 to an estimated 24 900 in 2020.

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

Formal and informal employment by sector

Alfred Nzo, 2020



Income and expenditure

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

Number of households by income category

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

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

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

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

Source: IHS Markit Regional eXplorer version 2201

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

Index of buying power

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

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

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

Source: IHS Markit Regional eXplorer version 2201

2.1.11. Tress Index

The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of zero means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region. In 2020, Alfred Nzo's Tress Index was estimated at 70.9, which are higher than the 59.2 of the province and higher than the 59.2 of the South Africa as a whole. This implies that - on average - Alfred Nzo District Municipality is less diversified in terms of its economic activity spread than the national's economy.

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

2.1.12. Location Quotient

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

If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional

economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

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

2.1.13. Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force. The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

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

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

Source: IHS Markit Regional eXplorer version 2201

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

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

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

Source: IHS Markit Regional eXplorer version 2201

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

2.1.14. Labour Force Participation Rate

The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population. The following is the labour participation rate of the Alfred Nzo, Eastern Cape and National Total as a whole.

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

Years	Alfred Nzo	Eastern Cape	National Total
2010	28.6%	42.5%	54.1%
2011	27.9%	42.2%	53.9%
2012	28.2%	42.5%	54.3%

2013	29.6%	43.8%	55.2%
2014	31.6%	45.6%	56.6%
2015	33.0%	47.0%	57.7%
2016	34.8%	48.5%	58.8%
2017	36.8%	50.2%	59.5%
2018	37.7%	50.9%	59.4%
2019	39.4%	52.3%	59.4%
2020	38.7%	51.5%	57.0%

Source: IHS Markit Regional eXplorer version 2201

In 2020 the labour force participation rate for Alfred Nzo was at 38.7% which is significantly higher when compared to the 28.6% in 2010. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2010, the unemployment rate for Alfred Nzo was 32.4% and increased overtime to 50.2% in 2020. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Alfred Nzo District Municipality. Matatiele Local Municipality had the highest labour force participation rate with 45.2% in 2020 increasing from 34.7% in 2010. Ntabankulu Local Municipality had the lowest labour force participation rate of 32.3% in 2020, this increased from 21.5% in 2010

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

2.1.15. Development

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

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

2.1.16. Human Development Index (HDI)

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

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

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

2.1.17. Gini Coefficient

The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1. If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.

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

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

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

Source: IHS Markit Regional eXplorer version 2201

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

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

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

Year	African	White	Coloured	Asian
2010	81.9%	4.0%	50.1%	18.0%
2011	78.0%	2.8%	47.3%	13.1%
2012	78.6%	3.0%	49.7%	14.1%

2013	79.3%	4.1%	51.7%	14.8%
2014	80.1%	5.6%	53.7%	14.6%
2015	80.3%	7.4%	54.5%	13.8%
2016	82.6%	9.3%	56.7%	18.0%
2017	83.5%	10.0%	57.4%	21.2%
2018	84.2%	10.8%	57.2%	25.2%
2019	85.0%	12.0%	57.5%	29.7%
2020	86.2%	13.8%	59.5%	36.6%

Source: IHS Markit Regional eXplorer version 2201

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

2.1.18. Poverty Gap Rate

The poverty gap is used as an indicator to measure the depth of poverty. The gap measures the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth, of poverty. The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. It is estimated that the poverty gap rate in Alfred Nzo District Municipality amounted to 32.1% in 2020 - the rate needed to bring all poor households up to the poverty line and out of poverty.

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

In terms of the poverty gap rate for each of the regions within the Alfred Nzo District Municipality, Winnie Madikizela-Mandela Local Municipality had the highest poverty gap rate, with a rate of 32.1%. The lowest poverty gap rate can be observed in the Matatiele Local Municipality with a rate of 32.1%.

2.1.19. Waste Management

The Alfred Nzo District Municipality (ANDM) developed Integrated Waste Management Plan (IWMP) during the 2023-2024 financial year and it is to be adopted by council (in June 2024) and endorsed by the MEC for DEDEAT.

It is essentially a strategic planning document including background information on the current waste situation in the entire ANDM. It also outlines the objectives and strategies to improve the waste management systems. The primary objective of Integrated Waste Management Planning is to integrate and optimise waste management, in order to maximise efficiency and minimise the associated environmental impacts and financial costs, and to improve the quality of life of all South Africans including those in the Alfred Nzo District.

Current Waste Categories and Characteristics:

- a. General – plastics, paper, glass, food-waste, garden refuse and building rubble etc.
- b. Industrial – used oils from vehicle workshops, tyres, blood and manure from abattoirs, sawmills, etc.
- c. Commercial - cardboards, plastic, paper, glass, used oil from fast-food retailers
- d. Medical – empty medicine vials, syringes, etc. from clinics, GPs, pharmacies, funeral parlours
Hazardous – diapers, sanitary towels

Waste Management and General Hygiene

Collection of waste is the responsibility of local municipalities and the Alfred Nzo District Municipality monitors proper management of waste to the final disposal through the municipal health services.

Waste Recycling or Minimization

There is generally informal recycling initiatives conducted within the entire ANDM. In order to formalize these structures, the DEDEAT issues a registration certificate according to the National Waste Management Norms and Standards. The ANDM and its sister of municipalities assist informal recyclers to form cooperatives.

Landfill Sites

There is a total of five (5) landfill sites within Alfred Nzo District. These include two (2) at Umzimvubu LM; one (1) at Matatiele LM; one (1) at Winnie Madikizela Mandela LM and one (1) Ntabankulu LM and all are operational.

Waste Management By-Laws

Local Municipalities are responsible for the development of waste management by-laws. Alfred Nzo District ensures development and enforcement of these by-laws.

District Refuse Removal

Local Municipality	Removed weekly by authority	Removed by community members	Personal Removal (own dumpu)	No refuse removal	Total
Umzimvubu LM	3,205	1,552	47, 443	1, 196	53,691
Matatiele LM	8, 065	2, 035	47, 255	1, 386	59,292
WMM LM	1, 156	131	56, 903	1, 416	61,084
Ntabanuku LM	1, 047	123	22, 658	2, 336	26,785
Total	13, 473	1,099	174, 260	6, 378	200, 851

Matatiele Local Municipality

Refuse Removal

Matatiele Local Municipality is responsible for waste management in their area of jurisdiction. The Municipality collects household refuse from all three urban areas on a weekly basis and has started removal in some rural areas. A developed and licensed Landfill site has been operating in Matatiele since 2008, the municipality has one (1) Landfill site. This site is located in Matatiele and has the capacity to accommodate all the waste from the urban areas.

Households with access to refuse removal increased from 10,9% in 2011 to 26,6% in 2022. There is however a large number of households (63,9%) in 2022 who still use their own means of disposing waste, it is important to note that this is a 6,8% decrease from the 70,7% recorded in 2011. A total of 4,6% households in 2022 have no rubbish disposal; this puts the waste removal backlog in Matatiele Local Municipality at 71,6%. See table below.

This means that most people in the municipality rely on their own methods of solid waste disposal. People dump their waste anywhere and this can cause air and ground pollution and can also lead to serious health problems.

There are programmes that the Municipality are implementing in educating the community on solid waste management, these campaigns include Clean –up campaigns and illegal dumping awareness campaigns.

Matatiele Refuse removal %

Refuse removal	2011		2022	
	Frequency	%	Frequency	%
Removed by local authority/private company at least once a week	5 395	10,9%	14 810	26,6%
Removed by local authority/private company less often	940	1,9%	389	0,7%
Communal refuse dump	560	1,1%	659	1,2%
Own refuse dump	35 014	70,7%	35 634	63,9%
No rubbish disposal	5 973	12,1%	2 551	4,6%
Other	1 645	3,3%	1 715	3,1%
Total	49 527	100,0%	55 758	100,1%

Source: SSA: Census 2022 & 2011.

Winnie Madikizela Mandela Local Municipality

Refuse removal

The municipality is currently servicing residential areas in the CBD i.e. Ward 1, waste collection is done once per week as per the National Norms and Standards. The service has been provided to residential areas which are outside the CBD through Communal Collection System, where a central point is identified and a cage is placed for community of that area to put their waste, and then it is collected by the municipality during collection days as per collection schedules. Currently, there are plans in place of establishing 2 waste depots sites, one at Magusheni area (Ward 8), and the other one at Kwa-Bulala

area (Ward 29).

The municipality is also servicing Commercial or Government Institutions within and outside the CBD. To these entities, the collection schedule varies depending on the categorisation of each business. The municipality is currently using the following waste receptacles:

- Drums and waste rings-placed along the pavement
- 240L wheelie bins-distributed to households and businesses
- Black refuse bags-distributed to households and to street sweepers
- Cages-placed in high waste production areas outside CBD
- Skip bins-placed in high waste production areas inside CBD

The municipality is in a process of purchasing waste receptacles, and these will encourage separation of waste at source, and will be distributed to identify Schools for efficient and effective collection of waste. Following are the Wards with Villages which benefits from the extension of waste service programme:

WARD	AREA/VILLAGE	DESCRIPTION OF SERVICE
3	Mantshangase Clinic	Waste Collection
4	R61- Ludeke Halt, Hlamamdana Clinic	Waste Collection, provision waste receptacle and Personnel
6	Mhlanga Village	Waste Collection, provision waste receptacle and Personnel
7	R61 - Mzamba and Nyanisweni Village	Waste Collection, provision waste receptacle and Personnel
8	R61- Dudumeni, Magusheni service centre	Waste Collection, provision waste receptacle and Personnel
10	R61- Ntlenzi Village	Waste Collection, provision waste receptacle and Personnel
11	Qhasa Police Station	Waste Collection, provision waste receptacle and Personnel
13	Mathwebu, Didi and Ngcingo Village	Waste Collection, provision waste receptacle and Personnel
17	R61 -Nikhwe Area, Qandashe, Ntlakhwe	Waste Collection, provision waste receptacle and Personnel
18	R61- Plangweni, Redoubt	Waste Collection, provision waste receptacle and Personnel
20	R61- Nongeke, Mamgqofoza	Waste Collection, provision waste receptacle and Personnel
21	Greenville Clinic & Hospital	Waste Collection, provision waste receptacle and Personnel
22	R61- Lugwijini, Ntunjani	Waste Collection, provision waste receptacle and Personnel
23	Zikhuba, Plangweni and Seview Villages	Waste Collection, provision waste receptacle and Personnel
24	Ebenezer, Garane, Mzamba Mouth	Waste Collection, provision waste receptacle and

	Villages, Mzamba Beach	Personnel
25	Mtentu Beach	Waste Collection, provision waste receptacle and Personnel
26	Skotoyi, Isikelo Clinic, Nomlacu	Waste Collection, provision waste receptacle and Personnel
27	Nkantolo Monument	Waste Collection
29	Kwa-Bulala	Waste Collection, provision waste receptacle and Personnel
31	Zizityaneni	Waste Collection, provision waste receptacle and Personnel
32	R61 - Qotyana and Fonoza	Waste Collection, provision waste receptacle and Personnel

The municipality has introduced the skip bin system where 35 skip bins were purchased and are placed strategically in all identified waste hotspots in and around the town. There are plans in place of purchasing 10 skip bins during the current financial year, and also purchasing another Skip Loader Truck and 1 Waste Management Truck to ensure that the service is delivered efficiently. The servicing of skips is done internally, through Refuse Removal Employees and EPWP beneficiaries.

It is important to mention that a huge number of households do not receive this basic service due to inadequate resources and poor infrastructure. The municipality has thus put up a business plan to access MIG funding for specialized vehicles for waste management i.e. 1 Compactor Trucks, 1 Skip Loader Trucks, and 1 Front End Loader.

The municipality is currently having 3 Compactor Trucks, 1 Skip Loader Truck, 1 Bakkie and 1 Mini-Truck for waste collection services within the municipality. The municipality utilizes permanent staff under Waste Management Section and EPWP beneficiaries under Environment and Culture Sector.

The municipality is still using an unlicensed disposal site. However, the municipality has budgeted for construction of a licensed landfill site. The municipality is also doing annual projection in preparation for closure and rehabilitation of the unlicensed disposal site. The municipality is also planning to start conducting EIA in preparation for closure and rehabilitation of the current unlicensed disposal site that is being used.

Natbankulu Local Municipality

Refuse Removal

Ntabankulu Local Municipalities is responsible for the development of waste management by-laws. The following By-laws have been developed: Dumping, littering and waste collection bylaw, Disposal of contaminated and/or Health Care Risk bylaw and Control of refuse disposal site bylaw. NLM ensures the review, adoption, and enforcement of these by-laws.

The majority of HHs are using their own refuse dumps, with a total of 69% of HHs using their own refuse dumps, with only 1% of HHs being serviced by municipal or private refuse removal services on a weekly basis. 26% of HHs are reported to be dumping or leaving rubbish anywhere or being without any form of waste disposal. The issue of illegal dumping had been identified by several villages and wards as being a significant environmental health risk within their communities, and immediate local environs.

HH access to refuse removal in NLM (Community Survey 2016)

HH refuse collection - NLM (Community Survey 2016)		
Refuse collection	Ntabankulu (EC444)	%
Total	26195	100
1: Removed by local authority/private company/community members at least once a week	261	1
2: Removed by local authority/private company/community members less often than once a week	115	0
3: Communal refuse dump	440	2
4: Communal container/central collection point	24	0
5: Own refuse dump	18196	69
6: Dump or leave rubbish anywhere (no rubbish disposal)	6898	26
7: Other	260	1
9: Unspecified	-	-

Source: Stats SA: Community Survey, 2016

The Ntabankulu Municipality has a well-developed landfill site, which is being operated according to the standards and norms of the Landfill Site as set out in the Landfill Site Permit, and it responds to the issues of climate change. The waste disposed in the landfill is compacted within the designed disposal cell in terms of standards and norms of the Landfill License and IWMP. The aim is to mitigate any possibilities of burning waste and risk of air pollution.

Umzimvubu Local Municipality

Refuse Removal

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

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)

- No refuse removal

Umzimvubu Local Municipality had a total number of 3 200 (5.97%) households which had their refuse removed weekly by the authority, a total of 295 (0.55%) households had their refuse removed less often than weekly by the authority and a total number of 47 400 (88.36%) households which had to remove their refuse personally (own dump).

1.21. Trade Effluent Policy

Lack of financial and human resources of the municipality has delayed the development of such policies such as the trade effluent policy and therefore no budget has been allocated for the development of this policy.

CHAPTER THREE: INSTITUTIONAL PRIORITY ISSUES AND DEVELOPMENTAL NEEDS

3.1. Council Vision and Mission

ANDM convened its Annual Council Strategic Planning Session on the 18 -19 March 2024. This session was in the main guided by MSA act 32 of 2000 chapter 5 Section 25(1), (2) and 3(b). The session was charged with a responsibility to evaluate the municipality's Developmental achievements, challenges and agree on corrective actions which is aligned with our vision and mission of the current administration. The Vision, Mission, Values and Strategic goals were review and recommended as follows:

Vision

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

Mission

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

Values

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

MOTTO

“Place of Unity in Diversity”

3.2. Strategic Goals

No	Key Performance Areas	Strategic Goals	Strategic Objectives
1	Basic Service Delivery	Goal 1: Basic Service Delivery and Community Empowerment	Objective 1: To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027
2	Municipal Institutional Development and Transformation	Goal 2: Institutional resilience and human capital development	Objective 2: To build and strengthen the administrative and institutional capability of the municipality by 2027
			Objective 3: To provide reliable and efficient ICT services to achieve optimal service delivery
			Objective 4: To build sound employer and employee relations for effective service delivery
3	Local Economic Development	Goal 3: Inclusive Growth and Development	Objective 5: To create a conducive environment that contributes to economic growth and job creation by 2027.
4	Municipal Financial Viability and Management	Goal 4: A capable and financially viable institution	Objective 6: To develop and maintain a financial viable and sustainable institution that achieves full compliance with municipal legislation by 2027.
5	Good Governance and Public Participation	Goal 5: Effective Public Participation, Governance and Partnerships	Objective 7: To create a conducive environment for participatory development and promote a culture of good governance by 2027.
			Objective 8: To strengthen Oversight Structures to eliminate mal administration, corruption, non-compliance and non –performance by 2027
			Objective 9: To build strong links with all strategic partners and structures that will improve organizational efficiency by 2027

6	Spatial Planning and Environmental Management	Goal 6: Spatial Restructuring and Environmental Sustainability	Objective 10: To create an environment and systems that contributes to integrated sustainable environment by 2027
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3.3. Strategic Goals alignment to Developmental Initiatives

ANDM must ensure that it aligns its strategic goals with the National and Provincial goals and priorities.

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

3.4. Municipal Priorities

P1: Infrastructure, service delivery and job creation;

P2: Integrated planning for spatial transformation and inclusive economic growth;

P3: Fire and Rescue and Disaster Risk Reduction;

P4: Good Governance and Financial viability of the municipality

P5: Institutional development, governance and citizen participation;

P6: Social cohesion and safe communities

P7: Strengthen cooperative governance (IGR– horizontal and vertical integration)

P8: Capable, ethical and developmental municipality

CHAPTER FOUR: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION

4.1. Development Plans for 2024/2025 Financial Year

4.1.1. National Key Performance Indicators

The developmental Plans are analysed hereunder within the following six (6) Key Performance Areas (KPA) of the District:

KPA 1: Institutional Development and Municipal Transformation

KPA 2: Good Governance, Intergovernmental Relations and Public Participation

KPA 3: Local Economic Development

KPA 4: Municipal Financial Viability and Management

KPA 5: Service Delivery and Infrastructure Development

KPA 6: Spatial Development and Rationale

4.2. Institutional Development and Municipal Transformation

4.2.1. Powers and Functions

The Constitution (1996) recognises a municipality's right to govern on its own initiative, the affairs of its community, subject to the National and Provincial legislation as provided for in the Constitution. It also emphasises the responsibility of municipalities to utilise this Constitutional space prudently and in the interest of development locally. Municipalities must provide democratic and accountable government without favour or prejudice. They must furthermore use their Constitutional space by exercising their Legislative and Executive Authority, and use the resources of the municipality in the best interest of the municipality and communities therein. Local Government derives its Legislative and Executive Powers from the Constitution, within which original Powers and Functions are listed in Schedule 4B and 5B respectively.

Wherein the adjusted Division of functions and Powers between the District Municipality and its constituent Local Municipalities by way of **Table** below:

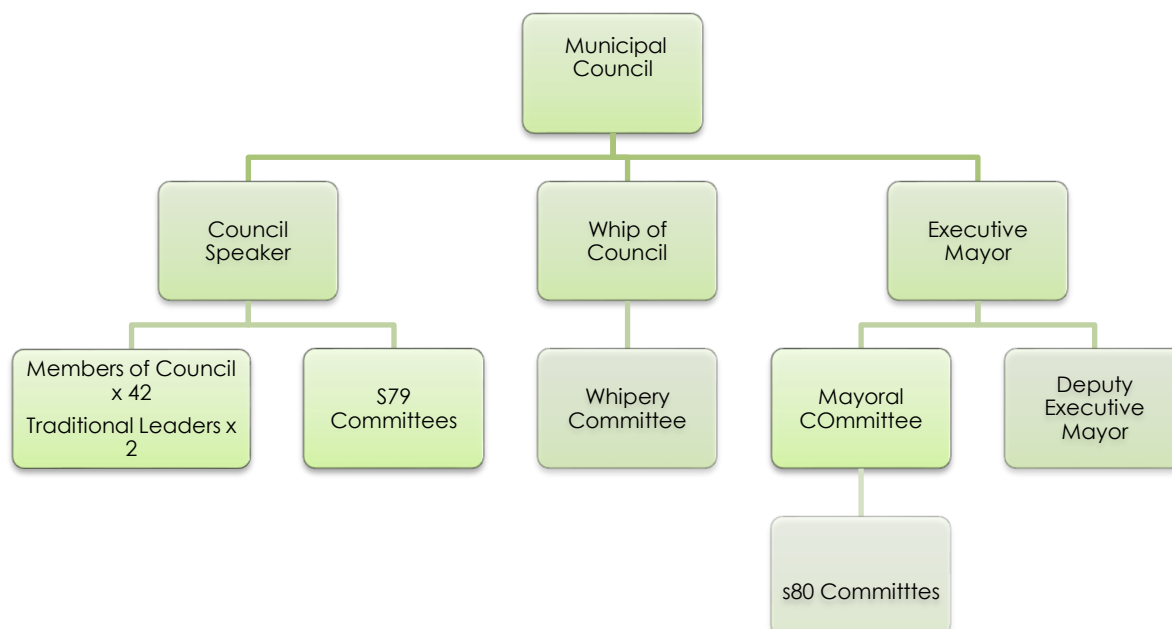
Powers And Function	ANDM	NLM	ULM	MLM	WMM LM
Water Service Authority and Provision (Water Services Act)	ANDM	ANDM	ANDM	ANDM	ANDM
Portable Water Supply	ANDM	ANDM	ANDM	ANDM	ANDM
Sanition	ANDM	ANDM	ANDM	ANDM	ANDM
Waster Treament Works Infrastructure	ANDM	ANDM	ANDM	ANDM	ANDM

Waste Water Management	ANDM	ANDM	ANDM	ANDM	ANDM
Electricity supply	No	Eskom	ULM	MLM	WMM LM
Solid Water Disposal	No	NLM	ULM	MLM	WMM LM
Access Roads	No	NLM	ULM	MLM	WMM LM
District Road Infrastructure	No	DoT	DoT	DoT	DoT
Municipal Environmental Health Services	ANDM	ANDM	ANDM	ANDM	ANDM
Municipal airports serving the area of the District Municipality as a whole	No	NLM	ULM	MLM	WMM LM
Firefighting Services	ANDM	ANDM	ANDM	ANDM/MLM	ANDM
The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of the Municipalities in the District	No	NLM	ULM	MLM	WMM LM
Promotion of local tourism for the area of the District Municipality		NLM/ANDM	ULM/ANDM	MLM/ANDM	WMM LM/ANDM

4.2.2. Municipal Structures

Alfred Nzo District Municipality (ANDM) is a category C municipality with a Mayoral Executive system as contemplated in sections 7 and 9 of the Local Government: Municipal Structures Act, Act 117 of 1998 as amended. Furthermore, the District Institutional arrangement is divided in two whereby there is Political Structure and Administration.

4.2.2.1. Political Structure



4.2.2.1.1. Political Support Structures

a. **Mayoral Committee which is headed by the Executive Mayor.**

To perform its duties, the Mayoral Committee is assisted by Portfolio Committees appointed in terms of Section 80 of the Municipal Structures Act of 1998. The Section 80 Committees are headed by Members of the Mayoral Committee (MMCs). Portfolio Committees are structured as follows:

Portfolio Committee	Functions
Infrastructure Planning and Development	1. Water Services Authority 2. Project Management Unit 3. Institutional Social Development (ISD)
Water Services Provision and Conservation	1. Water Service Provision 2. Water Conservation and Demand Management. 3. Building Maintenance and EPWP
Planning Economic Development	1. Local Economic Development 2. Town and Regional Planning 3. SMME Development
Disaster Management and Fire Services	1. Disaster Management & Rescue Services 2. Fire Services 3. Municipal Health Services 4. Customer Care
Budget and Treasury	1. Budgeting and reporting 2. Supply Chain Management 3. Revenue management
Corporate Services	1. Human Resource and Development 2. Information and Communication Technology. 3. Administration and Auxiliary Services
Monitoring and Evaluation	1. IDP and Performance 2. Risk Management 3. IA 4. Council and Whip Support Services 5. Executive Mayor's Office 6. Governance and Compliance 7. Legal 8. Environmental Management and Compliance
Communications and Mayoral Affairs	1. Special Programmes Unit 2. Communications 3. Mayoral Affairs Services

b. **S79 Committees**

These are oversight committees established in terms of Section 79 of the Municipal Structures Act of 1998.

- i. Rules and Ethics Committee
- ii. Municipal Public Accounts Committee (MPAC)
- iii. Women's Caucus
- iv. ICT Governance Committee

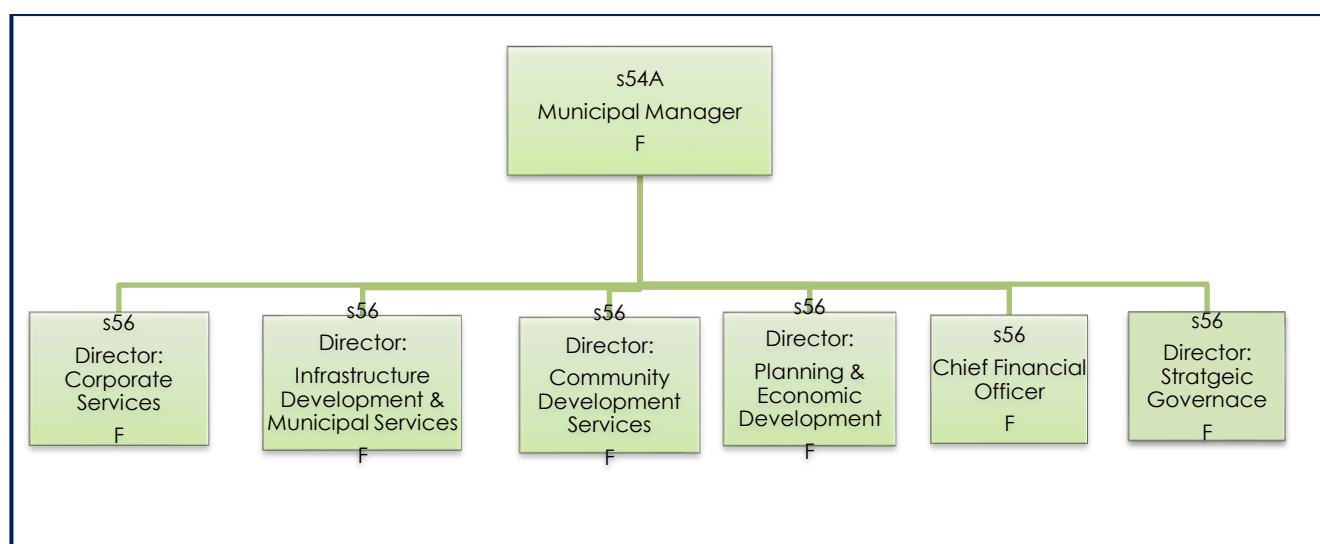
- v. Appeals Committee
- vi. Public Participation and Petitions Committee

c. **Audit and Performance Committee**

Council has also appointed an Audit and Performance Committee in terms of Section 166 of the MFMA which is an independent advisory committee of Council.

4.2.3. Municipal Top Administrative Structure (Macro)

The municipal Macro structure is composed of the Accounting Officer (MM) appointed in terms of s55 of the Local Government: Municipal Systems Act, 32 of 2000 as amended and Directors appointed in terms of s56 of the same act. These functionaries are appointed by Council to lead specific directorates/ departmentst within the municipality. Senior Management is comprised of the Municipal Manager, Directors, Chief Audit Executive, Head of Communications, Manager: Legal Services, Chief Risk Officer and Chief of Staff to the Executive Mayor. Seniro Management meet weekly and full management quarterly while departmental meetings sit monthly. These meetings amongst other things prepare for Portfolio Committee Meetings, Mayoral Committee and Council Meetings. Municipal Manager, Senior Managers sign Performance Agreements annually as commitment for attainment of IDP Startegic goals and objectives which linked to SDBIP (Annual Plan). Organisational Macro structure is presented below:



4.2.4. Staff Establishment

Alfred Nzo District Municipality recognises human capital planning as a critical sector plan of the

Integrated Development Plan (IDP) for attainment of the municipal vision. It is against this conviction that the municipality views it necessary to ensure that Staff Establishment is reviewed on annual basis and adopted concurrently with the IDP and Budget. Moreover, Staff Establishment has cost implications which must be recognised by the budget and alignment thereof remains necessary.

ANDM as part of planning procedures for 2024/2025 financial period performed assessment of s short to medium strategic and operational objectives and has developed Staff Establsihment would satisfy the functional needs of the institution. A full Staff Stablsihment as approved by Council was prepared and approved by Council, submitted to the MEC (CoGTA) in the province for comments as required by Local Government: Municip[al Staff Regualtions. The distriuct has a functional District Job Evaluation Unit (DJEU) which reviews Job Descriptions for all local municipalities and the district as part of Job evaluation process. The municipality has been receiving Job Evalaution outcomes from provincial Auidt Committee all such reports have been implemented without hesitation. Detailed Staff Establsihment as approved by Council is attached.

4.2.4.1. Staff Distribution Matrix

ANDM Staff Establishment (MSA, 32 of 2000 s66) aligned with **Powers and Functions** of the municipality and **IDP** (strategic Trust) for effective execution of its legislated mandate. In terms of regulation 5 (2) of **Local Government: Municipal Staff Regulations issued on the 20 September 2021 (No. 45181)**, stipulate four key dimensions of organizational design metrics to be complied by a municipality when determining Staff Establishment.

KPA	No. of post	%
Function	Core function	
Basic Service Delivery	343	56%
Local Economic Development	08	1%
Spatial Planning	06	1%
Total Core Function	357	58%
Function	Support Function	
Good Governance and Public Participation	34	5%
Financial Viability	93	15%
Municipal Institutional Development and Transformation	130	21%
Total Support	257	42%
Total	614	100%

4.2.4.2. Staff Distribution Matrix Core to Support ration analysis

The analysis of personnel distribution according to Core and Support revealed that ANDM is currently at **58:42** as opposed to the required ratio of **70:30**. This remains a very critical element is determining capabilities of the municipality to deliver services to the community. This clear directing the

municipality to direct human capital to service delivery departments than support departments. This is priority of Council in terms of s 152 of the Constitution (1996) and no compromise should be taken.

4.2.4.3. Staff Establishment financial implications

It shall be noted that financial implications currently demonstrate that the municipality's employee costs have reached maximum allowable financial ratios and norms as stipulated on the MFMA circular 71. The 2022/2023 Council approved adjusted budget indicate **38.6%** which is inclusive of possible salary increments and any applicable adjustments in the local government sector. The **38.6%** is exclusive of possible annual increment and other current demands on car allowances.

4.2.4.4. Vacancy Rate

The table below shows an approximation of vacant posts per department, though this remains a moving target due to ongoing recruitment and resignations.

Legendry

F	Filled
V	Vacant

Office of the Municipal Manager		Infrastructure Development Services		Community Development Services		Budget and Treasury Office		Planning & Economic Development		Corporate Services	
F	V	F	V	F	V	F	V	F	V	F	V
64	09	208	50	126	19	85	14	13	03	53	08

4.2.5. Municipal departments

The municipality has been structured in terms of six (6) departments linked to National Key Performance Areas (NKPAs). These departments are structured in terms of different functions in terms of Schedule 4 and 5 part B of the Constitution (1996). The municipality on an annual basis review the IDP, perform budget planning, review IDP sector plans and policies based on the specific functions of the municipality.

Department	Functions
Infrastructure Development & Municipal Services (IDMS)	
1. Responsible for Water and Sanitation Services	
2. Water Conservation and Demand Management.	

3. Maintenance of Water Schemes (WTW & WWTW)
4. Provision of Institutional Social Development (ISD).
Community Development Services
1. Disaster and Risk Management
2. Fire & Rescue Services
3. Responsible for Municipal Environmental Health Services.
Planning & Economic Development
1. Responsible Agriculture & forestry development
2. Manages Geographical Institutional Spatial (GIS) system
3. Responsible for manufacturing and trade
4. Responsible for development of trade and business services
5. Spatial Development Framework and Land Use management
Budget & Treasury Office
1. Responsible for Budgeting and Reporting
2. Consolidation of Annual Financial Statements
3. Revenue Collection, Debt Management
4. Manages lease and all municipal assets
5. Employee benefits
6. Financial disclosures
7. General financial governance
Corporate Services
1. Staff provisioning, conditions of service & employment equity
2. Training and development
3. Employee Wellness and Labour Relations
4. Institutional memory & Security management procedures
5. Provides legal support and advice
6. Individual PMS
7. External Busary
8. Provision of Information and Communication Technology
9. POPIA and Anti-Cybersecurity procedures
Office of the Municipal Manager
1. Responsible for development of IDP and monitoring and reporting on organisational performance.
2. Responsible for Risk management
3. Internal Audit
4. Design and implementation of IGR framework
5. Coordination of shared services with LMs
6. Compilation of SDBIP
7. Compilation of the Annual Report
8. Administrative support to Council and Council Committees.
9. Administrative support to assurance establishments
10. Environmental management and Compliance
11. Monitor compliance to Blue and Green Drop
12. Legal services
13. Administrative support to Political Office Bearers (PoB)
14. SPU and Youth development
15. Management of thusong Centres, museum, arts and culture.

4.2.6. Human capital Development Strategies and Policies

The municipality commissioned Work-Study process aimed at determining efficacy of the current Staff Establishment for the municipality to fully deliver on its mandate. This process included mapping of

current Staff Establishment with powers and function of the municipality, vigorous consultation with department and stakeholders to gather necessary information to allow proper analysis and conclusion. However, the Municipal Manager is duty bound to ensure that Staff Establishment is developed together with IDP and aligned to budget and comply with MFMA circular 71 and other relevant prescripts. Work-Study report was presented to Council and adopted. This process led to review of Staff Establishment from informed position. This process led to rationalisation of functions, new positions created, more capacity created on key service delivery functions.

Moreover, Human Resource Development Strategy developed was reviewed in line with municipal priorities, strategic goals and objectives as stated in the IDP review for 2024/2025 to support a holistic approach to human resource training and development. The HRD Strategy aims at regulating the development of competencies of staff through education, training and development. ANDM has acknowledged that shortage of certain skills remain as a critical challenge as a result intervention programmes to address the problem of skills shortage in the district will be explored for effective implementation, among other activities is learnership, skills programmes, Recognition of Prior Learning (RPL), Internships and bursaries, specialized training to support relevant sectors and local organizations. The strategy seeks to address the institutional requirements and challenges in the short, medium and long term in response to the long-term development goals of the Council. The strategy seeks to address the institutional requirements and challenges in the short, medium and long term. This strategy will be reviewed annually to maintain alignment with the IDP.

4.2.7. Skills Development Plan

ANDM has reviewed and approved a Workplace Skills Plan for the 2024/2025. The Workplace Skills Plan is developed and approved annually and submitted to LGSETA. The plan identifies training needs aligned to the scarce skills and IDP implementation processes. The municipality has a skills development function charged with a responsibility to provide accredited trainings and capacity building programs to employees of all municipalities, Councillors and the community members. This service is provided with due adherence to the Skills Development Act No. 97 of 1998, Skills development LEVY act 6 OF 1999, and Employee Equity act No 55 of 1998, and South African Qualification Authority Act No. 58 of 1995.

The Skills Development Unit is fully operational with all required personnel. Training committee is functional effective and meet quarterly and as when there is urgent matter/s. This committee deals with all training matters including implementing all training recommendations. The criteria which are followed by the committee for selection of candidates and trainees include needs skills audit, analysis,

prioritisation and approval by the committee. The committee also plays an effective role when it comes to compliance is adhere to by monitoring and oversight of training plan. The District implemented various training plans which focused on customer care, goverannace, financial management, management development programme and leadership, municipal governance, specialised technical skills, life skills, legal, LED and planning, Occupational Health and safety, administration, project management and computer literacy.

4.2.8. Employment Equity Plan (EEP)

According to section 19 (1) of the employment equity Act, a designated employer must conduct an analysis as prescribed, of its employment policies, practices, procedures and work environment in order to identify employment barriers, which adversely affect people from designated groups.

In order to conduct an analysis of policies, procedures and or practice, barriers are identified so that recruitment process respond to affirmative action measures established to address barriers.

Advertisement of vacancies to be linked to Employment Equity and gender and to be placed as widely as possible to ensure maximum access by the designated groups (within the financial means of the municipality).

Section 19(2) of the EEA requires that a designated employer must include a profile, as prescribed of the designated employer's workforce within each occupation level in order to determine the degree on under-representation of the people from designated groups in various occupational levels in that employer's workforce.

The Employment Equity Plan (EEP) was reviewed in preparations for 2024/2025 financial year with the support from Department of Employment and Labour (DEL). The reviewed plan was submitted to DEL online platform in order to update older version. The municipality understands that this is five year plan but as amunicipal culture all IDP sectors palns ar reviewed annually with or without changes. Employment Equity requirements are implemented through continuous assessment and improvement in employment equity and reports are provided to Council constantly and the DEL for minitoring. Eplyment Equity Committee further resolved that there should be one (1) representative of the committee during shortlisting and interview sessions to observe proceedings and predicaments contronting implementation of the plan.

4.2.9. Employment Equity Plan (EEP)

Council approved recruitment selection and appointment policy. The overall aim of the recruitment, selection and appointment process is to attract, obtain and retain people with required competencies at minimum cost in order to satisfy the Human Resources needs of the Council. The policy is aimed at giving effect to the Affirmative Action Policy Principles and adheres to the Employment Equity Act and the Labour Relations Act 66 of 1995. The policy covers fair and equitable recruitment, recruitment processes, recruitment procedure, selection and appointment process, as well as screening.

4.2.10. Scarce Skills Retention Plan

The municipality has reviewed and approved Scarce Skills Retention Plan (strategy) and policy simultaneously. The policy seeks to define and identify scarce skills in the context of ANDM. The purpose of the policy is to provide suitable incentives and recognition to staff in order to facilitate the provision of a working environment which is conducive to meeting the needs of staff and which will ensure that required talent is sourced, acknowledged and retained. Moreover, the policy establishes a committee comprised of functionaries to handle and adjudicate on different cases of retention procedures. The identified scarce and critical skills include the following:

Scarce Skills:

- a. Infrastructure planning and asset management
- b. Water services and Process Control
- c. Municipal finance
- d. Town and Regional Planning
- e. Internal Audit and Risk management
- f. Environmental Management and Compliance
- g. Civil engineering

4.2.11. Career management and Succession Planning

The municipality has reviewed and approved career management and Succession Planning policy. The policy asserts that incumbent and immediate Supervisors/Managers are required to implement career assessment through action plan to identified employees with potential. Career assessment will help in identifying skills gaps, and gaps in experience in order to determine the necessary steps to be taken, which will ensure that these incumbents achieve the necessary skills and experience necessary, to be able to be eligible for future positions of this nature. Training interventions and Formal Personal Development Plans are established and incorporated into the Performance Management System of the municipality thereby ensuring every effort is made towards realizing these aspirations

and potential.

4.2.12. Integrated Employee Assistance Program

The municipality adopted integrated Employee Assistance Program which is inclusive of Wellness program of the municipality. The policy is a demonstration of commitment from the employer to look after the physical, emotional, psychological and social well-being of its employees. To this end, an Employee Assistance Programme (EAP). The municipality established a wellness committee which in the main focuses on quarterly Employee Wellness program which ranges from Sport activities, medical assessments, debt counselling and psychological support programmes and cultural diversity activities.

4.2.13. Occupational Health and Safety

The municipality reviewed and approved Occupational Health and Safety Policy in line with Occupational Health and Safety Act, No. 85 of 1993. The municipality is committed to the safety of all its customers and employees and considers that in all circumstances safety is critical to the well-being of its customers and employees. It is the aim of the policy to prevent as far as possible any accident or injury to customers or employees. The District will strive at all times to improve safety conditions and handling methods in consultation with its customers and employees. This will be achieved through adherence to policy, occupational safety and health policy imperatives. The municipality has dedicated functionaries within the approved Staff Establishment focusing on monthly assessments of all municipal facilities including Water Treatment Works and vehicles to ensure compliance. The OHS Representatives have been appointed in all work sites and institutional OHS Committee has been established. OHS functionaries issue compliance notices to the implicated departments as and when transgressions are identified.

4.2.14. Employer/ Employee Relations

The municipality has a fully functional labour Relations function within Corporate Services department. Labour Relations function is responsible for counselling both employer and employee on matters with potential to strengthen relations and potential disputes. The municipality has a functional Local Labour Forum established in terms of the Main Collective Agreement which meets monthly and postponements are agreed to through signed agreement by parties. The municipality has two trade

unions SAMWU and IMATU and they proportionally represented in the LLF with SAMWU as majority.

4.2.15. Legal Services

ANDM has a fully fledged Legal Services function within the Office of the Municipal Manager. The municipality has approved Litigation Management Policy and Strategy and supporting Standard Operating Procedures (SoPs). Legal Services function deals with the development of contracts, service level agreement, legal compliance, monitoring the progress of litigations and provides legal advice to Council. External service providers deal with the litigations while the internal legal services section monitor progress of litigations.

4.3. Intergovernmental Relations

The municipality has a responsibility to coordinate government entities with the district for effective planning and reporting to communities and also to ensure that government efforts are complimentary other than duplication. This is inline with Intergovernmental relations Framework Act, No. 13 of 2005. The municipality adopted IGR policy and framework in line with the Act. Moreover, Necessary political and technical structures have been established and remain functional. The following structures are function within the district with the exception of District APC forum (DAPCF) which has not yet been formalised.

a. **District Mayor's Forum (DIMAFO)** – District Mayor's forum was established at political level led by the Executive Mayor. This structure convenes on quarterly basis and as and when there are urgent matters. DIMAFO is charged with a responsibility to address service delivery planning and provision matters and design system of cooperation of issues on common interest.

b. **District Speaker's Forum (DSF)** – This structure is convened quarterly and as when there are urgent matters. This forum is charged with responsibility to discuss matters that relate to public participation, partitions and general involvement of citizens in the overall systems of governance for advancement of democracy.

c. **District Whip's Forum (DWF)** – This structure is convened quarterly and as when there are urgent matters. This forum is charged with responsibility to discuss matters that relate to involvement of party

represented in Councils on driving the vision of the municipality and general consensus on policy positions and program of the municipality.

d. **Cluster/ Sector Fora** – These structures are convened by MMCs of different portfolios and charged with a responsibility to discuss areas of common interest and shared services.

e. **Technical Fora** – these structures are categorised in in to two forms – (1) MM's forum and (2) Sector technical forum. They serve as service delivery and shared services design instruments to inform political fora sessions.

f. **District Assurance Bodies Forum (DMPACF and DAPCF)** – These fora share experiences on improvement of systems of Good Governance and re-modelling of systems to secure public confidence to the government of the day. These fora are established through a district coordination process. The District MPAC forum is led by the ANDM MPAC Chairperson. The District Audit and performance Committee Forum has just been proposed as new structure to be established by CoGTA and Treasury though not formalised yet.

h. **Provincial fora** – The municipality participate in numerous provincial fora like Premier's Intergovernmental Forum, Political MuniMEC and related platforms aimed at coordinating the work of government in the province from different work spaces and sector. The municipality also partake in all IGR platforms convened by SALGA in the province.

4.4. District Development Model (DDM)

District Development model (DDM) undertake to coordinate all three spheres of government coordinate and integrate development plans and budgets and mobilise the capacity and resources of government and civil society, including business, labour and community, in pursuit of inclusive growth and job creation. The District Development Model aims to improve the coherence and impact of government service delivery at a district level. The District Development Model builds on the White Paper on Local Government (1998), which seeks to ensure that "local government is capacitated and transformed to play a developmental role".

The White Paper asserts that developmental local government "is local government that is committed to work with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives". Consequently, the DDM represents a concrete Intergovernmental Relations (IGR) mechanism to enable all three spheres of

government to work together, with communities and stakeholders, to plan, budget and implement in unison. This can be done through adoption of DDM “**One Plan**” and “**One Budget**”. The district established all DDM structures and managed to develop draft reviewed DDM (One Plan) document which has been tabled to Council together with this IDP for 2024/2025. A full DDM document for the district is annexed to this IDP as a separate document.

4.5. Fraud and Corruption Prevention Strategy

In South Africa fraud is commonly defined as the unlawful and intentional making of a misrepresentation which causes actual prejudice or which is potentially prejudicial to another. The Council reviewed and approved Fraud and Corruption Strategy Policy and Strategy for 2024/2025 which is reviewed annually as per municipal culture. The aim of the policy is to ensure that the Council invests its efforts in preventing fraud and corruption, rather than only responding to it. The policy requires all role-players within the municipality and dealing with the municipality to refrain from committing fraud and other acts of dishonesty against the institution assist in the nurturing of a fraud free environment at the work place, maintain absolute integrity in all dealings with the institution, comply with all internal controls, adhere to the principles and directives of the Code of Conduct and the Code of Ethics and the law.

The municipality worked with Provincial Treasury, CoGTA and investigative agencies in institutionalising Fraud and Corruption prevention plans within administrative systems.

The municipality identified and characterised the following Actions as constituting fraud and corruption.

- a. Embezzlement;
- b. Misappropriation;
- c. Theft;
- d. Falsification & Forgery;
- e. Overstatement of assets & income to conceal unauthorised transactions;
- f. Understatement of liabilities & expenses to conceal illegal transactions; or
- g. False and / or omitted disclosure,

The policy further seeks cooperation within the municipality and community at large of ensuring that its efforts to effectively combat fraud and corruption are a success. There is a dedicated contact line for reporting such events while remaining anonymous if elect to be unknown whistleblower.

4.6. Institutional Policies

The municipality reviewed and adopted policy instruments to support and strengthen internal controls and improve operational efficiencies. The following policies have been reviewed and approved.

Policies	Policies	Policies	Policies
13th cheque policy	Smoking policy	Auxiliary and Information Technology	Municipal Relations and Agreements Policy

Acting allowance Policy	Unauthorized absence policy	Email and Internet User Policy	Youth Policy
Code of conduct policy	Retention policy	ICT Framework	HIV and Aids Policy and TB
Records Management policy	Employee assistance programme policy	Agricultural Development Policy	Gender Policy
Telephone and cell phone policy	Gift, favors or reward policy	SMME Policy	Children's Policy
occupational health and safety policy	Hours of work policy	Tourism and Heritage Development Policy	Disability Policy
Consuming of alcohol or any abusive drugs-substance policy	Housing rental policy	Vuka Alfred Nzo Funding Policy	Communication Policy
Death of staff member policy	Implementation of new policies & procedures	Manufacturing Development Policy	Public Participation and Petitions Policy
Promotion policy	SMME Policy	GIS Policy	Council Rules and Orders
Sexual harassment policy	Tourism Policy	Municipal meetings and meetings procedures	Public Participation and Petitions Policy

4.7. Information Technology

The ICT strategy address all the challenges and the future plans, there is a disaster Recovery Plan in place and adopted by Council. There is an electronic records management system in place that is also used for achieving. There are systems in place and there are controls to ensure that there is security. All ICT policies were adopted by the Council and they are implemented accordingly.

CHAPTER FIVE: SERVICE DELIVERY

5.1. Water Service Authority and Provider

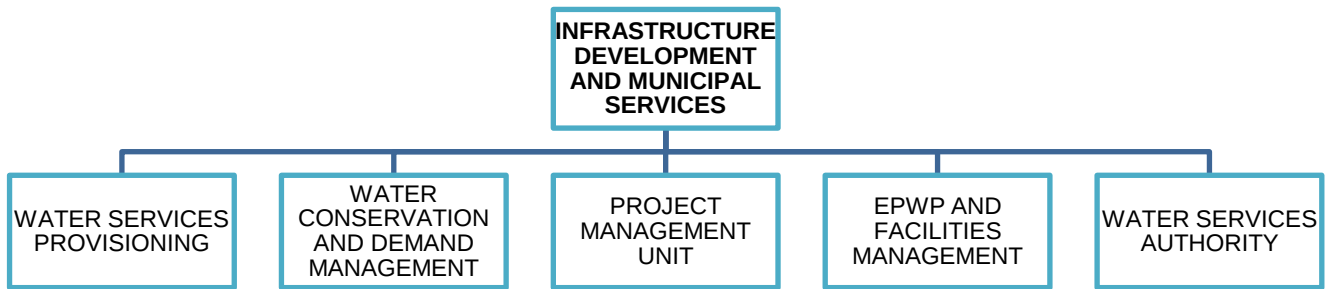
ANDM is a Water Services Authority (WSA) and Water Services Provider (WSP) established in terms of Water Services Act, No.108 of 1997. A Water Service Authority, defined as any municipality responsible for ensuring access to water service in the Act, may perform the functions of a Water Service Provider, and may also form a joint venture with another water services institution to provide water services. ANDM adopted the internal mechanism of provision of water services in accordance with section 76 of the Municipal Systems Act, Act 32 of 2000. This was done after the municipality followed the processes as outline in section 78 of the same Act. In providing water services, a water services authority must prepare a water service development plan (WSDP) to ensure effective efficient, affordable and sustainable access to water services. The WSDP should be in line with the catchment management strategy of that water management area. The plan provides a linkage between water services provision and water resources management.

The main duty of a water service provider is to provide water services in accordance with the Constitution (1996), the Water Services Act and by-laws of the water services authority and in terms of any specific conditions set by the water services authority in a contract. The main objectives of the Water Services Act (Act 108 of 1997) incorporate providing for the right of access to basic water supply and sanitation necessary to secure sufficient water and an environment not harmful to human health or well-being. Act also establishes the institutional arrangements for water services provision, and sets out the responsibilities for each of the institutions.

ANDM is legally responsible for the provision of water supply and sanitation to the community within its area of jurisdiction as stipulated in the Water Services Act (Act 108 of 1997) and abstracts water from a number of surface and groundwater sources as provided for in the National Water Act (36 of 1998). Water Services Authority, Water Services Provision and Project Management development functions of the municipality currently resides within the Infrastructure Development and Planning Services (IDMS) department in oversight is structured in terms of two Portfolio Committees which separates Water Services Authority and Water Services Provider (WSP).

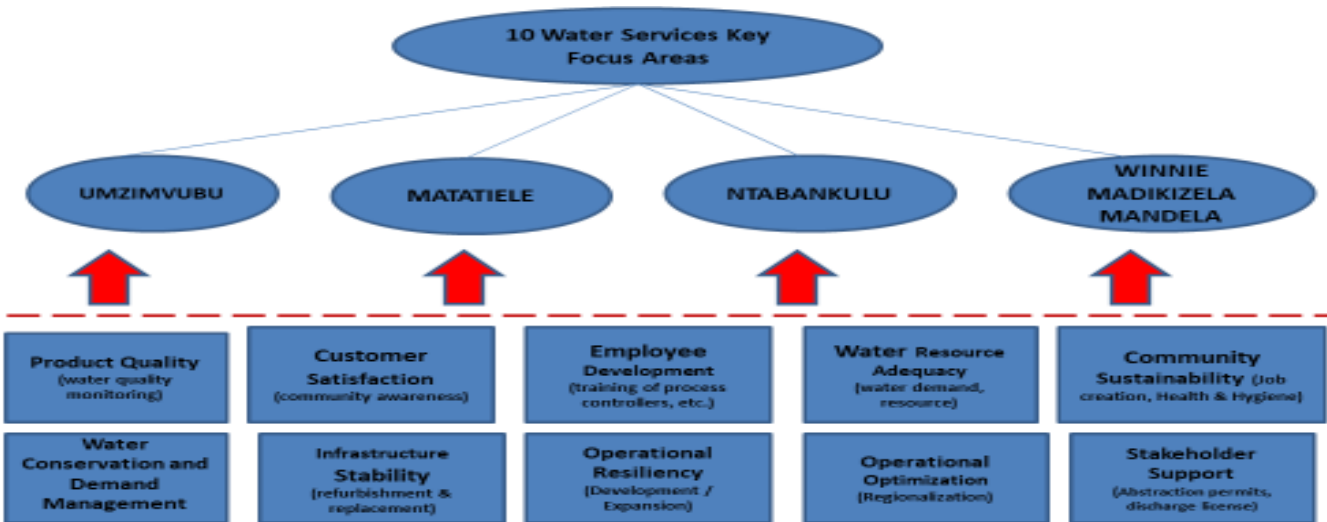
The Water Services Development Plan (WSDP) is a universal and broad infrastructure assessment and delivery plan to ensure that services are delivered as per the mandate of the municipality as a formal established WSA and WSP. A WSDP is a legal plan covering a 5-year planning horizon for water services. The WSDP also addresses institutional and financial aspects of the municipality, including the assurance of service delivery viability. ANDM WSDP has been reviewed with the support from Department of Water and Sanitation. The municipality has further reviewed Water and Sanitation

Master Plans which are key sector plans of the IDP. These plans give long-term projections for Water and Sanitation Demand informed Spatial Development frameworks of local municipalities and development plans of sector departments. The Infrastructure Development and Municipal Services department within the Municipality has 5 units:



Water Services Authority Unit

In terms of the Water Services Act, Act No. 108 of 1997, every water services authority has to all consumers to ensure efficient, affordable, economical and sustainable water services. This responsibility is subject to availability of resources. The WSA Unit is responsible for pre-engineering planning including compliance, technical reports and designs for projects. This unit is also responsible for developing water services bylaws, regulating access to water in an equitable way and ensure that the communities receive quality services. As a water services authority the municipality have the 10 key focus areas as stipulated below.



Roads Asset Management System

The WSA unit is also responsible for developing the Roads Asset Management System. The National Treasury, through the National Department of Transport, has allocated funding through the Rural Road Asset Management Systems Grant to the Alfred Nzo District Municipality. The strategic goal of the

RRAMS Grant is to ensure efficient and effective investment in municipal streets through the development of a road asset management systems (RAMS) and the collection of associated road and bridge inventory data, condition assessments and traffic information. Improved data on municipal roads & streets will guide infrastructure investment, improve accessibility to rural communities and also the mobility of these communities.

Project Management Unit (PMU)

The Municipality is a recipient of 3 water services infrastructure grants, namely; Regional Bulk Infrastructure Grant (RBIG), Water Services Infrastructure Grant (WSIG) and Municipal Infrastructure Grant (MIG). These grants are used for the implementation of water and sanitation capital projects. The PMU is responsible in the main with implementation of new MIG projects that are under construction and handover to WSP unit for operations and maintenance procedures. The municipality also has an ISD unit that plays a critical role in the facilitation and monitoring of water and sanitation services between the WSA and the WSP. ISD Unit also assists in community mobilization and awareness on introduction of new projects and support Project Steering Committees. ANDM water supply is characterized by house and yard connections in the urban areas and RDP standard 200m stand pipes) in the peri-urban and rural areas. However, the municipality will be implementing yard connections for all new projects that will commence in the 2024/2025 financial year in line with Department of Water and Sanitation norms and standards.

The Water Services Provisioning Unit under the IDMS department is responsible for providing potable water to the communities of the ANDM. This function entails operation and maintenance of water services infrastructure to ensure efficient and effective provision, Monitoring of water quality, refurbishment, repairs, replacement and rehabilitation of existing infrastructure. It is also responsible for minimizing water losses, water interruptions and sewer blockages. This is managed through external service providers for mechanical and electrical works and internal capacity with all local municipalities supported Area Managers and their respective teams. ANDM teams deployed to local municipal areas work with local municipalities on provision of services.

The municipality has since developed a profile of water schemes within the district and identified a number of schemes which are not reliable and dysfunctional. This process led to increase in the O&M budget in order to improve functionality of water schemes in the district. Moreover, the municipality has accepted that Ntabankulu and Umzimvubu local municipalities continue to have water outages in some instances water rationing is implemented which frustrates communities. The genesis of the problem is on reliable water source which is under consideration by Department of Water and

Sanitation (DWS).

Water Conservation and Demand Management Unit

The demand for water is growing due to communities no longer requiring water at RDP standards but at household or yard connections. This results in communities connecting illegal to the municipality's infrastructure and high non revenue water which results to high water losses. The sustainability of our water resources is threatened both in terms of quantity and quality. Unless the current water usage pattern is changed, water demand will continue to exceed existing available water resources. This then necessitates the Municipality in strengthening its water conservation and demand management strategies. The WCDM is a unit in its establishment stages with only 3 personell at the moment but intended to grow as the municiplaity's revue collection increases. This unit is fundamental in promoting water use efficiency, giving emphasis to the effective management of water resources. It encompasses strategies and initiatives to manage and save water as to meet the demand as well as increase the Alfred Nzo District Municipality (ANDM) water revenue with the following programmes: Water leak detection, Replacements, Upgrading & Installation of new bulk water meters, Instalations, Operation and Maintance of Telemetry / Scada systems in the ANDM for monitoring of infrastructure, Installation of Pressure Valves, Isolation and Air Valves, etc.

EPWP and Facilities Management Unit

EPWP is among the government policies aiming to alleviate poverty. It aims to provide an income relief through temporary work for the unemployed to carry out social beneficial activities. This unit is responsible for ensuring that all projects implemented by the Municipality create employment opportunities which are reported to the Department of Public Works and Infrastructure so as to ensure more incentives for the Municipality through the incentive grant. The unit is also responsible for ensuring that all municipal buildings are compliant to Building Regulations as well as Health and safety Standards and Regulations

The WSA Unit within IDMS is responsible for pre-engineering palning including compliance, technical reports and designs for projects. On the other side, WSP is responsible for Operations and Maintenance (O&M) of all water schemes. This is managed through external service provdiers for mechanicl and electrical works and internal capacity with all local municipalities supported Area Managers and their respective teams. ANDM teams deplaoyed to local municipal areas work with local municipalities on provision of services.

Project Management Unity is responsible in the main with implementation of new MIG projects that are under contcation and handpver to WSP for operations and maintenance procedures. The municipality also has an ISD unit that plays a critical role in the facilitation and monitoring of water and sanitation services between the WSA and the WSP. ISD Unit also assits in community mobilization and awareness on introduction of new projects and support Project Steering Committees. ANDM

water supply is characterized by house and yard connections in the urban areas and RDP standard 200m stand pipes) in the peri-urban and rural areas. However, the municipality will be implementing yard connections beginning 2024/2025 financial year in line with Department of Water and Sanitation guidance.

The municipality has since developed a profile of water schemes within the district and identified a number of schemes which are not reliable and dysfunctional. This process led to increase in the O&M budget in order to improve functionality of water schemes in the district. Moreover, the municipality has accepted that Ntabankulu and Umzimvubu local municipalities continue to have water outages in some instances water rationing is implemented which frustrates communities. The genesis of the problem is on reliable water source which is under consideration by Department of Water and Sanitation (DWS) as a responsible authority.

5.2. Water and Sanitation Backlogs

The Municipality has a challenge of huge water and sanitation backlogs. These are most high in the Ntabankulu and Winnie Madikizela Local Municipalities. In terms of its backlog eradication strategy the Municipality seeks to construct 4 dams across the 4 local municipalities. Whilst the WMMLM has a huge backlog in terms of the District, its resource has already been developed, which is the Ludeke Dam whilst other 3 local municipalities are still behind. The limiting factor for the municipality is the funding. Contributing to the huge backlogs, is what we term as “reverse backlogs”, wherein areas that already have infrastructure is non functional due to challenges such as drying of ground water sources. This is why the municipality has opted for construction of dams, which are still at feasibility stage. This section details Water and Sanitation backlogs in the district which presents a very bad picture.

Table 1: Water Backlogs

Local Municipality	Total Households	WATER			
		Households		Percentage	
		Served	Unserved	Served	Unserved
Matatiele	56 865	44 362	12 506	78%	22%
Umzimvubu	51 530	35 892	15 638	69,7%	30,3%
Ntabankulu	26 195	11 702	14 493	44,7%	55,3%
Winnie Madikizela-Mandela	61 383	24 107	37 276	39,3%	60,7%
Alfred Nzo District	195 976	116 063	79 913	59,2%	40,8%

Table 2: Sanitation Backlogs

Local Municipality	Total Households	SANITATION			
		Households		Percentage	
		Served	Unserved	Served	Unserved
Matatiele	56 865	35 811	21 057	63%	37%
Umzimvubu	51 530	35 695	15 835	69,3%	30,7%
Ntabankulu	26 195	19 192	7 003	73,3%	26,7%
Winnie Madikizela-Mandela	61 383	36 142	25 241	58,9%	41,1%
Alfred Nzo District	195 976	126 840	69 137	64,7%	35,2%

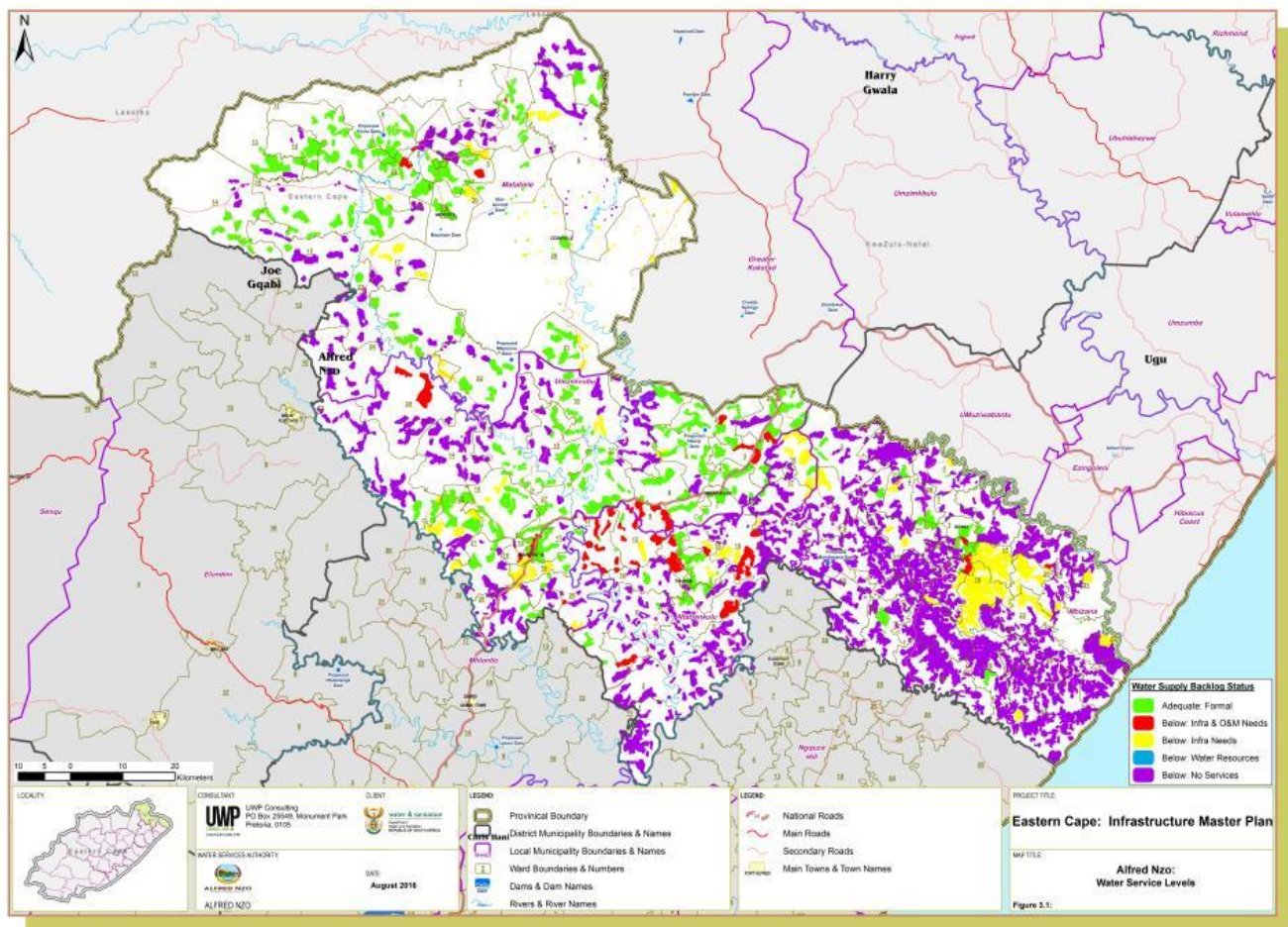
In 2017 the Municipality developed a water services master plan. In terms of the master plan the municipality needs to develop four regional schemes to ensure wall to wall coverage with water as per the table below. Each regional scheme will be supplied by a dam. Out of the 4 dams, the only dam that has been constructed is the Ludeke Dam which will supply the Winnie Madikizela Local Municipality. The cost that is required to implement all four regional schemes is estimated at R 20 billion. The four regional schemes are summarised in the table below. The current average allocation of the Municipality per MTEF is around R 450 million for MIG and an average of R 100 million for WSIG.

Table 3: Water Supply Intervention Areas

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

5.3. Water Supply Status

This section presents water supply status in the district, map present water backlog and identify areas where there are planning processes in place. The status is defined through different colours as follows, Purple – represents areas where there are no services at all (unserved households). This is a dominant colour in the map which explains backlogs as presented in the previous section. Water backlogs are dominant at Winnie Madikizela Mandela and Ntabankulu local municipalities.



The Municipality operates and maintains a total of over 417 water supply schemes which are composed of 896 km of bulk pipelines, 35 reservoirs and 38 pump stations. The water supply sources are the 4x major dams (Ludeke, Belfort, Ntenetyana, Matatiele & Ntabankulu) plus borehole water sources and surface water sources (weirs & springs). Majority schemes are rural or stand-alone schemes which are either diesel or electric. There are **8** Conventional Water Treatment Plants, 4 Packaged Water Treatment Plants, 4 activated sludge Wastewater Treatment Plants and **3** maturation ponds.

5.3.1. Status of Water Treatment Plants

LM	Name of WTW	Challenges	Current interventions	Further intervention required
WMMLM	Nomlacu WTW	Unable to meet required demand but is functional	Upgrade from 10MI/day to 20 MI/day	Future upgrades from 20MI/day to 30MI/day
Umzimvubu	Mt Ayliff WTW	None	None	None
	Mt Frere WTW	Unable to meet the current demand	Refurbishment if the one sand filter to improve the efficiency of	None

			the plant	
	Ntibane WTW	None	None	None
Matatiele	Matatiele Town	None	None	None
	Fobane	Need upgrade of the clear water storage.	None	None
Ntabankulu	Ntabankulu Town	None	None	None

5.3.2. Status of Waste Water Treatment Plants

LM	Name of WWTW	Challenges	Current interventions	Further intervention required
WMMLM	Mbizana Town WWTW	Incomplete due to funding challenges / shortfall	Currently upgrading ponds to be able to cope with the demand	Request has been made to CoGTA for additional funding.
Umzimvubu	Mt Ayliff WWTW	Treatment plant cannot meet the demand requires upgrade to cater for additional demand.	None	None
	Mt Frere WWTW	None	None	None
Matatiele	Matatiele WWTW	Treatment plant dysfunctional, can't cope with the demand, requires complete overhaul Need for a new treatment plant to be constructed.	Current refurbishment underway to bring the plant to a functional state. Planned project for a new plant not yet taken off.	None
Ntabankulu	Ntabankulu WWTW	There not enough personell to run the plant.	Budget to be made available for personell in the 2024/2025 financial year	None

5.3.3. Alfred Nzo District Municipality Towns Water Demand and Supply

Town	Daily Demand	Current Supply	Balance	Current / Required Intervention	Funding Required
Mt Frere (KwaBhaca) including peri urban villages	6 MI/day	3 MI/d (WTW capacity)	- 3MI/day	Drilling of boreholes in the town of Mt Frere to augment the supply Construction of 4,8 MI/day WTW under way	R 20 000 000
Mt Ayliff town (Emaxesibeni)	3,8MI/day	6 MI/day	-2,2 MI/day		
Matatiele Town Water Supply and surrounding areas (Harry Gwala, Mountain view & Dark City)	6 MI/day	4,5 MI/day	-1,5 MI/day	Construction of interim supply from Mountain Lake Dam Drilling of boreholes to supply ward 6 where the	R27,910,187

	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	MIG	Winnie Mandela LM	Mbizana Ward 29 & 30	R 22 500 000
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	WSIG	Winnie Mandela LM	Mxinga Water Supply	R 11 500 000
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	WSIG	Winnie Mandela LM	VIP toilets to ward 9 Envis village	R 2 614 969
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	WSIG	Winnie Mandela LM	VIP toilets ward 9 Zanokhanyo village	R 1 860 906
Goal 1: Basic Services Delivery and Community Empowerment and electrification	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	MIG	Matatiele	Fobane Water Supply	R 26 659 450
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	MIG	Matatiele	Tholamela Water Supply	R 20 000 000
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	MIG	Matatiele	Maluti Ramohlokoane Water Supply	R 15 000 000
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	MIG	Matatiele	Upgrading of Matatiele Ward 16	R 10 000 000
Goal 1: Basic Services Delivery and Community Empowerment and electrification	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	MIG	Ntabankulu	Completion of Ntabankulu Ward 14	R 5 000 000

	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	MIG	Ntabankulu	Matatiele Ward 17 & 18 Water Supply	R 31 000 000
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	PMU	MIG	Ntabankulu	Source Augmentation of Bomvini Nyokweni Water Supply Phase 3	R 39 594 150
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	PMU	WSIG	Ntabankulu	Luncedweni Phase 2 Water Supply	R 5 000 000
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	PMU	WSIG	Ntabankulu	Refurbishment of Mhleleni WTW	R 15 500 000
Goal 1: Basic Services Delivery and Community Empowerment and electrification	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	MIG	Umzimvubu	Completion of Umzimvubu Ward 14 project	R 5 000 000
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	MIG	Umzimvubu	Umzimvubu Ward 3 & 17 Water Supply	R 35 000 000
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	WSIG	Umzimvubu	Refurbishment of Mt Frere Bulk Sewer	R 8 000 000
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	PMU	WSIG	Umzimvubu	Refurbishment of Sewer upgrade	R 13 600 000
Goal 1: Basic Services Delivery and Community Empowerment and electrification	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	WSIG	Matatiele	Refurbishment of Matatiele Sewer	R 9 600 000

	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	WSIG	Matatiele	Matatiele Ward 15 Lihaseeng	R 3 410 710
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	PMU	WSIG	Matatiele	Matatiele Ward 15 Mahlabateng	R 4 220 762
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	PMU	WSIG	Matatiele	Matatiele Mngeni Source Development	R 2 000 000
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027	PMU	WSIG	Matatiele	Matatiele Coshet / Tsenula	R 2 000 000
	To build, maintain and provide access to improved, sustainable and modernized infrastructure to the community by 2027.	PMU	MIG	Matatiele	Upgrading of water supply and storage for ward 16 in Matatiele lm: implementation phase	R10 000 000

5.4.2. Water Bulk Infrastructure Planning and Development

5.4.2.1. Department of Water and Sanitation (DWS)

Ref. No.	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
EC008	Greater Mbizana Regional Bulk Water Supply Scheme Phase 2	Regional Bulk Infrastructure Grant (RBIG Schedule 6B)	Winnie Madikizela Mandela Ward 1, 5, 17, 18, 26 and 27	31/3/2026	Construction	R159 400 000
	Kinira Dam - Matatiele Regional Bulk Water Supply Scheme	DWS - Goods and Services	Matatiele LM	31/3/2027	Planning	R 6 792 662

5.4.3. Roads, School Sanitation and Electricity Infrastructure Development Plans

5.4.3.1. Winnie Madikizela Mandela Local Municipality

5.4.3.1.1. Roads and Bridges Infrastructure.

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Mhlabomnyama Via Makhalweni to Plangeni Access Road	MIG	Ward 15 (Mhlabomnyama, Makhalweni, Plangeni)	12 months	Planning	R4 700 000,00
Mtambvuna to Mabheleni Via Ndayingana Access Road	MIG	Ward 5 (Mthamvuna Mabheleni)	12 months	Planning	R5 100 000,00
Mkhasweni Access Road	MIG	Ward 16 (Mkhasweni)	12 months	Planning	R4 783 164,41
Sunny side Access Road	MIG	Ward 26 (Sunny Side)	12 months	Planning	R4 580 891,17
Nyanisweni Access Road	MIG	Ward 30 (Nyanisweni)	12 months	Planning	R4 708 831,82
116 to Somgungqu to Khwanyana Access Road	MIG	Ward 19 (Khwanyana)	12 months	Planning	R3 806 770,90
Ndlavini Access Road	MIG	Ward 32 (Ntlavini)	12 months	Planning	R5 200 000,00
Lukhanyo Access Road	MIG	Ward 03 (Lukhanyo)	12 months	Planning	R 4 700 000,00
Khutshi to Voting Station Access Road	MIG	17 (Khutshi)	12 months	Planning	R4 859 675,24
Cabane Crestu Access Road	MIG	27(Cabane)	12 months	Planning	R3 321 624
Mbuthweni to Nokhatshile A/R	MIG	02 (mbuthweni & Nokhatshile)	12 months	Planning	R3 000 000
Rehabilitation of 3 Bridges	MIG	Ward 27 (Thaleni), Ward 21 (Ntinga), Ward 29 (Pele-Pele)	12 months	Planning	R10 528 786
Construction of 1 Community Hall, 1ECDC and Construction of multipurpose centre	MIG	Ward 1, 7, 32 (Town)	12 months	Planning	R18 400 000
CBD Infrastructure upgrade	MIG	Ward 1 (CBD)	12 months	Planning	R3 600 000
Maintenance of gravel access roads (90 Km)	MIG	All Wards	12 months	Planning	R18 322 734

5.4.3.1.2. Electrification projects

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Electrification of Nomalcu Ph3	INEP	26 (Nomalcu)	12 months	Planning	R13 700 000
Electrification of Matwebu Village	INEP	30 (matwebu)	12 months	Planning	R5 700 000.00
Electrification of Nkanini Village	INEP	01 (Nkanini)	12 months	Planning	R5 500 000.00
Mazweni Preengineering	INEP	31 (Mazweni)	12 months	Planning	R0.00

5.4.3.1.3. Eskom electrification Projects

Project Name	Funding Source	Ward & Villages	2024/25 FY Budget
Mbizana Ext Phase 1 (Makhwantini)	Internal (Eskom)	191 (Lusindisweni, Jama, Nzaka & Ngodini)	R6 667 500.00
Mbizana Ext Phase 1 Pre-engineering (2025/26 plan)	Internal (Eskom)	N/A	R1 200 000.00
Mbizana schedule 5B pre-engineering	Internal (Eskom)	N/A	R192 000.00
Ludeke / Mzintlava 22kv feeder bay	Internal (Eskom)	N/A	R1 000 000.00
Mbizana – Ludeke / Mzintlava 15km line	Internal (Eskom)	N/A	R4 000 000.00
Zwelethu / Port Edward 22kv feeder bay at Zwelethu substation	Internal (Eskom)	N/A	R1 000 000.00
Zwelethu / Taweni Network Reconfiguration link line	Internal (Eskom)	N/A	R2 236 000.00

5.4.3.1.4. Human Settlements

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Mbizana - Down Town - Phase 1	Internal	Ward 1 (Down town)	12 months	Planning	R100 000.00
Mbizana (Phase 2) 150 subs	Internal	Ward 18 & 26 (Nyaka & Nomlacu)	12 months	Running	R4 420 000
Mbizana (Phase 2) 250 subs	Internal	Ward 15;19 &20 (khanyayo, Ntlozelo & Redoubt)	12 months	Running	R700 000
Mbizana 200 subs	Internal	Ward 22 & 23 (lukholo & Zikhuba)	12 months	Running	R1 290 000

Mbizana Destitute 200 subs	Internal	21 & 29 (Greenville & Lugwijini)	12 months	Running	R1 530 000
Mbizana Destitute - 200 subs	Internal	Ward 25 (Xholobeni)	12 months	Running	R4 930 000
Mbizana - Military Veterans 27 subs - Phase 1	Internal	Various wards	12 months	Running	R680 000
Mbizana - Nkantolo 500	Internal	Ward 27 (Silangwe/Nkantolo)	12 months	Running	R1 700 000
Mbizana - Nqabeni 57 (10) Emergency	Internal	Ward 9 (Nqabeni)	12 months	Running	R1 700 000
Mbizana - Rural Destitute 160 Units - Phase 1	Internal	Various Wards	12 months	Running	R325 000
Mbizana Zinini Ph 2 - 150 Subs - Phase 2	Internal	Ward 7 (Zinini)	12 months	Running	R850 000
MPCC Nkantolo	Internal	Ward 27 (Nkantolo)	12 months	Running	R20 000 000
Highland	Internal	Ward 1(Hiland)	12 months	Running	R3 337 000

5.4.3.1.5. Public Works and Infrastructure

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
KwaNikhwe (Construction of Classrooms)	Internal	Ward 17 (Nikhwe)	12 months	Planning	R2 470 326, 50
Emdeni PS (Construction of Classrooms)	Internal	Ward 4 (Mdeni)	12 months	Planning	R2 940 000, 00
Upgrading of Greenville Hospital (R500m)	internal	Ward 21	36 months	Planning	R500 million
Nokhatshile Clinic	Internal	Ward 2	12 mnoths	Planning	R10 million

5.4.3.1.6. Department of Transport

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Blading and Tipping (40 km and 6 Km)	Internal	30, 14, 15, 25 (Matwebu to Mtentu)	12 months	Planning	Inhouse

5.4.3.2. Matatiele Local Municipality

5.4.3.2.1. Roads and Bridges Infrastructure.

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Mafube-Nkosana AR and Bridge	MIG	Ward 8	12 months	Planning	R2 800 000
Construction of 12,4 km Lekhalong via Magema -Outspa	MIG	Ward 14 and 27	12 months	Planning	R7 577 265,45
Mahasheng AR & bridge	MIG	Ward 14	12 months	Planning	R6 328 019,17
Planning of Matatiele Disaster & Fire Management Centre	ES	Admin	12 months	Planning	R1 035 000
Epiphany, Afsondering, Mahangwe and Matatiele Sports field	MIG	Ward 06	12 months	Planning	R1 035 000
New Stance Access Road	MIG	Ward 25	12 months	Planning	R4 218 000
Potlo AR	MIG	Ward 12	12 months	Planning	R3 192 000
Nkungwini-Ngudla Access road	MIG	Ward 18	12 months	Planning	R 4 728 799
Fatima AR	MIG	Ward 14	12 months	Planning	R2 280 000
Ramafole access road	MIG	Ward 24	12 months	Planning	R1 710 000
Construction of St Paul's Concrete Slab	MIG	Ward 25	12 months	Planning	R500 000
Malubaluba AC	ES	Ward 10	12 months	Planning	R 555 000
Lunda AC 2,3km ward 10	ES	Ward 10	12 months	Planning	R 1 368 500
Tholang AR 3km at	ES	Ward 1	12 months	Planning	R 1 500 000
Nkululekweni AR 7,7km at ward 03	ES	Ward 3	12 months	Planning	R 3 465 000
New Resh AR 4km at ward 09	ES	Ward 9	12 months	Planning	R 2 000 000
Mafaise AR 6km at ward 12	ES	Ward 12	12 months	Planning	R 3 250 000
Bhakaneni AR	ES	Ward 6	12 months	Planning	R 2 000 000
Shepered's Hope ward 16	ES	Ward 16	12 months	Planning	R 2 000 000
Buxton Park Bridge at ward 19	ES	Ward 19	12 months	Planning	R 2 500 000

Chere Mahareng 8km at ward 13	ES	Ward 13	12 months	Planning	R 4 000 000
Mdeni AC 2,2km and bridge	MDRG	Ward 3	12 months	Planning	R 9 335 022
Mvenyane AC 7,5km and bridge	MDRG	Ward 21	12 months	Planning	R 900 000
Lugada to Mahlabathini 13,1 km AR and Bridge at ward	MDRG	Ward 17	12 months	Planning	R 10 224 227
Mountain Lake Access Road	CRR		12 months	Planning	R 3 864 876
Rehabilitation of Side walks	ES	Ward 19	12 months	Planning	R1 500 000
Mngeni Bridge	MDRG	Ward 7	12 months	Planning	R 4 064 731

5.4.3.2.2. Department of Transport

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
DR08066 (DR08013-TSWELIKE)	Internal	Not Stated	12 months	planning	R6 270 000
DR08077 (R56-LIKHETLANE)	Internal		12 months	planning	R18 700 000
DR08013 (MALUTI-RAMATSILISO BOARDER GATE)	Internal		12 months	planning	R9 210 000
DR08415 (DR08646-MEHLOLOANENG)	Internal		12 months	planning	R5 580 000
DR08503 (R56-LINOTSING/MAQHATSENG)	Internal		12 months	planning	R720 000
DR08084 (R56- NCOME SPRING)	Internal		12 months	planning	R8 070 000

5.4.3.2.3. Eskom electrification Projects

Project Name	Funding Source	Ward & Villages	2024/25 FY Budget
Matatiele Municipality Pre-eng (2025/26)	Internal (Eskom)		R 1 200 000
Matatiele Schedule 5B Pre-Engineering	Internal (Eskom)	N/A	R 362 210
Matatiele Ph 1 Lukholweni	Internal (Eskom)	Felleng,Jabulani, Khutsong, Mapeng, Mbobo, Nkosana, Tsekong	R 21 294 000
Matatiele South Link Line	Internal (Eskom)	N/A	R 1 600 000

Matatiele Infills Type 1	Internal (Eskom)	N/A	R 1 560 000
Matatiele Municipality Pre-eng (2025/26)	Internal (Eskom)	N/A	R 1 200 000

5.4.3.3. Umzimvubu Local Municipality

5.4.3.3.1. Roads and Bridges Infrastructure

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Ntutha Community Hall	MIG	Ward 21(Ntutha)	12 months	Planning	R3 000 000
Gugwini Community Hall	MIG	Ward 3 (Gugwini)	12 months	Planning	R3 000 000
Sipilini Community Hall	MIG	Ward16 (Sipilini)	12 months	Planning	R3 000 000
Mvakomzi AR Maintenance	CAP	Ward 1 (Mvakomzi)	12 months	Planning	R1 700 000
Sikolweni AR Maintenance	CAP	Ward 6 (Sikolweni)	12 months	Planning	R2 600 000
KwaNyathi to Mnambithi AR new	CAP	Ward 2 (KwaNyathi, Mnambithi)	12 months	Planning	R2 800 000
Mnqwane AR Maintenance	CAP	Ward 4 (Mnqwane)	12 months	Planning	R1 800 000
Bhonga AR Maintenance	CAP	Ward 5 (Bhonga)	12 months	Planning	R2 100 000
Nyathini AR and bridge	CAP	Ward 2 (Nyathini)	12 months	Planning	R2 200 000
Nxhashini AR Maint	CAP	Ward 10 (Nxhashini)	12 months	Planning	R1 800 000
Magontsini AR Maintenance	CAP	Ward 11 (Magontsini)	12 months	Planning	R1 900 000
Lutateni AR Maint	CAP	Ward 12 (Lutateni)	12 months	Planning	R1 850 000
Mt White AR new	MIG	Ward 13 (Mt White)	12 months	Planning	R3 000 000
Nqalweni AR Maintenance	CAP	Ward 14 (Nqalweni)	12 months	Planning	R1 700 000
Mpungulelweni AR	MIG	Ward 14 (Mpungulelweni)	12 months	Planning	R5 800 000
Ntenetyana - Godola AR Maint	CAP	Ward 15 (Ntenetyana, Gdola)	12 months	Planning	R2 100 000
Ncunteni AR Maint	CAP	Ward 17 (Ncunteni)	12 months	Planning	R2 200 000
Bhakaleni to Sekileni via Mqoma AR	MIG	Ward 19 (Bhakaleni, Sekileni & Mqoma)	12 months	Planning	R8 326 997
SDA - Magwaca AR Maint	CAP	Ward 23 (magwaca)	12 months	Planning	R2 500 000
Velem via Mthonjeni - Gamakhulu AR Maint	CAP	Ward 22 (Velem, Mthonjeni, Gamakhulu)	12 months	Planning	R2 600 000

Ngojini via Ngxongo AR Maint	CAP	Ward 24 (Ngojini, Ngxongo)	12 months	Planning	R2 200 000
Mnxekazi AR Maint	CAP	Ward 25 (Mnxekazi)	12 months	Planning	R2 600 000
Mbodleni, Bhibha via Cabazi AR Maint	CAP	Ward 27 (Mbodleni, Bhibha, Cabazani)	12 months	Planning	R2 400 000
Completion of Phase 8 Kwabhaca surfacing	MIG	Ward 18 (Town)	12 months	Planning	R18 050 511
Reconstruction and rehabilitation of AR - Ngqumane AR, Lubhacweni AR and Gxaku AR - Disaster roads	MDRG	Wards 6, 10, 17 & 23 (Ngqumane, Lubhacweni, Gxaku)	12 months	Planning	R6 500 000
Mhlozini AR Maint	CAP	Ward 10 (Mhlozini)	12 months	Planning	R1 700 000
Tholeni AR New	MIG	Ward 20 Tholeni)	12 months	Planning	R5 800 000
Lower Cabazana Community Hall	MIG	Ward 26 (Lower Cabazana)	12 months	Planning	R3 000 000
Mpungulelweni AR and Bridge - 4.2 km	MIG	Ward 14 (Mpungulelweni)	12 months	Planning	R6 000 000
Tyindirha bridge - disaster project	MDRG	Ward 13 (Tyindirha)	12 months	Planning	R3 500 000
Mqhokweni bridge - disaster project	MDRG	Ward 06 (Mqhokwe)	12 months	Planning	R2 500 000
Silindini bridge extension	CAP	Ward 06 (Silindini)	12 months	Planning	R4 000 000

5.4.3.3.2. Electrification Projects/ Program

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Bhubesini Electrification - 21 h/h	INEP	Wards; 04, 07, 11, 20, 21, 23 & 28 (Bhubesini, Debedebe, Mtshikawuze, Ntelezini, Rode, Santombe, Sixhotyeni, Kumhlokwana, Emadameni & langeni)	12 mnoths	Planning	R22 728 000
Debedebe Electrification - 25 h/h	INEP		12 mnoths	Planning	
Mtshikawuze Electrification - 100 h/h	INEP		12 mnoths	Planning	
Ntelezini Electrification - 117 h/h	INEP		12 mnoths	Planning	
Rode electrification - 68 h/h	INEP		12 mnoths	Planning	
Santombe Electrification - 154 h/h	INEP		12 mnoths	Planning	
Sixhotyeni Electrification 115 h/h	INEP		12 mnoths	Planning	
Kumhlokwana Electrification - 37 h/h	INEP		12 mnoths	Planning	
Emadameni Electrification - 81 h/h	INEP		12 mnoths	Planning	

Langeni Electrification - 30 h/h	INEP		12 mnoths	Planning	
Completion of Mpondomise Phase 3 Electrification	INEP	Ward 23 (Mpondomise)	12 mnoths	Planning	R5 000 000

5.4.3.3.3. Human Settlements

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Cabazana A 181 rural housing project	HS	Ward 26 (Cabazana)	12 months	Planning	R20 535 000
Cabazana B 181 rural housing project	HS	Ward 26 (Cabazana)	12 months	Planning	R20 535 000
Cancele 30 rural housing project	HS	Ward 21 (Cancele)	12 months	Planning	R 5 550 000
Dundee 34 rural housing project	HS	Ward 26 & 3 (Dundee)	12 months	Planning	R6 290 000
Nguse 123 rural housing project	HS	Ward 12 (Nguse)	12 months	Planning	R13 875 000
Nkungwini 39 rural housing project	HS	Ward 19 (Nkungwini)	12 months	Planning	R7 215 000
Nqalweni / Matyeni 163 rural housing project	HS	Ward 14 (Nqalweni / Matyeni)	12 months	Planning	R12 950 000
Qadu 160 rural housing project	HS	Ward 5 (Qadu)	12 months	Planning	R14 800 000

5.4.3.3.4. Human Settlements Public Works and Infrastructure

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Emaxesibeni Office Present (Phase: One: Bulk Service (Civil works and earth works))	DPWI	Ward 28 (Mt AyliffTown)	8 months	implementation	R48 million
Emaxesibeni Office Present:Phase: Two: Block A for DoT and DoHS	DPWI	Ward 28 (Mt AyliffTown)	36 months	Implementation	R94 million
Solar Installation at Mt Frere Office Cluster DoE		Ward 18 (Mt Fere Town Sophia)	8 months	Planning	R5 million

5.4.3.4. Ntabankulu Local Municipality

5.4.3.4.1. Roads and Bridges Infrastructure

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Construction of 2,2km Mzwakazi Access Road & Bridge	MIG	Ward 9 (Nzwakazi)	12 months	Planning	R3,376,744.48

Construction of 2.44km Ntabankulu Internal Street	MIG	Ward 10 (Town)	12 months	Planning	R4 805 076,37
Construction 8,5km Zwelitsha to Town Access Road	MIG	Ward 10 (Zwelitsha)	12 months	Planning	R7 749 087,32
Construction 9, 9 km Gxwaleni to Maliwa Access Road and two (2) Bridges.	MIG	Ward 18 (Gxwaleni, Maliwa)	12 months	Planning	R9 441 733,68
Construction of 7,5 km Mnceba to Ntshamanzi Access Road and two (2) Bridges.	MIG	Ward 10 (Mnceba, Ntshamazi)	12 months	Planning	R10 000 000
Construction 2km of Mbedula to Mnyasa access road	MIG	Ward 17 (Mbedula, Mnyasa)	12 months	Planning	R1 590 005,52
Construction of 330 m Paved Access Road to traffic offices	MIG	Ward 10 (Town)	12 months	Planning	R10 000 000
Upgrading of 9300m2 CBD sidewalks	MIG	Ward 10 (Town)	12 months	Planning	R10 000 000
Rehabilitation of 8km Zanolhanyo Access Road	MDRF	Ward 18	12 months	Planning	R2 722 728

5.4.3.4.2. Electrification Projects/ Program

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Installation of Electrification Infrastructure for 217 extensions & infills in various wards and installation of link line 10 km link in Habhu	INEP	Ward 01	12 months	Planning	R9 879 000

5.4.3.4.3. Human Settlements Projects/ Program

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Construction of 86 Housing Units in Bomvini village	HS	Ward 8 & 9 (Bomvini)	12 minutes	impementation	R11 137 000
Construction of 88 Housing Units	HS	Ward 8 & 9 (Bomvini)	12 minutes	impementation	R11 396 000
Construction of 93 housing Units in Ngqane village in ward 16	HS	Ward 16 (Ngqane)	12 minutes	impementation	R12 043 500
Construction of 77 housing Units	HS	Ward 9, All villages	12 minutes	impementation	R9 971 500
Construction of 50 housing units	HS	Ward 1, All villages	12 minutes	impementation	R6 475 000,00
Construction of 50 housing units	HS	Ward 4, 4 villages	12 minutes	impementation	R6 475 000
Construction of 50 housing units in Ward 14 villages	HS	Ward 14, all Villages	12 minutes	impementation	R6 475 000

Construction of Zamukulungisa Pre-School	HS	Ward 1 (Zamukulungisa)	12 minutes	Planning	R2 297 700
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5.4.3.4.4. Department of Sports, Recreation, Arts and Culture

Project Name	Funding Source	Ward & Villages	Project Time frame	Project Status	2024/25 FY Budget
Construction of Ntabankulu Sports field phase 3	DSRAC	Ward 10	12 months	Planning	R10 000 000

CHAPTER SIX: SPATIAL DEVELOPMENT

6.1. Spatial Development Framework

Spatial planning in the Alfred Nzo District Municipality occurs within the national and provincial policy directives, and sets the agenda for planning at a local level. The national policy framework includes the Constitution of the Republic of South Africa, various pieces of legislation that give effect to the intentions of the Constitution in respect of spatial planning, and the associated policies that outline the spatial transformation and development agenda. Provincial policy includes the Eastern Cape Provincial Growth and Development Strategy and the accompanying Spatial Development Plan.

The municipality reviewed and adopted Spatial Development Framework (SDF). The review of the SDF was informed change in trends in the environment, introduction of Eastern Seaboard Development. The focus of the latest review was updating the spatial information and maps contained in the document. Provisions of the Spatial Planning and Land Use Management Act, No. 16 of 2013 and compliance with SDF guidelines was also taken into account.

6.2. Spatial Planning

Since the beginning of the new democratic era in South Africa, the notion of spatial planning has become an integral part of the development planning and transformation discourse. The Constitution (Schedule 4 Part B) bestows this responsibility to local sphere of government. In the interim, municipalities give effect to this mandate through the Development Facilitation Act, Act No. 67 of 1995 and the Municipal Systems Act, Act No. 32 of 2000. The latter requires a municipality to prepare and adopt an SDF as part of its IDP.

Spatial planning is a shared function between the district and the local municipalities with the former focusing mainly on cross-border issues, bulk infrastructure and regional economic development. ANDM Spatial Development Framework (SDF) provides an overview of the district spatial development trends and patterns, and outlines strategies for spatial transformation at a district level. ANDM SDF adopts service centres (service node hierarchy) approach and accordingly identify primary, secondary and tertiary nodes. Matatiele is the only primary node, while Emaxesibeni, KwaBhaca, Ntabankulu and Bizana all serve as secondary nodes.

Tertiary nodes include Maluti, Cedarville. Existing rural service nodes within Alfred Nzo District Municipality include Mzamba, Queens Mercy, Nkali and Thaba Chitja. Emerging Nodes within the district include KuBha, Phakade Junction, Phuthi Junction, Sipetu, Ematolweni, Ndakeni, (Lukholweni), Cancele, Sphambukeni (Nophoyi), Phuthi, Isilindeni, Phakade, Bomvini, Kubha, Ndlovu, and Mgungu. This recognises the role of these towns as service centres and commercial hubs for a large part of the district, and a strategic link with towns outside the district. The N2 which runs in a north-south direction linking the Eastern Cape and KwaZulu-Natal provinces serves as the primary

corridor and main access route to the district while R56 and R61 are identified as secondary corridor.

6.3. Environmental Management and Compliance

The aim of the law is to facilitate cooperative environmental governance by setting out principles for decision-making on environmental matters, establishing institutions to promote collaborative governance, outlining procedures for coordinating environmental functions carried out by state entities, and addressing related matters. The ADN exhibit features of environmental sensitivity, including crucial biodiversity areas (terrestrial, freshwater, and aquatic), wetlands, and watercourses that must be considered when formulating the SDFs and suggesting spatial interventions. Due to the prevalence of these environmental sensitivities, Environmental Impact Assessments, Water Use Licenses, and other necessary approvals are required for the Alfred Nzo District Municipality.

The Environmental Management Plan for Alfred Nzo District fulfils, in part, the requirements of the National Environmental Management Act (NEMA) of 1998. It was prepared as a means to promote sound environmental management and promote sustainable land use practices within the district. It provides a comprehensive picture of the status of the environment, and outlines a strategic direction for environmentally sustainable development and effective management of the natural resources.

It adopts a long-term vision, but also identifies short to medium term actions that need to be addressed as part of the IDP process. These include capacity building and training, catchment management, protected areas, climate change and vulnerability mapping, and waste management. It also identifies priority environmental areas (PEAs) such as follows:

- a) Mount Fletcher-Maluti Drakensburg Escarpment.
- b) Ongeluksnnek-Matatiele Ridge Corridor.
- c) Western Tswereke Catchment
- d) Semongkong ridgeline
- e) Matatiele - Cedarville Ridge Corridor

In addition, they identify the following key areas for intervention:

- i. Improved access and service delivery to urban and rural areas;
- ii. Facilitating efficient agricultural development;
- iii. Developing the tourism potential and managing the environmental resources; and
- iv. Developing a hierarchy of service nodes.

All four local municipalities have developed and adopted SDFs as a component of their IDPs. This review will consider each of these SDFs and provides a framework for alignment.

6.4. Environmental Management and Compliance

The geographic location of Alfred Nzo District Municipality along the border of Eastern Cape and KwaZulu-Natal Provinces establishes the area as gateway (entry and exit) point to KwaZulu-Natal from the Eastern Cape and vice versa. The N2 national corridor runs in a north-south direction and serves as the main access route to the District. Other important access and trade routes include R61 linking Mbizana and Port Edward, and R56 which runs along the northern and western boundaries linking Matatiele with Kokstad to the east and Mt Fletcher to the south respectively. The ANDM forms part of the Eastern Seaboard Region in terms of the ECPSDP.

This region includes the majority of the former Transkei, smaller towns (KwaBhaca, Emaxsibeni, Matatiele, Maluti, Mbizana, etc) and the surrounding dispersed rural settlements which occur alongside various environmental corridors. The distance from the ANDM to the major economic hubs within both provinces suggests that Kokstad, Port Shepstone and Pietermaritzburg are the main areas that service the district with major commercial facilities. These economic hubs are all located in KwaZulu-Natal Province, and Mthatha in the Eastern Cape are within a 300km radius. East London and Port Elizabeth are located beyond the said radius.

The position and role of the ANDM in the regional space economy is tightly interlinked with both the provinces with the area having strong functional linkages with KZN town such as Kokstad and Port Shepstone. Despite this strategic location of the area in relation to the N2, Alfred Nzo has remained a peripheral economy to these two provinces. The key challenge is to capitalize on its regional accessibility, location in relation to Drakensberg, Coastline, Lesotho and a huge rural (rural settlement and commercial agriculture) catchment/threshold.

6.5. Land Use Patterns

Current land use patterns has evolved in response to the settlement patterns, rural character of the district, applicable planning policies and land use management practices i.e. formal and customary. The broad categories of land uses that exist within the area are:

- a. Urban Settlements – these are the small towns with an agglomeration and variety of social and economic uses;
- b. Rural Settlements – which primarily include rural villages with social facilities, subsistence agriculture but limited economic uses;
- c. Commercial agriculture – these are mainly the privately owned farms around Cedarville and Ongeluksnek Nature Reserve; and
- d. Conservation areas – which include the protected nature reserves such as Ongeluksnek and Mkhambathi Nature Reserve.

A substantial area of arable land has been left fallow. This could be ascribed to a number of factors including availability of resources to produce food, degradation and loss of productive potential. Most of the hill slopes are used for grazing of livestock with the result that most of these slopes have limited vegetation cover (ADM Enviro Status Quo Report, June 2003:1).

6.6. Land Ownership Patterns

Land ownership within Alfred Nzo District Municipal Area is dominated by state land which functions as the rural villages and accommodates the majority of the population. There are few privately owned farms within Matatiele and Umzimvubu Municipal Area. The majority of the land is registered in the name of the state and used for a different uses. The following categories of state land could be identified:

- a. State land – the majority of the land parcels within the municipal area are held in trust by the Minister of Rural Development and Land Reform (Formerly the Minister of Land Affairs). Some state land (former commercial farms) is surveyed and registered, but much, especially communal land, has only recently been surveyed and is still unregistered in the Deeds Registry (PSDP, Vol 1: 60).
- b. There are numerous parcels of state land located throughout the local municipal areas. They include the Nature Reserves, land parcels upon which various facilities have been constructed, for example, government and municipal offices, police stations, schools, clinics and utilities (such as water works and sewerage treatment works).

6.7. Communal Land

Communal land is held in trust by the Minister of Rural Development and Land Reform and formerly registered in the name of the state, it is occupied by individuals members of the respective communities under Permission to Occupy (PTO) and/or customary tenure commonly referred to as beneficial occupation rights. Individual's rights on the land are protected in terms of the Interim Protection of Informal Land Rights Act, Act No. 31 of 1996 also known as IPILRA.

6.8. Land Tenure Upgrading

The land tenure upgrading project has been initiated in Maluti, which is a former R293 township that is situated within the administrative boundaries of Matatiele Local Municipality. This upgrading of land tenure rights in Maluti occurs at two levels such as follows

Upgrading of Deeds of Grant, which the apartheid government issued to black people in urban areas in

the past. A review of the land ownership database in Maluti suggests that an overwhelming majority of residents still hold the land in terms of Deeds of Grant. The extent to which the same applies in Itsokolele Township needs to be confirmed.

Upgrading of land tenure rights that pertain to communal land in the rural hinterland. These include Permission to Occupy (PTOs) and beneficial occupation rights. The declaration of the Communal Land Rights Act, Act No. 11 of 2004 (CLaRA), unconstitutional means that the status quo will remain in the rural areas until a new land rights legislation is enacted. This has 1denied local communities an opportunity to benefit from localised spatial planning and exercise their rights in terms of security of tenure (CLaRA provided a continuum of tenure security from communal through to titling paradigm).

6.9. Spatial Economy

This section provides an analysis of where population and economic activities and related opportunities are located within the Alfred Nzo District Municipality. It compares the structure of the district economy, with those of other districts economic performances within the Eastern Cape Province. The main aim is to identify those sectors of the economy with which the Alfred Nzo District has an inherent comparative advantage relative to spatial characteristics and economic infrastructure so as to enhance the process of translating the comparative advantage to competitive advantage for the district and province's benefits.

6.10. Under-Developed Urban Centres

Urban towns (Emaxesibeni, Matatiele, KwaBhaca, Bizana and Ntabankulu) play a significant role within the municipal area. These serve as the administrative, service and main economic centres with a threshold that covers the full extent of the municipal area and beyond. Although these towns exist with a range of commercial activities, they are currently poorly developed and structured. They are characterised by an unstructured linear form, land use separation and sprawling residential expansion. These towns should be planned as rural towns and be structured and managed to enable them to perform their functions efficiently and effectively.

6.11. Spatial Planning Principles

Alfred Nzo District Municipality's SDF is underpinned by normative principles reflected in various policy documents and pieces of legislation including SPLUMA, National Environmental Management Act (NEMA) and Provincial Spatial Development Plan. The following principles have been extracted from these sources and are considered appropriate to guide the preparation, review and implementation of Alfred Nzo Municipality SDF.

6.12. Primary Node

A Primary Node is physically connected to urban centres beyond its region (district) through frequent and reliable transportation and all-weather roads. These nodes offer a range of commercial, financial, professional, and administrative services. They house municipal offices, sub-regional offices of national government departments, and branch offices of provincial government departments. Additionally, they provide facilities for large-scale and diverse markets, serve as communication nodes for extensive rural hinterlands, and serve as sites for agri-business and large-scale agricultural processing. These nodes offer space for the location of small-scale consumer goods industries, repair workshops, and light durable goods. They also provide opportunities for higher education and specialized vocational training, along with diversified and multipurpose hospitals and health clinics. District and local municipal offices are primarily situated within these development nodes. Matatiele serves as the principal centre within the Alfred Nzo District Municipality, housing the district municipality as well as the local municipal offices for Matatiele Local Municipality. Primary Nodes are subject to formal/adopted land use schemes for effective land use management. Characterized by predominantly urban settings, they host key economic and administrative activities of the Municipality, including municipal offices, Provincial Government offices, prominent schools, police stations, a magistrate court, and an array of commercial and retail establishments. Matatiele is interconnected by well-established transportation and road networks, all converging onto major transportation routes or corridors within the Municipality, such as the 56

Mount Ayliff is one of the main urban centres within Alfred Nzo District. It is strategically located at the central parts of the district and it plays an important role as a regional centre for district. It has a good potential as a primary node for investment promotion and centre of supply of services in the district. It forms part of the provincial spatial systems and is identified in the PSDP as one of the economic hubs. This node has administrative, social, and economic potential and there is provision of concentration of different activities of services. As a regional node, the following activities should be strengthened in Mount Ayliff Town:

- a. Development of commercial activities serving the entire district municipal area and the surrounding areas (region).
- b. Location of district and sub-district offices of various government departments and service delivery agencies.
- c. Location of facilities and services for an effective administration.
- d. Industrial development, focusing mainly on the processing of raw materials produced within the sub-region.
- e. Location of public facilities serving the whole sub-region and beyond. These may include district hospital, sports facilities and transportation facilities.

6.13. Secondary Nodes

There are three secondary nodes that have been identified within the district and these are:

- a. Emaxsibeni
- b. KwaBhaca ; and
- c. Bizana

These nodes currently function as the main urban centres for the local municipalities that they serve. Similar to the primary node, these areas are well located within the main transportation routes that connect nodes with various settlements within each local municipality. As a sub-regional node the following activities should be strengthened in these secondary nodes:

- i. Development of commercial activities serving the whole local municipal areas and the surrounding areas (sub-region).
- ii. Light Industrial development, focusing mainly on the processing of raw materials produced within the sub-region and the neighbouring areas – agri-processing centre.
- iii. Location of public facilities serving the local municipalities. These may include sports and transportation facilities.
- iv. Location of facilities and services for an effective administration and local governance of the municipalities.

6.14. Tertiary Nodes

While the primary and secondary nodes serve as regional and sub-regional centres, at least two other areas present an opportunity for the development of tertiary nodes with much less threshold/sphere of influence, namely:

- a. Maluti;
- b. Cedarville;

Three main factors have influenced the selection of these areas:

- i. Location in relation to major access routes. Secondary nodes are located either along a primary or secondary corridor, or at the intersection of the primary and secondary corridors.
- ii. Location in relation to large rural or urban settlements, which provides a threshold for services, rendered from these areas.

Development potential based on the above two factors, and broad overview of the historical development of the areas as well as the current level of development.

6.15. Hierachy of Development Corridors

Development corridors in Alfred Nzo District Municipality occur at different scales depending on function and categorization of the transportation route that forms the basis of the corridor. They carry the flows of people and trade between two points (origin and destination) and encourages nodal development at strategic point.

6.16. Primary Corridor

The N2 is identified in the NSDP as a national corridor, and is recognised as such (strategic transport route) in the PSDP. It runs in a north to south direction almost dividing Alfred Nzo District Municipality into half and link the area with KwaZulu-Natal towards the north as well as Eastern Cape towards the south. The N2 is a high speed limited access road providing access and inter-nodal connections at a national and provincial level. At a regional and local level, it presents an opportunity for the integration of Alfred Nzo to the national and provincial trade routes. It is a tourist route to the major tourist destinations in Eastern Cape. Development along this route should occur as follows:

- a. Facilitate the establishment of mixed land use activity nodes at the intersection of the N2 and the regional or provincial routes. Activities that may locate in these areas include logistics, warehousing, light industry and commercial facilities.
- b. In the short to medium term, high value agricultural land located along the corridor should be protected, but in the long term, strategically located areas abutting onto the mixed land use nodes should be opened for development as mixed land use precincts.

6.17. Secondary Corridor

R56 and R61 are the provincial routes that link Alfred Nzo with external significant nodes such as Kokstad, Port Edward and Mount Fletcher. Secondary to the N2, these routes serve as the main link between the Eastern Cape Province and KwaZulu-Natal Province. These are identified in the Provincial Spatial Development Plan (PSDP) - Eastern Cape as some of the Strategic Transport Routes.

R56 is a multi-sectoral corridor as it facilitates access to agricultural zones in the Cedarville- Matatiele Area, tourism zones in the Ongeluksnek area and commerce and industry in Matatiele. It forms the basis for a road system that connects different parts of the municipal area. Due to the current settlement patterns and population distribution, R61 has attracted a lot of settlement and establishment of business uses dependent on accessibility and population concentrations. The on-going densification along this route is resulting in R61 fulfilling the role of a residential access road.

Development along R61 and R56 Development Corridor should follow the following guidelines:

- a. R61 and R56 are regional limited access and high speed public transport routes, as such direct access onto this road should be subject to the provincial road transport regulations.
- b. Higher order land uses should be accommodated in the nodes, but lower order land uses could develop in a linear fashion subject to alternative access opportunities.
- c. A 15m buffer should be observed from the boundary of the road reserve. This has implications for settlements that have encroached onto the buffer areas.

6.18. Tertiary Corridors

Several existing roads possess the potential to evolve into tertiary development corridors, offering opportunities to open up novel development areas through a network of tertiary corridors. Key among these existing tertiary corridors is:

- a. The R394 route connecting the R61 and N2.
- b. The R405 route linking the R556 and N2.

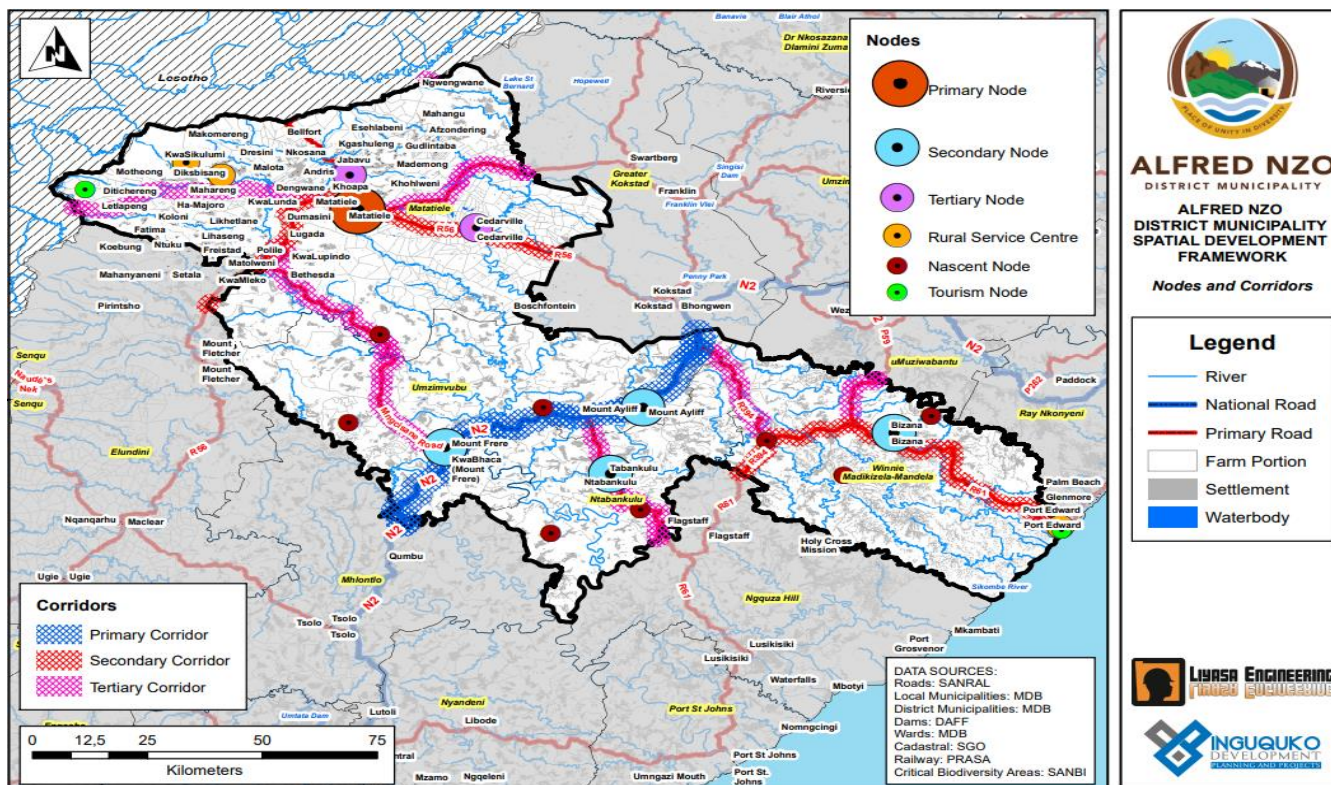
6.18.1. Strategic Roads

The road network from Matatiele to Lesotho via Maluti (DR08012) carries significant traffic volumes, both vehicular and trade related. This route is crucial for accessing numerous peri-urban and rural settlements situated near Maluti. Due to its substantial traffic, the road demands consistent maintenance and upgrades.

Other notable roads requiring attention include:

- i. The road to Ongeluksnek, which diverges approximately 15km outside Matatiele (DR08646). This road serves a tourist destination and accesses a block of agriculturally fertile land, necessitating considerable upgrading and maintenance.
- ii. The road linking Cedarville and KwaBhaca (DR08017).
- iii. The road connecting Bizana Ndengane to Holy Cross (DR08120).
- iv. The road linking Swartburg with both Matatiele and Cedarville (DR08703).
- v. The road from Ntabankulu to N2 (leading to Mount Frere) (DR08019).
- vi. The road connecting KwaShinta to Tabankulu via Silindini (DR08125).
- vii. Several other district roads providing access to clusters of rural service nodes and settlements.

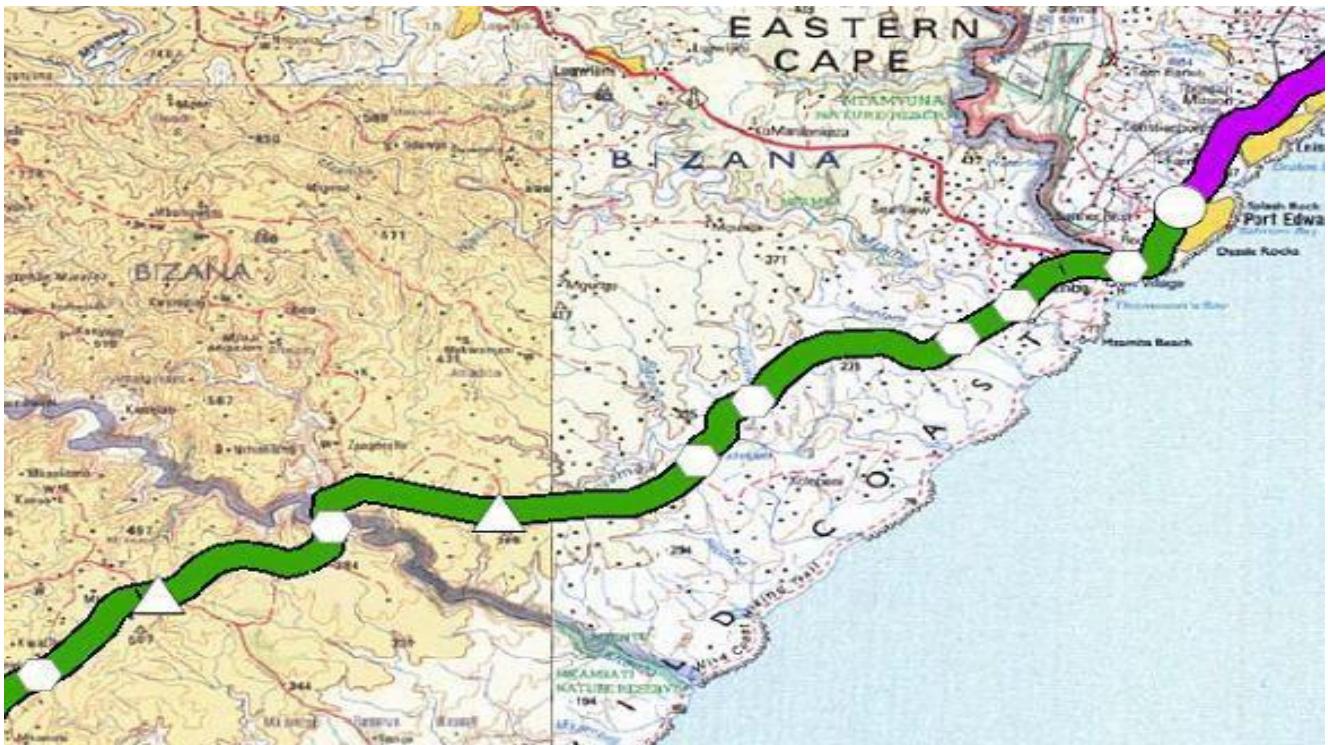
Map: DistrictNodes and Corridors



6.19. Proposed Wild Coast Route

The new national route is currently under construction (i.e. wild coast toll route) which is positioned from Mbizana (Mzamba) to Lusikisiki. According to the discussion with South African Roads Agency Limited (SANRAL) this toll road will not replace the existing N2 such that both routes will be under the authority of the Department of Transport. However the description of the existing N2 may change.

Map: Proposed N2 Development



6.20. Environmental Management Strategies

Water resource management in the Alfred Nzo District Municipality must prioritize the protection of water resource assets to ensure a consistent supply of water and ecosystem goods and services while mitigating vulnerability to the impacts of climate change. Securing a sustained water supply involves managing natural assets (water resources management) and implementing new infrastructure (water services management). It is essential to recognize that investing solely in water services and sanitation infrastructure is insufficient for ensuring water availability for growth. Therefore, greater attention must be given to understanding the impact of existing and proposed development activities on the region's water resources.

Immediate investments are needed to protect, rehabilitate, and manage assets storing water, such as wetlands, floodplains, and land cover. The following activities should be reinforced:

- a. Collaborate with the Department of Water Affairs and Forestry (DWAF) to initiate an education and monitoring program, ensuring the involvement of land users along major rivers in Catchment Management Agencies responsible for managing catchments.
- b. Rehabilitate and safeguard wetlands and riparian zones from future development.

- c. Adhere to the National Water Act (Act 36 of 1998) for the fundamental reform of water resource laws.
- d. Ensure that land use practices align with the National Freshwater Ecosystem Priority Area Guidelines.
- e. Enhance sanitation and waste management infrastructure and services in nodal areas.
- f. Collaborate with the Dept. of Water Affairs and Forestry to develop catchment management by-laws guiding proper use and care for the catchment.
- g. Facilitate and support the establishment of an effective water quality monitoring program in the Alfred Nzo District Municipality, collecting and storing comprehensive information on water quality. Several Water Resource Management Strategies are currently in place to focus on the safeguarding of water resources, water usage, water conservation, and demand management. These strategies outline the institutions that should be consulted for catchment management, the quality and quantity objectives for water resources, and various other aspects of water resources management crucial for land use development. The Catchment Management Agency for the Water Management Area (WMA) is tasked with formulating a Catchment Management Strategy, guiding the management of water resources at both regional and catchment levels. This ensures that local perspectives influence catchment strategies and plans. Notably, Amakhosi/Traditional Leaders play crucial roles in integrated water resources management, facilitating activities within their areas of jurisdiction. The National Water Resource Strategy also acknowledges Traditional structures as conflict resolvers in water resources management. Consideration should be given to the following norms and principles:
- h. Enhancing sanitation, wastewater management, infrastructure, and community services.
- i. Designating flood-prone areas as "no-go" zones, utilizing the 100- year flood-line as per section 144 of the National Water Act (Act 36 of 1998). Regular slope analysis and/or geotechnical reports are beneficial in determining land suitability for development.
- j. Rehabilitating and safeguarding wetlands and riparian zones from present and future development, designating them as no-go areas.
- k. Ensuring that land use practices align with the National Freshwater Ecosystem Priority Area Guidelines.

6.21. Wetland Management

Wetlands play a crucial role in ecosystem water management and biodiversity conservation, and

therefore, they are designated as no-go areas for on-site development. In the interim, the following guidelines are proposed for the effective management of wetlands:

- i. Avoid any activities that would lead to the transformation of wetlands. Wetlands should be preserved for the ecosystem goods and services they provide, allowing only rehabilitation and conservation activities within the designated zone.
- ii. In cases where it is not feasible to entirely avoid or adequately mitigate on-site impacts on wetlands, consider establishing off-site wetland offsets that contribute positively to wetland management in the region.
- iii. A confidence buffer of 32 meters will be established around each wetland area since on-site delineation of wetlands has not been conducted.

6.22. Air Quality Management

The Alfred Nzo District Municipality (ANDM) is home to numerous factories and industries that significantly contribute to air pollution. The proposed interventions include:

- a. Establishing national norms and standards.
- b. Creating a regulatory framework for air quality management planning.
- c. Implementing a reporting regime and various regulatory instruments to control air pollution.
- d. Ensuring a comprehensive approach to compliance and enforcement.
- e. Safeguarding, restoring, and enhancing air quality in the district while considering specific measures for sustainable development.
- f. Providing the public with access to relevant and meaningful information about air pollution.
- g. Minimizing risks to human health and preventing the degradation of air quality.

6.23. Management of Diversity

The Alfred Nzo District Municipality (ANDM) is primarily characterized by endangered and vulnerable vegetation types, boasting a diverse array of flora and fauna species. The areas with high biodiversity value that remain in a pristine condition are environmentally sensitive. Recommended environmental practices for these areas include:

6.23.1. High Biodiversity Areas:

- a. Recognized for their intrinsic value in the ecosystem.
 - b. Subject to high development constraints to preserve their ecological functioning.
 - c. Afforded legal protection under environmental management legislation.
 - d. Any development within these protected areas requires an Environmental Impact Assessment (EIA) with a vegetation assessment study and extensive consultation with interested and affected parties.
- Medium to Average Biodiversity Areas:
- e. Development proposals in this zone necessitate a pre-feasibility assessment, including specialist biodiversity investigations and consideration of alternatives and mitigation.
 - f. If confirmed as highly sensitive, proposed activities leading to potential net loss of critical biodiversity elements should be deemed unsuitable. Support should be given to activities compatible with biodiversity management objectives and resulting in a net increase in biodiversity.
 - g. Off-site biodiversity offsets may be considered if on-site mitigation is not feasible.

6.23.2. Preserving the condition of Land

Preserving and enhancing the condition of land within the Alfred Nzo District Municipality is crucial for contributing to sustainable biodiversity conservation and management. Key natural resources, including wetlands, rivers, forests, estuaries, grasslands, and coastal zone resources, play a vital role in sustainable growth and development, helping mitigate the negative effects of climate change.

- i. The sustainable supply of ecosystem goods and services provides a practical alternative to deforestation and the degradation of ecosystems. The ANDM features several sensitive vegetation types and areas of conservation significance, including critically endangered and endangered ecosystems. The biodiversity management strategy should consider the following acts:
- ii. National Environmental Management Act (1998): Manage and conserve South Africa's biodiversity, protect species and ecosystems, and ensure fair and equitable sharing of benefits arising from bioprospecting.
- iii. Protected Areas Act (2003): Protect and conserve ecologically viable areas representative of South Africa's biological diversity, following national norms and standards.
- iv. National Environmental Management Waste Act (2008): Establish a system for integrated coastal and estuarine management, including norms, standards, and policies to promote conservation and sustainable use of the coastal environment.

6.23.3. Development on protected areas

Development within protected areas requires environmental authorization from relevant authorities. Development planning must consider:

- a. Pre-feasibility assessments for proposed developments within sensitive zones, including

specialist biodiversity investigations, alternatives, and mitigation considerations.

- b. No development in confirmed highly sensitive areas leading to the likely loss of critical biodiversity components.
- c. Support for activities aligning with biodiversity management objectives and resulting in a net increase in biodiversity.
- d. Consideration of off-site biodiversity offsets if on-site mitigation is not feasible.

6.23.4. Biodiversity Management Plan

The National Environmental Management Biodiversity Act (Act No. 10 of 2004) provides for the development of Biodiversity Management Plans for Species (BMPs). To this effect, the Department of Forestry, Fisheries and the Environment developed norms and standards for the development of BMPs which were gazetted in March 2009. The purpose of these norms and standards was to provide a national approach and minimum standards for the development of BMPs. A BMPs can be developed by any person, organ of state desiring to contribute to the management of biodiversity in South Africa and achievement of the objectives of the Biodiversity Act. Additionally, a BMPs can be developed for any indigenous or migratory species.

The BMP aims to provide for the long-term survival of a species in the wild and to provide a platform for an implementing organisation or responsible entity as appointed by the Minister to monitor and report on the progress regarding the implementation of the BMP. The municipality developed Biodiversity Management Strategy for the district focusing in the main at Xholobeni Area as identified by the province as Pondoland Centre of Plant Endemism.

The **Pondoland Centre of Plant Endemism** is situated in the coastal region overlapping the provinces of KwaZulu-Natal and the Eastern Cape in South Africa. It is named after Pondoland and falls within the Maputaland-Pondoland-Albany Hotspot. The region consists of grassy plateaus incised by forested ravines and gorges. The main substrate in the area is Natal Group Sandstone, which was formed by sediments laid down about 500 million years ago in a rift underlying the eastern Agulhas Sea in the ancient continent of Gondwana. The region is about 18,800 hectares in extent, and lies along the coastline stretching about 15 kilometres inland with a maximum altitude of about 400 to 500 metres above sea level. The region is essentially a transition zone between sub-tropical and temperate climates.

Some notable endemic plants include Sanderson's bladderwort (*Utricularia sandersonii*), the pondo coconut (*Jubaeopsis caffra*), the Pondoland ghost bush (*Raspalia trigyna*), the Pondoland cone bush (*Leucadendron pondoense*), pondo khat (*Catha abbottii*), pondo waterwood (*Syzygium pondoense*)

and pondo poison pea (*Tephrosia pondoensis*). An endemic species of lizard, the pondo dwarf chameleon (*Bradypodion cafferum*), is also found only in this region. The ANDM Startegy serves as a

- a. Source of biodiversity information for various spatial planning tools within the municipality.
- b. Inform the protection of Ecological Support Areas (ESAs) to maintain Critical Biodiversity Areas (CBAs) and associated ecological goods and services.
- c. Spatially illustrate key biodiversity corridors and linkages.
- d. Enhance awareness of unique biodiversity, its value to people, and management mechanisms for protection and sustainable use.
- e. Protect and manage important environmental areas.
- f. Promote Sustainable Environmental Management.
- g. Alleviate water quality deterioration in rivers through proper wastewater treatment, preserving primary river ecosystems.
- h. Involve relevant environmental departments in environmentally sensitive areas.

CHAPTER SEVEN: FINANCIAL VIABILITY

7.1. Financial Plan

This Integrated Development plan provides a focussed set of objectives to ensure that public resources are channelled to the programmes and projects that deliver the most benefits for the public. The 2024/2025 Budget and the allocation of resources is guided and informed by this plan. More importantly, the municipality is well conversant of the financial environment in the National sphere. The budget has taken into account imminent excessive Eskom Tariff increases, the volatile Rand, sluggish economic growth, high rates of unemployment and uncertainty of fuel prices. The budget has also noted the Hon. Minister of Finance's speech in February 2024. It also embraces cutting costs and set revenue targets that need to be achieved to ensure a financially sustainable of the institution. The municipality had its Council Strategic Planning Session on the 18-19 March 2024. The budget therefore endeavors to encapsulate deliberations at various commissions and plannery session of the Council Strategic Planning Session.

The budget has been prepared taking into consideration the following:

- a. Municipal Budget and Reporting Regulations;
- b. The MFMA and its Circulars as issued by National Treasury;
- c. Division of Revenue Act (DORA)

The budget steering Committee which is an internal driving force that facilitates and monitors the compilation including implementation of the budget sat on the 11th March 2024 and 2nd May 2024 to discuss the budget before it was presented to Mayoral Committee.

The Budget Steering Committee further ensured that:

- i. the process followed to compile the budget complies with legislation and good budget practices;
- ii. that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- iii. that the budget focuses on core municipal mandates and priorities
- iv. that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- v. that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

7.2. Tariff Charges

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the 4 to 6 per cent target band; therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2024/2025 in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. The increase in the tariffs is 6%, which is within the CPI.

7.3. Setting the Cost reflective tariffs

The Municipality must ensure that the consumption charges for services are only based on consumption and all other variable costs. Therefore, fixed costs such as salary and wages, etc. should be covered by a fixed charge.

During the budgeting process, provision must be made for revenue to be generated by the tariffs levied for services to address the maintenance of infrastructure. New infrastructure developments in a municipal area of jurisdiction should be obliged to consider and incorporate energy efficiency sources of energy available such as solar or wind to respond to the ongoing global energy crisis. The tariffs form part of this submission and are submitted for consideration and implementation with effect from 1 July 2024. All tariffs have now been consolidated and have been reviewed to be more market-related. The Water and Sewerage Tariff has been increased by 6%. The proposed rates increase of 6% for other services will apply and the increase will be effective from 01 July 2024.

7.4. Revenue and Debt collection

Modern and effective revenue services: The City already prioritises the collection of accurate customer information, and provides accessible payment options, including easier, online options. For public services to be sustainable, revenue projections must be reliable, and debt management must be appropriately applied. The City will also enhance its ability to conduct means testing for indigent support and debt relief, and will improve ease of access to indigent benefits by streamlining the application process

7.5. Allocation of Grants

The following table shows grant allocation as per the Division of Revenue Act (DORA 2024)

Table – Grant Allocation

DESCRIPTION	FINAL ANNUAL BUDGET 2023 - 2024	SUPPLEMENTARY ADJUSTMENT BUDGET 2023 - 2024	MID-TERM ADJUSTMENT BUDGET 2023 - 2024	DRAFT ANNUAL BUDGET 2024 - 2025	Budget Year +1 2025/26	Budget Year +2 2026/27
Equitable Share (14000/14001)	- 734,119,000.00	- 734,119,000.00	- 734,119,000.00	- 779,701,000.00	- 824,699,000.00	- 870,977,000.00
FMG. (14000/16100)	- 1,950,000.00	- 1,950,000.00	- 1,950,000.00	- 1,900,000.00	- 2,000,000.00	- 2,200,000.00
MSIG	- 1,000,000.00	-	-	- 1,175,000.00	- 1,457,000.00	- 2,406,000.00
EPWP (14000/16108)	- 6,931,000.00	- 6,544,000.00	- 6,544,000.00	- 3,603,000.00	-	-
MIG. (14000/16111)	- 453,563,000.00	- 423,227,000.00	- 423,227,000.00	- 431,756,000.00	- 454,077,000.00	- 495,618,000.00
Regional Bulk Infrastructure Grant (14000/16112)	- 68,000,000.00	- 8,710,000.00	- 8,710,000.00	-	-	-
WSIG (14000/16122)	- 105,000,000.00	- 111,005,000.00	- 111,005,000.00	- 109,000,000.00	- 90,000,000.00	- 95,000,000.00
Infrastructure Skills Development Grant. (14000/16123)	- 6,000,000.00	- 5,670,000.00	- 5,670,000.00	- 6,500,000.00	- 6,500,000.00	- 7,000,000.00
LG SETA DISCRETIONARY	-	375,616.16	375,616.16	500,000.00	550,000.00	575,000.00
Rural Road Asset Management Grant (14000/16124)	- 2,450,000.00	- 2,450,000.00	- 2,450,000.00	- 2,570,000.00	- 2,685,000.00	- 2,808,000.00
TOTAL GRANTS	-1,379,013,000.00	- 1,297,303,656.16	- 1,297,303,656.16	- 1,336,705,000.00	- 1,381,968,000.00	- 1,476,584,000.00

With reference to the attached Table, it should be noted that there is a reduction in the allocation of some of the grants, like the FMG has been reduced from R1.95 million from the 2023/2024 Mid-Term Adjustment Budget to R1.9 million on the 2024/2025 Annual Budget. EPWP Grant has been reduced drastically from R6.5 million on the Mid-Term Adjustment Budget to R3.6 million in the Final Annual Budget.

7.6. Funding Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash-backed accumulated funds from previous years' surpluses not Committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17(2).

7.7. A Credible Budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;
- Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and

- e. Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications.

7.8. Overview of Budget Funding

The budget is a funded budget and the surplus is R10 174 216. The Budget Steering Committee ensured that all funds recorded are collectible funds during the year under review (2024/2025) and the budget is fully funded as per Treasury requirements.

The budget is mainly funded from:-

- Equitable share
- Municipal Infrastructure Grant
- WSIG
- Services (Water and Sanitation)
- Interest earned from Investments and other
- Operational Grants

In view of the aforementioned, the following table is a consolidated overview of the proposed 2024-2025 Annual Budget and Medium-term Revenue and Expenditure Framework:

Table – ANNUAL BUDGET 2024 - 2025 MTREF

ALFRED NZO DISTRICT MUNICIPALITY FINAL ANNUAL BUDGET 2024 - 2025 MTREF SUMMARY - ALL DEPARTMENTS						
FINAL ANNUAL BUDGET 2024 - 2025 MTREF	2024 - 2025 Medium Term Revenue & Expenditure Framework				% TO OPEX %	%TOTAL EXPENDITURE %
	MID-TERM ADJUSTMENT BUDGET 2023 - 2024 R	FINAL ANNUAL BUDGET 2024 - 2025 R	Budget Year +1 2025/26 R	Budget Year +2 2026/27 R		
DESCRIPTIONS	R	R	R	R		
INTERNAL FUNDS (OWN REVENUE)	(160 435 670)	(147 622 483)	(154 413 117)	(161 516 120)	-9.22%	9.27%
GRANTS -NT / PT	(563 184 656)	(557 004 000)	(557 269 000)	(605 607 000)	-34.77%	34.99%
EQUITABLE SHARE	(734 119 000)	(779 701 000)	(824 699 000)	(870 977 000)	-48.67%	48.98%
OPERATING RESERVES / INVESTMENTS	(160 000 000)	(117 612 544)	(110 000 000)	(115 060 000)	-7.34%	7.39%
TOTAL OPERATING REVENUE	(1 617 739 326)	(1 601 940 027)	(1 646 381 117)	(1 753 160 120)		
OPERATING EXPENDITURE						
TOTAL EMPLOYEES RELATED COST	354 888 608	375 035 655	391 584 918	409 861 800	38.01%	23.56%
TOTAL DEPRECIATION	110 000 000	129 828 659	135 800 777	142 047 613	13.16%	8.16%
TOTAL REPAIRS & MAINTENANCE	126 520 000	111 874 000	117 016 984	122 399 255	11.34%	7.03%
TOTAL GRANTS AND SUBSIDIES PAID	23 000 000	23 000 000	24 058 000	25 164 668	2.33%	1.44%
TOTAL BULK PURCHASE	10 000 000	11 000 000	11 506 000	12 035 276	1.11%	0.69%
TOTAL GENERAL EXPENSES	316 974 384	309 894 508	297 504 776	312 380 360	31.41%	19.47%
TOTAL CONTR TO/FROM PROVISIONS	22 200 000	26 000 000	27 196 000	28 447 016	2.64%	1.63%
TOTAL OPERATING EXPENDITURE	963 582 992	986 632 822	1 004 667 455	1 052 335 988		
OPERATING (SURPLUS) / DEFICIT	963 582 992	986 632 822	1 004 667 455	1 052 335 988	100.00%	61.98%
CAPITAL PROJECTS	644 059 274	605 132 988	628 196 461	678 342 981	61.33%	38.02%
TOTAL EXPENDITURE	1 607 642 265	1 591 765 811	1 632 863 917	1 730 678 969		
TOTAL BUDGET (SURPLUS) /DEFICIT	(10 097 061)	(10 174 216)	(13 517 201)	(22 481 152)		

The budget is fully funded and credible with a surplus of R10 174 216.

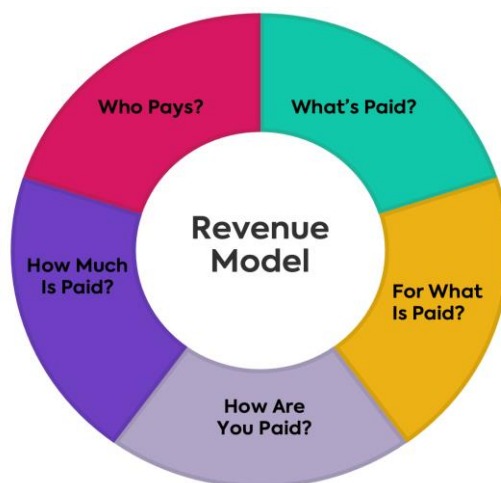
7.9. Budget Related Policies

Council has reviewed and approved the following budget-related policies

- a) Cash Management and Investment Policy 2024/2025
- b) Tariff Policy 2024/2025
- c) Credit and Debt Control Policy 2024/2025
- d) Indigent Assistance Policy 2024/2025
- e) Asset Management Policy 2024/2025
- f) Fleet Management Policy 2024/2025
- g) Executives Vehicle Policy 2024/2024
- h) Inventory Management Policy 2024/2025
- i) Supply Chain Management Policy 2024/2025
- j) Contracts Management Policy 2024/2025
- k) Petty Cash Policy 2024/2025
- l) Budget and Virements Policy 2024/2025
- m) Expenditure Policy 2024/2025

7.10. Revenue and debt collection

The Municipality is currently developing a revenue enhancement strategy. The strategy aims to modernise revenue services, prioritise the collection of accurate customer information, and provide accessible payment options. For public services to be sustainable, revenue projections must be reliable, and debt management must be appropriately applied. The Municipality is already in consultation with the communities to promulgate its credit and debt control by-laws and enhance debt collection. It will also enhance its ability to conduct means testing for indigent support and debt relief.



7.11. Free Basic Services

The District is one of the poorest in the country, with high levels of unemployment as such, to ensure access to an affordable package of basic services, the Municipality maintains its indigent assistance package, which is equitable cross-subsidisation for services to ensure affordable access to basic services. The Municipality has adopted an indigent management policy to ensure that these households have access to at least basic municipal services.

The social package assists residents who have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services. A summary of the free basic services package is set out below:

- a) All registered indigents, including consumers in rural areas, will receive 6kl of water per month fully subsidised.
- b) All registered indigents, including consumers in rural areas, will only be charged a flat rate for Water and Sanitation consumption and not a step tariff.

The cost of the social package of the registered indigent households is largely financed by the national government through the local government equitable share received in terms of the annual Division of Revenue Act.

7.12. Supply-chain and Contracts Management

The Municipality will enhance its capacity to deliver infrastructure projects by improving its project preparation and execution as well as supply chain management functions. All the municipal departments will be capacitated to deliver projects and contracts as per the original, planned scope, within time and budget constraints through close monitoring of projects and contracts. The Municipality will also improve contract management to minimise service delivery interruptions as far as possible.

The Municipality has drafted its 2024/2025 procurement plan for the implementation of projects as early as possible to be able to implement all the projects on time and within its affordability. Effective procurement planning will also be pursued to ensure that contracts are in place promptly and service delivery is not delayed.

The Municipality is fully committed to changing the narrative, delivering transparent and corruption-free supply chain management processes that enable efficient and effective service delivery. The Municipality will invest in an information technology system that enables e-procurement to reduce transaction costs for businesses and to reduce turnaround times for the procurement processes.

7.13. Asset Management



The Municipality is faced with the challenge of depilated infrastructure assets. To address this matter, an asset management plan has been developed, which will ensure that infrastructure assets are managed effectively over their useful lives. The plan includes the asset management strategy and also informs the asset maintenance plan. The asset maintenance plan is data-driven. Data and analytics will be used to implement more targeted and efficient asset maintenance programs. The net book value of the assets as of 30 June 2023 amounted to R5.4 Billion.

Table: Audited Assets figures for the 2023 financial year

Figures in Rand	2023	2022				
9. Property, plant and equipment (continued)						
Reconciliation of property, plant and equipment - 2023						
	Opening balance	Additions	Derecognition	Transfers from AUC	Depreciation	Total
Land	465 000	-	-	-	-	465 000
Buildings	29 230 074	-	-	3 012 504	(1 804 877)	30 437 701
Infrastructure	2 167 379 316	18 695 744	-	90 074 620	(86 592 785)	2 189 556 895
Other property, plant and equipment	40 978 187	9 302 624	(1 103 447)	1 746 000	(10 306 666)	40 616 698
Assets Under Construction - Water	2 660 884 140	437 036 554	-	(90 074 620)	-	3 007 846 074
Assets Under Construction - Sanitation	142 673 611	5 201 737	-	-	-	147 875 348
Assets Under Construction - Building	4 157 592	3 560 503	-	(3 012 504)	-	4 705 591
Silos	8 660 854	1 216 274	-	-	-	9 877 128
Specialised vehicles	1 746 000	-	-	(1 746 000)	-	-
	5 056 174 774	475 013 436	(1 103 447)	-	(98 704 328)	5 431 380 435

Key to the Municipality's operational and financial sustainability is its ability to limit the loss of assets, resources and services due to theft and vandalism. Considering the pervasive and multipronged threats to its resource base, the Municipality must act in a coordinated manner. To this end, security interventions will be effectively targeted, infrastructure and facilities 'hardened' and security resources

and responses efficiently deployed across the District.

7.14. Asset Management

Goal	Objectives	Function	Funding Source	Location	Projects	Budget
Goal 3: Inclusive Growth and Development	Payment of Creditors within 30 Days	General Expenditure	Equitable Share	District	Creditors Management	R0
Goal 5: Effective Public Participation, Good Governance and Partnerships	Implement credit and Debt Management policy and By laws	Revenue and Debt Management	Own Revenue	District	Stakeholder Engagement or Rates payers meeting	R0

Goal	Objectives	Function	Funding Source	Location	Projects	Budget
A capable and financially viable institution	Update of Fixed Assets Register	Asset Management	Equitable Share	District	Maintenance Of Fixed Assets register	R2 500 000
A capable and financially viable institution	Safeguarding and Maintenance of Assets	Asset Management	Equitable Share	District	Annual update of Insurance Portfolio by 30 June 2025	R5 000 000
A capable and financially viable institution	Safeguarding and Maintenance of Assets	Asset Management	Equitable Share	District	16 municipal vehicle procured by 30 June 2025	R25 000 000
A capable and financially viable institution	Construction of Stores	Asset Management	Equitable Share	District	Stores site establishment and steel structure constructed by 30 June 2025	R6 500 000
A capable and financially viable institution	Safeguarding and Maintenance of Assets	Asset Management	Equitable Share	District	Procurement of furniture	R2 000 000

Goal	Objectives	Function	Funding Source	Location	Projects	Budget
A capable and financially viable institution	Strengthen Governance and reduce risk	General Expenditure	Equitable Share	District	VAT Recovery	R1 500 000
A capable and financially viable institution	Improve expenditure management and controls	General Expenditure	Equitable Share	District	Payroll Management	R150 000

Goal	Objectives	Function	Funding Source	Location	Projects	Budget
A capable and financially viable institution	Strengthen governance and reduce risk	Project Expenditure	Equitable share	District	Creditors Management	R0
A capable and financially viable institution	Strengthen governance and reduce risk	Project Expenditure	Equitable share	District	Capital Project Expenditure Controls and Reporting	R0
A capable and financially viable institution	Implement a Revenue Enhancement Strategy	Revenue and Debt Management	Own Revenue	District	Revenue Enhancement Strategy	R1 000 000
A capable and financially viable institution	Implement credit and Debt Management policy and by-laws	Revenue and Debt Management	Own Revenue	District	Revenue Collection and Data cleansing	R1 000 000
A capable and financially viable institution	Implement credit and Debt Management policy and By laws	Revenue and Debt Management	Own Revenue	District	Revenue Collection and Debt Management(part 2b)	R40 045 628
A capable and financially viable institution	Develop and Implement cash and Investment policy.	Revenue and Debt Management	Own Revenue	District	Cash and Investment policy (part 2/b)	R0
A capable and financially viable institution	Develop and Implement cash and Investment policy.	Revenue and Debt Management	Own Revenue	District	Cash and Investment policy (part 3/C)	R0
A capable and financially viable institution	Develop and Implement cash and Investment policy.	Revenue and Debt Management	Own Revenue	District	Cash and Investment policy (part 4/D)	R0
A capable and financially viable institution	Implement Indigent register and support	Revenue and Debt Management	Own Revenue	District	Indigent Support and Management	R3 500 000
A capable and financially viable institution	Develop and Implement cash and Investment policy.	Revenue and Debt Management	Own Revenue	District	Cash and Investment policy (part 1/A)	R0
A capable and financially viable institution	Safeguarding ,conducive satellite offices	Revenue and Debt Management	Own Revenue	District	Property Rental and Leases	R1 000 000

Goal	Objectives	Function	Funding Source	Location	Projects	Budget
A capable and financially viable institution	Maintenance of Procurement Plan	SCM	Equitable Share	District	Monitoring of Procurement Plan	R0.00
A capable and financially viable institution	Maximize economies of scale and value for money by complying with SCM policies.	SCM	Equitable Share	District	SCM Projects-Procurements	R0.00
A capable and financially viable institution	Ensuring that projects are implemented timeously	SCM	Equitable Share	District	Bid Committee Training	R 200 000
A capable and financially viable institution	Prepare accurate and reliable Annual Financial Statements	Budget and Reporting	Equitable Share	District	Preparation of Annual Financial Statements	R 6 795 750
A capable and financially viable institution	Implement mSCOA budgeting and reporting	Budget and Reporting	Equitable Share	District	Reporting compliance with MFMA	R 0.00
A capable and financially viable institution	Develop and Implement credible and sustainable budget	Budget and Reporting	Equitable Share	District	Budget implementation and Monitoring	R 1 800 000
A capable and financially viable institution	Implement mSCOA budgeting and reporting	Budget and Reporting	Equitable Share	District	Budget Monitoring (Management Accounts)	R 0
A capable and financially viable institution	Comply with National Treasury mSCOA regulation	Budget and Reporting	Equitable Share	District	Roll out of mSCOA modules on Financial System	R 2 000 000

CHAPTER EIGHTY: LOCAL ECONOMIC DEVELOPMENT

8.1. Adoption of LED Strategy

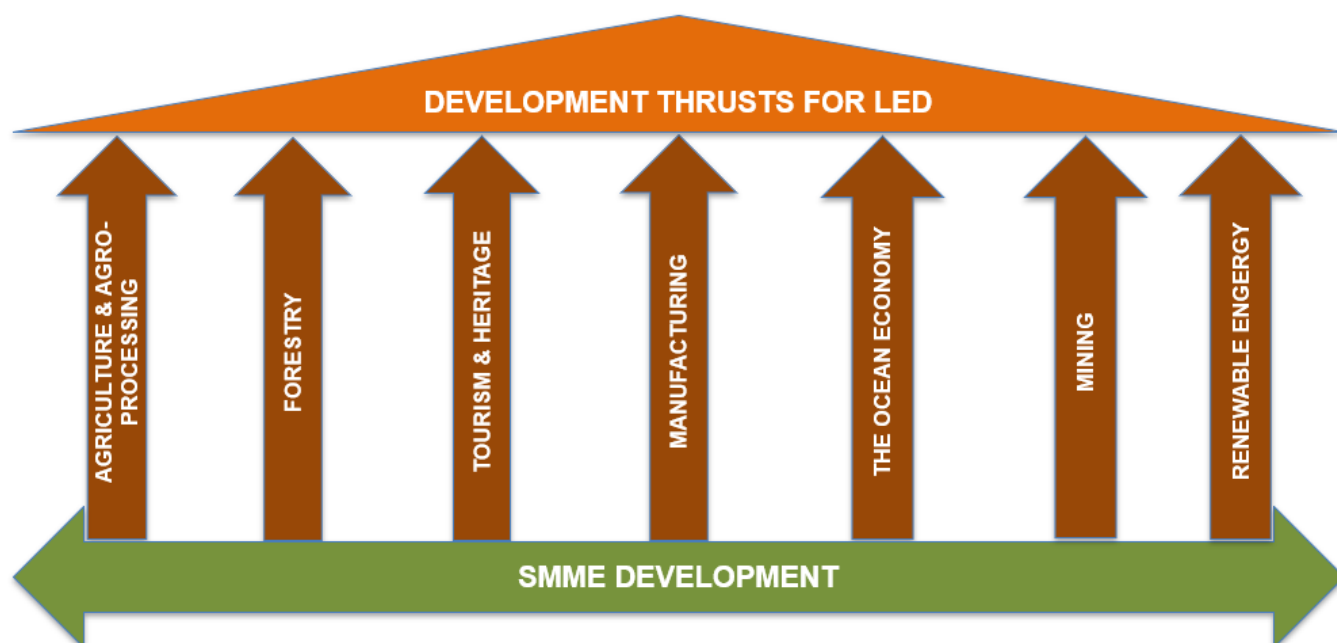
The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) mandates local government to promote social and economic development in areas of their jurisdiction. It thus requires the municipality to structure and manage its administration, budgeting and planning processes in a manner that gives priority to the basic needs of the community and promotes the social and economic development of its area. This mandate is outlined further in the White Paper on Local Government (March 1998) which introduces the notion of 'developmental local government', and identifies local economic development as one of the critical outcomes and key performance areas for this sphere of government. The mandate is executed, among others, in terms of the Local Government: Municipal Systems Act (MSA), 2000 (Act No. 32 of 2000), which provides for the principles, mechanisms and processes necessary to enable a municipality to fulfill its developmental obligations. Section 25 (1) of the MSA requires a municipality to adopt a single, inclusive and strategic plan for the development of its area of jurisdiction. Accordingly, the ANDM Integrated Development Plan (IDP) identifies, inter alia, LED as one of the key performance areas and a strategic intervention for promoting socio-economic development, alleviating poverty and improving the quality of life.

Local Economic Development (LED) aims to induce economic development and growth in a locality with the objective of creating jobs and improving the quality of life by realising a locality's full comparative advantage. It requires collaboration between the municipality and stakeholders to identify resources; understand needs and formulate plans to make the district economy fully functional, investor friendly and competitively productive. Thus, LED recognises that people, business and governments at local levels are best able to restructure economic situations that will stimulate growth required to create jobs and to reduce poverty. It combines different approaches to local development into one integrated concept thereby cross-cutting many different portfolios.

The National Development Plan (NDP), Vision 2030, offers a long-term perspective with regard to development of the South African economy. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal. The Eastern Cape Provincial Development Plan (EC-PDP), which is based on the NDP, seeks to outline a development path for the province. Vision 2030 sets the development agenda and priorities for the next 15 years (2015-2030).

The reviewed LRED strategy constitutes a key component of the ANDM IDP (2017 – 2022), sets a clear strategic agenda for LED in the IDP and is intended to comply with the Constitutional and legislative obligations.

Figure 1: Development Thrusts for LED



ANDM Council reviewed and adopted LRED Strategy, where strategy identifies key economic development programmes to be pursued by the district, local municipalities, and Alfred Nzo Development Agency (ANDA) in a collaborative nature to avoid duplication of resources and improve government impact. The Strategy structures efforts for the next five years, on short, medium and long-term programs and projects. The Strategy is appropriate to the existing local economy as the developed objectives and action plans are based on the status quo situation of the district economy, as well as its powers and functions.

8.2. Programs and Projects for 2024/2025

Goal	Objectives	Function	Funding Source	Location	Project	Budget
Goal 3: Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2027.	LED	ES	All Local Municipalities	Cement Products Manufacturing Hubs Programme	R0.00
Goal 3: Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2027.	LED	ES	All Local Municipalities	Resource Mobilisation (MSMEs)	R100 000.00

Goal 3: Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2027.	LED	ES	Umzimvubu Local Municipality	Annual Alfred Nzo Spring event	R2 575 000.00
Goal 3: Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2027.	LED	ES	All Local Municipalities	Resident Arts and Textiles Programme (RA&T Programme)	R0.00
Goal 3: Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2027.	LED	ES	All Local Municipalities	Beach to Berg	R600 000.00
Goal 3: Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2027.	LED	ES	All Local Municipalities	MSMEs Database Development and Management.	R0.00
Goal 3: Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2027.	LED	ES	All Local Municipalities	Skills Development	R100 000.00
Goal 3: Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2027.	LED	ES	District	Investment Attraction and Retain Strategy Review	R500 000.00
Goal 3: Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2027.	LED	ES	District	Rural and Township Retail Development Feasibility Study	R300 000.00

Goal 3: Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2027.	LED	ES	All Local Municipalities	Agric-Park Programme-Cropping Development Project	R3 000 000.00
Goal 3: Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2027.	LED	ES	Umzimvubu Local Municipality, Ward 28	Agric-Park Programme - Agro-Processing Hub Development Project	R13 000 000.00
Goal 3: Inclusive Growth and Development	To create a conducive environment that contributes to economic growth and job creation by 2027.	LED	ES	All Local Municipalities	Oceans and Inland Economy	R450 000.00
Goal 6: Spatial Restructuring and Environmental Sustainability	To create an environment and systems that contributes to integrated sustainable environment by 2027	Spatial Planning and GIS	ES	District	GIS Data Maintenance- Water Infrastructure.	R0.00
Goal 6: Spatial Restructuring and Environmental Sustainability	To create an environment and systems that contributes to integrated sustainable environment by 2027	Spatial Planning and GIS	ES	Matatiele Local Municipality	GIS Data Maintenance- Water Infrastructure (MLM)	R1000 000.00
Goal 6: Spatial Restructuring and Environmental Sustainability	To create an environment and systems that contributes to integrated sustainable environment by 2027	Spatial Planning and GIS	ES	Matatiele and Winnie Madikizela Mandela Local Municipalities	GIS Data Maintenance- Rural Sanitation	R0.00

Goal 6: Spatial Restructuring and Environmental Sustainability	To create an environment and systems that contributes to integrated sustainable environment by 2027	Spatial Planning and GIS	ES	District	GIS Shared services.	R0.00
Goal 6: Spatial Restructuring and Environmental Sustainability	To create an environment and systems that contributes to integrated sustainable environment by 2027	Spatial Planning and GIS	ES	District	GIS Capturing of LED Initiatives	R0.00
Goal 6: Spatial Restructuring and Environmental Sustainability	To create an environment and systems that contributes to integrated sustainable environment by 2027	Spatial Planning and GIS	ES	District	Spatial Representation of Government Properties	R0.00
Goal 6: Spatial Restructuring and Environmental Sustainability	To create an environment and systems that contributes to integrated sustainable environment by 2027	Spatial Planning	ES	District	SPLUMA Implementation	R0.00
Goal 6: Spatial Restructuring and Environmental Sustainability	To create an environment and systems that contributes to integrated sustainable environment by 2027	Spatial Planning	ES	District	Built Environment	R1 600 000.00

CHAPTER NINE: DISASTER MANAGEMENT

9.1. Disaster Management Policy Framework

The District Disaster Management Unit has been established to develop the district's capacity to deal with disasters. The roles and responsibilities of the centre is to coordinate, plan, capacity building, prevention and mitigation of potential disasters that the area is prone to such as tornados, floods, thunder storms, snow, cholera and diarrhea. In addition, local offices have been established to perform the function at local municipality level.

The District adopted and reviewed its Disaster Management Policy Framework which responds to disaster management and planning within the district. The purpose of this policy framework is to provide those with statutory Disaster Risk Management (DRM) responsibilities (in terms of the Disaster Management Act, 2002; the National Disaster Management Framework, 2005 (NDMF); the Policy Framework of the Province of the Eastern Cape (EC PDRMPF) and other applicable legislation) within the Alfred Nzo District Municipality with a written mandate which is coherent, transparent and inclusive; provides the criteria for the systematic management of administrative decisions; stakeholder participation; operational skills; and capacities and achieves uniformity in the: Development, Implementation, Maintenance, Monitoring and assessing of all policies, plans, strategies, programmes and projects which are aimed at achieving the vision and mission statement; goals; strategic objectives; and key performance indicators for DRM in the municipality.

This policy framework also serves to guide the development and implementation of uniform and integrated disaster risk management policy and plans in the Umzimvubu, Ntabankulu, Matatiele and Mbizana local municipalities in the Alfred Nzo District Municipality. The framework has also 15 supporting policies which serve as guide in managing disaster risk management within ANDM area of jurisdiction.

The Disaster Management Act No. 57 of 2002 (DM Act) requires municipal disaster risk management centres to promote a coordinated, integrated and uniform approach to disaster risk management, including the development and implementation of appropriate disaster risk reduction methodologies, emergency preparedness and rapid and effective disaster response and recovery, in their municipalities.

To achieve these objectives and to promote interdepartmental liaison, arrangements must be put in place to enable all the key internal role players in the administration of a municipality to participate in disaster risk management activities and to coordinate their disaster risk management responsibilities. To achieve this objective, a Municipal Interdepartmental Disaster Risk Management Committee

(MIDRMC) needs to be established as currently seating on ad hoc basis. The Disaster Centre has secured Cooperation Agreements with neighbouring municipalities (Greater Kokstad) and districts (Ugu DM) offering disaster and fire services in an attempt to cater for risks and community vulnerabilities which were taken into account during the review of the SDF development processes.

9.2. Disaster Management Advisory Forum

The municipality has the Disaster Management Advisory forum in place in line with the DMA, 57 of 2002. The DMAF has technical task teams established as Capacity Building, Coordinating Task Team, Emergency Coordinating Task Team and Social Relief Coordinating Task Team.

9.3. Fire and Rescue Services

Fire fighting is a shared service between the district and the local municipality but currently only Matatiele Local Municipality has successfully established Fire Service. The district is prone to runaway veldt fires as well as man-made fires that affect properties and buildings. In performing its function with regard to fire fighting, the district acquired customised fire fighting equipment which constantly require maintenance. Moreover, fire fighting equipment which includes skid unit fire-engines for each local municipal area and two medium fire fighting engines as well as three major fire fighting engines were purchased for the areas with the highest fire risk namely; Matatiele and Winnie Madikizela LM as defined in the Spatial Development Framework.

9.4. Disaster Risk Assessment

In terms of managing high-risk development, the Disaster Management function plays an advisory role through Disaster Risk Management Advisory Forum meetings that seat quarterly to sector departments and communities. To manage and mitigate impact of high risk developments measures that are implemented include special building designs that withstand the forces of nature, planting of trees to create windbreaks, community awareness and capacity building programmes to inculcate risk avoidance behaviour are mitigation options which could be implemented. Mitigation strategies include emergency preparedness such as community awareness, preparedness training, drills and rehearsals for those disasters, which cannot be prevented or mitigated, as well as for those that cannot reasonably be predicted.

Safety inspections are also conducted throughout the district on an ongoing basis to identify and respond to potential Disaster risk areas. The unit has been assessing risks and developing protocols, however there is still a need to develop a Disaster Risk Management Plan (DRMP). The disaster risk assessment will identify and quantify the various risks the area is exposed to, and develop strategies on how prevention, mitigation and responses should be arranged and managed by all stakeholders. Funding for DRMP is required. Strategies for community vulnerabilities and risks identified include:

- a) Events management safety and security plan

- b) Fire fighting services master plan
- c) Forest and veldt fire management plan process
- d) Flood incident management response plan

9.5. Disaster and fire services Administrative arrangements

The municipality has formalised establishment of Head of the Centre responsible for Disaster management policies and strategies and program and implementation of SDBIP. Moreover, the municipality appointed Chief Fire Officer to be responsible for Fire and Rescue Services including policy development and implementation. Both Head of Centre and Chief Fire Officer report directly to Director: Community Development Services. Detailed Staff Establishment is attached.

9.6. Disaster By-Laws

The municipality has reviewed and adopted Community Fire Safety by-Laws awaiting to be promulgated in provincial gazette. These bylaws include fire related incidents namely tariffs, events management, occupancy certificates and community safety. These by-laws also assist in promoting economic development within the district as they serve to protect the agricultural sector within the district. Furthermore, fire services policies have also been developed and adopted by Council. The adopted policies and by-laws are applied to deal with mitigation, prevention and post disaster situations.

9.7. Programms for implementation for 2024/2025

The municipality has reviewed and adopted Community Fire Safety by-Laws awaiting to be promulgated in provincial gazette. These bylaws include fire related incidents namely tariffs, events management, occupancy certificates and community safety.

Goal	Objectives	Function	Funding Source	Location	Projects	Budget
Goal 1: Basic Services Delivery and Community Empowerment and electrification	To improve the provision basic services to rural and urban communities in the municipality	DRM	Equitable share	District wide	Capacity Building	R900,000
			Equitable share	District wide	Procurement of Disaster Relief material	R5,000,000
			ES	District-wide	Procure Air Quality Monitoring Station	R1,000,000
			ES	District	Procurement of sound level monitor & Air Quality Roadshows	R300,000

		MHS	ES	District	SAIEH & IFEH	R100,000
Goal 1: Basic Services Delivery and Community Empowerment and electrification	To improve the provision basic services to rural and urban communities in the municipality	MHS	ES	District	Inspection of Business and Government Premises	R100,000
		MHS MHS	ES	District	MHS Branding Material	R500,000
			ES	District	Laboratory Analysis Protective clothing	R520,000
		MHS	ES	District	MHS Contamination protectors (Hair nets & Gloves)	R28,688
		MHS	ES	District	Laboratory Analysis & Materials and Supply	R80,000.00
		MHS	ES	District	MHS Community awareness	R5,000.00

CHAPTER TEN: SOCIAL TRANSFORMATION AND DEVELOPMENT

10.1. Special Programs Unit (Spu)

10.2. Social Development Programs

10.2.1. Department of Social Development

10.2.1.1. Care and Support Services to Older Persons

Ref. No	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
1882	Mabobo Aged Support and care centre	Dept of Social Development	Mabobo, ward 22	31 March 2025	Ongoing	R111 000
1846	Likomkhulu HCBC	Dept of Social Development	Lugangeni, Ward 15	31 March 2025	Ongoing	R111 000
1880	Lukhanyiso Multi-purpose Centre for the Aged	Dept of Social Development	Dangwana , Ward 12	31 March 2025	Ongoing	R111 000
1795	Phakamisisizwe Social Club	Dept of Social Development	Lubakeko, Ward 02	31 March 2025	Ongoing	R126 000
1888	Bambisanani Maxesibe	Dept of Social Development	Brooksnek, Ward 01	31 March 2025	Ongoing	R111 000
1897	Mzamowethu Old Age Project	Dept of Social Development	Ngwegweni, Ward 02	31 March 2025	Ongoing	R117 000
1794	Thuthukani Geriatric Club	Dept of Social Development	Mhlotsheni, Ward 11	31 March 2025	Ongoing	R111 000
1818	Celizapholo Club for the Aged	Dept of Social Development	Mvuzi, Ward 16	31 March 2025	Ongoing	R111 000
1877	Phuthumani Old Age Project	Dept of Social Development	Qhanqu, Ward 12	31 March 2025	Ongoing	R132 000
1824	Nceduluntu HCBC Organization for the Aged	Dept of Social Development	Ntlabeni, Ward 13	31 March 2025	Ongoing	R111 000
1790	Buhlebendawo Project for the Aged	Dept of Social Development	Mt Ayliff Village, Ward 07	31 March 2025	Ongoing	R111 000
1786	Masongane Service Centre	Dept of Social Development	Gugwini, Ward 04	31 March 2025	Ongoing	R114 000
1885	Sibatsha service centre	Dept of Social Development	Betshwana, ward 04	31 March 2025	Ongoing	R117 000
1800	Bonanokuhle Service Centre	Dept of Social Development	Ncome, Ward 22	31 March 2025	Ongoing	R111 000
1874	Ilingeletu Service Centre	Dept of Social Development	Qwidlana, Ward 23	31 March 2025	Ongoing	R111 000
1784	Mpembeni Service centre	Dept of Social Development	Sigidini, Ward 04	31 March 2025	Ongoing	R111 000
1890	Songezulwazi Service centre	Dept of Social Development	Lugelweni, Ward 08	31 March 2025	Ongoing	R111 000
	Yeyethu service centre	Dept of Social Development	Phukas, Ward 26	31 March 2025	Ongoing	R111 000
1898	Masonwabe Old age Project	Dept of Social Development	Mt Ayliff, Ward 06	31 March 2025	Ongoing	R111 000
1913	Sinoncedo Older Person Project	Dept of Social Development	Dungu, Mt Frere Ward 19 Umzimvubu	31 March 2025	Ongoing	R111 000

Ref. No	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
1917	Mzamomhle Old Age Project	Dept of Social Development	Mntwana, Mt Frere, Ward 19	31 March 2025	Ongoing	R111 000
1203	Magadla Old Age Project	Dept of Social Development	Hlomendlini, Ward 06 Matatiele	31 March 2025	Ongoing	R108 000
2028	Phaphamani Senior citizens Club Old Age Project	Dept of Social Development	Sibi, Ward 03 Matatiele	31 March 2025	Ongoing	R90 000
1160	Paballong Old Age Multi-Project	Dept of Social Development	Pamlaville, Ward 15 Matatiele	31 March 2025	Ongoing	R90 000
1208	Thuthukani Sizwe Project for the Aged	Dept of Social Development	Pamlaville, Ward 15 Matatiele	31 March 2025	Ongoing	R108 000
1160	Makabongwe Luncheon Club	Dept of Social Development	Harry Gwala, Ward 19 Matatiele	31 March 2025	Ongoing	R90 000
1204	Phapama-Lunda	Dept of Social Development	Lunda, Ward 10 Matatiele	31 March 2025	Ongoing	R90 000
1161	Ntatayise old age Project	Dept of Social Development	Maluti township, Ward 01 Matatiele	31 March 2025	Ongoing	R90 000
9653	Sinenjongo Luncheon club	Dept of Social Development	Cedarville, Ward 26 Matatiele	31 March 2025	Ongoing	R108 000
4664	Masizakhe Old Age	Dept of Social Development	Nkosana 2, Ward 25 Matatiele	31 March 2025	Ongoing	R90 000
1207	Retsepile Old age project	Dept of Social Development	Magema, Ward 27 Matatiele	31 March 2025	Ongoing	R90 000
1205	Tswaranang Older Person	Dept of Social Development	Nchodu, Ward 08 Matatiele	31 March 2025	Ongoing	R90 000
3864	Senzokuhle Service Centre	Dept of Social Development	Mfundisweni, Ward 16 Ntabankulu	31 March 2025	Ongoing	R90 000
3853	Ngqwashu Siyazama Elderly Project	Dept of Social Development	Ngqwashu, Ward 14 Ntabankulu	31 March 2025	Ongoing	R90 000
3858	Sikhona Mancu Elderly Project	Dept of Social Development	Mbanweni Location, Ward 14 Ntabankulu	31 March 2025	Ongoing	R90 000
3865	Old Age Covenant Partners	Dept of Social Development	Ndakeni, Ward 08 Ntabankulu	31 March 2025	Ongoing	R108 000
3861	Umkhosi Wezulu Elderly	Dept of Social Development	Bonxa Location, Ward 13	31 March 2025	Ongoing	R90 000
3863	Zoko Service Centre	Dept of Social Development	Zulu, Ward 10	31 March 2025	Ongoing	R135 000
3859	Vukuphile Service Centre	Dept of Social Development	Lucingweni, Ward 13	31 March 2025	Ongoing	R90 000
3854	Luncedo service centre	Dept of Social Development	Dumsi Location, Ward 02 Ntabankulu	31 March 2025	Ongoing	R90 000
3852	Sibanye Service Centre	Dept of Social Development	Mbangweni, Ward 14, Ntabankulu	31 March 2025	Ongoing	R90 000
3860	Mnceba Service Centre	Dept of Social Development	Mnceba, Ward 12 Ntabankulu	31 March 2025	Ongoing	R90 000
3856	Bomvini Service Centre	Dept of Social Development	Bomvini Loc, Ward 07 Ntabankulu	31 March 2025	Ongoing	R90 000
3855	Nceduluntu Service centre	Dept of Social Development	Ntshentshe Loc, Ward 08 Ntabankulu	31 March 2025	Ongoing	R90 000
4750	Pahameng Older Person Project	Dept of Social Development	Saphukanduku, Ward 14 Ntabankulu	31 March 2025	Ongoing	R90 000
4827	Tlali Service Centre	Dept of Social Development	Tlali Loc, Ward 06 Ntabankulu	31 March 2025	Ongoing	R90 000
4826	Madwakazana Service Centre	Dept of Social Development	Madwakazana Loc, Ward 09 Ntabankulu	31 March 2025	Ongoing	R90 000

Ref. No	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
1480	Khananda Service Centre	Dept of Social Development	Makewini, Ward 08 Winnie Madikizela	31 March 2025	Ongoing	R108 000
2654	Lukhanyo Society For The Aged	Dept of Social Development	kwaNikhwe , Ward 27 WMM	31 March 2025	Ongoing	R108 000
2550	Ikhethelo Service centre	Dept of Social Development	Magqabasini, Ward 22 WMM	31 March 2025	Ongoing	R90 000
2669	Abadala Nkantolo Service Centre	Dept of Social Development	Nkantolo, Ward 20 WMM	31 March 2025	Ongoing	R90 000
2552	Ncedisizwe Service Centre	Dept of Social Development	Lukholo , Ward 26 WMM	31 March 2025	Ongoing	R90 000
2658	Ncedo Service Centre	Dept of Social Development	Redoubt, Ward 04	31 March 2025	Ongoing	R90 000
2665	Mthayise Service Centre	Dept of Social Development	Mthayise, Ward 26 WMM	31 March 2025	Ongoing	R90 000
1858	Zwelitsha Service Centre	Dept of Social Development	Ludeke, Ward 08 WMM	31 March 2025	Ongoing	R90 000
2668	Sakhubom Service Centre	Dept of Social Development	Nomlacu, Ward 27 WMM	31 March 2025	Ongoing	R90 000
11231	Mgcinephila Service Centre	Dept of Social Development	Lurolwani Loc, Ward 24 WMM	31 March 2025	Ongoing	R90 000
11146	Sophumelela Service Centre	Dept of Social Development	Ezizityaneni Loc, Ward 31 WMM	31 March 2025	Ongoing	R90 000
11232	Ncedisa Service Centre	Dept of Social Development	Mcetsheni Loc, Ward 10 WMM	31 March 2025	Ongoing	R90 000
11229	Simanyene Service Centre	Dept of Social Development	Bulala Loc, Ward 29 WMM	31 March 2025	Ongoing	R90 000
1472	Khanyisa Service Centre	Dept of Social Development	Amangutyana, Ward 19 WMM	31 March 2025	Ongoing	R90 000
2554	Zamukulungisa SC	Dept of Social Development	Mbizana WMM	31 March 2025	Ongoing	R90 000
11233	Suthu Service Centre	Dept of Social Development	kwaNtshangase Loc, Ward 03 WMM	31 March 2025	Ongoing	R90 000
11226	Mhlabeni Service Centre	Dept of Social Development	Mhlabeni, Ward 22 WMM	31 March 2025	Ongoing	R90 000
11225	Nikolo Service Centre	Dept of Social Development	Topolo, Ward 28 WMM	31 March 2025	Ongoing	R90 000
11706	Siwisa Service Centre	Dept of Social Development	Siwisa Loc, Ward 31 WMM	31 March 2025	Ongoing	R90 000
11698	Senzokwethu Service Centre	Dept of Social Development	Khumbuza, Ward 24 WMM	31 March 2025	Ongoing	R90 000
2553	Luhle Service Centre	Dept of Social Development	Mabhekuteni, Ward 15 WMM	31 March 2025	Ongoing	R90 000
2666	Ilinge Service Centre	Dept of Social Development	Esikhumbeni , Ward 07 WMM	31 March 2025	Ongoing	R90 000
2551	Ntola Support Centre	Dept of Social Development	Ntlakwe, Ward 03 WMM	31 March 2025	Ongoing	R90 000
2555	Winnie Madikizela Mandela Service Centre	Dept of Social Development	Mbhongweni, Ward 14 WMM	31 March 2025	Ongoing	R90 000
4669	Nozibele Elderly	Dept of Social Development	Mbizana, Ward 13 WMM	31 March 2025	Ongoing	R90 000
4824	Vezokuhle Old Age Project	Dept of Social Development	Mbizana, Ward 10 WMM	31 March 2025	Ongoing	R90 000
Total						R7 305 000

10.2.1.2. Care and support services to persons with Disabilities

Ref. No.	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
3708	Nolitha CBR Home Care Centre	EC Social Development	Msukeni Location 03, Mt Ayliff Umzimvubu	31 March 2025	Ongoing	R1 542 240
2548	Masakhane Project	EC Social Development	Mt Zion, Ward 12 Mbizana WMM	31 March 2025	Ongoing	R152 100
1209	Siyakhula Project	EC Social Development	Mzongwana, ward 7 Matatiele	31 March 2025	Ongoing	R138 192
3599	Amaqhawwe Esizwe Project	EC Social Development	Ntabankulu town, Ward 15 Ntabankulu	31 March 2025	Ongoing	R 42 120
Total						R1 874 652

10.2.1.3. HIV and AIDS Program

Ref. No.	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
1785	Emadumasini HCBC	EC Social Development	Ncome Springs, Ward 24 Mt Frere, Umzimvubu	31 March 2025	Ongoing	R324 069
1884	Thandisizwe HCBC	EC Social Development	Goxe, Ward 15 Mt Ayliff Umzimvubu	31 March 2025	Ongoing	R324 069
1508	Sizophila Community and Child Health Forum	EC Social Development	Amadiba Location, Ward 23 Mbizana WMM	31 March 2025	Ongoing	R324 068
1871	Sinosizo Support Group	EC Social Development	Envis, ward 09 Mbizana WMM	31 March 2025	Ongoing	R324 068
1705	Ixabiso Lomntu	EC Social Development	Magqabasini, Ward 08 Mbizana WMM	31 March 2025	Ongoing	R324 069
4379	Sinokhanyo HCBC	EC Social Development	Dumsi, Ward Mbizana, WMM	31 March 2025	Ongoing	R781 072
1932	Someleze HCBC	EC Social Development	Magema Loc, Sibi, Ward 26	31 March 2025	Ongoing	R324 069
1932	Mamohau HCBC	EC Social Development	Masupa , Ward 13 Matatiele	31 March 2025	Ongoing	R324 069
4837	Bright Beginning SBC	EC Social Development	Matatiele	31 March 2025	Ongoing	R781 071
1019	Gumpe HCBC	EC Social Development	Mvenyane Loc, Ward 12 Ntabankulu	31 March 2025	Ongoing	R324 069
Total						R4 154 692

10.2.1.4. Integrated Services to Families

Ref. No.	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
1758	Mt Frere Single Parents Association Program.	EC Social Development	Lubhacweni, Ward 17 Umzimvubu	31 March 2025	Ongoing	R152 400
4216	Ngozi Single Parents Association	EC Social Development	Ntabankulu, Ward 05	31 March 2025	Ongoing	R102 400
1398	Mpoza Family Resource Centre	EC Social Development	Mpoza, Mt Frere Umzimvubu	31 March 2025	Ongoing	R132 400
2057	Masincedisane Family Organisation	EC Social Development	Mvalweni , Mt Aylff Ward 03 Umzimvubu	31 March 2025	Ongoing	R147 654
990	Maluti Family Resource Centre	EC Social Development	Maluti township, Ward 01	31 March 2025	Ongoing	R132 400
985	Maluti Family Preservation	EC Social Development	Sibi	31 March 2025	Ongoing	R247 400
2545	Mbizana Masincedane Family Preservation	EC Social Development	Luthulini, Ward 14	31 March 2025	Ongoing	R247 400
Total						R1 145 254

10.2.1.5. Child Protection

Ref. No.	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
2244	Child Welfare Society PEIP	EC Social Development	Matatiele Town serving wards 19, 20, 22 , 26 Matatiele	31 March 2025	Ongoing	R497 684
2250	Maluti Family resource PEIP	EC Social Development	Maluti Township, Wards serving Wards 1, 7, 8, 9 , 14	31 March 2025	Ongoing	R449 913
3537	Umzimvubu PEIP	EC Social Development	Mt Frere serving wards 10, 13, 14, 18	31 March 2025	Ongoing	R187 630
1023	Ubuntu u Neighbours PEIP	EC Social Development	Ntabankulu, ward 6, 13	31 March 2025	Ongoing	R187 630
Total						R1 322 857

10.2.1.6. Special Day Centre

Ref. No.	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and	Project Time frame	Project Status	2024/25 FY Budget
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			or coordinates)			
4816	Ikhaya Lembizana SDC	EC Social Development	Mt Zion, Ward 14 Mbizana WMM	31 March 2025	Ongoing	R85 880
Total						R85 880

10.2.1.7. Child and Youth care Centres

Ref. No.	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
1583	Siyakhana Youth Outreach and Educational Program	EC Social Development	Sophia town, Ward 18 Mt Frere, Umzimvubu	31 March 2025	Ongoing	R2 056 800
4131	Crossroads children's Home	EC Social Development	Matatiele town, Ward 19 Matatiele	31 March 2025	Ongoing	R2 159 640
Total						R 4 216 440

10.2.1.8. Community based services to children -Reseha Program

Ref. No.	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
895	Isibindi Siyalinga	EC Social Development	Mpendla, Ward 18 kwaBhaca Umzimvubu	31 March 2025	Ongoing	R1 300 404
888	Isibindi Kwabhaca	EC Social Development	Ward 18 kwaBhaca Umzimvubu	31 March 2025	Ongoing	R1 417 992
2238	Isibindi Maluti	EC Social Development	Matatiele, ward 21	31 March 2025	Ongoing	R1 127 204
Total						R3 845 600

10.2.1.9. Community based services to children: Drop in Centres

Ref. No.	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
2228	Sinosizo Sisonke Isikelo	EC Social Development	Nomlacu, Ward 17 Mbizana, WMM	31 March 2025	Ongoing	R247 296
2227	Siphumelele Isikelo	EC Social Development	Mt Zion, Ward 03 Mbizana, WMM	31 March 2025	Ongoing	R247 296
4638	Thembelihle Project	EC Social Development	Matatiele	31 March 2025	Ongoing	R121 728
3092	Yomelela Community Organisation	EC Social Development	Khaue, Ward 25 Matatiele	31 March 2025	Ongoing	R 187 344
Total						R803 664

10.2.1.10. Victim Empowerment Program

Ref. No.	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
1964	Mtshazi Safe Home	EC Social Development	Mtshazi, Ward 19 kwaBhaca, Umzimvubu	31 March 2025	Ongoing	R315 254
1976	Mt Frere Victim Support	EC Social Development	kwaBhaca Town, Ward 18, Umzimvubu	31 March 2025	Ongoing	R191 024
1971	Mt Ayliff Counselling Centre	EC Social Development	Lugelweni Loc, Mt Ayliff, Umzimvubu	31 March 2025	Ongoing	R191 024
1966	Mtha-Khanya White Door Centre	EC Social Development	Mandileni , ward 15 , kwaBhaca, Umzimvubu	31 March 2025	Ongoing	R191 024
1965	Isiseko Sobuntu White Door Centre	EC Social Development	Mwaca, ward 05 Mt Ayliff, Umzimvubu	31 March 2025	Ongoing	R191 024
1969	Kwabhaca white door center of hope	EC Social Development	Lubhacweni, Ward 17 Umzimvubu	31 March 2025	Ongoing	R191 024
2236	Mzamba Victim support centre	EC Social Development	Sea view, Ward 24 Mbizana, WMM	31 March 2025	Ongoing	R191 024
2245	Bhekizizwe white door center of hope	EC Social Development	Mthanyise, Ward 25 Mbizana, WMM	31 March 2025	Ongoing	R191 024
2471	Khuseleka white door center of hope	EC Social Development	Siwisa Loc, Ward 20 Mbizana, WMM	31 March 2025	Ongoing	R191 024
3836	Masizakhe White Door	EC Social Development	Bhonxa, Ward 13 Ntabankulu, NLM	31 March 2025	Ongoing	R191 024
3076	Maluti Victim Support Centre	EC Social Development	Maluti Township, Ward 01, Matatiele	31 March 2025	Ongoing	R191 024
2290	kwaMashu Victim Support Centre	EC Social Development	Bhubesi Locatioj, Ward 18 Matatiele	31 March 2025	Ongoing	R187 052

1021	Masakhuxolo White Door Centre	EC Social Development	Luxeni Loc, Ward 17 Matatiele	31 March 2025	Ongoing	R161 024
2380	Thusanang White Door Centre	EC Social Development	Jabulani, Ward 25, Matatiele	31 March 2025	Ongoing	R161 024
2358	Maluti White Door Centre	EC Social Development	Maluti Townshi, Ward 01 Matatiele	31 March 2025	Ongoing	R137 575
1018	Mochochonono white door center of hope	EC Social Development	Harry Gwala, ward 21 Matatiele	31 March 2025	Ongoing	R161 024
Total						R3 029 221

10.2.1.11. Substance Abuse Prevention and Rehabilitation

Ref. No.	Project Name	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Project Time frame	Project Status	2024/25 FY Budget
3643	Umzimvubu TADA	EC Social Development	Mt Ayliff Village, Ward 28 Umzimvubu	31 March 2025	Ongoing	R134 617
3752	Mount Frère TADA	EC Social Development	Mt Frere Town	31 March 2025	Ongoing	R134 617
988	Makhoba TADA	EC Social Development	Makhoba, Ward 07 Matatiele	31 March 2025	Ongoing	R150 486
2466	Imizizi Youth Advocates	EC Social Development	Imizizi, Ward 20 Mbizana WMM	31 March 2025	Ongoing	R135 217
2469	Youth beyond Expectations	EC Social Development	Mbizana, Ward 01 WMM	31 March 2025	Ongoing	R138 450
3835	Ntabankulu TADA	EC Social Development	Ntabankulu, Ward 09	31 March 2025	Ongoing	R137 272
Total						R831 019

CHAPTER ELEVEN: PERFORMANCE MANAGEMENT SYSTEM

11.1. Adoption of Performance Management System

ANDM reviewed and adopted PMS Policy and Framework in line with Performance management Regulations of 2011. The performance management system is directly linked and aligned with the IDP as well as key performance indicators and targets and are in line with the Municipal Systems Act of 2000 as amended and applicable Regulations.

11.2. Purpose of the Policy

Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the different role players”.

As such, the purpose of the Policy Framework is to:

- a. Give effect to the performance management system as prescribed by the Municipal Systems Act, 2000 as amended;
- b. Provide an overarching framework for managing performance in the District Municipality ; and
- c. Provide a foundation from which to steer the process of performance management through the phases of planning, monitoring, measurement, analysis, reporting and review on both the operational and individual level.

11.3. Roles and Responsibilities

A range of different ANDM stakeholders use the Performance Management System for different reasons. Understanding these is important as it affects the type of information required and the form in which it is prepared.

The table on the next page outlines some of the key usages.

ANDM Council	Assess whether it is meeting its developmental objectives and whether these are having an impact on the lives of the people in the Municipality. Help define ways of improving its resource usage and impact on the developmental needs of the people in the Municipality. Assist in evaluating progress made by the Municipality against key
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Executive Mayor and Mayco	Strategic monitoring of progress and effectiveness of the implementation of the IDP Plan. Review the effectiveness of service delivery strategies used by the Council and inform recommendation on best methods including partnerships for service delivery.
Municipal Manager	Strategic and operational control of the delivery of the IDP & SDBIP. Use the information and analysis to advise the Council on the best action for the Municipality to take to realise its development objectives.
Senior Management Team	Keep an up to date understanding of implementation. Understand reasons for problems and blockages Inform ways of tackling day-to-day and systemic blockages to implementation.
Financial Team	Monitors how effectively the financial resources are used to implement the IDP. Controls the flows of money to maximise its contribution to the implementation.
Section/Unit Managers	Monitors and evaluate the delivery of range of projects or parts of projects to understand how the implementation can best achieve the defined programme objectives.
Assistant Managers	Understand and assess how his sectoral resources are performing in implementing the IDP plan.
Project Managers	Monitor and evaluate the proper allocation of resources to achieve the project delivery in the most efficient way within the defined timeframe.
Staff	Implement, monitor and evaluate the proper allocation of resources to achieve the project delivery in the most efficient way within the defined timeframe.
Consultation For a like IDP Rep Forum	Monitoring and evaluation and review information to provide the opportunity for them and the groupings they represent to assess the extent to which the Municipality is delivering its IDP plan. Assess better ways of mobilising their “constituencies” to appropriately involve themselves in delivery.
Local Residents	Receive information on the progress in the delivery of the IDP Plan. Hold Municipalities accountable for their performance against key performance indicators and targets.
National and Provincial Government	Understand the extent to which the Municipality is contributing to meeting National and Provincial development priorities. How effectively the Municipality is using financial and other resources provided to it by other spheres of government.

Grant Funders	Monitoring and evaluation as to whether their financial contributions are used effectively and appropriately to meet the Municipality's development objectives and their conditions as funders.
Auditors	Understand the policy bases of performance management in ANDM for performance audits

11.4. Different Scorecard Levels

The District implements three levels of the scorecard. These are an organisational, Departmental and Sectional Scorecards. The municipality has cascaded PMS to all levels in the municipality.

11.4.1. Institutional Scorecard

The Institutional Scorecard will be used to measure performance of the municipality in terms of implementation of the Service Delivery and Budget Implementation Plan (SDBIP). The institutional scorecard will provide an overall picture of performance of municipality, reflecting performance on its strategic priorities thereby giving effect to the implementation and monitoring of objectives, key performance indicators and targets as defined in the Integrated Development Plan (IDP) and budget. Quarterly Performance assessments and reports are compiled and tabled before Council. The the Accounting Officer utilise Institutional Scorecard as a basis for reporting to the Executive Mayor, Council and the public through quarterly reports, mid-year budget and performance assessment and Annual Report.

11.4.2. Departmental Scorecard

This Scorecard is utilised to measure and monitor performance of the departments. The departmentst performance report is copmiled on a quarterly basis to reflect on implementation department projects, which are directly linked to the objectives, indicators and targets derived from the institutional scorecard linked to the IDP. All Directors including Municpal Manager sign performance agreements annually. Performance monitoring in the form of quarterly reports are presented to the Municipal Manager, Executive Committee and Council.

11.5. Performance Auditing

The Internal Audit function will ensure conformity to reporting formats, compliance with legislation and assess the reliability of reported information, where possible. Council's internal audit function will be continuously involved in auditing the performance measurements of the municipality. As required by the regulations, the internal audit submits quarterly reports on their audit to the Municipal Manager and Performance and Audit Committee. Currently the District has functional Performance and Audit

Committee, which has also been tasked by the Council to perform auditing of performance information.

11.6. Performance Monitoring and Review

ANDM has established a functional and effective IDP and OPMS Unit which is responsible for facilitating the monitoring of the implementation and evaluation of IDP objectives in line with the approved SDBIP, IDP and budget. The SDBIP is directly aligned with the strategic objectives performance indicators and targets as contained in the IDP. Implementation monitoring occurs through Section 71, Section 52d, Section 72, and the annual reports. These reports are presented before Council quarterly and are forwarded to the prescribed stakeholders for the purposes of oversight and accountability.