

OR TAMBO

DISTRICT MUNICIPALITY

EC

PROFILE AND ANALYSIS DISTRICT DEVELOPMENT MODEL

The District includes the bulk of the Wild Coast and a string of coastal nature reserves and indigenous forest reserves as well as a proclaimed marine reserve, it is considered to have the richest natural resources and the most fertile areas in the country, with good soils and climatic conditions.



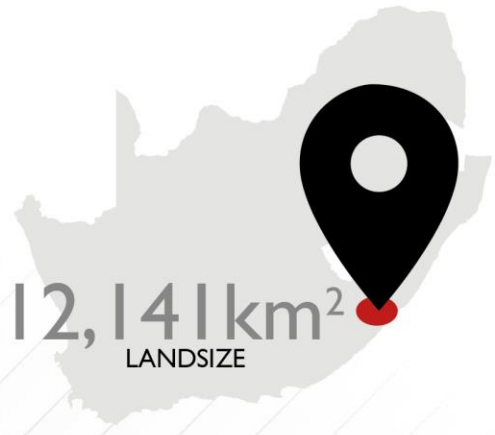
CONTENT

1. Executive Summary	6
2. Introduction: Brief Overview	8
2.1 Location	8
2.2 Historical perspective	9
2.3 Spatial Pattern	9
2.4 Land Ownership.....	15
3. Social Development Profile	15
3.1 Key Social Demographics.....	15
3.1.1 <i>Population</i>	15
3.1.2 <i>Gender, Age and Race</i>	16
3.1.3 <i>Households</i>	17
3.2 Health Profile.....	17
3.3 COVID-19	18
3.4 Poverty Dimensions.....	20
3.4.1 <i>Distribution</i>	20
3.4.2 <i>Inequality</i>	21
3.4.3. <i>Unemployment and Employment</i>	22
3.4.4 <i>Crime</i>	23
3.5 Levels of Education	24
4. Drivers of the Economy	28
4.1 Economic overview.....	28
4.2 Primary sector.....	29
4.3 Secondary sector	30
4.4 Tertiary sector.....	31
4.5 Informal economy	31
5. Service Delivery.....	32
5.1 Water and Sanitation.....	32
5.2 Human Settlements	33
5.3 Waste Management	34
5.4 Roads and Transport.....	35
5.5 Electricity	36
6. Governance and Management	37
6.1 Municipality Performance	37
6.2 Municipal Capacity	37
6.3 Traditional Affairs Governance.....	37
7. Projects to diversity and grow people and the economy.....	38
7.1 Catalytic projects	38
7.2 Environmental management and climate change.....	39
8. Key Recommendations	40

DR TAMBO BY NUMBERS

1,514,306
POPULATION

12,141 km²
LANDSIZE



GENDER

♀ **53.3%**



♂ **46.7%**



1516

COVID-19 INFECTIONS (14/6/2020)



ECONOMIC
DRIVERS

TRADE

2

COMMUNITY
SERVICE

1

FINANCE

3

HOME TO THE
BIRTHPLACE
OF **MADIBA**,
MVESO VILLAGE
ON THE RUGGED
WILD COAST



NEXT BIG THING

Mobilise small farmers
into export agricultural
value chain

1. Executive Summary

The OR Tambo District Municipality (ORTDM) occupies the eastern coastal portion of the Province, sharing provincial boundaries with KwaZulu-Natal and district boundaries with Amatole, Chris Hani, Ukhahlamba and Alfred Nzo. The District extends over 12,141 km² and incorporates a number of the former Transkei magisterial districts into 5 local municipalities. These are King Sabata Dalindyebo, Nyandeni, Port St Johns, Ingquza Hill and Mhlontlo local municipalities.

The District includes the bulk of the Wild Coast and is home to Luchaba Nature Reserve, next to Umtata Dam and a string of coastal nature reserves including Mkambati, Silaka, and Hluleka and indigenous forest reserves including Mt Thesiger, Mt Sullivan, Ntlopeni, Lotana, Mbotyi, Egosa, Ntsubane as well as a proclaimed marine reserve, adjacent to Mkambati. OR Tambo includes moderate and high rainfall areas, principally along its sub-tropical coast, but also in pockets of mountainous areas, and has a diversity of vegetation, from grasslands and thicket to forests and bushveld. The District is considered to have the richest natural resources and the most fertile areas in the country, with good soils and climatic conditions.

OR Tambo District is one of the four Integrated Sustainable Rural Development Programme nodes in the Eastern Cape. The District has a population of 1,514,306 in 2019 and is the second most populous, after Amathole, accounting for 26.20% of the Provincial population. However, OR Tambo occupies only 9.52% of provincial land, making it the one of the most densely populated district, at around 108 people per km². Furthermore, women constitute 53% of the population and people aged under 20 years account for 50%. OR Tambo has a Gini coefficient index of 0.56. The overwhelming majority 66.5% of the population (using the lower poverty line) is living in poverty with only 15% in the employment.

OR Tambo District Municipality is classified as a Category C2 municipality, indicating a largely rural character and low urbanisation rate, as well as limited municipal staff and budget capacity. All, but KSD, local municipalities are classed as Category B4 rural, reflecting limited institutional capacity and areas characterised by small centres, limited SMMEs and market opportunities, dependence on public support and LED activities.

As of 14 June 2020, OR Tambo District accounted for 1516 COVID-19 cases, with 836 recoveries and 47 deaths. 7 quarantine sites has been activated with a total bed capacity 90 beds. These are all located in Mthatha within the King Sabata Dalindyebo local municipality. The District has developed a COVID-19 Disaster Management Plan, which serves to outline the institutional arrangements and other response modalities that would be utilised to contain the spread on the virus.

In 2018, OR Tambo District had a GDP of R 41.4 billion (up from R 20.2 billion in 2008), which accounted for a contribution of 11% to the Eastern Cape Province GDP and ranked third relative to the other districts in the province. The community services sector was the largest accounting for R 14.5 billion or 38.4% of the total GVA of the district economy. The sector that contributes the second most to the GVA was the trade sector at 23.0%, followed by the finance sector with 19.5%. The sector that contributed the least was the mining sector with a contribution of R 77.4 million or 0.20% of the total GVA of the district.

In order to address the short to medium term challenges facing the district and create conditions for the development of a sustainable regional economy, the following interventions are proposed: Strengthen safety net for poor and child headed households, accelerate the delivery of household infrastructure and services, grow export focussed agricultural and agro-processing sector, strengthen the regional N2 coastal corridor link, activate large scale community-empowering tourism, safeguard natural resource base and resolve mining vs tourism trade-off, expansion of the forestry sector, develop oceans corridor, investing in skills development to promote agriculture and support for Small Business/ Incubator focusing on agriculture.

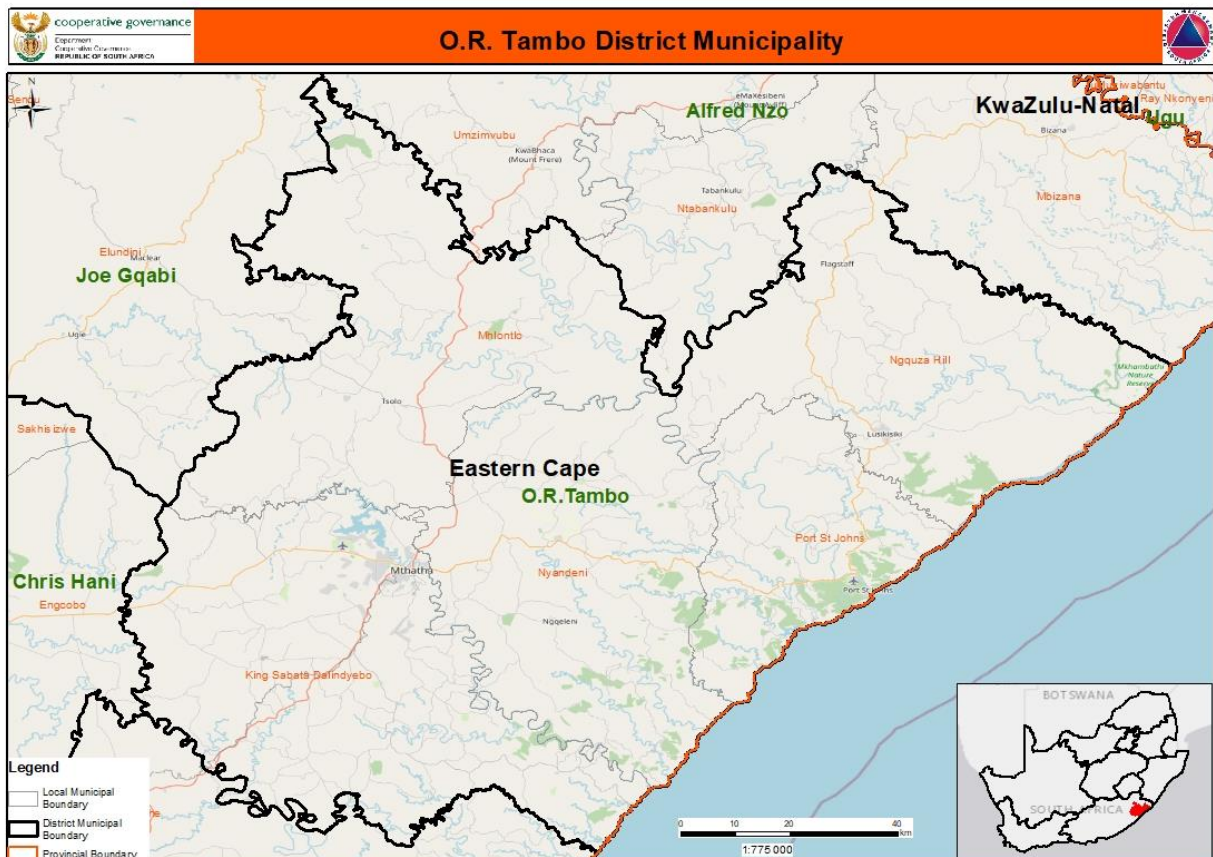
2. Introduction: Brief Overview

2.1 Location

2.2

The OR Tambo District Municipality (ORTDM) occupies the eastern coastal portion of the Eastern Cape Province, bordered by KwaZulu-Natal and by the Eastern Cape districts of Amathole, Chris Hani, Ukhahlamba and Alfred Nzo. The District extends over 12,141 km² and occupies 9.52% of provincial land. The District includes moderate and high rainfall areas, along its sub-tropical coast, but also in pockets of mountainous areas. There is a diversity of vegetation, from grasslands and thicket to forests and bushveld. The District is considered to have the richest natural resources and the most fertile areas in the country, with good soils and climatic conditions.

The District includes the bulk of the Wild Coast and is home to Luchaba Nature Reserve, next to Umtata Dam and a string of coastal nature reserves including Mkambati, Silaka, and Hluleka and indigenous forest reserves including Mt Thesiger, Mt Sullivan, Ntlopeni, Lotana, Mbotyi, Egosa, Ntsubane as well as a proclaimed marine reserve, adjacent to Mkambati.



2.2 Historical perspective

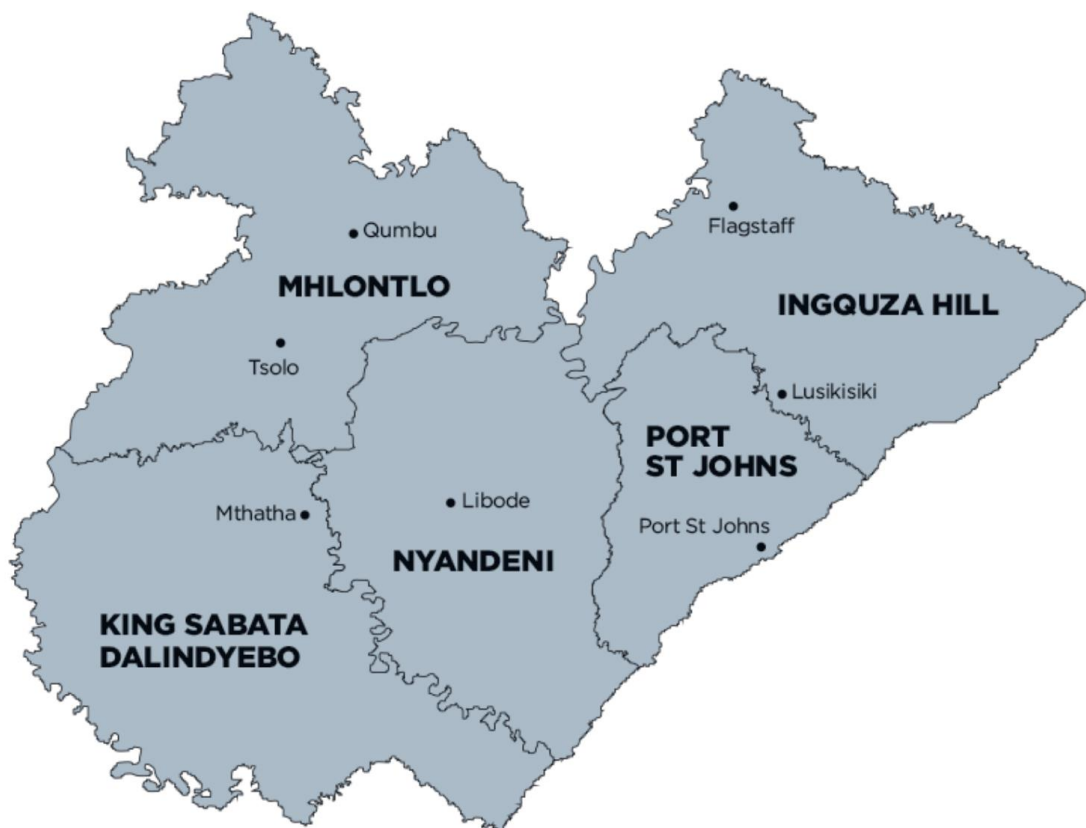
The OR Tambo District is named after Oliver Reginald Kaizana Tambo (27 October 1917 – 24 April 1993), who was a South African anti-apartheid politician and revolutionary who served as President of the African National Congress (ANC) from 1967 to 1991. The District covers about 80% of the former Transkei magisterial districts, the homeland of the Xhosa during the Apartheid era which had Mthatha as the capital. The District is also host to the village of Mvezo, where the late former President Nelson Mandela was born into the Madiba clan of the Thembu royal family. The Nelson Mandela National Museum, situated in Mthatha.

2.3 Spatial Pattern

The OR Tambo District is one of the four Integrated Sustainable Rural Development Programme (ISRDP) nodes in the Eastern Cape Province. The District has a long-term vision: the “***District Development Plan (DDP) Vision 2030***” which the district adopted in 2017. The DDP has five (5) Key Catalytic Programmes as follows:

1. District entities repositioned to drive Inclusive Economic Development (including Ntinga OR Tambo Development Agency, PSJ Development Agency and Kei Fresh)
2. Transformed Land Ownership, Development and Land Management
3. Agricultural Revitalization in the District
4. ICT enabled Socio Economic Development
5. Optimized Management of Water Services (resources and services)

The OR Tambo District is formed by five local municipalities as discussed below:



King Sabata Dalindyebo (KSD) Local Municipality is named in tribute of the freedom fighter and King of the Aba Thembu nation who was forced to exile as result of his resistance to apartheid and the Bantustan mode of governance. He died in exile in 1986 and reburied at the Great Place of Bumbane outside Mthatha in 1989.

At 3 091 Km² KSD is the largest of the five municipalities 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 tradition. The municipality has both an urban and a rural character, including a prominent national urban settlement and regional economic hub, as well as dispersed village-type rural settlements. Mthatha is a major transport and regional service centre, dissected by the N2 running southwest to northeast through the town.

King Sabata Dalindyebo Municipality still retains many of the earliest buildings of the neoclassical style that was popular during the colonial times. Key towns are Mqanduli and Mthatha (previously Umtata). Mthatha is the economic centre of the District and the host to both the Local and District Municipality's Offices. The main economic activities are community services (48%), finance (21%), and trade (18%). There is also a presence of agriculture and forestry activities.

Nyandeni Local Municipality derives its name from the isiXhosa word "inyanda", which is a bundle of wood that is carried by Pondo women on their heads for making a cooking fire. The municipality derives its name from an old story of how the King of eastern Pondoland, Ndamase, crossed the great Umzimvubu River. It is said that his subjects were confused on how to cross the river because it was flooded. He thought of a plan to tie the sticks together and place them on the water like a raft and ride the "inyanda" across the river. He built his house about 70km from the river, and that place was called Nyandeni.

The municipality shares boundaries with Mhlontlo to the north, to the east is Port St Johns, and to the west is King Sabata Dalindyebo, and to the south the Indian Ocean. At 2 474 km² the municipality makes up almost a quarter of the district's geographical area. It is situated approximately 30km south of Mthatha and 50km north of Port St Johns, and is bordered by a 20km stretch of the coastal belt on the eastern part and Umzimvubu River on the western part.

Towns include Libode and Nqeleni. This municipality is predominantly rural with widely dispersed traditional and village-type settlements. Most of the inhabitants of the

municipality still rely on subsistence agriculture in areas marked by communal tenure. The LM is regarded as having considerable agricultural potential, although there has been limited exploitation of this potential. Key economic activities are community services (63.4%), trade (16.1%), and finance (10.4%).

”INGQUZA HILL LOCAL MUNICIPALITY DERIVES ITS NAME FROM THE MOUNTAIN RANGE OF THE SAME NAME WHICH TRANSVERSES THE MUNICIPALITY AND WAS THE SCENE OF THE 1950 – 1962 MPONDO REVOLT.”

Port St Johns Local Municipality derives its name from Portuguese Sao Joao, presumably named either after a ship which was shipwrecked near Port Edward, 21 of the 600 soldiers survived eventually finding their way to Mozambique through the coastline. Prior to shipwrecking the ship has coasted via the area with its mountain which also coincidentally has an outline of the face of an apostle. The area was settled in about 1884.

The municipality is bounded by Lusikisiki in the north, Mthatha in the south, and Libode in the west. At 1 291 km² It is the smallest of the five municipalities in the district, making up 11% of its geographical area. It comprises coastal and inland areas that fall under the jurisdiction of the former Transkei. The seat of the municipality is in the main town of Port St Johns, which is known for its beautiful beaches and mountainous terrain, with hills, cliffs and sandy dunes. The town itself is located at the mouth of the Umzimvubu River, approximately 90km east of Mthatha. The municipality’s beautiful scenery, its natural vegetation and the pristine beaches referred to above are the main attractions for tourism. It has land for commercial use and an environmentally-friendly residential area. There are 1 053 types of plants and 164 plant families found around Port St Johns. This unique vegetation harbours rare bird species, providing evidence of the rich biodiversity in Port St Johns. The key economic activities are tourism and agriculture.

Ingquza Hill Local Municipality derives its name from the mountain range of the same name which transverses the municipality and was the scene of the 1950 – 1962 Mpondo Revolt.

This municipality was formerly known as Qaukeni and its main towns are Flagstaff and Lusikisiki. It shares boundaries with Ntabankulu and Mbizana Local Municipalities to the north, and Port St Johns and the Indian Ocean to the South. Ingquza Hill municipality is characterized by limited coastal settlements and widely dispersed settlements in traditional rural villages. The municipal area is furthermore characterized by large forest areas in close proximity to the coastline, with a total of ten rivers flowing through it. The Mkambati Nature Reserve is situated within the coastal zone. The LM is believed to hold significant Tourism, Forestry, and Marine Aquaculture potential. However, the key economic activities are construction (11.9%), finance (7.7%), electricity (4.5%), community services (2.5%), agriculture, and trade/manufacturing.

Mhlontlo LM is named in honour of a chief of the Pandomise people who was stripped of his chieftainship by the government of the time because the Pandomise people killed the magistrate of Qumbu.

The municipality lies on the north-east side of the Eastern Cape provincial boundary alongside the N2 route between Mthatha and Mt Frere, and the R396 between Tsolo and Maclear. It shares boundaries with the Umzimvubu Local Municipality to the north, King Sabata Dalindyebo Local Municipality to the south, Nyandeni Local Municipality to the east, and Elundini Local Municipality to the west. At 2 880 km² it makes up a quarter of the district's geographical area.

This municipality is predominantly rural and hosts Tsolo and Qumbu as local service centres, and six rural nodes namely; Sulenkama, St Curthberts, Caba, Shawbury and Langeni Forest. The N2 runs through the municipality from the southwest to the northeast. The majority of the land is used for agricultural purposes and subsistence farming, notably for grazing, in areas marked by communal tenure. The area boasts several tourist attractions including the Tsitsa Falls and Tina Falls, the Tina River ribbon and the Mabeleni Dam, which is famous for its trout fishing.

Key towns are Qumbu and Tsolo. The latter used to host an agricultural college. The key economic drivers are wholesale and retail trade (10.8%), agriculture, forestry and fishing (3.3%)

The OR Tambo District reviewed its ***Spatial Development Framework*** in 2017 and it identifies the following nodes and corridors:

Nodes:

- District Centre (DC): - Mthatha is the only primary node in the district
- Sub-District Centre (S-DC): Lusikisiki and Port St. Johns are the secondary nodes of the district.
- Local Centre (LC): Qumbu, Tsolo, Libode, Ngqeleni, Mqanduli and Flagstaff
- Sub-Local Centre (SLC): Tabase, Majola, Zincuka, Gwadana, Bolotwa, Nqadu, Baziya, Kwaaiman, Mvezo, Qolokweni, Nkoso, Mthontsana, Mpeko, Mqhekezweni, Mbotyi, Msikaba
- First Order Coastal Nodes: Coffee Bay, Umtata Mouth, Port St Johns
- Second Order Coastal Nodes: Msikaba, Mbotyi, Umngazi Mouth, Mngazana, Sinangwana, Presley Bay, Lwandile, Hole in the Wall

Activity corridors

- Primary corridor (PC): East London/Mthatha–Kokstad N2 and Railway Corridor
- Mobility routes (MB): N2, R61, Ugie-Langeni Road, R394 and proposed N2 Toll Road
- Special Routes-Tourism Focus (SP-TF): Wild Coast Meander, Thunga Thunga Route, Mandela Route, R394- Mthatha via Mqanduli

The O.R Tambo District ***Local Economic Development Strategy*** identifies a number of proposed strategic developments which will effect major structural changes to the region's economic and spatial configuration. These major projects emerge from the National Strategic Integrated Project (SIP 3) interlinked with the Provincial Integrated Wild Coast Development Programme (IWCDP). The highlighted projects include:

- N2 Wild Coast Toll Road- specifically the new routing between Mthatha and Port Edward
- Wild Coast Meander- a low-volume road along the Wild Coast linking Port St Johns, Mthatha Mouth and Coffee Bay
- Wild Coast Special Economic Zone (SEZ) - the SEZ includes the development of an agro-processing hub/ zone in the vicinity of the Mthatha airport, and a tourism corridor linking Mvezo, Coffee Bay and Mthatha Mouth.
- Formal establishment of Coffee Bay/ Hole in the Wall as a town.

2.4 Land Ownership

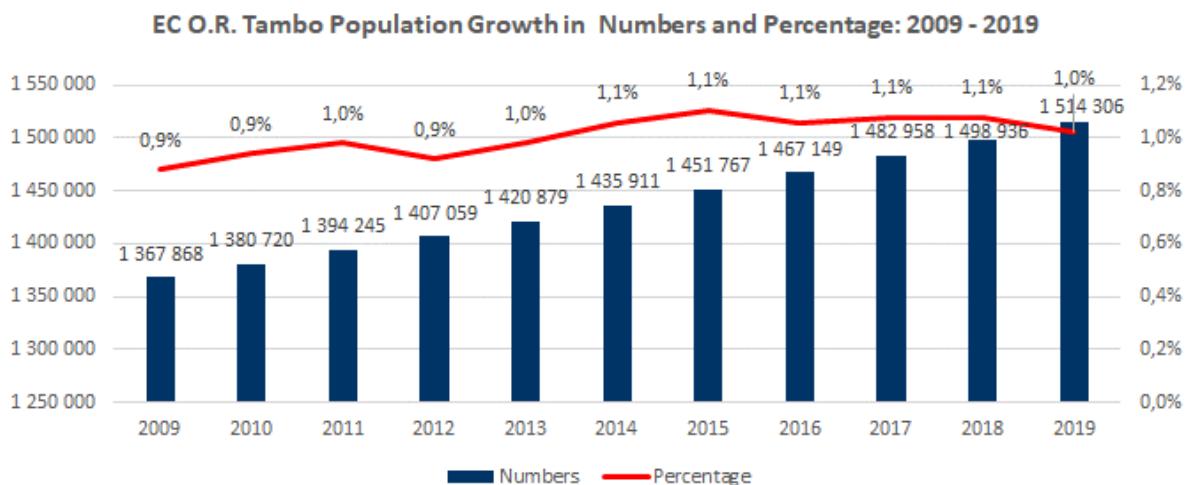
Most of the land in the OR Tambo District is either government-owned or falls under a Tribal Authority. Legal forms of land tenure in the District include: freehold (mainly concentrated in the urban centres or townships, certain shops in rural areas, providing security to the owner), Permission-To- Occupy (mainly in the rural owners where there is no right of ownership), leasehold and grazing rights on commonage. The District has initiated the Land and Investment Conference in order to ensure transformation in land ownership, land management, land security, and to enable communities to benefit from land development and to secure long-term investments.

3. Social Development Profile

3.1 Key Social Demographics

Population

In 2019, OR Tambo district had a population of 1,514,306 which had increased from 1,367,868 in 2009 with an average growth rate of 1%. The district is the most populous district in the Eastern Cape Province and is ranked the fourth most populous district in South Africa. OR Tambo’s population is projected to grow by 5% from 1,514,306 in 2019 to 1 583 954 in 2024 and to 4 394 220 in 2050.



Source: IHS Markit Regional eXplorer version 1946

King Sabata Dalindyebo Local Municipality had the highest population with Port St Johns and Mhlontlo Local Municipalities being the least populated.

Gender, Age and Race

In 2019, OR Tambo District had significantly more females (53.3%) than males (46.7%). This is evidence of male migration to other major urban areas in search of work opportunities. The median age is 19 years (2016 CS) which is lower than the provincial figure of 21 years and South Africa at 25 years. This indicates a significantly youthful population.

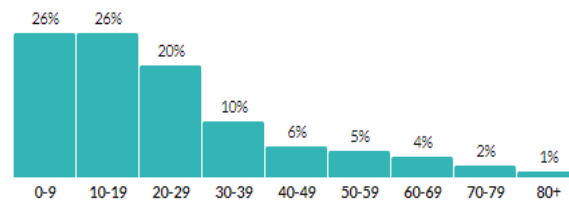
Age

19

Median age

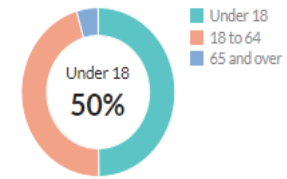
about 90 percent of the figure in Eastern Cape: 21
about three-quarters of the figure in South Africa: 25

Population by age range



Source: Community Survey 2016

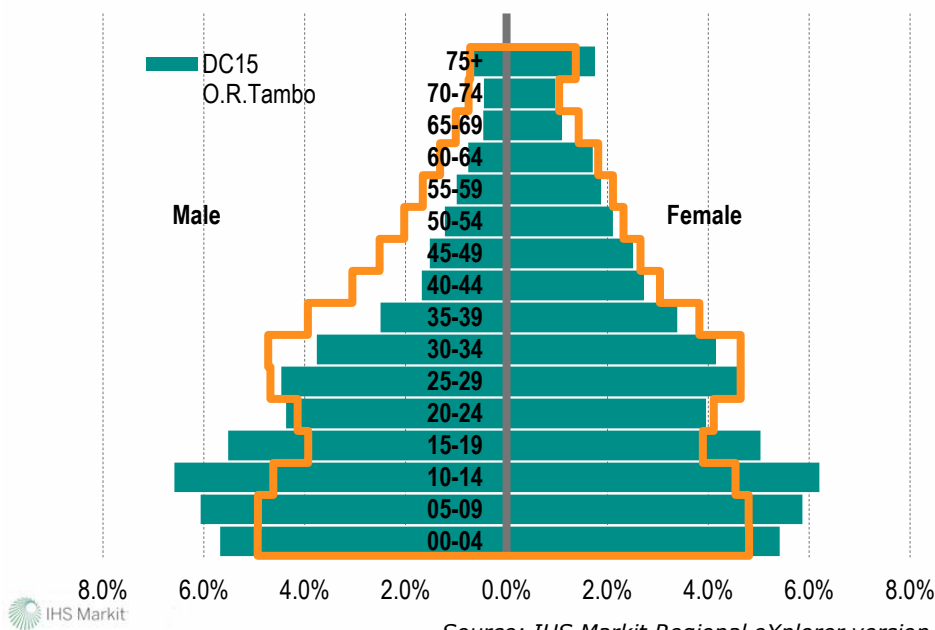
Population by age category



Source: Community Survey 2016

The largest share of population is within the younger (0-19 years) age categories representing about 52% of the total population. This suggests that service provision and social development initiatives targeted at the youth should be an important consideration for the district. The age categories with the second largest number of people is the young working age categories (20-49 years) with a total share of 36%, followed by the older working age (50-59 years) age category with 5%. In this regard, the provision of employment opportunities is important through to cater for the growing

Population structure 2019 DC15 O.R.Tambo vs. National



Source: IHS Markit Regional eXplorer version 1946

population. The OR Tambo District's population consist of 99% African, 0.2% White, 0.5% Coloured and 0.3% Asian people.

3.1.3 Households

In 2016, the OR Tambo District had 314,079 households, which had increased to 354,168 households in 2019.

Households

314 079

Households

about one-fifth of the figure in Eastern Cape:
1,773,396L

less than 10 percent of the figure in South Africa:
16,923,307L

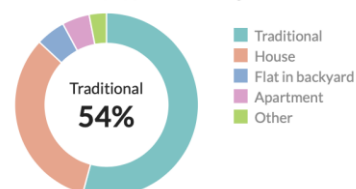
1.3%

Households that are informal dwellings (shacks)

about one-fifth of the rate in Eastern Cape: 7.38%

about 10 percent of the rate in South Africa: 12.96%

Households by type of dwelling Chart Options

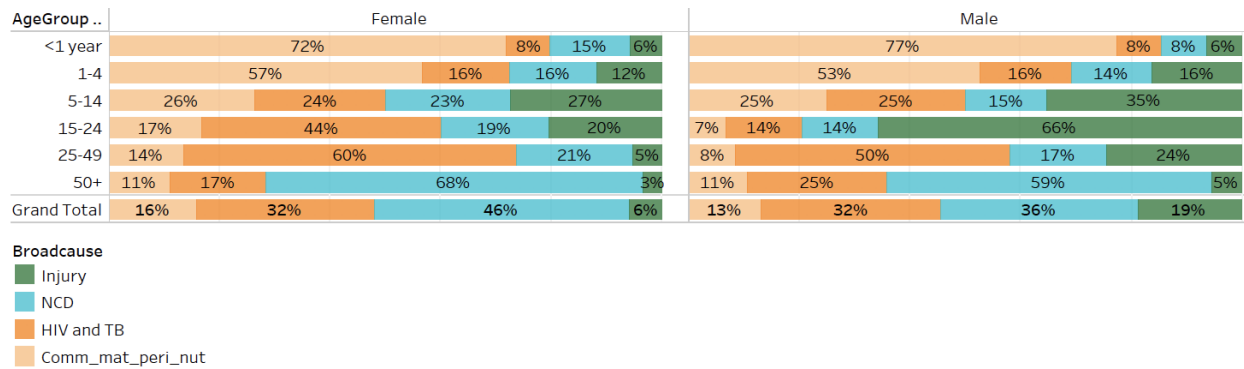


Source: Community Survey 2016

The average size of a household has remained the same at 4.3 while that of the province has decreased from 3.9 to 3.7. In OR Tambo District, 14,313 households are child-headed within the 15-19 age group, with 837 households headed by children in the 10-14 age group and 57.2% of households were headed by women.

3.2 Health Profile

The leading cause of death for children below the age of 5 years is diarrheal diseases at 26.3% of total deaths followed by lower respiratory diseases at 17.0% in that age group. For age group 5-14, the leading cause of death is TB at 13.7% followed by HIV/AIDS at 11.9%. For the 15-24 and 25-64 age groups is HIV at 16.3% and 27.7% respectively. The leading cause of death for those above 65 is cerebrovascular disease which accounts for 15.7% of the deaths. In terms of maternal conditions, the top three causes of death included indirect maternal diseases which accounted for 29.9% of deaths followed hypertension in pregnancy at 20.3% and other maternal diseases at 18.4% and respectively.



Source: Stats SA.

In 2015, the total number of people infected with HIV in OR Tambo District was 162 412. The number of people infected increased at an average annual rate of 2.5% between 2011 and 2015, and in 2015 represented 11.1% of the total OR Tambo population. The local municipality that is worst affected is the King Sabata Dalindyebo where the HIV+ number grew at 2.8% average annually from 2011 to 2015.

The OR Tambo District has a total of 163 Health Facilities which include 137 clinics, 10 Community Health Centres (CHC), and 16 Hospitals.

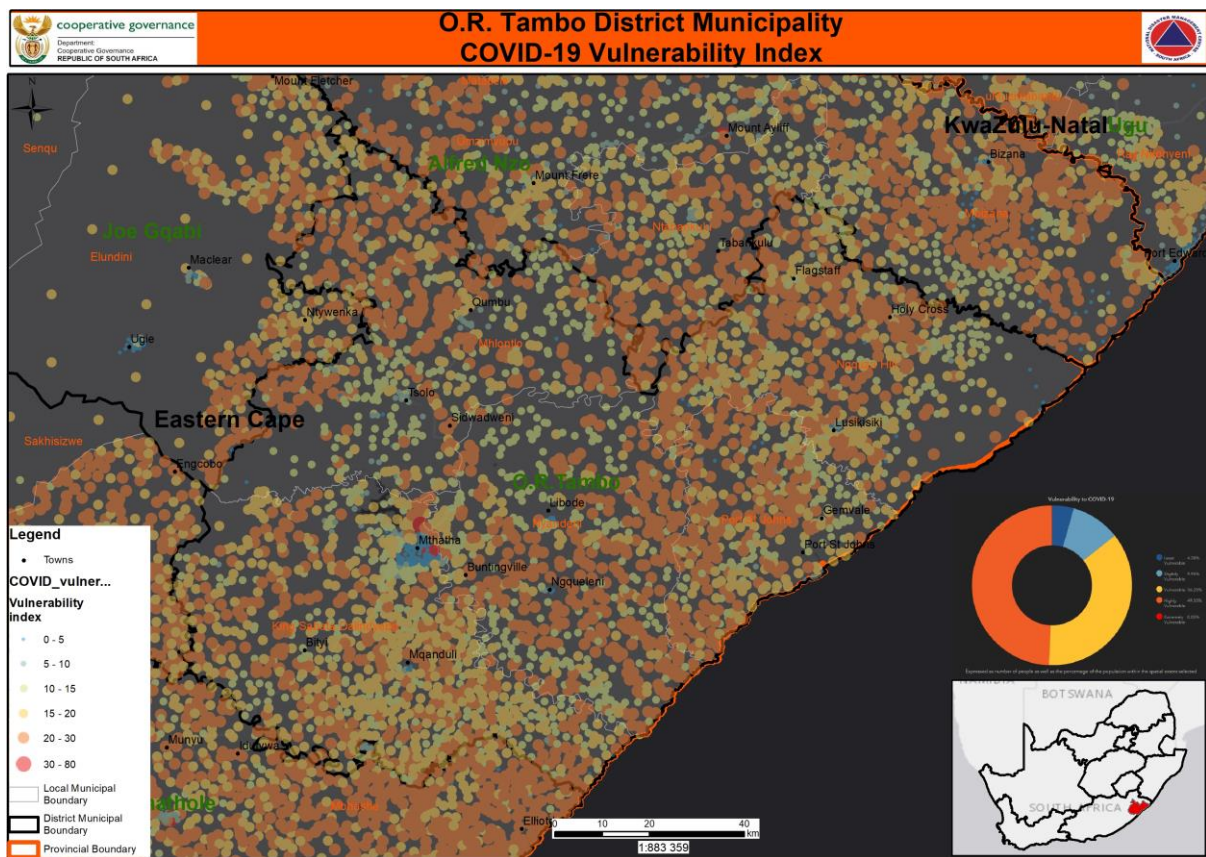
LOCAL MUNICIPALITY	CLINICS	CHC/CDC	HOSPITALS
Ingquza Hill	21	0	2
Port St Johns	18	2	2
Nyandeni	28	1	2
Mhlontlo	25	2	3
King Sabata Dalindyebo	45	5	7
Total for OR Tambo	137	10	16

Source: OR Tambo 2019/20 District Health Plan (Department of Health)

3.3 COVID-19

The Eastern Cape Province has seen a surge number of Covid-19 cases since the outbreak of the pandemic. As of 14 June 2020, the Province currently has 10 027 confirmed cases and OR Tambo District accounts for 1516 cases, with 836 recoveries and 47 deaths. The Council for Scientific and Industrial Research (CSIR) in collaboration with Albert Luthuli Centre for Responsible leadership have developed a set of COVID-19 Vulnerability Indicators using available data and knowledge. It identifies vulnerabilities present in communities and identifying areas in need of targeted coordinated interventions and early response. The purpose of the indicators

is intended to support the early prevention/mitigation and preparedness phase of the disaster management cycle and informing disaster management decision making. It is not based on epidemiological modelling but a response to highlighting intervention areas due to underlying situation. The composition of the index follows two main factors, namely: transmission potential and health susceptibility. Transmission potential areas identify areas that prevent social distancing to be practiced and where limitations of practicing good basic hygiene. The health susceptibility index denotes areas where large number of people are potential more susceptible to being adversely affected by COVID-10 due to factors such as age and underlying health conditions. The ORT vulnerability profile is presented below. The map shows low vulnerability areas (blue dotted areas) versus areas with higher vulnerability (red dotted areas).



Relative population density, poverty and access to basic services such as water and sanitation are key determinants of vulnerability. With the added burden of being a transit town, Umtata displays more extreme vulnerability whilst Nyandeni and Port St Johns show high vulnerabilities. Area specific live GIS vulnerability maps are available courtesy of CSIR at:

<https://pta-gis-2-web1.csir.co.za/portal2/apps/opsdashboard/#/390a74fb10844c7a85396e60555a866d>

The District has developed a COVID-19 Disaster Management Plan, which serves to outline the institutional arrangements and other response modalities that would be utilised by the District in its effort to contain the spread on the virus. Accordingly, the District has established the relevant structures at political and technical level which include the District Command Council and Command Centre.

The OR Tambo District has a total of 39 quarantine facilities identified with a total bed capacity of 1360. Out of the 39 facilities, 7 of these facilities has been activated with a total bed capacity 90 beds. These are all located in Mthatha within the King Sabata Dalindyebo local municipality.

LOCAL MUNICIPALITY	NAME OF FACILITY	PRIVATE OR STATE OWNED	BEDS AVAILABLE	STATUS
King Sabata Dalindyebo	La Maison Guest House	Private	15	Activated
King Sabata Dalindyebo	Real Vision Guest House	Private	9	Activated
King Sabata Dalindyebo	Twin Lodge Guest House	Private	18	Activated
King Sabata Dalindyebo	Mthatha Rest Lodge	Private	10	Activated
King Sabata Dalindyebo	Lat Grande Lodge	Private	12	Activated
King Sabata Dalindyebo	Sikhumbule Nathi Guest House	Private	11	Activated
King Sabata Dalindyebo	Idwala Lam Guest House	Private	15	Activated
TOTAL FOR OR TAMBO			90	

3.4 Poverty Dimensions

3.4.1 Distribution

In 2019, there were 1,006,431 people living in poverty, using the lower poverty line definition, across the OR Tambo District which accounts for 66.5% of the total population. This is significantly higher percentage of the population when compared to the Eastern Cape provincial figure which was at 54.3%. OR Tambo was ranked fourth in terms of the poorest districts in the country. 3 out of the 10 poorest local municipalities in the country are in OR Tambo District which are Port St Johns (73.5%), Nyandeni (72.5%) and Ingquza Hill (72.3%).

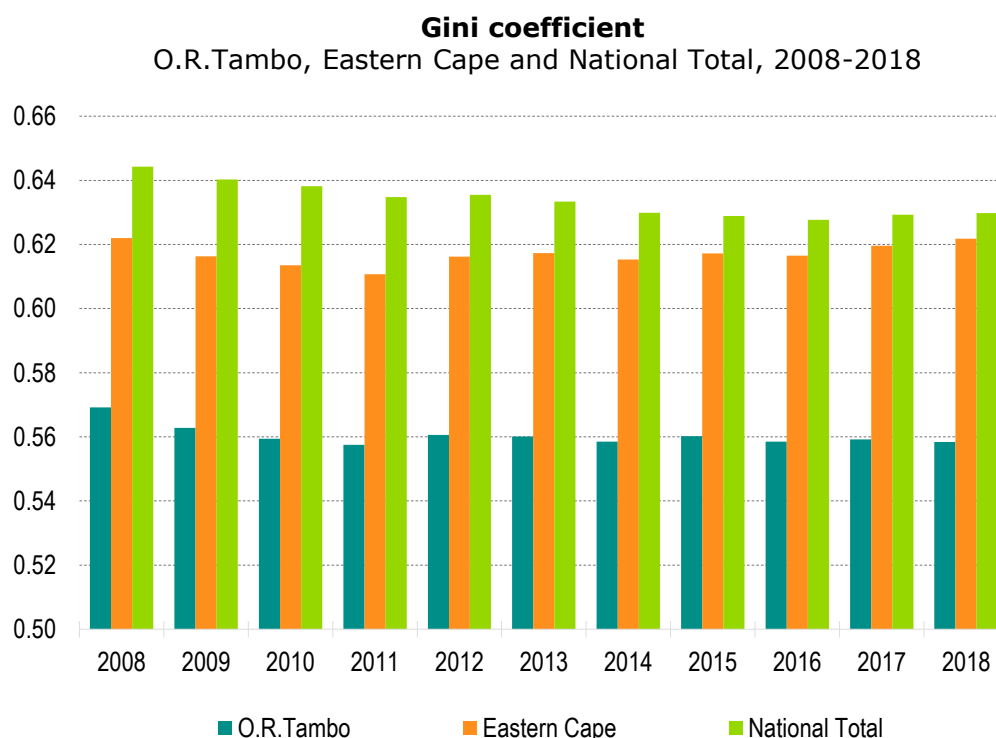
According to the 2016 Community Survey, 18 % of households in OR Tambo skipped a meal in the last 12 months and 27 % of households ran out of money to buy food. As a consequence of the poverty levels, there is a cumulative total of 683,584 grant dependents in the district. The number of beneficiaries per grant type is indicated in the table below:

GRANT TYPE	TOTAL BENEFICIARIES
Care Dependency Grant	5,206
Child Support Grant	510,208
Combination (Care Dependency and Child Support)	1,099
Disability Grant	33,619
Foster Care Grant	19,585
Grant-In-Aid	5,532
Old Age Grant	108,335
TOTAL	683,584

Source: SASSA (as of 30 April 2020)

3.4.2 Inequality

OR Tambo District has a Gini coefficient of 0.56, which is below the provincial index value of 0.62. In terms of the Gini coefficient for each of the local municipalities within the District, King Sabata Dalindyebo has the highest Gini coefficient, with an index value of 0.58. The lowest Gini coefficient can be observed in Nyandeni with an index value of 0.51.



In OR Tambo District, an estimated population of 400 941 earn an amount ranging from R1-400 per month which is the highest form of income followed by income levels of R801-R1,600 income per month. An estimated 599 829 of the population within

receive no income at all. The average annual household income was R14 600, which is significantly lower than the national average at R29 400.

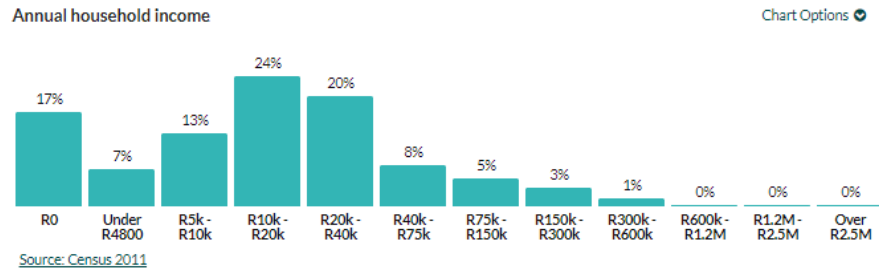
Annual household income

R14 600

Average annual household income

about the same as the amount in Eastern Cape: R14 600

about half the amount in South Africa: R29 400

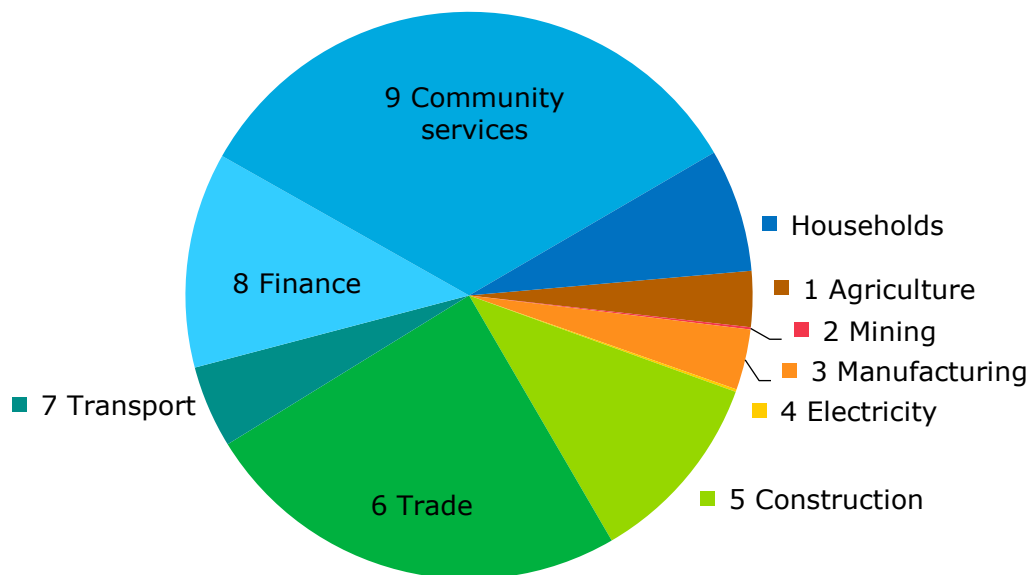


3.4.3. Unemployment and Employment

In 2018, there were 221 000 people employed in the District which is 15.38% of the total employment in Eastern Cape, 1.38% of total employment in South Africa. Employment increased annually at an average rate of 0.45% from 2008 to 2018.

Total Employment Composition

O.R.Tambo, 2018



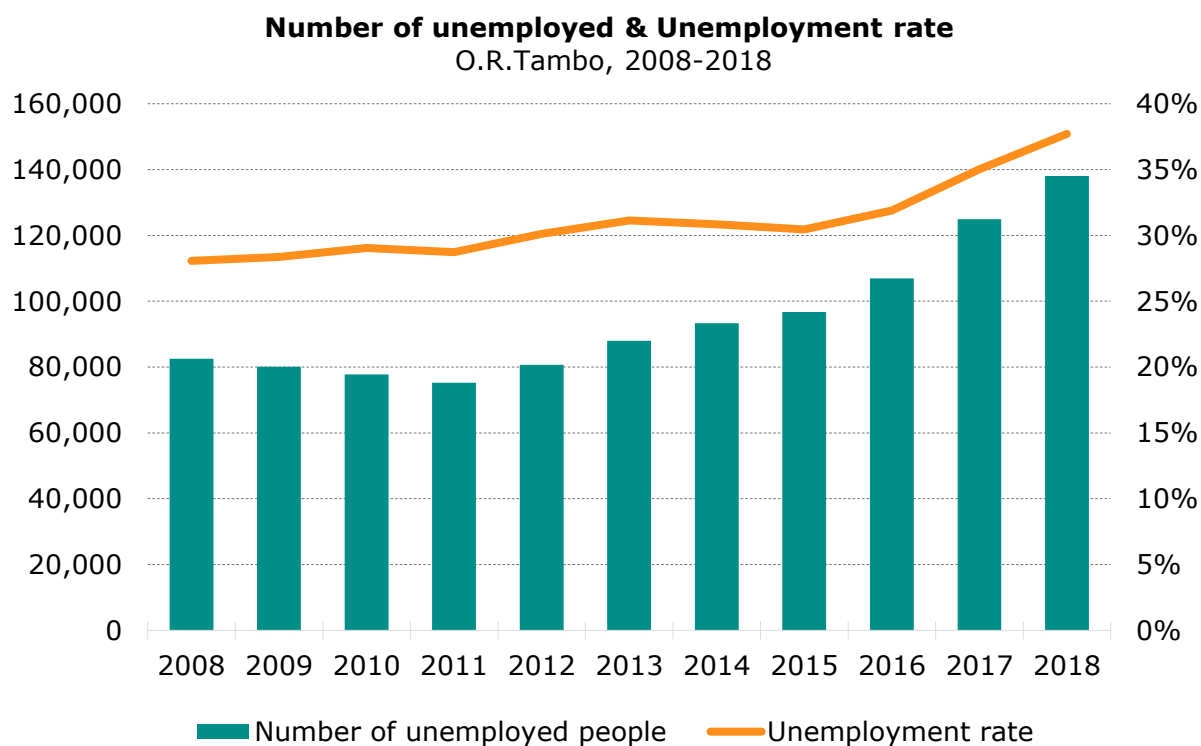
Source: IHS Markit Regional eXplorer version 1750

The economic sectors that recorded the largest number of employment in 2018 were the community services sector with a total of 74 000 employed people or 33.4% of total employment in the district. The trade sector with a total of 54 400 (24.6%) employed

the second highest number of people. The mining sector with 281 (0.1%) and the electricity sector with 321 (0.1%) employed the least number of people.

In 2018, the unemployment rate in OR Tambo (based on the official definition of unemployment) was 37.71%. The unemployment rate in the district was higher than that of Eastern Cape.

**“IN 2018, THERE WERE 221 000
PEOPLE EMPLOYED IN THE DISTRICT WHICH
IS 15.38% OF THE TOTAL EMPLOYMENT
IN EASTERN CAPE”**

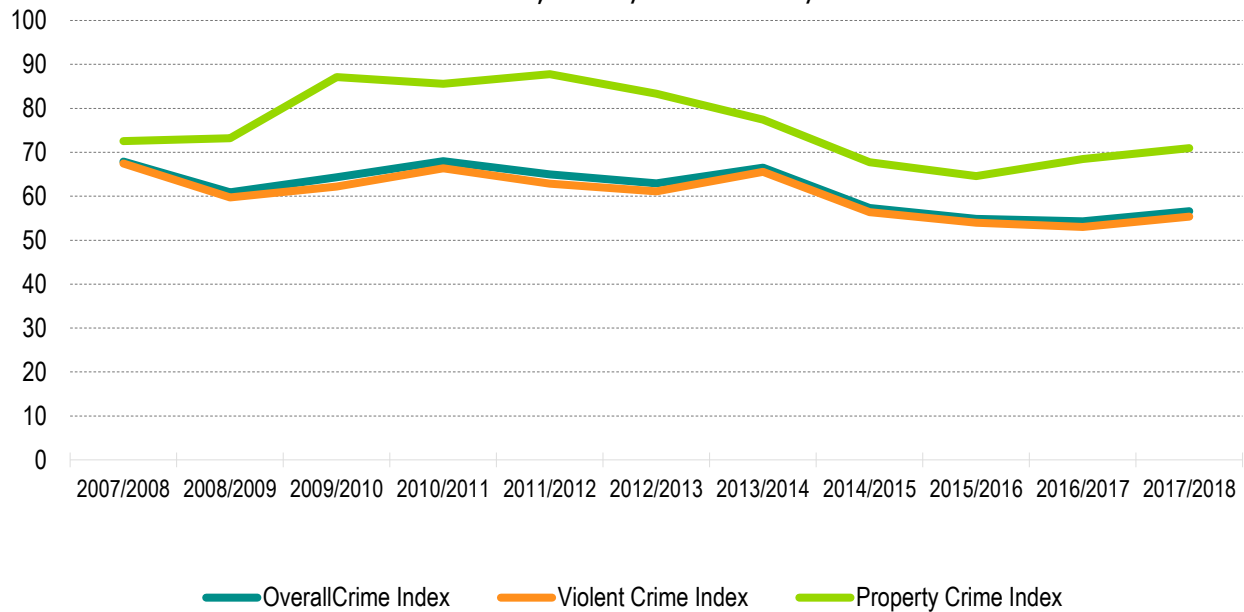


Source: IHS Markit Regional eXplorer version 1750

3.4.4 Crime

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes.

Overall, Violent and Property Crime Index O.R.Tambo, 2007/2008-2017/2018



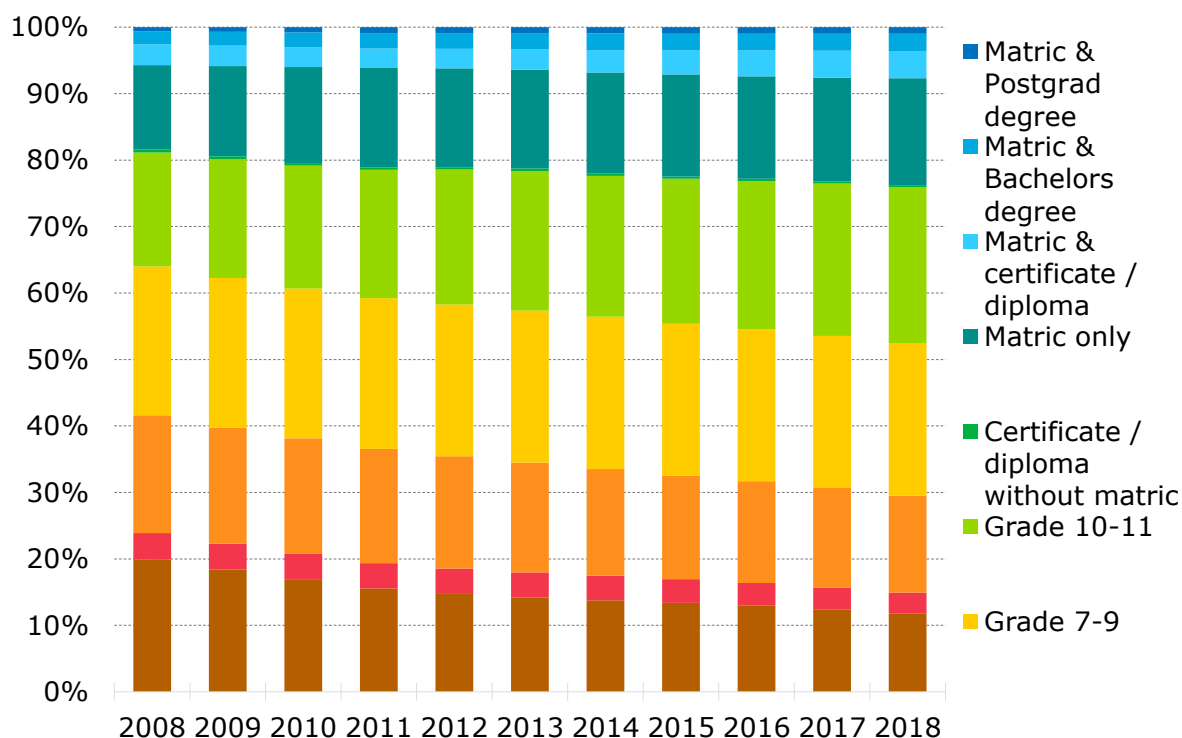
Source: IHS Markit Regional eXplorer version 1750

For the period 2007/2008 to 2017/2018, the overall crime in OR Tambo District has decreased at an average annual rate of 1.79%. Violent crime decreased by 1.96% since 2007/2008, while property crimes decreased by 0.22% between the 2007/2008 and 2017/2018 financial years. The ratio of police stations to population is low, although average geographical coverage is comparatively high.

3.5 Levels of Education

Within OR Tambo District, the number of people without any schooling decreased from 2008 to 2018 with an average annual rate of -3.19%, while the number of people within the 'matric only' category, increased from 80,100 to 124,000. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 4.94%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 5.11%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

Highest level of education: age 15+ O.R.Tambo, 2008-2018



Source: IHS Markit Regional eXplorer version 1750

OR Tambo District has a total of 352 existing primary schools whereas the total required is 324 schools. Similarly, OR Tambo district has a total of 152 existing schools and a total of 203 schools required. This analysis indicates the major disparities in terms of the supply of schools versus the demands.

MUNICIPALITY	EXISTING PRIMARY SCHOOLS	REQUIRED PRIMARY SCHOOLS	EXISTING SECONDARY SCHOOLS	REQUIRED SECONDARY SCHOOLS
Ingquza Hill	66	61	22	38
King Sabata Dalindyebo	80	33	58	21
Mhlontlo	75	94	29	59
Nyandeni	71	38	30	24
Port St Johns	60	98	13	61
TOTAL FOR OR TAMBO	352	324	152	203

The OR Tambo District also has 2 TVET colleges with a total of 5 campuses. In total there are Courses offered include Engineering studies, Business Management, Financial Management, Public management, Tourism and Hospitality studies.

NAME OF INSTITUTION	CAMPUSES	TOTAL NUMBER OF STUDENTS ENROLLED
Ingwe TVET	Ngqungqushe	5016
King Sabata Dalindyebo TVET	Libode	878
	Mapuzi	493
	Mthatha	7456
	Ntabozuku	820
Walter Sisulu University	Zamukulungisa	14 892
TOTAL		29 555

“OR TAMBO DISTRICT HAS A TOTAL OF 352 EXISTING PRIMARY SCHOOLS WHEREAS THE TOTAL REQUIRED IS 324 SCHOOLS.”

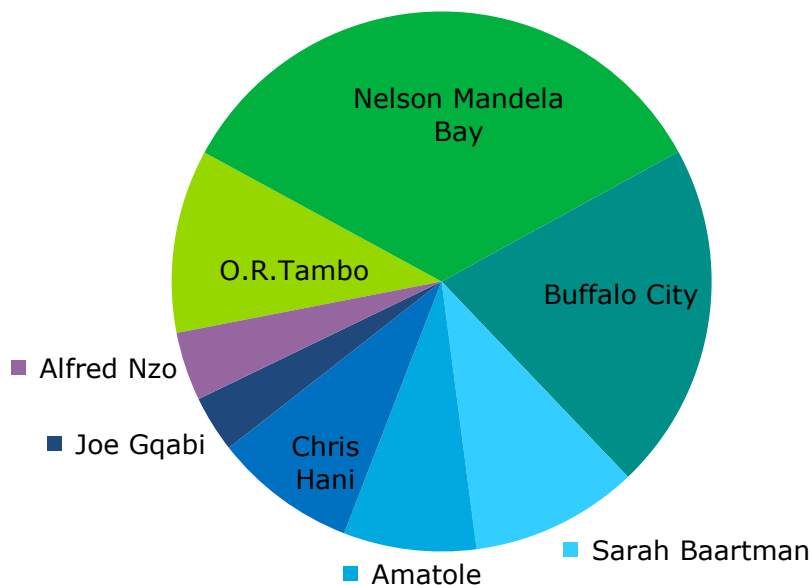


4. Drivers of the Economy

4.1 Economic overview

In 2018, OR Tambo District had a GDP of R 41.4 billion (up from R 20.2 billion in 2008), which accounted for a contribution of 11% to the Eastern Cape Province GDP and ranked third relative to the other districts in the province. In 2018, the OR Tambo District achieved a negative annual growth rate of -1.15% compared to the Eastern Cape Province's 0.78%.

Gross Domestic Product (GDP)
Eastern Cape Province, 2018



Source: IHS Markit Regional eXplorer version 1750

In 2018, the community services sector was the largest accounting for R 14.5 billion or 38.4% of the total GVA of the district economy. The sector that contributes the second most to the GVA was the trade sector at 23.0%, followed by the finance sector with 19.5%. The sector that contributed the least was the mining sector with a contribution of R 77.4 million or 0.20% of the total GVA of the district.

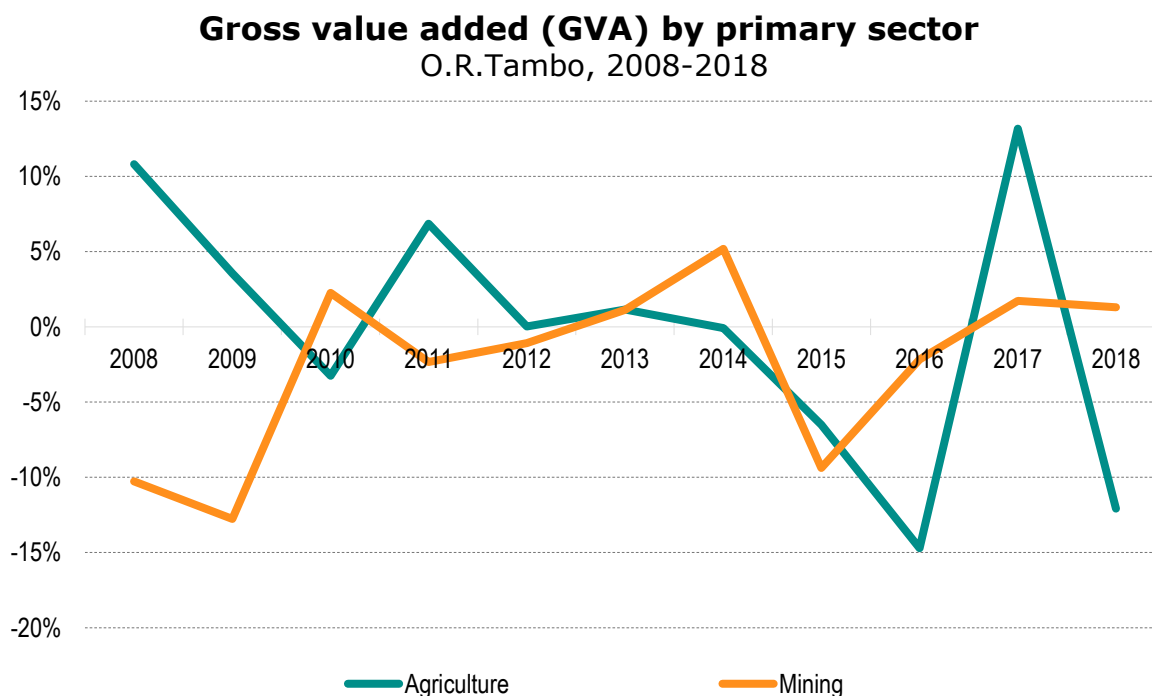
“IN 2018, THE COMMUNITY SERVICES SECTOR WAS THE LARGEST ACCOUNTING FOR R 14.5 BILLION OR 38.4% OF THE TOTAL GVA OF THE DISTRICT ECONOMY.”

	OR Tambo	Eastern Cape	National Total	OR Tambo as % of province	OR Tambo as % of national
Agriculture	0.5	6.7	106.1	6.8%	0.43%
Mining	0.1	0.4	350.9	17.4%	0.02%
Manufacturing	1.9	43.6	572.9	4.3%	0.33%
Electricity	1.4	9.0	166.0	15.6%	0.84%
Construction	1.2	13.3	170.3	9.1%	0.71%
Trade	8.7	67.9	652.7	12.8%	1.33%
Transport	2.2	30.3	426.7	7.4%	0.53%
Finance	7.4	61.4	854.4	12.0%	0.86%
Community services	14.5	102.7	1,041.3	14.1%	1.39%
Total Industries	37.8	335.3	4,341.3	11.3%	0.87%

The OR Tambo District has identified the following five (5) priority areas as key contributors to the economy and job creation in partnerships with the private sector. These are Green Economy, Agriculture, Mining, Manufacturing and Tourism.

4.2 Primary sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector.



Source: IHS Markit Regional eXplorer version 1750

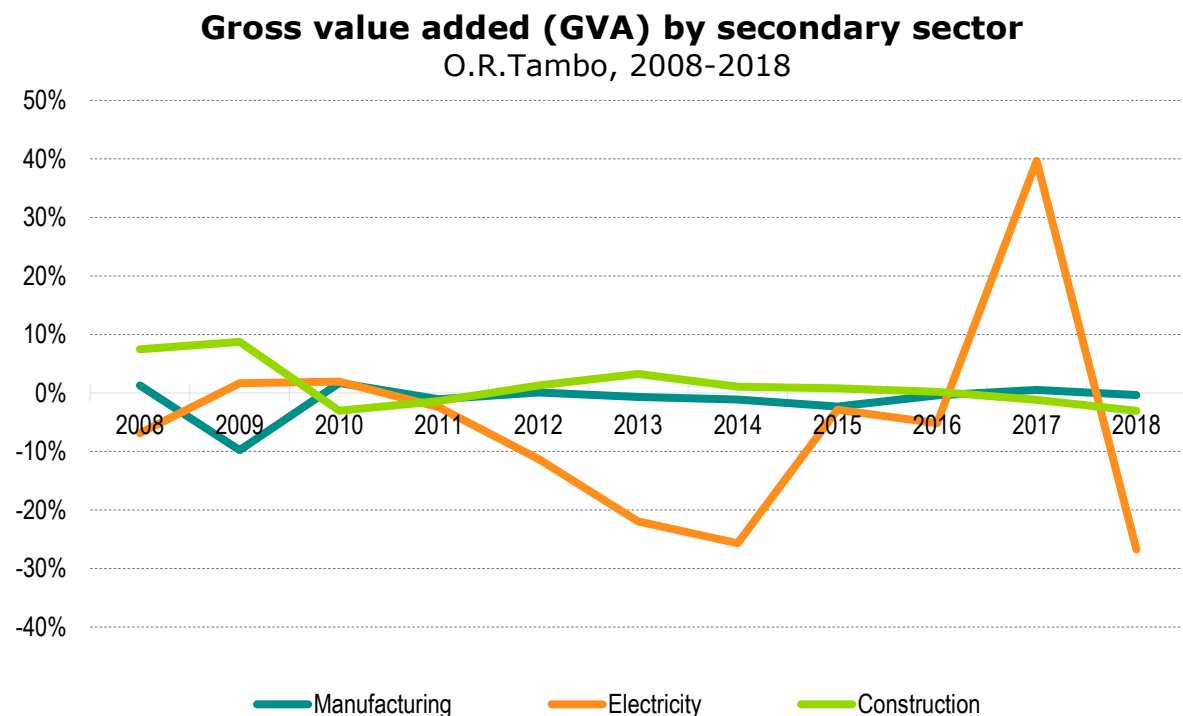
Between 2008 and 2018, the agriculture sector experienced the highest positive growth in 2017 with an average growth rate of 13.2%. The mining sector reached its

highest point of growth of 5.2% in 2014. The agricultural sector experienced the lowest growth for the period during 2016 at -14.7%, while the mining sector reaching its lowest point of growth in 2009 at -12.8%.

In OR Tambo District, the agriculture sector has been identified as the sector with the highest growth potential up to 2023, but prone to very high volatility because of uncertain weather conditions, pests and other natural causes.

4.3 Secondary sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector.

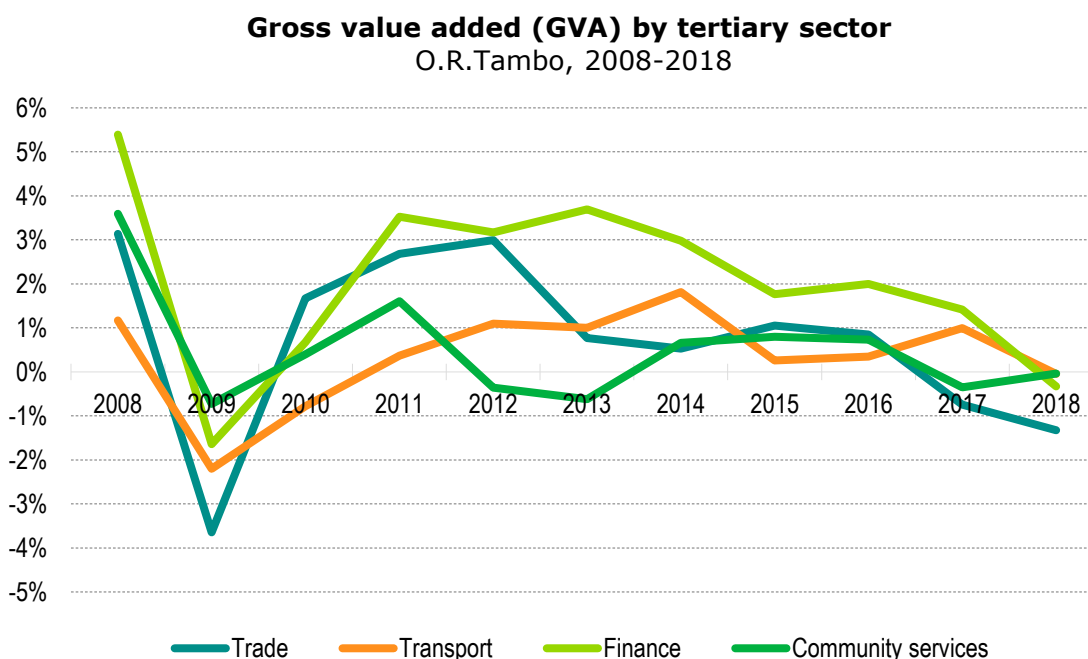


Source: IHS Markit Regional eXplorer version 1750

Between 2008 and 2018, the manufacturing sector experienced the highest positive growth in 2010 with a growth rate of 1.7%. The construction sector reached its highest growth in 2009 at 8.7%. The manufacturing sector experienced its lowest growth in 2018 of -9.8%, while construction sector reached its lowest point of growth in 2018 with -3.0% growth rate. The electricity sector experienced the highest growth in 2017 at 39.7%, while it recorded the lowest growth of -26.7% in 2018.

4.4 Tertiary sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector.



Source: IHS Markit Regional eXplorer version 1750

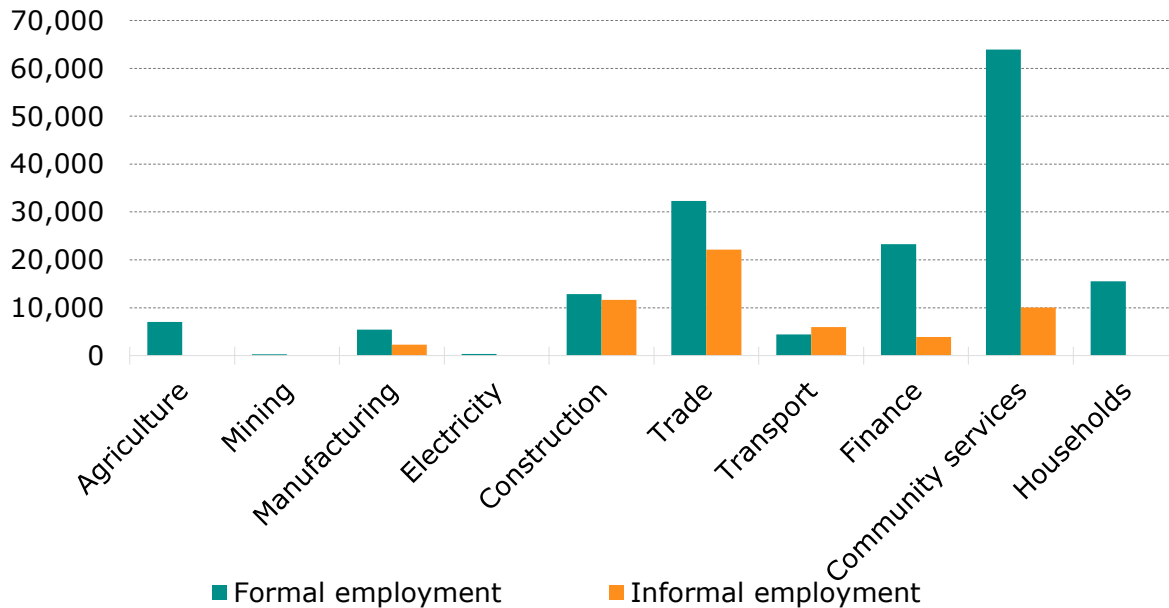
The trade sector experienced the highest positive growth in 2008 with a growth rate of 3.1%. The transport sector reached its highest point of growth in 2014 at 1.8%. The finance sector experienced the highest growth rate in 2008 when it grew by 5.4% and recorded the lowest growth rate in 2009 at -1.6%. The Trade sector also had the lowest growth rate in 2009 at -3.6%. The community services sector, which largely consists of government, experienced its highest positive growth in 2008 with 3.6% and the lowest growth rate in 2009 with -0.7%.

4.5 Informal economy

The number of people employed in the informal sector counted 56 000 or 25.28% of the total employment. Informal employment in OR Tambo decreased from 58 200 in 2008 to an estimated 56 000 in 2018.

“THE TRADE SECTOR EXPERIENCED THE HIGHEST POSITIVE GROWTH IN 2008 WITH A GROWTH RATE OF 3.1%.”

Formal and informal employment by sector
O.R.Tambo, 2018



Source: IHS Markit Regional eXplorer version 1750

In 2018, the Trade sector recorded the highest number of informally employed, with a total of 22 100 employees or 39.52% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 2 250 and only contributes 4.03% to total informal employment. The OR Tambo District Municipality has prioritized the promotion and support to informal traders, co-operatives and SMME's through capacity building and supply of material and equipment within all the local municipalities.

5. Service Delivery

5.1 Water and Sanitation

OR Tambo District had a total number of 37 900 (or 10.92%) households with piped water inside the dwelling, a total of 41 000 (11.84%) households had piped water inside the yard and a total number of 215 000 (61.97%) households had no formal piped water. The local municipalities with the highest number of households with piped water inside the dwelling is King Sabata Dalindyebo with 24 800 or a share of 65.39% of the households. Port St Johns had the lowest number of households with piped water inside the dwelling with a total of 2 010 or a share of 5.30% of the total households.

	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Ingquza Hill	2,210	2,580	3,890	1,700	55,100	65,400
Port St Johns	2,010	1,570	3,600	571	28,300	36,000
Nyandeni	6,200	2,860	11,700	3,080	47,700	71,600
Mhlontlo	2,680	4,470	9,780	3,640	26,800	47,400
King Sabata Dalindyebo	24,800	29,600	10,500	4,420	57,000	126,000
TOTAL OR TAMBO	37,867	41,042	39,555	13,406	214,875	346,745

OR Tambo District had a total number of 67 700 flush toilets (19.54%), 204 000 Ventilation Improved Pit (VIP) (58.79%) and 49 600 (14.30%) of total households pit toilets. The local municipality with the highest number of flush toilets is King Sabata Dalindyebo with 38 900 or a share of 57.41%. The local municipality with the lowest number of flush toilets is Mhlontlo Local Municipality with a total of 5 080 or 7.50% of the total flush toilets in the District.

	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Ingquza Hill	7,750	42,600	11,000	895	3,140	65,400
Port St Johns	8,930	16,100	5,480	459	5,030	36,000
Nyandeni	7,090	52,200	7,370	239	4,700	71,600
Mhlontlo	5,080	28,100	10,400	191	3,660	47,400
King Sabata Dalindyebo	38,900	64,900	15,300	575	6,690	126,000
TOTAL OR TAMBO	67,742	203,854	49,575	2,359	23,216	346,745

5.2 Human Settlements

In OR Tambo District, 1.3% of the households are informal dwellings which is lower than the provincial figure of 7.3% and 33% are formal dwellings which is significantly lower than the provincial figure of 56%. A further 54% of the dwellings are traditional dwellings. 78.9% of the houses are fully owned or paid off which is higher than the provincial figure of 69.1%. There are 9% of the dwellings where people are renting.

The local municipality with the highest number of very formal dwelling units is the King Sabata Dalindyebo Local Municipality with 16 200 or a share of 88.53%. The local municipality with the lowest number of very formal dwelling units is the Nyandeni with a total of 380 or a share of 2.08% of the total very formal dwelling units in the district.

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Ingquza Hill	628	26,300	11,400	26,700	394	65,400
Port St Johns	456	10,300	6,690	18,600	43	36,000
Nyandeni	380	24,800	12,800	33,200	386	71,600
Mhlontlo	634	16,800	7,670	22,200	143	47,400
King Sabata Dalindyebo	16,200	55,800	19,500	34,000	861	126,000
TOTAL OR TAMBO	18,286	133,914	58,000	134,717	1,828	346,745

The OR Tambo District has experienced a number of disasters in the recent past and the demand for temporary shelters and permanent housing has increased rapidly. There is need for an integrated human settlement plan to address the housing backlogs, informal settlements, eradication of mud houses and rectification of defective structures.

“THE DISTRICT HAS EXPERIENCED A NUMBER OF DISASTERS AND THE DEMAND FOR TEMPORARY SHELTERS AND PERMANENT HOUSING HAS INCREASED RAPIDLY.”

5.3 Waste Management

OR Tambo District had a total number of 41 200 (11.89%) households which had their refuse removed weekly by the authority, a total of 3 240 (0.93%) households had their refuse removed less often than weekly by the authority and a total number of 266 000 (76.64%) households which had to remove their refuse personally (own dump). The local municipality with the highest number of households where the refuse is removed weekly by the authority is King Sabata Dalindyebo with 33 400 or a share of 81.12%. The local municipality with the lowest number of households where the refuse is removed weekly by the authority is Port St Johns Local Municipality with a total of 847 or a share of 2.05%.

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Ingquza Hill	3,140	548	1,450	55,000	5,280	65,400
Port St Johns	847	193	732	29,100	5,180	36,000
Nyandeni	1,620	348	1,050	61,400	7,150	71,600
Mhlontlo	2,180	477	1,810	37,100	5,820	47,400
King Sabata Dalindyebo	33,400	1,670	3,030	83,100	5,020	126,000
TOTAL OR TAMBO	41,229	3,235	8,067	265,746	28,467	346,745

Proper prioritization for the development and management of waste is required within the district. The health and pollution risk within the district are very high both within the urban centres and the rural communities. Poor operation of licenced waste sites, burning of waste causing health risks, waste management is not seen as a priority issue, poor operational and financial planning and lack of enforcement.

5.4 Roads and Transport

The road network in the OR Tambo District include the N2 national road which transects the district from the south west, passing through Mthatha and Qumbu to the Mt Ayliff region in the north west of the district. Regional roads include the R61, which comes from Engcobo into OR Tambo District, and passes Mthatha, through Libode, Port St Johns, Lusikisiki and Flagstaff. The other regional road, is the R396 which turns off the N2 through Tsolo.

The following table indicates the road categories and number of kilometers within the district:

ROAD CATEGORY	NUMBER OF KMS IN THE DISTRICT	RESPONSIBLE AUTHORITY
National	136	National Roads Agency
Provincial	497	Provincial Dept. of Roads and Public Woks
District	2, 792	Regional Dept. of Roads and Public Works
Access Roads	2, 957	District and Local Municipality
Street and Internal	Unconfirmed	Local Municipalities

The OR Tambo District is working with the Department of Roads and Transport, have developed an Integrated Transport Plan (ITP) for the District. In terms of the approved District ITP, a number of the national, provincial and district roads are currently being upgraded or undergoing major refurbishment. This include the N2 road from East

London to Durban, and the R61 from Queenstown to Port St Johns. The focus is on roads that connect the province to national centres, roads that connects cities, towns and villages to each other, roads to public facilities, roads that may unlock economic opportunities (Industrial estates, tourism nodes and intensive agricultural nodes) as well as roads to public facilities and tourism destinations.

In OR Tambo District, there is the Kei Rail initiative, which is aimed at revitalizing the rail line from Mthatha to East London. Substantial investment has been made in re-commissioning this rail line. It is envisaged that this rail line will be the central economic driver underpinning the Kei Development Corridor.

The Mthatha Airport is another key transport facility which is fully functional and compliant with Civil Aviation Authority (CAA) safety standards. The airport currently has a 2 kilometre runway and there is currently a process to upgrade airport.

5.5 Electricity

OR Tambo District Municipality had a total number of 48 800 (14.08%) households with electricity for lighting only, a total of 250 000 (72.07%) households had electricity for lighting and other purposes and a total number of 48 000 (13.85%) households did not use electricity.

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Ingquza Hill	13,900	41,900	9,630	65,400
Port St Johns	9,900	21,200	4,970	36,000
Nyandeni	11,300	50,200	10,000	71,600
Mhlontlo	6,170	34,900	6,320	47,400
King Sabata Dalindyebo	7,520	102,000	17,100	126,000
TOTAL OR TAMBO	48,820	249,897	48,028	346,745

The local municipality with the highest number of households with electricity for lighting and other purposes is King Sabata Dalindyebo with 102 000 or a share of 40.70% of the households with electricity for lighting and other purposes. The local municipality with the lowest number of households with electricity for lighting and other purposes is Port St Johns Local Municipality with a total of 21 200 or a share of 8.47%.

6. Governance and Management

6.1 Municipality Performance

The OR Tambo District Municipality obtained a **Qualified Audit Opinion** in the 2017/18 Financial Year. The table below indicates the audit outcomes across the district:

FINANCIAL YEAR	2014/2015	2015/2016	2016/2017	2017/2018
OR Tambo	Qualified	Qualified	Qualified	Qualified
Ingquza Hill	Clean Audit	Clean Audit	Clean Audit	Qualified
Port St Johns	Disclaimer	Qualified	Qualified	Qualified
Nyandeni	Unqualified	Clean Audit	Unqualified	Unqualified
Mhlontlo	Qualified	Unqualified	Unqualified	Unqualified
King Sabata Dalindyebo	Qualified	Qualified	Unqualified	Qualified

6.2 Municipal Capacity

According to the 2019/20 Integrated Development Plan of the OR Tambo District, there is a total of 2352 posts in the organogram. At senior management level, all posts are filled. However, there is a 53% vacancy rate below the senior management level as indicated in the table below:

POSTS AS PER ORGANOGRAM	FILLED	VACANT	VACANCY RATE	FEMALES	MALES
Senior Management	12	0	0	6	6
Below Senior Management	1249	1103	53%	506	743
TOTAL	1261	1103	53%	512	749
TOTAL NUMBER OF POSTS AS PER ORGANOGRAM	2352				

6.3 Traditional Affairs Governance

OR Tambo District Municipality has a total number of 74 Traditional Leaders within the region and there are 283 headsmen and women. Twelve (12) Traditional Leaders are participating in the Council of OR Tambo ORTDM as per Section 82 of the Local Government Municipal Structures Act 117 of 1998, with the view to accelerate service delivery.

7. Projects to diversity and grow people and the economy

7.1 Catalytic projects

PROPOSED PROGRAMME	PROJECT STATUS	RESPONSIBLE DEPARTMENT
N2 Wild Coast Highway	The overall project entails the re-construction of the 410km stretch of the N2 between East London and the Mtamvuna River on the Eastern Cape / Kwazulu-Natal border, including a 112km Greenfields section between Port St Johns and the Mtamvuna River. Project in the construction phase, with a focus on the Mtentu & Msikaba mega bridges	Transport
Mthatha Airport Upgrade	Several upgrade projects has been completed, including re-construction of the runway, installation of runway lighting, and completion of a new/ upgraded terminal building.	Transport
Mzimvubu Multipurpose Project	Feasibility study completed in 2014, EIA approved in 2015. No budget allocated. Project being re-conceptualized	DWS
Wild Coast Meander road	The development of the wild coast meander involves extensive upgrade and improvement to the existing provincial road network from Port St Johns to Kei-Mouth. Once completed, it is intended that the route will provide improved linkages between the coastal nodes east of Kei Mouth. Attending to matters raised from NT arising from BFI (Budget Facility for Infrastructure) application.	Transport
Wild Coast SEZ	A Wild Coast Development Zone has already been established and aims at significantly improving agriculture, agro-industrial development, eco-tourism, nature conservation and small-town revitalisation for towns like Port St Johns, Mbizana and Coffee Bay. Feasibility study and Business Plan completed. A 50-year lease on land next to the airport has been signed. Four investors have already indicated their interest. Not yet promulgated as an SED by DTI	DEDEAT
Zalu Dam - Lusikisiki Regional Water Scheme	Planning and designs for the proposed Zalu Dam were completed by the DWS in 2014. Funding for the dam construction is still to be committed by the DWS. The ORT DM has in the meantime commissioned a study for the upgrading of the existing Lusikisiki Water Treatment Works and related infrastructure with a view to argument the water supply to Lusikisiki Town and four wards in the short-term.	DWS

7.2 Environmental management and climate change

The OR Tambo district has a distinct advantage of being a region with substantial water resources. The district lies within the Umzimvubu, Keiskamma Water Management Area and the Mvoti-Umzimvubu Water Management Area. These are catchment areas with excess runoff of water, which means development of these water resources is possible.

However, there are a number of conservation areas within the OR Tambo District Municipal area. Provincial nature reserves include Silaka Nature Reserve near Port St Johns, Hluleka Nature Reserve near Presley Bay, Luchaba Nature Reserve next to Umtata Dam and Mkambati Nature Reserve on the northern Pondoland Coast. There are a large number of indigenous forest reserves along the coast. Some of the larger ones on the Pondoland Coast are Mount Thesiger, Mount Sullivan, Ntlopeni, Lotana, Mbotyi, Egosa and Ntsubane. There is also a proclaimed marine reserve adjacent to the Mkambati Nature Reserve.

Climate change already causes and will continue to cause a number of challenges for OR Tambo District Municipality, linked to impacts such as increased temperatures, extreme weather events (e.g. flooding and drought), sea level rise and climate variability. To respond to these changes OR Tambo District Municipality has initiated and developed the Municipal Climate Change Strategy and Action Plan. This is a phased programme, which has focused on climate change adaptation and enhancing the Municipality's ability to cope with climate change impacts. The likely climate change impacts have been assessed and plans, programmes and projects developed to assist the Municipality in dealing with these impacts.

***“THE OR TAMBO DISTRICT HAS A DISTINCT
ADVANTAGE OF BEING A REGION WITH
SUBSTANTIAL WATER RESOURCES.”***

8. Key Recommendations

In order to address the short to medium term challenges facing the district and create conditions for the development of a sustainable regional economy, the following interventions are proposed:

a. Strengthen safety net for poor and child headed households

Given the high levels of poverty as well as high numbers of child and women headed households in the district, there is a need for a special programmes to address these challenges. In this regard, there is a need to:

- Update and agree on database of all poor, female and child headed households.
- Extend the social package (social grants, free basic services) to child and female headed households.
- Implement Child Care Programmes.

b. Accelerate the delivery of household infrastructure and services

According to StatsSA (CS 2016), OR Tambo is one of the 10 districts with the lowest infrastructure quality index with high backlogs with regards to basic services. In this regard, there is a need to:

- Accelerate basic service provision to households.
- Fast track completion of bulk and link projects.

c. Grow export focussed agricultural and agro-processing sector

The Agricultural sector has been identified as the sector with the highest growth potential, but prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes. To further develop and increase the contribution of Agriculture to the GVA of the district, there is a need to:

- Undertake Export opportunity mapping
- Mobilise small farmers into export agricultural value chain
- Establish incubation hubs and processing facilities linked into export value chain

d. Strengthen the regional N2 coastal corridor link

The Draft National Spatial Development Framework (NSDF) has identified the N2 link as a corridor that can catalyse the development of the agricultural tourism and industrial development. This will involve:

- Accelerating the completion of the N2 link
- Completing the spatial corridor plan for development and management of coastal link
- Completing robust community consultations on inclusive corridor development

e. Activate large scale community-empowering tourism

The District is endowed with several tourism destinations such as Port St Johns, Lusikisiki, Coffee Bay, Qunu, Mthatha and Mhlontlo. The District encapsulates a large portion of the Wild Coast belt and is home to some pristine nature reserves. In order to maximum on the tourism potential, there is a need to:

- Finalise tourism plan and identification of tourism business opportunities
- Develop large pool of local tourism practitioners and operators
- Package and deliver tourism training and qualifications
- Unlock special funding and finance for community scale tour operators

f. Safeguard natural resource base and resolve mining vs tourism trade-off

The Provincial Spatial Development Framework provides for the safeguarding of all-natural resources across the district and province. In this regard, there is a need to:

- Update cost-benefit studies.
- Undertake open consultative process to interrogate mining vs tourism feasibilities and cost-benefit analysis.

g. Expansion of the forestry sector

The District recognises that unlocking the potential in forestry and agriculture in the District can lead to job growth, poverty reduction and sustainable livelihoods. Forestry initiatives encompass both commercialised forestry operations, involving plantations for timber. The proposals for forestry expansion include:

- Identify areas for regional commercial forestry expansion and afforestation of State Forests especially in Mhlontlo, Nyandeni and Ngquza Hill LM
- Afforestation through creating forest pockets in each municipality in order to provide wood energy to rural areas

h. Develop oceans corridor

The proposal entails developing a regional road that will run along the coast in an attempt to connect the proposed small rural beach towns to form some sort of string of beads to ensure connectivity and accessibility to these towns. This will contribute to tourism expansion and economic expansion

i. Investing in skills development to promote agriculture

In order to realise the agriculture potential in the region, there is a need to build more agricultural colleges to enable communities to acquire skills in subsistence and small

scale maize, vegetable, fruit, and tea production; and small scale livestock rearing (cattle, sheep and goats); forestry and aquaculture.

j. Support for Small Business/ Incubator focusing on agriculture

Through SEDA there is an MOU that was signed in August 2018 with Ntinga Development Agency to support SMMEs from the District to have products of scale and quality to supply Kei Fresh Produce Market, Umzikantu Red Meat Abattoir and Adam Kok Farms. The Incubator will be based in Ingwe TVET College based in Lusikisiki. This incubator will serve both the students who are being trained in the college with business skills so that they can be able to start and run their businesses rather than looking for jobs.

k. Expansion of Furniture tech incubator to Lusikisiki

The department already has two incubators in Umthatha that are focusing on furniture manufacturing (Furntech) and the other focusing on construction. The Furntech incubator will be expanded to Lusikisiki to support the entrepreneurs who come from Lusikisiki and surrounding areas. The expansion of timber production in the areas will also feed in into this incubator and ensure processing of timber locally.



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