

Nyandeni Local Municipality

Local Economic Development Strategy Review

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Prepared for:
Nyandeni Local Municipality
Municipality House
B. Nomandela Drive
Libode. 5160



Prepared by:
Urban-Econ Development Economists
127 Cape Road, Mount Croix, Port Elizabeth
Tel: 041 585 6640
Fax: 041 585 6151
E-mail: ec@urban-econ.com

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List of Acronyms

CAGR	Compound Annual Growth Rate
CBD	Central Business District
CBO	Community Based Organisation
CIPC	Companies and Intellectual Property Commission
CMP	Coastal Management Programme
COGTA	Cooperative Governance and Traditional Affairs
DBSA	Development Bank of Southern Africa
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
DEA	Department of Environmental Affairs
DOA	Department of Agriculture
DTI	Department of Trade and Industry
ECDC	Eastern Cape Development Corporation
ECDoT	Eastern Cape Department of Transport
ECPTA	Eastern Cape Parks and Tourism Agency
ECSECC	Eastern Cape Socio-Economic Consultative Council
ECLGTA	Eastern Cape Corporative Governance and Traditional Affairs
EPWP	Extended Public Works Programme
FET	Further Education and Training
GDP	Gross Domestic Product
GVA	Gross Value Added
IDP	Integrated Development Plan
IWCDDP	Integrated Wild Coast Development Programme
LED	Local Economic Development
LGBT	Lesbian, Gay, Bisexual and Transgender
LITP	Local Integrated Transport Plan
LSDF	Local Spatial Development Framework
LTO	Local Tourism Organisations
MIG	Municipal Infrastructure Grant
NAFCOC	National African Federation Chamber
NCF	Nyandeni Custom Feeding
NDPG	Neighbourhood Development Partnership
NEA	Not economically active
NTFP	Non-Timber Forestry Products
ORTDM	O.R. Tambo District Municipality
OMP	Operation & Maintenance Plan
PTO	Permission To Occupy
RTSP	Responsible Tourism Sector Plan
SAMPI	South African Multidimensional Poverty Index
SARS	South African Revenue Service
SAT	South Africa Tours
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency
SEZ	Special Economic Zone
SMME	Small, Medium and Micro-sized Enterprises
SIP	Strategic Integrated Projects
TGCSA	Tourism Grading Council of South Africa



UFH	University of Fort Hare
UIF	Unemployment Insurance Fund
WSU	Walter Sisulu University
VAT	Value Added Tax

Chapter 1: Introduction

The Local Economic Development (LED) strategy for Nyandeni Local Municipality was developed in 2012, with a five-year timeframe. Urban-Econ Development Economists was appointed in 2018 to undertake the review of the Nyandeni Local Municipality LED strategy.

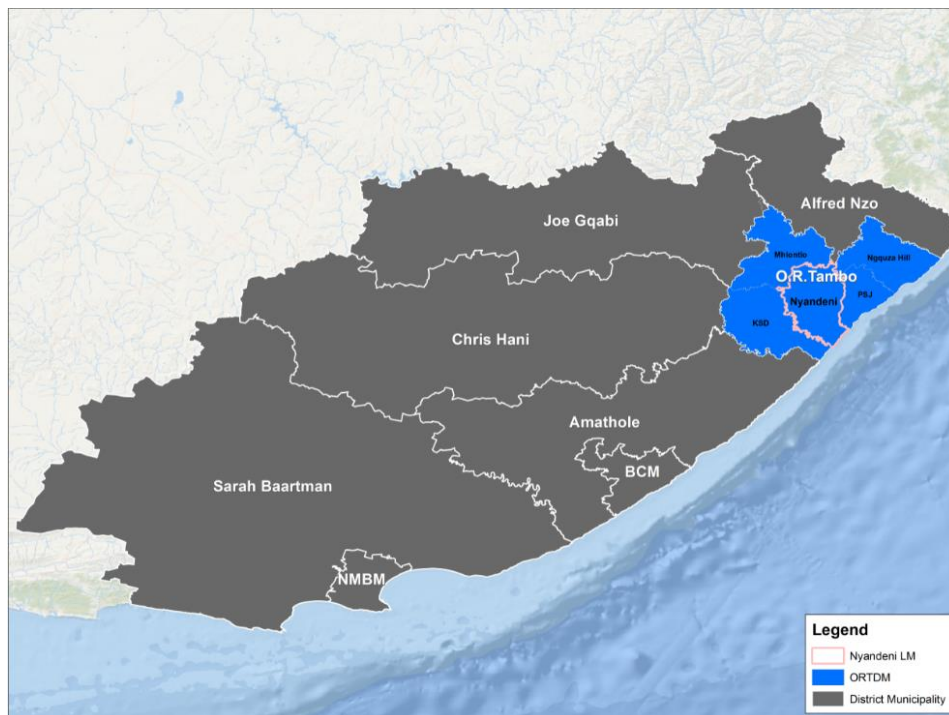
This document serves as a review and update of the 2012 LED strategy, and is developed in the context of a dynamic regional economic landscape that has been affected by other developments that have occurred between 2012 and 2018. The focus of the review is to update the 2012 document in selected areas and to assist in developing a strategy to guide the municipality in LED for the next five years.

This chapter provides an introduction to the municipality. The purpose and objectives of the LED strategy will also be discussed in detail. The LED strategy also outlines the O.R. Tambo District’s planned activities. The methodology used will be outlined in this chapter.

1.1 Nyandeni Local Municipality

The Nyandeni Local Municipality is located within the Eastern Cape Province and within the O.R. Tambo District Municipality. Its locality is presented in Map 1.1.

Map 1.1: Nyandeni LM Locality Map



Source: Urban-Econ GIS Unit, 2018

Nyandeni is boarded by Port St Johns to the East; King Sabata Dalindyebo to the South; Ingquza Hill to the North-East and Mhlontlo to the North-West.

1.2 Methodology

The output of the report is intended to be a comprehensive and integrated LED Strategy and Implementation Plan for Nyandeni Local Municipality. At the project initiation the following scope of work was set out:

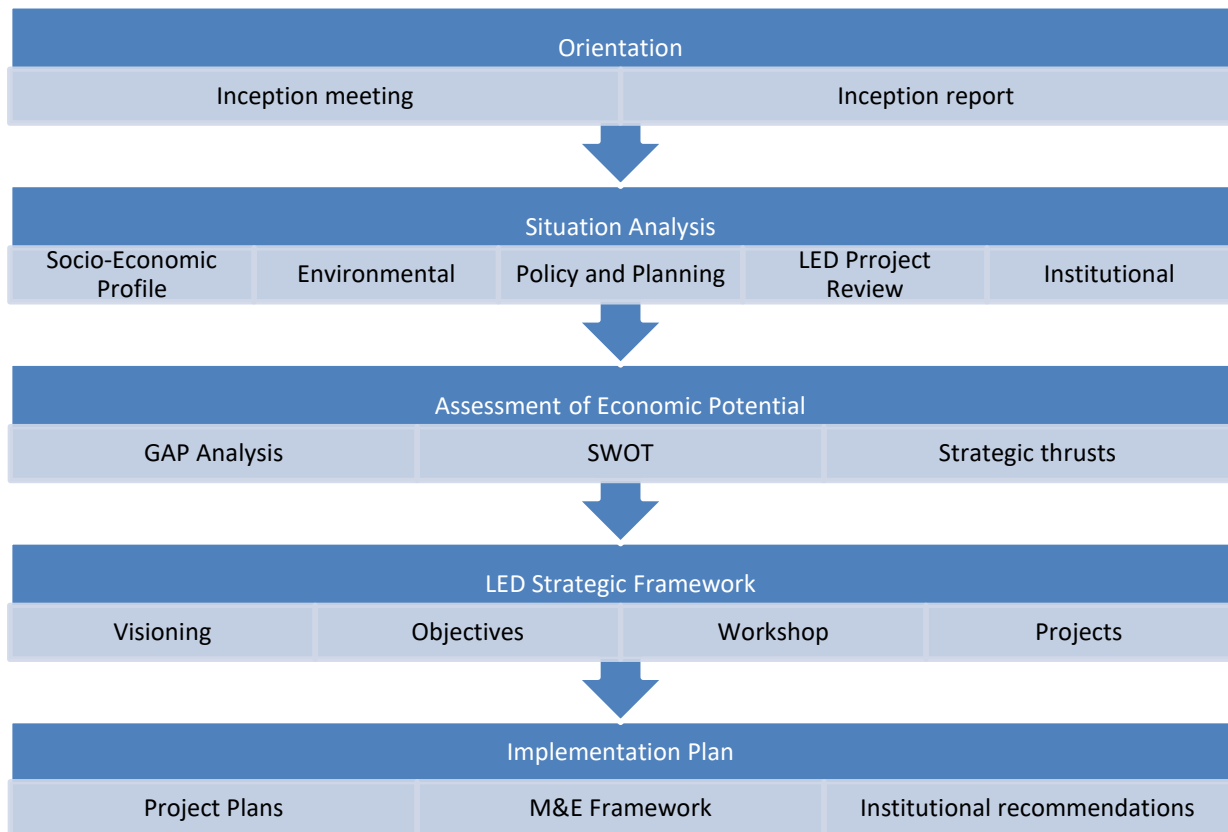
- Determine latent development opportunities of key economic sectors of the municipality.
- Determine the comparative and competitive advantages of the local economy.
- Identify nodal areas to address rural economic problems such as opportunities, isolation from markets dispersed service delivery, etc.
- Emphasise local job creation, alleviation of poverty and redistribution of opportunities and wealth.
- Identify opportunities for SMME development in all identified economic sectors.
- Deal with human resource development, institutional frameworks and review innovative institutional options for development partnering.
- Identify financing sources and investment options that could enhance practical implementation.
- To ensure the alignment of the strategy to national and provincial guiding documents and add value to existing policies and strategies such as the IDP.

The outcomes of the strategy are intended to include:

- A direction to the LED directorate
- Identify key economic sectors
- Mapped economic infrastructure
- The inclusion of key stakeholders and communities in economic development, with joint responsibilities for LED stakeholders.
- Encourage stakeholders to work and develop working relationships.

The methodology undertaken in the study is outlined in Figure 1.1 and in the discussion below.

Figure 1.1: Methodology



In the **orientation** stage of the project, a Project Steering Committee was formed by the client, and an inception report drafted. At an inception meeting the project objectives and timeframes were clarified and confirmed. Relevant data and databases were sourced from the municipality and from other stakeholders. The previous LED Strategy was reviewed and analysed in terms of gaps and areas for focus.

A policy review was undertaken of current national, provincial, district and local plans and policies relevant to LED. These policies were summarised based on their key thrusts and pertinence for LED.

The latest socio-economic and economic datasets were drawn, and the data analysed and represented visually. A comprehensive Socio-economic and Economic profile was developed. In order to update the sector profiles interviews were convened with selected stakeholders per sector. A sector profile was developed from primary and secondary research. The **Situation Analysis** also included a profile of infrastructure and environmental considerations. The institutional profile of LED in the municipality was developed through an analysis of the plans of the Economic Planning directorate and their organogram as well as interviews with key managers on the implementation of LED.

Public participation workshops further discussed the development opportunities and sectors in the municipality. These workshops also assisted to gain input into the strategic framework of the revised LED Strategy.

A GAP analysis was undertaken using research and inputs from stakeholders and an analysis of the research to date. Recommendations were drawn from the research to inform planning. A **SWOT analysis** was drafted based on the data presented and consultations with stakeholders in the three stakeholder workshops.

A **strategic framework** was developed to include a vision, goals, objectives, programmes and projects. At the first stakeholder session, participants were introduced to the components of the existing LED strategy and the focus was on which elements needed to be revised. At the final stakeholder session, the final LED Strategy with projects was presented for comment.

An **implementation plan** was developed based on the discussions held with the client and stakeholders to develop appropriate and detailed project descriptions and phasing. The project templates were compiled with responsible parties, and included proposed funding sources and timeframes. Recommendations on institutional arrangements and capacity development were also detailed. The implementation plan included performance indicators to be used in municipal monitoring and evaluation frameworks.

Lastly, the final report was packaged after a comment period. A **close-out report** was compiled to assist the municipality with their reporting.

Chapter 2: Policy Framework

2.1 Policy & Planning Informants

Local Economic Development (LED) in the South African context is informed by various planning, policy and strategy documents. These documents provide guidance and direction on a national, provincial, district and local level to LED practitioners. As such this LED strategy review will outline the main recommendations of some of these documents, with the aim of bringing out their relevance to LED in Nyandeni. This section provides consideration of a number of key policy and planning informants to ensure that alignment between high-level priorities and local conditions is achieved. As this is a review of the 2012 Nyandeni LED Strategy, this section focuses predominantly on policy and planning informants that have shaped LED between 2012 and 2018.

2.2 Overarching National and Provincial Policy Framework

This section highlights the main outcomes of selected national and provincial level documents of relevance to LED.

National Legislation:

Municipal Finance Management Act No. 56 of 2003

The object of this Act is to secure sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements for:

- Ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities;
- The management of their revenues, expenditures, assets and liabilities and the handling of their financial dealings;
- Budgetary and financial planning processes and the co-ordination of those processes with the processes of organs of state in other spheres of government;
- Borrowing;
- The handling of financial problems in municipalities;
- Supply chain management; and
- Other financial matters.

The institutions to which the Municipal Finance Management Act applies, as stipulated in Section 3 of the Act, is all municipalities, all municipal entities and national and provincial organs of state to the extent of their financial dealings with municipalities. It is therefore necessary that local municipalities adhere to financial procedures presented in the Act when engaging in financial matters relevant to any LED activities. All sections of this act should be adhered to when implementing LED and therefore the Act should be consulted. The Act also relates to Performance Management and Supply Chain Management, with legal compliance in this regard still a challenge.

Relevance for Nyandeni:

This Act is relevant to the NLM as it influences the financial management of local authorities when it comes to undertaking projects. The danger is in not complying with the MFMA funds could be withheld.

Municipal Structures Act No.117 of 1998

The relevance of this Act in terms of LED is that it sets out a division of functions and powers between local and district municipalities and it moves towards the institution of a democratic and developmental local government.

Municipal Systems Act No. 32 of 2000

The Municipal Systems Act, promulgated in 2000, enshrined in law, the principal planning tool of local government, namely, the Integrated Development Plan (IDP). Chapter Five of the Municipal Systems Act describes the IDP as a single, inclusive and strategic plan for the development of a municipality that will be the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality.

The key aspect of the Act is the requirement that every IDP include a ‘spatial development framework, which must include provision of basic guidelines for a land use management system for the municipality’. It is clear that the Spatial Development Framework fulfils the role of being a forward plan describing the intended nature of spatial development in a Municipal area. Moreover, in terms of Section 35(2) of the Act: “A spatial development framework contained in an integrated development plan prevails over a plan as defined in section 1 of the Physical Planning Act (Act No. 125 of 1991)”. This establishes clearly that the Spatial Development Framework shall take precedence over any other Plan approved by a Municipal Council. Accordingly, it is the primary forward plan and the first point of reference when seeking guidance on specific land development decisions that are required from time-to-time.

Specific reference to LED is made in the following section of this Act: Section 26(c) of the Municipal Systems Act further specifies that the Integrated Development Plan of a Local Municipality must contain its Local Economic Development aims.

Relevance for Nyandeni:

The relevance of this Act to the development of an LED strategy, is that it awards the municipal LED strategy legal status as part of the IDP process.

National Policy and Plans

Draft National Framework for Local Economic Development in South Africa, 2010

The Draft National Framework for Local Economic Development focuses on what the state can do to support stakeholders to realise their own and their collective objectives. It emphasises the need for local people to work together with each other and with external role players to improve their living standards. The state should play the role of facilitator and monitor. Objectives of the framework include:

- Build a shared understanding of LED in South Africa.
- Elevate the importance and centrality of effectively functioning local economies in growing the national economy.
- Reduce poverty more effectively through local level debates, strategies and actions.
- Improve community access to economic initiatives, support programmes and information.
- Improve the coordination of economic development planning and implementation across government and between government and non-governmental actors.
- Build greater awareness about the importance and role of localities which, globally, are playing an increasingly significant role as points of investment, decision-making and development in a world where the global-local dynamic is emerging as a key hallmark.

The five-year outcomes of the framework included that all District and Metro municipalities to have credible LED strategies, effectively implemented by a dedicated local economic development unit or similar entity. That the competitive advantage of all District and Metro municipalities are identified, incorporated into its LED strategy and exploited.

Currently the National LED Framework is being relooked by COGTA in collaboration with the Department of Small Business Development (DSBD), with the aim of focusing more on competitiveness and investment.

Relevance for Nyandeni:

Based on the current direction for the National LED Framework, the *LED Strategy for Nyandeni Local Municipality* should focus on the following areas:

- Promoting Radical Economic Transformation
- Acceleration of economic and spatial transformation
- Implementation of plans
- Monitoring quality of information
- Build on and utilise the Back to Basics Programme, IUDF, CWP and MIG
- Emphasis on leadership collaboration
- Integration of informal sector and youth
- Creation of an enabling environment for small business
- Greater emphasis on green economy, science and technology
- Investment in inclusive economic growth.

National Development Plan 2030, NDP

This is the overall guiding document for government’s economic intentions. Three priorities that are highlighted include: raising employment through faster economic growth, improving the quality of education, skills development and innovation and building the capability of the state to play a developmental, transformative role (NPC, 2011).

National Tourism Sector Strategy

The National Tourism Sector Strategy (NTSS) was first published in 2011, as the main guiding document for tourism development and planning in South Africa. The revised NTSS 2020 was gazetted in 2017 and is focused on inclusive growth based on tourist market growth and expenditure increases. Furthermore, it provides linkages to broader development imperatives, including addressing barriers to growth and the building of a transformed and inclusive tourism economy (Department of Tourism, 2017). The NTSS is implemented through five key strategic pillars namely:

- Pillar 1: Effective Marketing
- Pillar 2: Market Barrier Removal
- Pillar 3: The Visitor Experience
- Pillar 4: Destination Management Practices
- Pillar 5: Broad-Based Benefits.

Relevance for Nyandeni:

This plan has implications in designing tourism interventions and policy formulation at the local government level.

Strategic Plan by Department of Rural Development and Land Reform (2015/20)

The purpose of the plan is to accurately reflect the strategic outcome-orientated goals and objectives the department will endeavour to achieve over the period of 2015-2020. Some of the priorities include (DRDLR, 2015):

- Improved land administration and spatial planning for integrated development, with a bias towards rural areas;
- Sustainable land reform (agrarian transformation);
- Improved food security;
- Smallholder farmer development and support (technical, financial, infrastructure) for agrarian transformation;
- Increased access to quality basic infrastructure and services, particularly in education, healthcare and public transport in rural areas;
- Growth of sustainable rural enterprises and industries, characterised by strong rural urban linkages, increased investment in agro-processing, trade development and access to markets and financial services– resulting in rural job creation.

Integrated Urban Development Framework

The Integrated Urban Development Framework (IUDF) is a policy initiative from National Government, coordinated by the Department of Cooperative Governance and Traditional Affairs (COGTA). The IUDF seeks to foster a shared understanding across government and society about how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions for the community.

The National Development Plan indicates that South Africa should observe meaningful and measurable progress in creating more functionally integrated, balanced and vibrant urban settlements. The Department of Cooperative Governance, worked in collaboration with the South African Local Government Association (SALGA), South African Cities Network (SACN) and the Deutsche Zusammenarbeit (GIZ) to develop the Integrated Urban Development Framework (IUDF) with the aim of transforming and restructuring South Africa’s urban spaces. The IUDF provides a framework for reorganising the urban system so that cities and towns can become more inclusive, productive and resource efficient. In addition, IUDF seeks to foster a shared understanding across government and society on how best to manage urbanisation and achieve the macroeconomic goals which are in line with the NDP.

The core focus areas of the IUDF rest on 9 policy levers which enable the achievement of its strategic goals. These policy levers include:

- Integrated Urban Planning and Management
- Integrated Transport and Mobility
- Integrated Sustainable Human Settlements
- Integrated Urban Infrastructure
- Efficient Land Governance and Management
- Inclusive Economic Development
- Empowered Active Communities
- Efficient Urban Governance
- Sustainable Finances

Provincial Policy and Plans

Eastern Cape Provincial Development Plan

The province’s long-term development strategy is built on a set of focused goals, interventions and programmes (Eastern Cape Provincial Government, 2014). While these are informed by the country’s overall development vision in the NDP and related policies and strategy, the province has tailored the national directives to respond to its regional circumstances. There are five related goals that inform the PDP:

- A growing, inclusive and equitable economy;

- An educated, empowered and innovative citizenry;
- A healthy population, vibrant, equitably enabled communities;
- Capable, conscientious and accountable institutions.

Provincial Economic Development Strategy (PEDS) by DEDEAT

The purpose of the Eastern Cape’s PEDS strategy is to create long-term vision for growth and development in the province, mobilise all development partners, promote inclusive economic development and ensure strong buy-in from principal and national department. It aims to act as a strategic economic planning document for the province.

The strategic, long-term goal and vision of PEDS is:

“A growing, inclusive and equitable economy, which is larger and more efficient, and optimally exploits the competitive advantages of the province, increases employment, and reduces inequalities of income and wealth.”

There are several pre-requisites that need to be addressed in order for economic development to flourish in the Eastern Cape. Addressing these cross-cutting constraints is essential to ensuring the overall success of PEDS. These cross-cutting issues include:

- Base-level production costs
- Economic Infrastructure
- Fiscal resource issues
- Labour force
- Land and water

High potential sectors identified were:

- Agriculture
- Sustainable Energy
- Ocean Economy
- Automotive
- Light Manufacturing
- Tourism

The strategy also identified economic enablers as:

- Critical skills supply
- Broadband system
- Environmental Protection and Management
- Economic Infrastructure
- Business Enterprise Support
- Investment Attraction and Export Promotion
- Innovation and Research and Development (R&D)
- Development Finance (DEDEAT, 2017a).

Relevance for Nyandeni:

Thus, in identifying *Nyandeni’s* strategic areas, cognisance of the provincial high potential sectors of the province should be made.

Spatial Development Plan by the Department of Local Government and Traditional Affairs

Gives guidance on the principles that should underpin the strategic approach to spatial development and management in the province. Key outcomes for the district are in the areas of settlement hierarchy (with the

use of nodes and corridors to facilitate cost effective development), flexible zoning (to attract investment), spatial integration (promoting maximum community benefits) and the use of development restrictions in environmentally sensitive areas. This is significant for the district given its large population (highest in the province), urban sprawl, rural nature and the presence of multiple environmentally notable areas.

Eastern Cape Infrastructure Plan, Eastern Cape Socio-Economic Consultative Council (ECSECC)

The Provincial Infrastructure Plan aims is to improve infrastructure planning and ensure that there is improved infrastructure delivery management by 2030. The plan sets out the following goals:

- Infrastructure investment responds to spatial aspects of future infrastructure demand and progressively undoes apartheid geography
- The provision of infrastructure is accelerated to achieve universal access to social services
- Infrastructure investment helps to unlock economic potential
- Infrastructure planning, delivery, operation and maintenance are approved.

The plan identified eleven provincial strategic projects (PSP’s):

1. Strategic catalytic projects
2. Small town development
3. Urban settlements infrastructure
4. Water and Sanitation
5. Energy and electricity
6. Agro-logistics
7. Education
8. Health
9. Roads
10. ICT
11. Enabling interventions (ECSECC, 2016a)

Rural Development Strategy by the Department of Agriculture & Rural Development

Among the Rural Development Strategy’s goals are a means to transform land tenure as well as measures aimed at increasing social capital and human development. Apart from land reform, agrarian transformation and the non-farm rural economy are seen as critical in tackling endemic poverty in the province (DRDAR, 2010).

Eastern Cape Tourism Masterplan, Department of Economic Development, Environmental Affairs and Tourism

The Eastern Cape Tourism Master Plan (TMP) provides the province with a strategic framework for the sustainable growth and development of the tourism industry in the province. The vision of the TMP is to create “A dynamic, innovative, responsible tourism sector offering unique, positive and memorable experience that exceeds stakeholder expectations that is a major contributor to the sustainable growth and development of the Eastern Cape” (DEDEAT, 2017b).

The strategic objectives identified in the TMP were:

- To grow the province’s tourism sector economic contribution.
- Create an environment that promotes the development and enhancement of skills in the tourism sector.
- To increase domestic tourism’s contribution to the provincial tourism economy.
- To contribute to the regional tourism economy.
- Ensure that infrastructure in the Eastern Cape supports a high-quality tourist experience in the entire tourism value chain.

- Ensure that the Eastern Cape tourism sector supports a safe and secure environment at all tourist touch points.
- Ensure the availability of comprehensive, quality, user-friendly, accessible and objective tourist information at all the tourist touch points in the province.
- To entrench a tourism culture among Eastern Cape residents.
- Market and promote the Eastern Cape in such a way that tourists see it as a destination that offers unique and high-quality products.
- Ensure that previously disadvantaged people actively participate in the tourism sector.
- To address the issue of geographic, seasonal and rural spread in the Eastern Cape.
- To promote responsible tourism practices within the province's tourism sector.
- Ensure the establishment of a sound institutional framework within the province to support the efficient and effective management and coordination of the tourism sector.
- Ensure that tourism planning and decision making is informed by accurate, consistent and up-to-date research information that is aligned to national data standards.

The ECTMP identified priority areas for interventions:

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

Relevance for Nyandeni:

The implications of the Eastern Cape Tourism Masterplan on *Nyandeni* include the importance of developing a tourism culture, human resource development, and the need to increase geographic spread of tourism.

2.3 District Policy

District policies and plans affecting the Nyandeni Local Municipality are outlined in more detail in this section.

2.3.1 O.R. Tambo Integrated Development Plan (IDP) 2017-2022, 2017

The vision of O.R. Tambo District Municipality is to be

“A prosperous, vibrant, innovative and people-centred district”.

The mission of O.R. Tambo District Municipality is to

“Provide core sustainable services and support in fulfilling its mandate through a developmental local government approach. O.R. Tambo shall pursue a socio-economic development agenda that will provide an improved quality of life and affirm the dignity of its people”.

The situation analysis for the Integrated Development Plan (IDP) provides in-depth information regarding demographic, socio-economic, development, economic and social indicators. The table below indicates the alignment of the Key Performance Area (KPA) of Local Economic Development to various priority areas and strategic objectives in the study.

Table 2.1: O.R. Tambo Local Economic Development KPA

Priority Area	Strategic Objective	Strategy
KPA:	Local Economic Development	
Municipal Goal:	Promoting rapid and sustainable economic growth within the limits of available natural resources.	
1. Rural development (spatial planning of the region)	To assist all municipalities in the district to be SPLUMA compliant by 2018/2019	Spatial Development Framework
2. Tourism Development and Marketing	To promote tourism in the district	Local Economic Development Strategy and Communication Strategy
3. Agricultural development and agro-processing	To boost agricultural contribution and improve food security in the District by 2022.	Local Economic Development Strategy
4. Economic Infrastructure Development	To boost agricultural contribution and improve food security in the District by 2022.	
5. Blue economy	To provide support to entrepreneurs and create employment opportunities by 2022	
6. Forestry Development, Afforestation and Processing		

Priority Area		Strategic Objective	Strategy
KPA:		Local Economic Development	
Municipal Goal:		Promoting rapid and sustainable economic growth within the limits of available natural resources.	
7.	Enterprise and cooperative development		
8.	Trade and investment promotion	To boost investment in the district and grow the district by 2022	
9.	Capacitation of Youth and Emerging Contractors	To train 125 emerging Previously Disadvantaged Individuals (Youth and Emerging Contractors) by 2022	
10.	Green economy	To establish a fully functional value chain recycling programme by 2022	Integrated Waste Management Plan
KPA:		Basic Service Delivery and Infrastructure	
1.	Infrastructure development & Upgrade	Land Development and Property Management	
2.	CBD Upgrading	Upgrade and revitalise the Town Centre	Small Towns revitalisation
3.	Social Facilities	Lower & middle-income housing Development of multi-purpose commercial/ business	
4.	Waste Management	Collection of waste in both towns from businesses and households	Integrated Waste Management Plan
5.	Water and Sanitation	Upgrading of water and sanitation system	O.R. Tambo Local Economic Development
6.	Precinct plans or zoning schemes	To develop a plans for demarcation of sites for different types of land use	Small Towns revitalisation

Source: ORTDM, 2017

Table 2.2 below provides more detail on the indicators per strategic objective in the Local Economic Development KPA.

Table 2.2: Strategic Objectives and Indicators Local Economic Development KPA

KPA 2: Local Economic Development				
Dept.	Priority Area	Strategic Objective	Strategy	Indicator
Human Settlements	Capacitation of Youth and Emerging Contractors	To train 125 emerging Previously Disadvantaged Individuals (Youth and Emerging Contractors) by 2022	Local Economic Development Strategy	Number of emerging Previously Disadvantaged Individuals (Youth and Emerging Contractors) trained

KPA 2: Local Economic Development				
Dept.	Priority Area	Strategic Objective	Strategy	Indicator
Rural, Economic and Development Planning	Rural Development (spatial planning of the region)	To assist all municipalities in the district to be SPLUMA compliant by 2018/2019	Spatial Development Framework	Number of Spatial Planning Strategies and Frameworks compliant with SPLUMA
	Tourism Development and Marketing	To promote tourism in the District	Local Economic Development Strategy and Communication Strategy	Number of tourism related events supported
	Agricultural Development and Agro-processing	To boost agriculture contribution and improve food security in the District by 2022	Local Economic Development Strategy	Number of Agricultural Strategy's submitted to Council
	Economic Infrastructure Development			Number of Agri-Park facilities supported through sector coordination
	Blue Economy	To provide support to entrepreneurs and create employment opportunities by 2022		Number of Aquaculture enterprises trained
	Forestry Development, Afforestation and Processing			Number of Incubates supported
	Enterprise and Cooperatives Development			Number of Enterprise (Informal Traders, Cooperatives and SMME's) development programmes conducted
	Trade and Investment promotion	To boost investment into the District and grow the district economy by 2022		Number of jobs created through municipality's local, economic development initiatives including Expanded Public Works Programme
				Number of sector strategies developed and submitted to Council
				Number of Cooperatives supported
		Number of SMME/Cooperatives conferences held		
		Number of trade and investment, SMME brochures developed		

Source: ORTDM, 2017

Relevance for Nyandeni:

The ORTDM IDP identifies project at a district level which have relevance for the Nyandeni economy. Some of these projects included small business development projects, sector profiling, precinct developments and infrastructure.

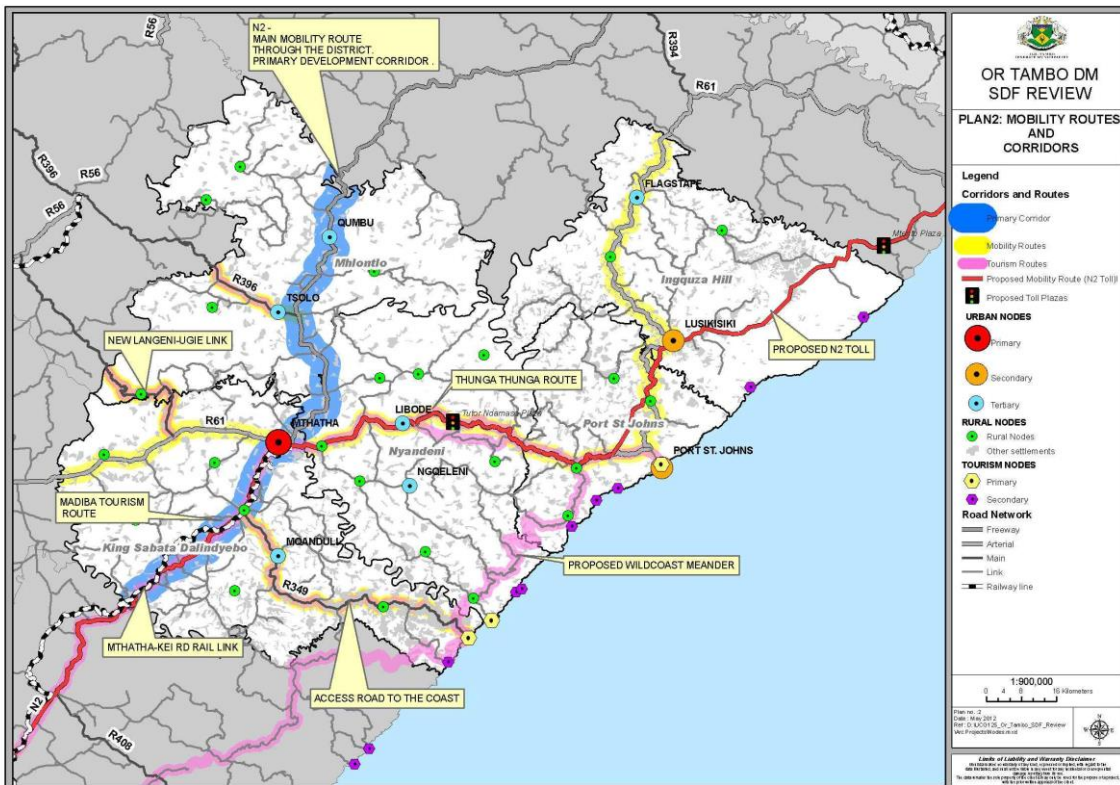
2.3.2 O.R. Tambo Spatial Development Framework Review, 2012

The 2012 review takes account of the revised demarcation of the district which came into effect in May 2011 and reflects the key concepts and principles set out in the revised version of the Eastern Cape Provincial Spatial Development Plan. The primary purpose of the SDF is to guide all decisions of the municipality relating to the use, development and planning of land at the district level. It guides and informs a hierarchy of settlement. Key spatial development issues raised in the SDF include:

- **Land Development Trends and Settlement Formation:** Sustainable spatial development is threatened by the challenge posed by un-managed settlement formation in both rural and urban contexts, which threaten in many cases natural resources as well as the optimal planning and utilisation of infrastructure and road networks. An element of this is the prevalence of land claims that have not been resolved and the developmental uncertainty that results.
- **Spatial Fragmentation vs Basic Needs:** There is a challenge inherent in attempting to provide housing and basic service to all residents, whilst dealing with spatially fragmented settlement and economic development patterns. The challenge to sustainability is profound and highlights the importance of elements such as:
 - The development of a sound road network to link settlements and areas of opportunities (i.e. areas where goods and services and socio-economic opportunities may be accessed).
 - The development of service delivery strategies that take into account the logistical difficulties of staffing and managing the provision of quality services in remote rural areas where communication is difficult.
- **Environmental Management:** This refers to the sustainable use of the natural environment and the protection and conservation of environmentally sensitive areas. These areas form a unique endowment for the district and this is seen as the basis of the attraction of the area for tourism development (coastal resorts etc.).
- **Land Use Management:** There is a need to ensure that the policies and institutional structures are set in place to practice sustainable land use management. Key elements of this issue include:
 - The uncertainty relating to the roles of municipalities vs traditional authorities in relation to land management in rural areas.
 - Land reform as it pertains to the reform of land tenure and the regularisation of land rights (some of which are informal) in the district, as this relates to the abilities of land owners to exercise authority over land holdings and land use regulators to engage in a more structured manner with land owners.

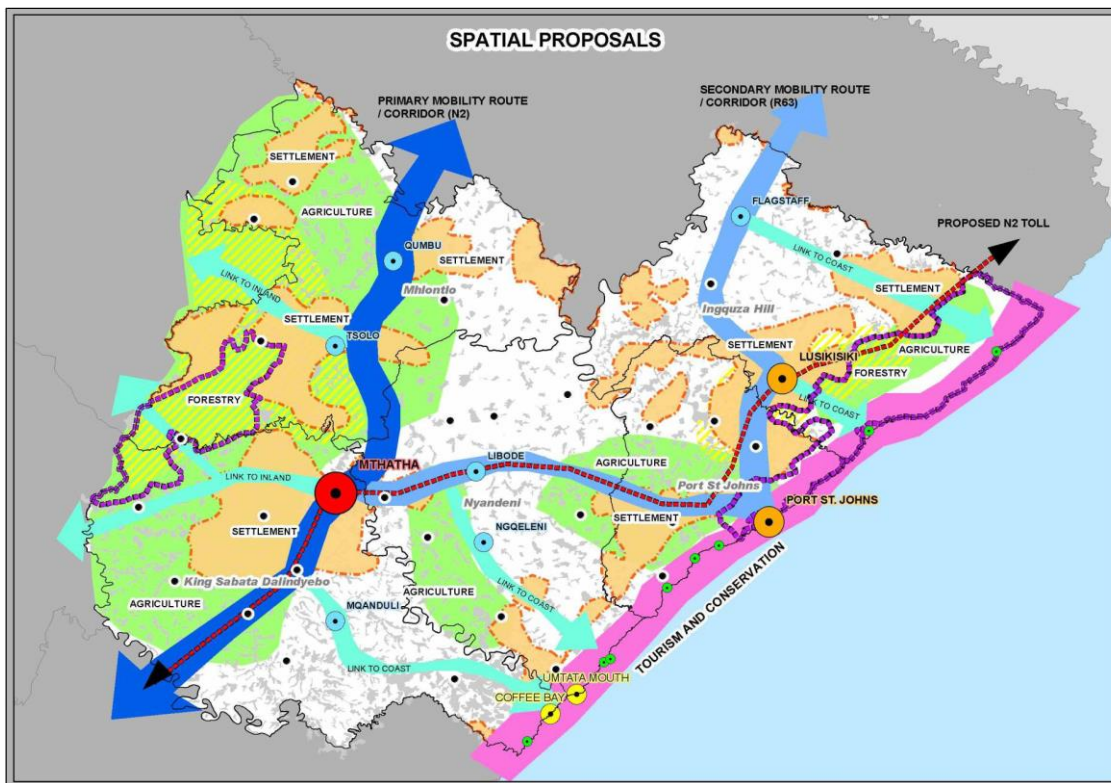
Figure 2.1 provides the identified mobility corridors in the district, whilst Figure 2.2. provides the identified spatial proposals for the district as outline din the SDF.

Figure 2.1: O.R. Tambo SDF Mobility Corridors



Source: ORTDM, 2012

Figure 2.2: Spatial Development Proposals



Source: ORTDM, 2012

2.3.3 Wild Coast Spatial Development Framework

The Wild Coast Spatial Development Framework identified the following broad spatial development elements for consideration:

- **Towns:** urban and peri-urban areas of high intensity mixed use (Mzamba and Port St Johns);
- **Rural Service Centres:** nodes within rural settlement areas (Bambisana, Tombo, Ntafufu, Isimelela);
- **First Order Nodes:** coastal nodes capable of supporting larger scale developments (Mazeppa Bay, Coffee Bay, Umtata Mouth, Port St Johns, Mzamba, Qolora Mouth);
- **Second Order Nodes:** coastal nodes with limited service levels (Wavecrest, Cebe, Qoro Mouth, Mbashe, Breezy Point, Hole in the Wall, Lwandile; Presley Bay, Kobonqaba)
- **Rural settlement and emerging farming areas,** including settlement, subsistence and small-scale agriculture, resource management areas including grasslands used for grazing and harvesting of thatching grass, woodlots, medicinal plant reserves;
- **Nature Tourism Area:** heritage and biodiversity conservation, LUM informed by BSAP products, nature-based tourism activities and facilities at defined development sites, could include some areas of rural settlement, natural resource harvesting and subsistence agriculture where conditions support special control zone established in terms of the Wild Coast Tourism Development Policy;
- **No Development Zones:** no infrastructure at all, only footpaths and horse/ donkey trails
- Commercial agriculture, mariculture and plantation forestry;
- Other, including infrastructure installations, cell phone masts and sand mining sites.

Relevance for Nyandeni:

Development along Nyandeni LM's coast would need to align with the Wild Spatial Development Coast. The Municipality has no coastal towns, however it has first order node of Umtata Mouth. Second order nodes include Lwandile and Presley Bay. The development implications for these nodes would need to be considered in any proposed developments.

2.3.4 O.R. Tambo District Municipality Coastal Management Programme (CMP), 2015

The purpose of the O.R. Tambo District Municipality CMP is to ensure a policy is in place to account for the management of the coastal zone within the jurisdiction of district municipality. The development and implementation of the CMP not only ensures the municipality is in line with legislative requirement of the Integrated Coastal Management Act but also other relevant laws.

In order to show commitment and alignment the O.R. Tambo CMP has retained the Eastern Cape's CMP priorities, with a focus on the role of local government. The priorities and goals of the district municipality are as follows:

Table 2.3: Priority Areas and Goals

Priority	Goal
Priority 1: Cooperative governance	<ul style="list-style-type: none"> • Participation of all stakeholders, coastal governance and co-responsibility • Integrated, coordinated, decision-making, planning and management • Continued learning and practical implementation of programmes and; • Compliance with national conventions, protocols and agreements.
Priority 2: Coastal planning and development	<ul style="list-style-type: none"> • Local economic development opportunities • Provide necessary support to coastal livelihoods initiatives • Effective planning processes and framework, promoting equitable coastal access and redress • Appropriate placement of coastal infrastructure
Priority 3: Climate change and dynamic coastal processes	<ul style="list-style-type: none"> • Identify high risk areas • Address coastal vulnerability • Ensure migration against and adaptation to climate change
Priority 4: Land and marine-based sources of pollution	<ul style="list-style-type: none"> • Reducing land-based sources of pollution • Responding to marine-based sources of pollution • Ensure effective waste management policy is in place • Capacitate waste management
Priority 5: Estuaries	<ul style="list-style-type: none"> • Ensure all estuaries are managed in an integrated and holistic manner consistent with National Estuarine Management Protocol • Comply with legislated requirements for estuarine management • Promote partnerships with stakeholders and other government agencies
Priority 6: The facilitation of coastal access	<ul style="list-style-type: none"> • Facilitate provision of free, safe and equitable access to coastal public property • Develop inventory of existing and potential access points • Ensure adequate management and regulation of coastal areas
Priority 7: Awareness, education, training, capacity building and information	<ul style="list-style-type: none"> • Ensure public and decision makers are appropriately aware, educated and trained to ensure effective coastal management and social buy-in • Facilitation of knowledge production and exchange • Partnerships with state and private entities for education and awareness
Priority 8: Compliance, monitoring and enforcement	<ul style="list-style-type: none"> • Develop environmental enforcement capacity • Strong and coordinated partnerships with other state agencies
Priority 9: Natural resource management	<ul style="list-style-type: none"> • The maintenance of ecosystem integrity and health • Protect vulnerable ecosystems • Rehabilitate degraded ecosystems

Source: ORTDM, 2015

The CMP has a five-year time frame, 2015 to 2020. The table below indicates the proposed actions and the KPAs which are relevant to Nyandeni LM.

Table 2.4: Proposed Actions

KPA	Proposed Action
Basic Services and Infrastructure Development	<ul style="list-style-type: none"> • Access state of coastal recreational facilities and perform necessary maintenance • Develop coastal planning scheme • Conduct assessment of coastal vulnerability • Demarcate coastal management lines • Develop coastal by-laws to regulate prohibited and restricted activities on coastal public property, including conditions of use • Assess and map hazard and safety zones with respect to bathing conditions and the use of non-motorised craft on coastal public property • Rehabilitate coastal dunes in high risk areas with regard to sea level rise • All LMs to develop Waste Management Strategies, aligning with CMP and coastal management objectives with regard to land-based sources of pollution • Regulate septic tanks and by means of by laws • Communicate with DEA on data of location of discharge points, include these in LM SDFs • Pilot recycling at key coastal recreation sites, include purchase of appropriate equipment for recycling and appoint supervisors • Water quality monitoring at public beaches • With DEDEAT, prioritise estuaries for development of Estuary Management Plans. • Undertake inventory and assessment of existing and potential coastal access points
Local Economic Development	<ul style="list-style-type: none"> • Develop LED Strategy to support coastal livelihoods • Develop coastal and marine tourism strategy • Develop strategy to regulate illegal sand mining sites, collaborate with local communities • Investigate potential sites for heritage status • From above, commence with application process for heritage status for identified sites
Financial viability	<ul style="list-style-type: none"> • Explore opportunities from external government and non-government agencies who support awareness and education
Good governance and public participation	<ul style="list-style-type: none"> • Formalise stakeholder list and circulate to relevant people for comment • Develop environment suitable for stakeholder engagement • Formation of ORTDM Coastal Committee with relevant stakeholders • Ensure estuary management is priority area for Coastal Committee • Ensure CMP incorporated into IDP, LM, SDF, SDBIP • LMs development of coastal access bylaws • Development of education programmes for coastal communities (estuaries, coastal development and livelihoods) • Celebration of DEA initiatives • Ensure officials involved in coastal zone receive accredited training and are capacitated • Review of signage at coastal public property

KPA	Proposed Action
Institutional transformation and development	<ul style="list-style-type: none"> Place measures to ensure LMs can respond to oil spill incidents Develop long term estuarine research and monitoring programme (partner with education institutions)

Source: ORTDM, 2015

Relevance for Nyandeni:

The implications for Nyandeni around coastal management include the need to develop a waste management strategy to align with CMP and coastal management objectives. As well as consideration of supporting coastal livelihoods and measures to regulate illegal sand mining sites. Nyandeni should promote partnerships with stakeholders and other government agencies on coastal infrastructure and coastal development.

2.3.5 Integrated Wild Coast Development Programme (IWCDP), 2014

The IWCDP hopes to achieve economic inclusion of the people of the Wild Coast. The IWCDP strategy finds implementation support through the large-scale infrastructure investment and development plans for the region, as part of the Strategic Integrated Projects SIPs of the Presidential Infrastructure Coordinating Commission. In particular, the Wild Coast is affected by SIP-3. The **Strategic Integrated Projects 3 (SIP)** are key to for the IWCDP and have been said to be one of the differences compared to previous initiatives in the area. The initiatives for the Wild Coast include:

- Project 6: N2 Wild Coast Highway
- Project 9: Construction of Umzimvubu Dam
- Developing of the Wild Coast Meander
- Designation of rural and economic development programmes
- Identify industrial links for the proposed Wild Coast Special Economic Zone (SEZ)
- Support the proclamation of new towns and infrastructure projects in selected sectors

The strategy identifies that an overarching limiting factor for development on the Wild Coast is the land administration system. Thus, it sets out a list of recommendations including:

- Implement the recommendations of the Eastern Cape Planning Commission
- Secure co-ordination and buy-in across all spheres of government
- Put in place interim arrangements to administer PTO's as proposed by the ECPC
- Design and test a model of land administration to address this gap
- Secure and capture existing records in remaining PTO Registers

Relevance for Nyandeni:

The IWCP integrates with the national SIP3 programmes and projects thus offering national backing for implementation of major catalytic projects. The strategy also makes important overarching recommendations around land administration and tenure. Catalytic projects identified for Nyandeni includes N2 Wild Coast Highway, the Wild Coast Meander, proclamation of new towns and the capturing of PTO registers.

2.4 Nyandeni Policy Documents

The following Nyandeni Local Municipality policy documents are analysed in this section:

- Nyandeni Integrated Development Plan, 2018- 2019
- Nyandeni Spatial Development Framework, 2010
- Local Spatial Development Framework for The Libode Urban Development Node and Ntlaza Junction Area, 2012
- Ngqeleni LSDF Precinct Plan, 2013
- Canzibe LSDF New Node Development: Draft Plan, 2015
- Mthatha Mouth Local Spatial Development Framework (LSDF), 2015
- Nyandeni Local Municipality LED Strategy Review (2012)
- Nyandeni Tourism Sector Plan, 2016
- Nyandeni Forestry Sector Plan, 2014
- Nyandeni Agricultural Sector Plan, 2014
- Nyandeni Retail Sector Development Strategy, 2016

2.4.1 Nyandeni Integrated Development Plan, 2018- 2019

The vision of Nyandeni Local Municipality within is set out as follows:

“Drives sustainable socio-economic development through efficient and innovative delivery of services.”

The mission of the municipality indicates that Nyandeni will achieve its vision through a capable institution that provides basic services to all her people; creates an enabling environment for inclusive economic growth and development; through investments attraction and provides efficient integration and coordination of the delivery of infrastructure services.

The strategic goals of the municipality are as follows:

- To ensure sound governance practices within Nyandeni local municipality
- Improving and strengthening intergovernmental relations
- Collaborative planning
- Fostering strategic partnerships
- By ensuring good corporate practices
- Effective municipal leadership and management
- Wise resource management
- Seamless programme management
- Ensuring a stable political environment
- Broadening and deepening local democracy through ward committees and beyond
- Ensure local accountability through continuous reporting system, local imbizos etc
- Implanting a culture of people centred people driven development

Table 2.5 below provides the municipal strategies, outcomes and output around the municipal objective for economic development.

Table 2.5: Municipal Economic Development Objective and Outputs

5 Year Objective	Municipal Strategy	Outcomes	Output
To create a conducive	Promote sustainable	Well capacitated and empowered SMMEs	Number of trainings conducted on financial management

5 Year Objective	Municipal Strategy	Outcomes	Output	
environment for economic growth by 2022.	cooperatives and SMMEs	through trainings conducted by 30 June 2022	Number of SMME or Co-operative incubated	
			Number of Flea Markets and agricultural shows hosted	
		Constructed warehouses by 30 June 2022	Report on physical planning and costing of warehouse (Assessment report, Design Report and Business Plan)	
		Formalised informal trading by 30 June 2022	Report on progress on partnership with DEDEAT and ECDC on informal trade infrastructure for both towns	
	Develop and sustain agriculture to build food security	Reduction of poverty through food security projects by 30 June 2022		Number of hectares planted by 30 June 2018
				Number of small-scale projects supported with inputs by 30 June 2018
				Progress report on Agri-park initiatives
				Number of households supported with farming inputs by 30 June 2018
				Approved EIA for Coastal Tourism Infrastructure by 30 June 2018
				One community works programme supported with farming inputs (fruit trees) by 30 June 2018
				1ha trial conducted at Malungeni by 30 June 2018
				Report on support provided to oceans' economy by 30 June 2018
				Number of awareness campaign conducted exhibitions attended.
				Tourism webpage
			Number of natural assets and heritage sites managed	

Source: NLM, 2018

Relevance for Nyandeni:

The study identifies the importance of the creation of a conducive economy. It has been identified that the informal sector needs to be supported into profitable and sustainable businesses that can contribute to the growth of the economy. The indicators for its achievement include training session, number of SMMEs supported, the number of flea markets and trading infrastructure. It has also identified niche agriculture and support for community works programmes to assist in the alleviation of poverty.

2.4.2 Nyandeni Spatial Development Framework, 2011

The Nyandeni Spatial Development Framework (SDF) identifies the following key spatial development issues:

- Fragmentation of jurisdiction over land management functions in urban and rural areas,
- Un-managed Land Development Processes
- The importance of linkages and accessibility to areas of opportunity
- Implementing environmental management (wise land use).

The following nodes and corridors are identified in the SDF as areas for intervention:

Table 2.6: Nyandeni Rural and Tourism Nodes and Development Corridors

Tourism Node	Rural Node	Development Corridors
<ul style="list-style-type: none"> • Mthatha mouth • Mdumbi • Tshani • Presley Bay 	<ul style="list-style-type: none"> • Corana Junction • Ntlaza junction • Nyandeni village • Canzibe • Marhubeni • Entshilini junction • Dikela hill 	<ul style="list-style-type: none"> • R61: Mthatha to Ntlaza Junction Wild Coast Meander • Thunga Thunga Route • DR 18030 road to Mthatha Mouth

Source: NLM, 2011

The development proposals for the tourism nodes listed above were based on the development of a sustainable coastal tourism sector. Accordingly, the priorities in these nodes are related to appropriate infrastructure, access roads and maintenance of infrastructure. In addition, these nodes require appropriate land use and environmental management to preserve the environmental assets that provide the competitive advantage of these areas.

The two urban nodes in Nyandeni are Libode and Ngqeleni. These are considered lower order service centres in terms of the district-scale. From the local municipal perspective, they remain important as urban settlements where goods and services can be accessed by the local residents and residents of surrounding rural settlements. The towns should be promoted as places for the location of retail and service enterprises as well as education and health facilities. It is important also to ensure that public transport facilities are developed in the towns. The priorities in these towns are deemed to be the upgrade and extension of infrastructure networks and the implementation of rigorous land use management. Specific priorities for land development in each town are discussed below.

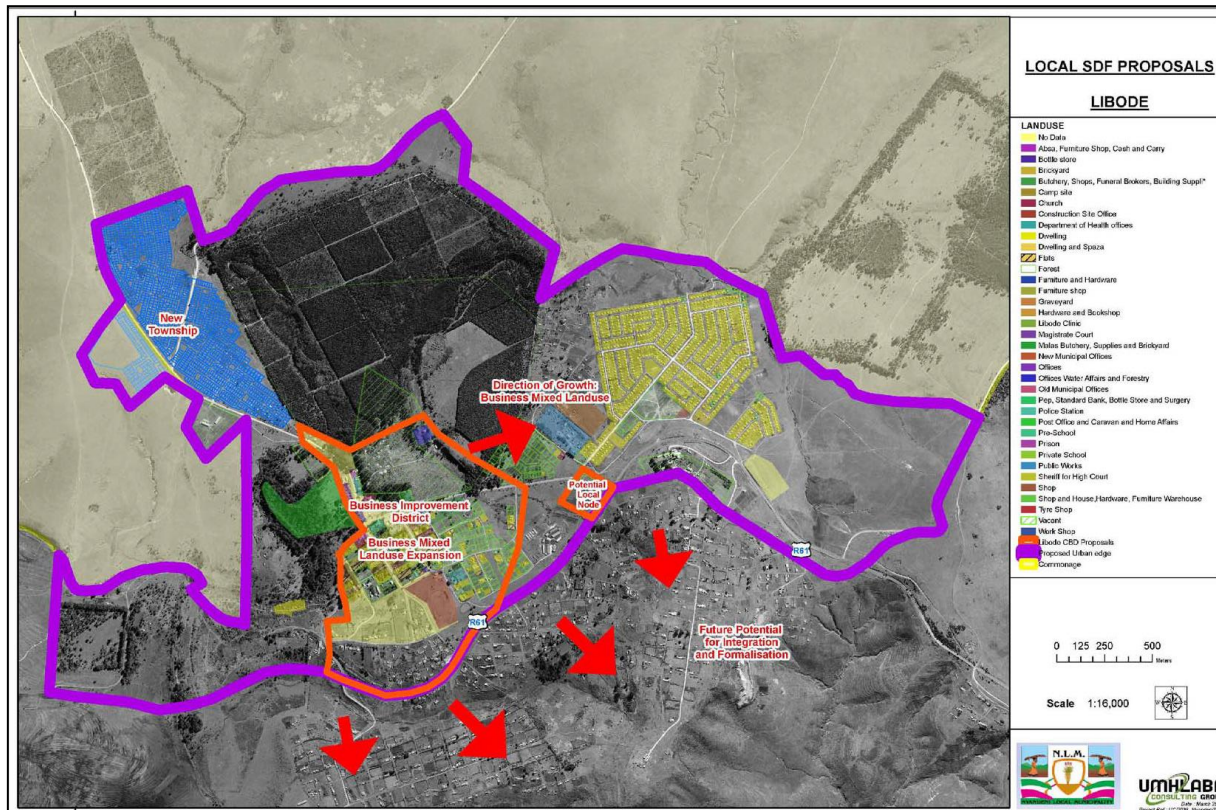
Libode

The recommendations for Libode were based on a concept of Libode developing into a secondary or satellite town to Mthatha. As the city of Mthatha is relatively close and there are housing and accommodation challenges in the city. Thus, the emphasis should be placed on:

- a. Upgrade of urban infrastructure to ensure that a decent level of service can be provided to residents in the town;
- b. Rendering of basic cleansing services and the effective management of solid waste so as to improve the quality of the living environment in the town;
- c. Proper application of the Town Planning Scheme and Building Controls to ensure that land development takes place in terms of the requirements for site coverage, height controls and the provision of on-site parking and loading facilities;
- d. Placing a special focus on the improvement of infrastructure (including public transport facilities) in the Central Business area (Business Improvement District).
- e. Maintaining the integrity of the urban edge until the area demarcated by the edge is fully developed and serviced.

- f. Encouraging the densification of residential areas in the “old town” where erf sizes are large. This may be achieved by the application of rates surcharges for undeveloped land located in the town area.

Figure 2.3: Development Proposals Libode



Source: NLM, 2011

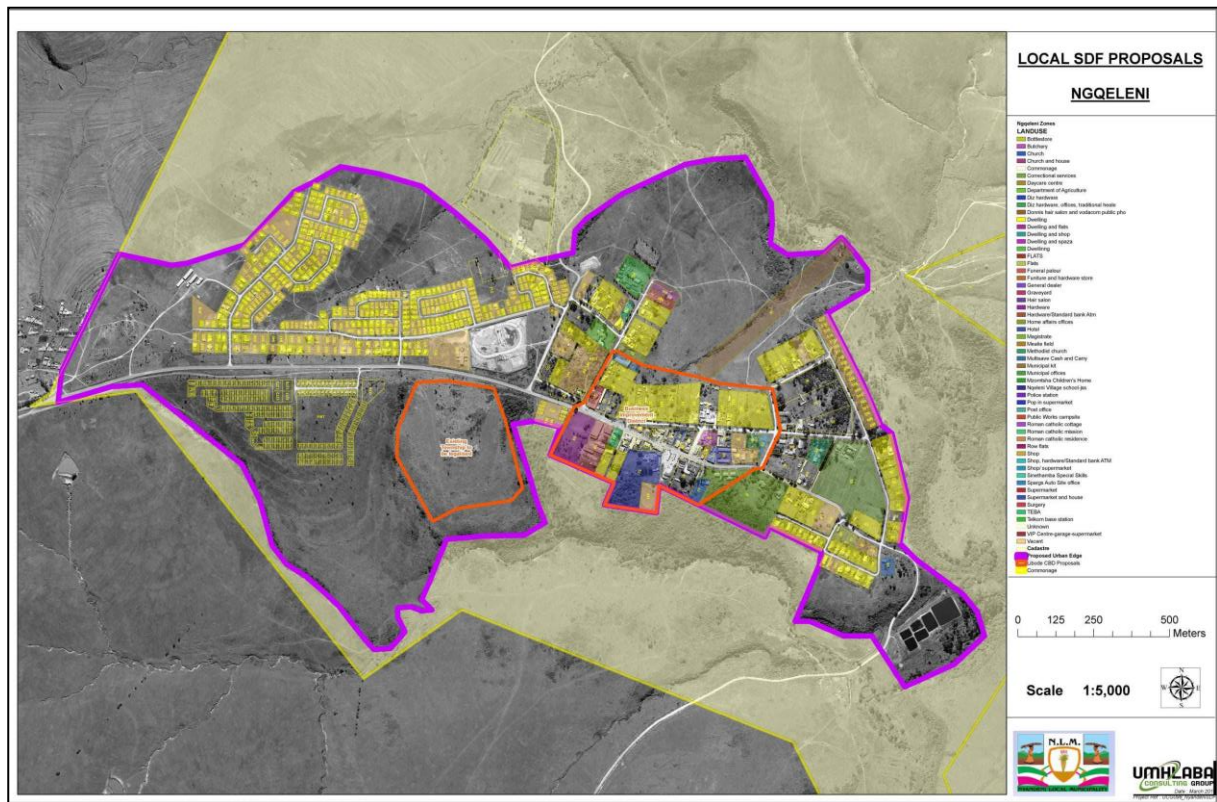
Ngqeleni

The town is centrally located within the Nyandeni Municipality and is on a main access route to the coastal resort areas of Presley Bay and Lwandile. Thus, the focus for the town was placed:

- a. Upgrade of urban infrastructure to ensure that a decent level of service can be provided to residents in the town;
- b. The rendering of basic cleansing services and the effective management of solid waste so as to improve the quality of the living environment in the town;
- c. Proper application of the Town Planning Scheme and Building Controls to ensure that land development takes place in terms of the requirements for site coverage, height controls and the provision of on-site parking and loading facilities;
- d. Placing a special focus on the improvement of infrastructure (including public transport facilities) in the Central Business area (Business Improvement District);
- e. The development of a Tourism Information Centre at an appropriate locality in the town;
- f. The legalisation of the existing (built) township area known as Extension 3;
- g. Maintaining the integrity of the urban edge until the area demarcated by the edge is fully developed and serviced.
- h. Encouraging the densification of residential areas in the “old town” where erf sizes are large. This may be achieved by the application of rates surcharges for undeveloped land located in the town area.

Figure 2.4. provides the development proposals for Ngqeleni.

Figure 2.4: Development Proposals Ngqeleni



Source: NLM, 2011

In rural nodes which include villages or transport junctions, the SDF identified higher order rural-level services. This might include education facilities, primary health care facilities, business sites and, where required, social facilities such as police stations and pension pay points etc. Infrastructure priorities remains a basic level of supply for water services and electricity and road access to and from these nodes.

Relevance for Nyandeni:

The Nyandeni SDF identified tourism nodes as being Mthatha mouth, Mdumbi, Tshani and Presley Bay. The development proposals for the tourism nodes are based on a sustainable coastal tourism sector. The priorities in these nodes are related to appropriate infrastructure, access roads, infrastructure maintenance, appropriate land use and environmental management.

Rural nodes that were identified included Ntlaza junction and Canzibe. The emphasis for these nodes is on higher order rural-level services. This might include education facilities, primary health care facilities, business sites and, where required, social facilities. However, infrastructure priorities remain at a basic level.

The two urban nodes of Libode and Ngqeleni are considered lower order service centres. They are important urban settlements for local activities and for servicing the residents of surrounding rural settlements. The towns should thus be promoted as places for the location of public transport, retail and service enterprises as well as education and health facilities.

Thus, the SDF sets out a hierarchy of priorities for each settlement within the municipality. These interventions should find expression in the LED Strategy.

2.4.3 Local Spatial Development Framework for Libode Urban Development Node and Ntlaza Junction Area, 2012

A Local Spatial Development Framework was developed to guide the development of the town of Libode and the settlement of Ntlaza Junction. The LSDF put forward three scenarios for the future development.

- **In scenario 1** the status quo is maintained, which sees the towns Libode and Ntlaza Junction remain in their current form, in a state of decline with no development, haphazard trading, poor infrastructure and with no Land Use Management or control. There is continual decay of the CBD and Ntlaza Junction area, with no investment from the government and municipality. The CBD and Ntlaza Junction only service existing needs of residents and there is limited economic diversification in the economy. This results in residents suffering as a result of inadequate or no basic services, no or minimal access to social facilities and no job opportunities. This scenario is considered unacceptable and is what needs to be avoided.
- **In scenario 2** the town of Libode and Ntlaza Junction area be allowed to grow in haphazard manner with no direction. This results in poor land use management, loss of revenue to the municipality, a decline in the environment, uncontrolled settlement growth, etc. From an infrastructural point of view, this scenario does not offer an opportunity for forward planning, which could result in costly services in the future.
- **In scenario 3** an upgraded town catering for the existing and future needs of its residents and basic infrastructure is created. Future development needs are identified and catered for in the town and Ntlaza Junction. The town is developed to cater for different accommodation needs with associated recreational facilities and investment support by the private sector. This scenario makes provision for job opportunities and subsequently having a ripple effect to its surrounding areas. This scenario is considered as the most preferred scenario, whereby development, infrastructure and service demand would be concentrated in areas of higher density development and controlled.

In order to achieve scenario 3, the following spatial development strategies were advocated:

- Consolidate and integrate development by developing land in close proximity to public transport and existing services.
- Identify areas of opportunity according to land needs.
- Develop land use management policies in order to manage land use.
- Discourage illegal trading by providing demarcated areas and by introducing trading by-laws.
- Identify resources and manage land use in valuable areas.
- Identify areas with infrastructure issues, priorities in terms of needs and develop accordingly

General planning strategies put forward included:

Using access routes as an investment framework

- Using access routes as investment linkages and lines
- Developing a framework to direct public and private investment;
- Developing a network of opportunity on the basis of existing roads, settlement, high agricultural potential, natural resources and features; and
- Create a hierarchy of investment linkages consisting of primary, secondary and tertiary routes and use these linkages to guide the location of relevant land uses.

Creating a Service Centre Framework

- Identify and support a hierarchy of service centres offering a range of services, residential choice and commercial opportunities;

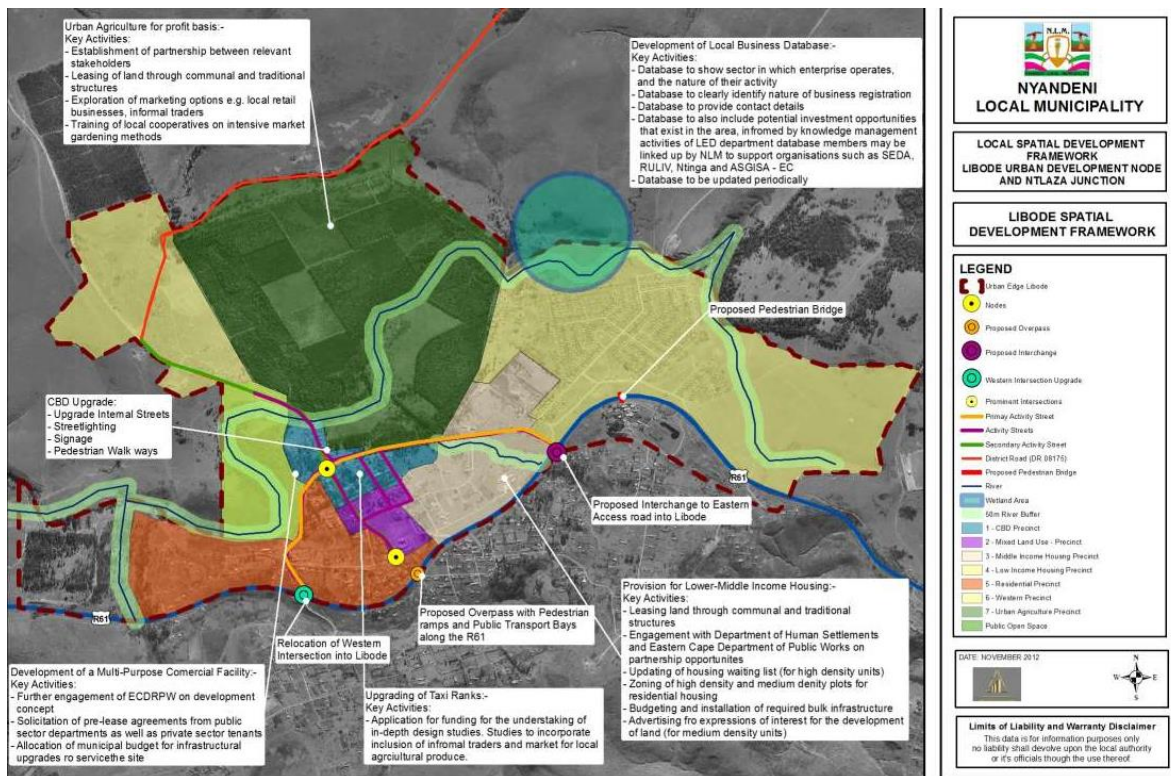
- Develop service centres to serve a catchment/s and develop according to potential which exists; and
- Invest in the hierarchy of centres in a focused way to ensure opportunities are realised.

Formulating a Development Management Framework

- Identify primary land use zones to guide investment, such as environmental conservation areas, agriculture zones, settlement, tourism, urban and rural zones; development management framework; whereby basic service levels are provided in rural low intensity settlement, improved service levels are provided in strategic rural areas where future growth could be achieved and, high levels of service in urban areas;
- Invest in a range of service levels according to service centre hierarchy and Integrate the natural features of the area into the plan so that these special features act as barriers, focal points, vistas and special development opportunities;
- Formulate and implement Land Use Management Guidelines to implement the Spatial Development Framework Plan.

The specific spatial development proposals for Libode are illustrated in Figure 2.5. below.

Figure 2.5: Libode LSDF Spatial Proposals



Source: NLM, 2012a

Relevance for Nyandeni:

The study was developed to guide the development of Libode and Ntlaza junction. The current form of the settlements was identified to be in a state of decline with no development, haphazard trading, poor infrastructure and no Land Use Management. The SDF identified strategies around access routes as investment corridors and to support a hierarchy of service centres offering a range of services, residential choice and commercial opportunities. Lastly the importance of developing and implementing land use management guidelines and for controlled development was identified.

2.4.4 Ngqeleni LSDF Precinct Plan, 2013

The Ngqeleni Local Spatial Development Framework (LSDF) and Precinct Plan provides a detailed account of the economic and spatial characteristics of the town. The study identified the need for preliminary and detailed feasibility assessments of land and infrastructure potential to develop a pipeline of projects.

The town's urban form has been influenced by a number of urban development characteristics, which include:

- The absence of a sound Land Use Management / Development Control Mechanism has resulted in settlements responding to opportunities such as employment and improved access and has been developed in an uncontrolled manner.
- High percentage of state ownership of land in the town.
- Some land parcels have no ownership records. Spatially, there is confusion as to whom each erf belongs to and whom commonage land belongs to. There are developments within the commonage.
- There are vacant portions of land that could be available for infill development, but these are quickly disappearing.
- Various institutions/ levels of authority, varying from local traditional leadership institutions to Provincial and National Government Departments, make uncoordinated and often conflicting development proposals and decisions. Development in terms of one sector does not necessarily consider the future developmental needs of other sectors.

The study identified the following vision for the town:

*"Ngqeleni will be a town where the community has access to adequate infrastructure and jobs.
A vibrant economy resulting from socio-economic developments
will create jobs and an accessible service centre."*

The following objectives were identified:

1. Upgrade of urban infrastructure to ensure that a decent level of services can be provided to residents in the town.
2. Provide a clinic for the community of Ngqeleni
2. Identify the strategic areas of opportunity that should be the focus areas for capital investment in engineering services infrastructure.
3. Improve road quality by undertaking road maintenance and/or rehabilitation.
4. Implementation of a well-designed stormwater system that will reduce damage to road infrastructure.
5. Implement a comprehensive land use management system for the municipality. This will lead to investment and development in the medium to long term.
6. Unlocking of strategic land.
7. Improve image of Ngqeleni (aesthetics).
8. The development and improvement of linkages between the CBD and residential areas, sporting grounds and schools for easy pedestrian commuting and vehicular commuting.
9. To support the business sector and facilitate its expansion.

10. The legalisation of the existing (built) township area known as Zone 5.
11. Maintain the proposed urban edge for the next 10 years or more until such time that the area fully developed and serviced.

The strategies identified per objective are listed in Table 2.7.

Table 2.7: Ngqeleni LSDF Objectives and Strategies

Objective	Strategy
1. Upgrade of urban infrastructure to ensure that a decent level of services can be provided to residents in the town	<ul style="list-style-type: none"> • Ensure the community has adequate water, waste disposal facilities, sanitation, and electricity. This will be done by constructing an extra reservoir to satisfy water shortages. • Upgrading the exiting pit latrines, bucket toilets and ventilated pit latrine toilets and making sure that all dwellings within the urban edge have waterborne facilities. • Electricity supply is currently adequate, however, with future proposed developments, demand for power will increase and this demand must be satisfied.
2. Provide a clinic for the community of Ngqeleni	<ul style="list-style-type: none"> • The existing oxidation ponds must be maintained, and formal dumping sites designated. • Provision of waterborne sanitation. • Ensure the provision of service infrastructure in accordance with spatial requirements (i.e. the integration of spatial planning and engineering services master planning). • The nearest hospital is Canzibe Hospital, in Mgodweni location, 30 km away from Ngqeleni. • An appropriate site has been allocated for a clinic in Ngqeleni.
3. Identify the strategic areas of opportunity that should be the focus areas for capital investment in engineering services infrastructure.	<ul style="list-style-type: none"> • This is the mapped CBD area that will facilitate medium density developments and intense economic activity. • Maintain the proposed urban edge for the next 10 years or more until such time that the area has been developed to its full potential and densified to its full potential.
4. Improve road quality by undertaking road maintenance and/or rehabilitation.	<ul style="list-style-type: none"> • Tar the two main roads i.e King George and Armstrong streets. • Provide pavements that facilitate street trading as well as pedestrians.
5. Implementation of a well-designed stormwater system that will reduce damage to road infrastructure.	
6. Implement a comprehensive land use management system for the municipality. This will lead to investment and development in the medium to long term.	<ul style="list-style-type: none"> • Channel development into a system of nodes and corridors, in accordance with the principles of the National Spatial Development Perspective.
7. Unlocking of strategic land.	<ul style="list-style-type: none"> • Support and develop strategic locations that contain the right characteristics to enable sustainable economic development and

Objective	Strategy
	<p>which contribute to the overall spatial efficiency and sustainability.</p> <ul style="list-style-type: none"> Identify vacant land parcels which will have 1st priority in terms of development and thereafter identify other land parcels that would facilitate ideal developments for the betterment of the town. Those land parcels would then need to be acquired from the municipality or bought from private owner.
<p>8. Improve image of Ngqeleni (aesthetics)</p>	<ul style="list-style-type: none"> Special focus on the improvement of infrastructure in the CBD. Road marking and signage improvement.
<p>9. The development and improvement of linkages between the CBD and residential areas, sporting grounds and schools for easy pedestrian commuting and vehicular commuting.</p>	<ul style="list-style-type: none"> Develop a movement network that supports the spatial development focus areas. Create a strategic network of movement linkages in the municipal area, and between major regional centres. Ensure land use and transportation integration. Promote all aspects of spatial integration.
<p>10. To support the business sector and facilitate its expansion.</p>	<ul style="list-style-type: none"> Designate land specifically for mixed use which incorporates: business offices, hardware stores, shops, restaurants etc. These are all located.
<p>11. The legalisation of the existing (built) township area known as Zone 5.</p>	<ul style="list-style-type: none"> Allocate cadastral boundaries and waterborne facilities.
<p>12. Maintain the proposed urban edge for the next 10 years or more until such time that the area fully developed and serviced.</p>	<ul style="list-style-type: none"> Densify CBD. Compact development so that to avoid sprawl and an endless haphazardly occupied town.

Source: NLM, 2013

Relevance for Nyandeni:

The study identifies the importance of developing the urban infrastructure in Ngqeleni so as to improve the image and develop the town. Key challenges for the town that need to be addressed are the large amounts of state land that are not being developed, the lack of titles deeds, and the absence of land use management guidelines. The LSDF identifies ways in which Ngqeleni be developed into a vibrant town through creating better road linkages with major regional centres to make commuting more efficient and effective. As well as developing land identified as mixed-use to support the business sector. The LSDF also places emphasis on the provision and development of the aesthetics of the town, its stormwater system and provision of a clinic.

2.4.5 Canzibe LSDF New Node Development: Draft Plan, 2015

The 2015 Canzibe Local Spatial Development Framework and Precinct Plan aligns to the conceptual approach of the Nyandeni SDF. The vision for the node was identified as follows:

“Canzibe will be a place where the community has access to a high level of free health care, infrastructural services, social facilities and employment opportunities with a sustainable economy”

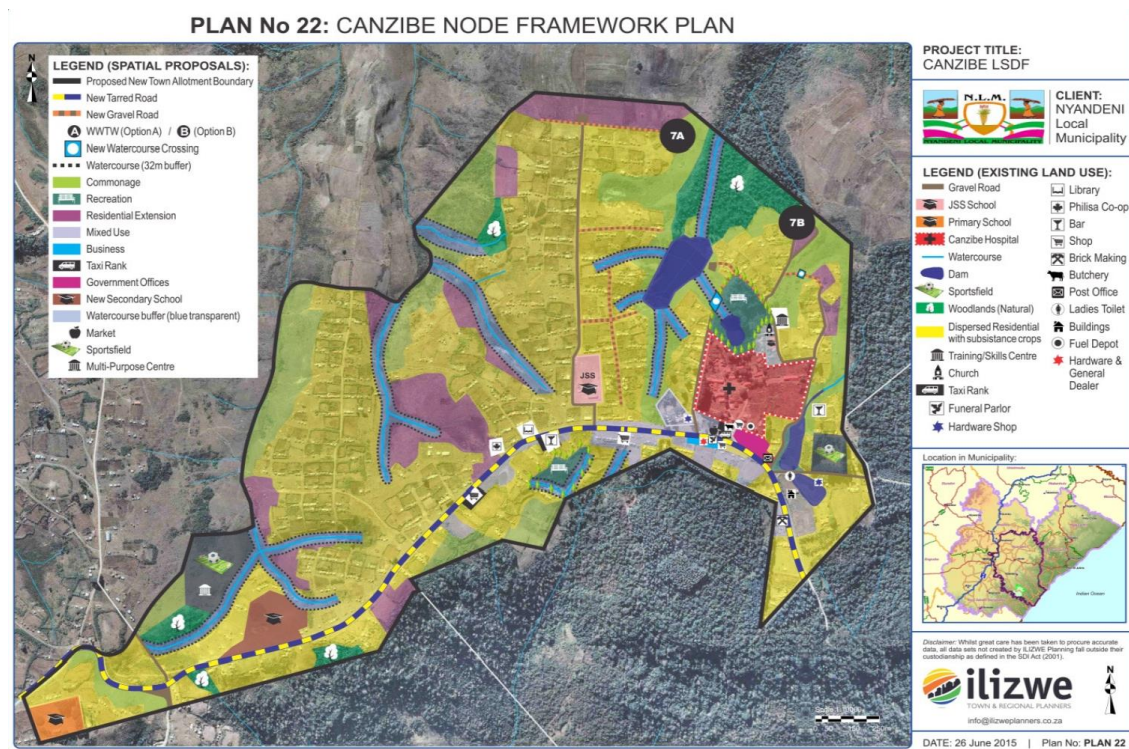
Strategic goals identified include:

- Sustainable high level of infrastructure investment and service delivery
- Human capital development
- Sustainable economic growth and development.

The LSDF identified the following spatial development objectives and proposals for the area in question:

- Develop Canzibe as a service node and an ideal working place that will attract the necessary investment and skills required to sustain the area;
- Identify the strategic areas of opportunity that should be the focus areas for capital investment;
- Upgrade, construction and maintenance of road infrastructure and services to improve access to services;
- Promote rural development, focusing on agriculture, piloting the area around Canzibe as an agricultural development zone;
- Invest in social development aspects (education and skills development, safety, sports and environmental management);
- Implementation of a well-designed storm water system that will reduce damage to road infrastructure;
- Implement a sound spatial plan as well as lay the foundations for a comprehensive land use management system for the study area;
- Unlocking of strategic land.

Figure 2.6: Spatial Development Proposals Canzibe



Source: NLM, 2015a

Relevance for Nyandeni:

This plan aims to develop Canzibe as a service node. The plan identifies an opportunity for piloting the area around Canzibe as an agricultural development zone. It also identifies the need for proper land use management and for implementation of stormwater infrastructure. Unlocking strategic land is an important requirement to attract investment and to allow for residential and commercial development in the settlement.

2.4.6. Mthatha Mouth Local Spatial Development Framework (LSDF), 2015

Mthatha Mouth LSDF was undertaken to provide a thorough analysis and needs assessment of the Mthatha Mouth study area in order to identify development projects, infrastructure requirements, appropriate land use proposals and compile a detailed implementation and phasing programme with related budget.

The development vision for Mthatha Mouth was as follows:

“A tourism centred rural settlement that is economically and environmentally sustainable.”

From 2000 until 2015 gradual growth has taken place within the Mthatha Mouth Area. This is an area where no further “major growth” is envisaged as the steep slopes limit expansion.

The plan set out two possible development scenarios.

- Under the first scenario there is unmanaged development. If Mthatha Mouth is allowed to grow in a haphazard manner with no spatial direction, this will result in poor land use management, decline in the environment, uncontrolled settlement growth, etc.
- In the second scenario there is managed development, catering for the existing and future needs of its residents, with water and other basic infrastructure and social facilities within a reasonable walking distance. This scenario makes provision for controlled settlement expansion, upgrading of the local existing public transport facilities, upgrading of all basic infrastructure such as roads, stormwater, electricity, sewerage and water and the development of SMME’s. This scenario is considered as the “preferred” scenario.

The concept for Mthatha Mouth is one that strengthens the nodes and promotes residential agriculture activities within the area. It formalises nodes within each village and then a central major node to support the entire Mthatha Mouth area. This also assists to promote settlements to densify inwards and limit outward expansion to designated areas only. The upgrade of existing roads and linkages within the settlements will create further economic opportunities. The development concept for Mthatha Mouth identifies a number of nodes and zones by usage. The concept around major nodes is to allow mixed use development like a Post Office, petrol filling station, government mobile offices, shops etc. Whilst minor nodes cater for daily requirements. These identified zones include:

- **Residential Zone:** The concept around the residential zone is to better the quality of life for the community by improving basic infrastructure. Vacant developable sites within each settlement will have to be developed to cater for residential growth.
- **Access and Foot paths:** Informal foot paths formed by the local community are visible throughout the study area. Part of this concept will be to formalise foot paths to allow easy access for none motor vehicle users.

- **Agriculture Zone:** Two community agricultural projects exist within Mthatha Mouth; these agricultural enterprises are important livelihood strategy for the locals of Mthatha Mouth, people do not sell the fresh produce commercially.
- **Tourism zone:** The current tourism projects that are situated within Mthatha Mouth is the Mdumbi Greening project.
- **Transport:** The existing Bus Route needs to be upgraded. A concept that introduces service points, bus shelters and possible mobile clinic stops must be considered by the municipality and larger stakeholders.

Figure 2.7: Concept Plan for Mthatha Mouth



Source: NLM, 2015b

Table 2.7: Mthatha Mouth LSDF Objectives and Strategies

Objectives	Strategies
1. Implement the principles of integrated environmental management.	Protect Environmental Sensitive Areas. Introduction of 32m buffer strip around rivers and introduce a buffer around wetlands.
2. Manage land use within the study area	Implement the outcomes of this Mthatha Mouth development plan in order to guide future development. Protection of drainage lines from development.
3. To ensure food security for residents.	Implement practise of “permaculture”
4. Improve infrastructure within the study area.	Road rehabilitation and maintenance programmes. Sanitation programme to be provided to suit the needs of the people and the landscape. Provision for electricity

Objectives	Strategies
5. Establish “co-operative / SMME strengthening programme to enhance sustainability, capacity building and monitoring.	Empower the community with skills development training. Empower and train the women.
6. Improve Housing	In terms of emergency housing the emergency housing policy for NLM should take cognizance of empowering the residents of Mthatha Mouth especially the one with mud structures on inexpensive ways of building proper mud structures that are suitable for living conditions. Adopt sustainable building techniques.
7. Improve Social Infrastructure	Socio-physical planning intervention must proceed from the position that social and infrastructural inclusivity is a constitutional mandate in South Africa. Provision for people with disability within Mthatha Mouth study area in terms of accessibility to social and recreational facilities access to public transport, and infrastructure like RDP houses.
8. The majority of land in the study area is rural and encumbered in communal tenure forms of ownership jointly governed by Traditional Authorities and the State.	To provide access to this land for potential investors
9. Low levels of education contribute to a high unemployment rate and low labour absorption.	To provide more educational facilities in the area especially high schools. To provide a library in the study area where people can obtain useful information.

Source: NLM, 2015b

Mthatha Mouth is served by the urban centre of Ngqeleni, Mqanduli and Mthatha. The table below depicts the settlement hierarchy and the function each centre plays.

Table 2.8: Nodes and Associated Land Uses

Type	Location	Function of Settlements and Associated Typical Land Uses
Primary Coastal Node	Mankosi Tshani	<ul style="list-style-type: none"> Proposed Rural Service Node according to the CSIR threshold should allow a travel distance of 5km/1-hour travel by foot to access its public facilities. Areas where medium order community facilities can be bundled in order to ensure that a greater number of rural residents are served in a more efficient and effective way. Ideally, these and future rural service centres are located in close proximity to public transport routes to ensure maximum accessibility to facilities Local planning to maximize use of resources Local land use schemes to be negotiated
Proposed Mixed Use Development Node	Engcobo Esidagabadenii Esikhululweni Ngongo	<ul style="list-style-type: none"> A proposed Mixed Development Node according to the CSIR threshold should allow a travel distance of 5km/1-hour travel by foot to access its public facilities.

Source: NLM, 2015b

Table 2.9 Mobility Routes, Activity Streets and Secondary Streets

Type	Location
Existing Mobility Route	Existing Mobility Routes in Mthatha Mouth is the DR 18030
Activity Street	The main road linking DR18030 to N2 being the Wild Coast Meander route
Secondary Street	Main road in each Settlement

Source: NLM, 2015b

Relevance for Nyandeni:

The Mthatha Mouth LSDF identifies a range of development projects, infrastructure requirements, appropriate land use management practices for Mthatha Mouth and surrounds. The plan identifies the need to formalise nodes within each village and then develop a central major node to support the entire Mthatha Mouth area. This would also assist to promote settlements to densify inwards and limit outward expansion to designated areas only. The upgrade of existing roads and linkages within the settlements would create further economic opportunities.

2.4.7 Nyandeni Local Municipality LED Strategy Review, 2012

The Nyandeni Local Economic Development Plan was completed in 2005 and reviewed in 2012. The vision of the Nyandeni LED Plan is

“A self-sustaining and vibrant economy that supports sustainable rural livelihoods through coordinated community-anchored development”

The goals of the strategy are:

1. The promoting of agriculture as a viable livelihood strategy and as a productive commercial sector.
2. The supporting of the business sector and facilitation of its expansion.
3. The development of the regional tourism industry in a responsible manner.
4. To crowd-in public sector rural and nodal infrastructural investments.
5. To increase institutional capacity for LED through partnerships and governance.

Table 2.10 provides the objectives identified per goal.

Table 2.10: Nyandeni LED Strategy 2012, Goals and Objectives

Goal	Objectives
The promoting of agriculture as a viable livelihood strategy and as a productive commercial sector.	<ul style="list-style-type: none"> • Alignment of local agriculture with activities (including provision of training) prioritised by strategic partners in development • Undertaking of in-depth research study into sustainability of mariculture investment along the Wild Coast by 2014 • Establishment of functional forestry partnerships between commercial interests and communities by 2015 • Sustained increase in the number of local emerging agriculturalists involved in dairy farming by 2017
To support the business sector and facilitate its expansion	<ul style="list-style-type: none"> • Increase in the number of small value-adding enterprises that are established, and a reduction in the number of small businesses that close down

Goal	Objectives
	<ul style="list-style-type: none"> • Reduction of red-tape to investment and business establishment through the introduction of business retention and expansion activities by 2014 • Development of local business database by 2013, with biennial updates • Review of municipal supply chain policy by 2015 to incorporate economic leakage reduction emphasis • Marked Improvement in SMME access to educational training programs, funding and finance mechanisms
<p>The development of the regional tourism industry in a responsible manner</p>	<ul style="list-style-type: none"> • Prioritising Nyandeni Responsible Sector Plan activities that have cross-cutting implications on the broader Nyandeni economy in LED budgeting processes for IDP inclusion by 2013. • Develop 2013-2017 Annual Operation Plans for Nyandeni Responsible Tourism Sector Plan (implementation plans) by 2013. • Investigate tourism opportunities available from rerouting of N2, by 2017. • Integration of tourism plans with Mhlontlo Local Municipality by 2016. • Facilitate towards the establishment of a functioning municipal local tourism organisation by 2014.
<p>To crowd-in public sector rural and nodal infrastructural investments</p>	<ul style="list-style-type: none"> • Exploration of funding mechanisms and instruments that may be currently under-utilised • Lobby for increase in municipal capital expenditure to 30% of total budget allocation
<p>To increase institutional capacity for LED through partnerships and governance</p>	<ul style="list-style-type: none"> • Establishing strategic partnerships with development organisations, as well as fully utilising existing partnership agreements • Ensuring that all municipal councillors as well as middle and upper management staff are educated in basic principles of LED • Establishing LED forum by 2013, and ensuring that it remains functional in time • Effective monitoring and evaluation of the LED strategy, as well as other strategic programs, projects and activities for the LED department.

Source: NLM, 2012b

As regards interventions the following were identified within the strategy.

Table 2.11.: Strategic Focus Areas and Interventions

Strategic Focus Area	Intervention
<p>Strategic institutional and infrastructural partnerships</p>	<ul style="list-style-type: none"> • Establishment of new strategic partnerships, and full utilisation of existing strategic partnerships with development organisations • Improvement of knowledge management in Nyandeni LED • Establishment of LED forum • Internal municipal-wide LED training • Urban infrastructural upgrades
<p>Enterprise support</p>	<ul style="list-style-type: none"> • Development of local business database • Business attraction, retention and expansion • Review of municipal supply chain to reduce economic leakage
<p>Agriculture</p>	<ul style="list-style-type: none"> • Forestry afforestation partnerships

Strategic Focus Area	Intervention
	<ul style="list-style-type: none"> • In-depth fishing & fisheries study • Skills development for dairy farming
Tourism	<ul style="list-style-type: none"> • Prioritisation of responsible tourism sector plan projects with cross-cutting benefits • Investigation of opportunities emanating from N2 re-routing • Develop responsible tourism sector plan annual operation plans

Source: NLM, 2012b

Relevance for Nyandeni:

The 2012 Nyandeni LED Plan vision was to empower the people of the area through a focus on rural livelihoods and development that is community driven. The LED focused on five strategic thrusts around institutional development and infrastructure cooperation, small business, tourism and agriculture sectors. The LED Plan identified a number of plans to be developed and these projects have largely been achieved. Aspects such as implementation and finding funding for projects will be priorities going forward for LED in the municipality.

2.4.8 Nyandeni Tourism Sector Plan, 2016

The Nyandeni Tourism Sector Plan created a baseline of tourism in the municipality and mapped a strategic framework for the destination’s development. There is significant potential for tourism growth but the area is hampered by a lack of infrastructure, limited products, lack of marketing and limited organisation of the sector.

Nyandeni is known for its natural attractions which include Hluleka Nature Reserve and coastline. There are other natural attractions which could be developed as tourist attractions these includes Ntlangano and Mthatha Mouth. The popular tourist areas in Nyandeni are also not promulgated as towns and lack developable land. There is also a lack of services associated with tourist nodes such as post offices, police stations, medical facilities etc. The area’s coastline has a comparative advantage through its natural beauty that has yet to be developed into a competitive advantage for tourism.

The Nyandeni Tourism Plan identified the vision for tourism in the municipality to be:

“To be a sustainable, competitive tourism destination”

The following goals have been identified for Nyandeni’s Tourism Plan:

1. Increase the value of tourism to Nyandeni Local Municipality
2. Create a competitive tourist destination
3. Improve access to tourism high potential areas
4. Develop institutions around tourism

The objectives for the responsible tourism plan as well as the rationale for each objective are set out as follows:

1. Establish linkages to Nyandeni products and itineraries within the Wild Coast Route by 2019
2. To empower local communities and existing community trusts in the skills, expertise and awareness to develop Community Based Tourism enterprises
3. Increase the number of visitors to Nyandeni by 10% per annum by 2021
4. The establishment of at least three new tourism products or the expansion of existing products in Nyandeni by 2020
5. Promote cultural/heritage linkages to Qunu, Mvezo and the Nelson Mandela Museum by 2017

6. Develop Ntlangano Conservancy, Libode Eco-Park and Nyandeni Great Place as a viable recreational and tourism product by 2020
7. Invest in key road infrastructure and road maintenance by 2017
8. Investment in beach infrastructure at key tourism nodes by 2020
9. To build tourism related skills within communities through tourism mentorships and training by 2019

Four strategic pillars were identified under which projects were grouped as per table 2.12 below.

Table 2.12: Tourism Plan Strategic Pillars and Projects

Pillar	Projects
Pillar 1: Infrastructure Development	<ul style="list-style-type: none"> • Infrastructure- roads upgrade at tourism nodes • Infrastructure- Sanitation, Energy and Waste • Facilities at beaches • Manage Coastal Environments • Mthatha Mouth Tourism Nodal Development • Mdumbi Tourism Nodal Development (Feasibility Study) • Mngcibe Tourism Nodal Development (Feasibility Study)
Pillar 2: Product Development, Diversification and Community Tourism	<ul style="list-style-type: none"> • Offer training on establishment of Community Tourism Models • Tourism Skills Training and Awareness • Development of Cultural Tourism attraction at Nyandeni Great Place • Identify linkages with the N2 toll road, Wild Coast Meander and Umzimvubu Scheme Development • Coastal and Marine adventure facilities (feasibility)
Pillar 3: Tourism Marketing	<ul style="list-style-type: none"> • Linkages with existing marketing initiatives ECPTA, SAT, Product Owners, ECTour and TGCSA marketing initiatives • Create marketing platform for crafters • Update tourism information on municipal website and develop and update database and tourism statistics
Pillar 4: Institutional Development	<ul style="list-style-type: none"> • Capacitate the LTO • Establish Tourism Forum • Capacity Development of Nyandeni staff and councillors

Source: NLM, 2016a

Relevance for Nyandeni:

The plan sets out the interventions required to develop Nyandeni into a sustainable, competitive tourism destination. The primary focus of the plan is on the upgrading and development of infrastructure, particularly roads, so as to attract investors and tourists to the identified tourism nodes. The plan further seeks to link interventions to the N2 toll road, Wild Coast Meander and Umzimvubu scheme to catalyse further development. Organising the tourism sector through the development of an LTO and tourism forums was also important due to the significance of multi-disciplinary cooperation when undertaking tourism. Marketing is a key driver of tourism and mediums identified into a brand development and developing a website.

2.4.9 Nyandeni Forestry Sector Plan, 2014

The Nyandeni Local Municipality Forestry Sector Plan identified that there was a considerable land available for commercial and community scale forestry projects. Two major areas of forestry suitability were identified, that being to the North of Libode and to the South and South-West of Ngqeleni. These areas incorporate large portions of land identified as suitable to forestry and that are not being cultivated by the local communities. These areas also include existing forestry plantations which will assist in the development of these areas as major forestry zones.

The technical feasibility analysis and sector plan raised the importance of various key issues pertaining to the future development of the forestry sector in the Nyandeni LM. Such issues such as fire protection services, road infrastructure, water drawing rights and land use were discussed, and recommendations proposed in the sector plan.

The Nyandeni Forestry Sector strategic vision is:

“A robust and inclusive forestry industry that provides sustainable economic growth and employment and economic opportunity for all.”

The forestry sector goals are as follows:

- Assess the private sector interest in investing in the Nyandeni forestry sector within 1 – 2 years.
- Assess the attitudes towards forestry of individual local communities/villages and embark a scheme to educate villages on the opportunities of forestry and the time-lag between plantation establishment and revenue generation: 1 – 2 years.
- Grow forestry sector employment by 10 times its current level (88 employed at present) within 5 years.
- Rehabilitate and achieve 100% productive utilisation of existing forestry plantations within 5 years.
- Identify suitable portions of land, form agreements with communities and submit SFRA applications for in excess 15 000 ha of new plantations within 5 years.
- Facilitate the formation of 50 village-based wattle / small scale forestry projects within 5 years.
- Facilitate the establishment of a sawmill and wood-processing facility within 10 – 15 years.
- Facilitate the construction of a timber sector manufacturing facility within 20 years.

The strategic objectives were identified as follows:

1. Optimise the development potential of existing forestry plantations.
2. Establish new plantations were economically and environmentally feasibly.
3. Utilise wattle jungle and other wooded areas to support job creation, enterprise development and forestry.
4. Create an environment conducive to the sustainable growth and development of the forestry sector.
5. Encourage the development of a diversified small-scale local timber processing industry.
6. Facilitate the growth and development of NTFP entities.

Table 2.13: Nyandeni Forestry Sector Plan Interventions, Actions and Strategic Objectives

Interventions	Actions
Strategic Objective 1: Optimise the development potential of existing forestry plantations.	
Rehabilitate existing plantations where required	Conduct a study to determine the state of existing forestry plantations and actions to rehabilitate plantations
	Develop small local employment initiatives to undertake work to rehabilitate plantations
Facilitate the commencement of	Identify possible private sector or community parties interested in some or all of the following:

Interventions	Actions
utilisation of existing plantations.	<ul style="list-style-type: none"> • Non-timber forestry projects • Managing plantation • Felling of timber • Transport of timber
	Identify markets for felled timber and facilitate the formation of business agreements with timber buyers / service suppliers
	Identify opportunities for communities and small local business owners to become involved in management and operation of existing forestry plantations and associated downstream activities.
Strategic Objective 2: Establish new plantations where economically and environmentally feasibly.	
Establish new plantations where economically and environmentally feasibly.	Target specific portions of land suitable for forestation
	Gauge support for forestry development in local communities / identified locations
Stakeholder consultations & project identification	Facilitate communications with private sector forestry concerns and related stakeholders to attract investor interest to Nyandeni LM
	Consult communities to identify parties interested in involvement into small – medium sized forestry projects
	Assist interested parties in negotiating governmental and other legal pre-approval and certification processes
	Support local businesses interested in entering Nyandeni forestry sector in developing business concepts, accessing funding, acquiring infrastructure etc.
Planning and Resourcing (communal land)	Quantify operational, economic and business implications – preparation of business plan
	Establish legal entities for communities / assist communities in structuring forestry organisations
	Secure financial and 3rd party support for community / municipal forestry projects
	Support projects with preparation of Environmental Impact Assessments to secure SFRA licenses prior to start-up
Project implementation Support	Provide technical, administrative and management support and mentorship to projects
	Provide / Facilitate skills development and training
Strategic Objective 3: Utilise wattle jungle & other wooded areas to support job creation, enterprise development & forestry	
Conversion of wattle jungles to managed plantations	Assist in establishing commercial plantations in areas wattle jungles are convertible
Development of new enterprises & job creation through the eradication of problem areas (blocked waterways etc.)	Create job intensive clearing projects linked to the Working for Water programme
	Investigate opportunities for the marketing and processing of wattle timber
Strategic Objective 4: Create an environment conducive to the sustainable growth and development of the forestry sector.	
Create timber marketing conditions that are conducive to forestry development	Create linkages with nearby timber market role-players to create forestry policies and support mechanisms that will aid sector development

Interventions	Actions
Develop Fire Protection services to support forestry development	Develop a forestry specific fire protection association with the assistance of nearby public and private forestry sector role-players
	Improve fire protection measures in built-up areas and communal areas.
	Improve municipal fire-fighting capacity through procurement of new equipment and employment skilled staff
	Provide cost effective and affordable fire insurance for small growers
Improve road infrastructure to support forestry development	Identify road upgrading and maintenance needs during the targeting and scoping of areas suitable for forestry development
	Resolve between interested private sector forestry businesses, provincial and local government to ensure that road upgrading and maintenance needs for forestry are incorporated into the IDP, District and Provincial Transport Plans
Provide forestry extension support for small and medium sized emerging growers and other forestry concerns	Encourage large forestry companies to provide extension support services to small and independent growers
	Encourage the establishment of a timber grower and marketing cooperative sector in the district that can provide extension support services to members
Establish a local training and resource centre to service the forestry and agriculture sector	Support private sector initiatives to establish local training and resource centre to service the forestry and agriculture sector
Strategic Objective 5: Encourage the development of a diversified small-scale local timber processing industry	
Support the establishment of small-scale pole treatment industry	Conduct a pre-feasibility study for the establishment of a pole treatment plant(s)
	Develop a conceptual business plan for the establishment of a pole treatment plant(s)
	Use the conceptual business plan to solicit expressions of interest in such a venture
Support the establishment of small-scale sawmilling operations	Develop an appropriate model for the establishment of small-scale sawmilling operations
	Conduct a pre-feasibility study for the establishment of small-scale sawmilling operations
	Identify potential funding and entrepreneurs for the establishment of small-scale sawmilling operations
Investigate the establishment of small-scale charcoal production projects	Conduct a pre-feasibility study for the establishment of charcoal production projects
	Develop a conceptual business plan for the establishment of charcoal production projects
	Use the conceptual business plan to solicit support and funding for the venture
Investigate the establishment of small-scale furniture manufacturing facilities	Develop a conceptual business plan for the establishment of small-scale furniture manufacturing facilities
	Use the conceptual business plan to solicit expressions of interest in such a venture
Investigate the establishment of a woodcraft and curio products industry	Identify the skills base available for developing local handcrafts and curios timber products
	Identify potential champions for the development of the industry
	Prepare a business plan to securing funding for handcraft and curio making projects

Interventions	Actions
Strategic Objective 6: Facilitate the growth and development of NTFP entities.	
Investigate the farming/harvesting of medicinal plants	Develop system for registration of harvesters’ associations with forest management authorities
	Develop model system for issuing and managing permits allocated to registered harvesters’ associations
	Provide assistance to emerging businesses in identifying and accessing markets for products.
Investigate the development of bee keeping / honey production concerns	Create awareness of forestry enterprise development initiatives and the bee-keeping for poverty relief programme
	Provide assistance to emerging businesses in identifying and accessing markets for products.

Source: NLM, 2014a

Relevance for Nyandeni:

The study identifies areas within Nyandeni that are suitable for forestry. By re-establishing forestry in Nyandeni, there is potential to create jobs and promote sustainable economic growth. This can be achieved through creating linkages and partnerships with nearby timber markets; establishing and reviving partnerships with large forestry companies and conducting feasibility studies on value adding industries such as pole treatment, sawmilling, charcoal and small scale furniture manufacturing facilities. Community driven initiatives are emphasised in actions around forestry extension support, fire protection services and rehabilitating existing plantations.

2.4.10 Nyandeni Agricultural Sector Plan, 2014

In 2012, the Nyandeni Local Municipality commissioned the University of Fort Hare to develop an Agricultural Sector Plan for the Municipality. The Agricultural Sector Plan is a document that refers to all activities relating to agricultural input provision, farming and the processing and distribution activities that add value to farm products. The development of the agricultural sector plan was a participatory and inclusive process involving consultation with key stakeholders. The main aim of the sector plan was to come up with a vision for a prosperous agricultural sector in the Municipality.

The study found that the agricultural potential of Nyandeni Municipality was not being met and that much could be done to improve how agriculture supported household incomes. The study identified several factors that contributed to the poor performance of the local agriculture sector:

- Poor, acidic soils
- Poor veld conditions
- Overreliance on subsistence farming approaches
- Missing local supportive markets to derive production

The study provides the potential for “on-farm” and “non-farm” livelihoods strategic intervention projects per ward/village by the vegetation type. This is summarised in the table below of interventions.

Table 2.14: Interventions per Vegetation Type, Nyandeni Agriculture Plan

Predominant Vegetation Type	Ward	Village	On-Farm		Off-Farm
			Livestock	Crops	Fauna and Flora
Bhisho Thornveld	3	Mhlanganisweni	Semi-intensive and extensive • Dairy • Beef • Goats Intensive livestock production • Broiler production • Piggery	• Forage cereals • Vegetables • Berries and fruits • Shrubs and fruits	• Biodiversity and wildlife (grazers and browsers)
	7	Kwandanya			
	8	Mdlankomo			
	13	Ndidimeni			
	29	Enjwezini			
Eastern Valley Bushveld	6	Ntsonyini	Extensive livestock • Goats Intensive livestock production • Broiler production • Piggery	• Forage cereals • Vegetables • Berries and fruits • Shrubs and fruits	• Bee-farming • Bio-conservation and wildlife (Grazers and browsers)
	20	Nothintsila			
	22	Welese			
	30	Ndungunyeni			
Mthatha Moist Grassland	1	Ngcolorha	Semi-intensive and extensive • Dairy • Beef • Sheep Intensive livestock production • Broiler production • Piggery	• Forage cereals • Vegetables • Berries and fruits • Shrubs and fruits	• Bio-conservation and wildlife (Grazers)
	3	Mhlanganisweni			
	4	Marubeni			
	8	Mdlankomo			
	9	Mgqwanngi			
	10	Sbanguweni			
	11	Elukhanyisweni			
	12	Corana			
	29	Enjwezini			
31	Luthubeni				
Ngongoni Veld	6	Ntsonyini	Semi-intensive and extensive • Dairy • Beef • Sheep Intensive livestock production • Broiler production • Piggery	• Forage cereals • Vegetables • Berries and fruits • Shrubs and fruits	• Bio-conservation and wildlife (Grazers)
	7	Kwandanya			
	13	Ndidimeni			
	15	Mtyu			
	17	Emampondomiseni			
	18	Bukwini			
	23	Mgojweni			
	30	Ndungunyeni			
AA	Katini				
Transkei Coastal Belt	6	Ntsonyini		• Vegetables • Berries and fruits • Shrubs and fruits	• Bee-farming • Bio-conservation and wildlife (Grazers and browsers)
	20	Nothintsila			

Source: NLM, 2014b

Projects identified in the strategy include:

- Establishment of the Nyandeni Custom Feeding (NCF)
- Nyandeni Dairy Project
- Nyandeni Chicken
- Nyandeni Piggery
- Crop interventions
- Bee-farming project

Relevance for Nyandeni:

The plan identifies the factors that contribute to the poor performance of the local agriculture sector and how they can be addressed. Anchor projects that seek to promote the further development of the agricultural sector include the establishment of the Nyandeni Custom Feeding (NCF), Nyandeni dairy project, chicken, piggery, crop interventions and bee-farming. These projects are focused on sector development and food programmes.

2.4.11 Nyandeni Retail Sector Development Strategy, 2016

The Nyandeni LM undertook a Retail Sector Development Strategy in order to improve the investment and business climate within the municipality for retail and business development.

Table 2.15: Retail Sector Development Strategic Objectives, Programmes and Projects

Strategic Objectives	Strategic Programmes	Priority Projects/Initiatives
1. Build an efficient municipal governance support system for effective retail sector development.	1.1 Institutional and Organisational Development	1.1 Human resource capacity development
		1.1.2 Sector Research and Knowledge Management
		1.1.3 Supportive Retail Sector Municipal Land Use Management Policies and By-Laws
2. Strengthen collaboration and networking between retail sector businesses in NLM	2.1 Chamber Development and Associational networks	2.1.1 Retail Sector Forum Development and Support
		2.1.2 Networking and Information sharing
3. Improve the provision of basic services and critical catalytic infrastructure.	3.1 Business Enabling Support Infrastructure	3.1.1 Investment in Hard Infrastructure
		3.1.2 Investment in Sites and Premises
	3.2 Trading Support Infrastructure	3.2.1 Informal Trade Shared Economic Infrastructure Facility
		3.2.2 Ward/ Village Based Cooperatives Wholesale Trading and Marketing Hubs
4. Stimulate and grow thriving retail sector businesses.	4.1 Financial Support	4.1.1 Sector Development Financing Instrument
		4.1.2 Financial Savings and Credit Schemes
	4.2 Non-Financial Support	4.2.1 Sector skills development
		4.2.2 Access to information
		4.2.3 Access to markets
		4.2.4 Mentorship

Source: NLM, 2016b

Relevance for Nyandeni:

The strategy seeks to improve the investment and business climate in Nyandeni by providing financial and non-financial support and creating platforms where businesses can share ideas and network. A core focus of the strategy is also on providing support and improving the provision of basic services and infrastructure for the retail sector.

2.4.12 Nyandeni SMME and Co-operative Strategy, Date Unknown

The development of a SMME and Co-operative Strategy by Nyandeni Municipality aimed to assist the municipality to adhere to its constitutional mandates and obligations of promoting socio-economic development in its area of jurisdiction.

The vision of the strategy was outlined as follows:

Nyandeni Municipality to grow and develop the employment and GDP contribution of SMME sector and to bridge the gap between the second and the first economies in the process.

And to facilitate the establishment of self-sustained cooperatives in variety of economic sectors that will generate income, create employments and liberate people from poverty

This will be achieved by

- o Improving the capacity of entrepreneurs in each of the above groups;*
- o Improving their operating circumstances; and*
- o Providing them with support services including access to resources and by reducing their actual and opportunity costs.*

The plan divided interventions into those for SMMEs and those for co-operatives. The plan identified the following strategies to support **SMME development**:

1. Creating a conducive regulatory and institutional environment for SMMEs development;
2. Improving access to finance and business premises;
3. Improving access to skills, markets and market exposure;
4. Provision of bulk infrastructure to small businesses.

Interventions that were identified per strategy are outlined in the table below.

Table 2.16: SMME Development Interventions

Strategy	Interventions
Creating a conducive regulatory and institutional environment for SMMEs development;	<ul style="list-style-type: none"> • To organise workshops grouping the municipal supply chain and stakeholders to review all bottlenecks discovered in the legislation and policies, • To develop a common SMME database in the municipality, • To establish a small business forum in the municipality for all stakeholders to share their services provided to SMMEs for the improvement of the sector, • Current led staff to undergo extensive SMME development related training (SMME coaching, facilitation, mentorship and advisory services).

Strategy	Interventions
Improving access to finance and business premises;	<ul style="list-style-type: none"> • Municipality to facilitate access to all available sources of funds for SMMEs, • Municipality to facilitate easy access to land and business premises for SMME development, • To promote the development of clusters and joint ventures for SMMEs to share costs.
Improving access to skills, markets and market exposure;	<ul style="list-style-type: none"> • to provide training to SMMEs via the existing training institutions and FET Colleges, • To organise a small SMME fair such as SMME flea market once a year in the municipality where SMMEs can access market opportunities and meet with larger businesses to explore outsourcing opportunities; • To develop and roll out a mentorship programme in the Municipality.
Provision of bulk infrastructure to small businesses.	<ul style="list-style-type: none"> • To provide multimodal transport facilities including bus/taxi rank, rail way station, and the like • To build and run a small business incubator in Nyandeni Municipality

Source: NLM, date unknown

Table 2.17: Co-operative Development Interventions

Strategy	Interventions
A creation of a conducive policy and legal environment	<ul style="list-style-type: none"> • The monitoring of the Cooperative Policy of 2004, the Cooperative Act no 14 of 2005 and the Cooperative Banking Act no 40 of 2007, • Rehabilitation of the underperforming cooperatives, • The review of any piece of legislation found hindering cooperatives growth in Nyandeni, • Creating awareness amongst the general public about the nature of cooperatives and the benefits that can accrue to members as a result of cooperation.
Building of a supportive institutional system	<ul style="list-style-type: none"> • The coordination of cooperative development programmes and actions by LED unit, • The organisation of training, seminars and sensitisation workshops with government personnel in the Municipality to enhance the efficiency and effectiveness of the services rendered by cooperatives.
Provision of capacity building and skills development for cooperatives	<ul style="list-style-type: none"> • To develop and roll out a mentorship programme for coops that will include: technical advice, labour relations, auditing cooperatives, inspecting and controlling cooperatives, monitoring and evaluating cooperatives; • Train cooperatives on: <ul style="list-style-type: none"> • The functioning of cooperative business • SARS, VAT, UIF and CIPC compliance • Business administration and management • Financial management • Human resources management • Conflict resolution • Quality control • Customer care

Strategy	Interventions
	<ul style="list-style-type: none"> • Technical and specific subjects/skills • Tendering skills
<p>Provision of support services for cooperatives</p>	<ul style="list-style-type: none"> • Permanent information distribution (Methods such as fax, cooperative helpline, e-mail, SMS, notice boards and walk-ins can be used to pass information on to cooperatives. This allows cooperatives to expand their activities and grow), • Facilitating access to finance • Monitoring and evaluation services • Development of a municipal cooperative data register • Provision of the incubator

Source: NLM, date unknown

Relevance for Nyandeni:

The strategy sets out how Nyandeni needs to develop and grow the SMME sector, thereby creating employment. Key to this process is building mentorship programmes that will assist SMMEs and co-ops in developing their businesses into sustainable and profitable enterprises.

2.4.13 Nyandeni 2032 Vision: A Diagnostic Review, 2016

The Nyandeni 2032 Vision: A Diagnostic Review was developed by the Eastern Cape Socio-Economic Consultative Council (ECSECC). The report was based on a review of other reports on Nyandeni with the aim of identifying development advantages, potentials and challenges that exist in the area, and possible strategic priorities, interventions and projects.

The diagnostic review identified various development priorities and interventions that are relevant to the preparation of NLM Vision 2032. It also advocated alignment to the O.R. Tambo District long-term plan. Key interventions identified for the Nyandeni LM Vision 2032 included:

- Urbanisation projects: Libode-Mthatha and Ngqeleni-Mthatha Development Corridors and associated new urban development zone.
- Expansion and development of Libode TVET campus
- Isitiya Youth Farming Initiative (design and resource mobilization)
- Prospectus for Nyandeni agricultural partners and investors
- Wild Coast N2, Wild Coast Meander and development of coastal tourism nodes.
- Specification of priority land parcels for titling and investment attraction (ORTD Land Assembly process) (ECSECC, 2016b).

Relevance for Nyandeni:

This study identifies a range of challenges within Nyandeni. Potential interventions identified to address these issues include: the development of urban development corridors; urbanising towns, expansion and development of colleges to upskill the members of the community; titling and releasing land parcels for development and further development of tourism products in the area as well as the support and expansion of existing tourist attractions.

2.4.14 Nyandeni Long Term Vision 2032, 2017

The Nyandeni Long Term Vision 2032 identified the municipality’s vision as:

“A municipality that drives sustainable socio-economic development through efficient and innovative delivery of services.”

The plan identified the following goals:

1. A substantial improvement in the provision of public infrastructure and services, and a vast increase in support for livelihoods in doing so.
2. A well-managed urbanization process where urban nodes are linked by a good quality road network.
3. Well protected environmental assets.
4. A growing, innovative/responsive and inclusive economy (value-added in ICT/knowledge services, smallholder agriculture, tourism, property development and small/microenterprises development etc).
5. An efficient and effective public sector, able to provide strong economic governance leadership (NLM, 2017).

Relevance for Nyandeni:

The vision for Nyandeni LM states that the municipality will aim to develop a sustainable economy through provision of service delivery. Goals that were identified in the study include provision of infrastructure, basic services, improvement of urban nodes, well protected environment assets, growing the agricultural and tourism sector.

2.4.15 Nyandeni Local Municipality Local Integrated Transport Plan, 2015

The Nyandeni Local Integrated Transport Plan (LITP) was prepared for a 5-year period from 2015/2016 to 2019/2020 and was the first LITP prepared for the municipality. The condition and quality of the transportation infrastructure and services in Nyandeni were investigated, which includes the road network, local and long-distance public transport, non-motorised transport and freight transport. Relevant information was collected through site inspections and stakeholder consultations. An overview of private and passenger transport in its current form is provided, along with the transport related problems currently experienced in the NLM. The total estimated cost of the plan’s listed projects is R 432 million, whilst the total estimated cost of the projects listed for the 2015/2016 financial year was R 219 million.

Figure 2.18 provides the long-term development proposals for Nyandeni’s transport sector. The identified prioritised projects are listed in Table 2.18.

Table 2.18: Prioritised Projects Transportation

Number	Sector	Project
Planning Projects		
1	Planning	Annual update of LITP
2	Planning	Annual update of RMP
3	Roads	Road Maintenance Plan
4	Non-motorised Transport	NMT Master Plan (focussed on Libode, Ngqeleni and Ntlaza town centres, as well as rural areas)
5	Roads	Road Access Management Plan

Number	Sector	Project
6	Public Transport	Prepare Operations & Maintenance Plan (OMP) for newly constructed public transport facility in Ntlaza.
7	Public Transport	Prepare Operations & Maintenance Plan (OMP) for new public transport facility in Libode.
8	Public Transport	Prepare Operations & Maintenance Plan (OMP) for existing public transport facility in Ngqeleni.
9	Freight	Study of heavy vehicle presence in Libode and Ngqeleni CBD.
10	Public Transport	Set up co-ordination committee for public transport services in NLM. Purpose is to co-ordinate public transport services and to distribute information regarding co-ordinated services to passengers.
11	Public Transport	Condition survey and assessment of informal public transport facilities in Libode; formal public transport facility in Ngqeleni CBD; and public transport stops in Libode, Ngqeleni and Ntlaza.
12	Public Transport	Public transport facilities survey and assessment in Corana Junction, Nyandeni village, Marhubeni, Dikela Hill, Ntlaza Junction, “Kop Shop” Junction, Canzibe and Entshilini Junction. Develop improvement programme.
13	Roads	Condition survey and assessment of surfaced and unsurfaced roads in Libode.
14	Roads	Condition survey and assessment of surfaced and unsurfaced roads in Ngqeleni.
15	Roads	Study to provide access roads to rural villages, including improved access across streams and watercourses in NLM.
16	Roads	Feasibility study for improved access to the Mlengana Ecotourism area
Implementation Projects		
1	Roads	Roads and Bridges in the NLM
2	Non-motorised Transport	Upgrade pedestrian sidewalks to public transport facilities in Libode, Ngqeleni and Ntlaza town centres.
3	Public Transport	Upgrade existing public transport facility in Ngqeleni CBD.
4	Public Transport	Formalisation of public transport stops in Libode, Ngqeleni and Ntlaza.
5	Public Transport	Improvement of public transport facilities in Corana Junction, Nyandeni village, Marhubeni, Dikela Hill, Ntlaza Junction, “Kop Shop” Junction, Canzibe and Entshilini Junction.
6	Freight	Heavy Vehicles: Implementation of improvement measures in Libode and Ngqeleni CBD areas.
7	Roads	Upgrade existing surfaced and unsurfaced roads in Libode with provision for stormwater.
8	Roads	Upgrade existing surfaced and unsurfaced roads in Ngqeleni with provision for stormwater.
9	Non-motorised Transport	Construct suitable facilities for pedestrians and cyclists in Libode, Ngqeleni and Ntlaza.
10	Non-motorised Transport	Construct suitable facilities for pedestrians and cyclists in rural parts of NLM.
11	Roads	Preliminary & Detailed Design: Extend municipal road AC30362 to new bridge across Mzimvubu River; surface provincial road DR08179
Road Maintenance Projects		
1	Roads	Routine Road Maintenance in the NLM
2		Annual Routine Maintenance Contract

Number	Sector	Project
3		Annual Routine Road Maintenance
4		DR08313 providing access to the Canzibe Hospital
5		DR08030 from R61 to Ngqeleni (mobility & freight route)
6		DR18030 from Ngqeleni to Mthatha Mouth (tourism node)
7		DR08308 from R61 to Hluleka Nature Reserve (tourism node)
8		DR08302 & DR08303 from Ngqeleni to R61 (strategic route)

Source: Gibb, 2015

Relevance for Nyandeni:

An investigation of the nature of Nyandeni roads and transportation identified projects values at R432 million. Not only would the implementation of these projects assist in creation of local employment in construction, plant hire and associated services. The development of an integrated road network would have great economic benefits including the reduced cost of transport and greater accessibility to markets and educational opportunities for residents. It would also assist to leverage the development of the local public transportation and tourism sectors.

2.4.16 Summary

In revising the LED Plan for Nyandeni, the plan is guided by the previous policies and strategies compiled for the local municipality. The policy documents for Nyandeni noted the importance of the growth of the economy in the municipality. The main themes that emerged from the review of the policy documents that the LED strategy would need to take cognizance of are:

- Town regeneration of Libode and Ngqeleni and smaller settlements
- Formulate and implement land use management guidelines
- To work with the state to release strategic state-owned land for development
- To register all PTOs and undertaking titling for land owners
- To develop a node on the coast for tourism development and focused service provision, that being Mthatha Mouth
- To develop transport junctions such as Ntlaza Junction and Canziba as per their LSDFs
- Improvement in the provision of public infrastructure and services
- Protection of environmental assets
- Support SMME and business enterprise development
- Rural development through the Spatial Development Framework
- Grow sustainable rural enterprises and industries to grow rural economy and create jobs
- Develop and enhance green and waste economy
- Develop the coastal belt sustainably to create opportunities
- Investment attraction
- Develop tourism opportunities along the N2 Toll Road
- Create partnerships for development and growth
- Enhance municipal governance and accountabilities
- There are existing sector strategies that should be implemented. Including the Agriculture, Tourism and Forestry plans.

Chapter 3: Economic and Socio-Economic Profile

The purpose of the situation analysis is to provide an informational basis that informs planning. It is recognised in the field of Local Economic Development that a comprehensive understanding of economic and socio-economic growth trends and dynamics is needed to properly plan. The information presented in this chapter serves as the basis of subsequent recommendations made in the strategic framework chapter.

3.1 Socio- Economic Profile

This section provides the socio-economic profile of the local municipality. Thus, profiling the municipality’s demographics, education attainment, labour market and income levels. This profile compares the performance of the area over time and to that of the district and provincial averages.

3.1.1 Demographics

Key demographic statistics are presented in Table 3.1. Nyandeni has a population of approximately 309 702 as of 2017, this was the second largest population in the O.R. Tambo district. The local municipality with the largest population in the district is the King Sabata Dalindyebo Municipality. Nyandeni’s population makes up 21.1% of the total 1.35 million population of O.R. Tambo.

The population density of Nyandeni in 2017 was 115 persons per km², the third highest population density in the district. The O.R. Tambo District’s population density was slightly lower at 112 persons per km². The provincial average population density was far less at 39 people per km². The high population density in a relatively rural area has an impact on the basic services that are provided.

The population growth rate for Nyandeni over a period between 2007 and 2017 was 1.3% p.a. compound annual growth rate (CAGR) which is the same percentage growth calculated between 2005 and 2010. Nyandeni’s average annual population growth over 2007-2017 was significantly higher than the district’s growth of 0.4% p.a. CAGR over the period.

Table 3.1: Population

Locality	Year	Population	Average Annual Population Growth Rate (CAGR) 2010-2017	Population density (people per km ²)
Nyandeni	2010	319 875	1.3%	129
	2017	309 702		115
ORTDM	2010	1 474 236	0.4%	118
	2017	1 352 026		112

Source: Quantec, 2018

The dependency ratio measures the ratio of the non-working age population (i.e. persons between the ages of 0 and 14 years old, and those older than 65) to the number of persons of working age. The higher the ratio, the more pressure there is upon the working age population to provide economically for non-working age individuals. The age dependency ratio for Nyandeni in 2010 was 86.9, which was above the district ratio of 80.7. In 2017 the Nyandeni age dependency ration dropped slightly to 82.4 in 2017, whilst the district ratio dropped

to 79.9. These ratios are still significantly higher than the provincial and national averages. The provincial age dependency ratio in 2017 stood at 67.3 and the national age ratio at 55. This points to the area having an above average dependency ratio due to a larger than average not economically active age group.

Table 3.2: Households and Age Dependency Ratios

Locality	Year	Age Dependency Ratio	Average Size of Households (Persons per Household)	Number of Households
Nyandeni	2010	86.9	4.8	60 459
	2017	82.4	4.8	59 983
ORTDM	2010	80.7	4.7	290 201
	2017	79.9	4.6	293 194

Source: Quantec, 2018

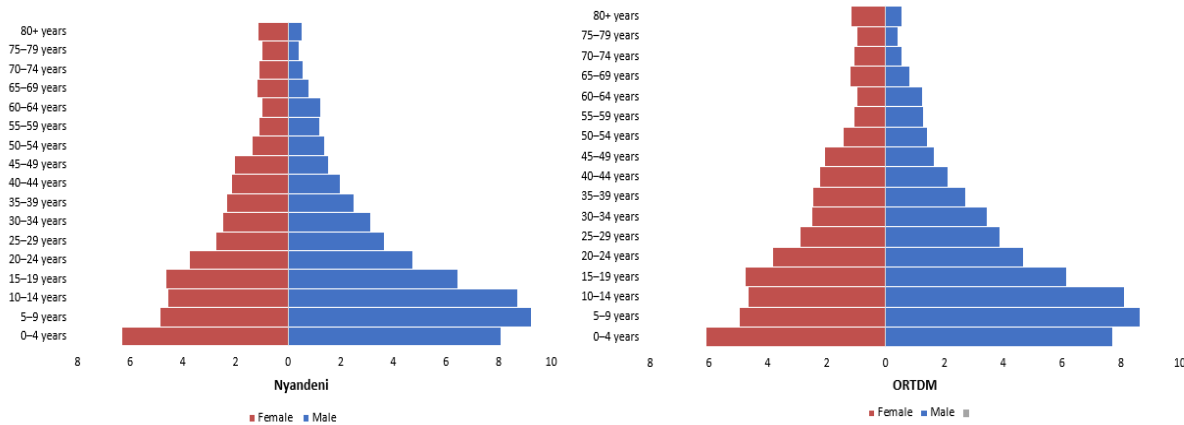
There were approximately 59 983 households in Nyandeni in 2017. The households of Nyandeni made up 21% of the 293 194 households in O.R. Tambo District. This represents a year-on-year household growth rate of 0.4% between 2016 and 2017.

The average number of persons per household in Nyandeni was 4.8 in 2017, this average has not changed since 2010. The average number of persons per household for the district was down from the 4.7 persons per household in 2010 to 4.6 persons per household in 2017. The Nyandeni and district average is higher than the provincial and national averages which are 3.9 and 3.6 persons per household respectively.

An estimated 64% of households in Nyandeni are female-headed this equates to 60 459 households. This is an increase on 2011 when it was estimated that 58% or 59 983 households were female-headed. This was notably higher than the provincial average, where 41% of households were female headed. This was also higher than the national average of 50% of households were female headed. The high proportion of female headed households in Nyandeni Local Municipality is indicative of single parent headed homes and these households are characterised by lower household incomes and poorer socio-economic wellbeing.

The demographic make-up of the local municipality is largely affected by the migration of economically active age groups to small towns from rural areas, and then from towns to the regional hub of Mthatha and along transport corridors. Migration is caused by people seeking better employment and income opportunities, and better leaving conditions.

Figure 3.1: Age-Sex Pyramid



Source: Quantec, 2018

Figure 3.1 displays the age-sex pyramid of Nyandeni Local Municipality and the O.R. Tambo District Municipality. There is a high proportion of children aged 0-14 years in the population, which account for 40% of the population in 2017. The district has similarly high proportion of minors with 40%. This is significantly higher than the provincial share of minors being 33.6%, and the national average being 29.9% minors. The high proportion of minors has a direct impact on the demand for healthcare and educational services as well as other social infrastructure such as recreational facilities in Nyandeni and district municipality.

The municipality had approximately 188 803 young adults in its population aged between 15 and 35 years old or 30% of the population in 2017. This is closely aligned to the district youth population which comprises 32% of the district. The female and male split of the youth population for Nyandeni is estimated at 17% males and 13% females. The district is slightly above the municipal youth population average at 18% for males and 14% for females. The male and female average population split for the province is estimated at 19% for males and 19% for females. The national average population split is estimated at 18% for both the females and males.

The old age band which represents persons aged 65 years and older in Nyandeni was 6% of the population. This is less than the provincial proportion of the population aged 65 years and over, which stands at 14%.

Table 3.3 Population by Urban vs Rural

Locality	Urban Areas	Rural Areas
Nyandeni	2.8 %	97.2%
O.R. Tambo	13.9%	85.9%
Eastern Cape	45.5%	54.5%
South Africa	62.9%	37.1%

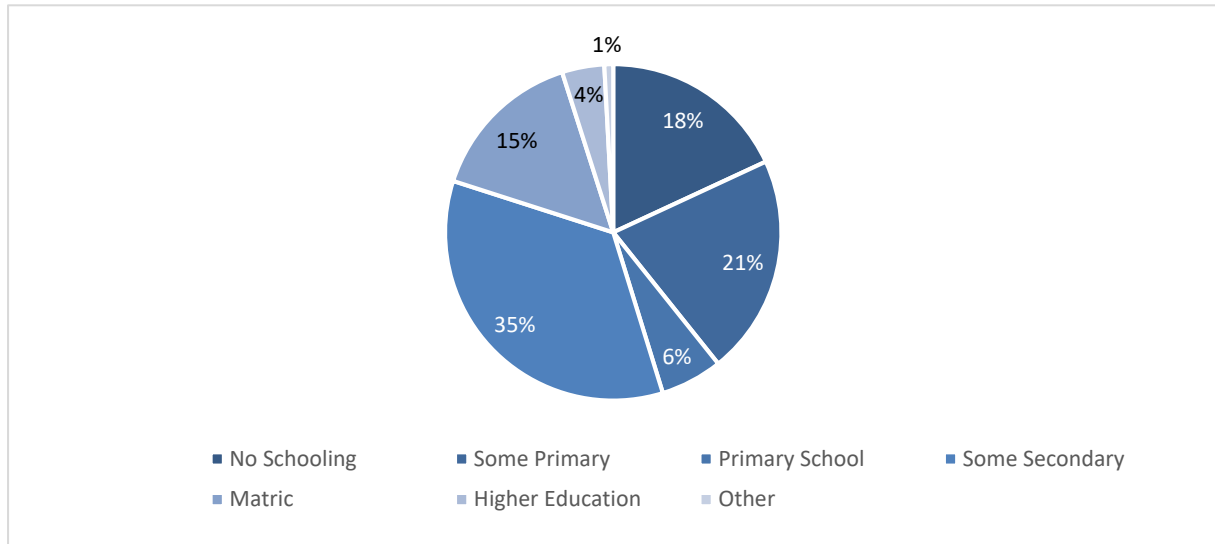
Source: StatsSA, 2011

Table 3.3 displays the urban-rural split of individuals in Nyandeni Local Municipality, district municipality, provincial and national. In Nyandeni it is estimated that 97.2% of people reside in the rural parts of the municipality with 2.8 % residing in Libode and Ngqeleni. The district and provincial percentage of people residing in rural area is estimated at 85.9% and 54.5% respectively which is lower than that of the municipal.

3.1.2 Education

Education levels provide an indication of individuals’ ability in an economy, to become a productive member of society and for individuals to achieve their full potential. This relates to a population’s ability to take up and create various levels of employment. Education attainment levels represented in Figure 3.2 represents the highest level of education attained by the population aged 20 years and older in 2017.

Figure 3.2: Education Attainment



Source: Quantec, 2018

Table 3.4: Education Attainment for 2010 and 2017

Locality	Year	No Schooling	Completed Matric & Higher
Nyandeni	2010	13.6%	15.0%
	2017	18.0%	19.4%
ORTDM	2010	20.2%	20.8%
	2017	18.4%	21.6%
EC	2010	12.5%	26.9%
	2017	11.4%	27.3%

Source: Quantec, 2018

Nyandeni’s population aged 20 and older who have no formal schooling stood at 18.0% in 2017 which is higher than the proportion in 2010 which was 13.6%. The district had 18.4% of its adult population attain no schooling. Both Nyandeni and the district’s levels of no schooling are significantly higher than the provincial average of 11.4%.

Nyandeni’s population aged 20 and older who have a matric and/ or higher qualification constituted 19.4% of Nyandeni’s adult population and 21.6% of the district’s adult population. which is an increase on 2010 when it stood at 20.8%. The proportion of the population aged 20 and over with a matric and or higher qualification in the province is estimated to be 27.3%.

Thus, Nyandeni has an education backlog with high levels of illiteracy with a need to improve adult basic education as well as the education attainment levels of learners. There is also only a small percentage of the population who have achieved matric or higher qualifications. Thus, opportunities for greater economic development and rising household incomes in the locality are limited.

3.2 Labour Market

The labour market is based on the interplay of demand and supply factors for human resources. To gain an understanding of the current labour market in the municipality this section analyses the unemployment rates, employment per sector and the employment trends. Textbox 1 defines the concepts discussed.

Textbox 1: Labour Market Definitions

- **Employed** being people who have within the last seven days performed work for pay.
- **Unemployed** are those people within the economically active population who: did not work during the seven days prior to the interview; want to work and are available to start work within two weeks of the interview; and have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview.
- **Not economically active (NEA)** is a person who is not working, not seeking work and not available for work.
- **Labour force:** Comprises all individuals within the working-age population who are willing and capable of working, and therefore includes the employed and the unemployed.
- **Labour force participation rate:** Represents the proportion of the working-age population who are members of the labour force (i.e. who are either employed or unemployed).
- **Unemployment rate:** Represents the proportion of the labour force that is unemployed. Both narrow/official and broad/expanded unemployment rates can be calculated.
- **Official / Narrow Definition of Unemployment:** Comprises all working-age individuals who were not employed during the reference week, but who were available to work and actively sought employment or had taken steps to start their own business during the four weeks prior to the interview or had not actively sought work but had a job or business to start at a definite date in the future and were available. This is known as the narrow or official definition of unemployment.
- **Broad / Expanded Definition of Unemployment:** The expanded unemployed definition includes all individuals unemployed according to the narrow definition of unemployment and all discouraged work seekers.
- **Workforce:** refers to the working age population.
- **Youth Unemployment Rate:** is a measure of unemployment of young persons. In this report it is reported as the unemployment rate of persons aged include 15 – 34 years old.

Table 3.5 illustrates an overview of labour market indicators for Nyandeni in comparison to the district and over time. Nyandeni's labour force is comprised of 40 321 persons, which grew by -0,13% p.a. CAGR from 2010. The working age population of Nyandeni was 151 967 persons in 2017 an increase of 0.9% p.a. CAGR from 2010. The number of persons employed is estimated at 21 667 whilst the number of unemployed persons is estimated at 20 032. This figure however only accounts for those who are unemployed and actively seeking work, a significant proportion of the Nyandeni working age population are not economically active at 110 271 persons.

The Nyandeni **unemployment rate** using the **official definition was 45% in 2017**, which was higher than the district average of 41%. The unemployment rate in Nyandeni declined by 1.0 percentage points between 2017 and 2010. Nyandeni’s unemployment rate is significantly higher than the Eastern Cape unemployment rate of 33.1%.

The youth unemployment rate in Nyandeni was 47% in 2017 up from 45% in 2010. This is lower than the district youth employment rate of 48% but significantly higher than the province (45.7%).

The female unemployment rate represents the proportion of the female labour force that is unemployed based on the definition of unemployment. The female unemployment rate in Nyandeni was 55% in 2017, up from 40% in 2010. Whilst the district female unemployment rate was 56% in 2017. The Nyandeni female unemployment rate is higher to the provincial and national rates of 53.4% and 54.5% respectively.

The labour force participation rate for Nyandeni is very low at 27%, an increase on 2010 when it stood at 23%. This is due to the large number of discouraged work seekers and other not economically active persons in the working age population. This indicates that most residents of Nyandeni are on the side-lines of the economy with neither the skills to enter the labour market nor the demand from industry to absorb them. The Nyandeni labour force participation rate is lower than the district and Eastern Cape labour force participation rate of 33% and 50.9% respectively.

Table 3.5: Overview of Labour Market Trends

Indicators	2017	
	Nyandeni	OR Tambo
Numbers		
Working Age Population	151 967	747 918
Employed	21 664	139 932
Unemployed	20 032	109 278
Not Economically Active	110 271	498 708
Labour Force	40 321	249 615
Rates		
Labour Force Participation Rate	27%	33%
Unemployment Rate (Official)	43%	48%
Youth Unemployment Rate¹	47%	48%
Female Unemployment Rate	55%	56%
Male Unemployment Rate	44%	44%

Source: Quantec, 2018

Nyandeni has the 2nd highest unemployment rate in the district (43%), after the King Sabata Dalindyebo Local Municipality (35%). Nyandeni has the highest rate of worker discouragement in the district. This has a negative impact on the economy to absorb labour and create employment.

3.2.1 Employment by Formal and Informal Sector

Developing a dynamic informal sector is the acknowledged as an important instrument in economic development and absorbing labour into the economy. Of the total 21 664 persons employed, 73.1% or 15 833 persons are employed in the formal sector and 26.9% or 5 831 persons are employed in the informal sector as

¹ Youth Unemployment Rate of those aged 15-34 years old.

of 2017. The O.R. Tambo District have a greater proportion of its employment in the informal sector (29.4%) than Nyandeni (26.9%). The provincial proportion of the informal sector is slightly larger (27.3%) than Nyandeni. Nyandeni’s proportion of informal sector employment however is larger than the national (25.7%) average. Table 3.6 analyses informal and formal employment within Nyandeni.

Table 3.6: Informal Sector Employment, 2017

Indicator	Numbers Employed Formal Sector	Numbers Employed Informal Sector	Percentage of Total Employment in the Informal Sector
Nyandeni	15 833	5 831	26.9 %
O.R Tambo	98 802	41 130	29.4 %
Eastern Cape	884 999	332 865	27.3 %
South Africa	11 824 354	4 088 755	25.7 %

Source: Quantec, 2018

Table 3.7 analyses the composition of informal employment by gender within Nyandeni, the district, the province and South Africa. This provides a context for analysing the role of women in the informal economy of Nyandeni. It is estimated that of the persons in Nyandeni that are in the informal employment, 47.1% are female and 52.9% are male. Thus, the Nyandeni informal economy has a higher proportion of women employed in it than the provincial and national averages of 43.4% and 39.7% respectively.

Table 3.7: Informal Employment by Gender, 2011

Area	Male	Female
Nyandeni	52.9%	47.1%
O. R. Tambo	50.5%	49.5%
Eastern Cape	56.4%	43.4%
South Africa	60.3%	39.7%

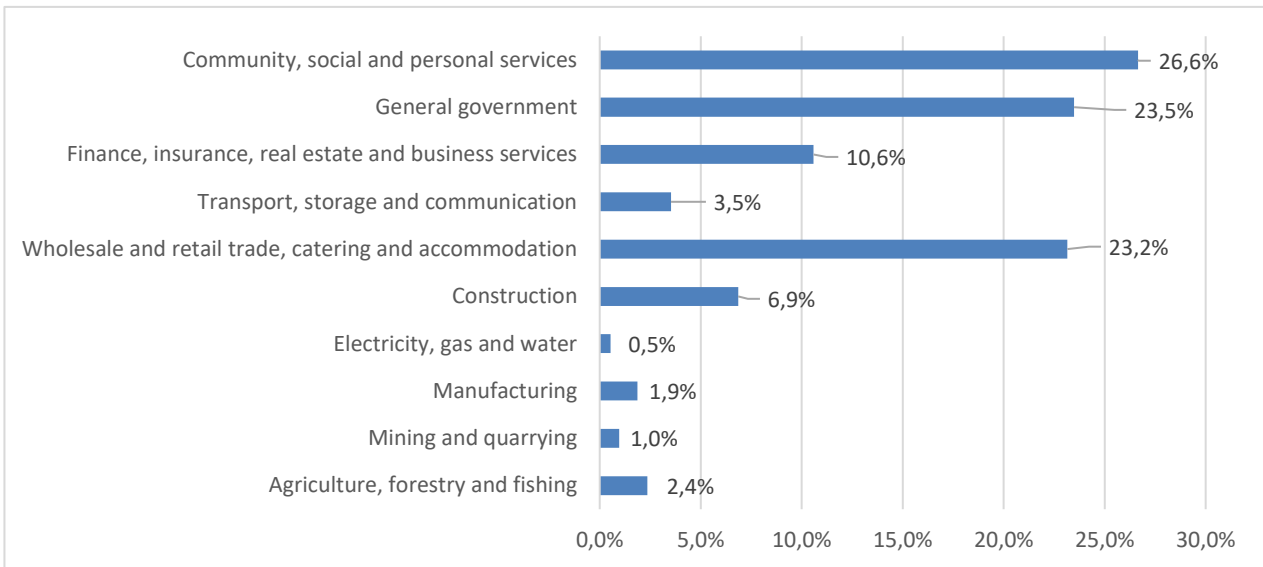
Source: StatsSA, 2011

Municipal regulatory functions need to support inclusive economic growth and development for both the formal sector and informal sector. A conducive business environment is a key element for promoting the development of informal businesses.

3.2.2 Employment by Economic Sector

Figure 3.3 illustrates the percentage of total employed per economic sector in 2016. The largest contributor to employment is the community, social and personal services sector, employing 27% of total employed. The government services sector contributed 24%, whilst the trade sector contributed 23%. This highlights the reliance of the economy on the general government sector, which is considered a non-productive sector as it generates goods and services based on taxes and grants received.

Figure 3.3: Employment per Sector



Source: Quantec, 2018

3.3 Household Income

Household income is used to indicate the relative wealth of households in a particular region. In order to determine these values, the weighted average monthly household income for the local municipality was calculated based on the income bands assigned in the 2011 Census.

Table 3.8: Weighted Average Household income

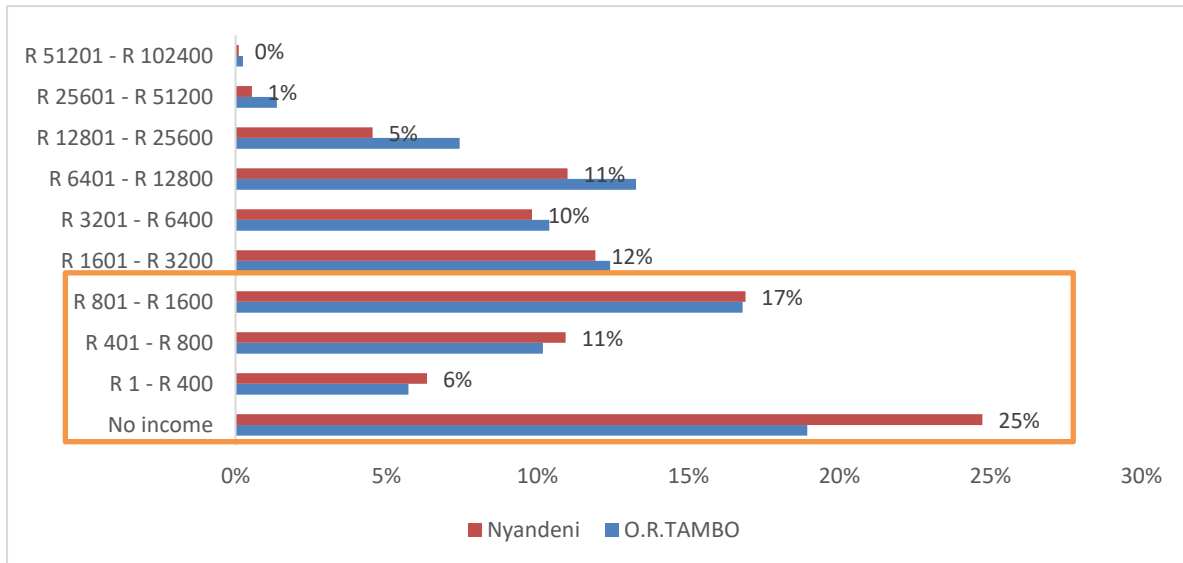
Indicator	Eastern Cape		ORTDM		Nyandeni	
	2010	2017	2010	2017	2010	2017
Weighted Average Monthly Household Income	R7 407	R10 285	R4 752	R5 341	R2 826	R3 956

Source: StatsSA, 2011 and Urban-Econ calculations based on StatsSA, 2011

The Nyandeni weighted average household income was R3 956 in 2017 which was below the district average of R5 341 per month. The provincial weighted average monthly household was R10 285 in 2017 which almost doubles the district’s average. Low household income is a monetary measure of poverty as it impacts on a households’ ability to provide schooling, food, shelter and transport.

Figure 3.4 provides the distribution of household income in Nyandeni across various monthly income bands. The income categories that are highlighted in the orange box, fall under the poverty line of less than R1 600 a month and are equivalent to 59% of households.

Figure 3.4: Nyandeni and ORTDM Monthly Average Household Income



Source: StatsSA, 2011

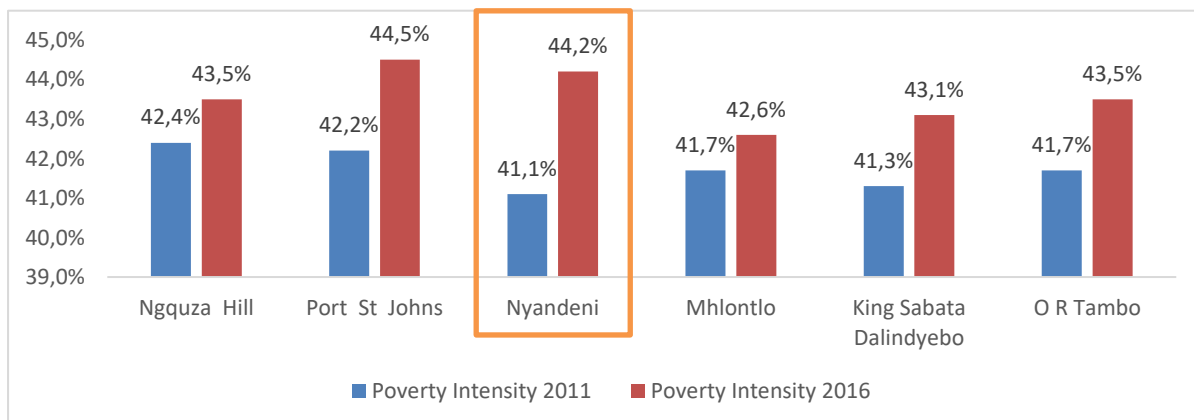
3.4 Poverty Intensity

The South African Multidimensional Poverty Index (SAMPI) is used to measure the extent of poverty in the country. The SAMPI index is constructed using eleven indicators across four dimensions, namely health, education, living standards and economic activity. The SAMPI is based on the Alkire-Foster method and provides another tool to measure poverty and deprivation. Using common variables found in Census 2011 and Census 2016, the SAMPI seeks to profile poverty at household level. The data represented in Figure 3.5 is drawn from Community Survey 2016 and compares Census 2011 to Community Survey 2016.

Poverty intensity is the average proportion of indicators in which poor households are deprived. In terms of the poverty intensity, Nyandeni had a poverty intensity of 44.2%, the second highest in the district after Port St Johns (44.5%). The district poverty intensity was 43.5%. The Eastern Cape poverty intensity is 43.7%.

Nyandeni experienced the highest growth in poverty intensity in the district with 3.1 percentage point increase between 2011 and 2016.

Figure 3.5: Poverty Intensity by Local Municipality, ORTDM in 2011 and 2016

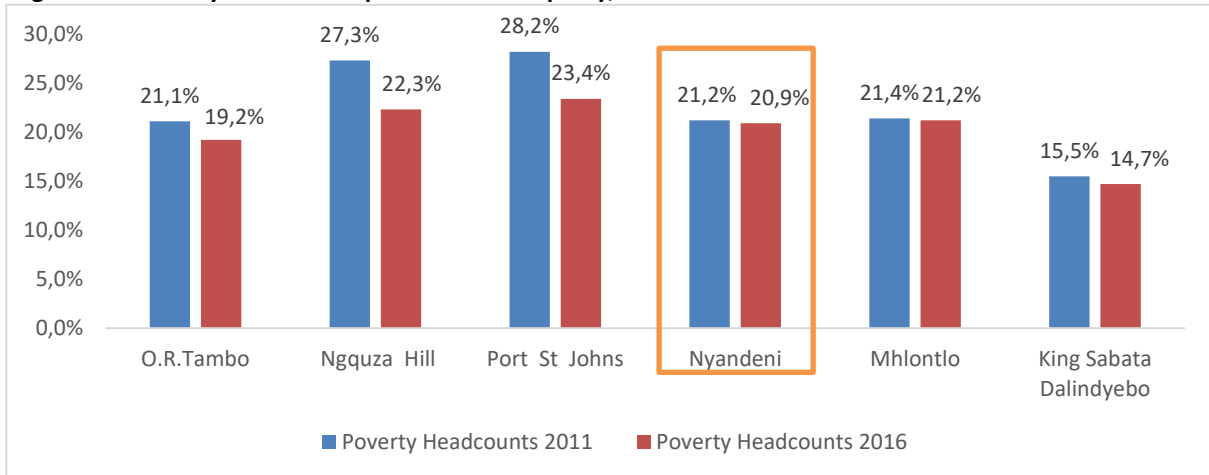


Source: StatsSA, 2016

3.5 Poverty Headcount

Poverty headcount is the proportion of households defined as multidimensionally poor using the poverty cut-off. Figure 3.6 illustrates the poverty headcounts of all the local municipalities in O.R. Tambo District between 2011 and 2016 based on StatsSA Community Survey 2016.

Figure 3.6: Poverty Headcounts per Local Municipality, ORTDM



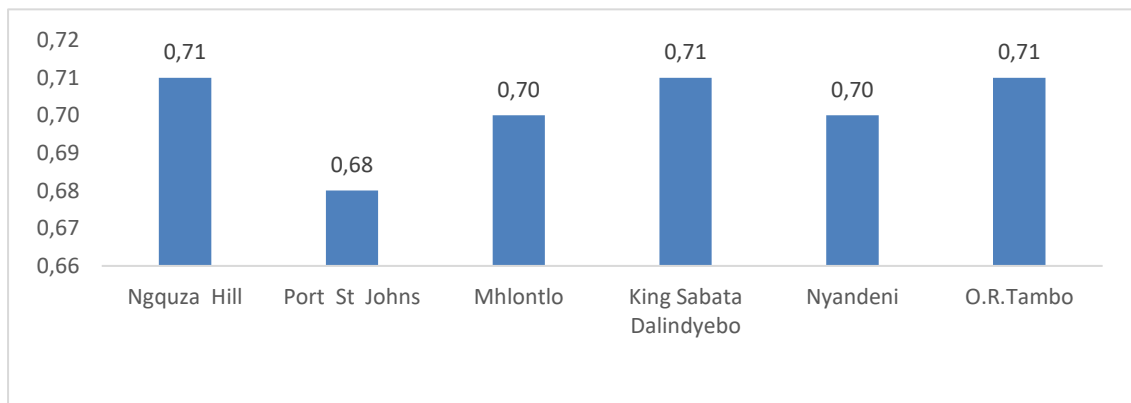
Source: StatsSA, 2016

The poverty headcount has dropped across all local municipalities in the district between 2011 and 2016. In Nyandeni, the level of poverty, as measured by the poverty headcount, dropped slightly, by 0.3 percentage points between 2011 and 2016. The district recorded a poverty headcount of 19.2%, a drop from 2011 when it stood at 21.1%. The 2016 Community Survey indicated that the intensity of poverty in the Eastern Cape has increased from 41.9% to 43.3% in 2016.

3.6 Gini Coefficient

Gini coefficient is the measure of income distribution inequality of an area. It condenses the entire income distribution for a geographical area into a single number between 0 and 1. The lower the Gini Coefficient, the lower the income inequality whilst the higher the Gini Coefficient the higher the income inequality.

Figure 3.7: Gini Coefficients per Local Municipality, ORTDM



Source: Quantec, 2017

Nyandeni’s Gini Coefficient was 0.70 in 2017. This points to a high degree of income inequality in Nyandeni, however it was slightly lower than the district and provincial Gini Coefficient of 0.71 and 0.72 respectively. However, it is higher than the national Gini Coefficient of 0.68.

The Nyandeni Gini Coefficient indicates that differences in welfare between residents are significant. This has implications for social cohesion and economic stability within the area.

3.7 Economic Profile

This section looks at the economic output produced within Nyandeni, its growth, its extent and its composition. The profile also considers the relative importance of various economic sectors and their growth over time.

Text Box 2: Definitions

Gross domestic product (GDP): GDP is the market value of all officially recognised final goods and services produced within a country in a year or other given period of time.

Gross value added (GVA): GVA is a measure in economics of the value of goods and services produced in an area, industry or sector of an economy. $GVA + \text{taxes on products} - \text{subsidies on products} = GDP$.

3.7.1 Economic Structure

Table 3.9 provides the economic output of Nyandeni and its growth over time. The total annual value of goods and services that are produced in Nyandeni is approximately R3 billion. In 2016, Nyandeni has contributed approximately 14.5% towards the district’s GVA-R making it the second largest contributor to the district after King Sabata Dalindyebo Local Municipality. The Nyandeni economy grew 3.2% p.a. CAGR between 2010 and 2016.

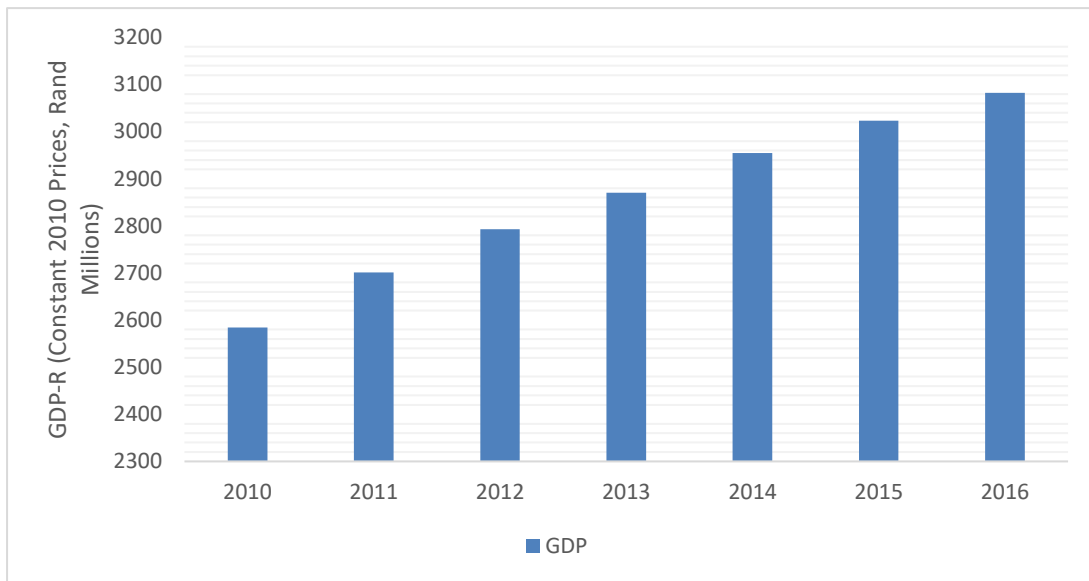
Table 3.9: GDP-R per Capita Contribution

Locality	Indicator	2010	2016
Nyandeni	GDP-R (R m)	2 254	3 018
	CAGR Growth Rate (2012-2016)	3.3%	
ORTDM	GDP-R (R m)	16 812	21 125
	CAGR Growth Rate (2012-2016)	2.6%	

Source: Quantec, 2017

GVA-R per capita allows for comparison of different economies relative to their populations. A rise in GVA-R per capita can indicate an improvement in productivity. Map 3.1 provides the per capita GDP- R by local municipalities in the province. Nyandeni’s 2016 GVA-R per capita was R3 billion, representing a 1.7% year-on-year growth rate. Nyandeni is ranked as 29th out of 33 local municipalities in terms of GDP-R per capita. The district’s GVA-R per capita is also below the provincial figure of R32 266 and national figure of R50 228.

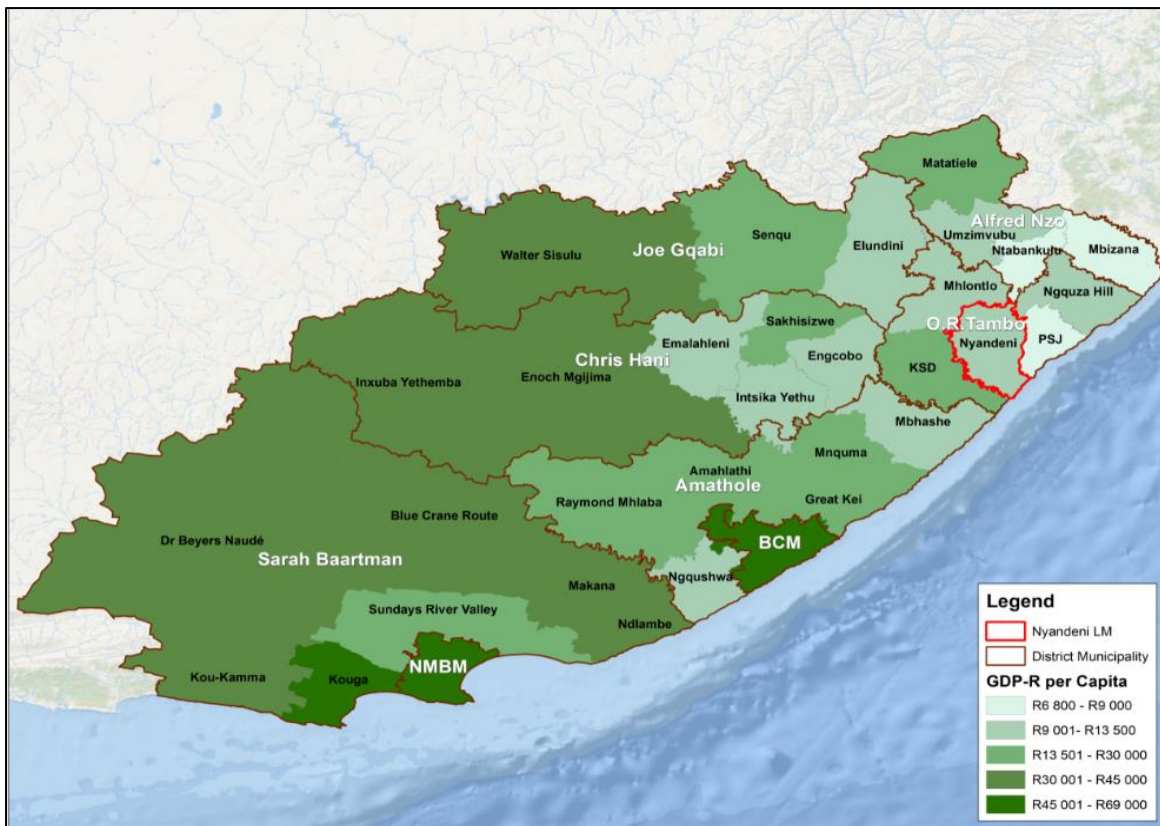
Figure 3.8: Nyandeni GDP-R Performance between 2010 and 2016



Source: Quantec, 2017

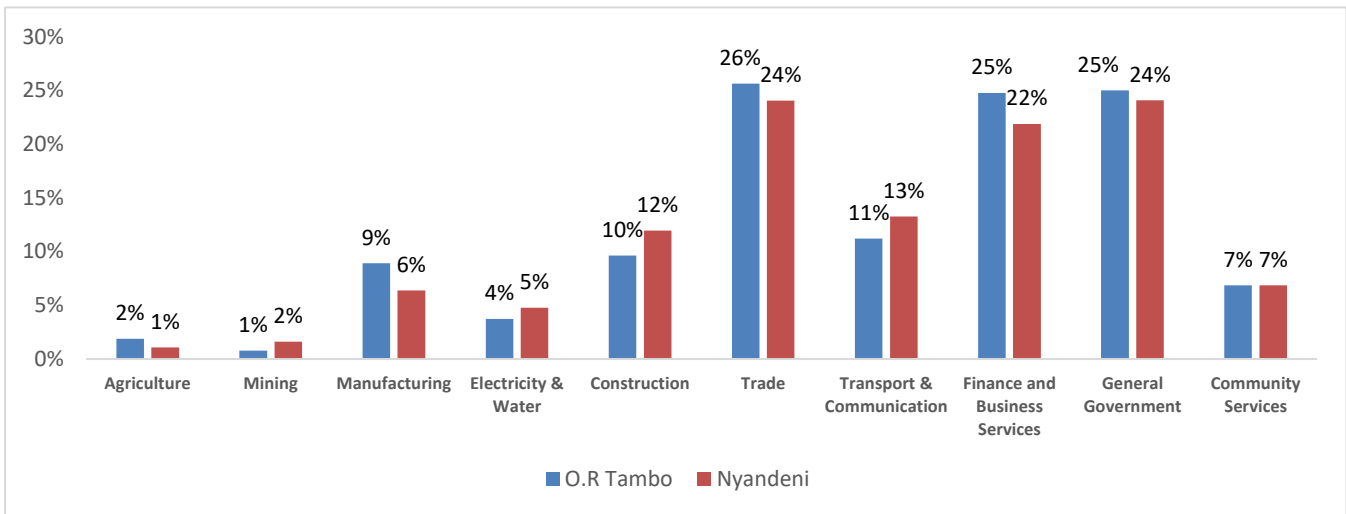
Figure 3.8 indicates that Nyandeni’s GDP-R increased slightly from R 3 000 million in 2015 to R 3 018 million in 2016.

Map 3.1: GDP per Capita by Local Municipality



Source: Quantec, 2017

Figure 3.9: Sectoral Composition of GDP-R Nyandeni and O.R. Tambo



Source: Quantec, 2017

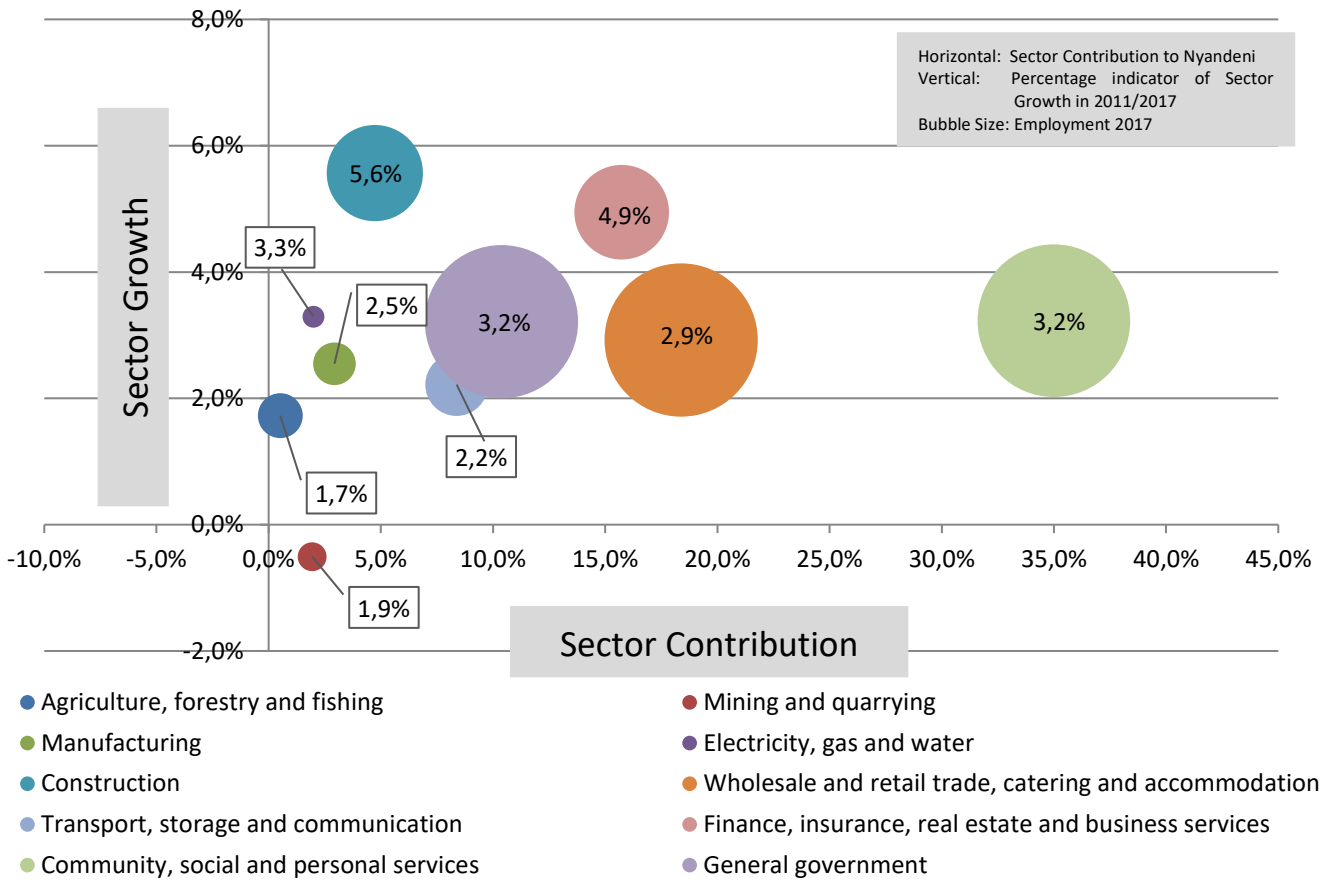
The dominant sector in the municipality is government services sector contributing 24% of Nyandeni’s GDP output. The high level of government sector presence in the regional economy is due to the underdeveloped economy, which results in a small private sector presence. The government spending has an influence on sustaining Nyandeni economy. When the economy of Nyandeni relies heavily on the public sector spending it then results in an unbalanced economy.

Agriculture contributes only a small proportion to the economy at 1% despite the rural nature of the municipality. This is due to the mainly subsistence nature of agriculture in the area.

The trade sector contributes 18% towards the municipal GDP-R making it the second largest sector. This is followed by the finance and business services sector with 16% contribution to overall GDP-R. Transport and communication contributes 10% and construction 9% to Nyandeni’s GDP-R. The agriculture sector is the lowest contributor to the economy.

The relative importance of community and general government sectors points to an economy that is not diversified. Figure 3.9 provides an indication of the contribution of each sector in terms of both GDP contribution to the Nyandeni economy, the sectors growth and its employment contribution. Each sector is represented as a point on the graph. The sectors that fall higher up the vertical axis indicate higher sectoral growth in GDP. The horizontal axis represents the sectoral contribution towards the total GVA output of the area. The size of each point indicates the employment contribution of each sector towards the municipal’s total employment figures.

Figure 3.10: GVA Sector Contribution



Source: Quantec, 2017

From Figure 3.10 it is evident that the high growth sectors are construction and finance. The low growth sectors are mining and agriculture. Sectors which are largest economic contributors, but which are experiencing medium growth are general government, community services and trade.

General government is the largest employment contributor, and accounts for 35% of the total formally employed persons. The second largest employer is the trade sector employing 18% of the workforce followed by the finance and business services sector with 16%. The agriculture sector is the smallest employer in the municipality employing 0.5% of employed persons.

Table 3.10 provides the Nyandeni GVA contribution and growth rate in comparison to the other local municipalities within the district, as well as to the district and provincial averages.

Table 3.10: Nyandeni GVA-R Contribution and Growth Rate

Local Municipality	GVA-R 2016 (Millions)	GVA-R Growth Rate		Contribution to ORTDM GVA-R	
		Year-on-Year (2015 – 2016)	CAGR between 2006 - 2016		
Nyandeni	R3 018	1.9%	↑	3.3%	14.3%
Ngquza Hill	R2 974	1.1%	↑	2.4%	14.1%
Port St. Johns	R1 145	1.1%	↑	2.5%	5.4%
Mhlontlo	R2 258	1.4%	↑	2.6%	10.7%
King Sabata Dalindyebo	R11 728	1.5%	↑	2.6%	55.5%
	GVA-R 2016 (Millions)	Year-on-Year (2015 – 2016)		CAGR between 2006 - 2016	E.C GVA-R Contribution
O.R. Tambo	R21 125	1.5%	↑	2.6%	14.3%
Eastern Cape	R212 045	0.9%	↑	2.0%	1.4%

Source: Quantec, 2017

The primary sector contributed an estimated R74 million to GVA-R in 2016. The main contributor within the primary sector was mining, contributing R58 million. Whilst agriculture was the smallest economic sector in the district contributing only R15 million in 2016. The primary sector contracted by -5.3% between 2015 and 2016 this may have been due to drought impacts. The sector however has declined in growth by -0.1% p.a. CAGR over the period 2006 to 2016.

The secondary sector contributed R291 million in 2016. The largest sector within the secondary sector was construction which contributed R142 million, an 2.3% increase in 2016, and with a CAGR between 2006 and 2016 of 5.6% p.a. The manufacturing sector contributed R88 million in 2016 growing 2.8% in the year. The sector grew by 2.5% p.a. CAGR between 2006 and 2016. The secondary sector was boosted by the 2016 growth in manufacturing and construction to grow 2.2% in 2016. The sector has grown 4.1% p.a. CAGR over a ten-year period.

The tertiary sector was the largest sector of the Nyandeni economy and contributed close to R3 billion to GVA- R. Within this sector the largest contributor is general government which contributed R1.056 billion in 2016. The sector grew 2.3% in 2016 on the previous year and 9.1% p.a. CAGR over the period 2006-2016. The sector which experienced the highest positive growth rate in 2016 was the finance and business services sector which grew 3.3%. This sector contributed R474 million to the Nyandeni economy and has grown 4.9% p.a. CAGR over the period 2006-2016. The trade sector is the second largest contributor to GVA-R at R554 million and grew 1.8% in 2016. The tertiary sector grew 2.1% in 2016 and 3.3% p.a. CAGR over the period 2006-2016.

Table 3.11: Nyandeni GVA-R contribution and growth rate per sector

	GVA-R Value (2016)	Growth	
		Year-on-Year (2015-2016)	CAGR between 2006 – 2016
GVA-R (Rand Millions)	R3 018	1.9%	3.3%
GVA-R per Capita	R10 600	1.3%	3.3%
Sector			
Primary sector	R74	-5.3%	-0.1%
Agriculture, forestry and fishing	R15	-14.5%	1.7%
Mining and quarrying	R58	-2.5%	-0.5%
Secondary sector	R291	2.2%	4.1%
Manufacturing	R88	2.8%	2.5%
Electricity, gas and water	R60	1.0%	3.3%
Construction	R142	2.3%	5.6%
Tertiary sector	R2 652	2.1%	3.3%
Trade, catering and accommodation	R554	1.8%	2.9%
Transport	R252	0.4%	2.2%
Finance and business services	R474	3.3%	4.9%
Community services	R313	1.5%	3.2%
General government	R1 056	2.3%	9.1%
Total	R3 018	1.9%	3.3%

Source: Quantec, 2017

3.8 Informal Sector

According to (Fourie, 2018) the informal sector is a significant component of the economy which provides employment, livelihoods and income for millions of workers and business owners in South Africa. The informal sector in South Africa mostly comprises of very small enterprises that are often based in poor neighbourhoods and generate low earnings for enterprises and individuals. The informal sector is increasingly recognised as an alternative option to massive unemployment, particularly among the youth.

Key factors or issues that are inhibiting the informal sector in South Africa are poor informal sector policies and lack of markets and trading spaces. Aspects that drive the growth of the informal sector include low economic growth, complex tax and regulations which act as barriers to entry to the formal sector, a growing urban population and the offer of greater flexibility and work life balance.

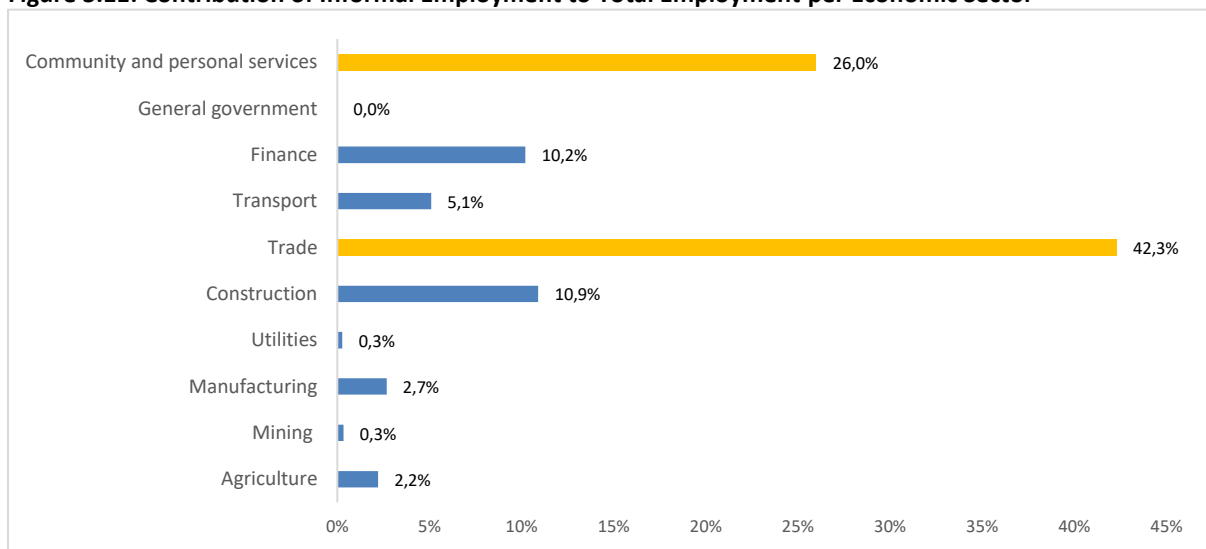
Some common characteristics of the informal sector identified by Integrated Leadership Development Project (ILDP) (2014) are as follows:

- ease of entry,

- indigenous resources are used,
- family owned,
- small scale operational,
- labour-intensive and adapted technology,
- skills acquired outside the formal system,
- unregulated and competitive markets (ILDP, 2014)

Figure 3.11 provides the proportion of informal sector employment per economic sector within Nyandeni. From the graph it is evident that the trade and community and personal services sectors have the highest percentage of their total employment in the informal sector at 42.3% and 26% respectively. This is followed by the construction and finance business services sector where informal employment comprises roughly 10% of total employment.

Figure 3.11: Contribution of Informal Employment to Total Employment per Economic Sector



Source: Quantec, 2017

The Nyandeni LED Unit has developed a number of databases on the number of cooperatives and hawkers within the municipality. Based on a formal business audit in Nyandeni and an analysis of Nyandeni databases, 58 formal businesses, 109 contractors, 303 informal traders and 143 cooperatives were identified.

Table 3.12: Formal and Informal Businesses in Nyandeni, 2018

Category	Number of Entities Identified
Formal business	58
Contractors	109
Hawkers	303
Co-ops	143
	613

Source: Based on Nyandeni LM databases and Urban-Econ 2018 business audit.

Nyandeni Municipality developed a Small, Medium Micro-sized Enterprises (SMME) and Cooperative Strategy in 2013, which aimed to provide an appropriate environment for the establishment and promotion of self-sustainable SMMEs which participate in the primary and secondary economy of the municipality. The strategy key areas for implementation were:

- Creating a conducive regulatory and institutional environment for SMMEs and Cooperatives development;
- Improving access to finance and business premises;
- Improving access to skills, markets and market exposure;
- Provision of bulk infrastructure to small businesses (Nyandeni, 2013).

Based on the findings of the Nyandeni's SMMEs and Cooperative Strategy (2016b), SMMEs experience challenges of poor skills base which include both basic business management skills such as invoicing, marketing, record keeping, networking, as well as technical skills. They are also constrained by lack of access to finance and credit; infrastructure and service provision; limited access to markets and trading spaces; constricted space in urban areas due to a lack of urban planning and management. There are also limited linkages with other enterprises; adherence to labour and other regulations and a lack of access to mentorship and aftercare support (NLM, 2016b). In the local municipality there is currently no business support programme offering or business support centre.

Measures that can be undertaken to develop a conducive environment for business growth, include establishing business support programmes and a physical space to offer support to businesses. Interventions for the informal economy in Nyandeni could focus on the trade and community and personal services sectors, where the majority of informal employment is located. In order to attain viability, employment creation and better living conditions it is important to develop informal enterprises into being 'stand-alone' and self-reliant enterprises.

There should be policies in place to ensure that owner-operators that start or operate informal businesses; are assisted in the first year of operation and also assist business that have been operational a year or more to improve the survival rate and sustainability. The objective should be to ensure that all enterprises are assisted to continue operating.

3.9 Summary

The economy in Nyandeni is reliant on the general government sector, as the largest contributor to the municipality's economic output measured as GVA-R and the largest contributor to employment. Although the municipality is mostly rural, agriculture is the lowest contributor to economic output and employment. Some of the challenges that are experienced by the agricultural sector are that it is predominantly subsistence in nature and based on co-operative structures. Many subsistence farmers are constrained by lack of funding, skills, poor infrastructure, degraded lands and lack of input equipment. Thus, interventions to improve household livelihoods are important considerations for LED in the area.

The municipality has low education attainment levels with only 19.4% of adult population having a matric and or higher education qualification which is lower than that of the province at 27.3%. Basic education programmes and skills development are needed as a large proportion of the population have low education levels.

Nyandeni has the second highest unemployment rate in the O.R. Tambo District at 45%, after the King Sabata Dalindyebo Local Municipality of 35%. The labour force participation rate for Nyandeni stands at 27%, which is low in comparison to the national and Eastern Cape averages of 33% and 50.9%.

It is estimated that 5 831 persons employed in the informal sector of Nyandeni as of 2017. Developing the informal sector and SMMEs is an important aspect of developing a vibrant Nyandeni economy and reducing unemployment. Aspects though that would need to be considered include skills development, sourcing of funding, business and technical skills, and provision of adequate trading infrastructure and sites.

Chapter 4: Sector Profile

This chapter profiles the different sectors of the Nyandeni economy in order to consider the challenges and opportunities for economic development. The sector profiles are based on primary and secondary research and are offered as updates to the profiles previously developed for the 2012 LED Strategy. The profiles will provide a context for the economic activities that are undertaken in Nyandeni.

4.1 Agriculture

Agriculture includes primary production which is related to growing crops, gardening and horticulture, farming with animals, agricultural husbandry services, hunting, trapping and game propagation, forestry and logging, fishing and operation of fish hatcheries. Prevalent farming in Nyandeni is subsistence-based stock farming which includes cattle (for beef), goats (for meat and mohair), and sheep (for wool) and crop farming for limited commercial use and mainly for household consumption.

The current trends in the sector have seen an increase in subsistence farming amongst emerging farmers. Emerging farmers often operate or engage on plots of land that are less than 20ha in size. The land pockets that are used by the emerging farmers are often leased to the farmers by the local municipalities or commonages. Most farmers are part of cooperatives in order to share resources such as agricultural inputs and increase the chances of obtaining funding in order to create sustainable livelihoods.

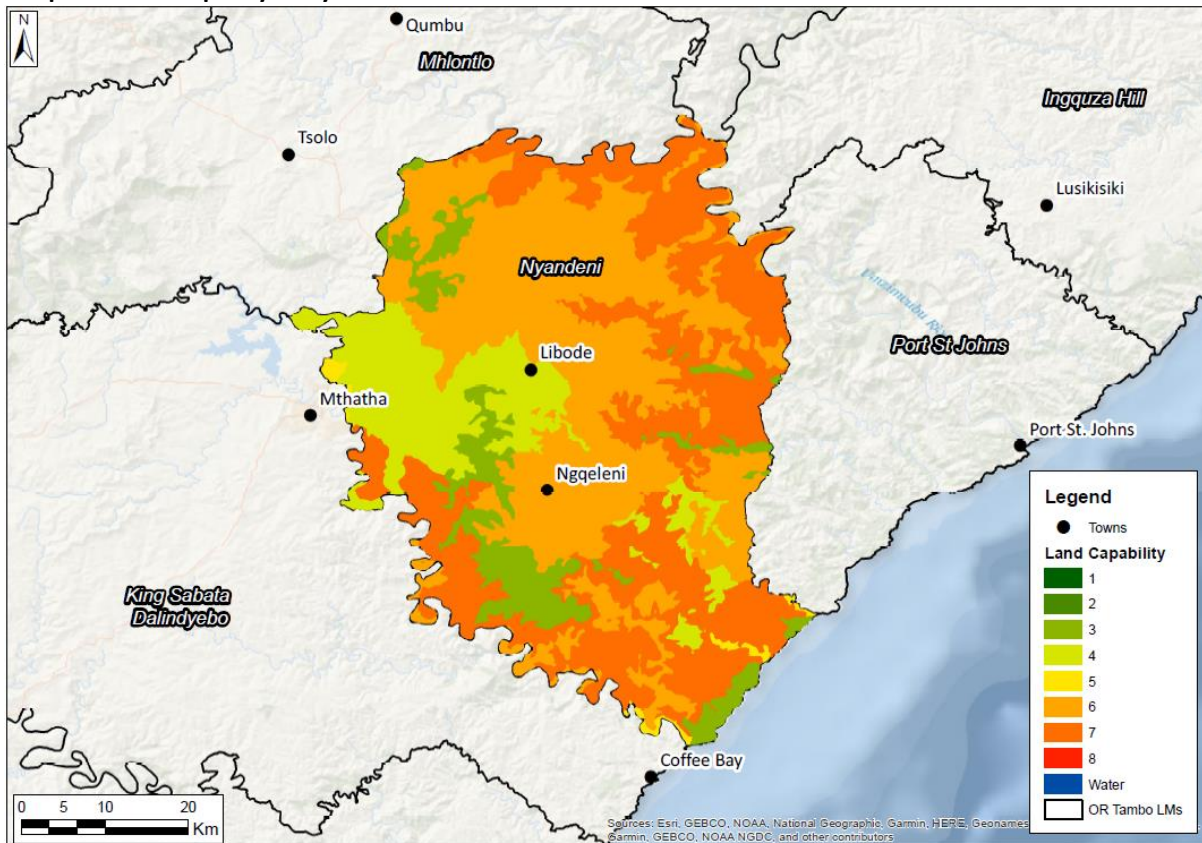
Challenges that emerging farmers encounter include land that has been degraded due to drought and over stocking. As well as a lack of water supply, limited access to funding, high levels of dependency on government assisted programs, a lack of land ownership and a shortage of farming support.

Constraints that can affect the growth of the sector is land that is suitable for agricultural activities is undermined by institutional (unresolved land claims) and infrastructural (road access) factors. Small scale farmers often have limited access to land, funding, markets, inadequate knowledge and skills; water infrastructure.

There are high potential cultivation zones, such as at Mhlanga (west of Marubeni) and Malungeni (west of Ngqeleni) are strategically situated for access to large food markets in Mthatha. There are also opportunities for more intensive beef farming and for dairy and beef farming. Availability of arable and grazing land is vital to provide an opportunity for farming and to transform emerging farmers into commercial farmers.

Land capability is determined by the collective effects of soil, terrain and climate. It indicates the most intensive long-term sustainable use of land for rain-fed agriculture and at the same time highlights the permanent limitations associated with different land use classes.

Map 4.1: Land Capacity in Nyandeni



Source: Urban-Econ GIS unit, 2018

Figure 4.1: Land Capacity Classification

		INTENSITY OF USE FOR RAIN-FED AGRICULTURE						
		Grazing and Forestry			Crop Production			
Arable	Classes	Forestry	Veld	Pastures	Limited	Moderate	Intensive	Very Intensive
		I	X	X	X	X	X	X
	II	X	X	X	X	X	X	
	III	X	X	X	X	X		
	IV	X	X	X	X			
Non-arable	V	X	X	X				
	VI	X	X					
	VII	X	X					
	VIII	X						

The land capacity classification map illustrates that the land class that is predominantly found in Nyandeni is Class VI non-arable with 41% of land falling within this category. Class VI land does face the risk of erosion and veld grazing. This land classification means that it is limited by the type of crop that can be grown on the land.

The next most significant land classification is Class VII category of which 34.5% of the land falls under this classification. The soils have very severe limitations that make them unsuitable for cultivation and that restrict their use mainly to grazing and forestry.

The most fertile land can be found in Class III and IV, which makes up 23.7% of land in Nyandeni (Urban-Econ calculations, 2016). Due to their fertile nature Class III and IV are suitable for a variety of intensive crop production. Such soils can be cultivated with progressive management and/or selection required. It is important to note that large scale cash crop production in these areas is still difficult due to a number of issues particularly relating to land ownership, slopes, access to water and the biodiversity protection of the area which includes the coastal area.

A recent government led initiative which could have positive implications for agriculture in Nyandeni is the Agri-Parks programme. This initiative started in 2015 and aims to uplift subsistence agriculture and rural economies by providing much needed support to the local emerging and small-holder farmers. As part of the plan it aims to bring unused and communal land into production. The initiative includes a system of agro-processing support at Agri-Hubs, with one agri-hub located per district and also primary production support through Farmer Support Units (FPSU).

In the O.R. Tambo District, the Agri-Hub is to be located in Lambasi, in the Ingquza Hill Local Municipality (114km from Libode). This is proposed as the centre of the Agri-Park programme. The facility is expected to contain processing, mechanisation and agricultural extension services. In addition two FPSUs are to be located at Tsolo Junction, in the Mhlontlo Local Municipality (53 Kms from Libode) and in Dumasii in Port St Johns Local Municipality (71kms from Libode). There are also plans to expand the network of FPSUs in the future. The Agri-Park aims to provide essential services to farmers for their enterprises and assist in transport and sourcing markets.

4.2 Forestry

Plantation forestry provides the raw materials for all downstream activities associated with the forestry industry such as pulp milling, paper manufacturing, saw milling and certain furniture manufacturing. The development of plantation or indigenous forestry can also play an important role in environmental services such as through the conservation of soil; water and biological diversity.

The O.R. Tambo District Municipality accounts for approximately 23.3% of the total area under forestry plantation in the Eastern Cape (Forestry SA, 2012).

Table 4.1 indicates the areas within the O.R. Tambo District Municipality that has ‘good’ to ‘moderate’ potential for forestry developments. Within O.R. Tambo 361 549 ha of land was identified with forestry potential of which only 24 127 ha was identified as having good potential.

Table 4.1: Forestry Potential

	Forestry Potential (ha)		
	Good	Moderate	Total
O.R. Tambo	24 127	337 422	361 549
Nyandeni	3 659	101 392	105 051

Source: NLM, 2014

A total of 105 050 hectares of land was broadly identified in Nyandeni for possible forestry expansion. Of this 3 659 ha were identified as having good potential. The total land identified for forestry potential of 105 051 does not take into account various restrictions on forestry suitability such as impact on water table, land ownership and other constraints. (Nyandeni, 2014).

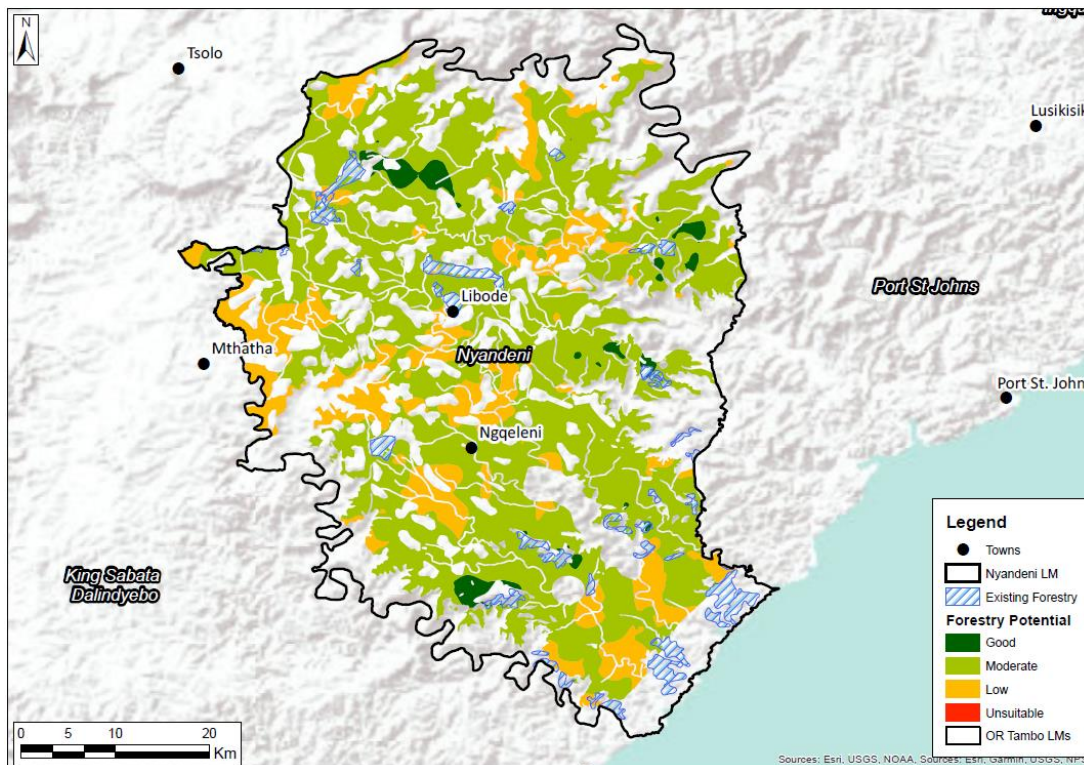
Due to a historical lack of investment in the municipality there are no commercial forestry businesses in operation in the Nyandeni LM and only 2 853 ha of state-owned plantations. This is very small considering the potential of the areas.

Despite the amount of land that has been identified for forestry only 2 853 ha is state-owned and the rest of the land are non-operational forestry businesses. There is potential for woodlot plantations to be driven by community associations.

There are opportunities for the forestry sector in Nyandeni as there is large portions of land which is suitable for forestry. Underutilised forestry plantation exists which can allow for production levels to commence. The forestry plantations can provide employment opportunities to local communities. There good connections and access to nearby markets and major timber centres at Langeni and Ugie.

Constraints that the sector encounters are due to poor road conditions in areas that have been identified as viable for forestry. The land that has been identified as being suitable for forestry can prevent other land uses such as grazing and arable farming that may offer better economic returns to utilise the land. Nyandeni is not identified in DWAF’s strategic environmental assessment as a high priority investment potential zone for forestry in O.R. Tambo District. Rather within the district Lusikisiki and Port St Johns have been identified.

Map 4.2: Forestry Potential



Source: Urban-Econ GIS unit, 2018

Initiatives would need to be undertaken to optimise the development potential of existing forestry plantations. This will thus encourage communities and small local business owners to become involved in the management and operation of existing forestry plantations. There is also the potential of establishing new plantations that are economically and environmentally feasible. Stakeholders would need to be consulted and local businesses assisted in developing business concepts to develop small-medium sized forestry projects. This would give an opportunity for the development of a diversified small-scale local timber processing industry.

Within forestry plantations there are also opportunities for non-timber forestry products (NTFP's) such as farming/ harvesting of medical plants, bee keeping, hiking trails etc.

The development of commercial forestry plantations and associated industries is however dependent on the provision and development of roads and infrastructure.

4.3 Mining

Mining includes the extraction and beneficiation of minerals occurring naturally through underground and surface mines, quarries and all supplemental activities for dressing and beneficiating ores and other crude materials.

The Nyandeni mining sector contributed 1% to the GDP-R output of Nyandeni in 2016. There is limited mining activity that takes place at a large scale within the municipality. There are however small-scale mines such as Ikhwezi Quarries, Lamn and Transkei Quarries. These medium scale operations involve the extraction of non-metallic minerals such as rock, sand and aggregate. The Ikhwezi quarry outside Libode has been established to service the road upgrades of the R61 by SANRAL and the future Wild Coast N2 Toll Road development.

Opportunities in mining are linked to growth in the construction and manufacturing sector, by supplying them with construction inputs such as crusher rock, sand and clay. These products can be used in road-construction projects, home-building and brick making. There is a high demand of construction inputs especially in the rural areas. There are opportunities to form linkages or joint ventures with more established businesses in the sector in order for small businesses to obtain experience and skills. There is an opportunity to promote small businesses in block making from aggregate stone.

Constraints for the local mining sector include limits in the scope of medium or large-scale mining enterprise creation due to the environmental sensitivity of the Wild Coast. In addition, there could be greater support for SMMEs operating in the mining sector with funding and equipment.

4.4 Manufacturing

This sector is where natural resources and other intermediate goods are converted through value adding processes into final and intermediate products for the trade sector or for other manufacturers. The manufacturing sector contributes only a small percentage to the economy of Nyandeni. In 2016 manufacturing contributed 6% to GDP-R and employed 2% of the employed labour force. The manufacturing sector of Nyandeni is a small contributor as it does not have any established medium or large-scale, formal manufacturing activity in the area.

Manufacturing sector activity is determined by the presence of raw material such as agricultural produce and minerals. Nyandeni has a low level of primary production of agricultural and mining inputs. Current manufacturing activities include small scale welding, stainless steel gate and window frame manufactures, embroidery and sewing. They are mainly undertaken through cooperatives structures. A number of manufacturing enterprises have received government funding assistance.

There is an opportunity to develop the small to medium scale manufacturing often artisanal in nature, in the following areas:

- Agro-processing: This might include milling of maize grown, packaging and processing of agricultural products.
- Textiles and wearing apparel: for example in embroidery and sewing cooperatives,

- Wood and wood products which is linked to a growth in forestry plantations.
- Metal and metal products e.g. panel beater

Libode is well connected to Mthatha, which can encourage linkages to a larger economic market for products. It can also be a disadvantage as Mthatha has a competitive advantage over Libode due to crucial network infrastructure such as transportation, electricity and water. They may also be better positioned to attract and retain skilled and highly skilled staff needed in manufacturing due to the presence of schools, private hospitals, airport and entertainment facilities in the city.

4.5 Construction

The construction sector includes activities related to site preparation, construction of buildings installations, building completion and the renting of construction equipment. This sector is dependent on the level of property investment in a locality.

There has been a growing demand for development and improvements of residents in the urban and rural areas to their homes, due to rising household incomes. Many small towns in O.R Tambo have also needed new office space developed for government departments. The construction industry has also benefited from a number of infrastructure projects in rural areas to improve roads, schools, community buildings etc. The Nyandeni area has an enormous infrastructure backlog and thus if funded offers an opportunity for the further development of the construction sector.

Constraints to the construction sector include a lack of skilled human resources and limited financial capital. Materials and products are also sourced from neighbouring towns and cities and this is a major economic leakage within the municipality.

Nyandeni construction companies are based in Libode and Ngqeleni, these companies usually undertake low value private work such as housing renovations, maintenance work and extensions in the municipality. The construction companies would mostly have experience in basic construction projects. Due to the low levels of construction projects available, they compete tend to compete against each other on cost and reputation. The larger construction projects are usually awarded via tender to outside firms that may sub-contract local construction firms for smaller portions of the work.

4.6 Finance & Business Services

The finance and business services sector includes activities related to obtaining and distributing funds, for the purpose of insurance, real estate or commercial and business services. This service sector supports primary and secondary sectors by providing the financial and business advice components of an economy.

The location quotient is a measurement of how concentrated a particular sector or industry is in an area as compared to the nation or regional average. For Nyandeni the location quotient in finance and business services is less than 1. Thus, the area is thus not self-sufficient in the provision of business services. This is evident in the limited number of businesses based in Nyandeni offering financial and business services and that for specialist financial needs residents would source these services from other areas such as Mthatha, East London and Durban.

Financial services in the area are currently focused on offering basic transactions services to low income rural households. There are opportunities to grow these services with growing household incomes.

The constraints that are experienced by the sector are a low level of demand for specialist business services such as accounting, legal, business advice due to the socio-economic characteristics of the residents of the area. This is also a limitation for the growth of other sectors in the economy.

4.7 Community, Social and Personal Services

This sector includes private education services, health and social work and other commercial community, social and personal services.

A small consumer base makes it difficult to attract a variety of personal and community service businesses to the area and limits job opportunities for residents. The variety of basic services offered in the rural areas will differ from those provided in urban areas.

Community services businesses found within the municipality included hair salons, barber shops, funeral parlours.

4.8 Government Services

The general government sector includes the economic output from local, provincial and national government departments and entities. The contribution of the government sector shows the importance of public sector-funded expenditure activities in sustaining economic activity in Nyandeni. Government activity is the highest contributor to the economy of Nyandeni at 24% in 2016. The government sector also employed 24% of the employed labour force in 2016. The public sector is thus a major contributor to the Nyandeni local economy.

The following government departments have offices in Nyandeni:

- Nyandeni Local Municipality based in Libode
- Department of Justice:
 - Magistrates Court, Libode
 - Magistrates Court, Ngqeleni
- South African National Police Service
 - Libode
 - Ngqeleni
- Post Office in Ngqeleni
- Department of Basic Education, a variety of public schools in the municipality

The negative aspects are that over reliance on the government sector for the provision of economic output and employment creation creates highly concentrated economies. Thus government services need to be based on facilitating economic development and not active involvement in projects and job creation.

4.9 Tourism

Tourism industry is defined all those establishments whose main productive activity is the productive activity is the production of a tourism characteristic product (Keyser, 2009). The tourism sector is not demarcated under a standard industrial classification, rather it forms part of the trade sector and other sectors including transport, construction and financial services to a certain extent.

Nyandeni tourism is centred on the Wild Coast, an area which is known for its natural beauty. The coastal region of Nyandeni is more popular for tourism establishments than its inland areas. There are a total of 8 accommodation establishments in Nyandeni. There are approximately 57% of accommodation establishments

that are located along the coast. Whilst the remainder (43%) of the accommodation establishments are situated in Libode. Accommodation establishments that are available in Nyandeni are mostly low budget accommodation which includes backpackers (NLM, 2016).

Nyandeni is known for its natural tourism attractions which include the provincial nature reserve of Hluleka. There are other natural attractions which have yet to be developed as tourist attractions these includes Ntlangano and Mthatha Mouth which have scenic views and could potentially offer ecotourism and sporting activities. The popular tourist areas in Nyandeni are also not promulgated as towns and lack erfs that can be developed. They lack services associated with tourist nodes such as post offices, police stations, medical facilities etc.

Currently Hluleka Nature Reserve is the only attraction which has been turned into a tourist destination. Ntlangano, Mlengane and Ngqongweni Double falls remain attractions where investment is needed to turn them to tourist destinations which attract visitors into Nyandeni. Map 4.3 indicates the location of Nyandeni’s tourism products and existing and potential tourism attractions.

Map 4.3: Tourism Attractions and Products in Nyandeni



Source: NLM, 2016

The constraints of tourism in this area are its lack of proper infrastructure to grow its small market share. This then limits the growth of tourism in the area. Road infrastructure limits access to tourism establishments. The N2 Wild Coast Toll Road could potentially offer better access to Nyandeni tourism establishments. This development along with the proposed Wild Coast meander Road could improve the areas accessibility.

In addition the area has a lack of tourism services such as restaurants, shops, visitor information centres, private hospitals and medical facilities. The limited public transport in the municipality is also a constraint as it limits the movements of tourists and staff within the area. There are also no formal bus terminuses and limited formalised taxi ranks. The poor internal road network makes travel within the municipality limited to certain types of vehicles and there is limited road signage.

There are a number of opportunities for Nyandeni tourism, these include:

- Tourism products to form linkages with other product owners within the Wild Coast Route and surrounding municipalities.
- Showcase their AmaMpondo culture by establishing Community Based Tourism enterprises.
- Improve the marketing, quality standards and grading levels of Nyandeni products.

The Nyandeni tourism plan identified the following objectives for the tourism sector:

1. Establish linkages to Nyandeni products and itineraries within the Wild Coast Route by 2019
2. To empower local communities and existing community trusts in the skills, expertise and awareness to develop Community Based Tourism enterprises
3. Increase the number of visitors to Nyandeni by 10% per annum by 2021
4. The establishment of at least three new tourism products or the expansion of existing products in Nyandeni by 2020.
5. Promote cultural/heritage linkages to Qunu, Mvezo and the Nelson Mandela Museum by 2017.
6. Develop Ntlangano Conservancy, Libode Eco-Park and Nyandeni Great Place as a viable recreational and tourism product by 2020
7. Invest in key road infrastructure and road maintenance by 2017
8. Investment in beach infrastructure at key tourism nodes by 2020

4.10 Trade Sector

The trade sector is defined as the resale (sale without transformation) of new and used goods to the general public for personal or household consumption or use by shops, department stores, stalls, informal traders, etc. The trade sector entails wholesale, commission trade, retail trade and repair of personal household goods; sale, maintenance and repair of motor vehicles and motor cycles; hotels, restaurants, bars, canteens, camping sites and other provision of short-stay accommodation. There is thus some overlap with the tourism sector. It can thus be seen that this sector involves a broad spectrum of activity which is diverse and varied in nature.

The trade sector is dependent on the amount of income that the consumer has in order to engage in a trading transaction. In addition, the sector is influenced by non-economic considerations such as personal taste, availability of alternatives and the current fashion.

The retail and wholesale trade sector in Nyandeni is comprised of a number of small, independent stores and a few national chain stores. The majority of retailers are informal in nature and are typically classified as Spaza Shops. Retail activities are centred in Libode and to a lesser extent in Ngqeleni and Ntlaza Junction. Examples of chain stores within the area include:

- Boxer Store in Ngqeleni
- Pep Stores in Ngqeleni and Libode
- Spar in Libode
- Build it in Libode

There are opportunities for the retail sector to strengthen its output through improvements in productivity, competitiveness of the local businesses and increasing the number of businesses that are formalised.

Opportunities for investment in the sector are considerable. The sector can also be utilised as an agent to develop the enterprise and support SMMEs, especially the informal traders and cooperatives for the promotion of the LED. Interventions to assist traders include:

- Trading facilities for informal traders including: shelters / stalls for designated trading areas, warehouse/ storage facilities, cold storage facilities for common use
- Demarcating trading areas
- Improving the road network
- Improving the public transport services
- Identify land for business and industrial development
- Provision of services to business and industrial sites.
- Facilitating business development programmes

The planned Wild Coast N2 Toll Road is likely to offer development potential for additional retail facilities such as filling stations, convenience stores and fast food shops along the road. This should be further developed with other retail opportunities.

The trade sector faces a number of constraints related to the urban form of the towns and settlements in Nyandeni. These include:

- Large consumer base but with very low household income levels. Thus, there is limited opportunity for diversified retail and wholesale offerings.
- Lack of zoned erfes for greenfields developments
- There is a proliferation of informal trade that takes place alongside formal established shops
- Limited provision of services in the towns
- Pavements are often obstructed by informal vendors
- There is limited formalised space for vendors
- No erfes zoned and demarcated for business in small coastal and rural settlements.
- Lack of business support

4.11 Summary

Thus, the Nyandeni economy has a small primary sector with limited agriculture, forestry and mining output. The mining sector however has been supported through recent developments around road construction. The forestry sector is based on community woodlots; however studies have identified some scope for commercialising these woodlots and developing commercial plantations.

Agriculture is limited by poor land capability for crop and intensive farming. There are portions of land with potential for more intensive farming. These areas may be constrained from commercial scale farming due to land tenure, slopes, water availability and environmental sensitivity. Agriculture in the municipality is dominated by subsistence, small holder farming. Initiatives identified for the area to improve primary agricultural production support and market access include the Agri-Parks programme.

The municipality has a relatively small secondary sector. Manufacturing activity is limited to small scale, informal activities. Construction has been boosted by government infrastructure development projects and residential demand. The local construction sector however is too small to be the main contractor on large state projects and thus is often sub-contracted into projects. With substantial backlogs in infrastructure and roads there are

significant opportunities for the local construction sector to develop. The transport sector is based on local taxi and bus services and there are opportunities for it to grow further.

The tertiary sector is the main economic contributor to the Nyandeni economy. The general government sector is the largest contributor to the economy. This sector is centred on the investments by the state in infrastructure projects and in employees within education, local government and other departments and entities.

The Nyandeni economy is highly concentrated on the government sector and has limited diversification. There is a need to make land available for development and to skill entrepreneurs to take up business opportunities.

Chapter 5: Built & Natural Capital

Infrastructure is crucial in creating a conducive environment for economic growth. It assists in productivity gains from improved road and telecommunications networks and from access to essential services for households. The infrastructure and environmental profiles are discussed in this chapter in their context of relating to LED.

5.1 Infrastructure Profile

Progress has been made in the provision of basic services to ensure that households have access to running water, sanitation, electricity and proper waste disposal. Although unfortunately backlogs still remain in the provision of these services.

Access to water is a critical priority as it impacts on the quality of life of households as well as the investment potential of an area. There's a shortage of water and sewerage services in Nyandeni with the existing infrastructure under-maintained and face severe pressure. Inadequate future investment in water and sewerage infrastructure and capacity expansion, are likely to hamper further economic development in the province.

5.1.1 Road and Transportation Infrastructure

Road networks of a sufficient quality are an essential element for economic development. Nyandeni LM's road and transportation network is characterised by:

- Short section (approximately 20km) of the National Route N2 passes through the western side of the NLM in a north-south direction and is owned and managed by SANRAL.
- The R61 is the main road in the municipality. Running east to west through Libode, it is being maintained and upgraded by SANRAL and will become part of the new Wild Coast N2. This development is likely to see traffic volumes increase along the R61 and create new business opportunities.
- The Wild Coast Meander road is on the cards, linking the N2 at Port St Johns to Kei Mouth, along the coast and passing through Nyandeni.
- Nyandeni has 1600 km of municipal roads, of which 99.5% are unsurfaced and 0.5% are surfaced. Unsurfaced municipal roads form the largest component of the existing road network.
- The existing road network is generally in a poor condition, with 48% of the municipal surfaced roads and 100% of the provincial surfaced roads classified as being in a poor or very poor condition, according to the ECDRPWs' RAMS of 2013. Approximately 89% of all unsurfaced roads (municipal and provincial) are also classified as being in a poor or very poor condition, according to the RAMS.
- The 2015 Integrated Transport Plan found that existing traffic volumes on the N2, R61 and DR08030 were well within the design capacity of the individual roads for peak traffic periods.
- There are 133 minibus taxis operating in Nyandeni. This is approximately 5.5% of the total number of taxis operating within the greater OR Tambo district (Gibb, 2015). There are three taxi ranks in Libode. There is a new formal rank at Ntlaza Junction.

As regards public transport the following trends were noted:

- Due to the rural nature of the study area, the public transport patterns are notably different from urban areas. The dominant mode of public transport was minibus taxis, followed by bakkie (LDV) taxis, buses and lastly sedan taxis.
- There is a lack of public transport infrastructure thus minibus taxi operators operate from various formal and informal taxi ranks located mainly in the towns of Libode, Ngqeleni and Ntlaza.
- Due to the prevailing road conditions, minibus taxis and buses tend to operate along the surfaced provincial roads, whilst bakkie taxis tend to operate along the unsurfaced municipal roads.

- No formal bus terminals are operational in the NLM.
- A bus company working in the area is AB 350. AB 350 is a company established by a number of former small bus operators that pooled resources to form a bus operating with a subsidised contract with the Eastern Cape Department of Transport (ECDoT). AB 350 operates routes throughout the Eastern region of the Eastern Cape. AB 350 provides bus services in the Libode area only. AB 350 plans to introduce additional bus services in the vicinity of Libode and Ngqeleni.

As regards non-motorised traffic:

- Walking is a major mode of transportation in the area. Pedestrians often use the road surface for walking (especially after rains) which poses serious traffic safety problems, especially at night.
- Pedestrians face many problems due to the limited availability of pedestrian facilities, e.g. surfaced walkways, pedestrian crossings and hawkers stalls that block pavements / sidewalks and hamper pedestrian flow, lack of street lighting and vehicles using pavements for dropping off passengers and loading zones.
- Most residents of the area walk to access public transport. There is no lighting on rural roads and limited lighting in the towns. This poses safety concerns for commuters.

Priorities for transportation and the road network include:

- Construction of two major planned roads (Wild Coast N2 Toll Road and Wild Coast Meander)
- Ensure that the Meander road links to coastal resorts (such as Hluleka).
- Upgrade roads in the new emerging urbanization zones.
- Maintain priority road network.
- Use employment-intensive methods as much as possible
- Use transport nodes to develop commercial precincts (taxi ranks, hawkers’ facilities, shops etc)
- Recognise the potential of Mthatha Airport cargo facilities for future development of Nyandeni.

5.1.2 Access to Services

The adverse effects of poverty can be directly observed through the standard of living and quality of life of many households within the Eastern Cape. For this reason, municipalities support those living in abject poverty by providing them with free basic services such as water, electricity, sanitation and refuse removal. The intention of this provision is to promote equitable and inclusive growth.

Table 5.1: Access to Services, 2018

	Nyandeni LM	OR Tambo District	Eastern Cape
Access to piped water ²	28.0%	36.8%	67.4%
Access to electricity ³	70.3%	69.2%	74.3%
Access to sanitation ⁴	2.2%	11.7%	42.5%
Access to refuse collection by local authority ⁵	2.1%	11.6%	43.1%

Source: StatsSA, 2016

² Access to water is measured using the RDP standard which requires that water be accessible to a household within 200 metres of a home.

³ Access to electricity is measured by the number of households that use electricity as their main source of lighting.

⁴ Access to sanitation is measured using the RDP standard which requires that households have access to a waterborne flush toilet, conservancy tank to non-waterborne VIP.

⁵ Access to refuse removal is measured by household’s ability to access refuse collection services from a local authority in line with the National Waste Management Strategy.

It would need to be noted that the Nyandeni is a rural municipality. The provision of services to all households is often not technically or financially feasible.

Access of Nyandeni household to piped water is 28% which is lower than the district average of 36.8%. The provincial average of households with access to piped water is 67.4% which is double the district and municipal average.

As regards access to electricity for lighting 70.3% of Nyandeni households have access. This is slightly above the district average of 69.2%. This is aligned to the provincial average of 74.3% of households having access to electricity.

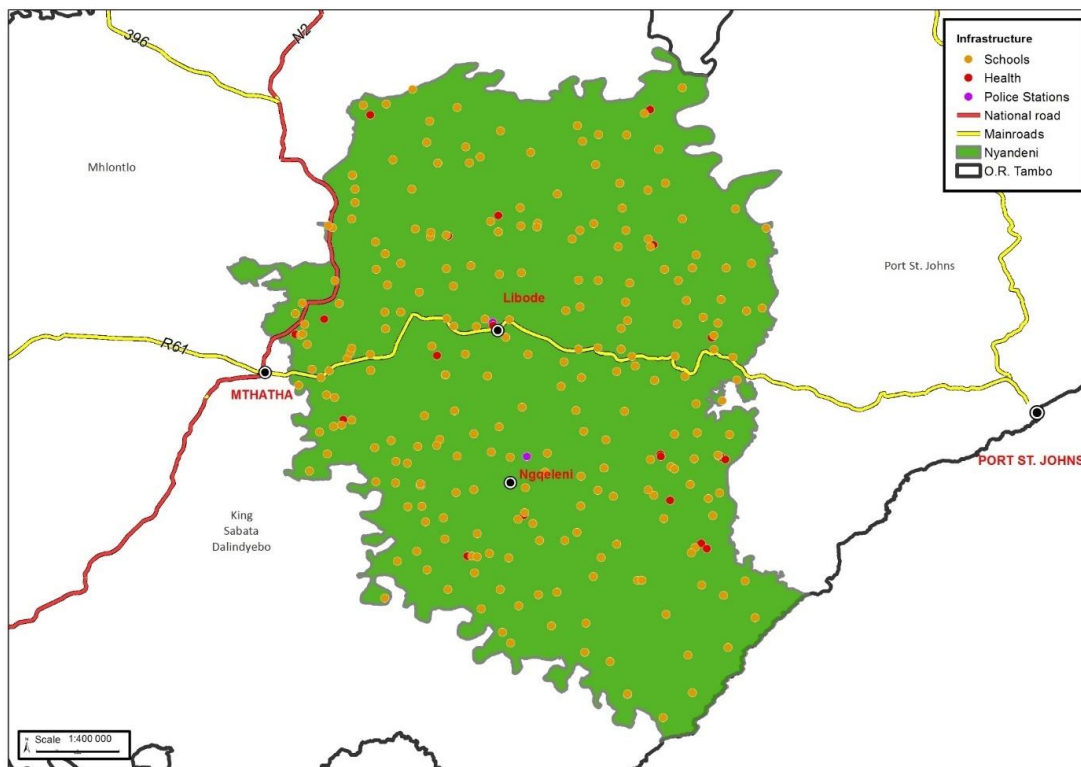
Sanitation services are very low in Nyandeni, with only 2.2% of households with access to toilet facilities. This is lower than the district where 11.7% have access to flush toilets.

Only 2.1% of households in Nyandeni receive refuse removal services from the local authority either weekly or on a less frequent basis. This is lower than the district average of 11.6% and the provincial average of 43.1%.

5.1.3 Social Infrastructure

As regards social infrastructure within the municipality, there are 2 police stations, 2 hospitals and 27 clinics within Nyandeni. For every clinic, 11 400 people are serviced. Access to primary healthcare is further worsened by the fact that clinics and hospitals are often not within close proximity to all villages. Map 5.1 below shows the locations of clinics, schools and police stations within Nyandeni. There are currently 256 schools in the municipality, servicing a total of 108 903 learners. This means that for every school there are 425 learners. The municipality has 3 133 educators, with one educator for every 35 learners.

Map 5.1: Soft Infrastructure in Nyandeni



Source: NLM, 2016

5.1.4 Environmental Profile

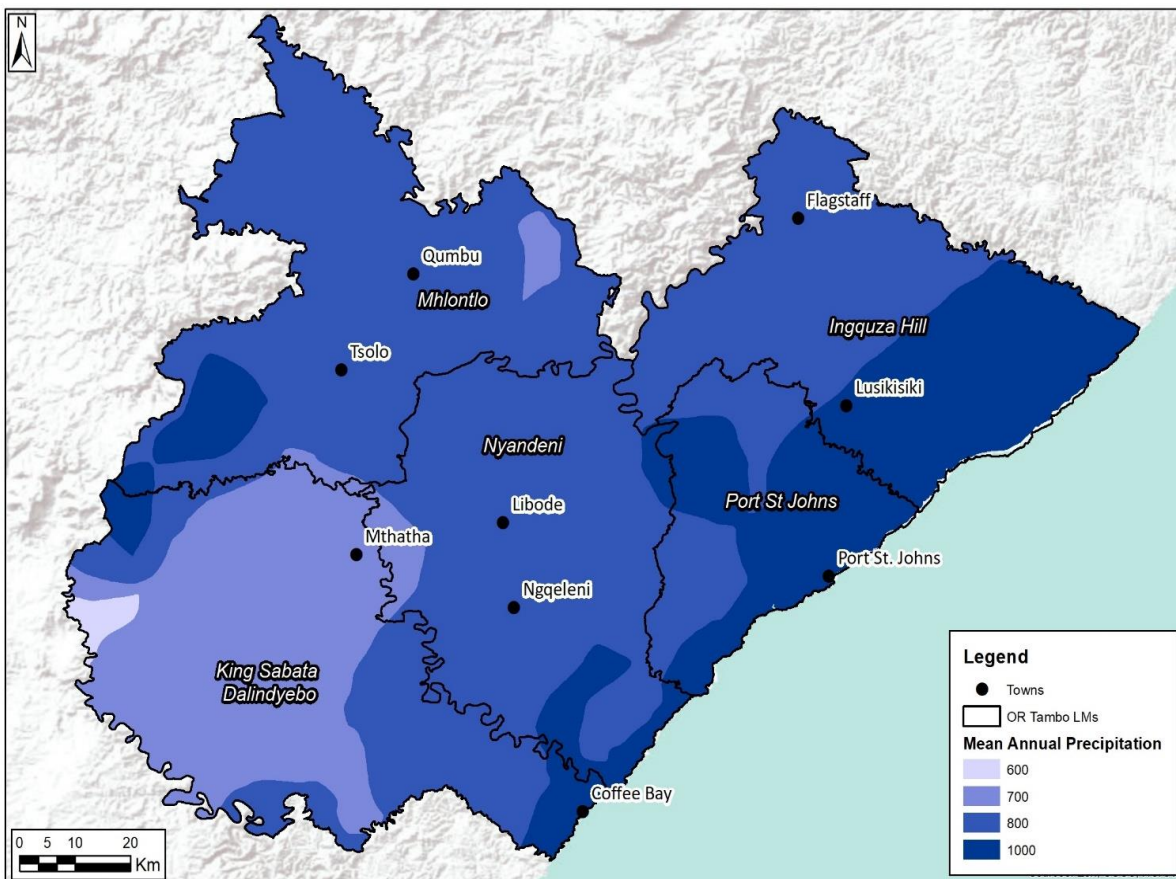
The environmental profile is defined by the type of activities that can be encourage economic growth in Nyandeni. The environmental section will include the following physical characteristics: land cover and environmental considerations around development.

5.1.4.1 Land Cover

The topographical and climatic factors of an earth’s surface is determined as the land cover. Generally, land cover is classified into a variety of categories which includes: grasslands, bare ground, degraded land, water, etc. Nyandeni lies between sub-climax and climax succession stages. The area supports mostly perennial vegetation which adapt to normal, optimal growth conditions which will continue to do well as long as the conditions for growth are favourable and maintained.

Map 5.2 below displays the average rainfall for Nyandeni Municipality. Nyandeni has a median subtropical temperature climate which makes the area suitable for various agricultural practices.

Map 5.2: Rainfall in O.R. Tambo



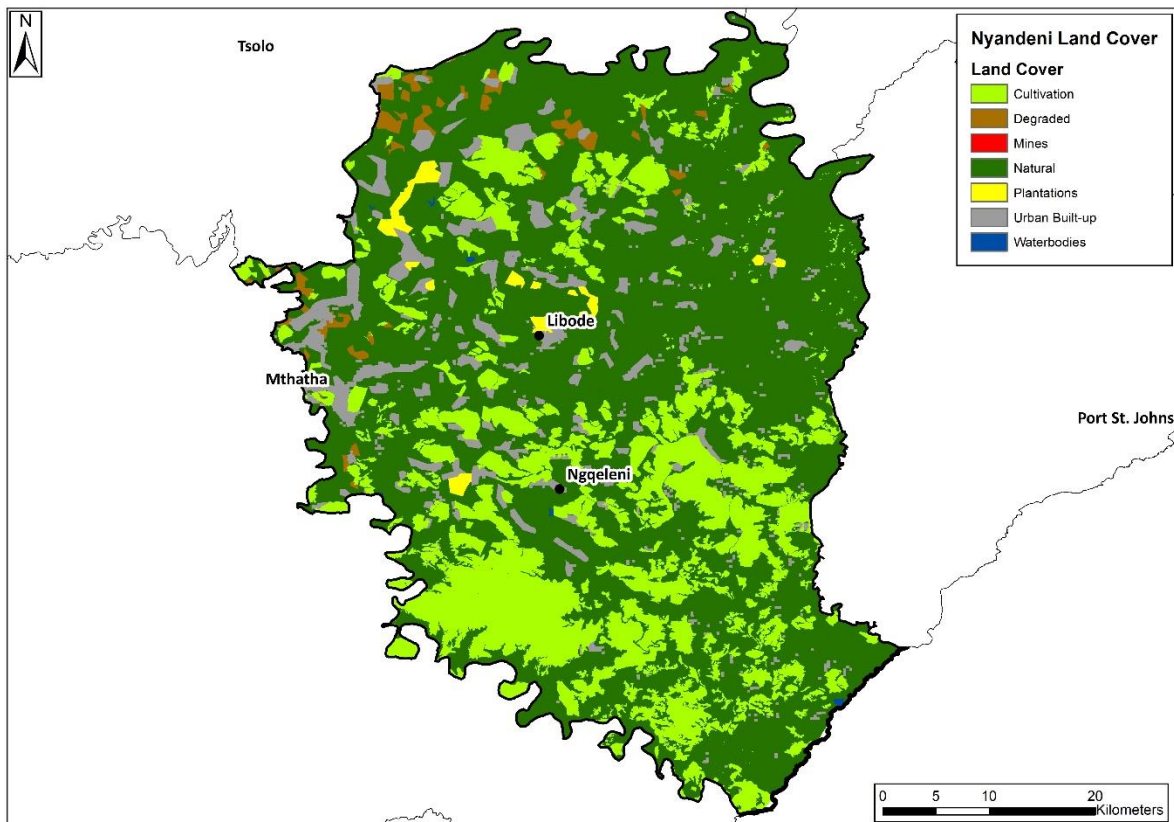
Source: Urban-Econ GIS Unit, 2018

It is imperative to assess the areas that have degraded and are in need of rehabilitation. Nyandeni is considered to be a high average rainfall, averaging at 700mm per annum and greater. The southern and eastern areas of the LM receive an average of 1 000mm annual precipitation.

There are two types of wetlands that are found within Nyandeni; coastal and inland wetlands, which are supported by high rainfall. Coastal wetlands are influenced by tides. Whilst inland wetlands include freshwater areas which resemble a basin with soil and a layer which holds water. The wetlands play an important role in the ecosystem. They provide a number of important services including the restoration of groundwater, flood control, provision of grazing land for livestock and wildlife, wildlife habitat and most importantly the provision of freshwater.

Fencing should be installed in order to control livestock movements. Fencing infrastructure is costly for both installation and maintenance. There should be mechanisms in place to ensure that grazing land is not destroyed by overgrazing and soil erosion.

Map 5.3: Land Cover in Nyandeni



Source: Urban-Econ GIS Unit, 2018

5.2 Summary

This chapter provided an overview of the profile of the state of access to basic services in the municipality as well as the environmental profile.

Nyandeni has a significant ecological asset based on its natural environment that provide environmental, agricultural and tourism services to the area.

Developing the rural road network is a major opportunity for the area. The low levels of internal connectivity and accessibility within Nyandeni negatively affect LED. This increases the cost of doing business within the municipality and limits the extent to which potential in the agriculture, agro-processing and tourism value chains

may be harnessed. The poor state of roads and pavements within Nyandeni's town also act as a limiting factor in the town's ability to function as a regional service centre.

Most households lack access to basic services. The majority of Nyandeni households do not have access to RDP standard water and sanitation. Refuse removal by the council is limited to the two towns. The roll out of electricity has improved with almost three quarter of the municipality's households connected to electricity for lighting needs.

Chapter 6: Institutional Framework

The institutional framework around LED is an important determinant of the efficiency and effectiveness of the implementation of identified priorities. This framework refers to the presence, performance, priorities, relationships, roles and responsibilities of organisational stakeholders and associated structures that are involved in local economic development in Nyandeni.

6.1 Nyandeni Local Municipality LED Unit

The Nyandeni Municipality has identified the following focal areas or development thrusts, around which its activities are prioritised:

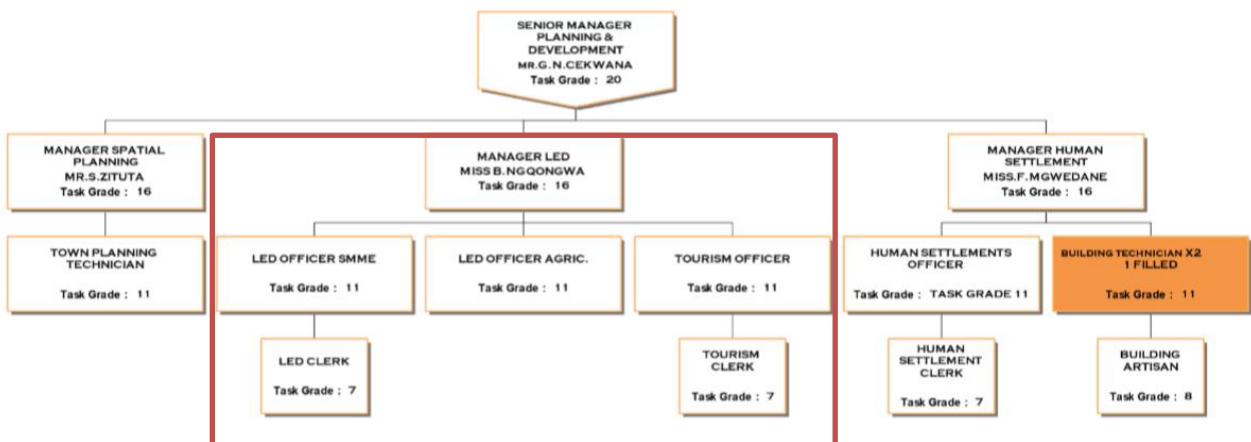
- Infrastructure development to address basic services
- Government programme aiming at improving government planning, performance monitoring and good governance
- Agrarian development and transformation focusing on aiding emerging farmers
- Tourism development
- Forestry development
- Social safety net

According to the 2018/2019 Nyandeni IDP, a total of 310 out of 330 posts have been filled in the Nyandeni Municipality. Thus only 20 posts were vacant in the organogram. This is positive as it is a very low vacancy rate for a local municipality.

The LED unit is situated within the Planning and Development Department. There are six posts that have been approved for LED. The organogram in Figure 6.1 shows the structure of the Nyandeni Planning and Development Department. The LED Unit is comprised of a Manager LED, LED Officer: SMMEs, LED Officer: Agriculture, Tourism Officer and two Clerks.

The LED Clerk is responsible for overseeing the successful implementation of the LED Strategy through reviewing and assessing the day-to-day progress on the implementation of strategy.

Figure 6.1: Planning and Development Department, Nyandeni LM



Source: Nyandeni, 2018

The Nyandeni Municipal LED Unit is responsible for coordinating, facilitating and managing economic development activities in the area. The LED Unit has through a number of service providers over the last five years prepared several sector plans to guide the municipality's activities. However, the unit has limited procedures and systems in place. The unit also lacks tools for economic analysis such as access to a statistical database such as Quantec or Global Insight. It was identified that the LED unit required training on project management, business plan development and financial management in order to strengthen the unit's functioning and improve implementation. There is a need for technical support to improve better integration and implementation of LED throughout the municipality.

Although the LED unit is responsible for the provision of strategic guidance, other organisational departments within the municipality expect the LED unit to be the driver for economic development and growth. The LED unit will not be able to implement projects and carry out their mandate if not given the necessary recognition and prioritisation in allocation of budget.

Where the Nyandeni LED unit experienced difficulties in implementing identified projects from the previous strategy were in cases when projects required infrastructure investment or the participation of private investors or external stakeholder. Based on discussions with the municipality, projects that were funded internally were easier to implement and the municipality could project manage the project themselves. This is a recommendation in identifying the projects that funders should look to allow the Nyandeni Municipality to manage the project.

6.2 Stakeholder Relations

The Planning and Development Department is the main point of contact and representative of the municipality in co-ordinating SMMEs. The municipality continues to maintain relationships with different role players in government and the civil society. The government institutions provide support in the implementation of projects and the strategy.

An LED Forum is a platform that is formulated in the municipality in order for community representatives, private organisations, government, NGOs, CBOs, traditional authorities and the private sector to meet to discuss and implement LED initiatives. In Nyandeni there is an LED Forum in place, which is functional. The meetings are held on a quarterly basis with good attendance by the members. LED Forums are important platforms for information sharing between the municipality, the private sector and other stakeholders, and should be supported and encouraged.

Business chambers or associations contribute to economic growth and development, through offering a platform for business owners and corporations to voice their concerns and lobby for their members' needs. This forum plays a role in building an inclusive entrepreneurship eco-system for sector development, such that retail sector businesses are able to grow and create jobs. In Nyandeni business is represented by the National African Federation Chamber (NAFCOC) and the local tourism forum, there is thus no local business chamber in place.

Hawkers or informal trade associations are associations for informal traders to lobby relevant stakeholders on their needs and interests. Organising traders into a representative body is helpful to government sector as it offers one group to discuss and negotiate with. The following informal traders' organisations are identified in the municipality:

- Libode Informal Traders Association
- Ngqeleni Informal Traders Association.

A co-operative forum serves as a networking platform for co-operatives, which represents and advocates for co-operative members' interests. Nyandeni Cooperative Association is a forum formulated in the municipality, but it would need to be owned, and controlled by the co-operatives and the government institutions to only provide technical and other forms of support.

A Local Tourism Organisation (LTO) has been established to pursue tourism in the municipality. The municipality has undertaken to support the LTO financially. The LTO is however experiencing problems in implementing tourism projects. The LTO is a small structure and newly established and needs to mobilise its own resources.

Key strategic partners that the department has established is with:






- Walter Sisulu University
- TARDI (Tsolo agricultural and Rural Development Institute)
- Mhlontlo Local Municipality for Ntlangano Development project

6.3 LED Project Implementation

The Nyandeni IDP and the Service Delivery and Budget Implementation Plan (SDBIP) has incorporated projects which were identified in the LED Strategy. There are also projects that are not in line with the strategy in which the municipality provides coordination, facilitation and technical support to.

On assessment of the projects identified in the 2012 LED Strategy it was found that most of the projects were not implemented due to the lack of external funding sources and stakeholder buy-in. Figure 6.1 provides a list of the projects that have been implemented by Nyandeni LM since the development of last iteration of the LED strategy in 2012.

Table 6.1: LED Projects and Programmes Status, 2012-2018


Project Name	Source of Project	Budget	Year	Project Status
1. Crop Production	LED Strategy	Unknown	Annually	Unknown
2. Support to household gardens	LED Strategy	Unknown	Annually	 In progress
3. Funding small SMME, Agriculture and Tourism projects	LED Strategy	Unknown	Annually	 In progress
4. Development of sector plans Agriculture, Tourism, Retail Sector, SMME and Cooperatives, Forestry, Small Towns revitalization Strategy	LED Strategy Ntinga Development Agency	Unknown	2014- 2017	 Done
5. Developed designs for the informal trade infrastructure construction) and warehouses	LED Strategy Infrastructure department/ DEDEAT/ Office of the Premier	Unknown	2017	 Done
6. Working for the Coast project	LED Strategy/DEA	Unknown	Continuous	 In progress

Project Name		Source of Project	Budget	Year	Project Status	
7.	Training of SMME's	LED Strategy/SEDA	Unknown	Continuous		In progress
8.	Conducting trials on essential oil plants	LED Strategy	Unknown	3 Years		Unknown
9.	Pilot on Fruit trees	LED Strategy	Unknown	3 years		Unknown
10.	Marketing campaigns	LED Strategy	Unknown	Annually		In progress
11.	Wild Coast Hiking trail	LED Strategy/ NDT	Unknown	Past 3 years		Done
Projects from Other Sources						
12.	In-depth fish and fisheries study	ECDC, DEDEAT, ASGISA-EC, NLM LED Agricultural Officer	R 500 000			Unknown
13.	Development for Makhotyana Farm	ECDC, DEDEAT, ASGISA-EC, NLM LED Agricultural Officer	R 25 000 000			Not started
14.	Development of Agricultural Sector Plan	Ntinga, DoA, NLM LED Agricultural Officer	R 400 000			Done
15.	Mlengane Development	IDC, EC Co-operatives Fund, EC SMME Fund	R 42 000 000			Not started
16.	Mining Value Chain Research (incorporating brick making)	NLM LED agricultural officer, DEDEAT, ECDC, Mintek	R 350 000	2018		About to commence
17.	SCM policy review	Private sector	R 200 000			Done



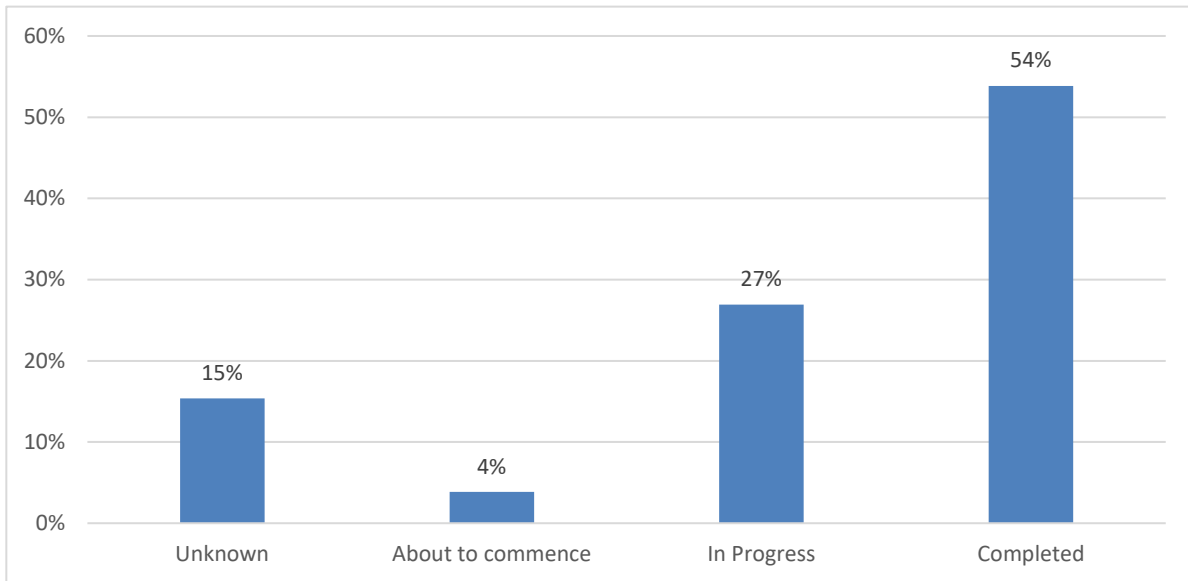
	Project Name	Source of Project	Budget	Year	Project Status
18.	Specialisation SMME training linked with EPWP and CWP	SEDA	R 500 000		✓ Done
19.	Exploration of possibilities for small-scale furniture manufacturing	Private sector	R 300 000		✓ Done
20.	Identification of required agricultural infrastructure	-	Unknown		✓ Done
21.	Development of agricultural sector plan	ECLGTA	R 400 000		✓ Done
22.	Use GIS in LED activities	Internal	R 200 000		🔋 In progress
23.	Establishment of LED forum	DEDEAT	R 40 000		✓ Done
24.	LED training to LED portfolio councillors	-	Unknown		✓ Done
25.	Small town regeneration strategy	National Treasury NDPG	R 600 000		✓ Done
26.	Small town regeneration projects	National Treasury, NDPG, MIG, DBSA, dti	R 18 000 000		✓ Done
27.	Establishment of new strategic partnerships, and full utilisation of existing strategic partnerships with development organisations	Formal business sector, Informal business sector, DBSA, SEDA, Mintek, UFH, WSU, TARDI, LTO,	Unknown	-	✓ Done



Project Name	Source of Project	Budget	Year	Project Status
28. Community Works Program	Agricultural stakeholders COGTA, EPWP	Unknown	Continuous	 In progress

Source: Ngqongwa, 2018

Figure 6.2: LED Project Status, 2012-2018



Source: Ngqongwa, 2018

LED projects that have been identified between 2012 and 2018 there has been a total of 26 projects that have been identified. The status of the projects have been categorised into the projects being unknown in terms of its status, projects about to commence, projects are in progress and projects are complete or done. Only 54% of the projects that have been identified as completed and 27% of the projects are currently being implemented or in progress. The status of the 15% of the projects is unknown

In an assessment of the implementation of LED projects it was found that projects that the municipality were more effective at implementing included the Working for the Coasts Project. This project is ongoing and is funded by the municipality and the Department of Environmental Affairs. The municipality evaluated projects that were funded by themselves as easier to implement due to the direct control. In the case of projects funded by the Office of the Premier, a project manager from their office was appointed to manage the relevant municipal officials and report to the OTP. This was found to be an effective arrangement.

In terms of more challenging projects to implement, the informal trade infrastructure project was one of the projects that was identified as challenging due to the number of departments involved which has resulted in some delays. The project was funded by the Department of Economic Development and Environmental Affairs (DEDEAT). The project was then implemented by the Eastern Cape Development Corporation (ECDC) in which they appointed their own consultants.

Monitoring and evaluation is conducted through quarterly, mid-term and annual reports.

The LED Unit is expected by other departments to champion economic growth within the municipality, but appropriate allocation of budget prevents the department from carrying out their mandate. There is also need for economic decision and planning tools to be made available to the department. The unit lacks access to statistical databases such as Global Insight and/or Quantec and GIS software such as ArcMap or any open source GIS Software.

6.4 Summary

The 2012 Nyandeni Led Strategy has been the guiding document for the Nyandeni LED Unit. The unit has also gone on to develop a number of strategies. A significant proportion of the projects identified have commenced or have been completed. It is noted that for the revision of the strategic framework the following should be noted:

- The Municipality had greater success with LED projects that they fund and manage.
- There are some pertinent projects that have been identified in the IDP and LED Strategy that need still to be funded. These should be added to the list of projects.
- The unit requires various economic planning tools to assist the staff

Chapter 7: SWOT Analysis

7.1 Internal Environment

Internal Environment	
Strengths	Weaknesses
Nature, Environment and Climate	
<ul style="list-style-type: none"> Ntlangano, Ngqongweni Double falls, Mdumbi and Mthatha Mouth are scenic attractions. ECPTA has a provincial nature reserve in the municipality, that being Hluleka. The 20km coastal belt from Mthatha Estuary to Mnenu Estuary is a high tourism potential area. Nyandeni has two wetlands. There is unique biodiversity on the Wild Coast, which is home to 34 endemic tree species and 16 endemic shrub species. Coastal Management Plan in place in the form of the O.R. Tambo District Municipality Coastal Management Programme. 	<ul style="list-style-type: none"> Poor land use and planning prevails in the area, leading to soil erosion, top-soil runoff and pollution in rivers. Natural resources have not been fully utilised for tourism and conservation. The topography, which consists of predominantly steep slopes (54.74%) poses a challenge for development and provision of infrastructure. Potential tourism areas such as coastal dunes forests are highly eroded. Coastal Management Plan needs to be implemented and monitored. Illegal sand mining activity taking place. Pollution and run off into rivers is prevalent. Need interventions around settlements, sanitation, pollution and storm water.
Spatial	
	<ul style="list-style-type: none"> At a regional level, Nyandeni is described as peripheral area in relation to the national space economy. Nyandeni is characterised by a settlement pattern that comprises largely of low density and dispersed rural settlements surrounded by undefined communal land. Jurisdictional uncertainty over land use management authority in areas outside the town, on commonages appears to have resulted in unmanaged and un-planned settlement development, especially in areas of better accessibility. Areas near transport corridors are characterised by ribbon settlement patterns developing.
Cultural and Heritage	
<ul style="list-style-type: none"> Rich cultural heritage SS Mendi Memorial 	<ul style="list-style-type: none"> There is no craft centre or marketing platform for local crafters, to sell their wares.

Internal Environment	
Strengths	Weaknesses
<ul style="list-style-type: none"> The Nyandeni Great Place is a traditional site of great importance. 	
Ancillary Services, Land and Infrastructure	
<ul style="list-style-type: none"> Strategically located on the R61, enroute to Port St Johns. R61 will form part of an important transport corridor through the N2 Toll Road. Nyandeni has been identified as national priority for infrastructure under SIP3. Thus the area is prioritised to a number of high profile national projects. 	<ul style="list-style-type: none"> Limited healthcare in the Municipality, with only 2 hospitals and 27 clinics available. Air connectivity is poor: only one airport in the district at Mthatha. No rail connection. Electricity access is limited. No organised public transport facilities at Ntlaza, Libode and Ngqeleni. Poor roads in towns and between towns. Limited pedestrian walkways and no sidewalks in towns. Limited access to sanitation especially in the rural areas. Road network in Nyandeni is unproclaimed, which means it has not been formally adopted by any sphere of government. Poor signage in the area. Rural connectivity and accessibility is low Lack of shopping malls, retailers and filling stations. The treating of solid waste is a problem.
Institutional	
<ul style="list-style-type: none"> A Nyandeni LTO has been established and it has founding documents in place. The tourism positions within the Nyandeni organogram are filled. Business is represented by NAFCOC but there is no local business chamber in place. Established LED forum that meets quarterly. Informal traders associations in Libode and Ngqeleni Strategic partnerships are established with Walter Sisulu University, TARDI (Tsolo agricultural and Rural Development Institute) and Mhlontlo municipality for Ntlangano Development project Nyandeni has very low vacancy rate for a local municipality with 310 out of 330 posts filled 	<ul style="list-style-type: none"> The institutional challenges of the Municipality in relation to spatial development are particularly compounded by the jurisdictional complexities in relation to land matters set out above. The LTO is non-functional.

Internal Environment	
Strengths	Weaknesses
Economic	
<ul style="list-style-type: none"> • Government is the main investor in the area and main employer. • Several public works programmes are creating large scale employment. 	<ul style="list-style-type: none"> • From the perspective of economic production, the Nyandeni area is of marginal significance at both the national and provincial economy scale. • Highly concentrated economy reliant on the government sector. This highly dependent relationship is not beneficial to developing a vibrant, diversified economy. • Low monthly average household income. • Limited disposable income in the municipality to provide local support for recreational, entertainment and retail offerings. • Local economy is highly dependent on social grant incomes and EPWP programmes. • Small formal economy and no growing economic sectors. • Out-migration of skilled labour takes place in order to find employment. • Municipality dependent on transfers and equitable share from treasury, has a small rates base. • Highly concentrated economy on government sector employment and investment thus is vulnerable to shocks. • Tertiary sector largest sector in the economy.
Tourism	
<ul style="list-style-type: none"> • Communal land ownership offers an opportunity to explore community trust partnerships in tourism. • Developed LSDF for Mthatha Mouth • Iconic scenery along Wild Coast. • Have a well-established market that tourism products cater for – European backpacking, domestic family holiday, fishing and hiking holidays. • Wild Coast brand and name is well recognised and synonymous with rugged, natural beauty and adventure holidays. 	<ul style="list-style-type: none"> • No tourist office in the area. This could assist tourists in all their needs for tourism information, tourist guides, bookings for tours, etc. • The coastal tourism nodes have not been set up/ promulgated as towns, thus they lack the tourism services needed for coastal visitors: post office, SAPS, doctor, retailers, filling station etc. • Small private sector operating in the municipality makes it difficult to mobilise and for organisations to be self-funded. • Small tourism sector which is in its infancy and limited variety of products in terms of quality, type and markets that they attract. • Limited graded accommodation establishments. • No retail/entertainment i.e. restaurants/ bars for visitors.

Internal Environment	
Strengths	Weaknesses
	<ul style="list-style-type: none"> Nyandeni tourism has limited traction in the market place. Not as well-known as other wild coast areas – Coffee Bay and Port St Johns. Limited use of linkages and joint marketing campaigns. Although Nyandeni falls under the Wild Coast Route, only the coastal area is prioritised. Inland towns like Libode are unknown and need to find a niche. Lack of specific information regarding existing tourism attractions i.e. directions, opening times, etc. Improper planning and development control around towns and attractions leading to a loss of the ‘sense of place’. Limited accommodation types which attract only certain target markets. Limited information on accommodation establishments. Lack of ablution facilities, life guarding and boat launch facilities at the coast. Safety issues at beaches and in the area in general.
Forestry	
<ul style="list-style-type: none"> Large portions of suitable forestry land. Large potential labour force. Relatively close to major timber centres i.e. Hans Merensky at Langeni, PG Bison at Ugie. N2 and proposed N2 extension provides excellent connectivity to nearby markets. Existing wattle forests can provide income and employment opportunities to local communities. Existing underutilised forestry plantations allow forestry sector to start production levels in near term. No wait period for certification and lengthy growth period. Large amounts of land under traditional leadership jurisdiction positive for community involvement. 	<ul style="list-style-type: none"> Poor road conditions in identified areas of potential. Dispersed nature of villages increases complexity of land-use negotiations for private sector. No existing forestry support services within the municipality. Insufficient fire service. No specialist forest fire training/skills within the Nyandeni LM. No forestry skill/training facilities present in municipality.
Agriculture	
<ul style="list-style-type: none"> Nyandeni LM has developed an Agriculture Strategy to guide the development of agriculture in the region. 	<ul style="list-style-type: none"> Agriculture preforms poorly in Nyandeni due to the interplay of a number of characteristics of the area:

Internal Environment	
Strengths	Weaknesses
	<ul style="list-style-type: none"> ○ Poor, acidic soils ○ Poor veld conditions ○ Overreliance on subsistence farming approaches ○ Missing local supportive markets to derive production ● Whilst the climatic conditions in Nyandeni are generally moderate and reasonably favourable for the practice of agriculture, the prevalence of steep land in the municipal area limits this. ● From a strategic point of view, agencies wanting to promote crop production for commercial purposes in Nyandeni will need to carefully plan the location of their projects.
Trade	
<ul style="list-style-type: none"> ● Small, vibrant informal sector ● Opportunity to develop as an outer ‘suburb’ or ‘commuter town’ to Mthatha. Offer opportunities for housing and real estate development. 	<ul style="list-style-type: none"> ● The proximity of Libode and Ngqeleni to Mthatha means that it is more difficult for local businesses based in the two smaller towns to thrive and compete with Mthatha. Businesses in Mthatha enjoy far greater trading thresholds and therefore are able to be more competitive in terms of pricing as well as range of goods and services provided. ● Limited local buying power in the area. ● Informal sector has limited diversification of shops and services. ● Poor rural road network and lack of public transport makes it difficult for SMMEs to transport wares or offer services. ● Limited funding available for SMMEs. ● Lack of information on funding options and support.
Socio-Economic	
<ul style="list-style-type: none"> ● Availability of unskilled and semi-skilled labour. ● In close proximity to Mthatha which has a university and FET colleges. 	<ul style="list-style-type: none"> ● High not economically active rate. ● Low labour absorption rate. ● Skills shortage and mismatch is a challenge for municipality. ● The area has a very young and very old population. Thus, high age dependency ratio. ● Meeting basic needs is the highest priority of interventions.

Internal Environment	
Strengths	Weaknesses
Human Resources	
<ul style="list-style-type: none"> • Unemployed graduates are resident within the municipality 	<ul style="list-style-type: none"> • Difficult to attract and retain skilled, experienced staff. • No tertiary institutions within the municipality to train students in tourism specific skills

7.2 External Environment

External Environment	
Opportunities	Threats
Nature, Environment and Climate	
<ul style="list-style-type: none"> • Development of nature tourism. Promote tourism with low impact on the environment • Implement coastal management plan. • Conservation along coast. • EPWP programmes– Working for Coasts. • Promulgating towns to densify settlements and prevent urban sprawl. • Education on conservation 	<ul style="list-style-type: none"> • Climate change – <ul style="list-style-type: none"> ○ Increased occurrence of droughts and floods could lead to loss of biodiversity, loss of habitats. ○ Impact on the coastline/coastal resorts and settlements due to a rise in sea levels over time ○ The possible impact of a change in rainfall on households, business and agriculture. • Lack of land management • Poor waste management leading to land to ocean solid waste contamination. • Provincial agency has limited resources to expand and promote provincial nature reserves. • Limited protected areas. • Over-extraction of forest resources • Unsustainable harvesting of medicinal plants • Habitat degradation • Invasive alien plants
Spatial	
<ul style="list-style-type: none"> • There is a need to “order” the spatial development pattern in Nyandeni such that a hierarchy of urban and rural service centres is created where higher order goods and services may be accessed and where social and economic facilities could be clustered. • The trend of settlement development in areas of better accessibility needs to be managed to ensure an appropriate form of land development occurs there. 	<ul style="list-style-type: none"> • The trend towards un-managed settlement development occurring in a ribbon along the main transport routes threatens the use of the major routes for effective transportation of goods and people.
Cultural and Heritage	
<ul style="list-style-type: none"> • Create retail platform for crafters, artists etc. to showcase their work to market beyond Nyandeni LM. Also develop events for crafters. • Raise the quality and marketability of local crafters through design and skills training. 	<ul style="list-style-type: none"> • Potential loss of heritage sites and resources from neglect. • Need traditional leadership to support cultural developments. • Cultural attitudes and taboos have implications on gender relations, women’s empowerment,

External Environment	
Opportunities	Threats
<ul style="list-style-type: none"> • Create awareness of Xhosa culture within Nyandeni. • Protect and maintain heritage sites. • Promote heritage tourism. • Promote discussions on culture and its impact on the role of women, gender and LGBT community. 	<ul style="list-style-type: none"> • gender based violence, LGBT community's rights etc.
Ancillary Services, Land and Infrastructure	
<ul style="list-style-type: none"> • Improved connectivity through N2 Toll Road. • Investment in roads to improve accessibility in municipality. • Investment in public transport facilities. • The Wild Coast Meander have been identified as special routes related to tourism destinations and provide links between tourism nodes. 	<ul style="list-style-type: none"> • Backlog of unsurfaced, poor roads. • Bulk infrastructure including electricity and water require attention. • Insufficient infrastructure to support existing businesses, let alone new businesses. • Lack of appropriate land use management.
Institutional	
<ul style="list-style-type: none"> • Capacitation of Nyandeni staff and councillors especially with regards to LED. • Establishment of LED/ Tourism fora which serves as platform for variety of key stakeholders and the municipality. 	<ul style="list-style-type: none"> •
Economic	
<ul style="list-style-type: none"> • Potential employment opportunities can be developed around tourism, more diversified local economy and small business development. • LED needs to be actively pursued to promote private sector development but there is likely to be a continued reliance on external investment into the area (mainly state-led investment). 	<ul style="list-style-type: none"> • Provincial distributions to municipalities have decreased. Pressure on government finances due to increased debt financing burdens and other funding priorities. • Lack of investors with appetite for risk associated with communal land developments. • Dampened domestic demand in the face of higher electricity and fuel costs has put pressure on consumers. • Any LED initiative considered must consider sustainability and its long-term impact.
Tourism	
<ul style="list-style-type: none"> • Road improvements to R61 • Promote tourism awareness in rural areas. • Promote community tourism models and offer support to Community Based Organisations (CBOs). 	<ul style="list-style-type: none"> • Climate change • Urban sprawl and unorganised developed in the area. • Community involvement and support are needed to allow most development to go

External Environment	
Opportunities	Threats
<ul style="list-style-type: none"> • Positioning the municipality for adventure tourism. • Linkages with existing tour itineraries. • Create linkages within routes along the Wild Coast such as neighbouring Port St Johns. Linkages with Open Africa, ECPTA, SATourism, NDT etc • Niche marketing to outdoor adventure, Shipwreck tourism enthusiasts. • Consider development of a Tourism information kiosk • Potential to create linkages with existing inland tourism establishments and other tourism operators. 	<p>ahead, if the area lacks strong local leadership this can disrupt development initiatives.</p> <ul style="list-style-type: none"> • Outstanding land claims at Hluleka Nature Reserve. • Need for proper maintenance and investment in recreation and conservation attractions such as Hluleka.
Forestry	
<ul style="list-style-type: none"> • Nearby forestry centres specialising in various forestry products ensures purchase of all Nyandeni timber. • Nearby large private sector forestry businesses increase likelihood of private sector investment in Nyandeni. • Increased number and standard of roads linked to forestry benefit nearby villages. • Presence of private sector forestry likely to yield benefits to nearby agriculture through improved infrastructure and skills transfer. • Necessary development of support infrastructure yield benefits to local population. • Gaps in forestry production of certain products, e.g. timber poles and charcoal in OR Tambo region provide opportunity of small-medium sized forestry operations. • Small industry opportunities (charcoal production, furniture manufacturing etc.) with potential assistance / funding from developmental bodies / aid groups. 	<ul style="list-style-type: none"> • Environmental threats - Drought / Climate Change. • Slump in timber markets can have major impact on small / medium sized forestry operations/ • Risk of forest fires can decimate plantations and thus potential revenue after years of investment. • Lack of community agreement on issues pertaining to land use and forestry can delay large scale forestry developments indefinitely. • Large delays in acquiring forestry certification coupled with long growing periods can set back operation of new forestry developments many years. • Lack of provincial / national support for forestry infrastructure development.
Agriculture	
<ul style="list-style-type: none"> • Household livelihood strategies and livestock improvement programmes should be actively pursued. Also to consider “on-farm” and “non-farm” intervention projects. 	<ul style="list-style-type: none"> • Climate change is likely to require adaption and mitigation efforts. This change may be especially difficult for subsistence farmers many of whom are women and do not have access to information on climate smart farming.

External Environment	
Opportunities	Threats
<ul style="list-style-type: none"> • Semi-intensive and extensive dairy, beef and goat farming. • Intensive livestock production of broilers and pigs. • Develop the following crops: forage cereals, vegetables, berries and fruits. • Biodiversity agreement and extensive game ranching. • Bees/ apiculture 	
Trade	
<ul style="list-style-type: none"> • Existence of National and Provincial SMME programmes and Strategies. • Promote development of retail industry in towns and in identified coastal nodes. • Opportunity to develop restaurants, shops and services which will cater for tourism industry needs. • Provide informal trading spaces and facilities. • Provide training and exposure to business owners on entrepreneurship. 	<ul style="list-style-type: none"> • Informal economy doesn't contribute to local rates and taxes. • Limited compliance with health and safety regulations.
Socio-Economic	
	<ul style="list-style-type: none"> • Perceptions of crime, violence and relative lack of safety of the Wild Coast. • Reliance on natural resources, can create conflicts between rural communities, nature conservation and business. • Low skill levels exclude large portion of the community from labour market. • High levels of poverty • Lack of employment opportunities • Female headed houses have lower average household incomes. • Higher female unemployment rates. Need to empower women economically. • The potential for state grant and pension recipients to develop a long-term dependency on state subsidies (grants and pensions) leading to loss of motivation to engage in productive economic activity is a significant threat.
Human Resources	

External Environment	
Opportunities	Threats
<ul style="list-style-type: none"> Utilise skills of graduates from Walter Sisulu University in Mthatha. Promote skills development programmes in the area. 	<ul style="list-style-type: none"> Brain drain- movement of skilled workers to other municipalities, cities and provinces Recruitment of staff from outside the region to fill specialised positions From a spatial development perspective, Nyandeni is unlikely to be identified by prospective investors as an area of potential interest based on any unique skills of the resident population.

7.3 Recommendations

Based on the assessment of the situation analysis and through the SWOT analysis, it was identified that the areas of focus for the revised LED Strategy should remain as previously stated. However additional elements can be added to these key focus areas. Thus, the key focus areas for the municipality for LED should be:

1. Strategic institutional and infrastructural partnerships
 - a. Improving municipal governance, accountability and capabilities
 - b. Creating partnerships for development and growth
 - c. Improving road infrastructure
 - d. Improving town planning and compliance with bylaws
2. Enterprise support
 - a. Promotion of investment by the formal sector
 - b. Assisting informal sector with facilities, training support and services
 - c. Small town improvement projects
 - d. Promoting the green and waste economy business opportunities
 - e. Promoting private sector to run with projects and not the municipality
3. Agriculture
 - a. Promoting household livelihood strategy assistance programmes
 - b. Livestock improvements
 - c. Considering commercial partnerships to revitalise agriculture
 - d. Forestry development
4. Tourism
 - a. Coastal developments undertaken in accordance with LSDFs and coastal management plans
 - b. Tourism marketing directed at niche tourism markets
 - c. Filming rights
 - d. Increasing the organisation of the tourism sector
 - e. Develop tourism opportunities around N2 Toll Road
 - f. Promote the private sector to develop coastal, adventure, culture and ecotourism activities and products

These recommendations will be developed further within the Nyandeni LED Strategic Framework.

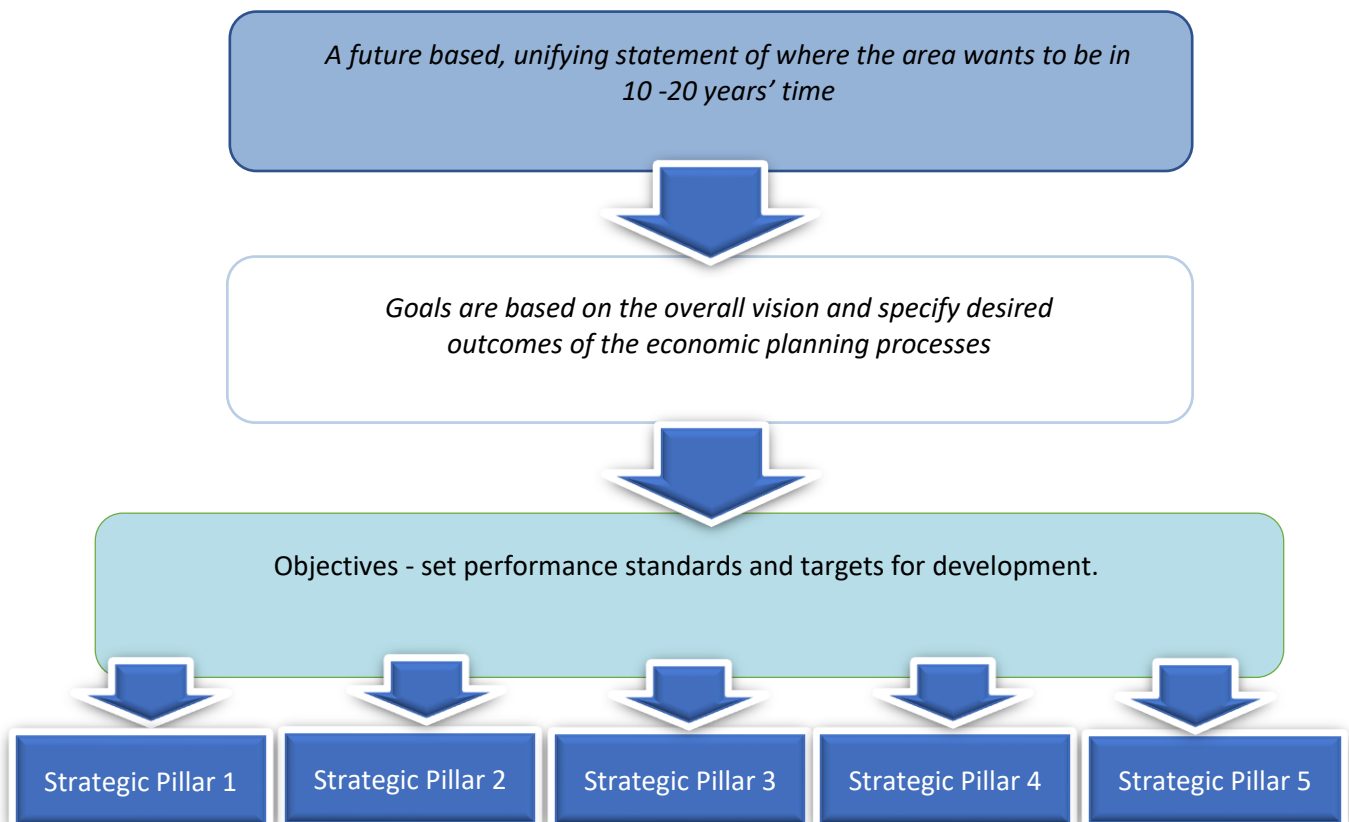
Chapter 8: Strategic Framework

This chapter will discuss the development of the Strategic Framework for Nyandeni Local Municipality. Key gaps and opportunities were identified through the process of the analysis of the findings from the policy review, situation analysis, SWOT analysis, and through various stakeholder engagements. This was then developed into a strategic framework. The strategic framework will act as a guide for the Nyandeni Local Municipality in developing and positioning the LED in the municipality. The approach to this strategy has been to ensure that sustainable, community-led and private sector driven development is pursued. The chapter identifies projects and programmes to take forward the achievement of the municipal objectives and vision. In the following chapter the monitoring and evaluation indicators and practicalities regarding implementation of the programmes will be detailed.

8.1 Strategic Framework Structure

A generic strategic framework structure and hierarchy is outlined in Figure 8.1. A strategic framework flows from the vision into broad goals which articulate the desired future state for the economy. This is then specified into measurable SMART objectives. The key themes and areas of focus for LED in the municipality are then organised around strategic pillars. Under each strategic pillar projects and programmes are organised.

Figure 8.1: Strategic Framework



8.2 Vision

A strategic vision is a realistic and achievable end-state that the municipality aspires to achieve within a reasonable time-period. The LED vision sets the tone for the rest of the strategic framework as all other elements such as the objectives and pillars are developed from the key principles enshrined in the vision.

Thus, the vision offers a preferred end-state for the economic future of Nyandeni, agreed upon by stakeholders which would include community representatives, the private sector, the municipality and the non-governmental sector.

The first step in the vision development process was to consider if the previous vision and other strategic visions used by the municipality should be incorporated into the review Nyandeni LED vision. Thus Table 8.1 outlines the visions from existing Nyandeni strategic documents.

Table 8.1: Nyandeni Visions Outlined in Strategic Documents

Strategic Document	Vision Informants
Nyandeni LED Strategy (2012)	A self-sustaining and vibrant economy that supports sustainable rural livelihoods through coordinated community-anchored development.
Nyandeni IDP	Drives sustainable socio-economic development through efficient and innovative delivery of services.
Nyandeni Long Term Vision 2030, 2017	A municipality that drives sustainable socio-economic development through efficient and innovative delivery of services.

The 2012 Nyandeni LED vision, incorporates a number of key elements around economic development. These elements are unpacked in Table 8.2 below.

Table 8.2: Principles and Concepts of Nyandeni LED Vision 2012

Concept	Rationale
Vibrant economy:	A vibrant economy is one that experiences robust levels of growth and activity in terms of employment creation and investment activity, whilst being able to dynamically adapt to changing conditions that prevail.
Sustainable rural livelihoods:	Ensuring the promotion of rural household incomes and a reduction in poverty by providing the necessary opportunities for entrepreneurs and community members to exploit economic potential that Nyandeni possesses. Sustainability focuses on interventions that protect and conserve environmental, human and capital resources. Sustainable development was referred to in Vision 2030 and Nyandeni IDP visions.
Self-sustaining:	Closely linked to sustainability. An environment is created which fosters opportunities for individuals, communities and businesses to develop for themselves and in the process, uplift the area.

Concept	Rationale
Coordinated development:	Considers geo-spatial and sectoral balance and representation in the allocation of resources and the accessibility of opportunities are covered in both the Nyandeni IDP, Nyandeni Long Term Vision 2030 and LED Strategy 2012.
Community anchored:	This relates to the importance of grass-roots initiatives that are driven by residents of Nyandeni. The element of community embodies inclusivity of all groups (especially youth and women) to allow active participation in the local economy. A community anchored vision facilitates involvement in the development process
Innovative	According Nyandeni Long Term Vision 2030 innovation in service delivery should be focused on. Innovation refers to the action or process of innovating.

After consultation with stakeholders the 2012 LED Strategy vision was found to still be relevant in encapsulating the future direction for LED.

The LED Vision identified for Nyandeni is as follows:

“A self-sustaining and vibrant economy that supports sustainable rural livelihoods through coordinated community-anchored development”

8.3 Goals and Strategic Objectives

The goals in a strategy articulate concepts around the intended future state. Whilst the objectives are a means of assessing how well the vision is being realised through time. Objectives allow for periodic assessment of progress. The objectives also serve as a link between the vision and the strategic pillars. Based on the findings of the situation analysis chapter and discussions with stakeholders, the following goals have been developed.

The **goals** of the strategic framework are defined as:

1. Remove the most pressing constraints on growth, investment and job creation, including energy generation, access to water, road infrastructure, access to transport and urban planning
2. Increase employment in Nyandeni and increase the percentage of persons economically active
3. Increase the extent and variety of economic activity and create a vibrant informal and SMME economy
4. Capacitate communities to take up opportunities in forestry, tourism and agriculture. Increasing opportunities for women, youth and the disabled in the economy
5. Promote direct investment into the LM and formal job creation
6. Develop strong institutions to support LED
7. Protected environmental assets
8. A well-managed urbanisation process
9. Increase local procurement to drive a diversified economy

Objectives are considered SMART if they are specific, measurable, achievable, realistic and time-bound, this assists in the setting of performance standards.

The **objectives** of Nyandeni LED Strategy are listed below alongside their respective goals:

Table 8.3: Nyandeni Local Economic Development Strategy, 2018 Goals and Objectives

Goals	Objectives
1. Remove the most pressing constraints on growth, investment and job creation, including energy generation, access to water, road infrastructure, access to transport and urban planning	1. Develop integrated spaces in Libode and Ngqeleni for market trading and business development by 2023. 2. Facilitate the improvement of human dignity through equitable access to water, energy, sanitation, quality education, health and nutrition services. 3. Improvement of Nyandeni’s public transport and development of transport nodes as per Nyandeni’s Integrated Transport Plan.
2. Increase employment in Nyandeni and increase the percentage of persons economically active	4. Grow the number of adults employed in the population from 21 194 in 2017 to 30 000 in 5 years. A CAGR of 9.1% per annum. 5. Establish a Business Support Centre by 2023.
3. Increase the extent and variety of economic activity and create a vibrant informal and SMME economy.	6. The Nyandeni trade, business, construction and transportation sectors to have an average growth rate of 5% p.a. CAGR between 2018 and 2023. 7. Investigate opportunities in the green, ocean, waste economies through research and value chain analysis of the local area.
4. Capacitate communities to take up opportunities in forestry, tourism and agriculture. Increasing opportunities for women, youth and the disabled in the economy.	8. Increase sites available for business and industrial development in towns. 9. Grow number of local SMMEs on the municipal database by 5% per annum CAGR by 2023. 10. Implement Sector Plans as per the specifications of the individual strategic frameworks. 11. Include indicators on the economic participation of women, youth and the disabled in reporting frameworks.
5. Promote direct investment into the LM and formal job creation.	12. Reduction of red-tape to investment and business establishment through the introduction of business retention and expansion activities. 13. Form a minimum of two strategic partnerships on economic development per annum.
6. Develop strong institutions to support LED.	14. To support the development of a private sector driven business chamber and the continued operation of the LED Forum by 2023.
7. Well protected environmental assets	15. Manage natural environments and mitigate and adapt to climate change by implementing existing environmental policies and plans and developing a Climate Change Mitigation Plan by 2023.
8. A well-managed urbanisation process	16. Upgrade of urban infrastructure to ensure that a decent level of services can be provided to residents in the town. 17. Proper application of the Town Planning Scheme and Building Controls to ensure that land development takes place in terms of the requirements for site coverage, height controls

Goals	Objectives
<p>9. Increase local procurement to drive a diversified economy</p>	<p>and the provision of on-site parking and loading facilities; and that small town revitalisation is implemented.</p> <p>18. Maintaining the integrity of the urban edge until the area demarcated by the edge is fully developed and serviced.</p> <p>19. Encouraging the densification of residential areas in towns.</p> <p>20. Institute a ‘Buy-Local’ Campaign to promote households to buy from local enterprises so as to reduce income leakages</p> <p>21. Increase the percentage of local SMMEs who are awarded municipal contracts in terms of Nyandeni SCM policy.</p>

The objectives are unpacked in more detail in the next section.

Objective 1: Develop integrated spaces in Libode and Ngqeleni for market trading and business development by 2023

The main settlements in Nyandeni lack organised markets spaces and sites for business establishment. This objective aims to unlock the opportunities for a local vibrant SMME economy in Nyandeni, through developing well-designed, clean and serviced market spaces. It is also necessary for the town planning and LED unit to identify sites for office and small businesses to set up premises.

Objective 2: Facilitate the improvement of human dignity through equitable access to water, energy, sanitation, quality education, health and nutrition services

The municipality ensures that basic services are delivered to all households as stipulated in the Nyandeni IDP. Upgrades of water supply and sanitation would need to be undertaken as per the outlined agreements of the IDP. Refuse removal services in the towns can assist to create a conducive environment for investment. An energy sector plan was developed to identify households that do not have electricity. There are measures in place for the municipality to eradicate the backlog in collaboration with the Department of Energy in provision of alternative energy. Education is very important instrument to uplift the living standard, education improvements can be fostered through investment in school infrastructure.

Objective 3: Improvement of Nyandeni’s public transport and development of transport nodes as per Nyandeni’s Integrated Transport Plan

This objective relates to the implementation of the Nyandeni Integrated Transport Plan. Transportation and road access are major inhibitors to growth in Nyandeni. By increasing accessibility to service nodes and reducing the cost of transport communities will be better able to access services and economic opportunities in towns and cities.

This objective looks at:

- Transport nodes as priority areas to upgrade the transport infrastructure
- Develop appropriate access roads, causeways and bridges
- Regular road maintenance
- Improve the poor condition or the lack of facilities of existing informal public transport facilities.

Objective 4: Grow the number of adults employed in the population from 21 194 in 2017 to 30 000 in 5 years. A CAGR of 9.1% per annum.

Growing the numbers of persons employed in the local population is an important indicator. It is aligned to the National Development Plan objective of growing “The proportion of adults in rural areas working should rise from 29 percent to 40 percent.”

When the NDP indicator was referenced to Nyandeni LM this equated to an increase from 21 194 to 68 992 persons employed, a CAGR of 14% p.a. When compared to the current CAGR between 2010 and 2017 in employment being 2.9% it was felt that although this target is desirable in the LM with current levels of training and education it would not be attainable.

Thus, a target was set at roughly half the national target. That being to increase the employed in the working age population from 21 194 in 2017 to 30 000 by 2023, a CAGR of 9.1% per annum. This would mean an additional 8 800 persons employed in the population.

Key projects that will assist to achieve this objective are:

1. Develop a business support centre and programmes
2. Implement the Tourism Sector Plan
3. Develop Ntlaza Junction and Mthatha Mouth as per LSDF
4. Spatial development of middle-income housing
5. Support development of Wild Coast N2 Road and the development of associated services for motorists
6. Clay and quarry mining implementation
7. Green economy project identification
8. Waste economy project identification
9. Implement Agricultural Sector Plan
10. Implement the Forestry Sector Plan

Objective 5: Establish a Business Support Centre by 2023

In order to grow a vibrant and diverse economy, there needs to be focus on developing and supporting entrepreneurs and small business owners. There is a skills backlog in the area and thus there is limited business skills in the local workforce. Also business service support is located in Mthatha which is some distance and expense to travel to, for small business owners to access support.

This objective seeks to support the development of a centre which offers business support services to individuals and co-operatives. The centre would offer training on skills programmes on business, technology and soft skills. Businesses would also be encouraged to start or operate in diverse businesses and not to follow the norm of selling goods, catering, etc. Mentorship programmes could be conducted in the Business Support Centre. The centre would also assist in information sharing and with registrations and access to internet and telephone services.

Objective 6: The Nyandeni trade, business, construction and transportation sectors to have an average growth rate of 5% p.a. CAGR between 2018 and 2023

Nyandeni Local Municipality experienced an average CAGR of 3.47% between 2006 and 2016 for the four top performing productive economic sectors. These sectors are trade; construction; community, social and personal services and Transport.

The objective seeks to grow the productive sectors of the economy by 2023. This can be achieved by providing business support, land for business expansion, investing in service nodes and transportation centres.

Objective 7: Investigate opportunities in the green, ocean, waste economies through research and value chain analysis of the local area

There is great focus nationally on developing the ocean economy, whilst the waste and green economy is growing internationally. This objective suggests strategic support to developing these sectors through investigations by the municipality into opportunities. A value chain analysis of the area can be undertaken to

identify local business opportunities. Nyandeni can support these interventions through information dispersal, training support and site identification.

Objective 8: Increase sites available for business and industrial development in towns

At present the development of business, residential and industrial economic activity is constrained by a lack of land to buy or invest in. There is a need to implement town planning protocols and also to identify land for town expansion. This objective seeks to identify and release land for development as per the Nyandeni SDF.

Objectives 9: Grow number of local SMMEs on the municipal database by 5% per annum CAGR by 2023.

Currently the municipality has a small formal and informal sector, as there is a high leakage of income out of the area to the neighbouring city of Mthatha. This objective seeks to measure the success of interventions in SMME development and informal sector promotion. In order to measure this objective a business databases would need to be updated annually. Table 8.4 provides the number of businesses by type within the municipality.

Table 8.4: Businesses by Database

	Year 1	Year 5
Formal business	58	74
Hawkers	303	387
Contractors	109	139
Co-ops	143	182
	613	782

Source: Based on Nyandeni LM databases.

Based on a 5% p.a. CAGR in the number of total businesses in Nyandeni thus including co-operatives, informal traders and formal business, this would mean an increase from an estimated 613 business to 782 by 2023. This outcome would be achieved through supporting training and mentorship programmes. Assisting informal businesses to become formalised. Offering market access opportunities and assisting in regional marketing and investment drives.

Advantages of this indicator include:

- The ability to measure both the formal and informal business activity
- It is cheap and easy to track and measure
- It allows the LED unit to measure the level of entrepreneurship in the economy
- It is linked to projects around enterprise support, formalisation and informal economy support

Objective 10: Implement Sector Plans as per the specifications of the individual strategic frameworks

This objective aims not to replicate the past, highly detailed work in the tourism, forestry and retail sector plans. Rather the objectives of these plans should be taken forward and there should be alignment with the objectives already developed. Below is a list of the objectives per sector plan.

The **Nyandeni Tourism Plan** was developed in 2016 and outlines the following objectives:

1. Establish linkages to Nyandeni products and itineraries within the Wild Coast Route by 2019.
2. To empower local communities and existing community trusts in the skills, expertise and awareness to develop Community Based Tourism enterprises.
3. Increase the number of visitors to Nyandeni by 10% per annum by 2021.
4. The establishment of at least three new tourism products or the expansion of existing products in Nyandeni by 2020.
5. Promote cultural/heritage linkages to Qunu, Mvezo and the Nelson Mandela Museum by 2017.

6. Develop Ntlangano Conservancy, Libode Eco-Park and Nyandeni Great Place as a viable recreational and tourism product by 2020.
7. Invest in key road infrastructure and road maintenance by 2017.
8. Investment in beach infrastructure at key tourism nodes by 2020.
9. To build tourism related skills within communities through tourism mentorships and training by 2019.

The strategic objectives of the **Forestry Sector Plan** were as follows:

1. Optimise the development potential of existing forestry plantations.
2. Establish new plantations were economically and environmentally feasibly.
3. Utilise wattle jungle and other wooded areas to support job creation, enterprise development and forestry.
4. Create an environment conducive to the sustainable growth and development of the forestry sector
5. Encourage the development of a diversified small-scale local timber processing industry
6. Facilitate the growth and development of NTFP entities.

Retail strategy objectives:

1. Build an efficient municipal governance support system for effective retail sector development.
2. Strengthen collaboration and networking between retail sector businesses in NLM
3. Improve the provision of basic services and critical catalytic infrastructure.
4. Stimulate and grow thriving retail sector businesses.

Agriculture Sector Plan outcomes:

1. Implementation of the projects that are likely to improve rural economy such as dairy, bee farming and irrigated crop and vegetation production
2. Improved governance and implementation of partnerships and a mentorship programme
3. Provide government support once mentorship programme is established in development and implementation of agri-food sector.

Objective 11: Include indicators on the economic participation of women, youth and the disabled in reporting frameworks

Women, youth and the disabled are often marginalised, this is also evident in the inclusion of the vulnerable groups in policies and activities. Thus, policies should include sex-disaggregated data and data on the disabled and by age. Policies should consider their impact of gender needs and be gender aware. There should be a full roll-out and implementation on gender mainstreaming in the public service. Thus indicators on gender, youth and the disabled should be included in the municipality's reporting framework include the Service Delivery and Budget Implementation Plan (SDBIP), departmental reporting, the IDP and in sector plans.

Objective 12: Reduction of red-tape to investment and business establishment through the introduction of business retention and expansion activities

Business Retention and Expansion (BR&E) is any strategy or programme designed to reduce barriers that hinder business expansion and growth, addresses issues that cause business closure and enhance competitive advantage. Such strategies are typically firmly rooted within the land use management and spatial planning context of an area to build regional competitive advantage.

This objective would focus on creating an investment function within the municipality. This function would provide information on required documentation for investment, timeframes expected for processing, available land portions, town planning and zoning protocols and locals SMMEs.

Business retention can be promoted through enforcement of by-laws, expediting of permit application processing and assistance in licences and permits.

Objective 13: Form a minimum of two strategic partnerships on economic development per annum

The extent of the development challenges in Nyandeni warrants the development of partnerships to drive investment and projects. The municipality should form partnerships with other municipalities, departments, funders, aid organisations and NGOs. Apart from establishing new strategic partnerships, the municipality can also utilise existing partnership agreements.

Partnerships could assist in the following areas:

- Developing community projects.
- Access funding
- Access project management support
- To partner with communities
- To undertake large scale infrastructure and service delivery projects
- To develop innovative new initiatives in the green, ocean or waste economy
- Improving municipal governance and accountability

Objective 14: To support the development of a private sector driven business chamber and the continued operation of the LED Forum by 2023

A business chamber/ association contributes to local economic growth and development, through offering a platform for business owners to voice their concerns and lobby for their members' needs. This forum plays a role in building an inclusive entrepreneurship eco-system. In an assessment of the institutional framework of Nyandeni an association that represents the private sector was missing.

The business chamber would need to convene regularly to discuss issues on tourism and trade in the municipality. The business chamber can create an enabling environment for economic activity and provide a platform for businesses in Nyandeni to flourish. The chamber can assist the municipality in creating linkages between businesses and the municipality.

As part of this objective the LED Forum would be maintained and continue to be supported.

Objectives 15: Manage natural environments, and mitigate and adapt to climate change by implementing existing environmental policies and plans and developing a Climate Change Mitigation Plan by 2023

Nyandeni has the following environmental policies in place:

- O.R. Tambo District Municipality Coastal Management Programme (CMP), 2015
- Nyandeni Spatial Development Framework

There is a need to implement the above policies as regards environmental protection as well as draft Nyandeni specific environmental policies. This might include Nyandeni Strategic Environmental Assessment (SEA) and a Climate Change Mitigation Plan. The plans once drafted would also need resources to support their implementation.

Objectives 16: Upgrade of urban infrastructure to ensure that a decent level of services can be provided to residents in the town

Objectives 17: Proper application of the Town Planning Scheme and Building Controls to ensure that land development takes place in terms of the requirements for site coverage, height controls and the provision of on-site parking and loading facilities, and that small town revitalisation is implemented.

Objectives 18: Maintaining the integrity of the urban edge until the area demarcated by the edge is fully developed and serviced

Objectives 19: Encouraging the densification of residential areas in towns

Objectives 16-19 are contained within the Nyandeni SDF and relate to the reduction of the adverse effects of uncontrolled urban expansion. Towns and settlements in Nyandeni are currently overcrowded and constricted by communal and state land that surrounds them. The urban edge is determined by a number of factors which include: commonage, economic activities, housing and access roads. The towns in Nyandeni service large rural areas and have a significant impact on the future of the municipality. The lack of application of town planning schemes and the provision of land for town expansion makes it difficult for new investment and business growth. These objectives are taken directly from the Nyandeni SDF and thus ensure alignment between the objectives of this plan and the SDF.

Objectives 20: Institute a ‘Buy-Local’ Campaign to promote households to buy from local enterprises so as to reduce income leakages

This objective encourages Nyandeni households to purchase goods and services from local enterprises and thus reduce economic leakage to surrounding municipalities. The ‘Buy-Local’ campaign would showcase the goods and services of SMMEs and co-operatives to the wider municipality. This could be achieved through an open day, opening of trading stalls or sharing information of local products on electronic communication channels. The objective aims to leverage the household and private sector to also procure locally.

Objectives 21: Increase the percentage of local SMMEs who are awarded municipal contracts in terms of Nyandeni SCM policy.

This objective aims to increase the number of local entrepreneurs who are contracted or utilised through the municipal supply chain. To thus promote local SMME development.

8.3.1. Anchor Projects

The following projects were identified as anchor projects that will have a direct and indirect impact on the economy of the municipality and assist to reach goals around employment generation and economic growth.

The identified anchor projects for Nyandeni LED Strategic Framework are:

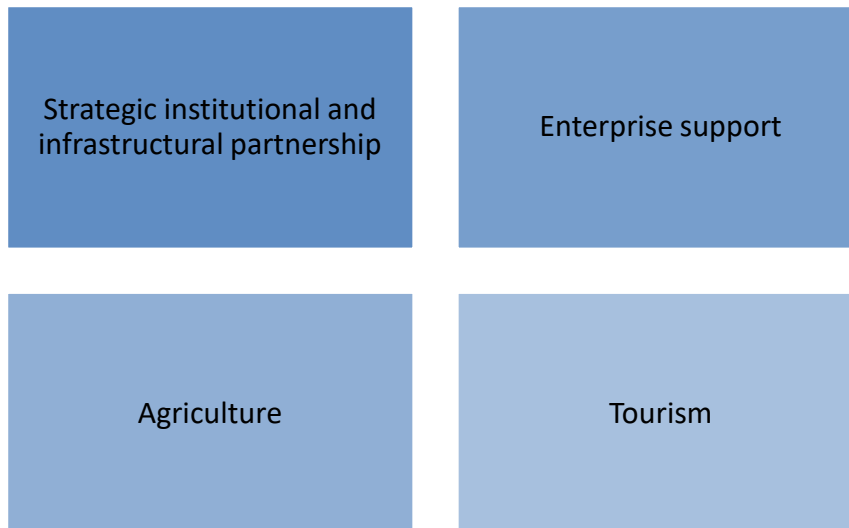
1. Develop a business support centre and programmes
2. Develop Ntlaza Junction and Mthatha Mouth as per LSDF
3. Spatial development of middle-income housing
4. Support development of Wild Coast N2 Road and the development of associated services for motorists
5. Establish formal market areas in towns and nodes
6. Manage formal markets – bylaws, enforcement, public facilities
7. Clay and quarry mining implementation
8. Waste economy project identification
9. Green economy project identification
10. Ocean economy project identification

11. Agri-parks programme
12. Implement Forestry Sector Plan
13. Support a Wild Coast Hiking Trail with the development of associated accommodation establishments
14. Working for Coast project

8.4 Strategic Pillars

Four strategic pillars have been identified to guide the strategy and the projects and programmes are listed in Figure 8.2 below.

Figure 8.2: Strategic Pillars



6.1.1 Strategic Pillar 1: Strategic institutional and infrastructural partnerships

6.1.1.1 Rationale

The National Framework for Local Economic Development in South Africa and The White Paper on Local Government both recognise the importance of strategic partnerships as a means of facilitating local economic development. NLM stands to benefit from the establishment of strategic partnerships with different organisations. Furthermore, the full utilisation of existing strategic partnerships will assist the municipality's capacity to facilitate LED.

The provision of suitable and adequate economic infrastructure has an impact on agriculture, tourism, trade and SMME development. It impacts on the cost of doing business and the cost of living for households.

6.1.1.2 Aims

- Increased cooperation and interaction between local LED stakeholders
- Creation of formal partnerships between entities e.g. Memoranda of agreement
- Establishment of informal partnerships e.g. information sharing sessions, etc.
- Identify new strategic partners

6.1.1.3 Challenges

- Over scheduling of meetings
- Maintaining existing partnerships is important before establishing new partnerships
- Tighter financial resources
- Funders and partners have numerous requests for assistance
- Reducing red tape and ensuring partnerships are efficiently managed

6.1.1.4 Identified Projects and Programmes

Strategic Institutional Development

1. Small town regeneration projects and urban infrastructure upgrades
2. Improvement of knowledge-management in Nyandeni LED (includes training, access to software and tools)
3. LED training to councillors
4. LED training and capacity development for Nyandeni LED unit

Partnership development

5. Expanding the Community Works Program
6. Establishment of new strategic partnerships
7. Establishment and maintenance of LED forum
8. Report annually to private stakeholders on Monitoring & Evaluation and performance in implementing strategy
9. Implement existing environmental policies and plans
10. Develop a Climate Change Mitigation Plan

6.1.2 Strategic Pillar 2: Enterprise Support

6.1.2.1 Rationale

SMMEs and co-operatives can be promoted through a range of business support measures. The pillar thus seeks to improve conditions for local businesses by expanding markets for their goods and services (increasing demand), whilst at the same time improving the quality of goods and services they are able to offer the market (increasing the supply). This is premised on the role of small business as a critical component of rural economies in South Africa.

The private sector in Nyandeni is characterised by micro enterprises and a few large retailers. Nyandeni's entrepreneurs range from farmers, taxi operators, street traders, accommodation establishments, co-operatives and retailers.

In the previous LED Strategy, a business database was identified as an important component of this pillar. As the database needs to be annually updated and can be used for information gathering, it is still an important component of this pillar. The database should also be expanded to include informal businesses operating within the area.

6.1.2.2 Aims

- Facilitate an enterprise support programme
- Promote localisation of activity by engendering regional competitiveness
- Promote the area as an investment destination
- Undertake a craft development programme
- Improve relations with the private sector
- Targeted assistance programmes to access markets or problem information on markets
- Improving attitudes and perceptions of local business participants

6.1.2.3 Challenges

- Business owners need to be capacitated and upskilled in order to manage their businesses effectively.
- Poor implementation or lack of coordination between the organisations that are involved in implementation of SMME support.
- Focusing on quick wins and not so long-term programmatic interventions
- Many SMMEs lack access to land and limited funding available for SMMEs.
- Many co-operatives struggle with the financial regulations aspects and governance.
- Difficulties in accessing markets
- Limited local buying power in the area.
- Limited variety of shops and services that in the informal sector.

6.1.2.4 Identified Projects and Programmes

Business Support and Development

1. Develop a business support centre and programmes
2. Facilitate business development training workshops
3. Facilitate market access opportunities – training on online market places, craft showcases, website development etc
4. Establish formal market areas in towns and nodes
5. Manage formal markets – bylaws, enforcement, public facilities
6. Formalise informal businesses with assistance from SEDA

7. Specialised SMME training linked with EPWP and CWP
8. Develop a craft development programme
9. Contractor development training

Measure performance of local business sector

10. Develop a business database and update regularly
11. Undertake annual business surveys

Promote investment in key areas

12. Spatial development of middle- income housing
13. Support development of Wild Coast N2 Road and the development of associated services for motorists
14. Develop Ntlaza Junction and Mthatha Mouth as per LSDF
15. Clay and quarry mining implementation
16. Green economy project identification
17. Waste economy project identification
18. Ocean economy project identification

6.1.3 Strategic Pillar 3: Agriculture

6.1.3.1 Rationale

The primary sector in Nyandeni only contributes R74 million to the gross value added. The low levels of output are due to a lack of a commercial agricultural sector and the reliance on subsistence farming. Such agricultural potential is premised on the cultural significance of agricultural practices in Nyandeni and the role of agriculture in sustainable community livelihoods and food security in rural settings. This potential is twinned with the possibility of agriculture becoming a productive commercial sector, based on current and planned investments.

The proposed Agri-Park programme will benefit small scale farmers as it will provide essential services to farmers for their enterprises and assist in transport and sourcing markets. Other opportunities include linkages with private stakeholders, livestock improvement programmes and aquaculture.

6.1.3.2 Aims

- To assess the feasibility, viability and sustainability of aquaculture development in Nyandeni
- To make rural communities direct and indirect beneficiaries from afforestation activities in Nyandeni
- Facilitate community agricultural development
- Access benefits for emerging farmers through Agri-parks programme

6.1.3.3 Challenges

- Land form characteristics: soil quality, slopes, biodiversity areas.
- Land tenure system limits ownership of land
- Poor road conditions in areas that have been identified as being viable for agricultural activities which can hinder access to markets and investors.
- Lack of skill/ training facilities.
- Limited irrigation systems
- Community based projects can struggle with internal dynamic and access to markets
- Afforestation can hinder farming practices such as grazing.
- Environmental issues such as land degradation, untreated sewage that flows into rivers, lack of waste disposal and recycling systems and can threaten quality of environment.

6.1.3.4 Identifies Projects and Programmes

Develop Agriculture

1. Support to household gardens
2. Trials on essential oil plants
3. Development for Makhotyana Farm
4. Agri-parks programme
5. Identification of required agricultural infrastructure
6. Feasibility studies into the farming/harvesting of medicinal plants, bee keeping etc
7. Acquisition Committee
8. Fencing of land for crop and animal production
9. Review agriculture sector plan
Aquaculture Programme
10. Undertake an aquaculture study
Forestry Programme
11. Implement Forestry Sector Plan
12. Support furniture manufacturing initiatives
13. Promote the development of associated services for the forestry industry

6.1.4 Strategic Pillar 4: Tourism

6.1.4.1 Rationale

Nyandeni includes some of the most wild and untouched coastline in South Africa. Yet the tourism sector is in its infancy. There is great growth potential to develop Nyandeni into an important tourism node on the Wild Coast. Nyandeni is rich in nature, heritage, and culture and these should be explored and exploited to benefit the economy in the area. Tourism activities undertaken in Nyandeni should promote community-based tourism and tap into Nyandeni's competitive advantages. This pillar looks into unlocking the Nyandeni's tourism potential by establishing new market activities and strengthening current market activities.

6.1.4.2 Aims

- To involve and develop the community in tourism
- To implement the Nyandeni Responsible Tourism Sector Plan
- Develop linkages for Nyandeni as tourism node on the Wild Coast

6.1.4.3 Challenges

- Road infrastructure
- Need to promote coordination between municipality and tourism sector.
- Product development
- Town planning interventions needs in towns and coastal nodes
- Lack of tourism information
- There are limited accommodation establishments by number, grading and by type.
- Limited linkages between Nyandeni and towns under the Wild Coast Route.
- Improper planning and development of towns.

6.1.4.4 Identified Projects and Programmes

Responsible Tourism Marketing, Product Development etc

1. Develop responsible tourism sector annual operation (implementation) plans
2. Implement Tourism Sector Plan

Community Tourism Projects



3. Life guard programme
4. Support a Wild Coast Hiking Trail with the development of associated accommodation establishments
5. Working for Coast project

Chapter 9: Implementation Plan

9.1 Implementation Framework

An implementation framework takes forward the recommendations of the Strategic Framework and provides recommendations as to the internal structure, positioning and integration of the Municipal LED unit itself as well as the implementation of the identified projects and programmes. The contents of the implementation of the identified projects and programmes.

Table 9.1: Strategic Institutional and infrastructural partnerships

Strategic Pillar 1:		Strategic Institutional and infrastructural partnerships				
Objective:		Form a minimum of two strategic partnerships on economic development per annum.				
Municipal KPA:		GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
		INSTITUTIONAL ARRANGEMENTS				
#	Strategy	Project	Key performance indicator	Budget	Responsible Party	Location
1.1	Strategic Institutional Development	Small town regeneration projects and urban infrastructure upgrades	Capital investment budget spent on development of towns.	TBC	Local Municipality-IDP Manager, SPU Manager and Municipal Manager	Libode, Ngqeleni
		Improvement of knowledge-management in Nyandeni LED	Purchase order for identified software	-	Nyandeni LM LED Unit	Nyandeni
			Number of persons trained in LED aspects			
LED training to councillors	Targeted groups for training identified	-	Nyandeni LM LED unit and Corporate Services	Nyandeni		



Strategic Pillar 1:		Strategic Institutional and infrastructural partnerships				
Objective:		Form a minimum of two strategic partnerships on economic development per annum.				
Municipal KPA:		GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
		INSTITUTIONAL ARRANGEMENTS				
#	Strategy	Project	Key performance indicator	Budget	Responsible Party	Location
		LED training and capacity development for Nyandeni LED unit	Capacitate LED Unit with identified training	-	Nyandeni LM LED Unit	Nyandeni
1.2	Partnership development	Expanding the Community Works Program	Number of employment opportunities for Nyandeni residents provided through CWP.	TBC	Nyandeni LM LED Unit, EPWP	Nyandeni
		Establishment of new strategic partnerships	Ensure that minimum of 2 strategic partnerships are formed per annum.	+R350 000 ⁶	Nyandeni LM LED Unit	Nyandeni
		Establishment and Maintenance of LED forum	Number of meetings LED forum meetings undertaken per annum.	-	Nyandeni LM LED Unit	Nyandeni
		Report annually to private stakeholders on M&E and performance in implementing strategy	Annual meetings undertaken between LED Unit and stakeholders	-	Nyandeni LM LED Unit	Nyandeni
		Implement existing environmental policies and plans	Develop Nyandeni Strategic Environmental Assessment	-	Nyandeni LM	Nyandeni
	Implement environmental policies and plans					

⁶ Amount is based on the IGR support that is budgeted for in the IDP over the 2018-2021 funding years



Strategic Pillar 1:		Strategic Institutional and infrastructural partnerships				
Objective:		Form a minimum of two strategic partnerships on economic development per annum.				
Municipal KPA:		GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
		INSTITUTIONAL ARRANGEMENTS				
#	Strategy	Project	Key performance indicator	Budget	Responsible Party	Location
		Develop a Climate Change Mitigation Plan	Climate Change Mitigation Plan developed	-	Nyandeni LM, support from Department of Environmental Affairs	Nyandeni
			Percentage of budget spent on implementation			

Table 9.2: Enterprise Support

Strategic Pillar 2:		Enterprise support				
Objective:		<ul style="list-style-type: none"> Grow the number of adults employed in the population from 21 194 in 2017 to 30 000 in 5 years. A CAGR of 9.1% per annum. Grow number of local SMMEs on the municipal database by 5% per annum CAGR by 2023 				
Municipal KPA:		SOCIO-ECONOMIC DEVELOPMENT (LED)				
Number	Strategy	Project	Key performance indicator	Budget	Responsible Party	Location
2.1	Business Support and Development	Develop a business support centre and programmes	Budget dedicated to business support centre programme.	TBC	Nyandeni LM LED Unit, SEDA	Nyandeni
			Number of businesses assisted by support centre			
		Facilitate business development training workshops	Number of training session presented, and number of persons trained through session.	R500 000	Nyandeni LM LED Unit, SEDA, Donors	Nyandeni
		Facilitate market access opportunities – training on online market places, craft showcases, website development etc	Number of SMMEs exposed making use of online or assisted trade platforms.	+-R300 000 ⁷	Nyandeni LM LED Unit	Nyandeni
		Establish formal market areas in towns and nodes	Identify suitable areas and nodes for formal markets	-	Nyandeni LM LED Unit	Nyandeni
			Budget on capital investments spent			
Manage formal markets – bylaws, enforcement, public facilities	All market bylaws reviewed and approved.	+-R400 000 ⁸	Nyandeni LM	Nyandeni		
	Municipal staff in place to enforce by-laws					

⁷ Amount is based on the IDP budgeted over 2018-2021

⁸ Amount is based on the IDP budgeted over 2018-2021

		Formalise informal businesses with assistance from SEDA.	Number of informal businesses formally registered per annum in Nyandeni.	+-R200 000 ⁹	Nyandeni LM LED Unit, SEDA.	Nyandeni
		Specialised SMME training linked with EPWP and CWP	Number of training sessions held linked to EPWP and CWP per annum.	+-R300 000 ¹⁰	Nyandeni LM LED Unit, Department of Public Works (EPWP and CWP)	Nyandeni
		Develop a craft development programme	Develop craft development programme concept and identify budget.	-	Nyandeni LM LED Unit,	Nyandeni
			Percentage of programme budget spent			
		Contractor Development Training	Numbers of contractors trained		Nyandeni LM	Nyandeni
2.2	Measure performance of local business sector	Develop a business database and update regularly	Number of SMMEs on the database with current information	TBC	Nyandeni LM LED Unit	Nyandeni
		Undertake annual business surveys	Business survey annually undertaken in Nyandeni.	TBC	Nyandeni LM LED Unit	Nyandeni
2.3	Promote investment in key areas	Spatial development of middle-income housing	Percentage of action plan completed.		Nyandeni LM	Libode
		Support development of Wild Coast N2 Road and the development of associated services for motorists	Number of new business opportunities created from road infrastructure development	-	SANRAL, Department of Transport, Nyandeni LM	Nyandeni
		Clay and quarry mining implementation	Ensure that clay and quarry mining is undertaken	+-R500 000 ¹¹	NLM LED, Mining sector	Nyandeni

⁹ Amount is based on the IDP budgeted over 2018-2021

¹⁰ Based on the NLM IDP 2018-2019

¹¹ Based on the IDP Economic and Environment Cluster budgeted over 2018-2021

		Develop Ntlaza Junction and Mthatha Mouth as per LSDF	Implementation of Ntlaza precinct plans	+ R2.5 million ¹²	Nyandeni LM, SANRAL	Ntlaza Junction
			Implementation of town promulgation and support infrastructure	R10 million ¹³	Nyandeni LM, DEDEAT, ORTDM, SANRAL	Mthatha Mouth
		Green economy project identification	Feasibility into Green Economy projects undertaken	R600 000	Nyandeni LM,	Nyandeni
		Waste economy project identification	Feasibility into Waste Economy projects undertaken	R600 000	Nyandeni LM, DEDEAT/ SEDA	Nyandeni
		Ocean economy project identification	Feasibility into Ocean Economy projects undertaken	R600 000	Nyandeni LM, DEDEAT/ SEDA, Support from Operation Phakisa- Department of Environmental Affairs	Nyandeni

¹² Based on the NLM Tourism Sector Plan Budgeted over 2016-2020

¹³ Based on the NLM Tourism Sector Plan Budgeted over 2016-2020

Table 9.3: Agriculture

Strategic Pillar:		Agriculture				
Objective:		Implement Sector Plans as per the specifications of the individual strategic frameworks				
Municipal KPA:		SOCIO-ECONOMIC DEVELOPMENT (LED)				
		PLANNING AND DEVELOPMENT				
#	Strategy	Project	Key performance indicator	Budget	Responsible Party	Location
3.1	Develop Agriculture	Support to household gardens	Number of household gardens supported.	+R1 million ¹⁴	Nyandeni LM, DRDLR	Nyandeni
		Trials on essential oil plants.	Feasibility study and tests undertaken on essential oils cultivation.	R850 000 ¹⁵	Nyandeni LM	Nyandeni
		Development for Makhotyana Farm	Developments at Makhotyana Farm	TBC	ECDC, DEDEAT, ASGISA-EC, Nyandeni LM LED Agricultural Officer	Nyandeni
		Agri-parks programme	Number of farmers involved in Agri-parks	TBC	Nyandeni LM, DRDLR	Nyandeni
			Establish crop production	+R5 million ¹⁶	Nyandeni LM	Nyandeni
			Establish hemp production	+R340 000 ¹⁷	Nyandeni LM	Nyandeni
		Identification of required agricultural infrastructure	Budget spent on provision of agricultural infrastructure.	TBC	Nyandeni LM, DRDLR	Nyandeni
		Feasibility studies into the farming/harvesting of medicinal plants, bee keeping etc	Feasibility study completed	TBC	Nyandeni LM, DRDLR	Nyandeni
			Budget allocated to feasible concept			
Acquisition Committee					Nyandeni	

¹⁴ Based on the IDP budgeted over 2018-2021

¹⁵ Based on the IDP budgeted over 2018-2021

¹⁶ Based on the IDP budgeted over 2018-2021

¹⁷ Based on the IDP budgeted over 2018-2021

		Fencing of land for crop and animal production	Number of land fenced for crop and animal production	-	Nyandeni LM, DRDLR	Nyandeni
		Review agriculture sector plan	To review and update current agriculture sector plan	TBC	Nyandeni LM	Nyandeni
3.2	Aquaculture Programme	Undertake an aquaculture study	Feasibility study completed	R700 000	Local Municipality – SPU Manager	Nyandeni
			Budget allocated to feasible concept			
3.3	Forestry Programme	Implement Forestry Sector Plan	Percentage of projects from Forestry plan completed.	R20 million ¹⁸	Nyandeni LM LED Unit, SAPPI, Hans Merensky, DWAF, DEDEAT	Nyandeni
		Support furniture manufacturing initiatives	Identify furniture manufacturing businesses	-	Nyandeni LM	Nyandeni
			Percentage of budget spent on support mechanisms for sector			
		Promote the development of associated services for the forestry industry	Number of services / project opportunities identified	-	Nyandeni LM	Nyandeni
Number of businesses taking up identified opportunities						

¹⁸ Based on the NLM Forestry Sector Plan, 2016

Table 9.4: Tourism

Strategic Pillar:		Tourism				
Objective:		Implement Sector Plans as per the specifications of the individual strategic frameworks				
Municipal KPA:		SOCIO-ECONOMIC DEVELOPMENT (LED)				
Number	Strategy	Project	Key performance indicator	Budget	Responsible Party	Location
4.1	Responsible Tourism Marketing, Product Development etc	Develop responsible tourism sector annual operation (implementation) plans	Number of projects implemented from the tourism sector plan	+R4 000 000 ¹⁹	Nyandeni LM LED Unit	Nyandeni
		Implement Tourism Sector Plan	Percentage of projects from Tourism plan completed.	TBC	Nyandeni LM LED Unit	Nyandeni
4.2	Community Tourism Projects	Life guard programme	Number of individuals trained and employed to work as lifeguards.	TBC	Nyandeni LM LED Unit	Nyandeni
		Support a Wild Coast Hiking Trail with the development of associated accommodation establishments	Number of individuals trained and employed.	TBC	Nyandeni LM LED Unit, ECPTA	Nyandeni
			Accommodation establishments along the Wild Coast Hiking Trail developed	TBC	Nyandeni LM LED Unit, ECPTA	Nyandeni
		Working for Coast project	Number of individuals trained and employed.	TBC	Nyandeni LM LED Unit, ECPTA, DEDEAT, NDT, Private sector	Nyandeni

¹⁹ Based on the NLM Tourism Sector Plan, 2014

9.2 Phasing

This section outlines the various interventions/ projects as per their expected time frames. Whereby short-term projects are for 1-3 years, medium term projects are for 3-5 years and long-term projects are for 5 years and more.

Table 9.5: Project Phasing

Short Term (1-3 years)	Medium Term (3-5 years)	Long Term (>5 years)
<ol style="list-style-type: none"> 1. Establishment and Maintenance of LED forum 2. LED training to LED portfolio councillors 3. LED training and capacity development for Nyandeni LED unit 4. Training of SMMEs 5. Exploration of possibilities for small-scale furniture manufacturing 6. Exploration of possibilities for small-scale furniture manufacturing 7. Agricultural sector plan 8. Forestry afforestation partnerships 9. Specialisation SMME training linked with EPWP and CWP 10. Establishment of new strategic partnerships 11. Report annually to private stakeholders on M&E and performance in implementing strategy 12. Facilitate business development training workshops 13. Fencing of land for crop and animal production 14. Support furniture manufacturing initiatives 15. Facilitate market access opportunities – training on online market places, craft showcases, website development etc 16. Manage formal markets – bylaws, enforcement, public facilities 	<ol style="list-style-type: none"> 1. Improvement of knowledge management in Nyandeni LED 2. Wild Coast Hiking trail 3. Working for the Coast project 4. Development for Makhotyana Farm 5. Feasibility studies into the farming/harvesting of medicinal plants, bee keeping etc 6. Trials on essential oil plants 7. Develop a business support centre and programmes 8. Clay and quarry mining implementation 9. Undertake an aquaculture study 10. Support a Wild Coast Hiking Trail with the development of associated accommodation establishments 	<ol style="list-style-type: none"> 1. Identification of required agricultural infrastructure 2. Promotion of middle-income housing development within municipality 3. Small town regeneration projects and urban infrastructure upgrades 4. Agri-parks programme 5. Development Ntlaza Junction and Mthatha Mouth as per LSDF

Short Term (1-3 years)	Medium Term (3-5 years)	Long Term (>5 years)
<ul style="list-style-type: none"> 17. Formalise informal businesses with assistance from SEDA 18. Expanding the Community Works Program 19. Specialised SMME training linked with EPWP and CWP 20. Develop a business database and update regularly 21. Develop a craft development programme 22. Undertake annual business surveys 23. Green economy project identification 24. Ocean economy project identification 25. Support to household gardens 26. Develop responsible tourism sector annual operation (implementation) plans 27. Life guard programme 28. Waste economy project identification 29. Establish formal market areas in towns and nodes 30. Review agriculture sector plan 		

Phasing indicates whether a project is short term (over the next financial year), medium term (over the next 3 financial years) or long term (over the next five to ten financial years). It can be seen that it is envisaged that all the projects listed in this section are to be implemented within the 5-year planning period of this LED strategy. It is important however to indicate that whilst some projects will begin and complete within the 5-year period, some of the other projects are set to run for multiple years, stretching beyond the 5-year horizon of this document. Further classification is made of projects based on their anticipated impact. Basic delivery projects focus on the functionality and efficiencies of government and often involve quick wins that promote community development.

9.3 Source of Funding

There are a number of funds available however they require a concerted effort to understand the submission guidelines and make applications to these institutions. A list of potential funders and funds is provided below:

Table 9.6: Source of Funding

Name of Fund	Description	Contact Details
Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) Local and Regional Economic Development Fund (LRED)	<p>The aim of the LRED Fund is to provide support to local entrepreneurial partnerships, working in collaboration with local government and other support institutions, to create new economic opportunities that will enable new and better jobs, as well as the promotion of an environment for innovation and enterprise development in the local economy. The priority areas for support of LRED are as follows:</p> <ul style="list-style-type: none"> • Development and diversification of the rural economy in the context of agrarian and land reform. • Development of new sources of economic activity in small towns and rural areas with economic potential (e.g. environment, culture, tradition, social economy). • Development of new technologies (including energy efficiency) and the knowledge-based economy (know-how, intellectual property and expertise). • Local initiatives valorising traditional and local produce and crafts – this to include product development, marketing, logistics, and the development of related value-chains. • Funding calls are advertised annually. Contact should be made with DEDEAT representative for further information. 	<p>Website: www.dedea.gov.za</p>
National Department of Tourism: Social Responsibility Implementation Programme Fund	<p>The Social Responsibility Implementation Programme, popularly known as the SRI, is the job creation or the Expanded Public Works Programme (EPWP) of the Department of Tourism. It is a targeted grant, aimed at supporting the development of community based tourism, thereby stimulating job creation, sector transformation, economic empowerment, community benefit and geographic spread of tourism investment. The awarding of funding is based on the evaluation of a business plan submitted to the NDT in the funding window. The SRI programme is targeted at the establishment of new commercially viable community based tourism products and the expansion of existing viable community based tourism products.</p>	<p>Chief Director: Social Responsibility Implementation Ms Lerato Matlakala imatlakala@tourism.gov.za Tel: 012 444 6495</p>

Name of Fund	Description	Contact Details
The Development Bank of Southern Africa (DBSA): TDBSA Development Fund	the DBSA provides finance for tourism investments through various financial instruments. Project preparation assistance can be provided as part of such finance. To meet the financing requirements of private sector infrastructure projects (including tourism), the DBSA created the Private Sector Investment Unit. A letter of application stating the type of assistance required and accompanied by a business plan and supporting documentation is required to activate the DBSA project cycle. For further details contact	Mr Danie Swart E-mail: danies@dbsa.org Tel: 011 313 3269 Ms Karin Mahony E-mail: karinm@dbsa.org Tel 011 313 3514
Eastern Cape Development Corporation (ECDC)	ECDC’s Business Finance Unit offers new and existing businesses the opportunity to be a part of the burgeoning tourism sector in the Eastern Cape. A comprehensive Business Plan should be submitted to the regional branch. The business needs to be a viable business operation (existing or planned). Farmers are also assisted with agricultural equipment and movable machines, processing machines, obtaining markets, access to land legally, CIPRO and mentorship. The finance is available in the form of a loan with various terms of payment.	ECDC- Mthatha Branch Website - www.ecdc.co.za E-mail - info@ecdc.co.za Tel: (047) 501-2200 http://www.ecdc.co.za
Dti Co-operatives Incentive scheme	The CIS programme targets registered co-operatives operating in the emerging economy and is intended to cover the whole country. The CIS is offered as a 90% cost-sharing grant towards qualifying expenditure to be incurred by the co-operative. An applying co-operative is eligible for a total grant not exceeding R350 000	Website: http://www.thedti.gov.za E-mail: contactus@thedti.gov.za
Imvaba Co-operative Fund	Established in 2009 to assist co-operatives financially with funds sourced from ECDC. The vision of the Imvaba Fund entails the following: <ul style="list-style-type: none"> ○ Providing funding in the form of incentive to co-operatives of the Eastern Cape in order to mainstream co-operative enterprises within the provincial economy ○ Enhancing self-employment creation opportunities ○ Contributing to poverty relief efforts through enterprise development 	Website : http://www.imvaba.co.za/
Land Bank	Funding to assist with Agricultural inputs such as fertilisers, seeds, chemicals, agricultural machine and movable equipment	Website: http://www.landbank.co.za E-mail: info@landbank.co.za



Name of Fund	Description	Contact Details
ECRDA	Agencies mandate is to improve the livelihoods and develop sustainable rural communities in the Eastern Cape. Funding can be obtained to assist with Agricultural inputs such as fertilisers, seeds, chemicals, agricultural machine and movable equipment	Website: www.ecrda.co.za
Jobs Fund – National Treasury	<p>The Jobs Fund is described as a publicly funded instrument to catalyse innovation and investment on behalf of a range of economic stakeholders in activities which contribute directly to enhanced employment creation. The fund is administered on a matching funding principle to ensure ownership of the project. The fund has 4 windows; with differentiation between private and non-private sector funds. The ratio for grant to own contribution varies between private and non-private windows. The windows are:</p> <ul style="list-style-type: none"> • Enterprise Development Window • Infrastructure Window • Support for Work-Seekers Window • Institutional Capacity Building Window 	Website: http://www.jobsfund.org.za/
OR Tambo District Municipality	The District Municipality provides funding support to the various Local Municipalities within the ORTDM on an annual basis. Some of these funds could be utilised for new transport infrastructure type projects.	Website: http://ortambodm.gov.za/ E-mail: info@ortambodm.gov.za
Municipal Infrastructure Grants	MIG funding from the department of Provincial and Local Government are received for projects that meet the Expanded Public Works Programme (EPWP) criteria	Website http://www.cogta.gov.za/mig/ E-mail: Werner@cogta.gov.za

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