



ILEMBE

COMPREHENSIVE ONE PLAN

2022 to-2050



DISTRICT DEVELOPMENT MODEL

14 December 2022

*A new District Development Model to Improve the Coherence and Impact of Government
Service Delivery and Development.*



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ILEMBE COMPREHENSIVE ONE PLAN 2022 to 2050

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Version 1	18 March 2022	iLembe DDM Core Team
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Version 3	27 June 2022	iLembe DDM Core Team
Version 4	30 November 2022	Technical Hub
Version 5	14 December 2022	Political Hub

PREFACE TO THE ILEMBE DDM ONE PLAN

THE STRATEGIC INTENT OF THE DDM

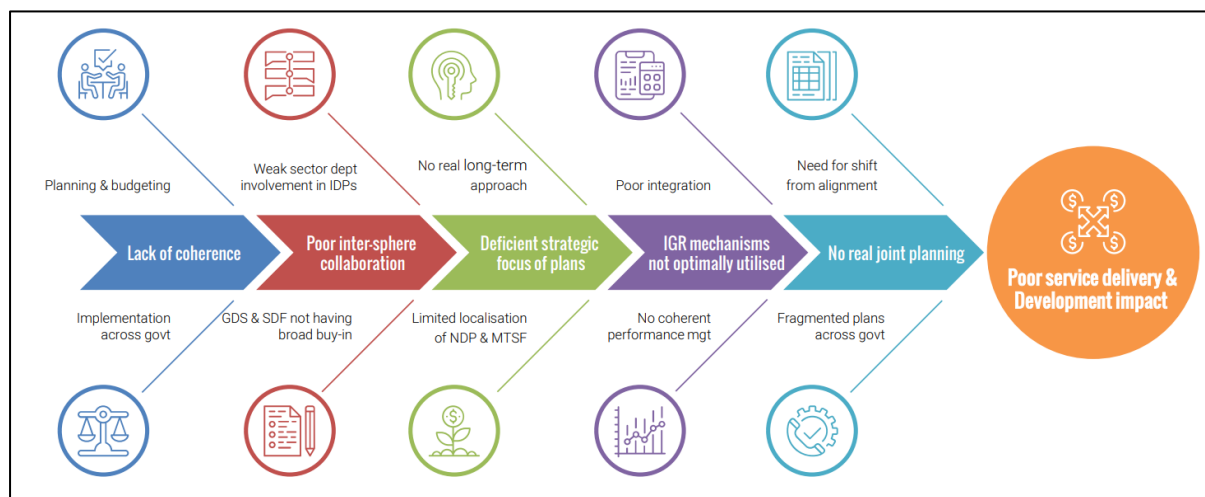
The District One Plan is a 25- to a 30-year strategic plan that transcends the planning period of at least five IDP planning cycles. Therefore, the formulation of the One Plan only presents an opportunity to align the District's plans with the PGDS/P, but also to align the shorter Municipal 5-year IDPs with a long-term vision for the development of the District as one integrated area.

The District Development Model (DDM) One Plan One Budget was initiated by President Cyril Ramaphosa in his Budget Speech in 2019 and subsequently discussed and adopted by Cabinet, the 2019 Presidential Coordinating Council (PCC), the March 2020 extended PCC and various MINMECs. The President identified the “pattern of operating in silos” as a challenge which led to a lack of coherence in planning and implementation and has made monitoring and oversight of government’s programme difficult”. The consequence has been sub-optimal delivery of services and diminished impact on the triple challenges of poverty, inequality, and employment.

The key objectives underpinning the approach include: the following

1. To develop “One plan” for the district, with all stakeholders’ support.
2. To provide a framework for the alignment of different spheres of government budget allocations.
3. To align the One Plan with other spheres of government planning initiatives.
4. To mobilise and ignite all stakeholders around implementing the One Plan on an ongoing basis.
5. To prepare a knowledge product on the process of preparing and implementing the One Plan, which other district municipalities may use.

Figure 1: The problems the DDM are trying to solve



Source: Guidelines Implementation Of The District Development Model, 5 November 2022

Important in KZN, the DDM is closely integrated and aligned with the Operation Sukuma Sakhe (OSS) programme. OSS is an integrated service delivery model bringing together all service delivery

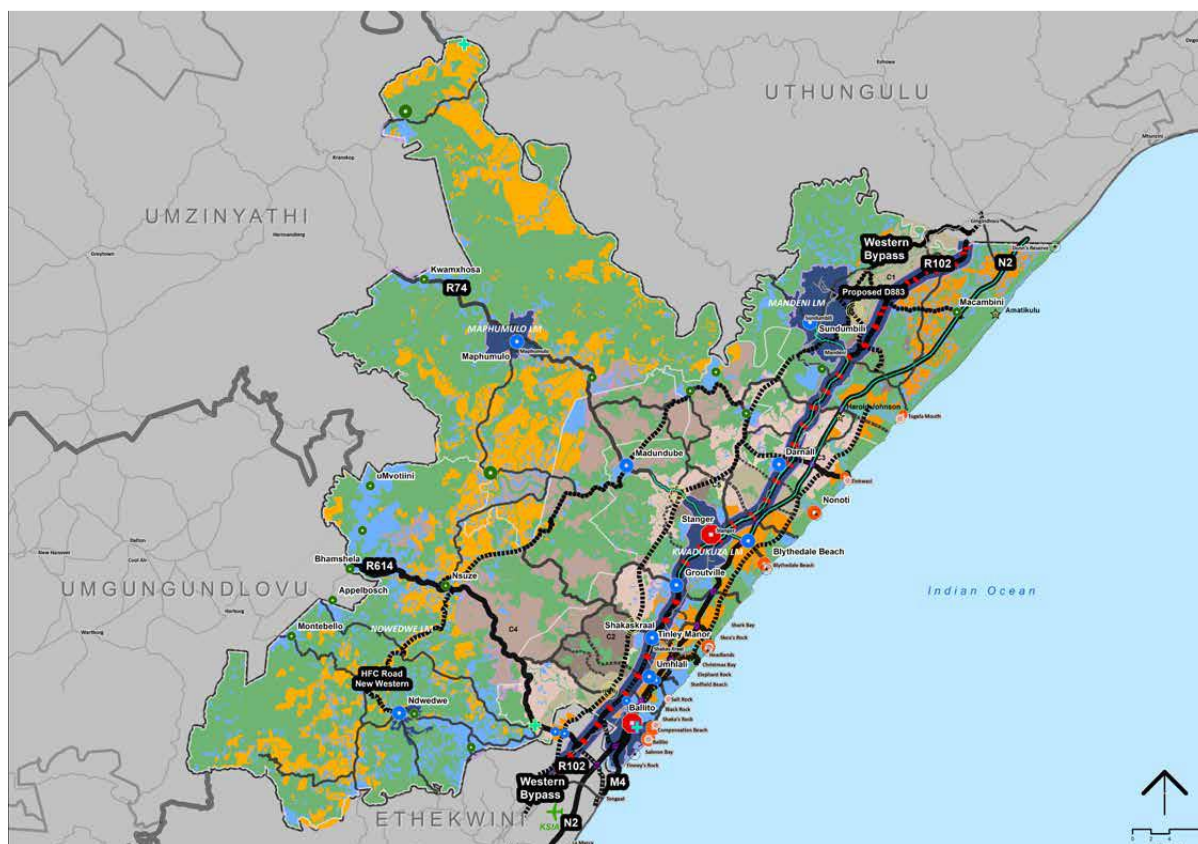
stakeholders to provide services in an integrated manner. At the February 2021 Lekgotla, the KZN EXCO resolved that the OSS/DDM integration must be entrenched in all spheres of government¹.

- The OSS/DDM alignment includes the recognition of the existing IGR structures, enhancement of authority and accountability, recognition of expertise, specialisation and commitment and the creation/promotion of a consequence management culture.
- The OSS/DDM integration also seeks to optimise the integrated service delivery model cost-effectively and efficiently underpinned by Social Compacting.
- The OSS/DDM integration seeks to avoid the duplication of resources through joint and coordinated planning for a one-window delivery of services at the community level.
- The OSS/DDM alignment recognises a need to integrate the existing OSS structures across the levels.

THE DISTRICT SPATIAL AND SOCIO-ECONOMIC CONTEXT AND VISION

iLembe District is situated on the east coast of KwaZulu-Natal and is the smallest of the province's districts. The District consists of four local municipalities: Mandeni, KwaDukuza, Maphumulo, and Ndwedwe. Located about 65 km north of the eThekweni Metropolitan Municipality, iLembe is linked by a coastal highway to Durban in the south and Richards Bay in the north, giving it access to the two harbours in those localities. Immediately to the south of iLembe, within eThekweni, is the King Shaka International Airport and the renowned Industrial Development Zone (IDZ) of the Dube TradePort Corporation.

Figure 2: The iLembe District from the 2021 Spatial Development Framework



¹ KZN Cogta Presentation at the iLembe Political Hub, 16 February 2022.

The District is approximately 3 269 km² with a current population of about 694 000. The main areas of urbanisation and industrial development within the District are found within the KwaDukuza and Mandeni Municipalities, whilst Ndwedwe and Maphumulo Municipalities comprise rural settlements in the District. Most rural inland is tribal authority areas, characterised by low-income households, subsistence farming and sparse municipal services.

iLembe is also a leading commercial, industrial, property development and tourism destination in the province. It experienced high urban growth over the last 20 years with the in-migration of people into the District, which placed infrastructure provision and maintenance under pressure.

The vision for the iLembe One Plan is as follows:

“By 2050, iLembe will be a sustainable, diverse growing economic hub providing social well-being and equity of access for all its citizens”.

The fundamental principles underlying the vision are:

- A diverse and growing economy
- A liveable region
- Sustainable development
- Social well being
- Equity of access.

The above principles provide the basis for establishing a holistic, all-encompassing, long-term vision for the District while acknowledging the changing landscape and critical factors influencing future development, such as:

- Acknowledging the global digital transformation of economies and creating opportunities and infrastructure creation.
- The need for sustainable development that has significant implications on long-term planning, including:
 - renewable energy
 - responsible infrastructure development
 - new economic thinking in line with green initiatives.
 - Multi-stakeholder collaboration,
 - collective action initiatives,
 - the use of new technology,
 - a more expansive “stakeholder” approach to market dynamics,
 - better provision for gender, youth, and disability equity of access, and
 - elevating public awareness will be essential for sustainable future economic development.

To highlight areas that will foster the opportunities to achieve the vision, the following are the long-term goals:

- A transformed and diversified economy that can provide jobs, attract investment, and create livelihoods for all citizens.
- A new understanding of economic growth that better addresses human needs and makes more efficient use of natural resources.

- Communities that cater to local needs giving priority to the vulnerable, functional support, participation, and is a cornerstone of human dignity.
- iLembe should be a future hub that is a nexus of urban-rural linkages in terms of public transportation, accessibility, equity, and land use.
- Healthy biological diversity as a core element of civic space and urban development.
- An iLembe with robust infrastructure and bankable projects that boosts social development, health, wealth, access to education, public safety, and standards of living.
- Breakthroughs in computing, mobile connectivity, and advanced intelligence with the ability to provide new services and service delivery systems that truly benefit everyone.
- Coordinating effective, efficient, and reliable public and private institutions to manage problems effectively.
- Bold policy responses that better foster innovation, technological change, and social cohesion and prudently increase productivity.

The spatial economic transformation of the District should consider new policies and strategies especially as it relates to unlocking spaces for economic activities in townships and rural areas. This would align the plan with, for example, the recently adopted provincial approach to Township and Rural Economy Revitalisation Strategy. Related actions to give effect to this strategy should be included to the long-term action plans.

THE IMPORTANCE OF THE ILEMBE DISTRICT ONE PLAN

The President called for the rolling out of “a new integrated district-based approach to addressing our service delivery challenges [and] localise[d] procurement and job creation, that promotes and supports local businesses, and that involves communities...” Such an approach will require that “National departments that have district-level delivery capacity together with the provinces, provide implementation plans in line with priorities identified in the State of the Nation address”.²

The DDM consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan by all three spheres of governance, resulting in a single strategically focussed One Plan for each of the 4 Local Municipalities wherein the district is seen as the ‘landing strip’. The DDM is a practical Intergovernmental Relations (IGR) mechanism to enable all three spheres of government to work together, with communities and stakeholders, to plan, budget and implement in unison expressed in a One Plan for each local municipality.

New National and Provincial policy developments which give rise to economic opportunities must be considered include, for example, the opening of the opportunity for energy generation of 100 MW. Similarly, more should in future be done about the district’s climate action plans/approaches and/or localisation of production and consumption and its related economic and social benefits.

Actions related to red tape reduction and/or ease of doing business that are linked to the goal of developing a responsive caring and ethical government should be included in all action plans. It follows that all the areas of potential interventions One Plan should have some associated action plans/projects together with the lead/responsible agent.

² National Cogta, May 10, 2021. What is the District Development Model?

EXECUTIVE SUMMARY

The District Development Model (DDM) One Plan One Budget was initiated by President Cyril Ramaphosa in his Budget Speech in 2019 and subsequently discussed and adopted by Cabinet. In November 2020, the Minister of Cooperative Governance and Traditional Affairs, the Honourable Dr Nkosazana Dlamini Zuma, launched the iLembe District Development Model stating that the One District; One Plan; One Budget; One Approach is critical to the ongoing planning and development initiatives within the District.

The key objectives underpinning the DDM One Plan includes:

1. To develop a “One plan” for the district which has the support of all stakeholders.
2. To provide a framework for the alignment of different spheres of government budget allocations.
3. To align the One Plan with other spheres of government planning initiatives.
4. To mobilise and ignite all stakeholders around implementing the One Plan on an ongoing basis.
5. To prepare a knowledge product on the process of preparing and implementing the One Plan which may be used by other district municipalities.

The iLembe One Plan is a visionary and transformative plan addressing the following interrelated key transformation focus areas, content themes or principles, namely:

- Demographic Change/People Development.
- Economic Positioning.
- Spatial Restructuring and Environmental Sustainability.
- Infrastructure Engineering.
- Integrated Service Provisioning.
- Governance and Financial Management.

The key long-term trends, challenges and opportunities that will direct future development of the iLembe district are the following:

- The population of iLembe District will continue to increase from its current level of 694 540 persons to 787 078 by 2035 and possibly as high as 1,072,000 by 2055. iLembe is one of the municipalities in the Province with the highest population and economic growth rates.
- The growth of the population and the economy are the prime development drivers creating the needs and opportunities for infrastructure development, higher levels of employment, basic service delivery and other social and socio-economic services developments. It is important that an integrated and responsive public and private sector institutional framework that operates in accord with each other be established to address the challenges of the high growth that the district experience.
- The existing rural-urban migration trend in the district is expected to continue resulting in an increased demand for new infrastructure creation mainly along the broader coastal and immediate urban development corridor. The main urban concentration is currently in the area between Ballito and KwaDukuza town. This is expected to progressively grow northwards along the coastal corridor toward the fast-growing Mandeni. While inward rural-urban migration and urban densification is taking place, the social and economic development needs of the rural areas of the district must also receive attention. Sustainable levels of infrastructure, services, and

economic opportunities to enhance sustainable livelihoods will remain a focus area in future. The development of the small-town urban nodes of Ndwedwe and Maphumulo will require continuous attention. This means that the spatial equitable development of the district must be addressed in future. The balance between the needs and opportunities and the spatial development of the district should be well-coordinated to achieve spatial efficiencies.

- Poverty, inequality, and a lack of basic service delivery in especially the shadow urban corridor and the rural areas are an imbedded characteristic of the district that must be addressed in the future. Unemployment levels are high and the household income levels of the lower quartile of the population is very low meaning that employment creation is one of the fundamental priorities of the district. Developing and augmenting the skills levels of the people of the district is therefore important and needs to be addressed. One of the largest constraints to business development in the district are skills shortages and other labour-related challenges.
- To address the long-term challenges in the district it is necessary to create conditions for long-lasting stability and development. All role-players in the district must work together to have a unifying vision for the future and together reach policy clarity so that a robust social compact can be established. Institutional network and framework weaknesses within the array of role players must be addressed. This includes addressing local government finance and leadership challenges.
- The district, due to its location along the coast and the composition of its ecological, is exposed to the threats of climate change. The frequency of droughts, floods and other extreme weather events is increasing. The recent 2022 floods are a prime example of the devastating impact environmental forces have on the social vulnerability of communities, on infrastructural assets and on the economy. iLembe should embrace the new trends towards sustainable development and formulate long-term policies that places it in a position to engage meaningful with environmental challenges.
- Maintaining the existing infrastructure in the district and meeting the demands for new infrastructural creation caused by the high population and economic growths, are fundamental challenges in the district. The high levels of backlog of social and economic infrastructure including basic services infrastructure such as water, sanitation, waste removal, electricity infrastructure can only be addressed by adopting a well-coordinated approach between all levels of government and with the participation of the private sector and civil society. Resources to address the backlogs and creating new infrastructure are scarce and must be applied effectively and efficiently.
- Economic development leading to employment creation is vitally important in the district. Policies leading to cutting regulatory and administrative red tape which hinders rapid business development, reviewing the industrial and commercial sector development policies and strategies of the district and maximising the tourism development opportunities are important facets of growing the economy of the district. The application of innovative new technological products should be pro-actively pursued in the district.
- The logistical trade linkages of the district through its road, rail and air networks should be rationalised and improved. The location of the district between the two most important harbours in Africa, the presence of the King Shaka International Airport and its associated Dube Trade Port, are important cornerstone that could be used to propel the long-term economic development of the district.
- Investment attraction and retention remains a key priority in the district. The retention of the existing production factors and the creation of new businesses are very important to ensure the future growth of the district.

The iLembe One Plan identifies several Transformative Enablers (catalytic projects) for each of the above transformation focus areas. These enablers are listed in project tables in Section 10 of the Plan.

The DDM programme, as a programme by which joint and collaborative planning at all levels of Government, with the involvement of private sector and civil society, lies at the core of the current One Plan. It is therefore appropriate that some of the key programmes that needs urgent attention are related to institutional building and capacitation, such as:

- Formulation of a new Social Compact: Revitalization of the iLembe Economic Development Facilitation Committee (iEDFC).
- Institute permanent committees of National, Provincial and Local Government officials, private sector and civil society that aligns to the Cluster Committee structures to plan and monitor implementation of the DDM.
- Address the financial sustainability of the Local and District Municipalities
- Formalisation and institutionalisation of the DDM One Plan Procedures and Process in the District: The Cluster, Technical and Political Hub institutional structure to be aligned to Municipal decision making and monitoring
- Align the DDM and IDP Process with specific reference to the full involvement of the National and Provincial Sector Departments in the planning process.
- The One Plan should be supported through legislation and regulatory framework for assigning responsibilities and for implementation and monitoring.

Table of Contents

PREFACE TO THE ILEMBE DDM ONE PLAN	iii
THE STRATEGIC INTENT OF THE DDM.....	iii
THE DISTRICT SPATIAL AND SOCIO-ECONOMIC CONTEXT AND VISION.....	iv
THE IMPORTANCE OF THE ILEMBE DISTRICT ONE PLAN	vi
EXECUTIVE SUMMARY	vii
THE ILEMBE DISTRICT ONE PLAN	15
1. INTRODUCTION	15
1.1. THE PURPOSE OF THE DISTRICT ONE PLAN	15
1.2. THE ONE PLAN AS A LONG-TERM STRATEGIC FRAMEWORK.....	15
1.3. THE DDM THEORY OF CHANGE.....	16
1.4. THE SIX DDM TRANSFORMATIONAL FOCAL AREAS	16
1.5. A STRATEGIC COLLABORATIVELY SYNTHESISED PLAN	17
2. NATIONAL AND PROVINCIAL PLANNING ALIGNMENT	18
3. DEMOGRAPHIC CHANGE/PEOPLE DEVELOPMENT	19
3.1. THE GOAL	19
3.2. THE DIAGNOSTIC ASSESSMENT.	19
3.3. THE DESIRED VISION.	20
3.4. THE STRATEGIES AND INTERVENTIONS	20
3.5. THE IMPLEMENTATION COMMITMENTS.....	21
4. ECONOMIC POSITIONING.....	21
4.1. THE GOAL	21
4.2. THE DIAGNOSTIC ASSESSMENT.	21
4.3. THE DESIRED VISION.	22
4.4. THE STRATEGIES AND INTERVENTIONS	23
4.5. THE IMPLEMENTATION COMMITMENTS.....	23
5. SPATIAL RESTRUCTURING AND ENVIRONMENTAL SUSTAINABILITY	24
5.1. THE GOAL	24
5.2. THE DIAGNOSTIC ASSESSMENT.	24
5.3. THE DESIRED VISION.	24
5.4. THE STRATEGIES AND INTERVENTIONS	25
5.5. THE IMPLEMENTATION COMMITMENTS.....	25
6. INFRASTRUCTURE ENGINEERING.....	25
6.1. THE GOAL	25



6.2.	THE DIAGNOSTIC ASSESSMENT.	26
6.3.	THE DESIRED VISION.	26
6.4.	THE IMPLEMENTATION COMMITMENTS.....	26
7.	INTEGRATED SERVICE DELIVERY	28
7.1.	THE GOAL	28
7.2.	THE DIAGNOSTIC ASSESSMENT.	29
7.3.	THE DESIRED VISION.	29
7.4.	THE STRATEGIES AND INTERVENTIONS	29
7.5.	THE IMPLEMENTATION COMMITMENTS.....	29
8.	GOVERNANCE AND FINANCIAL MANAGEMENT	30
8.1.	THE GOAL	30
8.2.	THE DIAGNOSTIC ASSESSMENT.	30
8.3.	THE DESIRED VISION.	31
8.4.	THE STRATEGIES AND INTERVENTIONS	31
8.5.	THE IMPLEMENTATION COMMITMENTS.....	31
9.	MONITORING AND EVALUATION FRAMEWORK.....	32
10.	PRIORITISATION AND IMPLEMENTATIONS OF TRANSFORMATIVE ENABLERS.....	33
10.1.	PEOPLE DEVELOPMENT TRANSFORMATIVE ENABLERS.....	35
10.2.	ECONOMIC TRANSFORMATIVE ENABLERS	37
10.4.	INFRASTRUCTURE ENGINEERING TRANSFORMATIVE ENABLERS	43
10.5.	INTEGRATED SERVICE PROVISIONING TRANSFORMATIVE ENABLERS.....	46
10.6.	INSTITUTIONAL AND GOVERNANCE TRANSFORMATIVE ENABLERS.....	48
READINGS AND BIBLIOGRAPHY		51
ANNEXURE A: DIAGNOSTIC ANALYSIS - PLANNING CONTEXT.....		54
A.1. ILEMBE'S 1ST GENERATION ONE PLAN		54
The 1 st Generation One Plan		54
Key Priorities		59
Lessons learnt		61
A.2. ALIGNMENT WITH NATIONAL, PROVINCIAL AND GLOBAL TRENDS		61
Updates on the National Development Plan		62
Key Factors Highlighted by President Ramaphosa in the SONA presentation.		63
Developmental trends in South Africa		66
Provincial Priorities and the Growth and Development Plan		67
Global trends.....		68
ANNEXURE B: DIAGNOSTIC ANALYSIS – INTERNAL ASSESSMENT.....		74
B.1. PEOPLE DEVELOPMENT		74

Population	74
Migration.....	78
Education/Human Resource Development	78
Employment.....	80
Poverty	81
B.2. ECONOMIC POSITIONING OF THE DISTRICT.....	83
Key economic sectors	86
Economic / business environment and other considerations	94
B.3. SPATIAL RESTRUCTURING AND ENVIRONMENTAL SUSTAINABILITY	97
Spatial restructuring.....	97
Environmental vulnerabilities	99
Environmental Sustainability	101
B.4. INFRASTRUCTURE ENGINEERING	105
Strategic infrastructure	105
B.5. INTEGRATED SERVICE PROVISIONING.....	111
Human settlements.....	111
Social support services	112
Key Factors Influencing Development	113
B.6. INSTITUTIONAL AND GOVERNANCE.....	114
Governance And Policy	114
Alignment with national, provincial, and other districts plans	114
Status And Hierarchy Of Plans Alignment.....	116
Financial position of the District and Local Municipalities	118
B.7. CONCLUSION: GAPS FRAMEWORK FOR INTERNAL FACTORS	119

TABLE OF TABLES

Table 1: National, Provincial and Local Key Planning Considerations	18
Table 2: Key challenges and opportunities: People Development	19
Table 3: Key challenges and opportunities: Economic Positioning	21
Table 4: Key challenges and opportunities: Spatial Restructuring and Environmental Sustainability ..	24
Table 5: Key challenges and opportunities: infrastructure and Engineering and Integrated Service Provision	26
Table 6: Key challenges and opportunities: Institutional and Governance	30
Table 7: 1st Generation One Plan Strategies and Projects, 2021	55
Table 8: iLembe Population Profile, 2011, 2016 and 2035.....	74
Table 9: iLembe gender distribution, 2016.....	76
Table 10: iLembe unemployment rate, 2011 and 2019.....	81
Table 11: The dimensions, indicators and deprivation cut-offs for SAMPI	81

Table 12: iLembe GVA per main sector, 2020.....	84
Table 13: iLembe GVA per municipality, 2020.....	85
Table 14: iLembe employment per main economic sectors, 2020.....	85
Table 15: Summary of CSIR Vulnerability Assessment index score based on 2011 data	100
Table 16: Catalytic projects in iLembe, 13 May 2021	106
Table 17: iLembe internet coverage, 2016	108
Table 18: iLembe electricity supply, 2016.....	109
Table 19: KZN Provincial and local development planning frameworks, 2021.	115
Table 20: Local planning frameworks, 2021	117
Table 21: District financial information	118
Table 22: Assessment of long-term consequence of development considerations, 2022 to 2050 ...	119

TABLE OF FIGURES

Figure 1: The problems the DDM are trying to solve.....	iii
Figure 2: The iLembe District from the 2021 Spatial Development Framework	iv
Figure 3: Structure of the Theory of Change approach	16
Figure 4: The DDM IGR Structure to be used for Monitoring and Evaluation	32
Figure 5: Five-year DDM Strategic Implementation Framework.....	33
Figure 6: iLembe population growth scenarios, 2016 to 2050	75
Figure 7: Population growth per municipality, 2016 to 2050.....	76
Figure 8: Population by gender by Municipality, 2016	77
Figure 9: Population gender pyramid, 2016	77
Figure 10: iLembe education levels, 2016	78
Figure 11: iLembe employment levels	80
Figure 12: iLembe percentage poverty intensity, 2011 and 2016	82
Figure 13: iLembe poverty head count per local Municipality	82
Figure 14: iLembe household income profile	83
Figure 15: iLembe GVA R'million 2016 to 2020	84
Figure 16: Impact of the July 2021 Civil Unrest	97
Figure 17: Consolidated iLembe Spatial Development Framework, 2021.....	99
Figure 18: iLembe and Local Municipalities' vulnerability assessment	101
Figure 19: iLembe Community Priority needs per Local Municipality.....	113
Figure 20: Provincial and local government planning processes.....	115

LIST OF ABBREVIATIONS AND TERMS

BR&E	Business Retention & Expansion
CAAGR	Compounded Average Annual Growth Rate
CET	Community Education and Training
COGTA	Cooperative Governance and Traditional Affairs
DARDLR	Department of Agriculture, Land Reform & Rural Development
DDM	District Development Model
DGDP	District Growth and Development Plan
DHS	Department of Human Settlement
DoT	Department of Transport
DTI	Department of Trade and Investment

DTP	Dube Tradeport
EDTEA	Department of Economic Development, Tourism and Environmental Affairs
EI	Enterprise iLembe
GVA	Gross Value Added
IBCI	iLembe Business Confidence Index
iCCIT	iLembe Chamber of Commerce, Industry and Tourism
ICT	Information and Communications Technology
IDM	iLembe District Municipality
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
ITB	Ingonyama Trust Board
KDM	KwaDukuza Municipality
KSIA	King Shaka International Airport
KZN	KwaZulu Natal
KZN DARD	KwaZulu-Natal Department of Agriculture and Rural Development
LED	Local Economic Development
MVA	Manufacturing Value Add
OECD	Organisation for Economic Co-operation and Development
OSS	Operation Sukuma Sakhe
PGDS/P	Provincial Growth and Development Strategy and Plan
PHC	Primary Health Care
PRASA	Passenger Rail Agency of South Africa
PTO	Permission to Occupy
RGVA	Regional Gross Value Added
SDF	Spatial Development Framework
SEZ	Special Economic Zone
SMMES	Small, Medium and Micro Enterprises
SOEs	State Owned Enterprises
TA	Traditional Authority
TIKZN	Trade and Investment KwaZulu Natal
WBG	World Bank Group
WEF	World Economic Forum

THE ILEMBE DISTRICT ONE PLAN

1. INTRODUCTION

1.1. THE PURPOSE OF THE DISTRICT ONE PLAN

In November 2020, the Minister of Cooperative Governance and Traditional Affairs, the Honourable Dr Nkosazana Dlamini Zuma, launched the iLembe District Development Model stating that the One District; One Plan; One Budget; One approach is critical to the ongoing planning and development initiatives within the District. At Local Level, the One Plan must align and integrate the various Integrated Development Plans (IDPs), Spatial Development Frameworks (SDFs), and other sector plans of the District and Local Municipalities.

The key objectives underpinning the DDM One Plan includes:

6. To develop a “One plan” for the district which has the support of all stakeholders.
7. To provide a framework for the alignment of different spheres of government budget allocations.
8. To align the One Plan with other spheres of government planning initiatives.
9. To mobilise and ignite all stakeholders around implementing the One Plan on an ongoing basis.
10. To prepare a knowledge product on the process of preparing and implementing the One Plan which may be used by other district municipalities.

The DDM seeks to achieve the following service delivery approach at district level³

- i. Institutionalise long-term co-planning whilst addressing ‘burning’ short-term issues (ensure sustainable development whilst accelerating initiatives to promote poverty eradication, employment, and equality).
- ii. Change the face of the rural and urban landscapes (pursue spatial transformation and spatial equity through determining and managing spatial form, land release and land development).
- iii. Integration of planning, budgeting, and implementation at a horizontal and vertical level across three spheres to maximise impact and align resources (inclusive and gender mainstreamed budgets).
- iv. Narrow the distance between the people and government and enhance public participation.
- v. Deliver integrated services through forged cohesion.
- vi. Strengthening the monitoring and evaluation of impacts at district and local levels and promote transparency and eliminate corruption.
- vii. Ensure long-term infrastructure adequacy to support integrated human settlements, economic activities, and the provision of basic services as well as community and social services.
- viii. Determine and/ or support local economic drivers with an emphasis on Local Economic Development.

1.2. THE ONE PLAN AS A LONG-TERM STRATEGIC FRAMEWORK

The DDM One Plan, as a Long-Term Strategic Framework, that provides the basis for a common understanding of the state of development in the district; a shared vision of development over the next 25-30 years; agreed sets of impact-oriented strategies that are required to realise the vision and desired future outcomes and impacts; and agreed set of enablers and implementation commitments to give effect to the strategies in the immediate, short, medium, and long term.

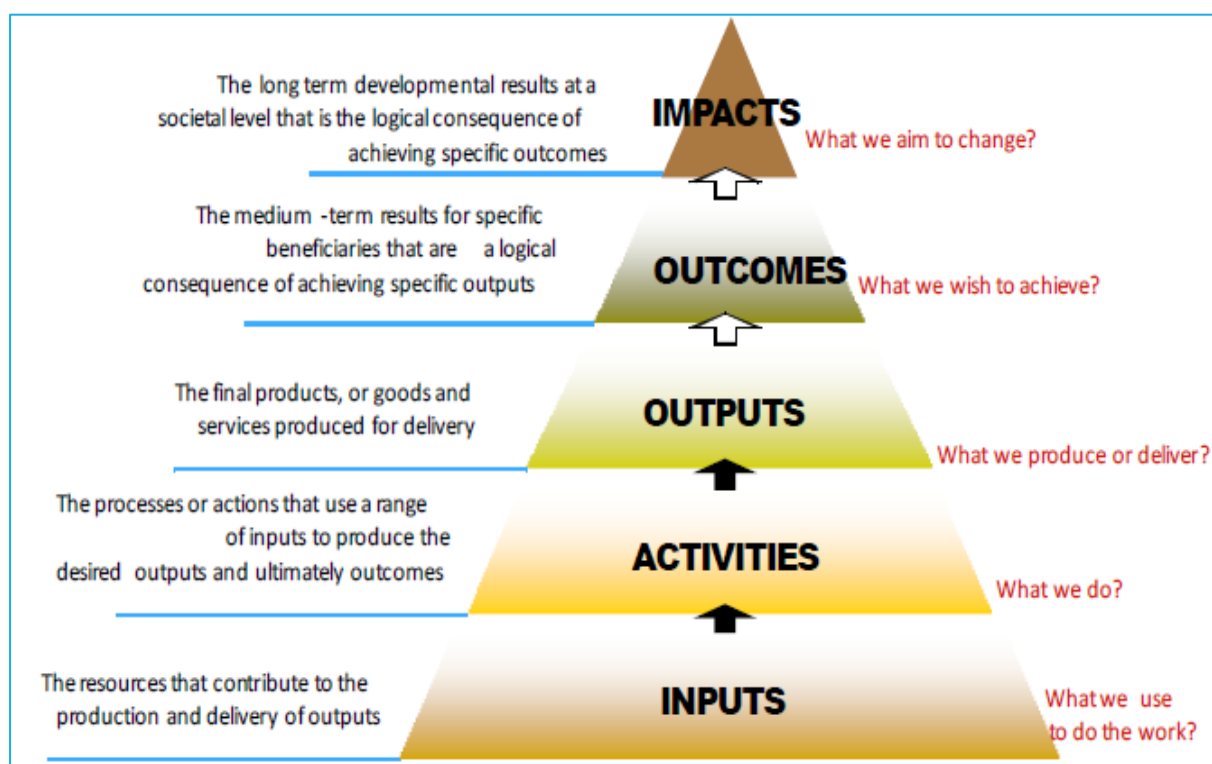
³ KZN COGTA, November 2019, KZN Approach to Towards a District Development Model.

1.3. THE DDM THEORY OF CHANGE

The approach of the iLembe DDM One Plan is vested in the Theory of Change approach⁴. The Theory of Change is an outcome-based framework that outlines the desired set of long-term goals that are engineered backwards to identify strategies and measurable actions to achieve the long-term goals.

The process of an outcome framework also requires a reporting framework to assess progress made on goal achievement and the impact of implementing strategies and actions. Broken into five main steps, namely, the overall impact, the outcomes that wants to be achieved, the outputs on which the outcomes depend, the activities that needs to be undertaken to achieve the outcomes and, the inputs that are required. The Theory of Change model is diagrammatically presented in Figure 3.

Figure 3: Structure of the Theory of Change approach



Source: INSP: 2005

1.4. THE SIX DDM TRANSFORMATIONAL FOCAL AREAS

The One Plan is a visionary and transformative plan addressing the following interrelated DDM key transformation focus areas, content themes or principles, namely:

- Demographic Change/People Development.
- Economic Positioning.
- Spatial Restructuring and Environmental Sustainability.
- Infrastructure Engineering.
- Integrated Service Provisioning.
- Governance and Financial Management.

⁴ DPME. Guide to the Outcomes Approach, 2010.

The transformation focus areas do not exist in isolation but rather as interchangeable and integrated mechanisms to achieve the One Plan vision. The One Plan vision articulates a spatial and development vision through economic growth, financial sustainability, good governance practices, infrastructure, and services investment.

In relation to each transformation focus area, the One Plan must articulate the following:

- The current situation or diagnostic assessment.
- The desired future or vision.
- The strategies and interventions
- The Implementation commitments by all three spheres of government and key stakeholders.

1.5. A STRATEGIC COLLABORATIVELY SYNTHESISED PLAN

The DDM One Plan is not a simple summation of different sphere/entity plans but a strategic collaboratively synthesised plan that articulates development outcomes, targets and commitments required to catalyse and advance fundamental socio- economic transformation.

In essence, the One Plan is a single integrated and well-coordinated plan for the family of district and local municipalities and, is as such, mainly an Inter-Governmental Relations plan bringing together the joint plans of all national, provincial, and local development plans and budgets into one plan.

2. NATIONAL AND PROVINCIAL PLANNING ALIGNMENT

The iLembe DDM One Plan must align to higher and lower order policies and plans. There is a myriad of National, Provincial, District and Local Municipal, and sector Department policies, plans, and strategies that must be considered in the formulation of the DDM One Plan.

A review of the National, Provincial, District and Local Municipal planning policies, strategies, and research document identified the following key development considerations

Table 1: National, Provincial and Local Key Planning Considerations

KEY ISSUES IDENTIFIED	DIAGNOSTICS
THE NEED FOR A NEW CONSENSUS / SOCIAL COMPACT	To address the immediate crisis in the country and to create conditions for long-lasting stability and development. All role-players should contribute towards making South Africa an effective developmental state. Leadership by government is key for it to have policy clarity on critical issues in order that the social compact can be robust.
INSTITUTIONAL WEAKNESSES LEADING TO POOR ECONOMIC GROWTH AND DEVELOPMENT	Institutions in the South African democracy have been significantly weakened over the past decade and does not serve the democracy. The South African economy has been deteriorating over the last ten years. Mining and manufacturing, for example, the two sectors that in serious decline have in the past been seen as important even after 1994.
LOCAL GOVERNMENT FINANCE AND LEADERSHIP⁵	Only 5% of the country's municipalities are financially stable. In iLembe only KwaDukuza is able to self-finance its operations. The dysfunction is ascribed to poor governance, weak institutional capacity, poor financial management, corruption, and political instability.
GOVERNMENT DOES NOT CREATE JOBS	President Ramaphosa re-stated a known principle that the role of the state is in creating a conducive environment for business to thrive and create growth and employment. It is known that that government does not create jobs. Private sector creates jobs with 80% of all the people employed in South Africa are employed in the private sector.
CLIMATE CHANGE	South Africa is one of the regions of the world that is most affected by climate change. The frequency of droughts, floods and other extreme weather events associated with global warming is increasing. Recently floods have affected several provinces, including KwaZulu-Natal, Gauteng, and the Eastern Cape. The importance of carbon pricing is increasing internationally. iLembe should embrace the new trends and develop long-term policies that places it in a position to engage meaningful in the carbon price field.
INVESTMENT ATTRACTION AND RETENTION	Investment attraction remains a key priority to government. Investment attraction and the need to address investment incentives and developer charges have been identified in iLembe as key strategic aspects.
INFRASTRUCTURE LED GROWTH AND DEVELOPMENT	The government is committed to an infrastructure-led strategy to rejuvenate the South African economy. It is a key pillar of the Economic Reconstruction and Recovery Plan (ERRP) with investments in water, energy, sanitation, housing, roads, health, education, and public transport. This approach is to be adopted by iLembe.
CUTTING RED TAPE	Regulatory and administrative conditions for businesses in most municipalities are constraining economic development. There are many

⁵ Presidential address to the Sixth National Conference of the South African Local Government Association (SALGA). 3 March 2022.

KEY ISSUES IDENTIFIED	DIAGNOSTICS
	regulations that are unduly complicated, costly, and difficult to comply with. This prevents companies from growing and creating jobs.
INDUSTRIAL POLICY	The industrial sector in South Africa has been contracting in the globally competitive trade environment despite industrial strategies and the various resolutions adopted at job and growth summits. South Africa's existing industrial mechanisms focus on supply-side constraints to restructure production in the economy to deal with increased global competition in the wake of trade liberalisation.
NEW TECHNOLOGICAL DEVELOPMENTS	New technological developments are rapid taking place on a global scale. These changes and developments, often driven by digital transformation and climate change challenges, are far-reaching and will have a long-term impact on the socio-economic and political environment within which local development takes place. These developments span wide across all sectors and functions from the medical, educational, economic, and social environments.
ACCESS TO WATER	The management of, access to, and availability of water is key concern of government.
ELECTRICITY CRISIS	The energy crisis in the country is being addressed on many fronts and several new energy generation projects will be coming online over the next few years.
EMPOWERMENT OF WOMEN AND GIRLS, YOUTH AND PERSONS WITH DISABILITIES	It is a fundamental objective of government to realise gender equality through the empowerment of women and girls, youth and persons with disabilities and disadvantaged (poor) communities.
CRIME, SECURITY AND CORRUPTION ISSUES	The state of crime and security in the country and iLembe is a great concern.

3. DEMOGRAPHIC CHANGE/PEOPLE DEVELOPMENT

3.1. THE GOAL

The goal of this transformation focal area is to improve the Quality of Life and overall well-being of people living fundamentally and radically in the district with an emphasis on vulnerable and marginalised groups.

3.2. THE DIAGNOSTIC ASSESSMENT.

Table 2: Key challenges and opportunities: People Development

KEY CHALLENGES	KEY OPPORTUNITIES
- A steady increase in the population of iLembe District to be 1,072,000 in 2055, however, Maphumulo local municipality is experiencing a decrease due to reasons such as underdevelopment of the area and lack of job opportunities. The growth in population of the district places additional pressures on infrastructure creation. - Rural-urban migration is expected to continue with expected impacts of climate	- Development Programme including an incentive policy to serve as a catalyst for investment into the District. The District Municipality is currently conducting a feasibility study for the rolling out of waterborne sanitation to the towns. - Higher education to be directed to meet the demands of the local economy to improve the employability of graduates and to enable business growth.

change on rural livelihoods and people seeking work. Urban areas need to plan for this inward migration while planning needs to be done in rural areas to provide necessary infrastructure, services, and work to enhance sustainable livelihoods here.

- Outmigration of skills from the district needs to be considered and interventions put in place to ensure valuable skills are retained within the local economy.
- Most people within the District are of working age, however the available employment opportunities are not adequate to absorb them.
- Poverty and unemployment levels on the increase in especially the rural municipalities.
- Up-skilling of the population remains a challenge that should be addressed more pro-actively in future.
- Within iLembe District there are more women than men, almost 50% of households are female-headed and approximately 600 households are child-headed ones. Policies that address the disadvantage position of women, youth and disadvantaged persons needs to be addressed even more focused than in the past.

- Interventions could be developed to provide work-based experience to graduates.
- Encourage local skill development and entrepreneurial development programmes.
- Support the development of informal economy opportunities and the provision of support services and infrastructure.
- Adoption of a SCM policy that provides for targeted procurement. In terms of the policy, 50% of all procurement will be directed to local entities- of this figure, 30% must be to SMMEs that have majority female ownership.
- KDM has adopted a tariff policy that includes a discounted water and sanitation rate for the elderly.
- Continue roll out of OSS programmes in conjunction with the DDM.
- DOH to develop clinics in the relevant places to provide adequate healthcare services.
- SCM Policies that caters for targeted procurement from Black owned entities

3.3. THE DESIRED VISION.

VISION FOR PEOPLE DEVELOPMENT AND TRANSFORMATION

To improve the Quality of Life and overall well-being of people living fundamentally and radically in the district with an emphasis on vulnerable and marginalised groups:

- Decent employment for all through inclusive economic growth.
- A skilled and capable workforce to support an inclusive growth.
- Provision of health care facilities.

3.4. THE STRATEGIES AND INTERVENTIONS

1. To address the needs and requirements of the vulnerable and marginalised communities in the District
2. To develop a skilled and capable workforce to support inclusive growth.
3. To provide and made accessible a system of health care facilities and services
4. To provide for improved higher education facilities and services.
5. To establish local skill development and entrepreneurial development programmes

3.5. THE IMPLEMENTATION COMMITMENTS

The iLembe District views its people as its most valuable resource. The concerns of the District about the sound development of its people, and taking care of the poor, the women, the youth, and disadvantages is therefore well founded. Key programmes in this respect are the following:

- Formulation of a Social Development Policy focusing on the empowerment of women and girls, youth, and persons with disabilities, as opposed to the mere implementation of social development programmes and distribution of social grants.
- Provision of improved higher education facilities and services
- Encourage local skill development and entrepreneurial development programmes.
- Informal economy opportunities and the provision of support services and infrastructure.
- To develop adequate healthcare services
- Rural to urban movement of the population especially youth creating the need for integrated developments including employment, housing, and skills development
- Development of the inland rural municipalities to optimise the available resources and socio-economic opportunities including the provision of social services
- New human settlement development in response to the growing population in mainly KwaDukuza and Mandeni.
- Household Food Security and farmer support
- Adoption of a SCM policy that provides for targeted procurement from Black owned entities, the empowerment of women and girls, youth, and persons with disabilities.
- Focused development of Maphumulo and Ndwedwe Town centres.
- Expansion of the footprint of existing TVET colleges, especially to rural municipalities including Isithebe Skills Centre in partnership with TVET College, SETA and Isithebe Industrial Estate.

4. ECONOMIC POSITIONING

4.1. THE GOAL

The goal of this transformation focal area is to define the strategic role of the district in the national economy and build a resilient and transformed regional economy.

4.2. THE DIAGNOSTIC ASSESSMENT.

Table 3: Key challenges and opportunities: Economic Positioning

KEY CHALLENGES	KEY OPPORTUNITIES
• One of the top constraints to business in the district municipality is the skills shortages and other labour-related issues. • Transformation of the economy to diversify if considering of decline of the sugar industry.	• Diversification of the agricultural economic base away from sugar to bio-fuels and electricity; growth of macadamia • Promote rural agricultural businesses and processing units and assist in entering the market space and promoting food security:

• The high prevalence of HIV and the impacts of the Covid-19 pandemic • Cost, availability and maintenance of bulk infrastructure and service delivery to support economic growth and development. • Lack of a common vision between the public and private sectors for an economic vision for the district. • Infrastructure constraints for the development of the Compensation Node need to be addressed. • Marketing and product development needs to focus on current and potential tourism market. • Broadband infrastructure required across the district for economic development and job creation as well as for improved government efficiencies and service provision. • Review opportunities linked to the DTP smart city development and roll out of smart city concepts within the district. • Consideration must be given to protect the current tourism products and assets in particular, the beachfront along the district. • New developments in the sector such as digital platform use for bookings, and property management needs to be carefully considered so that opportunities are grasped without damaging existing, formal tourism products. • Developments which are considered strategic for its ability to stimulate economic growth, jobs, or precinct development should have required infrastructure prioritised. • Policy on developer's contribution to be finalised and implemented across the board for all property developments. • Strategic interventions to assist in transforming the construction sector to bring black businesses into the construction sector	Agri-parks and Farmer production units (FPSU) • Develop a uniform investment plan with incentives for the district including the LMs. • Implementation of a uniform local procurement policy throughout the district. • Investment attraction and the provision of a standard incentive programme in all municipalities • Continuous growth of a lifestyle economy based on the growth of the coastal residential markets leading to integrated development with the services sectors. • Development of a digitally based knowledge economy: development of SMART Cities. Participation in provincial Action Groups on Renewable Energy and Aerotropolis & Smart Cities. • Industrial and logistically based economic sector development: location of Dube and Richards Bay IDZs and re-development of Isithebe Industrial Estate. • Beach tourism development with expansion to the in-land areas: diversification of the tourism offerings: blue flag beaches, Chief Albert Luthuli Museum, Nokukhanya Luthuli Streets. Dokodweni Beach Precinct infrastructure • Develop a heritage plan that covers all the relevant sites and promote sustainable Heritage tourism. • On-going marketing / awareness raising programmes promoting the district as a tourism destination including uThukela Lifestyle Resort, KwaShuShu Hot Springs and Ntunjambili tourism sites. • Recycling economy: to be implemented in all municipalities. Waste to energy projects • Promote renewable energy projects and programs. • Create job opportunities through Infrastructure Project
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4.3. THE DESIRED VISION.

VISION FOR ECONOMIC TRANSFORMATION

To have a transformed, diversified and developed economy that provide jobs, attract investment, and create livelihoods for all citizens. To have an economy that is vibrant growing through which poverty eradication is achieved and women, youth and disabled persons can fully participate.

4.4. THE STRATEGIES AND INTERVENTIONS

1. To upscale sectoral development in the district
2. Decent employment for all through inclusive economic growth.
3. To capitalize on economic potential of the District
4. To increase output and productivity within the district
5. To create a digital based economy
6. To facilitate co-ordinated planning and development through improved co-ordination of LED in the District

4.5. THE IMPLEMENTATION COMMITMENTS

The economy of iLembe is unique. With its location between the two largest port cities in Africa, its proximity to the King Shaka International Airport, the economic networks with the eThekweni metropolitan area and the vast agricultural, industrial, and commercial development, iLembe faces significant economic opportunities and, therefore also challenges in realising the opportunities. Bupossibilities global, national, and local strengths and weaknesses, key short and long-term economic development opportunities are:

- SMART City development: KwaDukuza, Ballito, and Mandeni.
- Embracing the new global digital transformation taking place and ensuring universal access to digital capacity.
- To engage the sugar industry and related stakeholders to plan for the long-term transition of the industry in the District from its current core activities to new economies and innovations.
- The re-development of Isithebe as a key industrial node.
- Economic infrastructure development.
- Coastal marine development and protections and Green industrial hub development.
- Low Emission Development Strategy and formulation of a Green Procurement strategy for all municipalities.
- King Shaka Tourism Route.
- Beach and heritage developments.
- Establish a public- private co-ordinating mechanism to address cost sharing on marketing, product development and transformation.
- Urban Property development – upgrading and standardisation of municipal processes and management systems to improve assessment and approval processes.
- Investor attraction uniform Incentives and developer contributions policy applicable to all municipalities. Special ratings policy in selected areas.
- Standard informal sector policy throughout the District.

- Upgrading and expansion of Isithebe - regeneration of infrastructure and local management

5. SPATIAL RESTRUCTURING AND ENVIRONMENTAL SUSTAINABILITY

5.1. THE GOAL

The goal of this transformation focal area is to develop a transformed, efficient, and sustainable spatial form as dynamic platform for economy and integrated human settlements.

5.2. THE DIAGNOSTIC ASSESSMENT.

Table 4: Key challenges and opportunities: Spatial Restructuring and Environmental Sustainability

KEY CHALLENGES	KEY OPPORTUNITIES
• Inadequate financial resources to address spatial planning requirements. • Enticing the “right type” of development: preventing ribbon development and encouraging nodal development. • Lack of available data on Environmental assets of the District. • Demand for additional coastal settlement. • Climate change: Energy Efficiency strategy. • Management of Coastal Public Property. • Uncontrolled harvesting of marine stocks, specifically because of off-shore trawling of the Thukela Banks. Illegal fishing problem identified below the Isithebe Industrial Area. • Degradation of natural vegetation due to the presence of alien invasive species. • Reduced water quality and degradation of wetland areas. Illegal sand mining impacts on water quality in the ecosystem. • Lack of involvement of the Tribal Authorities and Ingonyama Trust in planning processes.	• DM Located between 2 South Africa’s biggest ports. • DM Located on provincial corridor. • Located within 10 km radius of Dube TradePort. • Develop a Climate Change mitigation and adaptation strategy. • Energy Efficiency programme. • District-wide Coastal Management Programme: Development of the Coastal Access Plans and Estuarine Management Plan. • Blue Flag: investigate the viability of applying for Blue Flag Status. • Implementation of the PSDF and Small Town Revitalisation Strategy. • Develop open space management plan to encourage biodiversity. • Establishment of “No Settlement Areas”. • Establish high conservation areas in public and private land. • Declare coastal dune thicket as a conservation area. • Adoption of wall-to-wall land-use schemes.

5.3. THE DESIRED VISION.

VISION FOR SPATIAL AND ENVIRONMENTAL TRANSFORMATION

To develop iLembe as a social, economic, and environmentally sustainable District of that allows equitable access to all its people and communities to social and economic resources while opening opportunities for urban and rural development through the development of nodes and corridors.

5.4. THE STRATEGIES AND INTERVENTIONS

1. To update and implement an integrated Spatial Development Plan of the District and Local Municipalities' SDFs.
2. To develop an equitable system of primary, secondary and tertiary nodes and corridors in the urban and rural areas of the District.
3. To implement an inter-municipal mass transit system.
4. To prioritize the development of policies responding to climate change.
5. To formulate and integrated policy for the development of Ingonyama land.

5.5. THE IMPLEMENTATION COMMITMENTS

Underlying the socio-economic development of the iLembe District is a sound, equitable and just spatial development pattern that supports effective and efficient sustainable developments. As a coastal, urban, and rural district iLembe faces, amongst others, climate change realities. The spatial and environmental development aspects of the District is therefore core to the long-term sustainability of the District. Attention should therefore be given to the following key programmes:

- The development corridors and nodes that ensure access to and affordability of all services infrastructure and services including housing, ICT, social facilities (education, health, community, safety, etc.), roads, stormwater, water, sanitation, solid waste and electricity.
- A Coastal Management Strategy and Development of Estuarine Management Plan.
- KwaDukuza Western by-pass.
- Airport Rapid Rail Transit.
- Inter-modal facilities Mandeni / KwaDukuza / Ballito.
- Framework plan for the R102 development corridor - Groutville, Thembeni, eTete and Shaka's Kraal.
- Development of rural development nodes possibly in the form of Farmer Production Support Units.
- Regeneration of KwaDukuza CBD.
- Maphumulo and Ndwedwe Town upgrades.
- Groutville Economic Node.
- Nonoti Beach Resort.
- Formulation of an approach to the development of Ingonyama land.

6. INFRASTRUCTURE ENGINEERING

6.1. THE GOAL

The goal of this transformation focal area is to mobilise, target, align and manage investment in infrastructure in a sustainable way supporting the economic positioning and transformed spatial structure.

6.2. THE DIAGNOSTIC ASSESSMENT.

Table 5: Key challenges and opportunities: infrastructure and Engineering and Integrated Service Provision

KEY CHALLENGES	KEY OPPORTUNITIES
- Challenges in establishing sustainable human settlements and improved quality of household life. - Frequency of storm events and increased rates of erosion and greater geotechnical instability of dune systems. - The scarcity of land for human settlement development and limited availability of funds to access land. Unavailability of Council owned land for human settlement. - Land invasion of land earmarked for human settlements development. - Slow pace in eradicating informal settlements due to budget constraints. - Intermodal Facilities (Mandeni and KwaDukuza). - Roads Infrastructure. - Rail Transport and Infrastructure. - Water and Sanitation Infrastructure. - Non-Revenue Water. - Electricity Infrastructure. - Non-Revenue Electricity. - Energy provision. - ICT and Broadband Infrastructure.	- Intermodal Facilities (Mandeni and KwaDukuza). - Roads Infrastructure development and maintenance. - Rail transport and infrastructure. - Sustainable and renewable green energy development. - ICT and broadband connectivity. - Access to potable water for domestic consumption. - Potential for wastewater reuse by domestic, irrigation and / or industrial sectors. - Access to basic and improved sanitation for domestic purposes and support local economic development. - Potential for energy generation from sludge. - Potential for aquaponic farming. - Create existing and new integrated human settlements. - Opportunities for waste beneficiation: organic, plastics, e-waste - Awareness on sustainable water use and management. - Opportunities for SMMEs to assist IDM in addressing Non-Revenue Water. - Improved ICT and broadband to attract businesses; to support online learning and education opportunities.

6.3. THE DESIRED VISION.

VISION FOR INFRASTRUCTURE DEVELOPMENT AND TRANSFORMATION

To and an iLembe District with robust infrastructure and bankable projects in place that in turn boost social and economic development, health, wealth, access to education, public safety, and a high standard of living. To provide infrastructure that meets the needs of the people, enable the sustainable delivery of services, and addresses the requirements of the marginalised and disadvantaged.

6.4. THE IMPLEMENTATION COMMITMENTS

The socio-economic development of a region depends on the availability and effectiveness of the infrastructure and services delivered. Due to the phenomenal growth of the District the challenges

that the District has in infrastructure provision is immense, and the delivery of services complex. Giving attention to the long-term development of infrastructure in the District and the delivery of services is very important and need a long-term focus on the following key areas:

- Umshwathi Regional Bulk Water Supply to augment the water supply to Ndwedwe area that is currently being served through borehole supply.
- Maphumulo / KwaDukuza Southern Regional Bulk Water and Sanitation Project and construction of new sanitation bulk infrastructure to Nkobongo, Shayamoya, Shaka's Head and Etete townships.
- Fibre optic connectivity throughout the District
- Cell phone access in the rural municipalities
- Inclusionary Housing Policy for all municipalities
- Uniform Public- Private Partnerships development policy in all municipalities.
- Integrated Waste Management Plans' implementation
- Water and Sanitation Infrastructure Master Plan.
- Green renewable energy plan.
- Fire & Emergency Services with satellite centres throughout the District
- Non-Revenue Water Strategy, Programme, and Implementation.
- KwaZulu Natal Renewable Energy HUB development and Sugar Association Renewable Energy Generation Plan implementation.
- Undertake a Social Facility Audit in all municipalities.
- New District hospital in Mandeni.
- Regional waste disposal site and transfer stations
- Bio-resource electricity development at sugar mill and bamboo project in Mandeni.
- King Shaka connectivity.

With respect to transport infrastructure, objective should be to obtain maximum accessibility within iLembe. To this end the following transport interventions should form part of this plan:

- Non-Motorised Modes – facilities that are designed to integrate with public transport
- Public Transport Modes – Creation of Priority (Right of Way) for public transport
- Freight – planned freight routes that compliment development
- Private Vehicles – A road hierarchy that caters for both mobility and accessibility needs.

With respect to the transport networks, the following project have been identified in the SDF, 2020:

SHORT TERM INTERVENTIONS	MEDIUM TERM INTERVENTIONS	LONG TERM INTERVENTIONS
Maximising the existing rail infrastructure, with a possible LRT service. Rail being in the North South corridor to align to planning initiatives. • The road based public transport services should feed to the rail system to ensure integration.	• The rail service to be upgraded to cater for increased demand. • The N2 configuration will need to be upgraded to a 3+3 lanes. • The new western collector/distributor road will	• R614 should be upgraded to provide an alternate route to the N3-N2 to the Hinterland. • The Western Bypass Extension would provide much needed mobility especially regarding freight movements.

SHORT TERM INTERVENTIONS	MEDIUM TERM INTERVENTIONS	LONG TERM INTERVENTIONS
• The R102 should be upgraded to a 2+2 configuration. • P100 improved connectivity from the DTP to improve access to Ndwedwe. • Interchanges along the N2 may require improvements to the existing configurations, but these should be confirmed by means of a transportation model of the road network.	be necessary to facilitate connectivity. • The major road network capacity improvements identified for over the 20 Year Horizon are °° Provide C/D Roads with 3 lanes per direction along the N2, from Ballito I/C to Sheffield I/C; °° New Zimbali diamond Interchange; °° Upgraded Ballito I/C; °° Upgraded Shaka's Rock I/C; °° Upgraded Salt Rock I/C; °° New Sheffield split diamond I/C; °° R102 widened to 2 lanes per direction from the south to Ballito Drive; °° R102 widened to 2 lanes per direction from Ballito Drive to Salt Rock Road; °° R102 widened to 2 lanes per direction from Salt Rock Road to the north; °° M4 widened to 2 lanes per direction from the south to Ballito Drive; °° M4 extended with 2 lanes per direction from Zimbali I/C to Sheffield I/C; °° Ballito Drive widened to 2 lanes per direction from R102 to Ballito I/C; °° Main Road widened to 2 lanes per direction from R102 to M4; - and °° Salt Rock Road widened to 2 lanes per direction from R102 to M4. (SMEC,2019)	

Source: iLembe SDF, 2020.

7. INTEGRATED SERVICE DELIVERY

7.1. THE GOAL

The goal of this transformation focal area is to enable residents to experience reliable, cost effective, viable, sustainable and seamless provisioning of services in functioning places.

7.2. THE DIAGNOSTIC ASSESSMENT.

The key factors of influence on future development of iLembe District relating to Integrated Service Provisioning in the District are identified below. These represent the high-level issues that will form the strategic for the visioning and strategy of this One Plan.

- The maintenance of infrastructure and facilities by Provincial and Municipalities through which services are provided.
- Human settlement and housing delivery strategy
- Assessing rates and utility services structures in the District.
- Address the financial sustainability of the local and district municipalities and requirements for sustainable operational public finance
- Increasing urbanisation and demands for infrastructure development and services
- Social development considering the high levels of rural and urban poverty.
- Social justice and equitable access to services.

7.3. THE DESIRED VISION.

VISION FOR SERVICES PROVISION

To focus on the peoples and communities of the District with special reference to the rural and urban poor, disadvantaged and marginalised in the provision of social and economic service ensuring equity of access and the creation of an inclusive, liveable District. The integration of District and Local Municipal budgets should be coordinated to achieve maximum results.

7.4. THE STRATEGIES AND INTERVENTIONS

1. To provide basic services to all communities throughout the district.
2. Once basic service delivery has been achieved, to invest in areas where nodes and corridors are focused and to capitalise on existing infrastructure services.
3. To coordinate the different functions and powers of national, provincial and local level service delivery agents in the provision of an integrated set of social and economic services.
4. To create an integrated system of reporting on the delivery of services across the District and Local municipalities.
5. To ensure access to basic sanitation for domestic consumption and support local economic development.
6. To implement a human settlement development programme in the District that addresses the housing needs of the people in sustainable localities.

7.5. THE IMPLEMENTATION COMMITMENTS

1. To provide basic community and social services across the District in the rural and urban areas according to the prescribe norms, standards and standard operating procedures.

2. Achieve universal access to affordable services and decent housing.
3. To innovate the delivery services models and implementation systems through better coordination amongst the local and district municipality.
4. To create one on-line platform in the District to provide advice, consult and manage social and economic services.
5. To designate priority human settlement areas across the government typologies of housing assistance programmes.
6. To design a guiding framework for human settlements and service delivery in iLembe.
7. To centralise a network system across the District for reporting areas of service delivery failures that allows for a rapid response undertake intervention actions.

8. GOVERNANCE AND FINANCIAL MANAGEMENT

8.1. THE GOAL

The goal of this transformation focal area is to improve the performance of all three spheres of government and in relation to district/metro developmental impact

8.2. THE DIAGNOSTIC ASSESSMENT.

Table 6: Key challenges and opportunities: Institutional and Governance

KEY CHALLENGES	KEY OPPORTUNITIES
- The failure of District and Local Government: financial unsustainability: Limited funding and access to funding for upgrading infrastructure. - Weaknesses and eroding financial status of municipalities relate to fundamental issues requiring attention; a) Non-Revenue Water; b) Non- Revenue Electricity c) updating indigent register and implementation of data management system to better manage creditors. - Poor ICT broadband capacity and operational effectiveness of all the municipal ICT systems. Constrained telecommunications coverage within the district is detrimental to ICT infrastructure provision in remote sites. - Lack of compliance and/or enforcement capacity to ensure regulations and procedures are followed. - Lack of institutional capacity and resources with regards coastal management issues	- Revitalize the iLembe District Economic Facilitation Committee which has an existing Memorandum of Agreement. - Institutionalise the Recovery Plan's Command Council system with Clusters to drive implementation of District priority projects. - Expansion of the Development Planning Shared Services to incorporate other disciplines. This will augment human resource capacity.

- Austerity measures (frozen vacant posts, infrastructure maintenance, facilities & buildings).

8.3. THE DESIRED VISION.

VISION FOR INSTITUTIONAL AND GOVERNANCE TRANSFORMATION

To institutional a governance structure and systems that promote effective governance, and social partnerships in a liveable region.

To Implement financially viable and effective management practices and systems.

To eradicate corruptive practices.

8.4. THE STRATEGIES AND INTERVENTIONS

1. To strengthen partnership with various stakeholders through communicating municipal business
2. To improve the quality of life within the district
3. To identify and address the human resource support requirements within the District
4. To ensure sound revenue management
5. To ensure sound expenditure management
6. To ensure sound and effective asset management
7. To ensure effective Organisational Performance Management.

8.5. THE IMPLEMENTATION COMMITMENTS

The DDM programme, as a programme by which joint and collaborative planning at all levels of Government, with the involvement of private sector and civil society, lies at the core of the current One Plan. It is therefore appropriate that some of the key programmes that needs urgent attention are related to institutional building and capacitation, such as:

- Formulation of a new Social Compact: Revitalization of the iLembe Economic Development Facilitation Committee (iEDFC).
- Institute permanent committees of National, Provincial and Local Government officials, private sector and civil society that aligns to the Cluster Committee structures to plan and monitor implementation of the DDM.
- Formulation of the DDM One Budget for the family of Municipalities
- Address the financial sustainability of the Local and District Municipalities
- Formalisation and institutionalisation of the DDM One Plan Procedures and Process in the District: The Cluster, Technical and Political Hub institutional structure to be aligned to Municipal decision making and monitoring
- Align the DDM and IDP Process with specific reference to the full involvement of the National and Provincial Sector Departments in the planning process.
- The One Plan should be supported through legislation and regulatory framework for assigning responsibilities and for implementation and monitoring.

9. MONITORING AND EVALUATION FRAMEWORK

The purpose of monitoring and evaluations is to:

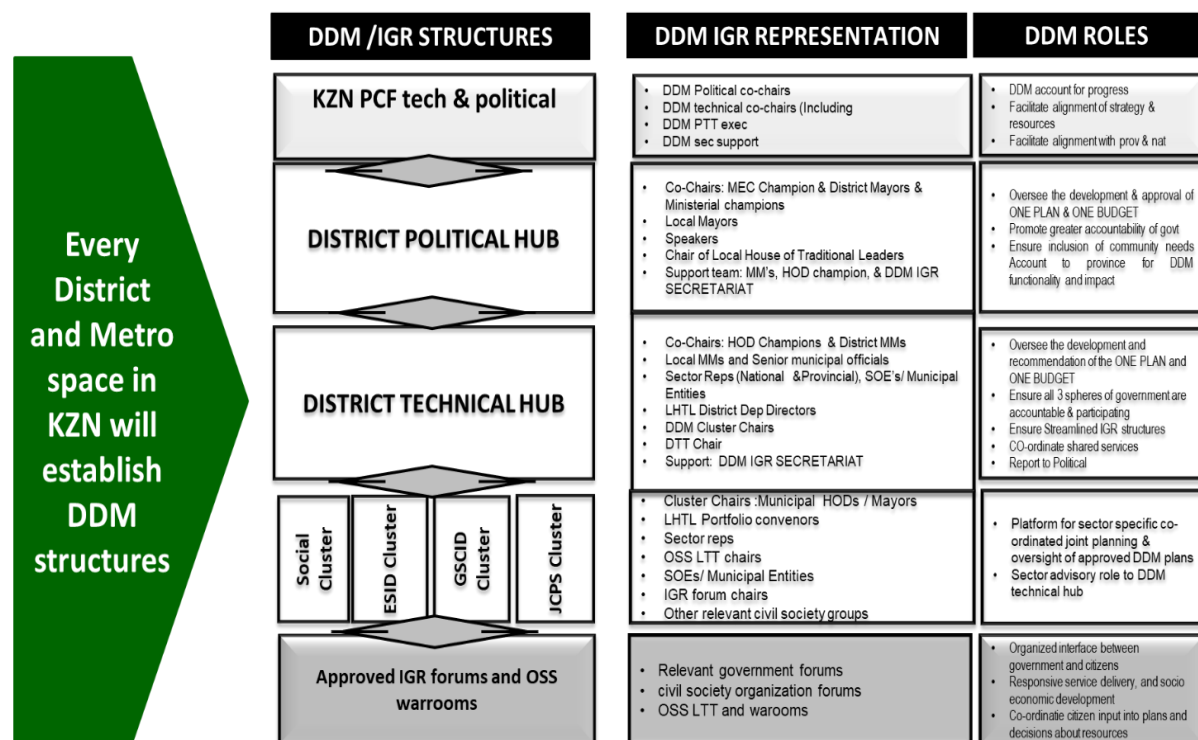
- Systematically and objectively assess policies, programmes and/or systems.
- To make judgements about the achievement of intended results.
- To assess the causal links between implementation and observed results.

Monitoring must be planned and conducted continuously by collecting data on specified indicators, verifying, storing the data, analysing, and reporting the findings. The system of reporting and the decision-making procedures to implement an evaluation and review process is therefore vital component of the monitoring end evaluation framework. The set of Key Performance Indicators for the monitoring and evaluation of the iLembe One Plan must be developed after the adoption of the One Plan by the Political Hub.

The monitoring and evaluation of the One Plan is to take place through the IGR structures put in place for the purpose of the DDM which includes the quarterly report by the iLembe District Core Team to the respective Clusters, Technical and Political Hubs.

As part of the DDM implementation plan, a DDM Information Management System (IMS) is being conceptualised and developed by the DBSA. The effective implementation of the iLembe One Plan will require the implementation of such an IMS.

Figure 4: The DDM IGR Structure to be used for Monitoring and Evaluation



The Hubs are not municipal structures falling under municipal administration. They are accountable to national and Provincial CoGTA. They are inclusive and collaborative and thus steered by intergovernmental functions of the District Municipality. The Hubs are therefore not able to assume any powers, functions, responsibilities of the District in the implementation of the goals, objectives and Transformative Enablers projects of the One Plan. They will rather enable these powers and

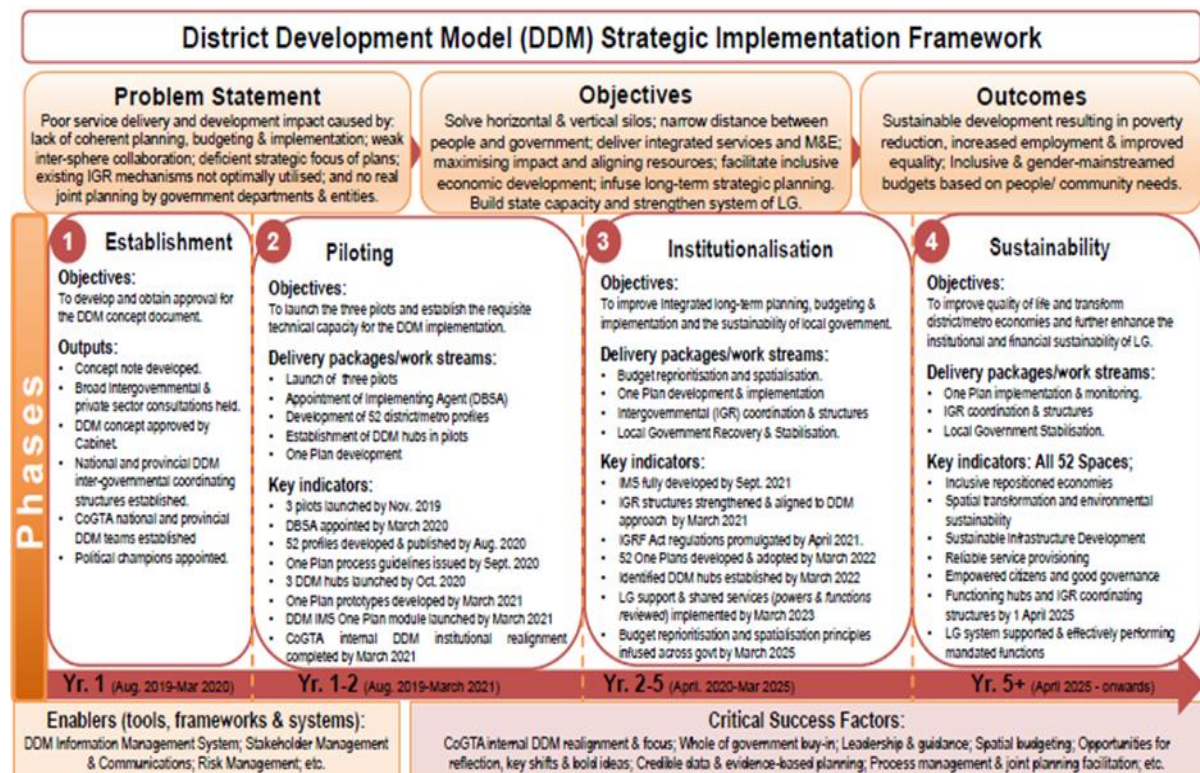
functions to be carried out more effectively through facilitating collaborative processes across all levels of government. The Hubs' powers and functions are dependent on the collaboration and operations of the respective Clusters within the District. The transformation themes of the One Plan are:

- Demographic Change/People Development.
- Economic Positioning.
- Spatial Restructuring and Environmental Sustainability.
- Infrastructure Engineering.
- Integrated Service Provisioning.
- Governance and Financial Management.

10. PRIORITISATION AND IMPLEMENTATIONS OF TRANSFORMATIVE ENABLERS

The Five-year DDM Strategic Implementation Framework is shown in the following diagram.

Figure 5: Five-year DDM Strategic Implementation Framework



The Transformative Enablers identified in the following tables have been identified from District, Local and Provincial sector plans.

The enablers are listed in the tables presented below. They are categorised into each of the transformation focus area and priorities in terms of an initial assessment of the extent and the duration of impact. A further review of the Transformative Enablers and the prioritisation of the implementation of the project in terms of a project life-cycle model will have to take place. Some of the projects are only in a conception phase with no feasibility studies have been undertaken yet,



whereas others are already in the initial stages of implementation. Information on the funding responsibilities and budget provisions for the Transformative Enablers are outstanding and needs to be addressed in the compilation of the further versions of the One Plan.

The iLembe DDM Core Team is to facilitate the annual review and re-prioritisation of the Transformative Enablers as part of the five-year review programme of the One Plan. Further consultations would be required to record the commitments of DDM participants.

10.1. PEOPLE DEVELOPMENT TRANSFORMATIVE ENABLERS

	PROGRAMME DESCRIPTION: SOCIAL	IMPLEMENTING AGENT	FUNDING SOURCE	SHORT-TERM COMMITMENT (2020/25)	MEDIUM-TERM COMMITMENT (2025/35)	LONG TERM COMMITMENT (2035/50)
1	Formulation of a Social Development Policy focusing on the empowerment of women and girls, youth, and persons with disabilities, as opposed to the mere implementation of social development programmes and distribution of social grants.		DSD			
2	Adoption of a SCM policy that provides for targeted procurement from Black owned entities, the empowerment of women and girls, youth, and persons with disabilities.		IDM			
3	Work-based experience to graduates					
4	Expansion of the footprint of existing TVET colleges, especially to rural municipalities including Isithebe Skills Centre in partnership with TVET College, SETA and Isithebe Industrial Estate.					
5	Focused development of Maphumulo and Ndwedwe Town centres.					
6	Informal economy opportunities and the provision of support services and infrastructure.					
7	Provision of improved higher education facilities and services					
8	Encourage local skill development and entrepreneurial development programmes.					
9	To develop adequate healthcare services					

	PROGRAMME DESCRIPTION: SOCIAL	IMPLEMENTING AGENT	FUNDING SOURCE	SHORT-TERM COMMITMENT (2020/25)	MEDIUM-TERM COMMITMENT (2025/35)	LONG TERM COMMITMENT (2035/50)
10	New human settlement development in response to the growing population in mainly KwaDukuza and Mandeni.					
11	Rural to urban movement of the population especially youth creating the need for integrated developments including employment, housing, and skills development					
12	Development of the inland rural municipalities to optimise the available resources and socio-economic opportunities including the provision of social services					
13	Focused support to women, youth, persons with disabilities and the aged		TBD: See economic and social services development			
14	Household Food Security and farmer support		TBD – see development of agricultural sector and provision of agri-hubs and FPSUs			

10.2. ECONOMIC TRANSFORMATIVE ENABLERS

	PROGRAMME DESCRIPTION: ECONOMIC	IMPLEMENTING AGENT	FUNDING SOURCE	SHORT-TERM COMMITMENT (2020/25)	MEDIUM-TERM COMMITMENT (2025/35)	LONG TERM COMMITMENT (2035/50)
1	King Shaka Tourism Route					
2	Beach and heritage developments					
3	Facilitation of Hesto Harnesses investment related to auto industry in KDM		Budget :R3.5 billion private			
4	Establish a public- private co-ordinating mechanism to address cost sharing on marketing, product development and transformation.		Internal municipal capacity			
5	Develop of uThukela Lifestyle Resort, KwaShuShu Hot Springs and Ntunjambili tourism sites. The waShuShu Hot Springs and Ntunjambili tourism sites are located within Maphumulo Local Municipality at Eshikishini area under Ngcolosi Community Tribe. The project entails the implementation of the recommendations of the Feasibility Study and Business Plan, and these include the establishment and construction of ablution facilities, electrification, water connection and fencing of both project sites.	Enterprise ILembe as an Implementing Agent has advertised the tender for the appointment of the service provider and conducted the site briefing. It is anticipated that the tender will be awarded within the	The project budget is R2,5 million for KwaShuShu Hot Springs and Ntunjambili tourism sites			

	PROGRAMME DESCRIPTION: ECONOMIC	IMPLEMENTING AGENT	FUNDING SOURCE	SHORT-TERM COMMITMENT (2020/25)	MEDIUM-TERM COMMITMENT (2025/35)	LONG TERM COMMITMENT (2035/50)
		month of June 2022.				
6	1. KwaDukuza: Blue flag beaches, Chief Albert Luthuli Museum, Nokukhanya Luthuli Streets,	KDM and MLM	MLM: R 90 m required for Dokodweni Beach Precinct infrastructure			
7	2. Mandeni: Support infrastructure for Dokodweni Beach precinct	MLM	TBD			
8	Operation Sakhinzuko: to establishing 3000 hectares of cane land with Small Scale Growers in partnership with Tongaat which includes a few small growers in iLembe. The planting phase was completed in March 2021. The department has been monitoring ratoon management and harvesting processes from April 2021. Furthermore, co-operatives capacity building is in progress and the focus is on governance and finance.	The project is a collaboration between Tongaat Hulett and EDTEA				
9	Urban Property development – upgrading and standardisation of municipal processes and management systems to improve assessment and approval processes.	TBD				
10	Unlock development planning, building plan and other constraints to Completion of the development charges policy, Creative Arts Database, technology driven platforms, Water Sports Development, Sport Club development.	TBD				
11	Establishment of Arts Craft Market capacity building (Maphumulo).	Maphumulo				
12	Uniform Incentives and developer contributions policy applicable to all municipalities. Special ratings policy in selected areas.	EI	Internal municipal capacity			

	PROGRAMME DESCRIPTION: ECONOMIC	IMPLEMENTING AGENT	FUNDING SOURCE	SHORT-TERM COMMITMENT (2020/25)	MEDIUM-TERM COMMITMENT (2025/35)	LONG TERM COMMITMENT (2035/50)
13	Investor attraction integrated approach and management systems: destination marketing for the District. Tourism DMO establishment.	EI	R3 m unfunded			
14	Standard informal sector policy throughout the District.	IDM	Internal municipal resources/capacity			
15	Local content SCM contracting – standardisation of policies in all municipalities	IDM				
16	Upgrading and expansion of Isithebe - regeneration of infrastructure and local management		Ithala is upgrading facilities. Short term R 41 524 948 (DTI/DBSA/IDFC/Mandeni)			
17	Green industrial hub development					
18	Expanding of Dube Trade Zone IDZ at KwaDukuza and / or Isithebe Industrial Estate or at another industrial area	TBD				
19	Upgrading of infrastructure and support for Imbonini, Ballito Business, Shakas Head, Shaka's Kraal and Stanger Extension 15 light industrial areas development		R 24 m – allocated for various upgrades of infrastructure			
20	Beach and heritage developments:		R20 m allocated for KwaDukuza projects.			
21	Transformation through diversification of the agricultural sector in response to the changing state of sugar growing and processing.		TBD			
22	Promoting the establishment of Agri-Hubs and Farmer Production Support Units in Maphumulo.	DARD	TBD			
23	Business incubators and Digital centres development related to community centres and libraries		Funding TBD:			
24	District Creative Hubs.					
25	Promote local film making (Maphumulo).					

	PROGRAMME DESCRIPTION: ECONOMIC	IMPLEMENTING AGENT	FUNDING SOURCE	SHORT-TERM COMMITMENT (2020/25)	MEDIUM-TERM COMMITMENT (2025/35)	LONG TERM COMMITMENT (2035/50)
26	iLembe Aquaculture	TBD				
27	Informal sector infrastructure development in all municipalities.	IDM with LMs	TBD			
28	Jobs through infrastructure development through local procurement policies – also see the infrastructure component.	Municipal Management and SCM				
29	Business Expansion and Retention and Business confidence index surveys in all municipalities.	TBD				
30	New and upgrading of infrastructure and support for light industrial areas					
31	Business incubators and Digital centres development					
32	Low Emission Development Strategy for all municipalities					
33	To engage the sugar industry and related stakeholders to plan for the long-term transition of the industry in the District from its current core activities to new economies and innovations.		TBD			
34	Economic infrastructure development					
35	Coastal marine development and protections and Green industrial hub development.	TBD				
36	Low Emission Development Strategy and formulation of a Green Procurement strategy for all municipalities	TBD				
37	SMART City development KwaDukuza, Ballito, and Mandeni.	Longer term: Budget TBD				
38	Encourage waste to energy projects and encourage exploring opportunities in waste directly linked to the green economy such as e-waste.	TBD				

10.3. SPATIAL RESTRUCTURING AND ENVIRONMENTAL SUSTAINABILITY TRANSFORMATIVE ENABLERS

PROGRAMME DESCRIPTION	IMPLEMENTING AGENT	FUNDING SOURCE	SHORT-TERM COMMITMENT (2020/25)	MEDIUM-TERM COMMITMENT (2025/35)	LONG TERM COMMITMENT (2035/50)
Coastal Access Management Strategy.					
Development of Estuarine Management Plan.					
District Climate Change Vulnerability Assessment and Response Plan.					
Framework plan for the R102 development corridor - Groutville, Thembeni, eTete and Shaka's Kraal.					
Mandeni feasibility study of the nodes and corridors as identified in the SDF.					
Promenade Ballito to Tinley Manor.					
Planning for Tinley Manor Priority Development Area.					
Compensation Priority Development Area.					
Wewe / Driefontein Development Area.					
Formulation of an approach to the development of Ingonyama land.					
Adoption of wall-to-wall land use scheme.					
Ballito to Tinley Manor motorway					
Planning for M4 Extension and alignment.					

PROGRAMME DESCRIPTION	IMPLEMENTING AGENT	FUNDING SOURCE	SHORT-TERM COMMITMENT (2020/25)	MEDIUM-TERM COMMITMENT (2025/35)	LONG TERM COMMITMENT (2035/50)
Maphumulo and Ndwedwe Town upgrades.					
Groutville Economic Node.					
Nonoti Beach Resort.					
Dokodweni Node Development.					
Regeneration of KwaDukuza CBD.					
KwaDukuza Western by-pass.					
Airport Rapid Rail Transit.					
Inter-modal facilities Mandeni / KwaDukuza / Ballito.					

10.4. INFRASTRUCTURE ENGINEERING TRANSFORMATIVE ENABLERS

	PROGRAMME DESCRIPTION: INFRASTRUCTURE	IMPLEMENTING AGENT	FUNDING SOURCE	SHORT-TERM COMMITMENT (2020/25)	MEDIUM-TERM COMMITMENT (2025/35)	LONG TERM COMMITMENT (2035/50)
1	Dukuza Electricity Substation.		R 150 m			
2	Fire & Emergency Services with satellite centres throughout the District					
3	Green renewable energy plan.		Internal municipal resources/capacity			
4	Inclusionary Housing Policy for all municipalities					
5	KwaDukuza municipality SCADA and Control Room.		National Treasury – funded project			
6	KwaZulu Natal Renewable Energy HUB development and Sugar Association Renewable Energy Generation Plan implementation.		TBD			
7	Lower Thukela Bulk Water Supply.		TBD			
8	Maphumulo and Ndwedwe towns' waterborne sanitation; Groutville D Household Sanitation Project		TBD;.			
9	Nonoti Electricity Substation.		TBD			

	PROGRAMME DESCRIPTION: INFRASTRUCTURE	IMPLEMENTING AGENT	FUNDING SOURCE	SHORT-TERM COMMITMENT (2020/25)	MEDIUM-TERM COMMITMENT (2025/35)	LONG TERM COMMITMENT (2035/50)
10	Non-Revenue Water Strategy, Programme and Implementation.	Vuthela iLembe LED Programme VILP/O/031	Internal funded			
11	New Non-Revenue Water Programme	Implementation by the IDM (likely 2023/2024);	SECO funded (not Vuthela related); R20.82 million		IDM to implement.	10
13	Rehabilitation of Shakaville Disposal Site.		TBD			
14	Tinley Manor Electricity Substation.		TBD			
15	Water and Sanitation Infrastructure Master Plan. And Water Services Development Plan. Both are updates of existing Plans.		DBSA grant funded			
16	Cell phone access in the rural municipalities		TBD			
17	Ensure that public spaces and facilities have free Wi-Fi		TBD			
18	Integrated Waste Management Plans' implementation		TBD			
19	King Shaka connectivity		eThekweni/KDM) R50 million funded (DTPC/KZNT) Funded per ECE			

	PROGRAMME DESCRIPTION: INFRASTRUCTURE	IMPLEMENTING AGENT	FUNDING SOURCE	SHORT-TERM COMMITMENT (2020/25)	MEDIUM-TERM COMMITMENT (2025/35)	LONG TERM COMMITMENT (2035/50)
20	Maphumulo / KwaDukuza Southern Regional Bulk Water and Sanitation Project and construction of new sanitation bulk infrastructure to Nkobongo, Shayamoya, Shaka's Head and Etete townships.		Estimated total cost required R 371 m. Phase 1 is in implementation. Municipal plans for funding to complete these schemes TBD.			
21	Regional municipal-owned waste disposal site and transfer stations		TBD			
22	Regional waste disposal site and transfer stations		Internal municipal resources/capacity			
23	Umshwathi Regional Bulk Water Supply to augment the water supply to Ndwedwe area that is currently being served through borehole supply.		Three phases completed by Umgeni Water. Estimated remaining requirement R 2.2 billion. Municipal plans for funding to complete these schemes TBD.			
24	Bio-resource electricity development at sugar mill and bamboo project in Mandeni.		TBD			
25	Fibre optic connectivity throughout the District		TBD			
26	Low-income housing construction					

10.5. INTEGRATED SERVICE PROVISIONING TRANSFORMATIVE ENABLERS

	PROGRAMME DESCRIPTION: SERVICES	IMPLEMENTING AGENT	FUNDING SOURCE	BUDGET COMMITMENT (2020/25)	BUDGET COMMITMENT (2025/30)	BUDGET COMMITMENT (2030/35)
1	Madundube Clinic and Mambulu Clinic.		TBD			
2	Inclusionary Housing Policy for all municipalities.		Internal municipal resources/capacity.			
3	Uniform Public- Private Partnerships development policy in all municipalities.		Internal municipal resources/capacity			
4	Unblock blocked housing projects.		Internal municipal resources/capacity together with private sector			
5	Undertake a Social Facility Audit in all municipalities.		TBD			
6	New District hospital in Mandeni.		TBD			
7	Restructuring zones development projects – Social Housing and CRU units		TBD			
8	Upgrading of all schools in the District and the provision of tertiary education facilities.		TBD			
9	Fire & Emergency Services with satellite centres throughout the District.		TBD			



	PROGRAMME DESCRIPTION: SERVICES	IMPLEMENTING AGENT	FUNDING SOURCE	BUDGET COMMITMENT (2020/25)	BUDGET COMMITMENT (2025/30)	BUDGET COMMITMENT (2030/35)
10	Low-income housing construction along the coast.		R 33.7 m allocated by the Department of Human Settlements			

10.6. INSTITUTIONAL AND GOVERNANCE TRANSFORMATIVE ENABLERS

	PROGRAMME DESCRIPTION: GOVERNANCE	IMPLEMENTING AGENT	FUNDING SOURCE	BUDGET COMMITMENT (2020/25)	BUDGET COMMITMENT (2025/30)	BUDGET COMMITMENT (2030/35)
1	Formulation of a new Social Compact: Revitalization of the iLembe Economic Development Facilitation Committee (iEDFC).	District Municipality	Municipal internal capacity			
2	Institute permanent committees of National, Provincial and Local Government officials, private sector and civil society that aligns to the Cluster Committee structures to plan and monitor implementation of the DDM.	District Municipality	Municipal internal capacity			
3	Formulation of the DDM One Budget for the family of Municipalities	District Municipality	Municipal internal capacity			
4	Municipal Employment Initiative – EDTEA funding for implementing the Municipal Employment Initiative (MEI) in all iLembe family of municipalities.	EDTEA	EDTEA	R1 million for each LM 2022/ 23		
5	Address the financial sustainability of the Local and District Municipalities	District Municipality	Municipal internal capacity			
6	Formalisation and institutionalisation of the DDM One Plan Procedures and Process in the District: The Cluster, Technical and Political Hub institutional structure to be aligned to Municipal decision making and monitoring	District Municipality	Municipal internal capacity			

	PROGRAMME DESCRIPTION: GOVERNANCE	IMPLEMENTING AGENT	FUNDING SOURCE	BUDGET COMMITMENT (2020/25)	BUDGET COMMITMENT (2025/30)	BUDGET COMMITMENT (2030/35)
7	Align the DDM and IDP Process with specific reference to the full involvement of the National and Provincial Sector Departments in the planning process	District Municipality	Municipal internal capacity			
8	Municipality to Municipality; Municipality to Sector Departments.	District Municipality	Municipal internal capacity			
9	Uniform Public- Private Partnerships development policy in all municipalities	District Municipality	Municipal internal capacity			
10	Red tape reduction	District Municipality	Municipal internal capacity			
11	Capacitate Enterprise iLembe in line with its Strategic Plan	District Municipality	Municipal internal capacity			
12	Revenue Protection and Enhancement Strategies.	District Municipality	Municipal internal capacity			
13	Anti-Fraud and Corruption	District Municipality	Municipal internal capacity			
14	Address significant under-expenditure of municipal capital budgets.	District Municipality	Municipal internal capacity			
15	Green infrastructure funding	District Municipality	Municipal internal capacity			



	PROGRAMME DESCRIPTION: GOVERNANCE	IMPLEMENTING AGENT	FUNDING SOURCE	BUDGET COMMITMENT (2020/25)	BUDGET COMMITMENT (2025/30)	BUDGET COMMITMENT (2030/35)
16	Inadequate bulk infrastructure funding for electricity, water and sanitation	District Municipality	Municipal internal capacity			

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ANNEXURE A: DIAGNOSTIC ANALYSIS - PLANNING CONTEXT

A.1. ILEMBE'S 1ST GENERATION ONE PLAN

KwaZulu-Natal followed a different process in compiling the DDM One Plan from other provinces. In KZN a 1st Generation One Plan was first drafted, and this Plan was adopted in iLembe in July 2021. The main purpose of the 1st Generation One Plan was to initiate the IGR structures for engagement with the Comprehensive One Plan and to identify the main strategic interventions required in the District in the shorter-term. The 1st Generation One Plan was vested on the findings and recommendations of the current District and Local IDPs and supporting strategic provincial and local sector plans such as the respective spatial development plans.

The 1st Generation One Plan serves as a foundation from which the longer-term Comprehensive Plan are developed.

The 1st Generation One Plan

The Vision for iLembe district adopted by the 1st Generation One Plan is:

“By 2030 iLembe will be a sustainable, people centred economic hub providing excellent services and quality of life”.

The Goals for the District as expressed in the 2021 / 22 IDP and adopted for the 1st Generation One Plan are:

- Creating economic growth and jobs.
- Eradicating backlogs in service delivery.
- Providing for housing and socio-economic development (including the impact of HIV/AIDS and Covid-19 pandemic).
- Positioning the iLembe area as a prime tourist destination.
- Making the area of iLembe a safe and vibrant meeting place of rural, traditional, and urban lifestyles.
- Integrating the first and second economies to benefit from investment.
- Achieving a sustainable settlement pattern where people could meet all their needs to provide for a better quality of life and maintain sustainable livelihoods.
- Creating functional and institutional harmony with upstream and downstream spheres of government.
- Creating economic growth and jobs.
- Eradicating backlogs in service delivery.

A summary of the key strategic interventions identified in the 1st Generation One Plan is presented below per focus transformation area. The interventions include projects for the short three-year period of the 1st Generation One Plan and, some longer-term key initiatives.

Table 7: 1st Generation One Plan Strategies and Projects, 2021

STRATEGIC AREAS	STRATEGIC INTERVENTIONS REQUIRED	TIMEFRAME AND ESTIMATED BUDGET REQUIREMENTS for three years unless otherwise indicated
POPULATION DEVELOPMENT		
Growing population	New human settlement development in response to the growing population in mainly KwaDukuza and Mandeni.	TBD
Migration	Rural to urban movement of the population especially youth creating the need for integrated developments including employment, housing, and skills development	TBD
	Development of the inland rural municipalities to optimise the available resources and socio-economic opportunities including the provision of social services.	TBD
Poverty and vulnerable groups	Focused support to women, youth, persons with disabilities and the aged	TBD: See economic and social services development
	Household Food Security and farmer support	TBD – see development of agricultural sector and provision of agri-hubs and FPSUs
Skills and entrepreneurial development	Expansion of the footprint of existing TVET colleges, especially to rural municipalities including Isithebe Skills Centre in partnership with TVET College, SETA and Isithebe Industrial Estate. Expansion of digital or online study service offering and assistance to students with network connectivity, data & devices.	TBD
ECONOMIC POSITIONING		
Manufacturing development	Upgrading and expansion of the Isithebe Industrial Estate- regeneration of infrastructure and local management. The established Task Team is to address social challenges in surrounding communities.	Ithala is upgrading facilities. Short term R 41 524 948 (DTI/DBSA/IDFC/Mandeni)
	Expanding of Dube Trade Zone IDZ at KwaDukuza and / or Isithebe Industrial Estate. An estimate of R 3 m for KwaDukuza IDZ engineering feasibility studies (Source of information: iLembe SDF)	TBD
	Upgrading of infrastructure and support for Imbonini, Ballito Business, Shakas Head, Shaka's Kraal and Stanger Extension 15 light industrial areas development	R 24 m – allocated for various upgrades of infrastructure
	Facilitation of Hesto Harnesses investment related to auto industry in KDM	Budget :R3.5 billion private
Tourism Development	Beach and heritage developments: 1. KwaDukuza: Blue flag beaches, Chief Albert Luthuli Museum, Nokukhanya Luthuli Streets, 2. Mandeni: Support infrastructure for Dokodweni Beach precinct	R20 m allocated for KwaDukuza projects. R 90 m required for Dokodweni Beach Precinct infrastructure
	Establish a public- private co-ordinating mechanism to address cost sharing on marketing, product development and transformation.	Internal municipal capacity
	King Shaka Tourism Route	TBD
	Develop of uThukela Lifestyle Resort, KwaShuShu Hot Springs and Ntunjambili tourism sites	R 800 m secured by private sector for uThukela Lifestyle Resort project

STRATEGIC AREAS	STRATEGIC INTERVENTIONS REQUIRED	TIMEFRAME AND ESTIMATED BUDGET REQUIREMENTS for three years unless otherwise indicated
		R 16 m for KwaShuShu Hot Springs:
Changing future of agriculture	Transformation through diversification of the agricultural sector in response to the changing state of sugar growing and processing. To engage the sugar industry and related stakeholders to plan for the long-term transition of the industry in the District from its current core activities to new economies and innovations.	TBD
	Promoting the establishment of Agri-Hubs and Farmer Production Support Units in Maphumulo.	TBD
	Operation Sakhinzuko: to establishing 3000 hectares of cane land with Small Scale Growers in partnership with Tongaat which includes a few small growers in iLembe.	TBD
Property and construction	Urban Property development – upgrading and standardisation of municipal processes and management systems to improve assessment and approval processes. Unlock development planning, building plan and other constraints to infrastructure development, including speeding up the approval and piloting the implementation of the recently completed Development. Contribution policy.	TBD
SMME and Knowledge Economy Support	Business incubators and Digital centres development related to community centres and libraries	TBD R10m for Mandeni DH by DTIC
Creative Industries, Sports and Recreation	Creative Arts Database, technology driven platforms. District Creative Hubs. Water Sports Development. Sport Club development. Establishment of Arts Craft Market capacity building (Maphumulo). Promote local film making (Maphumulo).	TBD
Green and Blue Economies	Coastal marine development and protections and Green industrial hub development.	TBD
	Low Emission Development Strategy and formulation of a Green Procurement strategy for all municipalities	TBD
	iLembe Aquaculture	TBD
Investor attraction	Uniform Incentives and developer contributions policy applicable to all municipalities. Special ratings policy in selected areas.	Internal municipal capacity
	Investor attraction integrated approach and management systems: destination marketing for the District. Tourism DMO establishment.	R3 m
SMART City development	KwaDukuza, Ballito, and Mandeni.	Longer term: Budget TBD
Informal sector development	Standard informal sector policy throughout the District.	Internal municipal resources/capacity

STRATEGIC AREAS	STRATEGIC INTERVENTIONS REQUIRED	TIMEFRAME AND ESTIMATED BUDGET REQUIREMENTS for three years unless otherwise indicated
	Informal sector infrastructure development in all municipalities.	R 3 m
Recycling economy	Encourage waste to energy projects and encourage exploring opportunities in waste directly linked to the green economy such as e-waste.	TBD
Job creation	Jobs through infrastructure development through local procurement policies – also see the infrastructure component.	Municipal Management and SCM
	Local content SCM contracting – standardisation of policies in all municipalities	
Support to existing businesses	Business Expansion and Retention and Business confidence index surveys in all municipalities.	TBD
SERVICE DELIVERY		
Health	New District hospital in Mandeni.	TBD
	Madundube Clinic and Groutville Clinic.	TBD
Human Settlement	Inclusionary Housing Policy for all municipalities.	Internal municipal resources/capacity.
	Low-income housing construction along the coast.	R 33.7 m allocated by the Department of Human Settlements
Social and gap housing projects	Restructuring zones development projects – Social Housing and CRU units	TBD
	Uniform Public- Private Partnerships development policy in all municipalities.	Internal municipal resources/capacity
	Unblock blocked housing projects.	Internal municipal resources/capacity together with private sector
	Undertake a Social Facility Audit in all municipalities.	R 1 m
Disaster Management: Safety and security	Fire & Emergency Services with satellite centres throughout the District.	TBD
INFRASTRUCTURE ENGINEERING		
Water	Water Services Development Plan (WSDP).	Internal municipal resources/capacity DBSA grant funded
	Water and Sanitation Infrastructure Master Plan.	DBSA grant funded
	Operation and Maintenance Plan.	Vuthela funded
	Non-Revenue Water Strategy, Programme and Implementation.	Internal funded
	Non-Revenue Water Project, selected geographic areas.	Vuthela funded
	Lower Thukela Bulk Water Supply.	TBD
	Umshwathi Regional Bulk Water Supply to augment the water supply to Ndwedwe area that is currently being served through borehole supply.	Three phases completed by Umgeni Water. Estimated remaining requirement R 2.2 billion.

STRATEGIC AREAS	STRATEGIC INTERVENTIONS REQUIRED	TIMEFRAME AND ESTIMATED BUDGET REQUIREMENTS for three years unless otherwise indicated
	Maphumulo / KwaDukuza Southern Regional Bulk Water and Sanitation Project and construction of new sanitation bulk infrastructure to Nkobongo, Shayamoya, Shaka's Head and Etete townships.	Estimated total cost required R 371 m. Phase 1 is in implementation.
Electricity	Bio-resource electricity development at sugar mill and bamboo project in Mandeni.	TBD
	KwaZulu Natal Renewable Energy HUB development and Sugar Association Renewable Energy Generation Plan implementation.	TBD
	KwaDukuza municipality SCADA and Control Room.	National Treasury – funded project
	Dukuza Electricity Substation.	R 150 m
	Tinley Manor Electricity Substation.	TBD
	Nonoti Electricity Substation.	TBD
	Green renewable energy plan.	Internal municipal resources/capacity
Solid Waste removal	Integrated Waste Management Plans' implementation	TBD
	Regional municipal-owned waste disposal site and transfer stations	TBD
	Rehabilitation of Shakaville Disposal Site.	TBD
	Waste reduction and recycling.	Internal municipal resources/capacity
Sanitation Provision and Maintenance	Maphumulo and Ndwedwe towns' waterborne sanitation; Groutville D Household Sanitation Project	Maphumulo waterborne sanitation funded by iLembe from MIG. Ndwedwe waterborne sanitation TBD; Groutville D R 254,8 m co-funded by iLembe DM and KwaDukuza LM.
Aviation	King Shaka connectivity	Ethekwini/KDM) R50 million funded (DTPC/KZNT) Funded per ECE
ICT and Connectivity infrastructure	Ensure that public spaces and facilities inclusive of public hospitals and clinics have free Wi-Fi	TBD
	Fibre optic connectivity throughout the District inclusive of public hospitals and clinics.	TBD
	Cell phone access in the rural municipalities	TBD
SPATIAL AND ENVIRONMENTAL		
Primary Route Development	KwaDukuza Western by-pass	Longer term: Budget TBD
Coastal Route Feasibility	Ballito to Tinley Manor	Longer term: Budget TBD
	Airport Rapid Rail Transit	Longer term: Budget TBD
Inter-municipal Mass Transit Systems	Inter-modal facilities Mandeni / KwaDukuza / Ballito	TBD
	Planning for M4 Extension and alignment	R 500 000
Climate change	Coastal Access Management Strategy	Internal municipal resources/capacity

STRATEGIC AREAS	STRATEGIC INTERVENTIONS REQUIRED	TIMEFRAME AND ESTIMATED BUDGET REQUIREMENTS for three years unless otherwise indicated
	Development of Estuarine Management Plan	Internal municipal resources/capacity
	District Climate Change Vulnerability Assessment and Response Plan.	Internal municipal resources/capacity
Nodal Development	Framework plan for the R102 development corridor - Groutville, Thembeni, eTete and Shaka's Kraal	R 5 m (Identified in the SDF)
	Maphumulo and Ndwedwe Town upgrades	TBD. Water borne sanitation already indicated earlier.
	Mandeni feasibility of the nodes and corridors as identified in the SDF.	R 800 000 committed by Mandeni LM
	Groutville Economic Node	TBD
	Nonoti Beach Resort	TBD
	Promenade Ballito to Tinley Manor	TBD
	Tinley Manor Priority Development Area- planning for	TBD
	Compensation Priority Development Area	TBD
	Wewe / Driefontein Development Area.	TBD
	Dokodweni Node Development.	R 90 m required
	Regeneration of KwaDukuza CBD.	R 20 m required
	Formulation of an approach to the development of Ingonyama Trust land.	Internal municipal resources/capacity
GOVERNANCE		
IGR Relationships	Municipality to Municipality; Municipality to Sector Departments.	Internal municipal resources/capacity
	Revitalization of the iLembe Economic Development Facilitation Committee (iEDFC).	Enterprise iLembe – internal resources
Financial management and procurement	Non-revenue Water (iLembe District) and Electricity (KwaDukuza and Mandeni Municipalities).	Municipal internal resources with Vuthela support
	Revenue Protection and Enhancement Strategies.	Internal municipal resources/capacity
	Address significant under-expenditure of municipal capital budgets.	Internal municipal resources/capacity
	Red tape reduction	Internal municipal resources/capacity
	Inadequate bulk infrastructure funding for electricity, water and sanitation	Municipal internal capacity. Vuthela Programme support strategic growth developments eg Tinley Manor.
	Green infrastructure funding	Internal municipal resources/capacity

Source: 1st Generation One Plan, July 2021.

Key Priorities

Priority areas identified in the 1st Generation One Plan where greater focus needs to be provided in future are:

Infrastructure investment will require a far more comprehensive and structured approach from public sector actors in the district, and more importantly must begin to engage in a structured partnership with the private sector investment and development sector in the district. This includes:

- The establishment of a structured public-private partnership through the iLembe Economic Development Facilitation Committee to address the planning, processing, and financing of economic infrastructure to unlock planned developments that are currently being constrained by both bulk infrastructure provision and planning approvals.
- The establishment of a cross functional Infrastructure Investment committee under the auspices of the District Development model comprising Technical Departments, Finance and Economic Planning to:
 - Strengthen measures to deal with Non-Revenue Water (NRW) and Non-Revenue Electricity (NRE) to free resources for infrastructure investment and to be able to provide a reliable source of water, electricity and well-maintained roads which are the “back to basics” requirements of a growing modern economy.
 - Deal with the perennial problem of significant under-expenditure of municipal capital budgets because of cross functional issues relating to planning approval, procurement, and technical project implementation planning.
 - Unlock development planning, building plan and other constraints to infrastructure development, including speeding up the approval and piloting the implementation of the recently completed Development Contributions policy by Ilembe District Municipality, KwaDukuza and Mandeni local municipalities.
 - Facilitate access to alternative financing instruments and funding sources to finance economic infrastructure, including the improvement of municipal finances to provide for loan financing opportunities.
 - Develop a clear policy and practice to reduce the negative impact of Business Forums on infrastructure projects and investment in the district.

Energy Security: Given the unique presence of 1 operating Sugar Mill in the district, (and one mothballed one), the potential role of the sugar mills in generating energy (steam, biogasse etc) and contributing to the growth and sustainability of the district core sugarcane growing sector should be an area of examination with the sugarcane growing and processing industry undertaken through the Economic Development Facilitation Committee in its partnership with business.

Reform measures for a competitive and inclusive economy which needs a focus on the established business in the district. The focus of the Economic Cluster is often on SMME start-ups or large-scale external investors rather than on maintain the existing businesses to retain their businesses and investment into reliable infrastructure provision (roads, water, electricity), efficient provision of services and better management of the business regulatory environment.

New innovative practices should be established by which the vulnerable communities in the District can be helped and assisted in entering the productive economy and by which the disadvantages of the past for women, youth, disabled can be addressed.

Lessons learnt

The following main lessons were learnt from the 1st Generation One Plan process and recorded during a self-assessment process and a National Assessment of the DDM One Plans in February 2022⁶:

Challenges identified:

- The most important challenge that was not achieved as part of the 1st Generation One Plan was that critical District stakeholders did not participate in the formulation of the Plan.
- The involvement of the sector departments, private sector and civil society including traditional councils was not achieved while it is critical that these role players are not only involved in the process but that they fully support and buy-in into the outcomes.
- Undated and standardised Provincial and District data and information be available.

Lessons Learnt:

- The need to achieve consensus between the various role players and key decision makers is fundamental in formulation an implementable One Plan. One approach identified through which this could take place is a Scenario Planning approach.
- Technical and Political Hubs could be used more effectively. The role of the Cluster Committees to be fully explore.
- The role, position, and mandates of Municipal Councils in the adoption of the Plans be clarified.

Recommendations:

- Assistance in providing updated information as it becomes available from national and Provincial levels.
- Cogta to assist with planning information specifically related to the natural resource base, access to land and planning support for settlements.
- Assist with the capacity building and communication of the goals and objectives of the long-term plan with the Clusters.

A.2. ALIGNMENT WITH NATIONAL, PROVINCIAL AND GLOBAL TRENDS

The iLembe DDM One Plan must align to higher and lower order policies and plans. There is a myriad of National, Provincial, District and Local Municipal policies, plans, and strategies that must be considered in the formulation of the DDM One Plan.

The following are the most important recent updates to the contextual policies and plans taken into consideration in the formulation of this DDM One Plan:

At National Level

The National Development Plan: with recent updates in research and key findings together with alignments to the United Nations and African Union Sustainable Development Agendas

⁶ KZN Cogta presentation to the National Quality Assurance Assessments Provincial and District Reflections, 14 and 15 February 2022.

National priorities as highlighted by President Ramaphosa in the SONA 2021 and 2022 addresses.

At Provincial Level The 2022 KZN SOPA and the Provincial Growth and Development Strategy, updated 2021

At Global Level Global development trends as identified through the research of the World Bank and World Economic Forum.

Updates on the National Development Plan

The National Planning Commission is continuously researching and updating the background information and research on which the National Development Plan is based. Through this research importance problems, challenges and opportunities are identified, as well new directions South Africa should be taking in future⁷.

The overarching objectives of South Africa's NDP and Vision 2030 are to eradicate poverty, reduce unemployment, and considerably reduce inequality. Within these broad objectives, South Africa has committed to bring the proportion of people living below the national poverty line of R419/month from 39% to zero, and to reduce income inequality, as measured by the Gini Coefficient, from 0.69 to 0.60. The SDGs, drawing on the experiences, and unfinished business of the MDGs, also advance the notion of eradicating poverty and reducing inequalities within, and among countries everywhere. It is therefore critical that national priorities are in congruence with the global objectives contained in the 2030 Agenda for Sustainable Development. Similarly, there is a need to further elaborate on the linkages between both the NDP and the MTSF outcomes to the two relevant sets of goals and aspirations encapsulated in the SDGs and the continental Agenda 2063⁸. The national priorities in terms of the 2019 – 2024 MTSF are⁹:

Priority 1: A capable, ethical and developmental state

Priority 2: Economic transformation and job creation

Priority 3: Education, skills and health

Priority 4: Consolidating social wage through reliable and quality basic services

Priority 5: Spatial integration, human settlements and local government

Priority 6: Social cohesion and safe communities

Priority 7: Better Africa and world.

The National Planning Commission's webinar held on 21 January 2021 revealed important new priorities and focus areas for the country. It was for example reported that poverty rates improved significantly to 2011 but stalled thereafter; employment growth is not sufficient and not sustainable, and economic growth is too slow and the capacity of the economy has fallen. The key focus areas identified for the future are summarised below¹⁰:

⁷ https://www.nationalplanningcommission.org.za/National_Development_Plan

⁸ National Planning Commission. Mapping the NDP to the United Nations and African Union Sustainable Development Agendas. June 2021.

⁹ Draft KZN PGDS, 2021.

¹⁰ National Planning Commission webinar 21 January 2021. Economic Progress towards the NDP's Vision 2030 Recommendations for Course Correction

1. Sustainable fiscal and financial resources to fuel transformation. Addressing risks to public finances management and implementation should be government's highest priority.
2. Building the asset base: capital
 - Private investment and savings are falling and not sufficient to grow the economy.
 - Public infrastructure development and maintenance. Main factors are the share of public infrastructure spending is not sufficient for growth and it is declining; underspending on infrastructure budgets is prevalent; cost over-runs are happening often; the quality of infrastructure is poor; and it does not have the desired development and transformation impacts.
3. Building the asset base: people. Education is lifted as the most important contributor to transformation
 - Education and skills. Education outcomes are the most important asset required to reduce poverty, promote employment and growth.
 - The labour market should be made more adaptive and responsive by helping young people get into the labour market; labour market matching support appropriate regulation for small businesses to enable compliance (rather than regulating by exemption), facilitating fair bargaining, and reducing tension and conflict between employers and employees, and access to lifelong training for existing workers that facilitates their continued employment and advancement.
4. Digital readiness for the future. Communication, and therefore digital enablement, is the foundation of an inclusive market economy and democracy, and increasingly a critical divider between haves and have nots.
5. Dynamism in diversifying and in driving employment-oriented industries. Since 2010, there are no major sectors driving growth. No sector grew faster than 3% annually. Important focus areas are: Industrial dynamism, Competition and access to market opportunity, Competition concentration and collusion and small business dynamism.
6. Public employment. A capable developmental state requires a professional, appropriately sized civil service. There is an imbalance with shortages in professionals, specialists, and front-line civil service while human resource and performance management are weak.
7. State capability to deliver. Challenges are intergovernmental relations fragmented. challenges in 'right skill right job', high turnover, limited performance management, political administrative spheres overlapping.

Key Factors Highlighted by President Ramaphosa in the SONA presentation¹¹.

The following important aspects emerged from President Ramaphosa's address. They are not arranged in any order of priority.

SOUTH AFRICA NEEDS A NEW CONSENSUS

To address the immediate crisis in the country and to create conditions for long-lasting stability and development, President Ramaphosa stated that South Africa needs a new consensus. A consensus that is born out of a common understanding of our current challenging situation and a recognition of the need to address the challenges of unemployment, poverty, and inequality.

¹¹ President Ramaphosa. State of the Nation Address. 2021 and 2022.

GOVERNMENT DOES NOT CREATE JOBS

President Ramaphosa re-stated a known principle that the role of the state is in creating a conducive environment for business to thrive and create growth and employment. It is known that that government does not create jobs. Private sector creates jobs with 80% of all the people employed in South Africa are employed in the private sector.

CLIMATE CHANGE

It is recognised that South Africa is one of the regions of the world that is most affected by climate change. The frequency of droughts, floods and other extreme weather events associated with global warming is increasing. Recently floods have affected several provinces, including KwaZulu-Natal, Gauteng, and the Eastern Cape. These conditions caused enormous damage to infrastructure and livelihoods. A Presidential Climate Commission was established in 2021 and done much work to support a just transition to a sustainable, inclusive, resilient, and low-carbon economy. Daniel Mminele, a former deputy governor of the Reserve Bank, has been appointed to head the Presidential Climate Finance Task Team to lead the mobilisation of funds for this cause.

AFRICAN CONTINENTAL FREE TRADE AREA

The importance and opportunities presented by the African Continental Free Trade Area (AfCFTA), was highlighted by Pres. Ramaphosa. The agreements came into operation on 1 January 2021 and AfCFTA provides a platform for South African businesses to expand into markets across the continent, and for South Africa to position itself as a gateway to the continent.

CUTTING RED TAPE, NEW LOAN SCHEMES AND TAX INCENTIVES FOR (SMALL AND INFORMAL) BUSINESSES

President Ramaphosa stressed the fact that the Business Act is being reviewed alongside other legislation that affects SMMEs to reduce the regulatory burden on informal businesses. There are many regulations that are unduly complicated, costly, and difficult to comply with. This prevents companies from growing and creating jobs. Mr Sipho Nkosi has been appointed to head up a team in the President's office to cut red tape across government.

A new, redesigned loan guarantee scheme is being introduced to enable small businesses to recover from the pandemic and civic unrest. The new scheme incorporates the lessons from the previous loan guarantee scheme and will involve development finance institutions and non-bank SME providers in offering finance, expanding the types of financing available and adjust eligibility criteria to encourage greater uptake.

To encourage hiring by smaller businesses, the values and criteria for participation in the Employment Tax Incentive are being improved. This has been an effective way to encourage companies to hire new work seekers. The changes to the incentive will make it easier for small businesses to hire young people.

INVESTMENT ATTRACTION

Investment attraction remains a key priority to government. Nearly four years ago, a target of mobilising R1.2 trillion in new investment over five years was set. By the time of the third South Africa Investment Conference in November 2020, R776 billion in investment commitments were made. The fourth South Africa Investment Conference has been held in Johannesburg on March 24 2022.

INFRASTRUCTURE LEAD GROWTH AND DEVELOPMENT

The government is committed to an infrastructure-led strategy to rejuvenate the South African economy. It is a key pillar of the President's October 2020 Economic Reconstruction and Recovery Plan (ERRP) and the State of the Nation address on 8 February 2022, with investments in water, energy, sanitation, housing, roads, health, education, and public transport.¹²

ACCESS TO WATER

The management of, access to, and availability of water is key concern of government. Legislation prepared in 2008 for the establishment of the National Water Resources Infrastructure Agency is being reviewed and will be published for public comment in 2021/2. A comprehensive turnaround plan is, for example, also being implemented to streamline the process for water use license applications. The target is to clear the backlog of applications by June 2022 and to process 80% of all applications within 90 days during the next financial year.

ELECTRICITY CRISIS

The energy crisis in the country is being addressed on many fronts and several new energy generation projects will be coming online over the next few years. The same promise has been made for the last few years, rapidly expanding energy generation capacity.

EMPOWERMENT OF WOMEN AND GIRLS, YOUTH AND PERSONS WITH DISABILITIES

To realise gender equality and the empowerment of women and girls, youth and persons with disabilities and their full and equal enjoyment of all human rights and fundamental freedoms. Key commitments are spelt out in the Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (GRPBMEAF). This framework will monitor the planning and progress across all departments to the attention they are giving to the empowerment of women and girls, youth and persons with disabilities.

SOCIAL EMPLOYMENT FUND

The Social Employment Fund will create a further 50 000 work opportunities using the capability of organisations beyond government, in areas such as urban agriculture, early childhood development, public art and tackling gender-based violence.

CRIME AND SECURITY ISSUES

The state of crime and security in the country is a great concern. Critical vacancies and addressing positions affected by suspensions in the State Security Agency and Crime Intelligence are being addressed. A new head of the Investigating Directorate is being appointed and leadership changes in several agencies to strengthen the security structures are in process.

LOCAL GOVERNMENT FINANCE AND LEADERSHIP¹³

The President noted that only 5% of the country's municipalities are financially stable. The dysfunction is ascribed by the President to poor governance, weak institutional capacity, poor financial management, corruption, and political instability. The challenges in municipalities do not only affect the lives of communities but they also damage local economies and the South African economy. By providing reliable water supply, sanitation, energy and refuse services, and through road and infrastructure maintenance, local government enables the economy to grow and create employment.

¹² Acceleration South Africa's Infrastructure Programme: What is holding us back? CDE, Ann Bernstein. 2022.

¹³ Presidential address to the Sixth National Conference of the South African Local Government Association (SALGA). 3 March 2022.

The President called on government leaders to improve their management performances, to correct failures and guide municipalities towards sustainability, efficiency, and clean governance. The President also reiterated government's commitment to implementing the District Development Model (DDM), which is aimed at improving coordination between the three spheres of government and its social partners.

Developmental trends in South Africa

The National Planning Commission continually receives new report and information on major trends in South Africa and globally. In this section trends and directions identified are presented as factors than needs to be considered in developing a 35-year long-term plan for the District¹⁴.

SOUTH AFRICA AS A DEMOCRATIC DEVELOPMENTAL STATE

Although the foundation that was put in place for South Africa to become a democratic developmental state was relatively solid, South Africa has veered far away from becoming a developmental state any time soon. Given the existing institutional architecture and an assessment of developmental outcomes, South Africa can still become an effective developmental state although many of the salient attributes of developmental states are no longer in place in South Africa.^{15 16}

A DEVELOPMENT AGENDA WITHIN A NEW SOCIAL COMPACT

It is critical that all role-players contribute towards making South Africa an effective developmental state. Leadership by government is key for it to have policy clarity on critical issues in order that the social compact can be robust. Overall, fundamentally, South Africa needs a clear development agenda which may be crafted from the NDP¹⁷.

INSTITUTIONAL WEAKNESSES LEADING TO POOR ECONOMIC GROWTH AND DEVELOPMENT

Institutions in the South African democracy have been significantly weakened over the past decade and does not serve the democracy¹⁸. The South African economy has been deteriorating over the last ten years. Mining and manufacturing, for example, the two sectors that in serious decline have in the past been seen as important even after 1994. The government has not focused on development for some time with socio-political fragmentation dominating public debates¹⁹.

SOCIAL PROGRAMMES VS. A SOCIAL DEVELOPMENT POLICY

Government does not seem to distinguish between social policy programmes and actual social policy. In most instances, the government and certain commentators equate social policy with social protection when in fact social protection is a component of a comprehensive social policy. The

¹⁴ Important is to take note of the factors identified rather than the nature or direction of the trends which are the perspectives of specific reports.

¹⁵ A developmental state is one that that actively intervenes in the economy with the aim of advancing the wellbeing together with a growing economy.

¹⁶ National Planning Commission. Anchor Paper South Africa as a Democratic Development State. September 2021

¹⁷ National Planning Commission. Anchor Paper South Africa as a Democratic Development State. September 2021

¹⁸ Lesetja Kganyago, governor of the South African Reserve Bank (SARB), spoke to CDE's executive director Ann Bernstein. Nov 2021

¹⁹ National Planning Commission. Anchor Paper South Africa as a Democratic Development State. September 2021

expected increase in social grants could be considered a negative development for South Africa's developmental state aspirations. This is since the rising expenditure on social grants is only satisfying one aspect of social policy while ignoring longer term aspects like intense and smart human capital investments²⁰.

INDUSTRIAL POLICY

The industrial sector has been contracting in the globally competitive trade environment despite industrial strategies and the various resolutions adopted at job and growth summits. South Africa's existing industrial mechanisms focus on supply-side constraints to restructure production in the economy to deal with increased global competition in the wake of trade liberalisation. Given the inadequacies of current industrialisation policies, new strategies should consider the following²¹:

- Evidence-based industrialisation strategies comprising a mix of proven incentives and instruments
- Economic restructuring that aims to double South Africa's MVA contribution to GDP.

Provincial Priorities and the Growth and Development Plan

The Premier of KZN identified the following priorities for the province in his SOPA address on 24 February 2022. Emerging from the devastating impacts of the Covid-19 pandemic and the July 2021 civil unrest, the Premier highlighted the follow pre- and post-Covid priorities²²:

2019 PRE-COVID PRIORITIES	2022 POST-COVID PRIORITIES
• Provision of basic services – immediate challenge being water • Growing the economy • Growing SMMs and Cooperatives • Education and Skills Development • Human settlement and sustainable livelihoods • Building a peaceful province • Building a caring in incorruptible government	• Economic recovery and creating jobs • Improving access to water and sanitation • Fighting crime and building safer communities • Social protection and human development • Building the capacity of the state • Building a better Africa and better World.

The KZN Provincial Growth and Development Strategy identifies the following priority areas:

Priority 1: Building a capable, ethical and developmental state

Priority 2: Economic transformation and job creation

Priority 3: Education, Skills and Health

Priority 4: Consolidating the social wage through reliable and quality basic services

Priority 5: Spatial integration, human settlements and local government

Priority 6: Social cohesion and safe communities

Priority 7: Better Africa and World.

²⁰ National Planning Commission. Anchor Paper South Africa as a Democratic Development State. September 2021

²¹ New Wine into New Wineskins: An Alternative Economic Strategy for South Africa's Economic Reconstruction. Dr Nthabiseng and Prof Mark Swilling. University of Stellenbosch. 2021.

²² KZN SOPA. The Hon. Premier of KZN Mr Sihle Zikalala. 24 February 2022.

Global trends

The analysis in this section is based on a review of the top hot topics of discussion by the World Bank and World Economic Forum. Both organisations report on and undertake studies of global trends and importance. Some of the topics have been identified earlier in this Plan and serves to highlight the importance of the topics for the future development of iLembe.

ENVIRONMENTAL CHALLENGES, CLIMATE CHANGE AND GLOBAL CARBON PRICING

City regions contribute 80% to global GDP, but they also account for 75% of global greenhouse gas emissions. Integrating nature-positive solutions can help protect cities from growing risks associated with extreme weather while driving sustainable economic growth. The World Economic Forum's Biodiver Cities by 2030 Initiative call for multistakeholder action to integrate nature as infrastructure into the built environment. In making the economic case for Biodiverse Cities, Nature-based Solutions (NbS) for infrastructure and land-sparing are found to be cost-effective ways for cities to innovate and meet current challenges. Cities should be places where all people and nature co-exist and thrive together. Nature-based solutions offer wider benefits than traditional engineered 'grey' solutions – such as improving resilience, increasing citizens health and wellbeing, and moving cities to net zero impacts^{23 24}.

The importance of carbon pricing is increasing internationally. Research by the WEF shows that carbon pricing can be a powerful tool in the fight to limit global warming and shift from fossil fuels to cleaner alternatives. In the long-term, carbon pricing would pay for itself many times over by avoiding the economic costs of the potentially devastating effects of climate change. Research will encourage countries to consider pricing carbon in such a way that it scales up the effort to reach net zero in time to limit the worst effects of climate change on people and the planet. The involvement of low- and middle-income countries in an International Carbon Price Floor would help avoid a transfer of emissions-intensive manufacturing to countries where carbon prices are lower.²⁵

iLembe should embrace the new trends and develop long-term policies that places it in a position to engage meaningful in the carbon price field.

GLOBAL COMPETITIVENESS AND INCREASING INTERNATIONAL TRADE REFORMS

The globalisation of economies leads to higher levels of international trade and greater competition in between countries and city / regions. There is consequently an international trend to move towards greater global resiliency, sustainability, and inclusivity in international trade. An international called is being made on world leaders to rise above geopolitical tensions and re-engage on trade reforms. Advancing health, digital, environmental and investment reform is key to more inclusive trade and investment as well as trade cooperation²⁶.

iLembe should take account of the greater levels of international trade that is taking place as it opens doors of opportunity to the District, yet greater levels of international trade competition will make it more difficult for regional industries to enter the international markets. The location of iLembe

²³ WEF. City GDP at Risk of Disruption from Nature Loss. January 2022.

²⁴ WEF. Climate Failure and Social Crisis Top Global Risks. January 2022

²⁵ WEF. Global Carbon Pricing Can Reduce Emissions and Pay For Itself. November 2021.

²⁶ WEF. CEOs: Now-Is the Time for Trade Reform. September 2021.

between the two ports on KZN, its closeness to KSIA and the development of iSithebe as industrial node are important factors to consider.

GLOBAL COOPERATION TO TACKLE COMMON CHALLENGES

World leaders spoke on the global economic outlook, energy transition, social justice, healthy futures and resiliency at the WEF Davos Agenda in January 2022. Global challenges are mounting from supply chain disruptions to tectonic shifts in labour markets, to inflation figures which are of concern to policy-makers and individuals. To overcome the challenges very country in the world needs cooperation with each other more than ever before²⁷.

NEW TECHNOLOGICAL DEVELOPMENTS

New technological developments are rapid taking place on a global scale. These changes and developments, often driven by digital transformation and climate change challenges, are far-reaching and will have a long-term impact on the socio-economic and political environment within which local development takes place. These developments span wide across all sectors and functions from the medical, educational, economic and social environments.

One of the changes taking place that will have a local impact is, as an example, the emergence of electric vehicles. The world is rapidly moving towards e-mobility. Pushed by environmental regulations, support programmes and improving economics, electric vehicles (EVs) that is traditional hybrid (HEV), plug-in hybrid (PHEV) and battery electric (BEV) vehicles, are set to become dominant in the coming decades. Yet this electric revolution risks leaving many commuters behind, further deepening inequalities between and within countries. The risk of an exclusionary, elitist transition to e-mobility is high. Achieving a socially progressive development of e-mobility requires pro-active interventions. This is particularly true in South Africa, given the high levels of inequality overall and differences in access to transport. Only a third of South African households own a car and over half of the population relies on public transport, primarily minibus taxis (MBTs) and buses²⁸.

Electric vehicles is but one of many new and emerging technologically driven changes that will emerge in the future and that needs to be taken into account in the development of the long-term development strategy.

WATER, ENERGY, AND INFRASTRUCTURE DEMANDS

Investments in fossil fuels that used to be determined largely by market fundamentals are increasingly influenced by climate change related disincentives, pressure from activist investors, and government policies to mitigate carbon emissions. While the pressure to shift away from fossil fuels by constraining supply is known, how the global energy market that still depends on fossil fuels to meet 83 percent of demand remains unknown. Diversifying energy supply with Renewable Energy (RE) may insulate the energy sector from the impulses of market forces to some extent but increase dependence on more volatile natural forces such as the weather²⁹.

A TRANSFORMING DIGITAL WORLD

Digital transformations are increasing at an exponential rate and all types, sizes and natures of organizations will not remain competitive unless they radically adapt to the demands of the digital era. Emerging digital technologies are disrupting everything from supply chains and manufacturing to

²⁷ WEF. Calls for New Models of Public-Private Cooperation. January 2022.

²⁸ Trade & Industrial Policy Strategies (TIPS). The Real Economy Bulletin. 11 March 2022.

²⁹ Energy trends in 2022: 'Known' knowns and the 'known' unknowns. Comprehensive Energy Monitor, Jan 2020.

selling and distribution. Therefore, social responsibility in the broadest sense has become a competitive “must,” essential for attracting talent and building trust with customers. All aspects and dimensions of society needs to be placed on a continuous path of retrained and upgrading of digital infrastructure. Societies will have to develop a workforce of calculated risk-takers, able to live by a “fail fast” and “learn fast” approach.

CITY / REGIONAL PUBLIC PRIVATE COOPERATION

International public-private cooperation should foster a resilient, efficient, and inclusive trading system, building stable and coherent processes, supported by robust aid-for-trade technical assistance and capacity-building³⁰. The World Economic Forum is driving an initiative to advance partnering with urban entrepreneurship firm to encourage, develop and promote new urban innovations and economic development opportunities in some of the fastest growing regions of the world. None of the cities currently targeted falls within South Africa. The World Economic Forum’s held an inaugural Urban Transformation Summit on 6-8 December 2021, that brought together 300+ leaders from business, government, civil society, and media to forge new partnerships, showcase innovative solutions and mobilize action in support of more sustainable and inclusive cities and urban economies³¹.

iLembe should continuously expand its international relations, in conjunction with the national and provincial efforts in this regard, and together with private sector, to create international trade and other cooperative agreements.

THE RUSSIA UKRAINE WAR

Hopefully of short duration and of relatively little consequence in a 35-year strategy, is the current April 2022 Russia Ukraine War. However, this global event is posted in this report as an example of rapidly changing and emerging global events that may have an impact on national and even local developments. The Russia Ukraine War has developed in a very short time and impacts of international investments and trade patterns and trends. It vastly increased uncertainty in the global economy and has some consequence for South Africa.

The war itself is likely to have a limited impact on South African trade because the country has only limited economic ties to Russia and Ukraine. But it has already led to extreme volatility in commodity prices, affecting both export products and as well as petrol prices and commodity prices, all of which may have longer term impacts on the economic environment within which iLembe exists and operates³².

GLOBAL RISKS³³

Four main areas of emerging global risks are identified: cybersecurity; competition in space; a disorderly climate transition; and migration pressures, each requiring global coordination.

Growing dependency on digital systems, intensified by the response to COVID-19, has fundamentally altered societies. At the same time, cybersecurity threats are growing and outpacing societies’ ability to effectively prevent or respond to them. Attacks on critical infrastructure, misinformation, fraud and digital safety will impact public trust in digital systems and increase costs for all stakeholders. As

³⁰ 12th WTO Ministerial Conference in December 2021

³¹ WEF. Focus on cities with public private collaborations. Global Summit. December 2021.

³² Based on an article in the TIPS, The Real Economy Bulletin, 11 March 2022.

³³ WEF. Global Risks Report 2022

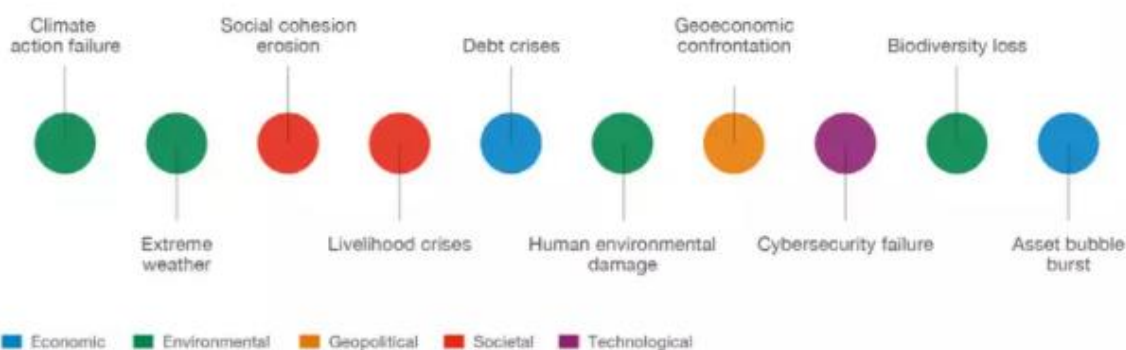
attacks become more severe and broadly impactful, already-sharp tensions between governments impacted by cybercrime and governments complicit in their commission will rise as cybersecurity becomes another wedge for divergence, rather than cooperation, among nation states.

Growing economic hardship, worsening impacts of climate change and political persecution will force many to leave their homes in search of a better future. Yet in many countries increased economic protectionism and new labour market dynamics are resulting in higher barriers to entry for migrants who might seek opportunity or refuge. Decreasing opportunities for orderly migration and the spill over effect on remittances risk forgoing a potential pathway to restoring livelihoods, maintaining political stability, and closing income and labour gaps.

The following mid to long-term global risks are identified by the World Economic Form in its Global Risk Report, 2022³⁴.

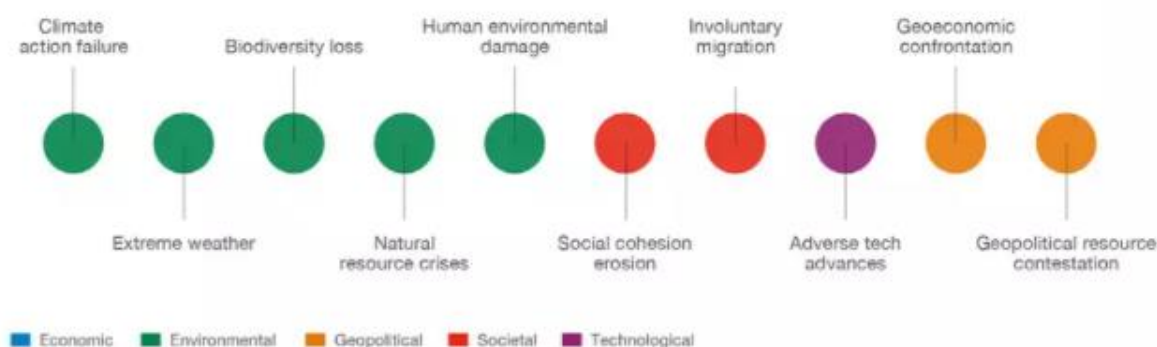
Top Medium-Term Global Risks

Over the next 2-5 years



Top Long-Term Global Risks

Over the next 5-10 years



Source: World Economic Forum Global Risks Report 2022

CONCLUSION: MAIN GLOBAL, NATIONAL AND PROVINCIAL TRENDS

³⁴ WEF. Climate Failure and Social Crisis. Top Global Risks. 2022.

KEY ISSUES IDENTIFIED	DIAGNOSTICS
THE NEED FOR A NEW CONSENSUS / SOCIAL COMPACT	To address the immediate crisis in the country and to create conditions for long-lasting stability and development. All role-players should contribute towards making South Africa an effective developmental state. Leadership by government is key for it to have policy clarity on critical issues in order that the social compact can be robust.
INSTITUTIONAL WEAKNESSES LEADING TO POOR ECONOMIC GROWTH AND DEVELOPMENT	Institutions in the South African democracy have been significantly weakened over the past decade and does not serve the democracy. The South African economy has been deteriorating over the last ten years. Mining and manufacturing, for example, the two sectors that in serious decline have in the past been seen as important even after 1994.
LOCAL GOVERNMENT FINANCE AND LEADERSHIP³⁵	Only 5% of the country's municipalities are financially stable. In iLembe only KwaDukuza is able to self-finance its operations. The dysfunction is ascribed to poor governance, weak institutional capacity, poor financial management, corruption, and political instability.
GOVERNMENT DOES NOT CREATE JOBS	President Ramaphosa re-stated a known principle that the role of the state is in creating a conducive environment for business to thrive and create growth and employment. It is known that that government does not create jobs. Private sector creates jobs with 80% of all the people employed in South Africa are employed in the private sector.
CLIMATE CHANGE	South Africa is one of the regions of the world that is most affected by climate change. The frequency of droughts, floods and other extreme weather events associated with global warming is increasing. Recently floods have affected several provinces, including KwaZulu-Natal, Gauteng, and the Eastern Cape. The importance of carbon pricing is increasing internationally. iLembe should embrace the new trends and develop long-term policies that places it in a position to engage meaningful in the carbon price field.
INVESTMENT ATTRACTION AND RETENTION	Investment attraction remains a key priority to government. Investment attraction and the need to address investment incentives and developer charges have been identified in iLembe as key strategic aspects.
INFRASTRUCTURE LED GROWTH AND DEVELOPMENT	The government is committed to an infrastructure-led strategy to rejuvenate the South African economy. It is a key pillar of the Economic Reconstruction and Recovery Plan (ERRP) with investments in water, energy, sanitation, housing, roads, health, education, and public transport. This approach is to be adopted by iLembe.
CUTTING RED TAPE	Regulatory and administrative conditions for businesses in most municipalities are constraining economic development. There are many regulations that are unduly complicated, costly, and difficult to comply with. This prevents companies from growing and creating jobs.
INDUSTRIAL POLICY	The industrial sector in South Africa has been contracting in the globally competitive trade environment despite industrial strategies and the various resolutions adopted at job and growth summits. South Africa's existing industrial mechanisms focus on supply-side constraints to restructure production in the economy to deal with increased global competition in the wake of trade liberalisation.

³⁵ Presidential address to the Sixth National Conference of the South African Local Government Association (SALGA). 3 March 2022.

KEY ISSUES IDENTIFIED	DIAGNOSTICS
NEW TECHNOLOGICAL DEVELOPMENTS	New technological developments are rapid taking place on a global scale. These changes and developments, often driven by digital transformation and climate change challenges, are far-reaching and will have a long-term impact on the socio-economic and political environment within which local development takes place. These developments span wide across all sectors and functions from the medical, educational, economic, and social environments.
ACCESS TO WATER	The management of, access to, and availability of water is key concern of government.
ELECTRICITY CRISIS	The energy crisis in the country is being addressed on many fronts and several new energy generation projects will be coming online over the next few years.
EMPOWERMENT OF WOMEN AND GIRLS, YOUTH AND PERSONS WITH DISABILITIES	It is a fundamental objective of government to realise gender equality through the empowerment of women and girls, youth and persons with disabilities and disadvantaged (poor) communities.
CRIME, SECURITY AND CORRUPTION ISSUES	The state of crime and security in the country and iLembe is a great concern.

ANNEXURE B: DIAGNOSTIC ANALYSIS – INTERNAL ASSESSMENT

This section presents a strategic profile of the population, the economic, spatial, infrastructural, services and institutional opportunities and gaps that exist for the long-term growth and development of the District. It is not the purpose of this section to provide an all-inclusive detailed profile of the District with all its dynamics and complexity at business and operational level. The focus of this section is on the strategic long-term trends and profile of the District as one integrated entity.

B.1. PEOPLE DEVELOPMENT

Population

One of the key determinants in driving the development in the District is the population of the district. In 2016 the population was 656 943 persons, growing at a rate of 1.2% per annum which is the same as the national annual population growth over the same period³⁶. The population in iLembe District has grown to 694 540 people in 2020. According to the KwaZulu Natal (KZN) Citizens Satisfaction Survey (2018), this makes iLembe the fastest growing population in KZN. It has 15,7% share of the population changes in the province. At this rate, the population of iLembe is expected to be 787 078 in 2035 and in the order of 1,072,204 by 2055³⁷. This is a significant increase from where the district is now, and services to households, school, health, and importantly, work opportunities will be required for the increased population size.

It is noted that the KwaDukuza growth rate was higher than that of other local municipalities in the District with Maphumulo experiencing a decline in its population.

Table 8: iLembe Population Profile, 2011, 2016 and 2035³⁸

POPULATION						
		iLembe	Mandeni	KwaDukuza	Ndwedwe	Maphumulo
	2011 Population	616 479	141 767	232 154	142 636	99 923
	2016 Population	656 943	154 979	270 081	141 187	90 696
	2020 Population ³⁹	694 540	166 987	303 736	140 581	83 236
	CAAGR	1.2%	1.7%	2.7%	-0.1%	-1.8%
	Future 2035 Population ⁴⁰	787 078	173 500	381 701	150 590	81 287
HOUSEHOLDS						
	2020 No of HHS	178 267	43 311	78 800	33 244	22 912
	AVE HH SIZE	3.90	3.86	3.85	4.23	3.63
POP DENSITY						
	Area (Square kilometre)	3 269.26	545.48	734.95	1 092.91	895.90

³⁶ South Africa Population Growth Rate 1950-2022,

³⁷ iLembe Spatial Development Framework, 2021.

³⁸ There are discrepancies between different sources as to the size of the population and its future growth. The table should therefore be seen to provide an indicative analysis of the population of the District.

³⁹ 2022/23 financial year population as per District Health Information System is: District iLembe: 696 590; Mandeni: 173 526; KwaDukuza: 325 952; Ndwedwe: 106 422; Maphumulo: 90 690

⁴⁰ iLembe Spatial Development Framework, 2021.

Density	212.45	306.13	413.27	128.63	92.91
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Source: iLembe SDF, 2021 and Quantec, 2021

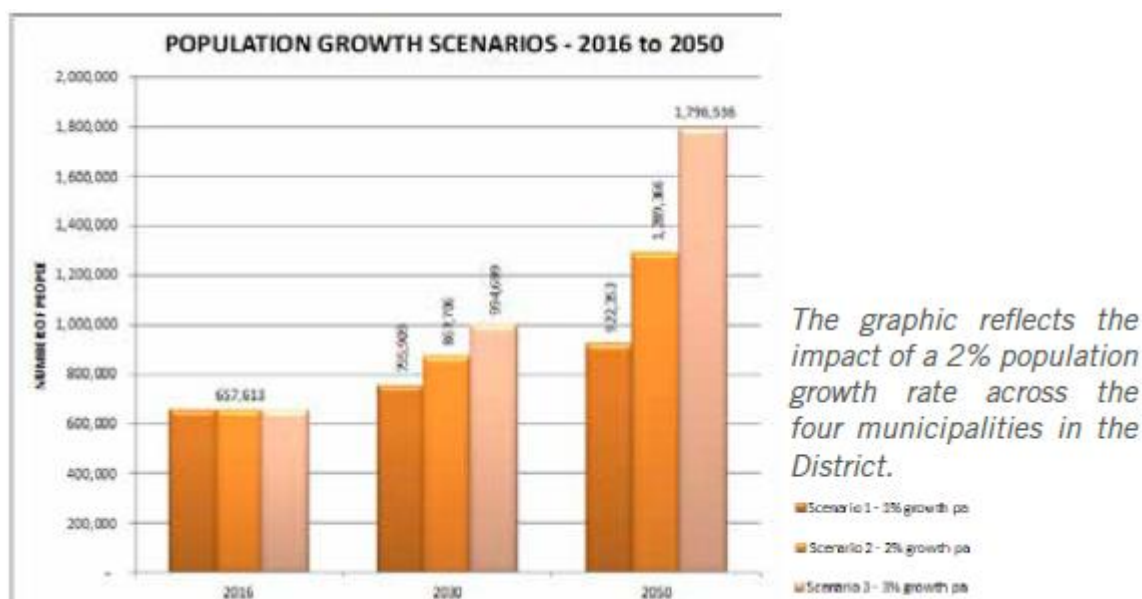
According to the Community Survey 2016, the number of households within iLembe District has risen to 178 267 from 151 709 in 2011. The average household size is 3.9. The percentage of female headed households has risen from 45.8% to 47.1%, between 2011 and 2016, which is above the national average of 41%. There are about 614 child headed households in iLembe, the majority are in Ndwedwe and Mandeni.

Considering the population growth experienced specifically in KwaDukuza, and then by implication in iLembe, over the past three decades, it is important that the implications of future population growth in the District is understood.

The population growth model developed in the iLembe SDF, 2021 considers three possible scenarios for growth, viz. 1%, 2% and 3% growth per annum, over the period 2016 to 2050. Based on 2011 and 2016 population estimates it is suggested that the iLembe population increased on average by 1.62% per annum over the five-year period.

The diagram below then considers the implications of the three growth scenarios for iLembe. It is noted that with a likely 2% per annum population growth rate the iLembe population will double from 657 613 in 2016 to between 1,1 million and 1,3 million in 2050. The impact of the various scenarios can be seen below. The projected population growth for the district over the next four years is projected to be at 0.98% per annum.

Figure 6: iLembe population growth scenarios, 2016 to 2050

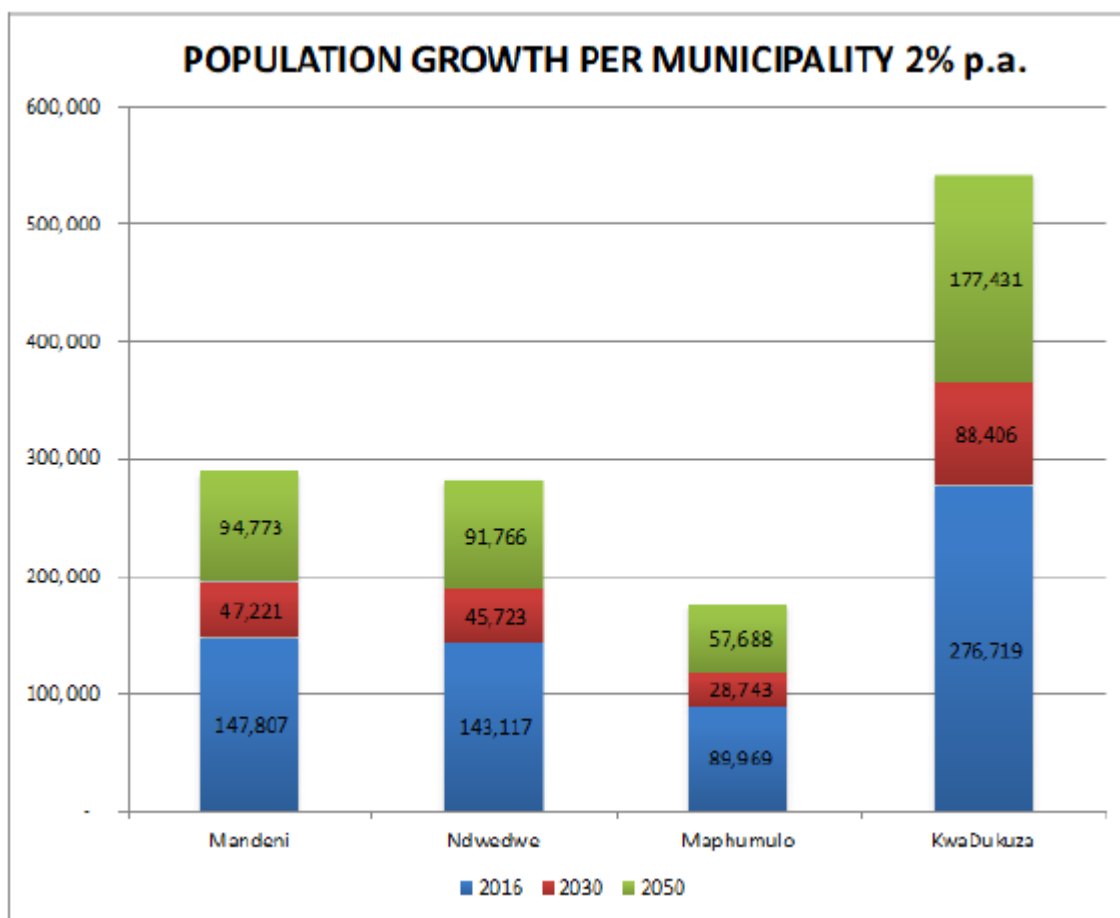


Source: iLembe SDF 2021

The diagram below reflects the impact if growth rates applied relates to the current across the four municipalities. For this model the following growth per annum population growth rates were applied for the municipalities:

- Mandeni – 1% growth per annum.
- Ndwedwe and Maphumulo – 0.5% growth per annum.
- KwaDukuza – 2% growth per annum.

Figure 7: Population growth per municipality, 2016 to 2050



Source: iLembe SDF 2021

Gender distribution in iLembe is in line with provincial and national trends with a higher percentage of females than males (a 5% differential). In terms of the iLembe District gender split the district is comprised of 47% males and 53% females.

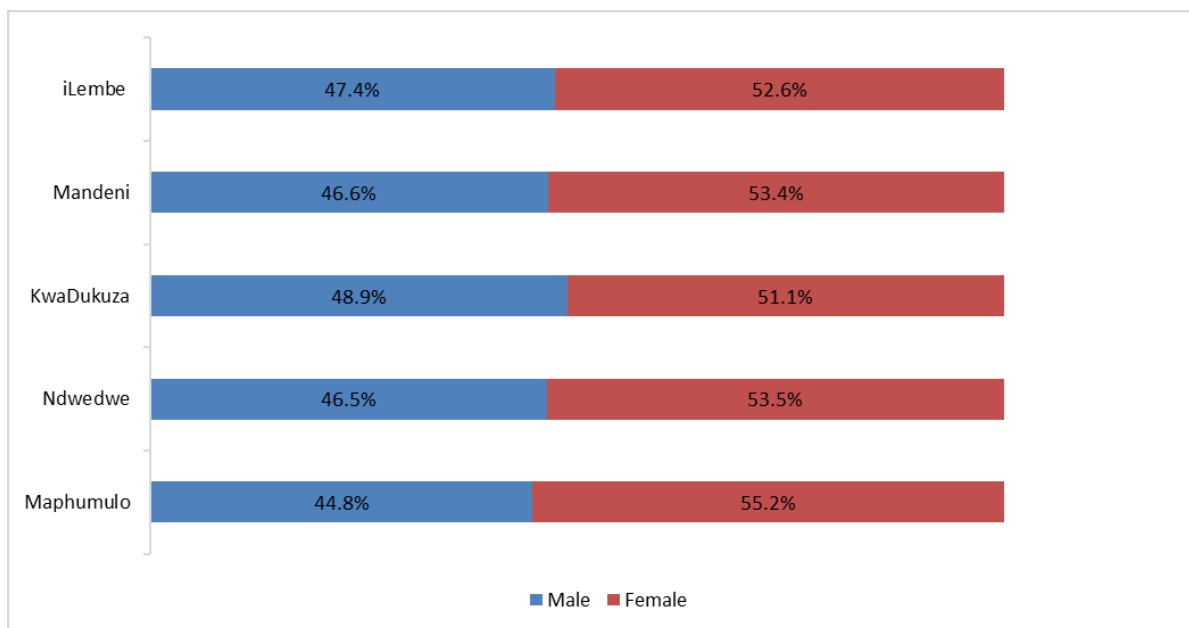
Table 9: iLembe gender distribution, 2016

	iLembe	Mandeni	KwaDukuza	Ndwedwe	Maphumulo
Male	47.4%	46.6%	48.9%	46.5%	44.8%
Female	52.6%	53.4%	51.1%	53.5%	55.2%

Source: Quantec, 2021

The gender distribution in the four local municipalities vary as reflected in the Diagram below. In Maphumulo, that can be described as the most rural of the municipalities, the differential between females and males is nearly 10%.

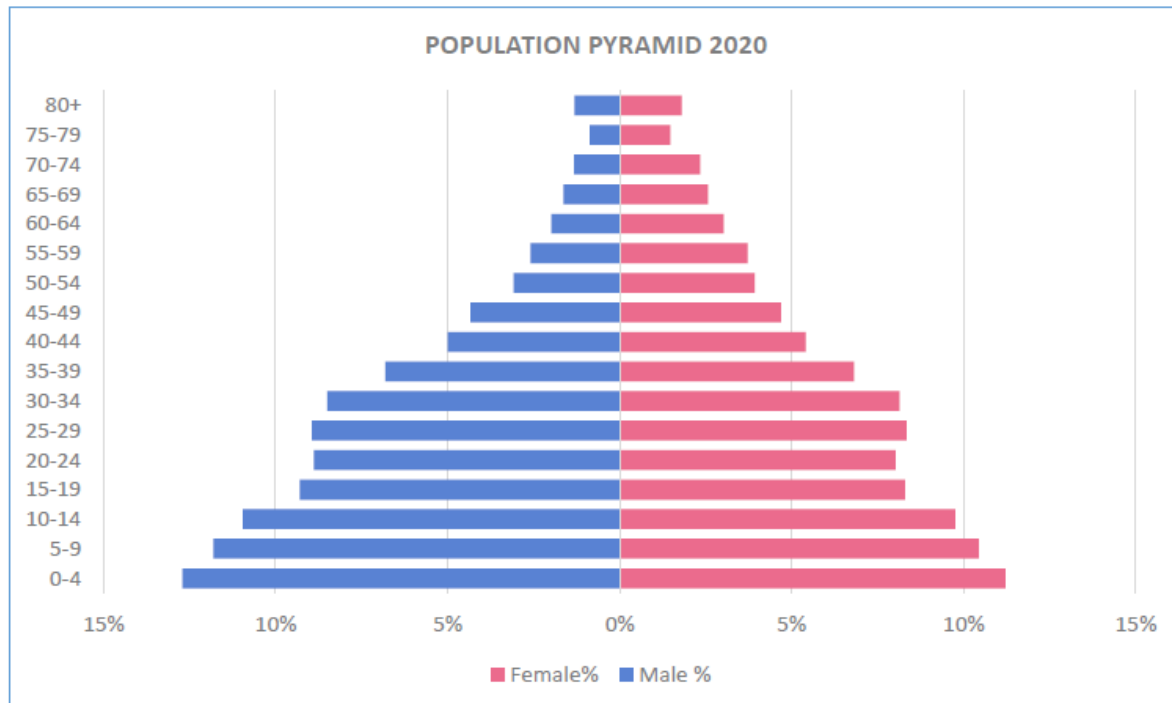
Figure 8: Population by gender by Municipality, 2016



Source: iLembe SDF 2021

Importantly for the lifespan of this One Plan, 35% of the population in iLembe are currently under the age of 15.

Figure 9: Population gender pyramid, 2016



Source: iLembe IDP 2021

Planning here needs to consider that from 2023, some of these young people will be of working age and the economy will need to create opportunities for their employment.

The number of old people within the district is also increasing with the IDP estimating that between 8-10% of the population is older than 65. Planning for the future for the district therefore also needs to consider that social protection, housing, health will be required to assist the elderly.

Migration

It is well documented that people from rural areas are generally moving to urban areas because of economic challenges, better job opportunities, improved services in the urban areas. This rural to urban migration will have important impacts on future planning for both the District's urban and rural areas.

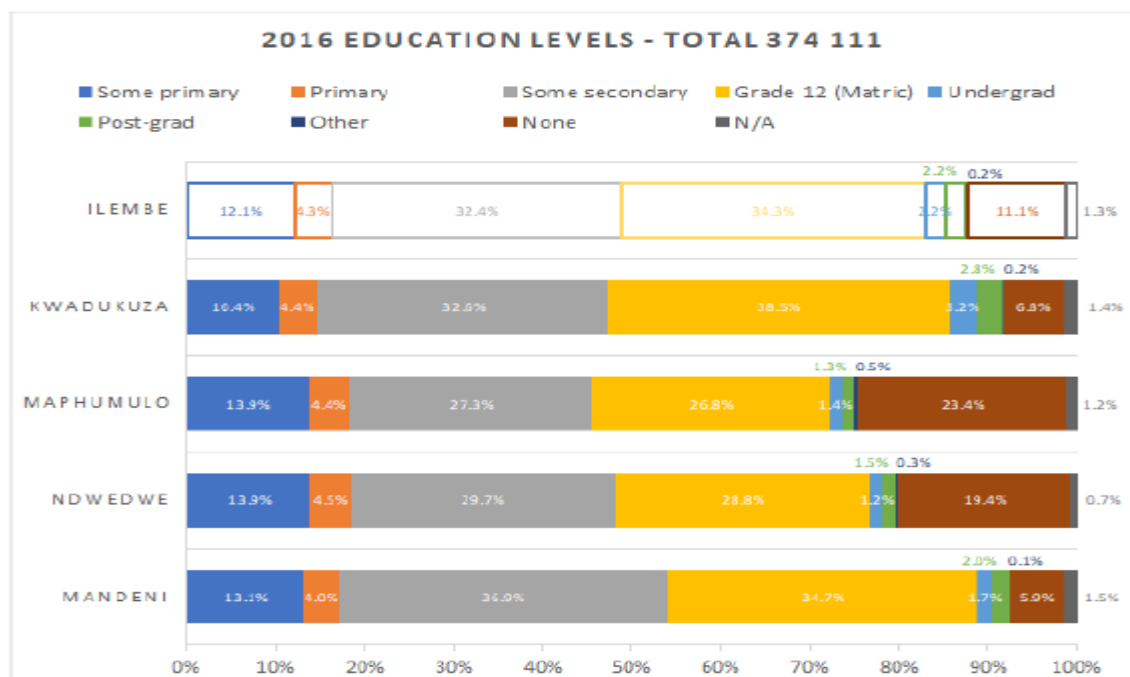
The KZN Provincial Growth and Development Strategy, 2021 (PGDS) notes that there has been a substantial decrease in the number of households participating in agriculture from 28.2% in 2011 to 18.6% in 2016. While some of this is attributable to the drought, it also suggests urbanisation. (KZN Office of the Premier, 2016). This rural-urban migration is most evident in Maphumulo Municipality which saw a decrease of 7% in population size from 2011 to 2016. This migration for jobs is further evidenced by the fact that 66.7% of KwaDukuza's population is of working age, while only 52.9% of Maphumulo's is.

Education/Human Resource Development

Human resource remains a critical component for growth and development and lack of relevant skills is a constraint to business growth and limits the employability of iLembe residents. There is a direct link between poor education and poverty.

Within iLembe's adult residents, a worrying 11% have no education at all. In terms of post school education (with Grade 12), only 2% adults have such education in the district (iLembe SDF, 2021). The district's IDP reports that the number of people with higher education decreased from 3.5% in 2001 to 1.83% in 2019, which is evidence of outmigration of highly skilled workers, a cause for concern for future growth in the district. (iLembe District, 2019)

Figure 10: iLembe education levels, 2016



Source: iLembe SDF 2021

The district is home to four campuses of the Umfolozi TVET college located in: Groutville, Mandeni, Isithebe and Sundumbili. Courses offered include NC(V), National Certificates and Programmes, Skills Training, and Artisan Training. There are also several private colleges within the district.

Despite this, during a recent skill needs assessment study, lack of technical skills and experience came out strongly as a constraint to business development. It is noted that one of the findings of the skills needs assessment conducted by the iLembe Chamber and the Vuthela LED programme is that skills need of industry is not being met by skills training providers. One of the constraints to addressing this on a local level is that curricula is set on a national government level, leaving colleges unable to adapt to specific needs on a local level.

The province also notes a substantial mismatch between skills demand and supply in KZN which has given rise to unacceptably high graduate unemployment figures, particularly in the African population group where 9.7% of African graduates are unemployed (KZN Office of the Premier, 2016). The iLembe Chamber's Business Confidence Index (2019) found that skills shortages and labour related issues were a primary business constraint.

The graph below indicates the existing availability of professional skills in iLembe.



This was borne out in a skill needs assessment conducted by the Vuthela programme and the iLembe Chamber. Key findings of this study are:

- The lack of technical/job specific skills of applicants is a recruitment challenge
- Lack of experience and lack of soft skills were secondary recruitment challenges
- Recruitment from higher education institutions found skills deficiencies related to experience, inadequate technical and professional knowledge as well as lack of business, leadership and management skills
- Shortages associated with hard skills were identified as technical skills, followed by industry experience and management skills.
- Shortages associated with soft skills were identified as critical thinking, followed by problem solving and analytical skills. (iLembe Chamber, 2019)

In terms of entrepreneur development, it is well documented that new businesses, particularly SMMEs require support in the form of capacity building. Within the district, some local governments provide limited support through business fairs etc. The district provides support to entrepreneurs through EI's incubator. Such support will need to be continued to grow these businesses.

The district is relatively poorly placed to take advantage of opportunities linked to the 4th Industrial Revolution with no training colleges for relevant skills development. This coupled with the poor broadband infrastructure means that there are limited opportunities for entering into this economy.

New Community Education and Training (CET) colleges are going to be established by the province in each district to replace Adult Education and Training. They will include skills centres as well as NGO programmes to form a college. It is noted that with one per district, people living far from such centres

will be required to travel some distance to access this education within iLembe. This DDM needs to plan for the roll out of these centres.

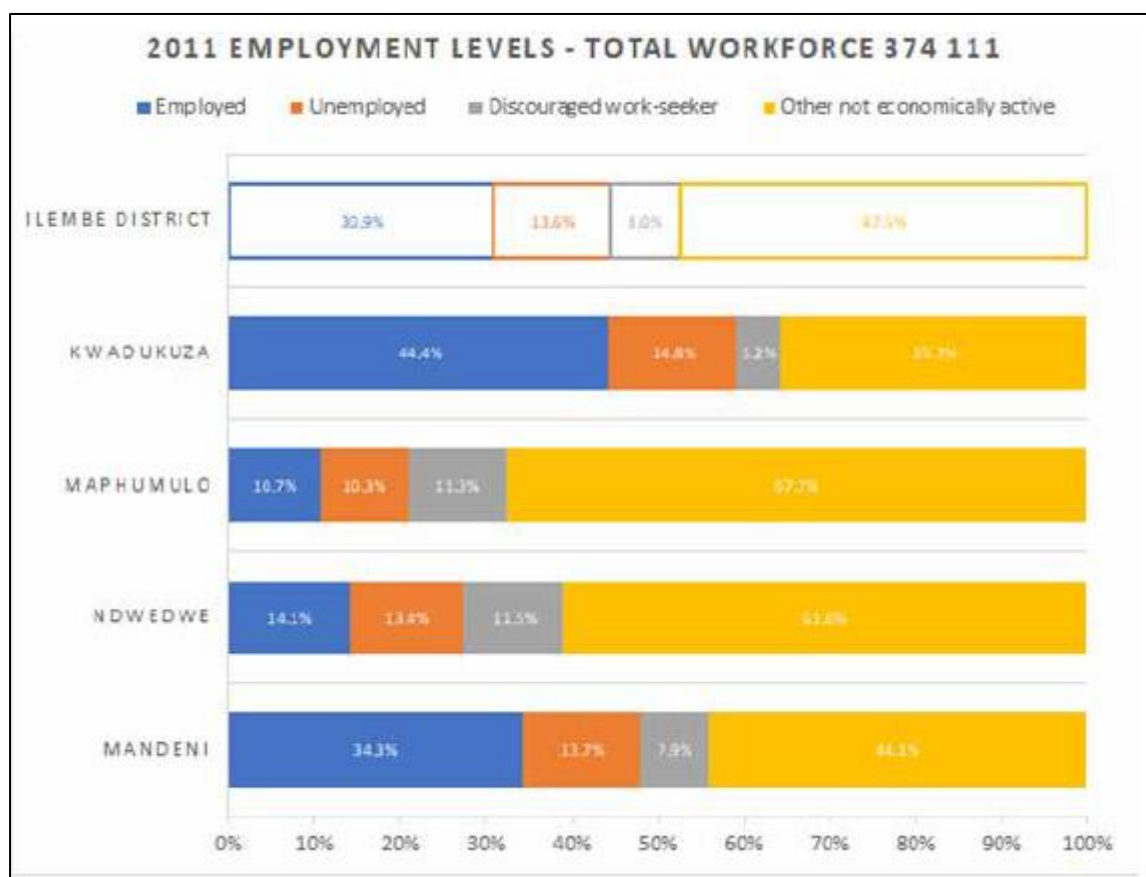
Employment

The KZN PGDS (2016) notes that unemployment in the province, in particular youth unemployment, has risen significantly. This mirrors what is happening on a national level, with the 3rd Quarter of 2021 official unemployment rate in South Africa at 34.9%. Importantly, this is the highest level of unemployment recorded using the Quarterly Labour Force Survey since 2008 (StatsSA, Quarterly Labour Force Survey Q3:2021).

Mirroring these trends, unemployment in iLembe increased from 29.1% in 2013 to 32% in 2017 (iLembe District, 2020). This increases significantly to 41% if discouraged work seekers are added to unemployment figures.⁴¹ On a municipal level, the employment levels between the various municipalities vary considerably. Because of the legacy of apartheid spatial patterns, youth unemployment remains predominant in the more rural Maphumulo and Ndwedwe Municipalities and lowest in KwaDukuza and Mandeni.

No up-to-date employment and unemployment figures exist at District or Local level; however, the diagram below confirms that in 2011 only 30% of the iLembe workforce was employed.

Figure 11: iLembe employment levels



Source: iLembe SDF 2021

As would be anticipated, unemployment is substantially higher in the predominantly rural municipalities with Ndwedwe and Maphumulo at above 48% in both instances. The improvement in

⁴¹ 2011 Census data from StatsSA. Data not available for 2017.

youth unemployment in Maphumulo is likely to be mainly due to the out-migration experienced in that Municipality.

Table 10: iLembe unemployment rate, 2011 and 2019

	Unemployment Rate			Youth (15-34) Unemployment Rate		
	2011	2019	% change	2011	2019	% change
iLembe	28.9	30.6	5.9	35.5	37.2	4.8
Mandeni	27.2	29.4	8.2	32.9	35.6	8.2
KwaDukuza	20.2	23.6	17.0	25.7	29.3	13.8
Ndwedwe	47.6	48.8	2.5	57.5	58.3	1.4
Maphumulo	56.6	54.2	-4.1	66.2	63.4	-4.3

Source: Quantec Regional Economic Database, 2021

In terms of the industries people are employed in, retail, catering and accommodation is the highest employer at 20%, followed by manufacturing at 17%. The strength of the former is likely to be due to the strength of the tourism and property development sector, while the ability of the manufacturing sector to employ needs to be supported and grown Source: (iLembe District, 2020).

Poverty

The IDP examined poverty levels in the district using indicators such as employment, years of schooling, child mortality, type of dwelling etc. While the statistics show an overall decrease in the number of people living in extreme poverty, 10.1% of residents live in extreme poverty. This is highest in Maphumulo (19.8%) and Ndwedwe (13.8%). (2016 figures).

Poverty in South Africa is measured in terms of the Multidimensional Poverty Index. The index is a composite one as indicated in the table below. To eradicate poverty all the cut-off indicators must be addressed.

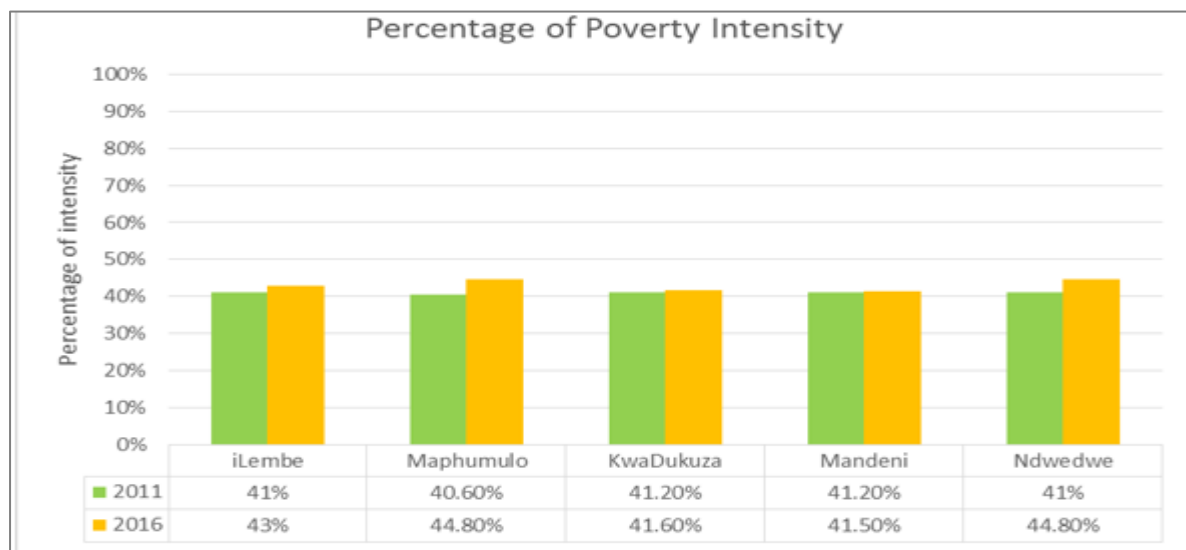
Table 11: The dimensions, indicators and deprivation cut-offs for SAMPI

DIMENSION	INDICATOR	DEPRIVATION CUT-OFF
Health	Child mortality	If any child under the age of 5 has died in the past 12 months
Education	Years of schooling	If no household member aged 15 or older has completed 5 years of schooling
	School attendance	If any school-aged child (aged 7 to 15) is out of school
Standard of living	Fuel for lighting	If household is using paraffin/candles/nothing/other
	Fuel for heating	If household is using paraffin/wood/coal/dung/other/none
	Fuel for cooking	If household is using paraffin/wood/coal/dung/other/none
	Water access	If no piped water in dwelling or on stand
	Sanitation type	If not a flush toilet
	Dwelling type	If an informal shack/traditional dwelling/caravan/tent/other
Economic activity	Asset ownership	If household does not own more than one of radio, television, telephone, or refrigerator and does not own a car
	Unemployment	If all adults (aged 15 to 64) in the household are unemployed

Source: STASSA, The South African MPI. 2014.

The graph below shows the percentage of poverty intensity in the district based on several indicators namely living standard, unemployment, level of education, type of dwelling and child mortality. In terms of this, in 2016 the poverty intensity was greatest in Maphumulo and Ndwedwe which both saw an increase in poverty intensity from 2011 to 2016.

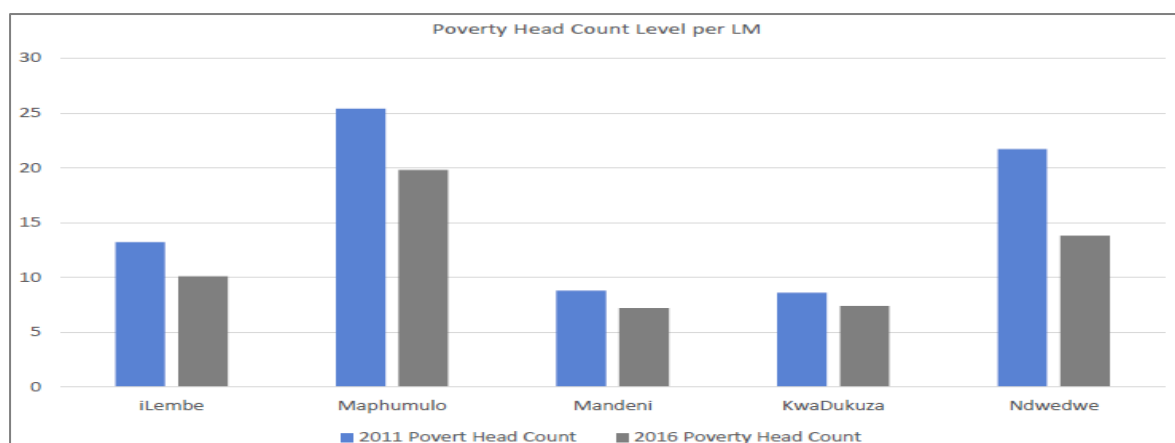
Figure 12: iLembe percentage poverty intensity, 2011 and 2016



Source: 2011 – 2016 Census & Community Survey Stats SA

The graph below portrays the percentages of people living below the national poverty line within iLembe District Municipality and its Local Municipalities. Maphumulo and Ndwedwe local municipalities, even though having experienced a decrease of over 5 percent in the head count, still have the highest number of people living in extreme poverty. The results for Mandeni and KwaDukuza have only decreased by less than 2 percent for both municipalities, whilst on the other hand, these areas have experienced significant population growth between 2011 and 2016.

Figure 13: iLembe poverty head count per local Municipality

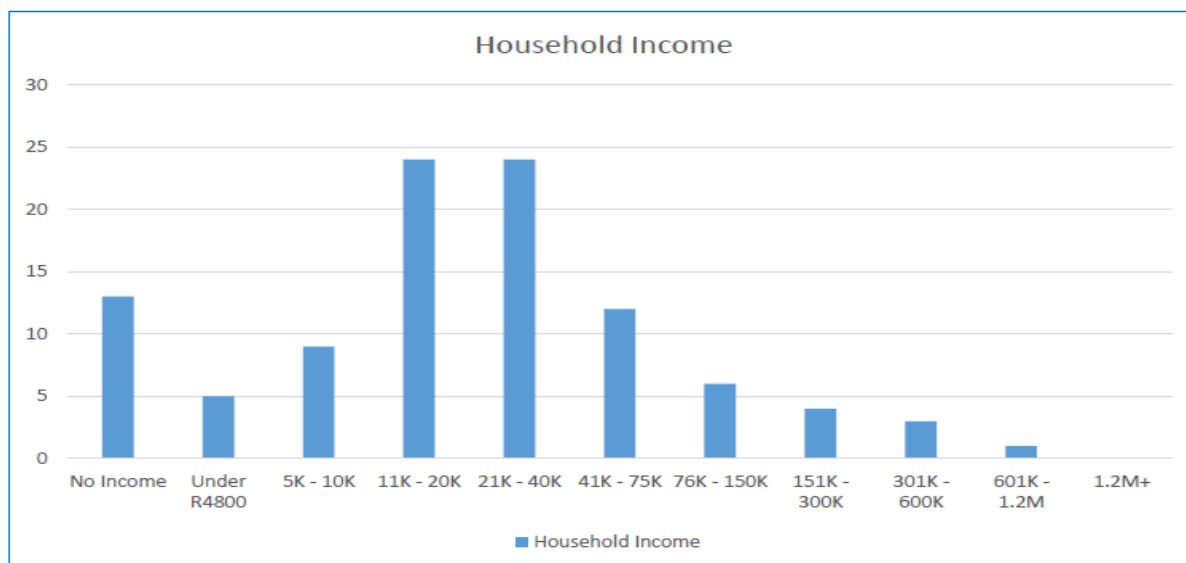


Source: 2011 – 2016 Census & Community Survey Stats SA

Household income is another determinant of the growth and development of a district. According to the 2011 Census statistics, 13% of the district households survive on no income at all (including grants) while 14% of households survive on less than R800 / month. Urgent interventions are required in the

district to ensure employment is created to address this issue and to provide indigent support to these households.

Figure 14: iLembe household income profile



Source: 2011 – 2016 Census & Community Survey Stats SA

B.2. ECONOMIC POSITIONING OF THE DISTRICT

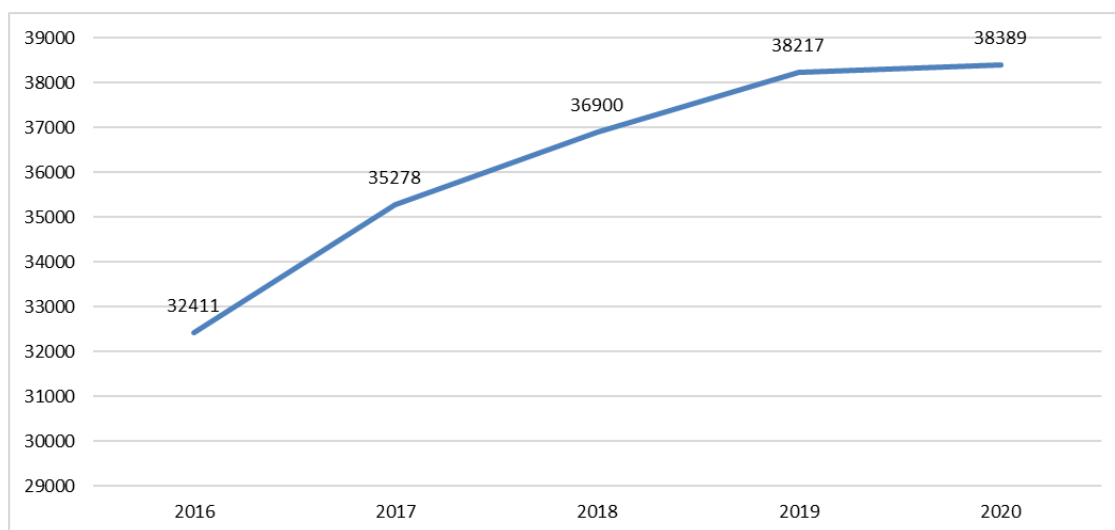
The development of the One Plan needs to consider the economic growth opportunities in iLembe in the context of the regional economy. The discussion in this subsection therefore focusses on the iLembe macro and micro economy providing an overview of the iLembe District economy. This is followed by a discussion of broad trends in key economic sectors in the District.

The local economic context cannot be considered outside of the country's economic context which sees stagnant economic growth, deteriorating public finances, poorly performing State-Owned Enterprises (SOEs) and slow pace of economic reforms. The country's economy shrunk by 1.5% on quarter in the 3rd quarter of 2021 amid the twin impact of social unrest during July and the lockdown restrictions. Provincially, the economy suffers from similar challenges to those on a national level. Contributing 16% to the national GDP, the Regional Gross Domestic Product (RGDP) was expected to experience a growth rate of only 1.2% in 2019. (KZN Provincial Government , 2019)

The economy of iLembe is tied very closely to the provincial, national, and global economic performance and the outcomes of interventions within this One Plan can be impacted on by these trends. Importantly, there are sectors of the global economy which impacts specifically on this region. This includes trade (import/export) and the macroeconomic factors which impact this, agricultural prices, and tourism. The DDM needs to identify those areas of intervention where there will be a significant impact.

The district economy is faring slightly better compared to the provincial and national economy. The Gross Value Add (GVA) of the iLembe economy of R38 389m in 2020, growing at an average rate of 1.2%. The figure below shows this growth over a 5-year period.

Figure 15: iLembe GVA R'million 2016 to 2020



Source; Quantec Regional Economic Database, 2021

The adjacent table highlights the most recent available data for iLembe, provides a good indication of the structure of the economy. The table provides the GVA per sector for iLembe in 2017. The Compounded Average Annual Growth Rate (CAAGR), i.e., the annual rate at which the GVA increased, for the period 2016 to 2020 is also provided.

Table 12: iLembe GVA per main sector, 2020

Main Economic Sectors	GVA (R Millions at constant prices)	%	CAAGR
Total	38 389	100%	3.4%
Manufacturing	8 635	22.5%	2.0%
Finance, insurance, real estate, and business services	7 606	19.8%	5.1%
Community, social and personal services	5027	13.1%	4.8%
Agriculture, forestry, and fishing	4 792	12.5%	6.5%
Wholesale and retail trade, catering, and accommodation	4 476	11.7%	2.3%
General government	2845	7.4%	4.6%
Transport, storage, and communication	2 387	6.2%	0.2%
Construction	1 471	3.8%	-3.3%
Electricity, gas, and water	1 000	2.6%	6.8%
Mining and quarrying	150	0.4%	11.2%

Source: Quantec, 2021

The CAAGR suggests that some growth was experienced in the economy over the period 2016 to 2020. In significant sectors such as manufacturing and trade this growth was, however, substantially below the expectations of the 2012 National Development Plan (i.e. 6% per annum for the period 2012 to 2030). With population growth in the District more than the national growth rate over roughly the same period it is evident that the region continues to become poorer.

The agricultural sector contributes about 13% to the economy of the District. This contribution is significantly higher than the contribution of the sector to the national economy. The 23% contribution

of the manufacturing sector also confirms that a strong secondary sector already exists, providing a base to build on. The tertiary sector contributes more than 50% to the economic production in the Municipality. Trade, general services, and the financial services sector jointly contributes nearly 33% of GVA.

Within the individual municipalities in the District, Manufacturing is dominant in Mandeni and KwaDukuza and less concentrated in the more rural municipalities. Agriculture is highest in Ndwedwe while Maphumulo is mostly a service centre with its most dominant sector being Community, social and personal services.

Table 13: iLembe GVA per municipality, 2020

Main economic sectors	Mandeni	KwaDukuza	Ndwedwe	Maphumulo
Manufacturing	43.6%	17.3%	8.3%	4.5%
Finance, insurance, real estate, and business services	9.0%	25.3%	9.7%	19.1%
Community, social and personal services	11.7%	11.4%	19.3%	35.6%
Agriculture, forestry, and fishing	8.7%	11.9%	32.2%	6.0%
Wholesale and retail trade, catering, and accommodation	11.1%	13.1%	6.1%	4.3%
General government	6.7%	6.3%	12.2%	19.1%
Transport, storage, and communication	4.4%	7.0%	6.2%	4.5%
Construction	1.7%	4.8%	2.8%	3.3%
Electricity, gas and water	2.6%	2.5%	3.0%	3.4%
Mining and quarrying	0.6%	0.4%	0.2%	0.1%

Source: Quantec, 2021

This substantial contribution of the tertiary sector confirms the role of the District, and its core centres, as regional commercial and administration nodes. The employment per sector statistics reflected in the table below does not always mirror the GVA. Some key sectors provide proportionally less employment opportunities.

Table 14: iLembe employment per main economic sectors, 2020

Main economic sectors	Employment	%	CAAGR
Total	130 042	100%	-0.7%
Wholesale and retail trade, catering and accommodation	25 983	20.0%	0.5%
Community, social and personal services	25 406	19.5%	-0.9%
Manufacturing	21 261	16.3%	-1.1%
Agriculture, forestry and fishing	19 942	15.3%	-1.5%
Finance, insurance, real estate and business services	17 503	13.5%	0.7%
Construction	8 828	6.8%	-3.2%
General government	6 546	5.0%	-0.1%
Transport, storage and communication	4 133	3.2%	-0.3%
Electricity, gas and water	371	0.3%	0.0%
Mining and quarrying	69	0.1%	-5.0%

Source: Quantec, 2021

It is noted specifically that although the manufacturing sector contributes 23% of the GVA, it only generates 16% of the employment opportunities. The trade sector, contributing only 12% of GVA, is responsible for 20% of employment.

Some aspects to be noted from the above are:

- Negative employment growth has been recorded in most sectors except Trade and Finance
- The relative slow growth of employment in the manufacturing sector is a concern
- The lowest employment growth recorded was in Mining

While the economy is growing, it is wholly inadequate to meet the employment and inclusive growth needs in the district. These growth challenges are attributed to the following in the district's LED strategy; "national factors such as low investor confidence, fluctuating exchange rates, high national and personal debt ratios impacting on consumer spending, and lower domestic and international tourism figures. Local issues are cited as the long-term challenges in the sugar industry, social unrest especially within Isithebe Industrial Park, falling tourism figures, high levels of crime, delays in development approvals." (iLembe District, 2020) A significant skills gap has also been noted as an important constraint to business growth in a study conducted by the iLembe Chamber of Commerce, Industry and Tourism (iCCIT).

Key economic sectors

Agriculture

Substantial research has historically been done relating to the agricultural sector in iLembe. The focus here will be on highlighting a number of key trends and strategies currently relevant to the sector in the District.

Agriculture is an important contributor to the iLembe district's economy. The agricultural sector contributes 13% to GVA and 15% of the employment of the District in 2020. Commercial agriculture is primarily from sugar cane farming. This is specifically evident in KwaDukuza, and to a lesser extent in Ndwedwe (eastern parts) and Mandeni (central parts). It is mostly farmed in the east of the district where the topography is relatively flat. Some diversification is currently taking place due to the slump in the sugar price, to products such as Macadamia Nuts and sub-tropical fruits. However, a scan of recent satellite photography of the District suggest that such diversification is limited at this stage and likely to be less than 1 000 hectares in a municipality consisting of 73 600 hectares will be affected by such diversification. There is also subsistence and some small-scale vegetable production in other areas throughout the District.

Other than sugar cane beneficiation, there is little other packaging or processing of agricultural produce done within the district. Agri-processing in the district is primarily linked to the sugar cane sector with sugar mills located at Darnall and KwaDukuza town. Another mill, Maidstone is near the district at Tongaat within the eThekweni Municipality.

Livestock is limited within the District, but an important part of the livelihood system in the significant traditional settlement areas in Ndwedwe, Maphumulo, and Mandeni. Other specialised agricultural activities in the larger region includes aquaculture at Amatikulu, in Mandeni, essential oils related projects and cut flower production.

As a result of the proximity of the District to the Dube Tradeport and eThekweni there is substantial focus in current agricultural planning for projects addressing these markets, with a focus on vegetable

production. The iLembe District, through Enterprise iLembe, also historically invested in community vegetable production projects specifically focusing on school feeding schemes.

The iLembe Chamber's mid-2019 Business Confidence Index Review found that this sector is the most confident, despite challenges such as those experienced by the sugar industry and uncertainty around land expropriation. This optimism was attributed to opportunities for diversified crops and potential for ethanol production.

Of some importance in the District is the financial irregularities that the Tongaat Hulett Group reported in 2020. The lasting impact of the difficulties that the Group experienced is not fully understood at this stage and will become clearer over the next couple of years.

Within the AgriPark strategy being implemented within the province, the identification and development of the Farming Production Support Units (FPSUs) was identified as the priority first step towards anchoring rural agricultural efforts around production support facilities. In iLembe the following three FPSUs have been identified⁴²:

- Jikijela FPSU in Ndwedwe
- KwaNgcolosi FPSU in Ndwedwe.
- Mthandeni in Maphumulo.

Manufacturing

Manufacturing is considered key to improved global competitiveness, job creation, and stimulation of other economic sectors. Provincially, manufacturing contributes 16.2% to the regional GVA (RGVA) while in iLembe, it contributes 23%, to the district's GVA and is the third highest employer (16%). However, the sector did not experience significant growth (2% per annum) in iLembe during the period 2016 to 2020. Of interest is that in the previous version of the Chamber's Business Confidence Index Manufacturing was the 4th most confident sector however it has significantly dropped. This drop was attributed to the unrest in Isithebe during 2020 and again in 2021.

This substantial contribution of the sector to the economy emanates from several manufacturing nodes, as well as major agri-processing facilities, located in the KwaDukuza and Mandeni Municipalities. (Mandeni makes a greater contribution on the District level mainly through the SAPPI plant and Isithebe).

Manufacturing is clustered in several locations within the district, primarily in KwaDukuza and Mandeni. This mirrors the provincial trend where there is a higher concentration of manufacturing in more urban districts. There is significant clustering with industry mostly located in industrial parks, the largest being the state-owned industrial park of Isithebe. Other parks include several industrial complexes near Shakashead and the new, state-supported Woodmead Industrial Park. The concentrated nature of the sector allows for clustering and value chain development in the future. For example, Hesto Harnesses are looking to locate their suppliers near them and is engaging with the KDM about this. Darnall and Gledhow are important sugar mills in KwaDukuza and the Sappi mill which processes timber is in Mandeni. It is noted however, that Darnall has ceased operations at the end of 2019.

The industrial areas in the District include:

⁴² KZN Provincial Spatial Development Framework, September 2021.

- Ballito Business Park,
- Shaka's Head Industrial Park (Ballito),
- Shaka's Kraal Industrial Development,
- Stanger Industrial Development (Extension 15),
- Stanger Moolla Industrial Park,
- Stanger Mixed Use Area, and
- Isithebe Industrial Area.

The major agri processing facilities include:

- Darnall Sugar Mill,
- Stanger Gledhow Sugar Mill – Illovo Owned,
- Stanger Mill - Sappi Fine Paper.
- Mandeni Tugela Mill - Sappi Craft (Outside KwaDukuza)

Previous district-based assessments further confirmed that there are a relatively strong presence of the textile and clothing, furniture, timber related and plastics, metal, and cement industries in the Municipality. It was also confirmed that most firms in the Municipality produce primarily for the local market.

Importantly, despite the number of firms present in KwaDukuza, the Isithebe Industrial Estate in Mandeni historically dominated with highest number of manufacturing firms. It is home to approximately 220 factories and is estimated to provides employment for to up to 20,000 people. The viability of the park going into the next few decades is not guaranteed. The park has seen disinvestment and is increasingly finding it difficult to attract new investment. Whirlpool divested of their company within Isithebe, and another company, Metso Minerals announced that they too were divesting, also to be taken over by local operators, in a scaled back format. The constraints faced by Isithebe can be attributed to:

- Its location - inland from the N2 with trucks having to go through the highly congested Sundumbili township
- Lack of incentives
- Regular community protest often resulting in damaged infrastructure
- Unreliable electricity

Its key attraction continues to be the low rental offered there, but strategic intervention will be required to make this an investor friendly destination. The current sustainability of manufacturing firms in Isithebe is a concern and may impact directly or indirectly on the KwaDukuza economy in future.

In addition, local industrial parks face stiff competition from the two Special Economic Zones (SEZs) located in Richards Bay and Dube Trade Port, and Durban, in much closer proximity to the harbour. This DDM needs to address ways to ensure that the local economy remains competitive despite the location the SEZ, and to identify opportunities to benefit from this proximity. A key locational advantage of this proximity is the ease by which industry can export manufactured goods to domestic, regional, and international destinations and through value chains and goods supplying the SEZ and aerotropolis. The area highlighted for this opportunity is the Compensation Node, just north of King Shaka International Airport (KSIA) and the Dube Trade Port SEZ. However, development of this node is constrained by lack of clarity of Tongaat Hulett's future plans for the land, and water and electricity supply.

There is some discussion within the DTI of extending the incentives available at Richards Bay and Dube Trade Port (DTP) SEZs to state owned industrial parks which will be particularly impactful in Isithebe Industrial Park.

Wholesale, retail and vehicle trade catering and accommodation

This sector is the highest employer in the district, employing 20% of the workforce and contributing 12% of the GVA in 2020. The sector also includes elements of the informal economy, particularly informal traders. Some concerns were raised about this sector in the Chamber's business confidence index, where competition in the restaurant / food sectors was signalled out in relation to the size of the market.

The services sector

The services sector includes finance, insurance, real estate, and business services. This is the 2nd most important sector within the district, with a 20% contribution to GVA. As with most sectors, it is concentrated within the urban areas of the district. It is the 5th highest contributor to employment in the district.

Tourism

In terms of the products as established by KZN Tourism, the iLembe District is part of the "North Coast Region" also known as the Dolphin Coast stretching from Zimbali to the Thukela River. The tourism sector has been in decline over several years, country wide. This has been attributed to the slump in the economy, the visa policies in South Africa, and the drought over previous years. (iLembe District, 2020) However, in 2018, it was noted that iLembe's tourism demand had, bucking national trends, increased by 9% over a three-year period. 2019 was reported as the best tourism performing year the district ever experienced.

The tourism activity is generally concentrated in the KwaDukuza Municipality along the coast in nodes such as Ballito, Salt Rock and other smaller coastal villages, as well as the various upmarket residential estates. The beaches and related activities being the primary drawcard for significant numbers of inland visitors during the school holiday periods. Adventure and sports tourism is another drawcard, the most well-known being the annual internationally recognised Ballito Pro surf competition. The Holla Trails Mountain Bike Park attracts weekend and day visitors. Substantial private sector investment has occurred in tourism/residential related development along the coast over the past two decades, with landmark developments such as Zimbali, Simbithi and Blythedale Beach.

Tourism destinations listed on the Tourism KZN Website for the North Coast Region include⁴³:

- Ballito and Zimbali;
- Blythedale Beach;
- KwaDukuza / Stanger;
- Shaka's Kraal
- Shaka's Rock;
- Sheffield Beach;
- Thukela Mouth;
- Tinley Manor;
- Umhlali; and
- Zinkwazi Beach.

⁴³ TKIZ. Tourism destinations in KZN. 2021.

The concentration of the sector within KwaDukuza is evidenced by the formal accommodation establishments; 251 in KwaDukuza while only 16 in Mandeni. There are 41 establishments graded by the Tourism Grading Council of South Africa (TGCSA) in KDM, while only one in Mandeni. There appear to be no formal accommodation establishments within either Maphumulo or Ndwedwe. (iLembe District, 2020)

The tourism product of the District outside the KwaDukuza Municipality is limited. They do, however, generally link well with the R102 corridor, but only a small number of attractions are in the corridor. The only formally protected reserve area in the Municipality is the Harold Johnson Nature Reserve managed by Ezemvelo KZN Wildlife. This sector continues to compete with agriculture, and specifically sugar cane, for access to land.

Apart from educational tourists, tourists rarely venture off the beach areas to visit attractions such as the Albert Luthuli Museum (located in the Groutville Node), King Shaka's Monument and other sites of historical significance. The King Shaka tourism route through the area has been promoted and the Albert Luthuli Museum form an integral part of this tourism product. The King Shaka route, however, does not feature as a distinct route on the Tourism KZN website. As such the tourism sector remains largely concentrated along the beaches and under white ownership. The sector is neither spatially nor racially transformed. Several plans have been made over many years to address this by building tourism products in townships, towns, and rural areas. Examples are the proposed but never fully implemented King Shaka Route, and the current plan to renovate the King Shaka Museum. KwaDukuza has recently embarked on a project to develop the precinct around the Albert Luthuli Museum, with the development of locally owned restaurants, craft centres, lodges.

A more recent issue that has been raised regarding the sector is that it is reportedly being damaged by continued lawlessness, drinking and crime on the Ballito Promenade. There has been significant news coverage on this, and product owners are reporting that tourists have said that they will not return to the destination following their experience.

It is also important to note that a Club Med Resort will be opening on the KwaDukuza coast in 2022. This is expected to have a significant impact on tourism numbers, particularly those of international guests in the future. This is further expected to stimulate other tourism related sectors in the vicinity, and it is noted that KSIA is likely to see increased international flight arrivals due to requirements of the chain for its operation.

Heading into the long term, this One Plan needs to acknowledge the importance of the tourism sector, recognise its current limitation for inclusive growth, and describe interventions to grow the sector. New trends in tourism are a growth in:

- Experience rather than destination tourism
- Adventure
- Cruise tourism
- Virtual reality tourism leading to production of multi-media experiences by small scale productions.

Property development and construction

The residential and commercial property development and construction sector is important in the district, particularly in KDM. The commercial property sector is viewed as the backbone of local economic growth and development, currently and in the future. Driving this demand is the proliferation of secure lifestyle estates, near the beach, and within driving distance to economic

centres. Research has also indicated a steady influx of people from Gauteng choosing to set up primary residence along the Durban – Umhlanga - Ballito corridor and choosing to commute into and out of Johannesburg for business. Housing and human settlement development - for social inclusivity and social cohesion is a fundamentally important social and economic driver of development in the district.

The sector contributes 4% to the RGVA but significantly stimulates other sectors such as services and retail. The KwaDukuza commercial property owners contribute a significant portion of municipal property rates payable as well as for utility services. The competitiveness and long-term sustainability of this economic sector is fundamental to the socio-economic well-being of the District, as well as the financial viability of the Municipalities.

The region's commercial property value proposition is dependent on, primarily, considerate, and competitive municipal tariffs, charges, and fees. If not, this catalytic regional economic sector will be vulnerable to investor rejection and commercial property value destruction, making it unsustainable in the long term. Reports indicating that the decline in market capitalisation of the listed property sector in South Africa from R600 billion to around R220 billion over the past 5 years. The estimate is that the total loss in value of South African property stock (listed, unlisted, state owned and the private sector) is measured in the trillions of rands. iLembe and KwaDukuza particularly will have to take pro-action steps to reduce the national trends within the District⁴⁴.

Several big property projects are planned, including Blythedale and Coastal Resorts, a resort development at Tinley Manor and Zimbali Lakes. The Nonoti Beach Resort is on a 195 ha site which is wholly owned by the community of Nonoti which consists of 300 households. The Dokodweni Beach Precinct Development is a mainly rural economic development because the surrounding area is dominantly rural, and the local community stands a chance to benefit from economic spinoffs.

Other smaller developments are in planning or have begun. These developments are mostly taking place between the N2 and the coast and there are some concerns by municipal officials that such developments are entrenching spatial disparity within the district.

One of the constraints to these developments is infrastructure provision. For example, the required water offtakes for both Tinley Manor and Compensation node development, and the need for the Dukuza substation to facilitate development at Compensation is still unbudgeted. The municipalities need to strive to source funding to make an enabling environment for such developments to take place.

A further constraint in the property development sector is the developer charges that is raised on developments. This affects the district in terms of water and sanitation infrastructure provision, and local municipalities in terms of roads, electricity etc. Lack of clarity on what these apply to, how figures are calculated etc has delayed some developments. The recently released national policy in this regard, and a draft iLembe Development Charges Policy, may provide some clarity on this⁴⁵. Implementation of these policies in a manner by which developers can include calculations for this contribution prior to embarking on the development are critical to enabling growth in this sector in the next 15 years.

The need for the District to attract investors is large. The high unemployment levels and poverty in the district and the high levels of competition between municipalities dictate that the District investigate the need of establishing investor attraction incentives. The challenge is to introduce

⁴⁴ BizNews, 12 February 2022.

⁴⁵ iLembe Vuthela LED Programme. iLembe Development Charges Policy (Draft). 2019.

uniform and standardised development incentives in the District across all four local municipalities that are sustainable to the municipalities. The significant economic differences between the four local municipalities made it difficult for the municipalities to introduce a single coordinated policy in place. Enterprise iLembe recently issued the terms of reference to formulate a district wide incentive policy⁴⁶.

There has been attention given by district and local municipalities to assist in the transformation of this sector. Procurement requirements, training of contractors through the EI incubator have been designed to integrate black owned construction businesses in a structured and incentivised manner, to bring real benefit to communities. Frustrations on lack of progress in this regard is evidenced by the 'construction mafia' who are invading construction sites demanding local jobs. The most notable case was that of the invasion of the Zimbali Lakes construction, which forced work to cease for some time. The developers have consequently made allowances in their procurement measures to ensure local companies benefit.

ICT Sector and the Knowledge Economy

The knowledge economy is another important consideration for the next 15 years in iLembe. Knowledge and innovation are recognised as a key factor in leveraging economic growth, improving wages and employment opportunities, as well as increasing local and global competitiveness. (iLembe District, 2019) The knowledge economy is also critical in growth in the 'new' economies such as the green economy.

On a national level, broadband reach is limited to urban and developed areas in the country, resulting in limitations on delivery of public services in key areas of education, health and safety and security. Furthermore, prices are relatively high for broadband use (thought to be one of the most expensive in the world), where it is accessible, meaning that for SME's and most communities, access is limited. Research has shown that improved internet penetration through public broadband infrastructure can propel development and create job opportunities.

The NDP notes the role of Information and Communications Technology (ICT) as an integral part of South Africa's economic growth prospects. The PGDS also notes concern around the functionality of existing technology, the lack of connectivity and speed, especially for the needs of business and government communication. The KZN Broadband Project was established to address these ICT challenges. This economy is closely linked with skills development, an existing challenge in the district and one that is expected to continue during the term of this DDM.

Provincially, some attention is being provided to this economy, with the following priorities: increase the contribution of Research and Development to GVA in the province, facilitate an increase in the proportion of SA patents and designs registered, ensure that technology hubs are optimised. (KZN Office of the Premier, 2016)

An important development to note is the planned smart city development at DTP. The proximity of DTP to the district requires that the DDM look at integration of interventions within the district, to those planned for the smart city. Furthermore, the concept of the smart city needs to be explored as part of this DDM.

The family of municipalities in the district are very limited in their internal and intergovernmental communications capacity, with slow internet speeds, high costs, and few linkages between the various

⁴⁶ Enterprise iLembe. Terms of Reference for The Appointment Of A Service Provider For The Development Of A District Wide Investment Incentive Scheme. 25 February 2022.

municipal offices. This severely hampers service delivery and constraints municipal officials in adoption of newer systems and technology which could aid them in their respective mandates.

Likewise, poor infrastructure has meant that the private sector is limited in their ability to make use of newer communication technologies, and high costs prevent SME's from accessing affordable, fast, and appropriate broadband and technologies. Access to cheap, affordable data services are also required for the public's use including educational uses at all levels; basic, secondary, higher, micro certifications, enabling better communication, to transact electronically and ensure access to information.

The iLembe District Municipality completed a broadband infrastructure master plan in March 2016. This master plan identified that the backhaul infrastructure is insufficient in the district to enable fast and efficient communications by municipalities, between municipalities, the broader public and business. Furthermore, subsequent studies have illustrated that the municipalities currently incur very high costs for network and internet connectivity, which is not the fastest, nor the most reliable and not accessible to all. EI has started a process to upgrade broadband infrastructure in the district. In this model, they would provide the infrastructure and be the service provider to the iLembe communities. The private sector is willing to provide this infrastructure, but only where there is enough demand.

It is also noted that there are insufficient ICT skills to accelerate demand, or to meet existing demand.

The small business sector

The small business sector is critical to the future growth and development of the district, and the country because of:

- Labour absorption capacity
- The average capital cost of a job created in the SMME sector is lower than in the big business sector
- They allow for more competitive markets
- They can adapt more rapidly than larger organisations to changing preferences and trends
- They often use local resources
- They provide opportunities for aspiring entrepreneurs, especially those who are unemployed, under-employed or retrenched
- Workers at the smaller end of the scale often require limited or no skills or training; they learn on the job
- Subcontracting by large enterprises to SMMEs lends fertility to production processes⁴⁷

The importance of this sector is emphasized by the province in their PGDS noting the low success rates of start-up entrepreneurs and the few opportunities created to support absorption of youth and women into the labour market. Reasons cited in the PGDS include risk adverse formal financial institutions, lack of collateral, lack of business management, financial and technical skills, incorrect markets targeting, and a lack of economic opportunities. (KZN Office of the Premier, 2016)

There is a significant amount of policy directives towards support provided to entrepreneurs within the district. Included in the proposed interventions are access to information and knowledge, access to funding, access to markets, compliance, business support and mentorship. Support is provided by

⁴⁷ <https://topperforming.co.za/the-importance-of-smmes-on-the-south-african-economy/>

the EI incubator, and the districts supply chain management policy supports small, black owned businesses.

Interventions, however, need to identify what constitutes a small business. There are several small businesses in the tourism and other sectors which are an important component on the regional economy. Then there is small business which rely on government procurement etc. It is critical in this DDM to identify where the core strength of small business is in the regional economy and see how it is possible to use this base to diversify into different sectors of the economy. This would not be the only strategy for small business growth but would be a potential pillar to assist with economic growth.

The informal sector

The informal sector operates as a route out of poverty for an ever-increasing number of people that it can't be expected to thrive in a faltering economy without support.⁴⁸ In the context of a low formal sector absorption rate, and where people often have insufficient skills for formal employment, the informal sector offers a survivalist platform for workers. Nationally, the informal sector contributes approximately 17% to employment within South Africa. (Financial and Fiscal Commission, 2017) In terms of contribution to household income, it has been found that informal work contributes 30% more than the average minimum wage. (Financial and Fiscal Commission, 2017)

In iLembe, the informal sector is a very important sector, providing employment to 23% of the employed adults within the district. (iLembe District, 2019) This is similar across all local municipalities except for Maphumulo which has 16% working in the informal economy.

The sector includes services such as shoe repairs, creches, catering, hair dressing etc, and retail and is located across the district in towns, townships, and rural areas. Given the large number of people working in the informal economy of the district, more attention should be given to supporting these workers beyond the enforcement efforts at local government level. Some infrastructure provision is also provided at local government level, particularly to support informal traders. Rather, support in the form of enterprise development rather than poverty reduction should be given.

Economic / business environment and other considerations

Business Confidence

The iLembe Chamber of Commerce, Industry & Tourism, in partnership with Enterprise iLembe, collaborate to produce the iLembe Business Confidence Index (iBCI), aimed at providing a biannual picture of business confidence in the iLembe District, as well as an overall business outlook. The 2021 Mid-Year iBCI was conducted amidst the ongoing economic restrictions associated with the Covid-19 Risk Adjusted Strategy, as well as the worst civil unrest in democratic South Africa that affected KwaZulu-Natal and Gauteng.

Business sentiment in the iLembe District, as measured through the iBCI Survey Index, has plummeted to its lowest level since the inception of the iBCI – it is also the 2nd successive survey period recording record lows, confirming the downward spiral of economic sentiment. The Covid-19 crisis, combined with the civil unrest in the iLembe District, ravaged business sentiment and created significant uncertainty within the regional economy. Market uncertainty brought about by the Covid-19 pandemic, and the inconsistency of responses to mitigate the business impact thereof, has presented itself as the biggest constraint to conducting business in the iLembe District.

⁴⁸ <https://aet.org.za/>

With regards to business confidence per economic sector, all sectors recorded negative business confidence

- Construction, Property Development, Property Sales sector was the most confident economic sector despite the disruptions from the KZN unrest in July 2021. However, despite being the most confident sector, the confidence level remained negative.
- Tourism, Catering, Accommodation, Property Management was the most pessimistic sector due to the dual impact of the COVID-19 lockdown restrictions and safety concerns due to the KZN unrest in July 2021.
- Load shedding/load curtailment, power failures, industrial and community unrest, inadequate security, and decaying and inadequate infrastructure in industrial nodes, continue to undermine the sentiment in the Manufacturing and Assembly sector leading to drop in confidence
- Tourism, Catering, Accommodation, Property Management sector which had the most negative outlook
- Energy, incl. Oil, Petroleum & Gas and Agriculture, Forestry, Hunting, had positive outlooks
- While Wholesale, Retail, Vehicle Trade (47.9) and Construction, Property Development, Property Sales sector (45.4) had the next most positive outlook for the next 6 months, fuelled by the continued interest in the KZN North Coast's real estate market.

Investment attraction, business retention and development charges

Both Investment Attraction and Business Retention (IA&BR) are critical to the future growth and development of the district. An iLembe Investment Strategy was developed in 2017. Investment attraction within the district is largely undertaken by Enterprise iLembe. Furthermore, the iLembe Chamber has listed as one of its strategic priorities; "Business retention and promotion of investment into the iLembe district". These two organisations work closely with the provincial body, Trade and Investment KwaZulu-Natal (TIKZN).

TIKZN is, together with EDTEA, spearheading a programme to address disinvestment and BR&E within Isithebe Industrial Park. This initiative was started following some key disinvestments from the park during 2018/2019. It is noted however, that despite significant support and impetus at the start of this project, this support has slowed, and the project has virtually ground to a halt. This is of concern because this approach is reactionary, with engagements happening only when there is violence at the industrial park. Rather, a long-term, strategic approach needs to be developed to address the causes of the violence.

Local government has recently started providing incentives to attract investors. For example, KDM has implemented a rates rebate policy for this. This includes a special rating area policy, used as an instrument to implement business retention and expansion. An example of this approach was the rates rebate provided for the development of the Woodmead Industrial Park.

KDM has a Development Assessment Committee to support private sector projects that have been declared as high-impact projects. This support is provided in terms of Site Development Plan approval etc.

It is noted that despite a policy being in place, and institutional actors with specific responsibilities around investment attraction and business retention, there appears to be an ad-hoc response to opportunities. A more institutionally bound, creative approach to this important element of growth and development is required.

The iLembe District Municipal area is one of the fastest growing areas in the KZN Province and is promoted as an attractive destination for economic investment. New economic development has a positive impact on the District's finances as it increases revenue from property rates and service charges by expanding the base of ratepayers. To this end the District will be developing a District wide Incentive Strategy⁴⁹ and has formulated a draft Bulk Services Development Charges policy for consideration.⁵⁰ Both the incentive strategy and the development charges policy are seen as important policies to get into place for the future growth and development of the District.

Ease of Doing Business

The ease of doing business is a critical component of investment, and business growth. In 2015 the World Bank Group (WBG) reviewed the ease of doing business in iLembe specifically focusing on construction permits, getting electricity, starting a private company, registering property etc. The following are the key findings of the study:

- Starting a company in iLembe takes 6 procedures and takes 56 days. This is 10 days longer than in some Gauteng cities. It is also 6 times longer than in the average OECD economy.
- Construction permits takes on average 16 procedures and takes 110 days. This is comparable to other South African cities
- Getting electricity in Mandeni takes 295 days, versus an average of 141 days in South Africa. In KDM, it takes an average of 8 procedures, compared to an average of 5 procedures in South Africa. In high income OECD counties, getting electricity takes an average of 77 days.
- Registering property is costly, takes 9 procedures and 29 days.
- Compared nationally, enforcing a contract in iLembe is over 5 months faster and nearly 20% less expensive than the South African average of 551 days and 32% of the claim value. (World Bank Group, 2015)

Through the Vuthela LED programme, initiatives are in place to improve doing business related to property registration, getting electricity (KDM only) and construction permits (KDM only). To date good progress has been made in improving systems, times and costs in construction permits.

The ease of doing business initiative is being rolled out through the (WBG) in the metros within the country. Similar projects under the umbrella of "red tape reduction" are being rolled out by KZN CoGTA and the DTI.

Continued interventions will be required to improve the ease of doing business in iLembe to facilitate growth and development.

The impact of Covid-19 and the July 2021 Civil Unrest.

The Covid 19 global pandemic caused untold human suffering around the world and has had a detrimental socio-economic impact on South Africa. The full nature and scale of the pandemic will only become clear in years to come but the direct impact on job losses and reduced productivity was felt almost immediately. Whereas the world and South Africa seems to merge from the most devastating impact in 2022, threats of new and more waves of viruses are already warned against. The South African economy was already in a weak position when it entered the pandemic after a decade of low growth. In 2019, the economy grew by 0.1% partially caused by the resurgence of load shedding associated with operational and financial difficulties at the energy utility Eskom. By mid-July

⁴⁹ Enterprise iLembe. Terms of Reference for a District Wide Incentive Strategy, February 2022.

⁵⁰ Draft iLembe Development Charges Policy. iLembe Vuthela LED Programme, 2020.

2021 nearly 67,000 South Africans had lost their lives. South Africa's gross domestic product (GDP) contracted by 7% in 2020 and the fiscal deficit is estimated to have reached 12.9% of GDP resulting in rising public debt which reached 78.8% of GDP in 2020. The number of people living in extreme poverty increased by an estimated 10% in 2020, and the most vulnerable continue to be disproportionately affected by the economic fallout from the pandemic.⁵¹

Widespread unrest and looting/damage of businesses occurred in parts of KZN and Gauteng from 9 to 18 July 2021. The unrest resulted in:

- loss of many lives
- undermined business and consumer confidence
- caused very significant damage to property
- disrupted supply-chains and
- caused loss of business to many firms.⁵²

Although now seen to have been an isolate incidence, it had significant economic impacts particularly in KZN. Investor confidence in the Province was undermined and several investors have delayed investment decisions indefinitely.

Planning for unusual events such as Covid-19 and the Civil unrest is almost impossible. Important is the anticipation by world leaders that such unusual and unplanned events, including the occurrences of floods and droughts, is likely to remain part of the uncertainties in future under which governments and economies will function. Long-term plans such as the DDM should therefore make provision for such unplanned events.

Figure 16: Impact of the July 2021 Civil Unrest



B.3. SPATIAL RESTRUCTURING AND ENVIRONMENTAL SUSTAINABILITY⁵³

Spatial restructuring

The spatial context of the district is most often referred to in planning documents as a district divided between the relatively wealthy coastal areas with economic opportunities, and the more rural areas of the district which are underdeveloped, with few economic opportunities.

To the east can be found economic activities such as agriculture, retail and industry, while in the western parts of the district, subsistence farming is the primary form of agriculture, with few other economic sectors of any significance.

Road linkages between the two areas are weak, with only the R614 and R74 connecting the east and west. Service delivery is also differentiated across the urban-rural divide with difficulties experienced in providing services to disparate homesteads in the rural areas.

Another key feature of the spatial context is the location of the district with a national highway running through it, connecting 2 major ports, one airport and two Special Economic Zones (SEZs) (Richards Bay and Dube Trade Port). The proximity of the district to King Shaka International Airport (KSIA) and the

⁵¹ South Africa: New World Bank Group Partnership Framework Supports Socio-Economic Transformation for an Inclusive, Resilient Society. World bank Report, 23 July 2021.

⁵² Briefing to the Standing Committee on Appropriations on the Second Special Appropriation Bill [B17- 2021] by the dtic, the IDC and the NEF. September 2021.

⁵³ Largely based on the iLembe SDF, 2021.

Dube Trade Port (DTP) presents significant opportunities to the district for tourism, and export-based trade. However, to date, the district has not yet taken full advantage of these opportunities. The long-touted Compensation Node development, adjacent to Dube Trade Port has not been developed due to loss of investor appetite and the lack of water and electricity services to this node. On the other hand, the proximity of the DTP presents a threat to the viability of the Isithebe Industrial Park, located in Mandeni, by offering incentives which cannot be offered at the Industrial Park due to it not having SEZ status. Furthermore, the Park is some distance from the national highway, and transport requires a trip through the middle of Sundumbili township. This is in addition to the ongoing community unrest around the Park, damaging its competitiveness.

The key transport nodes in the district are the N2 highway and the R102 which connect the southern and northern parts of the district. The R102, has potential as a development corridor but there has been some reluctance from the Department of Transport (DoT) for access roads to be developed connecting with the R102. Another key transport option is the rail running alongside the R102 between the north and south, but it is noted that it is underutilised. There have been some proposals for rail to link with KSIA and on to Umhlanga and Durban. But given that only around 5m passengers use the airport each year, this is currently not considered feasible.

In terms of settlements within the district, the areas of Ballito and surrounds, Shakaskraal, KwaDukuza Town, Mandeni town are relatively developed. Around these core urban areas, are significantly large townships such as Groutville, Shakashead, Sundumbili. Also located around these areas are informal settlements, with little service delivery. The 2016 Community Survey by Statistics South Africa (StatsSA) show that there are nearly 43,000 households living in informal dwellings in the district. Then there are the rural areas which typically have small centres with some government services and retail such as Maphumulo, Ndwedwe, Nyoni and Mbizimbelwa, and the rural homestead areas. The Community Survey found 132,000 households living in traditional dwellings in the district.

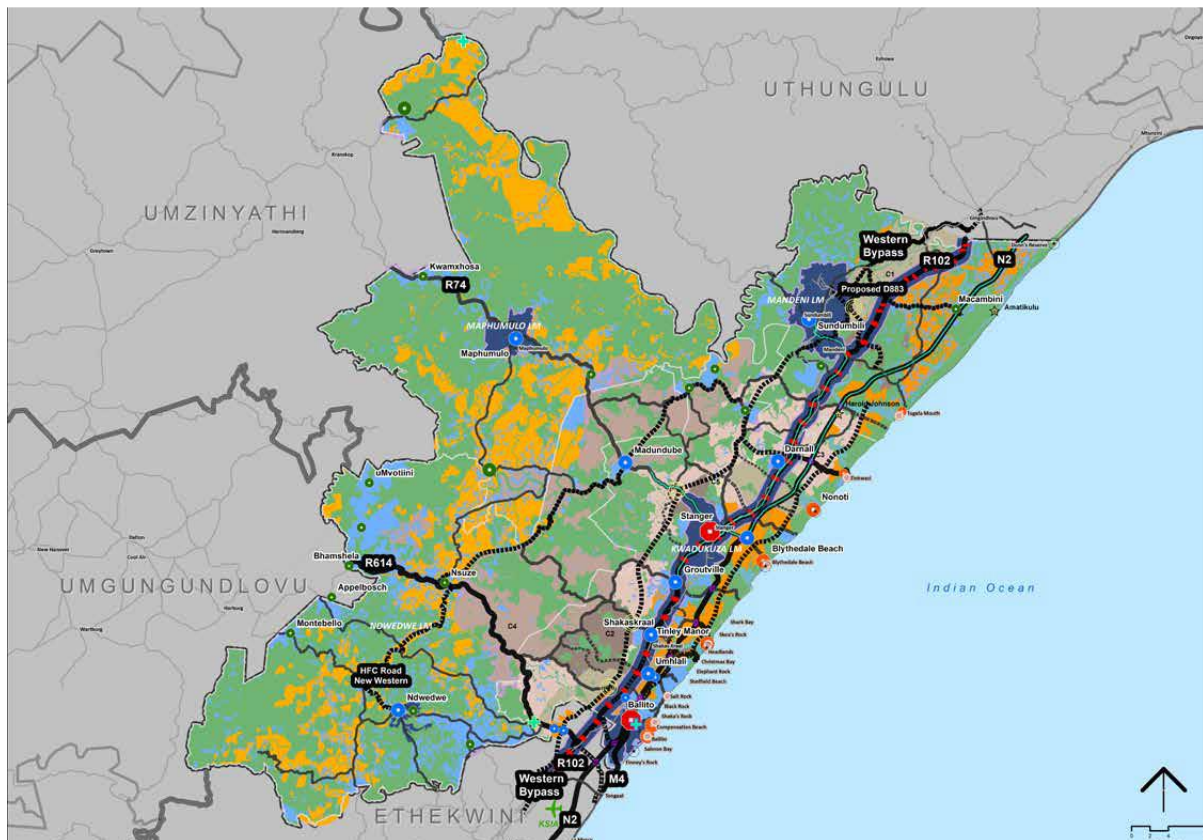
The district is home to 4 Traditional Authority (TA) areas which cover approximately 63% of the total area of iLembe. Ingonyama Trust owns most of the land within the municipality of Maphumulo, the lower reaches of Ndwedwe (69%), coastal and inland reaches of Mandeni (49%) and a small portion at the northwest of KwaDukuza.” (iLembe District, 2019) The responsibility still rests with the district and local municipalities to provide services to households on these lands. As above, one of the key challenges to this is the lack of densification of these households. The DDM needs to look at the district in its entirety looking not at it as separate areas but one area where interconnectedness needs to be considered.

From a spatial economic development perspective, a number of developments within the District can significantly impact on future spatial development. In reviewing the spatial development concepts for the KwaDukuza Municipality note must then be taken of:

- R102 Western By-pass
- Access to Infrastructure
- Major Developments
- Transformative Public and Private Sector Developments.

The iLembe District Growth and Development Strategy (iLembe 2019), identifies a number of Transformative Enablers, both public and private sector driven, that if implemented, will need to be accommodated and will impact on spatial development. However, the enlisted Transformative Enablers reflected in the iLembe District plan appear to be centred in the KwaDukuza Municipality which is of some concern for achieving future equitable spatial development across the District.

Figure 17: Consolidated iLembe Spatial Development Framework, 2021



Environmental vulnerabilities

The CSIR developed in 2019⁵⁴ a vulnerability index where it is defined as the "The conditions or processes that are driven by different economic, social, physical and environmental factors and that have the potential to increase a system's exposure to the impact brought on by a hazard". A comprehensive set of criteria were developed to determine the municipalities across the country. Four main criteria were applied at municipal level⁵⁵:

- Social vulnerability
- Economic vulnerability
- Physical vulnerability and
- Environmental vulnerability.

Social vulnerabilities are the factors that shape and influence the susceptibility and coping mechanisms of communities. Indicators for social vulnerability attempt to consider, firstly, the sensitivity to natural hazards of a population and, secondly, the ability of the population to respond to and recover from the impacts caused by the natural hazard.

⁵⁴ CSIR. Green Book. 2019

⁵⁵ The economic growth indicator was computed by the CSIR using value-added measures for different economic sectors at the municipality level in South Africa. Capital per worker was the ratio of gross fixed capital formation to employment and was also for different economic sectors at the municipality level. Value-added figures, together with capital and labour were sourced from QUANTEC.

The economic dimension of vulnerability can be described as the potential risks posed by hazards on economic assets and processes within the settlements and their municipalities. Potential hazards can be job losses, increased poverty, and interruptions in business activities. Economic vulnerability includes the lack of diversity of a local economy and a dependency on declining sectors. Economic vulnerability also includes a focus on people living in poverty as they are inevitably more vulnerable to disasters and climate-related hazards because of several reasons, including that they often lack the necessary resources to build (and re-build) safe and secure homes, have limited or no access to insurance, and are often located in informal settlements with limited access to good quality basic services.

The physical dimension of vulnerability relates to the built environment, its fabric and built structures (buildings and infrastructure) and focuses mainly on the conditions that exist before a hazard occurs (exposed elements and their characteristics) and the expected degree of loss which results from the occurrence of a hazard of a given magnitude.

The environmental dimension of vulnerability can be defined as the vulnerability and risk to the natural environment and in the case of settlements the impacts on the ecological infrastructure on which such settlements are dependent. The environment that is at risk includes populations and communities of organisms, ecosystems, habitats, physical and biological processes such as reproduction, diversity, energy flows, ecological resilience and natural selection. In essence, it is the external conditions, factors and influences that affect and surround a settlement or community, including both human-built and natural elements.

The tables below indicate the summary results for iLembe and its four local municipalities compared to the Provincial and National averages. Some of the results are surprising but it is a reflection of the population and economic pressures that the District is under. The main trends shown in Tables 10 and 11 are:

- The total iLembe District average vulnerability is greater than the National average but lower than the Provincial average.
- The social vulnerability of iLembe is significantly higher than the National average although, it is in a better position compared to the Provincial average.
- The economic vulnerability of iLembe compared to the Provincial average is slightly higher but better than the National average. The physical vulnerability of iLembe is better than both the National and Provincial averages.
- Environmentally, iLembe is worse off compared to the National average but better than the Provincial average.
- Interesting to note is that the economic vulnerability of KwaDukuza is significantly higher than the National, Provincial and District average vulnerabilities.
- Likewise, the social vulnerabilities of Ndwedwe and Maphumulo are higher than the National, Provincial and District average scores.
- Ndwedwe and Maphumulo are the only local municipalities where the total vulnerability is higher than that of the Provincial average.

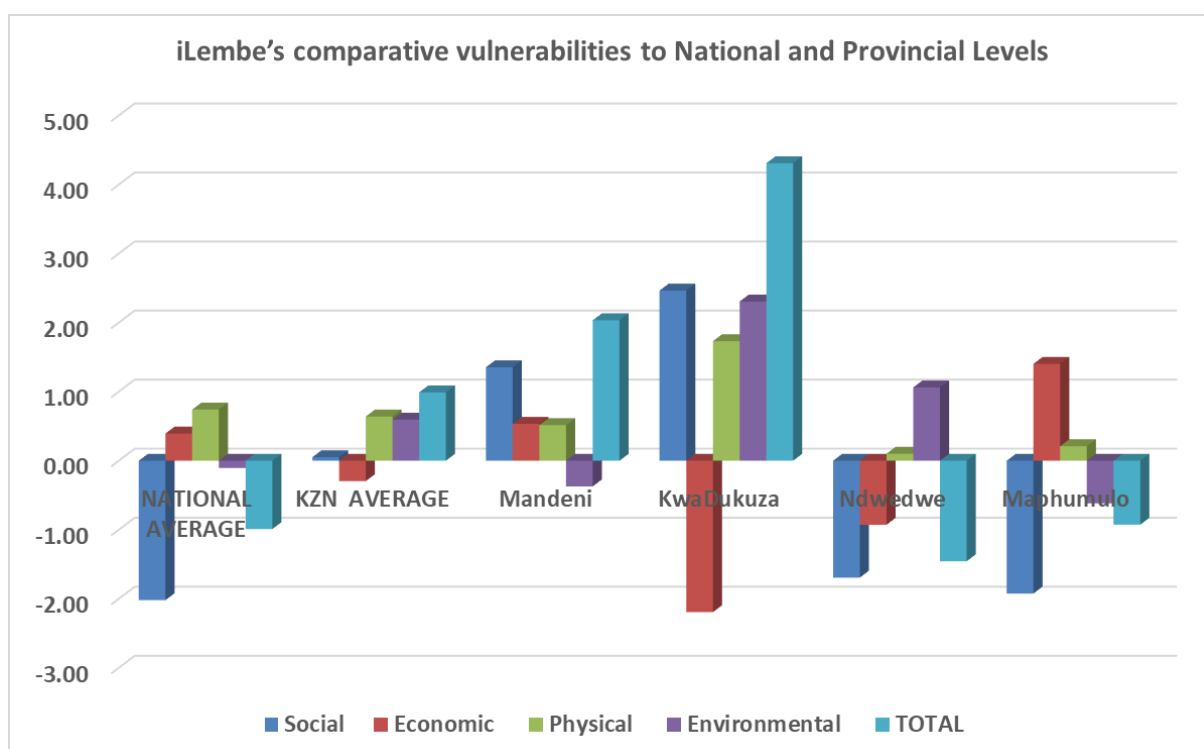
Table 15: Summary of CSIR Vulnerability Assessment index score based on 2011 data

The higher the vulnerability index out of a maximum score of 10, the higher the level of vulnerability of the municipality.

MUNICIPALITY VULNERABILITIES	Social	Economic	Physical	Environmen tal
NATIONAL AVERAGE	5.04	5.53	5.97	4.22
KZN PROVINCIAL AVERAGE	7.11	4.84	5.87	4.92
ILEMBE AVERAGE	7.06	5.14	5.23	4.33
Mandeni	5.76	4.31	5.35	5.29
KwaDukuza	4.65	7.03	4.14	2.61
Ndwedwe	8.80	5.77	5.77	3.86
Maphumulo	9.03	3.44	5.66	5.54

Source, CSIR Greenbook Vulnerabilities, 2018

Figure 18: iLembe and Local Municipalities' vulnerability assessment



Source: CSIR Green Book, 2019 interpreted by iLembe Vuthela LED, 2022

Note: The National and Provincial Averages is that of iLembe. The vulnerabilities of the Local Municipalities are to that of the Province only. See Table 10.

Environmental Sustainability

Climate Change

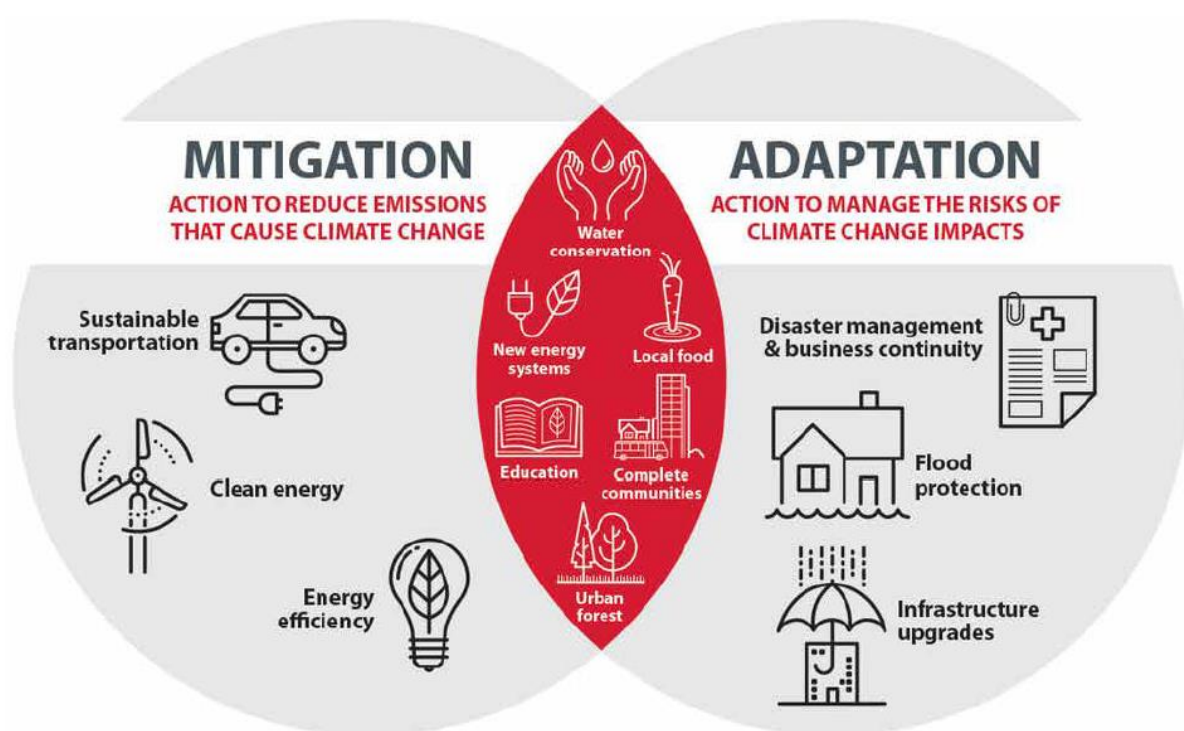
iLembe District Municipality has a warm, temperate climate that is strongly influenced by the local topography as well as the district's proximity to the Indian Ocean (iLembe District Municipality Wetland Report, 2017).

Whilst the above introduces climate change and the future of the district in terms of hotter days and heavier rains, a clear mitigation and adaptation strategy is required to direct the District to ensure proactive methods of dealing with the effects of climate change.

The IDP 2019/2020 has indicated that the district lacks the financial means to develop a Climate Change Response Strategy however, the Department of Environmental Affairs, through the Local Government Climate Change Support Programme has funded the draft response strategy. The projects highlighted within the IDP Review 2020/2021 will be included in the Capital Investment Framework.

It is imperative that at a District level and informant and guiding tool is implemented that will seek to assist local municipalities in the district in clear adaptation and mitigation. The district is in a vulnerable state given its stretching coastline and the accompanying sea level rise.

As of December 2020, the presidency has commissioned the formulation of a committee to monitor and assist the country in dealing with adaptation and mitigation of climate change. This excerpt follows along with an image illustrating the concept of adaptation and mitigation.



(<https://www.mrgscience.com/ess-topic-73-climate-change-ndash-mitigation-and-adaptation.html>)

The District adopted a Climate Change response plan in June 2021 that focuses on the adaptation of development in-line with anticipated impacts. Commonly anticipated impacts associated with climate change in general include the following:

- Warming temperatures and increases in the number, duration, and severity of heatwaves, which will lead to changes in the growth and distribution of plants, animals, and insects; poleward shifts in the distribution of marine species; and increases in coral bleaching.
- Impacts on infrastructure such as electricity and transport networks.
- A warmer atmosphere containing more water vapour which will increase the intensity of the whole hydrological cycle and change in precipitation patterns in time and space.
- The earth is expected to experience more variable weather than now, with a likelihood of more floods and drought, more intense hurricanes or typhoons, and more heatwaves

- e) The expected rise in global temperatures will affect human health, lifestyles, food production, economic activity, and residential and migration patterns
- f) Anticipated disruption in atmospheric circulation and storm patterns, humanity is expected to face a significant rise in global mean sea-level.

Some of these impacts are already being experienced within the iLembe District in several areas, which then required, of the Municipality, to make effort in avoiding and adapting to possible climate change impacts. The iLembe District has hosted two Climate Change Summits in the years 2009 and 2014, respectively. Several resolutions were taken during these summits. Some of these resolutions was for the district to a) Undertake a Risk Assessments at a local level to assess risks to inform risk reduction strategies and planning, and b) undertake a Greenhouse Gas Inventory for the District (including local municipalities) to assist in developing Mitigation programmes, and to move the iLembe District Community to a low-carbon society.

Biodiversity including the blue and oceans economies

The Convention on Biological Diversity sets out five principal pressures on biodiversity, namely (i) Habitat loss and degradation; (ii) Climate change; (iii) Excessive nutrient load and other forms of pollution; (iv) Over-exploitation and unsustainable use; and (v) Invasive alien species. A large driver of these pressures is human activities that place on the environment to support human lifestyles. Below is a list of other possible impacts on the biodiversity with the district:

- Uncontrolled human settlement and ribbon development is transforming the natural vegetation.
- Overgrazing threatens natural vegetation integrity.
- Alien invader plants infestation is transforming natural vegetation.
- Lack of biodiversity information within tribal areas.
- Loss of sensitive sites due to mismanagement/ lack of appropriate protection.
- Impact of urbanisation on the sensitive dune and coastal forests.
- Impact of urbanisation on estuary and riverine vegetation.

The iLembe District Coastal area is comprised of two coastal Local Municipalities which are KwaDukuza and the Mandeni Local Municipality. These two local authorities have a distinctly different characters, with KwaDukuza showing high levels of transformation and degradation because of extreme development pressure in the coastal zone and the predominance of commercial sugarcane cultivation. By contrast, Mandeni is characterised by more subsistence agriculture and less transformation of natural areas. A large percentage of the coastal area within the iLembe is characterized by commercial agriculture. The iLembe coastal zone is fed by over 8 estuarine systems, which are listed below, including the small streams and rivers entering the sea.

Renewable Energy

The Province, through its Growth and Development Strategy (PGDP) states that “we must prioritise alternative energy projects and or programs to determine their feasibility as a reliable supply of energy. Alternative energy supply or the green economy must become measurable in the PGDP with an institutional structure accountable to ensure targets are met”.

The lead sugar and timber mills have co-generation in place to run their own electricity. “They have advanced feasibility studies and engineering plans to substantially expand co-generation with a view to selling surplus electricity into the grid, thus creating additional revenue streams. The Sugar Association of South Africa has been actively supporting them in these endeavours.

Some sugar lead firms have also conducted feasibility studies for ethanol production at scale.⁵⁶ Both this and co-generation are understood to be important opportunities for diversification from sugar production as the trend toward declining sugar consumption accelerates. Both expanded co-generation and ethanol production will rely on increased uptake from growers and/or increased number of growers' participating in the value chain." (UNIDO, 2017)

This presents an opportunity for the district. One of the proposed plans to address the energy shortages within the district is for renewable energy sources to be developed. Because of the amount of biomass produced by the sugar and timber industries, the province designated the district as the "renewable energy hub" of the province. Some sugar mills currently produce electricity to power their own mills through a process known as co-generation. The sugar association has noted the potential to convert 600,000 to 1 million tons of surplus sugar into 360 to 600 million litres of bioethanol. Of interest, in the iLembe Chamber's 2019 mid-year business confidence index review, the agriculture, forestry, hunting sector was the second most confident sector, partly attributed to renewed interest in ethanol production. Expanded co-generation and/or ethanol production however will require the assistance of municipalities to navigate the regulatory environment, get appropriate licences etc.

One of the mills in the district has developed a feasibility assessment to move from co-generation to generation but given the existing tariffs from NERSA, this proved not to be feasible. The KDM has in their IDP a plan to build electrical infrastructure to the Gledhow Mill to purchase electricity should they start producing to for sale. The other constraint to this happening is that current regulations do allow a municipality to purchase power directly from a producer but only with a Section 34 determination. This regulation is currently being challenged in the High Court by the City of Cape Town. It is noted that during the State of the Nation address in 2020, President Ramaphosa stated that "We will also put in place measures to enable municipalities in good financial standing to procure their own power from independent power producers".

The potential for expanded co-generation, although understood to attract a higher cost of investment for lead firms than ethanol, is substantial. Tongaat submitted a bid to the Renewable Energy Independent Power Producer Procurement Programme (RE IPPPP) for a 100 MW facility, whereas most of the existing facilities generate between 2-5MW on average⁵⁷. Co-generation at scale and ethanol production will increase the value of the sugar cane plant and waste matter and thus the revenue stream for growers. Some movement has recently taken place to create the enabling environment for this, when in December 2019, cabinet approved the Biofuels regulatory framework.

The iLembe District Renewable Energy Scoping Study was undertaken with the aim to assess the potential solar and hydro energy resource in the district. The report revealed that there is potential for Hydro-Electric Power (HEP) to be developed in the future but there are no existing dams in the Thukela river in the immediate iLembe area so either a new dam or diversion works would need to be constructed first. There are legal and institutional implications which need to be explored prior to this being carried out. Further investigation could be carried out as to the potential of the Mvoti River to provide HEP. Other foci should be on solar then even wave / ocean technologies.

iLembe receives between 15-20% less irradiation than the rest of South Africa. The best region for installing the Photovoltaic systems is within the 10 km coast of iLembe. Smaller plants are viable and can be used to offset the amount of electricity produced. There is potential for more renewable energy

⁵⁶ <https://northcoastcourier.co.za/133788/sugar-industry-lifeline/> Sugarcane ethanol is an alcohol-based fuel produced by the fermentation of sugarcane juice and molasses. Because it is a clean, affordable, and low-carbon biofuel, sugarcane ethanol has emerged as a leading renewable fuel for the transportation sector

⁵⁷ (UNIDO, 2017)

sources in iLembe District, however these methods should be explored in more detail with regards to feasibility, budget, and potential locations.

B.4. INFRASTRUCTURE ENGINEERING

Strategic infrastructure

New economic development has a positive impact on the District's economy and finances. However, development associated with the growth has an impact on the demand for essential engineering services such as water, sanitation, roads and stormwater, solid waste and electricity and social services like clinics, schools and other public amenities. The cost of providing the infrastructure in the District is, however, high.

Coordination around such infrastructure is important as different agencies and departments as well as government levels have responsibility for this. For example, iLembe provides water infrastructure, the Department of Transport, roads, and local governments and Eskom are responsible for electricity provision as well as local roads.

President Ramaphosa announced in July 2020 that "Extraordinary measures are required to return us to a path of sustainable growth. Central to this is infrastructure construction and maintenance, which is the flywheel for the economic growth and large-scale job creation". Yet, no significant government-led infrastructure project has been initiated since 2018.⁵⁸ Government seems determined to do everything at once but with very limited capacity. The vast collection of developmental requirements placed on governmental and private sector renders many projects unviable. Projects are not only expected to be financially viable and sustainable but must also meet the Sustainability Development Goals (SDG), environmental sustainability, job creation goals, SMME development goals, buy locally goals, women, youth and disabled requirements, face increasing rates and utility services charges within an environment of Covid-19 pandemic and civil unrest and high crime levels. The viability of projects is being "over-burdened" with developmental goals, which although laudable, collectively renders many projects unviable and promotes a withdrawal of investor interest. The consequence is that very little gets done by government and private sector⁵⁹.

Construction mafias and general lawlessness must be dealt with. Construction mafias are local groups that demand a significant portion of the project's contract, who if thwarted, resort to violence and intimidation to prevent the project from continuing. This is a big hurdle preventing increased private sector investment.

In June of 2018, a Commission on Strategic Infrastructure in the district, identified several important infrastructure issues and made recommendations in addressing these. They include intermodal facilities, roads infrastructure, rail transport and infrastructure and an airstrip. Further engagements between the District and the Infrastructure South Africa programme on 13 May 2021, identified catalytic projects in iLembe as follows:

⁵⁹ CDE. Accelerating SA's Infrastructure Programme. What is holding us back? 7 February 2022.

Table 16: Catalytic projects in iLembe, 13 May 2021

No.	Project name	Brief description	GPS coordinates	Project budget
1	1. KwaDukuza Regional Wastewater Treatment Works	Construction of Regional Wastewater Works for the iLembe District Municipality.	31°17'50,581"E 29°22'25,788"S	R 300 000 000
2	Dukuza Substation	Establishment of 160MVA 132/33/11kV substation and 33kV lines	31°11'38,723"E 29°30'27,181"S	R160 000 000
3	Maphumulo Town development	Construction of supporting infrastructure for the formalized Maphumulo town	29° 9'26.42"S 31° 4'9.22"E	R 97 100 000
4	Ndwedwe Town development	Construction of supporting infrastructure for the formalized Ndwedwe town	30°56'5,947"E 29°30'54,264"S	R 118 000 000
5	IsiThebe revitalization and renewable energy hub	Construction of support infrastructure in the industrial estate and introduction of renewable energy manufacturing	31°25'11,312"E 29°6'5,511"S	R305 524 251
6	Dokodweni Beach precinct development	Provision of support infrastructure to unlock the node for investment and tourism	31°38'40,756"E 29°4'50,939"S	R 91 000 000
7	Tinley Manor node water and sewer infrastructure	Construction of water and sewer infrastructure to support proposed developments in the node	31°17'18,452"E 29°26'45,965"S	R 34 480 410

Source: IDM Presentation to Infrastructure South Africa, 13 May 2021.

2.4.1.1. Transport infrastructure

The PGDP notes the following: “The increasing connectivity by road, rail, airport and harbours is fundamental to the realization of the provincial industrial hubs, agri-parks, Aerotropolis and new urban spaces or secondary cities. In addition, infrastructure stakeholders have recognised the need for multi-modal facilities that cater for fast-moving consumer goods as well as bulk minerals and lighter manufactured goods. Mandeni local municipality has been identified as an area for such a multi-modal facility and currently is in the planning phase.”

The PGDP further notes that “Development of the King Shaka International Airport Public Transport Solution Link from KwaDukuza through Dube Tradeport/Airport, Gateway/uMhlanga, to Durban as well as potential extension to Pietermaritzburg and/or Richards Bay. The terms of reference have been finalised. Presently in the process of procuring a transaction advisor.”

The district is in very close proximity to the KSIA. There are two additional airstrips within the province at Darnall and IsiThebe, noting that the IsiThebe one is not functioning. The current DGDGP highlights the need for the development of a registration standard airstrip within the district. This is “to provide safe facilities for emergency services, doctor outreach programmes and law enforcement agencies, and to assist rural municipalities in meeting their disaster management mandates”. This needs to be reviewed under this DDM.

The primary road corridor through the district is the N2 highway, travelling between north and south of the district. The road is of critical importance as it connects the district to the port and SEZ in the north, KSIA in the south, and further south to eThekweni’s port and further onto Gauteng and countries north of South Africa. Of concern is the continued roadworks construction on the highway between Ballito and KwaDukuza which have been stalled for almost 4 years. This causes congestion during peak hours and has caused significant frustration to motorists. It is noted that the roadworks is finally due to begin again in 2020.

Parallel to the N2 runs the R102, an important mobility corridor linking towns and businesses within the district. This road is at times heavily congested and while there are opportunities for commercial activity development along the road, the provincial DoT is reluctant to allow for more feeder roads on to this one. Opportunities related to this need to be investigated within this DDM.

Other key roads are the R614 road, which runs through Ndwedwe providing a link to Wartburg, and the R74 which runs through Maphumulo providing a link to Kranskop. The P711 is the connection to Maphumulo which is being upgraded during 2020. The presence of good quality road networks from east to west is critical to link with the main transport nodes within the district.

Adequate road infrastructure is critical to connecting the more rural areas of the district with the more urban areas, thereby bringing economic opportunities across the district. A current economic constraint is the road from Isithebe to the N2 which passes through the township of Sundumbili, with significant traffic congestion. An alternative road has been mooted in the Project Steering Committee dealing with Business Retention and Expansion within the park.

There is a proposed new rapid rail link proposed from Durban – KSIA – KwaDukuza. It is noted however, that given the current passenger handling of KSIA (5 million passengers per year), this does not currently warrant a dedicated rail network.⁶⁰ However, as airport clients increase in the future, this might become necessary to do away with road-based transport congestion.

In terms of rail, the DGDGP notes that the “rail service is extremely inadequate currently and does not even complement existing road-based transport”. The DGDGP further states that “the solutions lie in suggestions which encompass the reconfiguring the rail service towards Light Rail Transit type (smaller train sets) and consolidating development around railway stations. Rail is seen increasingly as being part of an inter-modal solution to both passenger and freight transport”. It is not clear if the light rail transit types would accommodate only passenger rail. The precise plans of Transnet and PRASA with regards to rail for the future need to be determined to identify interventions under this DDM.

2.4.1.2. ICT infrastructure

On a provincial level, “a decision has been made to conduct a complete review of the provincial ICT and e-government Strategy as well as conduct a baseline study of the ICT infrastructure in the Province, including mobile base stations and broadband fibre to establish a baseline and gap analyses and develop alternative funding models which will leverage the SA Connect project”. (KZN Office of the Premier, 2019) To this end, the province is establishing digital hubs in various locations across the province, however not in iLembe. EDTEA is however in the process of completing a business plan in conjunction with the Moses Kotane Institute for the establishment of a digital hub within Isithebe. At this point it is not known what the operations of the hub will look like.

Furthermore, the provincial Techno Hub will be located at DTP, near the district. The province also aims to have 100% of schools connected by the year 2020 and 50% of clinics connected in the same timeframe. These projects are being undertaken with parallel projects to increase ICT skills.

Some of the provincial interventions, to which the DDM should consider alignment are as follows:

- Expedite the roll out of broadband backbone infrastructure
- Expand community access to broadband services
- Increase bandwidth for economic competitiveness

⁶⁰ https://m.engineeringnews.co.za/article/fourteen-airport-rail-links-planned-in-africa-including-two-more-in-south-africa-2016-12-15/rep_id:4433

- Expand public Wi-Fi
- Telemangement option with the GIZ & SECO Streetlights project. This allows for WiFi access to the public from telemangement-enabled streetlights. More info from IDM's ICT Manager Gugu Tywabi - responsible for projects related to renewables such as the solar streetlights & potential telemangement.

It is also important to note that the province is planning on rolling out a smart city concept at the Dube Trade Port. This concept includes:

- Global connectivity (logistics, links between air and port freight, increased air connectivity etc.)
- Digital connectivity (broadband access, cloud services, data services etc.)
- Smart mobility (use of public transport, walking and cycling to work, residing in close proximity to work, etc.)
- Enabling infrastructure (renewable energy use)
- Smart Community (internet access, techno hubs) (EDTEA, 2017/2018).

Given the global move to digitalisation and the fourth industrial revolution, it can be expected that the district's growth and development trajectory will be largely reliant on the availability and uptake of ICT. The infrastructure that supports this is of critical importance. ICT can contribute to economic growth through lowering of transaction costs, creating new opportunities for innovation, providing access to new markets etc.⁶¹ In addition, access to information for learners, communities improve education and social connection. Government work can greatly benefit from access to digital resources which will ultimately improve service delivery.

Currently, most residents in the district have no access to the internet. Of those that do, this is mostly through their phones.

Table 17: iLembe internet coverage, 2016

Internet services	
Yes	6%
No	91%
Unspecified	2%

Source: Statistics South Africa, Community Survey, 2016

Current ICT infrastructure:

- 1,484km of fibre optic cables currently installed in the iLembe District.
- 159 3G base stations.
- 56 4G base stations.

The iLembe District, primarily through its development agency, EI, has performed thorough research on options for rolling out broadband in the district to improve government service delivery and create an enabling environment for economic development. The family of municipalities in the district are very limited in their internal and intergovernmental communications capacity, with slow internet speeds, high costs, and few linkages between the various municipal offices. This severely hampers service delivery and constraints municipal officials in adoption of newer systems and technology which could aid them in their respective mandates.

⁶¹ <https://www.sciencedirect.com/science/article/pii/S0970389618300260>

Likewise, poor infrastructure has meant that the private sector is limited in their ability to make use of newer communication technologies, and high costs prevent SME's from accessing affordable, fast and appropriate broadband and technologies. Access to cheap, affordable data services are also required for the public's use, enabling better communication, to transact electronically and ensure access to information.

To this end, Enterprise iLembe has launched a iLembe Broadband project and have completed a broadband master plan for the district. Specifically, this plan:

- Determines the broadband needs of each municipality
- Developed broadband infrastructure architecture
- Includes a commercialization model
- Includes information packs for potential funders.

The study identified that R339 million capital investment is required to close infrastructure and access gaps, with an annual operational budget requirement of R5.2 million. An application has been made to DBSA to fund the roll out of infrastructure as part of their master plan.

2.4.1.3. Energy

A reliable, affordable energy supply is critical to underpin a growing economy as well as sustainable human settlements. The PGDP has as a strategic objective to "ensure access to affordable, reliable, sustainable and modern energy for all". To this end the province has several programmes, in partnership with Eskom and other departments to roll out household connections, including bulk infrastructure. It also stresses that maintenance of existing electricity infrastructure must become a priority on local levels. Included in their strategic objectives, is one related to reduction in distribution losses, both technical and non-technical. A provincial energy master plan is currently being developed for KZN which should direct interventions in this regard.

The major source of electricity in the municipalities of KwaDukuza and Mandeni is from Eskom. Ndwedwe and Maphumulo households make use of candles as the main source of energy. Eskom provides bulk electricity to the iLembe District in the areas of Maphumulo, Ndwedwe, parts of Mandeni and a small portion of KwaDukuza.

In terms of access to electricity of residents of the district, the following table shows that 93,361 persons do not have electricity at household level. This is 14% of the total. This aligns with province wide statistics.

Table 18: iLembe electricity supply, 2016

Electricity supply	Persons	%
Yes	527,460	80%
No	93,361	14%
Unspecified	36,791	
Total	657,612	

Source: Statistics South Africa, Community Survey, 2016

The energy infrastructure in the district is also not able to meet the required demands for planned property investment. The Dukuza substation is currently moving into the construction phase and is required to facilitate the planned industrial development at the Compensation Node.

Furthermore, the district has over the years, as with all other parts in South Africa, being hit with load shedding, having a negative impact on growth and development. The iLembe Chamber of Commerce, Industry and Tourism puts out a bi-annual business confidence report (see Section 2.2.2.2. Business Confidence). The uncertainty around electricity is often listed as a constraint to business growth.

To ensure the energy supply is sufficient to meet the future demand, the following interventions should be introduced:

- Improved access to energy services.
- To ensure energy is efficient.
- Introduce renewable energy sources.
- Business and residents to be part of energy strategies.
- Explore innovations in cleaner energy technology.

2.4.1.4. Water and Sanitation

The total water demand for all households within the iLembe District is approximately in the region of 111.09 Ml/day. The existing total household demand for each local municipality in 2016, was broken down as per the following:

- KwaDukuza 58.42 Ml/day
- Mandeni 29.83 Ml/day
- Ndwedwe 15.26 Ml/day
- Maphumulo 7.58 Ml/day (iLembe Water Master Plan, 2016).

iLembe District obtains its water from three water catchments in the Province which include the Thukela River, uMdloti River, and uMvoti River. Currently, in terms of census data only 17% of the population in the iLembe district had access to water within the dwelling, with the rest of the population obtaining their water supply from dams, rivers, streams, or springs.

Whilst Bulk Water Supply Schemes have been proposed with the intention of providing additional water supply to the iLembe District, water infrastructure is still lacking in most areas and requires significant spend to provide reticulation systems to the areas. There is already an extensive network of bulk water infrastructure. A key point being that in both the Ndwedwe and Maphumulo areas, only 5% of the household dwelling units have access to water in dwellings. There are numerous communal standpipes and water services.

The population growth trends have been forecasted in the Water and Sanitation Master Plans. The future infrastructure capacity provision has been investigated based on the Water and Sanitation Master Plans (2016) future demand planning of expected future population growth for 2035. To note no detailed demand analysis has been undertaken, but rather a high-level check as to whether the sanitation infrastructure provided will be sufficient for the future growth. This must be reported on with the service level policy and targets of the IDM.

To ensure the water supply infrastructure is sufficient to meet the future demand, certain interventions should be introduced:

- Water storage should be optimised.
- Smart metering should be introduced to monitor flow, as well as aid the prevention of leakages and reduce non-revenue water usage.
- System sensors be installed to improve the monitoring of water quality, control resource pollutants, monitor infrastructure load, detect theft and illegal connections.

- Consumer education be considered to improve consumption behaviour.
- Means to recycle effluent water be introduced.
- Industries requiring large volumes of water for processing, should be required to treat and reuse the water continuously. This will require new bylaws and enforcing of these bylaws.

B.5. INTEGRATED SERVICE PROVISIONING

Human and community development is one of the key themes of the PGDS. The theme includes social services such as welfare and health, the settlements and structures in which people live, safety and the building of bonds between people who live in these communities.

The top three priorities that the KZN Provincial Government should attend to within iLembe District Municipality are job creation, provision of housing and poverty eradication.

Human settlements

Given the backlog in providing housing to the population of the district, the current state of the housing particularly in some areas, and the expected migration of persons from rural to more urban areas, planning for housing is critical for the district.

The policy shift in the Department of Human Settlements from housing to human settlements reflects the recognition that sustainable and viable settlements require development beyond just housing. This includes planning to ensure a safe living environment, access to economic opportunities, and access to social support services such as schools and clinics.

A significant challenge exists in addressing the spatial legacy of Apartheid in the lack of available, and affordable land close to economic centres. In more rural areas, houses are located far from each other, and this provides challenges in the provision of basic services such as water and electricity.

The focus on a provincial level on human settlements is informal settlement upgrades, new settlement development, gap and social housing development and growth of rental stock. The province also drives a title deed restoration project to provide security of tenure to its residents.

In iLembe, the challenges experienced mirror those experienced province wide. According to the Community Survey of 2016, there are 16,170 households housed in informal, temporary structures in the district. The vast majority are in formal housing (141,384) but there are also 32,114 traditional homes. The iLembe SDF illustrates that majority of the District is allocated for housing projects, the exact status of the project and the duration until realisation is vague.

KDM has 12 housing projects, which have been allocated budgets in the 2019/2020 financial year, Mandeni has 3, Ndwedwe 2 and Maphumulo 6.

Several housing mechanisms are available in the district and nationally that have been introduced by the Department of Human Settlements including the following:

- Integrated Residential Development Programme
- Social Housing Programme in Restructuring Zones
- Informal Settlements Upgrading Programme
- Finance Linked Individual Subsidy Programme
- The Special Presidential Package Programme on Revitalisation of Distressed Mining Communities
- Enhanced People's Housing Process

Security of tenure, in the form of title deeds urgently needs to be addressed in the district. Historically, housing developments did not include the handing over of title deeds to beneficiaries. Since these houses were developed, many have been sold informally or ownership has changed due to bereavement, divorce etc. Tracing rightful owners is a complicated and potentially expensive project which is currently being funded by the KZN DHS through their Title Deeds Restoration Project. According to the 2016 Statistics South Africa Community Survey, 268,000 households in iLembe do not have the title deed to their property.

The issue of title deeds or similar tenure rights in ITB land is also problematic. It is often noted that title means property is an economic asset which can be used as collateral or transferred. The lack of title in ITB areas means that land is not an asset, a hinderance to economic development of these areas. More recently, Permission to Occupy (PTO) certificates are being converted to leases, but it is noted that this does not confer property rights which include ownership to the person residing on the property. It is noted that the King noted in 2016 that ITB residents will start to receive title deeds to their land but that this has not yet taken place.

The availability of land to develop housing to address spatial inequality is a significant challenge. High value land located on the coastal strip is in private hands and sold at high cost for high-end property development. Similarly, land adjacent to economic centres is generally not financially viable for low-cost housing when it is available. Increasingly, housing is developed outside of economic centres reinforcing Apartheid spatial planning.

Also located on town peripheries are informal settlements which do not meet the standards for liveable housing. Service provision in informal housing is also extremely challenging. Significantly, the Isithebe Industrial Park is surrounded mostly by informal settlements developed by people moving to the area in search of work at the Park.

Social support services

Health

There are four (4) Public Hospitals (one Regional Hospital and three District Hospitals), two (2) Private Hospitals, two (2) Community Health Centres and thirty-four (34) Primary Health Care (PHC) clinics located within the district.

The Department of Health has identified the need to shift focus from a health system centred around curative care, to a system centred around Preventive and Promotive Health, based on the principles of Public Health and Community Oriented Primary Care (COPC). This aims at taking health services to the level of wards, villages and households.

The District aspirations with regards to health are as follows:

- Impact: Increased Life expectancy
- Outcomes:
 - Universal health coverage
 - Improved client experience of care
 - Reduced morbidity and mortality
 - Self-reliant communities.

South African Police Services

The PGDP notes that “communities and individuals in KwaZulu-Natal face a broad and diverse range of safety and security challenges” from “violent crime such as assault, robbery, burglary and hijacking, to commercial crime which includes white collar crime and cybercrime to fraud, from theft of non-ferrous metals and wildlife poaching to corruption.” As discussed in the construction section above, it is noted that the construction mafia are a problem across the country; “the emergence of organised extortion groups, such as Delangokubona, also poses a threat to the security of the State”.

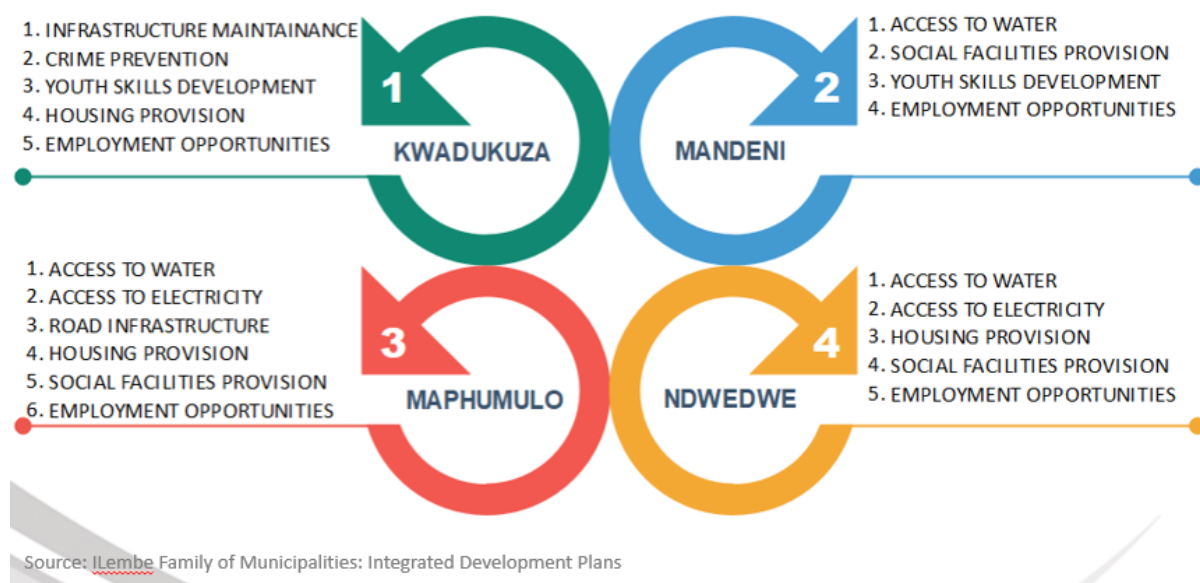
The KZN Provincial Safety Strategy has the following strategic goal, each with several strategic objectives:

- Crime and violence combatting and prevention
- Building Positive Societal Attitudes and Values and Enhancing Community Involvement in Local Safety Promotion
- Enhancing Criminal Justice System Effectiveness and Efficiency.

This strategy and the interventions within the PGDS / PGDP need to inform this DDM

There are 9 police stations within the district. It is noted that given the size of the district, the location of some of these stations is quite far from the community they serve, adversely affecting the quality of life in these communities.

Figure 19: iLembe Community Priority needs per Local Municipality.



Key Factors Influencing Development

The following is a list of the key factors of influence on future development of iLembe District relating to Integrated Service Provisioning in the District. These represent the high-level issues that will form the strategic intelligence for the visioning and strategy of this One Plan.

- ❖ The maintenance of infrastructure and facilities by Provincial and Municipalities through which services are provided.
- ❖ Increasing rates and utility services.

- ❖ Financial sustainability of the local and district municipalities and requirements for sustainable operational public finance
- ❖ Increasing urbanisation and demands for infrastructure development and services
- ❖ Social development considering the high levels of rural and urban poverty.
- ❖ Social justice and equitable access.

B.6. INSTITUTIONAL AND GOVERNANCE

Governance And Policy

The 2017 iLembe DGDP highlights the following core items with respect to Policy and Governance within the District:

- Institutional arrangements to drive and monitor the DDM;
- Strengthen policy and strategy co-ordination and IGR
 - Towards Metropolitan Status
 - Monitoring and evaluation
- Build government capacity
 - District Human Resource Development Strategic Objectives
- Eradicate fraud and corruption
- Promote participative, facilitative and accountable governance
 - Improve relationship between Traditional Councils, Municipalities and Provincial Departments
- The Governance and Policy elements of the DDM require a substantial overhaul to be more relevant to meeting the requirements of strategic objectives of the DDM and the “One plan”;
- identify current human resource support requirements within the municipality.
- support inter and intra public sector governance improvements.
- accommodate institutional changes and shifts which have occurred post 2017.
- include multi-stakeholder governance arrangements.
- foster a more inclusive, dynamic, and active citizenry.

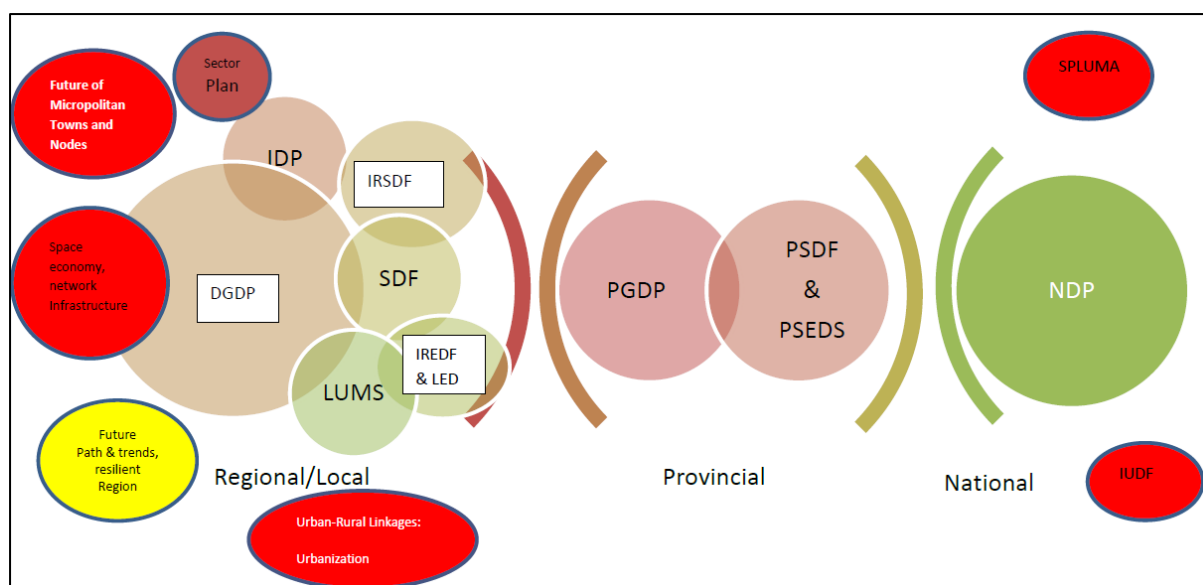
These items will have to be addressed in the process of preparing the DDM and would require effective consultation with all affected stakeholders to provide a set of optimal guidelines for those governance issues not already set out by in the law and which can optimally support the growth and development of the district.

Alignment with national, provincial, and other districts plans

The DDM must align to the contextual National, Provincial, and other District Plans. Being a long-term strategic plan, the DDM takes direction from those plans but also, in turn, informs those plans.

District and municipal plans are required to consider national and provincial plans. In many of the planning reports tables of existing plans are identified and listed. These are however not particular useful in that they do not show how these plans articulate with one another. The DDM needs to have this function for the district. The role of the DDM must be to focus the attention of these various spheres of government to ensure that their statutory planning and budgeting processes are “guided” by the key objectives of the One Plan. The following diagram shows the various planning processes across national, provincial, and local government.

Figure 20: Provincial and local government planning processes



Source: (iLembe District , 2017)

The expectation is that the principal of interactive planning applies to all levels of plans. The PGDS/P must align to the National and District Plans, taking direction from them but also informing them of future directions. The same also applies to the National Plans and the Local Plans. The Constitution provides for three spheres of Government and not a hierarchy of levels of Government.

It is therefore clear that the DDM must be informed by the strategic objectives of the PGDs/P as well as national planning initiatives. On a local level, in the long and medium term, the PGDP needs to inform all strategic planning on district and local government level. In the short term however, the DDM should be informed by some of the considerations of local and district planning the IDPs.

The more important of the plans which need to inform the DDM are listed in the table below. Due to the integrated and alignment principle that is followed in all the stated plans, it is important to review the most recent and most relevant plan to the iLembe One Plan. Two documents important to the formulation of the DDM are:

- The KZN Provincial Growth and Development Strategy that is currently in draft for public comments.
- Kwazulu-Natal Covid-19 Economic Reconstruction and Transformation Plan.
- The iLembe District Spatial Development Framework also currently in draft for comments.

An important planning framework that has been undertaken is the KZN Provincial Spatial Development Framework, 2021.

Table 19: KZN Provincial and local development planning frameworks, 2021.

Name of Plan/Framework	Time Period of Plan	Date of issue	Responsible authority	Status in hierarchy
National Development Plan (NDP)	2030	2012	National Planning Commission	DDM needs to align with NDP – is the implementation instrument for the NDP.

Name of Plan/Framework	Time Period of Plan	Date of issue	Responsible authority	Status in hierarchy
National Spatial Development Framework (Draft)	2050	2019	Department of Rural Development and Land Reform, Department of Planning, Monitoring and Evaluation	Frame and coordinate provincial, regional and municipal spatial development frameworks
Provincial Growth and Development Strategy (Draft as of February 2021)	2035	November 2020	Provincial Planning Commission	Aligns with NDP Interpret and represent the spatial development vision of the national sphere of government. DDM needs to align with the PGDS. Reviewed every 5-years
Provincial Growth and Development Plan – to be reviewed after adoption of the PGDS	2035	2019	Provincial Planning Commission	Informed by the PGDS. Guides the implementation of the PDGS Reviewed annually
Provincial Spatial Development Framework (under review as in February 2021)	2011 and 2016	Revised PSDF to be issued	KZN Cogta	Under process of being reviewed in 2020 / 2021. Reviewed every 5 years.
KwaZulu-Natal Covid-19 Economic Reconstruction and Transformation Plan	Undetermined	2020	EDTEA	Sets a path for the economic recovery of the Province during and after Covid-19
KZN Tourism Master Plan	2030	2013 (2020 review has been delayed)	EDTEA	To inform tourism initiatives in the One Plan
District Growth and Development Plan	2035	2017 / 2019	IDM	DDM needs to align with PGDS. District and local government planning need to align with the DDM
Umgeni Water Infrastructure Master Plan	2050	2021	Umgeni Water	To inform DDM
KZN Infrastructure Master Plan		2015		To inform One Plan
District Health Plan	2020/1 to 2014/25	Date of Preparation: Reviewed on 30/03/2022	Prepared by: iLembe Health District	Status: Short term (5 year) plan, can inform formulation of DDM

Status And Hierarchy Of Plans Alignment

The Integrated Development Plans of the District and the Local Municipalities have been finalised (June 2021).

Table 20: Local planning frameworks, 2021

PLAN FORMULATION	TIME FRAME	DATE OF PREPARATION	PREPARED BY	STATUS
Integrated Development Plan Currently being updated	2024/2025	2020/2021	IDM	Instrument to implement DDMs over 5-year periods Informed by SDF
District Spatial Development Framework	2035	2020	IDM	Informs the IDP
DARDLR District Rural Development Plan	2025	2019	DARDLR	Identification of rural development and agricultural projects; Agric-Parks and FPSUs.
Rural development plan	2020	2015	IDM	Short term can inform formulation of DDM
iLembe Regional Water and Sanitation Master Plan	2036	2016	IDM	Short term can inform formulation of DDM
iLembe Integrated Waste Management Plan	2024	2019	IDM	Short term can inform formulation of DDM
District Health Plan	2020/2021	2018/2019	KZN Department of Health	Short term can inform formulation of DDM
Investment promotion and facilitation strategy	2022	2017	IDM	Short term can inform formulation of DDM
Wetland strategy and action plan	2030	2017	IDM	Short term can inform formulation of DDM
iLembe Broadband Master Plan		2016	Enterprise iLembe	Short term can inform formulation of DDM
Integrated Development Plans KDM MLM Maphumulo ML NLM	2024/2025 2024/2025 2022 2024/2025	2019/2020 2019/2020 2019 (review) 2019/2020	Municipalities	Long term, needs to be informed by the DDM Short term can inform formulation of DDM
Spatial Development Frameworks KDM MLM Maphumulo LM	2037 2037 2022	2017 2017/2018 2017	KDM MLP Maphumulo LM	Aligned with district SDF and DDM Integral component of the IDP
Electrical infrastructure master plan KDM MLM	2039 2039	2019 2019	KDM MLM	To inform DDM
Integrated waste management plans KDM MLM Maphumulo LM	2024 2024 2020 2022	2019 2019 2015 2017	KDM MLM Maphumulo LM NLM	To inform DDM Long and medium term, needs to be informed by DDM

PLAN FORMULATION	TIME FRAME	DATE OF PREPARATION	PREPARED BY	STATUS
NLM				
Mandeni stormwater master plan		2017	MLM	To inform DDM Long and medium term, needs to be informed by DDM
Mandeni Housing Sector Plan		2018	MLM / DHS	To inform DDM Long and medium term, needs to be informed by DDM
KDM low emission development strategic framework and action plan	2021	2015	KDM	To inform DDM Long and medium term, needs to be informed by DDM
KwaDukuza City Development Strategy		2017		To inform DDM Long and medium term, needs to be informed by DDM
Roads master plan for KwaDukuza Ballito area				Completed

Financial position of the District and Local Municipalities

Municipalities have been managing cash flow, reporting frequently on financial situation, and the District Command Council has placed focus on debt owed by provincial and national agencies. But weaknesses and eroding financial status of municipalities relate to fundamental issues requiring attention; a) Non-Revenue Water; b) Non- Revenue Electricity c) updating indigent register and implementation of data management system to better manage creditors. High levels of irregular expenditure in the District with steep increases in administered costs from municipalities particularly, with respect to electricity (15%) and water and sewage (7%).

The financial average annualised position of the Municipalities over a five-year period is indicated in the following table. Noteworthy is that KwaDukuza is the only Municipality that can fund their operations from own revenue generated.

Table 21: District financial information

Description - RM	TOTAL COMBINED	IDM	KDM	Mandeni LM	Maphumulo LM	NLM	Enterprise iLembe*
OWN REVENUE	1,715	190	1,373	94	20	23	15
Sale of water	150	150	–	–	–	–	–
Property Rates	487	–	410	48	16	13	–
Sale of Electricity	758	–	737	21	–	–	–
Refuse Removal	69	–	60	8	0	–	–
Other Income	252	40	166	16	4	11	15
National and Provincial Transfers	1,524	818	221	185	111	165	24
Equitable Share	914	423	134	138	79	122	18
MIG	335	191	57	33	23	31	–
WSIG	46	46	–	–	–	–	–
Other Grants	229	158	30	14	9	12	6
TOTAL FUNDS INFLOW	3,239	1,008	1,594	279	131	188	39

Description - RM	TOTAL COMBINED	IDM	KDM	Mandeni LM	Maphumulo LM	NLM	Enterprise iLembe*
EXPENDITURE							
Wage Bill	754	195	362	92	41	54	10
Operations and Maintenance	129	44	62	13	4	4	1
CAPEX: Infrastructure development	712	371	210	48	33	50	1

Source: Audited Annual Financial Statements for 2015/16 to 2018/19, and unaudited 2019/20 Annual Financial Statements

Non-cash items e.g. Depreciation and Amortisation, Debt Impairment etc are not included, but includes capital expenditure over a period of 5 years.

* Other Income - includes rental of facilities, licences and permits, interest received and fines

* Other Grants include Massification, Regional Bulk, Rural Transport, Town Planning, Town Establishment, Energy Efficiency, FMG, EPWP, DME, MSIG, Library, Neighbourhood, Corridor, Housing Development, Small Town rehab, MAP, Museum and Disaster, INEP, LGSETA grants.

* Wage Bill - Includes councillors' remuneration

* Enterprise iLembe - For 2018/19 and 2019/20 average values are used as the financial information for the last two financial years is not yet available.

* Finance Costs include interest on loan and finance lease.

B.7. CONCLUSION: GAPS FRAMEWORK FOR INTERNAL FACTORS

The preceding sub-sections of the report provided a strategic profile of the iLembe District. At the end of each of the subsections a list of key issues has been identified based on the status of development in the District. An analysis is provided in the sub-section below.

The strategic District profile provided in Section 2.1 to 2.6 identified key factors that may have an impact on the future development of the district. These "internal" District factors are analysed and assessed in this section indicating the relative consequence of the factors in terms of the extent, intensity and probability leading to a total consequence score, and interpretive assessment in terms of the duration and time scale of the development impacts of the identified factors.

The assessment of the key factors in Table 21 is based on the analysis and an understanding of the impacts of the factors, over 35 years to 2050. The assessment is based on a total score of three (3) for the assessed extent, intensity and probability of the factor occurring and the impact that it may have.

Table 22: Assessment of long-term consequence of development considerations, 2022 to 2050

FOCUS AREAS AND KEY INFLUENCES		EXTENT		INTENSITY		PROBABILITY		TOTAL	CONSEQUENCE RATING
PEOPLE DEVELOPMENT									
❖	Population growth trends	High	3	High	3	High	3	9	Very High
❖	Rural-to-urban migration	Medium	2	High	3	High	3	8	Very High
❖	Urbanisation	Medium	2	Medium	3	High	3	8	Very High
❖	Youth unemployment	High	3	High	3	High	3	9	Very High
❖	Ageing population	Low	1	Low	1	Medium	2	4	Very low
❖	Social protection	High	3	Medium	2	Medium	2	7	High

FOCUS AREAS AND KEY INFLUENCES	EXTENT		INTENSITY		PROBABILITY		TOTAL	CONSEQUENCE RATING
❖ Diversity and inclusion	Medium	2	Low	1	Medium	2	5	Low
❖ Food security/The future of food. Thus need the enabling environment to support investment, economic opportunities, education	High	3	Medium	2	High	3	8	Very High
❖ Poverty	High	3	High	3	High	3	9	Very High
❖ Education, skills, and learning	High	3	Medium	2	Medium	2	7	High
❖ Inequality	High	3	High	3	High	3	9	Very High
ECONOMIC POSITIONING								
❖ Economic growth and progress	High	3	High	3	High	3	9	Very High
❖ Risk and resilience	High	3	Medium	2	Medium	2	7	High
❖ Economic vulnerability	Medium	2	Medium	2	Medium	2	6	Medium
❖ Emerging economic sectors	Low	1	Medium	2	Medium	2	5	Low
❖ Circular economy	Medium	2	Medium	2	Medium	2	6	Medium
❖ Advanced manufacturing and production	Medium	2	Medium	2	Low	1	5	Low
❖ Trade and investment	Medium	2	High	3	Low	1	6	Medium
❖ The digital economy	High	3	High	3	High	3	9	Very High
❖ Entrepreneurship	Medium	2	High	3	Low	1	6	Medium
❖ Diversification	High	3	High	3	Low	1	7	High
SPATIAL RESTRUCTURING								
❖ Mobility	High	3	High	3	Medium	2	8	Very High
❖ Interconnectedness	Medium	2	High	3	Low	1	6	Medium
❖ Spatial justice	High	3	High	3	Low	1	7	High
❖ Land restitution and redistribution	Low	1	Medium	2	Low	1	4	Very low
❖ Equity	High	3	High	3	Low	1	7	High
❖ Geo-economics	Low	1	Medium	2	Medium	2	5	Low
❖ Biodiversity	High	3	High	3	Low	1	7	High
❖ Climate change	High	3	High	3	High	3	9	Very High
❖ Sustainable development	High	3	High	3	High	3	9	Very High
❖ Water and the blue economy	Low	1	High	3	High	1	7	High
INFRASTRUCTURE ENGINEERING								
❖ 5G	High	3	High	3	High	3	9	Very High
❖ Advanced materials	Low	1	Medium	2	Low	1	4	Very low

FOCUS AREAS AND KEY INFLUENCES	EXTENT		INTENSITY		PROBABILITY		TOTAL	CONSEQUENCE RATING
❖ Artificial intelligence	Low	1	Medium	2	Medium	2	5	Low
❖ Green/Renewable energy	High	3	High	3	High	3	9	Very High
❖ Infrastructure technology and innovation	Medium	2	High	3	Low	1	6	Medium
❖ Private capital in infrastructure	Low	1	Medium	2	Medium	2	5	Low
❖ Infrastructure resilience	Medium	2	High	3	Low	1	6	Medium
❖ Skill building for infrastructure	Low	1	Medium	2	Medium	2	5	Low
❖ Bankable projects	Low	1	High	3	High	1	7	High
INTEGRATED SERVICE PROVISIONING								
❖ Taxes	Low	1	Medium	2	Medium	2	5	Low
❖ Public finance	Low	1	High	3	High	1	7	High
❖ Urban development	Low	1	High	3	High	1	7	High
❖ Social justice	High	3	High	3	High	3	9	Very High
❖ Equitable access	High	3	High	3	High	3	9	Very High
❖ Social development	Low	1	High	3	High	1	7	High
INSTITUTIONAL AND GOVERNANCE								
❖ Corporate governance	Low	1	Medium	2	Medium	2	5	Low
❖ Public-private partnerships	High	3	High	3	High	3	9	Very High
❖ Corruption	High	3	High	3	High	3	9	Very High
❖ Civic participation	Low	1	High	3	High	1	7	High
❖ Geopolitics	Low	1	Medium	2	Low	1	4	Very low
❖ Public policy	Low	1	High	3	High	1	7	High
❖ Municipal finance	High	3	High	3	High	3	9	Very High

Source: Sections 2.1 to 2.6 of this report

Note on scoring indicators:

Extent - The area over which the impact will be experienced		Scoring
None		0
AOI	The site and surrounding area	1
Local	The District municipal area	2
Region	KZN and South Africa	3
Intensity - the magnitude of the impact in relation to the sensitivity of the receiving environment		Scoring
None		0
Low	Natural, economic and/or social functions and processes are negligibly altered	1
Medium	Natural, economic and/or social functions continue albeit in a modified way	2
High	Natural, economic and/or social functions and processes are severely altered	3
Probability of the impact (likelihood of the impact occurring)		Scoring
Improbable	< 30% chance of occurring	0
Probable	30% - 60% chance of occurring	1
Highly Probable	> 60% - 90% chance of occurring	2
Definite	> 90% chance of occurring	3

