AMATHOLE
DISTRICT MUNICIPALITY

THE PROPOSED SMART DISTRICT
CONCEPTUAL FRAMEWORK
THE PROPOSED SMART DISTRICT CONCEPTUAL FRAMEWORK

- ENVISIONING AMATHOLE DISTRICT MUNICIPALITY TOWARDS 2058: A SMART DISTRICT ENVIRONMENT
  - MTAS (2018 – 2023)
  - IDP (2018/2019)

MARCH 2018
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1. BACKGROUND

Contemporary rural regions struggle with a whole range of problems that are predominantly the result of an inability to deal effectively with the consequences of recent trends and events. The main problem areas include economic growth, rural finance, social development, environmental quality, and governance. Continuous structural changes in manufacturing and built environment services sectors, combined with global competition, put major strains on the economies of countries, regions, towns and cities. Many rural regions also struggle with high sectoral unemployment and lack of financial resources for the development of necessary infrastructure and for tackling social and environmental difficulties. The lack of sufficient financial resources is usually a result of a weak economy combined with the inappropriate management of existing “Smart Districts” resources. Lack of sufficient funds is also an important limitation for the development of necessary infrastructures, such as transport and communication facilities, environmental protection services, the general built environment and social amenities.

The characteristic economic, social and environmental problems for smart districts are difficult challenges for their leaders and administrators, whether they are at local, regional or national level. On one side, the demands placed on smart districts and their local governments are increasing; on the other, many rural regions are faced with the failure of local democracy, the apathy of their citizens as well as conflicting political interests.

Present rural management approaches and mechanisms often fail to deal effectively with these challenges. It is becoming increasingly apparent that new approaches and mechanisms are needed to address these existing environmental problems in a more effective and comprehensive manner. Most of these smart districts difficulties are the result of an inability to cope effectively with the consequences of both global and local change, as well as the extreme complexity of rural and regional systems.
It is ever more being recognised that rural planners, architects, built environment specialists and policy-makers lack an effective future-orientated approach that could enable them to anticipate future transformations, to prepare efficiently for ensuing consequences and to tackle the inherent complexity. There is a growing need for planners and decision-makers to become ‘visionary’ in areas such as the smart districts building environment, in community support and the creation of alliances, in taking a long-term view and cultivating best practices, in embracing both diversity and authenticity, in committing to social equity and community pride, and in planning for liveability and advocating sustainability on land-use development.

The abovementioned challenges can be addressed by adopting and further developing approaches and methods from the field of Futures Studies, developed over the past five decades. The Futures Studies field has generated an extensive body of knowledge on trends and forces creating the future. Futures Studies embraces a whole range of methods and techniques that enable the exploration of what lies ahead in a systematic, rigorous and holistic way. Futures Studies offers a different way of thinking and acting about the future. The research to be reported will be undertaken in order to address the existing need for an effective future orientated approach in land-use development and smart districts planning, as well as to examine how future thinking and methodologies can be used to fulfil Amathole Municipality smart district needs. Thinking with respect to the future has been present in human history virtually from its beginning. What is important today, for all areas of life, is a growing recognition that the future is not predetermined and human actions can influence its course. These realisations underline the development of the Futures Studies field – a rigorous discipline, the purposes of which are to “discover or invent, examine and evaluate, and propose possible, probable and preferable futures” for Amathole District Municipality that will have a direct impact on the MTAS, the IDP’s as well as the SDBIP’s.
The capability to explore the future has come to the fore in a time of increasing uncertainty, due to the accelerating pace of change and growing complexity of our world.

Systematic exploration of the future can help all decision makers in Amathole District Municipality, including public directors, urban planners and government ministers, in their relevant quests: to identify the possibilities that lie ahead, as these may indicate either positive new opportunities or hold warnings; to determine areas in which the future can be shaped, as well as those areas over which decision makers have very little control and that are thus difficult to influence; and to evaluate plans, define ways in which these plans can be realised and anticipate their likely outcomes. Examination of the future for Amathole District Municipality will help to establish the main continuities and major trends and to understand how change occurs. It will help to identify the critical problems, the new factors that will gain importance, and the sources of motivation and hope. An understanding of how the future can unfold for Amathole District Municipality towards 2058, however important, is only a part of the process of creating desired futures. The images of these desired futures should be developed by building upon the values and wishes of the Amathole District Municipality people, whom they concern, and they should guide the actions of all who are responsible for policy and decision-making towards a smart district for Amathole District Municipality towards 2058.

The Futures Studies field has developed a wide range of methods and techniques to enable the study of the future in a systematic, rigorous and holistic manner. Futures concepts, methods and techniques have been extensively applied in many areas, such as business, governments, municipalities, military, environmental studies, education, health, and national and regional developmental studies. Over the past 15 years, the use of futures methods has begun to positively influence rural planning processes. A number of districts have efficiently applied futures methods in order to guide their rural development.
By doing so, these smart districts have proved that there is a need for a different way of thinking about the future and a requirement for innovative, future-orientated research that could assist urban planners, municipal managers, politicians and strategist, architects, built environment specialists and decision-makers alike.

1.2 OBJECTIVES

The primary objective of this effort is to develop smart district solutions for Amathole District Municipality over the next forty years. The secondary objective of this study will be not only to offer what is already known and knowable about the current state of Amathole District Municipality and its current built environment development, but also to explain the many ways in which environmental scanning and development could co-involve – both push and inhibit each other – in the future. Thereafter, the planning will begin to examine what possible paths may exist for Amathole District Municipality poor and vulnerable population with regards to smart districts demands. Furthermore, this planning will attempt to indicate how different approaches to or solutions provided by the smart district process, will lead to different Turnaround outcomes. This planning will not attempt to predict the future, but rather to illustrate the plausible futures taking into account the current prevailing and future forces and factors, both external and internal, that impact on Amathole District Municipality smart district environment development, the MTAS (2018 – 2023) as well as the IDP (2018/2019).

In order to obtain a better understanding of the best plausible smart district future for Amathole District Municipality, the nature of progress and failure in the Amathole District Municipality context will have to be investigated. Through this action, the practical implications, implicit worldviews, ethics and the idea of smart district progress will be analysed. The application of futures techniques will be informed by the context of Amathole District Municipality. A ‘surprise free’ prognosis of the future for Amathole’s district and built environment will be investigated, coupled with an ‘ideal realisable MTAS and IDP future’ as determined in terms of the concept of progress in the Amathole District Municipality context.
The aim of this is to then provide practical inputs for Amathole District Municipal officials, public policy makers and smart district specialists, as well as land-use development governance practitioners who are involved with the development of current and future Amathole District Municipality strategic policies, thereby ensuring plausible, good governed smart district frameworks.

This will be delivered through:

- analysis of the nature of smart district progress (and failure) in the Amathole District Municipality context towards 2058
- analysis of the extent to which plausible MTAS and IDP concepts are recognised and understood amongst decision makers and smart district professionals
- analysis of factors that obstruct the implementation of a plausible smart district future for Amathole District Municipality towards 2058
- examination of how Amathole District Municipality practice has converged to or diverged from, international perceived good governance standards in terms of understanding, acknowledgement and implementation of the Vision 2058, MTAS and IDP, leading to
- the development of a ‘surprise free’ prognosis and a set of practical recommendations addressing the main factors that impede plausible smart district futures, the best case MTAS and IDP with the aim of improving the level of its implementation for Amathole District Municipality, and
- the generation of recommendations and guidelines of how to achieve the desired future state for Amathole District Municipality smart district environment.
1.3 INTRODUCTION

The South African government has adopted a decentralised approach in dealing with matters of service provision and development to its citizens. This bottom-up approach renders government an opportunity to reach its citizens in a manner that allows communities themselves wherein these communities are able to deal and respond to government directly.
The Amathole District Municipality is a rural district municipality as affirmed by the South African Statistics (2011) characterised by the majority of the geographical area classified as rural and semi-urban respectively. To this end, Amathole District Municipality’s planning and performance (service provision) should be located within the context of the unique challenges it faces that are characteristics by complex rural development problems, including massive infrastructure backlogs that require extraordinary measures to address the requirements of funding and delivery capacity with urgency.

Challenges experienced cannot overshadow the developmental mandate of the district municipalities as enshrined in the 1996 Constitution of the Republic of South Africa. To this fact, Amathole District Municipality is on course in pursuit of the developmental mandate of local government as echoed by the White Paper on Local Government, 1998. In addition, it is submitted that the long-term planning of the country will take the centre stage in the alignment of what Amathole District Municipality intends to do.

Since the establishment of the district as part of the local government sphere, services are rendered at the satisfactory level of community involvement through public participation. Amathole District Municipality has, therefore, as part of the evolution of local government, and an alignment with the National Development Plan, Provincial Development Plan and Africa Agenda’s 63, resolved to adopt a Smart District derived from Smart City philosophy with the aim of creating a smart district. Furthermore, it is understood that Amathole District area by its own nature is more rural, therefore this framework will take cognisance thereof.

Amathole District Municipality find it imperative to invest in the smart district philosophy particularly in the areas that will be beneficial to the Amathole District Municipality organisation and community, however, the realisation of such should be done in an efficient, effective and economical manner including global and regional environmental focus and infrastructural development. To this end, an inclusive planning that will benefit all communities in the district will be promoted.
It is further acknowledged that Amathole District Municipality as a vehicle of service provision will extend its long-term planning beyond the current the National Development Plan and Provincial Development Plan to 2058 with the emphasis of a Smart District approach.

It is common knowledge that government investment for service provision sustainability needs to be focus-driven and benefit communities in areas intended to be recipients. The integrated efforts and approach by the Amathole District Municipality district through the Amathole District Municipality smart district will ensure return on investment made by local government with the outcome addressing the socio-economic conditions of communities is realised be it infrastructure, community development and economic growth which in turn will lead to community wealth.

The 2058 vision, the swat MTAS and IDP will influence the future of the Amathole District Municipality as an entity taking to account service provision and governance and furthermore, the future of the district as an envisaged area of development including its people. To this end, this framework sets a picture of how Amathole District Municipality will go about in driving the smart district philosophy, district-wide MTAS and IDP planning and service provision, as a champion of development including community development at large.

2. LEGAL OVERVIEW

2.1 AMATHOLE DISTRICT MUNICIPALITY POWERS AND FUNCTION

The powers and function of Amathole District Municipality are derived from the 1996 Constitution of the Republic of South Africa and they are divided into Service Provisions, Planning and Development Facilitation and Governance and Administration.
2.2.1 The legislative background

In terms of Section 156 of the Constitution of the Republic of South Africa, 1996, a municipality has executive authority in respect of, and has the right to administer:

- The local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and
- Any other matters assigned to it by national or provincial legislation.

In addition, national and provincial governments may assign to a municipality, by agreement and subject to any conditions, the administration of a matter listed in Part A of Schedule 4 or Part A of Schedule 5 to the Constitution which necessarily related to local government.

In terms of the 1996 Constitution and in promotion of corporative governance and authority, local government is established as a sphere of government which is distinctive, interdependent to and interrelated to other spheres of government. Accordingly, Section 83 read with section 84(1) and (2) of the Municipal Structures Act 117 of 1998 (Structures Act) divides up the functions listed in Schedule 4B and 5B of the Constitution between local municipalities and district municipalities.

In addition to the above, a district municipality is obligated in terms of section 83 (3) to seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by:

- Ensuring integrated development planning for the district as a whole;
- Promoting bulk infrastructure development and services for the district as a whole;
- Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
• Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

2.2.2 Powers and Functions as assigned to the Amathole District Municipality in terms of Section 84 of the Systems Act and which have not been reassigned by the Minister acting in terms of Section 84(3)(b) or the MEC acting in terms of Section 85

• Integrated Development Planning for the district as a whole; including a framework for integrated development plans of all municipalities in the area of the district municipality (S84(1)(a))
• Potable water supply systems (S84(1)(b));
• Domestic waste-water and sewerage disposal systems (S84(1)(d));
• Solid waste disposal sites, in so far as it relates to –
  o The determination of a waste disposal strategy;
  o The regulation of waste disposal;
  o The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district (S84(1)(e)).
• Regulation of passenger transport services (S84(1)(g));
• Municipal airports serving the area of the district municipality as a whole (S84(1)(g));
• Municipal health services (S84(1)(i));
• Fire Fighting Services serving the area of the district as a whole which includes planning, coordinating and regulation of fire services; specialised firefighting services; coordination and standardisation of infrastructure, vehicles and equipment and procedures; and training fire officers(S84(1)(j)) – excluding the Raymond Mhlaba and Amahlathi LMs;
• The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district (S84(1)(k));
• The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district (S84(1)(l));
• Promotion of local tourism for the area of the district municipality (S84(1)(m));
• Municipal public works relating to any of the above functions or any functions assigned to the district (S84(1)(n));
• The receipt, allocation and, if applicable, the distribution of grants made to the district municipality (S84(1)(o));
• The imposition and collection of taxes, levies, and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation (S84(1)(p))

2.2.3 Powers and Functions adjusted by the MEC in terms of Section 85(1) from local municipalities to the Amathole District Municipality

• Building regulations in respect of Amathole District Municipalities [In terms of PN No. 23, Provincial Gazette Extraordinary No 760, 28 June 2001 and adjusted further in terms of PN No. 19 of 9 May 2008];

2.2.4 Powers and functions adjusted by the MEC in terms of Section 85(1) from the Amathole District Municipality to the Local Municipalities

• Firefighting services in respect of Amahlathi and Raymond Mhlaba Local Municipalities

2.2.5 Duties and responsibilities assigned to the Amathole District Municipality by National Legislation

• Municipal Disaster Management as set out under the Disaster Management Act 57 of 2000;
• Identifying housing needs and planning responsibilities as set out in chapter 4 of the Housing Act 107 of 1997.
Atmospheric emission monitoring and licencing as set out under the National Environment Management: Air Quality Act 29 of 2004.

The above powers and functions clearly define why Amathole District Municipality and what the district.

3. SITUATIONAL ANALYSIS

3.1 SPATIAL PROFILE

The Amathole District Municipality was officially demarcated after the local government elections of December 2000 during the establishment phase of South African municipalities. The district is situated on the eastern seaboard of the Eastern Cape and stretches from the Indian Ocean coastline in the south to the Amathole Mountains in the north, and from Mbolombo Point (just south of the Hole-in-the-Wall along the Transkei Wild Coast) in the east to the Great Fish River in the west. It is one of six districts within the Eastern Cape, and is the 3rd largest in terms of population, behind the O.R Tambo and the Nelson Mandela Bay Metropolitan areas. It is bordered by the Cacadu, Chris Hani, OR Tambo and Buffalo City Metro municipalities. The District covers a land area of roughly 21 121.11km² and 192km of coastal. The Amathole District Municipality Spatial Developmental notes that the district is 60% rural and 40% urban, off which it declares the district as rural.
The geographic area of the district municipality has suffered a major reduction in size due to the re-demarcation process that occurred prior to the 2011 and 2016 local government elections. Buffalo City Local Municipality and the amalgamation of Nkonkobe and Nxuba municipalities to Raymond Mhlaba in 2016. The re-demarcation process resulted in the district being composed of six local municipalities. The Amathole District Municipality’s area of jurisdiction is made up of 6 local municipalities, as follows:

- **Amahlathi Municipality**, comprising the towns of Stutterheim, Cathcart, Keiskammahoek and Kei Road, numerous peri-urban and rural settlements;
- **Raymond Mhlaba Municipality**, comprising the towns of Alice, Fort Beaufort and Middledrift, the smaller towns of Hogsback and Seymour, Bedford and Adelaide numerous peri-urban and rural settlements;
- **Amathole District Municipality**, comprising the town of Peddie, the coastal town of Hamburg, numerous peri-urban and rural settlements;
- **Great Kei Municipality**, comprising the town of Komga, the small coastal towns of Kei Mouth, Haga Haga, Morgan Bay and Cintsa, and a number of rural settlements;
- **Mnquma Municipality**, comprising the main town of Butterworth, the small towns of Ngqamakwe and Centani, numerous peri-urban and rural settlements; and
- **Mbhashe Municipality**, comprising the towns of Idutywa, Elliotdale and Willowvale, and numerous peri-urban and rural settlements.

Amathole District Municipality offices are situated in Chiselhurst, East London; and there are six satellite offices in all its local municipalities (Dutywa, Butterworth, Komga, Stutterhiem, Peddie, and Fort Beautiful).

### 3.2 DEMOGRAPHIC PROFILE

The major forces that drive population growth are fertility, mortality and migration. The demographic profile of the Amathole District Municipality presents the district and LM population dynamics, household, age and gender distributions, as well as the district and LM’s access to basic services.

#### 3.2.1 Population

As illustrated in figure 3 below, the population estimates for 2016 Community Survey indicate the district has 914,842 people, which is a 2% increase from 892,637 in 2011 Census. The District constitutes an average of 12% (914,842 people) of the Eastern Cape’s population (6.9 million people), as per graph below. Table ... below illustrates the allocation of the district per local municipality, Mbhashe LM has the highest population followed closely by the Mnquma LM. A significant part of the former Ciskei homeland is located within Amatole District, and this has influenced the region’s population growth. Population density is high in settlements long major transportation routes including the N2 (Butterworth & Dutywa), the R72 (Peddie), the R63 (Alice) and the N6 (Stutterheim).

<table>
<thead>
<tr>
<th>MUNICIPALITY</th>
<th>2006</th>
<th>2011</th>
<th>2016</th>
<th>Average Annual growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mbhashe</td>
<td>271,000</td>
<td>265,000</td>
<td>269,000</td>
<td>-0.05%</td>
</tr>
<tr>
<td>Mnquma</td>
<td>263,000</td>
<td>248,000</td>
<td>244,000</td>
<td>-0.74%</td>
</tr>
<tr>
<td>Great Kei</td>
<td>34,700</td>
<td>31,000</td>
<td>30,400</td>
<td>-1.32%</td>
</tr>
<tr>
<td>Amahlathi</td>
<td>108,000</td>
<td>101,000</td>
<td>99,500</td>
<td>-0.79%</td>
</tr>
<tr>
<td>Ngqushwa</td>
<td>68,500</td>
<td>64,800</td>
<td>62,700</td>
<td>-0.89%</td>
</tr>
<tr>
<td>Raymond Mhlaba</td>
<td>148,000</td>
<td>153,000</td>
<td>156,000</td>
<td>0.50%</td>
</tr>
<tr>
<td><strong>Amatole</strong></td>
<td><strong>893,150</strong></td>
<td><strong>861,896</strong></td>
<td><strong>862,077</strong></td>
<td><strong>-0.35%</strong></td>
</tr>
</tbody>
</table>

Source: IHS Markit Regional eXplorer version 1156
Table 2 above indicates the population of the district per race and age category. Over 90% of the population is black followed by coloured and Asians as the least. Only 31% of the population (281 000 people) is over 40 years of age. There are more women in the district than men, which is in line with national and provincial trends.
In 2016, there is a significantly larger share of young working age people between 20 and 34 (24.8%), compared to what is estimated in 2021 (22.6%). This age category of young working-age population will decrease over time. The fertility rate in 2021 is estimated to be slightly higher compared to that experienced in 2016. The share of children between the ages of 0 to 14 years is projected to be significantly smaller (31.2%) in 2021 when compared to 2016 (32.6%). There are more females (52.35%) than males, contributed by the high male out-migration to look for work elsewhere.
The population of the Amathole District is projected at an average annual growth rate of 0.5% between 2016 and 2021.

### 3.2.2 Population Analysis

Amathole District is ranked lowest amongst other districts and Metros with an average annual growth rate of -0.4% between 2006 and 2016. Raymond Mhlaba local municipality increased the most, in terms of population, with an average annual growth rate of 0.5%, followed by Mbhashe -0.1%. The Great Kei local municipality had the lowest average annual growth rate of -1.32%.

The decrease in population as depicted in the above diagrams as people age may be attributed to a combination of multiple effects, with the most prominent as population mortality and strong out-migration tendencies within the district.
Furthermore, the majority of the population is between 19-24 years, which is indicative that the district is predominately youth.

If the trends continue, the implication for the district is the consideration of future development plans, plans that will be consistent with the population growth rate. In the main consideration should be made for three principal categories of assets which are physical, natural and human. Physical assets consist of human-built infrastructure that is strongly related to economic activity. The second category is natural resources and the services they provide, including water, waste material and energy. It is very important to consider this category in planning due to the interdependence with humans for their sustainable livelihood and economic prosperity. The third categories are human’s human taking into consideration their health and educational status for effective and sustainable development.

The share of children between the ages of 0 to 14 years is significantly larger (32.6%) in Amathole, therefore, the demand for expenditure on schooling as a percentage of the total budget within Amathole District will, therefore, be higher than that of South Africa.

3.3 SOCIAL DEVELOPMENT

3.3.1 Health Indicators

Eastern Cape is generally characterised by low life expectancy and high infant and maternal mortality which reflects the most aspects of the dysfunctional health system in the province. In 2011, it was estimated that Amathole District’s health statistics there is an indication that only 37.7% of all pregnant women perform an antenatal visit before the 20 (of 38) week period, which is below the national average of 44%, but an increase from the district’s 23.4% in the 2007/2008 review.

In terms of a hospital stay, an average person spends 5.5 days which is above the national average of 4.2 days, and the national target of less than 4 days.
These could be attributed to various factors that include poor transport infrastructure and low socio-economic status resulting to complications in health care.

High Average Length of Stay numbers can also indicate that the health facilities are ill-equipped for efficient treatment cycles.

The Amathole District has the 4th highest rate of deliveries from teenagers younger than 18, and the 3rd highest rate in the Eastern Cape behind Alfred Nzo and O.R Tambo Districts. Alternatively, the Amathole District has the lowest maternal death rate in the province, with only 18.8 deaths per 100 000 births. Post birth, Amathole has only an 80.7% immunisation rate, 13% below the national average, indicating that almost 20% of all children born in the district do not receive vaccinations, and are at risk of Hepatitis B, Measles and Polio.

### 3.3.2 HIV/AIDS Occurrence

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. According to the Ecssecc 2014, in 2013 11% of the provincial population is people living with HIV/Aids in the Amathole District.

In the Amathole District, the number of new infections increased by 1.3% for the 1995 to 2005 period and 0.8% from 2005 to 2010. In terms Antenatal HIV, prevalence is around the national average of 29%, indicating that 29 babies from every 100 HIV-positive pregnant women are HIV-positive. The availability of Anti-Retro Virals in the district has improved, 52 618 tested people are accessing the Antiretroviral Therapy (ART).
According to the ECSSECC (2016), in Amathole, HIV/AIDS remains a problem. In 2016, 102 000 people (11.7% of the population) in the Amathole were infected with HIV, with an average annual rate of 1.85% increase. The number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 4440 in 2006 and 2060 for 2016.

3.3.3 Other Health Indicators

The Amathole District has one of the highest Tuberculosis occurrence rates nationally, with 3.53% of all suspected TB cases confirmed. This figure is well above the national average of 2.4% and the target of 2%. However, the Amathole District has the lowest number of reported cases per 100 000 people in the Eastern Cape, with only 591 reported cases, below the national average of 687, per 100 000. The lower Amathole District Municipality incidence of TB does not necessarily mean that it is not a serious problem for the district, as only 72.8% of all reported cases complete treatment successfully, and only 61.8% are cured.

3.3.4 Implication/Analysis

The HIV/AIDS pandemic has a negative economic impact on society, especially on patients and their families through spending on diagnosis and treatment, transport to get to healthcare facilities, and the time lost from work. Households tend to incur much higher direct costs for treatment of HIV/AIDS than for any other disease.

The lifespan of people that are HIV+ could be prolonged with modern ARV treatments. In the absence of any treatment, people diagnosed with HIV can live for 10 years and longer before they reach the final AIDS stage of the disease.

The health status of Amathole District Municipality citizen needs urgent attention in order to improve the current situation in respect of health systems. It evident that Amathole District Municipality children are at risk of complications and preventable diseases due to:
- Low rates of antenatal visits
- Supply of ARV
- Low Immunization Rates
- Prevalence of HIV/AIDS and TB

### 3.3.5 Possible interventions

Mechanisms should be put in place to deal with:

- Incorrect understanding of definitions of health and health care systems in order to address dysfunctionality of health system. Health should be viewed in the context of being in a state of complete mental, physical and social well-being rather than the absence of disease.
- Elements of access, equity and affordability of healthcare need to be addressed to ensure the provision of sound quality of health service through a responsive system.
- The burden of disease with a specific focus on HIV/AIDS and TB epidemics that pose a huge challenge to the district’s healthy citizens.
- Specific focus that should be given to the child and maternal mortality, non-communicable diseases as well as physical injuries due to violence and accidents.

### 4. HUMAN DEVELOPMENT

The framework for human development is underpinned by three dimensions which are education, living standards, and health. While these dimensions are critical for human development, it is important to note that individual achievements with respect to education, income and health do not guarantee progress when social constraints exist.
Undoubtedly, we need economic growth and diversification to achieve sustainable development. Emphasis is on the welfare of our people, aiming at human development, equitable and balanced growth, resulting in a growing industrial sector, a modernised agricultural sector, and an enabling macroeconomic and political environment in Amathole District Municipality.

We cherish our sovereignty and it must be preserved at all costs; great value is also attached to Amathole tradition and culture. However traditional ideas and practices which tend to inhibit progress towards development targets may be sacrificed in the interest of the municipal area. At the centre of what we do, is to ensure that people of Amathole District are; healthy, brave, empowered, innovative, fully employed, confident and determined to succeed; everyone has a role to play, on a level playing field, unhindered by race, colour, gender, age, ability, ethnicity, religious affiliation or political inclination.

4.1 HUMAN DEVELOPMENT INDEX

The UN HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living.

![Human Development Index Chart](source: IHS Markit Regional eXplorer version 1156)
In 2016 Amathole District had an HDI of 0.551. Raymond Mhlaba local municipality has the highest HDI, with an index value of 0.586. Mbhashe local municipality recording the lowest with an index value of 0.506.

4.2 POVERTY

![Figure 7: People in Poverty, Amathole 2016 Number and percentage of people in poverty](image)

**TABLE 3: PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP**

<table>
<thead>
<tr>
<th>Year</th>
<th>African</th>
<th>White</th>
<th>Coloured</th>
<th>Asian</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>77.0%</td>
<td>0.8%</td>
<td>59.5%</td>
<td>9.7%</td>
</tr>
<tr>
<td>2007</td>
<td>75.7%</td>
<td>1.1%</td>
<td>55.8%</td>
<td>13.3%</td>
</tr>
<tr>
<td>2008</td>
<td>76.8%</td>
<td>1.7%</td>
<td>56.1%</td>
<td>18.5%</td>
</tr>
<tr>
<td>2009</td>
<td>76.3%</td>
<td>2.0%</td>
<td>54.6%</td>
<td>16.9%</td>
</tr>
<tr>
<td>2010</td>
<td>74.1%</td>
<td>1.5%</td>
<td>53.9%</td>
<td>12.2%</td>
</tr>
<tr>
<td>2011</td>
<td>73.0%</td>
<td>1.2%</td>
<td>54.5%</td>
<td>10.3%</td>
</tr>
<tr>
<td>2012</td>
<td>71.7%</td>
<td>1.3%</td>
<td>53.5%</td>
<td>11.3%</td>
</tr>
<tr>
<td>2013</td>
<td>70.4%</td>
<td>1.3%</td>
<td>52.0%</td>
<td>12.0%</td>
</tr>
</tbody>
</table>
There were 580,000 people living in poverty, using the upper poverty line definition, across Amathole District - this is 14.58% lower than the 679,000 in 2006.
The number of people without any schooling in the district has decreased from 2006 to 2016 at an average annual rate of -5.55%. While the number of people within the 'matric only' category, increased from 51,300 to 73,700. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 1.28%. The number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 4.84%.

<table>
<thead>
<tr>
<th></th>
<th>Illiterate</th>
<th>Literate</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>228,626</td>
<td>355,398</td>
<td>60.9%</td>
</tr>
<tr>
<td>2007</td>
<td>218,958</td>
<td>364,553</td>
<td>62.5%</td>
</tr>
<tr>
<td>2008</td>
<td>208,690</td>
<td>373,652</td>
<td>64.2%</td>
</tr>
<tr>
<td>2009</td>
<td>199,985</td>
<td>381,687</td>
<td>65.6%</td>
</tr>
<tr>
<td>2010</td>
<td>192,845</td>
<td>388,025</td>
<td>66.8%</td>
</tr>
<tr>
<td>2011</td>
<td>185,491</td>
<td>393,593</td>
<td>68.0%</td>
</tr>
<tr>
<td>2012</td>
<td>179,613</td>
<td>396,778</td>
<td>68.8%</td>
</tr>
<tr>
<td>2013</td>
<td>174,246</td>
<td>401,334</td>
<td>69.7%</td>
</tr>
<tr>
<td>2014</td>
<td>169,662</td>
<td>406,585</td>
<td>70.6%</td>
</tr>
<tr>
<td>2015</td>
<td>165,615</td>
<td>412,295</td>
<td>71.3%</td>
</tr>
<tr>
<td>2016</td>
<td>164,173</td>
<td>416,614</td>
<td>71.7%</td>
</tr>
</tbody>
</table>

**Average Annual growth**

<table>
<thead>
<tr>
<th></th>
<th>-3.26%</th>
<th>1.60%</th>
<th>1.66%</th>
</tr>
</thead>
</table>

Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education. The share of children between the ages of 0 to 14 years is significantly larger (32.6%) in Amathole, therefore, the demand for expenditure on schooling as a percentage of the total budget within Amathole District will, therefore, be higher than that of South Africa.
4.3 INCOME AND EXPENDITURE

4.3.1 District Employment and Labour Profile

According to the StatsSA (2011), the Amathole District had an average weighted monthly household income of approximately R3 700, well below the Eastern Cape average of R5 900 per month. Figure 9 below also illustrates that the estimated that the household earning has increased to more than R 30 000 which is an increase of 41.90%-80.36% households for the period between 2006 to 2016, translating to a decrease in the number of households that live below the poverty line. This increase can also be attributed to a better supply of unskilled and semi-skilled positions that offer medium wages.

Figure 10: Households by income bracket - Amathole District Municipality, 2006-2016 [Percentage]
Number of households by income category

Source: IHS Markit Regional eXplorer version 1156

Source by ECSSEC, 2016
4.3.2 Analysis Household income

Income distribution, the income distribution of population at Amathole District Municipality is highly skewed this may be attributed to various factors that include:

- The majority of the population are low-income earners
- High-income earners are a minority who are predominantly white and highly educated black professionals and business people
- Indication of a disposable income reflects low levels of affordability

Impact on the diversification of the economy and implications for spatial development framework i.e. calls for the forms of spatial developments that are geared towards the improvement of socio-economic circumstances of the general population.

4.3.3 Gini Coefficient

The Gini coefficient is defined as the summary statistic of income inequality. The Gini Coefficient dropped from 0.83 in 2001 to 0.72 in 2011, an indication of reduced income inequality as a result of improved access to education and employment opportunities.

![Figure 11: Gini Coefficient, Amathole 2016](source: IHS Markit Regional eXplorer version 1156)
According to the Figure 11 above, in 2016 the Great Kei local municipality has the highest, which means that there are more income inequalities and Mbhashe has the lowest. Mbhashe is one of the areas with the main sources of income that are from grants compared to Great Kei, which is the hub of tourism in the Amathole area.

4.4 EMPLOYMENT

Employment data is a key element in the estimation of unemployment. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators. The trends in employment within different sectors and industries normally indicate significant structural changes in the economy. According to ECSSEC (2016), there are estimated 141 000 employed people in the district which contributes 9.65% of the total employment in the province. The average annual growth of employment in the district is estimated at 0.51% for the period 2006-2016.

Figure 12: Total employment per broad economic sector – Amathole District Municipality, 2016 [percentage]

Total Employment Composition

- 9 Community services 31%
- 6 Trade 24%
- 5 Construction
- 4 Electricity 0%
- 3 Manufacturing 5%
- 2 Mining 3%
- 1 Agriculture 7%
- 8 Finance 9%
- 7 Transport 4%
- Households 9%

Source: IHS Markit Regional Explorer version 1156
In Amathole District Municipality, the economic sectors that recorded the largest number of employment in 2016 were the community services sector with a total of 43 100 employed people or 30.7% of total employment in the district municipality. The trade sector with a total of 33 600 (23.9%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 128 (0.1%) is the sector that employs the least number of people in Amathole District Municipality, followed by the electricity sector with 419 (0.3%) people employed.

4.4.1 Formal and Informal Employment

The number of formally employed people in Amathole District Municipality counted 104 000 in 2016, which is about 73.68% of total employment, while the number of people employed in the informal sector counted 37 000 or 26.32% of the total employment. Informal employment in Amatole decreased from 37 600 in 2006 to an estimated 37 000 in 2016.

According to ECSSEC (2016), the Trade sector recorded the highest number of informally employed, with a total of 16 000 employees or 43.15% of the total informal
employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors.

The Manufacturing sector has the lowest informal employment with 1 830 and only contributes 4.95% to total informal employment.

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

4.4.2 Unemployment

The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It, therefore, excludes people who are not actively seeking work. In 2016, it is estimated that the total number of unemployed people within Amatole constitutes 11.31% of the total number of unemployed people in Eastern Cape Province; with an average annual increase of 0.39%. The graph below illustrates the unemployment rate of the municipalities within the Amathole.

![Unemployment rate graph](source: IHS Markit Regional eXplorer version 1156)
The Figure 14 above illustrates the unemployment rate of the district is higher than the absorption rate. Amathole District Municipality has the highest unemployment rate of over 40%, followed by Raymond Mhlaba just below 40% while Great Kei LM has the lowest unemployment rate.

4.5 ECONOMY

4.5.1 Gross Domestic Product

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states. GDP - R can be measured using either current or constant prices, where the current prices measure the economy in actual Rand, and constant prices measure 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. With a GDP of R 27.9 billion in 2016 (up from R 12.7 billion in 2006), the Amathole contributed 8.26% to the Eastern Cape Province GDP. In 2016, the Amathole District Municipality achieved an annual growth rate of -0.39% which is a significantly lower GDP growth than the Eastern Cape Province’s 0.25%. Amathole District Municipality ranked fifth relative to all the regional economies to total Eastern Cape Province GDP. Amathole decreased in importance from ranking fourth in 2006 to fifth in 2016.
The greatest contributor to the Amathole District Municipality economy is the Mnquma local municipality with a share of 30.30% or R 8.46 billion, increasing from R 3.93 billion in 2006. The economy with the lowest contribution is the Amathole District municipality with R 2.78 billion growing from R 1.27 billion in 2006. Great Kei had the highest average annual economic growth, averaging 1.89% between 2006 and 2016 followed by Raymond Mhlaba. While Mbhashe local municipality had the lowest average annual growth rate of 0.28% between 2006 and 2016.

It is expected that Amathole District Municipality will grow at an average annual rate of 1.39% from 2016 to 2021. In 2021, Amathole's forecasted GDP will be an estimated R 20.3 billion (constant 2010 prices) or 8.1% of the total GDP of Eastern Cape Province.

4.5.2 Sector and District GVA Contribution

Amathole District Municipality SDF (2014) outlines that the Amathole District, not unlike the province has a very small Primary Sector contribution towards total output, with only 2.7% of total GVA_R from this sector while the tertiary sector contributes an average of 84, and according to ECSSEC, 2016 the status remains. Figure 16 illustrated below shows the contribution of the Primary, Secondary and Tertiary Sectors towards total Amathole District Municipality GVA_R for Amathole.

![Figure 16: Gross Value Added (GVA) by aggregate economic sector - Amathole District Municipality, 2016 [percentage]](image-url)
The agriculture sector is expected to grow fastest at an average of 3.36% annually from R 393 million in Amathole District Municipality to R 463 million in 2021. The community services sector is estimated to be the largest sector within the Amathole District Municipality in 2021, with a total share of 36.0% of the total GVA, growing at an average annual rate of 0.7%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of 0.68%.

4.5.2.1 Agriculture, Forestry and Fishery's Sub-Sector Overview

- The Primary sector within the Amathole District Municipality contributes 2.7% of total district GVA_R. It consists of the Agriculture, Forestry and Fisheries Sub-sector and the Mining and Quarrying Sub-sector.
- The district has highlighted varying products within the sector for development, namely citrus, pineapples and grain products. There are also plans for blueberry plantations. The total 2011 GVA_R figure for the Agriculture, Forestry and Fishery’s sub-sector is R 298 million, averaging -0.2% growth over the 2008 to 2011 period. The total number of employed people within the subsector is 20 669, down 27% from 2008’s 27 897.

4.5.2.2 Fisheries and Aquaculture Industry Overview

- The Fisheries and Aquaculture industry is included in the Agricultural Sub-Sector. Given the relative infancy of the industry both nationally and provincially there are only a limited number of aquaculture facilities currently operating in the district. At present three projects were identified across the district, one in the Mnquma Local Municipality – Qolorha Abalone Fish Farming – producing both abalone and finfish; one in the Amathole District Municipality (Mhala Development Trust) and another in the Komga (Great Kei Local Municipality) which exclusively produces abalone. The projects in the Mnquma and Great Kei Local Municipalities have provided to be the most successful
Major challenges experienced by fish farmers relate to funding, training and equipment. Of significance, both projects reported very limited skills capacity related to fish farming; and notably, there is also a dearth of skills and capacity in the extension group which is supposed to provide support. For these farms to yield significant profits, significant investments in both start-up capital (for equipment and inputs) and skills development are required.

4.5.2.3 Manufacturing Sub-Sector Overview

- The total real GVA_R of the district’s manufacturing in 2011 was R 1.1 billion, R 27 million less than in 2008, equating to a real decrease of -2.4% over the period. The decrease was along similar lines to the decreases in real manufacturing GDP_R at both a national and provincial level which, over the same period, was -3% and -2% respectively. These numbers indicate that the Amathole Districts manufacturing sector shrank by an average annual rate of -0.8% year-on-year between 2008 and 2011.
- Although the Amathole District’s manufacturing sector outperformed the provincial and national averages, it contributes a significantly smaller percentage to the total GVA_R of the district (9.3%) than the same sector does at a provincial (17.1%) and national level (17.4%). The Manufacturing Sub-Sector employs 8 023 people in the Amathole District Municipality, 60% of the Secondary Sector and 6% of the total employment figures. The sector employed 8 9 82 in 2008, therefore having lost 869 jobs.

4.5.2.4 Agro-processing Industry Overview

- The agro-processing industry is a subset of the manufacturing sector that processes raw materials and intermediate products derived from the agricultural sector. The total real GVA_R for the agro-processing industry in the Amathole District was approximately R 435.3 million in 2011. The agro-processing industry accounts for 40% of the total manufacturing sectors GVA_R and 3.7% of the overall GVA_R of the Amathole District.
• Although the agro-processing industry accounts for a significant share of manufacturing GVA_R, its overall contribution has declined almost consistently since 2000 when it accounted for 49.3% of total manufacturing GVA_R. The decline suggests that the manufacturing sector is diversifying and potentially moving away from agro-processing industries.

• The diversification can be of concern in that the agro-processing industry has been identified by the IDP as a key vehicle for creating jobs and spurring growth as a result of the industries strong linkages with primary agriculture. The agro-processing industry employs approximately 2 400 people or 30% of the Manufacturing sub-sector.

4.5.2.5 District Electricity Industry Overview

• The electricity sub-sector is a very marginal sub-sector in the Amathole District, generating only R 73.2 million in real GVA_R in 2011, equivalent to 0.6% of the total GVA_R of the district. The contribution to total GVA_R has also remained fairly static between 2008 and 2011, remaining at +/- 0.6% since 2008. The marginal nature of the electricity sub-sector in the Amathole District is further highlighted by the fact that the industry employs only 132 people or 0.1% of the total labour force. The low employment rate is almost 40% less than the 211-people employed by the sub-sector in 2000.

• With respect to renewable energy, the district does not possess significant plans for generation, however, does intend on generating some from some projects in various stages of development. The New Growth Path outlines the goal for South Africa to reach 10 000 GWh of renewable energy production, which would require 3 725 MW of generation capacity.

4.5.2.6 Tourism Industry Overview

• The development and extent of the tourism industry vary across the Amathole District.
• The eastern part of the district (along the wild coast) has a number of well-established and recognised products while the more rural, eastern parts of the district (Mhhashe and Mnquma Local Municipalities) have very little in terms of product offerings.

• The tourism supply portfolio of the Amathole District is largely nature based, with supporting product strengths found in the outdoor and heritage categories. Wilderness, tranquillity and culture are constant themes throughout the Amathole District, and it is the combination of these characteristics and the unspoiled natural environment, which attracts tourists to the area.

• The Wild Coast, which covers a large portion of the eastern part of the district, is considered a key attraction for the strict, but the development of attractions within this location is hampered by the accessibility of the area. Road connectivity, particularly in this area, is critical if the Wild Coast is to be developed in the future.

• There are several distinct tourism clusters that can be identified in the Amathole District namely: Kei Mouth, Butterworth and Hogsback and surrounds. The largest cluster, Butterworth, primarily comprises accommodation establishments and caters for the significant business tourist market that visits the area on a daily basis. The other two clusters – Hogsback and surrounds; and Kei Mouth – cater almost exclusively to leisure tourists.

• Of all the tourist attractions and activities identified in the Amathole Tourism Plan, 54.9% are related to cultural tourism. Cultural tourism products, which include heritage sites, museums, graves, traditional villages, are found throughout the Amathole District but mainly in the Nkonkobe and Mnquma Local Municipalities.

• The Amathole District Municipality has a variety of adventure tourism products almost exclusively along the Wild Coast and near the Hogsback area. The environment and rural nature of this part of the district make it ideal for adventure activities such as boating, surfing and mountain biking.
4.5.2.7 Construction

- The Construction Sub-sector has also experienced jobless growth over the 2008 - 2011 period. The sub-sectors employment figured declined by 18% within the district, despite the sub-sector itself growing 7%. While construction activities do require infrastructure development to take place, they also serve as an indicator of regional development themselves, indicating where new projects are being undertaken.
- While this does not necessarily mean that the Great Kei and Nkonkobe districts do not possess comparative advantage for construction within the district, it should also be noted that on-going projects and targeted schemes also originate within the LM, for example, aquaculture development within the Great Kei LM. The district does not possess a provincial comparative advantage.

4.5.2.8 Community, Social and Personal Services & General Government

- General Government is the only other sub-sector to exhibit signs of positive employment and GVA_R growth over the review period. This is somewhat expected, due to the expected response of government during times of economic uncertainty, namely, to increase expenditure to substitute for a lack of investment expenditure. Community, Social and Personal Services experienced a 5% decline in employment and a 1% increase in Amathole District Municipality GVA_R output over the period.

4.6 CONCLUSION

The overall economic output is very low due to the location of strategic economic hubs of East London, King William’s and the provincial administrative capital of Bisho which had a big contribution outside the district. Currently, it’s mainly Mquma and Amahlathi local municipalities that jointly account for 57 % of the district output.
5. GLOBAL, NATIONAL AND DEVELOPMENT TRENDS

5.1 GLOBAL TRENDS AND KEY IMPLICATIONS THROUGH 2058

The rich are aging, the poor are not. Working-age populations are shrinking in wealthy countries such as in Europe, USA, China, and Russia but growing in developing, poorer countries, particularly in the African and South African economies as we will be confronted by more workforces and diminishing productivity gains while still recovering from the 2008-09 financial crisis with high debt, weak demand, and doubts about globalisation. South Africa will attempt to shift to a consumer-driven economy from its longstanding export and investment focus. Lower growth will also however threaten poverty reduction in most developing countries.

Technology is accelerating progress but causing discontinuities. Rapid technological advancements will increase the pace of change and create new opportunities but will aggravate divisions between winners and losers. Automation, the 4thIR and artificial intelligence threaten to change industries faster than economies can adjust, potentially displacing workers and limiting the usual route for poor countries to develop. Biotechnologies such as genome editing will revolutionise medicine and other fields, while sharpening moral differences.

Ideas and Identities are driving a wave of exclusion. Growing global connectivity amid weak growth will increase tensions within and between societies. Populism will increase on the right and the left, threatening liberalism. Some leaders will use nationalism to shore up control. Religious influence will be increasingly consequential and more authoritative than many governments. Nearly all countries will see economic forces boost women’s status and leadership roles, but backlash also will occur.

Governing is getting harder. Publics will demand governments’ deliver security and prosperity, but flat revenues, distrust, polarisation, and a growing list of
emerging issues will hamper government performance. Technology will expand the range of players who can block or circumvent political action.

Managing global issues will become harder as actors multiply—to include NGOs, corporations, and empowered individuals—resulting in more ad hoc, fewer encompassing efforts.

**The nature of conflict is changing.** The risk of conflict will increase due to diverging interests among major powers, an expanding terror threat, continued instability in weak states, and the spread of lethal, disruptive technologies. Disrupting societies will become more common, with long-range precision weapons, cyber, and robotic systems to target infrastructure from afar, and more accessible technology to create weapons of mass destruction.

**Climate change, environment, and health issues will demand attention.** A range of global hazards pose imminent and longer-term threats that will require collective action to address—even as cooperation becomes harder. More extreme weather, water and soil stress, and food insecurity will disrupt societies. Sea-level rise, ocean acidification, glacial melt, and pollution will change living patterns. Tensions over climate change will grow. Increased travel and poor health infrastructure will make infectious diseases harder to manage.

**The Bottom-line** - These above-mentioned trends will converge at an unprecedented pace to make governing and cooperation harder and to change the nature of power—fundamentally altering the global landscape. Economic, technological and security trends, especially, will expand the number of countries, organisations, and individuals able to act in consequential ways. Within states, political order will remain elusive and tensions high until societies and governments renegotiate their expectations of one another. Some major powers and regional aggressors will seek to assert interests through force but will find results fleeting as they discover traditional, material forms of power less able to secure and sustain outcomes in a context of proliferating veto players.
Recent and future trends will converge during the next 12-40 years at an unprecedented pace to increase the number and complexity of issues, with several, like cyber-attacks, terrorism, or extreme weather, representing risks for imminent disruption.

Demographic shifts will stress labour, welfare, and social stability. The rich world is aging while much of the poorer world is not and is becoming more male to boot. More and more people are living in cities, some of which are increasingly vulnerable to sea-level rise, flooding, and storm surges. So, too, more people are on the move—drawn by visions of a better life or driven by horrors of strife. Competition for good jobs has become global, as technology, especially mass automation, disrupts labour markets. Technology will also further empower individuals and small groups, connecting people like never before. At the same time, values, nationalism, and religion will increasingly separate them.

At our national level, the gap between popular expectations and government performance will grow; indeed, democracy itself can no longer be taken for granted. Internationally, the empowering of individuals and small groups will make it harder to organise collective action against major global problems, like climate change. International institutions will be visibly more mismatched to the tasks of the future, especially as they awkwardly embrace newly empowered private individuals and groups. Meanwhile, the risk of conflict will grow. Warring will be less and less confined to the battlefield, and more aimed at disrupting societies—using cyber weapons from afar or suicide terrorists from within. The silent, chronic threats of air pollution, water shortage, and climate change will become more noticeable, leading more often than in the past to clashes, as diagnoses of and measures to deal with these issues remain divisive around the globe.
5.2 THE LONGTERM VISION FOR AMATHOLE DISTRICT MUNICIPALITY TOWARDS 2058

Based on assumptions of a Smart District for Amathole District Municipality environment, an initial shared smart districts vision for Amathole District Municipality can be expressed as follows:

- To establish an ecological civilisation oriented smart district toward the future;
- To pursue inclusive and balanced growth for Amathole District Municipality's geographical built environment;
- To promote and facilitate scientific and technological innovation as a path to smart district development;
- To build and enhance a smart and accessible information society;
- To foster an open and sharing multicultural society;
- To build friendly and livable communities with social cities/towns, and
- To pursue balanced urban-rural built environment development.

The comprehension of the smart district environment vision for Amathole District Municipality towards 2058 indicated above will not be an easy task as it will only be possible with the dedication of all citizens and with the help of smart districts environment development partners and the establishment of a tailored Programme Management Office. In doing so, Amathole District Municipality must be prepared to face the challenges ahead. Any digressions from the pathway will possibly lead the continent to a detrimental future of economic deterioration, political instability and extensive poverty.

5.3 VISION ELEMENTS

The justifications of the seven segments of the proposed smart districts vision statement outlined above are briefly explained below:
5.3.1 To establish an ecological civilisation-oriented smart district environment towards the future

Amathole District Municipality cities and towns should respect nature, consider the rural ecological built environment as an asset, integrate environmental issues into urban planning and administration, and therefore accelerate the transition to sustainable built environment development. Amathole District Municipality’s cities and towns should also promote the use of renewable energy sources and build low-carbon eco-cities/towns and should strive to advocate the conservation of resources and to promote environment-friendly materials and manufacturing. Amathole District Municipality’s cities/towns and their citizens should, in doing so, join together to create sustainable smart districts environment lifestyles and promote an ecological civilisation in which people and built environment co-exist in harmony.

5.3.2. To Pursue Inclusive and Balanced Growth for Amathole District Municipality’s Smart District Built Environment

Amathole District Municipality’s cities and towns should strive to balance economic growth with smart district-built environment development; seek to achieve an optimal relationship between smart district-built environment equity and economic efficiency; strive to create an institutional smart district built environment of shared rights and interests, equal opportunity and fair competition; and work to reduce inequities in income. Amathole District Municipality’s cities and towns should, therefore, enable all residents to share the fruits of rural smart district-built environment development and fully realise their personal growth.

5.3.3 To Promote Scientific and Technological Innovation as a Path to Smart District Environment Development

Amathole District Municipality’s smart district-built environment should strengthen scientific research and technological innovation, as well as establish and improve systems for using new technologies.
Amathole District Municipality’s smart district-built environment specialists and the role of the PMO office should accelerate the application of scientific findings in order to improve the quality of people’s lives and create new industries and smart district-built environment jobs. Amathole District Municipality should leverage scientific research and technological innovation to build up the capacity of Amathole District Municipality’s smart district-built environment to prevent and mitigate rural and natural disasters. Amathole District Municipality should also apply principles of openness and mutual benefit in strengthening scientific and technological exchanges and collaboration to promote rural smart district-built environment development around the Amathole District Municipality district.

5.3.4 To Build A Smart and Accessible Information Society

Amathole District Municipality should recognise that information and communication technologies are essential to a vibrant social, economic and cultural life of the district. Amathole District Municipality cities and towns and rural areas should, therefore, invest in information and communication technology infrastructure so as to strengthen services across multiple sectors and to build an intelligent Amathole District Municipality digital nervous system supporting rural smart district-built environment operations. Amathole District Municipality should strengthen the use of information technology in education, reduce the digital divide, and increase the access of residents to information.

5.3.5 To Foster an Open and Sharing Multicultural Society

Amathole District Municipality cities and towns should endeavour to protect tangible and intangible cultural heritage and encourage the smart district-built environment development of multicultural society. As in the case of the ocean that embraces all rivers, Amathole District Municipality cities and towns should foster an open spirit and actively engage in intercultural exchanges and interactions. Amathole District Municipality should pursue cultural innovation based on respect for cultural traditions and the preservation of cultural diversity, so as to generate lasting momentum for smart district rural built environment and human development.
5.3.6 To Build Friendly and Liveable Communities, Social Cities and Towns

Amathole District Municipality cities and towns should promote a harmonious and friendly, social smart district-built environment, and build civil, safe and liveable rural neighbourhoods through rational planning. Amathole District Municipality should provide quality public services in employment, healthcare, education, housing, social welfare and other areas. Amathole District Municipality should encourage public participation in rural planning and governance, take into consideration the practical and psychological needs of migrants to areas, and eliminate social barriers and conflicts.

5.3.7 To Pursue Balanced Rural –Smart District Built Environment Development

Amathole District Municipality should coordinate balanced smart district-built environment development with Amathole District Municipality’s rural regions through the provision of services and smart district-built environment infrastructure. Amathole District Municipality should also strive to reduce the urban-rural gap, take into consideration the interests of disadvantaged social groups, and encourage and aid the integration of rural populations into the cities and towns. More efforts should be taken by Amathole District Municipality leaders to improve and optimise urban-rural smart district-built environment linkages as well as regional networks. Amathole District Municipality cities and towns should actively initiate urban-rural dialogue to achieve harmony in their interactions.

5.4. ENVISIONING A SUSTAINABLE SMART DISTRICT BUILT ENVIRONMENT FOR AMATHOLE DISTRICT MUNICIPALITY

The purpose of the above initial but detailed visioning process is to create a fertile smart district-built environment for Amathole District Municipality by developing new ideas that work.
The process can be as simple as visualising the ideal smart district environment community for Amathole District Municipality and documenting this vision with individuals in a visioning group and then within a larger multi-stakeholder group within Amathole District Municipality. Stakeholder groups should consist of Amathole District Municipality local government officials, business representatives, citizen group representatives, individual citizens and, if possible, academic and subject matter experts. These civic leaders of Amathole District Municipality should gather as much information as possible from prior community meetings and smart district environment vision sessions. If an Amathole District Municipality smart district environment sector has not had a public visioning session for Amathole District Municipality’s smart district environment, leaders should organise one. It is important to do whatever it takes to create a broad and specific vision of how Amathole District Municipality citizens want their smart district environment to appear and the quality of the lifestyle in five, ten, twenty and forty years into the future. How Amathole District Municipality’s smart district environment vision will become reality is not important during the visioning stage. The important part is Amathole District Municipality’s smart district environment developing and maintaining a cohesive vision that includes all major views of Amathole District Municipality’s stakeholders. Some interest groups might initially have conflicting visions. Participants should focus on the overarching points of general agreement as the basis for the long-term vision for Amathole District Municipality’s rural smart district environment sustainability towards 2058.

5.5. THE IMPORTANCE OF AMATHOLE DISTRICT MUNICIPALITY COMMUNITY ENGAGEMENT

Amathole District Municipality’s smart district environment efforts need to ensure input from citizens and local institutions in order to effectively spur sustainable economic development, enhance social cohesion, preserve culture, and build an educated public. Because the decisions of the abovementioned visioning process also potentially impact many people over generations, sustainable smart district environment implementation requires an especially strong foundation.
Smart district environment planners in the 21st century can no longer rely solely on top-down management processes that are organised and carried out exclusively by smart district environment professionals. Public participation in Amathole District Municipality, representing the diverse interests of communities and businesses, leads to better smart district environment planning and public policy development. Amathole District Municipality local municipalities, therefore, need to establish mechanisms that enable communities and businesses to make suggestions and receive responses. These established mechanisms include opportunities to participate in public debates on the future planning of their smart district environment. The ability for Amathole District Municipality municipalities’, business and civil society leaders to listen and continually learn from each other is increasingly important if Amathole District Municipality’s smart district environments are to be successful.

The execution of the visioning processes needs to be as inclusive as possible. In this regard, smart district environment leaders should encourage and support the active involvement of civil society organisations representing relevant groups in order to increase the effectiveness of policies aimed at improving the lives of rural dwellers, particularly the poor or those living in slums. Local organisations of the rural poor and non-governmental organisations have, in some cases, proven that their collective efforts can improve housing, built environment, infrastructure and services, thereby greatly alleviating and reducing rural poverty. Participation from broad spectrums of citizen groups can therefore also benefit budgeting processes for smart districts environment services. The African Development Bank, for instance, has used a participatory budgeting approach by which a community planning strategy includes community group and citizen representatives, along with local governments’ agents, that collectively share in setting priorities for planning public expenditure budgeting formulation. These formulations include funding for such services as roads, drainage and other public works.
5.6. CONCEPTUALISATION OF A SMART DISTRICT

The Municipal Structures Act, 117 of 199, allocates the responsibility of district-wide integrated planning to Districts Municipality, wherein its totality must seek to achieve the integrated, sustainable and equitable social and economic development of its area by- (a) Ensuring integrated development planning for the district as a whole; (b) promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

In pursuit of the developmental mandate, Amathole District Municipality hereby recognises the need for sustainable development in the district area and hereby adopts concept to develop a smart district.

5.6.1 Amathole Smart District

5.6.1.1 The Challenge of Urbanisation

Cities are engines of growth for the economy of every nation, including South Africa. This requires comprehensive development of physical, institutional, social and economic infrastructure. All are important in improving the quality of life and attracting people and investments to the district setting in motion a virtuous cycle of growth and development. Development is a step for Amathole District Municipality Smart district in that direction.

5.6.1.2 What is a ‘smart district’

The first question is what is meant by a ‘smart district’. The answer is, there is no universally accepted definition of a Smart district. It means different things to different people. The conceptualisation of Smart District, therefore, varies from town to town city to city and country to country, depending on the level of development, willingness to change and reform, resources and aspirations of the district residents.
A Smart District would have a different connotation in South Africa than, say, Europe. Even in South Africa, there is no one way of defining a Smart District.

Some definitional boundaries are required to guide districts in the Mission. In the imagination of any district dweller in South Africa, the picture of a Smart District contains a wish list of infrastructure and services that describes his or her level of aspiration. To provide for the aspirations and needs of the citizens, planners ideally aim at developing the entire rural eco-system, which is represented by the four pillars of comprehensive development — institutional, physical, social and economic infrastructure. This can be a long-term goal and districts can work towards developing such comprehensive infrastructure incrementally, adding on layers of ‘smartness’.

In the approach to the Smart Districts Mission, the objective is to promote the districts that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of ‘Smart’ Solutions. The focus is on sustainable and inclusive development and the idea is to look at compact areas, create a replicable model which will act like a light house to other aspiring municipal areas. The Smart Districts Mission of the Amathole District Municipality is a bold, new initiative. It is meant to set examples that can be replicated both within and outside the Smart District, catalysing the creation of similar Smart Districts in various regions and parts of the Amathole District Municipality.

The core infrastructure elements in a Smart District would include:

- adequate water supply,
- assured electricity supply,
- sanitation, including solid waste management,
- efficient rural and urban mobility and public transport,
- affordable housing, especially for the poor,
- robust IT connectivity and digitalisation,
- good governance, especially e-Governance and citizen participation, sustainable environment,
- safety and security of citizens, particularly women, children and the elderly, and x. health and education.

As far as Smart Solutions are concerned, an illustrative list is given below. This is not, however, an exhaustive list, and Amathole District Municipality will add more applications.

Accordingly, the purpose of the Smart District Mission is to drive economic growth and improve the quality of life of people by enabling local area development and harnessing technology, especially technology that leads to Smart outcomes. Area-based development will transform existing areas (retrofit and redevelop), including slums, into better planned ones, thereby improving liveability of the whole district.
New areas (Greenfield type) will be developed around cities and towns in order to accommodate the expanding population in rural areas. Application of Smart District Solutions will enable citizens to use technology, information and data to improve infrastructure and services. Comprehensive development in this way will improve quality of life, create employment and enhance incomes for all, especially the poor and the disadvantaged, leading to inclusive Cities and rural towns in Amathole District Municipality.

5.6.1.3 Smart District Features

Some typical features of comprehensive development in Smart District for Amathole District Municipality are described below:

- Promoting mixed land use in area-based developments — planning for ‘unplanned areas’ containing a range of compatible activities and land uses close to one another in order to make land use more efficient. Amathole District Municipality will enable some flexibility in land use and building byelaws to adapt to change;
- Housing and inclusiveness — expand housing opportunities for all;
- Creating walkable localities — reduce congestion, air pollution and resource depletion, boost local economy, promote interactions and ensure security. The road network is created or refurbished not only for vehicles and public transport, but also for pedestrians and cyclists, and necessary administrative services are offered within walking or cycling distance;
- Preserving and developing open spaces — parks, playgrounds, and recreational spaces in order to enhance the quality of life of citizens, reduce the urban heat effects in Areas and generally promote eco-balance; as a rural district for Amathole District Municipality;
- Promoting a variety of transport options — Transit Oriented Development (TOD), public transport and last mile para-transport connectivity;
• Making governance citizen-friendly and cost effective — increasingly rely on online services to bring about accountability and transparency, especially using mobiles to reduce cost of services and providing services without having to go to municipal offices; form e-groups to listen to people and obtain feedback and use online monitoring of programs and activities with the aid of cyber tour of worksites;
• Giving an identity to the district — based on its main economic activity, such as local cuisine, health, education, arts and craft, culture, sports goods, furniture, hosiery, textile, dairy, etc;
• Applying Smart District Solutions to infrastructure and services in area-based development in order to make them better. For example, making Areas less vulnerable to disasters, using fewer resources, and providing cheaper services.

5.6.1.4 Coverage and Duration

The Mission will cover all Amathole cities, towns and wards towards 2058. The Mission may be continued thereafter in the light of an evaluation to be done by the Ministry of Rural Development and incorporating the learnings into the Mission.

5.6.1.5 Strategy

The strategic components of Area-based development in the Smart Districts Mission are rural improvement (retrofitting), district renewal (redevelopment) and district extension (Greenfield type development) plus a Pan-district initiative in which Smart Solutions are applied covering larger parts of the district. Below are given the descriptions of the three models of Area-based Smart District Development:

• Retrofitting will introduce planning in an existing built-up area to achieve Smart District objectives, along with other objectives, to make the existing area more efficient and liveable. In retrofitting, an area consisting of more than 500 acres will be identified by the district in consultation with citizens.
• Depending on the existing level of infrastructure services in the identified area and the vision of the residents, the districts will prepare a strategy to become smart. Since existing structures are largely to remain intact in this model, it is expected that more intensive infrastructure service levels and a large number of smart applications will be packed into the retrofitted Smart District;
• This strategy may also be completed in a shorter time frame, leading to its replication in another part of the district;
• Redevelopment will affect a replacement of the existing built-up environment and enable co-creation of a new layout with enhanced infrastructure using mixed land use and increased density. Redevelopment envisages an area of more than 50 acres, identified by Rural Local Bodies in consultation with citizens. For instance, a new layout plan of the identified area will be prepared with mixed land-use, higher FSI and high ground coverage;
• Greenfield Type development will introduce most of the Smart District Solutions in a previously vacant area (more than 250 acres) using innovative planning, plan financing and plan implementation tools (e.g. land pooling/land reconstitution) with provision for affordable housing, especially for the poor. Greenfield Type developments are required around districts in order to address the needs of the population;
• Pan-district development envisages application of selected Smart District Solutions to the existing district-wide infrastructure. Application of Smart District Solutions will involve the use of technology, information and data to make infrastructure and services better. For example, applying Smart District Solutions in the transport sector (intelligent traffic management system) and reducing average commute time or cost to citizens will have positive effects on productivity and quality of life of citizens. Another example can be waste water recycling and smart metering which can make a substantial contribution to better water management in the district.
The Smart District proposal of each shortlisted town is expected to encapsulate either a retrofitting or redevelopment or Greenfield type development model, or a mix thereof and a Pan-District feature with Smart District Solution(s). It is important to note that pan-district is an additional feature to be provided.

Since Smart District is taking a compact area approach, it is necessary that all the district residents feel there is something in it for them also. Therefore, the additional requirement of some (at least one) district-wide smart solution has been put in the scheme to make it inclusive.

5.6.1.6 Proposal Preparation

The Amathole District Municipality is not prescribing any particular model to be adopted by the Smart District. The approach is not ‘one-size-fits-all’; each district has to formulate its own concept, vision, mission and plan (proposal) for a Smart District City that is appropriate to its local context, resources and levels of ambition. Accordingly, they have to choose their model of Smart District and answer the question: What kind of Smart District do they want? For this, districts will prepare their Smart District Proposal (SCP) containing the vision, plan for mobilisation of resources and intended outcomes in terms of infrastructure up-gradation and smart applications.

Essential features of SDP: It may be noted that even though a particular model is not being prescribed, it is expected that the SDPs will include a large number of infrastructure services and smart solutions highlighted. In particular, the elements that must form part of a SDP are assured electricity supply with at least 10% of the Smart District’s energy requirement coming from solar, adequate water supply including waste water recycling and storm water reuse, sanitation including solid waste management, rain water harvesting, smart metering, robust IT connectivity and digitalisation, pedestrian friendly pathways, encouragement to non-motorised transport (e.g. walking and cycling), intelligent traffic management, non-vehicle streets/zones, smart parking, energy efficient street lighting, innovative use of open spaces, visible improvement in the Area (e.g. replacing overhead electric wiring with
underground wiring, encroachment-free public areas, and ensuring safety of citizens especially children, women and elderly). Towns will have to add more ‘smart’ applications to this list in order to improve their SDP.

In the case of redevelopment and Greenfields type models of Smart District, in addition to the essential features mentioned above, at least 80% buildings should be energy efficient and green buildings. Additionally, of the total housing provided in a development, there should be at least 15% in the affordable housing category. It must be emphasised that, since towns are competing with each other for selection under the Smart District Mission, the SDPs principle have to be prepared with great care and the proposed Smart District made ‘smart’ enough.

Amathole District Municipality will prepare SDPs using the principles of strategic planning process and the proposal will contain area-based development plans and Pan-District initiatives. The SDP is collaborative because the objectives and funds of all government departments, parastatals, private agencies and the citizens are dovetailed during the process of preparing the SDP. It is realised that the task of preparing the SDPs is quite challenging and will require assistance of experts. There are two ways of obtaining technical assistance support — by hiring consulting firms and engaging with handholding agencies.

Handholding Agencies: During the preparation of the Smart Districts Mission, a number of foreign Governments have offered to provide Technical Assistance (TA) support. Additionally, other external organisations, including bilateral and multilateral institutions, as well as domestic organisations have suggested to Amathole District Municipality that they can give technical assistance support. These include World Bank, ADB, JICA, USTDA, AFD, KFW, DFID, UN Habitat, UNIDO, etc. Such organisations, which have experience in the field of Smart District development, can also extend support.
6. AMATHOLE DISTRICT MUNICIPALITY TURNAROUND STRATEGY (2018 – 2023)

There also seems to be some fresh energy in South Africa with the opening up of policy debates, the new focus on the developmental state, and the establishment of a National Planning Commission. Hopefully, this is the start of an era of more transparency, openness, and participation in policy processes.

If we regard the state as being not at ‘entity’, but a complex and constituted set of relationships, this would explain the tension between the role of the state, the freedom of civil society and communities, and the business sector.

It has already become clear that rolling back the state can be blamed for some of the present problems experienced in South Africa, but too centralised a state can also be blamed for not recognising and supporting the creativity of our communities and their need for participation. This is evident in the recent and earlier waves of strikes and service delivery protests, as well as the very high levels of anomie (people like me cannot influence developments in my community), and alienation (no-one cares about people like me).

One of the main elements of the developmental state is that of development planning. In South Africa context, this is seen as a form of technical or rational planning, following in the footsteps of most of the developmental states. The July 2009 Medium Term Strategic Framework includes mention of the need to improve the capacity of the state, the need for medium-and long-term planning, and also makes liberal use of the popular concepts of ‘accountability’, ‘transparency’ and ‘effectiveness’, but provides no details on how these will be achieved.

Pro-active planning, as opposed to ad hoc, crisis management, is indeed an important element of promoting sustainable development.
This requires a longer-term view of problems of the future, as we unknowingly shift problems from one part of the system to another. We also need to start addressing the structural causes of non-sustainability instead of dealing with the symptoms.

Sustainable development, therefore, is about change and transformation at various levels, including changes in municipalities, urban form, having to adapt to change, management and the need to change our behaviour in relation to consumption, planning and land development. Planning and policy-making processes are crucial to this change in South Africa but must take note of complexity thinking. For Amathole a well-respected, 9-step transformation process requires:

- The establishing of a Program Management Office (PMO);
- the creation of a sense of urgency;
- building a powerful guiding coalition or team;
- getting the vision right;
- communicating the vision for buy-in and teaching new behaviour by example of the guiding coalition;
- empowering others to act on our visions;
- planning for and creating short-term wins;
- consolidating and creating more improvements; and
- Institutionalising these new approaches as part of Amathole's turnaround culture.

These elements are very important for Amathole transformation processes, but the vision and guiding coalition should be shared by the Amathole community, civil society organisations, and the business sector, as well as the various elements of Amathole District Municipality.

The South African Government’s strategy to date has been to provide a range of social services, including social security. However, because of the uneven capability of the state, South Africa has excelled at doing the things that are easier, such as paying grants and providing water and electricity and faltered at doing the difficult
things, such as improving education, promoting employment, and building houses close to jobs. A capable state, in partnership with communities, must build on the platform of social services and social security and contribute towards a more balanced approach by developing the capabilities of people. Developing and upgrading capabilities to enable sustainable and inclusive development requires a new approach and a new mindset.

Indeed, most aspects of the proposed Vision towards 2058 are aimed directly at improving the life chances of today’s children and youth. A region with a future orientation is a region that develops the capabilities of its youth.

Whether they are still in school or not, Amathole’s strategy must improve the life chances of young people. This should include creating jobs and livelihoods; expanding infrastructure; transitioning to a low-carbon economy; transforming urban and rural spaces; providing quality education, training and healthcare; building a capable state; fighting corruption; and uniting the people of Amathole.

![Figure 18: Framework for the Sustainable Society Index](image)

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<th>Sustainable Society Index</th>
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**Figure 18: Framework for the Sustainable Society Index**
Leadership is required to win broad agreement for our turnaround strategy, to implement it, and to make sacrifices for a better future. A capable, efficient, and fair Amathole District Municipality is also needed to support the effort.

Partnerships, based on mutual trust are therefore vital. Unless Amathole’s people work together, sacrificing short-term gain for longer-term prosperity, no single part of Amathole’s society can achieve its objectives.

A vital stage in the development of strategies is for Amathole District Municipality to identify strategic Turnaround issues. Together these strategic Turnaround issues create the opportunities for today and the preferred future and become the foundation for forming appropriate strategies, programs, action plans, and projects for Amathole District Municipality towards 2023.

In line with legislation, specifically, the Municipal Systems Act (2000) requires that each elected council should develop and adopt Development Plans in its term of office and should include its developmental priorities, key performance indicators and targets, and operational strategies. The actual Strategic Planning Framework for Amathole District Municipality is detailed in the figure below.

![Figure 19: Linking it all together for Amathole District Municipality](image-url)
Amathole District Municipality’s long-term 2058 Strategy identifies various key outcomes, and a number of related outputs, that intend to realise the long-term vision. Amathole District Municipality’s five-year turnaround strategy then translates these desired outcomes into medium-term programmes for implementation in that term of office. On an annual basis, the IDP is then reviewed and business plans are developed, detailing short-term operational plans. These are linked to annual budgets for Amathole District municipality annual Service Delivery and Budget Implementation Plans (SDBIP).

Government priorities and focus are set at national, provincial and district levels.

A long-term strategy for Amathole District Municipality, informed by government planning, emerging trends and other development issues towards 2058.

5-year plan linked to long-term goals i.e. breaking down Amathole District Municipality’s long-term objectives into 5-year turnaround strategic planning.

The Annual IDP then outlines an overview of planning for a specific year against high-level strategic plans outlined in the IDP and reports on progress against those high-level goals on an annual basis.

Annual planning by departments and municipal entities linked to achieving objectives outlined in IDP as well as Turnaround plan and alignment towards long-term strategy.

Figure 20: Service Delivery and Budget Implementation Plans (SDBIP)
As required by the Municipal Systems Act, Amathole District Municipality should revise its IDP on an annual basis, to ensure that it remains relevant to its specific operating environment including political, socio-economic or other changes that may occur. This annual review also enables Amathole District Municipality to update its IDP, based on its overall performance.

The Roadmaps process allows Amathole District Municipality to review and finalise its priorities for the decades ahead as well as the remainder of the current term of office, building on the flagship projects detailed in previous IDPs. These priorities include:

- Financial Sustainability and Resilience;
- Agriculture and Food Security;
- Sustainable Human Settlements;
- SMME and Entrepreneurial Support;
- Engaged Active Citizenship;
- Resource Sustainability;
- Smart Town Development;
- Investment Attraction, Retention and Expansion;
- Green Economy; and a
- Safer Amathole District Municipality.

In order to ensure efficient planning, Amathole District Municipality, as part of the 2018 – 2023 review, should commit a budget investment over a 5-year period. Amathole District Municipality also for the first time has a 5-year turnaround plan to further enhance planning in Amathole District Municipality. Amathole District Municipality is committed to the empowerment of its residents. Therefore, all revised plans are communicated to its communities through a thorough consultation process.

In terms of Section 40(1) of the Constitution of the Republic of South Africa, 1996, government is constituted into national, provincial and local spheres, which are distinctive, interdependent and interrelated.
Local government is governed by the rules and principles laid down in the 1996 Constitution, with a mandate to provide services, meet the basic needs of the poor and promote economic and social development. In terms of Section 152 of the Constitution, the objects of local government are to provide democratic and accountable government for local communities; to ensure the provision of services to communities in a sustainable manner; to promote social and economic development; to promote a safe and healthy environment and to encourage the involvement of communities and community organisations in the matters of local government.

It is argued that Local government is therefore regarded as the government closest to communities and should it fail, South Africa faces risks in meeting its developmental mandate (developmental local government). There are numerous challenges, which need to be addressed as a result of the inequalities inherited from the former apartheid era (separatist rule whereby the minority whites ruled South Africa based purely on the colour of one’s skin). In the recent months, basic services were crippled throughout the country by increased service delivery protests, which were marred by violence. The latter created significant challenges in economically weak local municipalities that are poorly governed and managed. Some of the bigger challenges facing most municipalities in South Africa is the lack of universal access to water and electricity, sanitation, refuse removal systems and local economic development. In terms of Section 151 of the Constitution of the Republic of South Africa, 1996, local government should provide services to communities in an efficient and sustainable manner. According to the Department of Constitutional Development (1998:3), “municipalities must lead, manage and plan for development, their task together with national and provincial government is to eradicate poverty, boost local economic development, job creation, and carry forward the process of reconstruction and development.” The democratisation of South Africa has proposed a framework for change to permit municipalities to execute service delivery and economic developmental initiatives aimed at improving the welfare of local communities (Local Government: Municipal Systems Act 32 of 2000). A number of stubborn service delivery and governance problems have been identified in municipalities over a number of years.
The 10 priority areas are identified as significant service delivery and backlog challenges, for example: housing, water and sanitation; poor communication and accountability relationships with communities; problems with the political-administrative interface; corruption and fraud; poor financial management, for example: negative audit opinions; Number of (violent) service delivery protests; weak civil society formations; Intra - and inter-political party issues negatively affecting governance and service delivery and Insufficient municipal capacity due to scarce skills (http://www.cogta.gov.za).

Despite national government having injected significant financial resources to promote social and economic development, provide basic infrastructure and services, many municipalities have failed to meet the basic needs of their communities. The sad and recent wave of violent service delivery protests in many municipalities is a source of concern. In response to these service delivery protests, the Department of Co-operative Governance and Traditional Affairs (CoGTA) commissioned a national study on the state of local government. Recent waves of service delivery protests include dissatisfaction with the delivery of basic municipal services, such as running water, electricity and high levels of unemployment high levels of poverty, poor infrastructure, lack of housing, and empty and unrealistic political promises made prior to the build-up of elections. As a result, South African municipalities are perceived to have significant backlogs in addressing these challenges. It is against this background that an assessment of the Local Government Turnaround Strategy (hereafter referred to as the LGTAS) with specific reference to Amathole District Municipality, will be undertaken (http://www.cogta.gov.za).

The South African Cabinet approved a comprehensive Local Government Turnaround Strategy (LGTAS) with emphasis on the following to restore the confidence of the majority of people in their municipalities, as the primary delivery machine; and to rebuild and improve the basic requirements for a functional, responsive, accountable, effective, and efficient developmental local government. According to the LGTAS, municipal-specific turnaround strategies and implementation plans need to be developed by each municipality in South Africa.
In this regard, all municipalities were expected to have developed their individual Municipal Turnaround Strategy Plans by 2010 based on the principle of ‘a one size fits all’ approach not being practical (http://www.mfma.treasury.gov.za). The primary aim of the LGTAS is to ensure that all municipalities and their communities embark upon a concentrated effort to deal with the root causes undermining the country’s municipalities and to restore good performance and effective service delivery. The LGTAS provides an opportunity for all municipalities in the country to reflect on their own performance and concentrate on removing constraints. In this regards a LGTAS should strive to set the standards by which municipalities will be held to account (to their communities) for their performance and actions and set the standards by which various parties will hold each other to account for: support, monitoring and evaluation, constructive participation in municipal affairs and planning. LGTAS approved by the South African Cabinet also identified five strategic objectives namely to ensure that municipalities meet the basic needs of communities; to build clean, effective, responsive and accountable local government; to improve functionality, performance and professionalism in municipalities; to improve national policy, oversight and support to local government.; and to strengthen partnerships between local government, communities and civil society.

The new Local Government system is already operating in the third decade. In South Africa, the LGTAS has been distilled into a local government 10-point plan, which includes:

- Improving the quantity and quality of basic services for all people in term of water, sanitation, electricity, waste management, roads and disaster management;
- Enhancing local job creation and sustainable livelihoods through LEDs, and utilising cooperatives in every ward;
- Deepening democracy through a refined ward committee system that will be based on the will of the people;
- Ensuring that municipalities have and implement reliable and credible integrated development plans (IDPs);
• Building and strengthening the administrative, institutional and financial capacity of municipalities;
• Creating a single window of coordination, support, monitoring and intervention to deal with uncoordinated interaction by other spheres of government with municipalities, including unfunded mandates;
• Rooting out corruption, nepotism and maladministration in the system of local government;
• Developing a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system;
• Developing and strengthening a stable system of municipalities; and
• Restoring the institutional integrity of municipalities (http://www.info.gov.za).

The LGTAS has been introduced to address the need for a number of adjustments and reforms in the leadership, policy, regulatory and oversight environments of municipalities (http://www.led.gov.za). It is assumed that the 10-point plan will, to a large extent reduce the ongoing challenges faced by many municipalities. This will form the basis for Amathole District Municipality Turnaround Strategy Plan.

6.1 AIMS AND OBJECTIVES OF THE TURNAROUND STRATEGIC EFFORT FOR AMATHOLE DISTRICT MUNICIPALITY TOWARDS 2023

Local government, and in particular the Amathole District Municipality, is confronted with a wide range of challenges. As each municipality faces its own but different economic and social challenges and different support needs, the key challenges facing the Amathole District Municipality are to provide a solid foundation for municipality’s Turnaround Strategy. The objectives of this strategy will include such as the restoration of confidence in the Amathole District Municipality as a primary service delivery arm of government that is effectively addressing community concerns; the universalisation of service delivery to all communities of Amathole District Municipality; addressing the key socio-economic challenges in Amathole District Municipality, especially unemployment and poverty; developing a shared
agenda for the growth and development of Amathole District Municipality; understanding and managing institutional risks; ensuring a fraud- and corruption-free municipality; ensuring good corporate governance and an accountable and performance driven institution, which is focused on service delivery; ensuring that all municipal planning, budgeting and decision-making processes are embedded in public participation and community involvement; restoring the human dignity of the residents of Amathole District Municipality, especially in the disadvantaged areas/wards; ensuring sound financial management and sustainability; and ensuring a joint intergovernmental approach to implementing the Amathole District Municipality’s Turnaround Strategy (http://www.mfma.treasury.gov.za).

Despite these objectives being identified, the vast majority of communities and wards served by the Amathole District Municipality remain in poverty with very limited or no access to basic services. Numerous environmental scanning efforts have been conducted on service delivery within Amathole District Municipality. However, upon scrutiny of reviewed surveys, it is noted that limited work has been conducted on the effectiveness and efficiency of the LGTAS within the Amathole District Municipality. There are significant service delivery and backlog challenges, an increasing number of service delivery protests and poor channels of communication between municipalities and communities in South Africa. This has hindered the development of Amathole District Municipality. The primary aim of the situational analysis was to assess the implementation of the LGTAS in addressing service delivery challenges in the Amathole District Municipality from a governance perspective.

Our municipality has faced numerous challenges in recent months which can be attributable to a number of factors. Changes in the core positions of the municipality resulted in leadership challenges within the municipality. The major challenges that have confronted the Amathole District Municipality recently include: Poverty and unemployment; Elimination of the bucket system and digester tanks; High prevalence of TB, HIV and AIDS; Illegal dumping; Universal access to basic services and maintenance of infrastructure; Basic service delivery and infrastructure development; Municipal transformation and development; Municipal financial viability
and management; and Intergovernmental co-ordination across spheres of government.

This MTAS document will, therefore, assess the LGTAS in terms of reaching strategic objectives by the Amathole District Municipality. This will be done from a governance perspective with the Municipal Manager and councillors as the policy-makers and officials as the implementers of such policy.

It is argued that one of the objectives of local government is to encourage the involvement of communities and community organisations in the matters of local government. In terms of the White Paper on Local Government (1998), local government is grounded in the vision of the state with society co-operating at all levels to advance economic growth and sustainable development. This constitutional prescription is endorsed in terms of the White Paper on Local Government, 1998 (Republic of South Africa, 1998:37), which defines developmental government as local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve their lives. The White Paper on Local Government (2008:23) further argues that millions of South Africans still live in dire poverty, isolated from services and opportunities. Municipalities are therefore required to execute service delivery mandates through the appointment of office bearers and public officials who should be effective, efficient, accountable and responsive. In its Annual Report of 2014/2015, the Amathole District Municipality identified the institution’s achievements and challenges in working smarter to expand and expedite service delivery to communities of the Amathole District Municipality. Amongst the interventions/actions that have been prioritised for 2016 include, inter alia, to establish Rapid Response Teams to enable quicker and more targeted responses to community needs and complaints; review of the Supply Chain Management Policy, structures, systems and processes; launching an Intergovernmental Relations Forum to strengthen intergovernmental relations; re-
establishing and strengthening the ward committee system; addressing the issues of the audit opinion received from the Auditor-General and introducing corrective measures towards obtaining a clean audit towards 2023; vigorously instilling a culture of performance within the institution; promoting financial discipline and management; and addressing fraud and corruption in the institution through roadshows and workshops targeted at employees and councillors.

Amathole District Municipality proposed that all critical stakeholders, as well as legislative frameworks, need to be consulted to provide a comprehensive understanding of the challenges faced by the Amathole District Municipality. The Constitution of 1996 also stipulates that local government should give priority to the basic needs of all and promote the social and economic development of the community. However, over the past months, South Africa has been faced with increased service delivery protests marred by violence. It is therefore important that developmental local government plays a pivotal role in protecting human rights and meeting basic needs. This situational analysis aimed to assess the LGTAS in addressing service delivery challenges in local government with specific reference to the Amathole District Municipality. Lack of transparency, inadequate accountability, poor public participation, insufficient funds and inadequate qualified public officials are some of the shortcomings experienced before the new dispensation at Amathole District Municipality that could have led to the collapse of local government.

If the Amathole District Municipality can adequately manage available resources towards 2023 in order to implement transparent and effective service delivery, it can alleviate the notion of non-coherent service delivery within the municipality. Recent protest actions in the Amathole District Municipality area indicate clearly that there is a dire lack of adequate service delivery in certain areas. Many communities still do not have access to the most basic of services and much of the blame for this situation is ascribed to the previous political in-fighting between councillors as well as interference by certain councillors in the municipality’s administration (Herald Newspaper, August 2012).
There also remains a chronic shortage of skilled technocrats in certain key positions and departments, which has a further negative impact on service delivery and implementation of the LGTAS by the Amathole District Municipality.

Despite the priorities that have been identified by the Amathole District Municipality and the new Municipal Manager it appears that a fair amount still needs to be done to effectively deal with the challenges of basic service delivery, unemployment, poverty and social inequality. The LGTAS applies predominantly to those areas undermining local government, including municipalities who have not improved on their governance, legislative compliance and financial management and discipline. This document further aims to formulate recommendations in respect of any shortcomings that have been identified based on the responses and environmental scanning efforts by the Turnaround Strategy Team and the new Municipal Manager. This document is also based on the assumption that the Amathole District Municipality, like any other municipality in South Africa, could become more effective and efficient if the Amathole District Municipality Turnaround Strategy is implemented in accordance with the identified objectives.

The State of Local Government in South Africa Overview Report (2009), argue that local government is struggling to fulfil the developmental mandate of meeting the basic needs of the poor and involving citizens in local affairs. Many municipalities are therefore failing due to ineffective municipal governance which has had serious consequences for the country. Millions of poor citizens remain trapped in life-threatening poverty (http://www.info.gov.za). As previously indicated, the proposed Turnaround Strategy Plan will provide an assessment of the implementation of the Turnaround Strategy of the Amathole District Municipality and in future to facilitate and to assist, inter alia, the municipality to make any progress in terms of the objectives identified by this document.

A current status review is “based on the assumption that knowledge accumulates and that we learn from and build on what others have done”. Unless we “walk the talk” of a planning exercise, future success will once again be postponed.
A Nexus search has revealed that a Turnaround Strategy Plan for Amathole District Municipality has not been previously researched.

An analysis of legislation provides a framework with appropriate guidelines and procedures that will enable the successful implementation of the Amathole District Municipality Turnaround Strategy Plan.

The document endeavours to undertake an intense review of legislation, journal articles, newspaper reports and directives to assess the LGTAS 10 point-plan on the proper functioning of municipalities. The review has presented, in detail, the literature that was consulted and reviewed in relation to this document. A wide range of sources has been researched that give a background, purpose, significance and importance of the LGTAS in the municipal context. The Amathole District Municipality’s Turnaround Strategy is also underpinned by the following:

- African National Congress (ANC) Local Government Manifesto (2006);
- Annual and Oversight Reports (2014/2015);
- Biannual input from National Treasury;
- Constitutional mandate of South African Local Government;
- Local Government Turnaround Strategy adopted by Cabinet on 3 December 2009;
- Management and audit reports from the Office of the Auditor-General;
- Amathole District Municipality ANC Region’s Operations;
- Amathole District Municipality’s Management Reports;
- Amathole District Municipality’s Mayoral and Oversight Community Outreach Reports;
- Reports of Internal Audit Services;
- Reports of the Audit Committee (http://www.mfma.treasury.gov.za).
- Service Delivery Protests Reports;
- Standing Committee Retreats;
- Various Amathole District Municipality’s Mayoral Committee Reports; and
- 2015/16 IDP/Budget consultations;
Figure 22: Strategic Eight Pillars – towards 2023.
7. INTEGRATED DEVELOPMENT PLAN FOR AMATHOLE DISTRICT MUNICIPALITY 2018 - 2023

7.1 LEGAL FRAMEWORK FOR THE REVISION OF THE IDP

On an annual basis, the IDP needs to be clearly reviewed and new business plans needs development. The IDP comprises a package of documents. The document, titled Amathole District Municipality: New Generation IDP 2018 - 2023, will form the main document. Other documents and instruments that support the main document include the municipal budget, the SDBIP of the Municipality (containing detailed programmes, projects, and associated resource allocation and performance targets), various sector plans to support and direct the work of different functional areas of the Municipality, and Ward plans (currently under preparation). The IDP will further need to outline:

- The long-term Visioning Planning for Amathole District Municipality towards 2058;
- An analysis of the Amathole District Municipality area today, and current trends and issues;
- The national and regional policy context for preparing IDPs (including a spatial footprint of Provincial- and National Government’s budgetary intent);
- Citizens’ needs for service delivery as expressed through various engagements;
- The findings of various medium and longer-term sector plans, required by law and supporting and directing the work of different functional areas of the organisation;
- The Amathole District Municipality’s overall strategy and way of work for the next five-years, including focus areas, predetermined objectives and activities, as per the new MTAS (2018-2023);
- The Amathole District Municipality’s broad financial plan and planned allocation of resources; and
• Related monitoring and evaluation activities over the year ahead.

7.2 THE ROLE AND PURPOSE OF THE IDP

The definition of the IDP is as follows: “A participatory approach to integrating economic, sectoral, spatial, social, institutional, environmental and fiscal strategies in order to support the optimal allocation of scarce resources between sectors and geographical areas and across the population in a manner that provides sustainable growth, equity and the empowerment of the poor and the marginalised.” An IDP is, therefore, a plan that guides the activities and decisions of a Municipality for the next 5 years in terms of Chapter 5 of the Municipal Structures Act, 2000. It is subject to a review process that shall be followed annually to ensure the improvement of service delivery and the effectiveness of the administration of the Municipality.

The MSA requires each municipality in South Africa to prepare a strategic plan to guide all development and management within the municipal area. The plan is developed in consultation with community stakeholders, and the provincial and national governments. This IDP is then the principal planning instrument that guides and informs the municipal budget.

The focus of the IDP is varied and includes the provision of basic municipal services, measures for building and transforming municipal capacity, measures to assist in expanded livelihood opportunities for citizens, enterprise development, building dignified and safe living environments, and, crucially, exploring new ways of working and living together. In terms of the core components of IDPs, Chapter 5 and Section 26 of the MSA indicate that:

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

The IDP is informed by a leadership agenda, as contained in national and provincial policy documents, as well as the needs of local citizens and public, private and community organisations. It directs and is informed by, different aspects of the municipality’s work, including how the municipality is structured politically and administratively, the municipal budget, the sector plans and service delivery and budget implementation plans of different municipal services, and how the municipality manages its performance. Integrated Development Planning, therefore, would mobilise Amathole District Municipality to focus itself, develop a future-directed vision and proactively position itself in a changing environment. Furthermore, it would enable Amathole District Municipality to gain a better understanding of the challenges it encounters and to identify effective methods to deal with it. By analysing the future, Amathole District Municipality, its leaders, other stakeholders and civil society can anticipate future opportunities and threats.
We can develop the ability to optimise opportunities while controlling and minimising the threats. By identifying problems before they occur, Amathole District Municipality can avoid being trapped in a cycle of crises management, which consumes valuable financial and human resources – resources which could have been used to take advantage of opportunities.

One of the key components of the IDP process is an internal organisational audit or analysis. Such an analysis allows Amathole District Municipality to know and understand our own internal operations. On the basis of this understanding, Amathole District Municipality is in a better position to manage the changes that will be required to bring about the desired future. The aim of this analysis is to identify Amathole District Municipality’s strengths and weaknesses, including its structures, staff composition, and deployment, financial situation and culture. The purpose is not to defend outdated and impractical structures, procedures and practices, but rather to establish an open-minded view of the organisation, to recognise problems, shortcomings, limitations and imbalances and to identify ways to overcome it. The institutional audit also focuses on exposing the vulnerability of the municipality in terms of identified threats. It highlights the capacity of the municipality to optimise opportunities and be proactive and future-directed.

Integrated Development Planning also provides an opportunity to establish and prioritise the needs to be addressed by a municipality. It grants Amathole District Municipality the opportunity to inform the community and all stakeholders about available resources, and to involve them in prioritising services and service levels. It will enable Amathole District Municipality to allocate resources – human and financial – in order of priority. It also allows for the design of alternative service delivery mechanisms, such as public/private partnerships.

The IDP may, therefore, be defined as a holistic plan – the final product of the IDP process. It contains a range of projects, all designed to achieve specific development objectives. The IDP sets measurable development objectives and targets. For each of these objectives and targets, Amathole District Municipality assigns tasks, with set target dates and budgets, to specific persons or task teams.
Amathole District Municipality is then able to monitor the course of each action and makes adjustments where necessary to ensure that the intended objective is achieved. The IDP also sets clear development objectives and targets and provides direction to improve performance. It sets key performance indicators (KPI’s) and the criteria for measuring performance – both for the overall IDP and for specific projects. As such it enables management to align actions with set objectives. “Customer satisfaction” also serves as a performance measure. External stakeholders (the “customers” of the municipal services) are involved in identifying and prioritising needs, they are able to judge whether the objectives and targets have been successfully achieved as planned. They are therefore and integral part of the monitoring process.

By involving all stakeholders in the planning process and empowering them with knowledge about the municipality’s strengths and weaknesses, and its resources and responsibilities, the municipality is then able to develop a realistic, achievable plan for future development. Stakeholders are also more likely to prioritise their needs and expectations realistically when they are involved in the planning process. Integrated Development Planning, therefore, provides an opportunity for stakeholders with different needs, priorities, and agendas to learn from each other and to negotiate and compromise around their established viewpoints. The process is not without disagreement and conflict but, if well managed, it can promote consensus and allow compromises and agreements on common development objectives for Amathole District Municipality to be reached. Through this process, Amathole District Municipality councillors and officials also gain a better understanding of the municipality and the respective roles they must fulfil. This can enhance teamwork and promote commitment toward achieving the development and operational objectives contained in the IDP.

Integrated Development Planning can also be termed “participative planning” because it involves the participation of all stakeholders. In terms of the Constitution, all spheres of government – national, provincial and local – are required to promote “co-operative governance” – that is, a government which actively seeks to involve all those who have an interest in or a contribution to make.
This is the cornerstone of our new democracy and for local government, granting the client base, the citizens and affected stakeholders and groups, an opportunity to be involved in decision-making that affects them. However, meaningful participation entails that Amathole District Municipality communities and stakeholders have to be empowered with the necessary information and knowledge about all the issues that have to be addressed. This will ensure constructive, practical and achievable objectives. The IDP process is the medium through which such knowledge is channelled to Amathole District Municipality stakeholders, and through which they are empowered to participate in planning for the future. Informed participation also enables the Amathole District Municipality community to take shared responsibility for the destiny of the municipality and provides the benefit of greater commitment by stakeholders towards the IDP.

The IDP process, on the other hand, facilitates budgeting in accordance with planning as it enables the budget to be linked to the IDP as required by the Municipal Systems Act, 2000. In particular, it provides for strategic management based on a budget, driven by the key development priorities. Stringent financial control and sound financial management are not possible unless there is a focused budget, based on specific objectives with no “fat reserves” and unallocated resources. Integrated Development Planning, if correctly carried out, ensures that realism dictates the budget.

Planning for future development also means planning for change. This new IDP era 2018 – 2023 should provide a tool for managing the change which automatically comes with development. Through the IDP process, the mindsets of people are changed to address the realities of the present and to embrace the opportunities the future holds. The process requires a new approach to management and planning and determines the rules with which a municipality’s structure and people must comply to develop a culture of change management. An IDP once adopted, remains effective for a five-year period in terms of Chapter 5 of the Municipal Structures Act, 2000, but shall be reviewed annually.
This will ensure that priorities that have changed since the adoption of the plan are reflected and incorporated. It also ensures the continuous alignment of the IDP and its strategies with that of national and provincial sector departments.

The IDP should be a fully-fledged elaborate process that involved the participation of all relevant stakeholders. During 2018/2019 a new approach will be followed by Amathole District Municipality in that the Executive Mayor will have meetings with different sectors of the community e.g. youth, churches, businesses and traditional healers. It is driven by officials and Ward Councillors. It is more a process through which municipalities prepare a strategic development plan. It intends to formulate a long-term common vision, development objectives and strategies for Amathole District Municipality. In order to achieve this, the following stages of the process were introduced and used as a guideline to maximise community participation”

7.2.1 Analysis phase:

- Consolidated picture of the current reality (scan existing IDPs/Land Development Objectives), in line with the municipality;
- Service backlogs (housing, sanitation, water, electricity, roads, and waste);
- Institutional capacity (number of professionals per department, staff structure, existing committees, structures, and forums);
- Revenue potential;
- Expenditure pattern (capital and operational and include the status of projects); and o Key development priorities.

7.2.2 Strategy phase:

- Long term Visioning of Amathole District Municipality towards 2058 (40-year prognosis); as well as incorporating MTAS (2018-2023)
- IDP Development Objectives;
- IDP Strategies;
- IDP Projects identified; and
• Link Key Performance Areas (KPAs) and objectives to sectoral functions.

7.2.3 Project phase:

• Foundation of Program Management Consultant
• Formation of project task teams;
• Preliminary budget allocation to projects; and
• Designing project proposals.

7.2.4 Integration:

• Screening/revision of projects; and
• Compilation of integrated programmes/plans.

7.2.5 Approval:

• Discussion by Council;
• Public comments;
• District alignment; and
• Final approval.

The review process of the IDP requires Public Participation through public meetings. These meetings are advertised through notices placed on Council’s notice boards, and the local newspapers,

7.3. REVISING THE 2018-2023 IDP FOR 2015-2016 IDP

Section 34 of the Local Government: Municipal Systems Act, No. 32 of 2000 prescribes that a municipal council:
must review its Integrated Development Plan-
annually in accordance with an assessment of its performance measurements in terms of section 41; and
to the extent that changing circumstances so demand; and
may amend its IDP in accordance with a prescribed process

The legislative framework provides an opportunity for Council, together with its Administration and the community, to take stock of progress made, identify areas of improvement and reprioritise resources in line with the changing needs of Communities.

7.3.1 IDP Revision Framework

The revision will be undertaken within the parameters of the following framework:

7.3.1.1 Assessment Issues

- The comments on the 2016/17 (Revised) IDP provided by the MEC for Local Government in accordance with Sections 31 and 32 of the Municipal Systems Act;
- LGMTEC 3 Report by Provincial Treasury and the Provincial Department of Local Government assessing the Draft IDP and Budget during 2017; and
- Shortcomings and weaknesses identified through self-assessment.

7.3.1.2 Review of the Strategic Elements of the IDP in terms of priorities of Council and the objectives of Management

- Review of the Strategic elements of the IDP and integrating the strategic intent throughout the budget process and the finalising of the Service Delivery and Budget Implementation Plan;
- Review of elements of the Spatial Development Framework;
- Review of the Disaster Management Plan;
• Update of Master Plans and Sector Plans.

7.3.1.3 Inclusion of New Information where necessary

• Addressing areas requiring additional attention in terms of legislative requirements not addressed during the compilation of the 2018-2019 IDP and its Revision for 2017/18 (i.e. MFMA Regulatory Circulars);
• Review of the Strategic Elements of the IDP, particularly in the context of Organisational Redesign;
• The ongoing alignment of the Amathole District Municipality’s Performance Management System (PMS) Policy Framework, in terms of Chapter 6 of the MSA, with the IDP;
• The update of the Financial Plan, the list of projects (both internal and external funded), and the capital investment framework;
• Revision of the Performance Management System: Five-year IDP Implementation Map (i-MAP) which will ensure closer alignment between the IDP, Budget and Service Delivery and Budget Implementation Plan (IDP/BUDGET/SDBIP Alignment);
• Joint intergovernmental planning platforms and a clearer reflection of provincial and national government’s investment footprint in the municipal space;
• Update of the Socio-Economic Profile;
• Public Participation Input and revision of Ward Plans; and
• Medium to Long-term Strategies and its alignment with the IDP, Long-term Budget and Performance Management System.

7.3.1.4 Key Elements for review

• Envisioning of Amathole District Municipality towards 2058;
• Socio-economic profile;
• Public participation input;
- Update on sector plans, e.g. SDF and LED Strategy, Disaster Management Framework;
- Performance Management: five-year IDP Implementation Map (i-MAP) which will ensure closer alignment between the IDP, Budget and Service Delivery and Budget Implementation Plan (IDP/BUDGET/SDBIP Alignment);
- Institutional planning and Financial planning;
- Report on the consideration and responses to 2017 MEC letter issues;
- Joint intergovernmental planning platforms and a clearer reflection of Provincial and National Government’s investment footprint in the municipal space;
- Increased efforts to achieve better alignment between sector plans internally and with those of Local;
- Municipalities, Provincial and National government.

8. PROPOSED MEGAPROJECTS FOR AMATHOLE DISTRICT MUNICIPALITY SMART DISTRICT

In pursuit of the smart district philosophy, Amathole District Municipality will embark on mega projects towards 2058. However, Amathole District Municipality’s MTAS and IDP’s will be aligned for a quick turnaround. The primary objectives are to:

- Bring new opportunities and fostering cooperation between stakeholders, local government and their residents.
- Increase the quality of life, make municipal services more efficient, and promote economic growth and job creation.

These projects are not limited to the list below and should be undertaken in phases.

- Water Desalination Plant
- Integrated Transport Systems
- Broadband Connectivity
- World Class High-Performance Sports Academy
- STEM Skills Academy
- Small town revitalisation programs
- Revitalisation of Agricultural Scheme(s)
- Sustainable Agricultural Systems Management.

The success of the smart district solely, therefore, will international investment depend on IGR and Stakeholders relations. Amathole District Municipality will need strong partnerships to realise this dream for the betterment of district communities. The Amathole District Municipality Spatial Development Framework will play an important role in the areas in which these will be implemented. Furthermore, there is a need for the Establishment of Small Economic Zones including Industrial Parks and as such rural development is key in the realisation of this dream. In the process, there is also a need for human capital development across the district.

9. NAVIGATING CHANGE FOR AMATHOLE DISTRICT MUNICIPALITY TOWARDS 2023

People within Amathole District Municipality might not be prepared to change unless we perceive that there is a crisis and that change is the least damaging option for them.

However, few municipalities lurch from one crisis to another, and it would be generally unwise for Amathole District Municipality simply to wait for the next crisis to come along before introducing change. Rather than focus on a crisis, change needs to be managed as an on-going process in which the need for change is communicated by identifying performance gaps. A performance gap is the difference between what Amathole District Municipality is doing and what Amathole District Municipality should be doing. Addressing the performance gaps can be a means to resolving a problem which already exists (reactive), or can be an opportunity to develop, elaborate or improve what Amathole District Municipality is currently doing (pro-active) towards 2023.
Either way, the performance gap should be used as a means of demonstrating to Amathole the difference between where our municipality is now and Amathole District Municipality needs, or would prefer, to be towards 2023. There are many processes that could help Amathole District Municipality towards 2023 to thrive amidst change but the following steps are evident in most change navigation processes:

- rallying disappointment with the status quo and creating a need for change;
- rallying commitment and gaining support from the significant role-players;
- designing transition management compositions, policies, procedures and plans;
- following the shared visions;
- creating flexible change or implementation actions;
- Maintaining stability and institutionalising the change.

These are building blocks for the change navigation process. The change navigation process involves three distinct conditions, namely:

- The desired future state (where Amathole District Municipality wants to get to).
- The present state (where the Amathole District Municipality is currently).
- The transition state (the set of strategies, conditions, and actions that the country must go through to shift from the present to the future).
There are at least five building blocks of change navigation shown in Figure 20 below.

![Diagram of building blocks of change navigation]

**Figure 21: Building blocks of the change navigation process**

The ‘why’ of change: refers to the capability to comprehend and own the rationale for change fully (i.e. the change navigation need).

The ‘where’ of change: refers to the capacity to draw the necessary boundaries in space and time around Amathole District Municipality area (i.e. the change navigation context). The ‘how’ of change: refers to the ability to plan, implement, and follow a sustainable and appropriate change process (i.e. the change navigation model). The ‘who’ of change: refers to the aptitude to describe and place the change roles correctly during the course of the change (i.e. the change navigation agents). The ‘what’ of change: refers to the ability to recognise the essential and vital organisational factors that must be altered as a result of the change need (i.e. the change navigation content). Each of the building blocks has particular values associated with it, shown in Table 5, as a guide while navigating the chaos of change under hyper-turbulent circumstances.
The ‘why’ of change
- A visible and continuous belief in the actualisation of a clear vision of the change outcomes must exist. The expected benefits flowing from the vision must be communicated to Amathole District Municipality people by sharing possible consequences and areas of uncertainty. No rash promises must be made. Change must be linked to the strategic intent, overall theme, and the necessary importance.

The ‘where’ of change
- The manner in which the change is steered overall must be a mirror of the desired future state. In this way, Amathole District Municipality obtain a preview of the ‘should/must be’ state, the latter of which is being strengthened on a continuous basis.

The ‘how’ of change
- Congruence among all aspects of the change must be maintained.
- Amathole District Municipality must be provided with adequate/high-impact training and emotional support to enable them to make a success of the journey.
- Change requires a substantial investment of resources (i.e. funding and executive time).
- Resistance to change must be dealt with in an open and fearless manner.
- Frequent assessments of the change’s effects (whether formally/informally or directly/indirectly) and a wide sharing of information must be the order of the day in Amathole District Municipality.
- The historical baggage of previous change journeys must be dealt with so as to not become a drag factor on the present change.
- Milestones and successes must be celebrated in order to energise Amathole District Municipality.

The ‘who’ of change
- The more intensive and extensive the change, the greater the need for visible and active, transformational leadership.
- Responsible and active participation/engagement of Amathole District Municipality must be encouraged throughout the unfolding of the change.

The ‘what’ of change
- It may be helpful to develop a model as an intellectual map to aid in conceptualising and systematising the changes South Africa has to undergo. Piloting the change programme can be done on a trial basis.

9.1. THE ROLE OF CHANGE NAVIGATION PLAYERS IN AMATHOLE DISTRICT MUNICIPALITY

Simply put, development involves change. But many development initiatives produce unimpressive levels of change in municipalities, organisations, and outcomes they target and are disappointing in the final results.
This is the case in social sector initiatives, core public management reforms, and even macroeconomic adjustment operations. Often, actual change is limited even when municipalities adopt proposed solutions in their proposed forms, in apparently good faith, and on time. When asked the question: 'Who ensures that the change context, process, and content relate effectively and that space for change is engineered to ensure readiness for change and adjustment during the change process?' most would answer: 'That is the role of leadership!'. This in turn, however, raises many questions concerning: who is the change leader? Why? What does the leader do in the change process? How? How does context influence leadership in change? These questions are vital in understanding how leaders make a difference in closing the gap between the change intended in development and the change we actually see.

The role of change navigation players is based on a process for navigating change of any magnitude, the steps of which are in the following stages:

9.1.1. Stage 1: awareness

Step 1 is to relay disappointment with the current state of affairs and develop an acceptance for change navigation. External pressures must be processed into internalised disappointment with the status quo among Amathole District. Additionally, a growing consciousness about the need for change must be developed among the people.

9.1.2. Stage 2: mobilisation

Step 2 is to harness commitment and to establish a guiding coalition in order to enable Amathole District Municipality to respond to the environmental pressures generating the need for change navigation. Informal talks between key leaders of Amathole District Municipality should be held in order to instigate a programme for change navigation.
This serves to gather commitment for change navigation amongst power groups within Amathole District Municipality, which augments ownership and reduces resistance to change. A guiding coalition must be created with adequate political and power dynamics to perform the change.

A trustworthy individual in Amathole District Municipality must preferably through the Programme Management Office be formally elected as the transition leader in order to launch a flexible plan of action and create enthusiasm within Amathole District Municipality to aid the change effort. A transition management team should also seek to enhance the involvement of Amathole in the change navigation process. The team must have the required resources such as budget, time, personal support and, often, external expertise.

Step 3 is to communicate a clear image of the future end-state. The transition management team must create shared and task-aligned strategies to define the desired end-states for the change. The key role-players must see 'eye-to-eye' on values, which form a set of essential beliefs that guide the manner in which people must behave during the change navigation journey.

Desired results towards 2023 must be indicated and clearly communicated to all the people of Amathole District Municipality. Unfolding the interim future state serves to establish the achievability of desired results and to recognise who will be affected.

Step 4 is to establish the present state of Amathole District Municipality and to build the change navigation framework towards 2023 in order to succeed in making the change. Change navigation role-players should collect relevant information and analyse the current challenges facing Amathole District Municipality.

Focus groups, interviews can be used to create a comprehensive and accurate picture of Amathole District Municipality present state. Each level in the change navigation framework has to be sampled so as to obtain a representative view of Amathole District Municipality.
The overall capability of Amathole District Municipality to succeed in change must, however, be recognised. Resources such as financing, personnel, and training have to be supplied in order for the change to be successful. Feedback methods should be established to provide information on the efficiency of the change and further areas needing additional action.

9.1.3. Stage 3: conversion

Step 5, on the other hand, is to construct a change navigation strategy, create and execute flexible change actions, and to ensure how they fit with Amathole District Municipality. A change navigation strategy must cover the ‘what’, ‘by when’, and ‘the how’ stipulations. This is because current roles, procedures, as well as structures, might no longer be constructive, and those designed for the future might not be fully in place yet.

The plan of action must be based on extensive consultations with role-players and these plans must be realistic, achievable, flexible and measurable. The plan of action must also contain information on responsibilities, necessary resources, benchmarks, control measures, and performance principles. The leaders of transition must make sure that a proper ‘fit’ exists between the change realities facing Amathole District Municipality and the navigation strategy.

These realities comprise factors such as Amathole District Municipality resources, processes, structure, systems, and operating environment. The tighter the fit the more successful Amathole District Municipality will be in transforming its strategies into performance towards 2023.

Step 6 is to produce short-term wins, consolidate gains, and generate more output. Short-term wins must be unleashed to build the reliability needed to sustain the change effort in the long term.
This is attained by planning for noticeable improvements in performance and clearly recognising and rewarding the people who make the wins possible. Both formal and informal rewards for the required behaviour must be incorporated into the process.

Step 7 is to navigate and facilitate personal transition from the present towards 2023. The transitional leaders must aid Amathole with support by helping to replace the past with future opportunities. The people of Amathole District Municipality must be given the time to work through their feelings of being disgruntled with the past and not being emotionally committed to the future yet.

9.1.4. Stage 4: stabilisation

Step 8 is maintaining stability and formalising change. The change navigation process must be implanted relatively permanently in Amathole District Municipality towards 2023. The transition leader or Programme Management Office should make it well-known when the desired outcomes are in position and those who have helped move the country in the change direction should be acknowledged and rewarded.

10. THE ROADMAP

It is envisaged the smart district project is a lifeline for the district and in that; it is divided into phases which are based on planning and implementation. These phases will connect all the dots.

10.1 SMART DISTRICT PROJECT LAYOUT

The following is the roadmap towards the implementation of the Visioning 2058, Smart District MTAS (2018-2023) and IDP (2018/2019):

- Phase 1: Council Decision (March 2018);
- Phase 2: Establishment of Amathole District Municipality 2058: Smart District (during 2018);
• Phase 3: Establishment of Amathole District Municipality MTAS (2018-2023) (30 May 2018);
• Phase 4: Establishment of IDP (2018/2019) by 30 May 2018;
• Phase 5: Business Plans (18/19) Ongoing;
• Phase 7: Implementation: Ongoing towards 2023.

A team led by the Director Strategic Planning and Management will be established as a Centre of communication for the project.

10.2 KEY STAKEHOLDERS

In order to ensure that the smart district concept of Amathole District Municipality is understood and works, stakeholder’s relations is important. The success of the smart district concept solely depends on IGR and Stakeholders relations. To this, IGR is a nerve centre to forge partnerships within and outside the borders of the district. Amathole District Municipality needs strong partnerships to realise this dream for the betterment of district communities.

In Amathole District Municipality, the following stakeholders are key in realising the smart district plan for the betterment of lives of the people of the district. These stakeholders are the main enablers of the smart district concept.

10.2.1 Aspire

Aspire is the Amathole District Municipality development agency which is mandated for the development of the district. As a catalyst for development, aspire will play an important role through its Small-Town Revitalisation Program and Implementation of key aspects of this concept especially the external environment.
10.2.1.1 Local Municipalities

This is the main stakeholder by which Amathole District Municipality will realise the smartness of the district. Local Municipalities are closest to communities and as a result, development will happen in their constituency areas operation. To this, the district, will plan and work with local municipalities in areas not limited to ICT for infrastructure budget allocation infrastructure to enable connectivity.

10.2.2 Provincial Government

Amathole District Municipality is charged to champion IGR within the district. To this, the Office of the Premier is key in the linkages to the Broadband and Small Town Project and Provincial Treasury Support in lobbying for funding the infrastructure support. The IGR platform will serve as a nerve centre of coordination for corporative governance.

10.2.3 National Government

At a national level, the big player is National Treasury in the identification and application of the grants to support the rollout of the project through DORA.

10.2.4 External Stakeholders:

- ICT Sector
- SA Cities Network
- Private Sector in general
- Institutes of Higher Learning

Memorandum of understanding with each of these partners will serve as a basis for the detailed plan on what needs to be done with clear time frames and commitment.
10.2.5 Programme Management Consultant: Program and Projects (2018 – 2023)

The role of the Programme Manager Consultant for Amathole District Municipality is to be two-fold namely:

- Conception to the commissioning of smart districts feasibility projects for development;
- Humanitarian development efforts including implementation for Amathole District Municipality smart districts at large

The services should offer a complete range from conception to commissioning including feasibilities Studies, Donor programs and seek funding efforts, Embassy liaisons, detailed designing, construction implementation, operation and maintenance developmental efforts, inspections, remedial works as well as in-house training.

The Conceptual phase(s) for Amathole District Municipality development efforts should provide for developing and promoting Amathole District Municipality’s needs and priorities, preparation of terms of reference, as well as financial and economic aspect concepts. The Preparation Phase(s) will include site reconnaissance, general development surveys, market surveys, Sociology-Argo-Economic studies and professional feasibility plans for a smart district.

The planning phase(s) for the two-fold developmental efforts includes the site/field investigations and surveys, topographical surveys, hydrology, hydrogeology, geological, Geotech agriculture, preliminaries design, optimisation analysis, feasibility studies, cost estimates, environmental studies and land use planning, aerial photographs, future studies prognosis and donor coordination efforts.
The Application for funding Phase(s) to include detailed architectural and engineering designs, detailed bill of quantities, technical specialists, cost estimates, implementation programmes, financial plans and contract documents.

During the Project Implement phase(s) the Program Management Consultant needs to ensure that turnkey project management of the various projects, constructional management, site supervision on behalf of donors and funders, progress monitoring and control, training and transfers of technology to local population, project management as well as testing and inspecting of controlling works.

During the Operational phase(s) of the various developmental projects, the Program Management Consultant will need to ensure timeous funding availability, start-up tests, operation and maintenance operation monitoring, maintenance planning, automation and training system analysis and design, quality insurance and progress reports to donors and funders of the various institutions to achieve a smart district.

The broader categories for assisting in developmental efforts include, but not limited to:

- Greater Amathole area Development;
- Amathole District Municipality Institutional Development;
- Foreign and International Relations;
- Architectural Planning and Development;
- Industrial Engineering Developmental Efforts;
- Information Technology Availability;
- Socio-economic Development;
- Humanitarian Development;
- Environmental Development;
- Transportation Engineering Development;
- Architecture and Town Planning Efforts;
- Public Health Engineering;
- Irrigation and Drainage Development;
• Dams and Barrages;
• Power Engineering in terms of Renewable Energy;
• Parks and Recreational Development;
• Education development;
• Property Development;
• Sustainability Efforts for Human Development;
• Agricultural Development;
• Social Economic Development;
• SMME Development;
• International Relations Development;
• Inter-Governmental Relations;
• Donor support and Guarantees;
• Developmental Agencies Support and Guarantees;
• Tourism Development;
• Spatial Development in the greater Amathole area.

The role therefore of the Program Management Consultant is to work with Amathole District Municipality in all sectors to improve Amathole District Municipality performance as a service delivery entity towards a smart district area. The main objectives are through a highly motivated effort to solve developmental problems that Amathole District Municipality has been experiencing for some decades in efforts of creating a smart district environment.

The Programme Management Consultant should, therefore, help Amathole District Municipality to solve issues, create value, maximise growth and improve performance.

The Amathole District Municipality should use the business skills provided by the Programme Management Consultant, to provide objective advice and expertise in doing so, and to assist Amathole Municipality to develop any smart district specialist skills that it may be lacking through mentorship.
The Programme Management Consultant will primarily be concerned with the strategy, structure, management and operations for Amathole District Municipality. The role is to identify options for Amathole District Municipality and suggest recommendations for change, as well as advising on additional resources to implement smart district solutions. The Programme Management Consultant will offer end sustainable to end solutions, for donors and funders and to offer specialist “route to market” expertise for certain industry areas.

Further responsibilities that will also need to be addressed:

- Carry out research and data collection to be up to date with Amathole District Municipality of smart district;
- Conduct analysis;
- Interviews with the embassy employees, management teams and other stakeholders;
- Run focus groups and facilities workshops;
- Prepare business proposals and presentations;
- Identify issues and form hypotheses for solutions;
- Present findings and recommendation to clients;
- Implement recommendations/solutions and ensure the donors/developers receive the necessary assistance to carry all developments out;
- Turnkey Management of projects and programmes for a smart district;
- Lead and manage those within the team, including analysis;
- Liaise with Amathole District Municipality smart district to keep all informed of progress and to assist in relevant decisions for development.

What to expect

- Programme Management Consultant consultancy involves a high level of responsibility. There will be tough targets and tight deadlines to meet towards 2023.
10.3 MONITORING AND EVALUATION

Monitoring and Evaluation are conducted to improve the district's performance and test whether strategies employed to yield the intended results. Furthermore, to improve the efficiency and effectiveness of the district to ensure sound decision making and promotion of accountability.

In Amathole District Municipality, the vision 2058 will be divided into the number of IDP cycles of the Amathole District Municipal Planning, where IDP serves as a 5-year measure of the performance of the district. Furthermore, the IDP will serve as a vehicle for the implementation of the long-term plan and be measured yearly through the Service Delivery and Budget Implementation Plan. Every 5 years Amathole District Municipality will conduct an assessment on the performance of the IDP and Budget. The Municipal Systems Act as amended including the MSA Regulations and Amathole District Municipality Performance Management Framework.

11 SUMMARY

The days when the growth of a district can be planned without having a broad perspective and contemplating the future are over. While districts are a major contributor to society’s sustainability woes, they can also be a major part of the sustainability solution. The prevailing era demands new solutions, which must be achieved using fewer physical, natural and financial resources. Against no measure of the triple bottom line is it possible for Amathole District Municipality society to afford to continue investing in infrastructure that is unsuited to future needs. This requires new thinking.

Leaders and decision-makers must be supported to learn new ways of thinking, to recognise and embrace existing wisdom, while also being held accountable to execute that thinking through new strategies and governance models that implement sustainable development. In the process, a new generation of rural leaders must be bred. There is no one right or best pathway, but many alternative paths.
Hence the Amathole District Municipality society must also be guided by values and principles that are well established and about which communities and governments the world over generally agree. Finally, our process must be transformative – achieving a step change in thought and action. Immediate and decisive action must be taken to deliver an improved quality of life and amenity that our Amathole District Municipality community will embrace, but which also take time to deliver.

Global production and trade, technological change, population growth, HIV and AIDS and climate change are examples of gradual processes that, over a span of five decades, are likely to cumulate to large consequences. By 2058, these gradual exogenous changes will have transformed the opportunities and challenges facing Amathole District Municipality in at least six dimensions. Urbanisation will accelerate. Migration will increase. Agriculture may well decline. Some local economies may have learned to compete globally, and conflicts will continue to diminish but not wholly disappear. How individual economies in Amathole District Municipality respond to these challenges will depend on the choices we make, individually and collectively. Broadly, municipalities in the Amathole District Municipality region need to respond by investing in their towns, managing migration, transforming agriculture, managing their natural resources better, and making concerted efforts to break in at the bottom of the global market in goods and services.

Collective action by Amathole District Municipality, in the form of deeper regional integration, and by the international community, in the form of improved performance on trade and aid, must support the efforts of individual municipalities. The uncertainties surrounding the long-term vision of Amathole District Municipality in 2058 are of course enormous, but one thing seems clear: change of the kind analysed here calls for policy response. This is perhaps the most substantial of the risks facing Amathole District Municipality.

If the pace of policy and institutional change in Amathole District Municipality over the next 40 years mirrors that of the past 40, the Amathole District Municipality region is likely to be overwhelmed by the challenges we face, while seeing opportunities slip through our fingers.
The potential is for a clear-sighted and decisive Amathole District Municipality in 2058, which holds out the promise of significant improvements in the lives and livelihood of thousands of people in Amathole District Municipality.