

- *Higher mean temperatures*
- *Increased number of berg wind days*
- *Increased storm severity*
- *Longer dry spells and increased likelihood/ severity of droughts*
- *More hot days and heat waves*
- *Sea level rise*
- *Ocean acidification*
- *Elevated atmospheric CO2 concentrations*

The future projections for precipitation generally indicate stable or slightly increasing precipitation, with increasing intensity. Increased precipitation is more likely to the east of the province.

The following are the common anthropogenic sources of greenhouse gases within the district:

- *Burning of fossil fuels*
- *Deforestation*
- *Agriculture (enteric fermentation and manure management, rice paddies, fertilisers)*
- *Changes to land use and wetlands*
- *Landfills and anaerobic sewage ponds*

- *Chlorofluorocarbons (CFCs) in refrigeration systems and fire suppression systems*

The burning of veldt and fuel wood from sustainable sources is not considered as a source of Greenhouse Gas, as CO<sub>2</sub> is re-absorbed during the subsequent re-growth of vegetation in the area affected. In areas of deforestation, non-sustainable wood burning would be considered as a contributor towards Greenhouse Gas emissions.

Some ways in which Greenhouse Gases can be mitigated in the district are as follows:

- *Reduce GHG emissions by decreasing or eliminating fossil fuels and other activities that produce GHGs, such as:*

- Increasing the use of public transport and more fuel-efficient cars will reduce the amount of petrol burned in transportation.
- Increasing the efficiency of electricity use at home or in industries will decrease the amount of coal burned in electricity production.
- Using solar panels or wind turbines to produce electricity without emitting GHGs or switching from fuels that produce a lot of GHGs, like coal, to those that produce less, like natural gas, will reduce GHG emissions from energy use.
- Preventing deforestation and loss of other functioning ecosystems will prevent carbon stored in vegetation and soils from being released into the atmosphere.



- “ Increase carbon sequestration which removes CO2 from the atmosphere, such as
- Restoring forests, wetlands, and other ecosystems will remove CO2 from the atmosphere because plants absorb CO2 and use the carbon to build their body structures.

## LAND CAPABILITY

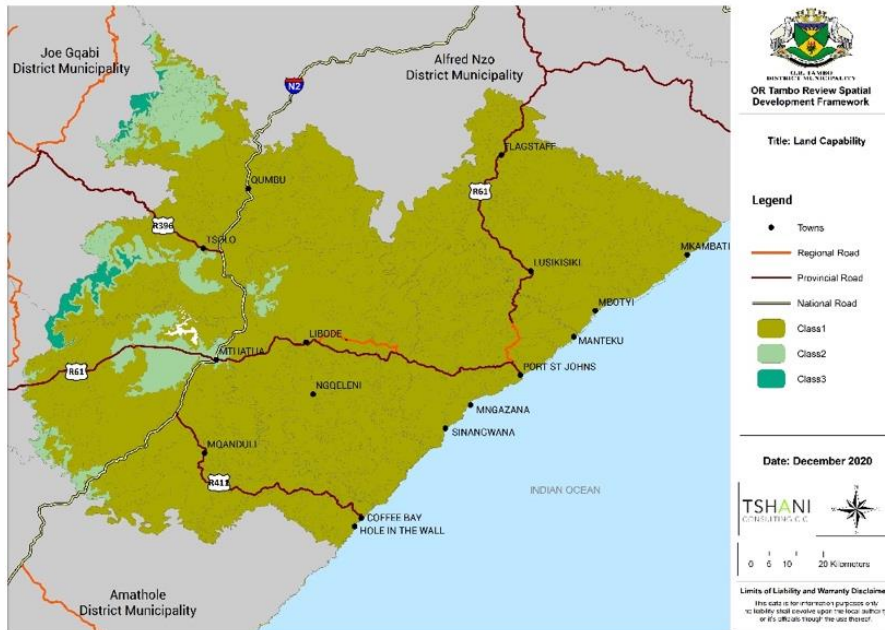
Land Capability is determined by the collective effects of soil, terrain and climate features. It indicates the most intensive long-term and sustainable use of land for rain-fed agriculture and at the same time highlights the permanent limitations associated with the different land use classes. It is therefore a more general term and conservation oriented than land suitability.

The table below indicates the potential land use for each land capability class.

### POTENTIAL LAND USE PER LAND CAPABILITY CLASS (SOURCE: AGRIC RESEARCH COUNCIL)

Land Capability		Intensity of use for rain-fed agriculture								
		Wildlife	Grazing & Forestry			Crop Production				
Orders	Classes		For	Veld	Pas	Li	Mod	Inte	Ver	
		est	re	ture	mit	erat	nsiv	nsiv	e	
		ry	in	s	ed	e	e	e	e	
Arable	A	I	x	x	x	x	x	x	x	x
		II	x	x	x	x	x	x	x	
	B	III	x	x	x	x	x			
		IV	x	x	x	x	x			
Non arable	C	V	x	x	x	x				
		VI	x	x	x					
	D	VII	x	x	x					
		VIII	x							





**PLAN NO. 28: LAND CAPABILITY PLAN**

## IMPLICATIONS

There is a significant number of unstable landscapes, due to soils having high erosion potential. O.R Tambo is one of the most threatened districts where pressures on the environment are high, particularly through habitat loss. The high human population density in the communal areas of the district has negative impacts on biodiversity.

Vegetation in the eastern half of the district is severely transformed. Areas occupied by the Midlands Mistbelt Grassland have been severely affected by settlement and agriculture. All grassland should be conserved and that environmental impact studies should be conducted for all development activities in the area prior to implementation.

Climate change could have a profound effect on the district and suitable mitigation measures need to be in place.

A decision to approve a land use change should be guided by the objective of the BLMC for that land. In the same way, forward planning in an area should also be guided by the objectives of the BLMCs for that area.

Rivers along the western boundary of the district are endangered. Further deterioration is likely to result in poor water yield and water quality.

## SECTION 2: SOCIO-ECONOMIC

This chapter analyses the socio-demographic and human settlement characteristics of the O.R Tambo District Municipality.

### POPULATION CHARACTERISTICS

#### CURRENT POPULATION OF O.R TAMBO DISTRICT MUNICIPALITY

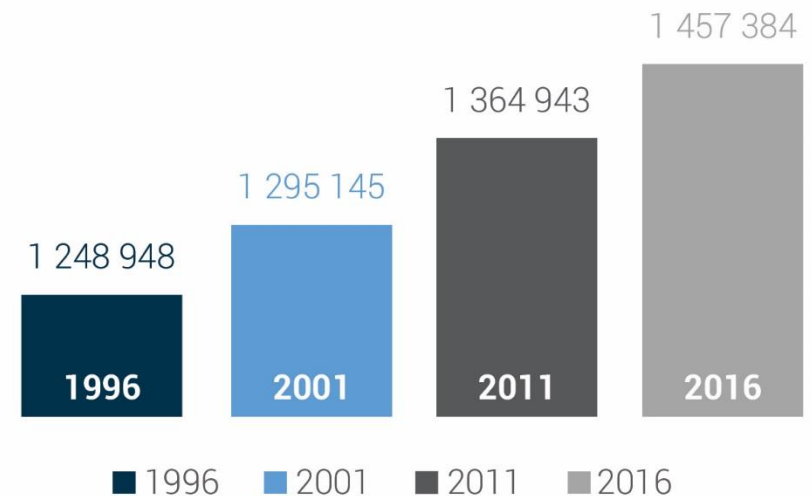
The most recent official population estimates (Census community survey 2016) for the O.R Tambo District Municipality is 1 457 384 (see Table below). There has been an increase in the population of 208 436 persons from the year 1996 to the year 2016.

CURRENT POPULATION				
	1996	2001	2011	2016
O.R Tambo District Municipality	1 248 948	1 295 145	1 364 943	1 457 384

Source: Census 1996, Census 2001 and Census 2011 and Census community survey 2016

## O.R. TAMBO DISTRICT MUNICIPALITY

Population Distribution - 2011



Source: Census 1996, Census 2001 and Census 2011 and Census community survey 2016

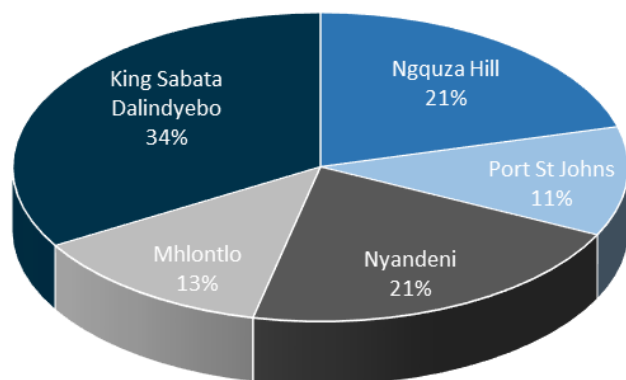
#### CURRENT POPULATION PER LOCAL MUNICIPALITY

As indicated in the chart below and in terms of statistics received from the census community survey 2016, the variations in population distribution of each local municipality situated within the O.R Tambo District indicates that the population is denser in the King Sabata Dalindyebo Local Municipality;



with Port St Johns and Mhlontlo Local Municipalities being the least populated within the O.R Tambo District Municipality.

Population distribution within district



Source: Census community survey 2016

	2011			2016		
	Pop	Area (km <sup>2</sup> )	Pop Density (pp/km <sup>2</sup> )	Pop	Area (km <sup>2</sup> )	Pop Density (pp/km <sup>2</sup> )
Ingquza	278 481	2 476.83	112	303 378	2 477	123
Nyandeni	290 390	2 474.01	117	309 702	2 474	125
PSJ	156 136	1 291.20	121	166 778	1 291	129
Mhlontlo	188 226	2 826.09	66	189 175	2 826	66
KSD	451 710	3 027.37	149	488 349	3 027	161
<b>ORTDM</b>	<b>1 366 045</b>	<b>12 095.1</b>	<b>113</b>	<b>1 457 382</b>	<b>12 096</b>	<b>120</b>
<b>Eastern Cape</b>	<b>6 562 053</b>	<b>168 966</b>	<b>39</b>	<b>6 996 976</b>	<b>168 966</b>	<b>41</b>

Source: Community Survey, 2016

### O.R. TAMBO DISTRICT IN CONTEXT

#### O.R. Tambo District Municipality

The **Community Survey 2016** indicate that the total population of O.R. Tambo District Municipality is **1 456 971**, with **697 686 male** and **777 240 female**.

**Grants and subsidies** received in 2015 are high at **78.7%**, in metropolitans compared to other municipalities in the province.

The **Poverty headcount** in 2016 has also **declined to 19.2%** from 21.1% in 2011 also with a increase in intensity from 41.7% to 43.5%.

**Households** have increased to **313 889**, but constant size at 4.6.

**Population change**

	2011	2016
	630 088	679 686
	734 856	777 240
	1 364 943	1 456 927

**78.7% (2015 Grants and Subsidies)**

O.R. Tambo District Municipality

**Poverty headcount, intensity**

	2011: 21.1% (41.7%)
	2016: 19.2% (43.5%)

**Households**

	2011: 298 229 (4.6 size)
	2016: 313 889 (4.6 size)

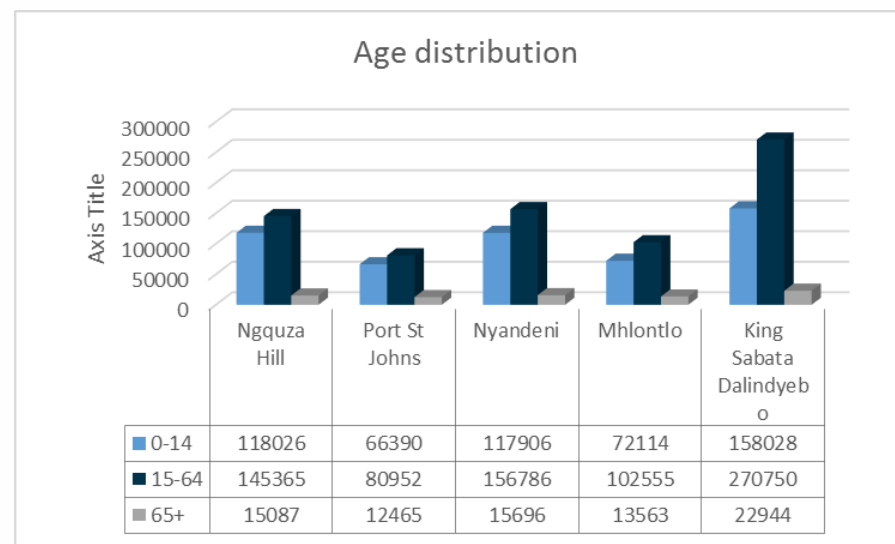
(Key Population Statistics Source: IDP ORT 20/21 Review, Pg 53)



## AGE DISTRIBUTION

In terms of age distribution within the local municipalities from the diagrams below it can be deduced that there is a significant youth component within the populations of the local municipalities, with King Sabata Dalindyebo reaching an estimated figure of 158 028 of youth younger than 14 years in Census, 2011 and 166 917 in Census community survey 2016 while the lowest youth younger than 14 years is in Port St Johns with an estimation of 66 390 in Census community survey 2016. This suggests that service provision and social development initiatives targeted at the youth should be an important consideration for the province.

The digrams below also indicate that the population predominantly lie within the age group of 15 – 64 years for both Census 2011 and Census community survey 2016. King Sabata Dalindyebo recorded the highest estimated figure of 270 750 , followed by Nyandeni with an estimation of 156 786 for Census 2011. While in Census community survey 2016, King Sabata again recorded the highest estimated figure which increased from 270 750 in 2011 to 301 827 in 2016 , followed by Nyandeni with an estimation of 169 775 in census community survey 2016. This group appears more productive therefore provision of employment opportunities is important through the local municipalities.

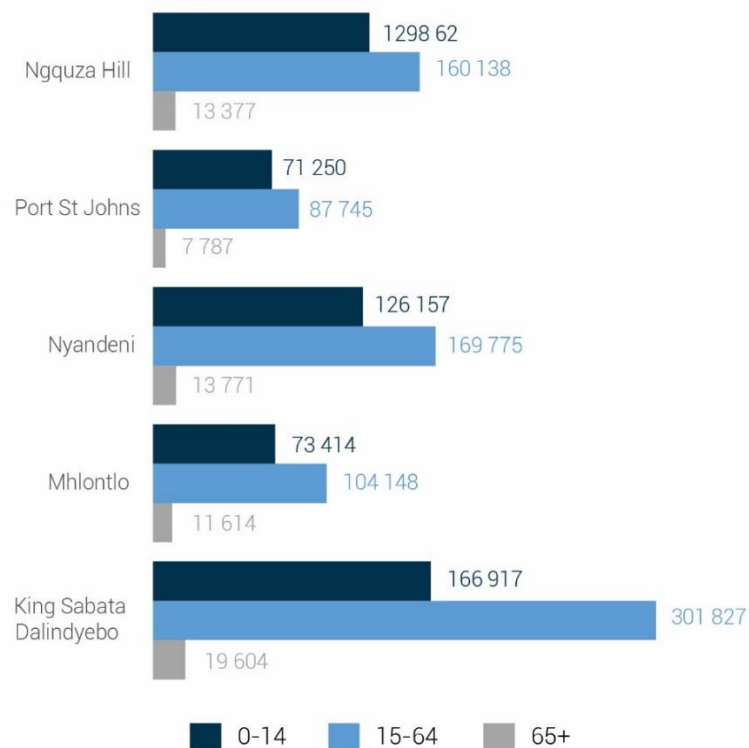


Source: SA STATS 2011



# O.R. TAMBO DISTRICT MUNICIPALITY

## Age Distribution - 2016



Source:Community Survey 2016

## POPULATION GROUPS

As indicated in the table below, figures recorded revealed that the predominant population group residing within the local municipalities is Black African in both census 2011 and census community survey 2016.

POPULATION GROUP PER LOCAL MUNICIPALITY					
	African	Asian/indian	Coloured	White	Total
Ingquza Hill	276 342	411	1 152	279	278 184
King Sabata Dalindyebo	444 771	1 479	3 402	702	451 008
Mhlontlo	187 026	255	384	156	188 070
Nyandeni	288 681	339	870	297	290 187
Port St Johns	154 968	165	627	303	156 063

Source: SA STATS 2011

POPULATION GROUP PER LOCAL MUNICIPALITY					
	African	Asian/indian	Coloured	White	Total
Ingquza Hill	301 663	315	301 663	96	303 379
King Sabata Dalindyebo	484 025	669	2 812	843	488 349
Mhlontlo	188 800	112	242	22	189 176
Nyandeni	308 682	137	829	54	470 158

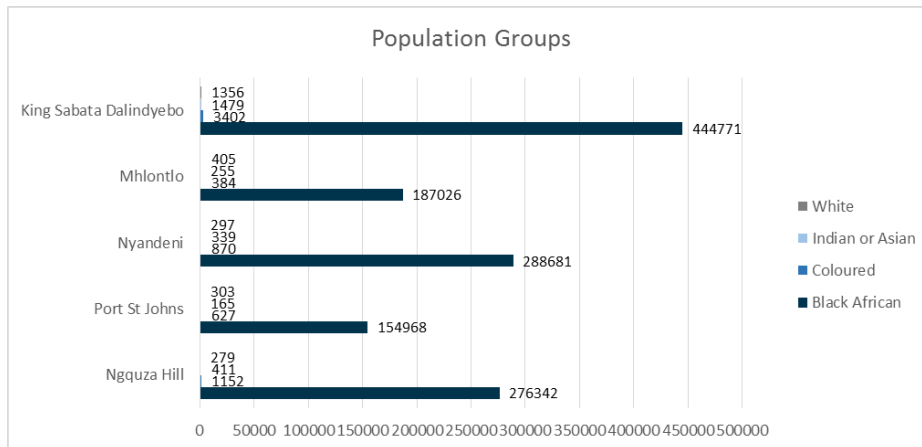


### POPULATION GROUP PER LOCAL MUNICIPALITY

	African	Asian/indian	Coloured	White	Total
Port St Johns	165 382	217	995	185	166 779

Source: Community Survey 2016

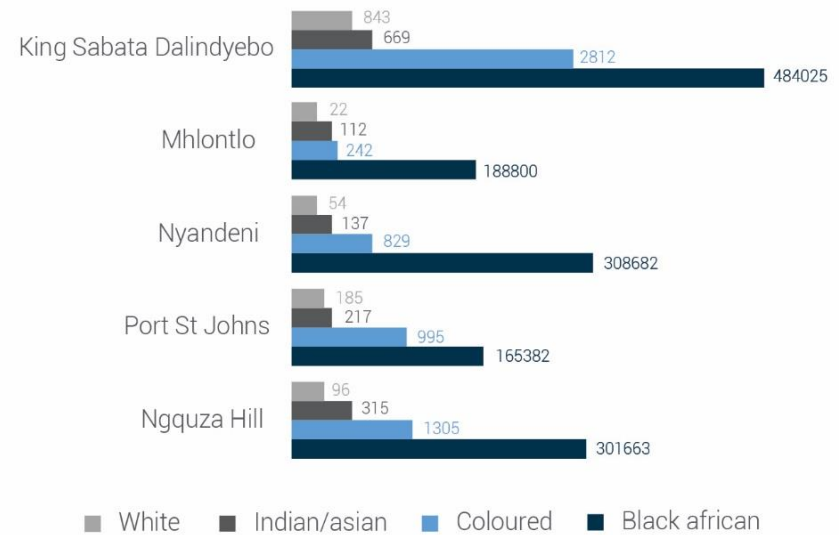
The percentage of population groups within O.R Tambo District Municipality is illustrated on the chart below.



Source: Stats SA 2011

## O.R. TAMBO DISTRICT MUNICIPALITY

Population Group - 2016



Source: Community Survey 2016





## GENDER BREAKDOWN

The ratio of men to women in the O.R Tambo District Municipality is 46.65% to 53.35%. This is evidence of male migration to other major urban or metropolitan areas in search of work.

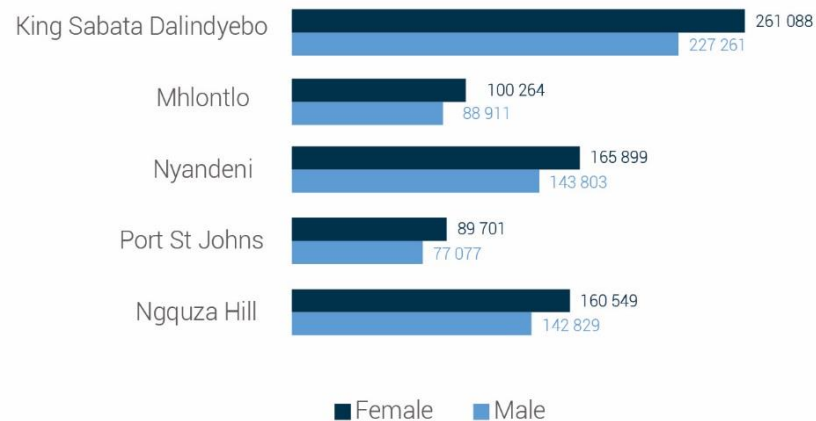
GENDER BREAKDOWN PER LOCAL MUNICIPALITY					
	Male	%	Female	%	Total
Ingquza Hill	142 829	9.80	160 549	11.02	303 378
King Sabata Dalindyebo	227 261	15.59	261 088	17.91	488 349
Mhlontlo	88 911	6.10	100 264	6.88	189 175
Nyandeni	143 803	9.87	165 899	11.38	470 156
Port St Johns	77 077	5.29	89 701	6.15	166 778
<b>O.R Tambo</b>	<b>679 882</b>	<b>46.65</b>	<b>777 502</b>	<b>53.35</b>	<b>1 457 384</b>

Source: Community Survey 2016

Source: Census community survey 2016

## O.R. TAMBO DISTRICT MUNICIPALITY

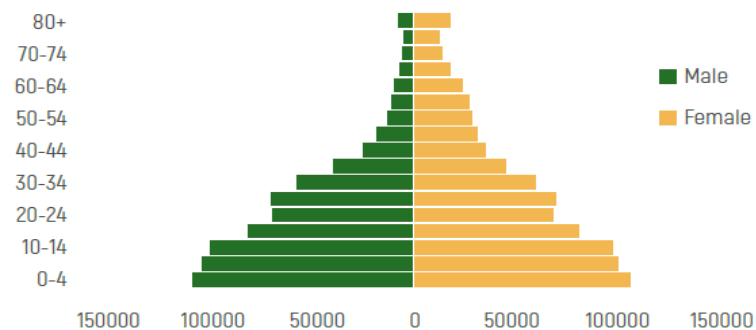
Gender Ratio - 2016



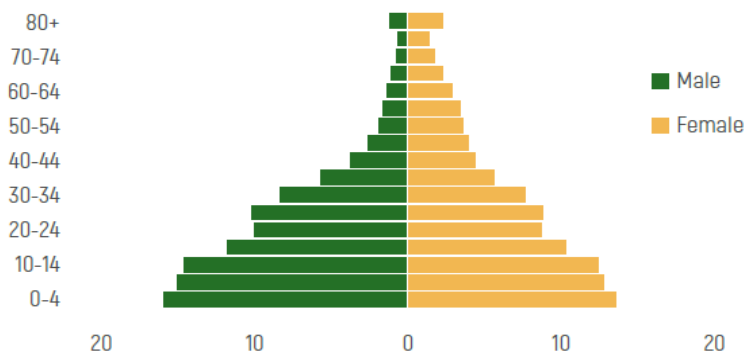
## AGE/SEX STRUCTURE OF O R TAMBO AND EASTERN CAPE. 2019

(Age/Sex Structure Of O R Tambo And Eastern Cape. Source: IDP ORT 20/21 Review Pg.61)

### O.R. TAMBO (THOUSAND)



### O.R. TAMBO (%)

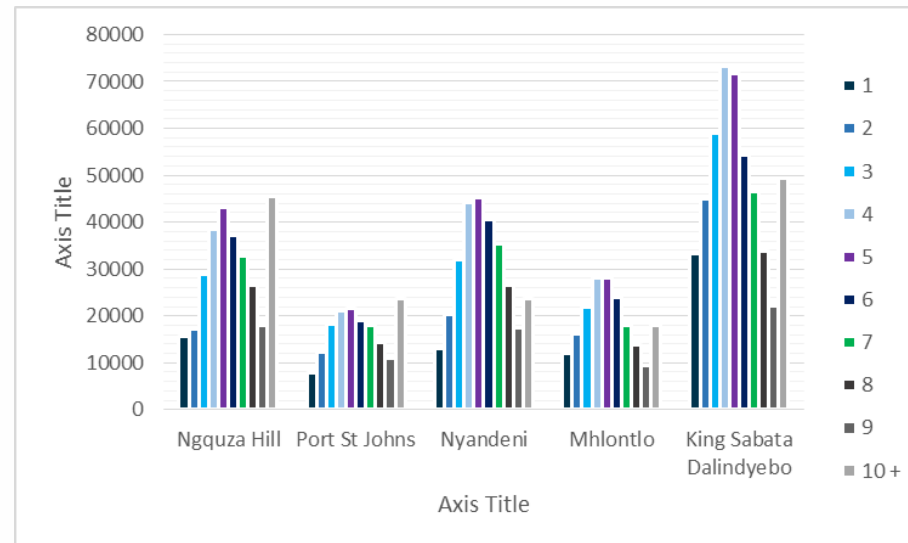


## SOCIO-DEMOGRAPHIC CHARACTERISTICS

### Trends in Average Household Size:

The average household size provides useful insights into living arrangements, which reflect social, economic and demographic dynamics within the population. In terms of the Census community survey 2016, the household size is a representation of the number of people who reside within the household.

The diagram below indicates the household size.



Source: Community Survey 2016



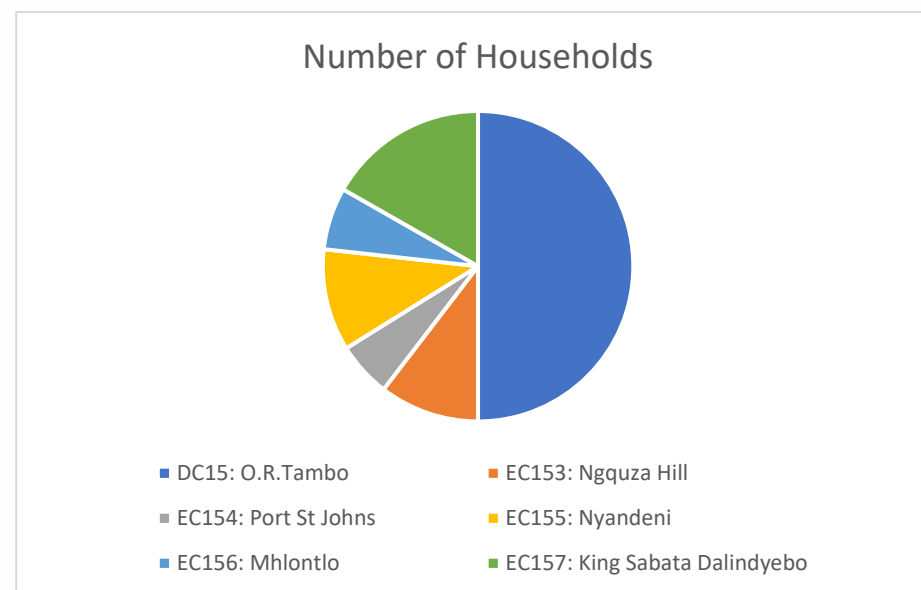
## Number of Households

Between 2011 and 2018, the household size of the five (5) LMs in the O.R. Tambo District, Relative to the province, O.R. Tambo District Municipality had a higher average number of households at 4.31 against 3.7 for the Province. The average size of a household has almost remained stagnant for O.R Tambo at 4.3 while that of the province has decreased from 3.9 to 3.7. (Source: IDP ORT 20/21 Review Pg.63)

In terms of the STATS SA Census 2011, the number of households within the O.R Tambo District, has been determined at 298 227. The table below depicts the distribution of households within the district.

NUMBER OF HOUSEHOLDS					
Ingquza Hill	King Sabata Dalindyebo	Mhlontlo	Nyandeni	Port St Johns	O.R Tambo
303 379	488 349	189 176	309 702	166 779	<b>1 457 384</b>

As illustrated on the chart below and from the statistics provided, King Sabata Dalindyebo Local Municipality and Nyandeni Local Municipality have the highest number of households, followed closely by Ingquza Hill Local Municipality, with the least number of households being in Port St Johns Local Municipality.



Source: SA STATS 2016

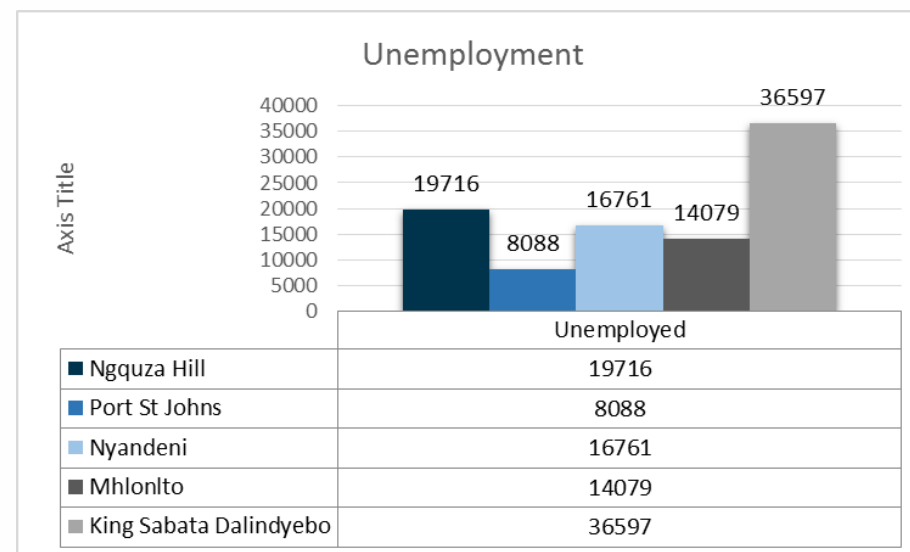


Local Municipalities in the jurisdiction of OR Tambo District Municipality

LOCAL MUNICIPALITY	CODE	NO. OF WARDS	URBAN SERVICE CENTRE
King Sabata Dalindyebo	EC 157	35	Mthatha and Mqanduli
Nyandeni	EC 155	31	Libode and Ngqeleni
Mhlonto	EC 156	27	Tsolo and Qumbu
Port St Johns	EC 154	22	Port St Johns
Ingquza Hills	EC 153	31	Flagstaff and Lusikisiki

## Official Unemployment

Unemployment figures give the number of unemployed as of the labour force. The labour force is part of the 15 to 64 year population that is ready to work. In terms of SA STATS 2011, the graph below indicates the official unemployment within each local municipality:



Source: SA STATS 2011

From the statistics provided, King Sabata Dalindyebo Local Municipality has the highest number of persons unemployed, being 36 597 followed by Ngquza Hill Local Municipality at 19 716. Port St Johns Local Municipality has the lowest unemployment at 8 088 individual being unemployed.

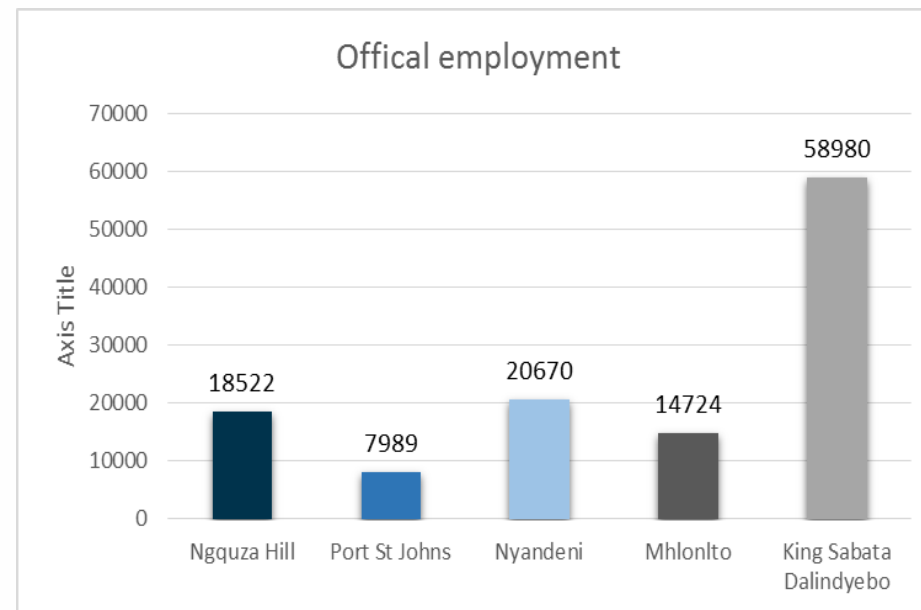


	O.R. TAMBO	EASTERN CAPE	NATIONAL TOTAL	O.R. TAMBO AS % OF PROVINCE	O.R. TAMBO AS % OF NATIONAL
2008	82,700	499,000	4,340,000	16.6%	1.90%
2009	80,700	494,000	4,370,000	16.3%	1.84%
2010	78,600	493,000	4,510,000	15.9%	1.74%
2011	76,300	500,000	4,600,000	15.3%	1.66%
2012	82,100	524,000	4,730,000	15.7%	1.73%
2013	89,300	559,000	4,900,000	16.0%	1.82%
2014	94,500	585,000	5,110,000	16.1%	1.85%
2015	97,800	602,000	5,350,000	16.2%	1.83%
2016	108,000	653,000	5,710,000	16.5%	1.89%
2017	126,000	736,000	6,020,000	17.1%	2.09%
2018	139,000	786,000	6,120,000	17.6%	2.26%
Avg. Annual Growth 2008-2018	5.30%	4.66%	3.48%		

IHS Markit Regional eXplorer version 1803. Source: IDP ORT 20/21 Review Pg.60)

## Official Employment

In 2018, O. R Tambo employed 186 000 people which is 12.77% of the total employment in Eastern Cape Province.



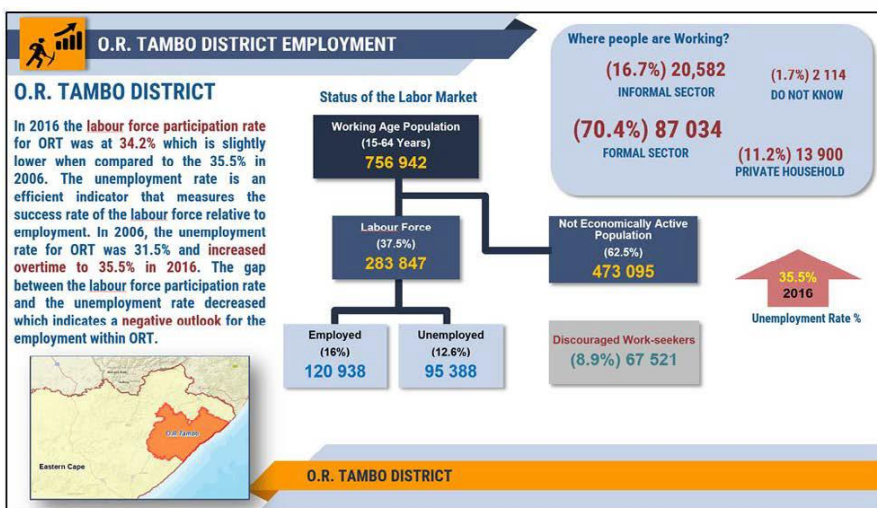
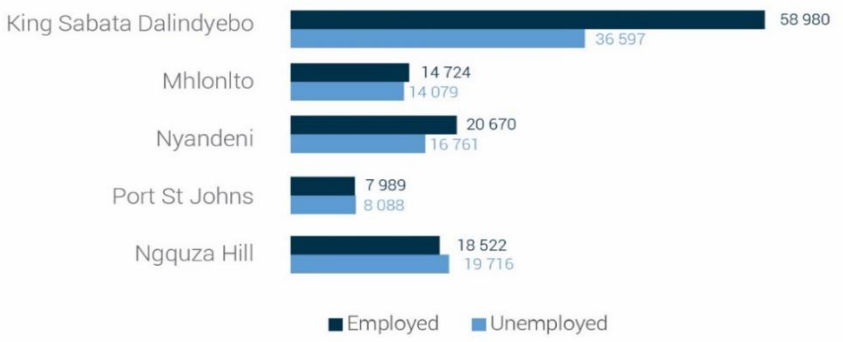
Source: SA STATS 2011

From the statistics provided, King Sabata Dalindyebo Local Municipality has the highest number of persons employed, being 58 980 persons, followed by Nyandeni Local Municipality at 20 670 and Ngquza Hill Local Municipality at 18 522. Port St Johns Local Municipality has the least number of persons employed, being 7 989.



# O.R. TAMBO DISTRICT MUNICIPALITY

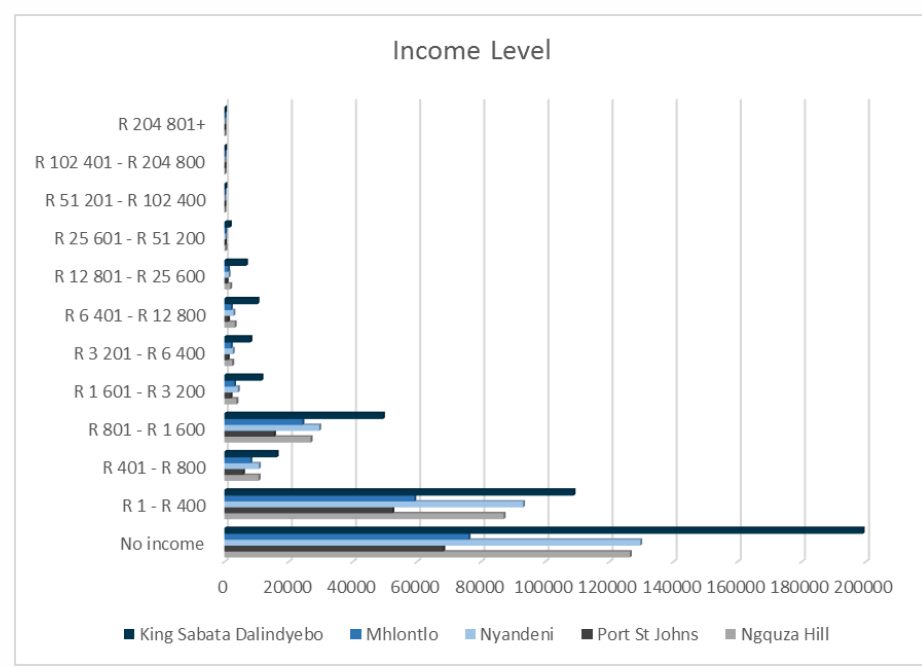
— Employment and Unemployment - 2011 —



Labour Force Participation Rates: Source Statistics SA, Community Survey 2016 (Source: IDP ORT 20/21 Review Pg.61)

## Income Levels

The O.R Tambo District record income levels of between R1.00-R400 and R204 801+; and estimated population of 400 941 earn an amount ranging from R1-400 per month which is the highest form of income followed by income levels of R801-R1,600 income per month. An estimation of 599 829 of the population within O.R Tambo District receive no income at all. The chart below indicates the income levels within the O.R Tambo district.

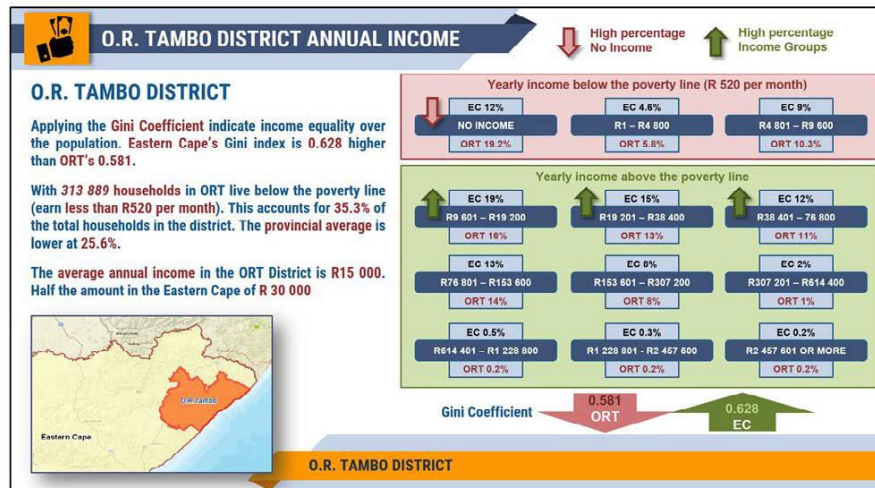
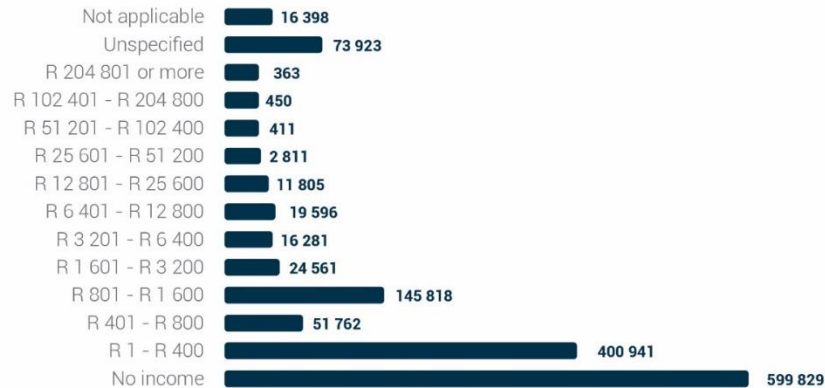


Source: SA STATS 2011



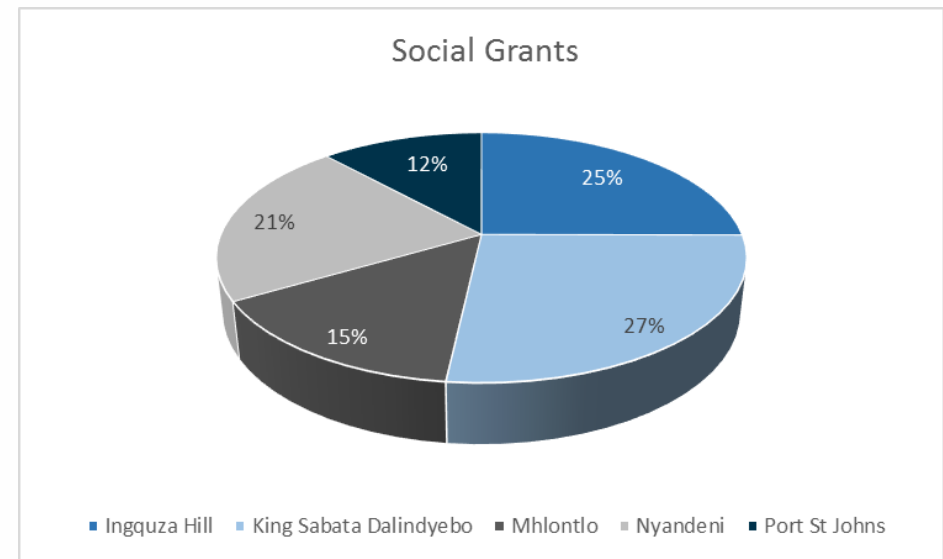
# O.R. TAMBO DISTRICT MUNICIPALITY

Monthly Income - 2011



## Social Grants

As per the South African Social Security Agency (SASSA) the diagram below illustrates the percentage of social grants received by each local municipalities within the O.R Tambo District. The largest percentage of social grants is received King Sabata Dalindyebo at 27% followed by Ingquza Hill at 25%, the lowest percentage obtained is Port St Johns and Mhlontlo.

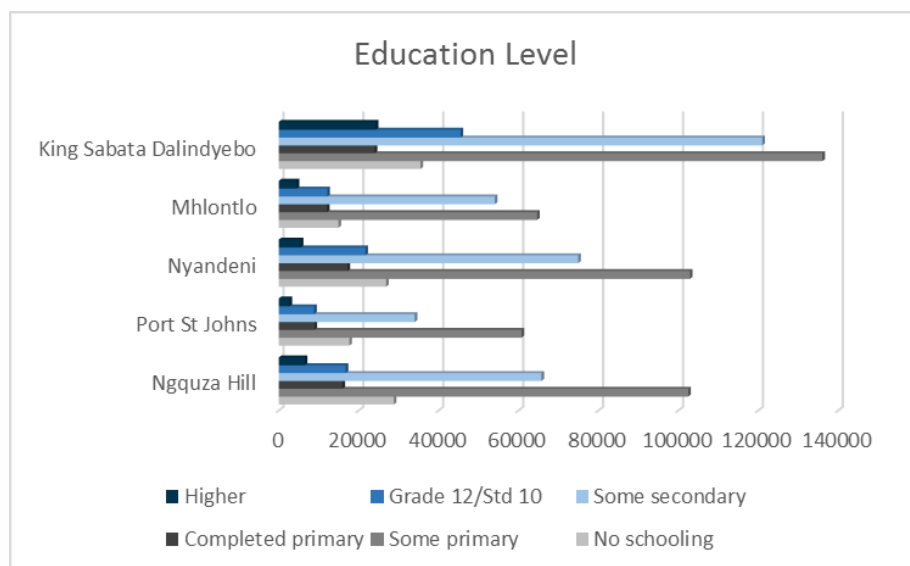


Key Inequality Index: Source Statistics SA, Community Survey 2016  
(Source: IDP ORT 20/21 Review Pg.57)



## Levels of Education

The diagram below indicate the education levels within the O.R Tambo District as per STATS SA Census 2011 .It can be deduced that the highest education level comes in the form of some primary throughout the local municipalities followed by some secondary. Higher education is the lowest educational level with Port St Johns at 2 664 persons with Higher education and Mhlontlo at 4 452.



## SOCIAL FACILITIES

### Education Facilities

The spatial footprint of education facilities closely follows the settlement distribution, with higher numbers of these facilities in King Sabata Dalindyebo Local Municipality and Nyandeni Local Municipality.

The table below reflects the educational facilities within the O.R Tambo District.

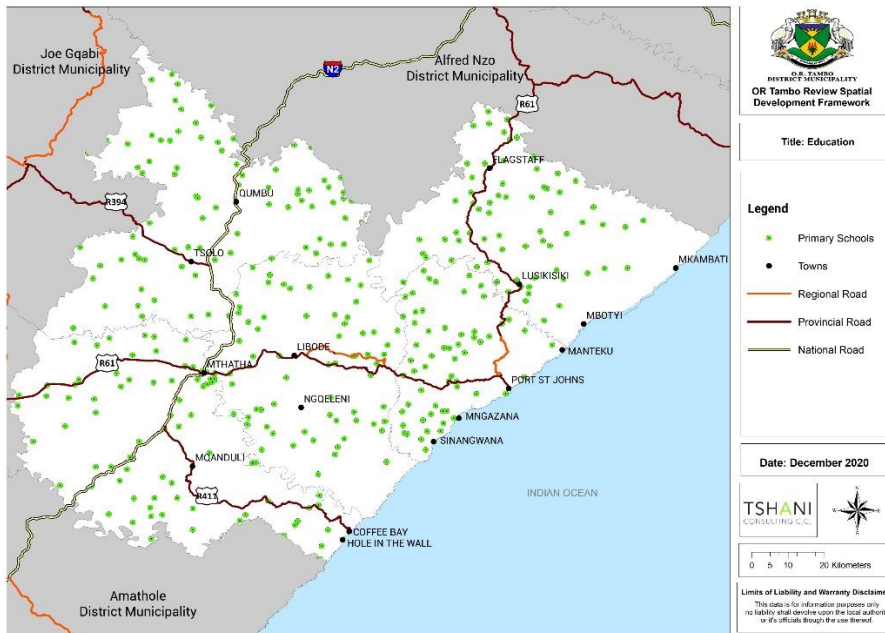
EDUCATIONAL FACILITIES			
	Primary Schools	Combined Schools	Secondary Schools
Ingquza Hill Local Municipality	66	123	22
King Sabata Dalindyebo Local Municipality	80	220	58
Mhlontlo Local Municipality	75	152	29
Nyandeni Local Municipality	71	162	30
Port St Johns Local Municipality	60	73	13

Source: Eastern Cape Department of Education, 2016





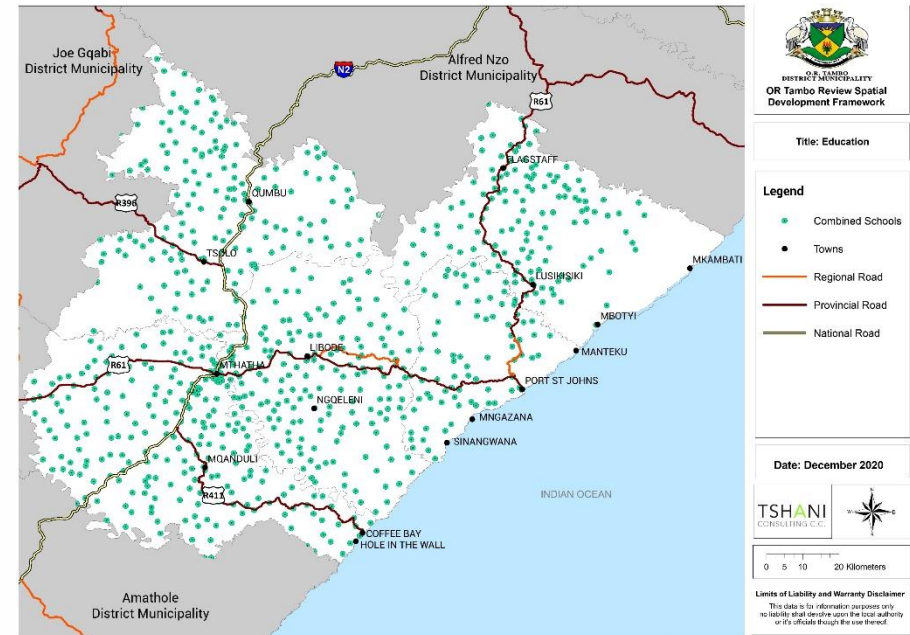
The distribution of primary schools within the O.R Tambo District is depicted on the plan below. In terms of the CSIR Guidelines for the Provision of Social Facilities in South African Settlements, the access distance for primary schools is 1.5km. The plan below indicates that Mthatha is highly populated with primary school throughout the district.



**PLAN NO. 29: DISTRIBUTION OF PRIMARY SCHOOLS**

The distribution of combined schools within the O.R Tambo District is depicted on the plan below. No access distance for combined schools is indicated in the CSIR Guidelines for the Provision of Social Facilities in South

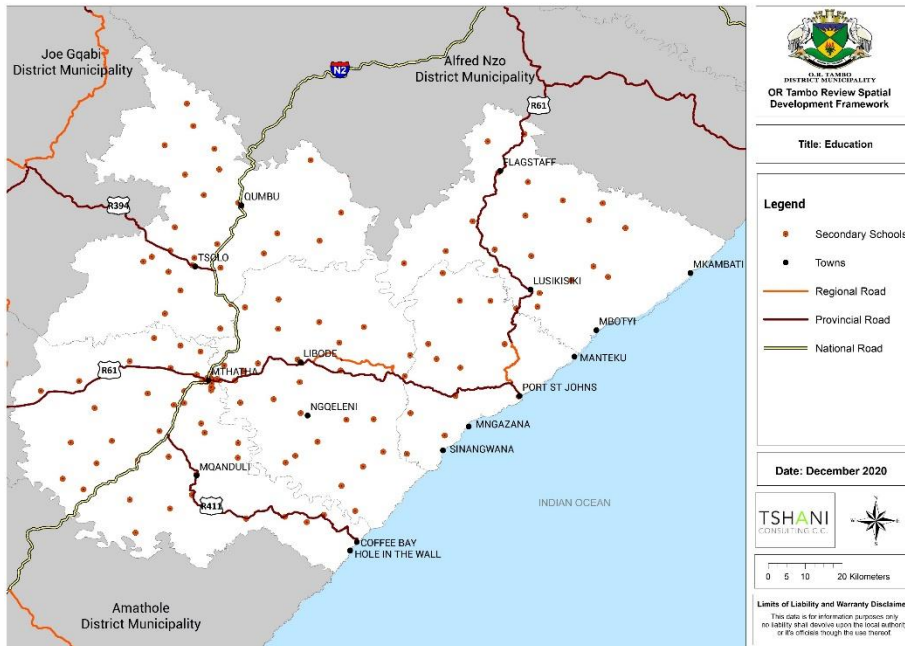
African Settlements.. The plan below however indicates that Mthatha has a high density of combined schools within its vicinity.



**PLAN NO. 30: DISTRIBUTION OF COMBINED SCHOOLS**

The distribution of secondary schools within the O.R Tambo District is depicted on the plan below. In terms of the CSIR Guidelines for the Provision of Social Facilities in South African Settlements, the access distance for secondary schools is 2.25km. The plan below indicates that Mthatha, because of its urban nature contains the highest population of secondary school.





**PLAN NO. 31: DISTRIBUTION OF SECONDARY SCHOOLS**

## **School Status**

Based on the latest research being conducted by the department of education the following outcomes have been resolved surrounding the functionality of Eastern Cape schools:

- Dysfunctional schools results in high drop out and failure rates;
- Small and unviable schools result in less than optimal use of resources;

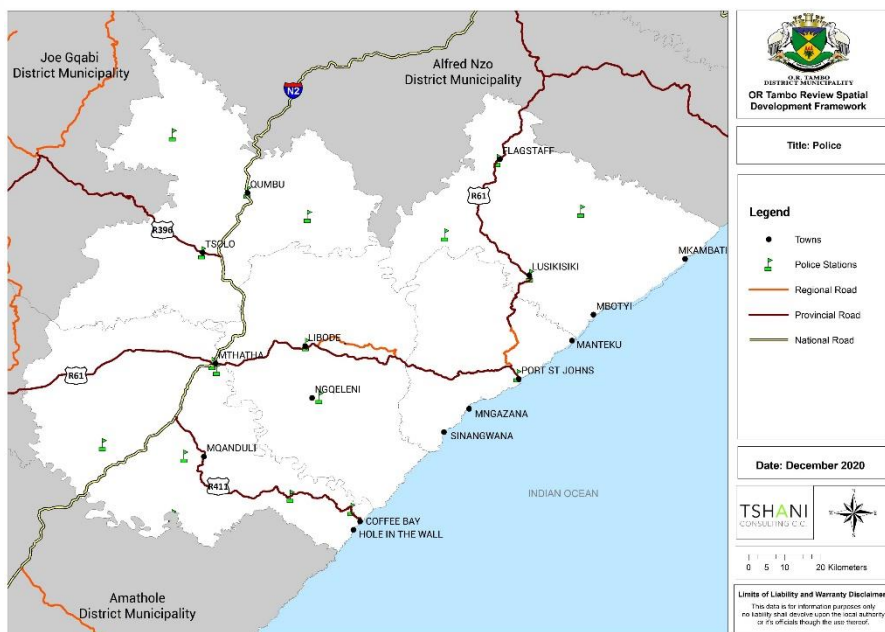
- Poorly capacitated district offices to support schools;
- Shortage of appropriately qualified and skilled educators in critical subjects and certain phases;
- Low levels in numeracy and literacy at primary education levels that are limiting the ability of learners to progress smoothly up the system.
- EC has second highest distribution of schools in South Africa at 22.3% - Our pass rates thus reflect the poor performance of these schools and underlying institutional and structural issues.
- Enrolment does not justify a post allocation of one teacher per class resulting in multi-grade teaching.
- High schools with enrolment too low to permit enough teachers to competently cover all main subjects.
- Many schools offering grades which do not correspond to the standard division into primary and high schools, widespread in the former Transkei

## **Police Stations**

The distribution of Police Stations serving the communities within the O.R Tambo District Municipality is depicted on the plan below. In terms of the CSIR Guidelines for the Provision of Social Facilities in South African Settlements, the access distance for Police Stations ranges from 8km in urban areas, 15km in peri-urban areas and 24km in rural areas. The plan below indicates that police stations are sparsely populated through the



district with some police stations situated along the Provincial Road. assistance



**PLAN NO. 32: DISTRIBUTION OF POLICE STATIONS**

## Health Facilities

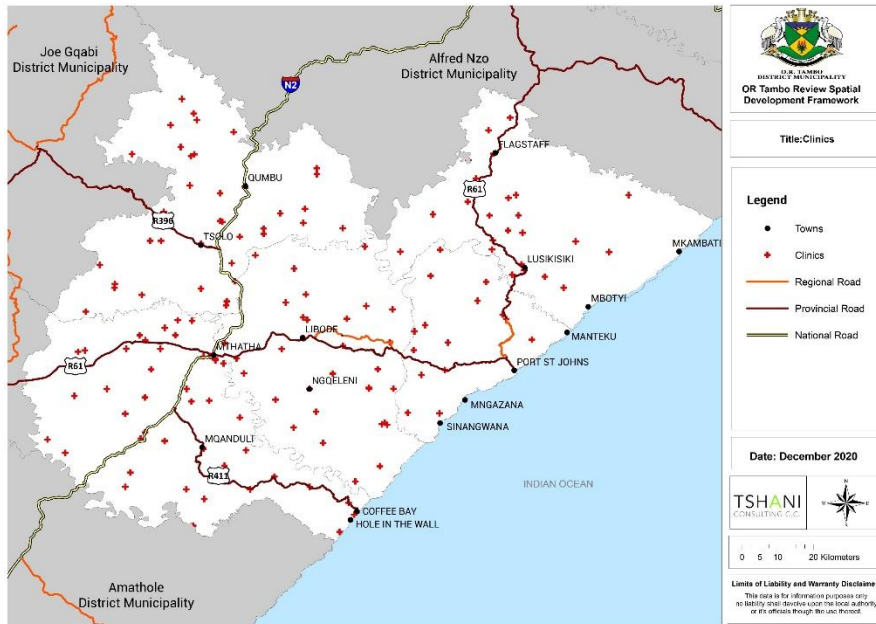
The table below indicates the available health facilities inclusive of Hospitals and Clinics within the O.R Tambo District.

HEALTH FACILITIES		
Health Facilities	Number	
Clinics	135	
Community Health Centre	10	
Correctional Centre	4	
Crisis / Victim Empowerment Centre	3 (Sinawe, Thuthuzela & Thembelitsha)	
District hospital	9	
EMS	1 main base in Mthatha & satellite stations	
Mobilise	11	
Non-medical sites	2	
Private hospital	2	
Provincial Centre Hospital	1	
Regional hospital	2	
Psychiatric hospital	0	
Specialised Orthopaedic hospital	1	
Specialised TB hospital	0	

Source: EC Department of Health, 2016



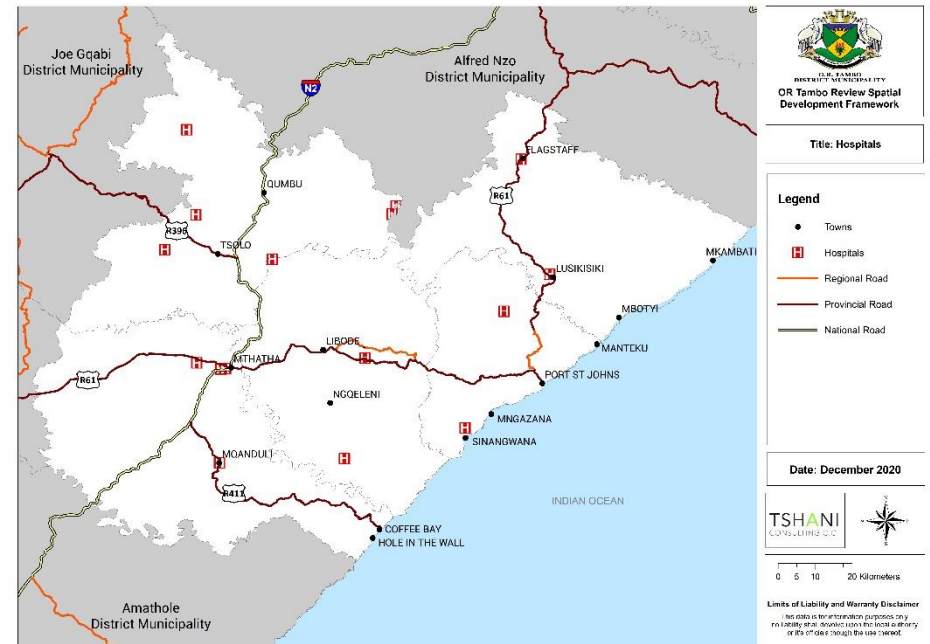
The distribution of clinics within the O.R Tambo District is depicted on the plan below. In terms of the CSIR Guidelines for the Provision of Social Facilities in South African Settlements, the access distance for clinics is 1.5km. The plan below indicates that a dense number of clinics situation within the vicinity of Mthatha and sparsely populated within the district.



**PLAN NO. 33: DISTRIBUTION OF CLINICS**

The distribution of hospitals within the O.R Tambo District is depicted on the plan below. No access distance for hospitals is indicated in the CSIR Guidelines for the Provision of Social Facilities in South African Settlements.. The plan below however indicates Mthatha the urban area in the district has

the most Hospitals within the district, some hospitals are located in peri-urban areas similar to Lusikisiki.



**PLAN NO. 34: DISTRIBUTION OF HOSPITALS**

### Health Issues

In terms of the Eastern Cape Development Report June 2012, prepared by Eastern Cape Socio Economic Consultative Council (ECSECC), South Africa faces one of the highest HIV-prevalence rates in the world and is home to the world's largest population of people living with HIV. In 2010, there were

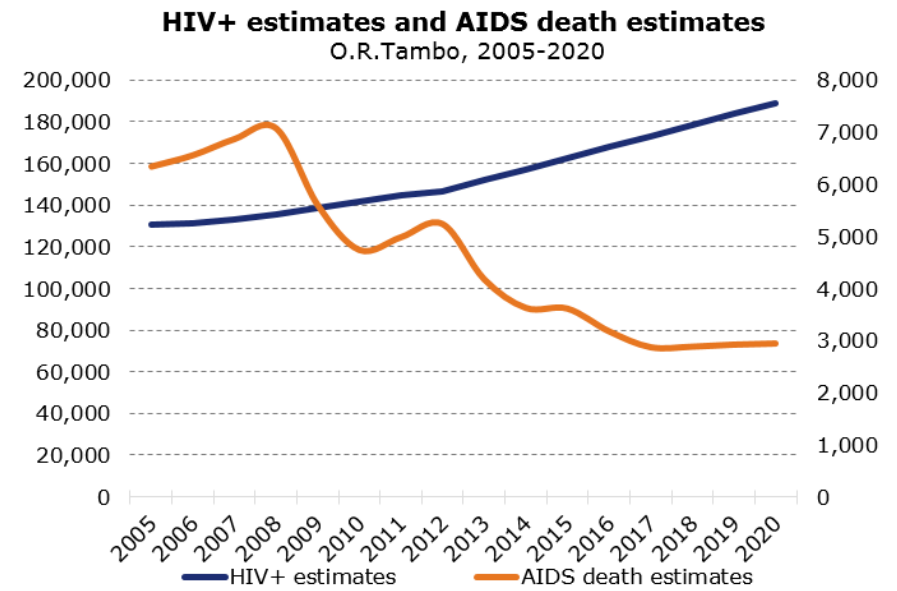


an estimated 6.3 million people infected with AIDS, representing over 12.5% of the South African population.

HIV&AIDS continues to pose a major challenge for the people of South Africa and the Eastern Cape. According to the Department of Health, the HIV/AIDS infection rate has stabilized in the Alfred Nzo District. HIV/AIDS nevertheless remains a challenge and the Department is actively concentrating on the management of antiretroviral treatment of infected people. There is a high level of Tuberculosis (TB) in the region, which is commonly associated with HIV/AIDS. The Department is focusing its attention on the management of TB.

### HIV & Aids

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Source: IHS Global Insight Regional eXplorer version 1029

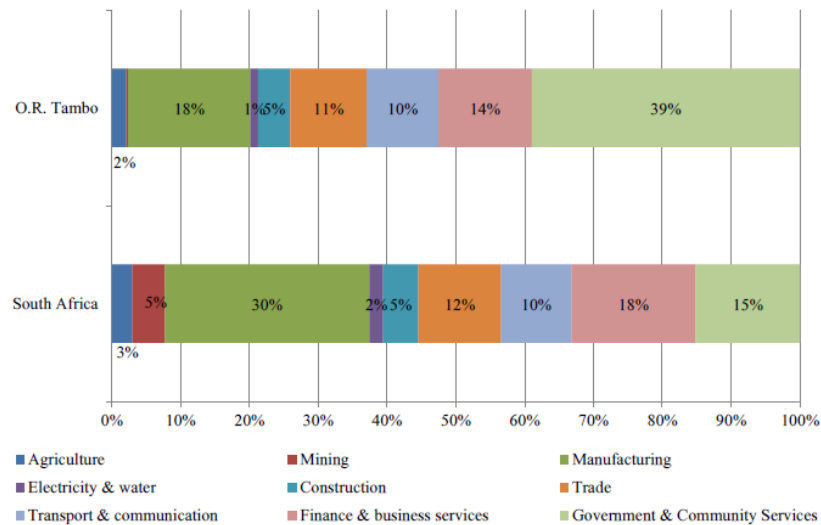
Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 6330 in 2005 and 3610 for 2015. This number denotes an decrease from 2005 to 2015 with a high average annual rate of -5.47% (or -2720 people). For the year 2015, they represented 0.25% of the total population of the entire district municipality.



## LOCAL ECONOMY

This section considers the structure and performance of the district economy. Figure 2.6 gives an indication of the structure of the O.R. Tambo economy per sector, Figure 2.7 compares its historical performance to that of the provincial economy and Figure 2.8 depicts a composite of the historic performance and the sector importance.

Figure 2.6: Structure of the district economy



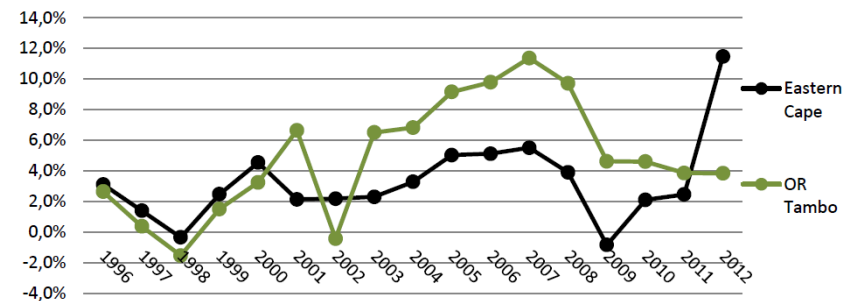
Source: Urban-Econ Calculations based on Quantec

From diagram above it may be observed that the dominant sector in the district economy is Government and Community services. Approximately 4 out of every 10 Rand that circulates within the regional economy thus

originate from various forms of public sector spending. This results in heavy reliance on the public sector as a driver of or engine for the economy. The high level of government sector presence in the regional economy arises from the underdeveloped economy, which results in a small private sector presence. The historical legacy of apartheid resulted in underinvestment into the regional economy pre-1994, and as such private sector activity is significantly lower than in other districts of the province. The result is that government spending plays an important role in sustaining the district economy. Over-reliance on public sector spending results in an unbalanced economy, as private sector activity may be crowded-out. Agriculture makes a small contribution to the economy. This arises from most of the district's agriculture occurring on a subsistence basis. As such, commercial agriculture makes a marginal contribution to total output.

Source: ORTDM LED Strategy, 2014

Figure 2.7: Historic performance of the district economy compared to that of the Eastern Cape (Annual Growth Rate)



Source: Urban-Econ Calculations based on Quantec



## **GROSS VALUE ADDED (GVA)**

The Gross Value Added (GVA) measures the real output of a specific geographic area for a particular time period, usually one year. It is also known as GDP at basic or market prices. It is based on an assessment of the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production.

The total annual value of goods and services produced in the O.R. Tambo District is approximately R17 billion. In 2012, the O.R. Tambo District contributed 13.2% towards the Eastern Cape GVA-R, making it the largest contributor outside of the province's metropolitan areas. This is in line with its large population. From Figure 2.7 the green series represents O.R. Tambo district, and the black series represents the Eastern Cape. The O.R. Tambo District's economy grew by an average 2.1% between 1996 and 2001. In 2007, the economy peaked at 11.4%, experiencing its highest economic growth since 1996. In 2008, the economic recession that affected the national economy, resulted in a 5.1% drop to a year-on-year growth of 4.6% for the O.R. Tambo District. The O.R. Tambo District experienced a 7.0% GVA-R growth between 2002 and 2012, above the 4.0% provincial growth rate.

Source IHS Global Insight, 2015

## **GROSS DOMESTIC PRODUCT**

In 2020, O.R.Tambo's forecasted GDP will be an estimated R 25.9 billion (constant 2010 prices) or 10.6% of the total GDP of Eastern Cape Province. The ranking in terms of size of the O.R.Tambo District Municipality will remain the same between 2015 and 2020, with a contribution to the Eastern Cape Province GDP of 10.6% in 2020 compared to the 10.5% in 2015. At a 1.39% average annual GDP growth rate between 2015 and 2020, O.R.Tambo ranked the third compared to the other regional economies.

**TABLE 1. Gross Domestic Product (GDP) - local municipalities of O.R.Tambo District Municipality, 2015 to 2020, share and growth**

	<b>2020 (Current prices)</b>	<b>Share of district municipality</b>	<b>2015 (Constant prices)</b>	<b>2020 (Constant prices)</b>	<b>Average Annual growth</b>
Ngquza Hill	6.05	23.39%	3.07	3.32	<b>1.56%</b>
Port St Johns	2.31	8.94%	1.25	1.26	<b>0.10%</b>
Nyandeni	4.46	17.25%	2.18	2.41	<b>2.04%</b>
Mhlontlo	6.37	24.64%	3.22	3.52	<b>1.78%</b>
King Sabata Dalindyebo	28.57	110.52%	14.40	15.35	<b>1.28%</b>
<b>O.R.Tambo</b>	47.76		24.12	25.85	

Source: IHS Global Insight Regional Explorer version 1029



When looking at the regions within the O.R.Tambo District Municipality it is expected that from 2015 to 2020 the Nyandeni local municipality will achieve the highest average annual growth rate of 2.04%. The region that is expected to achieve the second highest average annual growth rate is that of Mhlontlo local municipality, averaging 1.78% between 2015 and 2020. On the other hand the region that performed the poorest relative to the other regions within O.R.Tambo District Municipality was the Port St Johns local municipality with an average annual growth rate of 0.10%.

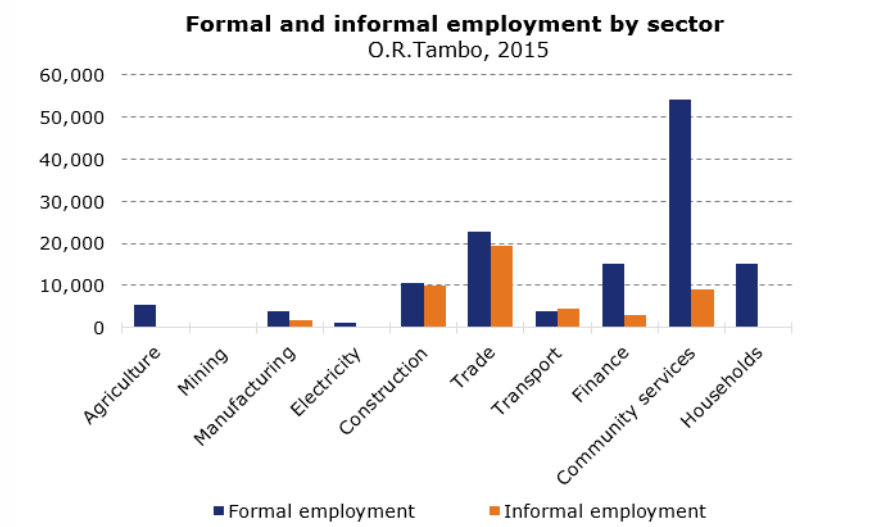
### Formal and Informal Employment by Sector

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored. The number of formally employed people in O.R.Tambo District Municipality counted 132 000 in 2015, which is about 73.27% of total employment, while the number of people employed in the informal sector

counted 48 200 or 26.73% of the total employment. Informal employment in O.R.Tambo increased from 47 300 in 2005 to an estimated 48 200 in 2015.

The diagram below indicates the formal and informal employment by broad economic sector within the O.R.Tambo District Municipality in 2015.



Source: ECSECC 2012





## ECONOMICALLY ACTIVE POPULATION (EAP)

The economically active population (EAP) is defined as the number of persons between the ages of 15 and 65 that are able and willing to work. It therefore includes both employed and unemployed persons. Global Insight uses the official definition of the EAP in that persons who consider themselves unemployed, but did not take recent active steps to find employment, are considered as 'Not Economically Active'.

O.R. Tambo District Municipality's EAP increased to 286 124 in 2016 from 164 906 in 2011. In 2016, the EAP in O.R. Tambo District Municipality constituted 19.4% of its total population of 1.46 million, and roughly 14.0% of the total EAP of the Eastern Cape. KSDLM has the highest economically active population at 25.9% of its' total population, whilst Port St Johns LM has the highest unemployment rate of 43.8% of its population.

ECONOMICALLY ACTIVE POPULATION					
	Economic ally active population	% of total populati on	Number of unemploy ed people	Unemploy ment rate %	Numbe r of employ ed people
Ingquza Hill Local Municipal ity	50 724	16.7	20 744	40.9%	24.438

KSD Local Municipal ity	127 814	25.9	36 631	28.7%	101 588
Mhlontlo Local Municipal ity	37 180	19.2	14 586	39.2	23 818
Nyandeni Local Municipal ity	49 062	15.7	18 280	37.3	19 657
Port St Johns Local Municipal ity	21 345	12.7	9 347	43.8	15 136
<b>O.R Tambo District Municipal ity</b>	<b>286 124</b>	<b>19.4</b>	<b>99 588</b>	<b>34.4</b>	<b>184 637</b>
<b>Eastern Cape</b>	<b>2 037 576</b>	<b>29.1</b>	<b>590 665</b>	<b>29.0</b>	<b>1 450 979</b>
<b>South Africa</b>	<b>21 192 264</b>	<b>38.0</b>	<b>5 540 900</b>	<b>26.1</b>	<b>15 651 006</b>

Sourced: IHS Global Insight, 2015

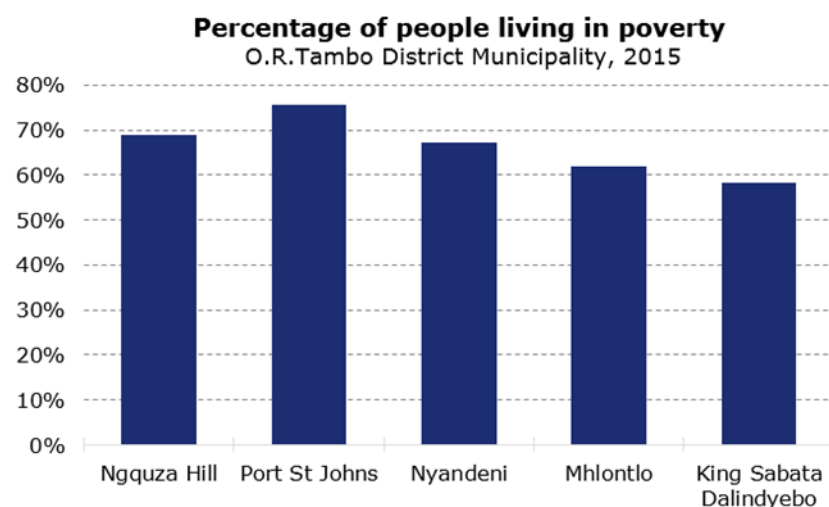


## PEOPLE LIVING IN POVERTY

According to Global Insight's 2015 report, approximately 30.1% (525 586) of the total population in the OR Tambo District lives below the poverty line. In 2011, there were 540 425 people living below the poverty line across O.R. Tambo District Municipality – down by 9.5% from 540 425 in 2011. In 2015, the number of O.R. Tambo District Municipality's inhabitants that were living below the poverty line accounted for 30.1% of the total population of the district. The number of people living in poverty in the O.R. Tambo District Municipality declined by an annual average of 2.7% from 2011 to 2015.

In terms of the percentage of people living in poverty for each of the regions within the O.R.Tambo District Municipality, Port St Johns local municipality has the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 75.5%. The lowest percentage of people living in poverty can be observed in the King Sabata Dalindyebo local municipality with a total of 58.2% living in poverty, using the upper poverty line definition.

Sourced: IHS Global Insight, 2015



## REMITTANCES

Remittances is defined as money that is sent to family members or friends within South Africa. Remittances play an important role in the economy and are one of the most widely used financial services by South Africans. Over 24 million people send, receive or both send and receive remittances. The large part of the remittance market is driven by internal migrants transferring money between family and friends. The total volume of domestic remittances is estimated to be between R150 billion and R175 billion in annual transactions at an average of R805 per transfer. Remittances account for about 4% of the country's GDP.



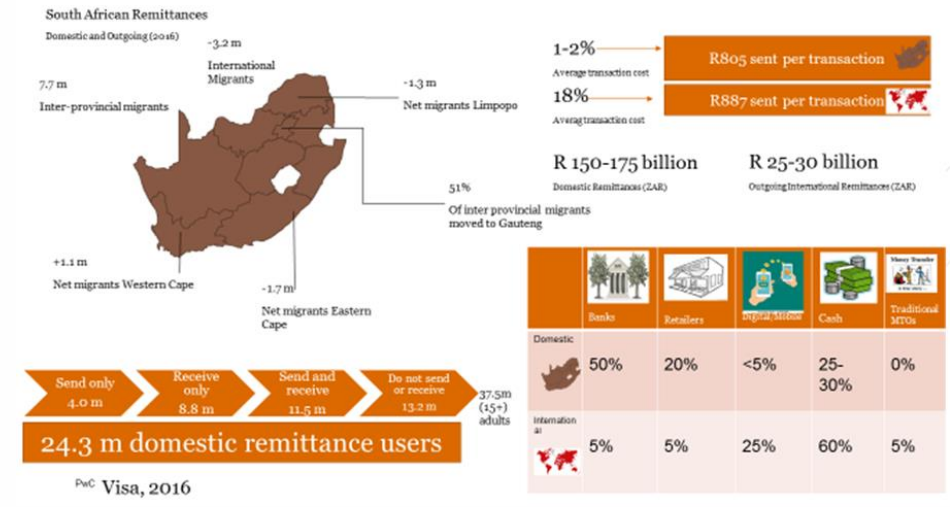
Remittances within South Africa is six times more than the flow of international remittances out of South Africa, this is driven by the far higher number of domestic over international migrants within the country. Although remittance frequencies across senders are quite varied, monthly transfers are the most common. Ranges in remittance values also vary significantly across users, often depending on the purpose of the transfer (regular monthly expenditure vs home improvement investments, weddings).

South Africa has a large number of internal migrants, although the exact figure is difficult to arrive at, as the government census and community survey do not track life time migrants within the same province. However, migration data suggests that intra-provincial migrants are as much as inter-provincial migrants.

Gauteng stands out for drawing substantial shares of migrants from all the other provinces. Between 2011 and 2016, 224 076 people moved to the Gauteng province in order to access Gauteng's dynamic economy. In contrast, Cape Town is largely comprised of migrants from the Eastern Cape.

South Africa's internal and migrants differ from non-migrants. The migrant population is higher income and better educated than non-migrants. Average ages are similar, but young, working-age adults, especially those in their 20s and 30s are overrepresented among migrants. Internal migrants are typically working-age, young adults who move for the economic opportunities. Migrants often move to areas with concentrations of people

from their home regions and leverage connections to find housing and employment while maintaining strong linkages back home.



For the district it is imperative to place more emphasis on this topic when developing policy and conducting research. With the the increased movement of people in and out of the districts growing regions like Mthatha and other peri-urban settlements in the various LM's.

## KEY ECONOMIC SECTORS

The high level of government sector presence in the regional economy arises from the underdeveloped economy, which results in a small private sector presence. The historical legacy of apartheid resulted in underinvestment into



the regional economy pre-1994, and as such private sector activity is significantly lower than in other districts of the province. The result is that government spending plays an important role in sustaining the district economy. Over-reliance on public sector spending results in an unbalanced economy, as private sector activity may be crowded-out. Agriculture makes a small contribution to the economy. This arises from most of the district's agriculture occurring on a subsistence basis. As such, commercial agriculture makes a marginal contribution to total output.

## AGRICULTURE

The agricultural sector includes all activities related to growing of crops, gardening and horticulture, farming with animals, agricultural husbandry services, hunting, trapping and game propagation, forestry and logging, fishing and operation of fish hatcheries. Stock farming is concentrated in Cattle (for beef), Goats (for meat and mohair), and Sheep (for wool).

Emerging and subsistence agriculture in O.R. Tambo follows patterns found throughout most of the Eastern Cape. Emerging farmers in the district are Previously Disadvantaged Individuals that are engaging in agriculture of a commercial orientation. Emerging farmers typically operate on plots of land that are less than 20ha in size which are often in the form of commonages leased out from the local municipalities or the Department of Agriculture. Group and cooperative activity dominates as the most common form of

organisation due to limited resources (such as land and equipment) and skills. Emerging farmers are principally involved in the rearing of livestock, piggeries and poultry.

Subsistence agriculture in the region is made up of people residing in villages and townships that use agriculture as a means to supplement their food and income requirements. This form of agriculture is impeded by the availability of arable and grazing land, which reduces the potential for increased maize and livestock production going into the future.

Regarding the supply of agricultural products and produce in the district

- *Sheep account for 60% of district livestock sales, cattle contribute 25%, goats account for*
- *10% and chickens and pigs make up the remainder*
- *Milk and cream account for 99% of animal products sold, with eggs and wool making negligible contributions to total agricultural output*



## AGRIPARKS

OR Tambo Agri-Park will initially focus on three prioritised value chains, namely :

- Livestock,
- maize,
- vegetables& Fruit.

### Agri-Hub Site - Lambasi:

- OR Tambo Agripark Business plan was completed. Site assessment for the Agri-Hub was undertaken by FEMPLAN, the assessment report has been done, Cadastral boundary identified and plotted, SG diagram secured, Site survey complete, Presently identifying first phase infrastructure needs.

### Prioritised Farmer Production Support Units

- Mqanduli Red Hub – Milling Plant
- Nyandeni- Libode (Site not confirmed)
- Mhlontlo- Qumbu (Site not confirmed)
- Port St Johns (Site not Confirmed)

### Rural Enterprise & Industrial Development Projects

- OR Grain Production: R2 261 000
- To provide Mechanisation of 800 ha in Mhlontlo & Ingquza Hill in the following areas:
  - Lambasi :250 ha
  - Mhlontlo : 550
- Red Meat Development: R1 475 000
- To establish Customised Feeding in Mhlontlo and complete the Njiveni CFS

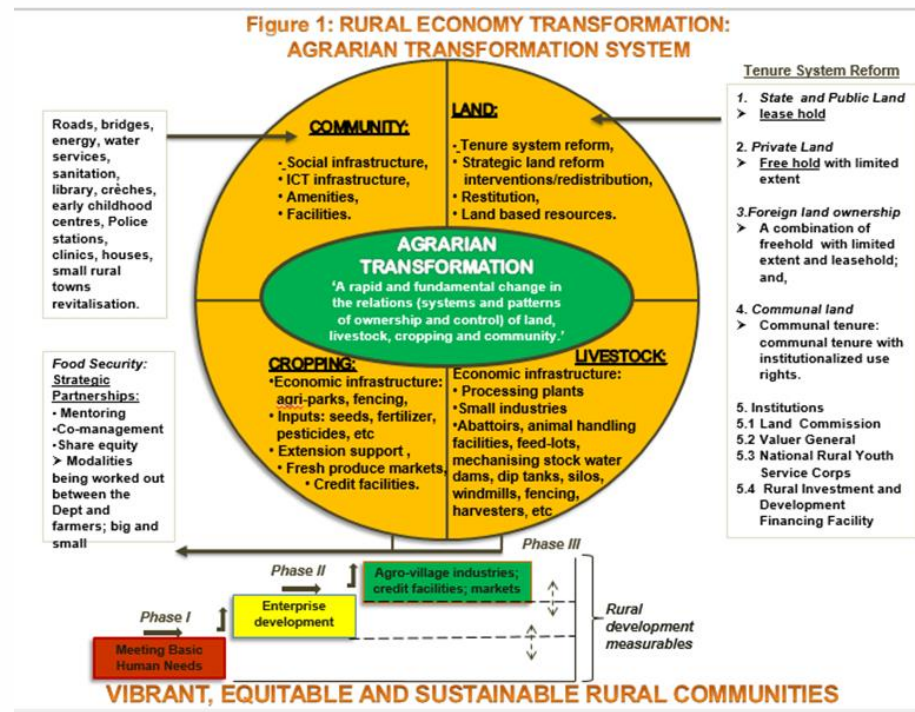
### Rural Economy Transformation Model

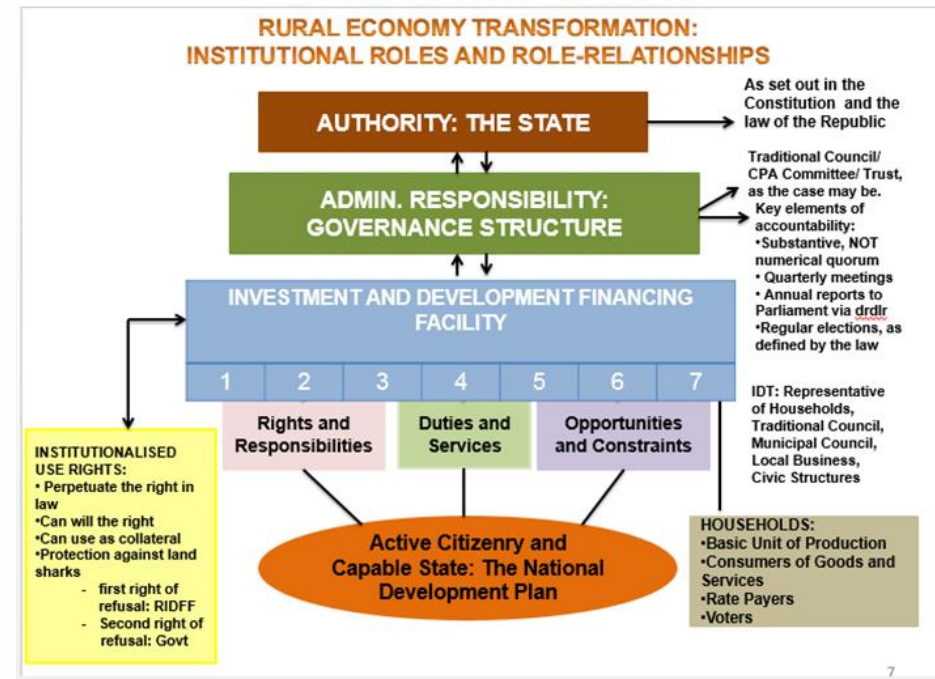
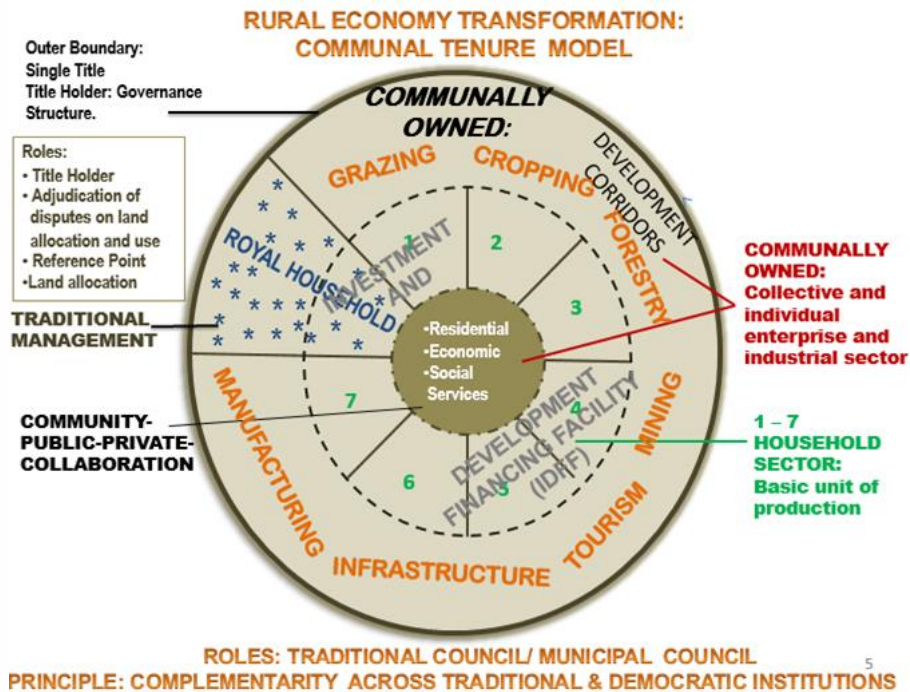
- Rural Economy Transformation will be implemented through the Agrarian Transformation System (which summarises the mandate of the DRDLR).
- Presents four Development Measurable :
  - Meeting basic human needs;
  - Rural enterprise development;
  - Agro-village industries, sustained by credit facilities and value-chain markets; and,
  - Improved land tenure systems (embedded in meeting basic human needs).

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  - Agro-village industries, sustained by credit facilities and value-chain markets; and,
  - Improved land tenure systems (embedded in meeting basic human needs).





### ONE DISTRICT-ON MEGA AGRI-PARK

- A mega agri-park to be established in all 27 priority districts
- These must be farmer controlled;
- Organize and mobilize black farmers and agri- business entrepreneurs;
- Partnerships with DAFF and COGTA would be critical
- Important role for outcome 7
- Use state land (25 farms) to catalyze the initiative;
- These agri-parks should be:
  - Based on economic advantage

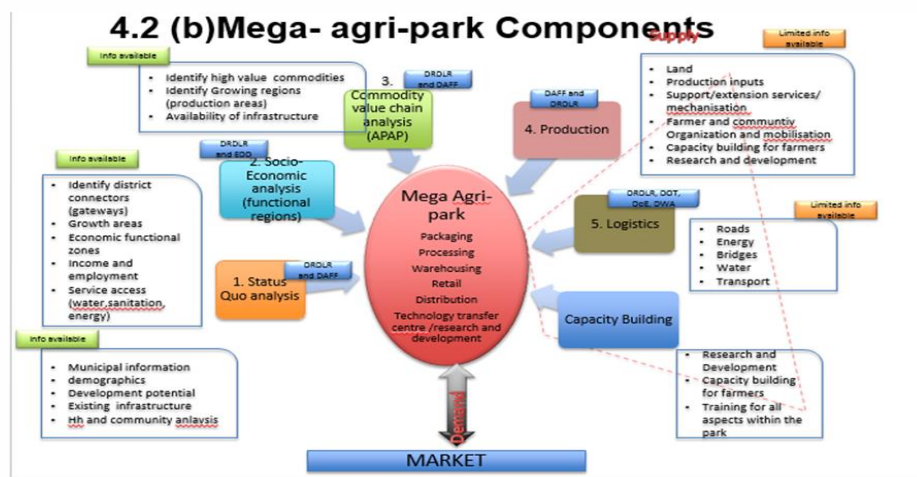


- Have all elements of the value chain for dominant products
- Should be subsidized by the state for 10 years
- Form part of governments exit strategy for recap; women crafters; and Narysec
- Lay the basis for RuCoff
- Ultimately lay the foundation for rural industrialization

## ONE DISTRICT-ON MEGA AGRI-PARK

### OBJECTIVES:

- ▶ To ensure that various districts build their production capability, by focusing on the production of commodities that will provide them with a competitive advantage.
- ▶ To develop a viable economic model that encourages, over the next ten year period:



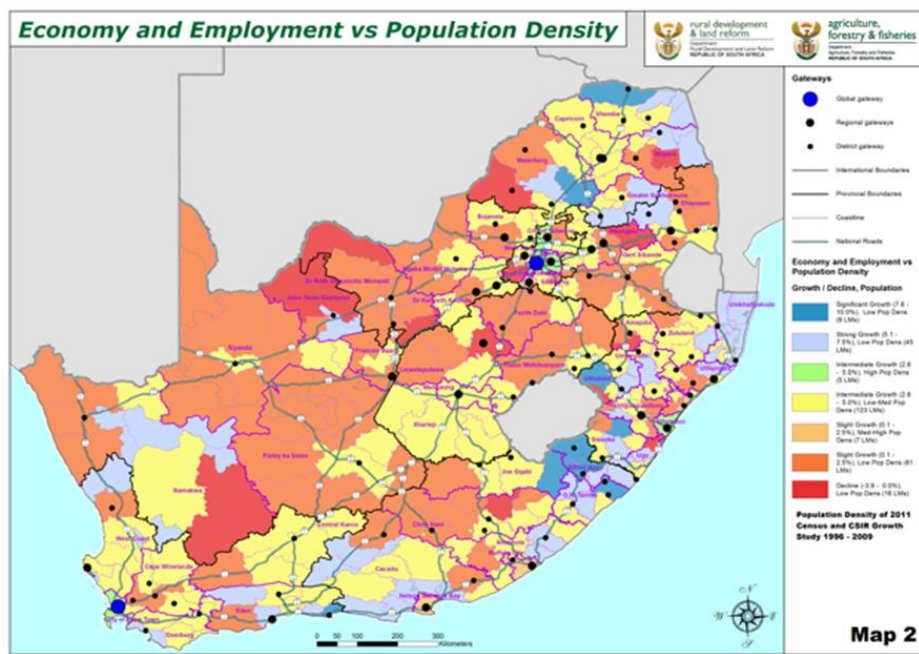
- The development of a “black class of farmer”, in terms of technical expertise, ability to supply the market sustainability (regularly) and at the desired market quality.
- Community development through income generated by the value addition capability of the agri-park (profits reinvested in the community through an Investment Financing Facility).
- Improved property rights in line with the communal models of institutional rights through community buy-in.
- Emerging black farmers working in Joint Ventures to participate in supplying the agri-park
- Private farmers to join the agri-park, as a lucrative investment opportunity.

- ▶ To develop partnerships with other government stakeholders to develop critical economic infrastructure like, roads, energy, water,





ICT and transportation/logistics corridors that support the agri-park value chain.



### RURAL ECONOMIC TRANSFORMATION MODEL REQUIRES TARGETING OF :

- ▶ In every district identify a district “gateway” town with the highest economic potential to establish agro-processing facilities, taking into account:

- The status quo information, like number of villages, communal areas, number of households benefitting, land availability, agricultural support offices
- The commodities that can be produced successfully, wheat, maize, red meat etc.
- Production Infrastructure available, like ginners, silos, abattoirs, feedlots, etc.
- Existing businesses / Coops that are already established to support the agroprocessing facilities sustainability.

### EVERY LOCAL MUNICIPALITY A CRDP SITE

#### OBJECTIVES:

- ▶ To ensure that the Comprehensive Rural Development Programme is up-scaled and rolled out to the 27 poorest districts based on lessons learnt since 2009 and act on CRDP review 2014.
- ▶ To inculcate the CRDP principles into Municipal Planning and the Integrated Development Plans of every municipality by:
  - Ensuring every Local Municipality resolves to adopt include a Rural Development Chapter into its IDP.
  - Ensuring that a Rural Development Desk is available in every municipality to assist community members with applications for land, restitution, development support,



based on IDP identified priorities. (Possible virtual desk in collaboration with municipality)

- To improve resource mobilisation (alignment) e.g. access the “N” component of the MIG formula to assist municipalities to fund their Rural Priorities and identified in the IDP.
- ▶ To ensure the 3 phases of the CRDP are implemented.
  - Meeting Basic Human Needs: Status Quo; HH Profiling; Basic Service Provision
  - Enterprise development; Coops (Agric, Arts+Crafts, Tourism), JVs; / (Grant Support; Tech Support; Recap)
  - Rural Industrialisation: Access to credit; Processing facilities; Matching Loan Financing (Rucoff)

## COMMERCIAL/TRADE

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

sector involves a broad spectrum of activity which is diverse and varied in nature.

The performance of the retail trade sector is a function of the region's household income levels. This is intuitive, as areas with low levels of household income would be expected to undertake a comparatively low level of discretionary spending as is associated with the retail trade sector.

The sale of goods and services by shops and stores represents general commerce related to the day-to-day existence of local residents. The trade sector is a derived demand because it is dependent on the amount of income the consumer has at his/her disposal to engage in a trading transaction. Trade, in its turn, is not only a function of the amount of money available within a population, but is also influenced by non-economic considerations such as personal taste, availability of alternatives and the current fashions. For this reason, the sector can be used as a crude measure of economic performance and the confidence the people and industry have in the local economy. In terms of the sector's performance, the period between 2010 and 2014 (from the last LED strategy until the date of this review) was characterised by multiple developments that expanded the supply of trade sector entities in the district. This saw several shopping centres being built in towns such as Mt Frere and Bizana.

Whilst such urban nodes experienced significant growth in the supply of retail trade entities, rural trading posts and villages experienced lacklustre growth over the same period. This points to transformations in consumption behaviour patterns of the largely rural population serviced. Growth thus was concentrated in trade activities such as hardware stores and supermarkets,



and divested from traditional institutions such as Spaza shops and general dealers

## TOURISM

The Standard Industrial Classification (SIC) used to classify economic sectors in the South Africa economy does not recognise tourism as a separate sector. This is because the tourism industry is a consumption based service industry that does not produce a tangible product. It does however, utilize the products and services of other classified industries including Trade, Transport and Business Services. Due to its increasing importance as an income and employment creator in South Africa, this report will discuss Tourism separately from the other sectors.

Tourism can be defined as related to all the goods and services linked to a person staying and travelling outside of their area of residence. This is difficult as it includes many different sources of goods and services. Despite these challenges, gaining an understanding of its salient features will ensure that the LED strategy capitalises on economic opportunities within the municipal area.

It may be observed that the district has an abundance of tourism assets that may be classified under the following major categories:

- *Nature based (e.g. Mthatha mouth)*
- *Eco-based (e.g. Nduli Lechaba nature reserve)*

- *Qaukeni great place)*
- *Marine protected area)*
- *Route-based (e.g. Maloti)*

## OCEANS ECONOMY

Operation Phakisa is a major initiative by the government to address the triple challenge of poverty, unemployment and inequality in South Africa. The first implementation of Operation Phakisa is led by the Department of Environmental Affairs, focusing on unlocking the economic potential of South Africa's oceans.

The Eastern Cape, together with the Western Cape and Kwazulu-Natal have been selected to drive the Operation Phakisa's Ocean Economy. The Ocean Economy: Operation Phakisa focuses on:

- Maritime transport and manufacturing*
- Offshore oil and gas*
- Marine protection services and ocean governance*
- Aquaculture*
- Small Harbour Development*
- Coastal and Marine tourism*

The Eastern Cape has been selected as one of three (3) provinces that will drive the Operation Phakisa: Ocean Economy.



The Eastern Cape has an extensive coastline of over 800 km along the Indian Ocean with great potential for an ocean economy, as well as mineral and energy resources, all areas that have remained untapped.

The Ocean Economy has also been prioritised in the Provincial Development Plan Vision 2030 as a good potential for development in the Province as it cuts across different sectors.

## MANUFACTURING

This sector is broadly defined as the physical or chemical transformation of materials or compounds into new products and can be classified into 10 sub-groups namely: Manufacturing activities in the district include the following:

- *Food, beverages and tobacco*
- *Textiles, clothing and leather goods*
- *Wood and paper; publishing and printing*
- *Petroleum products, chemicals, rubber and plastic*
- *Other non-metal mineral products*
- *Metals, metal products, machinery and equipment*
- *Electrical machinery and apparatus*
- *Radio, TV, instruments, watches and clocks*
- *Transport equipment*
- *Furniture and other manufacturing*

The supply of manufacturing sector activity is determined by the presence of raw material such as agricultural produce and minerals. Since the district has a low level of commercial agricultural activity and limited mineral resources that are commercially exploitable, inputs for manufacturing activity are in turn limited in quantity. Demand for manufactured goods is however high, and thus significant amounts of manufactured goods are acquired from regional centres such Port Elizabeth, East London and national centres such as Johannesburg and Durban. Scope exists for value-addition of raw materials that are currently produced within the district and processed elsewhere. Such manufacturing would typically occur on a small-to-medium scale and involve activities centred around agro-processing (e.g. milling of maize grown, packaging of fruit, juicing of horticultural products, etc.).

## MINING

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

Based on this definition, there is limited mining activity that takes place on a large scale within the district. The district does however have several small scale mines operating, both formally and informally. The bulk of these small-scale mines supply the construction sector with inputs such as crusher rock,



sand, aggregates and clay. This is typically used in road-construction projects, home-building and by brick-making enterprises.

### Factors serving as trends in the mining sector include:

- *Limited supply of high-value metallic mineral within the district*
- *Supply of medium-value non-metallic minerals such as kaolin and travertine*
- *throughout the locality of the district*
- *Rising household incomes, leading to increased demand from the construction sector,*
- *especially in rural settings*
- *High levels of environmental sensitivity along the Wild Coast, which limits*
- *the scope for medium or large scale mining enterprise creation*
- *High incidence of informal activity that is not licenced or permitted by relevant authorities such as DEDEAT and DME*

## CONSTRUCTION

The construction sector includes activities related to site preparation, construction of buildings, building installations, building completion and the renting of construction equipment. The range of activity contained within the construction sector thus includes shop fitting, plumbing, electrical contracting, painting and decoration.

It must be noted that the construction sector has a 'derived productivity'. This means that it depends on the amount of development taking place. The result is that the district presents significant potential for construction sector activity to take place as:

- *The high population density results in many people requiring housing, both in urban and rural areas. This has resulted in the proliferation of multiple hardware stores (both national chain entities in town as well as 'local' shops in rural nodes)*
- *The underdeveloped nature of the district means that a significant amount of construction activity is required to eradicate backlogs in infrastructure provision*
- *Rising household incomes (supported by grant funding from government) creates demand for renovations to houses*
- *Above mentioned rising incomes create demand for retail spaces, as social safety nets administered by the state result in increased purchasing power. This means demand for large retail buildings such as malls and shopping centres in the district's towns is growing*
- *The strong presence of the government and community services sector creates demands for office space in order to accommodate the administrative functions of department, parastatals*



## SECTION 3: BUILT ENVIRONMENT

The term built environment refers to the human-made surroundings that provide the setting for human activity, ranging in scale from buildings and parks or green space to neighbourhoods and cities that can often include their supporting infrastructure, such as water supply, or energy networks.

This section will discuss the nature of settlements, land uses and ownership among other things.

### SETTLEMENT PATTERNS

OR Tambo District Municipality has a predominantly rural landscape with a large proportion of people residing in tribal villages and traditional homes. The towns, located along the main access roads, function as service centres to the surrounding rural settlements. Mthatha is the regional urban centre of the district and is experiencing in-urban migration creating greater pressures on its infrastructure and facilities. The smaller service centres of Lusikisiki and Port St Johns have also experienced urban migration.

### SETTLEMENT ROLE, HIERARCHY AND FUNCTION

TYPOLOGY OF SETTLEMENTS		
TYPE	LOCATION	FUNCTION OF SETTLEMENTS AND ASSOCIATED TYPICAL LAND USES
District Centre	Mthatha	<ul style="list-style-type: none"> <li>District-level Administration centre</li> </ul>

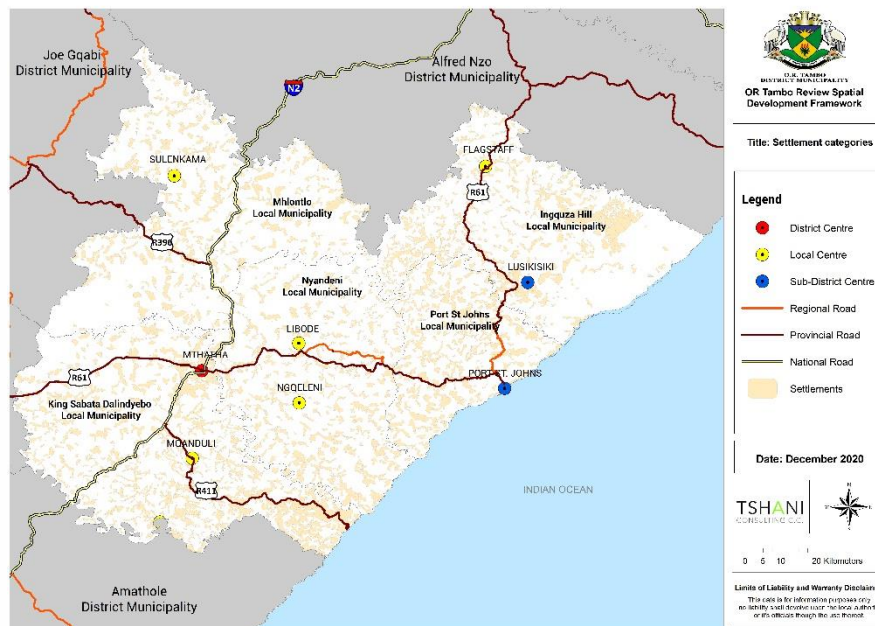
TYPOLOGY OF SETTLEMENTS		
TYPE	LOCATION	FUNCTION OF SETTLEMENTS AND ASSOCIATED TYPICAL LAND USES
		<ul style="list-style-type: none"> <li>Major district service centre for commercial goods and services</li> <li>Centre of educational excellence</li> <li>Residential development (high and low income)</li> </ul>
Sub-District Centres	Lusikisiki Port St Johns Coffee Bay Mazeppa Bay	<ul style="list-style-type: none"> <li>Municipal-scale Administrative Centre</li> <li>Municipal-scale service centre for commercial and social goods and services</li> <li>Residential development covering full range of economic bands (Middle-income - Low-income)</li> <li>Potential for value-adding agro-industrial processes</li> </ul>
Local Centres	Flagstaff Libode Qumbu Tsolo Ngqeleni Mqanduli	<ul style="list-style-type: none"> <li>Municipal-scale Administrative Centre</li> <li>Local-scale service centre for commercial and social goods and services</li> <li>Residential development covering full range of economic bands (Middle-income - Low-income)</li> <li>Potential for value-adding agro-industrial processes</li> </ul>



## TPOLOGY OF SETTLEMENTS

TYPE	LOCATION	FUNCTION OF SETTLEMENTS AND ASSOCIATED TYPICAL LAND USES
Rural villages	Rural villages	<ul style="list-style-type: none"> <li>Primarily residential and livelihood subsistence function</li> <li>Some provision of limited social goods and services</li> </ul>

The plan below depicts the settlement categories within the O.R Tambo District Municipality.



PLAN NO. 35: SETTLEMENTS CATEGORIES

## SPATIAL STRUCTURE AND FORM

### MIGRATION

Studies on migration in the Province provide important insights into this phenomenon in the district. While it is estimated that 5.6% of economically individuals in the Province migrate, it is 6.2% in the case of the O.R. Tambo District Municipality. The studies also indicate that more than 80% of migrants from the Province are from rural areas. Since the early 1990s, the bulk of these migrants have headed for the bigger metropolitan areas, especially Cape Town and Johannesburg, rather than local and regional urban centres. Generally the pattern in the Province shows an increase in the flow from rural areas directly to major metropolitan areas. In this respect, Johannesburg is more of a destination for people from the District than the other major cities in the country.

The studies' findings suggest that out-migration from rural areas is slowing down and that most of those who intended or are able to leave have already left. Perhaps it is not a lack of desire, just that the cost of migration has increased and the opportunities to go have decreased since the 1990's making it more difficult to move. But is also a important local 'pull' factor that since basic services are much more widely available, people do not have to move to the heavily populated peri urban and urban areas to access these.

The studies also suggest that there is an increase in the number of women migrating, with the Provincial figures showing that two women for very three men migrate, compared to the early 1990s, when migration was

predominantly male. While female migrants are generally slightly better educated than their male counterparts, most migrants have low levels of formal education. As women are generally paid less than their male counterparts, they are less likely to remit money. The studies furthermore indicate that:

- *Rural areas contribute proportionately more to migration than urban areas, i.e. four rural families are affected for one family in an urban area;*
- *Almost 50% of those migrating are employed and another 25% are actively seeking work; and*
- *About 25% of migrants in all areas send home income monthly and 4% weekly and 30% send money home regularly, while a further 10% send less often.*

An associated problem with migration is that of service delivery. Data of migration also suggests that migration is often more about getting access to services in an area where there is development than to get a job, which has huge implications for the financial viability of municipalities, especially so in urban areas like Mthatha.

MUNICIPALITY	TOTAL POPULATION		Population Growth Rate (2011-2016)
	2011	2016	
Ingquza Hill	278 481	303 378	0.09

MUNICIPALITY	TOTAL POPULATION		Population Growth Rate (2011-2016)
	2011	2016	
KSD	451 710	488 349	0.08
Mhlontlo	188 226	189 175	0.01
Nyandeni	290 390	309 702	0.07
Port St Johns	158 136	166 778	0.05
<b>O.R Tambo</b>	<b>1 364 943</b>	<b>1 457 384</b>	<b>0.07</b>

## HOUSING

The provision of formal housing for low income residents is a core function of provincial and national government, with local municipalities being implementing agents. There seems to be a slow progress in terms of housing development within the district. Currently, none of the local municipalities within the district have been accredited by the Department of Human Settlements to perform the function of building or providing low cost housing.

The table below indicates the current housing projects within the various local municipalities:





## CURRENT HOUSING PROJECTS

Project Name	Units
<b>Ingquza Hill Local Municipality</b>	
Ingquza 14	14
Ingquza 76	76
Flagstaff 503	503
Ingquza 500	500
Dimfi 500	500
Mpoza 500	500
Ingquza Phase 2 - 347	347
Holy Cross 500	500
Xopozo 500	500
Lubala 91	91
Ingquza 14	14
OR Tambo 100	100
<b>King Sabata Dalindyebo Local Municipality</b>	
Ntshabeni Ph2, 200	200
Willow 200	200
New Payne Phase 2 200	200
Mahlungulu 350	350
Mqanduli 500	500
Ncambele	300
New Payne	300
Zidindi 100	100
KSD ABT 350	350
Military Veterans 57	57
O R Tambo (85 + 20)	105
Lindile 208	208
Ngangelizwe 200	200
Zimbane Valley. 1482 (702)	702
Zimbane Valley 1482 (780)	780
Ilitha 463	463
Water fall 1183	1183

Maydene Farm 969	696
<b>Mhlontlo Local Municipality</b>	
Chulunca (300) Ward 16 & 23	300
Lotana (300) Ward 9	300
Qumbu 500 (Ward 15)	500
Mhlontlo 160 Voucher Wards 1 & 11	160
Qumbu 504 (Ward15)	504
Mhlontlo 1857	1857
Mhlontlo 619 (Part of the 1857)	619
Mhlontlo 619 (Part of the 1857)	619
Qumbu 500 (Ward 15)	500
86 Disaster Housing (Part of OR Tambo 365)	86
Tsolo 500 (Ward 7)	500
Mhlontlo 322 Destitute (Scattered)	322
Mhlontlo 241 Temporary structures (Scattered)	241
Ncakuleni MPCC (Ward 14)	
<b>Nyandeni Local Municipality</b>	
Nyandeni 190 - ABT	190
Nyandeni 370 - ABT	370
Mampondomiseni Ph 1	150
Mampondomiseni Ph 2	150
Nyandeni 77	77
Nyandeni 98 (Part of OR Tambo 385)	98
Nyandeni 800	800
<b>Port St Johns Local Municipality</b>	
Port St Johns 30	30
Port St Johns 50	50
Port St Johns 110	110
Ntafufu 350	350
Port St Johns 321	321
Port St Johns 259	259
Mdlankala 200	200



Tombo 200	200
Caguba 300	300
Port St Johns 362 (Part of OR Tambo 2016 )	362
Port St Johns 256 (Part of OR Tambo 730)	256
<b>Source: ORTDM HOUSING STRATEGY 2015</b>	

## LAND RESTITUTION

The district has had significant challenges with land availability due to tenure and land claims issues. Land remains one of the most significant barriers to socio-economic development and it has its impact on the many catalytic projects planned for the district e.g. N2 Wild Coast, Wild Coast Special Economic Zone etc. There is a critical and urgent need to address the issues land ownership and availability, linked with the district wide spatial development plans, in order to unleash the economic potential of the district. ORTDM should initiate its own evidence based land data which will lead to a Land Summit.

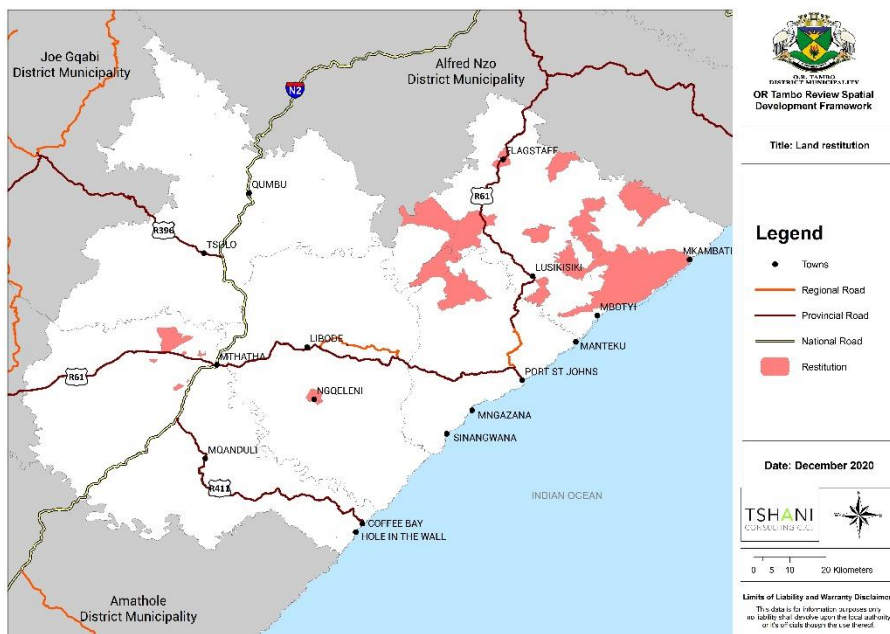
The available land within the urban areas for low cost housing are either too expensive or far away from economic opportunities and community facilities. In rural areas, the communal land tenure system does not provide enough security of tenure to financial institution to provide mortgage bonds to rural communities to finance their homes.

Land claims issue in both urban and rural areas in the District also retard the progress on the housing development due to long process and time involved to finance the claims. Coupled with the above challenges is the issue of land invasion currently taking place in Lusikisiki, Flagstaff, Mthatha, Tsolo and other service centers in the District.

Source: ORTDM HOUSING STRATEGY 2015

The plan below spatially represents the land restitution projects within O.R Tambo District Municipality. The plan indicates various areas within the district that require land restitution, such areas which are predominately within Inqguza Hill local municipality consist of the Flagstaff, Lusikisiki and regions between Mbotyi and Mkambati. A majority of land restitutions are on the eastern region of the district with a couple situated in the central region of Ngqeleni and along the R61 towards Mthatha.





**PLAN NO. 36: LAND RESTITUTION PLAN**

The Commission for Restitution of Land Rights in the EC continues to settle 1998 claims with both land and monetary compensation. The remaining 789 claims are mostly complex rural claims. The amended Restitution Act, intended to re-open claims, has been put on hold by Concourt.

We see that OR Tambo has managed to settle a fair amount of claims within their space. However this only a reflection of claims settled as till 1998. New land claims which have been synonymous with the OR Tambo District still require attention.

District Municipality	Lodged Claims	Settled Claims	Outstanding Claims
Alfred Nzo	84	57	27
Amathole	8053	7743	310
Sarah Baartman	7137	6891	246
Chris Hani	2114	2014	100
Joe Gqabi	117	89	28
O R Tambo	133	55	78
<b>Total</b>	<b>17638</b>	<b>16849</b>	<b>789</b>

## LAND TENURE

The District is situated in the Eastern Cape Province and covers some 80% of the area previously designated as the Transkei. Although it straddles the National Route N2 linking Durban to East London, the Garden Route and Cape Town, the O.R. Tambo DM may, in general terms, be said to be peripheral to the main (central) communication and transport routes linking the economic heart of South Africa, Gauteng, and the major centres of Durban, and Cape Town. This peripheral location is mirrored in the peripheral nature of the economy of the District, which is largely land-based



(subsistence) and has been impacted upon negatively by historic practices of discrimination and marginalisation in colonial and apartheid times prior to 1994.

In June 2012, the O.R. Tambo DM Council adopted a reviewed Spatial Development Framework (SDF). This document was directed and overseen by Consulting Group Pty (Ltd). The SDF seeks to (1) guide the spatial distribution of current and future desirable land uses/activities within the municipality and (2) give physical effect to the vision, goals and objectives of the municipal IDP. In effect, the SDF represents a “picture” of where the municipality wishes to direct its efforts in facilitating development. As such, the primary purpose of the SDF is to guide all decisions of the municipality relating to the use, development and planning of land and, at the District level, should guide and inform:

- *A hierarchy of settlements to illustrate the relative importance and purpose (function) of different places (towns and settlements);*
- *The identification of major movement routes;*
- *The identification of Special Development Areas for specific interventions either to facilitate and/or improve local economic development opportunities, or to address special instances of need; and*
- *The conservation of both natural and built environments.*

## **INFRASTRUCTURE**

The distribution and capacity of infrastructure is an imperative framework for sustaining development and the manner and spatial location of infrastructure investment influences the response of development. In many instances, the scatter and sprawl development at low densities has led to expensive provision of infrastructural facilities.

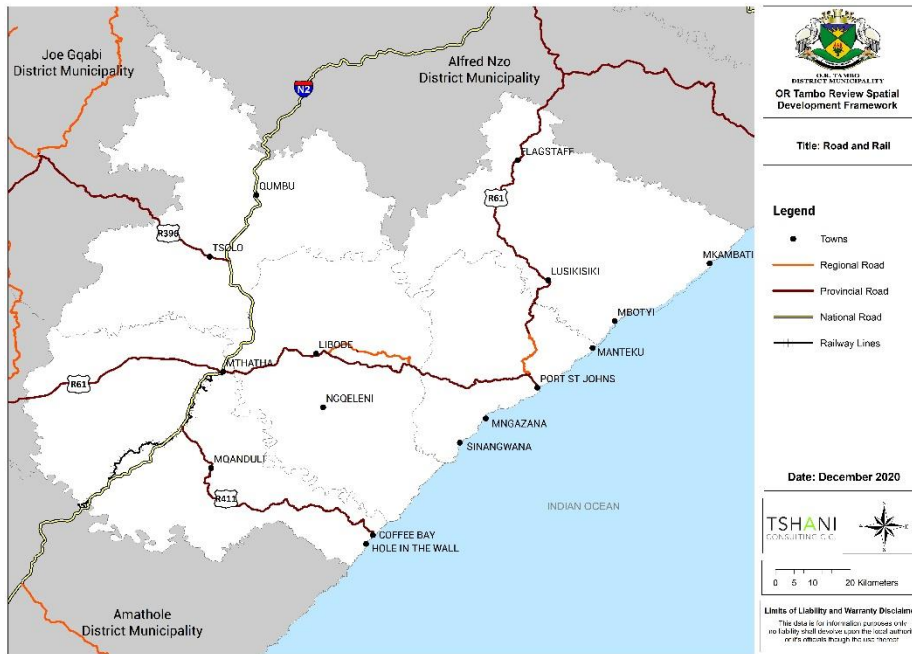
This Section summarises the infrastructure characteristics of O.R Tambo District and describes their distribution in order to assist with assessing alignment between development trends and infrastructure programmes.

## **ROAD AND RAIL NETWORK**

As indicated on the plan below, roads of significance that traverse the district include the N2 and the R61. The N2 traverses major towns inclusive of Mthatha, Tsolo and Qumbu to Alfred Nzo District Municipality and the R61 traverses the King Sabata Dalindyebo Local Municipality, Nyandeni Local Municipality, Port St Johns Local Municipality and Ingquza Hill Local Municipality. The N2 and R61 also intersect in Mthatha near the boundary of King Sabata Dalindyebo and Nyandeni Local Municipality.

The O.R Tambo District does not have an operational public and goods rail transport system. However, a railway line does exist and is situated along the N2 from Amathole District Municipality through King Sabata Dalindyebo to Mthatha.





**PLAN NO. 37: ROAD & RAILWAY PLAN**

A number of the national, provincial and district roads are currently being upgraded or undergoing major refurbishment. Work continues on the main roads in the District, the N2 road from East London to Durban, and the R61 from Queenstown to Port St Johns. The very low historical investment in the access road network in the District has resulted in very poor access to the major road routes. A specific priority in the District is the construction and maintenance of gravel access roads in rural areas. This category of roads is funded through the Municipal Infrastructure Grant (MIG) and Equitable Share

funds. On average, 500 km of access roads are constructed or maintained per year in the district.

## PROPOSED TRANSPORT STRATEGIES

### STRATEGIC PUBLIC TRANSPORT NETWORK STRATEGY (STPN)

The Draft Rural Transport Plan Assessment Report proposes there be a Strategic Public Transport Network comprising primary and secondary corridors. The routes of the proposed SPTN for the District are shown in the table below.

Primary corridors are expected to carry high volumes of passengers in future years, will connect primary nodes within the province as well as with other provinces, such as Western Cape and KwaZulu Natal. Secondary corridors are those that are expected to carry lower passenger volumes, and often serve a local role only.



## SPTN CORRIDORS IN O.R TAMBO DISTRICT MUNICIPALITY

CORRIDOR DESCRIPTION	MOTIVATE
<b>Primary Corridors</b>	
<b>N2 East bound to KwaZulu Natal via Mthatha</b>	Currently carries high passenger volumes. Expected to carry high volumes in future. Development corridor in Province.
<b>Secondary Corridors</b>	
<b>R61</b>	Currently carries medium volumes of passengers.

## INTEGRATION OF LAND USE AND TRANSPORT PLANNING

In order to make informed decisions of where to invest money on infrastructure, a system of 'priority corridor and nodal development' should be agreed upon, which will form the structuring elements in the future development philosophy of the district.

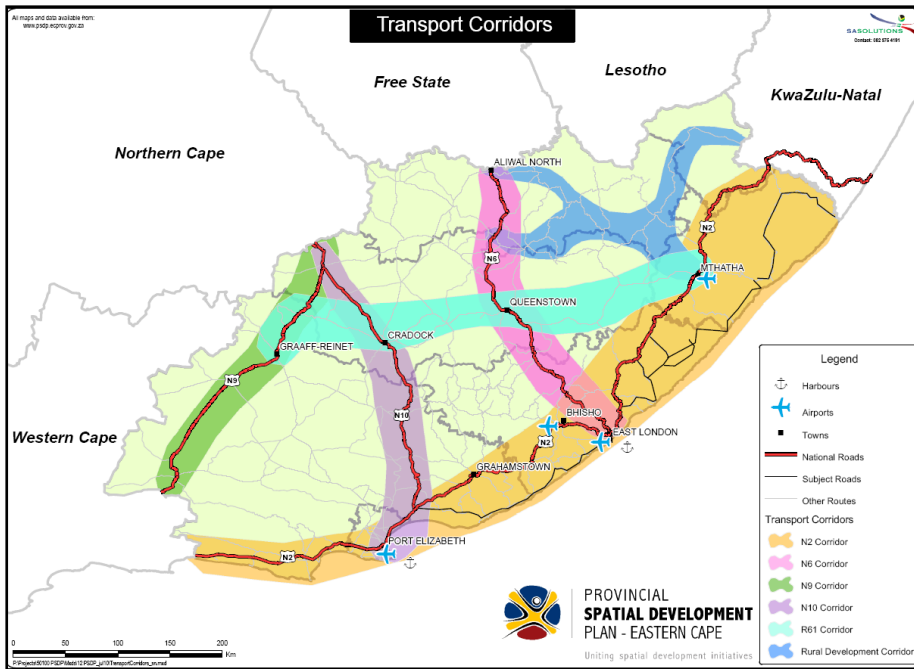
The following proposed Strategic Transport Corridors feature strongly in the corridor analyses described in the Rural Transport Plan Assessment Report: (Refer to figure below).

- *The coastal corridor consisting of strategic roads, N2, R72, R349 and R61, Kei Rail and a rail link between Port Elizabeth and East London. This corridor connects the 3 major economic centres of the Province and provides linkages with rural towns. It also connects the Province*

*with the Western Cape and Kwazulu-Natal provinces. It is not considered to be a development corridor due to the predicted depopulation of this region in the current PSDP proposals.*

- *Rural development corridor in the Eastern Region of the Province. This corridor consists of the strategic route R56, R58 and R412 which connects with the N2 just west of Mthatha. This corridor needs to be developed to provide rural linkages with Mthatha for the Joe Gqabi and Alfred Nzo District Municipalities. It is also an important corridor for the mass food production and forestry programme as well as Nelson Mandela cultural corridor.*



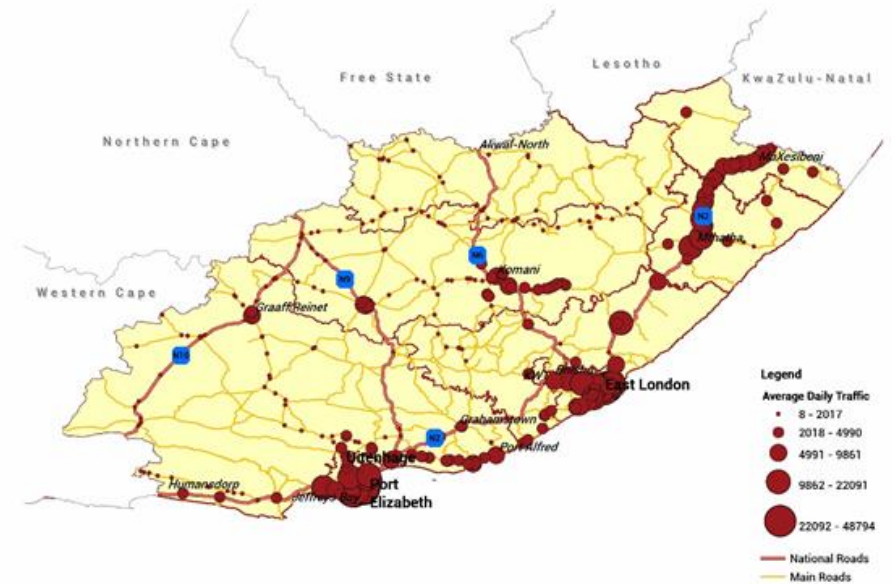


EASTERN CAPE PROVINCIAL SPATIAL DEVELOPMENT PLAN (2010):  
DIAGRAMATIC DISTRIBUTION OF TRANSPORT CORRIDORS

### TRANSPORT CORRIDOR

The N2 between East London and Mthatha carry traffic ranging between 4000 and 8000 vehicles per day, with volumes of around 10 000 when entering the urban areas. These higher levels of traffic volumes continue northwards along the N2 towards KwaZulu Natal, dropping to below 6000 near Kokstad. Within the CBD area of Mthatha car counts of up to 20000 can

be experienced. Such a reality impacts on planning significantly as use of resources are placed under great strain. This is largely due to the N2 traversing the likes of Mthatha and other towns within OR Tambo. Such



raises issue surround the ownership of the asset versus the maintainance of the of the asset.

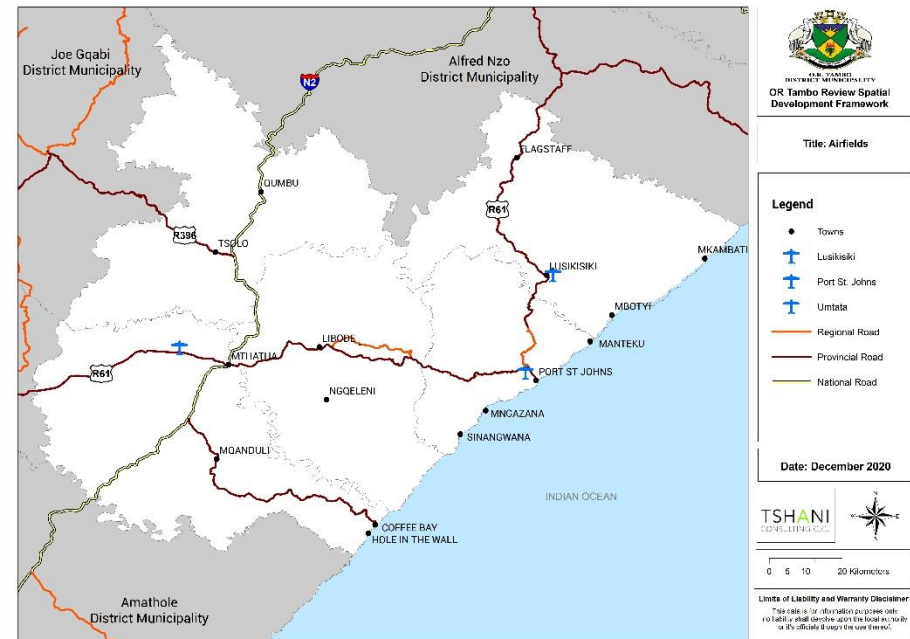
Annual Traffic counts Eastern Cape



## **AIRFIELDS**

Mthatha Airport is fully functional and compliant with Civil Aviation Authority (CAA) safety standards. Utilisation of the airport has improved and there is now a proposed regular passenger service between Mthatha and Bisho Airports. Mthatha Airport has three scheduled flights a day between Mthatha and Johannesburg by Air Link. A second airline, known as Interlink, is in the process of conducting tests on the route between Mthatha and Johannesburg. Plans are currently underway for the upgrading of the Mthatha airport so that it becomes a more attractive destination for airlines, businessmen and tourists.

The plan below indicates the airfields located within the District, the main airfield being Mthatha Airport which has a proposed increase in the capacity of airlines for the Johannesburg-Mthatha and Mthatha-Durban routes. An imperative goal is to create a link between Port Elizabeth and Mthatha via Bisho Airport with the service geared for faster movement between the three (3) areas. Further to the usage is a proposed linkage with the proposed development of Port St John's 1.2 kilometer landing strip.



**PLAN NO. 38: AIRFIELDS PLAN**

## **ELECTRIFICATION**

As indicated in the table below, the predominant usage of electricity in households within the district is for lighting with a figure of 1 233 914 while the lowest form of electricity usage by household is for heating purposed at only a figure of 417 468 within all the local municipalities.

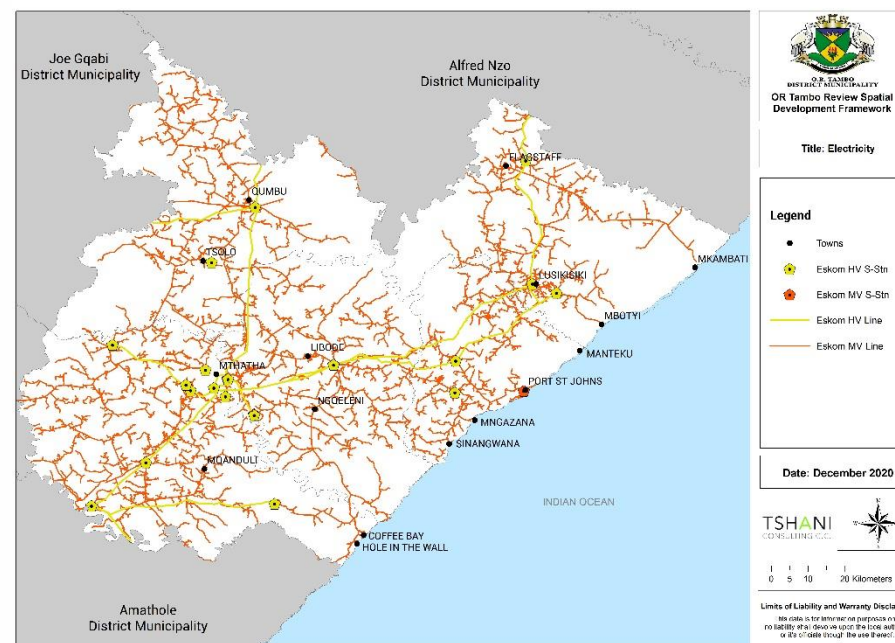


### NUMBER OF HOUSEHOLDS BY ELECTRICITY USAGE: 2016

	LIGHTING		COOKING		HEATING	
<b>Ngquza Hill</b>	261 611	21.20%	152 957	17.04%	63 046	15.10%
<b>KSD</b>	412 701	33.45%	355 689	39.64%	185 187	44.36%
<b>Mhlontlo</b>	160 301	12.99%	128 962	14.37%	50 406	12.07%
<b>Nyandeni</b>	261 276	21.17%	187 575	20.90%	82 659	19.80%
<b>Port St Johns</b>	138 025	11.19%	72 214	8.05%	36 170	15.10%
<b>O.R Tambo</b>	<b>1 233 914</b>	<b>100.00%</b>	<b>897 387</b>	<b>100.00%</b>	<b>417 468</b>	<b>100.00%</b>

Source: Community Survey, 2016

The plan below depicts the distribution of electrical infrastructure within the O.R Tambo District Municipality.



**PLAN NO. 39: ELECTRIFICATION PLAN**

### WATER

In terms of the Community Survey 2016 the O.R Tambo District the main provision of water is obtained through piped water in their dwelling or inside their property and access to water via communal taps. The table below, depicts the household level of access to water for each local municipality.

The O.R Tambo District Municipality still requires significant improvement in the supply of potable water to communities. As per the Community survey

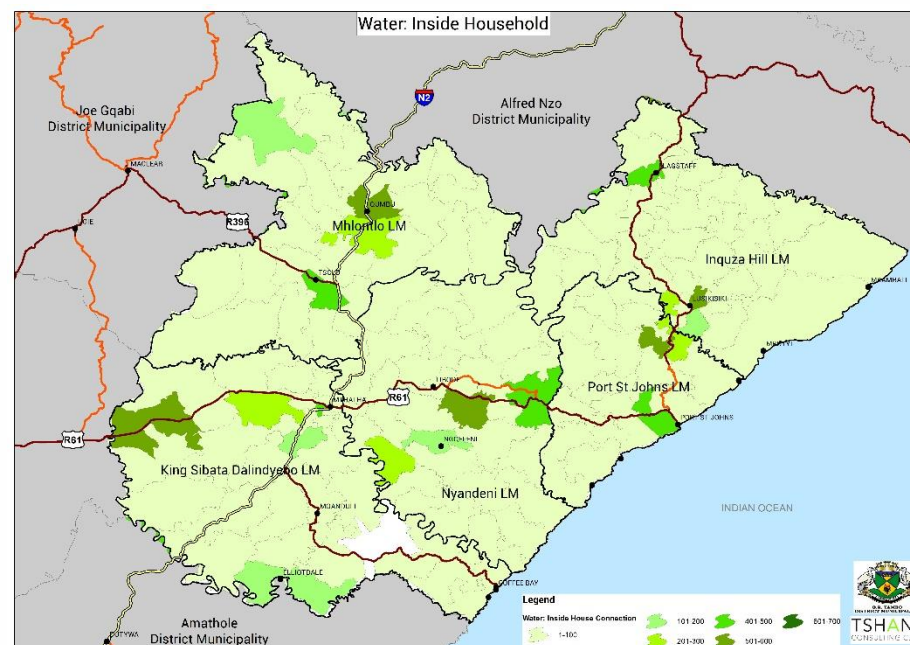


2016 only 66 621 households have access to piped (tap) water inside the yard/dwelling while 2 403 households utilise other means of accessing water.

NUMBER OF HOUSEHOLDS BY LEVEL OF ACCESS TO WATER						
	Piped (tap) water inside yard/dwelling		Piped (tap) water on a communal stand		Other	
	Count	Percentage	Count	Percentage	Count	Percentage
<b>Ingquza Hill</b>	2 186	3.28%	19 736	27.65%	33	1.37%
<b>KSD</b>	59 759	89.70%	13 223	18.52%	778	32.38%
<b>Mhlontlo</b>	1 635	2.45%	17 512	24.53%	909	37.83%
<b>Nyandeni</b>	1 146	1.72%	13 062	18.30%	592	24.64%
<b>Port St Johns</b>	1 895	2.84%	7 850	11.00%	91	3.79%
<b>O.R Tambo</b>	66 621	100.00 %	100.00 %	100.00 %	2403	100.00 %

Source: Community Survey 2016

The plan below illustrates the number of households with a piped water source within O.R Tambo District.



PLAN NO. 40: ACCESS TO PIPED WATER

## SANITATION

As per the Community survey 2016 only 311 660 of all households within the O.R Tambo District have flush/chemical toilets. The bucket system is still in existence, with Ingquza Hill being the highest percentage at 77.31% of persons within the local municipalities utilise the system, but the district municipality is working towards providing waterborne sanitation systems connected to sewer system linked to proper water system. Toilets in rural

areas comprise VIP latrines and the bucket system has almost been eradicated.

The table below indicates the provision of household sanitation within each local municipality.

PROVISION OF HOUSEHOLD SANITATION								
	Flush/Chemical Toilets		Pit Latrines		Bucket Toilets		No Toilets	
<b>Ingquza Hill</b>	31 956	10.25%	242 247	24.78%	16 664	77.31%	10 961	11.09%
<b>KSD</b>	138 091	44.31%	287 396	29.37%	1 541	7.15%	34 975	35.38%
<b>Mhlontlo</b>	20 327	6.52%	152 697	15.60%	304	1.41%	10 703	10.38%
<b>Nyandeni</b>	59 900	19.22%	233 431	23.85%	396	1.84%	10 600	10.72%
<b>Port St Johns</b>	61 386	19.70%	62 643	6.40%	2 651	12.30%	31 608	31.98%
<b>O.R Tambo</b>	311 660	100.00%	978 645	100.00%	21 556	100.00%	98 847	100.00%

Source: Community Survey 2016

## **WASTE MANAGEMENT FACILITIES**

Within the ORT DM there are 11 operating landfill sites of which only four are licensed. Although there are landfill sites, illegal dumping in various areas is still a challenge. The following landfill sites operate legally:

- ▶ Mhlontlo LM (Qumbu and Tsolo);
- ▶ Port St Johns LM; and
- ▶ King Sabatha Dalindyebo LM (Mqanduli).

The ones operating illegally are the following:

- ▶ Ingquza Hill LM (Flaggstaff and Lusikisiki);
- ▶ Nyandeni LM (Libode and Nqgeleni); and
- ▶ King Sabatha Dalindyebo LM (Mthatha).

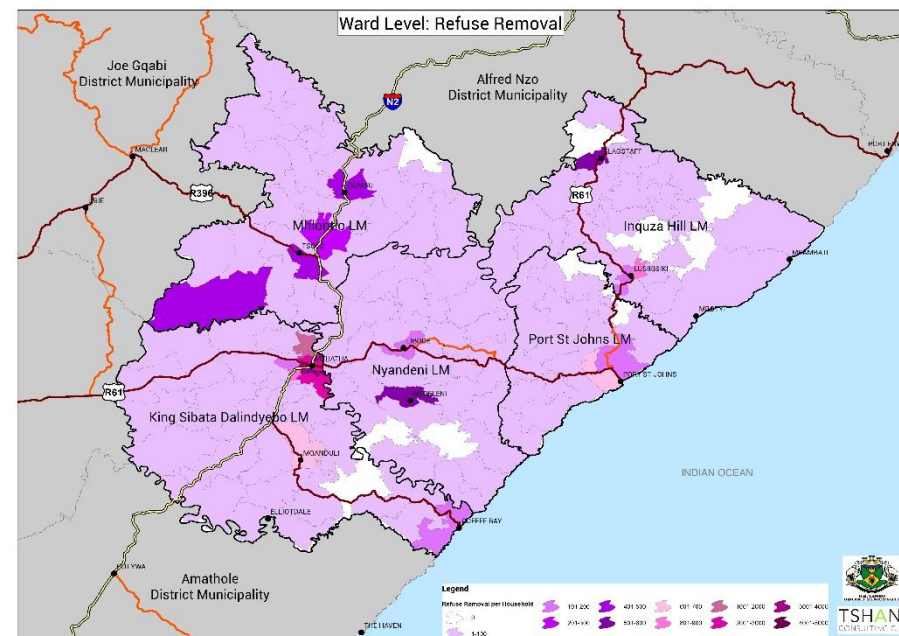
In terms of the community survey 2016, King Sabata Dalindyebo local municipality obtained the highest percentage of refuse removal by local authority/private company at 86.09% while Port St Johns recored the lowest percentage at 0.58%. Refuse removal by means of communal/own refuse dump is the highest at 58.51% in Ingquza Hill local community followed by Nyandeni Local Municipality at 21.33%.The district also has no rubbish disposal throughout the local municipalities,however the lowest percentage of no rubbish disposal at 11.98% was at Mhlontlo Local Municipality.

The following table depicts the type of refuse removal facility within each local municipality.



PROVISION OF HOUSEHOLD BY TYPE OF REFUSE REMOVAL						
	Removed by local authority/private company		Communal/Own refuse dump		No rubbish disposal	
<b>Ingquza Hill Local Municipality</b>	6 325	7.35%	4 975	58.51%	46 417	28.71%
<b>KSD Local Municipality</b>	74 087	86.09%	1 375	16.17%	35 351	21.86%
<b>Mhlontlo Local Municipality</b>	2 727	3.17%	260	3.06%	19 366	11.98%
<b>Nyandeni Local Municipality</b>	2 417	2.81%	1 814	21.33%	31 543	19.51%
<b>Port St Johns Local Municipality</b>	497	0.58%	79	0.93%	29 006	17.94%
<b>O.R Tambo District Municipality</b>	86 054	100.00%	8 503	100.00%	161 683	100.00%

Source: Community Survey 2016



PLAN NO. 41: REFUSE REMOVAL

The plan below is an indication of areas within OR Tambo which experience municipal refuse removal on a weekly basis.



## SECTION 4: SWOT ANALYSIS

The following section of the report deals with a SWOT Analysis.

It must be noted that due to the COVID 19 pandemic, a workshop could not be held due to lockdown restrictions being in place. It was agreed that the appointed consultant will update the SWOT as best as they can, and as soon as the restrictions are lifted, a workshop will be convened and to present Phase 2 and 3 together and the updates will be added to this.

Spatial planning directives from the National and Provincial government as well as the district sector plans and local Municipal plans aims to unpack the state of the area or the sector within its location. Through a detailed analysis of these plans, we are able to create a picture of the positive and negative aspects of each sector within the areas that either fall within the district or surrounding the district which has equal impact on how the district functions.

.The SWOT analysis is used in decision-making situations when a desired objective is defined.

- A **strength** is the ability to consistently provide near perfect performance in a specific activity;
- A **weakness** characterizes areas, which are a disadvantage.

- An **opportunity** is classified as elements that can be exploited to a full advantage;
- A **threat** are those elements that cause distress to an area or industry.

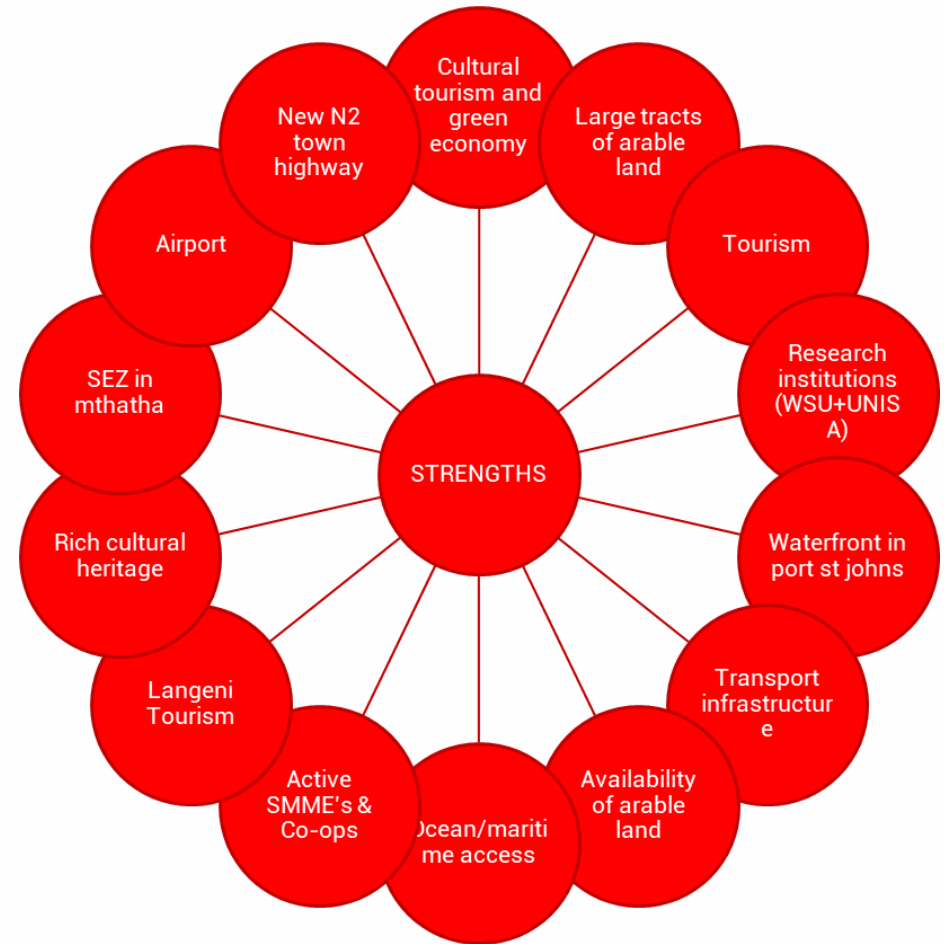
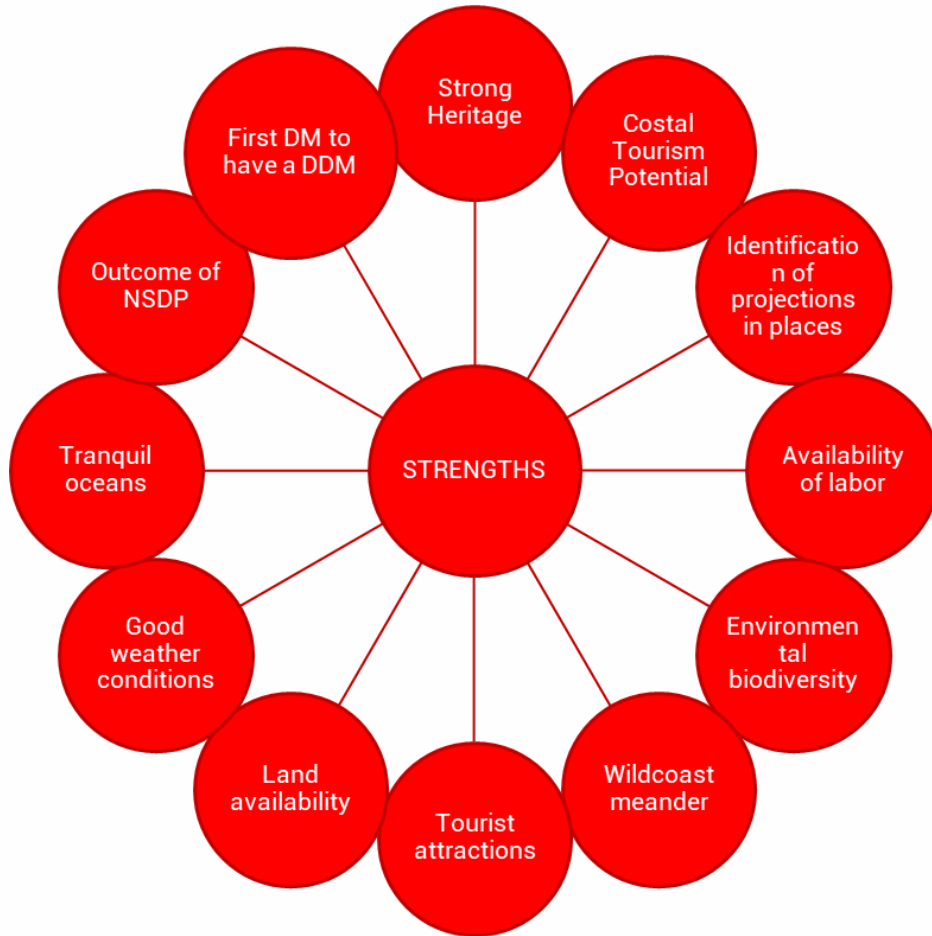
Adequately addressing threats and weaknesses are essential to positive growth;

All aspects of the SWOT analysis can be addressed together as each impact on the other and each have the ability to strengthen another or potentially hinder when not appropriately addressed or managed.

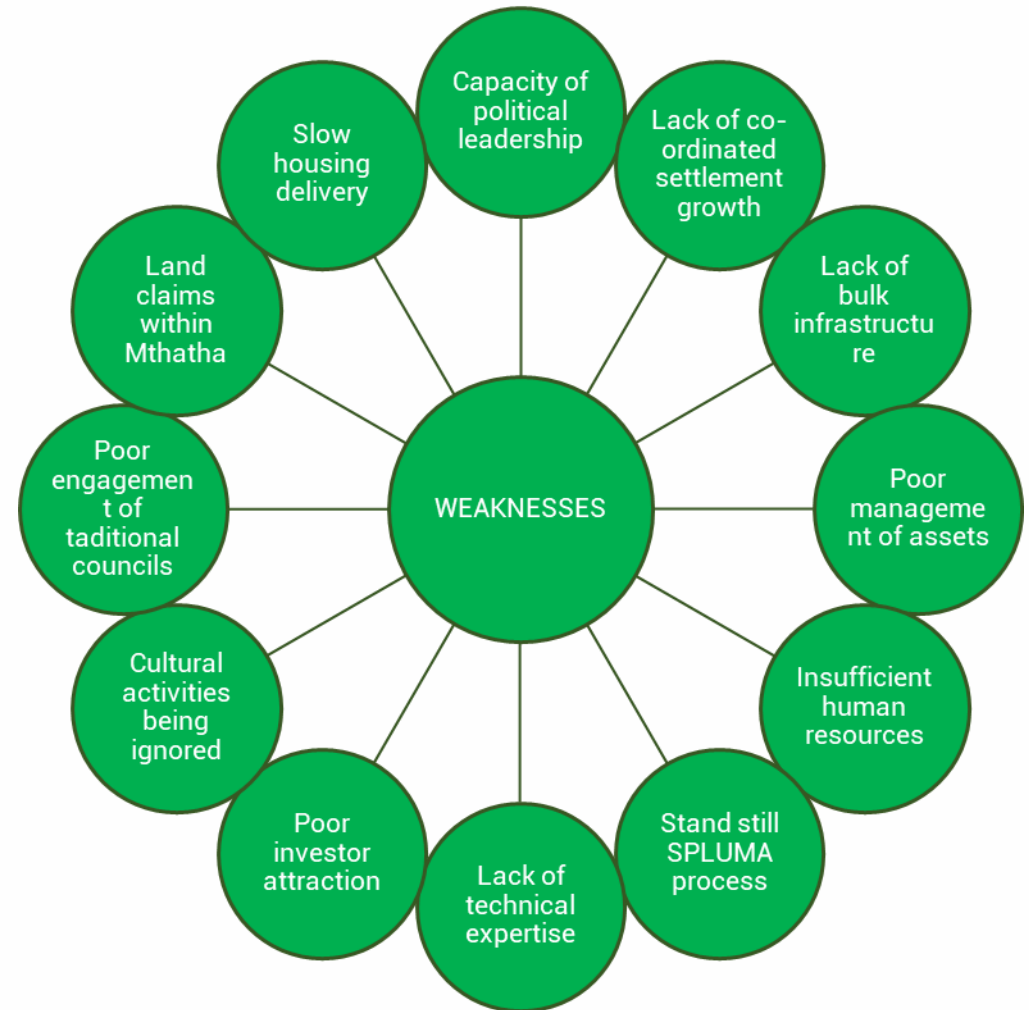
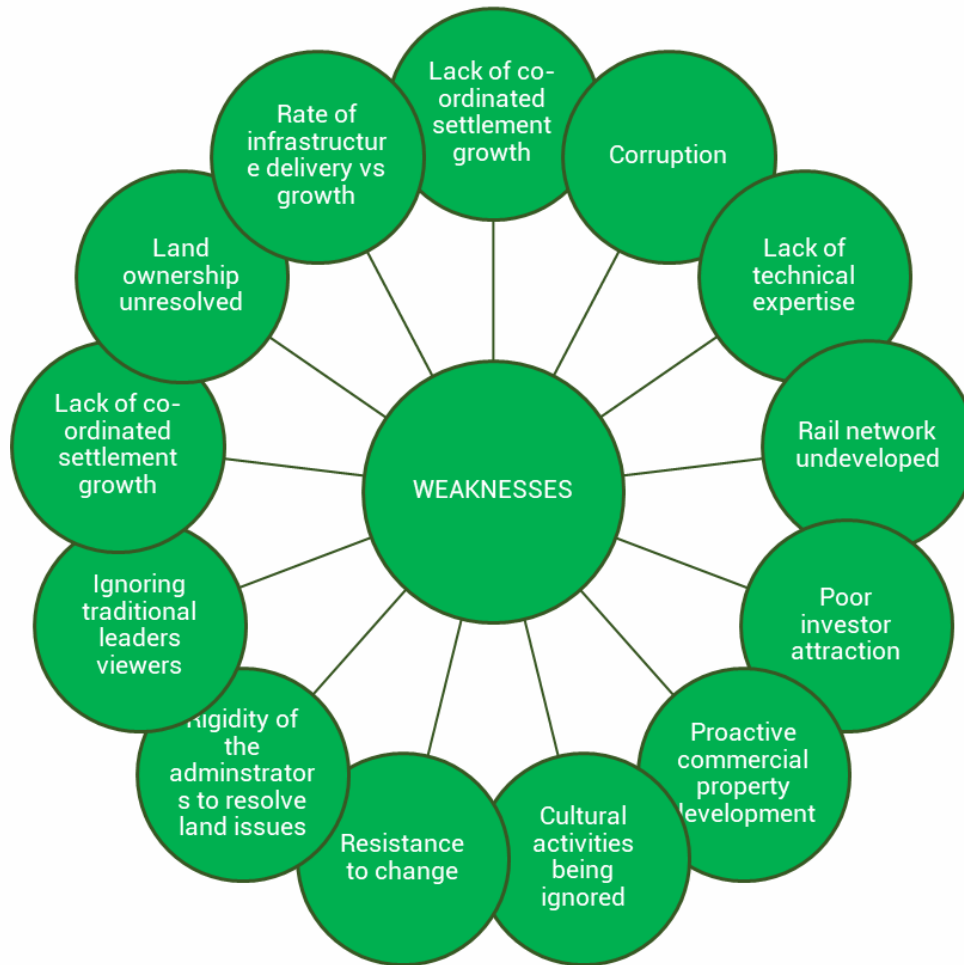
The following SWOT analysis highlights the SWOT identified in 2017, with additions from the consultant in the current review: -

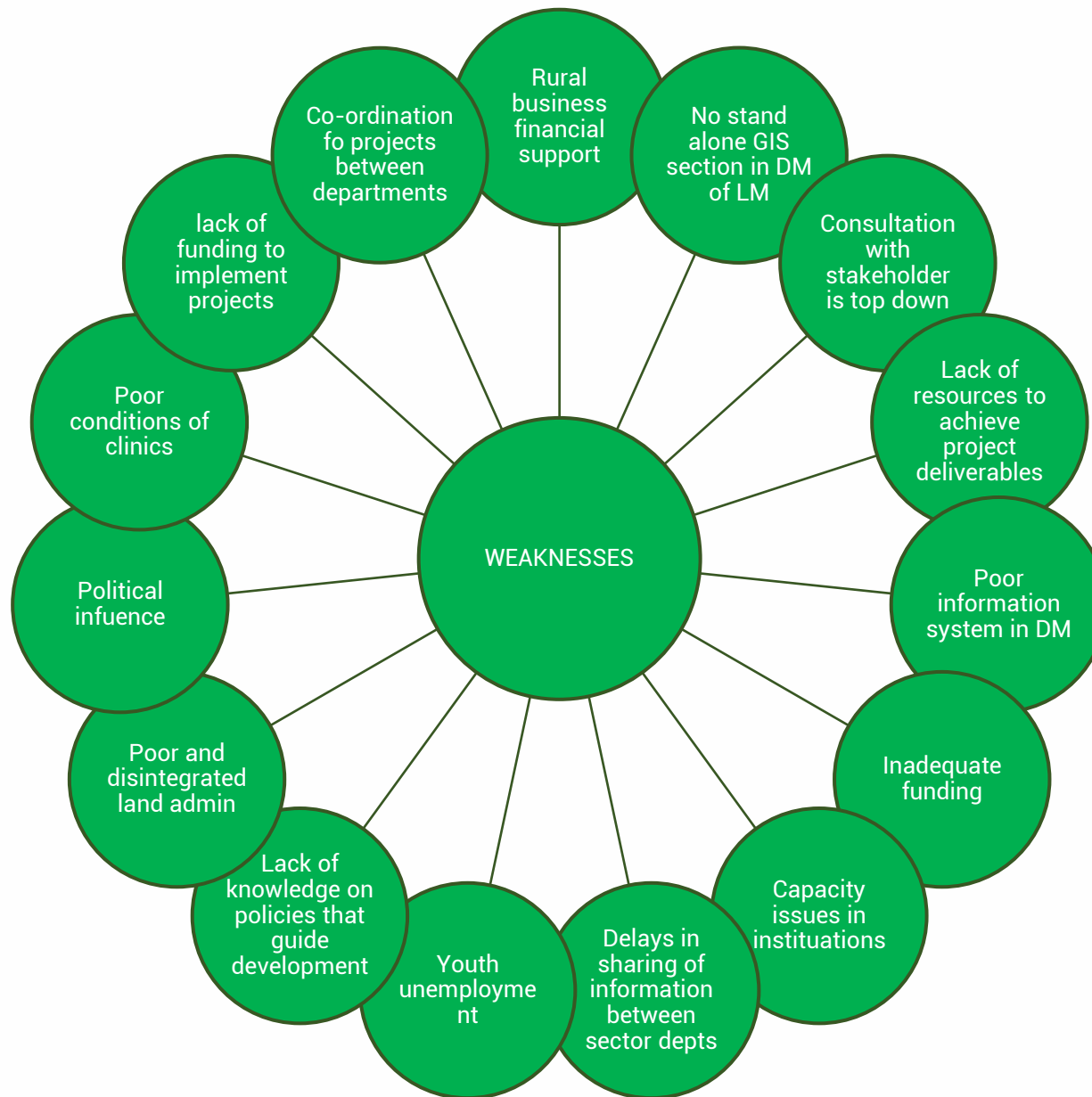


## STRENGTHS



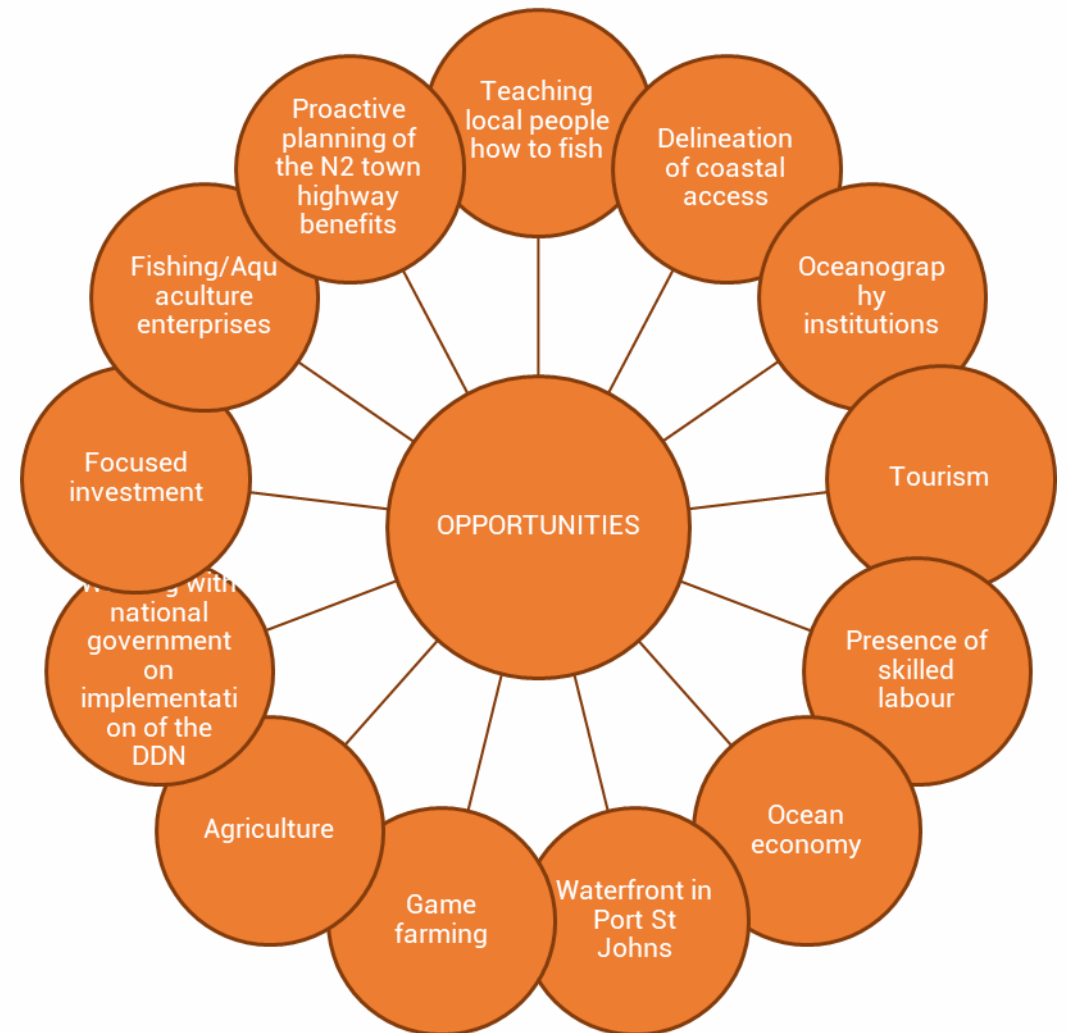
## WEAKNESSES



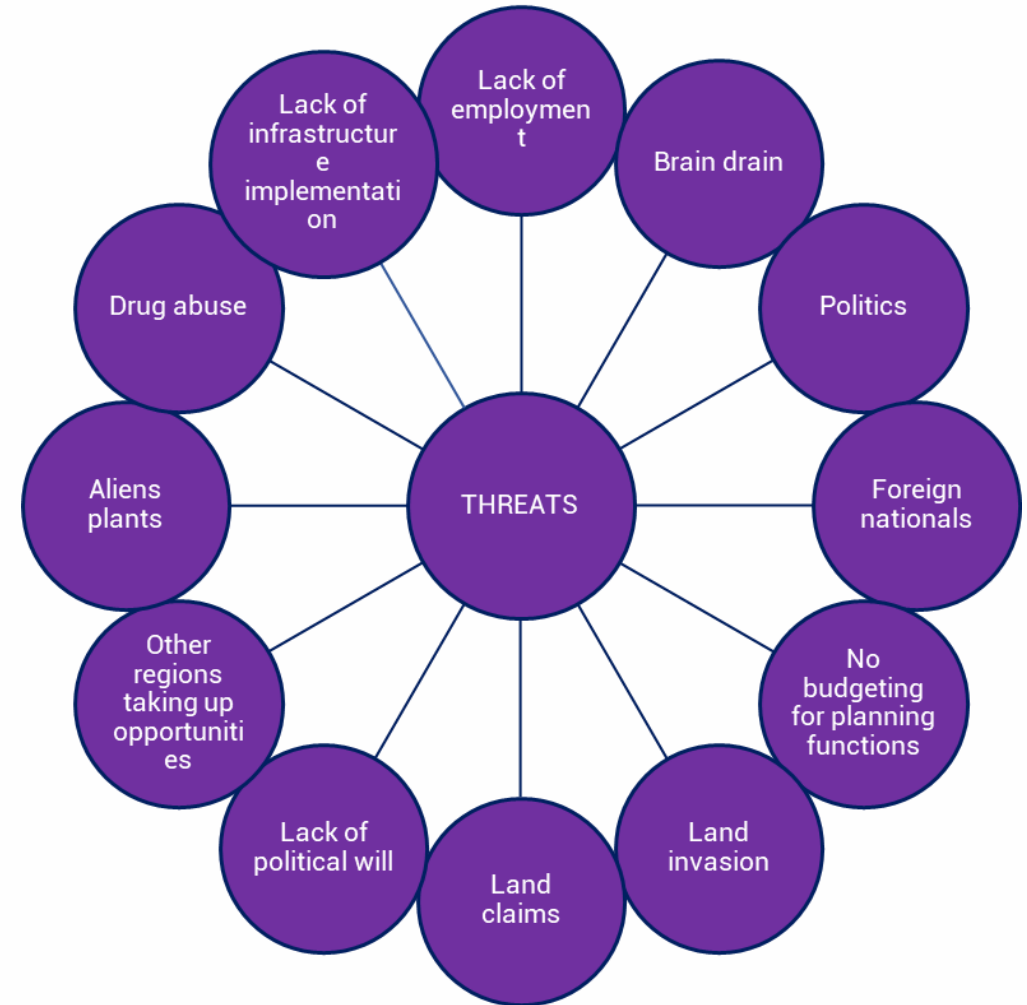
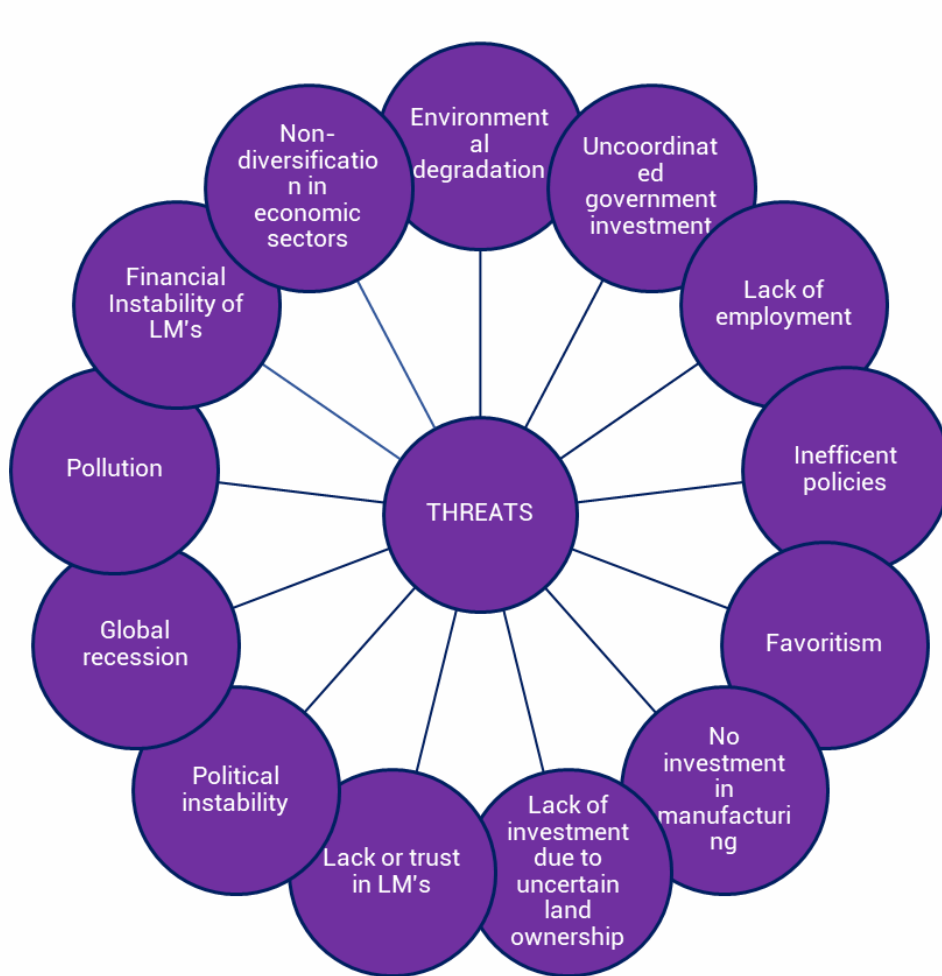


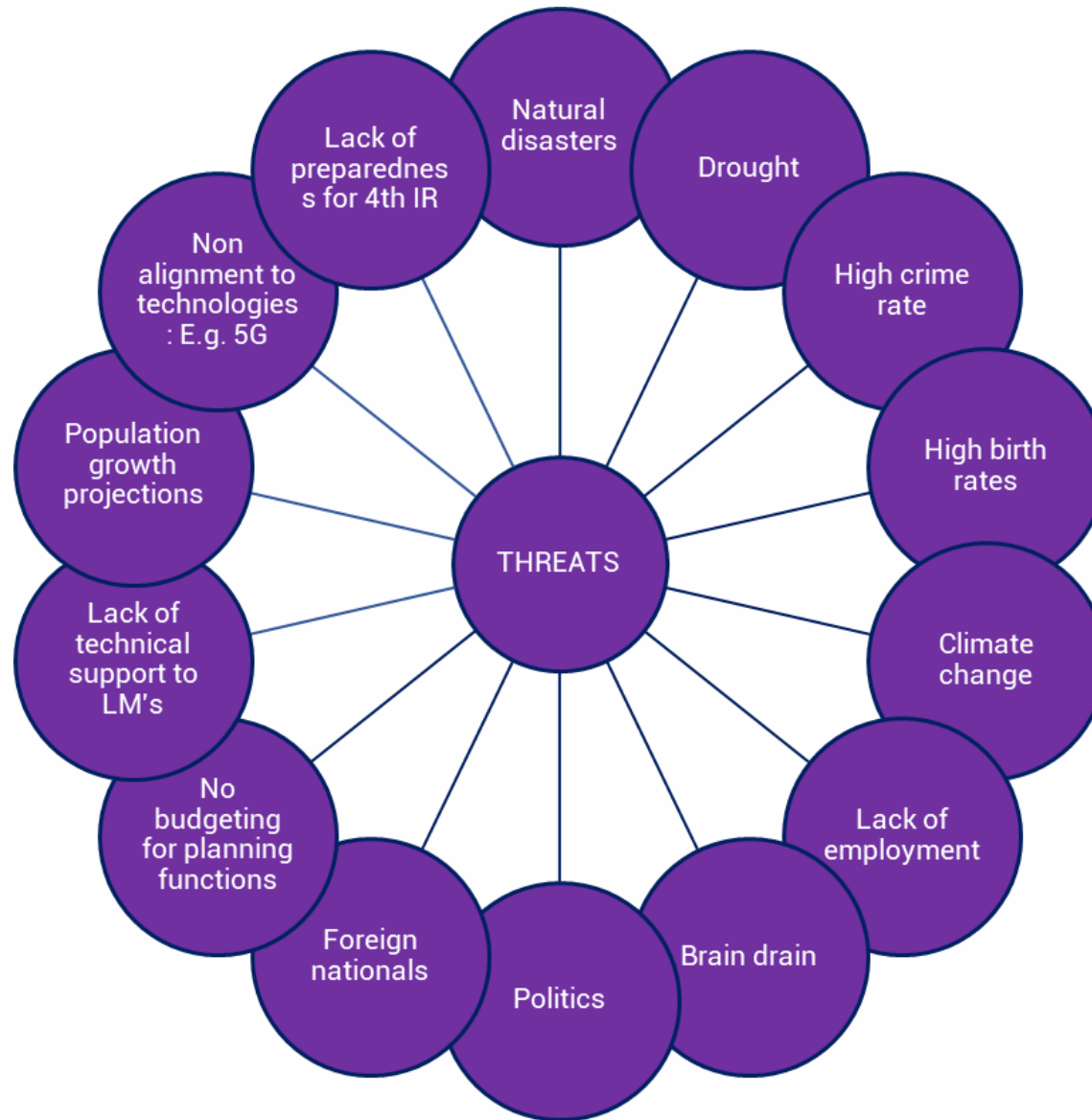


## OPPORTUNITIES



## THREATS





## KEY ISSUES

The Key Issues have been drafted through unpacking the key elements of the SWOT Analysis. Key Issues have been divided per sector for the district and local municipalities to be able to see which sector requires the most focus. Further, the issues identified will be able to be used as a basis to see where the district is lagging and needs to place emphasis on.

Based on the workshop carried out in the previous phase the following key issues were identified by the Project Steering Committee (PSC). The PSC was made up of government departments within the District as well as Local Municipalities.

**For the purpose of this document the Key Spatial Development Issues are depicted as follows:**

- Lack of resources to achieve project deliverables.
- Lack of sports facilities.
- Consultation with stakeholders is top-down.
- No stand alone GIS sections in district or local municipalities.
- Rural business financial support.
- Access to basic needs.
- Poor conditions in clinics.
- Political influence.
- Bad filing and admin.
- Outdated zoning scheme.

- Poor and disintegrated land admin.
- Lack of knowledge on policies that guide development.
- Youth unemployment.
- Delays in sharing of information between sector departments.
- Capacity issues in institutions.
- Inadequate funding.
- Poor information systems in District Municipalities.
- Corruptions.
- Insufficient Human Resources.
- Stand still SPLUMA process.
- Lack of technical expertise.
- Poor investor attraction.
- Rail network undeveloped.
- Proactive commercial property development.
- Cultural Activities being ignored.



The main key issues can be summarised as follows:

**1. Land:**

- a. Availability Lack or no access to developable Land;
- b. Security of tenure;

**2. Infrastructure:**

- a. Lack of Bulk Infrastructure;
- b. Aging infrastructure;
- c. Infrastructure to meet the growing population;

**3. Economic:**

- a. Limited job creation;
- b. No new industries;
- c. Land and Infrastructure are limiting factors;

**4. Tourism:**

- a. Opportunities along the coast, but lack of access;
- b. Heritage Tourism needs to be marketed;

**5. Administration:**

- a. Corruption
- b. Old and slow processes



A scenic landscape at sunset. The sun is low on the horizon, casting a warm orange glow over the scene. In the foreground, there are large, rugged rocks. Below them, a river flows through a valley. A bridge crosses the river in the middle ground. The background shows rolling hills and mountains under a clear sky.

# CHAPTER FOUR

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## SPATIAL PROPOSALS

# SECTION 1: INTRODUCTION

South Africa has adopted a National Development Plan in 2013, which provides the country's long-term vision and plan until the year 2030. It is therefore empirical that all the government organs and state enterprises align their planning into this broader national aspiration.

Over the years, Guidelines on how to develop Spatial Development Frameworks have been prepared by various National Departments, Provincial Departments and Local Municipalities. The Draft SDF report intends to formulate objectives and principles while including spatial concepts which are to align with a spatial development vision that will translate into developmental strategies. The OR Tambo Spatial Development Framework aims to provide long-term vision, plan, and guiding principles underpinning the key strategic objectives and development pillars. The document provides the spatial framework based on the existing proposals, government policy and planning documents within the OR Tambo District Municipality and its local municipalities, and the consultative engagements with key stakeholders.

In this report the existing spatial structuring elements of the spatial development framework, including the Hierarchy of Nodes and Corridors, were reviewed and the following Spatial Planning Management Tools were included in the ORTDM SDF review:

- Development Nodes
- Development Corridors
- Special Development Areas
- Environmental Constraints

The following Spatial Development Frameworks were prepared accordingly:

- Biophysical
- Built Environment
- Socio-Economic

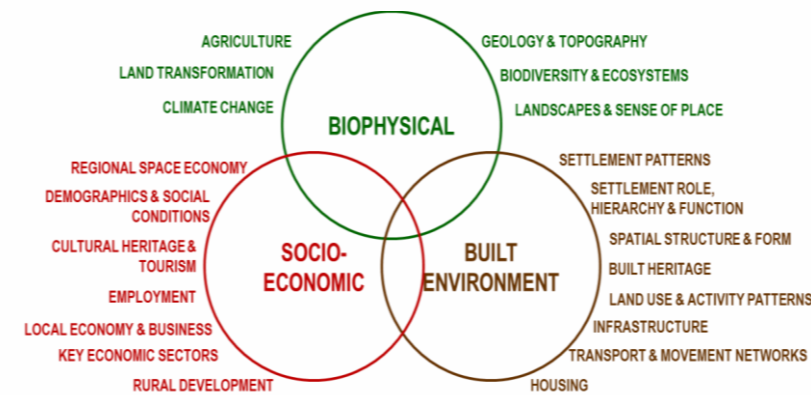


Figure. :DRDLR SDF Guidelines Pillars



Figure: EC PSDF 7 Pillars

The combination of the elements discussed in the sections below results in the draft Spatial Development Framework Plan, as well as the proposed connections relating to Environmental, Infrastructure, Agriculture, Tourism Potential Areas.

## SECTION 2: SPATIAL VISION

As a baseline for the review of the ORT SDF, it has been difficult to hold multiple workshops to hold a visioning workshop that involves as many stakeholders as possible from the various municipal departments and other external organizations. Therefore, the development visions have been based on the inputs from various municipal departments and stakeholders through engagements that were held in virtual meetings.

SPATIAL DEVELOPMENT VISIONS		
BIOPHYSICAL	DEVELOPMENT VISION	OBJECTIVE
Nduli Nature Reserve	Capitalize on the reserves unique attributes in terms of its geographic location by increasing tourist attraction.	<ul style="list-style-type: none"> <li>Enhance the reserves stance as a key tourism node.</li> <li>Create an improvement in Eco-based tourism in the district.</li> </ul>
Sustainable Communities	Required to promote conservation of natural resource found within the district to sustain the livelihood of communities.	<ul style="list-style-type: none"> <li>Establish communities which are future sustainability orientated.</li> <li>Implement policies which assist in co-ordinating viable sustainability.</li> </ul>
Umzimvubu Dam	Identified as a site for Strategic Integrated Project 3 inclusive of a Hydro-electric Dam along Umzimvubu River.	<ul style="list-style-type: none"> <li>To provide social upliftment into the rural Wild Coast.</li> <li>Supply for irrigate agriculture, domestic and industrial water requirement.</li> <li>Provide alternatives for future water related constraints</li> </ul>
Oceans Economy	An initiative aimed at boosting economic growth and job creation utilizing the coastline along the Indian Ocean.	<ul style="list-style-type: none"> <li>Establish Coastal Marine Tourism and Small Harbour Development</li> <li>Aid in Marine Protection Services</li> <li>Create a sustainable Aquaculture within the district</li> </ul>
Agri-parks	Intended on revitalizing agriculture and agro-processing value chain by means of agri-park programmes	<ul style="list-style-type: none"> <li>Create a Farmer Production Support Unit, Agri-Hub and Rural Urban Market Centre.</li> <li>Priortise the main value chains mainly, fruit &amp; vegetables, livestock and maize.</li> </ul>
SOCIO-ECONOMIC	DEVELOPMENT VISION	OBJECTIVE



Robust Economy	Ensure longevity and efficiency of local economy throughout the district by implementation of several initiatives	<ul style="list-style-type: none"> <li>Elevate economic growth conditions.</li> <li>Exploit all local economy opportunity to benefit communities within the district</li> </ul>
Sporting facilities	Upgrade current facilities in the district to advance recreational tourism desirability	<ul style="list-style-type: none"> <li>Develop more adequate sporting grounds for sports fixtures.</li> <li>Provide amenities which are of a national standard.</li> <li>Introduce sport entertainment industry to district.</li> </ul>
Cultural Heritage	Create heritage site nodes to expose the rich cultural heritage in the DM	<ul style="list-style-type: none"> <li>Generate a tourism market centered around Nelson Mandela Legacy</li> <li>Place emphasise on historical importance of Nelson Mandela birthplace Mvezo and home village of Qunu.</li> </ul>
BUILT-ENVIRONMENT	DEVELOPMENT VISION	OBJECTIVE
Port St Johns Waterfront	Intended to create a key tourist attraction to the local municipality and generate developmental growth	<ul style="list-style-type: none"> <li>Align with development programmes of Operation Phakisa.</li> <li>Promote a combination of diverse land use to provide growth in tourism sector.</li> </ul>
Harbour	To establish an alternative route for transportation of manufactured goods and create a crafts market.	<ul style="list-style-type: none"> <li>Develop a small harbour in PSJ as part of Marine Tourism and Recreation focus area.</li> <li>Improve infrastructure to support and serve community.</li> </ul>
Rail	Revive a pre-existing form of transportation for public use and the import and export of manufactured goods.	<ul style="list-style-type: none"> <li>Potentially reduce traffic congestion within Mthatha CBD</li> <li>Provide transportation for public travelling to Mthatha and surrounding areas</li> </ul>

# SECTION 3: SPATIAL SCENARIOS

Development scenarios are an important phase of the SDF formulation process. Development scenarios are not predictions or roadmaps, they are constructed in order to give a particular point of view in the future as well as some informed speculation about the crosscutting paths that might get us to that particular point. The power of scenarios lies in provoking a sense of “what might be a possibility as well as in combining probabilities” in ways that might not have previously thought of.

Scenario planning enables the stakeholders to achieve common consensus on the best spatial development form for the OR Tambo District and the prioritization of expenditure to reach the desired development outcome. The preferred scenario is then used as the framework for the preparation of the Biophysical, Socio Economic and Built Environment Plan.

The following are the alternative scenarios investigated by the professional team: -

## Scenario 1: Status Quo

The towns within OR Tambo stay in its present structure, with no co-ordinated advancement, no tertiary facilities, poor infrastructure and no legitimate Land Use Management implementation or control. Currently there is a persistent expansion and decay of the rural towns in the region and specifically, Mthatha with absence of investment from the private and public sector. Each local municipality will continue to service just their current requirements.

This will result in an unsatisfactory socio-economic situation with deterioration of the existing social and bulk infrastructure and the natural economic and biophysical environment. The residents in the areas would suffer and levels of dependency would increase as a result of inadequate, aging or no basic services, no or minimal access to social facilities and no employment opportunities.

This scenario is considered “undesirable” and in the interest of the residents within the district, it should be avoided.

- Continued lack of SPLUMA approved development
- By laws not enforced
- DM not ensuring LM have SDF's in place

- Not SPLUMA compliant resulting in severe implications
- Lack of integration with adjacent LM in people travelling elsewhere for goods and services
- Leakage of funds with people travelling to East London and Kokstad

## Scenario 2: Unmanaged Development

The towns are allowed to grow in a haphazard manner with no spatial direction. This will result in poor land use management across urban nodes, rural nodes and villages, loss of revenue to each local municipality, deterioration of the natural coastal and terrestrial environment, uncontrolled settlement expansion, etc. From an infrastructural point of view, this scenario does not offer an opportunity for forward planning and long term planning of a district which houses the next emerging metro within the Province, which could result in costly services in the future and loss of skilled people.

Implementation of this scenario is also considered as an “undesirable” scenario and should be avoided.

## Scenario 3: Managed Promotion of Key Sectors (Future Metro Region Concept)

Regenerated towns, catering for the existing and future growth needs of its residents, with enough basic social and bulk infrastructure to invite investors into the towns with confidence. Future development needs to be identified and catered for in the towns and areas earmarked by the NSDF. Emphasis placed on emerging peri urban areas such as Libode, Ntlaza and Viedgesville to support the development of Mthatha as a future metropolitan region. The managed scenario embodies:

- Vibrant urban and rural towns with controlled development and land use management;
- Upgrading of the local existing public transport facilities;
- Upgrading of all basic social and bulk infrastructure such as schools, housing, health care, safety and security facilities, roads, stormwater, electricity, sewerage and water. Increase in municipal revenue.

This scenario will also make provision for job opportunities within the formal sector and the peoples economy and subsequently having a ripple effect on its surrounding municipalities.

This scenario is considered as the “preferred” scenario, whereby funding, development, infrastructure and service demand would be concentrated in areas of higher density development with consideration of rural villages and be controlled.

- Mthatha developed as a regional service hub for eastern part of province

- Offering service provision in proper health care, retail amenities, access to banking
- Developing coastline to promote investment and attract tourism
- Existing tourism assets
- Wild coat Menader
- N2 toll road
- Focus on towns in ORT DM to attract and accommodate new investment
- Cater for rural areas they service
  - Act as satellites which connect from one town to another
- Abovementioned leading to STR
- Assisting PSJ to become a huge tourist destination
- Proactively develop all coastal nodes due to New roads and peri-urban sprawl like south coast

# SECTION 4: CONCEPTUAL FRAMEWORK

The idea of the conceptual framework below is to highlight the variances of land use capabilities within the O.R Tambo District, which namely consist of Agriculture, Forestry, CBA's, Marine Reserves, Tourism and Human Settlements.

The concept is intended to inform the utilization of land efficiently and take cognizance of the sustainability of all these components found within the space.

The nodal areas or proposed service centres which also form part of the greater settlement areas, similar to Mthatha and Libode are assigned to potential further growth and development. A managed development scenario is encouraged around these nodal areas with focus on introducing densification specifically around the Mthatha CBD as to maximize land usage, while creating vibrant rural towns in the hinterlands of Mqanduli and Lusikisiki by provision of all basic social and bulk infrastructure.

The aim is to also foster conservation especially in areas such as the CBA's and Marine Reserve. The notion on promoting sustainable utilization of the resources found in the District is imperative. A significant amount of forestry located along the coastal line and the Langeni area could be capitalized on for commercial produce that is conducted in a sustainable manner. With an abundance of existing coastal nodes such as Port St John and Coffee Bay, development of these areas to promote investment and attract tourism is vital to boost tourism in the District as it yields to job creation within the formal sector and the people's economy.

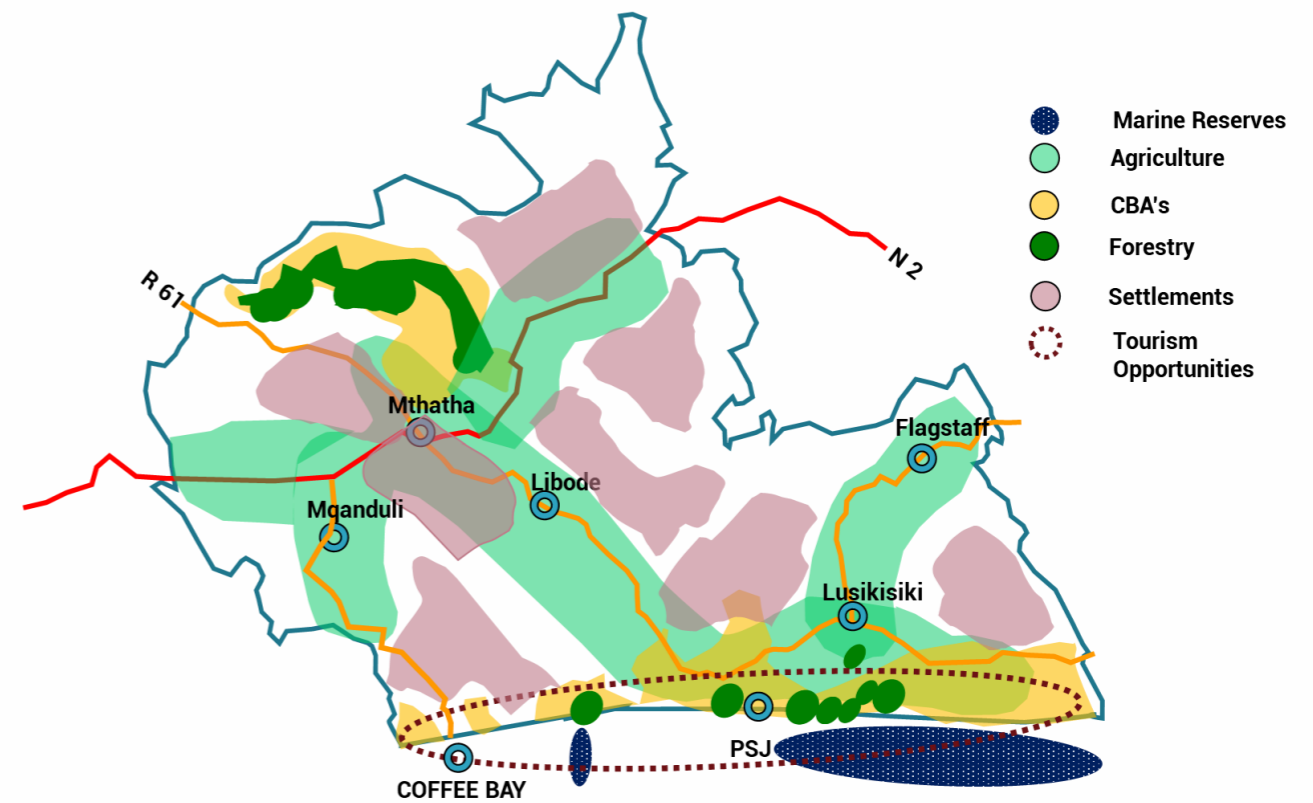


Figure: Conceptual Framework

# SECTION 5: DEVELOPMENT FRAMEWORKS

## BIOPHYSICAL FRAMEWORK

### Environment

Spatial mapping of 'environmental bio-diversity areas of significance' for future spatial development planning is considered crucial for the Spatial Framework. 'Environmental bio-diversity areas of significance' indicates areas where development needs to be avoided or carefully managed. This will protect the core biodiversity areas, such as reserves, wetlands, steep slopes and special sensitive biodiversity areas.

The Environmental Spatial Framework is primarily based on the Eastern Cape Biodiversity Conservation Plan and emphasises the need to protect natural resources; achieve food security by preventing loss of valuable high potential agricultural land; and connect development to the availability of sustainable water resources.

Strategies in achieving an Environmental Spatial Framework include the following:

- *Universal 'wall to wall' mapping of the spatial distribution of environmental conservation areas and natural resources;*
- *Investigate, identify and map strategic renewable energy potential areas and manage development to ensure such areas remain available for future energy needs; and*
- *Distribute the Environmental Spatial Guidelines and Legislative Frameworks to all spatial development decision makers, to promote awareness and ensure compliance.*

### Guidelines within CBA Areas

CBAs are areas required to meet biodiversity targets for ecosystems, species and ecological processes. Critical Biodiversity Areas (CBAs) are terrestrial and aquatic features in the landscape that are critical for conserving biodiversity and maintaining ecosystem functioning. CBAs are categorised into two (2) sections:

- **CBA 1:** Critically endangered vegetation types, forest patches, important river catchments, all wetlands and critically important estuaries.
- **CBA 2:** These are less endangered areas that include endangered vegetation.

18% of the District is classified as CBA 1 and has an extent of 215 642.44 Ha. These are areas that are targeted primarily for Environmental Conservation including conservation management, low-intensity eco-tourism and sustainable consumptive activities and activities associated with the Biodiversity / Green economy. Extensive livestock and game farming is also encouraged in these areas.

Over 13% of the District is classified as CBA 2 and has an extent of 162 597.69 Ha, which is also restricted to Environmental Conservation and limited other land uses.

Strategically the following land-use principals, as listed in the ECBCP, should apply to CBA Areas:

- *Avoid land use that results in vegetation loss in critical biodiversity areas.*
- *Maintain large intact natural patches – try to minimize habitat fragmentation in critical biodiversity areas.*
- *Maintain landscape connections (ecological corridors) that connect critical biodiversity areas.*
- *Maintain ecological processes at all scales, and avoid or compensate for any effects of land uses on ecological processes.*
- *Plan for long-term change and unexpected events, in particular those predicted for global climate change.*

- *Plan for cumulative impacts and knock-on effects.*
- *Minimize the introduction and spread of non-native species.*
- *Minimize land use types that reduce ecological resilience (ability to adapt to change), particularly at the level of water catchments.*
- *Implement land use and land management practices that are compatible with the natural potential of the area.*
- *Balance opportunity for human and economic development with the requirements for biodiversity persistence.*

### Guidelines outside CBA Areas

Outside of the Critical Biodiversity Areas and high priority conservation areas are key physical environmental attributes which should be avoided or at least be red-flagged in considering further development. These include: Areas of steep slopes (>15% or 1 : 5) where slope stability and erosion threaten development;

- *Wetlands, dams, river systems and estuaries where the emphasis must be placed on conserving the surface and groundwater environment;*
- *The coastal environment in particular the coastal protection zone in which the coastal land processes must be maintained*
- *Development or activities within the coastal protection zone should be consistent with the principles and objectives of the White Paper for Sustainable Coastal Development and the Coastal Zone Management Act;*
- *High potential and unique agricultural land which needs to be managed as a means to ensure food security; and*
- *Cultural Heritage features and landscape quality which often underpin the tourism economy.*

Development outside the urban edge should only be contemplated if real environmental benefits can be demonstrated or appropriate off-sets are provided.

### Ecological Support Areas

Ecological Support Areas (ESAs) are defined as functional, but not necessarily entirely natural, and include areas that are required to ensure the persistence and maintenance of biodiversity patterns and ecological processes within the CBAs.

Inappropriate land uses will result in the destruction/degradation of important biodiversity and ecological support areas. Detailed specialist assessment may be required, and stringent restrictive conditions and biodiversity offset plans may be applicable. Certain activities may be appropriate with management interventions.

20% of the District is classified as ESA 1 and has an extent of 1240 853.39 Ha, which is targeted for low impact land uses, such as Environmental conservation, Tourism and accommodation and Extensive livestock and game farming.

14% of the District is classified as ESA 2 and has an extent of 171 499.01 Ha, where low impact land uses are encouraged, but where cultivation (dryland and irrigated) is encouraged.

34% of the District was not classified as part of the biodiversity mapping and has an extent of 407 474.56 Ha. These are areas that have low biodiversity sensitivity and importance and where development would be targeted.

Notably, any area that qualifies as CBA or ESA is always classified as ESA 2 if the land cover was determined as No Natural Areas Remaining



**O.R. TAMBO DISTRICT MUNICIPALITY**  
**OR Tambo Spatial Development Framework Review**

**Title:**  
**Critical Biodiversity Areas**

**Legend**

- Towns
- Freeway
- Main
- Proposed N2 Route
- Arterial
- Wild Coast Meander
- Access roads
- Rivers
- 🌿 Nature Reserves
- 🌿 Conservation
- 🌿 Protected Areas
- 🌿 CBA 1
- 🌿 Dams
- 🌿 Settlements

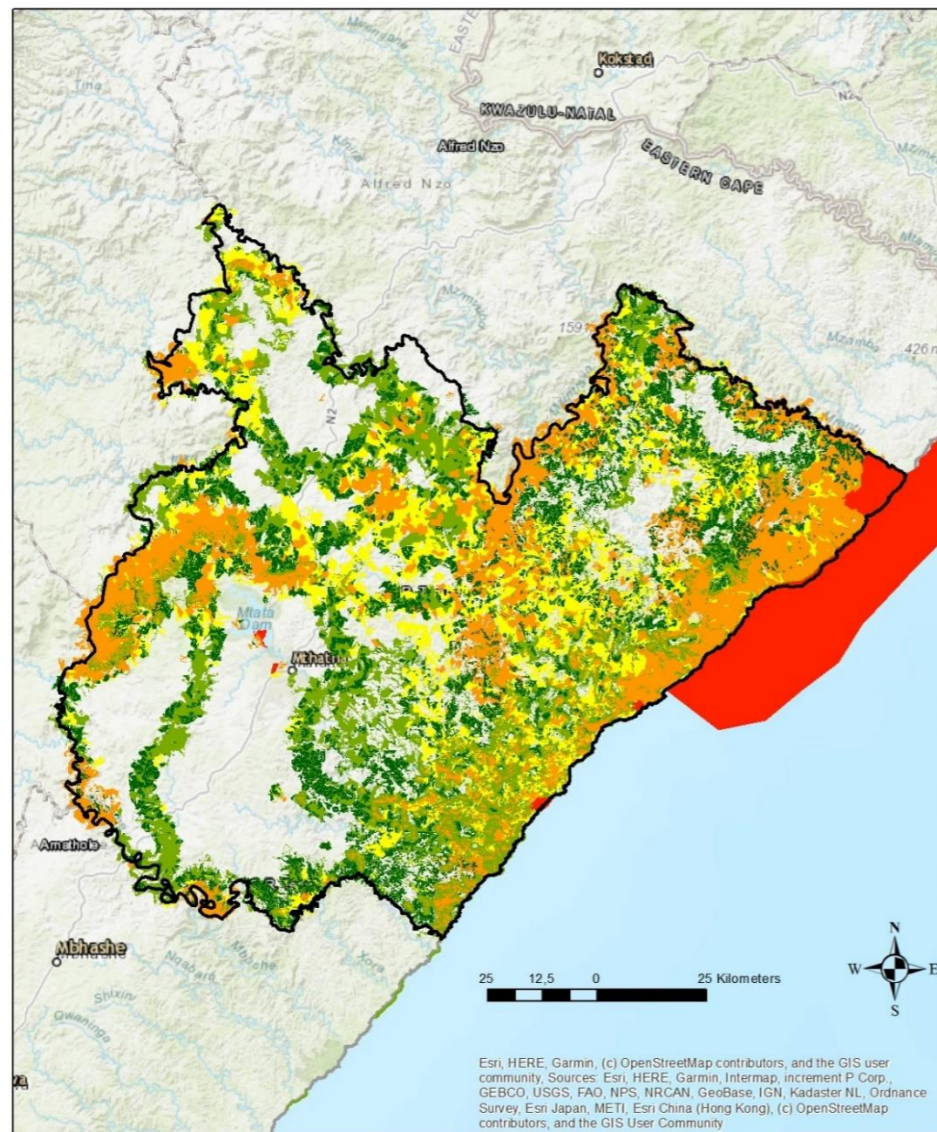
**Date: March 2021**



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Source: O.R Tambo SDF 2012, Eastern Cape PSDP 2018, Eastern Cape Biodiversity Plan 2010

PLAN NO. 42: CRITICAL BIODIVERSITY AREAS



- Legend**
- OR Tambo District Municipality (DB, 2016)
  - 2020 ECBCP**
  - ESA 2
  - ESA 1
  - CBA 2
  - CBA 1
  - Protected Areas



survival. Adjacent areas benefit due to a spill over effect. This leads to high biodiversity value (species diversity) and economic value (tourism, sustainable use of resources). MPAs serve as benchmark areas against which any environmental change can be measured. It is important to balance conservation priorities with sustainable livelihoods of surrounding communities for effective management of MPA's.

The MPAs off the coast of the ORTDM:

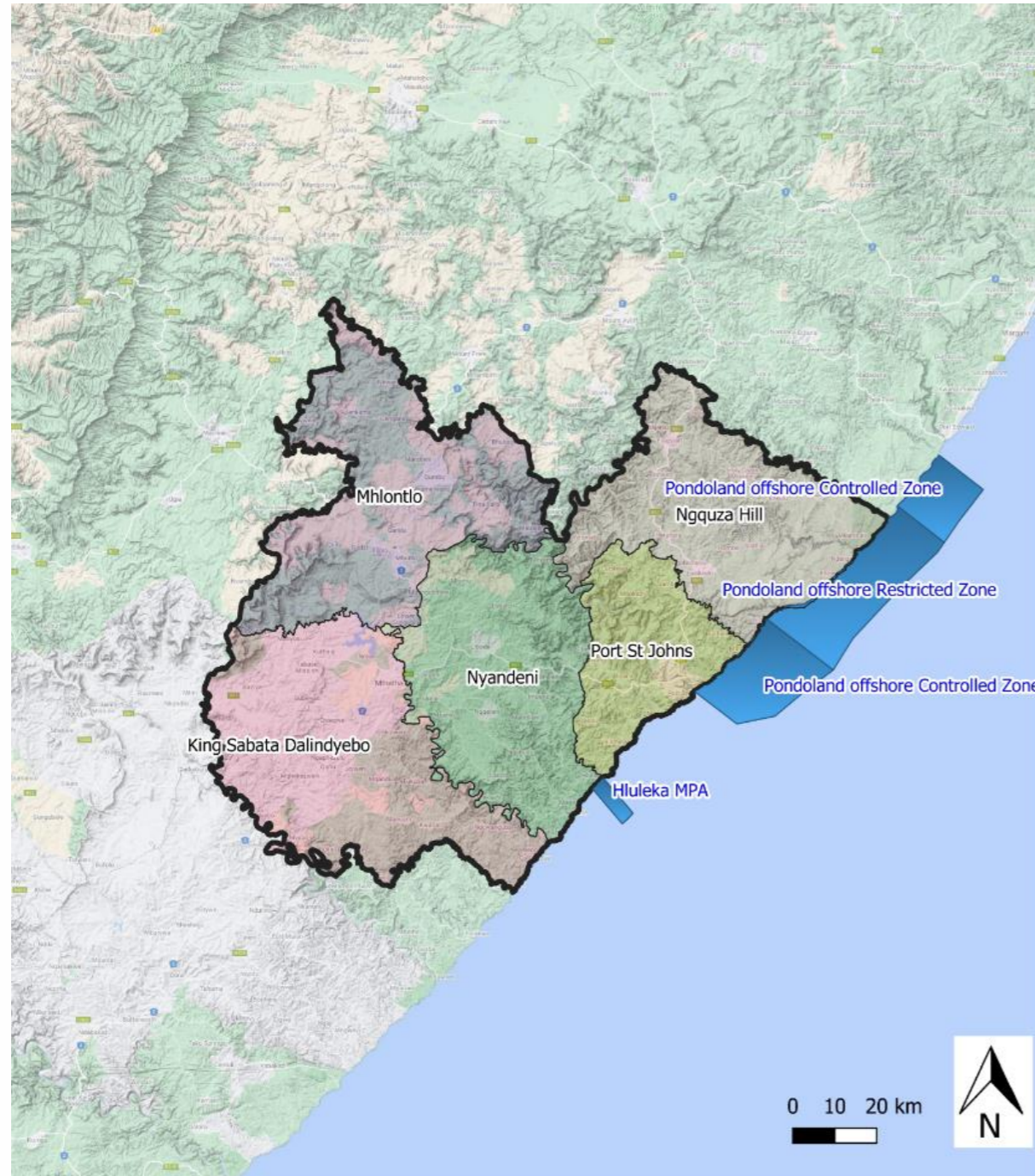
- Pondoland offshore Restricted Zone (no-take) (58 663.52 ha);
- Pondoland offshore Controlled Zone (not no-take) (41 387.20 ha); and
- Hluleka MPA (no-take) (4 086.20 ha).

Locality Map showing CBAs and Protected Areas within OR Tambo District Municipality (Eastern Cape Department: Economic Development, Environmental Affairs and Tourism, 2020)

### Marine Protected Areas

The ECPTA manages the Marine Protected Areas (MPA). MPAs are important areas for biodiversity conservation as they protect representative samples of genetic diversity. They protect ecosystems and ecosystem processes and often they are important fish spawning areas. Protecting these waters therefore lead to increased fish growth, increased fish reproduction and





**LEGEND**

- Local Municipalities (MDB, 2016)
- Marine Protected Areas (SANBI, 2011)
- ORTDM Boundary (MDB, 2016)



Marine Protected Areas adjacent to ORTDM (SANBI, 2011)

**Environmental Framework Conclusion**

Ecological restoration and rehabilitation is difficult to achieve and can be expensive, depending on the ecosystem and vegetation type involved. However, if funding is available, it would make sense to focus restoration and rehabilitation efforts especially on CBA 1 areas that have been identified as degraded.

The map below indicates the Environmental components existing within the O.R Tambo District. A depiction of estuarine management areas found along the coastal line and estuarine protected areas in the vicinity of Port St Johns and areas such as Mngazana, Mbotyi and Msikaba. In land a significant amount of forestry can be found within Mhlontlo Local Municipality and along the coastline stretching from Hole in the wall to Mbotyi. Critical Biodiversity diversity areas are predominantly situated within Ingquza Hill, Port St Johns coastline and Mhlontlo Local Municipality. Nature reserves and Marine Reserves are also found within the district.

The following **Estuarine Conservation Areas** have been identified in the O R Tambo District Municipality and is located along the coastline:

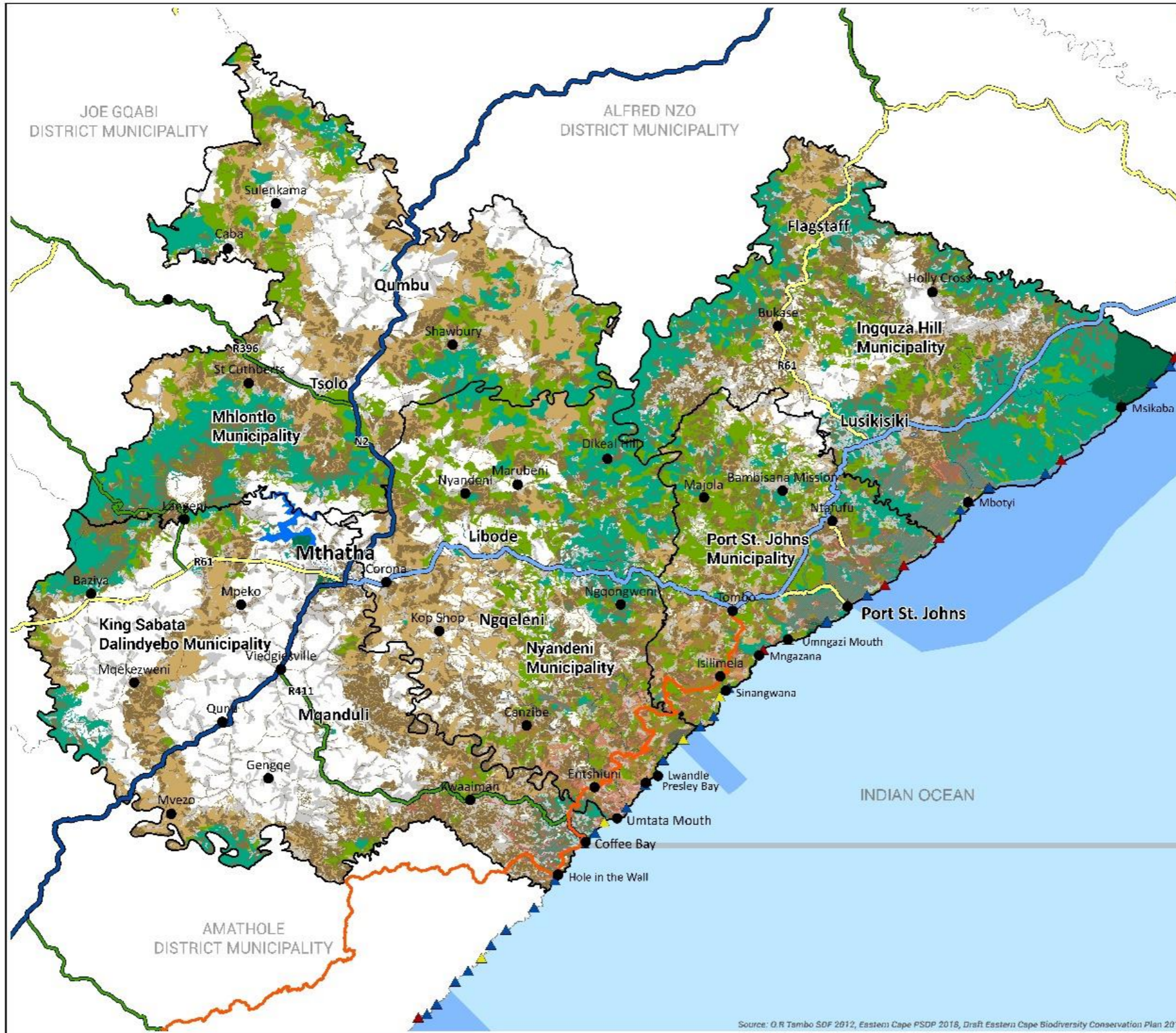
- 1 in King Sabata Dalindyebo Local Municipality
- 1 in Nyandeni Local Municipality
- 1 in Port St Johns Local Municipality

The following **Estuarine Management Areas** have been identified in the O R Tambo District Municipality:

- 6 in Ingquza Hill Local Municipality
- 6 in Port St Johns Local Municipality
- 2 in Nyandeni Local Municipality
- 2 in King Sabata Dalindyebo Local Municipality

The following **Estuarine Protected Areas** have been identified in the O R Tambo District Municipality:

- 2 in Ingquza Hill Local Municipality
- 4 in Port St Johns Local Municipality

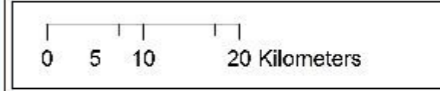


O.R. TAMBO  
DISTRICT MUNICIPALITY  
**OR Tambo Review Spatial  
Development Framework**

Title:  
**Environmental Framework**

- Legend**
- Towns
  - Wild Coast Meander
  - ▲ Estuarine Conservation Area
  - ▲ Estuarine Management Area
  - ▲ Estuarine Protected Areas
  - Freeway
  - Main
  - Proposed N2 Route
  - Arterial
  - Access roads
  - Rivers
  - Conservation
  - Nature Reserves
  - Marine Reserves
  - Dams
  - Protected Areas
  - Critical Biodiversity Area 1
  - Critical Biodiversity Area 2
  - Ecological Support Area 1
  - Ecological Support Area 2
  - Settlements

Date: March 2021



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or it's officials through the use thereof.

Source: O.R Tambo SDF 2012, Eastern Cape PSDP 2018, Draft Eastern Cape Biodiversity Conservation Plan 2018

PLAN NO. 43: ENVIRONMENTAL FRAMEWORK

## Climate Change

Climate Change is regarded by many as the most significant environmental challenge in our era and is already having and will continue to have far reaching impacts on human livelihoods. As a result, policy and development plans must take cognizance of the implications of a changing climate and develop strategies for both mitigation and adaptation for a changing climate.

The Department of Economic Development and Environmental Affairs commissioned a strategic planning study on climate change for the Eastern Cape Province (DEDEA, 2011). The issues of climate change in the Eastern Cape has also been comprehensively addressed in the Eastern Cape Climate Change Response Strategy (ECCRS, 2011) which indicates that there is a high probability that the Eastern Cape will experience:

- ▶ Higher temperature
- ▶ Altered rainfall patterns;
- ▶ More frequent and intense and extreme weather events such as heat, droughts and storms
- ▶ Rising sea-levels and tidal surges

The Eastern Cape is expected to experience the highest temperature increases towards the north-west interior, while lowest increase are likely along the coast. Associated with the high temperature will be increases in evaporation rates and increased intensity of droughts.

In the recently released National Climate Change White Paper, the South African government regards climate change as one of the greatest threats to sustainable development; and believes that climate change has the potential to undo or undermine many of the positive advances made in meeting South Africa's own development goals.

In regard to precipitation, downscaling models show a wetting trend to the east and north-east of the country and a drying trend to the south and particularly the south west (Midgely et al 2007).

Models for the Eastern Cape indicate that future precipitation, which is generally stable or slightly higher than present, with increasing intensity. Increased precipitation is more likely to the east of the province (Johnston et al, 2011).

O.R Tambo District is guided by the Districts Environmental Management Plan. As far as climate change matters are concerned, the District's Environmental Management Plan deals with the matters that may lead to climate change at a local level. Within the context of the District, the following are the common anthropogenic sources of greenhouse gases (GHG):

- *Burning of fossil fuels*
- *Deforestation*
- *Agriculture (enteric fermentation and manure management, rice paddies, fertilizers)*
- *Changes to land use and wetlands*
- *Landfills and anaerobic sewage ponds*
- *Chlorofluorocarbons (CFCs) in refrigeration systems and fire suppression systems*

### Risks/impacts in relation to climate change

The following are some likely impacts that ORTDM may experience as a result of climate change:

- ▶ Increased temperature
- ▶ Change in rainfall patterns
- ▶ Rise in sea level

As a response to the issue of Climate change, the O.R Tambo District Coastal Management Programme proposed that the following measures towards mitigation against and adaption to Climate Change:

- ▶ Reduce GHG emissions by decreasing or eliminating fossil fuels and other activities that produce GHGs, such as increasing the use of public transport and more fuel efficient cars will reduce the amount of petrol burned in transportation.
- ▶ Increasing the efficiency of electricity use at home or in industries will decrease the amount of coal burned in electricity production.
- ▶ Using solar panels or wind turbines to produce electricity without emitting GHGs or switching from fuels that produce a lot of GHGs, like coal, to those that produce less, like natural gas, will reduce GHG emissions from energy use.



- ▶ Preventing deforestation and loss of other functioning ecosystems will prevent carbon stored in vegetation and soils from being released into the atmosphere.

		not yet available, but should be incorporated when complete.
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The following indicators are relevant to climate change, within the ORTDM.

Code	Possible Indicators	State
OGHG1	Consumption of coal generated electricity	Information outstanding
OGHG2	Consumption of fossil fuels	Information outstanding
OGHG3	Appointment of climate change officer	Not appointed.
OGHG4	Identification of climate mitigation projects	None identified in the IDP. Not aware of projects by external agencies.
OGHG5	Development of a climate change mitigation programme	No planning around climate change has been carried out.
OGHG6	Rate of permanent transformation of land (related to rate of development)	The rate of inform/rural settlement establishment is not known, although in some areas it is apparently rapid. Grazed areas are ploughed and houses are fast being erected in urban and rural areas.
OGHG7	Rate of non-sustainable deforestation	The department of forestry is currently undertaking a demarcation of all "State owned" or State managed forests in an attempt to determine legal boundaries and establish the rate of deforestation. The information is

### Impacts and Response to climate change

The following table lists the impacts and responses relating to climate change.

Impacts	Responses
Impact on Water resources and service provision	The Water Sector Plan does not consider climate change in future planning of water services either for water supply or sanitation services.
Reduced agricultural potential	No agricultural response strategy has been derived to respond to climate change.
Impacts of unpredictable rainfall on river, wetland and estuarine ecology.	Not yet identified.
Changes in habitat patterns of indigenous species.	Not yet identified.
Impacts of climate change on productivity of land for agricultural purposes.	Not yet identified: climate change predictions and associated change in rainfall patterns.
Impacts associated with settlement and food security linked to livelihoods.	Information outstanding

Source: O.R Tambo District Municipality Environmental Management Plan, 2010

### Agriculture

The O.R Tambo District generally has soils that are arable with much of the more productive soils currently under cultivation. The most productive soils are located in the eastern portion of the District near Flagstaff, the northeast corner of the ORTDM, in the vicinity of Bizana and to the east



of Lusikisiki. As the demand for housing increases, areas of high agricultural potential (such as crop farming, and forestry) are being permanently lost through land-use transformation. This is particularly relevant in the ORTDM since housing is in high demand. Coastal areas may also come under pressure from mining and tourism activities in the future.

While the municipality has identified, amongst others, agriculture, as a key driver for local economic development, the agricultural sector does not yet make a large contribution to the district's GDP; it has continued to maintain a small contribution of 1.7% of the District's GDP. Despite this, the sector retains its position as the backbone of rural livelihoods in the largely un-urbanized areas of the District. The importance of agriculture can therefore not be underestimated as an informal rural based activity.

It is also believed that through the right kinds of investments, the huge potential of the agricultural sector in the District can be better harnessed. These include plans for (1) new dams and (2) associated water-supply systems, which can open up opportunities for large-scale commercial irrigation projects. The communal tenure system also results in issues that require creative management approaches, and in this regard, fencing of arable land may bring about improvements. Land claims have affected agricultural production in some areas of the district and a remedy to these challenges will furthermore foster the agriculture-development goals of the district.

### Agri-Park Development

O.R Tambo District Municipality, in line with the National Department of Rural Development and Land Reform (DRDLR), is embarking on the process of facilitation and co-ordination of the development of Mega Agri-Parks. This is a response to the directive from the State of the Nation Address (SONA), that Mega Agri-Parks shall be established in all 27 poorest districts in the country. These Agri-Parks (APs) are aimed at creating an enabling environment for economic development and job creation, with a focus on value chains for dominant products.

DRDLR initiated Agri-Park (AP) will typically comprise of the following three basic units:

- ▶ Farmer Production Support Unit(s) (FPSU)
- ▶ A central Agri-Hub (AH)
- ▶ A Rural-urban Market Centre (RUMC)

OR Tambo District Municipality Agri-Park will comprise of an Agri Hub located in Lambasi and Five Farmer Production Support Units in each of the local municipalities within the town of Mqanduli, Mthatha, Libode, Qumbu and Port St Johns. Future FPSU's are intended for Ngqeleni and Tsolo. A Rural Urban Market Centre (RUMC) in Mthatha. However the prioritised Farmer Production Support Units (FPUS's) have been identified as the following;

- King Sabata Dalindyebo Local Municipality; Mqanduli Red Hub-Milling Plant
- Nyandeni Local Municipality; Libode Mafini area
- Port St Johns Local Municipality; Dumasi/Qhaka
- Mhlontlo Local Municipality; Tsolo Junction
- Ingquza Hill Local Municipality; Zalu area

The agricultural components within the district mainly consist of areas identified as good forestry potential areas and arable land which are found in the Lusikisiki region and Langeni. An identification of functional areas for agriculture and functional areas for tourism areas form a large components in the district as they are situated throughout the district, but are commonly found along access roads such as the N2 and R61.

There are also initiative that have been acknowledged to assist the agricultural sector in the area such as the Farmer Production Support Units in Port St Johns, Lusikisiki, Libode, Mqanduli and Qumbu. The agricultural framework also constitutes a range of initiatives including Biofuel processing, high value crop production and Agri-hubs located throughout the district.

The next steps required to take the Agri-park initiative forward include:

- Create an infrastructure investment plan and funding model for the required infrastructure for each Agri-Park component;
- Construction of the Agri-Park components;
- Agriculture land audit to be conducted;
- Identify small-holder and emergent farmers;
- Compile a logistics plan to facilitate development projects;
- Implement a training and mentorship plan for local farmers;
- Compile an operational plan for the day to day running of the Agri-park components;
- Compile a report of current agriculture and business services;
- Establish linkages with key public/private stakeholder;



- Establish a management committee;
- Skills audit and advertise for the required positions;
- Develop a project funding model for operational projects
- Procure mentors and/or trainers for the training programme.

### Land suited to Cultivation

#### Class I: Land very suitable for intensive and well adapted cultivation

Land in this class has few limitations that restrict its use and it may be used safely and profitably for cultivated crops. The soils are nearly level and deep, they hold water well, and they are generally well drained. The land is very responsive to fertilization although it might be well provided with natural nutrients.

#### Class II: Land suitable for intensive cultivation

Land in Class II has some limitations that reduce the choice of plants or require moderate conservation practices. The land may be used for cultivated crops, but with less latitude in the choice of crops or management practices than Class I. However, limitations are few and shows the effects of gentle slopes, moderate susceptibility to wind and water erosion. There are slight climatic limitations on soil use and management.

#### Class III: Land for moderate well adapted cultivation

Land in this class has severe limitations that reduce the choice of plants or require special conservation practices, or both. When used for cultivated crops, the conservation practices are usually more difficult to apply and to maintain. The number of practical alternatives for average farmers is less than that for soils in Class II. Limitations may result from a range of factors ranging from steep slopes, susceptibility to erosion, problems with the water holding capacity and climatic conditions.

#### Class IV: Poorly adapted cultivation

Land in Class IV has very severe limitations that restrict the choice of plants and normally require very careful management. It may be used for cultivated crops, and conservation

practices are more difficult to apply and maintain. It may be well suited to only two or three of the common crops or the harvest produced may be low in relation to inputs over a long period of time.

Its limitations is the result of the effects of one or more permanent features such as steep slopes, severe susceptibility to water or wind erosion or severe effects of past erosion, shallow soils and a moderately adverse climate.

### Land with Limited Use – Generally Not Suited to Cultivation

#### Class V: Intensive grazing

Land in this class has little or no erosion hazard but have other limitations impractical to remove. That limits its use largely to pasture, range, woodland or wildlife food and cover. These limitations restrict the kind of plants that can be grown and prevent normal tillage of cultivated crops. Pastures can be improved and benefits from proper management can be expected. It is nearly level and some occurrences are wet or frequently flooded while other are stony, have climatic limitations, or have some combination of these limitations.

#### Class VI: Moderate grazing

Land in Class VI has severe limitations that make it generally unsuited to cultivation and limits its use largely to pasture and range, woodland or wildlife food and cover. Land in this class has continuing limitations that cannot be corrected, amongst others, steep slopes, severe erosion hazard, effects of past erosion, stoniness and severe climate.

#### Class VII: Light grazing

Land in this class has very severe limitations that makes it unsuited to cultivation and that restrict its use largely to grazing, woodland or wildlife. Restrictions are more severe than those for Class VI because of one or more continuing limitations that cannot be corrected. Physical conditions are such that it is impractical to apply such pasture or range improvements as seeding, liming and fertilizing. Depending on soil characteristics and climate, land in Class VII may be well or poorly suited to woodland.

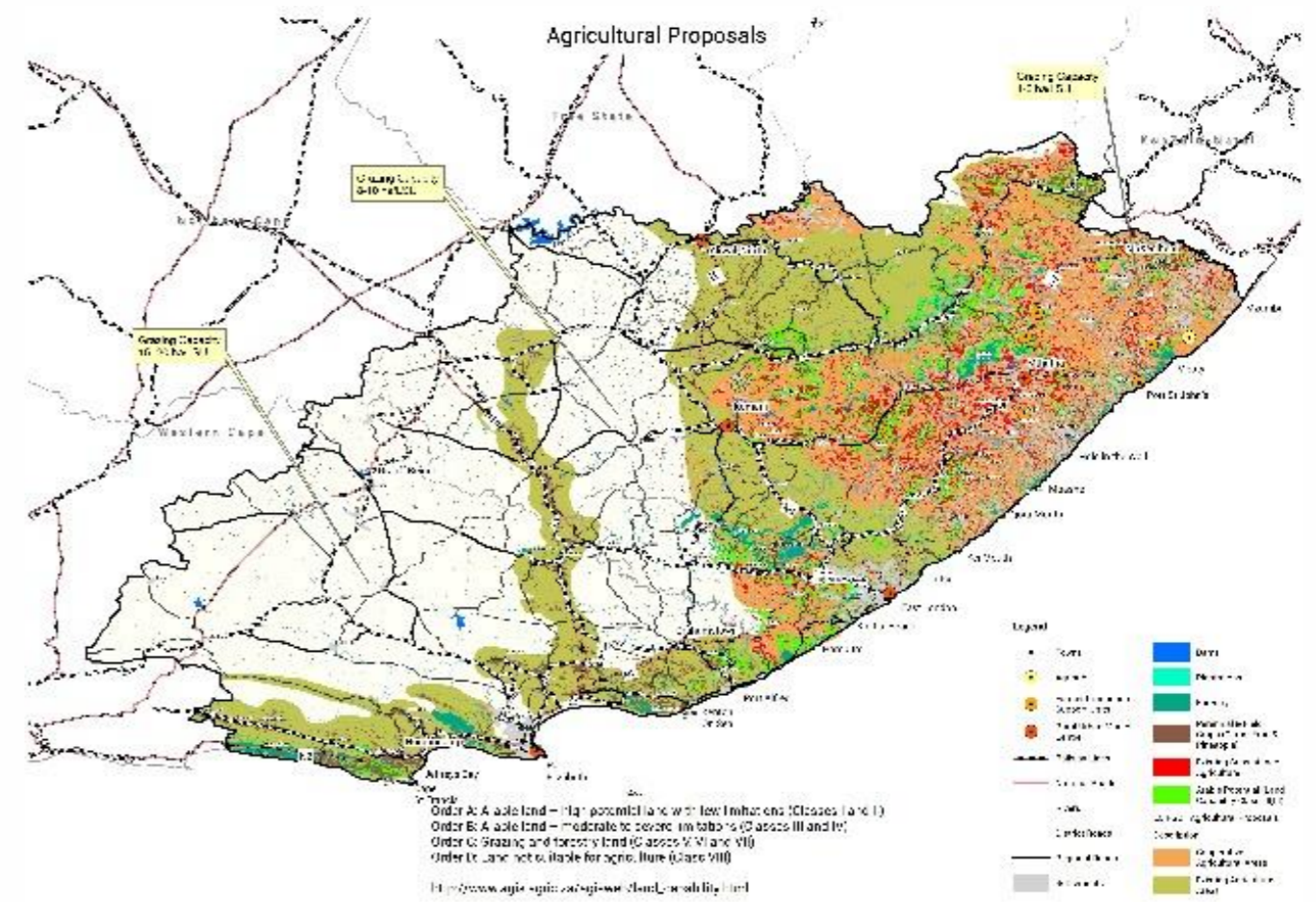
#### Class VIII: Wildlife



Land in Class VIII has limitations that preclude its use for commercial plant production and restrict its use to recreation, wildlife, water supply or aesthetic purposes. Limitations that cannot be corrected land in Class VIII cannot be expected to return significant on-site benefits from management for crops, grasses or trees, although benefits from wildlife use, watershed protection or recreation may be possible. Badlands, rocky outcrop, sandy beaches, river wash, mine tailings and other nearly barren lands are included in Class VIII.

The agricultural proposals of the Provincial SDF focuses on promoting development along existing corridors in order to promote better access to markets. The intention of promoting these corridors is further linked to concentrating agricultural development in areas where there is existing activity. A key feature of the agricultural framework is also to identify the areas which experiences cooperative agricultural activities. It is evident on the map that large tracts of land that fall within OR Tambo are co-operative agricultural regions. These regions are also characterised by subsistence farming activities. The intention of the map is to identify that large parcels of arable land fall within the OR Tambo District. However, efforts need to be put in place in order to maximise the outputs of agricultural ventures and investment in the associated sectors.

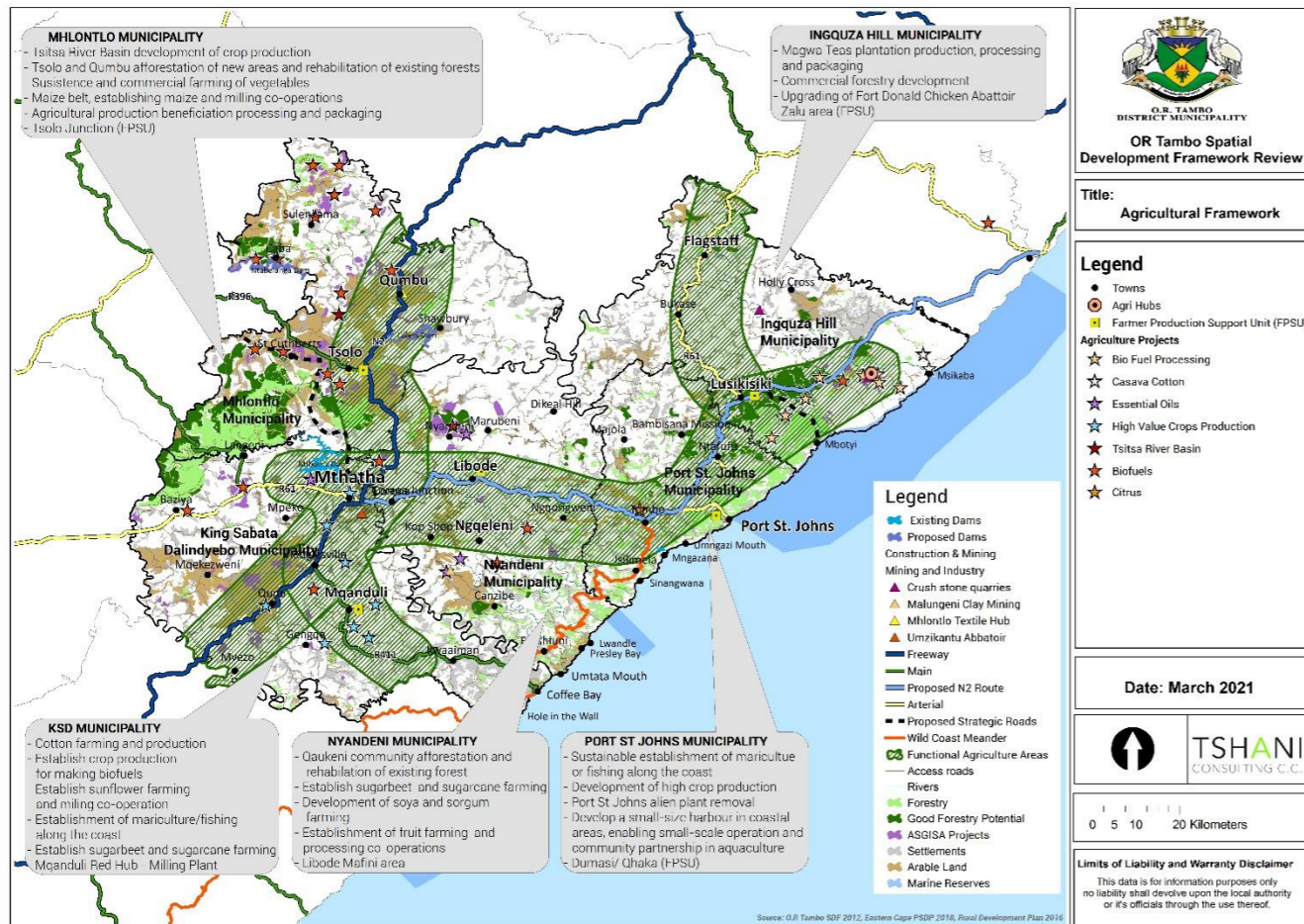
It is correct to say that the district has and still does possess huge agricultural potential, However, the necessary enablers required to ensure it sustainability is questionable. The need to address concerns around agricultural research, institutional alignment, skills transfer and tenure reform, water scarcity and climate change are necessary enablers to agricultural prosperity. The Agri-parks initiative are also brought to the fore as they do have potential. The need to better align themselves to areas with good accessibility to roads, support services and markets is necessary. It is advised that the future establishment of Agri-park be positioned within investment areas identified in the SDF.



Eastern Cape Provincial Spatial Development Framework Review: Agricultural Proposals

The Agricultural Map across is a depiction of components which form the agricultural framework of the O.R Tambo District. The components mainly consists of areas identified as good forestry potential and arable land which are found in the Lusikisiki region and Langeni. An identification of functional areas for agriculture and functional areas for tourism areas form a large components in the district as they are situated throughout the district, but are commonly found along access roads such as the N2 and R61.





Currently the province's forestry sector comprises 130,000 ha of plantations, three large sawmills, three medium-sized sawmills, 40 small sawmills, two chipboard plants, 10 pole treatment plants, a veneer plant and six charcoal plants. About 75% of these plantations are controlled by the private sector. However, the new planned 100,000 ha of afforestation rests largely on communal land and it is intended that the new forestry projects will be controlled and managed by formal community entities, supported by strategic partners. Already the project has received buy-in from certain private sector operators, local municipalities and discussions with communities have been initiated. The municipalities have already identified areas which community leaders have identified for such developments.

The projects will include a mix of gum, wattle and pine species. The areas earmarked for afforestation are ideal for commercial forestry because of the nature of the soils and the prevailing climate. The first production will begin at least 10 years after establishment which makes the marketing of forest products a long term issue. The region is well-served by wood-processing facilities like the Langeni Sawmill in Mthatha, In line with our goal of ensuring food and financial security for these communities, the projects will be controlled and operated by community members, mandated by community entities. Workers will be employed within the local villages and in time, they will be empowered through education, training and development to manage the entities. Strategic partners will provide technical, managerial, administrative and marketing support as required until communities have developed internal capacity.

### Integrated Forestry Development Framework

It is very important to note that in the entire Eastern Cape the potential for Forestry development is largely in the ORTD and some pockets of forestry development in the Alfred Nzo Districts. This call for an accelerated development and focus on forestry development in the District and region.

### PLAN NO. 44: AGRICULTURAL FRAMEWORK

There are also initiative that have been acknowledged to assist the agricultural sector in the area such as the Farmer Production Support Units in Port St Johns, Lusikisiki, Libode, Mqanduli and Qumbu. The agricultural framework also constitutes a range of initiatives including Biofuel processing, high value crop production and Agri-hubs located throughout the district

### Forestry

Forestry development presents significant opportunities for rural development in the Eastern Cape through the management of existing forests and the development of downstream manufacturing opportunities in the timber industry. This programme has the potential to develop 100,000 ha of new forestry plantations which should yield an additional 1, 8 million m<sup>3</sup> of timber a year, creating 80% more wood for processing. It also has the potential to create 4,000 new direct forestry jobs. The establishment and management of 100,000 ha of forestry is estimated to cost R3 billion of which 30,000 ha will be in Pondoland





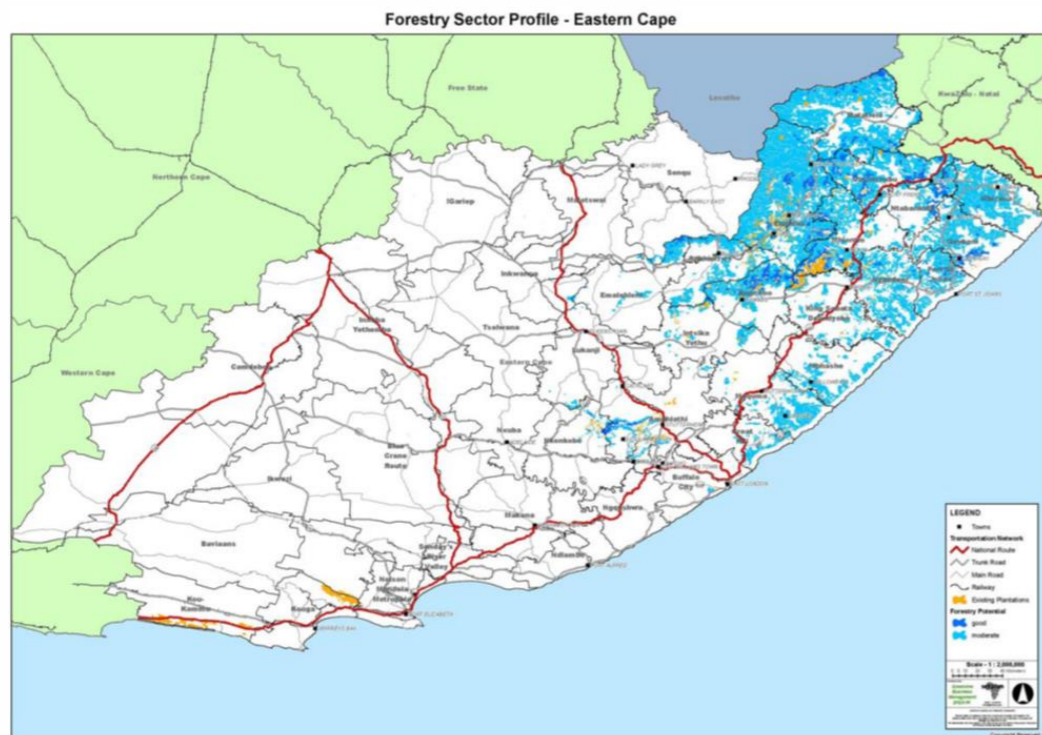


Figure: Forestry sector profile

Source; Integrated Forestry Development Strategy Framework

### O.R Tambo Forestry Synopsis

#### Natural Forests

The natural forests are owned and managed by DAFF, communities and traditional authorities. DAFF clusters these forests into "estates".

#### Natural Woodlands

The vegetation group called Woodlands has over the years also become a responsibility of DAFF with regard to protection and promotion of equitable and sustainable use. The woodlands are defined in the National Forest Act as "a group of trees which are not a natural forest, but whose crowns cover more than five percent of the area bounded by trees forming the perimeter of the group". Unlike the data pertaining to forestry plantations and to some extent, natural forests, much work still needs to be done to keep a reliable inventory of the woodlands.

#### Commercial Plantations

Commercial plantation in Eastern Cape: 141 413 ha; most forestry plantations in the region were established by the State before the formation of homelands, and later transferred to be managed by various governments' agriculture and forestry departments. In the years prior to abolishment of homelands, SAFCOL was established as a state-owned company to manage plantations and later SAFCOL formed Mountain to Ocean (MTO) under which Eastern Cape's SAFCOL plantations were managed. After the abolishment of homelands, the various government plantations were brought under the new government's Department of Water Affairs and Forestry (DWAF).

#### O.R Tambo District Woodlots

- ▶ A **Woodlot** is a parcel of a woodland or forest capable of small-scale production of forest products (such as wood fuel, sap for maple syrup, saw logs, and pulpwood) as well as recreational uses like bird watching, bushwalking, and wildflower appreciation
- ▶ In ORTDM, the woodlots were established by the Department of Agriculture and Forestry in the 80s, to provide poles and fuel-wood to the local communities.
- ▶ There is 75 Woodlots in ORT DM, totalling to 3,750 Ha.
- ▶ The woodlot size range from 5Ha. to 250Ha.
- ▶ Most of the woodlots no longer serve the purpose for which they were established due to neglect.
- ▶ They have grown into jungles
- ▶ About 75% of the woodlots are in Mhlontlo and Nyandeni Local Municipality
- ▶ There is no Woodlot in Port Saint Johns Local Municipality.
- ▶ With low levels of electrification compared to provincial data, woodlots could become essential.

#### Key Proposals

The key proposals linked to forestry within OR Tambo included:



- ▶ Spatial mapping of 'environmental bio-diversity areas.
- ▶ Universal 'wall to wall' mapping of the spatial distribution of environmental conservation areas and natural resources.
- ▶ Investigate, identify and map strategic renewable energy potential areas.
- ▶ Promote awareness and ensure compliance of Environmental Spatial Guidelines and Legislative Frameworks.
- ▶ Minimize habitat fragmentation in critical biodiversity areas.
- ▶ Maintain ecological corridors.
- ▶ Minimize the introduction and spread of non-native species.
- ▶ Improve the production of maize to address food security in poverty stricken communities.
- ▶ Focus on forestry development in the district.
- ▶ Promote the protection of the coastal environmental assets



## SOCIO-ECONOMIC FRAMEWORK

### Local Economic Development

Based on the outcomes formulated during the 2010 LED strategy, the revised 2014 LED document was produced which took into consideration the following objectives:

- ▶ Intensified the promotion of economic diversification and spatial balance.
- ▶ Exploration and expansion of agricultural value chain.
- ▶ Leveraged and targeted investment in rural and tourism nodes.

The LED strategy recognises that people, business and governments at local levels are best able to restructure economic situations that will stimulate growth required to create jobs and to reduce poverty.

The LED strategy presented the following strategic vision for the O.R Tambo District Municipality based on the preceding elements:

A SPATIALLY BALANCED DISTRICT THAT FACILITATES SHARED, COMMUNITY-ANCHORED DEVELOPMENT AND PROMOTES SUSTAINABLE GROWTH BASED ON THE LOCAL ECONOMY'S LATENT STRENGTH COMPETITIVE ADVANTAGE.

The vision and core pillars that are recognised as imperative in driving the LED in the O.R Tambo District Municipality LED Strategy are discussed below:

#### PRINCIPLE NO. 1: Spatial Balance

- *Objective: The need to balance rural development and prioritization, with that which occurs in identified targeted settlement nodes.*
- *Emphasis on spatial balance, social issues such as urban migration that will be mitigated.*

#### PRINCIPAL NO. 2: Facilities development

- *Objective: An economy that facilitates development is predicated on the presence of enabling environment that is conducive to entrepreneurial activity, employment*

*creation, and equitable income distribution, access to opportunity, business activity, intensive production, value addition and investment retention.*

#### PRINCIPAL NO. 3: Shared Community anchored development

- *Objective: Development that takes place from a grass-roots level as to ensure that it is inclusive.*
- *Objective: For economic growth to have discernible impact to fight poverty it must not bypass the majority, but rather as a process driven by anchored in the community.*

#### PRINCIPAL NO.4: Sustainable growth

- *Objective: For the O.R Tambo economy to register sustainable growth, all activity that takes place in the district must be financially feasible and economically viable in the long run.*

#### PRINCIPAL NO.5: Latent strength and competitive advantage

- *Objective: The district seeks to grow the economy bases on presently unrealized and unexploited development potential.*

### Strategic Pillars

In order for the vision and objectives to be recognized, it is imperative that an environment conducive to growth be created. This involves activities that tackle both present constraints to development and initiatives to boost economic activity. The O.R Tambo LED Strategy recommends that these actions be undertaken through the following strategic pillars:

- *Enterprise support*
- *Agricultural livelihoods*
- *Tourism sector support*

### Strategic Pillars Projects

Within each of the above strategic pillars as indicated in the O.R Tambo LED Strategy, a set of programmes that set out priority intervention areas for each pillar, as well as a list of projects, are as follows:



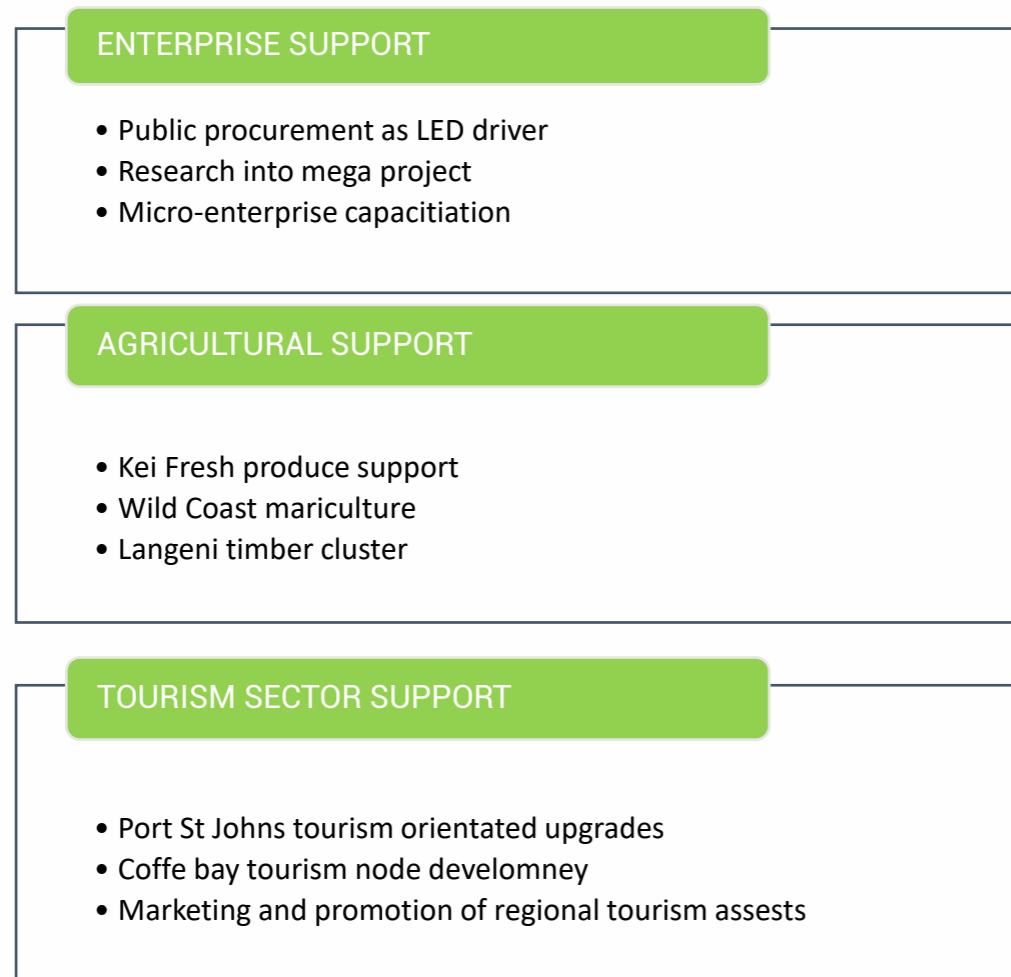


Figure: LED strategy Pillars

Source: O.R Tambo LED Strategy 2014

## Sector Profile

### Agriculture

The O.R Tambo District has a significantly agricultural sector which consist of various activities related to the growing of crop, gardening and horticulture, farming with animals, agricultural services, hunting, trapping and game propagation and a number of other activates. Stock farming is concentrated in Cattle for beef, Goats for meat and mohair and sheep for wool.

An emerging subsistence agriculture is prevalent in the district which follows patterns found throughout the Eastern Cape. Emerging farmers within the district are predominately previously

disadvantaged individuals that are participating in agriculture of a commercial orientation which entails involvement in the rearing of livestock, piggeries and poultry.

Subsistence agriculture in the region is largely made up of people residing in villages and townships that use agriculture as means of supplementing their own food and income requirements. This form of agriculture is mostly reliant on the availability of arable land and grazing land, which reduces the potential for increased maize and livestock production going into the future.

Pertaining to the supply of agricultural products and their produce in the district the following is eminent:

- *Sheep account for 60% of the districts livestock sales, cattle contribute 25%, goats account for 10% while chicken and pigs form part of the remainder*
- *Dairy produce consisting of milk and cream account for 99% of the animal products sold, with eggs and wool negligible contributions to total agricultural outputs.*

### Agricultural Commodities:

The Agri-Parks Master Business Plan for the ORTDM (2016) identified three main agricultural commodities for the O.R Tambo District for further support, prioritization and development in the region.

### Vegetables:

- ▶ Organic vegetables; There is a growing market for South Africa for organically grown vegetables as consumers are becoming more aware of food production.
- ▶ Processing of vegetables; basic processing of vegetables could take place at the Agri-Hub. Cutting and peeling and packaging could be an important processing opportunity.
- ▶ Production of vegetables in key projects; Vegetable production can kick-started in areas through investment in key projects
- ▶ Market Linkages; Linkages with other Agri-Park also focusing on vegetable production, such as Amathole DM, is important for market support and improved sustainability

### Maize:

- ▶ Silos; Developing a silo storage facility in the district in the district for local maize farmers



- ▶ Milling; Maize milling/processing would be a value-adding activity in the district. Milling can also enhance the quality of maize produce in the district.
- ▶ Fencing; Fencing of commonage key grazing areas for small holder and emerging farmers.
- ▶ Market Linkages; Linkages with other Agri-Park also focusing on maize production, such as Joe Gqabi DM and Amathole DM, is important for market support and improve sustainability.
- ▶ A high demand for small-scale collective processing in rural and urban areas exists to ensure food security and access to stable food.
- ▶ The opportunity to grow and involve emerging sector in research and biotechnology, input supplies, silo operation can increase the production levels of emerging maize farmers in the district and reduce dependency of small scale farmers on commercial farmer's infrastructure.
- ▶ The market for maize demand can be considered as a stable market as it provides for both the export markets, human consumption (maize milling) and the animal feed industry.

#### Livestock:

- ▶ Genetic improvement; improving the genetic quality of emerging and small-holder farmers for immediate relatively fast improvement of prices offered for carcasses when sold to abattoirs.
- ▶ Fencing; Fencing of commonage key grazing areas for small holder and emerging farmers.
- ▶ Management of commonage; a key aspect of improving small holder's farmers herds is an improvement in the management of commonage. Commonage, if correctly planned and managed, can be vital for small holder farmers
- ▶ Veterinary support; FPSUs provide a base for DAFF veterinaries to operated out of and are invaluable to emerging and small holder farmers.
- ▶ Abattoir facilities; There is currently space in the market for an abattoir at FPSU level that has deboning facilities. The Umzikantu Abattoir should be upgraded and expanded to service the Agri-Park.

#### Agricultural Key Proposals

- *Revitalization of agricultural college*
- *Health and Wealth education training*

- *Investment to benefit 370 agricultural college students*
- *Dairy farming development potential along the coastal plateau for additional Dairy operations ( close to grain areas and areas suited for legume/grass pastures)*
- *Grain development and expanding grain production for developing cattle initiatives in the region.*

#### KING SABATA DALINDYEBO KEY PROPOSALS

- *Cotton farming and production*
- *Establish crop production for making biofuels*
- *Establish sunflower farming and milling co-operation*
- *Establish sugar beet and sugarcane farming*
- *Develop of wool production and processing*
- *Establishment of mariculture/fishing along the coast*
- *Revival of trout raising*
- *Livestock farming including meat processing and packaging*
- *Upgrading of Umzikantu Red Meat Abattoirs*

#### INGQUZA HILL KEY PROPOSALS

- *Magwa Tea plantation production, processing and packaging*
- *Commercial forestry development*
- *Qaukeni community afforestation and rehabilitation of existing forest*
- *Upgrading of Fort Donald Chicken Abattoir*

#### MHLONTLO KEY PROPOSALS

- *Tsitsa River Basin development of crop production*
- *Tsolo and Qumbu afforestation of new areas including the rehabilitation of existing forests*
- *Cotton farming and production*
- *Subsistence and commercial farming of vegetables*



- Mazie belt; establish maize and miling co-operations
- Agricultural product beneficiation, processing and packaging

#### NYANDENI KEY PROPOSALS

- Establish crop production for making biofuels
- Development of soya and sorghum farming
- Establishment of fruit farming and processing co-operations

#### PORT ST JOHNS KEY PROPOSALS

- Sustainable establishment of mariculture/fishing along the coast.
- Development of high crop production
- Port St Johns alien plant removal
- Develop a small-size harbour in coastal areas, enabling small-scale operation and community partnership in aquaculture.

#### Forestry

- There are a number of existing forestry plantations in the district and opportunities for expansion. The OR Tambo DM has strong linkages to the forestry industry which is significantly dominant towards the northeast and west. With strategic focus of investment and development intervention, the forestry industry and its associated multiplier effects could facilitate favourable increases in economic growth and poverty reduction more especially within the rural hinterland.
- The O.R. Tambo District Municipality accounts for approximately 23.3% of the total area under forestry plantation in the Eastern Cape. Hans Merensky serves as the regional primary processor, producing a variety of products. There are very few furniture manufacturers in the district.
- Potential has been identified in the Langeni timber cluster as well as development of a furniture cluster and charcoal production. The ORTDM has identified potential linkages to the proposed/identified forestry cluster of the Chris Hani District north-east of Engcobo. There is also potential linkages with Joe Gqabi District with the development of the Ugie-Langeni Forestry Corridor as a development-enhancing

link between forest plantations and processing plants at Ugie and Langeni and a transportation/logistics hub at Mthatha.

The following areas are the key forestry potential zones:

- The Langeni Forestry Node
- Ingquza Hill Forestry Area
- Ntabankulu Forestry Area

#### Forestry Key Proposals

- ▶ Alien plant eradication
- ▶ Forestry and Timber development in community owned forestry plantation enterprises
- ▶ Expand and facilitate production at the Langeni Forestry operations in O.R Tambo and Joe Gqabi DM linked via the Langeni Passes
- ▶ Develop linkages between the community and the existing forestry operations, enabling out growers in the region.

#### Tourism

- The tourism industry is largely a consumption based service industry that does not produce a tangible product, but it does however utilize the product and services of other classified industries including Trade, Transport and Business Services.
- It may be noted that the O.R Tambo District Municipality has an abundance of tourism assets that are classified under the categories stipulated below

PLAN NO. 45: TOURISM ASSETS IN THE O.R TAMBO DISTRICT MUNICIPALITY	
	Assets
Nature Based	• Mthatha Mouth
Eco-Based	• Nduli Lechaba Nature Reserve
Heritage-Based	• Mvezo



Cultural-Based	<ul style="list-style-type: none"> <li>• <i>Qaukeni Great Place</i></li> </ul>
Adventure-Based	<ul style="list-style-type: none"> <li>• <i>Pondoland Marine protected area</i></li> </ul>
Route-Based	<ul style="list-style-type: none"> <li>• <i>Maloti</i></li> </ul>

The Wild Coast and Mandela route are highlighted as tourism potential zones. This indicates that the exists of theses tourism assets are a significant untapped opportunity for the tourism product development. The constraint however lies in the creating sustainable revenue streams from this potential. This is largely dependent on factors such as access to land and the availability of critical infrastructure ( primary roads, secondarily reliable water and electricity reticulation systems).

**Two major development that are likely to influence the tourism sector in the medium-term planning horizon are:**

- ▶ Death of Nelson Mandela in 2013, this allowed the creation of a tourism market and products related to people that wish to pay homage to his legacy. The district host Nelson Mandela's birthplace (Mvezo) home village (Qunu) amongst other sites of historical importance.
- ▶ Proclamation of the 8 810 hectare Lambasi Nature Reserve in Mhlontlo Local Municipality on the Tsitsa River, this nature reserve will incorporate Tsitsa River. Tina River Valley and Mzoboshe Horseshoe that are special features of the Tsitsa Falls Valley.
- ▶ The Lambasi Nature Reserve has a variety of activities planned including hiking trails, mountain climbing, ecotourism, cultural tourism and game viewing

A number of the hotels are mostly concentrated along the coastlines in areas such as Coffee Bay, Umngazi Mouth and Mbotyi with access routes including like the Mandela route, Thunga Thunga route and the Wild coast Meander but various cultural sites are situated in the district.

**Tourism Routes**

The following tourism routes, as depicted on the map below, have been identified within the O.R Tambo District:

**The Wild Coast Meander and Mandela Route**

The Wild Coast Meander is intended to serve as a low volume, low design speed route to improve access to tourism destination along the coast and to higher order social infrastructure that services the residents in the outer lying coastal areas. There is a significant amount of untapped opportunities for tourism product development. The challenge however lie is creating sustainable revenue for streams of tourism potential.

**Thunga-Thunga Route**

The Thunga-Thunga route affords potential tourist access to rural tourism by discovering the unique natural wonders found within the O.R Tambo District. It is also links Mthatha, Libode and Port St Johns via the R61.

**Mhlontlo Tourism Routes**

As part of the Situation Analysis was to establish the current status quo of tourism activity or potential within the municipal area. This involved analysing secondary information i.e. market statistics and investigating primary sources of data by means of a councillor input sheet, telephonic interviews and questionnaires A primary desktop study was then reconfirmed with actual site visits.

Mhlontlo Local Municipality offers a variety of landscapes as well as unique settings that range from old monuments/memorial sites, missions, old tribal areas, Mpondomise culture to natural features with water falls, rivers, mountains, protected areas and forests.

Furthermore it offers the opportunity to experience the Langeni Pass, forests, unique Mabeleni Dam and Langeni Saw Mills.

Icon sites for the municipality are most definitely the Langeni Pass and the Tsitsa Falls Complex.

Currently the tourists feature sites are scattered throughout the local municipality some found in concentrations close to the two larger town centres namely Tsolo and Qumbu. This resulted in a number of clustered areas that need to be taken into account for the development of potential routes. A total of nine cluster areas were identified and include the following:

The report mapped out the way forward in terms of assisting the municipality develop and reach its full potential in terms of tourism development. Amongst the proposals where the following:-



- An Action Plan was part of the proposals and this stipulate exactly how the municipality will reach its goal. Amongst others as part of the recommendations is a **naming exercise where** it is recommended that the municipality establish a route brand, By accomplishing a brand it will make marketing effective as the route will be linked to a geographical area.
- With naming the Branding will follow and as part of the outcome of the report Branding concepts was proposed where the municipality will choose and implement their preferred branding.
- **Community driven initiatives:** it was established that community driven initiatives have been left largely untapped for visitation because none have been identified or have been structured for visitation.
- **Signage:** Signage is essential indicators for places of interest and gives direction to visitors to an area. Signage needs to be established on critical areas along the major mobility routes. (Threat – Wild coast Toll plans need to be devised to clearly mark sites and have take off points connect thereto)
- Signage policy
- Marketing Plan
- Training of CTAs
- Implementation plan

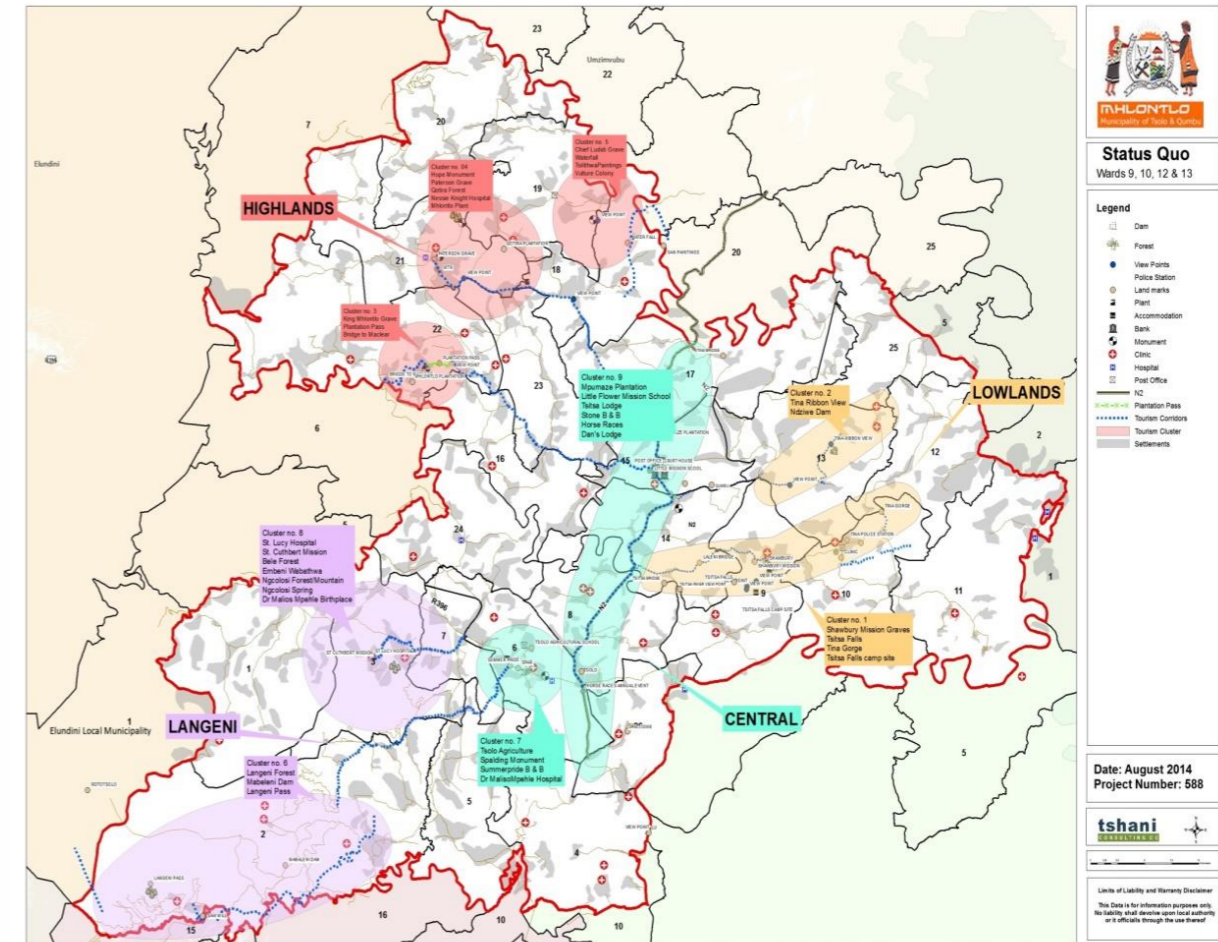
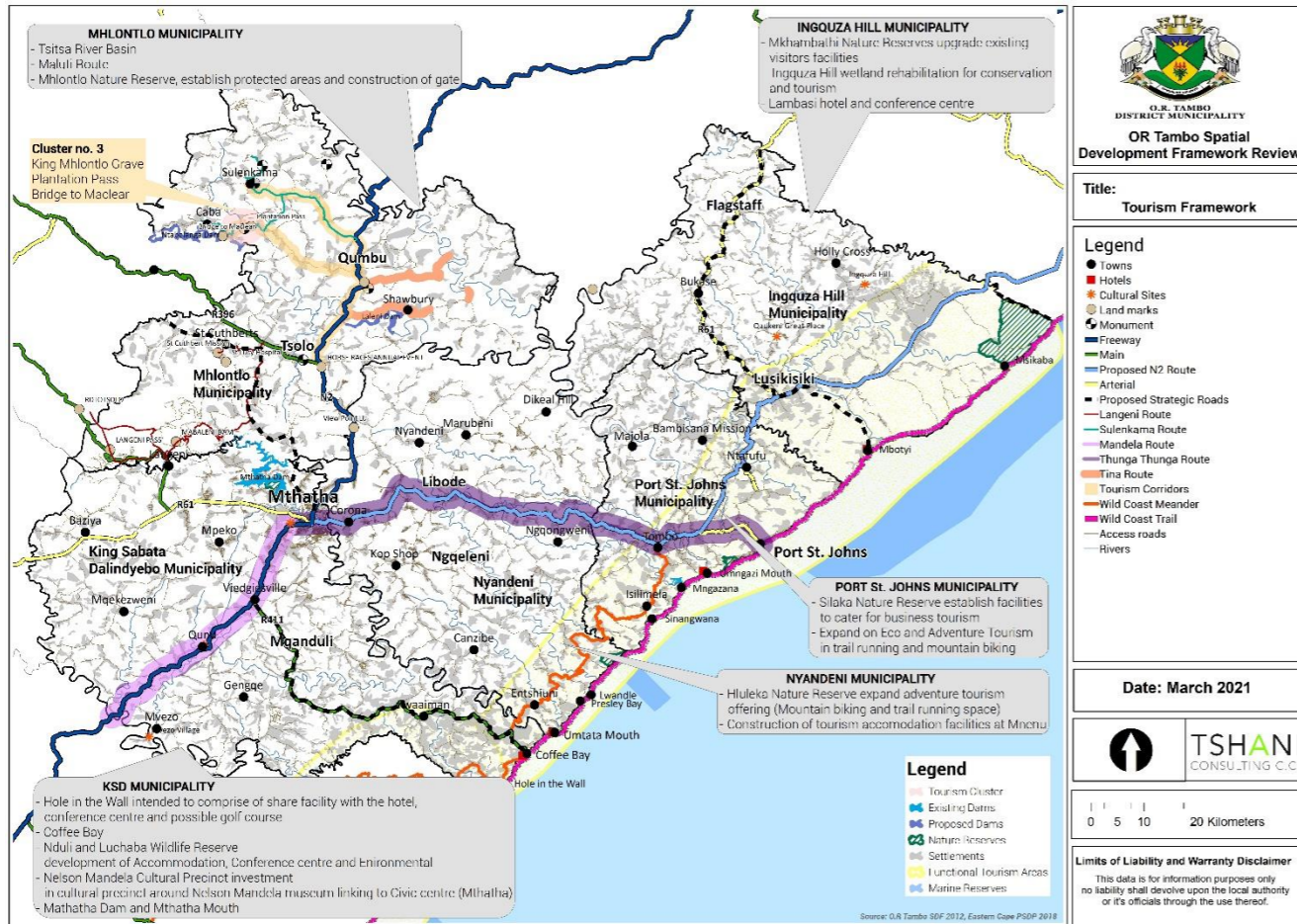


Figure: Mhlontlo Heritage Route





- Coffee Bay and Hole in the Wall development of conference centre, hotel facility and possible golf course
- Ingquza Hill wetland revitalization for conservation and tourism

### Manufacturing

Broadly defines as the physical or chemical transformation of material or compounds into new products and can be classified into 10 sub-groups:

- Food, beverage and tobacco
- Textile, clothing and leather goods
- Wood and paper; publishing and printing
- Petroleum products, chemical and printing
- Other non-metallic mineral products
- Metals, metal products, machinery and equipment
- Electrical machinery and apparatus
- Radio, Tv, instruments, watches and clocks
- Transport equipment
- Furniture and other manufacturing

Supply of the manufacturing sector activity is determined by the presence of raw material such as agricultural produce and minerals. The O.R Tambo has a low level of commercial agricultural activity and limited mineral resources that are commercially exploitable, inputs for manufacturing activity are in turn limited quantity, while the demand for manufactures goods is however high and thus significant amounts of manufactured goods are acquired from regional centres such as East London.

### Mining

The district has very limited mining activity that takes place, but it however does have various small scale mines operating both formally and informally. A bulk of these small scale mines supply the construction sector with inputs such as crusher rocks, sand, aggregates and clay. This is typically used on road-construction projects, home-building and brick-making enterprises.

### PLAN NO. 46: TOURISM FRAMEWORK

The map above indicates the tourism routes situated within the O.R Tambo District. The most significant routes identified include the Wild Coast Meander Route which is adjacent to the coast line creating access to coastal nodes.

The Thunga Thunga route is also of significance in tourism linkages as it connects the towns of Mthatha and Port St Johns. While the Mandela route which forms part of the N2 provides accessibility to the area of Qunu which adds a great cultural heritage to the district.

### Tourism Key Proposals

- Nduli and Luthaba Wildlife Reserve development of accommodation
- Nelson Mandela Cultural Precinct investment around Nelson Mandela Museum
- Upgrade of Mkamabti Nature Reserve existing visitors facilities
- Port St Johns Second Beach Waterfront development



Factors serving as trends in the mining sector consist of the following;

- Limited supply of high-value metallic mineral within the district
- Supply of medium-value non-metallic minerals such as the locality of the district
- Rising households incomes, leading to increased demand from construction sector especially in rural setting
- High levels of environmental sensitivity along the Wild Coast, which limits the scope for medium or large scale mining enterprise creation
- High incidences of informal activity that is not permitted by relevant authorities.

### Construction

The construction sector includes activities related to site preparation, construction of building, building installations, building completion and the renting of construction equipment. The range of activity contained within the construction sector thus includes shop fitting, plumbing and electrical contracting.

O.R Tambo region is the most densely populated area within the province, excluding the metropolitan areas, thus resulting in the district presenting significant potential for construction sector activity to take place as:

- The high population density results in many people requiring housing, both in urban and rural areas. This has resulted in the proliferation of multiple hardware stores
- The underdeveloped nature of the district means that a significant amount of construction activity is required to eradicate backlogs in infrastructure provision
- Rising household income creates demand for renovations to houses
- The strong presence of the government and community service sectors creates a demand for office space in order to accommodate the administrative functions of departments, parastatals and agencies.

### Retail Trade

The trade sector in the district entails wholesale, commission trade, retail trade and repair of personal household goods; sales, maintenance and repair of motor vehicles and motor cycles. It can thus be seen that this sector involves a broad spectrum of activity which is diverse and varied in nature.

The performance of the retail trade sector is a function of the region's household income levels. This is intuitive as areas with low levels of household income would be expected to undertake a comparatively low level of discretionary spending as is associated with the retail trade sector.

Mthatha features as the regional shopping hub of the area and in order to accommodate the relatively high levels of buying power associated with its population, hosts a high concentration of retail trade entities. These take form of multiple shopping malls, supermarkets and wholesalers.

The sale of goods and services by shops and stores represents general commerce related to the day-to-day existence of local residents. The trade sector is a derived demand as it relies on the amount of income the consumer has at their disposal to engage in a trading transaction. In terms of the sector's performance, the period between 2010 and 2014 was characterised by multiple developments that expanded the supply of the trade sectors entities in the district. This resulted in several shopping centres being built in towns such as Mount Frere and Bizana.

Whilst such urban nodes experienced significant growth in the supply of retail trade entities, rural trading posts and villages experienced lacklustre growth over the same period.

### Financial and Business Services

The finance and business services sector includes activities related to obtaining and redistributing funds, including for the purpose of insurance, real estate or commercial and business services. Some of the activities that fall under this sector include financial intermediation; insurance and pension funding; real estate activities; renting or transport equipment; computer and related activities; research and development; legal; accounting; bookkeeping and auditing activities; architectural, engineering and other technical activities; and business activities not classified elsewhere.

The service sector supports primary and secondary sectors by providing the 'soft' components of any economy. The quality of services provided determines the leveraging that will be achieved by the economy as a whole. The nature of the service sector in an economy is in turn then dependent on the nature of its respective primary and sectors. An economy with strong primary and secondary sector will thus have a service sector that is structured around adding value to the outputs of these respective primary and secondary sectors.



- ▶ Business services oriented towards meeting the needs of the construction sector (as a relatively large secondary sector economic activity), in the areas such as engineering and *architectural professions*
- ▶ Financial services oriented towards meeting the needs of the retail trade sector. Such services are primarily based on consumption activities of the district's residents.
- ▶ Provision of services for the government, as the public sector represents the main driver of the O.R. Tambo economy.

### Transport and Communication

The district is serviced by a substantial network of primary and secondary roads, with the N2 and R61 functioning as major trunk routes. The state of arterial roads in the district however is below a standard that would support robust economic growth and development. The result of this situation is that access and accessibility of many villages in the district is impeded by poor quality roads. This in turn negatively affects the cost (financial, time and opportunity-cost based) of transporting goods and people across different parts of the district.

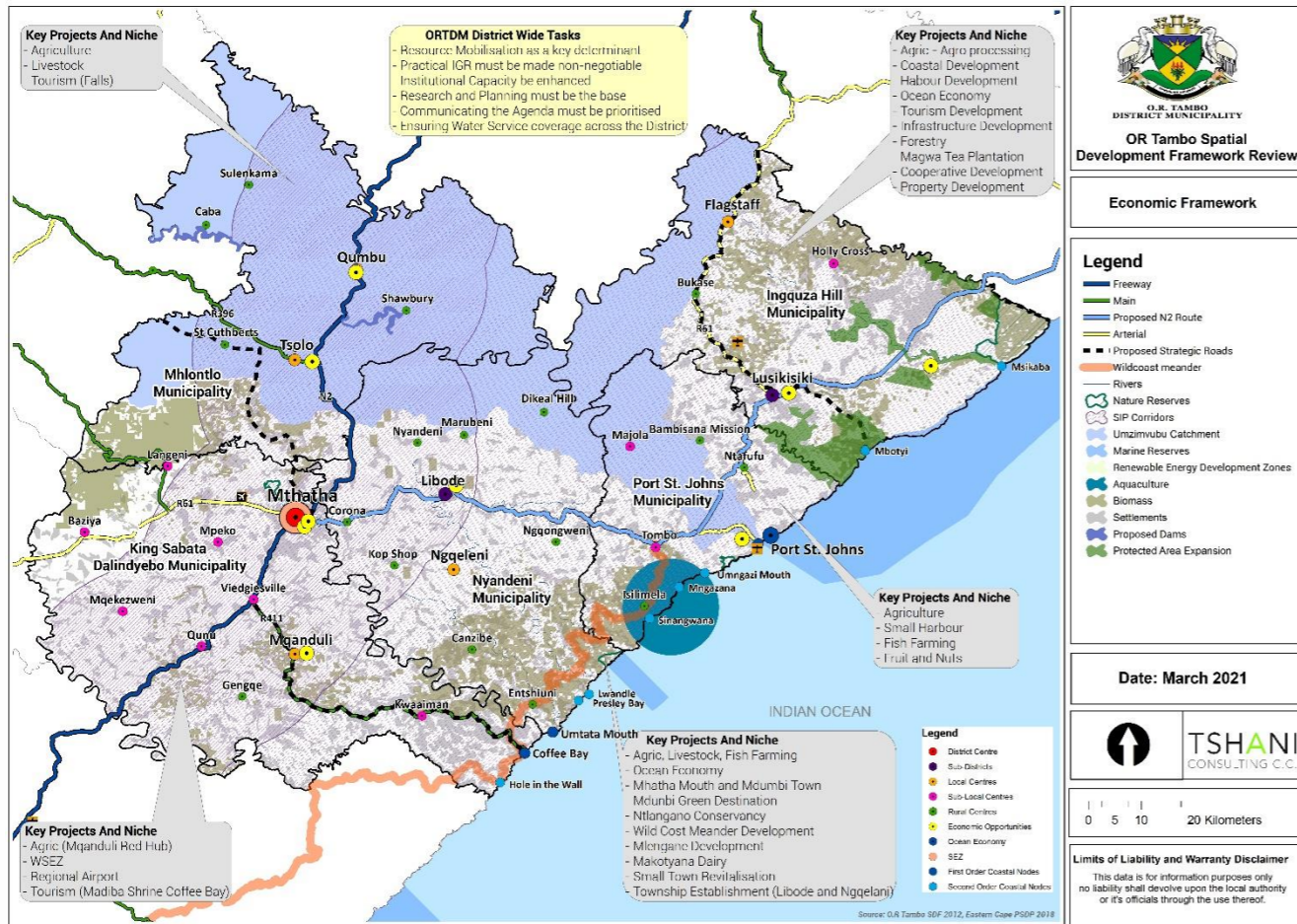
The N2 toll road is a planned major investment into the district's transportation infrastructure capacity that is anticipated to improve levels of access into the interior of the region. Another major investment in terms of the district's transport infrastructure that is planned is the Wild Coast Meander route which will link up Coffee Bay and Port St Johns. The district is serviced by one airport and two airstrips. The Mthatha airport underwent a series of multimillion Rand upgrades in preparation for the 2010 Soccer World Cup, and also in recognition of the role of Mthatha as a regional transport hub. The upgrades to the airport mean that it now has significantly more capacity to handle large numbers of visitors to the area. This is a strategic asset for the district that has the potential to yield benefits to all municipalities in the district (and not just KSD). The airstrip in Port St Johns is an important asset that attracts tourists to the Wild Coast.

Many tourists (especially international visitors) access Port St Johns via air travel (landing at the Port St Johns airstrip) as a means of avoiding the poor quality roads that would otherwise be used to access to town. It is thus important that the Port St Johns airstrip be maintained at a standard

that ensures that charter planes continue to use it regularly. At the time of writing, the airstrip's status was operational, with current infrastructure supporting the continued provision of air transport services to the area. Engagements with stakeholders however indicated that the state of infrastructure would require significant upgrades and maintenance in coming years. In the absence of such maintenance and upgrade, the costs and risks associated with providing a commuter charter service would escalate and make the service no longer feasible or viable. Given the significant costs involved with maintenance, the possibility of downgrading the use of the Port St Johns airstrip to only helicopter flights has been highlighted as an option.

The majority of businesses operating in the transport sector are involved in public transportation of people. This is based on flows of people from villages to regional towns, and from these towns to the regional hub of Mthatha. Trips made by this population are primarily driven by the retail trade sector, as people travel to Mthatha and other district towns in order to undertake shopping activities (groceries, as well as less frequent purchases such as furniture or building material). This retail trade activity is in turn driven by transfer payments by the state in the form of grant and pension payments (typically administered by SASSA).



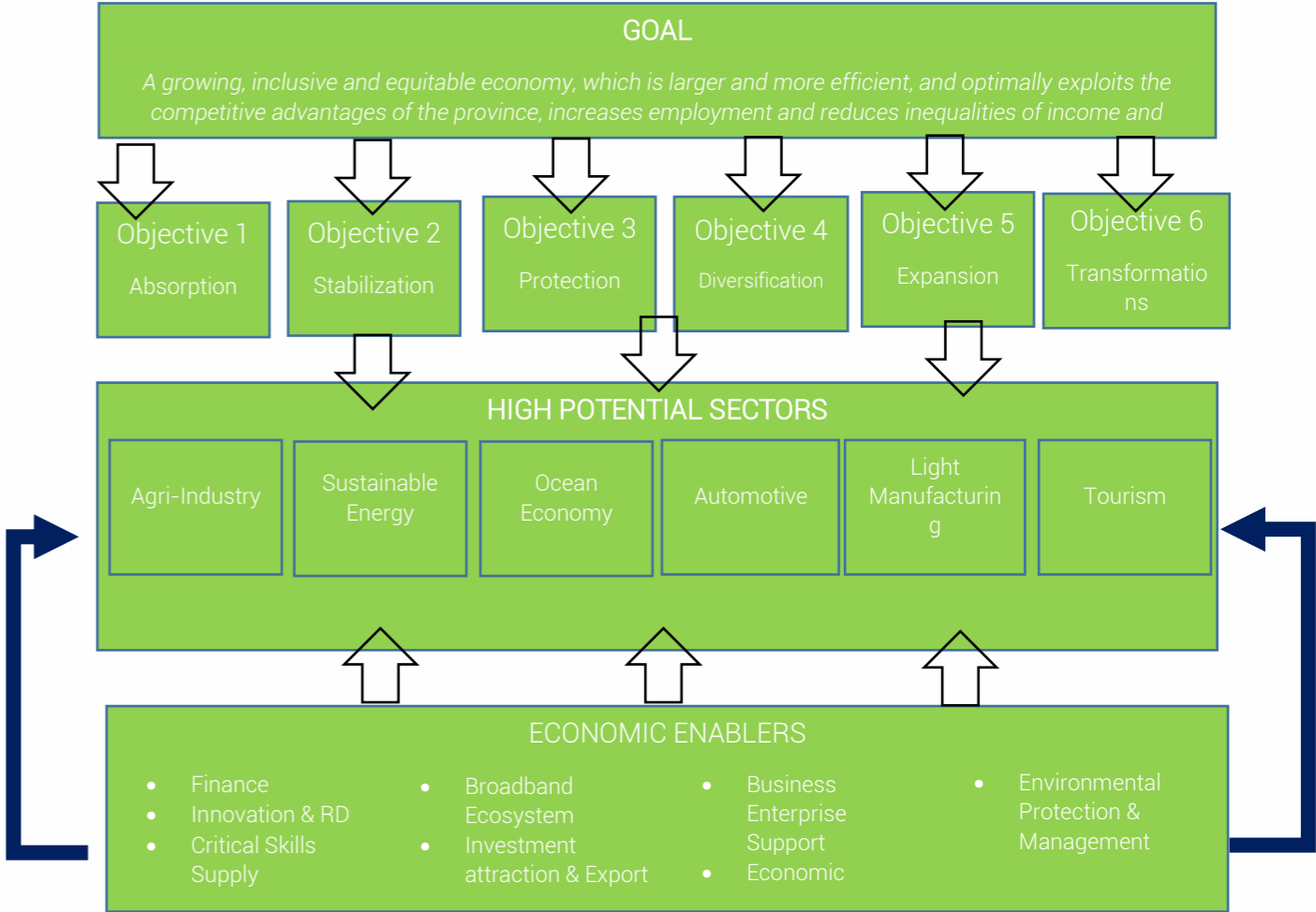


**PLAN NO. 47: ECONOMIC FRAMEWORK**

The map above depicts the Economic framework for the O.R Tambo District. The economic framework is clustered per economic initiative proposed per local municipality in the district. These proposed economic initiatives are closely aligned to the O.R Tambo LED strategy and include the identification of the Umzimvubu Catchment Scheme which is to be capitalized on to enhance economic activity. There are other proposed project which are vital in the economic framework such as the promulgation of Coffee Bay, the proposed Ntabelanga Dam and the special economic zones (SEZ) in the Mthatha Agricultural support.

The Economic Analysis took further guidance from the Provincial Economic Development Strategy (PEDS). The PEDS, is the overarching economic development strategy for the province and it seeks to promote inclusive economic development that is geared towards specific priority sectors that either have a strong potential or which are existing provincial strengths.

The strategic framework for the PEDS, outlining the strategic goals, objectives, priority economic sectors and enablers is presented in the diagram below:



The PEDS identifies specific sectors which show a great deal of promise for regions within the ORT District. These are highlighted in the table below:

PEDS Sectors	Spatial location
Agri-industry	OR Tambo, Alfred Nzo ( <i>Forestry and Timber</i> )
	Port St Johns,
	<i>Re-industrialisation: Mthatha</i>
	Wild Coast
Ocean Economy	Port Saint Johns
Sustainable energy	N/A
Automotive	
Light manufacturing	Mthatha
Tourism	Wild coast

The District also falls within the space of the presidential Strategic Integrated Projects (SIPs) which have been identified for the country. The SIP 3 projects focuses on promoting rural development through a new dam at Umzimvubu with irrigation systems and the N2- Wildcoast Highway which improves access into KZN and national supply chains.

### Economic Opportunities

The Economic Opportunities identified below are review existing and proposed national and provincial government and private sector developments which may impact on the O.R Tambo District Municipality.

#### N2 Project

The proposed overall N2 project, with an estimated budget of R5.1 billion (March 2013), includes a range of interventions aimed at improving accessibility through the Wild Coast Region. These include the impact to be experienced by each local municipality within the District:

#### Nyandeni Municipality

- *The junction to Ngqeleni from the R61 has been identified as a node.*

- *A transport corridor has been identified between Ngqeleni and the R61 junction.*

#### Port St Johns Municipality

The areas of Tombo and Ntafufu have been identified as Administrative nodes, due to them being in critical locations. The SDF depicts Conceptual Proposals of different uses favoured within these nodes. The following should be noted:-

#### TOMBO

- *Access to proposed uses off the N2 considering type of uses*
- *Pedestrians walking around and across the N2*
- *Urban sprawl / illegal Settlement around nodes*

#### NTAFUFU

- *Access to proposed uses the N2*
- *Urban sprawl / illegal Settlement around nodes*

#### Ingquza Hill Municipality

- *Mbotyi and Msikaba have been identified as tourism nodes and places of tourism opportunity in the WCSDF and the WCSDI respectively;*
- *Opportunities for linkages: Coastal roads linking to the N2;*
- *Settlement and urban development being attracted closer to the N2 for convenience of access.*

#### Wild Coast Meander

An initiative of the Eastern Cape Department of Transport to connect and upgrade a series of existing minor roads, aligned more or less parallel to the coast, will in future result in the creation of the Wild Coast Meander route. The Department has confirmed that the intension of this initiative is not to create a secondary "N2" alignment for accommodating high volumes of traffic, but rather to serve as a low volume, low design speed route to improve access to tourism destination along the coast and to higher order social infrastructure that services the residents in the outer lying coastal areas.



## Umzimvubu Basin

Under the ASGISA Eastern Cape programme, the Umzimvubu Basin Development Programme, was designed to become a large integrated commercial and rural development system, operating across municipal and provincial boundaries, through which the environmental and economic potential of the area could be sensitively and sustainably utilised for the benefit of the local people. The development of the underutilised water and land resources, linked to creative urbanisation and industrialisation of the towns and villages within the Umzimvubu Catchment, was planned to reduce poverty in the incorporated District and Local Municipalities. Unfortunately the overarching Vision has become fractured within the complexity of National, Provincial and Local Government relationships and priorities and is currently reduced to a focus on the development of a dam and reservoir at Ntabelanga on the Tsitsa River, between Tsolo and Maclear.

Nevertheless this large potential project, with a 600 million cubic metre capacity, a yield of 180 million cu metres per annum bulk water supply and the potential for irrigation ( between 2000 and 11 000 ha) and hydroelectric power production, may well be a catalyst for the further phased development of the entire Umzimvubu Catchment. The current dam and irrigation, bulk water and hydroelectric power infrastructure is estimated to cost over R20 billion and will provide a significant number of short term jobs during construction and further employment and income generation for the future.

The impact of the full development of the Umzimvubu Basin, with the related environmental and spatial development planning issues will have a major impact on the Wild Coast. These need to be taken into account within the development of Spatial Strategies.

## Strategic Economic Zone

The purpose of the Wild Coast SEZ is to create permanent jobs through the attraction of private investment, to create agro-industrial complexes in the region. These complexes will stimulate primary feedstock production and thereby unlock the region's potential competitive advantage in agriculture-based products, particularly those of high-value. The proposed SEZ will ensure that private investments are linked to other by major investments of the National Infrastructure Plan (PICC), notably the Umzimvubu Water Project, the new N2 highway and SIP 11 (agro-logistics and rural infrastructure).

Primary agriculture is much more labour-intensive than manufacturing industry. Therefore, building agro-industrial value-chains is particularly important in the rural Eastern Cape. We estimate the potential job creation that can be catalysed by the Wild Coast SEZ to be 100,000 jobs over the next ten years. In addition there could be a further 50,000 people with enhanced incomes.

The Wild Coast SEZ will be the third SEZ in the Eastern Cape Province (after Coega and East London IDZ) and is the priority new SEZ of the Provincial Government. The proposed SEZ, as part of the broader IWCDP, enjoys the support of the relevant Provincial Government Departments (notably DEDEAT and DRDAR), District and Local Municipalities, Traditional Councils, provincial business associations and labour unions. Partnership agreements among these parties regarding the proposed SEZ will be a key success factor. Agro-industrial value-chain growth has been a priority, particularly for the Wild Coast region for several reasons:

- *Labour-intensive relative to manufacturing industry*
- *Rural employment in an area of very high unemployment*
- *Opportunities for SMMEs and BBBEE*
- *Under-utilised communal lands with high agricultural and forestry potential*
- *Growing national and global markets (e.g. world consumption of red meat predicted to double by 2050).*
- *Emulation of international agro-industrial success stories such as Thailand, Chile, Brazil and Argentina*

The Wild Coast Strategic Economic Zone, with the provisions anticipated in the new soon to be enacted legislation, will provide a focus for the economic and social development of the Region and should be a catalyst for further contribution of agriculture to the GDP of the participating Municipalities. *In the* development and expansion of agricultural production, care must be taken to ensure that traditional values and indigenous knowledge systems are acknowledged and enhanced. New technologies must effectively synergise these existing systems, with the as little disturbance as possible. South Africa does not yet have good, replicable, models of efficient and economical production from large numbers of small scale and homestead farmers. Yet for the successful transfer of benefits from initiatives such as the SEZ and the Umzimvubu Basin Development, it is essential to construct new participative strategies which will enable this to

