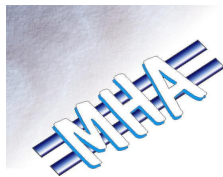


# UMDONI MUNICIPALITY LOCAL ECONOMIC DEVELOPMENT PLAN

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TO: THE PROJECT COORDINATOR - LOCAL ECONOMIC DEVELOPMENT  
DEPARTMENT OF ECONOMIC DEVELOPMENT

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# 1 INTRODUCTION

## 1.1 Purpose

Umdoni Municipality in association with the Department of Economic Development (DED) has initiated a process towards the formulation of an Economic Development Plan for the Umdoni area. Local Economic Development (LED) is interpreted to mean a rigorous attempt to optimise the use of local resources (natural, human and otherwise), latent opportunities and available support mechanisms to unlock economic development potential and exploit the opportunities presented by the provincial, national and global environment.

## 1.2 Background

### 1.2.1 Umdoni Municipality

The Umdoni is the smallest municipality in KwaZulu-Natal measuring about 238km<sup>2</sup>. It is located about 50km from the City of Durban and 65km from Port Shepstone along the South Coast. It can be divided into three major land use zones, that is, commercial agriculture dominated by sugar cane fields, the traditional authority areas located to the north of the municipal area and the coastal urban nodes forming part of the ribbon development stretching from Amanzimtoti down the South Coast. The urban nodes include Scottburgh, Park Rynie, Kelso, Pennington, Bazley, Ifafa Beach, Elysium, Mtwalume, and the historic town of Umzinto. Umdoni has a coastline of approximately 40km and stretches inland as far as Umzinto. The land use of the area is dominated by agriculture, particularly sugar cane.

### 1.2.2 Need for the Project

The Constitution of the Republic of South Africa mandates local government to promote social and economic development within their areas of jurisdiction. This mandate is executed in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), which provides for the principles, tools and systems necessary to enable municipalities to fulfil this mandate. One of these tools is an Integrated Development Plan, which essentially is a synthesis of various sector plans and a strategic guide for prioritisation, decision-making and investment. LED sector plan is one of the constituent parts of the IDP, and should be prepared with due cognisance of the other sector plans and the IDP. While this provides the policy and legislated basis for this initiative, the need for an LED Plan in Umdoni Municipality goes beyond meeting the constitutional and legal obligations, and encompasses the following:

- Need to integrate economically disparate parts of the municipal area that is, better developed former Natal and largely poor former KwaZulu parts of the municipal area.
- Need to exploit location and other comparative advantages to achieve economic development. Umdoni Local Municipality is located along the N2 and forms part of the South Coast Ribbon Development.
- Need to address the high poverty and unemployment that characterizes Umdoni area.
- Need to review the trends and economic direction that key sectors in the local economy are taking.
- Need to upscale economic development in centres such as Umzinto and Pennington.

- Need to integrate economic development locally with Provincial, National and Regional economic development initiatives. A number of initiatives have been started with African and other countries, and areas like Umdoni can partake in the implementation of these agreements.
- LED is a sector plan within the IDP, and its implementation should be integrated with other sectoral plans in order to achieve integrated and coordinated development.

### 1.2.3 The Scope of Work

The primary objective of this project is to formulate a Local Economic Development Plan for Umdoni Municipality. Its objectives are outlined in the terms of reference as follows:

- Analysis of the current situation with regard to local economic development including sectoral analysis, socio-economic analysis, market analysis and the identification of constraints and opportunities.
- Formulation of an implementable economic development strategy and framework.
- Development of an action oriented local economic development plan incorporating project concept plans, potential sources of funds, etc.
- Formulation of an LED Unit institutional development plan.

## 1.3 Approach and Methodology

### 1.3.1 Data Collection and Analysis

The effectiveness of the plan depends heavily on the quality of data used and methods used to collect, analyse and synthesize the information. The following data collection methods have been used in this regard:

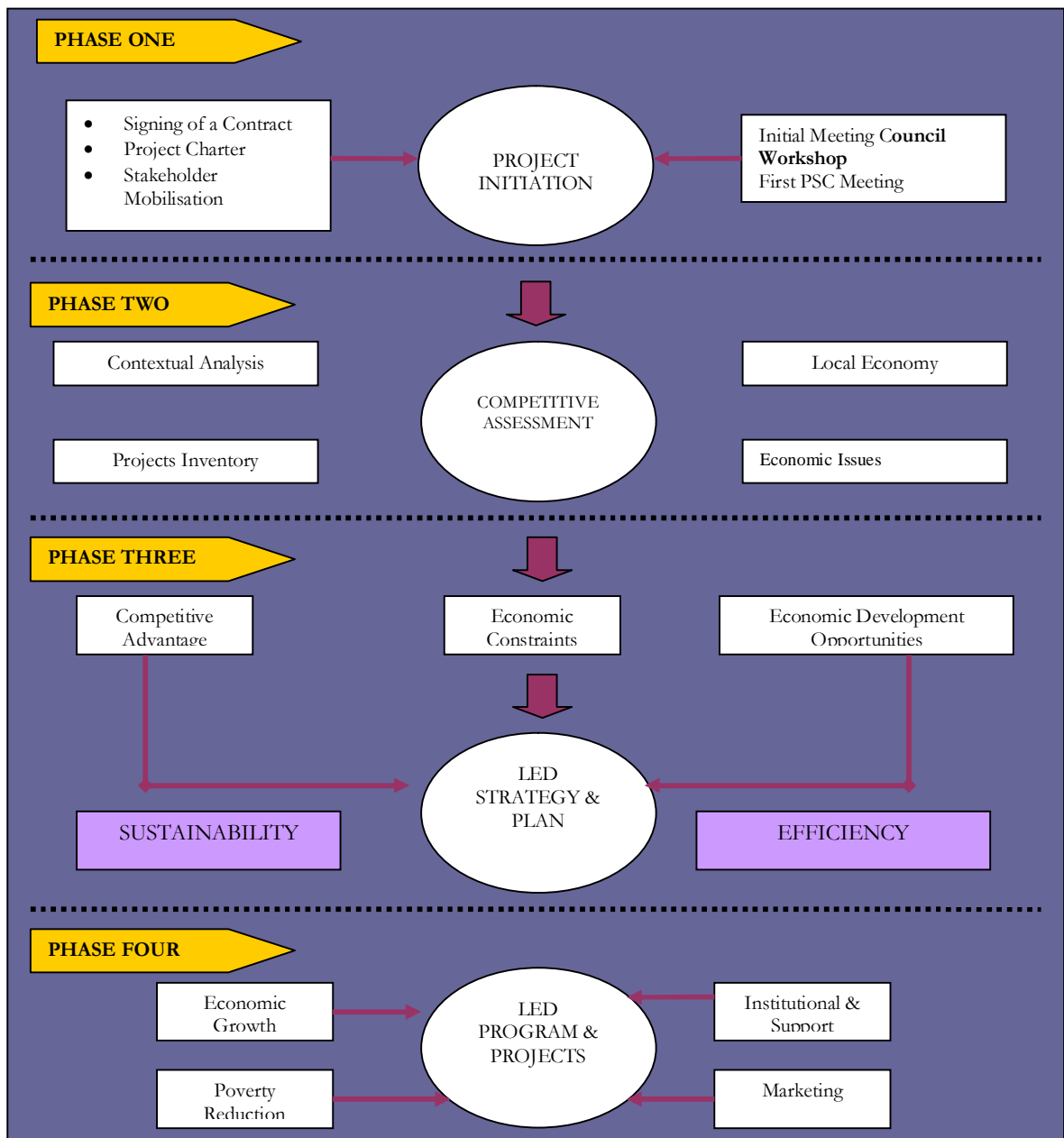
- Literature Analysis: Various sources and documents have been considered. These include the IDPs for Umdoni Municipality and Ugu District Municipality, relevant Provincial and National policies and research reports, records kept by various government departments and development agencies, etc.
- Data Reviews: Where necessary and applicable, updating and fine-tuning of information has been undertaken so as to ensure that the study contextually relevant. This is intended to augment lack of economic data relating to the various sectors. Where the information is available at a broad level thus making it difficult to break it down to a specific level, some assumptions have been made.
- Public participation: In addition to the public workshop held at the beginning of the project, a series of consultation meetings have been held with different organised interests groups. These include business, tourism sector, community organisations and others.
- Stakeholder interviews: Open-ended interviews were held with different stakeholders who were selected with the assistance of the Project Steering Committee. Interviewees covered the full spectrum of the performing sectors and support agencies in Umdoni.
- Analysis of the levy database in the Ugu District Municipality, building plans approval done by Umdoni Municipality and registration of vehicles done by the Department of Transport. This was undertaken by Mr Clive Coetzee of the University of KwaZulu Natal. The sub-consultant reports; including the tourism, agriculture and business sector reports are attached to the Umdoni LED Status Quo Report.

The process to develop these suggested strategies were developed through a series of focus sessions held with key representatives from the following sectors:

- The Umdoni Municipality.
- The informal sector.
- The agricultural sector (including land reform)
- Tourism.
- Business (retail and manufacturing).

### 1.3.2 Planning Process

FIGURE 1: PLANNING PROCESS



The project will unfold in four distinct and interdependent phases (refer to Figure 1 below), namely:

- Project initiation
- Competitive assessment
- LED strategy and plan
- LED program and projects

Project mobilisation entailed the mobilisation of stakeholders, gathering and review of background information and establishment of a Project Steering Committee. Stakeholder mobilisation occurred in the form of a public workshop, newspaper advertisements and meeting with key potential role-players. An initial list of stakeholders has been developed and is attached herewith as Annexure A.

Competitive assessment involved a detailed assessment of the local economy, with a particular attention paid to the economic development sectors, identification of comparative and competitive advantages and SWOT analysis. A list of key principles for LED strategy success was also developed on the basis of national and provincial policy and LED initiatives. The process towards the formulation of an LED strategy was initiated by means of a strategy discussion document addressing the following issues:

- Local economic development drivers (performing economic development sectors) focusing mainly on the scope for growth, opportunities and constraints.
- Clarification of the role of the municipality in local economic development.
- Gap analysis in terms of institutional and other forms of support.
- National and provincial policy directives, which include the basic principles that underpin the prevailing, LED policies.
- The district and local economic development context.
- Strategic areas of intervention.

The last phase pertains to the development of an LED programme and focuses mainly on the institutional framework for an effective implementation of the LED plan, developing a list or database of LED projects and formulation of a marketing strategy framework.

## **1.4 Structure of the Report**

The primary aim of the report is to achieve an integrated approach to LED and facilitate development of a shared vision and programme for its implementation. The report is structured in a manner that provides an increasing level of specificity from a broad economic development vision to very specific led initiatives (projects and activities).

The second section of the report reflects on the structural features of the Umdoni economy. The first and second phases of the project included an analysis of the current status of the local economy. This section highlights a number of structural features of the local economy in terms of specific sectors that need to be considered when developing an LED strategy. The third section reflects on the strategy context; including the overall factors that impact on economic development in the area.

The fourth section outlines some of the lessons from best practice and the principles that should guide LED strategy development.

Sections five, six and seven include the outline of the proposed LED strategies, the proposed institutional arrangements and includes proposed projects for implementation of these strategies.

## 2 REGIONAL CONTEXT

### 2.1 Umdoni within Ugu District

Ugu District (DC21) is one of the ten districts of KwaZulu-Natal. It is approximately 5866 km<sup>2</sup> in extent and extends from Scottsburgh in the north (border with Ethekewini Municipality) to Port Edward in the South (border with Alfred Nzo District). As indicated on Table it comprises of six local municipalities with Umdoni Municipality being the smallest in both size and population.

**TABLE 1: UGU DISTRICT MUNICIPALITY**

<i>MUNICIPALITY</i>	<i>AREA</i>	<i>POPULATION</i>
<i>Umdoni Municipality</i>	238	62 293
<i>Umuziwabantu Municipality</i>	1088	92 327
<i>Ezingoleni Municipality</i>	649	54 428
<i>Hibiscus Coast Municipality</i>	837	218 169
<i>Umzumbe Municipality</i>	1259	193 767
<i>Vulamehlo</i>	973	83 044

Source: Ugu District IDP

The overall district municipal area enjoys a coastline of some 112 kilometres and a total of 39 traditional authorities. The topography of the district is severe, characterised by extensive river gorges and hilly areas. These characteristics make the development of infrastructure somewhat difficult and costly. The general slope of the land is between 1:5 and 1:6 and is susceptible to soil erosion where it is not carefully managed.

### 2.2 Socio-economic Assessment

Ugu District is one of the 13 nodes for the implementation of the Integrated Sustainable Rural Development Programme (ISRDP). The concept of nodal development is based on spatial targeting where resources are directed to selected areas in response to identified problems and opportunities (ISRDP, 14 February 2002:30). The objective of this program is to create infrastructure to support social and economic development, and has potential to stimulate or kick-start local economic development. It focuses mainly on the following:

- Economic growth and development.
- Social development.
- Infrastructure development.
- Institutional and capacity development.

The demographics show a noticeable uneven development within the district. On the one hand there is a noticeably rural urban divide coupled with high levels of poverty in rural areas. The causes of rural poverty are very complex and are a mixture of various forces. Basic to poverty in the Ugu district is access to basic services; health services, employment, and land.

**PROFILE ON THE UGU "FAMILY" OF MUNICIPALITIES**

CATEGORIES		Ugu	Vulamehlo	Umdoni	Umzumbe	Umuziwabantu	Ezinqolweni	Hibiscus-Coast
AREA (km <sup>2</sup> )		5046	973	238	1259	1088	649	839
POPULATION (Statistics SA)		704028	83044	62293	193767	92327	54428	218169
POPULATION DENSITY (people/ km <sup>2</sup> )		800	74	226	132	73	72	223
DEMOGRAPHICS (%)	AFRICAN	92	99	69	100	97	99	84
	INDIAN	3	1	20	0	0	0	5
	COLOURED	1	0	1	0	2	0	1
	WHITE	4	0	10	0	0	1	10
GENDER (%)	FEMALE	54	54	52	55	56	55	54
	MALE	46	46	48	45	44	45	46
AGE (%)	< 4	12	13	9	13	15	13	11
	5 – 19	39	42	31	43	43	41	33
	20 – 64	42	38	52	37	36	39	48
	> 65	6	5	7	6	5	5	7
INCOME LEVELS (%)	R0/ HH	27	34	18	39	29	28	18
	R1 - R801/ HH	37	39	30	38	45	45	34
	R801 - R1600/ HH	15	15	16	14	14	16	16
% UNEMPLOYMENT (Statistics SA)		23	24	24	24	20	24	24
DEPENDENCY RATIO (% of people dependent on remaining economic active group)		57	60	47	62	63	59	51
HIV/ AIDS STATUS (% people infected)		40% for the district as a whole						
EDUCATION LEVELS	% NO SCHOOLING	19	23	16	20	19	21	16
	% WITH GRADE 12	56	9	24	10	9	9	21
FINANCIAL GRANT DEPENDENCY (% of municipal budget)		20	100	10	100	28	100	13
% PEOPLE NOT HAVING ACCESS TO:	WATER	52	72	15	78	53	62	34
	SANITATION	58	65	34	69	71	71	48
	ELECTRICITY	52	80	34	71	73	63	24
	REFUSE	80	98	56	98	86	98	62
	HOUSING		70	30	60	60	55	20

Source: KZN Top Business: Ugu District Municipality

This District is the second most densely populated district area in the Province at an overall density of 145 people living per square kilometre. There is a large backlog regarding the provision of water with more than 70% of the population not having access. The District has made available R124 million for this service. Forty percent of the District has access to RDP standard sanitation. A budget of R40 million was provided for this service. For the provision of electricity there is a backlog of 50% within the district and only 20% of the population has access to refuse removal. This function was allocated to all municipalities. A collective amount of R16 million was made available in the budget for the provision of refuse removal. There is no date for implementing free basic electricity. However, once clarified, R2 million has been collectively provided for the provision of free basic electricity. There has been no progress for the provision of free basic sanitation but the district has provided 22% of the number of beneficiaries with free basic water. The unemployment rate is estimated at 23%. More than 80% of the total number of households earns less than R1 600 a month. The securing of funding for LED strategies remains a challenge (Top Business, October 2004).

## 2.3 Size and Structure of the District Economy

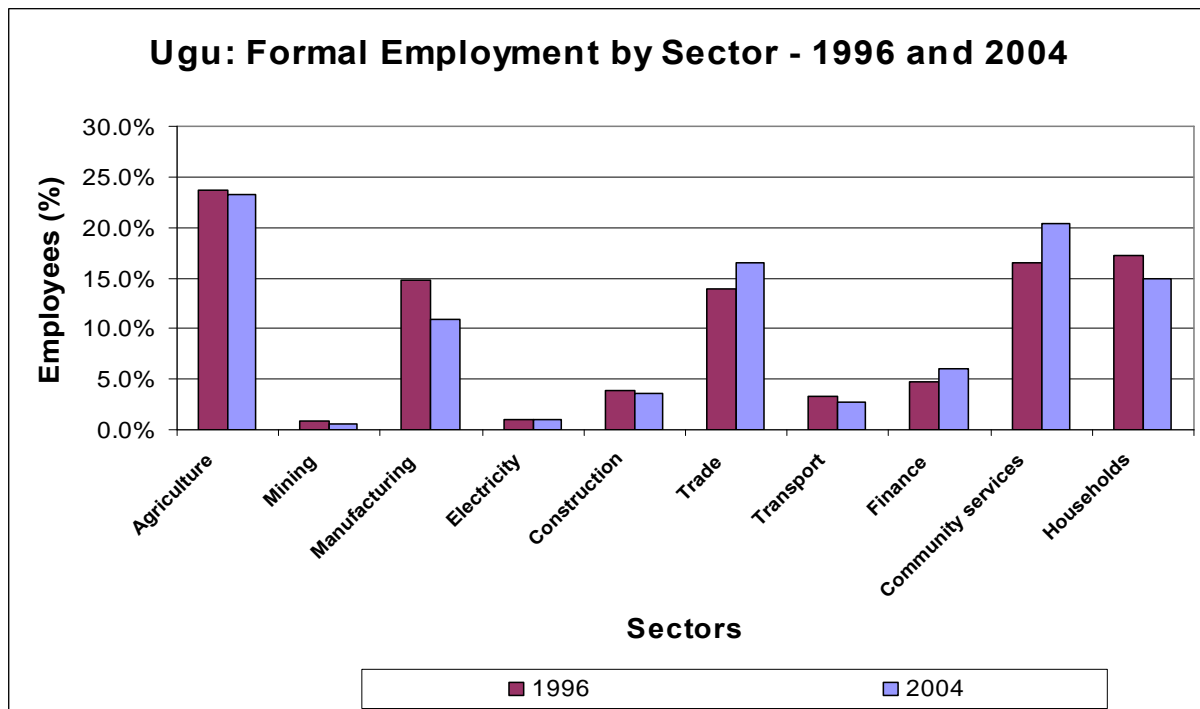
The key sectors of the Ugu district economy can be categorised as: Agriculture, Manufacturing, Community Service, Construction, Trade & Tourism, the informal sector, and Transport. The economic profile of the district as informed by the Ugu Local Economic Regeneration Study (2003) indicated the following statistics.

**TABLE 2: GROSS VALUE ADDED (GVA)<sup>1</sup> PER SECTOR FOR 1996 AND 2002**

<i>SECTOR</i>	<i>1996</i>	<i>2002</i>	<i>DIFFERENCE</i>
<i>Community Services</i>	30.2%	34%	+ 3.8%
<i>Trade</i>	18.2%	16.7%	- 1.5%
<i>Manufacturing</i>	15%	12.8%	- 2.2%
<i>Finance</i>	9.7%	11.3%	+ 1.6%
<i>Agriculture</i>	8.8%	8%	- 0.8%
<i>Transport</i>	8.4%	10%	+ 1.6%

The notable changes in GVA include the downward trend in trade and manufacturing and the upward trend in community services and finance. The changes in agriculture may be as a result of currency and sugar price fluctuations. The agricultural sector is important as it is a driver of demand in the trade, transport, manufacturing and finance sectors.

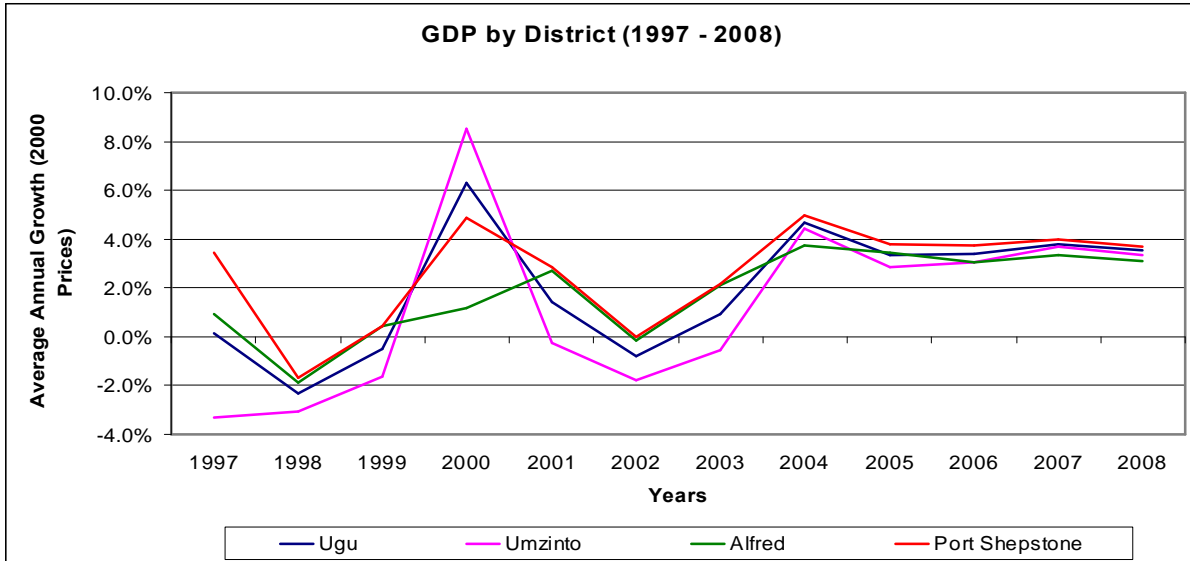
**FIGURE 2: FORMAL EMPLOYMENT BY SECTOR (1996 and 2004)**



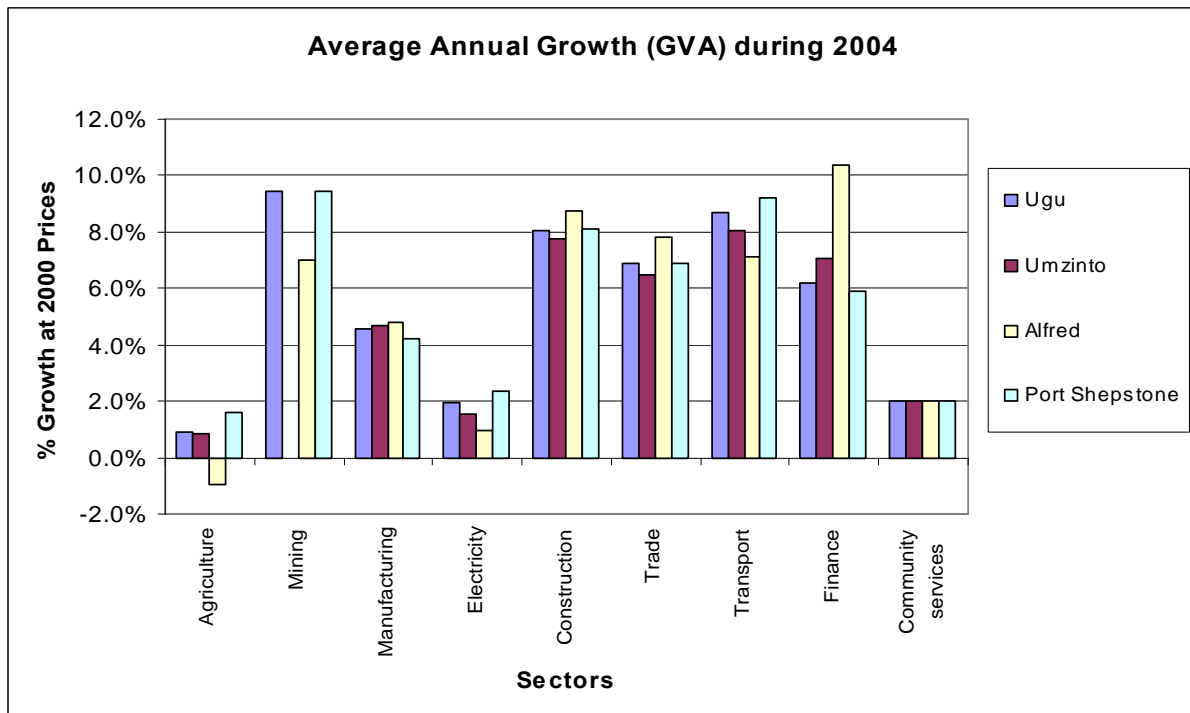
<sup>1</sup> GVA is: GDP - taxes on products + subsidies on products = GVA. Where Gross Domestic Product (GDP) is the value of final goods and services produced within a region per year.

Figure 1 above is derived from the Global Insights (2005) database (courtesy of the Department of Economic Development). Changes in formal employment between 1669 and 2004 follow a similar pattern except for trade (where employment has increased) and transport (where employment has decreased). It is notable that agriculture is indicated here as the largest employer. There is a debate concerning the relative contributions of tourism and agriculture, with alternate measurement systems indicating relatively larger or smaller contributions. Tourism and tourism related employment would be mainly within the trade sector noted above, but would obviously support transport, finance etc.

**FIGURE 3: GDP PER MAGISTERIAL DISTRICT**



**FIGURE 4: AVERAGE ANNUAL GROWTH (GVA) DURING 2004**



The Gross Domestic Profit indicated in Graph 2 above indicates substantial growth in the Ugu District and the Umzinto area during 1999 and 2000, a slump during 2001, 2002 and 2003 and then a sustained period of growth into 2004. There was a general downward trend in the economy with the exception of the growth in finance, transport and community services during the period up to 2002 (Figure 3 is derived from the Global Insights (2005) database - courtesy of the Department of Economic Development).

It must be noted that the GVA figures noted above do not indicate a trend, but rather a snapshot of the situation in 2004 (Global Insights (2005) database - courtesy of the Department of Economic Development). The strong growth in the construction sector is related to good overall growth in the property market that the country is experiencing at present. The transport sector growth is predicted to be linked to this growth in the construction sector. The growth in the construction sector was supported by data indicating sale of cement. It must be noted that growth peaks in the property and construction sectors are important injections into the economy, but are not sustainable. The injections have generated activity in the transport and trade sectors.

Growth in the manufacturing sector is lower, but appears stable and is a positive feature of the economy. The agriculture sector is not growing sufficiently to improve employment and as noted above this sector has important multiplier effects within the broader economy. The trade data includes tourism (tourism data cannot be disaggregated at this level) and is a concern. As noted above, at least some of the growth in the trade sector would be as a result of the greater growth in the construction sector. The trade sector remains the largest contributor in terms of turnover, with an analysis of the levy database revealing that firms in the wholesale and retail sectors contribute the largest share at 34% (Ugu IDP, 2003).

## 2.4 Ugu District LED Initiatives

A number of LED initiatives have been initiated within Ugu District, and these provide a framework for the development of specific programmes tailored to the unique conditions of the Umdoni Municipality. The following is an indication of some of these initiatives:

- Ugu District Municipality Economic Regeneration. Ugu District undertook an Economic Regeneration Study in 2003. The report identified the key economic sector within the district and recommended the development of initiatives to support these sectors.
- Ugu has been identified as one of the four Learning Areas for the Gijima KZN LED programme. To this end, Ugu is allocated dedicated capacity to assist local stakeholders and roleplayers to engage with this programme.
- Ugu is a node in terms of the Integrated Sustainable Rural Development Strategy, and receives particular attention from service delivery agencies.
- Tourism Plan for Ugu District is being developed. The Plan will develop strategies and programmes for coordinated tourism development and marketing. This may provide an opportunity for Umdoni to raise its profile within the District and Tourism industry.
- A proposal for a LED Plan to be prepared for the Ugu District.
- There are also a number of project that have recently been approved by the Gijima KZN LED Fund for the Ugu District.

The district is currently focusing on the agriculture and tourism industry being the two main strengths to ensure job creation. The district has successfully launched a fresh produce market and its implementation is underway. The Ugu fresh produce market will ensure that small growers and subsistence farmers are capacitated and have a market to be able to convert spare crops into cash. The district envisages training and capacitating a minimum of 300 new farmers, packers and traders per annum for the next five years.

In order to boost the tourism potential of the district the focus has moved towards the 2010 Soccer World Cup and beyond. The district is hoping to host at least one participating team, thereby creating an environment to boost the tourism industry. December 2004 saw the launch of the South Coast Music Festival. Famous internationally acclaimed stars such as Johnny Clegg, Mango Groove, Miriam Makeba, Mandoza and many more graced the stage to launch what is expected to become an annual festival that will attract thousands of visitors to the district (KZN Top Business, October 2004).

### 3 STRUCTURAL FEATURES OF UMDONI ECONOMY

#### 3.1 Socio-Economic Trends

The demographic and socio-economic trends within the Umdoni area indicate a number of changes that need to be considered when looking at longer-term interventions. A summary of the most noteworthy trends is presented below, a full analysis of the socio-economic trends can be found in the LED status quo report.

**TABLE 3: SUMMARY OF SELECTED SOCIO-ECONOMIC CHALLENGES**

<i><b>SECTOR / DEMOGRAPHIC AREA</b></i>	<i><b>TREND</b></i>
<i><b>Occupational groups</b></i>	Decline in professionals by 9% between 1996 & 2001.
<i><b>Age groups</b></i>	The average age of the population is increasing.
<i><b>Unemployment rate</b></i>	Increased from 25% in 1996 to 42% in 2001.
<i><b>Poverty</b></i>	90% earn less than R800.00 per month.
<i><b>Employability</b></i>	Population not trained or skilled in areas where potential demand may arise (such as tourism or manufacturing).
<i><b>Labour absorption</b></i>	Potential is poor. Economy appears to have a labour surplus (can increase in production without further labour intake).
<i><b>Wages and sectors</b></i>	Employment is in low wage sectors.

One of the trends is that there has been a decline in the number of professionals in the area (having declined by 9% per annum between 1996 and 2001). The professional population is important in making an area attractive for further investment. Professionals are also important in supporting economic relationships (such as in the housing chain). The average age of the general population is increasing. This is considered a threat in terms of local demand for goods and services, and because the aged tend to be dependent on fixed incomes. However it can also be considered an opportunity as the aged have specific requirements (in terms of health care, activities etc) and are considered a niche economic market.

The unemployment rate of 42% in 2001 as opposed to 25% in 1996 indicates a roughly 100% increase in unemployment (or 20 percentage increase per annum from 1996 to 2001). The level is also slightly higher than the current national estimates of unemployment, using the expanded definition, which are around 40%. The statistic is particularly concerning as the labour absorption rate of the local economy is not promising (see below). A further issue is that if the economy moves away from employment in the primary sectors towards secondary and tertiary sectors (such as manufacturing and tourism), then the unemployed may become unemployable if they do not have the skills profile required.

Poverty levels are high, with low individual monthly income and household income statistics. About 90% of the population of the Umdoni Municipality earn less than R800.00 a month, indicating that the majority of jobs are poorly paid in low-income sectors. Wages are low in the Umdoni economy in that 18 cents of every Rand in turnover are paid as wages (20% of the district turnover is generated in Umdoni, but only 12% of the wages are paid there).

The Umdoni area is benefiting from the property and construction boom that the country is experiencing. Umdoni may be behind the current increase in property values being experienced in the rest of the country and on the South Coast, but it is expected that property values will continue to increase and will be consistent with gains made in other areas. This is a positive and negative trend. It is considered positive in that wealth is created. However it is negative as this wealth is not always realizable and it negatively impacts the cost of living. This means that more people are unable to afford to purchase their own accommodation and property wealth is often not spread throughout the population. It also has a negative impact on attracting new residents and firms into the area. It may be worth investigating whether appropriate housing is being delivered in terms of affordability in the housing chain.

### 3.2 Institutional Features

The municipality is at the cutting edge of the national and provincial campaign to eradicate poverty and create a vibrant local economy. However, this cannot be achieved while the coordination of economic development initiatives in this area remains very weak. The following is an indication of the local institutional inefficiencies in respect of LED:

- Despite an increasing role and influence of the municipality in local economic development, there is no structured mechanism for promoting dialogue among different role-players in LED.
- Different role-players are planning and budgeting in isolation. As a result, there is no strategic linkage between different initiatives. The Umdoni Municipality has placed emphasis on public involvement in the IDP process and there has been some success in this regard. There is less integration with provincial departments.
- Integration within the municipality between technical service delivery and job creation is very time intensive and difficult to achieve. For example linking infrastructure programs to LED is still a major challenge.
- Ugu District Municipality is supposed to provide support to Umdoni Municipality in respect of LED, but this relationship is not functioning adequately. The relationship between the local and district municipality is important as joint programmes and funding opportunities are channelled through the District. A closer relationship in key sectors such as agriculture and tourism are key.
- There is a general lack of business unity with different individuals claiming to be representing and championing the interests of the business community. This matter is being addressed at present, but should be extended to include different economic sectors and reduce racial divisions.
- The same applies to a number of non-profit organisations that are implementing poverty alleviation and pro-poor LED oriented initiatives. Projects falling within this category have remained small with minimal impact on poverty and economic growth.
- The existing organisation representing the tourism industry requires restructuring and capacitation. Umdoni is poorly marketed as a tourist destination and is not well integrated into the broader South Coast marketing initiatives.
- The informal sector operators are also poorly organised, and are almost a forgotten group of economic actors in the area. Most activities are in the retail sector and value added activities are weak. Out grower and small producer groups need to be pursued. Areas such as craft, where organizational benefits can be gained are an option.

- The municipality has lacked capacity in terms of LED. The recent appointment of the LED officer is addressing this need and will enable the municipality to perform its LED role effectively. The fact that the LED officer is also currently the IDP and the performance manager should lead to better integration.

There is no doubt that the Umdoni economy has an underlying resilience and momentum. The reasons for slower growth in the key, sustainable sectors (agriculture, tourism, and manufacturing) are institutional rather than problems relating to the economic fundamentals. The area has strong comparative advantages (for example the beautiful coastline and inland areas, and the high agricultural potential). But these comparative advantages need to be converted into competitive advantages (through beachfront developments, tourism routes and small grower support) if the true growth potential is to be realized. Without actions, the comparative advantages will not bring any benefits; and without specific interventions, the benefits will not be shared by all the residents.

### 3.3 Economic and Sectoral Structure

The structure of the economy can broadly be termed demand based, with a high dependence on the primary and tertiary sectors. In the tertiary sector there is an emphasis on retail & wholesale, real estate & business services, and personal & professional services. Tourism is a typical sector within the tertiary economy. These sectors are dependent on consumer expenditure. The primary sector is dominated by agriculture, forestry & fishing. There is very little activity in the secondary sector (manufacturing). It is estimated that about 66% of the district labour force are directly or indirectly dependent on tourism (particularly in the towns along the coastal strip). A combination of agriculture (particularly sugar cane) and tourism are the dominant employers in the area.

**TABLE 4: STRUCTURE OF LOCAL BUSINESS SECTOR**

NUMBER OF BUSINESS IN EACH SECTOR	NUMBER	PERCENTAGE OF TOTAL
Agriculture, Forestry & Hunting	5	0.95
Farming	46	8.78
Manufacturing	15	2.86
Electricity, Gas & Water	6	1.15
Construction	17	3.24
Educational Institutions	25	4.77
Catering, Accommodation & Restaurants	56	10.69
Wholesale & Retail	126	24.05
Transport, Storage & Communication	12	2.29
Banks	5	0.95
Insurance	13	2.48
Real Estate & Business Service	107	20.42
Central Government	3	0.57
Local Government	3	0.57
Provincial Government	4	0.76
Social, Personal & Professional Services	79	15.08
Taxis	2	0.38
<b>TOTAL</b>	<b>524</b>	<b>100.00</b>

The above table indicates a breakdown of the local economy. The data is derived from a business survey and a review of secondary sources (such as telephone directory etc) undertaken during the status quo assessment of the study. There are no significant industries in Umdoni (outside of the Sezela Mill – as an agri-industry player) and a low number of small manufacturing businesses. The low number of manufacturing businesses is a cause for concern and the trend is a declining secondary sector as almost all of the businesses in the secondary sector have decreased their staff numbers. The existing manufacturing businesses are either mainly in the clothing & textiles sector or in manufacturing allied to the construction sector. The financial, insurance & real estate and business services sectors are the fastest growing in the local economy.

A general comment from the above is that the municipal LED policies and actions need to carefully consider the impact on the local economy. For example actions that increase consumer expenditure will benefit existing businesses in the local economy; conversely, and particularly in the tourism sector, interventions that harm the tourism market will have a substantial knock on effect in the retail sector.

### 3.3.1 Property and Construction Sector

Part of the property boom on the South Coast has been the extensive number of new developments that have been constructed or are being planned. The current demand for property is predominantly for investment purposes and not for relocating purposes. What is positive is that there is an element of external capital flowing into the area. As noted above the property market, property development and construction should not automatically be assumed to be favourable in the long term.

Property development in itself as an economic strategy may not have the long term benefits expected and could in fact have negative long-term impacts. For example the municipality may want to attract professionals, trades people and artisans, and this would require a healthy property market, not a volatile one. It is also evident from the demographics of the Umdoni municipality that very few residents have the skills to be involved in the construction or any other phase in the property development cycle. The employment benefits will therefore be limited. The analysis above is not to imply that there are no benefits from property development or increases in property values, but that specific intervention maybe required, ensuring that benefits should accrue locally and should not crowd local residents out of the market.

The most effective intervention is to ensure that there are skills within a locality to fill demand when it arises. The general development of skills and the support of small contractors is part of such an approach. The development of a strong small contractor market is also part of taking advantage of the proximity to southern Durban.

The property development sector supports the local economy through the transport, finance, construction and trade sectors. The property and construction sectors tend to provide resource injections into the local economy and the impact appears as periodic spikes in the growth curve. As the demand is not constant it makes the establishment of small businesses in the construction sector risky.

The manufacturing sector requires infrastructure development, particular in business parks, in order to grow existing industries and to attract allied manufacturers. The tourism sector would benefit if the infrastructure assets were renovated. The tourism assets, particularly along the coastal strip are in need of refurbishment.

### 3.3.2 Commercial Agriculture

The commercial agriculture sector is well structured, but is experiencing some long term challenges in declining product prices and rising input prices. In addition, existing commercial farmers are uncertain as to how land reform will be implemented in the long term. There is significant existing investment in infrastructure and institutional support. There are still opportunities to increase profitability, expand small grower and out grower schemes and improve crop management.

Stakeholders in the area have stressed the need to maintain commercial agricultural production levels. This is raised for a number of reasons, including:

- The area has a comparative advantage in terms of the high agricultural potential of the land. The demand profile would follow food (mainly vegetable) market gardening in the areas within the urban catchments and sugar cane in the remainder of the area.
- The retail sector in particular areas (such as Umzinto) is reliant on the wages earned in the commercial agricultural sector.
- Allied industries attached to the sugar milling operations are directly and indirectly dependent on the sector.
- There is substantial investment in institutional infrastructure. This includes the grower associations and larger farmers associations.
- There is substantial investment in the soil (preparation and actual plants).
- There is substantial public and private investment in allied equipment and plant by farmers and contractors. This is in the transport sector such as cane trucks and loaders; but also in manufacturing and trade, which is supported by the Mill and growers. The public sector supports growers through the Department of Agriculture and indirectly through departments such as the Department of Transport.

The agricultural sector in general and the sugar industry in particular, is facing a range of other negative factors. In summary these are:

- Rising input costs, coupled with low produce prices. This is a huge barrier for new entrants into the market. A new farmer who is borrowing a high proportion of start up capital will end up being highly geared. These high loan ratios are then financially onerous.
- Reliance on outside organizations to maintain public infrastructure. This relates in particular to the road infrastructure. Growers in both the mission areas and Tribal Authority areas noted that this is a problem. This is a broader issue as cane trucks are blamed for damage to public roads.
- The available agricultural land is not being fully utilized. This is for a range of reasons, including high input costs, low produce costs, low levels of reinvestment, high costs of capital etc.

- Declining sugarcane prices during 2004 has impacted negatively on the sector (see below). The international market does experience fluctuations and an oversupply of product. Areas such as South America, and in Africa even Swaziland and Mozambique, produce sugar at a lower price than South Africa.
- Institutional structures exist but require some support in order to become established and sustainable in the longer term. The organizations are included in the contact list attached.
- The financial structure of the production cycle is long term and declines over time. There are high returns in the beginning of the sugarcane cycle (the first crop), however the returns decline over the subsequent ratoons. If the grower is not retaining some of the profits it becomes financially difficult to re-establish the crop.

### 3.3.3 Tourism

The sector is extremely important in the municipal area, particularly along the coastal strip. There are significant assets and investment, and the future of tourism as a key sector is vital. Umdoni clearly has a competitive advantage in terms of tourism. There is a sense that the sector could be performing better and that a ‘regeneration or redevelopment’ plan may be required. The tourism market is primarily medium income - domestic and will remain so, but it is not clear that the products and experiences on offer are keeping up with the needs of the domestic market.

There are a number of issues that need to be addressed. The tourism sector needs to investigate developing a real partnership between the tourism business sector and the municipality, and develop a common vision or strategy to drive tourism development in the area. This includes developing a long-term vision to build a broader public and private stakeholder coalition to secure buy-in, resources and support for tourism development and the benefits thereof to the broader community. The participation by black entrepreneurs, workers and community members needs to be increased; and not only at the craft development and employee level. There needs to be a concerted effort to change the profile of product owners in the sector. This could be done as a specific project within the tourism association. .

The tourism sector operators themselves are also divided – with only about a third of tourism product owners in the area are registered as members of the Umdoni Coast and Country Tourism Association. The existing products; particularly public or common infrastructure, requires revitalization and refurbishment.

The benefits are also spatially limited to the coastal strip and there is a need to extend the benefits inland. The KwaZulu-Natal Product Development Strategy proposes supporting a range of coastal destinations that offer the beach as a primary attraction linked to specific secondary inland experiences, which could include cultural, heritage, nature, wildlife and adventure tourism.

Some of the tourism products are being described as ‘tired’ and there is a limited offering in terms of beach experiences and inland products. It is noteworthy that Umdoni has a natural competitive advantage over the lower South Coast in terms of its tourism assets (better swimming beaches and its proximity to Durban). But this natural competitive advantage has not been converted into optimal local tourism development and economic outcomes. As in the rest of the South Coast, the development of urban nodes, services infrastructure and beach

amenities have taken place with little sympathy to the coastal resources, and often to the detriment of the coastal environment and its aesthetics.

There is also a sense that stakeholders do not reinvest in the sector. For example the Umdoni Coast and Country has a very limited budget of approximately R100 000, compared to Hibiscus Coast's annual budget of R 1, 5 million per annum. In economic modelling terms (the Boston Matrix) tourism is being treated as a cash cow sector and without reinvestment the sector will steadily decline.

Currently the area comprises a diverse mix of coastal tourism products and facilities with minimal inland tourism development. The products range from high end products (Selborne Golf Estate) to caravan and camping resorts for the middle LSM tourism market. Current products comprise:

- Coastal Hotels
- Caravan and Camping Parks/resorts
- Bed and Breakfasts
- Guest Houses
- Tour Operators
- Self Catering establishments
- Holiday apartment and Cottage lets
- Restaurants
- Fishing and Diving charters

A major current initiative is the development of some 1500 new residential and holiday units taking place in the Pennington Area. There are a limited number of annual events. These include:

- The Sardine Soapbox Derby (July/Glenryck)
- Mardis Gras (December)
- Kiteboarding Surf Challenge (November/UTMA)

With respect to a future product development strategy for Umdoni, the South African competitiveness study of 2004 (Monitor 2004) identified key market requirements and product gaps, which should be taken into account. These include:

- Lack of quality accommodation at affordable prices.
- Lack of diverse activities attractive for a repeat tourist (applies in particular to adventure activities).
- A need for Conference facilities with good service levels (other than ICCs).
- Cultural experiences require improvement and diversification, particularly Museums, South African cuisine, African curio shops, Township experience
- Holiday resorts, in particular: World class beach resorts, and family resorts
- Theme parks (entertainment parks)
- Tours of rural areas

### 3.3.4 Small Business Sector

Umdoni has an extensive small business sector, and this is usually a positive economic sign. The small business sector is usually classified as beyond survivalist micro-business (one person just getting along – sometimes referred to as the informal sector) and smaller than 5 employees. Small businesses can be measured in terms of employees, capital investment and/or turnover. Small business in this case refers to formal businesses that employ less than 5 employees.

An extensive small business sector offers opportunities for supporting future economic growth and employment by implementing policies that expand the existing businesses. In the case of Umdoni there are a number of negative structural aspects that are a cause for concern. The small business sector is retail dominated and could become overtraded. The majority (90%) of the businesses are small and medium size entities that operate slightly above half capacity levels. There is thus a lot of spare capacity in terms of output. This is negative for the creation of further full-time employment in that extra capacity (when needed) can be generated by using existing staff or by employing temporary staff – the future labour absorption levels are low. It seems that employing additional permanent staff is not at the moment an option for most businesses.

The rural areas have very few existing SMMEs and there is very little support for their development. In the same way there is no structured support for informal traders. The planning of taxi ranks and other infrastructure projects needs to create these kinds of opportunities.

### 3.3.5 The Informal Sector

Although the size and structure of the informal economy in Umdoni Municipality was not investigated in details, interviews and other discussions with the informal sector operators in areas such as Umzinto, Scottburgh and other nodal areas suggests that this sector represents a significant part of the local economy. Informal sector operators include informal traders near taxi ranks and throughout Umzinto, spaza shops, mechanics and many other types of economic activities. The focus group session held with the informal sector operators identified the following as the key challenges facing this sector:

- Lack of appropriate infrastructure: The majority of informal traders operate from sub-standard shelters with their goods exposed to dust, the sun or rain, etc. This makes the environment unappealing and has potential to cause health hazards.
- Access to training: The majority of traders have had very little formal education and have been forced by the circumstances to find alternatives to formal employment. Lack of understanding of basic business principles, municipal by-laws and other general life-skills impacts negatively on the sustainability of informal sector economic development initiatives.
- Lack of access to finance: Informal sector operators do not know how and where to access loan and grant finance for the expansion of their operations.
- Poor relationship with the municipality. The municipality has been accused of failing to create an enabling environment for the informal sector operators but very heavy on the enforcement of by-laws.
- Access to information is a major problem.
- Safety and security: There is a general tendency to associate crime with the presence of the informal traders. Actually, crime is also a major problem for the informal traders. High crime

rate discourages people from buying in the streets and thus impacts negatively on the informal sector operations.

- Disabled community cited lack of support – financially, centre/facility to conduct business/training or otherwise

### 3.4 Spatial Issues

Umdoni Municipality is strategically located to play a major role in the Provincial economy. As already indicated, it borders onto Ethekwini Metro, and is about 50km south of Durban CBD. This presents an opportunity for Umdoni to focus on developments that can compete or complement in locational terms the well-established south industrial basin in Ethekwini. Secondly, the N2, which is a major trade route runs through Umdoni and is identified in the Umdoni Municipality's and Ugu District Municipality's Spatial Development Framework as a primary development corridor. This clearly indicates an intention to optimise the opportunities that the N2 presents and promote development in strategic areas along this route. At the moment, the impact of the N2 is minimal. Umdoni is also part of the coastal ribbon development and should capitalize on the locational advantages of being close to Durban along the ribbon.

The Old Main Road (MR3 / R102) forms a secondary movement corridor linking the coastal towns, while Main Road 612 runs from Park Rynie inland to Umzinto/Umzinto North and onwards to Braemar, Highflats and Ixopo forming a further secondary movement corridor. Tertiary links inland focus on Main Road 197 and need to be improved (Umdoni IDP Review Report, November 2004).

Urban development is mainly concentrated along the coastline, which places pressure on the fragile coastal and marine environment. Development of Umzinto/Umzinto North and surrounding areas represents an important break with this trend, but to ensure sustainable development of this area, urban growth needs to take place along Main Road 612 to link with the coastal area via a Development Corridor.

Ingonyama Trust land is situated mainly in the north of the municipal area (Cele and Zembe Tribal areas) with the Emalangeni Tribal Area situated inland of Pennington, in the south. The provision of basic service such as water, roads, sanitation and housing is one of the key development issues facing these areas. However, there are also opportunities for sugar cane out grower schemes, irrigation projects along the rivers and tributaries and development of arrange of income generating projects.

Agriculture is to be promoted as virtually the entire area has high agricultural potential. Agricultural land is to be retained and urban extension needs to be compact so as to minimize loss of high potential agricultural land. Where possible in terms of the existing service network and subject to environmental acceptability, densification also needs to occur. Economic growth is to be encouraged through tourism, light industrial and commercial developments. Scottburgh is identified as the primary tourist area. Mixed use is to be encouraged in Park Rynie, with a development corridor linking inland to Umzinto/Umzinto North. The limited capacity of the existing sewerage treatment works could act as a major constraint on future development and involved the Council's economic development objectives (Umdoni IDP Review Report, November 2004).

## 4 ECONOMIC DEVELOPMENT STRATEGY CONTEXT

This section outlines a SWOT analysis for the Umdoni area. The local assets and local obstacles indicate the strengths and weaknesses of the local economy. The external conditions are then analysed in terms of opportunities and threats.

### 4.1 Local Assets

The Umdoni has a strong underlying resource base. The natural resource environment and the location of Umdoni are strong indicators that the area can perform far better economically than it has recently. The Umdoni area is strategically located along one of the major Provincial and National trade routes, and the south coast. The neighbouring coastal municipal areas are larger and do dominate in many respects (Ethekwini and the Hibiscus Coast), but these positions of dominance could be used as an advantage in Umdoni.

The location along the South Coast presents opportunities for tourism and lifestyle development. The natural environment, particularly the beaches, and the lifestyle aspects are strong draw cards. Tourism is a sector where Umdoni has a clear comparative advantage. The area contains high potential agricultural land, with rain fed agriculture and access to water. The agricultural sector is well established and organised. The property market is increasing in value and there is demand for strategically located vacant land for expansion. The obstacles to economic development are related to institutional development, rather than a lack of resources or local comparative advantage.

The area is considered to have high agricultural potential and good overall land use potential (in terms of slope, soils type etc). A map indicating general land use potential is attached (the map was originally produced for the IDP process). In terms of the bio-resource unit classification of the Department of Agriculture, the Umdoni area is within a high potential agricultural zone (see maps 2 and 3). The area is mainly classified as part of the South Coast – Ya12 bio-resource Unit (BRU). A small area is classified as Kwa Ndaya – Wa5. This is part of the traditional areas in the north west of the municipal area. This small area is classified as semi-intensive – while the rest of the area is classified as suitable for intensive agriculture.

The commercial agriculture sector is well established and well organized in terms of institutional capacity. It is probably the best organized in terms of knowledge and sector intelligence; representative structures etc and does not appear to be suffering from the same levels of fracturing (compared to business, industry and tourism). The sugar industry in particular is well organized and this offers substantial opportunities to support small growers and new entrants. The sector offers unique opportunities for public – private partnerships.

### 4.2 Barriers to Economic Development

The following represents key barriers to local economic development:

- There is a poor institutional environment for co-ordinated economic actions to take place; this is across all geographical areas, sectors and groups. There is a lack of dialog among the LED role-players with no forum for stakeholders/role players to share ideas and experiences. In the business community there is no single vibrant and recognised business organisation.

The business community is not organised into a business chamber and its interests are not articulated adequately. The general mood of some business people is negative (in spite of the positive economic growth environment in the country as a whole) and some business owners seemed fairly pessimistic about the current business environment and future business conditions.

- There are limited options in terms of the business property market and this has resulted in high rentals. This acts as a barrier to entry for new businesses. At the same time, some sectors – in particular the retail sector which is serving the tourism market - are returning low margins and are not showing signs of innovation. Business owners reported administrative barriers (including gaining approvals, access to land and long-term leases, construction and building permits). These have the effect of raising production costs; reduce market entry and business expansion; and weakening competitive forces.
- There has been a recognized lack of capacity within the municipality until recently. Umdoni Municipality has not have a dedicated LED Officer or Manager. The Municipality has also only recently appointed a new permanent Municipal Manager. The Municipality has therefore lacked a coherent strategy for promoting investment.
- The available infrastructure is not adequate or appropriate. The existing infrastructure requires substantial upgrading. The main areas of concern are road, water, sewerage and storm water management.
- There is a general lack of business skills among SMME's operators. Interviews with respondents who work in or with the SMME sectors noted that many of the people in SMMEs have low levels of business and life skills. The informal sector needs to be included in the planning that is being undertaken. Umzinto in particular would benefit from improved planning and the provision of facilities for the informal sector.
- A concern is the number of people buying property in Umdoni who come from outside KwaZulu-Natal. Interviews with estate agents and local developers indicated that a substantial portion of local property sales are to investors and holiday makers from outside the province. If the local property market increases out of the reach of local buyers then a more stable buying market, for property and other goods, will be lost. A more stable local market will create year round demand and provide the impetus for permanent employment.
- Scottburgh is also close enough to Durban to market itself as an alternative residential area for southern Durban. This is in much the same way that Amanzimtoti and Balito have done. It is recommended that coherent marketing plan be developed for Umdoni; not only in terms of tourism. This would include residential and businesses, and to increase the profile of the area in general. This is a potential BEF or Competitive Action Plan (as an LCF application).

### 4.3 Favourable External Conditions

The following external factors provides opportunities for the Umdoni Municipality:

- There is currently substantial support for LED initiatives from a range of government and non-governmental sources. These include:
  - Skills development programmes, such as learnerships.
  - Infrastructure development, such as the Municipal Infrastructure Grant.
  - Project and programme funds, such as Gijima KZN.
  - Combination employment creation and skills programmes, such as the Extended Public Works Programme.

- A new, combined SMME support programme – the Small Enterprise Development Agency.
- In addition the key local economic development sectors (manufacturing, tourism and agriculture) carry a substantial provincial institutional and financial support.
- Furthermore, there are district level initiatives that need to be capitalised on. These include the Ugu Tourism Initiative and the proposed fresh vegetable market. It is important that Umdoni does not attempt to isolate itself from the broader South Coast. Tourism initiatives in particular cannot be pursued in isolation.
- On a more positive note the South Coast is seen as a favourable investment environment. This is indicated by the outside investment that is currently being experienced in the property market. There are also important initiatives being pursued in Port Shepstone and Durban, which could benefit Umdoni.
- It is important that the emerging Business Chamber and the LED Office at Umdoni Local municipality and at Ugu District Municipality monitor opportunities in the various sectors.

#### **4.4 Unfavourable External Conditions**

The following external factors have potential to course some blockages in the local economy:

- The external environment is not favourable in two of the sectors that are currently important in the Umdoni area. The first is agriculture, particularly sugar, where the global market is pushing down product prices. This is not considered permanent and there are opportunities to increase and improve production among local growers. The second is the textile and clothing industry. This sector offers some opportunities for local producers; some of whom are currently operational in the Umdoni area.
- The third aspect is the proximity to Durban (for example the South Industrial Basin), and this was also noted as strength. Umdoni, and Scottburgh in particular, should not attempt to compete with the southern Durban area. Scottburgh should rather look for complementary activities that will attract allied businesses and residents. This could be in affordable residential areas, quality of life, education facilities, and other factors that will attract residents. Another is for the establishment of small businesses (such as light manufacturing enterprises) which particular sub-sectors? that supply existing large businesses in the south of Durban.

## 5 BEST PRACTICE PRINCIPLES

The success of the Umdoni LED strategy will be measured not simple in terms of the approach adopted, but also its ability to attain the economic development goals with visible outcomes to the target beneficiaries. The different policies and practices have given rise to a set of attributes for an effective LED strategy. These are summarised as follows:

- The Municipality has a critical role to play in LED
- There is a need for a common LED vision
- Local economies are important for regional growth (and regional economies are important for local growth)
- Public and stakeholder participation
- Relevance to the local economic situation
- LED and poverty alleviation programmes
- Micro economic reform at a local level
- Coordination and integration
- Conducive public policy and legislative framework

### 5.1 The Municipality has an Important Role in LED

Municipalities stand at the cutting edge of LED in the country. The Umdoni Municipality is no exception to this. It is a key change agent with one of its responsibilities being to give direction and guidance to development. This includes creating a climate conducive to economic development by removing blockages and obstacles, identifying economic development opportunities and providing support to the small and emerging enterprises. Provided there is sufficient communication between the Municipality and the broader community, in particular the business community, then this role will feel less onerous and more inclusive.

### 5.2 Stakeholders should have a Shared LED Vision

The development of a vision is not an event; rather it is an ongoing process of refinement, reaction to the environment and the proactive recognition of opportunities. The emergence of LED champions, the role of the Municipality and the LED officer, and the establishment of structures are important in continuing the process of interaction.

### 5.3 Vibrant Local Economies are Critical for Regional Growth

Macro economic growth and development, and hence the improved functioning of the first economy is dependent on the functioning of various local economies. It thus follows that growth of the Umdoni economy depends on the stability of the local economies (around centres such as Umzinto, Scottburgh and Park Rynie). The key challenge therefore, is to maximise the potential and effective functioning of all localities within the Umdoni Municipality in a way that deals with the unique competitive advantages of each area in a suitable and realistic manner.

## 5.4 The First and Second Economies are integrally linked

- The Umdoni municipal area is characterised by an economically developed coastal strip with well-developed (if somewhat run down) infrastructure; the inland area is far less developed and the traditional authority areas even more so. There is a need to link these areas and ensure that growth is spread throughout the region.

## 5.5 Public and Stakeholder Participation

An effective LED programme needs to be developed with full involvement and participation of the target beneficiaries and role players. Continuous involvement and participation of the interest groups and other structures in the implementation of the Umdoni LED strategy is critical for effective implementation and sustainability of projects.

## 5.6 LED and Poverty Alleviation Programmes

Pro-growth and pro-poor LED approaches are not inherently contradictory. Where successful, they are known as pro-poor growth strategies. However, what is important is the scale of the response to the poverty challenges. The Municipality should be wary of trying to establish primary level poverty alleviation projects (welfare focused projects) using internal funds. Projects of this nature are often basically a form of social transfers (such as pensions and grants) and require ongoing and long-term support. The Municipality should rather assist in driving access to Provincial and National Programmes; such as the Extended Public Works Programme, the ISRDP and social welfare grants. The Department of Labour and the Department of Agriculture also fund food security and low level income generating projects.

## 5.7 Coordination and Integration

An effective LED strategy seeks to leverage, integrate and coordinate resources for maximum impact. This helps to avoid duplication and improves strategic linkages between different programmes. There is particularly duplication across district and local municipal activities. The lack of co-ordination is evident in the tourism sector (until recently), the initiation and management of projects (water and LED oriented) and national programmes such as the ISRDP. The need is also expressed spatially as areas of need require a multi-faceted approach. This may include welfare interventions, food security, short-term interventions (such as the Extended Public Works Programme) that support local initiatives such as informal sector support and infrastructure construction.

## 5.8 Conducive Public Policy and Legislative Framework

- The Municipality is implementing a number of policies, which have a direct impact on the success, or failure of local economic development initiatives. Municipal policies should be developed and implemented with due regard of their potential impact on the local economy and attainment of the local economic development objectives.
-

## 6 LED STRATEGIC FRAMEWORK

The strategic framework for the Umdoni Local Economic Development Plan comprises of five key components (refer to Figure 5). The vision is based on the broader development vision as outlined in the municipal Integrated Development Plan. It represents a desired situation, which the municipality intends to achieve in the short to long term. Development goals are an expression of the desired outcomes of the LED intervention while the objectives establishes the organisational performance standards and target activities for the achievement of each goal. The municipality does not have control over the goals. Programmes and project action plans are presented in the next section and forms part of the strategy implementation plan.

**FIGURE 5: STRATEC FRAMEWORK**

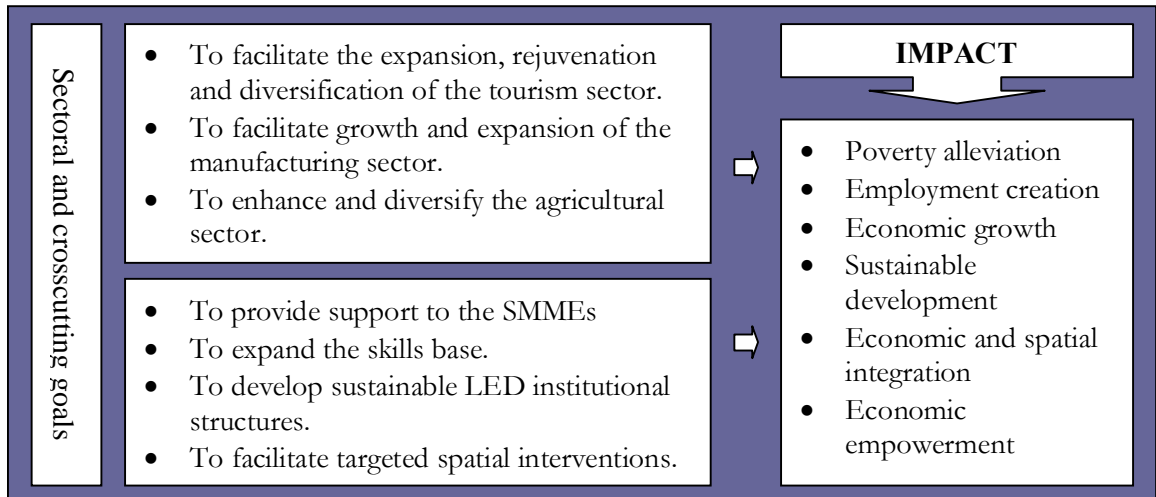


### 6.1 Local Economic Development Vision

Umdoni Municipality Development vision does not specifically mention economic development. Instead, it highlights the importance of tourism development and the need to protect, enhance and diversify this sector. The vision also indirectly highlights the importance of empowerment and integration of the second and first economies. However, the IDP identifies local economic development as one of the key development issues or strategic areas for intervention.

### 6.2 Economic Development Goals

Before addressing the details of the strategies, projects and subsequent actions, it is necessary to attain an understanding of the broader economic development goals. It is important that these strategies be understood collectively as locally based activities, which contributes to the achievement of goals.

**FIGURE 6: ECONOMIC DEVELOPMENT GOALS**

### 6.2.1 Tourism Sector: Expand, Rejuvenate and Diversify

#### 6.2.1.1 Strategic Intervention Areas

In terms of the analyses undertaken above and in the Status Quo Report, the main problems in the sector, and the target of the LED interventions, are the following:

- Poor infrastructure.
- Limited black involvement beyond low-level positions and low levels of product ownership.
- Uncoordinated marketing (particularly with the District).
- Lack of unity within the sector (locally and within the District).
- Poorly resourced structures.

What is notable is that interventions in resource mobilization can be achieved through improving the institutional environment. This was one of the sectors where stakeholders noted that most problems could be overcome if there was a better and more effective institutional environment. In terms of economic potential the tourism sector is one of the key areas of comparative and competitive advantage. Recent initiatives such as the Tourism Summit will assist in bringing the local and district municipalities closer together. There are a number of joint initiatives such as signage that will assist in developing a single branding and marketing approach.

#### 6.2.1.2 Tourism Development Strategies

The key strategic interventions are to improve the institutional arrangements and relationships within the sector, to develop a vision and strategy that will take the Umdoni area forward and to identify development and funding opportunities to revitalize the infrastructure. The tourism review indicated the following strategic interventions:

- Develop strategic vision and plan for local Umdoni Tourism Development and Marketing.

- Facilitate integration of coastal and inland tourism through the development of Umdoni Tourism Route.
- Facilitate the re-development of the Scottburgh Beachfront.
- Facilitate the capacitation and strengthening of the community tourism association.
- Facilitate the upgrading of the roads and sewer system in the coastal tourism development nodes.

It is further recommended that the strategic activities outlined be undertaken through a participatory process. This includes the identification and mobilization of tourism leadership and stakeholders (public and private) through a Participatory Appraisal of Local Tourism Competitive Assessment (PALTCA) and the formulation of a local tourism competitiveness plan. The Business Enabling Fund and the Local Competitiveness Fund (part of the Gijima KZN LED Support Programme) are possible sources of support.

## **6.2.2 Agricultural Sector: Institutional Development and Diversification**

### **6.2.2.1 Key Intervention Areas**

The main challenges identified in the analysis section relate to decreasing returns and increasing input costs, and a lack of clarity in terms of land claims. A key opportunity identified is to improve the support provided to all farmers. Institutionally the sector is well organized.

There is substantial investment and experience in the sector, while at the same time the sector is facing some critical questions and challenges. The diversification includes products (including downstream products) and growers. There may for example be the opportunity to diversify into additional products that can be made from sugarcane. New crops include unknown products such as spices and specialized niche products, and crops where there is a local demand such as vegetables.

Three main programme areas have been identified. These are institutional support; product support and infrastructure support. Project interventions under institutional support would include Land Reform Co-ordination, a broader Umdoni Agricultural Sector Support Initiative, specific support to small sugarcane growers, and an investigation of the financing model for small growers. Products support projects could include expanding vegetable growers, sugarcane redevelopment, and investigating additional uses for cane. The infrastructure projects relate to road construction and maintenance and water for irrigation purposes.

### **6.2.2.2 Agricultural Development Strategies**

The areas where immediate interventions would create opportunities are:

- Facilitate the redevelopment and capacitation of the small growers and out growers. A support system for farmers (a 'one stop shop' has been proposed).
- Engage the Department of Agriculture, Department of Social Development and Department of Health to establish and support agricultural food production and income generating projects.
- Facilitate the provision of support to the land reform beneficiaries, particularly those involved in commercial farming ventures. A land reform co-ordination structure has been proposed.

- Facilitate the establishment of a network for co-operatives (particularly vegetables) to improve access to markets, information, training, bulk purchases of inputs etc.

### 6.2.3 Trade and Industry: Expand the Base

#### 6.2.3.1 Key Intervention Areas

Trade and industry is poorly developed in Umdoni. The manufacturing base is limited. There are opportunities to build on the clothing and textile sectors (this is supported in the Provincial Industrial Development Strategy) and light industry servicing the local market and the Durban market. Textile and clothing are labour intensive using semi to high skill workers, thus making the sector an ideal source for employment creation and adding value. The margins in the sector tend to be small.

The proximity to the Durban Southern Industrial Basin is also an opportunity that should be further explored. This may be in terms of light industrial services and as a residential area for people working there. The proposal is that lower living costs, industrial space and labour will off-set the transport costs of servicing southern Durban. An investigation into industrial space (under spatial targeting) will be required to undertake this. The proposal includes a marketing strategy to attract residents who would establish businesses in the area in the light industrial sector. The marketing strategy would emphasise the lifestyle aspects of Umdoni and not only the business aspects.

#### 6.2.3.2 Trade and Industry Development Strategies

The interventions noted above are premised on the following critical sector development strategies:

- Facilitate the development of industrial parks in strategic areas within the municipal area.
- The linkages with the Durban structures (the Chamber and other structures) are established. The Durban structures can offer access to markets and support services.
- Facilitate the establishment of block-yards in Emalangen, Mahlongwa and Mandawe in support of the rural housing projects.
- Facilitate the establishment of a micro-manufacturing centre in support of the disabled groups involved in hand work and small-scale manufacturing.
- Facilitate the provision of appropriate and suitable infrastructure for the operation of the informal sector.

### 6.2.4 SMME support

There are a number of SMME support initiatives available from Provincial and National institutions. In the case of Umdoni the need is for start up support for very small and survivalist enterprises and for new enterprises in new sectors (such as manufacturing). The soon to be established Small Enterprise Development Agencies (SEDAs) will be useful in this regard. SMME support in the tourism sector would also require a level of reorganization and co-ordination. SMME support in the commercial agriculture sector for example is adequately covered by existing initiatives, although a certain level of co-ordination through an Umdoni

wide initiative would be supported. Business incubators and the establishment of a business park are options for the business and manufacturing sectors.

Support for survivalist micro enterprises is difficult to operationalize. These small operators are often seeking formal employment and are 'between jobs' and have entered the sector as a way of surviving. The activities are mostly retail, which has low barriers to entry but at the same time is low skill, low value adding and offer marginal returns. The operators want to remain outside of any formal nets (taxes etc) and actively resist formalisation. Group membership for these traders is fluid. There are a number of interventions that are useful and can be easily undertaken by the Municipality. One is to support traders who are entering the sector on a more long-term basis. It is desirable to support the organization of these traders and to introduce structured training programmes. Traders who are not in the sector for the long term need support in providing cheap and accessible infrastructure, and basic training on health issues in the preparation of food and basic or generic business principles. Both groups are very responsive to customer needs, so the construction of infrastructure needs to be done in conjunction with the traders. There are a number of trader markets that have been built, but do not have the customer numbers for the traders. Informal traders follow the customers.

The eThekweni Municipality has been working on informal trading for some years and a structured engagement with the municipal section would benefit the Umdoni Municipality.

There is resurgence in the promotion of co-operatives as a tool in LED. Co-operatives are an inexpensive way to organise, structure and support participants. The options often cited include youth movements and women groups, although any common interest group (such as agricultural producer groups) can become a co-operative. There are a number of benefits available in terms organizing participants as co-operative members; including collective buying and selling, training support etc. A National and Provincial Co-operative Development Initiative is currently being rolled out.

### **6.2.5 Skills Development and Training**

There is a need to match the opportunities in growth sectors with skilled staff and it is also preferable that local residents are able to take up these opportunities. This is termed improving the 'employability' of residents. The Umdoni and Ugu Municipalities can assist in the application for learnerships (as the uThukela District Municipality has done) as a joint initiative with the private sector. In general the thrust of a learnership and training strategy is to match the demand (employment) requirements with supply. It was noted above that a changing economic profile (for example towards tourism) may mean that the unemployed do have the skills profile required for the new economy and will therefore become 'unemployable'.

This approach may be particularly useful in developing a stronger core of black entrepreneurs in the tourism sector.

### **6.2.6 Institutional restructuring / business unity**

There are a number of problems that need to be dealt with under this strategic area. The relationships between the municipality and the private sector in general; and within each of the sectoral groupings are generally very poor. The lack of a unified business association is a serious

obstacle to further growth and investment. The establishment of an LED unit within the Municipality will provide an important partner for the private sector.

### 6.2.7 Spatial Targeting

This programme has two aspects to it that are critical for the Municipality. These are bringing clarity and planning in the property development process, improved spatial planning in key growth areas, integrated economic infrastructure planning and a focus on the southern Durban area as a potential target area.

The current property expansion will assist in creating short-term employment in the construction sector. There needs to be better alignment between overall economic goals, municipal planning and private interests. It is suggested that a clearer planning (LUMS, Beachfront Master Plan, phased release of agricultural land etc) will stabilize the investment environment. A more structured land release programme needs to be developed. Local investors need the opportunity to engage in property development and the benefits will be locally accrued. The Municipality owns a limited amount of land, and this is being identified through the LUMS process, which is taking place at present. The LUMS process will identify the location and extent of Municipal land.

The northern edge of the Umdoni Municipality could benefit from the proximity to southern Durban. The industrial expansion of southern Durban and particularly the workforce and light industrial support that is required may be an opportunity. This would require some market research and a marketing strategy to capture the available customer base.

The infrastructure identified during the study that require attention included roads (relating to the movement of agricultural products), water (for small scale irrigation purposes) and sewerage (for town expansion, particularly relating to tourism development).

The tourism and agricultural sectors are heavily dependent on public infrastructure in order to function. This aspect is not without controversy as there are complaints from the tourism sector that the cane trucks damage the road surface and are a road hazard for tourists. The design of a tourism route and the opening up of agriculture in the traditional authority areas will require a review of particularly the road infrastructure. The agricultural sector representatives also considered water infrastructure as important.

It is suggested that an economic infrastructure audit be undertaken for the Ugu district. This could be done as part of the LED Plan and will be instrumental in aligning LED and MIG funding. The MIG allocation is undertaken through the District.

### 6.2.8 Direct Poverty Interventions

There is no single programme that has been designed for poverty alleviation, however a number of suggestions have been made in other sections that focus on poverty issues. The suggestions include:

- Support for survivalist operations. This includes basic business training and infrastructure provision.

- Networking of intensive agriculture projects – such as community gardens. The purpose is to reduce input costs, access markets, and share knowledge and training.
- Adoption of Extended Public Works Programmes in the implementation of all infrastructure projects within Umdoni Municipality. Key sectors in this regard include sanitation, roads, water and housing.
- Improve and support access to social grants through the Department of Welfare. Establishment of Multi-Purpose Community Centres (MPCCs) in strategic emerging development nodes can assist to facilitate decentralisation and accessibility of social services.
- Improving access to markets, finance and support for small agricultural producers. This could be achieved mainly through systemic linkages with the established cane industry.
- Improve infrastructure, particularly roads, for improved access to poor areas.
- Consider the impact on the poor and opportunities for the poor in the design of programmes and projects (such as the tourism route). This would also include labour-based technologies in infrastructure projects.

The Municipality may wish to formalise these interventions through the development of a Poverty Alleviation Strategy. The Strategy would link spatial and policy approaches within the Umdoni area. It should be reiterated that the Municipality is not ideally suited or placed to be managing micro poverty relief projects.

## 6.3 Lead Projects

### 6.3.1 Selection Criteria

It is recommended that a set of lead projects be selected. It is not feasible or realistic to consider that the fledgling LED unit will have the capacity to conduct feasibility studies and implement all the projects identified during this strategy phase. The list of projects is contained in Section Eight (Programmes and Projects). A set of suggested lead projects has been selected, taking the following factors into account:

- Projects that have a geographic spread.
- Projects that support key growth sectors.
- Projects that support various size of organization.
- Pro-poor and pro-growth projects.
- Projects where there is momentum and organizational support.
- Projects that have proven feasibility and sustainability.
- Projects that will have broad impact.
- Projects that create the groundwork for later development.
- Projects that create or support the institutional base.

The following projects have been identified as appropriate pilot projects.

## 6.3.2 Lead Projects

PROJECT	IMPETUS
<b>Tourism</b>	
Scottburgh Beach Front Redevelopment	The beachfront is an important asset in the Scottburgh economy. There has been some planning undertaken and this now requires implementation. This includes project packaging, tender processes, and financial assessments, project management.
Tourism Development and Marketing Plan	The proximity to Durban and the unique features of the Umdoni area need to be balanced with the benefits of marketing as part of the South Coast (Ugu) district. This could be done through the District structure.
Umdoni Tourism Route	The current investment profile and the development of opportunities are strongly biased towards the coastal areas. It is suggested that a route be examined that will open up the inland areas to tourism. The route could take in the Sezela Mill (as a sugarcane route) and the old Indian settlements as part of a heritage aspect. This may require a review of the existing road infrastructure and proposals in this regard.
Strengthening the Umdoni CTO	The CTO would benefit from a strategic planning and organizational review process. This includes identifying funding and marketing opportunities, as well as potential programmes to generate interest in tourism opportunities more broadly.
Land reform co-ordinating structure.	There are a large number of claims in the Umdoni area. It is in the interests of the claimants and the Umdoni agricultural sector that the land remains productive and that the claimants receive the required support.
Umdoni agricultural sector support ('1 stop shop')	The purpose of the projects is to broaden access to agricultural support services through a '1 stop shop'. The small growers from all sectors are not able to access information, specialist services or support effectively. The purpose would be to provide a space for private sector service providers and Departments to utilize.
Ifafa Small Grower Sugar cane re-establishment and redevelopment	There are opportunities to revive the small grower sugar cane sector. Low levels of institutional and technical support have led to reduced reinvestment in the sector. As reinvestment has declined so have yields and this creates a downward spiral.
Support for intensive vegetable producers.	There are a number of intensive vegetable growers co-operatives that require revitalization. An example is the Sinethemba Growers Co-operative. The full list of projects is attached in Annexure B.
<b>Trade and Industry Sector</b>	
Park Rynie Regeneration Initiative	The Park Rynie area could be the first part of the revitalization of the corridor between Park Rynie and Umzinto in the Business Park Development process. The Pennington Environmental Group also identified this opportunity during the 2004 IDP process.
Mahlongwa / Mandawe Micro Manufacturing Centre	The Mahlongwa / Mandawe area have identified the need for a micro manufacturing centre that is appropriate for the disabled. There are models for this type of initiative. This is one of the poverty related projects identified during the project process

PROJECT	IMPETUS
<b>Cross cutting: Institutional Support</b>	
Stakeholder Mobilization and support for Business Unity (Chamber movement)	<p>The proposed project is to assist in mobilization of all stakeholders, but particularly in creating the required long term partnerships required with the business community, it will assist in creating the required linkages with the Provincial and national structures, in defining roles, structures and consultation processes etc.</p> <p>The business chamber establishment process is taking place. This needs ongoing support and should lead to the situation where appropriate public – private partnerships can be established.</p>
LED Unit and related structures.	<p>The LED unit has been established. The unit is responsible in ensuring that the LED Forum and the LED Workgroups are established and that regular report backs take place. The LED unit will also be responsible for the meeting administration and preparing reports for the Economic Development Portfolio Committee.</p>
Hawkers association	<p>The informal sector is difficult to support as members are dispersed and do not have a single voice. The development and support of the sector requires a level of institutional support as a first step.</p>
<b>Cross cutting: SMME Support</b>	
Business support linkage / network	<p>It is not recommended that a Local Business Support Centre be established in Umdoni. There are substantial support structures (with access to new markets) in Durban and the proximity to Durban needs to be exploited. The Business Chamber will be key in this regard.</p>
Municipal Procurement Policy	<p>The Municipality needs to undertake a review of the Procurement Policy. Issues such as BEE support, SMME support, transparency etc need to be reviewed. This has been raised as a key Pilot Project.</p>
Umzinto Market Stalls	<p>There is an active and extensive informal sector in Umzinto. Umzinto requires improved spatial planning and infrastructure. It is recommended that more formal trading areas be developed in order to support the traders and the spatial planning process.</p>

## 7 LED IMPLEMENTATION PLAN

### 7.1 Programmes and Projects

#### 7.1.1 Tourism sector: Expand, rejuvenate and diversify

DESCRIPTION	<p>The tourism sector in Umdoni is key to the economic future and yet is experiencing a number of challenges. These include:</p> <ul style="list-style-type: none"> <li>• Need for a strategic vision and plan for local Umdoni Tourism Development and Marketing.</li> <li>• Need for a coherent and unified institutional framework for tourism development and marketing (lack of public-private partnerships).</li> <li>• Need for Human and Financial Resources to drive a coherent Tourism Development and Marketing Strategy.</li> <li>• Need for adequate product mix and cultural, nature and adventure based products.</li> <li>• In some cases coastal development is taking place outside of any planning framework.</li> <li>• The Beachfront Master Plan needs to be implemented.</li> </ul>				
OBJECTIVE	OUTCOME	PROJECTS / ACTIVITIES	CHAMPION	PARTNERS	
<p>The aim of this programme is to facilitate the rejuvenation of the Tourism Industry and to expand the tourism market in terms of the products available and the inclusion of people who have not had the opportunity to participate in the sector.</p>	<ul style="list-style-type: none"> <li>• Job creation</li> <li>• Poverty alleviation.</li> <li>• Improved profile of the Umdoni Area.</li> <li>• Improved integration into the South Coast Tourism sector.</li> </ul>	<ol style="list-style-type: none"> <li>Formulation of Umdoni Tourism Development and Marketing Plan (Local Tourism Competitiveness Action Plan application to the Gijima Fund).</li> <li>Institutional processes, including:                             <ul style="list-style-type: none"> <li>• Building a coherent public-private partnership.</li> <li>• Integrate with District wide structure (UTME).</li> <li>• Restructure Tourism Business Sector in Umdoni.</li> <li>• Formulation of local tourism competitiveness plan.</li> </ul> </li> <li>Identification and mobilization of tourism leadership and stakeholders (public and private) through a Participatory Appraisal of Local Tourism Competitive Assessment (PALTCA) and the formulation of a local tourism competitiveness plan.</li> <li>Stimulate and upgrade the development of inland cultural, nature and adventure products linked to coastal products as part of the Umdoni Development and Marketing Plan.</li> <li>Implementation of Beachfront Master Plan. This would include project packaging (including contractual and financial aspects etc).</li> <li>Access THETA Learnerships.</li> </ol>	<p>Umdoni Coast and Country, Umdoni Municipality, Ugu Municipality, Gijima, UTMA.</p> <p>Umdoni Coast and Country, Umdoni Municipality, Ugu Municipality, Gijima, UTMA.</p> <p>Umdoni Coast and Country, Umdoni Municipality, Ugu Municipality, Gijima, UTMA.</p> <p>Umdoni Coast and Country, Umdoni Municipality, Ugu Municipality, Gijima, UTMA.</p>	<ul style="list-style-type: none"> <li>• The Umdoni Municipality</li> <li>• Ugu District Municipality</li> <li>• Gijima KZN Local Competitiveness Fund and Business Enabling Fund.</li> <li>• Tourism KwaZulu-Natal</li> <li>• Umdoni Coast and Country</li> <li>• UTMA</li> </ul>	

7.1.2 Agricultural Sector: Expand and diversify

DESCRIPTION	<p><i>Together with tourism, agriculture is the main sector within Umdoni. The sector is well established with expertise and a high level of institutional cohesion, with substantial existing assets and equipment. The Umdoni area contains high agricultural potential and the sector should therefore be supported to ensure that management and production remain high. The main challenges facing the agricultural sector are:</i></p> <ul style="list-style-type: none"> <li>• <i>Rising input costs and low produce prices.</i></li> <li>• <i>Management could be improved to increase production levels and costs.</i></li> <li>• <i>The available agricultural land is not being fully utilized.</i></li> <li>• <i>The financial structure of the production cycle is long term and requires regular reinvestment.</i></li> <li>• <i>Poorly maintained common or public infrastructure.</i></li> </ul>			
OBJECTIVE	OUTCOME	PROJECTS / ACTIVITIES	CHAMPION	Partners
<p><i>The aim of this programme is to facilitate the expansion and agricultural sector and to assist in the diversification of the sector to include more small producers and to expand the product range. This should also include innovative approaches such as the researching of additional products for sugar cane etc.</i></p>	<ul style="list-style-type: none"> <li>• Job creation</li> <li>• Improved returns in the agricultural sector.</li> <li>• Improved agricultural management and production.</li> <li>• Food security.</li> <li>• Poverty alleviation.</li> </ul>	a) Land Reform Co-ordinating Structure: the purpose is to ensure that maximum stability and benefits are achieved in the land reform process.	Umdoni Municipality	<ul style="list-style-type: none"> <li>• The Umdoni Municipality</li> <li>• Ugu District Municipality</li> <li>• Department of Land Affairs.</li> <li>• Land Claims Commission.</li> <li>• Kwanalu.</li> <li>• Gijima KZN.</li> <li>• Sezela Local Grower Council</li> <li>• Department of Agriculture</li> <li>• Ithala</li> <li>• SASA</li> <li>• SASRI</li> <li>• Umthombo Agricultural Financing</li> <li>• Private Sector stakeholders (including millers - Illovo).</li> <li>• Agricultural producers.</li> </ul>
		b) Umdoni agricultural sector support: an institutional project ensuring that small producers are able to access support through a central '1 stop shop'.	Sezela Local Grower Council	
		c) Sugarcane growers support structures: institutional restructuring support for small growers.	Sezela Local Grower Council.	
		d) Financing model for small growers: a review of the financing model that predominates in the sector.	SASA.	
		e) Additional uses for cane: to participate in the research process being undertaken by SASRI. Aim is to make cane production more profitable.	Sezela Local Grower Council	
		f) Sugarcane re-establishment and redevelopment. To revitalise the small grower sector.	Sezela Local Grower Council	
		g) Vegetables: to expand and support the small vegetable producers. Institutional support should initially be given, also access	Department of Agriculture	
		h) Initiate a study to identify niche markets in agriculture suitable for small farmers.	Umdoni Municipality.	
		i) Review of infrastructure networks relating to agriculture (water, roads etc).	Umdoni Municipality	

7.1.3 Trade and Industry

DESCRIPTION	<p><i>The manufacturing sector is currently limited. It is however important that the sector is supported as it can promote diversification of the economy, and is a good sector for adding value. There are existing manufacturers who require support.</i></p> <p><i>Link to other initiatives in training, SMME support, business unity, linking to southern Durban etc.</i></p>				
OBJECTIVE	OUTCOME	PROJECTS / ACTIVITIES	CHAMPION	Partners	
<p><i>The aim of this programme is to facilitate the development of the manufacturing sector in Umdoni.</i></p>	<ul style="list-style-type: none"> <li>• Job creation</li> <li>• Increased diversity in the economy.</li> <li>• Improved production.</li> <li>• Improved survival of start ups.</li> <li>• Poverty alleviation.</li> </ul>	<ul style="list-style-type: none"> <li>a) Industrial sector analysis (in partnership with the business chamber process).</li> <li>b) Investigation into the establishment of Business Park(s). The two areas immediately identified include Park Rynie and Umzinto. This is linked to the spatial targeting project below.</li> <li>c) Mahlongwa / Mandawe Micro Manufacturing Centre for the disabled</li> <li>d) Investigate the linkage for light industry to the southern Durban area.</li> <li>e) Establishment of block yards in Amahlongwa, Emandawe and Emalangeneni.</li> </ul>	<ul style="list-style-type: none"> <li>Umdoni Municipality</li> <li>Umdoni Municipality</li> <li>Umdoni Municipality.</li> <li>The Umdoni Chamber of Business.</li> <li>Umdoni Municipality.</li> </ul>	<ul style="list-style-type: none"> <li>• The Umdoni Municipality</li> <li>• Ugu District Municipality</li> <li>• Department of Economic Development.</li> <li>• Department of Trade and Industry.</li> <li>• Gijima KZN.</li> <li>• Small Enterprise Development Agency</li> <li>• Private Sector stakeholders</li> <li>• Organized business</li> </ul>	

7.1.4 Cross Cutting Issues

DESCRIPTION	<p>Cross cutting issues refer to a range of interventions that are required to either directly support businesses or that will provide the required institutional environment for businesses to be established and grow. The main areas identified include:</p> <ul style="list-style-type: none"> <li>• SMME support.</li> <li>• Learnerships and training.</li> <li>• Institutional restructuring / business unity. Spatial Targeting</li> <li>•</li> </ul>				
OBJECTIVE	OUTCOME	PROJECTS / ACTIVITIES	CHAMPION	Partners	
<p>The aim of this programme is to ensure that the required support structures and institutional mechanisms are in place.</p>	<p>Job creation.</p> <ul style="list-style-type: none"> <li>• Appropriate support structures are in place.</li> <li>• Improved environment for businesses to grow.</li> <li>• More business start ups and business survival.</li> </ul>	<p>a) SMME Support:</p> <ul style="list-style-type: none"> <li>• Linkages with SMME support agencies based in Durban. This is a function for the LED unit and the Business Chamber..</li> <li>• Informal sector support.</li> <li>• Skills training for SMME owners (entrepreneurs).</li> <li>• Review of the Umdoni Municipality Procurement Policy.</li> <li>• Support for co-operatives.</li> </ul>	<p>Umdoni Municipality The Umdoni Chamber of Business.</p>	<ul style="list-style-type: none"> <li>• The Umdoni Municipality</li> <li>• Ugu District Municipality</li> <li>• Department of Economic Development.</li> <li>• Department of Trade and Industry.</li> <li>• Gijima KZN.</li> <li>• Small Enterprise Development Agency</li> <li>• SETAs</li> <li>• FET</li> <li>• Private Sector stakeholders</li> <li>• Organized business</li> </ul>	
		<p>b) Training &amp; Skills development:</p> <ul style="list-style-type: none"> <li>• Initiate a municipality wide learnership programme with the business organizations.</li> <li>• Undertake a skills review in relation to market demand with business organizations (particularly in tourism, manufacturing and agriculture).</li> <li>• Initiate a skills development programme for SMME owners.</li> </ul>	<p>Umdoni Municipality The Umdoni Chamber of Business.</p>		
		<p>c) Institutional support:</p> <ul style="list-style-type: none"> <li>• Creating the required environment for public – private partnerships to take place; in particular supporting the Business Unity process that is currently taking place.</li> <li>• Assisting in the expansion of the Hawker Association that exists in Scottburgh.</li> </ul>	<p>Umdoni Municipality The Umdoni Chamber of Business.</p>		
		<p>d) Spatial Targeting:</p> <ul style="list-style-type: none"> <li>• Umzinto – Park Rynie Corridor, including Business park feasibility and concept plan for development of Umzinto.</li> <li>• Market stalls in Umzinto.</li> <li>• Economic infrastructure audit.</li> <li>• Land audit and land release plan, in particular to identify vacant and suitable public and private land.</li> </ul>	<p>Umdoni Municipality</p>		

## 7.2 Implementation Plan

PROJECT	RESPONSIBILITY	TIME IN YEARS AND QUARTERS																				INDICATIVE BUDGET
		YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5				
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
<b>Tourism Development Programme</b>																						
1. Preparation of Umdoni Municipality Tourism Development and Marketing Plan	LED Manager																					250,000,00
2. Umdoni Tourism Route (Sugar cane route) Feasibility Study	LED Manager																					150,000,00
3. Scottburgh Beach Front Redevelopment	LED Manager																					
4. CTO Assessment and Capacitation	LED Manager																					150,000,00
5. Infrastructure Audit	LED Manager																					70,000,00
6. Upgrading of the Sewer System	LED Manager																					
<b>Agriculture Development Programme</b>																						
7. Land Reform Coordinating and Support Structure	Umdoni Municipality																					
8. Umdoni Agricultural Sector Support	Umdoni Municipality																					
9. Ifafa Small Grower Redevelopment Project	Umdoni Municipality																					10,000,000,00
10. Vegetable Producer Network	Umdoni Municipality																					
11. Feasibility Study for the Additional Use of Sugar Cane	Illovo Sugar																					
12. Redevelopment of Sinethemba Grower's Cooperative	LED Manager																					
13. Sakhisizwe (Malangeni Ward 8)	Dept. of Agriculture																					35,000,00
14. Bongomngoma (Mhlangamkhulu – Ward 8)	Dept. of Agriculture																					37,000,00
15. Sukumuzemzele (Malangeni – Ward 8)	Dept. of Agriculture																					37,000,00
16. Siyaphemba (Mandawe – Ward 4)	Dept. of Agriculture																					32,100,00
17. Zwanini (Shayamoya – Ward 4)	Dept. of Agriculture																					35,000,00
18. Shayamoya	Dept. of Agriculture																					17,000,00
19. Zamani Poultry	Dept. of Agriculture																					
20. Sinolwazi (Mkhanya)	Dept. of Agriculture																					254,000,00
21. Sgudlogu (Kwa-Cele)	Dept. of Agriculture																					140,000,00
22. Lasa Trading (4 tunnels)	Dept. of Agriculture																					125,000,00

PROJECT	RESPONSIBILITY	TIME IN YEARS AND QUARTERS																				INDICATIVE BUDGET
		YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5				
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
<b>Trade and Industry</b>																						
23. Park Rynie Regeneration Initiative	Umdoni Municipality																					
24. Umzinto Skills Development Centre	Umdoni Municipality																					2,500,000,00
25. Mahlongwa Micro Manufacturing Centre	Umdoni Municipality																					1,800,000,00
26. Mandawe Micro Manufacturing Centre	Umdoni Municipality																					2,000,000,00
27. Business Development and Returnship Programme	Umdoni Municipality																					
28. Investigation for the linkages with Southern Durban Industrial Area	Umdoni Municipality																					
29. Amahlongwa Block Yard	Umdoni Municipality																					1,000,000,00
30. Amandawe Block Yard	Umdoni Municipality																					1,000,000,00
31. Emalangeneni Block yard	Umdoni Municipality																					1,000,000,00
32. Establishment of a Business Chamber	Private Sector																					150,000,00
33. Umzinto Market Stalls	Umdoni Municipality																					
<b>Cross-cutting Issues</b>																						
34. Review of the Municipal Procurement Policy	Umdoni Municipality																					
35. Umzinto Park Rynie Corridor	Umdoni Municipality																					
36. Economic Infrastructure Audit	Ugu District																					
37. Establishment of an LED Forum	Umdoni Municipality																					

## 7.3 Institutional Framework

The strategy seeks to develop a sound institutional framework for coordinating and promoting local economic development efforts in Umdoni. It involves the establishment of different types of institutional structures and strengthening of the existing ones so as to create a cohesive network of structures with synergistic activities and provide for an effective and coordinated implementation of the LED strategy and plan. These structures will operate at different levels with some adopting a narrow sectoral focus while others concern themselves with broader visionary and strategic issues. The Municipality will serve as a coordination point among and between these structures. The following structures are deemed necessary to facilitate LED in Umdoni.

- **Municipal LED Unit** to guide and advice council on technical issues relating to LED and further manage the implementation of the LED programme of the Municipality.
- **Municipal LED Forum** to represent a collective approach of shared input activities for the Local Municipality and the private sector, moving towards overall economic development. The Forum should meet twice a year, with its main purpose being to exchange information and to monitor progress. The forum has to elect a group of competent individuals to form the LED Workgroup or Task Team.
- **Umdoni LED Workgroups / Task Teams** whose primary focus should be to facilitate the implementation of LED strategies, programmes and projects as recommended from the study and subsequently approved by the Municipal Executive Committee.
- **Umdoni Chamber of Business**, which involves and represents the interests of all formally established business enterprises located and operating within Umdoni Municipality.
- **Community Tourism Organisation**, which involves and represents the interests of all tourism product operators located and operating within Umdoni Municipality. This structure will also be responsible for marketing the area and liaising with the Ugu District Tourism Manager and Tourism KwaZulu-Natal.

### 7.3.1 Umdoni LED Unit

Umdoni Municipality Organogram makes provision for the establishment of a business unit responsible for the preparation, update and implementation of the Integrated Development Plan (IDP) and the associated sector plans. The unit reports directly to the Municipal Manager. LED and tourism are some of the functions that fall within this unit. Ideally each of these functions should have a responsible officer, but due to financial constraints only one officer (LED) has been appointed. The Community Tourism Organisation will assist him on tourism matters. The Municipality should enhance the skills level of the unit so as to allow it to perform its tasks efficiently. The following are some of the responsibilities that could be assigned to the proposed LED Unit.

- Preparation and review of LED strategies and sector plans.
- LED stakeholder mobilization
- Providing secretariat services to the LED Forum and LED Working Group.
- Liaison with the District and other LED support and funding agencies.
- Preparation of project business plans and funding proposals.

- Managing the implementation of projects.
- Monitoring the performance of LED initiatives and projects.
- Undertaking data collection and dissemination (economic data warehousing).
- Facilitating the integration of LED into the IDP and budgeting process of the municipality.
- Manage the municipal LED budget.
- Liaise with relevant government departments and coordinate the municipality's LED programme with the other stakeholders.
- Manage the functioning and operation of the Community Tourism Organization.
- To channel information from service agencies to different stakeholders.

### 7.3.1.1 Core Functions

It is suggested that the core function of the LED manager and unit is to undertake the role of facilitator and LED champion. There are particular projects that the LED unit can champion, for example municipal planning and infrastructure projects that are central to the LED vision. The implementation of the beachfront redevelopment plan is such a project. It is not expected that the LED will manage the construction process, but rather that the LED manager provide some of the capacity required to keep the project on track.

### 7.3.1.2 Budget

The LED unit has access to a number of budgets in order to supplement the internal allocation. The IDP does not indicate substantial own funding contribution by the Municipality. The IDPs identify outside agencies such as the Department of Economic Development, the Development Bank, Department of Traditional and Local Government Affairs, Department of Education etc. The basic sources of funding include:

- Internal budgets (IDP, project budget, staff).
- District Municipality budget (particularly participating in district wide projects).
- External funds: Extended Public Works Programme (IDT is managing the budget, application procedures are unclear), Gijima KZN, ISRDP, Municipal Infrastructure Grant, and other Department specific initiatives (such as the Siyavuna Programme in the Department of Agriculture).

### 7.3.1.3 Interdepartmental Relationships

Best practice for Municipalities indicates that there are a series of problems that typically arise in LED units. These are as follows:

- LED is seen as the responsibility of the LED unit. In this scenario the procurement policy, the engineering section and the finance sections all believe that they do not have to worry about LED or that their own policies and behaviours impact on the LED goals of the Municipality.
- LED is seen as the responsibility of the engineering section of the Municipality as LED funds are now part of MIG. Nobody is sure what role the LED unit should play.
- The role of the LED unit is to implement LED projects. These are typically sewing, community gardens, or bakeries. These are often clustered together.

- The LED unit is part of another department; such as Community Services and projects are identified and defined in terms of the larger department. In addition, LED funds are not ring fenced and are within a bigger budget.

The most effective LED units are linked directly with the office of the Municipal Manager. The size of the budget is not crucial as a facilitatory role can be undertaken with very little funding. Project funds for feasibility studies and project design work is useful. In most cases the LED unit is working in sectors that are unattractive to the private (particularly banking sector) and reduces barriers to entry. This may be through investigating market opportunities and reducing problems such as planning ambiguity.

### 7.3.2 LED Forum

Lack of dialog among the stakeholders is one of the key weaknesses in the implementation of LED within Umdoni. Stakeholders acting individually or in unison tend to plan and implement LED initiatives in isolation. This situation cannot be allowed to continue at the time when the municipality is developing systems and procedures for integrated development planning and is being encouraged to undertake its activities in a spirit of cooperative governance. It is therefore suggested that an LED Forum be established and tasked with the following activities:

- To report on the progress in implementing the LED Programme.
- Provide for a platform where stakeholders can engage each other on several matters that affect LED implementation in Umdoni.
- To provide advice to the municipality on effective LED strategies and models for project implementation.
- To assist with the identification of projects.
- To serve as a mechanism for the distribution of information.

The main mandate of the Forum is to facilitate the participation of all role players involved in local economic development and for such a forum to be representative it is proposed that it be composed of the following:

- Representatives of Umdoni Municipality
- Representatives of the different economic sectors.
- Informal business associations
- Rate payers Association
- Organized labour
- Economic Development Agencies that are active in the area eg TIK, Tourism KwaZulu-Natal, etc
- Youth organizations
- Agricultural organizations and associations

The LED Forum will be constituted to meet two or three times per year, but is rather through project related smaller groups (in for example the agriculture, manufacturing and tourism sectors) and through the Economic Development Portfolio Committee that more frequent and more effective processes will be driven.

### 7.3.3 Umdoni LED Workgroups

In view of the infrequency of the LED Forum meetings, it is suggested that LED Workgroups be established and tasked with the responsibility to coordinate the implementation of the LED strategy. The workgroups could be established on the basis of the existing Project Steering Committee and would comprise of the following structures:

- Umdoni Municipality (Chairperson of the LED Portfolio Committee) and the LED Manager
- Hawkers Association
- Community Tourism Organization
- Representatives of industry and commerce.
- Ugu District Municipality
- Ugu Gijima KZN Area Manager

The workgroups would advise the municipality on a range of LED matters and assist in mobilising stakeholders in support of the LED initiatives. It would report to the public through the LED Forum.

### 7.3.4 Umdoni Chamber of Commerce

The main purpose of the Umdoni Business Chamber will be to foster, encourage, promote, protect, develop and establish commercial and industrial enterprises within the Umdoni Municipality. This will be achieved through the provision of services to business in the form of information, communication, networking functions and business support services. Key focus areas will also include lobbying, representation and strategic interventions, in order to facilitate an environment within Umdoni that is conducive to economic growth. A strong Chamber with active members can make a big difference to the quality of life of all inhabitants of Umdoni, as the Chamber can serve as a focal point for all businesses to concentrate their creative energies in finding and implementing solutions to the problems they are experiencing. The services that will be offered by the Business Chamber include:

- **Reliable business information:** The Chamber will serve as point of reference for all businesses in the region, offering advice and information to members on a wide range of subjects.
- **Opportunities to network and promote business:** Increasingly, businesses are realising that networking is a valuable way of developing business relationships. To this end, the Umdoni Chamber will provide a network of local and national business contacts and opportunities.
- In some cases provide administration support & compliance: for example with Certificates of Origin.
- **Links to local and district government matters:** The Chamber will be involved in lobbying and engaging with local and district government on economic and financial issues.

The strategic objectives of the Umdoni Business Chamber will be:

- To promote a sustainable environment in which businesses can grow and prosper in Umdoni.
- To assist in the development of members' businesses through the supply of information, advice and other services.

- To contribute to job creation and poverty alleviation in Umdoni.
- To integrate local organised business into a single structure that can effectively represent the collective views of its members.
- To promote local business and economic growth and development through business/enterprise development in Umdoni, and by delivering needs directed chamber services.
- To promote black economic empowerment by, amongst others, linking large and small businesses through the Chamber network.
- To promote SMME growth and development.

### **7.3.5 Community Tourism Organisation**

The Municipality currently provides some financial assistance to the Umdoni CTO. It is suggested that the tourism function be undertaken by the CTO rather than by the Municipality. This would mean that Municipality need not appoint a tourism officer, but that this be undertaken through the CTO (with additional funding). Ties would imply a clear alignment between the strategic approach of the CTO and the Municipality.

# **ANNEXURE A: PROJECT SHEETS**

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Implement the Scottburgh Beachfront Redevelopment	Strategy targeted: Tourism sector.
<b>Project description:</b> The project is designed to speed up the implementation of the Beachfront Redevelopment. The private sector and other stakeholders are unclear as to the process being followed and what the future implementation plan is. This is having a negative impact on investment.	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• To provide clarity and stability in the investment environment.</li> <li>• To take the lead in undertaking investment and thereby encouraging private investment.</li> <li>• To create focused commercial opportunities and space along the beachfront.</li> <li>• To provide an open and transparent tender process.</li> <li>• To create opportunities for BEE investment in the tourism industry.</li> <li>• To create space for traders of all sizes and specifically for small and micro businesses.</li> </ul>	
<b>Need:</b> The lack of clarity is leading to the private sector not investing in the beachfront and in creating an environment of insecurity.	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Existing and new tourism operators and retailers.</li> <li>• Informal sector enterprises</li> <li>• Property development investors.</li> <li>• Umdoni Municipality</li> <li>• All residents</li> </ul>	
<b>Location:</b> Scottburgh Beachfront	
<b>Planning / Land Legal Issues:</b> <ul style="list-style-type: none"> <li>• The Beachfront Masterplan has been approved (noted in the 2004 IDP).</li> <li>• Building and development guidelines need to be implemented.</li> </ul>	
<b>Activities required to package the project:</b> <ul style="list-style-type: none"> <li>• Project description and specifications to be drawn up.</li> <li>• Tender process needs to be embarked on.</li> <li>• Adjudication of tenders. Requires specialist legal, financial, engineering, town planning, property development and project management expertise.</li> <li>• Project management.</li> </ul>	
<b>Linkage to other projects:</b> <ul style="list-style-type: none"> <li>• Broader tourism initiative.</li> <li>• Tourism marketing.</li> <li>• Creating opportunities for Black entrepreneurs in the tourism and property development sector.</li> <li>• Creating spaces in the main tourism area for small and micro traders.</li> </ul>	
<b>Expertise required to package the project:</b> <ul style="list-style-type: none"> <li>• Tender / Legal</li> <li>• Town planning</li> <li>• Engineering</li> <li>• Financial</li> </ul>	
<b>Responsibility for implementation:</b> Umdoni Municipality	
<b>Priority:</b> High	
<b>Sustainability:</b> High	

<b>Potential Added Value:</b> High There is a need to ensure that the benefits accrue to a wide range of existing and emerging businesses.	
<b>Approximate Budget (to be confirmed in project packaging):</b> The tender process will need to be followed.	
<b>Potential source of funding:</b>	<ul style="list-style-type: none"> <li>• Ugu District Municipality</li> <li>• Private investors</li> <li>• Tourism KwaZulu Natal</li> </ul>
<ul style="list-style-type: none"> <li>• Gijima KZN</li> <li>• Umdoni Municipality</li> </ul>	
<b>Approximate Duration:</b> Tender process will inform period. Project packaging can be immediate.	

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Tourism Development and Marketing Plan.	Strategy targeted: Tourism sector.
<b>Project description:</b> <p>The local tourism sector needs to develop a new vision regarding the Umdoni area. This vision needs to make use of the synergies and benefits that can be gained from the District initiatives in terms of development and marketing.</p> <p>This initiative may be dealt with as part of the local tourism competitive assessment and could include the review of the institutional arrangements currently in place (and the proposed district structures). This would include specific funding structures for the CTO and specific projects.</p>	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• To provide institutional stability in the tourism sector.</li> <li>• To encourage private investment.</li> <li>• To build on existing opportunities at a district level.</li> <li>• To maximize return on investment in marketing.</li> <li>• To review the mechanism and structures for encouraging Black involvement in the sector.</li> <li>• To assist in identifying opportunities in the sector.</li> </ul>	
<b>Need:</b> <p>The sector would benefit from a restructuring process that includes a marketing, competitiveness and institutional review.</p>	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Community Tourism Organization.</li> <li>• Existing and emerging tourism operators.</li> <li>• Allied sectors that rely on the tourism market.</li> <li>• Umdoni Municipality.</li> <li>• Other Municipalities and tourism operators in the district.</li> </ul>	
<b>Location:</b> Umdoni primarily (in conjunction with the district).  Planning / Land Legal Issues: <b>None</b>	
<b>Activities required to package the project:</b> A BEF application to the Gijima fund.	
<b>Linkage to other projects:</b> <ul style="list-style-type: none"> <li>• Broader transformation in the tourism sector.</li> <li>• Linking the coast and the inland areas.</li> <li>• Tourism infrastructure redevelopment, in particular the Beachfront redevelopment.</li> <li>• Reinvestment in the sector.</li> </ul>	
<b>Expertise required to package the project:</b> <ul style="list-style-type: none"> <li>• Tourism sector knowledge.</li> <li>• Marketing.</li> <li>• Institutional.</li> <li>• Project planning.</li> </ul>	
<b>Responsibility for implementation:</b> CTO and Umdoni Municipality.	
<b>Priority:</b> High	
<b>Sustainability:</b> High The sustainability of the tourism sector requires attention.	
<b>Potential Added Value:</b> Cannot be calculated at present.	

<b>Approximate Budget (to be confirmed in project packaging):</b> R250 000.00
<b>Potential source of funding:</b> <ul style="list-style-type: none"><li>• Gijima KZN LED Fund.</li><li>• Ugu District.</li><li>• Tourism KwaZulu Natal.</li></ul>
<b>Approximate Duration:</b> 6 months

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Tourism route.	Strategy targeted: Tourism sector.
<b>Project description:</b> Identification and development of a tourism route.	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• To expand the area benefiting from tourism. The coastal strip has the bulk of the tourism infrastructure and market and the benefits tend to be localized in these areas.</li> <li>• To encourage private investment outside of the coastal strip.</li> <li>• To develop opportunities for people who are currently not benefiting from tourism.</li> <li>• To take advantage of under utilized opportunities in the inland areas.</li> </ul>	
<b>Need:</b> The tourism sector is going to lose overall public support if the benefits are not spread more broadly.	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Existing and emerging tourism operators and product owners.</li> <li>• New product owners in the inland areas.</li> <li>• Umdoni Municipality.</li> <li>• Private investors.</li> </ul>	
<b>Location:</b> Umdoni municipal area, with an emphasis on the inland areas in particular.	
<b>Planning / Land Legal Issues:</b> none	
<b>Activities required to package the project:</b> Prepare tender specifications and undertake appointment and project management.	
<b>Linkage to other projects:</b> <ul style="list-style-type: none"> <li>• Broader transformation in the tourism sector.</li> <li>• Linking the coast and the inland areas.</li> <li>• Tourism infrastructure redevelopment</li> </ul>	
<b>Expertise required to package the project:</b> <ul style="list-style-type: none"> <li>• Knowledge of the tourism sector.</li> <li>• Tourism route design.</li> <li>• Marketing.</li> </ul>	
<b>Responsibility for implementation:</b> <ul style="list-style-type: none"> <li>• CTO</li> <li>• Umdoni Municipality.</li> </ul>	
<b>Priority:</b> Medium.	
<b>Sustainability:</b> To be investigated.	
<b>Potential Added Value:</b> To be determined as part of feasibility.	
<b>Approximate Budget (to be confirmed in project packaging):</b> R 150 000.00	
<b>Potential source of funding:</b> <ul style="list-style-type: none"> <li>• Gijima KZN LED Fund.</li> <li>• Ugu District.</li> <li>• Tourism KwaZulu Natal.</li> </ul>	
<b>Approximate Duration:</b> 6 months	

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Land Reform Co-ordinating structure.	Strategy targeted: Agricultural sector.
<b>Project description:</b> There are substantial land claims in the Umdoni area. The land claims are an opportunity to restructure land ownership and agricultural production. The concern is that agricultural production could decline if the land and skills transfer processes are not managed adequately. Local economic development in the agricultural sector is dependent on a range of relationships and economic linkages. A decline in sugar cane production impacts a range of actors; from the mill to contractors to private agricultural input suppliers.	
<b>Objectives:</b> The co-ordinating structure will bring all stakeholders together to maximize the benefits available in land reform.	
<b>Need:</b> An absence of co-ordination will lead to continuing frustration among claimants and land owners. Claimants will also be able to maximize the benefits of co-ordinating their claim resolution with all interested parties. The Sezela Mill for example can provide and co-ordinate a range of support interventions (such as training etc).	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Claimants</li> <li>• The Regional Land Claims Commission.</li> <li>• The Department of Land Affairs.</li> <li>• The Department of Agriculture.</li> <li>• Private land owners (current owners).</li> <li>• Organized agriculture.</li> <li>• Private service providers and allied industries (the Millers etc).</li> </ul>	
<b>Location:</b> Throughout Umdoni.	
<b>7.3.6 Planning / Land Legal Issues:</b> Resolution of the land claims raises a number of land legal and planning issues. These include LUMS, settlement, service provision, validity of the claims etc.	
<b>Activities required to package the project:</b> The structure can be operational in the immediate future.	
<b>Linkage to other projects:</b> <ul style="list-style-type: none"> <li>• Agricultural sector restructuring.</li> <li>• One stop agriculture shop.</li> <li>• Sugar cane re-establishment.</li> </ul>	
<b>Expertise required to package the project:</b> There is no specialist expertise required to establish the co-ordinating structure. Planning, land legal, land reform, agricultural, project management and natural resource management expertise will be useful during the life of the process.	
<b>Responsibility for implementation:</b> Umdoni Municipality. This is a structure that will only be effective if all stakeholders participate.	
<b>Priority: Very High.</b>	
<b>Sustainability:</b> The sustainability of the agricultural sector is dependent on such a structure being effective.	
<b>Potential Added Value:</b> High. Can only be determined post establishment.	

**Approximate Budget (to be confirmed in project packaging):** Initial budget minimal. A venue and refreshments need to be covered.

**Potential source of funding:** Municipal budget. The venue (and meeting costs) could be rotated and therefore it will not cost any single organization the complete costs.

**Approximate Duration:** 2 years initially. The claim process and the establishment of new farmers will be of longer duration and therefore the structure should be designed to last well into the future.

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Umdoni Agricultural Sector Support (1 Stop Shop).	Strategy targeted: Agricultural sector.
<b>Project description:</b> The project has been proposed in order to co-ordinate stakeholders within the agricultural sector. The project includes the mobilising of stakeholders to participate and then the construction of a building as a 'one stop shop'. Departments such the Department of Land Affairs and the Regional Land Claims Commission would probably not be able to station a representative there permanently, however it is envisioned that regular meetings be held at the site and that a regular set of consultation hours be set.	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• To provide a single co-ordinating environment.</li> <li>• To provide a single point of access for public and private services.</li> <li>• To strengthen the institutional environment.</li> </ul>	
<b>Need:</b> There is no single point of entry for farmers to access government and private services. In addition, the farmers themselves are organized into structures that require a central administrative unit.	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Public sector (Municipality, DOA, DLA).</li> <li>• Small growers.</li> <li>• Private service providers (provision of agricultural inputs).</li> <li>• Co-operatives.</li> <li>• Large scale farmers.</li> <li>• Sezela Mill.</li> </ul>	
<b>Location:</b> Umdoni Municipal area at minimum.  <b>7.3.7 Planning / Land Legal Issues</b> Requires release of the site identified for establishment.	
<b>Activities required to package the project:</b> <ul style="list-style-type: none"> <li>• Need to mobilize and fully consult with all stakeholders. It is important that all stakeholders buy in prior to establishing a building.</li> <li>• Site identification and agreement.</li> <li>• Establishment of MOUs between stakeholders.</li> </ul>	
<b>Linkage to other projects:</b> <ul style="list-style-type: none"> <li>• Restructuring of the agricultural sector.</li> </ul>	
<b>Expertise required to package the project:</b> Facilitation of the process.	
<b>Responsibility for implementation:</b> The Umdoni Municipality could kick the process off.	
<b>Priority:</b> Medium - high.	
<b>Sustainability:</b> It would improve profitability within the sector and reduce transaction costs. It would also improve communication and co-ordination and therefore reduce tension.	
<b>Potential Added Value:</b> Not able to calculate at present.	
<b>Approximate Budget (to be confirmed in project packaging):</b> Initial facilitation, feasibility and design could be undertaken for under R200 000.00.	

**Potential source of funding:**

- Gijima KZN
- Umdoni Municipality.
- Ugu District Municipality

**Approximate Duration:**

Initial feasibility, facilitation and design could be completed within 6 months.

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Sugar Cane Re-establishment and Redevelopment.	Strategy targeted: Agricultural sector.
<b>Project description:</b> There has been a decrease in the structured support being provided to small cane growers over the last few years. This has been as a result of institutional restructuring in the financing sector and in the withdrawal of millers from the cane growing sector. The small cane growers have not been reinvesting in crop establishment with the result that yields are decreasing, and a downward spiral of reduced returns and reduced reinvestment has developed. The cane growers wish to reverse this trend.	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• To increase the areas under sugar cane by small cane growers.</li> <li>• To increase the returns being achieved by small cane growers.</li> <li>• To improve overall financial and crop management practices.</li> <li>• To provide a structured recovery plan for the small growers that includes all the stakeholders (including Sezela Mill, the Department of Agriculture, private input providers, financiers etc).</li> </ul>	
<b>Need:</b> To improve returns and therefore overall profitability and reduce poverty in small growers areas.	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Small growers and small grower associations.</li> <li>• Sezela Mill</li> <li>• Department of Agriculture</li> <li>• Private input providers</li> <li>• Financiers</li> </ul>	
<b>Location:</b> Entire district, including the Umdoni municipal area. <b>Planning / Land Legal Issues:</b> None	
<b>Activities required to package the project:</b> <ul style="list-style-type: none"> <li>• All background data is available from the Sezela Mill, Small Grower Associations, SASRI and the Department of Agriculture.</li> <li>• The application for funding from the Gijima needs to be prepared.</li> </ul>	
<b>Linkage to other projects:</b> Restructuring the agricultural sector. The project would also provide valuable lessons for the land claims process in terms of small farmer support.	
<b>Expertise required to package the project:</b> Agricultural and project packaging. The agricultural expertise is shared amongst the stakeholders.	
<b>Responsibility for implementation:</b> Special purpose vehicle should be established between key partners.	
<b>Priority:</b> High.	
<b>Sustainability:</b> The project is key to the sustainability of the small grower sector.	
<b>Potential Added Value:</b> Would need to be ascertained, but indications are that the intervention will improve profitability over the entire sector.	
<b>Approximate Budget (to be confirmed in project packaging):</b> The packaging could be undertaken for under R25 000.00. The actual project cost will involve R millions. The information required for project packaging is readily available.	

**Potential source of funding:**

- Department of Agriculture
- Gijima KZN LED fund

**Approximate Duration:** Project packaging could be achieved in two weeks.

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Networking support for intensive vegetable producers.	Strategy targeted: Agricultural sector.
<b>Project description:</b> Implementation of a networking process that encourages access to skills development and training programmes, knowledge sharing, collective buying and access to markets for fresh vegetable producers. The intervention is particularly targeted at existing projects that are not functioning optimally. The LEDF, the Department of Agriculture and various other NGOs and Departments have established projects that need support. It is not possible for the Municipality to provide his support on an ongoing basis and therefore the intervention is aimed at encouraging the beneficiaries in these projects to share their experiences and access outside support.	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• Improvement in skills levels.</li> <li>• Improved production and profitability of projects.</li> <li>• Improved independence of beneficiaries / project participants.</li> </ul>	
<b>Need:</b> There has been substantial investment in the projects to-date. The participants are not getting optimum benefits from the investment, while the Municipality is not best placed to provide agricultural extension services and support. The proposal is that a joint intervention by the Municipality and the Department of Agriculture leads to greater levels of self reliance and independence of the project participants.	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Project participants (particularly fresh vegetable producers).</li> <li>• Umdoni Municipality</li> <li>• Department of Agriculture</li> </ul>	
<b>Location:</b> Umdoni Municipality	
<b>Planning / Land Legal Issues:</b> None	
<b>Activities required to package the project:</b> <ul style="list-style-type: none"> <li>• Consolidated list of all projects to be assisted.</li> <li>• Facilitation process to mobilise participants.</li> <li>• Establishment of the network.</li> </ul>	
<b>Linkage to other projects:</b> Poverty alleviation initiatives and co-operative support.	
<b>Expertise required to package the project:</b> Facilitation and an understanding of agricultural support systems.	
<b>Responsibility for implementation:</b> Umdoni Municipality and the Department of Agriculture.	
<b>Priority:</b> Medium.	
<b>Sustainability:</b> The intervention is designed to improve the sustainability of the existing projects. The projects tend to highly dependent on sustained state support and this should be reduced by this intervention.	
<b>Potential Added Value:</b> This cannot be determined at present. The intervention is designed to improve the internal efficiency of the projects and reduce state dependency.	

**Approximate Budget (to be confirmed in project packaging):** R250 000.00. Some of the projects require infrastructure to be repaired.

**Potential source of funding:**

- Siyavuna Programme of the Department of Agriculture.
- Umoni Municipality.

**Approximate Duration:** 1 year.

**PROJECT CONCEPT SHEET**

<p><b>Project Name:</b> Park Rynie Regeneration Initiative</p>	<p>Strategy targeted: Trade and industry sector.</p>
<p><b>Project description:</b> Revitalization of the Park Rynie industrial site. The project is recommended as part of a broader development of the corridor between Park Rynie and Umzinto. There is appropriate land for development as light industry and Umzinto is an important industrial centre.</p>	
<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Improvement of facilities to attract light industry into the area.</li> <li>• A secondary outcome should be a better understanding of the needs of the manufacturing sector by the Municipality as a result of the interaction.</li> </ul>	
<p><b>Need:</b></p> <ul style="list-style-type: none"> <li>• The light manufacturing sector provides opportunities to add value and is required to service the construction, tourism and agricultural sector. The sector would benefit from improved facilities (such as business parks).</li> <li>• The manufacturing sector is poorly understood by the Municipality (see below).</li> </ul>	
<p><b>Beneficiaries/stakeholders:</b></p> <ul style="list-style-type: none"> <li>• Land owners and developers.</li> <li>• Light manufacturers.</li> <li>• Umdoni Municipality</li> </ul>	
<p><b>Location:</b> Park Rynie initially. It is recommended that the corridor between Park Rynie and Umzinto be developed.</p>	
<p><b>Planning / Land Legal Issues:</b> Concept plan and LUMS review.</p>	
<p><b>Activities required to package the project:</b></p> <ul style="list-style-type: none"> <li>• Needs analyses with existing light manufacturers.</li> <li>• Needs analyses with potential light manufacturers in the Durban area (what would attract them to relocate).</li> <li>• Feasibility assessments with developers in the business park sector.</li> </ul>	
<p><b>Linkage to other projects:</b></p> <ul style="list-style-type: none"> <li>• Land release program.</li> <li>• Manufacturing strategy.</li> <li>• Small business support program.</li> </ul>	
<p><b>Expertise required to package the project:</b> Property development, small business support, light manufacturing.</p>	

<p><b>Responsibility for implementation:</b> Umdoni Municipality to undertake feasibility. A property developer will be a potential partner for the actual development.</p>
<p><b>Priority:</b> Medium.</p>
<p><b>Sustainability:</b> Sustainability in business park developments is an issue. The private sector is best placed to undertake these developments and the Municipality should at least partner with a developer if at all. The development must be needs based and respond to a real and identified demand. Some manufacturers indicated such a demand to the LED team, but this needs to be translated into firm commitments.</p>
<p><b>Potential Added Value:</b> The establishment of business parks and a development corridor between Park Rynie and Umzinto could provide the basis for further growth.</p>
<p><b>Approximate Budget (to be confirmed in project packaging):</b> R200 000.00. Feasibility and design.</p>
<p><b>Potential source of funding:</b></p> <ul style="list-style-type: none"> <li>• Umdoni Municipality.</li> <li>• Gijima KZN.</li> </ul>
<p><b>Approximate Duration:</b> 6 months.</p>

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Umzinto Skills Training Centre (Siza Skills Centre)	Strategy targeted: Trade and industry sector.
<b>Project description:</b> The development of a training facility that will focus on the manufacture of furniture for the local market (at least initially). It is proposed that a Municipal building in Umzinto be utilised for the purpose.	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• Improvement in skills levels.</li> <li>• Manufacture of a product for local demand.</li> <li>• Internship aspects part of the training.</li> <li>• The intention is that the skills are market related (making learners employable or able to start their own businesses).</li> </ul>	
<b>Need:</b> <ul style="list-style-type: none"> <li>• Mainly aimed at employment creation and improving employability.</li> <li>• No demand measurement has been undertaken and a design aspect for the furniture making could be included.</li> </ul>	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Project participants (learners).</li> <li>• Umdoni Municipality</li> <li>• Department of Trade and Industry</li> <li>• Department of Labour</li> <li>• Ugu District Municipality</li> </ul>	
<b>Location:</b> Umzinto	
<b>Planning / Land Legal Issues:</b> Still need to be ascertained re the building identified.	
<b>Activities required to package the project:</b> <ul style="list-style-type: none"> <li>• Package qualifications aspects.</li> <li>• Review project elements (the inclusion of a design aspect would be recommended).</li> <li>• Review feasibility (site availability, costing etc). This could be undertaken as a LCF CAP application.</li> </ul>	
<b>Linkage to other projects:</b> There are FET Colleges and a Skills Training Centre at Ifafa Glebe. The possible synergies and overlap should be investigated.	
<b>Expertise required to package the project:</b> Due care must be taken in terms of accreditation and market demand for skills.	
<b>Responsibility for implementation:</b> Department of Labour, Trade and Industry.	
<b>Priority:</b> Medium.	
<b>Sustainability:</b> The feasibility process should assist in designing an appropriate centre.	
<b>Potential Added Value:</b> This cannot be determined at present.	
<b>Approximate Budget (to be confirmed in project packaging):</b> A feasibility should be able to be undertaken for R50 000.00.	

**Potential source of funding:**

- Umdoni Municipality.
- Gijima KZN LED Programme.
- Department of Labour.
- Department of Trade and Industry.

**Approximate Duration:** 3 months.

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Mahlongwa / Mandawe Micro Manufacturing Centre	Strategy targeted: Trade and Industry.
<b>Project description:</b> The project was identified as part of the rural communication aspect of the project. It is specifically aimed at supporting the disabled.  The proposal is to develop a centre that assists the disabled to generate an income. There are a number of models in this approach and funding should be investigated from a range of sources. Centres such as these usually focus on leather work, weaving, furniture making etc. Challenge Unlimited has developed a successful model in this regard.	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• Social cohesion.</li> <li>• Developing productive activities for the disabled.</li> </ul>	
<b>Need:</b> The communities in Mahlongwa and Mandawe identified this as a need.	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Donors and NGOs in the sector.</li> <li>• Umdoni Municipality</li> <li>• Department of Labour</li> <li>• Department of Welfare.</li> </ul>	
<b>Location:</b> Umdoni Municipality. A suitable site will need to be identified.	
<b>Planning / Land Legal Issues:</b> None as yet.	
<b>Activities required to package the project:</b> <ul style="list-style-type: none"> <li>• Consult with NGOs and donors in the sector (including the corporate support options and charitable funders such as the Lotto).</li> <li>• Develop a sense of best practice from institutions such as Challenge Unlimited. This would include linkages into potential markets.</li> <li>• Prepare a feasibility and business plan.</li> </ul>	
<b>Linkage to other projects:</b> There needs to be a link with other poverty alleviation initiatives and co-operative support within these areas.	
<b>Expertise required to package the project:</b> Facilitation and an understanding of the welfare systems.	
<b>Responsibility for implementation:</b> Umdoni Municipality and the Department of Welfare.	
<b>Priority:</b> High.	
<b>Sustainability:</b> Interventions such as these are often difficult to sustain. The option to source markets and product designs that can be partly supported by the corporate sector. The project has a greater possibility of succeeding if there is a market link.	
<b>Potential Added Value:</b> This cannot be determined at present.	
<b>Approximate Budget (to be confirmed in project packaging):</b> R50 000.00.	

**Potential source of funding:**

- Umdoni Municipality.
- Department of Welfare.
- Department of Labour.
- Non Governmental Organizations, corporate sponsors and donors.

**Approximate Duration:** 6 months.

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Stakeholder mobilization for Business Unity and Chamber establishment process.	Strategy targeted: Business –cross cutting.
<b>Project description:</b> A main problem identified in the LED study has been the lack of cohesive, representative and coherent business institution. This is a problem for a number of reasons. The Municipality does not have a sense of the needs and attitudes of the business community. The Municipality cannot easily respond to the requests by single businesses. Business owners are isolated from the potential advantages and support available through organized structures such as a Chamber. In addition, there are particular benefits available to particular sectors that can be accessed through representative structures.  An effective Chamber structure will mean a great deal more efficiency for both the Municipality and the business community.	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• Create an appropriate representative for business and appropriate sectors.</li> <li>• Develop business unity.</li> <li>• Improve communication across stakeholders.</li> <li>• Improve the impact of interventions.</li> <li>• Access business support for SMMEs and sector specific businesses.</li> </ul>	
<b>Need:</b> There are no broadly representative structures in Umdoni.	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• The Business Community.</li> <li>• Umdoni Municipality</li> <li>• New entrants into business.</li> </ul>	
<b>Location:</b> Umdoni Municipality	
<b>Planning / Land Legal Issues:</b> None	
<b>Activities required to package the project:</b> <ul style="list-style-type: none"> <li>• Facilitate a discussion among the business community.</li> <li>• Facilitate a process of unification where possible.</li> <li>• Facilitate the establishment of a structure(s).</li> <li>• Register with the appropriate Provincial and National bodies.</li> </ul>	
<b>Linkage to other projects:</b> Link into all economic development projects.	
<b>Expertise required to package the project:</b> Facilitation skills are essential. The Chamber or organized business movement within the country is not without their own problems and intrigues. The Pietermaritzburg Chamber of Business has recently been established as a combined Chamber. There is also a Provincial Chamber that could assist.	
<b>Responsibility for implementation:</b> The business community.	
<b>Priority:</b> High.	
<b>Sustainability:</b> The intervention is essential for effective economic management of the area.	
<b>Potential Added Value:</b> This cannot be determined at present.	
<b>Approximate Budget (to be confirmed in project packaging):</b> Contributions should be in facilitating the process and providing administrative support or venues and catering where possible. The business community are ultimately responsible for the establishment and management of the Chamber.	

**Potential source of funding:**

Gijima KZN LED (the Networking and Co-operation fund is a possible source). The BEF could also be used in a broader process of facilitating the bringing together of stakeholders for LED structures.

**Approximate Duration:** 6 months for establishment.

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Hawkers Association	Strategy targeted: Institutional – cross cutting.
<b>Project description:</b> The hawker or informal sector is difficult to organize and as a result their needs are often not taken into account. There is a poor relationship between local government and the sector in general, this is common in many areas. The proposal is to assist in the establishment of an association of informal traders who can assist in the liaison with the Municipality. Municipalities often embark on infrastructure projects that are meant to assist informal traders without properly understanding their needs and these projects become fruitless expenditure. In addition municipalities implement policies and standards that are hostile to the informal sector and the informal sector believe the municipalities unnecessarily try to marginalise them. There is a contest between the parties rather than a synergy.	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• Improvement in communication between the parties.</li> <li>• A better understanding of each others needs.</li> <li>• Improved effectiveness in projects and program designed to assist the informal sector.</li> <li>• To provide a linkage between outside support and the informal sector.</li> </ul>	
<b>Need:</b> The relationship between the two sectors is very poor and the Municipality. There are best practice examples in the eThekweni (Durban) Municipality and Newcastle. The need is initially to support the formation of a representative body that can be negotiated with and undertake liaison. These types of interventions can be very resource intensive (Newcastle has found this) and therefore the intervention must match the resources that are available.	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Informal sector / hawkers / traders.</li> <li>• Umdoni Municipality</li> <li>• Department of Labour.</li> <li>• SEDA</li> </ul>	
<b>Location:</b> Umdoni Municipality	
<b>Planning / Land Legal Issues:</b> Various. These relate particularly to the Municipal bylaws.	
<b>Activities required to package the project:</b> <ul style="list-style-type: none"> <li>• Engage with other Municipalities to determine best practice.</li> <li>• Facilitate the establishment of representative structures for the informal sector.</li> <li>• Develop a Municipal policy regarding informal trading and the informal sector; to include other activities besides trading – such as manufacturing and urban agriculture.</li> <li>• Facilitate an engagement with the broader public.</li> <li>• Approve a Municipal policy. This should include expectations between the different stakeholders and what is considered acceptable.</li> </ul>	
<b>Linkage to other projects:</b> Other SMME and small business support programs.	
<b>Expertise required to package the project:</b> Facilitation and development of best practice.	
<b>Responsibility for implementation:</b> Umdoni Municipality.	
<b>Priority:</b> High.	
<b>Sustainability:</b> Indications are that the informal sector will be a feature of our environment for some time to come. The Municipality needs to develop a communication system that allows both parties to feel that they are being fair. In addition, many interventions by Municipalities to support the informal sector are misguided and wasteful.	
<b>Potential Added Value:</b> This cannot be determined at present.	

<b>Approximate Budget (to be confirmed in project packaging):</b> This could be done internally.
<b>Potential source of funding:</b> <ul style="list-style-type: none"><li>• Gijima KZN LED Program</li><li>• Umdoni Municipality.</li></ul>
<b>Approximate Duration:</b> 6 months

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Business Support Linkages / Network	Strategy targeted: Business –cross cutting.
<b>Project description:</b> The proposal is a response to the need to establish a support system for existing businesses and potential entrepreneurs. The Umdoni area does not require a specific Small Enterprise Development Agency or Local Business Support Centre. The municipal area is close enough to Durban and Port Shepstone to access the required support from these areas. In particular, the proximity to Durban may be exploited further if the linkages or network can assist in identifying markets in the Durban area. It has been noted that Umdoni businesses appear to have not recognised the potential market in Durban	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• Improve access to business support structures (agencies, private service providers and business organizations such as the Chamber).</li> <li>• Open access to markets in Durban.</li> </ul>	
<b>Need:</b> There is a clear need for improved access to business support structures. These would be optimally developed in Umdoni alone and would more than likely require a long wait for funds. It is more effective that existing service providers in the Durban area be approached to provide assistance.	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Existing and emerging businesses.</li> <li>• Umdoni Municipality</li> </ul>	
<b>Location:</b> Umdoni Municipality	
<b>Planning / Land Legal Issues:</b> None	
<b>Activities required to package the project:</b> <ul style="list-style-type: none"> <li>• Assist in the establishment of representative business structures.</li> <li>• Develop the linkages jointly between the Municipality and the Business structures.</li> <li>• Mobilise funding and support structures.</li> </ul>	
<b>Linkage to other projects:</b> Business sector institutional support, SMME development, informal sector support.	
<b>Expertise required to package the project:</b> Facilitation.	
<b>Responsibility for implementation:</b> Umdoni Municipality and the business community.	
<b>Priority:</b> Medium.	
<b>Sustainability:</b> <b>Medium.</b> Funding for services is a question.	
<b>Potential Added Value:</b> This cannot be determined at present.	
<b>Approximate Budget (to be confirmed in project packaging):</b> Internal initially – facilitation required.	
<b>Potential source of funding:</b> <ul style="list-style-type: none"> <li>• Umdoni Municipality.</li> <li>• Department of Economic Development.</li> <li>• Department of Trade and Industry.</li> <li>• Department of Labour.</li> </ul>	

**Approximate Duration:** 6 months.

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Municipal Procurement Policy	Strategy targeted: Institutional –cross cutting.
<b>Project description:</b> The Municipal procurement policy was criticised by a wide range of stakeholders during the process. The policy is not widely understood and there has been poor communications concerning the content.	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• Policy meets national and provincial guidelines and legislation.</li> <li>• The policy is accepted by Council and the public.</li> <li>• The policy is well understood by the Council and the public.</li> </ul>	
<b>Need:</b> There is a national and provincial focus on ensuring that public procurement policies and practices support the broader goals of government. There is a feeling among business people in the Umdoni area that the policy is not in line with national and provincial best practice.  There is substantial support that can be obtained in terms of best practice from the Provincial Treasury (Department of Finance) and the Provincial Department of Local Government and Traditional Affairs.	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Broader public and local businesses in particular.</li> <li>• Umdoni Municipality</li> <li>• Department of Local Government and Traditional Affairs.</li> <li>• Department of Finance (Provincial Treasury).</li> </ul>	
<b>Location:</b> Umdoni Municipality	
<b>Planning / Land Legal Issues:</b> None	
<b>Activities required to package the project:</b> <ul style="list-style-type: none"> <li>• Facilitate contact with Provincial sources of support.</li> <li>• Undertake an investigation into best practice.</li> <li>• Review the Municipal policy.</li> <li>• Undertake a public comment process.</li> <li>• Approve policy at Municipal level.</li> <li>• Undertake a communication strategy.</li> </ul>	
<b>Linkage to other projects:</b> SMME support	
<b>Expertise required to package the project:</b> Facilitation and an understanding of Municipal, Provincial and National policies and legislation.	
<b>Responsibility for implementation:</b> Umdoni Municipality	
<b>Priority:</b> High	
<b>Sustainability:</b> The project is important for the credibility of the Municipality.	
<b>Potential Added Value:</b> This cannot be determined at present.	
<b>Approximate Budget (to be confirmed in project packaging):</b> Internal.	
<b>Potential source of funding:</b> Internal.	

**Approximate Duration:** 6 months.

**PROJECT CONCEPT SHEET**

<b>Project Name:</b> Umzinto Market Stalls	Strategy targeted: Institutional –cross cutting.
<b>Project description:</b> Informal traders in Umzinto are operating in a dysfunctional environment and would support structured interventions to improve the trading conditions. It is recommended that a consultation process be designed in order to determine the most efficient way of approaching the required level of planning and assistance.	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• Improve overall functionality of the centre of Umzinto.</li> <li>• Improve the opportunities available to the informal traders.</li> <li>• Introduce a basic level of control in terms of the preparation of food. This need not be through bylaws or punitive action, but rather through communication and education processes.</li> <li>• Improve the profitability of the informal traders.</li> </ul>	
<b>Need:</b> Umzinto requires a certain level of planning in order to maximise the opportunities that are generated in terms of the location and services offered there. The town is experiencing a certain level of congestion and dysfunction. This is particularly evident in terms of the informal traders.	
<b>Beneficiaries/stakeholders:</b> <ul style="list-style-type: none"> <li>• Project participants – informal traders.</li> <li>• Umdoni Municipality.</li> </ul>	
<b>Location:</b> Umzinto	
<b>Planning / Land Legal Issues:</b> Depending on the site, size and type of interventions.	
<b>Activities required to package the project:</b> <ul style="list-style-type: none"> <li>• Extensive facilitation process with the traders.</li> <li>• Design of a series of interventions. This may include infrastructure and training support.</li> </ul>	
<b>Linkage to other projects:</b> SMME support.	
<b>Expertise required to package the project:</b> Facilitation and an understanding of the informal sector.	
<b>Responsibility for implementation:</b> Umdoni Municipality.	
<b>Priority:</b> Medium.	
<b>Sustainability:</b> The project could stabilize the centre of Umzinto.	
<b>Potential Added Value:</b> This cannot be determined at present.	
<b>Approximate Budget (to be confirmed in project packaging):</b> R250 000.00.	
<b>Potential source of funding:</b> <ul style="list-style-type: none"> <li>• Municipal Infrastructure Grant.</li> <li>• Gijima KZN LED Program (depending on how the project is structured).</li> <li>• Umdoni Municipality.</li> </ul>	
<b>Approximate Duration:</b> 1 year.	