



ULUNDI LOCAL MUNICIPALITY

LOCAL ECONOMIC DEVELOPMENT STRATEGY



2015

Contents

1. Introduction

1.1 Background and Purpose9
 1.2 Objectives of the Study9
 1.3 Methodology9
 1.4 Sources of Information10
 1.5 Report Outline10

2. Policy Environment Supporting LED.....11

National Policy11
 2.1.1. The Constitution of South Africa (Act 108 of 1999)..... 11
 2.1.2. National Development Plan (NDP) 12
 2.1.3. New Growth Path (NGP).....13
 2.1.4. National Spatial Development Perspective.....14
 2.1.5. National Framework for Local Economic Development.....14
 2.1.6. Comprehensive Rural Development Strategy15

 Provincial Policy
 2.2.1. Provincial Growth and Development Strategy & Plan (PGDS & PGDP)18
 2.2.2. Provincial Spatial Economic Development Strategy (PSEDS)20
 2.2.3. KZN Small Enterprise Development Strategy.....21
 Local Policy21
 2.3.2. Ulundi Integrated Development Plan.....21
 2.3.5. Ulundi Tourism Strategy (2014)22
 Roles of Government in LED22
 2.4.1. National Government22
 2.4.2 Provincial Government22
 2.4.3. Local Government22

3. Overview of LED in Ulundi and Status Quo of LED Project.....	23
Ulundi LED Plan (2008)	23
3.1.	
3.1.1. Identified Opportunities.....	24
3.1.2. Strategies, programmes and activities	24
3.1.3. Catalytic projects.....	25
3.3. Status quo of projects	25
4. Socio-Economic Profile	27
Demographics	27
4.1.1. Population and Household Profile.....	27
4.1.2. Age, Gender and dependency Profile.....	34
4.1.3. HIV/AIDS	34
4.1.4. Access to Services	35
4.1.5. Education	35
4.1.6 Economic Assessment	36
5. Key Economic Sector and Activity Assessment	37
Links in economic activity	37
5.1. Agriculture	39
5.2.1. Zululand District	
5.2.2. Ulundi LM	
5.2.3. Trade and Services	
5.3. Tourism.....	
5.4. Other Formal Activities.....	
5.5.5	
5.5.1. Non-government Organisations	
5.5.2. Informal Businesses.....	

LED SWOT Analysis and Gap Analysis	40
SWOT Analysis	40
6.1 Gap Analysis.....	42
6.2 Sector Specific Gaps or Needs	44
6.2.1. Agriculture	45
6.2.2. Tourism	45
6.3 Cross-Cutting Gaps or Needs	45
6.3.1. Institutional	45
6.3.2. Skills Development and Training	45
6.3.3. Infrastructure	46
6.3.4. Enterprise Development (SMME and Co-ops)	46
6.3.5 Interventions for Strategy Development Framework	46
7. Strategy Development	56
Vision	57
7.1. Strategic Goals and Programmes	58
7.2. Sector-Specific Strategies	58
7.2.1. Agriculture	58
7.2.2. Tourism	58
Cross-Cutting Strategies	58
7.3.1. Enterprise Development	59
7.3.2. Institutional	59
8. Implementation Plan.....	67

ACRONYMS	
ADA	Agricultural Development Agency
ZDM	Zululand District Municipality
AFASA	African Farmers Association of South Africa
AgriSETA	Agricultural Sector Education Training Authority
DAEA	Department of Agriculture and Environmental Affairs
DEDTEA	Department of Economic Development, Tourism and Environmental Affairs
DOE	Department of Education
DOH	Department of Health
DOHS	Department of Human Settlements
DMR	Department of Mineral Resources
DSD	Department of Social Development
DTI	Department of Trade and Industry
FET	Further Education Training
ITB	Ingonyama Trust Board
LED	Local Economic Development
NGO	Non-Government Organisation
SEDA	Small Enterprise Development Agency
SETA	Sector Education and Training Authority
SMME	Small, Medium and Micro Enterprises

Report Outline 1.5.

Introduction

Policy Environment Supporting LED

Overview of LED in Ulundi and Status Quo of LED Projects

Socio-Economic Profile

Key Economic Sector and Activity Assessment

Surveys and Workshops

Areas of Economic Activities and the Disestablishment of Ulundi LM

LED SWOT and Gap Analysis

Strategy Development

Programme and Project Development

Implementation Framework

1. Introduction

Background and Purpose

1.1.

INTRODUCTION

The purpose of local economic development is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation.

Local Economic Development (LED) refers to the approach a municipality and region may take to encouraging investment by big business, small local business development, tourist industries or large sector economy management in mining, manufacturing or farming. The National Framework for Local Economic Development (2006-2011) sets out the objective of LED within local municipalities which is *'to take active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of job opportunities'*.

Local municipalities are mandated to develop LED strategies and plans that will assist them and their economic partners to work together to address the challenges facing their respective local economies in an effort to improve the economic future and the quality of life for all the residents in the area.

Currently the Ulundi Local Municipality has a 2008 Local Economic Development Plan. A lot has changed since the development of this plan, hence this necessitated the development of a new LED Vision and Strategy that will assess amongst other things, the;

- Policy and Legislative frameworks guiding LED at national, provincial and local level
- Demographics and socio-economic profile of Ulundi,
- Economic opportunities, competitive and comparative advantages of the area,
- Economic constraints, problems and challenges.
- Sector focus and priorities.

- Spatial economic character and integration, including regional, sub-regional, district, provincial and national imperatives of the recommended interventions.
- Ongoing and planned projects.
- Institutional arrangements, skills and capacity of ULM, stakeholders and partners to carry out the recommended programmes and projects.

The success of Ulundi today depends upon its ability to adapt to the dynamic local, national and international market economy. Strategically planned LED is increasingly used by communities to strengthen the local economic capacity of an area, improve the investment climate and facilitate an increase in the productivity and competitiveness of local businesses, entrepreneurs and workers. In KwaZulu-Natal, there has been a strong emphasis on the importance of recognising not only the Local but also Regional Economies and their role and importance in Economic Development hence the term “Regional Local Economic Development” (RLED). This strategic shift towards RLED is informed by the realities that neighbouring municipalities may possess elements and opportunities that other neighbouring municipalities can benefit from. Demarcations and physical boundaries that have been put in place should not necessarily prevent the development of strategic regional partnerships and economies. An understanding of the principles and practices of strategic LED planning will position Ulundi to be able to improve their quality of life, create new economic opportunities and fight poverty. Globalization increases both opportunities and competition for local investment. Local conditions determine the relative advantage of an area and its ability to attract and retain investment. Even small towns like Ulundi and their surrounding rural regions can develop local economic opportunities at a national or international level by building on their local economic strengths.

At the national level, macro-economic, fiscal and monetary reforms have directly impacted the economy at the local level. National regulatory and legal frameworks such as tax reform and environmental standards directly influence the local business climate, either enhancing or reducing the potential for local economic development.

The economic advantage of Ulundi depends significantly on the quality of Municipal governance and management, and on the policies affecting the availability of, or lack of,

electricity, transport, telecommunications, sanitation and developable land. Factors affecting labor productivity in the local economy include the availability and quality of housing, health and education services, skills, security, training opportunities and public transport. These 'hard' and 'soft' infrastructure factors are major determinants of Ulundi's relative advantage. The quality and provision of 'hard' and 'soft' infrastructure will form the cornerstone of a successful local economy.

The most important and effective local economic development activity that Ulundi municipality can undertake is to improve the regulatory processes and procedures to which businesses are subjected by the municipality itself. A survey of most municipalities would reveal a number of complex, poorly managed, expensive and unnecessary business registration systems. By reducing these, Ulundi can quickly improve its local investment climate. In most countries, economic growth is determined not only by the formal economy (the economic sectors that are legally registered and pay taxes) but also by the informal economy (those activities that are not legally registered). In some cases the size of the informal economy is greater than the formal economy, and it interacts with the formal economy by supplying certain goods and services. The linkages between the formal and informal sectors of the economy need to be understood and considered in the devising of this local economic development strategy.

Communities and businesses increasingly recognize that a successful local economy requires social as well as economic, environmental and physical renewal or investment. In many Municipalities around the KZN Province, large numbers of low-income families work within the informal economy, however, these informal activities are often low-growth activities as a result of a lack of access to proper infrastructure and services (electricity, water, roads), regular means of financing, information and skills. The development of an LED strategy should recognize and accommodate the constraints and opportunities of the informal economy so as to broaden the impact of the strategy.

Therefore the purpose of this revised LED Strategy is to provide an updated LED plan that considers the changes that have occurred over the past five years whilst identifying new LED opportunities and development initiatives for the Ulundi LM.

Objectives of the Study 1.2.

The overall objectives for the entire LED review are:

- To undertake a detailed economic analysis so as to enable identification of appropriate market interventions that will lead to economic development of the Ulundi LM;
- To formulate an implementable LED strategic framework to guide the promotion and support of sustainable economic development within Ulundi LM;
- To create a database of projects within the municipality including those which are being implemented, economic opportunities and future projects;
- To identify priority projects and catalytic projects and to develop an action plan for the implementation of programmes and projects.

Methodology 1.3.

The study utilised the following methodologies:

- Review and analysis of existing desktop information (statistical databases; existing plans and strategies of the municipality; national and provincial economic development strategies and policies, and any other relevant information and data identified);
- Telephonic and face-to-face interviews and discussions with key stakeholders;

- Local business questionnaires administered telephonically, in the interest of identifying the current constraints to business; support required from government; opportunities; and perceptions about current and future economic trends.

Sources of Information 1.4.

The following sources of information were utilised during the LED Strategy review:

- Primary data targeting small businesses which include both co-ops and SMMEs;
- Quantec Database;
- Municipal project databases;
- Interviews with key stakeholders and officials;
- Existing national, provincial and district policies, strategies and plans;
- Existing local development plans (including the existing LED Plan).

2. Policy Environment Supporting LED

National Policy 2.1.

2.1.1. The Constitution of South Africa (Act 108 of 1996)

The constitution is the overarching legislation in South Africa and all other policies, legislation and strategies have to align to it. It mandates all levels and spheres of government, to promote social and economic development. Section 152 of the Constitution relates to economic development by stating the following objectives of local government:

- To promote social and economic development.
- To promote democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matters of local government.

All these objectives have a legal mandate for local economic development at the local level to promote socio-economic upliftment at the responsibility of the local authorities. Community participation is also acknowledged which plays a major role in local economic development since it is important to speak to the needs of the people.

Section 153 mandates each municipality to :

- Structure and manage its administration, budgeting and planning processes, to give priority to the basic needs of the community and to promote the social and economic development of the community; and
- Participate in national and provincial development programmes.

The above mentioned objectives are all incorporated and inform the principles and strategies related to local economic development and are applicable to the Ulundi LED Strategy.

2.1.2. National Development Plan (NDP)

The established National Planning Commission (NPC) developed the NDP vision for 2030 for South Africa. A Diagnostic Report was released in June 2011 and sets out South Africa's achievements and shortcomings since 1994. The central challenges identified are:

- Too few people work;
- The standard of education for most black learners is of poor quality;
- Infrastructure is poorly located, under-maintained and insufficient to foster higher growth;
- Spatial patterns exclude the poor from the fruits of development;
- The economy is overly and unsustainably resource intensive;
- A widespread disease burden is compounded by a failing public health system;
- Public services are uneven and often of poor quality;
- Corruption is widespread;
- South Africa remains a divided society.

The commission believes that of these elements, two are of critical importance – too few people work and the standard of education available to the majority is poor.

In reaction to these fundamental challenges, the NDP 2030 Vision spells out the key development areas which require focus. These are:

- Creating jobs and livelihoods;
- Expanding infrastructure;
- Transition to a low-carbon economy;
- Transform urban and rural spaces;
- Improving education and training;
- Providing quality health care;
- Building a capable state;
- Fighting corruption and enhancing accountability;
- Transforming society and uniting the nation.

Relevance to Ulundi LED:

Based on the guidelines provided by the NDP, the Ulundi LED needs to incorporate the key critical development focus areas relevant to LED. These are:

- The creation of jobs through investment into key sectors;
- Ensuring the improvement of training and skills development;
- The transformation of rural and urban areas through LED interventions;
- Building the capacity of the Municipality to undertake LED;
- Ensuring a coordinated approach to LED.

2.1.3. New Growth Path (NGP)

The New Growth Path (NGP) provides broad framework that sets out a vision and identifies key areas where jobs can be created. The NGP is intended to address unemployment, inequality and poverty in a strategy that is principally reliant on creating a significant increase in the number of new jobs in the economy, mainly in the private sector.

The NGP set a target of creating five million jobs by 2020. This target is projected to reduce unemployment from 25% to 15%. Critically, this employment target can only be achieved if the social partners and government work together to address key structural challenges in the economy.

The NGP seeks to place the economy on a production-led trajectory with growth targeted in ten 'jobs drivers'. As a first step, government will focus on unlocking the employment potential in seven key sectors and activities. These are:

- Infrastructure, through the massive expansion of transport, energy, water, communications capacity and housing, underpinned by a strong focus on domestic industry to supply the components for the build-programmes;
- The agricultural value chain, with a focus on expanding farm-output and employment and increasing the agri-processing sector;
- The mining value chain, with a particular emphasis on mineral beneficiation as well as on

- increasing the rate of minerals extraction;
- the green economy, with programmes in green energy, component manufacture and services;
- manufacturing sectors in IPAP2 and;
- Tourism and certain high-level services.

2.1.4. National Spatial Development Perspective

The following principles as shown in the box all enable and promote LED and are relevant for the Ulundi LED strategy. The NSDP seeks to address poverty, grow the economy, creating jobs and promote social cohesion thereby targeting apartheid spatial planning and implement spatial priorities that meet the Constitutional obligation of the government to provide basic services and alleviate poverty and inequality. NSDP provides a set of national spatial guidelines which:

- ‘Enable a shared understanding of the national space economy;
- Provide a principle-based approach to coordinate and guide policy implementation across government; and
- Interpret the spatial realities and the implications for government intervention’.

Relevance to Ulundi LED:

Given the principles and objectives set out by the NSDP, economic development is supported throughout which ensures a conducive environment for LED to take place, provide services in areas of low economic potential, understanding the decentralised approach to economic development. It recognises the need for good governance at the provincial, district, and municipal levels in order to coordinate, prioritise and facilitate local economic development.

‘The **NSDP** puts forward a set of five normative principles to be considered when making infrastructure investment and development spending decisions in and between all three spheres of government:

Principle 1: Rapid economic growth that is sustained and inclusive is a prerequisite for the achievement of other policy objectives, amongst which poverty alleviation is key.

Principle 2: Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy, health and educational facilities) wherever they reside.

Principle 3: Beyond the constitutional obligation identified in Principle 2 above, government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.

Principle 4: Efforts to address past and current social inequalities should focus on people, not places. In localities where there are both high levels of poverty and demonstrated economic potential, this could include fixed capital investment to exploit the potential of those localities. In localities with low demonstrated economic potential, Government should, beyond the provision of essential services, concentrate primarily on human capital development by providing social transfers such as grants, education and training and poverty relief programmes and reducing migration costs by providing labour market intelligence so as to give people better information, opportunities and capabilities to enable people to gravitate, if they chose to, to localities that are more likely to provide sustainable employment and economic opportunities. In addition sound rural development planning, aggressive land & agrarian reform & expansion of agricultural extension services are crucial. **Principle 5:** In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth’

2.1.5. National Framework for Local Economic Development

In 2006 the Department of Provincial and Local Government established a National framework for Local Economic Development, which resulted from consultations among different levels of government, and different relevant departments. The overarching aim of the National LED framework is to support the development of sustainable local economies through integrated government action. The framework contains ten guiding principles as outlined below.

- (a) Through a developmental approach, Government has a decisive and unapologetic role to play in shaping the economic destiny of the country.
- (b) Creating an environment in which the overall economic and social conditions of the locality are conducive to the creation of employment opportunities is the responsibility of Local Government.
- (c) Local Economic Development is an outcome of actions and interventions resulting from local good governance and the constant improvement and integration of national priorities and programs in local spaces.
- (d) Inward investment from the state or private sector will only be effective where the potential and competitive advantages of each area are known and exploited.
- (e) Promoting robust and inclusive local economies requires the concerted, coordinated action of all spheres and sectors of government centred on the application and localisation of the principles espoused in the National Spatial Development Perspective (NSDP).
- (f) Locally owned appropriate solutions and strategies should emerge to support national frameworks in both rural and urban local spaces and should promote sustainable development and sustainable human settlements.
- (g) South Africa competes in a global and increasingly integrated world economy whose threats must be minimised and whose opportunities must be exploited.
- (h) Private companies, including social enterprises and cooperatives, form the heart of the economy and have a crucial role to play as partnerships with public and community role players that will ultimately stimulate robust and inclusive local economies.
- (i) People are the single greatest resource and including all citizens in development and increasing their skills leads to increased opportunities for stimulating local economies and
- (j) Local initiative, energy, creativity, assertive leadership and skills will ultimately unlock the latent potential in local economies and will shape local spaces.

The framework goes on to outline what it envisages as the primary areas of focus for municipalities, in facilitating LED. They include:

- Provision of infrastructure and quality and reliable services,
- Managing spatial policies,
- Land-use regulation and development applications,
- Managing service tariff policies,
- Managing a progressive property tax system
- Marketing the territory.

Relevance to Ulundi LED:

- On the basis of the above, and as a local municipality with potential for economic growth and development, Ulundi LED will need to consider:
- A more aggressive approach to infrastructure development, and basic services delivery
- Systematic efforts in marketing Ulundi as an economic destination.
- Build stronger partnerships with the private sector and
- Sustain and implement land use regulations.

2.1.6. Comprehensive Rural Development Strategy (CRDP)

The **VISION** of the **CRDP** is to create vibrant, equitable and sustainable rural communities which include: contributing to the redistribution of 30% of the country's agricultural land; improving food security of the rural poor; creation of business opportunities, de-congesting and rehabilitation of over-crowded former homeland areas; and expanding opportunities for women, youth, people with disabilities and older persons who stay in rural areas.

The ultimate vision of creating vibrant, equitable and sustainable rural communities will be achieved through a three-pronged strategy based on:

- a coordinated and integrated broad-based agrarian transformation;
- strategically increasing rural development; and
- An improved land reform programme.

The Department of Rural Development and Land Reform has introduced the Comprehensive Rural Development Programme (CRDP). This programme is focused on enabling rural people

to take control of their destiny, with the support from government, and thereby dealing effectively with rural poverty through the optimal use and management of natural resources. This will be achieved through a co-ordinated and integrated broad based agrarian transformation as well as the strategic investment in economic and social infrastructure that will benefit the entire rural communities. The department also created two new branches dealing with rural infrastructure (social and economic infrastructure abbreviated as RID: Rural Infrastructure Development) and STRIF (Social, Technical, Rural Livelihoods and Institutional Facilitation) to create an enabling institutional environment.

Provincial Policy 2.2

2.2.1. Provincial Growth and Development Strategy & Plan (PGDS & PGDP)

This provides KwaZulu-Natal with a reasoned strategic framework for accelerated and shared economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments.

Attention is given to the provision of infrastructure and services, restoring the natural resources, public sector leadership, delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. This will lay the foundations for attracting and instilling confidence from potential investors and developing social compacts that seek to address the inter-connectedness of the Provincial challenges in a holistic, sustainable manner, whilst nurturing a populous that is productive, healthy and socially cohesive.

The PGDS aligns itself to the Millennium Development Goals (MDGs), the New Growth Path (NGP), the National Development Plan (NDP), as well as various other national policies and strategies. It identifies seven strategic goals, all of which have a direct bearing on economic development. They are:

- Goal 1: Job Creation
- Goal 2: Human Resource Development
- Goal 3: Human & Community Development
- Goal 4: Strategic Infrastructure
- Goal 5: Environmental Sustainability
- Goal 6: Governance and Policy
- Goal 7: Spatial Equity

Strategic Goals 1, Job Creation, deals directly with local economic development, and is of particular importance to the purposes of the current analysis. The key strategic objectives within this goal are:

- Unleashing the agricultural sector
- Enhancing sectoral development through trade and investment
- Improving the efficiency of government-led job creation programmes
- Promoting SMME and entrepreneurial development
- Developing the knowledge base to enhance the knowledge economy

In addition, other cross cutting goals and objectives relate to the development of strategic infrastructure such as roads, ensuring demand-driven skills development and training, ensuring efficient coordination between all developmental stakeholders, and promoting spatial equity through spatial concentration.

Relevance to Ulundi LED:

To this end, the Ulundi LED needs to ensure:

- A focus on development of key economic sectors (agriculture and tourism);
- Advancement of investment promotion and facilitation as a means to stimulate economic development;
- Development of SMMEs and promotion of entrepreneurship;
- Industry-driven skills development and training;
- Development of spatial concentration through use of nodal and corridor development;
- Enhanced coordination between all stakeholders.

2.2.2. Provincial Spatial Economic Development Strategy (PSEDS)

The PSEDS provides a strategic framework, sectoral strategies and programmes aimed at a rapid improvement in the quality of life for the poorest people of the Province. It sets out to address the developmental challenges posed by these socio-economic contexts through a ten year development plan. The PSEDS specific programmatic interventions are built around the particular nature of inequality and poverty in the KZN. There are several spatial considerations that will have bearing on this project.

Relevance to Ulundi LED:

- The development of economic activity within a spatial context in Ulundi and Zululand District;
- The promotion of SMMEs and Cooperatives in the local economy;
- Ensuring the local community is involved at all levels of planning and that their concerns and suggestions are incorporated;
- Linking local development into larger regional planned initiatives to insure support;
- Focussing on local economic strengths as an initiation point for LED;
- Promoting a supportive environment for LED in the municipal area.

2.2.3. KZN Small Enterprise Development Strategy

The purpose of the Small Enterprise Development Strategy is to formulate a provincial wide framework that will assist in coordinating, orientating and guiding all small enterprise development programmes and related activities in the province of KwaZulu-Natal. Through this strategy, all stakeholders will be able to align their programmes and actions and therefore support and add value to the development of emerging small enterprises.

The key objective of the strategy is the implementation of a comprehensive and integrated programme for the development and growth of small enterprises in the province.

This will be achieved by:

- Developing entrepreneurship skills;
- Facilitating easy access to local and international markets;

- Facilitating access to finance;
- Providing relevant and effective training to small enterprise operators, and
- Facilitating a mentoring and incubation programme for all small enterprises in KZN.

Relevance to Ulundi LED:

In this regard, the Ulundi LED must ensure a focus on:

- Ensuring that entrepreneurial skills are developed;
- Providing assistance and support to SMMEs in terms of access to finance and markets;
- Training and skills development of small enterprises.

Local Policy

2.3.2. Ulundi Integrated Development Plan (2014/2015)

The Municipal Systems Act mandates that every municipality prepare an Integrated Development Plan (IDP) which is a five year strategic plan which determines the issues and hence priorities of a municipality based on local conditions and factors such as population, poverty, skills etc.

The IDP provides a strategic plan that informs and guides planning and development that takes place within a municipality. It provides guidance for other spheres of government, corporate service providers, NGOs and private sector for planning and development activities that take place within a municipality.

The IDP also provides direction for key investment in priority areas where there is a critical need for development.

Sector plans (such as housing plans, LED plans, agricultural plans, infrastructure plans etc.) are important components which inform the IDP process. Therefore it is critical for all development and sector plans (sector plans such as a LED strategy, housing plan, agriculture plan) to align with the IDP. With specific reference to local economic development, the IDP and LED plans need to inform each other and work in an integrated manner to ensure that sustainable economic development takes place within a municipality.

The municipality's vision is:

“A developmental city of heritage focusing on good governance, socio-economic development and upholding tradition to promote sustainable service delivery

The municipality aims to achieve this vision through the following mission:

To develop the institution and to facilitate institutional transformation
To provide infrastructure and services to all, with emphasis on rural communities, in a sustainable manner
To develop and support sustainable local economic development, through focusing on tourism development, and incorporating the youth
To develop and support social development initiatives, particularly those focused on the youth and the vulnerable
To ensure good governance through leadership excellence and community participation
To ensure continued sound financial management
To ensure effective and efficient Land Use Management, taking cognizance of sound environmental practices

To develop the institution and to facilitate institutional transformation.

To provide infrastructure and services to all, with emphasis on rural communities, in a sustainable manner.

To ensure good governance through leadership excellence and community participation

The vision provides the envisaged and desired long term development outcome for the Ulundi LM and generally outlines the core values and principles that are central to what the municipality and its local residents want for the local area. The mission indicates the objectives that specifically indicate the means through which the vision is achieved. Therefore it is essential that local economic development within Ulundi LM is directed towards meeting the long term vision and objectives of the municipality.

Development needs

Due to limited funding, the municipality is unable to implement all the projects that are needed to address the community at large. Through engagement with the local community, the following community needs were identified:

- Roads, Electricity, Water & Housing

- Poverty Alleviation Programmes & Agricultural Assistance
- Job creation projects and access to bursaries
- Crime prevention programmes
- Public facilities, i.e. sport grounds, community halls

Relevance to Ulundi LED:

It is clear that the overarching vision and strategies indicates that local economic development forms an important component for development within the municipality. To this end, the LED strategy must:

- Establish an environment that facilitates and enables local economic opportunities and development that is both economically viable and sustainable;
- Ensure local economic development takes places in priority areas;
- Address the development needs of the community (i.e. Poverty alleviation, agricultural assistance, job creation projects etc.);
- Ensure that strategies are directed towards meeting the long term vision and objectives of the municipality and align to the IDP and address specific community needs where possible.

3. Overview of LED in Ulundi and Status Quo of LED Projects

The Ulundi Municipality Local Economic Development (LED) Plan was developed and adopted by the Municipality in 2008. It was developed as a guiding document for local economic development within the Ulundi LM. The LED Plan recognizes that agriculture is the most dominant sector in the Ulundi LM and that the key areas to unlock local economic development economic development lie in tourism development, agriculture activities and the business sector.

3.1.1. Identified Opportunities

The LED Plan identified a number of opportunities that would unlock local economic development within the Ulundi LM. These opportunities where analysed and used as a guideline to develop strategies that would unlock local economic development within Ulundi.

The identified local economic opportunities pertain to the agriculture, tourism, and local business sectors. The table below presents a summary of these identified opportunities.

The LED plan highlights that the success of potential projects derived from the opportunities presented above are dependent on the development of good basic infrastructure as this is key for attracting investment into the municipality.

3.1.2. Strategies, programmes and activities

The LED Plan’s Strategic Development Framework includes both sector specific strategies and cross-cutting strategies. The sector specific strategies are based on 3 sectors (agriculture, tourism, business and related sectors) and cross-cutting strategies are based on matters which affect all economic sectors and need to be streamlined into the economic development process. (Ulundi LM LED Plan 2008). A number of programmes were developed for each of the strategies which were intended to provide the municipality with guidance on how to achieve the strategies. Activities that would enable the implementation of programmes were only provided for some the programmes. In addition to the strategies, projects and activities, a total of 8 Anchor projects were identified as key projects that would stimulate local economic development within Ulundi LM.

1. Infrastructural Development
2. Promote Commercial Agriculture
3. Cengeni Gate Tourism
4. Emakhosini Ophathe Heritage Park
5. Ulundi Tourism Hub
6. Legacy Traditional Village
7. District Nursery Expansion
8. Aloe Processing Facility

The overall Goals and objectives of the LED strategies are outlined below:

Goal	Objectives

Create conducive condition for economic growth especially small business	Develop business opportunities for SMMEs
	Provide
Promote Ulundi as tourist destination	Provide Business support facilities
Improve Service Delivery	Strategic advertise Ulundi
Development of rural nodes	Strengthen tourism structures
Improve LED Capacity	Prioritization of basic services in nodal area

(Ulundi Local Municipality LED Plan, 2008)

It is clear that the above objectives clearly align with local economic development principles that would most likely stimulate local economic development in the Ulundi LM

Challenges with LED implementation

A number of issues were identified with the implementation of the LED in the Ulundi LM. Some of these issues have been outlined in the Turnaround Strategy which the document directed to address. However, the economic and socio-economic environment of the municipality has experienced many changes over the past 6 years since the LED Plan and the Turnaround Strategy were developed, thus the current context of the municipality makes these projects unviable.

The following issues were picked up from the analysis:

- The adopted Ulundi Municipality Local Economic Development Strategy has not been fully implemented. This could be attributed to lack of staff, capacity, budget and many other factors.
- The municipality lacked capacity to implement its Plans that could contribute in accelerating economic turnaround of the area,
- There was a lack of capacity to mobilise resources for the LED programmes and projects.
- In addition to the above, the municipality has further indicated that the projects indicated the LED Plan has not been fully realised due to:
 - The lack of funding – the types of projects indicated in both documents require large sums of money to be initiated. The municipality has a limited budget and cannot implement projects without additional funding from other resources. This situation is further exacerbated by the fact that the municipality does not have a large rates base which impedes their ability to initiate such projects.
 - The financial situation and challenges experienced by the municipality made the projects no longer viable.

4.1.1 DEMOGRAPHIC INDICATORS

Population Size

4.1.1.1 Total Population

Table : Total Population

Total population		
1996	2001	2011
170,551	188,585	188,317

The Ulundi Municipality experienced an increase in the number of the people residing within its boundaries from 1996 to 2001. However, there has been a small decrease in population size between 2001 and 2011

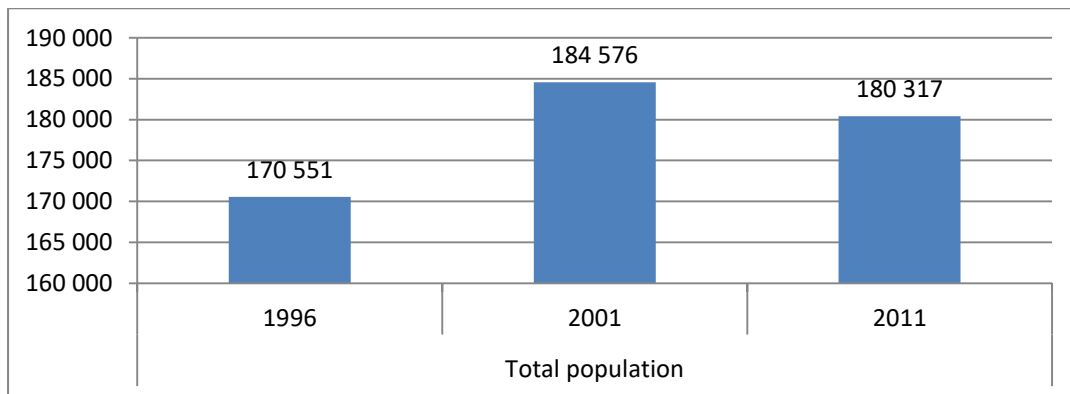


Figure 1: Total Population

4.1.1.2 Population Growth

Table 1: Population Growth

Population Growth (% p.a.)	
1996-2001	2001-2011
2.01	-0.01

Population Growth between 1996 and 2001 was 2.01%, whilst between 2001 and 2011, population growth rate was negative, namely -0.01%.

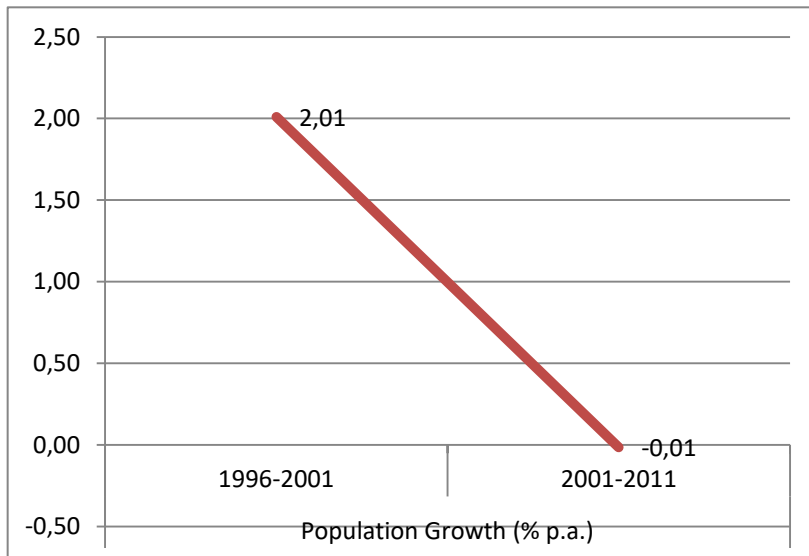
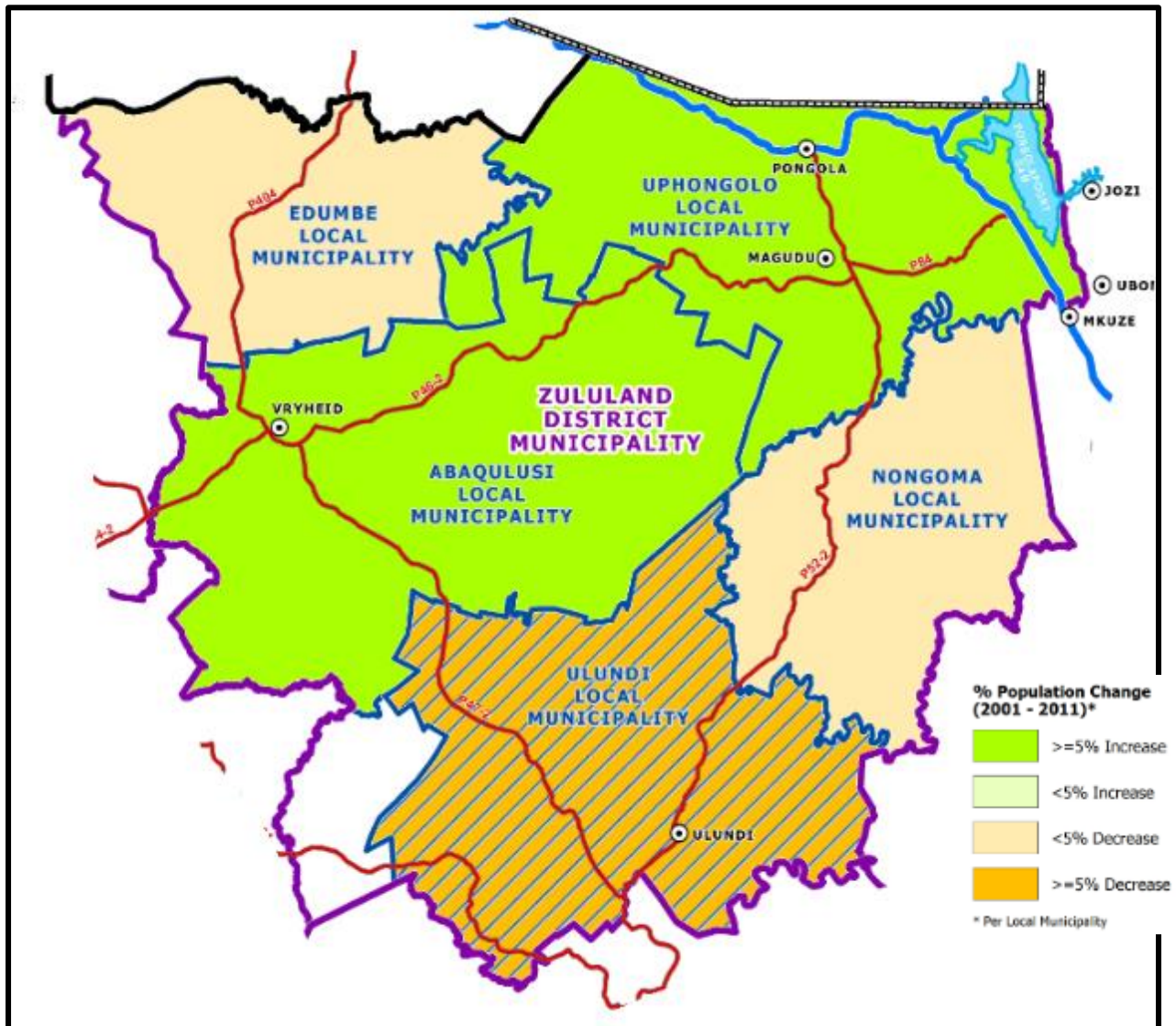


Figure 2: Population Growth

4.1.1.3 Population Change (between 2011 and 2011)



There has been a slight decrease in the population of Ulundi. This decrease in population could be as a result of many factors. There could be urban migration as people seek employment. There could be an increase in the mortality rate. However, statistically, the rate of the decrease in rate is small and no conclusions can be premised from the decrease in the population.

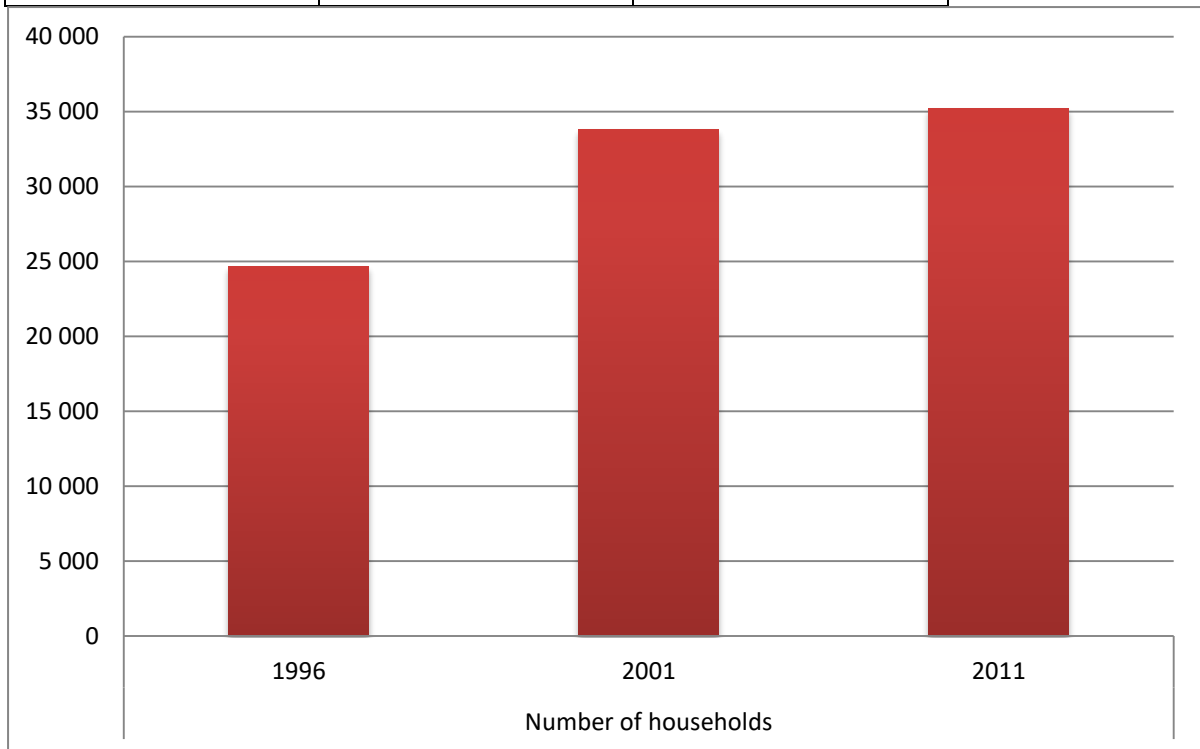
Map 1: % Population Size Change between 2001 and 2011

4.1.2 Households

4.1.2.1 Number of Households

Table 2: Number of Households

Number of households		
1996	2001	2011
24,684	33,776	35,198



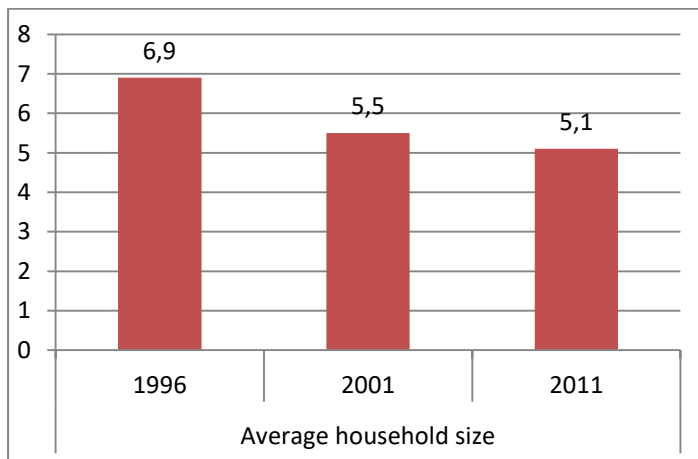
There has been a significant increase in the number of households between 1996 and 2001. This trend continued between 2001 and 2011 – even though the population growth rate was negative between these two periods, i.e. -0.01%. This means that household sizes have decreased over these time periods.

Figure 3: Number of Households

4.1.2.2 Average Household Size

Table 3: Average Household Size

Average household size		
1996	2001	2011
6.9	5.5	5.1



There has been a significant decrease in Average Household Sizes between 1996 and 2001, i.e. from an average of 6.9 persons per household to 5.5 persons. This trend continued and average household sizes decreased 5.1 persons per household in 2011.

Figure 4: Average Household Size

4.1.2.3 Female Headed Households

Table 4: % of Female Headed Households

% of Female Headed Households		
1996	2001	2011
54.8	57.9	58.8

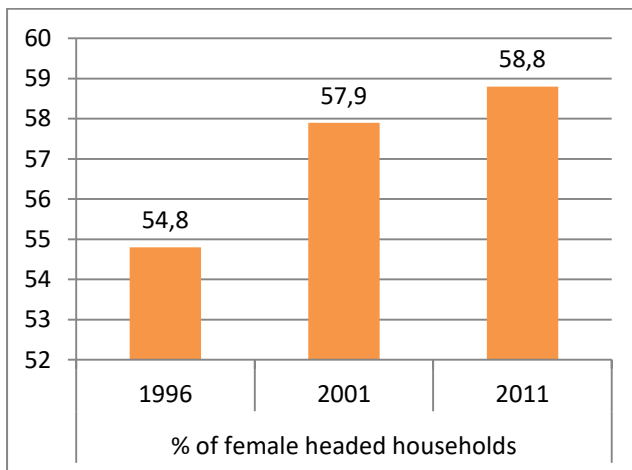


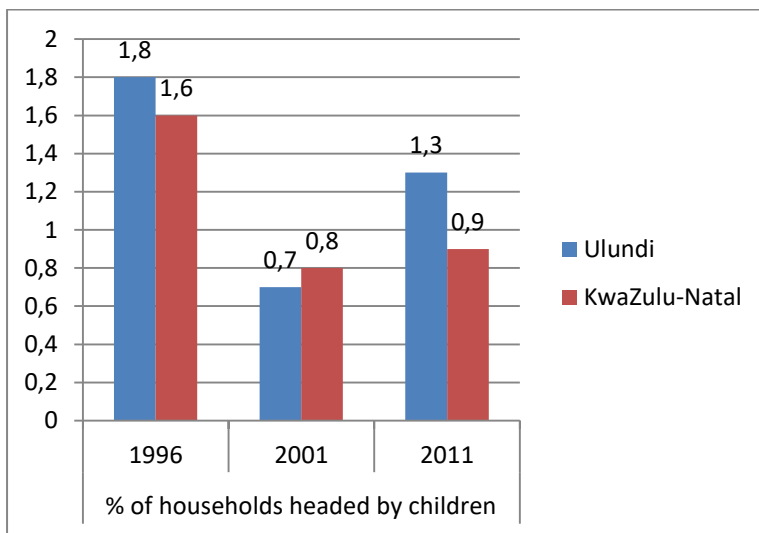
Figure 5: % of Female Headed Households

Between 1996 and 2001, there has been a significant increase in the % of households headed by women, i.e. from 54.8% to 57.9%. Between 2001 and 2011 this increased slightly to 58.8%. A possible reason for this is that males seek employment outside of the Municipal area, such as at Vryheid, Richards Bay, Durban and Gauteng. (IDP 2014/15)

4.1.2.4 Child Headed Households

Table 5: % of Households Headed by Children

	% of Households Headed by Children		
	1996	2001	2011
Ulundi	1.8	0.7	1.3
KwaZulu-Natal	1.6	0.8	0.9



Households headed by children are cause for grave concern. This normally means that both parents might have passed away and that the eldest child is taking care of his or her siblings. There has been a reduction in the % of households headed by children between 1996 and 2001. However, this percentage has increased from 0.7% to 1.3% between 2001 and 2011. In 2011, child headed households numbered some 460 households.

Figure 6: % of Households Headed by Children

4.1.3 Gender Ratio

Table 6: Gender Numbers and Ratio

Year	Number of		Ratio in %	
	Male	Female	Male	Female
1996	75,956	94,595	44.54%	55.46%
2001	84,601	103,984	44.86%	55.14%
2011	85,061	103,255	45.17%	54.83%

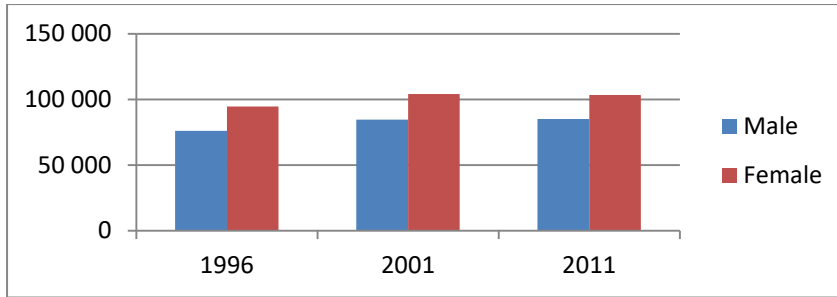
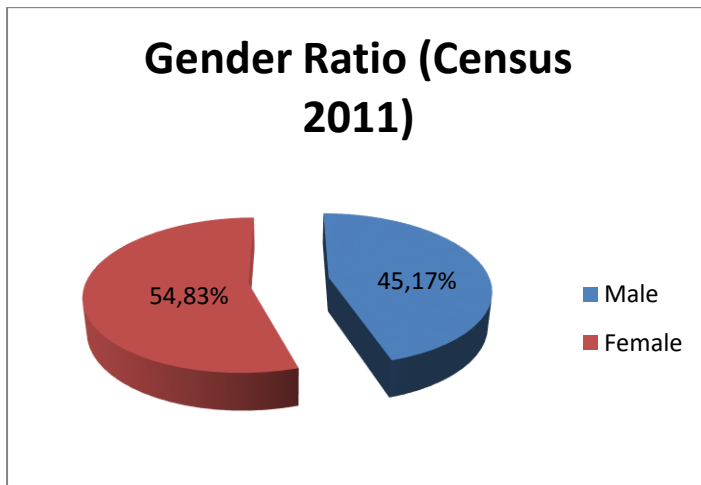


Figure 7: Number of Females and Males – 1996, 2001 and 2011



In 1996, 2001 and 2011, the gender ratio (number of males vs number of females) within the Municipal area has remained relatively constant, i.e. 55% female and 45% male.

A possible reason for the higher number of females is that males seek employment outside of the Municipal area, such as at Vryheid, Richards Bay, Durban and Gauteng.

Figure 8: Gender Ratio (2011)

4.1.4 Age Distribution

Table 7: Age Distribution – 1996, 2001 and 2011

Age Cohort	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	11,943	12,211	24,153	12,011	12,089	24,099	13,034	13,634	26,668
5-9	13,320	13,156	26,477	13,946	13,907	27,853	12,193	12,311	24,504
10-14	12,906	13,192	26,097	14,475	14,533	29,008	12,466	11,973	24,439
15-19	10,338	11,137	21,475	12,864	13,499	26,364	12,123	12,170	24,293
20-24	6,234	8,484	14,719	6,937	8,804	15,741	8,223	10,098	18,321
25-29	3,890	6,386	10,277	4,571	6,912	11,483	6,028	8,398	14,426
30-34	3,229	5,760	8,989	3,640	5,695	9,334	3,938	5,756	9,694

Age Cohort	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
35-39	2,992	4,793	7,786	3,451	5,683	9,134	3,332	4,715	8,047
40-44	2,258	3,740	5,998	3,063	4,821	7,884	2,577	4,158	6,735
45-49	1,769	2,712	4,481	2,393	3,920	6,313	2,570	4,386	6,956
50-54	1,277	1,899	3,175	1,947	2,950	4,898	2,389	3,804	6,192
55-59	1,197	2,141	3,338	1,389	2,006	3,395	1,982	3,276	5,258
60-64	964	2,255	3,219	1,211	2,494	3,705	1,596	2,460	4,057
65-69	912	2,132	3,044	897	1,989	2,886	909	1,425	2,334
70-74	706	1,443	2,149	757	2,075	2,832	715	1,600	2,315
75-79	507	1,010	1,517	503	1,225	1,728	401	1,194	1,595
80-84	213	395	608	385	894	1,279	274	1,021	1,295
85+	165	406	571	162	487	649	312	878	1,189
Total	74,820	93,252	168,072	84,602	103,983	188,585	85,062	103,257	188,319

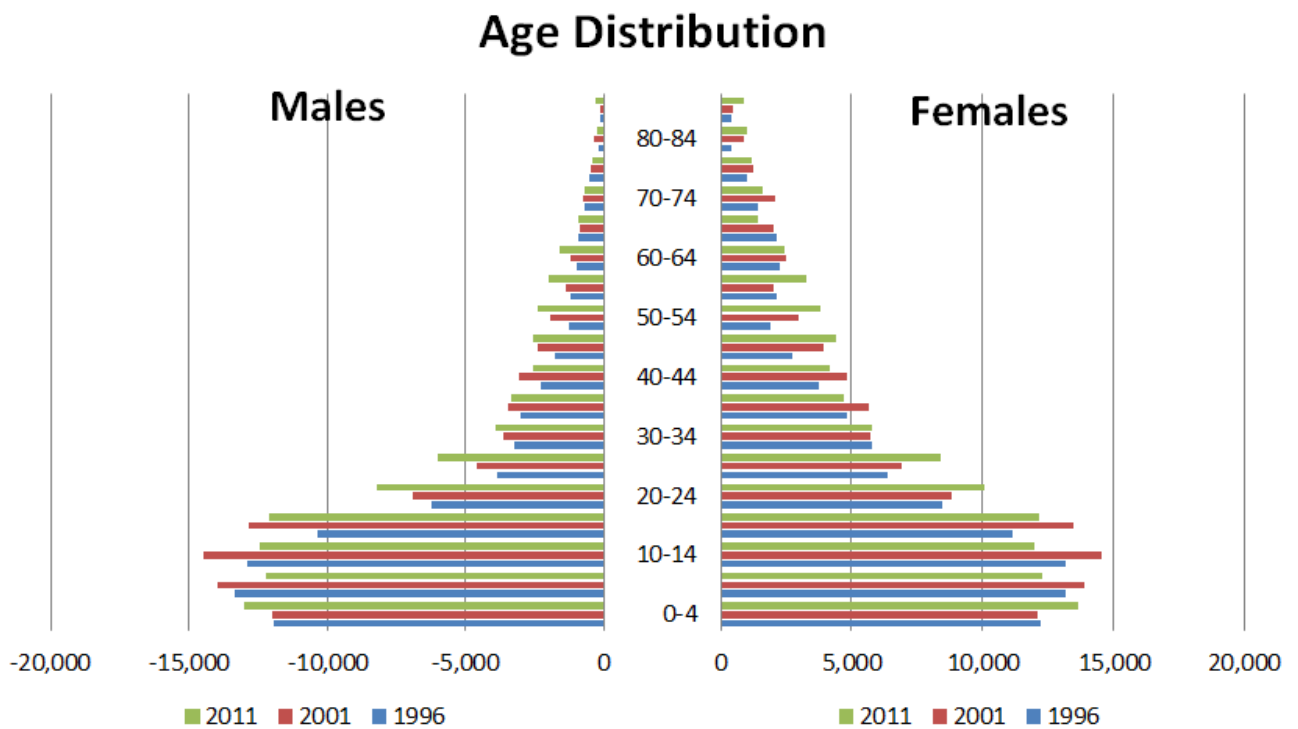


Figure 9: Age Distribution – 1996, 2001 and 2011

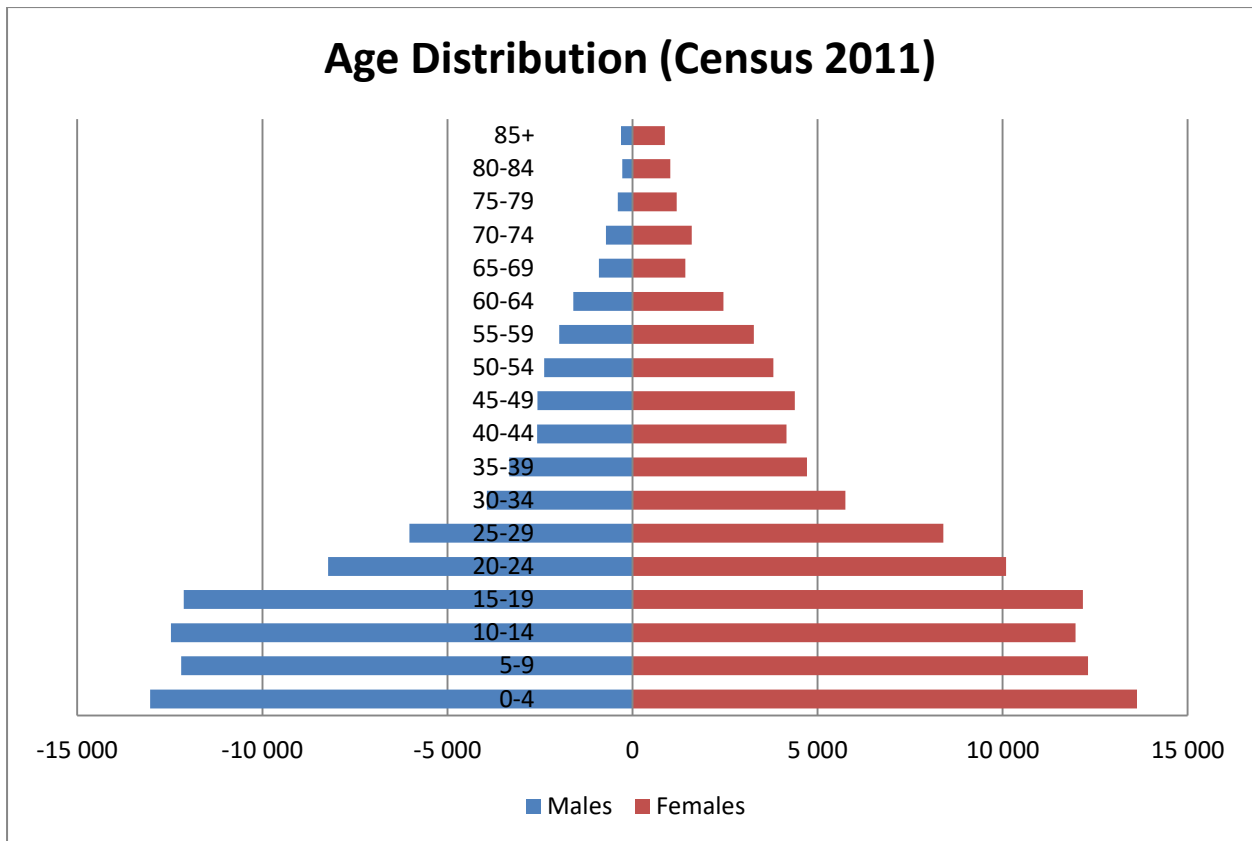


Figure 10: Age Distribution (2011)

In comparing the age distribution of the population within the Ulundi Municipal Area between 1996, 2001 and 2011, the following is noted:

- There is a steady increase in the number of people per age category from 20 years and older. This means that the pyramid structure, as presented in the graph is indicating a broadening trend from people aged 20 years and older. The population is becoming older. It is typical of developing countries. Further, the age distribution also indicates a reduction in the age categories of 5 yrs to 19yrs. What is however interesting to note is the number of persons in the age category 0 to 4 yrs (or from 2007 to 2011) has increased significantly. The expectation would have been that this category should also have shrunk. The reason for a “baby boom” from 2007 to 2011 is not fully known – however this period coincides with the global economic recession. Could it be that due to jobs lost males have returned to the area and hence the baby boom? This, however, is not supported by changes in the Gender Ration within the Municipal area over the same period.

5. Key Economic Sector and Activity Assessment

5.1 Links in economic activity

“Local Economic Development is an outcome based on local initiative and driven by local stakeholders. It involves identifying and using local resources, ideas and skills to stimulate economic growth and development.

The aim of LED is to create employment opportunities for local residents, alleviate poverty, and redistribute resources and opportunities to the benefit of all local residents. LED also aims to address the following:

- *To create robust and inclusive local economies that exploit local opportunities, address local needs and contribute to national development objectives, such as economic growth, jobs and equity;*
- *To eradicate poverty and create sustainable work opportunities;*
- *To integrate the first and second economies; and*
- *To create an enabling environment, building economic capability and facilitating productive networks at the local level”*

(Ulundi IDP (2014/2015))

It is clear that the Ulundi LM recognises the importance of LED being a local initiative and LED need to identify the best use of its local resources that will stimulate economic growth and development. The municipality needs to unpack and present economic opportunities to the locals which will eradicate poverty and create sustainable work opportunities, and create an enabling environment for LED.

With the all above mentioned in mind, this particular section provides an assessment of the key economic sectors and activities that occur within the Ulundi LM. The purpose of this section is to understand the role that the key these sectors play within economic environment of the Ulundi LM and to unpack the economic activities that are happening at grassroots level within the municipality. The analysis of the key activities that are happening at grassroots level together with the key economic sectors found within the municipality is intended to provide a better understanding of the and the means as to which economic sectors that the local businesses are penetrating.

Given the context of Ulundi, analysing the number of formal commercial businesses within an area does not give a true reflection of the economic development and activities that are happening within the municipality as economic trends in rural areas, such as Ulundi, differ

from the more developed urban areas. Economic trends in rural areas which are less developed indicate that informal activities and other activities are undertaken by community members which are often based in line with their 'basic survival strategies'.

With the exception of the privately owned land where majority of commercial farming business activities take place, the rest of the economic activities that are predominantly found within the municipality are either undertaken by co-operatives, SMMEs or are informal activities such as spaza shops which are well established despite being informal.

Telephonic surveys were undertaken with co-operatives and SMMEs to determine the state of economic activities within the Ulundi LM. The objectives of the surveys were to identify the key challenges facing the businesses of co-operatives and SMMEs and to receive input from their businesses on service delivery and support required from government, and to identify trends within their business environment. Information on co-ops and SMMEs were based on information provided by the Ulundi LM.

Findings from the telephone interview reveal various challenges that are experienced by members of the Ulundi LM. This ranges from unemployment, communication breakdown between government and the people etc. Some of the key findings (both LED specific and cross cutting issues) include, inter alia:

- Updated comprehensible database of up-to-date information on details of SMMEs, co-ops and other businesses in the Ulundi LM was difficult- the latest records of the business supply within the Municipality is not updated to reflect the present records of businesses in the area where not clear and have not been updated to reflect the current state of
- A significant number of co-ops are in operation but they have not been registered
- A number of co-ops in the data base have dissolved but this is not reflected in municipal records
- Due to the scarcity of job opportunities in the area, a number of members of different co-ops belong to more than one co-op that provides different activities
- There is no clear communication lines
- There is no formal database of co-ops and SMMEs
- Information that was provided was not updated – a number of SMMEs either don't exist or contact information has changes

- Majority of the people that are members of co-ops are old and have limited levels of skills, or training
- Members of the Ulundi local municipality are highly active in organisational development. With high rates of unemployment and poverty, economic activity is taking shape through co-operative (registered and un-registered), informal but well established businesses and Non-Government Organisations. Most of these economic organisations are sustenance driven.

5.1 Agriculture

The agriculture sector is one of the most important key economic sectors within the local, District and Provincial contexts of Ulundi LM. The role that the agriculture sector plays as a key economic driver for employment creation and economic growth and development within the KZN has been highlighted in the Provincial Growth and Development Strategy (PGDS). The importance of the agriculture sector as a key economic driver has also been highlighted and emphasized in various strategic plans of both the Ulundi LM and Zululand District. The agriculture sector also plays a major role in ensuring growth within rural communities, and is crucial for safeguarding of food security within these areas and South Africa as a whole. If appropriately harnessed, the agricultural sector has the potential to increase the number of job opportunities created within an area which, over the short to medium term, support labour-intensive activities generating large-scale employment.

To ensure the sustainable growth and development of the agriculture sector, the natural resource base and the environment need to be managed appropriately so as to not deplete or degrade the resource base and to preserve it for the use of future generations.

Many factors that have the ability to impede the sustainable growth and development of this sector include, inter alia:

- Over exploitation of resources;
- Loss of ecosystem services – flooding, erosion and infrastructure damage;
- Alien plant encroachment;
- Institutional and procedural weaknesses;
- State of rivers
- Soil erosion, over grazing and uncontrolled land use in traditional areas;
- Uncontrolled urban and rural sprawl;
- SDF, LUMS and IDP are promoting unsustainable development;

6. LED SWOT Analysis and Gap Analysis

SWOT Analysis

This section provides a summary of the key Strengths, Weaknesses, Opportunities and Threats (SWOT) issues that relate to LED within the Ulundi LM (refer to table below). This particular SWOT analysis is based on the situational analysis and inputs from the interviews and surveys. Thereafter, a brief Gap or Needs Analysis is undertaken which provides the foundation upon which the Strategic Development Framework Strategy is developed.

The success of rural development depends on the development of existing resources and the analysis of the communities' strengths and weaknesses. The SWOT analysis presented in the table highlights the various weaknesses and threats that negatively impact on the municipality. It also highlights a number of key constraints that act as a threat to LED within Ulundi LM as well as opportunities that can be leveraged off these constraints. However, there are various strengths possessed by Ulundi LM and opportunities available to ensure that LED can become successful.

Table: SWOT Analysis related to LED in Ulundi LM STRENGTHS

Agriculture

- Widespread activity
- Large tracts of arable land
- Large tracts of undeveloped land
- Rain water harvesting
- This sector is growing (commercial and subsistence agriculture)

Construction

- This sector is growing

Tourism

- Arts and craft
- Culture and heritage
- Accommodation Establishments

General

- Shared planning vision between traditional leadership and council
- Cultural heritage
- Agriculture and trade/services sectors
- Large areas of arable land
- Small scale manufacturing and services exist

WEAKNESSES

Agriculture

- Mainly subsistence farming
- Poor farming methods
- Lack of skills and technical knowledge
- Lack of access to markets and transportation
- Lack of development and implementation of Agri-Plan
- Youth lack interest in farming
- Poor support systems
- Poor quality seeds (Need for good quality seeds for agriculture production)
- Need for fencing

Infrastructure

- Poor service provision (water and electricity) and infrastructural support e.g. water reticulation is inefficient on rainy days
- Poor roads and the lack of signage
- Poor infrastructure

Tourism

- Lack of domestic demand for tourism
- Lack of implementation of Tourism Plan
- Poor general local tourism awareness

- The lack of investment in this sector
- The lack of structured tourism marketing and training for the area
- Lack of sufficient tourism supporting infrastructure

Construction

- Lack of equipment for construction
- Difficulty of attracting technical staff given the shortage of housing and opportunities for the youth in the locality
- Shortage of business skills
- Difficulty in accessing finance

Institutional

- Insufficient institutional capacity of LED unit given the desired economic growth of Ulundi

General

- High levels of unemployment
- Low levels of education and limited skills

WEAKNESSES

- Grandparents headed households
- Inactive members of the community (large economically inactive population)
- Majority population have low literacy levels and skills are limited
- Shortage of municipal owned land for economic development
- systems

OPPORTUNITIES

Agriculture

- Develop and Implement an Agri-Plan that is suited to the current context of the LM
- Mechanization project that will include emerging and small-scale farmers
- Agricultural producers to link with school feeding scheme, as an attempt to achieve food security
- An Ulundi Market area can be developed to allow for the commercialisation of agricultural produce
- Existing emerging farmers seeking additional capacity
- Local markets for agri-products exist but need formalising
- Access to agricultural inputs (i.e. infrastructure, basic utilities such as water and electricity, good quality seeds for agriculture production etc.)
- Improve access to machinery and equipment for agriculture use
- Diversification of agriculture and agri-processing

Tourism

- Growth of ecotourism / events
- Culture and heritage tourism (arts and crafts, storytelling)
- Youth involvement in tourism projects
- Development of tourism attractions that align with the Ulundi Tourism Master Plan

Construction

- Take advantage of and enhance current initiatives such as block making

OPPORTUNITIES

- The underdeveloped infrastructure and evidence of housing projects that are set to take place provides an opportunity for construction sector expansion
- Expand block making initiatives in other wards

Informal businesses

- Registration of businesses
- Employment creation
- Organisation into co-ops

- Training opportunities from SEDA

In order to translate the key findings of the SWOT analysis into meaningful strategies that can be implemented and monitored and evaluated, the Gap analysis draws out key opportunities and areas that require intervention and provides a base off which the strategies have been developed. In order to identify the key gaps or areas of need, the various strengths, weaknesses, opportunities and threats were sorted grouped into different categories. These categories represent the major focus areas of the municipality, and specifically, the areas that most require intervention to ensure that LED is stimulated within Ulundi LM.

6.2 Sector Specific Gaps or Needs

6.2.1 Agriculture

- Development of basic infrastructure (water, electricity)
- Need to improve interrelationships and communication and coordination of role and between all stakeholders (subsistence farmers, emerging farmers and co-ops) which is critical to agricultural development
- Financial and technical support needed for small-scale and emerging farmers
- Need for greater support mechanisms for farmers such as machines that would make farming easier
- Need for agriculture officer in LED unit
- Need to diversify agriculture sector
- Need for transportation of produce
- Need for storage facilities for agri-produce
- Need for market linkages
- Skills development and training
- Sustainable farming methods
- Designated land for agriculture production and development

6.2.2 Tourism

- Need to identify and develop tourism opportunities within the Municipality as per the Tourism Master Plan
- Need for more funding for tourism (infrastructure upgrades, and new facilities)
- Encouraging development of tourism activities in line with the Ulundi Tourism Strategy and the Zululand District Siyaphambili Plan
- Need for comprehensive tourism research
- Training and establishment of tourism businesses
- Find reputable story tellers who are knowledgeable about the history and cultural heritage of Ulundi

6.3 Cross Cutting Gaps or Needs

6.3.1 Institutional

- Access to funding for implementation of LED interventions
- Improvement of intergovernmental relations and coordination (between national, provincial and local government, and traditional authorities)
- Strengthening of intergovernmental partnerships
- Efficient project and financial management for LED
- Reduction of red-tape and the collective administrative burden

6.3.2 Skills Development and Training

- Ensuring skills training aligned to industry demand (especially agriculture and the Tourism business)
- Business and technical skills development and training for co-ops and SMMEs
- Training for informal sector traders
- Capacity building of LED unit

6.3.3 Infrastructure

- Improve road linkages and accessibility
- Improve access to land for development (public land, private land and Ingonyama Trust Board land)
- Assistance in provision of infrastructure for small-scale farming such as fencing.

6.3.4 Enterprise Development (SMME and Co-ops)

- Growth of sustainable SMMEs and co-ops throughout the municipality
- Business support and financial support and assistance to SMMEs and co-ops
- SMME and development through linking to value chain of agriculture and services and trade
- The need for an SMME 1-stop shop for all the business needs of an SMME.

In terms of a future strategic direction, the following key interventions have been identified and need to be considered in the development of the Strategy in the following phase:

Build on existing strengths

- Manufacturing of building materials (i.e. block making) for the construction sector
- Agriculture production
- Existing sector plans and other development plans
- Existing project plans that are awaiting for funds

Diversification through development of existing sectors

- Agriculture production of other types of produce.
- Other commercial activities such as the trade and services activities identified
- Manufacturing in construction sector
- Mining

Focus on new potential sectors

- Renewable energy and alternative resources (solar power, water tanks, irrigation schemes, etc.)
- Furniture manufacturing

The following recommendations, which are based on the SWOT analysis and Gap analysis, give an indication of possible interventions for local economic development and the support of co-ops and SMMEs in Ulundi Local Municipality and are as flows:

Education

Education is one of the most important tools of empowerment in society. Educating rural communities through skills development is fundamental for employment creation and poverty reduction. The following interventions for educating and empowering citizens in Ulundi are as follows:

- Early childhood development, primary and secondary education.
- Institutional support for financial, technical and business skills development and training programmes for co-ops and SMMEs.
- Promote sustainable use of resources through energy efficiency and effective water resource management and awareness programmes.
- HIV/AIDS awareness, prevention and treatment campaigns.

Diversification of Agricultural Sector

- Improve farming practices through farm, financial and asset management.
- Improve access to knowledge and information through a decentralized training facility.
- Training and capacity building for producing for the export and domestic markets
- Establish an Agricultural Support division within the LED Unit.
- Develop a Community-Based Support Plan.

Trade and Service Support

- Informal business support.
- Entrepreneurial development and support for income generating activities.
- Improve economic infrastructure i.e. fencing for farms, communication networks, rural access roads, irrigation schemes for small scale farmers.
- Facilitate the development of secondary industry in agriculture.
- Financial advice and support through financial service providers or private banking institutions in ULundi.
- Establishment of a Business Forum for networking and sharing of information.

Institutional coherence

- LED coordination and coherence between different sectors and stakeholders.
- Address LED Unit capacity shortfalls within Ulundi Local Municipality.
- Policy and strategy integration
- Facilitation of annual training session with all IDP, Planning and LED staff and the establishment of a bi-annual Integration Forum
- Alignment to National projects to local objectives and projects and deliver accordingly.

7. Strategy Development

As indicated in Section 2 above, a breakdown of Ulundi's local economic environment in terms of Strengths, Weaknesses, Opportunities and Threats (SWOT) was presented which was followed by a Gaps or Needs analysis which forms a basis upon which the Strategic Framework can be developed.

This section in particular section deals with the formulation of the Strategic Framework and interventions that are necessary to turn around the current situation of LED in the Municipality.

This will entail the development of the following:

- A vision for LED in Ulundi Local Municipality;
- The formulation of strategies to achieve the vision; and
- The unpacking of the strategies into implementable projects and programmes.

Vision

The current vision of the Ulundi LM Local Municipality is:

VISION:

“A developmental city of heritage focusing on good governance, socio-economic development and upholding tradition to promote sustainable service delivery”

The current mission statement of the Ulundi Local Municipality is:

- To develop the institution and to facilitate institutional transformation
- To provide infrastructure and services to all, with emphasis on rural communities, in a sustainable manner
- To develop and support sustainable local economic development, through focusing on tourism development, and incorporating the youth
- To develop and support social development initiatives, particularly those focused on the youth and the vulnerable
- To ensure good governance through leadership excellence and community participation

- To ensure continued sound financial management
- To ensure effective and efficient Land Use Management, taking cognizance of sound environmental practices

Based on the above vision and mission statement for Ulundi LM as well as the challenges and potential interventions required to address these challenges, an LED vision has been developed to guide the overall implementation of the LED Strategy and its associated programmes and projects.

The local economic vision is influenced and informed by the challenges and opportunities identified above and are as follows;

“By 2020, Ulundi Local Municipality will have a diversified economy, leading in the Zululand District and enhanced cultural and heritage facilities for tourism development”

7.1 Strategic Goals and Programmes

The economic goals and programmes have been formulated around challenges and opportunities and potential interventions derived from the situational analysis, SWOT analysis, gap analysis and relevant guidelines and strategies such as the Zululand IDP, PGDS, PSEDS and so forth.

The economic goals, strategies and programmes formulated to realise the economic vision are as are discussed below:

Table 15: Strategic Goals and Strategic Programmes for the Ulundi LED Strategy	Strategic Programmes
Strategic Goals	
Develop and expand the agricultural sector	Diversify the agricultural sector through a focus on higher value crop production and agri-processing (including intensive agriculture)
Small scale farmer support and development	
Support household food security	
Facilitate the provision of on-farm infrastructure and facilities	
Ensure the preservation of agricultural land and enhance agriculture production through sustainable farming methods and practices	
Development, support and marketing of the tourism sector	Support the development of eco-tourism assets and cultural heritage tourism
Support the development of culture and heritage tourism	
Facilitate support for tourism industry development	
Support the development of small-enterprises and the informal economy	Provision of financial and technical support
Facilitate and promote entrepreneurship/enterprise development and support	
Facilitate provision of business infrastructure and access to business premises	
Improve the effectiveness of LED planning and implementation	LED awareness amongst the decision makers, senior management and the community
LED capacity building	
Partnership Enhancement programme	

The agriculture sector is the economically active sectors within the ULundi LM and development in this sector is vital in unlocking economic growth and prosperity in this area. The municipality contains large tracts of undeveloped arable land. However the municipality faces many challenges in unlocking the potential of the agriculture sector which include land ownership issues, environmental issues, etc. Land is either privately owned or under traditional ownership. Subsistence farming is largely practiced on Ingonyama Trust Land where majority of the community of ULundi reside. Poverty is rife and unemployment levels are high in ULundi. Developing the agriculture sector is seen as a key driver in unlocking economic growth and development within rural areas of South Africa such as ULundi Local Municipality.

It provides opportunities for food production and food security, job creation and presents income generating opportunities that will allow the rural to overcome poverty.

A number of agriculture projects have been either proposed or implemented by the Department of Agriculture. Some of the projects have been directed towards poverty alleviation and food production and security within ULundi Local Municipality. This has resulted in the emergence of a number of agriculture based co-ops. However, this sector has experienced a number of challenges that need to be addressed to foster economic development within the municipality.

In order to address these challenges and to unlock opportunities in the agriculture sector, a number of strategic interventions are required that specifically target the major challenges faced by both subsistence, small-scale and emerging farmers. This includes skills development and training, infrastructure development and maintenance, creating and strengthening relationships between institutional support structures and small-scale and emerging farmers, establishing market linkages with both internal and external markets and so forth.

To this end, the strategic programmes identified below provide guidance for the identification of related projects intended to address the challenges experienced in this sector. The strategic programmes identified within this goal are identified below:

Programme 1.1. Diversify the agricultural sector through a focus on higher value crop production and agri-processing (including intensive agriculture)

As indicated earlier, commercial farmers in ULundi largely produce sugarcane and forestry crops however in traditional authority areas subsistence farming is practiced with traditional crops produced for consumption purposes. However, to ensure that the diversification, growth and expansion of the agriculture sector, it is critical that agriculture commodity development is introduced within this sector. This can be done through the production of non-traditional high-value crops or value-adding initiatives such peanut butter processing. There is also a need to move away from monoculture crops production and towards a diversified range of crops that has the potential to reduce vulnerability of crops. It also creates opportunities to link to external markets where demand for a variety agriculture produce exists and help people move away from subsistence to entrepreneurs and entrants into a competitive market.

Programme 1.2. Small scale farmer support and development

This programme deals specifically with the provision of support to small-scale and emerging farmers so that they may develop and grow within the agriculture sector, and move from a predominantly subsistence farming practices, which is directed towards household consumption needs, towards commercial farming with opportunities to generate an income.

This is also vital to ensure that diversification of the agricultural sector can occur by supporting emerging and small-scale farmers towards development of new commodities plays an important role in diversifying the agriculture sector. Farmers have different requirements at different stages of their development therefore small scale farmers in particular would have different support requirements as opposed to established commercial farmers. This lies mainly in skills development and training, business and financial support, technical support and access to basic infrastructure, facilities and equipment. There are national and provincial departments that are mandated to particularly support the growth and development of emerging and small

scale farmers and it is important that partnerships are developed between the local municipality and the departments and support agencies. Established farmers can also play an important role in supporting emerging farmers through information sharing and skills development through mentoring and training support.

Programme 1.3. Support household food security

This particular programme supports household food production and security. Food security is a national level priority and forms part of a number of development strategies and policies. Household food production is seen as an important means through which food security is ensured. Therefore communities throughout South Africa, especially those in rural areas like ULundi LM, are encouraged to participate in agriculture activities so that household consumption needs can be met and malnutrition and food insecurity is reduced. This can be done through the promotion of communal gardens, ensuring that each plot of land that is occupied by a household has a garden where food can be grown or by providing starter packs with basic garden tools and seeds to each household so which will enable them to grow food.

Programme 1.4. Facilitate the provision of on-farm infrastructure and facilities

Infrastructure plays an important role in the growth and development within the agriculture sector. Infrastructure largely influences agricultural productivity. Access to good infrastructure has the ability to improve linkages to both internal and external markets as well as enables the access to inputs that may improve the quality and quantity of agriculture outputs.

ULundi is plagued by poor infrastructure, such as poor quality and unmaintained road networks or poor or no access to piped water and electricity, which hinders the growth and development of the agriculture sector. Poor infrastructure and the lack of maintenance of existing infrastructure limits access to both internal and external markets and limits access to basic service utility inputs such as water and electricity which hinders agriculture productivity. Poor infrastructure and a lack of storage facilities further restrict the production of highly perishable fruits and vegetables.

ULundi's undulating and topography with scattered settlement patterns further exacerbates the development of infrastructure. It is therefore essential that other alternative ways in which reliance on expensive infrastructure is reduced and allows people to access basic utilities that may improve inputs for agricultural production and ensure that their livelihoods are sustained. This can be pursued through the introduction of water irrigation schemes, solar power, water tanks, provision of shade nets etc. that is cost effective and ensures agricultural production.

Fencing and equipment storage facilities are very critical to ensure that crops are preserved equipment is safe.

Programme 1.5. Ensure the preservation of agricultural land and enhance agriculture production through sustainable farming methods and practices

Agriculture land is an important asset for ULundi Local Municipality and is an important input in agriculture production. However if not properly managed and treated it can have a negative impact on agriculture production in the future. If agricultural land is managed, treated and maintained properly, a continuous supply of agriculture produce is ensured and has the potential to increase agriculture productivity. In ULundi Local Municipality, pockets of land displays signs of degradation which has happened through improper farming methods, which has resulted in soil erosion and the depletion of nutrients in soil, and through overgrazing of livestock.

Erratic weather patterns experienced over recent years as a result of climate change has also further exacerbated the degradation of land. Although parts of ULundi that is being used for agricultural purposes have not displayed signs of degradation, the continuation of unsustainable poor farming practices will have a negative impact in the long term. Good potential agricultural land is also being used for other purposes such as residential use and this also negatively impacts on agriculture production. Poor use of resources such as water and electricity can also impact on farming and agriculture production. Crops, especially monocrops, are vulnerable to pest infestations which hinders production. Therefore it is essential that agricultural land is preserved and sustainable farming practices are undertaken so that agriculture production can be enhanced and sustained for future generations. Therefore it is important that good potential agricultural land is reserved for agriculture uses and sustainable farming methods are ensued

such as crop rotation that will allow soils to recover, intercropping that will reduce the vulnerability of crops to pests and efficient management and use resources such as water and electricity. It is important that farmers receive skills development and training in sustainable farming methods.

Tourism Strategic Goal 2

Development, support and marketing of the tourism sector

Tourism is widely recognized for its tangible outcomes which include job creation, tax revenues as well as its less tangible outcomes such as ‘quality of life’. It may be built upon a wide variety of attractions, comprising of ecotourism, arts tourism, cultural and heritage tourism, fairs, events and recreation, and more.

The tourism industry is a key contributor to the KZN and Zululand economy. However, there are challenges that hinder the development of this sector in ULundi Local Municipality, which include; lack of domestic demand for tourism, lack of implementation of the Tourism Plan, the location is seen as too far away from the attractions in the province, the lack of investment in this sector, the lack of structured tourism marketing and training for the area and lack of tourism awareness and training in the area. In order to realise the economic potential of the tourism sector within ULundi Local Municipality, there is a need to develop, market and support this sector.

The existing aspects of tourism that needs to be enhanced and marketed are as follows:

- Heritage and Cultural Tourism
- Adventure Tourism
- Nature Based Tourism

In developing the tourism sector for ULundi local municipality, the following projects could be suitable for implementation:

- Build environmental and cultural awareness.
- Provide positive experiences for both visitors and hosts.
- Conservation of biological diversity and cultural diversity through ecosystem protection.
- Promotion of sustainable use of biodiversity, by providing jobs to local populations.
- Sharing of socio-economic benefits with local communities and indigenous peoples by having their informed consent and participation in the management of ecotourism enterprises.
- Tourism to unspoiled natural resources, with minimal impact on the environment being a primary concern.
- Minimization of tourism's own environmental impact.
- Local culture promotion

Programme 2.1. Support the development of eco-tourism assets

Ecotourism is defined as a "responsible travel to natural areas that conserves the environment and improves the well-being of local people". Therefore, ecotourism is centred on socially responsible travel, personal growth and sustainability of the environment. Ulundi, popularly known for its culture and heritage can easily tap in on the ecotourism benefits if this sector is harnessed, supported and financed.

Programme 2.2. Support the development of culture and heritage tourism

Cultural and heritage tourism is used as an economic development tool in communities that have vibrancy in their culture. The history, art, religion and lifestyle of a community can be used to attract visitors from outside who have interest in experiencing cultural environments. ULundi is rich in natural landscapes, such landscapes can be marketed as an attraction of

tourists who are keen to explore and appreciate nature. This could be an opportunity to generate income for co-ops and other local organisations which produce handmade arts and craft work.

Programme 2.3. Facilitate support for tourism industry development

Tourism assets range from limited to non-existing in ULundi Local Municipality. The municipality is also characterised by poor roads, no signage, poor water and electricity infrastructure. In order to develop the tourism industry, basic infrastructure should be developed. Different marketing strategies could be implemented so as to raise awareness and create dialog about tourist attractions that in ULundi. Marketing strategies that could be used include: all media, involving e-media and for niche markets, use events, interest groups and associations.

Cross-Cutting Strategies

7.3.1. Enterprise Development

Strategic Goal 3

Support the development of small-enterprises and the informal economy

Investing in enterprise development is instrumental in overcoming challenges such as unemployment and other poverty related issues. Research reveals that members of ULundi local municipality are active participants in co-ops and other business organisations. It is essential to use enterprise development as a tool to empowering economic organisations and achieving economic growth in ULundi.

Enterprise development consists of market development, commercial business services, social enterprise, finance, entrepreneurship development, investment and growth in Small Medium and Micro Enterprises (SMMEs), formalising the informal economy, including initiatives that range from enabling the start-up of small businesses to providing business skills development through training, mentoring, coaching.

Beneficiaries of enterprise development are SMMEs from a broad range of firms, from traditional family businesses to survivalist self-employed individuals.

Enterprise development can be achieved through implementing three pillars of the Enterprise Development Strategy which focus on:

- Promoting entrepreneurship through campaigns, leadership training and awards,
- Strengthening the enabling environment through more flexible regulations, better access to finance and markets, improved infrastructure facilities and business support, and
- Enhancing competitiveness and capacity at the enterprise level through skills training, more focused quality-productivity, competitiveness-support and the facilitation of technology transfer and commercialisation of incubation.

Through development of small-enterprise and informal economy, beneficiaries of enterprise development can earn a living and rise out of poverty. Developing enterprises has positive outputs, whereby over time they create jobs for previously disadvantaged individuals as well as empower other individuals and communities in which they live. The important factor about enterprise development is that it is inclusive, in that it empowers those who were economically inactive to have access to support and development services and to be fully integrated in economic activity of South Africa.

Programme 3.1 Provision of financial and technical support

Access to finance is the main constraint to small and growing enterprises. This is common amongst many small enterprises in South Africa. Financial institutions label small enterprises and informal businesses as a threat when lending.

Therefore enterprise development should open doors for financial assistance in a form of:

- Grants and loans
- Investment in beneficiary entities
- Guarantees/security
- Providing seed capital
- Access to capital through provision of collateral/relaxed security requirements
- Early and/or timely payments for goods supplied
- Extended credit terms for procurement amounts owed by the beneficiary entity
- Infrastructure support to suppliers and other entities in the same area or community
- Labour-intensive production
- Construction methods and investment and support to enterprises operating in rural communities

Such an approach would have the advantages of:

- Enabling a high degree of targeting of credit provision
- Allowing the consolidation of some of the existing programmes
- Mobilising private sector co-funding
- Better branding of the state's involvement in SMME finance
- Making a substantial impact on the provision of small-business finance

Skills development and training specific

The skills shortage has been identified as one of the biggest obstacles that government has to overcome to reach its economic growth targets. The skills base is poor among entrepreneurs in ULundi Local Municipality. This stems from low literacy levels and very limited sectoral skills.

The following organisations can be involved in developing enterprises:

- The SEDA office and other public-sector training institutions, including FET colleges and universities
- Business associations active in the respective areas or sectors
- NGOs or CBOs (working with private-training initiatives) focusing on social advancement in the particular areas
- Mentoring initiatives available in the area/sector

Programme 3.2 Facilitate and promote entrepreneurship/enterprise development and support

Entrepreneurs play a vital role in economic development. The establishment of new business has a positive effect in employment creation and economic growth and general prosperity. With the high rate of unemployment and illiteracy in ULundi local municipality, promoting entrepreneurship is necessary as it will develop an economically active community in ULundi.

The following areas of entrepreneurship should be promoted:

- Strengthen national awareness about the critical role of entrepreneurship
- Promote alternative focus on ownership
- Expand franchise opportunities
- Strengthen business associations and networks

Institutional Strategic Goal 4

Improve the effectiveness of LED planning and implementation

The LED unit is under capacitated. Presently it does not have enough LED capacity to implement its mandate. The Zululand LED Forum provides a platform for engagement with local municipalities under its jurisdiction which is centred on LED related matters. While the Zululand District is a relevant body, its focus is District wide and cannot relieve the importance and role that a stakeholders from ULundi LM can play in addressing specific LED issues

present within the area. Additionally, government departments in ULundi LM are still not fully aware of the functions of LED and the role that each of department can play towards effective and efficient LED within the ULundi LM and there is poor LED awareness amongst local council members.

There is also an alarming lack of data and up-to-date existing data around LED issues relating to formal and informal local businesses, the local economy and economic activities that are happening at grassroots level. Some of the challenges that persist include funding challenges, lack of capacity to implement existing LED specific and LED related strategic plans programmes and projects and effectively promote and attract investment into the municipality. What needs to be done?

Programme 4.1. LED awareness amongst the decision makers, senior management and the community

This programme is specifically designed to create LED awareness amongst stakeholders based within the ULundi LM. This can be done through forums which create a platform for engagement between stakeholders which allows for sharing of information and addressing and mainstreaming all LED specific and LED related development efforts by stakeholders.

Programme: LED capacity building

Human resource capacity and management support is critical for facilitating and implementing LED within a municipality. However, as indicated earlier, there is a lack of common understanding between the different departments on the roles that they can play in LED implementation in the ULundi LM. The LED Unit in particular lacks the capacity to also facilitate LED. The LED unit also lacks a LED manager and lacks a full range of support and advisory services that deals with sector specific LED issues. In order to address these issues, this programme is specifically directed towards capacity building within the LED unit so that

it can provide a full range of support and advisory services such as liaising officers that are knowledgeable and equipped to address sector specific issues.

Programme: Partnership Enhancement programme

This programme is designed around strengthening partnerships between the local municipality and district, provincial and national departments that are mandated to facilitate and promote LED development. This can be done through participating in interactive sessions that are undertaken by the other levels and agencies of government, such as COGTA and Zululand LED Unit that have the potential to assist ULundi LM in fast tracking local economic development. Regular interaction of local government and other levels and agencies of government creates dialogue between them and has the potential to build lasting relationships between these stakeholders.

8 IMPLEMENTATION PLAN

Programme and Project Development and Implementation Plan

There are a number of projects that can unlock local economic development within the Ulundi area. However due to the large number of suggested projects combined with a lack of resources which include capacity, time and budgetary constraints, it would be difficult to implement all the projects concurrently. Therefore priority projects must be identified. A set of assessment criteria was developed to identify catalytic projects that would have the most impact in unlocking opportunities for LED in Ulundi Local Municipality. Each project identified were analysed according to its potential economic impact, ability to transform the Ulundi area, its strategic importance, ability to create jobs and ability to create an enabling environment for economic development and business retention support. The assessment criteria are as follows:

Aspect	Assessment Criteria
<p>Economic Impact</p>	<ul style="list-style-type: none"> ➤ Does the project have the ability to attract other activities to the region? ➤ Does the project create and / or strengthen forward or backward linkages with other activities or sectors in order to generate a maximum multiplier effect? ➤ Does the project foster economic growth? ➤ Does the project impact sufficiently on economic development? ➤ Does the project have the potential to establish linkages with existing activities? ➤ Does the project have the capacity to create multiple advantages within the region? ➤ Does the project exploit the comparative advantages (e.g. locational and resource based) of the area? ➤ Does the project have sufficient income generating potential?
<p>Transformation</p>	

ULUNDI LOCAL ECONOMIC DEVELOPMENT STRATEGY (2015)

	<ul style="list-style-type: none"> ➤ Does the project empower the local community through skills development and capacity building? ➤ Does the project allow for local participation and involvement in LED projects?
Strategic Importance	<ul style="list-style-type: none"> ➤ Does the project align with the requirements / expectations of the local / recipient community? ➤ Does the project comply with the IDP principles of the area? ➤ Does the project contribute to the integration of economic spatial/nodal development? ➤ Increase in the level of service availability and quality? ➤ Is there a demand for the product/service? ➤ Impact on poverty?
Skills and Job Creation	<ul style="list-style-type: none"> ➤ Does the project allow for skills development and employment creation?
Enabling Environment	<ul style="list-style-type: none"> ➤ Does the project relate to infrastructural change and enhancement? ➤ Does the project protect the integrity of the natural environment? ➤ Does the project create an enabling environment for businesses and people?
Business Retention and Support	<ul style="list-style-type: none"> ➤ Does the project support emerging businesses? ➤ Opportunities for SMME Development?

The potential impact that the projects will have on each aspect of LED in Ulundi was scored as follows: Score 1 = High Priority, Score 2 = Medium Priority and Score 3 = Low Priority. All the projects that are detailed in the section that follows on below have been rated and given a priority scoring.

Priority Projects

The following projects indicated in the table below have been identified as priority projects

That would have a high impact on Local Economic Development within the Ulundi LM.

Table : Priority Projects Identified

STRATEGIC FOCUS	PRIORITY PROJECTS
Sector Specific	1.1.2. Undertake an audit of agricultural projects within the Ulundi LM in order to establish support for existing farms/ gardens.
Sector Specific	1.1.3. Undertake an agricultural land assessment and identify suitable cash crops that can grow in Ulundi area.
Sector Specific	1.2.2. Identify good agricultural potential land under traditional ownership and partner with Amakhosi to release land for agriculture uses.
Sector Specific	1.2.3. Support information sharing through agri-forums
Sector Specific	1.2.8. MOA/MOU agreement between Ulundi LM and existing FET colleges that is steered towards skills development and training in agriculture related activities and linked to providing interventions for agriculture projects in the area.
Sector Specific	1.3.6. Provide starter packs (basic garden tools, seeds, seedlings, appliances) to all households interested in agricultural activities.
Sector Specific	1.4.3. Facilitate and support the provision of shade nets for small scale and emerging farmers.
Sector Specific	1.4.4. Facilitate and support the provision of tunnel farming infrastructure to households.
Sector Specific	1.4.5. Facilitate and support the provision of water tanks to all households
Sector Specific	2.2.1. Support arts and crafts skills development through a Tourism Craft Development Programme
Cross-cutting	3.1.4. Partner with SEDA and support business skills and development training
Cross-cutting	3.1.5. Partner with SEDA and facilitate the establishment of a SEDA Satellite Office and Enterprise Information Centre or a one stop shop as indicated earlier.
Cross-cutting	3.2.4 Create an electronic based database of all local businesses (co-ops and SMMEs)and services that is clearly delineated and updated periodically.
Cross-cutting	3.3.1 Undertake a feasibility study in order to confirm demand and optimise utilisation of the Multi-Purpose Centre for LED related activities
Cross-cutting	4.1.2. Encourage shared information around LED through LED Forum
Cross-cutting	4.1.3. Support the development of an SMME Forum
Cross-cutting	4.2.3. Appoint and train a local official as an agriculture liaison officer

Implementation Framework

The Implementation Framework provides a guideline for the implementation of Local Economic Development within the Ulundi Local Municipality. It provides practical steps necessary to implement the projects that have been identified in the previous section. This includes a timeframe and estimated budget for each of the projects, a monitoring and evaluation framework and initial mini business plans for the catalytic projects. The sub-sections of this main section are structured as follows:

- Project Timeframe and Budget
- Institutional and Organisational Arrangements

Project Timeframe and Budget

An estimated timeframe project based on the duration that it would take to complete a project has been allocated to each. These timeframes are based on the following:

- ❖ short term : 1-2 years
- ❖ medium term : 3-5 years
- ❖ long term : 6-10 years
- ❖ On-going

An estimated budget has also provided for each project based on the cost it would take to undertake and complete the project. The table below provides the timeframe and budget for these projects which is as follows:

STRATEGIC GOAL	PROGRAMMES	PROJECTS	TIME FRAME	BUDGET
Strategic Goal 1: Develop and expand the agricultural sector	.1. Diversify the agricultural sector through a focus on higher value crop production and agri-processing (including intensive agriculture)	1.1.1. Partner with Department of Agriculture's District Office and support the implementation of proposed agriculture projects.	Short Term	No budget allocation required from Ulundi
		1.1.2. Undertake an audit of agricultural projects within the Ulundi LM in order to establish support for existing farms/ gardens and the potential of new pockets of land.	Short Term	R 200 000
		1.1.3. Undertake an agricultural land assessment and identify suitable cash crops that can grow in Ulundi area.	Short Term	R 350 000
		1.1.4. Undertake a feasibility study and prepare a business plan for a chicken abattoir Project.	Short Term	R 500 000

ULUNDI LOCAL ECONOMIC DEVELOPMENT STRATEGY (2015)

		1.1.5. Facilitate linkages and support private public partnerships between agri co-ops and major chain stores (e.g. Pick n pay and local co-ops) for the supply of agri-produce.	Short Term	R 500 000
		1.1.6. Identify and implement a simple, cost effective community based model for decentralised agriculture produce storage facilities.	Short Term	R 1 500 000
		1.1.7. Identify and implement a simple, cost effective community based model for drop off depots for agriculture produce.	Short Term	R 1 500 000
		1.1.8. Facilitate and support the establishment of a small transport SMME that provides support services for the transportation of agri-produce.	Short Term	R 3 000 000
	1.2 Small scale farmer support and development	1.2.1. Partner with Department of Agriculture and request access to roster of agricultural extension officers and the respective wards they deployed to service within the Ulundi LM.	Short Term	No budget required from Ulundi
		1.2.2. Identify good agricultural potential land under traditional ownership and partner with Amakhosi to release land for agriculture uses.	Short Term	No budget required from Ulundi
		1.2.3. Support information sharing through agri-forums.	Short Term	R 25 000
			Short Term	No budget required from Ulundi

ULUNDI LOCAL ECONOMIC DEVELOPMENT STRATEGY (2015)

		1.2.4. Identify and establish partnerships with institutions that provide sources of funding or financial assistance.		
		1.2.5. Financial management skills development and training for agriculture based co-ops and SMMEs.	Short Term	No budget required from Ulundi
		1.2.6. Identify sources of funding for agriculture equipment and machinery (tractors, ploughing machines) and good quality seeds.	Short Term	No budget required from Ulundi
		1.2.7. Technical support provision through partnerships with established commercial farmers and other farming institutions for emerging farmers/small scale farmers.	Short Term	No budget required from Ulundi
		1.2.8. MOA/MOU agreement between Ulundi LM and existing FET colleges that is steered towards skills development and training in agriculture related activities and linked to providing interventions for agriculture projects in the area.	Short Term	No budget required from Ulundi
	1.3. Support household food security	1.3.1. Support the establishment of a Work-for-food project (user friendly community empowering model).	Short Term	No budget required from Ulundi
		1.3.2. Support 1 home - 1 garden schemes for all households throughout the Municipality.	Short Term	No budget required from Ulundi
		1.3.3. Lobby for and support the establishment of school gardens projects in all schools within Ulundi LM	Short Term	No budget required from Ulundi

ULUNDI LOCAL ECONOMIC DEVELOPMENT STRATEGY (2015)

		1.3.4. Establish an agricultural awareness programme at all schools.	On-going	R 200 000
		1.3.5. Provide starter packs (basic garden tools, seeds, seedlings, appliances) to all households.	Short Term	R 1 200 000
	1.4. Facilitate the provision of on-farm infrastructure and facilities	1.4.1. Maintain and expand existing water irrigation systems and promote the development of new systems.	Short Term	No budget required from Ulundi
		1.4.2. Facilitate and support the provision of shade nets for small scale and emerging farmers.	Short Term	R 800 000
		1.4.3. Facilitate and support the provision of tunnel farming infrastructure to households.	Short Term	R 800 000
		1.4.4. Facilitate and support the provision of water tanks to all households.	Short Term	R 1 500 000
		1.4.5. Facilitate and support the access to sustainable energy sources such as solar power.	Short Term	R 1 500 000
		1.4.6. Facilitate and support the fencing for agriculture co-ops.	Short Term	R 2 000 000
1.4.7. Provide equipment storage facilities.		Short Term	R 1 100 000	

ULUNDI LOCAL ECONOMIC DEVELOPMENT STRATEGY (2015)

	1.5. Ensure the preservation of agricultural land and enhance agriculture production through sustainable farming methods and practices	1.5.1. Promote and support crop-rotation practices.	On-going	R 450 000
		1.5.2. Promote and support awareness on sustainable use of natural resources (water, electricity - solar) amongst the community.	On-going	R 450 000
		1.5.3. Promote and support intercropping farming methods.	On-going	R 450 000
		1.5.4. Support soil enriching (lime adding to reduce acidity) project championed by the Department of Agriculture.	Short Term	No budget required from Ulundi
		1.5.5. Ensure good agriculture land is reserved for agriculture production use (i.e. ensure that not for other land uses such as housing or other activities).	Short Term	No budget required from Ulundi
Strategic Goal 2: Development Support and Marketing of the Tourism Sector	Support the development of eco tourism assets	2.1.1. Identify and support the development of nature trails.	Short Term	R 250 000
		2.1.2. Identify and develop formal biking tracks and walking routes.	Short Term	R 450 000
		2.1.3. Facilitate and support open-air gospel music and annual traditional music shows.	On-going	R 250 000
			Short Term	R 350 000

ULUNDI LOCAL ECONOMIC DEVELOPMENT STRATEGY (2015)

		2.1.4. Support arts and crafts skills development through a Tourism Craft Development Programme.		
Strategic Goal 3: Support the development of small-enterprises and the Informal Economy	3.1 Provision of financial and technical support	3.1.1. Identify sources of funding for support from private investors, LM, DM, other government departments and NGOs.	Short Term	No budget required from Ulundi
		3.1.2. Link with private banks (micro loans, Ithala Bank, Capitec, ABSA, DEDTEA pre-financing) for co-ordination of SMME access to financial support.	Short Term	No budget required from Ulundi
		3.1.3. Support a mentorship programme between commercial farmers and local emerging farmers/small-scale farmers) with specific focus on agriculture commodities.	On-going	No budget required from Ulundi
		3.1.4. Partner with SEDA and support business skills and development training.	Short Term	No budget required from Ulundi
		3.1.5. Partner with SEDA and facilitate the establishment of a SEDA Satellite Office and Enterprise Information Centre and enhance the visibility of SEDA in the area.	Short Term	R 120 000
		3.1.6. Sector specific skills development and training informed/complemented by SEDA interventions and quantified needs.	Short Term	No budget required from Ulundi

ULUNDI LOCAL ECONOMIC DEVELOPMENT STRATEGY (2015)

	3.2 Facilitate and promote entrepreneurship	3.2.1. Provide support to sewing related co-ops and SMMEs.	Short Term	R 125 000
		3.2.2. Provide support to the furniture manufacturing projects	Short Term	R 125 000
		3.2.3. Support existing construction material manufacturing co-ops (i.e. block-making) and promote and support wider spread block making projects).	Short Term	R 400 000
		3.2.4. Create an electronic based database of all local businesses (co-ops and SMMEs) and services that is clearly delineated and updated periodically.	On-going	No budget required from Ulundi
		3.2.5. Incubator programme that promotes business development skills development and training for emerging co-ops and SMMEs.	Short Term	No budget required from Ulundi
		3.2.6. Facilitate access to markets for co-ops and SMMEs.	Short Term	R 125 000
		3.2.7. Undertake a feasibility study in order to confirm demand and optimise utilisation of the Multi-Purpose Centre for LED related activities	Short Term	R 185 000
		Strategic Goal 4: Improve the effectiveness of LED	4.1 LED awareness amongst the	4.1.1. Support LED awareness workshops.
	On-going			R 120 000

ULUNDI LOCAL ECONOMIC DEVELOPMENT STRATEGY (2015)

planning and implementation	decision makers, senior management and the community.	4.1.2. Encourage shared information around LED through a LED forum.		
		4.1.3. Support the development of an SMME forum.	On-going	R 120 000
		4.1.4. Support the development of a business forum.	On-going	R 120 000
		4.1.1. Engage with Department of Agriculture and address capacity inefficiencies of current extension officers.	Short Term	R 120 000

11.2.

In order to implement the strategy described in this document careful attention has to be given to drivers, institutional arrangements and existing capabilities. The underdeveloped institutional capacity within Ulundi Local Municipality has been identified as a critical weakness in LED implementation. This has resulted poor, uncoordinated planning and implementation of LED within the municipality which has largely hindered development and growth of the local economy of Ulundi. Therefore Strategic Goal 4 with its related programmes has been directed towards achieving effective LED planning and implementation specifically through the improvement of institutional environment within Ulundi LM.

However to ensure that effective LED implementation takes place, there needs to be effective and optimal institutional support, coordination and cooperation between all stakeholders. Implementation processes can be strengthened with specific commitments and contributions of all stakeholders. Therefore this LED Strategy provides some guidelines in terms of roles and responsibilities and structures that are expected to enhance coordination.

The Municipal Systems Act provides guidelines to cooperation between local and district municipalities. Section 3(1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) provides that municipalities must exercise their executive and legislative authority within the constitutional system of co-operative government envisaged in section 41 of the Constitution.

Section 88 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) states as follows:

A district municipality and the local municipalities within the area of that district municipality must co-operate with one another by assisting and supporting each other

A district municipality on request by a local municipality within its area may provide financial, technical and administrative support services to that local municipality to the extent that the district municipality has the capacity to provide those support services.

A local municipality on request of a district municipality in whose area that local municipality falls may provide financial, technical and administrative support services to that district municipality to the extent that the local municipality has the capacity to provide those support services

A local municipality may provide financial, technical or administrative support services to another local municipality within the area of the same district municipality to the extent that it has the capacity to provide those support services, if the district municipality or that local municipality so requests.

The Act indicates that there should be a symbiotic relationship between District and Local Municipality. The key implications of this Act are that in undertaking both planning and implementation of LED programmes and projects Ulundi LM can request financial, technical and administrative support and assistance from the Zululand District Municipality and similarly Zululand District may also request financial, technical and administrative support and assistance from the Ulundi LM Municipality. Given that the local municipality requires specific services such as bulk services provision from the District, the success of this LED strategy will be largely reliant on close cooperation and coordination between the District and local municipality

The Ulundi Local Municipality also needs to work closely with the District and other key stakeholders in ensuring planning and implementation of LED projects and programmes, particularly through structures at a district level. This implies that the local municipality must ensure close cooperation with Zululand LED Unit in terms of implementation of the projects identified within this strategy.

The LED Unit in particular should strive towards providing support to district and local government in building their capacity to plan and manage the local economy. However, the institutional environment of the Ulundi LM is not functioning at peak efficiency. The LED unit is currently understaffed and does not have sufficient capacity to ensure the optimal implementation of the LED Strategy and programmes. Presently the LED Unit does not have an LED manager and the sufficient supporting staff within the LED Unit. Improving the

capacity of the existing LED unit will enable the municipality to better manage and implement LED projects and to liaise with various project and programme stakeholders. As the current LED unit has does not have sufficient capacity to implement LED programmes, it is critical and a matter of urgency to appoint an LED manager who has the experience and capacity to manage the economic portfolio of the LED unit and to capacitate and train staff accordingly so that they may effectively implement the strategic programmes and effectively.