



KING SABATA DALINDYEBO MUNICIPALITY (KSD)
LOCAL ECONOMIC DEVELOPMENT STRATEGY REVIEW

Final Approved Document



2024-2029

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FOREWORD BY THE EXECUTIVE MAYOR, Cllr G.N Nelani

King Sabata Dalindyebo (KSD) Local Municipality (LM) is referred to as a category B municipality located in the Eastern Cape within the OR Tambo District Municipality. KSD Municipality is the biggest municipality within the OR Tambo District Municipality (ORTDM). KSDM is a regional centre of ORTDM and is the biggest contributor to the Gross Domestic Product. The municipality has decided to review the Local Economic Development (LED) Strategy that was previously approved in 2007 as it is outdated and not in line with the current political directives of the Republic of South Africa. It is worth noting that since the previous LED Strategy, a lot has happened in terms of the changes in the development agenda of the municipality. These progressive changes included the introduction of major developments such as KSD Vision 2030 and the implementation of the multi-billion Presidential Intervention program. The interventions were mainly for investment opportunities as well as for infrastructure development.

Vision 2030 of the municipality has identified a need to develop the local economy through the provision of infrastructure earmarked for agricultural, tourism and industrial development. The municipality has also formed partnerships with different institutions with the view of leveraging on scarce resources and for collaborative planning. The LED Strategy has been developed with the assistance of our partner municipality the City of Surrey from Canada. This partnership came about after the collaboration between the South African Local Government Association and the Federation of Canadian Municipalities funded by Canadian Foreign Affairs.

This partnership has contributed a lot to the development of the municipal capacity building for municipal officials, political office bearers and vulnerable groups within the municipality. The municipality has also been supported by Cooperative Governance and Traditional Affairs as part of our Intergovernmental Relations for the development of the LED strategy.

This LED strategy through relevant community structures and leadership identified a need to focus on the Agriculture, Tourism and Creative Industries as the key sectors to be prioritised for development in the next 5 years. The LED strategy has been aligned to the currently reviewed Spatial Development Framework to reflect areas with agricultural potential as well as tourism development areas. Therefore, the strategy has outlined the growth areas for agricultural development for inclusive growth and create investment opportunities within the sector. Secondly, tourism development is a priority for development looking at the geographic locality of KSD as well as the natural beauty of our locality. Besides the natural beauty, KSD has diverse heritage resources influenced by historic significances, and socio-cultural events and has produced the world leaders such as Nelson Mandela. Lastly, the creative industries were also identified due to several local talents that is produced and profiled nationally and internationally. KSD possesses raw talents that need to be nurtured and be capacitated for local development. However, it is worth noting that the local economy is strongly affected by the Global COVID-19 pandemic which has negatively impacted our local economy.

The sectors as identified above are also a priority by government, especially for food security and tourism development. The LED Strategy must be able to respond adequately to how we respond as the institution to economic development needs and how we direct benefits to our communities for inclusive growth and development. There is a need for an investment plan that talks to the economic recovery of KSD talking to the identified sectors. Furthermore, the municipality will ensure that there is a direct benefit in the proposed District Development Model (DDM) as introduced by the President of the Republic to deepen democracy and improve service delivery. In South Africa, the DDM is piloted in the ORTDM and KSD is expected to benefit immensely. The support for the implementation of the LED will be mobilised through the DDM for investment and support to the identified sectors.



FOREWORD BY THE MUNICIPAL MANAGER: Mr N. Pakade

King Sabata Dalindyebo (KSD) Municipality has prioritised local economic development as one of its priority areas for development. The municipality is one of the rural municipalities within the Republic of South Africa. The municipality intends to implement its projects guided by the principles of the Local Economic Development (LED) Strategy. The current Service Delivery and Budget Implementation Plan for 2024/2025 has set aside a budget for the implementation of the priority projects from the Integrated Development Plan. It must be noted that the municipality has had its institutional challenges in the form of budget and human capital.

The municipality has formed partnerships as a remedial measure to cover institutional weaknesses. The partnerships will be used to implement all the strategic projects for the benefit of our communities. Most of the partnerships that we have concluded are mainly with Institutions of Higher Learning such as Walter Sisulu University, KSD TVET and Durban University of Technology for capacity building, innovation and research. The working arrangements between the municipalities and institutions of higher learning have been modelled on the City of Surrey's approach to its Institutions of Higher Learning in Canada.

Soon the municipality will review its institutional development through reviewing the municipal organogram. The organogram will be informed by the recommendations of the LED strategy and will be realigned for uniformity. The municipality will ensure that the performance targets set in the LED strategy are achieved through performance monitoring and evaluation. The municipality evaluates its performance every quarter and the LED strategy will not only be implemented by LED. It will be implemented by all the internal municipal departments as they form part of the BIGM task team, and they all have a role in the strategy rollout.

The LED strategy has been participatory from the administrative point of view and allowed for different diverse views by different practitioners and professionals. The engagement has been extended to other government officials (national and provincial departments) for their involvement and ownership of the LED strategy. The LED strategy as developed by the government becomes a strategy of the government at a local space (KSD jurisdiction). Therefore, it means that all government departments will be expected to implement their priority programs aligned with our LED strategy.

The municipality is willing to work on all the recommendations of the LED strategy such as dealing with the identified weaknesses relating to support for small businesses, red tape, measures to attract investments, support of informal and formal businesses, focussed support to vulnerable groups, support of poverty initiatives and create opportunities for value chains cutting across different sectors of the economy. The municipality considers the adjustments in the policy frameworks to accommodate different forms of businesses such as cooperatives.

The municipality will have to invest heavily in ICT for communication, to respond to COVID-19 measures, connectivity infrastructure and engagement of different role players. In the event where municipality does not have a budget, partnerships with the private sector will be solicited for the benefit of KSD communities. Lastly, the skills capacity acquired through job shadowing with the partner municipality will be escalated to the different directorates within the municipality. The LED strategy will guide the economic development of KSD for the next 5 years.

The projects identified in the LED strategy will be packaged for a strategic implementation framework for the creation of employment opportunities, investment and business development. These will be submitted to different funding agencies for support and solidarity for the benefit of the KSD economy.

LIST OF ACRONYMS / ABBREVIATIONS

BIGM	Building of Inclusive Green Municipality
CBOs	Community-Based Organizations
CIDB	Construction Industry Development Board
COGTA	Cooperative Governance and Traditional Affairs
CWP	Community Works Programme
DAFF	Department of Agriculture, Forestry and Fisheries
DCoG	National Cooperative Governance and Traditional Affairs
DDM	District Development Model
DEDEAT	Eastern Cape Department of Economic Development, Environmental Affairs and Tourism
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
DIS	Department of Science and Innovation
DM	District Municipality
DOT	Department of Transport
DPW	Department of Public Works
DRDAR	Department of Rural Development and Agrarian Reform
DRDLR	Department of Rural Development and Land Reform
DSBD	Department of Small Business Development
DSD	Department of Social Development
DSI	Department of Science and Innovation
DSRAC	Department of Sport Recreation Arts and Culture
DTI	Department of Trade and Industry
DUT	Durban University of Technology
EC	Eastern Cape
ECDC	The Eastern Cape Development Corporation
ECPTA	Eastern Cape Parks and Tourism Agency
ECRDA	Eastern Cape Rural Development Agency (ECRDA)
GDP	Gross Domestic Product
GVA	Gross Value Added
IDP	Integrated Development Plan
IUDF	Integrated Urban Development Framework
KSD LM	King Sabata Dalindyebo Local Municipality
KSD	King Sabata Dalindyebo
LED	Local Economic Development
LM	Local Municipality
MM	Municipal Manager
NDP	National Development Plan
NFLED	National Framework for Local Economic Development
NGOs	Non-Government Organizations
NGP	New Growth Path
NSDF	National Spatial Development Framework
OE	Ocean Economy
ORTDM	OR Tambo District Municipality
PDP	Provincial Development Plan
PGDP	Provincial Growth and Development Plan
SALGA	South African Local Government Association
SBD	Small Business Development
SDF	Spatial Development Framework
SEZ	Special Economic Zone
SPLUMA	Spatial Planning and Land Use Management Act
Stats SA	Statistics South Africa
SWOT	Strength Weakness Opportunity and Treats
WSU	Walter Sisulu University

Executive Summary

The KSD Rural and Economic Development Department has undertaken a process of reviewing the Local Economic Development (LED) Strategy internally. This initiative aims to assess the current framework and effectiveness of the existing strategy, identifying areas for improvement and aligning it with the departmental long-term goals. The review process will involve analyzing various economic indicators, stakeholder feedback, and best practices from other successful developments. By conducting this comprehensive review internally, the department seeks to enhance its internal personnel capability, to save municipal funds and to achieve the overall purpose of strategy development which aims to foster sustainable economic growth and improve the quality of life of KSD citizens. This strategic review will ultimately provide actionable recommendations to bolster economic development efforts within the community.

The King Sabata Dalindyebo (KSD) Local Municipality Local Economic Development (LED) strategy was developed in 2007, in collaboration with the South African Local Government Association (SALGA), the Department of Cooperative Governance and Traditional Affairs (DCoG), and the Eastern Cape Cooperative Governance and Traditional Affairs (COGTA), aimed to modernize the strategy to better foster collaboration between the municipality, local businesses, and communities. The primary goal was to enhance the local economic landscape by creating a more competitive business environment and promoting sustainable, inclusive growth.

The review process involves a thorough analysis of the existing policies, resources, infrastructure, and skills within the municipality, which will inform the identification of opportunities for economic growth. The updated LED strategy seeks to broaden the economic base of KSD LM, focusing on creating job opportunities, attracting investments, and facilitating business development to ensure widespread benefits across the community.

To achieve these aims, an assessment of the area's demographic, socio-economic, and economic conditions will be conducted to understand the unique challenges faced by the KSD LM. This foundational analysis will support the development of a strategic implementation framework designed to create a conducive environment for economic development and investment.

Ultimately, the KSD LED strategy aims to integrate updated data and insights to build upon the original strategy, resulting in a credible, actionable plan that reflects the current needs and aspirations of the community while fostering long-term economic vitality.

CHAPTER 1: INTRODUCTION

1.1 Background and Purpose

The Local Economic Development (LED) strategy for King Sabata Dalindyebo (KSD) Local Municipality (LM) was developed in 2007, with a five-year implementation plan. The KSD LM has reviewed the outdated LED strategy internally with the assistance South African Local Government Association (SALGA), Eastern Cape (EC) Cooperative Governance and Traditional Affairs (COGTA) and LED Strategic partners.

The purpose of this process is to offer the KSD LM, the private sector and the local community the opportunity to work together to improve the local economy. It will focus on enhancing the local business and competitive environment and thus increasing sustainable growth and development in the area and ensuring that this growth is inclusive of all communities. It will focus on identifying the current resources and infrastructure that are available within the local municipal area and the skills that are available to assess what still needs to be done to allow for the growth of the economy and generate opportunities for all the stakeholders.

The purpose of the LED strategy is to gather all economic information and investigate, coordinate and integrate options and opportunities available to broaden the economic base of the KSD LM. This has been packaged as a strategic implementation framework to address the creation of employment opportunities, investment and business development and the resultant positive spin-off effects throughout the economy of the KSD.

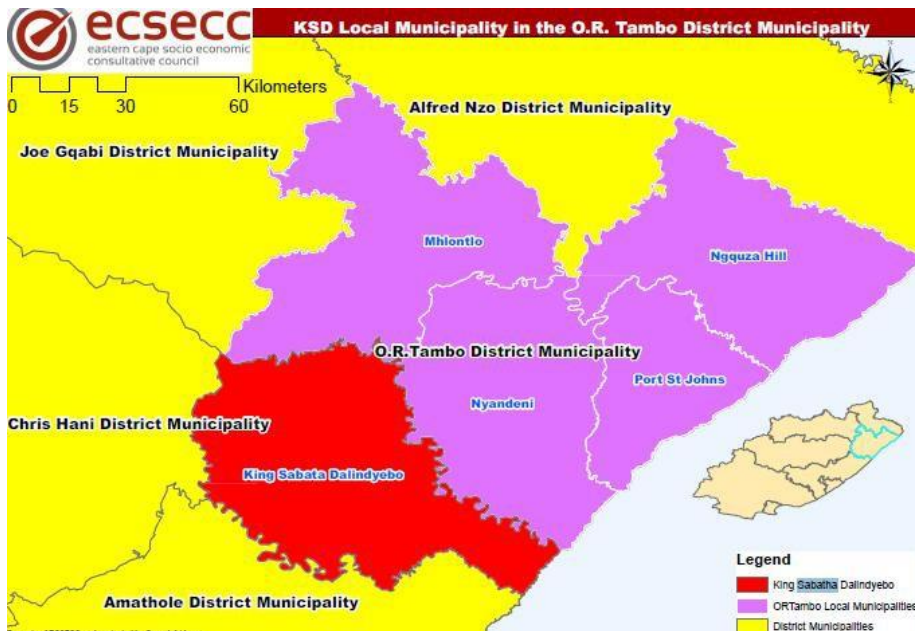
Furthermore, it is also aimed at ensuring that the municipality can efficiently and effectively facilitate the creation of an appropriate enabling environment conducive to economic development and investment. This can, however, only be undertaken when the current development situation in the area is understood. The analysis will therefore provide the foundation by assessing the current demographic, socio-economic and economic characteristics and trends of the area and by highlighting the main challenges faced in the area.

The purpose of this LED strategy is to provide an overview of the characteristics (social, economic, municipal capacity, competitive advantages, financial commitments as well as capacity, etc.) of the study area. The current LED strategy that was adopted in 2007 will be used as a base to inform the reviewed LED strategy for KSD LM.

1.2 Overview of King Sabata Dalindyebo Local Municipality

The KSD LM is located within the Eastern Cape Province and within the O.R. Tambo District Municipality (DM). Its locality is presented in Map 1.1.

Map 1.1: King Sabata Dalindyebo Local Municipality in O.R. Tambo District Municipality



Source: Eastern Cape Socio Consultative Council (ECSECC), 2019

The KSD LM is a Category B municipality (Area:3 027km²) situated within the OR Tambo District in the Eastern Cape Province. It is the largest of the five municipalities in the district, accounting for a quarter of its geographical area. The municipality was formed before the local government elections in the year 2000 when the Mqanduli and Mthatha Transitional and Rural Councils were merged. The majority population of the municipality resides in the rural areas, where they still practice cultural traditions. King Sabata Dalindyebo Municipality still retains many of the earliest buildings of the neoclassical style that was popular during colonial times. The main Cities or Towns are Mqanduli and Mthatha (previously Umtata). The main Economic Sectors for KSD are Community services, finance, and trade.

1.3 Approach and Methodology followed to review the LED Strategy

In reviewing the LED strategy for KSD LM we will follow the methodology that will be presented in Table 1 below.

Table 1: Methodology

PART 1: LED REVIEW STRATEGY DEVELOPMENT	
Step 1: Review existing documents	Reviewing the current policy documents as well as other relevant documents.
Step 2: Update data gaps and profiles	Update Data Gaps and Profiles to determine data gaps and update the socio-economic profile for KSD municipality.
Step 3: Review SWOT analysis and Project Identification	Review Strength Weakness Opportunity and threats (SWOT) Analysis and Project Identification as identified previously and the Local municipality's LED initiatives which were adopted in the previous LED strategy and undertake a comparative sectoral analysis of the local economy. This is used to identify possible economic opportunities in KSD LM.
Step 4: Capacity Profile	Determine the supply of the various businesses situated in the KSD municipality and provide a profile of each CBD in the main towns. The capacity also takes note of the industrial areas in the major towns and the status of each area concerning the different types of economic activities.
Step 5: Review LED strategy	The purpose of this element is to collect all the key findings and intervention priorities of the preceding elements to guide the revision of the LED from an operational perspective. A LED vision was determined as well as what the strategic LED objectives are for the municipalities. The strategic objectives were used to determine core areas where the various identified projects and programmes were identified to drive LED strategy. This was prioritised in terms of their priority about the LED vision for KSD LM.
PART 2: IMPLEMENTATION PLAN DEVELOPMENT	
Step 6: LED support programmes	The second part of reviewing the KSD LED starts with designing the LED support programmes. The support programmes consist of the skills development programme, SMME development and support programme and the capacity building programme.

CHAPTER 2: POLICY FRAMEWORK

2.1 Policy and Legislative Context

Since 1994, South Africa has made significant progress in building the structures of a democratic state. The fragmented governance structures of apartheid have been consolidated into a system designed to serve developmental objectives. The composition of the public service and local government has been transformed to better represent the entire population. The introduction of democracy provides a basis for greater accountability of the state to its citizens. The state has successfully restructured public finance, created an effective tax system and built an independent and credible reserve bank. The state has made significant progress in the provision of basic services such as housing, water and electricity. The foundation for a capable state has been laid, but there are major concerns about the weakness in how these structures function, which constrains the state's ability to pursue key developmental objectives.

2.1.1 The National Development Plan (NDP) (2012)

The National Development Plan (NDP) offers a long-term perspective for the whole of South Africa. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal. The NDP aims to eliminate poverty and reduce inequality by 2030. National Development Plan (NDP) aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

The achievement of the NDP goals demands a cooperative relationship across national, provincial and local governments; the private sector; labour; and civil society. The three spheres of government need to work collaboratively to ensure alignment between their powers and functions, the planning processes and budget allocation processes.

Local government plays a vital role in realising the NDP objectives and goals, predominately in providing a conducive environment for both the township and rural economies to flourish, unblocking red tape which hinders the success of enterprise development and further investment opportunities. And particularly ensuring that everyone has access to high-quality basic services. Objectives of the NDP framework include:

1. An economy that will create more jobs
2. Transition to a low-carbon economy
3. An inclusive and integrated rural economy
4. Reversing the spatial effects of apartheid
5. Improving the quality of education, training and innovation
6. Quality healthcare for all
7. Social protection
8. Building safer communities
9. Reforming the public service

KSD ALIGNMENT TO THE POLICY

KSD municipality aligns with 3 objectives of the NDP; increasing economic opportunities that will create jobs, improving quality of education, skills development and innovative, and building an inclusive and rural economy.

2.1.2 The New Growth Path (NGP) (2010)

The New Growth Path has been adopted as a framework for economic policy and a key driver for the country's job strategy. The New Growth Path provides bold, imaginative and effective strategies to create the millions of new jobs South Africa needs. It also lays out a dynamic vision for how we can collectively achieve a more developed, democratic, cohesive and equitable economy and society over the medium term, in the context of sustained growth. The strategy sets out critical markers for employment creation and growth and identifies where viable changes in the structure and character of production can generate a more inclusive and greener economy over the medium to long run. To that end, it combines macroeconomic and microeconomic interventions.

Local Government is responsible for creating a conducive environment for jobs to be created, there is a need for the framework to be localised to underpin the key areas and sectors that will achieve the objectives of the New Growth Path and align the KSD intervention/programmes to those objectives

The NGP identifies five other priority areas as part of the programme to create jobs, through a series of partnerships between the State and the private sector.

1. Green economy: expansions in construction and the production of technologies for solar, wind and biofuels.
2. Agriculture: jobs will be created by supporting small holders.
3. Mining: increased mineral extraction and improving infrastructure and skills development.
4. Manufacturing: calls for re-industrialisation of the economy based on improving performance through innovation, skills development and reduced input costs in the economy.
5. Tourism and other high-level services: create employment opportunities for the economy.

KSD ALIGNMENT TO THE POLICY

The key sectors identified as important in creating employment growth were tourism, agriculture and manufacturing which play a critical role in KSD economy.

2.1.3 National Framework for Local Economic Development (NFLED) (2018-2028)

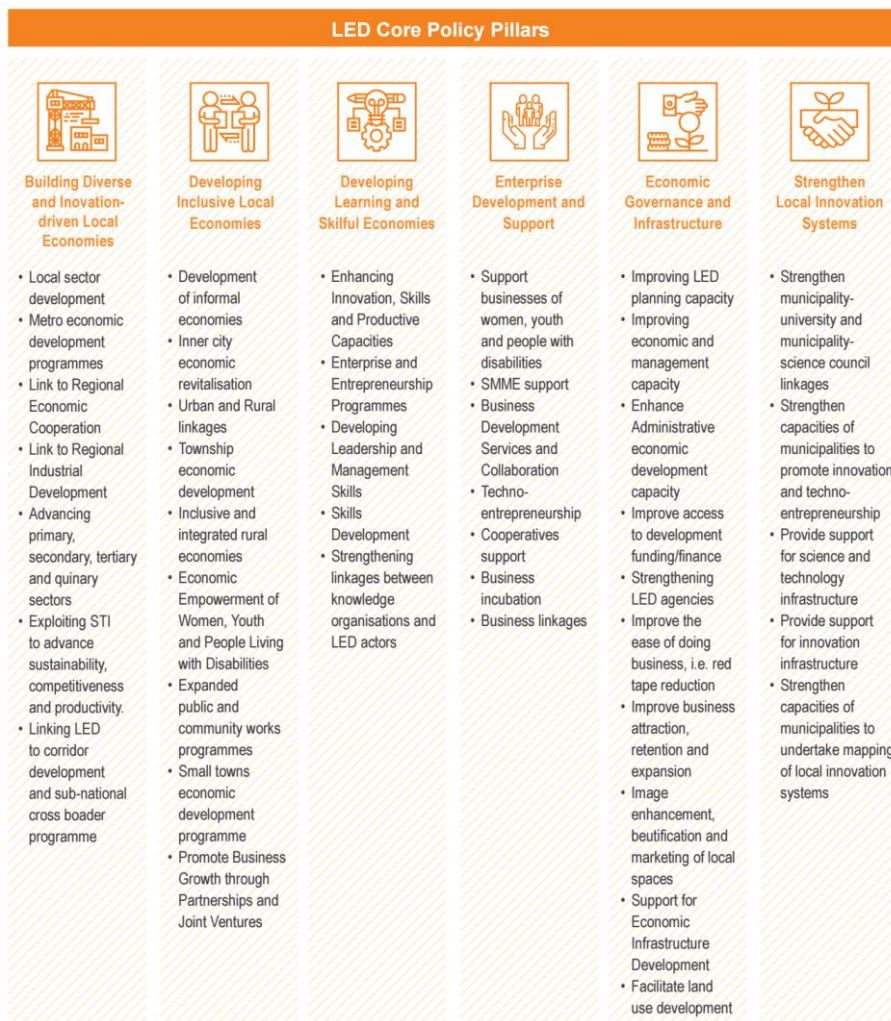
The National Framework for Local Economic Development aims to provide strategic guidance to LED agents and actors and their activities to achieve innovative, competitive, sustainable, inclusive local economies that maximize local opportunities, address local needs, and contribute to national and provincial development objectives.

The 2018-2028 National Framework for LED reveals how STI and other forms of innovation will be used to achieve better development outcomes and identify systemic interventions that can improve the performance of LED. It emphasizes that

LED is a territorial approach to development, an inclusive and innovative process, and should result in stronger local economies. Characteristically, it recognises the transformative potential of LED especially in marginalised localities and economically distressed district municipalities as well as cities as they continue to face challenges of promoting inclusive economic development. This Framework therefore is designed to entrench LED as primarily, a territorial response to local challenges of economic development.

The Framework sets out six Core Policy Pillars and five LED-enabling support pillars that will influence the design, development and implementation of LED over the next ten years.

Figure 2.1: Revised National Local Economic Development (2018-2028)



Source: National Framework for Local Economic Development 2018-2028

KSD ALIGNMENT TO THE POLICY

KSD aligns with the NFLED pillars and objectives to create opportunities for all segments of the population and distribute the benefits of increased prosperity fairly across society by promoting inclusive economic development and fostering innovation-driven local economies through encouraging the development and adoption of innovative ideas, products, and processes within local economies.

2.1.4 Draft National Spatial Development Framework (NSDF) (2019)

The National Spatial Development Framework (NSDF) is a strategic long-term spatial plan towards the 2030 vision. The NSDF is legally mandated by the Spatial Planning and Land Use Management Act, 2013 (SPLUMA), and must be aligned with the 2030 National Development Plan (NDP). In terms of SPLUMA, the NSDF must be adopted by the Cabinet, after which it becomes South Africa's primary national spatial development policy. Once adopted, it will provide:

1. A visual representation of the desired national spatial development pattern for the country.
2. A set of national spatial directives for all forms of infrastructure investment and development spending in the country; and
3. A series of national strategic spatial areas for targeted investment by the government and the private sector.

The NSDF is based on a 'National Transformation Logic' with a distinct spatial dimension. The vision provides a long-term guiding light in accordance with the national transformation logic, this vision is:

1. Derived and drawn from the national development paradigm.
2. Prepared with full consideration of the implications of the 'national spatial development shapers.'

To realize the national spatial development vision and ensure rapid and decisive movement towards the desired post-Apartheid national spatial development pattern, a series of interrelated 'shifts' in the national spatial development logic are required. These shifts are as follows:

- Beneficiaries of National Spatial Planning and Spatial Development: Placing the interests and benefit of 'the many' at center stage by ensuring access for all to the use of land for residential, social, economic and cultural purposes, both in urban and rural areas.

2.1.5 Integrated Urban Development Framework (IUDF) (2016)

The Integrated Urban Development Framework (IUDF) is a government's policy roadmap for pursuing spatial transformation in cities and towns. In line with chapter 8 of the National Development Plan, its overarching objective is 'Transforming Human Settlements and the National Space Economy'. It aims to drive transformation through the realisation of four strategic objectives as listed below:

1. Spatial Integration
2. Inclusion and Access
3. Growth

4. Governance

The IUDF stresses coordinated planning by all sectors, stakeholders and spheres of government to address specific challenges of development facing South African cities and towns. These relate to the fragmented spatial patterns of development that continue to reflect the legacy of the previous segregation policies imposed on the citizens during the Apartheid era.

KSD ALIGNMENT TO THE POLICY

The IUDF complement the Local Economic Development agenda of South Africa and KSD as it aims to achieve inclusive economic growth and liveable, safe urban areas while realising the linkages between rural and urban areas.

2.1.6 Provincial Growth and Development Plan (PGDP)

The Eastern Cape Provincial Development Plan (EC PDP) aims at the fulfilment of human potential through human development; economic opportunities and rights; and the development of institutional capabilities. The EC PDP also aims to eradicate historical backlogs in basic infrastructure by 2030. The plan has a strong focus on effective provision of public services, most notably education and health services. However, it is based on the notion of active citizenship and community-driven development. While the economic role of the metropolitan nodes is recognized, the plan places great emphasis on rural development as most people remain in rural areas and smaller rural towns. Further, the EC PDP aims to drive inclusive economic growth and development, particularly through unlocking the high potential of our coastal corridor and agro-industry sector. To drive inclusive growth, the plan is also emphasising the retention and expansion of industry, building on existing industrial capacity and natural resource potential

To give effect to the vision of “an enterprising and connected province where its people reach their potential”, the updated EC PDP sets out six goals as outlined below:

1. Innovative and inclusive growing economy
2. An enabling infrastructure network
3. Rural development and an innovative and high-value agriculture sector
4. Human development
5. Environmental sustainability
6. Capable democratic institutions

KSD ALIGNMENT TO THE POLICY

KSD must work in conjunction with the EC PDP by aligning the LED strategy goals with that of the EC PDP. This creates opportunity and scope for inter-and intra-governmental integration, co-ordination and cooperation between spheres to focus resources on agreed upon priority areas. The KSD municipality is aligned with goal 1, goal 3 and goal 4 of the EC PDP as they target to building inclusive growth through prioritizing the following sectors: Tourism sector, Agriculture sector and creative arts.

2.1.7 District Development Model

The District Development Model (DDM) is a District/Metro impact-oriented planning, budgeting and implementation approach that was developed to address the silo mentality

1. Solve the Silos at a horizontal and vertical level.
2. Maximize impact and align plans and resources at our disposal through the development of *“One District, One Plan and One Budget”*.
3. Narrow the distance between people and government by strengthening the coordination role and capacities at the District and City levels.
4. Ensure inclusivity by gender budgeting based on the needs and aspirations of our people and communities at a local level.
5. Build government capacity to support municipalities.
6. Strengthen monitoring and evaluation at district and local levels.
7. Implement a balanced approach towards development between urban and rural areas.
8. Ensure sustainable development whilst accelerating initiatives to promote poverty eradication, employment, and equality.
9. Exercise oversight over budgets and projects in an accountable and transparent manner.

Principles Underpinning the Model	Main Objectives of the Model
<ul style="list-style-type: none"> a. Existing Constitutional Framework Remains as is, whilst strengthening the regulatory framework for Cooperative Governance b. Reinforce Local Government and its Proximity to Communities c. Distinction Between Long-term and Medium-term Strategic Planning/ Implementation Mechanisms d. Build on Lessons from implementing previous similar and Existing Good Practices – Current MTSF Alignment (DPME) and Operation Sukuma Sakhe (OSS) and other emerging best practice e. Reconfigure Integrated Planning Responsibilities and Institutional Arrangements 	<ul style="list-style-type: none"> a. Managing rural/urban migration, as well as sustainable growth and development; b. Determining and/or supporting local economic drivers; c. Determining and managing spatial form, land release and land development; d. Determining infrastructure investment requirements and ensure long-term infrastructure adequacy to support integrated human settlements, economic activity and provision of basic services, community and social services; e. Institutionalize long term planning whilst addressing ‘burning’ short term issues

2.1.8 O.R. Tambo DM LED strategy

The vision of ORTDM for innovation-driven LED is “Engaging with our diverse communities and stakeholders to build an inclusive, prosperous, innovative and economically sustainable municipality” and the mission is “To mobilize national system of innovation partnerships, solicit investments, engage citizens in development plans, and effectively deliver municipal services for the benefit of all municipal residents”.

The innovation-driven LED objectives of are as follows:

1. To institutionalize innovation within municipal processes to enhance efficiency and responsiveness.
2. Integrate advanced agricultural techniques and technologies to improve productivity and sustainability in the agricultural sector.
3. To Promote Investment, Economic & Innovation Infrastructure Development, and Economic Planning
4. Improving economic competitiveness through the development of a local system of innovation, tourism and ocean economy
5. To provide Support to MSMEs, Co-operatives and informal traders as vehicles for innovation-driven economic growth and the creation of employment Opportunities
6. To support the development and promotion of small-scale manufacturing

KSD ALIGNMENT TO THE FRAMEWORK

The KSD LED strategy will also prioritise the agriculture and tourism sector which serves as anchor for the O.R. Tambo ILED strategy which has focused more on innovation. KSD is prioritising labour-intensive growth, which include agriculture and tourism in rural and urban areas.

2.1.9 KSD Integrated Development Plan (IDP)

The principal strategic municipal planning document for KSD, guides all other plans, strategies and resource allocation, investment and management decisions in the KSD LM.

Strategic objectives for the IDP of KSD are as follows:

1. Curb poverty through sustainable agricultural development
2. Stimulating rural development, land reform and food security
3. Promoting better healthcare for all our people
4. Better access to quality education
5. Mainstreaming of programmes of the designated groups
6. Improvement of agriculture, lobbying economic investments towards reducing unemployment (youth and cooperatives mainly) and revival of industries.
7. Acceleration of pro-vision of electricity in the rural areas and alternative energy to bout electricity outages
8. Exploitation and sustain blue Ocean Economy (OE) and Special Economic Zone (SEZ) opportunities
9. Institutional re-engineering
10. Clean governance through fighting corruption, strengthening administration and achieving clean audit outcomes
11. Revenue enhancement as a key factor to the sustainability of the municipality
12. Integrated human settlements and building of cohesive communities and nation-building
13. Transformation of the economy to create jobs and sustainable livelihoods and environmental sustainability; and
14. Improvement of safety and security in our society

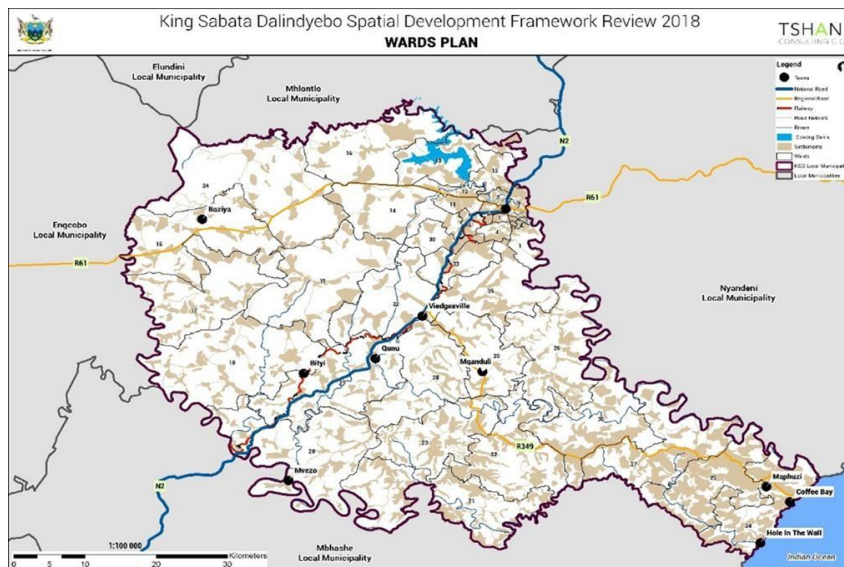
2.1.10 KSD Spatial Development Framework

The Spatial Development Framework (SDF) is a policy document that is aligned with the municipal Integrated Development Plan (IDP), as such, the SDF vision is influenced by the IDP's vision. The SDF seeks to guide the development trajectory of KSD's urban centres of Mthatha and Mqanduli towards sustainable and liveable urban environments. The SDF adopts the following key objectives to realise the development vision of the municipality:

1. Economic Development and job creation
2. Transforming Human Settlements
3. Promote Rural Development
4. Protect Biodiversity, Water and Agricultural Resources
5. Infrastructure Investment; and
6. Institutional support and good governance

Map 2.1 below shows the Spatial Development Framework for the KSD municipality.

Map 2.1: KSD LM Spatial Development Framework



Source: KSD Spatial Development Plan, 2019

The towns of the KSD LM are linked to various towns in neighbouring municipalities. The following primary and secondary transportation routes traverse through the King Sabata Dalindyebo Local Municipal area:

1. N2 (Primary route).
2. R61 (Secondary route) which connects the neighbouring town of Libode and Engcobo in the east-west direction.
3. R349 -Route branching from N2 to Mqanduli (Transport corridor) and further to the coastal node of Coffee Bay.

The KSD LM is connected to neighbouring municipalities, towns and rural settlements. This is mainly due to the services offered by the town of Mthatha, which is a regional centre. The municipality is surrounded by the following local municipalities; Engcobo in the west direction, Mbashe in the southwestern direction, Nyandeni in the southeastern direction and Mhlontlo in the northern direction. The R61 cuts through the town of Mthatha, connecting the Engcobo and Nyandeni local Municipalities. The N2 national road cuts through Mthatha as well, connecting the neighbouring Mbashe Local Municipality in the southern direction and Mhlontlo Local Municipality in the northern direction.

The town of Mthatha within the KSD LM is a regional economic hub as well as administrative centre in the region. It serves the neighbouring towns of Libode, Tsolo and Qumbu as well as rural hinterlands surrounding these towns for economic services. The nodes and corridors concept connects different centres of varied activity. Nodes within the municipality vary and scale and functionality and are connected to roads of different scales. The nodes of KSD are shown in Table 2.1 below.

Table 2.1: KSD nodes and functions

NODE	LOCATION	FUNCTION(S)
Primary nodes	Mthatha and Mqanduli	Main centres of commerce and administration
Secondary nodes	Viedgesville	Have some form of economic activity
Tertiary nodes	Ngcwanguba, Maphuzi, Gogozayo and Bityi	Small centres serve as location points for community facilities
Rural nodes	Qunu, Mvezo, Ross Mission, Tabase Mission, Mqhekezweni and Baziya	Prominent rural areas located along major roads
Tourism nodes	Coffee Bay and Hole-in-the-Wall	Centres for attracting various tourism activities

Source: KSD Spatial Development Plan, 2019

The primary nodes are mainly centres which provide services to the sub regional economy and community needs. The following functions are envisaged for the primary nodes:

1. Economic growth areas.
2. Provide economies of scale for effective and affordable service delivery.
3. Promote densification and infill developments.
4. Promote compact urban development and combat urban sprawl.
5. Increase residential densities.
6. Promote socio-economic upliftment.
7. Promote the provision of sufficient bulk infrastructure services.
8. Priority spending on infrastructural upgrading needs (new and maintenance)

Based on the above Table 2.1, Mthatha and Mqanduli are identified as the primary nodes within the municipality (see Table 2.1). Mthatha is not only a regional shopping centre but also an administrative centre for a vast number of rural villages within the municipality. These nodal areas do not provide services and economic advantages that impact on a provincial level; however, they serve as important service delivery functions within the local economies of the municipality and are

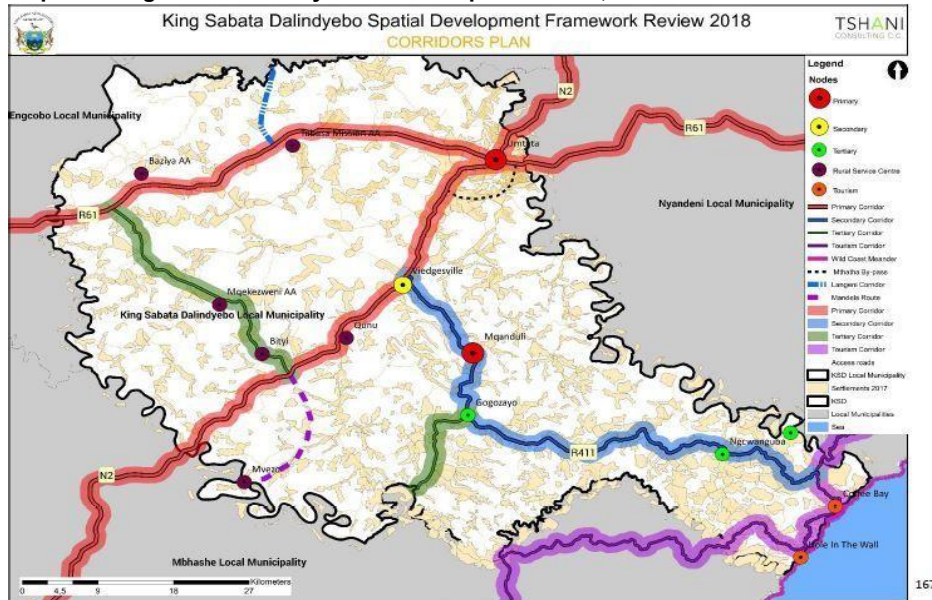
Special tourism routes	Wild Coast Meander, Thunga Thunga Route, R349 (Mthatha via Mqanduli towards the coast) and Lusikisiki-Mbotyi	Provide links between tourism nodes and main mobility routes.
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Source: KSD Spatial Development Plan, 2019

The KSD Municipality is the biggest municipality, in terms of area within the OR Tambo District Municipality. There are several important corridors traversing the municipal area. Primary corridors are aimed at functioning as key mobility routes that promote trade, commerce and key linkages between other municipalities. The municipality has the following primary corridors: N2 (north-south linkage) and R61 (east-west linkage). Secondary corridors support the functions of the primary corridors while extending connectivity to local areas. The secondary corridor identified within the municipality is R349 (via Mqanduli towards the coast).

Tertiary corridors are aimed at promoting mobility and access within local settlements. The KSD municipality is home to several rural settlements and access to these settlements is predominantly through these routes. The corridors are: The baziya-Qunu-Elliotdale route and Gogozayo-Elliotdale. The KSD municipality is home to pristine coastlines that serve as tourism destinations. The Wild Coast Meander corridor has been identified as a critical tourism corridor within the municipality. The Wild Coast Meander is a proposed route that seeks to expand linkages along the Wild Coast, linking towns from East London to the south and Mkhambati to the north. Tourism potential in settlements and towns along this corridor will be greatly influenced through increased traffic volumes. Map 2.3 below shows the corridor plan for KSD.

Map 2.3: King Sabata Dalindyebo Corridor plan for SDF, 2018



CHAPTER 3: SOCIO-ECONOMIC PROFILE

3.1 KSD Economic Overview

This profile discusses the major demographic and socio-economic trends and characteristics within the King Sabata Dalindyebo Local Municipality.

3.2 Population

The demography of an area provides vital information for policymakers. The data used in this section is from Statistics South Africa (Census 2022) and IHS Global Insight. The analysis and results of this section could be used by KSD local municipality for promoting optimal resource allocation to reduce poverty and vulnerability among marginalised people in the municipality.

Table 3.1: Total Population of KSD LM, 2016 & 2022

DEMOGRAPHICS	NUMBER	PERCENT	NUMBER	PERCENT
	2011		2022	
POPULATION	488 349		476 558	
POPULATION PROFILE				
BLACK AFRICAN	484,025	99.1	466 828	98
COLOURED	2,812	0.6	3916	0,8
INDIAN OR ASIAN	669	0.1	1983	0,4
WHITE	843	0.2	1922	0,4
NUMBER OF HOUSEHOLDS	115,894		114 589	
HOUSEHOLDS SIZE	4.2		4,2	

Source: Stats SA: Census 2011 and Community Survey 2022

According to Stats SA Community Survey 2022, the current population of KSD LM is estimated to be 520 000. The overall change in population size from the 2011 Census is an increase of 69713 (2.3%) from the total population of 450 287 in 2011.

Table 3.2: Total population - KSD, O.R. Tambo and Eastern Cape, 2012-2018

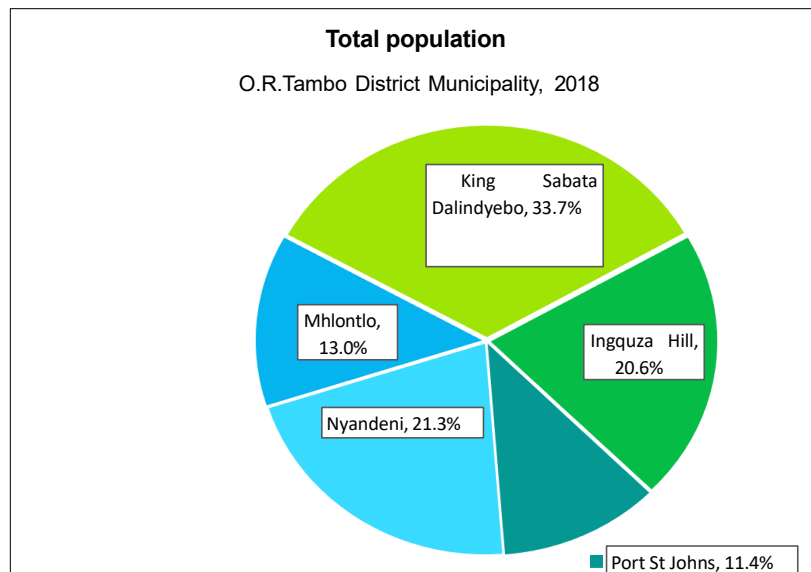
	KING SABATA DALINDYEBO	O.R.TAMBO	EASTERN CAPE	KSD AS % OF DISTRICT MUNICIPALITY	KSD AS % OF PROVINCE
2011	450,287	1 366 039	6 562 053	33.1%	6.9%
2012	469,000	1,410,000	6,800,000	33.3%	6.9%
2013	475,000	1,420,000	6,870,000	33.4%	6.9%
2014	481,000	1,440,000	6,930,000	33.5%	6.9%
2015	487,000	1,450,000	7,010,000	33.6%	7.0%
2016	493,000	1,470,000	7,080,000	33.6%	7.0%
2017	500,000	1,480,000	7,150,000	33.7%	7.0%
2018	506,000	1,500,000	7,220,000	33.7%	7.0%

2022	476 558	1 501 702	7 230 204	32.3%	6.6%
2011-2022	0,6	0,9	0,9		

Source: Census_2022_Municipal_factsheet-Web

With 506 000 people, the KSD housed 33.7% of O. R. Tambo's total population in 2018. Between 2011 and 2018 the population growth averaged 1.13% per annum which is slightly higher than the growth rate of Eastern Cape as a whole (0.88%). Compared to O.R. Tambo's average annual growth rate (0.91%), the growth rate in KSD's population at 1.28% was slightly higher than that of the district municipality.

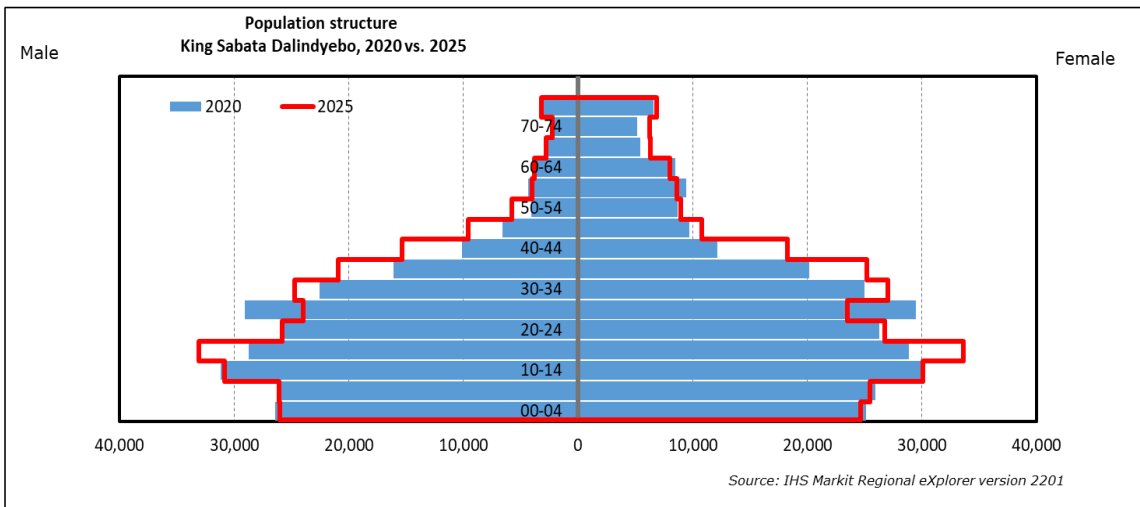
Figure 3.1: Total Population – KSD LM and The Rest of O.R. Tambo, 2018



Source: IHS Markit Regional eXplorer, 2019

The ranking in terms of the size of KSD LM compared to the other regions remained the same between 2012 and 2018. In terms of its share the KSD LM was slightly larger in 2018 (33.7%) compared to what it was in 2012 (33.3%). When looking at the average annual growth rate, it is noted that KSD contributes the most population to the district municipality.

Figure3.2: Population pyramid - King Sabata Dalindyebo Local Municipality, 2020 vs 2025



The population pyramid reflects a projected change in the structure of the population from 2020 and 2025. The differences can be explained as follows:

- KSD in 2020, there is a significantly larger share of young working-age people between 20 and 34 (30.4%), compared to what is estimated in 2025 (27.7%). This age category of the young working-age population will decrease over time.
- The fertility rate in 2025 is estimated to be slightly higher compared to that experienced in 2020.
- The share of children between the ages of 0 to 14 years is projected to be significantly smaller (29.7%) in 2025 when compared to 2020 (31.8%).

In 2020, the female population for the 20 to 34 years age group amounted to 15.5% of the total female population, while the male population group for the same age amounted to 14.9% of the total male population. In 2025, the male working-age population estimated at 13.6% will not exceed that of the female population working-age population at an estimated 14.1%, although both are at a lower level compared to 2020.

3.3 Economic Performance

The economic performance of the economy is measured by Gross Domestic Product (GDP), and is used to compare economies. Figure 3.3 compares the economic performance of KSD LM with that of O.R. Tambo. KSD LM performed in a similar pattern as that of the O.R. Tambo district and is expected to grow at an average annual rate of 1.06% from 2018 to 2023. The average annual growth rate in the GDP of O.R. Tambo DM is expected to be 1.11%.

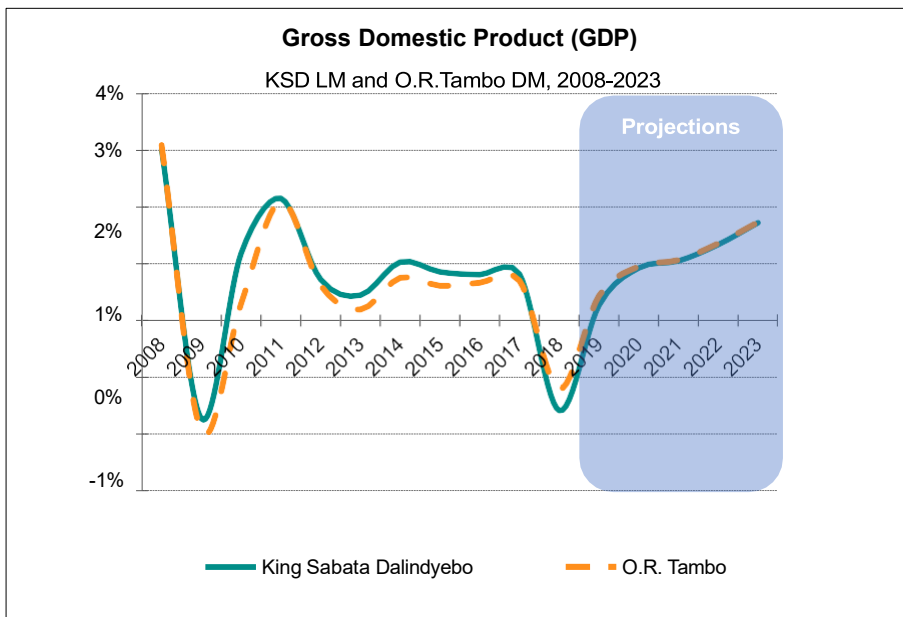
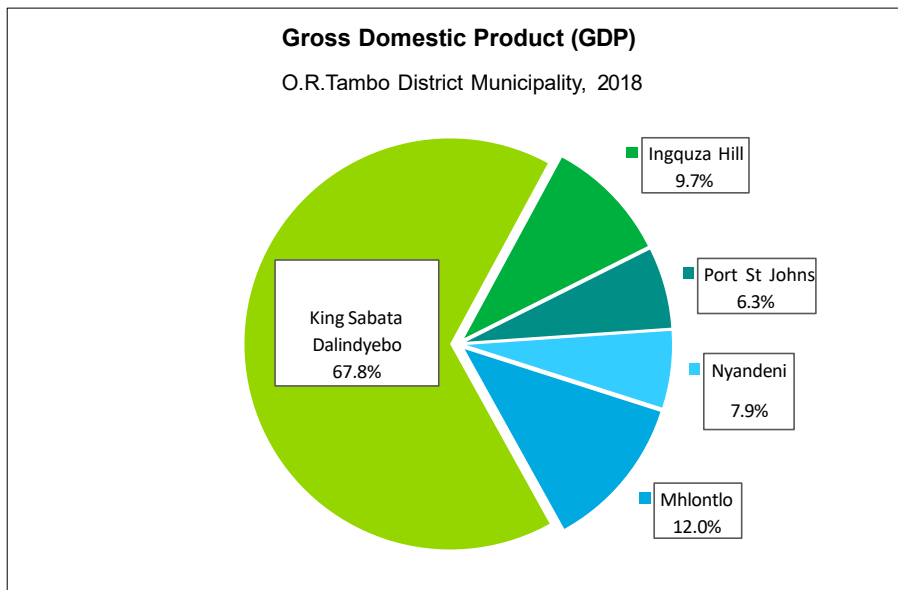


Figure 3.3: GDP at constant 2010 prices– KSD LM, O.R. Tambo DM, 2008-2023
 Source: IHS Markit Regional eXplorer, 2019

Figure 3.4: KSD LM GDP contribution to O.R. Tambo DM, 2018



Source: IHS Markit Regional eXplorer, 2019

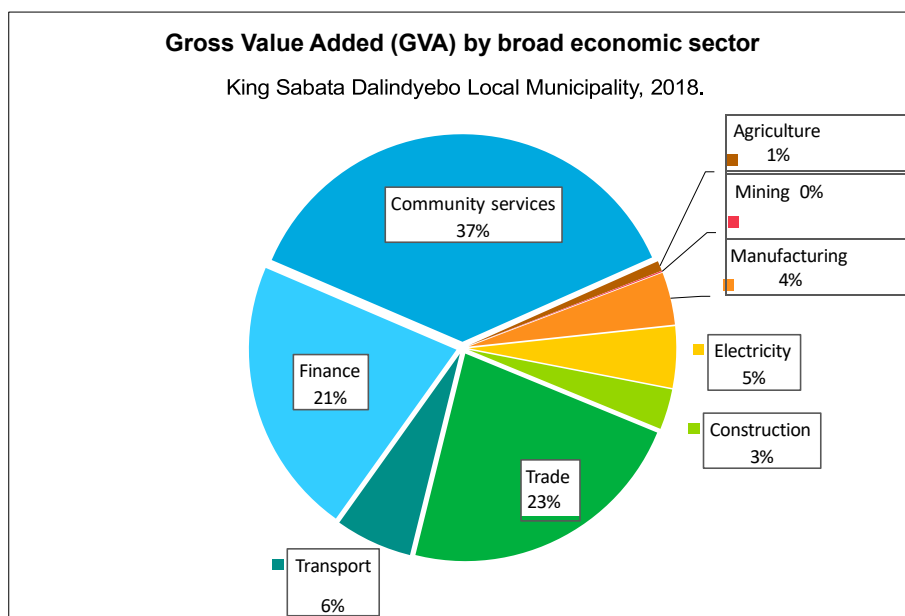
The KSD LM had a total GDP of R 26.8 billion and in terms of total contribution towards O.R. Tambo DM. This local municipality is ranked highest relative to all the regional economies to total O.R. Tambo DM, contributing 66.0% to the O.R. Tambo's GDP. For the period 2008 to 2018, the average annual growth rate of 0.5% of KSD

LM was the highest relative to its peers in terms of growth in constant 2010 prices. With a GDP of R 26.8 billion in 2018 (up from R 12.8 billion in 2008), the KSD LM contributed 65.95% to the O.R.Tambo District Municipality GDP of R 40.7 billion in 2018 increasing in the share of the O.R.Tambo from 64.80% in 2008. The KSD LM contributes 7.12% to the GDP of Eastern Cape Province and 0.55% the GDP of South Africa which had a total GDP of R 4.87 trillion in 2018 (as measured in nominal or current prices).

3.3.1 Economic performance by sector

The KSD's economy is made up of various industries. The Gross Value Added (GVA) variable provides a sector breakdown, where each sector is measured in terms of its value-added produced in the local economy. In 2018, the community services sector was the largest within KSD LM accounting for R 9.15 billion or 36.9% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the KSD LM is the trade sector at 22.6%, followed by the finance sector at 21.6%. The sector that contributes the least to the economy of KSD LM is the mining sector with a contribution of R 23.2 million or 0.09% of the total GVA.

Figure 3.5: KSD LM GDP contribution by broad economic sector, 2018



Source: IHS Markit Regional explorer, 2019

The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the O.R. Tambo District Municipality,

King Sabata Dalindyebo contributes the most community services towards its own GVA, with 62.24%, relative to the other regions within O.R. Tambo District Municipality.

King Sabata Dalindyebo contributed R 31 billion or 67.16% to the GVA of O.R. Tambo District Municipality. The King Sabata Dalindyebo also contributes the most to the overall GVA of O.R. Tambo District Municipality.

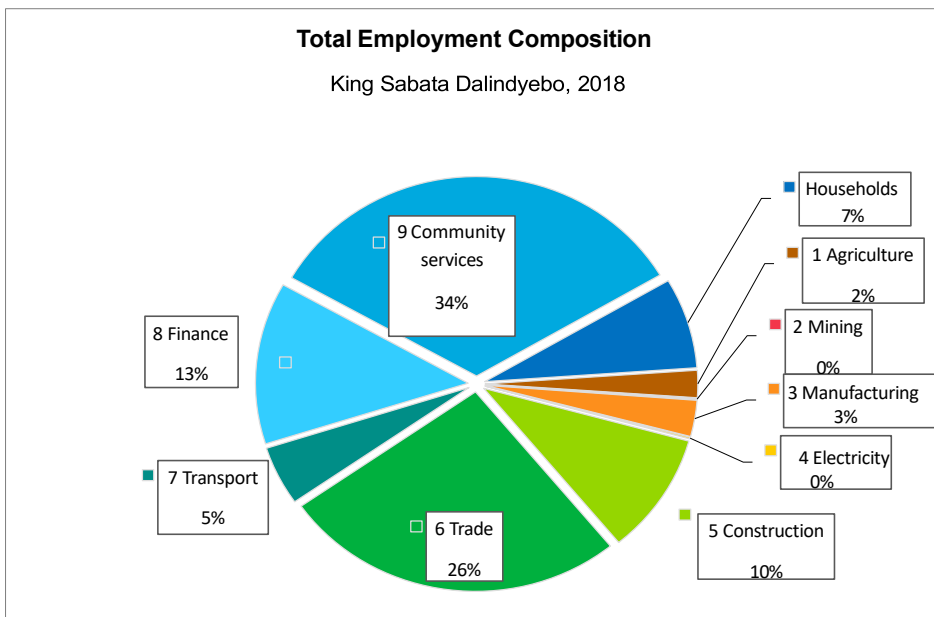
3.4 Labour

3.4.1 Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. In 2018, KSD LM employed 121 000 people which is 54.54% of the total employment in O.R. Tambo DM (222 000) and 8.25% of total employment in Eastern Cape Province (1.47 million). Employment within KSD LM increased annually at an average rate of 1.21% from 2008 to 2018. KSD LM also employs the highest number of people within O.R. Tambo District Municipality. The local municipality that employs the lowest number of people relative to the other regions within O.R. Tambo DM is Port St Johns local municipality with a total number of 19 400 employed people.

Figure 3.6 below shows, in KSD LM the economic sectors that recorded the largest number of employments in 2018 were community services sector with a total of 40 400 employed people or 33.3% of total employment in the local municipality. The trade sector with a total of 31 800 (26.2%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 126 (0.1%) is the sector that employs the least number of people in KSD LM, followed by the electricity sector with 159 (0.1%) people employed.

Figure 3.6: KSD 's employment contribution by sector, 2018



Source: IHS Markit Regional Explorer, 2019

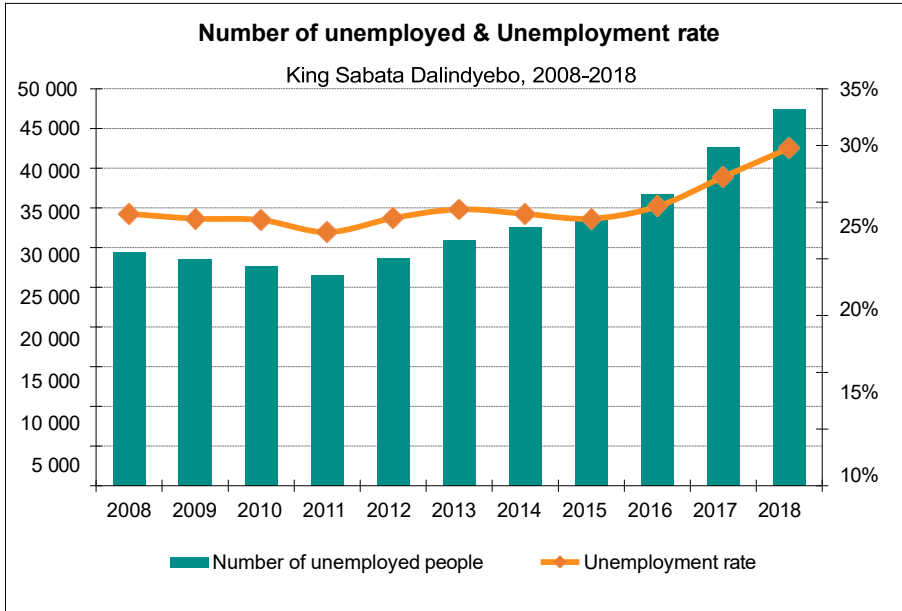
3.4.2 Unemployment

In 2021Q3 the South African unemployment rate increased by 0.5 of a percentage point to 34.9%, compared to 2021Q2. The Eastern Cape province recorded the highest unemployment rate above the 40% mark. The highest unemployment rate increases were recorded in Eastern Cape (47.4%), Free State (38.1%),

Mpumalanga (37.5%) and Gauteng (37.0%).

In 2018, the unemployment rate in KSD LM (based on the official definition of unemployment) was 29.77%, which is an increase of 5.79 percentage points. The unemployment rate for KSD LM is lower than that of O.R. Tambo DM.

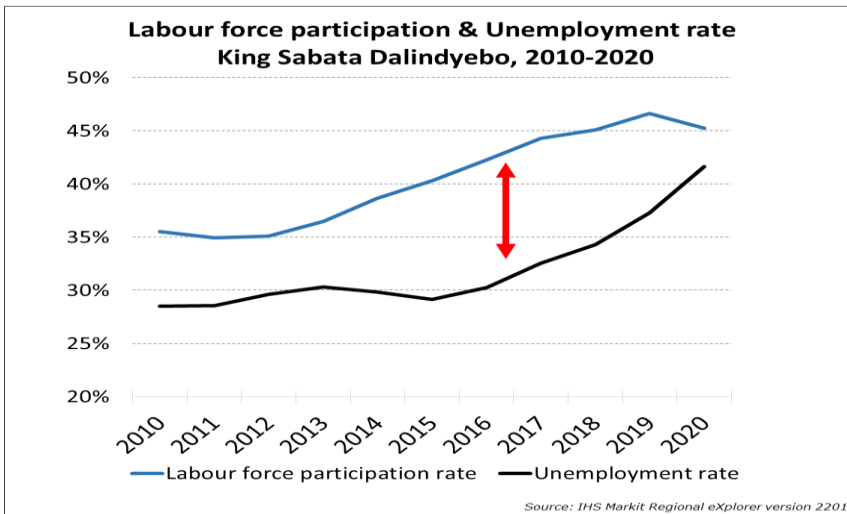
Figure 3.7.1: Unemployment and unemployment rate (official definition) – KSD LM, 2008-2018



Source: IHS Markit Regional Explorer, 2019

In 2020 the labour force participation rate for King Sabata Dalindyebo was at 45.3% which is significantly higher when compared to the 35.5% in 2010. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within King Sabata Dalindyebo Local Municipality.

Figure 3.7.2: Labour Force Participation and Unemployment Rate



3.5 Development

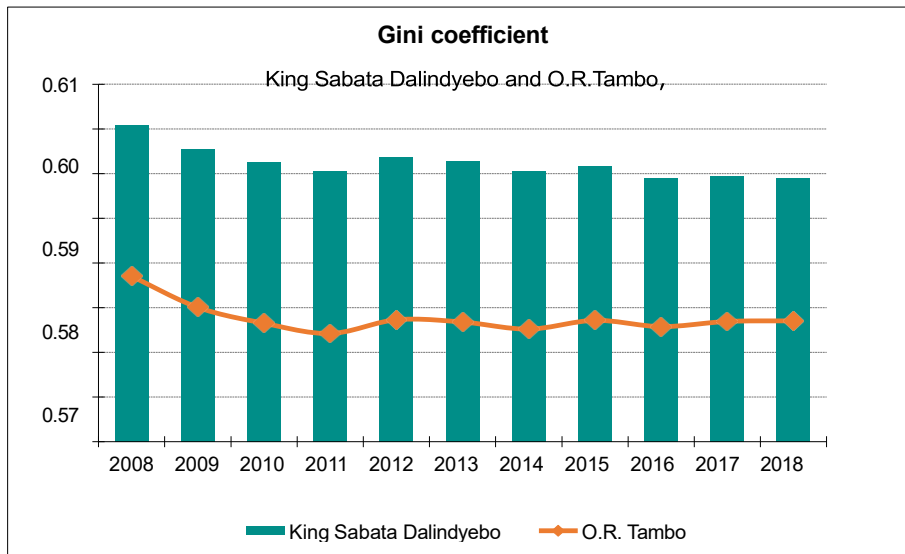
Indicators of development, Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of the area.

3.5.1 Gini Coefficient

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

Figure 3.8 below shows KSD's Gini coefficient trend compared to that of the district municipality from 2008 to 2018. In 2018, the Gini coefficient in KSD LM was at 0.59, which reflects a decrease in the number over the ten-year period from 2008 to 2018. In the same period, the O.R. Tambo's Gini coefficient was 0.56 which was lower than that of KSD LM. In terms of the Gini coefficient for each of the regions within the O.R. Tambo DM, KSD LM has the highest Gini coefficient, with an index value of 0.59. The lowest Gini coefficient can be observed in the Nyandeni LM with an index value of 0.51.

Figure 3.8: KSD Gini Coefficient compared to O.R. Tambo DM, 2008-2018

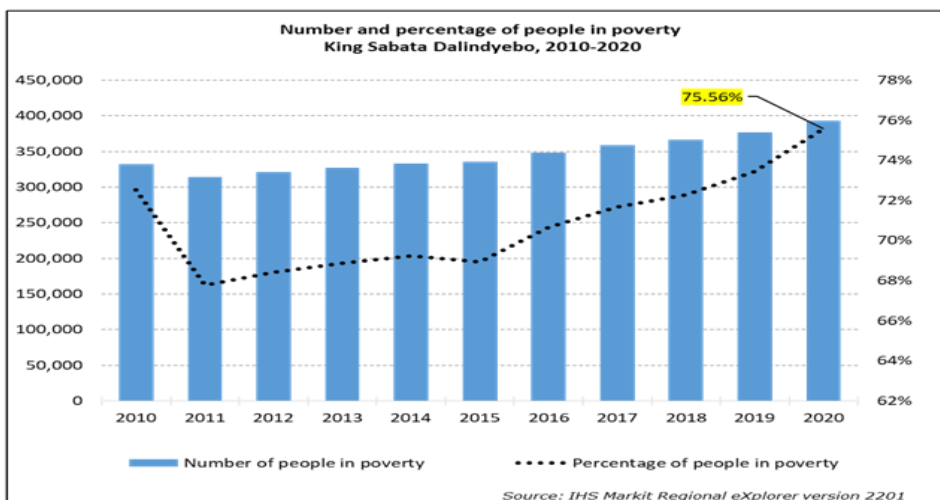


Source: IHS Markit Regional Explorer, 2019

3.5.2 Poverty

Poverty will be measured by the upper poverty line as defined by Stats SA as the level of consumption at which individuals can purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that level of consumption for the given area and is balanced directly with the official upper poverty rate as measured by Stats SA.

In 2020, 393 000 people were living in poverty, using the upper poverty line definition, across King Sabata Dalindyebo Local Municipality - this is 18.35% higher than the 332 000 in 2010. The percentage of people living in poverty has increased from 72.52% in 2010 to 75.56% in 2020, which indicates an increase of -3.04 percentage points.



Source: IHS Markit Regional Explorer version 2201

The KSD municipality is characterized by a large rural population as compared to its urban population, yet the municipality is highly dependent on the tertiary sector. This tertiary sector is leaning more towards community services than in skilled and advanced professions such as banking and finance as with the case with globally competitive economies. KSD's income base shows a variety of income streams where more than 50% of the income is generated within the municipality through property tax, sale of services and municipal own income. In the 2015/2016 financial year, KSD had received 36% of its income from grants.

3.5.3 The comparative and competitive advantages

The KSD local municipality has a competitive advantage because it is right on the N2 Urban Corridor. The N2 is the Municipalities transportation spine and its "lifeblood" connecting Mthatha to major markets and suppliers in Durban and East London. Ensuring that this road is in excellent condition should be a high priority for the National Government, which has primary responsibility for the state of this major national road. It is a gateway to the KwaZulu-Natal coast and forms part of the breath-taking Wild Coast, boasting national tourist sites such as the Hole in the Wall and thereby offering a potential for a wide variety of recreational coastal activities. It is historically the birthplace for political and traditional icons such as King Sabata Dalindyebo and Nelson Mandela, offering a huge potential for pilgrimage visits for the benefit of Tourism (including national and local tourism).

KSD Municipality is also important as a regional centre for provincial government as well as home to the OR Tambo District offices. KSD Municipality is the host to many governments regional offices serving the entire ORTDM population. These departments have led to the Community Services Sector being the highest performing sector in the local economy of KSD. Moreover, the municipality serves as the hub for a growing local Municipality. The Community Services sector has led to local people being employed and has also led to the attraction of skills from different parts of the country. Local Businesses because of the regional government offices are benefiting immensely in terms of the business opportunities created by these government departments.

KSD has two institutions of higher learning, the WSU and KSD Technical and Vocational Education Training (TVET) which have satellite offices within the region and the municipality has agreed with both Institutions. WSU has also created business opportunities in the student accommodation sector which has benefited local property owners. It has also created opportunities for disadvantaged communities of KSD. KSD TVET has also created opportunities for disadvantaged communities for skills development and provides knowledge for employment. Our TVET uses formal, non-formal and informal learning leading our local young people to have an opportunity to study especially for those that cannot be absorbed by WSU and other universities around the country. The municipality has created training opportunities for qualified graduates, and some have been placed in the local business establishments for internships. These placements add value to the unemployed graduates within KSD for the opportunity to gain work experience and development.

The KSD municipality has two large public hospitals Mthatha General Hospital and Nelson Mandela Academic

Hospital. It also has two private hospitals that enhance the Municipality's role as a regional centre for health and education within the ORTDM. The Nelson Mandela Hospital is the pilot hospital for the National Health Initiative which will benefit many people within the former Transkei. This hospital was recently revamped and upgraded to improve current health facilities and the outlook of the hospital. It has led to the attraction of medical practitioners with exceptional skills and expertise. This improves the livelihood of our communities as well as creating opportunities for the property sector.

The KSD is also a bustling retail hub for more than a hundred surrounding rural villages and the development of nodal business precincts would increase investment potential. The region has an airport and a huge potential for agro-processing, thus also identified for Special Economic Zone (SEZ) activities. The airport also strengthens the role of Mthatha as a tourism gateway to the wild coast. The region is bio-diverse, characterized by more than three biomes and flanked by the Langeni and other smaller forests, offering a potential for forestry manufacturing activities for local communities. Due to high stock volumes in the rural communities, the growth of new textile industries apart from wool (which is already produced) such as skin and hides tannery activities would be lucrative.

3.6 Assessing Municipal Capacity for Local Economic Development

The assessment of municipal capacity for LED is an important determinant of the efficiency and effectiveness of the implementation of identified priorities. This assessment refers to the presence, performance, priorities, relationships, roles and responsibilities of organizational stakeholders and associated structures that are involved in LED in KSDLM. The KSD Municipality has identified the following focal areas or development thrusts, around which its activities are prioritized:

1. Regional Market Base
2. Higher Education & Research
3. Heritage & Resource Tourism Base
4. Hospitals & Medical Services
5. Government

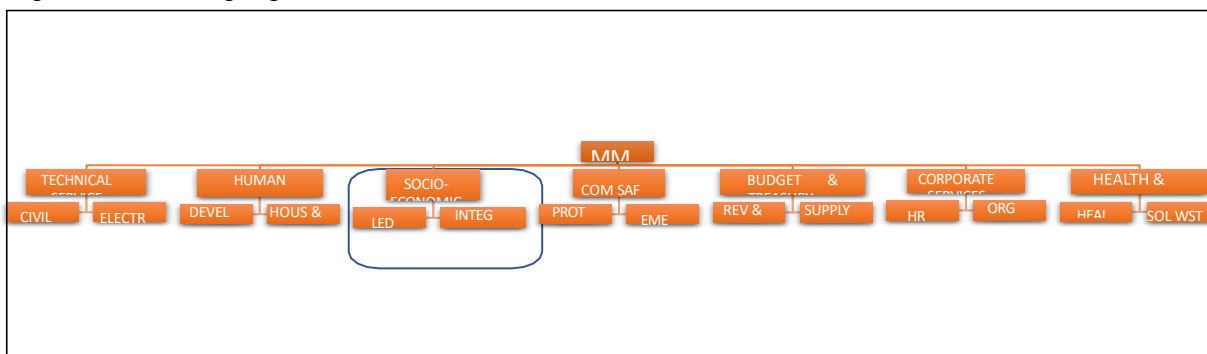
Figure 3.10 below shows the KSD LM organogram, highlighting the KSD LED unit. The LED unit is not situated within the Planning and Housing Department as shown by the organogram in Figure 3.9. The LED unit is situated within the Rural and Economic Development Department, and it has been seen as a challenge to coordinate planning.

The LED Unit is comprised of a General Manager, and 4 managers: The manager for Rural Development, the Manager for Tourism, Arts and Culture, the Manager of Business and SMME Development and the Resource Mobilization and Revenue. X2 Assistant Managers: Assistant Manager: Fisheries & Forestry, Assistant Manager: Agricultural Development KSD consists of 18 LED officers : Investment Promotion Officer, Market Overseer, X2 Licensing Officers, Resource Mobilization Officer, Heritage Development Officer, Marketing Officer, Tourism Development Officer, Tourism Information Officer, Visual Performing Arts, Film, Craft and Music Officer, Formal & Informal Business Development Officer, Industrial Development Officer, Cooperative

Development Officer, Consumer & Corporate Regulation Officer, Agricultural Development Officer, Animal Production Officer, Fisheries Officer, Forestry Development Officer and 20 LED Clerks: Marketing Clerk, X5 Licensing Clerks, X2 Resource Mobilization Clerks, Marketing Clerk, Tourism Development Clerk, Performing Arts & Music Clerk, Visual Craft & Fashion Design Clerk, FIBD Clerk, Industrial Development Clerk, x2 Cooperatives Development Clerks, Livestock Development Clerk, Crop Production Clerk, Fisheries Clerk, Forestry Clerk. The LED secretary is responsible for overseeing the successful implementation of the LED Strategy by reviewing and assessing the day-to-day progress of the implementation of the strategy.

According to KSD LM, a total of 21 out of 52 posts have been filled in the KSD LED unit Municipality. Thus only 31 posts were vacant in the organogram. This is not positive as it is a very high vacancy rate for a local municipality. However, there is a new proposed organogram for the department.

Figure 3.10: KSD LM Organogram for LED unit



Source: KSD LM, 2010

3.7 Stakeholder relations

The municipality continues to maintain relationships with different role players in government and 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 for community representatives, private, organizations, government, Non-Government Organizations (NGOs), Community-Based Organizations (CBOs), traditional authorities and the private sector to meet to discuss and implement LED initiatives. In KSD there is an LED Forum in place, which is functional and sits on a quarterly basis. 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.

Local organized business structures or Business chambers contribute to economic growth and development, by 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 ecosystem for sector development, such that retail sector businesses can grow and create jobs.

KSD municipality has strong relations with the organized farmers as it is a platform for stakeholder engagement sessions to consider key interventions and opportunities for increased performance in the agricultural sector in the Municipality. The platforms also act as catalysts for radical agriculture transformation, establishing networks and working together for desired change.

Key strategic partners that the department has established:

1. City of Surrey
2. Department of Cooperative Governance and Traditional Affairs (COGTA)
3. Department of Health
4. Department of Rural Development and Agrarian Reform (DRDAR) Department of Rural Development and Land Reform (DRDLR)
5. Department of Science and Innovation (DSI)
6. Department of Small Business Development (DSBD)
7. Department of Social Development (DSD)
8. Department of Sport Recreation Arts and Culture (DSRAC)
9. Durban University of Technology (DUT)
10. Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)
11. Eastern Cape Rural Development Agency (ECRDA)
12. Federation of Canadian Municipalities
13. KSD organized farmers
14. KSD TVET College
15. National Department of Tourism
16. National Heritage
17. ORTDM
18. SALGA
19. The Eastern Cape Development Corporation (ECDC)
20. Tsolo Agriculture College
21. Walter Sisulu University (WSU)
22. DICLA Training & Projects.

3.8 Swot Analysis

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> ● International recognition ● Sector- performing / non-performing ● Favorable geographic location ● Diversity of culture and Cultural Beliefs ● Availability of bylaws ● KSD is an economic hub for the region ● Indigenous knowledge and plants ● Coffee bay and Hole in the wall coastal belt ● Heritage archives ● Diversity in crops and livestock ● Availability of arable land ● Organised farmers 	<ul style="list-style-type: none"> ● No monitoring and evaluation instrument ● Misalignment with planning and programmes ● Retention of Personnel ● Lack of funding to drive implementation ● Poor involvement of youth and woman ● Working in SILOs ● Poor Audit outcome ● Lack of public participation ● Lack of enforcement of bylaws ● Limited recreational facilities ● Lack of ownership of community projects ● Lack of technology and capacity building ● Cooperatives not sustainable ● Profiling of communities ● Lack of marketing coffee bay, hole in the wall and nature reserves ● Ineffective livestock improvement programs

OPPORTUNITY	THREAT
<ul style="list-style-type: none"> ● University town ● All levels of government support vision ● through presidential intervention ● Accessibility for pedestrians and people with disability ● Potential to enhance revenue through tourism ● Home of legends (King Sabata and Nelson Mandela) ● Upgrade of infrastructure to improve road networks ● Community-based projects ● Waste recycling ● Airport upgrade for easy access ● Improve Revenue Local Culture & Traditions ● Property development ● Beautification of wild coast ● Film making and development ● Use of youth as ambassadors for KSD ● Youth exchange programme ● Favorable conditions for Agriculture ● High volumes of livestock ● Creation of training centres and workshops for agricultural purposes 	<ul style="list-style-type: none"> ● Limited financial resources ● Political instability ● Protests by community ● Lack of transparency ● Corruption ● Land claims ● Crime ● Land invasion ● Cleanliness compromised ● Lack of development projects ● Vandalism of public facilities ● Kingdom instability ● Unemployment of youth ● Substance abuse ● High poverty rates ● climate change on human health ● Lack of infrastructure such as road ● Lack of shared youth infrastructure (theatres, tennis courts, recording studios) ● High unemployment ● Lack of Quality Education ● Teenage pregnancy ● Lack of economic infrastructure ● Lack of interest by youth in agriculture activities ● Stock Theft ● Alien plants ● Gender barrier

CHAPTER 4: STRATEGIC FRAMEWORK

This chapter will discuss the development of the Strategic Framework for KSD LM. 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 KSD LM 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.

4.1 KSD LM Strategic Framework Structure

A generic strategic framework structure and hierarchy is outlined in Figure 4.1. A strategic framework flows from the vision into broad goals that 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 organized around strategic pillars. Under each strategic pillar projects and programmes are organized.

4.1.1 Strategic Objectives

Figure 4.1: LED Strategic Development Framework



Strategic Pillars:



4.2 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 LED vision for KSD is “*Develop an Environmentally Sustainable, Socially Inclusive and Innovative Vibrant Economic Hub*” agreed upon by stakeholders which would include community representatives, the private sector, the municipality and the non-governmental sector.

4.3 Strategic Pillars and Strategic Objectives

Four strategic pillars have been identified in KSD to guide the strategy to fulfill the underlying objectives and support the implementation of the projects and programmes. The four strategic pillars are Tourism Development, Enterprise Development, Economic Infrastructure and Agricultural and Forestry Development.

To align innovation with the strategic pillars of KSD local municipality, the strategic pillars identified as key priorities and focus areas integrated an analysis of the current state of innovation within the municipality to identify areas where innovation can contribute to achieving the strategic pillars. Key stakeholders, including local businesses, community organizations, educational institutions, and government agencies, in the innovation process were engaged, to foster a culture of innovation by creating an environment that encourages and supports innovation within the municipality.

The goals in a strategy articulate the concept around the intended future state. Whilst the objectives are a means of assessing how well the vision is being realized 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 objectives have been developed.

4.3.1 Tourism Development

4.3.1.1 Rationale

The World Travel & Tourism Council reports that the travel and tourism industry contributed 7.6 percent of the world GDP in 2022—a 22 percent rise from 2021—and that tourism plays a major role in the global economy. It is anticipated that by the end of 2026, travel and tourism will account for 10.8% of GDP.

Through multiplier effects, firm development, etc., the tourism sector creates jobs, foreign exchange profits, household income, and government revenues.

Additionally regarded as a crucial sector of the national economy, the tourist industry plays a vital part in the financial stability of the local populace, advances government economic goals, and may even act as a catalyst for development.

With 3.7% of South Africa's GDP coming from the tourist industry, the industry plays a major role in the nation's economy. About 716,000 jobs, or 4.6% of all occupations in the nation, are supported by this industry.

According to Stats SA foreign arrivals have increased by 20.1 % year on year in the August report (from 820,708 in August 2022 to 985,800 in August 2023), Top international tourists are from the UK, Germany, the US and Netherlands, the Middle East and India have proved to be growing markets.

4.3.1.2 Challenges

- Safety issues
- Changing customer needs/ trends
- Non-availability of diverse tourism products and poor Infrastructure
- Service standards

4.3.1.3 Role of Innovation in the Development of the Section

- **Digital marketing and promotion:** Enhance tourism attractions through virtual tours, billboards, apps etc
- Profile network areas to be in sync with developed digital media
- **Innovation/sustainable practices:** To reduce the environmental impact of tourism activities i.e. off-grid, waste management and conservation efforts
- **Cultural /heritage preservation:** Preservation of heritage to safeguard, and promote indigenous cultures, traditions and historical sites.

4.3.2 Enterprise Development

4.3.2.1 Rationale

MSMEs (Micro, Small and Medium Enterprises) play a significant role in enhancing the economy of King Sabata Dalindyebo Municipality. This pillar thus seeks to improve the conditions of local businesses by expanding markets of their goods and services, addressing the red tape and ensuring that procuring opportunities are favourable to local MSMEs. The economy of KSD is characterised by many MSMEs and a few large retailers. These MSMEs range from informal businesses, taxi operators, cooperatives, farmers, accommodation establishments and retailers. Currently, the municipality has embarked on a process of developing databases for all businesses (formal and informal) that are operating in the municipality to enhance the municipal revenue to inform planning and budgeting.

4.3.2.2 Challenges

- Lack of capacity to manage businesses

- The quality of products produced by MSMEs needs to be improved
- Enterprise Development Support is not coordinated
- The access to markets is limited
- Limited access to land for development
- Lack of infrastructure
- Limited networking platforms

4.3.2.3 Identified Projects and Programmes

- Capacity Building Programme
- Cooperatives /MSME& Informal Trade Support Programme
- Spaza Shop Support Program
- Ward-based support on MSMEs and Cooperatives
- Vulindlela Industrial Park
- Ntozonke Market Refurbishment
- Flea Market (access to markets)
- Contractor Development Programme
- MSME Summit
- Support for fishing activities
- Vibrant LED Forum

4.3.2.4 Role of Innovation in the Development of the Section

- **Adaptation to Market Trends:** Innovations enable enterprises to adapt to changing market trends and consumer preferences. By staying updated on technological advancements and consumer demands, businesses can adjust their products and strategies accordingly.
- **Skill Development and Training:** Innovation in training and skill development programs can enhance the capabilities of entrepreneurs in SMMEs, cooperatives, and informal trade. This includes digital literacy, business management skills, and industry-specific training to improve overall business performance.

4.3.3 Economic infrastructure

4.3.3.1 Rationale

Infrastructure forms the backbone of economic development it provides the necessary physical and social systems for sustained growth. Economic infrastructure comprises investments and related services that raise the productivity of other types of physical capital, e.g. transport, power, water systems, communication etc. The development of economic and social infrastructure in the country generally has been a challenge, especially in rural areas including King Sabata Dalindyebo Municipality.

4.3.3.2 Challenges

- Road infrastructure is very poor
- Limited access to water
- Loadshedding
- Poor Communication Connectivity
- Railway infrastructure was put on halt
- Coffee Bay Harbor is underdeveloped
- No processing facilities
- Informal Traders are scattered around town
- Limited aviation routes

4.3.3.3 Projects and Programmes

- Road Infrastructure Development Programme
- Social infrastructure development
- Special Economic Zone development
- Water infrastructure development for agricultural development.
- Electric and network infrastructure for development.
- Rail infrastructure development for logistics be prioritized.
- The development of the Coffee Bay Harbor.
- The development of the ocean economy (ablution facilities, showers, entertainment, and recreational fishing).
- Explore the sourcing of more aviation routes for passenger ferrying (Cape Town to Mthatha, Bloem to Mthatha)
- Explore airplane cargo movement as a viable mechanism for commercial development
- Centralization of informal traders to Owen Street and the formation of the Container City near the riverbank for car washers, and other informal traders
- Installation of security cameras
- Creation of cheaper alternative energy
- Exploration of libraries for Innovative usages for maximum use for capacity building

4.3.3.4 Role of Innovation in the Development of the Section

- **To create an enabling environment to attract investors:** focus in developing road infrastructure, electricity and connectivity)
- To develop a compact investment proposal for all development nodes that will outline all investments needed for the locality
- **Human Capital:** To focus more on skills development to align with economic objectives

4.3.4 Agriculture and Forestry Development

4.3.4.1 Rationale

The agricultural sector contributes 1% to the Gross Value Add in King Sabata Dalindyebo Municipality. The low-level output is because of reliance on subsistence farming as opposed to commercial farming. One of the responsibilities that the government has is to enhance the capacity of farmers by ensuring that they commercialise agriculture. The planned SEZ intends to enhance the potential of agro-processing in the district of O.R Tambo. However, if the primary produce is not growing that facility will become a white elephant. The establishment of Eyoluntu Project Market Agency will open more market opportunities to local farmers & the resuscitation of Mqanduli Red Hub will play a significant role in ensuring that our produce is processed locally & more jobs are created within the municipality.

On 31 January 2024, the Department of Fisheries, Forestry and Environment (DFFE) handed over 2 afforestation to Wilo and Ntlangaza Community. The intention for these communities was to conserve nature, manage this afforestation and develop business enterprises that will be owned by these communities to alleviate poverty and unemployment.

4.3.4.2 Challenges

- Land invasions
- Land tenure system limits ownership
- Lack of infrastructure (water, irrigation system, road infrastructure)
- Climate change (drought, soil erosion & biodiversity loss)
- Lack of capital
- Low investment in agriculture
- Timber theft

4.3.4.3 Identified Projects and Programmes

- Agro-Processing
- Mqanduli Red Hub and Mechanisation Centre
- Wool Processing Plant
- Forestry Development on MSME Beneficiation
- Intensify Food Security Programme

4.3.4.4 Role of Innovation in the Development of the Section

- **Technological Advancements:** Innovation drives the development and adoption of new technologies in agriculture, such as precision farming techniques, drones, sensors, and GPS-guided machinery. These technologies enable farmers to optimize resource use, monitor crops more effectively, and increase yields while reducing costs.

4.4 Identified High Impact Projects

TOURISM DEVELOPMENT	SMME DEVELOPMENT	ECONOMIC INFRASTRUCTURE	AGRICULTURE & FORESTRY DEVELOPMENT
<ul style="list-style-type: none"> • Liberation Heritage route • Development of Mthatha Dam • Annual cultural festival events • Revitalization of Coffee Bay Hotel • Data collection for tourism and hospitality industries available in KSD 	<ul style="list-style-type: none"> • Retail SPAZA shop program support • Automotive sector program support • Wild Coast SEZ • Vulindlela Industrial Park • Eyoluntu Project Market Agency/Kei Fresh Produce Markets 	<ul style="list-style-type: none"> • Creation of cheaper alternative energy • Exploration of libraries for Innovative usages for maximum use for capacity building • Intensify tourism marketing and create linkages with relevant Tourism agencies. 	<ul style="list-style-type: none"> • Agro-Processing • Mqanduli Red Hub and Mechanization Centre • Wool Processing Plant • Forestry Development on MSME Beneficiation • Intensify Food Security Programme

4.5 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 in reaching goals around employment generation and economic growth.

The identified anchor projects for King Sabata Dalindyebo LED Strategic Framework are:

1. The Wild Coast SEZ project
2. Revitalization of Vulindlela Heights Industrial Park
3. Mqanduli Milling plant
4. Luchaba Nature Reserve and Mthatha Dam Recreational Centre
5. Nelson Mandela Cultural Precinct
6. Liberation Route
7. Hole in the Wall Resort
8. Route R412 corridor
9. Oceans Economy Project
10. Wool Clip Commercialization Project
11. Waste Economy Projects
12. Kei Fresh Produce Market

13. Mqanduli Feedlot Production Project
14. Rural Agro Industries and Finance Initiatives (RAFI)
15. Coffee Bay Campsites
16. Establishment of PPPs especially in the Agriculture, Tourism and Creative Arts sectors
17. Sole Proprietorship Policy development
18. Innovation Promotion Program
19. Women and Youth Economic Desk project establishment
20. Access to Production Space project
21. Land Audit Project
22. Development of LED Investment Strategy /Policies
23. KSD Heritage Map and
24. KSD Agri-products booklet production
25. Development of Economic immovable assets inventory for business
26. Mthatha and Mqanduli CBD Demarcation program for Trade
27. Business District / Precinct development for focus sectors
28. Review of Street Trading By-laws
29. Development of a Web-based application process for Business Licensing and Business Districts

CHAPTER 5: IMPLEMENTATION PLAN

5.1 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 5.1: Implementation Framework

Strategic Pillar 1		TOURISM DEVELOPMENT					
Objective:		Promote local economic development through agriculture, arts & culture, tourism, heritage, oceans economy, MSME development and investment.					
Municipal KPA		Local Economic Development (LED)					
No	Strategy	Project	Key Performance Indicator	Budget	Responsible	Location	Timeframe
1	Enhance eco-tourism, ocean economy, heritage and sports tourism participation	Liberation Heritage Route	Number of Arts, Culture and heritage projects implemented to promote arts, culture and heritage in KSD Municipality	TBC	NDT, DSRAC, ORT DM, Nelson Mandela Museum, ECPTA, DEDEAT, Private sector & Traditional Authority	KSD Municipality	3-5 years
		Revitalisation of Coffee Bay	Number of plans & developments implemented in Coffee Bay	TBC	Private Sector, NDT, ORT DM, ECPTA, DEDEAT & Traditional Authority	KSD Municipality	5> years

		Mthatha Dam Development	Number of tourism Initiatives implemented at Mthatha Dam	TBC	Private Sector, NDT, ORT DM, ECPTA, DEDEAT& Traditional Authority	KSD Municipality	5> years
		Development of the tourism sector	No. of Tourism development activities implemented (Tourism events/awareness, digital marketing, support of artists & film producers)	R1800 000.00	NDT, DSRAC, ORTDM, Nelson Mandela Museum, ECPTA, DEDEAT, Private sector, Traditional Authority	KSD Municipality	
		Oceans Economy: Marine and Coastal Tourism	The number of capacity building/awareness sessions conducted to communities on available marine& coastal opportunities	TBC	SAPS, DSS, ECPTA, DEDEAT, DFFE, Private Sector, Traditional Authority& Institutions of higher learning	KSD Municipality	1-3 years

Strategic Pillar 2	ENTERPRISE DEVELOPMENT
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Objective:		Creation of sustainable job opportunities and capacitation programmes through internal & external partnerships					
Municipal KPA		Local Economic Development (LED)					
No	Strategy	Project	Key Performance Indicator	Budget	Responsible	Location	Timeframe
2.	Implementation of MSME Development and Support	Access to finance	Number of partnerships established with various funding institutions to support MSME Programmes in KSD Municipality	N/A	DBSA, DTIC, DSBD, DEDEAT, ECDC, DRDAR, DALRRD, SEFA	KSD Municipality	1-3 years
		Retail/ Spaza Shop Programme	No of Retail/Spaza Shops Supported with working inputs	R3 000 000.00	KSD, DSBD, DTIC, DEDEAT, SEDA&ECDC	KSD Municipality	1-3 years
		Vulindlela Industrial Park Revitalization	Number of Industrial Park Initiatives implemented	TBC	ECDC, DEDEAT, DTIC& DBSA	KSD Municipality	1-3 years
		DICLA Programme	No of youth enrolled on the programme	TBC	DICLA& Ntinga Development Agency	KSD Municipality	1-3 years

		MSME Support Programme	Number of MSME Support Programme Implemented	R600 000.00	KSD, DEDEAT, SEDA, ECDC, DRDAR, D SRAC, DSBD, ORT DM, Business Chambers & Private Sector	KSD Municipality	1-3 years
		Cooperatives Support Programme	Number of Cooperatives Support Programme Implemented	R450 000.00	KSD, ORT, ECDC, SEDA, DEDEAT & CDC	KSD Municipality	1-3 years
		Ward- Based Programme	Number of Wards Supported Through Ward Based Budget	R3 700 000.00	KSD Municipality	KSD Municipality	1-3 years
		Automotive Sector Program Support	Number of automotive Sector Support Programme implemented	TBC	ECDC, DEDEAT, Private Sector	KSD Municipality	1-3 years
		Eyoluntu Project Market Agency	Number of accesses to markets created for local farmers	TBC	DRDAR, Ntinga Development Agency, Farmers Associations	KSD Municipality	1-3 years

Strategic Pillar 3		ECONOMIC INFRASTRUCTURE					
Objective:		Coordinate and facilitate economic infrastructure development through Public-Private Partnerships (PPP)					
Municipal KPA		Local Economic Development (LED)					
No	Strategy	Project	Key Performance Indicator	Budget	Responsible	Location	Timeframe
3.	Facilitate the provision of Economic Infrastructure for shared growth	Development of Road Infrastructure	No of Economic Infrastructure Implemented for Shared Growth	TBC	SANRAL, DR&PW, KSD	KSD Municipality	5> years
		Special Economic Zone	Number of SEZ Programmes implemented	50 000 000.00	DEDEAT, CDA, DBSA	KSD Municipality	5> years
		Water infrastructure Programme	Number of water programmes implemented	TBC	DWA& ORT DM	KSD Municipality	3-5 years
		Electric and network infrastructure	Number of electric& network infrastructure implemented	TBC	KSD, Department of Communications , DSI, Private Sector, ESKOM& DPW&I	KSD Municipality	3-5 years
		Rail infrastructure development	No of rail routes resuscitated	TBC	Department of Transport, Private Sector	KSD Municipality	3-5 years

		Informal Trade Car Wash, Hawker Stalls& Container City Project	No of Informal Traders supported with hawker stall, containers& car wash	TBC	KSD, DSBD, DEDEAT, ECDC&DTIC	KSD Municipality	3-5 years
		Expansion of Mthatha Airport	Number of more aviation routes being explored	TBC	Department of Transport, South African Civil Aviation Authority& Private Sector	KSD Municipality	3-5 years

Strategic Pillar 4		Rural Development & Forestry Development					
Objective:		Promote local economic development through agriculture & Forestry Development					
Municipal KPA		Local Economic Development (LED)					
No	Strategy	Project	Key Performance Indicator	Budget	Responsibility	Location	Timeframe
4.	Promote rural economic development through organised agricultural production	Mqanduli Red Hub	No. of agricultural initiatives implemented to support Milling Plant and Feedlot	R200 000	DRDAR, DLRRD, ECRDA, Farmers Associations, Private Sector	KSD Municipality	1-3 years
		Wool Clip Commercialisation Program	No. of Shearing Shed equipment procured to support Wool Clip Farmers	TBC	DRDAR, DLRRD, ECRDA, Farmers Associations, Private Sector	KSD Municipality	1-3 years

		Agricultural Support Programme (crop production & mechanisation & food security)	No. of Farmers' Cooperatives supported with Production Inputs	R1 000 000.00	DRDAR, DLRRD, ECRDA, Farmers Associations, Private Sector	KSD Municipality	1-3 years
		Cannabis Initiative Program	No of Cannabis Incubation Programmes Implemented	TBC	Cannabis Incubation, WSU, ECDRA, DRDAR, Private Sector	KSD Municipality	1-3 years
		Agricultural Infrastructure Programme	No of infrastructure Programmes Implemented	TBC	DRDAR, DLRRD, ECRDA, Farmers Associations, Private Sector	KSD Municipality	1-3 years
		Livestock Improvement Program	No of livestock Improvement Programmes Implemented	R250 000	DRDAR, DLRRD, ECRDA, Farmers Associations, Private Sector	KSD Municipality	1-3 years
		Mzikantu-Abattoir Project	No of abattoir initiatives supported	TBC	Ntinga Development Agency, ORT DM, Meat Industry, Farmers Association, DRDAR & Private Sector	KSD Municipality	1-3 years

5.2 Monitoring and Evaluation

The Monitoring and Evaluation (M&E) framework for a Local Economic Development (LED) strategy is crucial for assessing the effectiveness, progress, and impact of various initiatives and interventions. By systematically developing and implementing an M&E framework tailored for an LED strategy, the RED department can effectively track progress, measure impact, and make informed decisions to achieve sustainable economic development goals to maximize the success and impact of the LED strategies over the long term.

M&E procedure to evaluate the performance of LED initiatives and interventions

- Track Progress: Monitor the implementation of activities against planned timelines and milestones.
- Measure Impact: Quantify the outcomes and long-term impacts of LED strategies on the local economy.
- Inform Decision-Making: Provide data-driven insights to guide policy adjustments and resource allocation.
- Enhance Accountability: Ensure transparency and accountability among all stakeholders involved in LED initiatives.

5.3 Phasing of the Projects

Short Term (1-3 years)	Medium (3-5 years)	Long Term (5> years)
<ul style="list-style-type: none"> ➤ Oceans Economy: Marine and Coastal tourism ➤ Service Excellence ➤ Explore the sourcing of more aviation routes ➤ Annual cultural festival events ➤ Digital marketing ➤ Vulindlela Industrial Park Revitalisation ➤ Access to finance ➤ DICLA Programme ➤ MSME Support Programme ➤ Cooperatives Support Programme ➤ Ward Based- Budget ➤ Retail/Spaza Shop Programme (Informal Trade Support Programme) ➤ Beehives Programme ➤ Coffee Bay/Hole in the Wall Kayaking ➤ Automotive Sector Program Support ➤ Eyoluntu Project Market Agency ➤ Mqanduli Red Hub ➤ Wool Clip Commercialisation Program ➤ Agric Crop Production ➤ Agricultural Support Programme(crop production, mechanisation& land care) ➤ Cannabis Initiative Program ➤ Mzikantu- Abattoir ➤ Livestock Improvement Program ➤ Infrastructure Programme ➤ Land Care Program 	<ul style="list-style-type: none"> ➤ Liberation Heritage route ➤ Heritage tourism ➤ Water infrastructure Programme ➤ Electric and network infrastructure ➤ Rail infrastructure development ➤ Informal Trade Project (Car Wash, Hawker Stalls& Container City Project) ➤ Expansion of Mthatha Airport 	<ul style="list-style-type: none"> ➤ SEZ Industrial Park ➤ Development of Mthatha Dam ➤ Revitalization of Coffee Bay Hotel ➤ Mussel Rehabilitation Programme ➤ Small Scale Craft Harbour ➤ Government Cultural Precinct ➤ The Ridge Resort (Hole in the Wall) ➤ Silverton Mix-use Development Programme ➤ Development of KSD Economic Development Nodes ➤ Development of Road Infrastructure

➤ Capability Building of Forestry Beneficiaries		
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5.4 Potential Sources of Funding

Name of fund	Description of fund	Made available
Local and Regional Economic Development Fund (LRED)	<p>The aim of the LRED Fund is to provide support to local entrepreneurial Economic Development Fund partnerships, working in collaboration with local government and other support (LRED) 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 includes 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>Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) Tel: +27 (0) 43 605 7000 Website: www.dedea.gov.za</p>
Social Responsibility Implementation Programme Fund	<p>The Social Responsibility Implementation Programme, popularly known as the (EPWP) of SRI, is the job creation or the Expanded Public Works Programme (EPWP) of the national department of tourism fund 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 in.</p>	<p>National Department of Tourism Tel: 012 444 6495 Website: www.tourism.gov.za</p>
Infrastructure Finance in South Africa	<p>The DBSA currently focuses on large scale infrastructure projects within the South Africa private and public sector. Our primary sectors are water, energy, transport and ICT.</p>	<p>The Development Bank of Southern Africa (DBSA):</p>

	<ul style="list-style-type: none"> • Municipal market, Other social infrastructure (non-municipal), and Economic Infrastructure <p>Objectives: Support the South African infrastructure development agenda, including financing and non-financing services support for the municipal sector and project financing of large-scale infrastructure projects and programmes.</p>	<p>Infrastructure finance & capacity support for under-resourced municipalities.</p> <p>Tel: 011 313 3049/ 628 E-mail: Coverage@dbsa.org Website: www.dbsa.org</p>
Capital Projects Feasibility Programme (CPFP)	<p>The CPFP is a cost-sharing grant that contributes to the cost of feasibility studies likely to lead to projects that will increase local exports and stimulate the market for South African capital goods and services.</p> <p>Objectives: The primary objective of the programme is to facilitate feasibility studies that are likely to lead to high-impact projects which will stimulate value-adding economic activities in South Africa as this will have a greater impact on the country's industrial policy objectives. The secondary objectives of the programme include:</p> <ul style="list-style-type: none"> • Attracting high levels of domestic and foreign investments. • Strengthening international competitiveness of South African capital goods sector and allied industries. • Creating sustainable jobs in South Africa. • Creating a long-term demand for South African capital goods and services. • Stimulating project development in Africa and parti Southern African Development Community (SADC) countries as support for the objectives of the New Partnership for Development (NEPAD). • Stimulating upstream and downstream linkages with SMME companies. 	<p>The Department of Trade Industry and Competition</p> <p>Tel: +27 12 394 1037/ 5665 Website: www.thedtic.gov.za</p>
OR Tambo District Municipality	<p>The District Municipality provides funding support to the various local Municipalities within the ORTDM on an annual basis. Some of them could be utilized for new transport infrastructure-type projects.</p>	<p>O.R. Tambo District Municipalities</p> <p>E-mail: info@ortambodm.gov.za Website: http://ortambodm.gov.za</p>
Municipal Infrastructure Grants (MIG)	<p>The MIG aims to eradicate poor municipal infrastructure, cooperative backlogs in communities to ensure the provision of basic services such as water, sanitation, roads and community lighting. The Department of Cooperative Governance is responsible for managing and transferring the provides support to provinces and municipalities on implementing projects.</p>	<p>The Department of Cooperative Governance and Traditional Affairs (DCoG)</p> <p>Tel: +27 12 334 4860 Website: www.coqta.gov.za</p>

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It consisted of the review, actualization and validation of an initial strategy and other key tools, such as the Provincial Growth and Development Strategy, Eastern Cape Provincial Industrial Development Strategy (PIDS), Integrated Wild Coast Development Programme with support from GTAC, Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) Strategic Plan, Integrated Development Plan (IDP), BIGM Performance Measurement Framework (PMF), Feminist International Assistance Policy (FIAP), BIGM Gender Equality Strategy and an update to the initial LED project proposal stipulated in this document. King Sabata Dalindyebo is grateful for the technical support and input received from CoGTA, SALGA, City of Surrey, FCM, partners and municipal members in developing this strategy. We also acknowledge the efforts and input of all colleagues who engaged in the process of reviewing the initial strategy, and more specifically:

King Sabata Dalindyebo (KSD)

LED Strategy Review: 2024

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