



NONGOMA LOCAL MUNICIPALITY
LOCAL ECONOMIC DEVELOPMENT REVIEW (2014).

FINAL INTEGRATED REPORT

MARCH 2014



The Municipal Manager

Nongoma Local Municipality

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Submitted by:

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	8
SECTION ONE: BACKGROUND AND CONTEXT	12
1.1. Background	12
1.2. Project Objectives	12
1.3. Project Methodology.....	13
SECTION TWO: THE CONTEXT FOR LOCAL ECONOMIC DEVELOPMENT	15
2.1. Definitions and Understanding of Local Economic Development	15
2.2. Local Economic Development Approaches.....	16
2.2.1. The World Bank Approach.....	16
2.2.2. The Local Economy Approach.....	17
2.2.3. The International Labor Organization (ILO) Approach.....	17
2.2.4. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Approach	18
2.2.5. UN Habitat Approach.....	19
SECTION THREE: RELEVANT POLICY AND LEGISLATIVE GUIDELINES	21
3.1. National Legislations and Policies	21
3.1.1. The Constitution.	21
3.1.2. The White paper on local government (1998)	21
3.1.3. The National Development Plan	22
3.1.3. The National Local Economic Development Framework	23
3.1.4. The Comprehensive Rural Development Programme.....	25
3.2. PROVINCIAL, DISTRICT AND LOCAL LEGISLATIONS AND POLICIES	26
3.2.1. The Provincial Growth and Development Strategy	26
3.2.2. Zululand District Integrated Development Plan and LED Strategy	28
3.2.3. Nongoma Municipality Integrated Development Plan and Local Economic Development Strategy ..	29
SECTION FOUR: NONGOMA LOCAL ECONOMIC ASSESSMENT	32
4.1. Geography and Demographics	32
4.2. Bio-Diversity and land Ownership in Nongoma	44
4.2.1. Land Based Protected Areas.....	44

4.2.2. Terrestrial Eco-systems	44
4.2.3. Freshwater Eco systems	45
4.2.4. Land Ownership	45
4.3. Trends in Nongoma Municipality's Economic and Sectoral performance.....	47
4.3.1. Definitions of Sector Clusters	47
4.3.2. Nongoma Overall Economic Performance	48
4.3.3. Tourism Performance in Nongoma Municipality	57
4.3.4. The Performance of the Agricultural Sector.....	67
4.3.5. The Informal Trade and Small & Medium Enterprises	74
4.3.6. Other Local Economic Development Initiatives in Nongoma	79
SECTION FIVE: LOCAL ECONOMIC MATURITY ASSESSMENT, GAP ANALYSIS AND SWOT ANALYSIS	83
5.1. Local Economic Development Maturity Assessment.....	83
5.2. Gap Analysis	86
5.2.1. Inadequate skills.....	86
5.2.2. Underutilised Livelihood Assets.....	86
5.2.3. Sub-Optimal Performance of Real Sectors.....	86
5.2.4. High Levels of Economic Vulnerability.....	86
5.2.5. Poor Stakeholder Partnerships.....	87
5.3. SWOT Analysis	88
5.3.1. Strengths	88
5.3.2. Weaknesses	88
5.3.3. Opportunities	88
5.3.4. Threats	88
SECTION SIX: STRATEGIC CLUSTERS	89
6.1. Accelerated Nodal Development.....	90
6.1.1. Programme One: Mixed use Nodal Centres.....	91
6.1.2. Programme Two: Business Support.....	91
6.1.3. Programme Three: Infrastructure Development	91
6.1.4. Programme Four: Nodal Marketing Programme.....	91

6.2. Economic Diversification	92
6.2.1. Agro-processing	93
6.2.2. Labor Skilling	93
6.3. Market Research	94
6.3.1. Programme One: LED Research	94
6.3.2. Programme Two: Critical Sectors Research	94
6.4. Institutional Development	95
6.4.1. Programme One: Capacity Building	96
6.4.2. Programme Two: Resource Mobilization	96
6.4.3. Programme Three: Land for Development	96
6.5. Green Economy Mainstreaming	97
6.5.1. Programme One: Land Greening	97
6.5.2. Programme Two: Renewable Energy	98
6.5.3. Programme Three: Forest Management	98
6.6. Businesses Retention, Attraction and Development.	99
6.6.1. Programme One: Informal Trade Mainstreaming in Nodal developments	99
6.6.2. Programme Two: Mentorship and Skills Training	100
6.7. Summarised Strategic Clusters and Programmes.	101
SECTION SEVEN: IMPLEMENTATION PLAN	102

LIST OF TABLES

Table 1: Summarised Strategic Clusters and Programmes	11
Table 2: Consulted Stakeholders	14
Table 3: United Nations Habitat LED Planning Process	19
Table 4: National Local Economic Development Framework Guidelines	24
Table 5: Focus Areas for the Comprehensive Rural Development Programme	25
Table 6: DEDT initiatives in Zululand District	28
Table 7: Population Group Distribution in Nongoma	35
Table 8: Sector Employment	41
Table 9: Energy Sources	42
Table 10: Vegetation types in Nongoma	45
Table 11: Rivers in Nongoma Area	45
Table 12: Sub-Sector Contribution to Nongoma Municipal Economy	51
Table 13: List of Organizations in Various Tourism Categories	65
Table 14: Nongoma Municipality LED Maturity Scores	85
Table 15: Nongoma LED Vision and Mission	89
Table 16: Proposed Approach to Nongoma Green Economy	97
Table 17: Summary of Strategic Clusters and Programmes	101
Table 18: Implementation Plan	102

LIST OF FIGURES

Figure 1: Tress Index	9
Figure 2: Location Quotient.....	10
Figure 3: PACA Hexagon.....	18
Figure 4: Nongoma Municipality Settlements.....	34
Figure 5: Nongoma Population Group by Ward	36
Figure 6: Ownership of Assets	37
Figure 7: Economic Participation	38
Figure 8: Employment Status.....	38
Figure 9: Residential Setting	39
Figure 10: Rural-urban Setting.....	39
Figure 11: Income Distribution	41
Figure 12: Internet Access	42
Figure 13: Education Level	43
Figure 14: Tress Index	49
Figure 15: Location Quotient.....	50
Figure 16: Average Annual Growth (1996-2012)	53
Figure 17: Value Addition.....	54
Figure 18: Gross value Add by Sector	55
Figure 19: Gross Operating Surplus	56
Figure 20: Labor Remuneration by Sector	57
Figure 21: Number of Trips by Purpose of Trip	58
Figure 22: Number of Trips: Leisure	58
Figure 23: Number of Trips: Business.....	59
Figure 24: Number of Trips: Friends and Relatives.....	60
Figure 25: Number of Trips: Religious and Medicine	60
Figure 26: Domestic and International Tourists.....	62
Figure 27: Total Tourism Spend.....	63
Figure 28: Total Tourism Spend as % of GDP.....	63
Figure 29: Tourism Organizations Registered in the Community Tourism Organization	65
Figure 30: Agricultural Sector Gross Value Add.....	67
Figure 31: Annual Growth in the Agricultural Sector	68
Figure 32: Agricultural Contribution to Municipal Economy.....	69
Figure 33: Labor Remuneration in the Agricultural Sector	69
Figure 34: Gross Operating Surplus: Agricultural Sector	70
Figure 35: Agricultural Potential Areas in Nongoma	71

Figure 36: Development Areas in Nongoma	82
Figure 37: Nongoma LED Maturity Assessment	85

EXECUTIVE SUMMARY

This study is a review of the 2004 LED strategy for Nongoma Municipality. Ten years on, economic trends have changed significantly, effectively re-characterizing the socio-economic dynamics of the municipality. In spite of the on-going changes, the KwaZulu Natal Spatial Development framework classifies Nongoma Municipality as social investment area. This suggests the need for basic interventions, which might not yield urgent and direct economic growth results, they are rather focused on creating and sustaining livelihoods in rural areas. This report takes cognisance of this reality as far as Nongoma Municipality is concerned.

The report premises from an understanding of Local Economic Development (LED) as a process and an outcome of co-management of local assets by various stakeholders, for the purpose of job creation in a given locality. Job creation is the critical priority for LED, and thus suggesting labor intensive initiatives which are aimed at reducing unemployment and minimising poverty. South Africa's successful decentralization has played a fundamental role in creating a framework for LED. Part of the decentralization achievements has been creation of municipalities, and mandating them to formulate 5 year Integrated Development Plans, which must contain Local economic Development Strategies. This strategy is therefore, a constitutional mandate.

Review of LED policies and legislations suggest the following for Nongoma Municipality.

- The Nongoma municipal government should acknowledge its critical role in transforming its economy
- The Nongoma municipal government should enable the local economic and social environment for investment.
- Alignment of Nongoma LED with district, provincial and national priorities should be made, and, institutional capability in Nongoma municipality should be prioritised.
- The Nongoma Municipality competitive advantage should be clarified and exploited.
- A close cooperation between various government departments (such as the DEDT, DoT, etc) and Nongoma Municipality should be forged. Also, inter-sectoral forums within the municipality should be encouraged.
- Indigenous knowledge in Nongoma municipality should be utilised in the efforts to optimise the use of local resources. More importantly, the municipality should conduct extensive consultation exercise to understand and co-resolve challenges relating to settlement patterns with municipal residents.
- Nongoma municipal efforts to exploit its competitive advantage should be balanced with environmental sustainability. This means thoroughgoing partnerships between businesses, cooperatives, Non-government organizations as well as community representatives

- Expansion of the skills base in Nongoma, supporting new skills for entrepreneurship should be considered as a priority intervention.
- Over and above auditing and supporting innovation and creativity in Nongoma municipality, political will for LED should be encouraged.

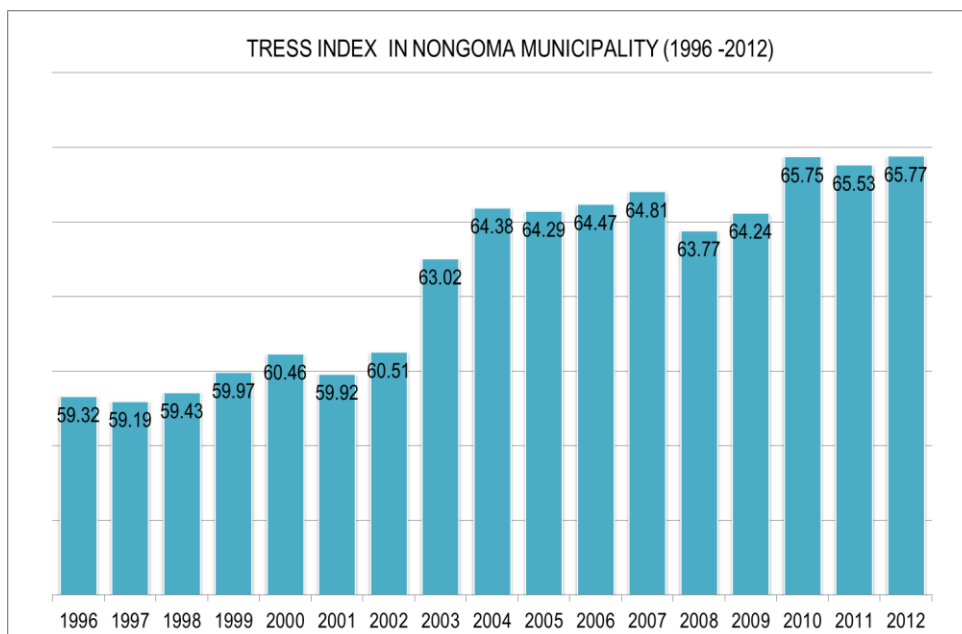
In addressing the above concerns, Cwaninga examined Nongoma's economic trends, computing these into Tress Index and Location quotient, which measure comparative advantage and sector concentration respectively. These indices are explained below.

(a) Nongoma Tress Index

An examination of the municipality's tress index confirms CoGTA's findings. Tress index indicates the level of concentration or diversification in an economy. It is computed by ranking sectors according to their contributions to GVA or employment, adding the values cumulatively and indexing them. A tress index of zero represents a totally diversified economy, while a number closer to 100 indicates a high level of concentration or vulnerability.

In this light, the following table illustrates an increasing concentration of the sectors. That is to say, reliance on government services, finance, and trade has progressively become dense overtime, making the municipality's economy highly vulnerable. As at 2012, this vulnerability was highest in a decade. The implication is that, diversification of the municipal economy to decrease vulnerability is required.

Figure 1: Tress Index



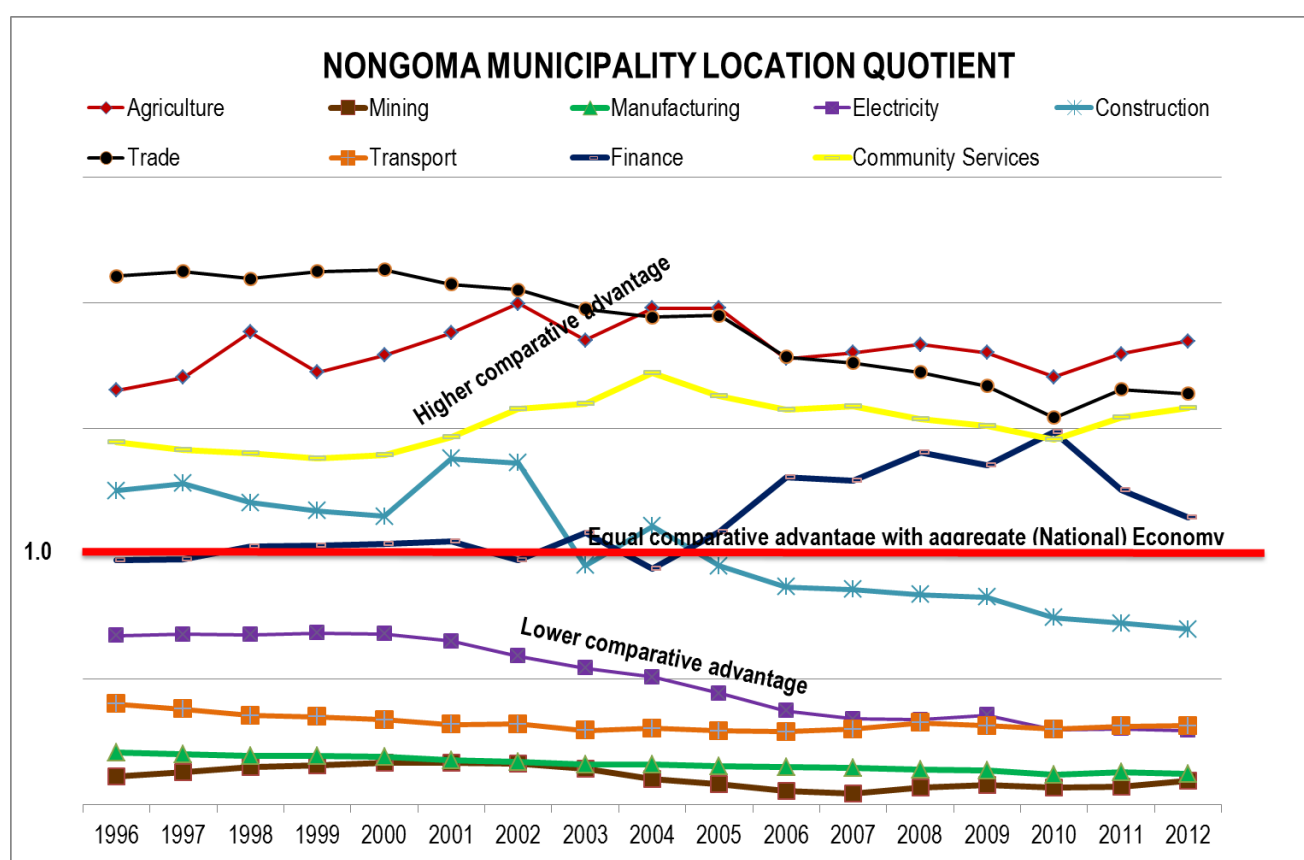
Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

(b) Nongoma Location Quotient

On comparative advantage which measures the efficiency of the economy, a Location quotient is the most popular index. If a given economic sector in a given economy (in this case Nongoma municipality) has a location quotient smaller than 1, then its share of the local economy is lower than the share of the sector on a national scale. The reverse is also true. Sectors with location quotient higher than one tend to be export oriented, and often employ high numbers of the population. The location quotient is computed by taking the percentage share of the sector in the regional (in this case municipal) economy divided by the percentage share of that same sector in the national economy.

Thus said, as shown in the following graph, as at 2012, at least four sectors contribute a larger share of Nongoma municipality's economy, than they do on the aggregate National economy. These are trade, agriculture, community services and finance. What this means is that, these sectors reveal a comparative advantage of Nongoma's economy (except for government services) and therefore interventions into these sectors would be a noble and productive option. This is not to say that the sectors with less than one location quotient should be ignored. There are possibilities that these sectors possess latent potential which has not been exploited yet.

Figure 2: Location Quotient



Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

Out of economic assessment, we concluded that the Municipality is characterised by at least five gaps which are:

- Inadequate Skills
- Underutilised livelihood assets
- Sub-optimal performance of Real Sectors
- High levels of Economic Vulnerability and
- Poor stakeholder partnerships.

We then developed SWOT analysis, which is presented in section five. Out of the SWOT analysis, we identified the following strategic clusters and programmes. The implementation framework containing specific projects is mapped out in section seven.

Table 1: Summarised Strategic Clusters and Programmes

STRATEGIC CLUSTERS	PROGRAMMES
Strategic Cluster One: Accelerated Nodal Development	1.1. Mixed Use Nodal centres
	1.2. Business Support
	1.3. Infrastructure Development
	1.4. Nodal Marketing
Strategic Cluster Two: Economic Diversification	2.1. Agri-Processing
	2.2. Labor skilling
Strategic Cluster Three: Marketing and Market Research	3.1. LED Research
	3.2..Critical sectors research
	3.3. Local Area marketing
Strategic Cluster Four: Institutional Development	4.1. Capacity Building
	4.2. Resource Mobilization
	4.3. Land for Development
Strategic Cluster Five: Green Economy Mainstreaming	5.1. Land Greening
	5.2. Renewable Economy
	5.3. Forest Management
Strategic Cluster Six: Business Retention, Attraction and Development	6.1. Informal Trade mainstreaming in nodal development
	6.2. Mentorship and Skills Training

SECTION ONE: BACKGROUND AND CONTEXT

1.1. BACKGROUND

Nongoma municipality has made important policy steps to address poverty and unemployment within its boundaries. Some of the gains include formulations and subsequent reviews of policies such as the Integrated Development Plan, the Local Economic Development strategy (2010), the tourism strategy (2014), as well as the Small and Medium Enterprises Strategy (2014). All the aforementioned policies point to the need for innovative and aggressive interventions which prioritize job creation and therefore economic development in Nongoma. On job creation and poverty alleviation, the Municipality has especially been guided by Local Economic Development strategies from 2003 (when the first Zululand district LED strategy was formulated) through 2006 Nongoma LED strategy and into the current 2010 Nongoma LED strategy. Socio-economic dynamics have continued to change under the influence of these policies as well as shifting local, regional and national dynamics. Some examples of changing local currents include the decline of Nongoma population between 1996 and 2011 as well as shrinking household sizes over the same period. The number of households headed by women has also increased significantly between 1996 and 2011, which suggests an outward migration of Nongoma's male population.

The changing dynamics in Nongoma municipality require constant review of policy frameworks, if these policies are to remain relevant to the always emerging economic challenges and opportunities. In this light, the Nongoma Local Municipality commissioned Cwaninga Development Consulting to review the 2010 LED strategy with the aim of achieving the following.

1.2. PROJECT OBJECTIVES

The aim of this project is to review the Local Economic Development Strategy for the Nongoma Municipality. The revised strategy should ultimately guide further planning as well as form the basis upon which implementation of strategic initiatives will be made. More specifically, as outlined in the Terms of Reference, the project seeks to:

- a) Undertake a detailed economic analysis which will accordingly enable identification of strategic interventions which will maximise economic development within the municipality.
- b) Formulate a workable strategic framework within which the potential of sustainable economic development in the municipality will be exploited.
- c) Create a basis upon which economic development partnerships –between and within governments, as well as between government and non-government sectors- will be realised.
- d) Identify existing gaps in business infrastructure and support
- e) Explore incentives which could potentially unlock business growth and job creation within the municipality

- f) Identify ways of SMME support and effective regulation of informal trading and
- g) Create a database of projects consisting of existing projects, potential projects and viable projects which are likely to yield maximum impact on poverty and unemployment.

1.3. PROJECT METHODOLOGY

The project consists of three phases as follows:

- (a) Situational analysis
- (b) Strategic clusters and
- (c) Implementation framework

This particular phase presents phase one and two, that is, the situational assessment of Nongoma municipality's economy as well as the strategic clusters. Specifically, the situational phase represents a local economic resource audit, constituting stakeholder consultation and review of existing literature. The review of literature on its part seeks to synthesise policy and non-policy information, within which the strategic clusters phase emerge. The synthesis of relevant literature mixed with stakeholder consultations intends to identify existing gaps, opportunities and challenges as a foundation for the next phase, which will map out broad thematic areas which will cluster these challenges and effectively propose interventions.

Among others, the review of literature examined the following documents.

- The National Development Plan
- The National LED framework
- The comprehensive rural development framework
- The provincial growth and development strategy
- LED maturity assessment framework
- The Zululand Integrated Development Plan
- The Zululand District Local Economic Development
- Nongoma Integrated Development Plan
- Nongoma Local Economic Development Strategy

On the stakeholders, we set out to consult the following.

Table 2: Consulted Stakeholders

Institution	Stakeholder (s)
Planning and Development Department	<ul style="list-style-type: none"> • Department Director • LED Officer/ • Tourism Officer/CTO • Town Planner • IDP
Politicians	<ul style="list-style-type: none"> • Councillors • Ward Committee Members
District LED Forum	<ul style="list-style-type: none"> • Chairperson and key private sector role players
District Tourism Office	<ul style="list-style-type: none"> • Tourism officer
Local Taxi Association	<ul style="list-style-type: none"> • Chair person or any other key members
Traditional Leaders / Groups	<ul style="list-style-type: none"> • Amakhosi
Informal economy Chamber	<ul style="list-style-type: none"> • Chairperson and key business role players
District SMME Business chamber	<ul style="list-style-type: none"> • Chairperson and key business role players
Other Departments	<ul style="list-style-type: none"> • Department of Cooperative Governance and Traditional Affairs (CoGTA) • Department of Economic Development and Tourism • Department of Agriculture and Environmental Affairs • Department of Rural Development and Land Reform • Department of Transport • Office of the Premier (Rural Development) • SEDA • Department of Trade and Tourism • LIMA (Local implementing agent)
Others	<ul style="list-style-type: none"> • Manco • Technical services

SECTION TWO: THE CONTEXT FOR LOCAL ECONOMIC DEVELOPMENT

2.1. DEFINITIONS AND UNDERSTANDING OF LOCAL ECONOMIC DEVELOPMENT

Local Economic Development (LED) is a process and an outcome of co-management of local assets by various stakeholders, for the purpose of job creation in a given locality. As far as LED is concerned, this job creation should be labor intensive, especially because poverty alleviation and reduction of unemployment are the ultimate goals. South Africa has made important strides towards LED, the critical foundation being demarcating the country into self-governing municipalities in 2000. This was a significant break from the pre-1994 centrally planned political and economic systems, and an exclusive development of selected metropolis. The establishment of municipalities, therefore, formed the basis for meaningful LED practice in South Africa. In this light, the municipal system Act of 2000 determined that all municipalities develop 5 year Integrated Development Plans, which must contain Local economic Development Strategies.

Municipalities across the country have traditionally focused on community economic development, which in the main involved donors and NGOs, as well as direct job creation by government. According to the 2010 SALGA paper, these Community Economic programmes have been unsustainable, especially considering donor withdrawals and reduced or withdrawal of government funding.

The pro-poor and pro-growth debates on South Africa's Local Economic Development reveal divergences in which LED has been implemented. Economic metropolis have, on their part focused on creating enabling framework for private sector investments through infrastructure development, inner city regeneration and research while rural regions have tended to focus on accelerated service delivery, expansion of the social grants reach and SMME development. Along similar lines, LED in rural centres (such as Nongoma) is essentially project based while urban centres seek to create more effective institutions to enable market functions. SALGA's positional paper on local government (2010) found that the private sector in urban centres is willing to work more with government, than the in rural areas. Part of the reason is that services delivery in urban centres is often concentrated, and therefore comparatively easier to implement than in rural areas which are characterised by fragmented settlements. Also, rural regions have inherited greater development backlog from the apartheid system, than urban centres. Adding to the above, economic activities in rural centres are essentially informal, making it difficult to develop meaningful public –private investment schemes. Often rural municipalities rely on external (formal) businesses for investments.

The 2006 LED framework outlines three main roles for municipalities as far as LED is concerned. They are:

- To provide leadership and direction in policy making (by-laws and processes to regulate land in manner that reduces the costs of doing business and maximises the involvement of people in the local economy).

- To administer policy, programme and projects (the core function of any body or structure responsible for LED is to co-ordinate and maximise the impact of programmes and projects with respect to growth and development).
- To be the main initiator of economic development programmes through public spending, regulatory powers, and (in the case of larger municipalities) their promotion of industrial, small business development, social enterprises and cooperatives.

In its review of LED performance across South Africa in 2010, SALGA identified the following seven challenges.

- (a) A lack of common understanding of the role of LED and LED processes;
- (b) An increasing urban-rural divide in LED processes and practices;
- (c) The practical spatial constraints of economic planning at a very local level;
- (d) A less-than-effective working relationship between provinces, districts and local authorities;
- (e) A lack of effective LED “networks” in many areas;
- (f) The inability of many local authorities to clearly define a LED strategy within the broader IDP process; and
- (g) A lack of planning resources and capacity.

Additional to the above, rural-migration is a critical LED constraint, especially considering that this migration is essentially skill-drain from rural areas. There are also cases of business outmigration, which further undermine the potential of LED especially in rural areas.

There are broad frameworks within which LED operates. The following are the most popular, and applicable to the South African Context.

2.2. LOCAL ECONOMIC DEVELOPMENT APPROACHES.

2.2.1. The World Bank Approach.

The World Bank approach (WB) focuses on the entire process of formulating LED strategies through implementation. It is therefore based on five steps as follows:

- (a) Organizing the effort** –This phase involves bringing together various stakeholders for LED promotion. The intention is to achieve optimal buy-in by all the critical stakeholders, not least the community.
- (b) Local Economic assessment** –The Local Economic Assessment phase is an audit of the economic status of a given locality. Typically, conducting of SWOT analysis and gap identification is made. This step also involves locating the local economic within a broader context.

(c) Local Economic Strategy –This is the planning phase, where specific interventions are made. LED strategies such as the current document fall under this phase.

(d) Implementation –The LED strategy should be followed by implementation, assuming that the various stakeholders identified in phase one are fully on board through all the phases.

(e) Review and/or evaluation –The evaluation involves on-going assessment of the performance –impact and outcomes- of the LED strategy.

2.2.2. The Local Economy Approach.

This approach is popular in West and central Africa, and as the name suggests, it revolves around economic decentralization as an indispensable part of political decentralization. This method underscores the linkages which exist within and between rural towns and villages, local economies and regions. It is mostly represented by the value chain practice. Over and above its advocacy for development of LED support infrastructure, consistent with its 'linkages leanings', this approach identifies integration of formal and informal businesses from all sectors as a critical strength of local economies which could be enhanced for maximum economic productivity. The Local Economy approach has a rigorous and extensive research phase, followed by dissemination and then implementation.

2.2.3. The International Labor Organization (ILO) Approach

The LED programme under the auspices of the ILO focuses on building Local Economic Development Agencies (LEDAs) as the managers of LED. This approach has been largely implemented in peri-urban and rural areas, and is considered successful especially within Africa, and is therefore applicable to Nongoma municipality. The ILO option follows five steps as follows:

- a) Territorial analysis –This step involves an assessment of the local economy institutions and other dynamics.
- b) Consensus building- This process includes conducting interviews, workshops, presentations and study tours.
- c) Promotion of the local economic forum –This is mainly an organization of various stakeholders from both the public and private sector. Although not necessarily within the ILO framework, LED forums are fairly popular in South Africa.
- d) Design of an LED strategy – Drawing on the research undertaken in the first phase, a participatory SWOT analysis is undertaken by the LED forum to pinpoint strengths, weakness, opportunities and threats in the local economy. This is followed by the formulation of an LED programme with projects and action plans, notably in the areas of finances, business development, training and infrastructure.
- e) Implementation of the LED strategy –The final step involves implementation of the strategy.

2.2.4. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Approach

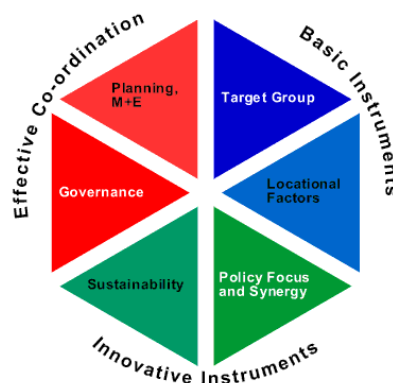
In South Africa in particular, two German organizations, GTZ and InWent [Weiterbildung und Entwicklung gGmbH (Capacity Building International Germany)] two German Cooperation organisations have played an important role in introducing a business and market perspective to LED, to a significant extent drawing on the work of Mesopartner, a consultancy based in Duisburg, Germany, that has been operating since 2003. Mesopartner is well known for its use of Participatory Appraisal of Competitive Advantage (PACA).

The purposes of this methodology are to:

- assess the economic potential of a local area and identifying sectors that deem most promising in terms of growth,
- provide strategies on how to mobilize and unlock this potential and showing ways on how to overcome obstacles and
- get local stakeholders such as the local government and administration, the business community, local representatives of trade unions, NGOs and the like to work together, creating a true community spirit.

PACA is rooted in an explicitly articulated conceptual framework, illustrated in the LED Hexagon below.

Figure 3: PACA Hexagon



Source: Mesopartner (<http://www.mesopartner.com/2014>)

While the triangles "target group" and "locational factors" are about the core of local economic development processes, i.e. the basic instruments, the triangles "policy focus and synergy" and "sustainability" are useful in adding innovation, a wider perspective and a broader scope to LED. The triangles "governance" and "planning, M&E" focus on practical issues in implementing an LED initiative.

The PACA exercise involves the following seven steps:

- a) Preparation
- b) Hypothesis testing
- c) Kick-off workshop
- d) Fieldwork interviews and mini-workshops
- e) Findings workshop
- f) Presentation of findings workshop
- g) Way forward workshop

2.2.5. UN Habitat Approach

The UN habitat approach is not a popular one. Focusing on strategic planning, it follows specific questions as noted below.

- Where are we now?
- Where do we want to go?
- How are we going to get there?
- How do we know when we have arrived?

The above broad questions are operationalized using a ten step process as follows:

Table 3: United Nations Habitat LED Planning Process

Problem statement	Steps
Where are we now?	Step 1: Getting started Step 2: Stakeholders and participation Step 3: Situation Assessment
Where do we want to go?	Step 4: Visioning Step 5: Issues and objectives
How are we going to get there?	Step 6: Strategy development. Step 7: Action planning Step 8: Organisation and implementation
How do we know when we have arrived?	Step 9: Monitor and evaluate Step 10: Adjust and modify

Unlike the other approaches, it has an explicit focus on poverty reduction and argues that LED cannot reduce poverty effectively without incorporating explicit poverty reduction actions. For the UN-Habitat, being inclusive means involving both the formal and informal economies. It means making specific efforts to include those who are traditionally left out of LED processes, such as youth, women and children, and also ensuring that they have

access to the opportunities created by the process. It attaches importance to the role of champions in driving LED.

In applying the above approaches to Nongoma, this report will consider the following cross cutting themes.

- **Innovation** –Rural regions such as Nongoma will require innovative strategies, necessarily so given the often generic and non-contextualized approaches used in rural development. This report will take cognisance of the need for innovation in recommending strategies, programmes and projects.
- **Synergy** –In the case of Nongoma, this would mean finding economic potential through supporting a range of sectors all of which should address unemployment and poverty effectively. Focus on synergy will also include mandating a range of stakeholders who together should implement LED in Nongoma. Part of this objective will cover support of a functional and effective LED forum.
- **Sustainability** –This will be critical for Nongoma, considering the current economic vulnerability of the municipality. This study will account for diversification of current economic base as well as environmental protection.
- **Local Economic assessment** –Following the PACA approach, it is important to examine the current economic potential of Nongoma Municipal area, effectively identifying the sectors which hold most potential for the municipality. This assessment will further design strategic guidelines on how this potential could be exploited. This should then be implemented through a range of stakeholder partnerships, which will be presented.
- **Business Development** -The business approach suggested by the local economy approach is relevant, considering the mixes of formal and informal businesses in Nongoma. Understanding the informal economy in Nongoma is critical for this goal to be achieved.

SECTION THREE: RELEVANT POLICY AND LEGISLATIVE GUIDELINES

Chapter 3 of South Africa's constitution recognises the three spheres of government as distinctive, interdependent and interrelated. It also mandates all the spheres of government to ensure cooperation with each other, among other specifics, to coordinate actions and legislative guidelines. In a development context, the coordination is intended at avoiding duplications, overlaps, or even unnecessary tensions which would potentially undermine economic development. This constitutional logic, therefore, guides this section, which will present the relevant national, provincial as well as the local policy guidelines governing or supporting Local Economic Development in Local municipalities such as Nongoma. Effectively, the section will relate these policies to the specific Nongoma context.

3.1. NATIONAL LEGISLATIONS AND POLICIES

3.1.1. The Constitution.

South Africa's constitution (in particular chapter 7, Section 152) enlists the following objectives as far as local government is concerned.

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

Local Economic Development (LED) summarily navigates within the above objectives, considering its focus on developing local economic activities which in turn should terminate poverty traps in a given locality. It is therefore important for this review to examine the extent to which processes of decision making are participatory, the sustainability of current economic initiatives as well as environmental management issues in Nongoma municipality.

3.1.2. The White paper on local government (1998)

The White Paper on Local government (1998) points out strategic areas for transformation of local government. The Paper is especially burdens local government with development tasks, and thus the concept 'developmental local government', a concept which means commitment by local government to work with communities for sustainable social and economic change. This change should improve the quality of citizens' lives. Additionally,

re-organizing settlement patterns for development purposes forms a critical role of local government, according to the White Paper.

The white paper though, excurses the local government from the task of direct job creation, and rather mandates it to facilitate job creation. Various municipalities forge forward with direct job creation, a task which is neither their mandate, nor easily feasible. The 'facilitation' task therefore suggests creation of decent and conducive environment for trade and investment, as suggested by the National LED Framework. The White Paper is however quick to point that, this should not be viewed as an excuse for slow pace of addressing socio-economic conditions. It rather dictates that the powers and functions of local government should be used unreservedly, with the objective of maximum impact not just in delivery of basic needs but also in economic growth of the relevant locality.

Specifically on LED, the White Paper suggests the need to ensure efficient service delivery, mainly as a business support initiative, as well as establishment of specialised services such as setting up business service centres which aim to assist with skills, premises, information, networking, marketing and credit access. The business services centre initiative is supported by the Department of Trade and Industry. Training and placement is another specialised service, which according to the White Paper would go a long way in addressing LED challenges.

The above are useful proposals, for Nongoma municipality especially considering the skills-drain on one hand, on the other, the generally low level of education. These proposals will be accounted for in the strategic clusters section.

3.1.3. The National Development Plan

The National Development blueprint emerged from a diagnostic report, which on its part identified nine thematic areas. Five of the nine thematic areas are relevant to Nongoma Municipality, as follows:

- (a) The number of working population is worryingly low
- (b) Education is essentially of poor quality
- (d) Broken down infrastructure
- (e) Spatial patterns are often fragmented, and therefore a critical constraint to development
- (f) Overreliance of natural resources

The National Development Plan further sketches out responsive priorities as:

- Establishing food and nutrition security
- Expanding the reach of basic needs
- Upgrading informal settlements
- Creating better conditions for entrepreneurs

- Supporting small businesses through avenues such as access to finance
- Skills development

Although the National Development Plan frames its objectives with national scope in perspective (and therefore broad sweeping), the above development levers are critical to current gaps in Nongoma municipal economy.

3.1.3. The National Local Economic Development Framework

The National Local Economic Development Framework is currently under review, given the expiry of the first 5 year cycle (2006-2011). One of the distinguishing features of the National LED policy framework is the notion of 'new institutionalism' which dismisses the dichotomy between economy and society. What this means is that economic decisions are shaped by shared values and intentions. LED aims to enhance this 'sharing'. The National Framework underscores the importance of localities within which multiple networks exist. It also acknowledges the role of institutions which support economic development, and the need to provide the necessary propping of these institutions. In this regard, technologies as well as social networks, facilitation of cooperation's and competitions, ensuring skills and knowledge transfer as well as balancing the patterns of development. The Framework identifies the following themes in rolling out Local Economic Development.

- Economic clustering** - The target is clustering of firms, usually in urban centres. Interactions and networking of clustered enterprises is seen as a critical factor for LED.
- Cultural turn** - This theme could include entertainment initiatives as well as creative arts such as film, fashion, music, and the visual arts. The perspective of institutional economics is that, social and economic networks can provide support to entrepreneurial culture and creativity.
- Institutional Building** -The framework points out that institutional building is different from capacity building, in that it focuses on building institutional capabilities through strengthening associational networks. This would include strengthening business associations, SME networks, inter-municipal collaboration, partnerships with higher education and research institutes, and growth coalitions involving municipal government, business, workers, and civil society.
- Non-local relationships to local development** - Here the national framework advise local economic stakeholders to utilise regional, national as well as global networks to enhance LED. This of course would mean finding resources outside the locality, in order to boost the capabilities of local resources.
- Appropriate scale of 'local' intervention** - By the 'appropriate scale of local intervention' it is meant that, local regions are somewhat insignificant and poorly resourced to make any meaningful change in the local economy. The remedy is to make use of the broader region as a draw card.
- Social Inclusion**- Summarily, this theme suggests that development of local economies is only achievable through ensuring that growth patterns are redistributive.

The National LED Framework further has important guidelines which are useful for Nongoma municipality. They include:

Table 4: National Local Economic Development Framework Guidelines

Guiding Principle	Implication for Nongoma Municipality
Through a developmental approach, Government has a decisive and unapologetic role to play in shaping economic destiny.	The Nongoma municipal government under this principle should acknowledge its critical role in transforming its economy
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.	Linked to the above, the Nongoma municipal government should enable the local economic and social environment for investment.
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	Here alignment of Nongoma LED with district, provincial and national priorities should be made. Additionally, institutional capability in Nongoma municipality should be prioritised.
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.	The Nongoma Municipality competitive advantage should be clarified and exploited. This LED strategy needs to form part of the competitive advantage identification.
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).	A close cooperation between various government departments (such as the DEDT, DoT, etc) and Nongoma Municipality should be forged. Also, inter-sectoral forums within the municipality should be encouraged.
Locally owned appropriate solutions and strategies must emerge to support national frameworks in both rural and urban local spaces and should promote sustainable development and sustainable human settlements.	Indigenous knowledge in Nongoma municipality should be utilised in the efforts to optimise the use of local resources. More importantly, the municipality should conduct extensive consultation exercise to understand and co-resolve challenges relating to settlement patterns with municipal residents.
South Africa competes in a global and increasingly integrated world economy whose threats must be minimised and whose opportunities must be exploited.	Nongoma municipal efforts to exploit its competitive advantage should be balanced with environmental sustainability.
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 innovation; and, the need for sustainable and inclusive patterns of growth.	This guideline recommends thoroughgoing partnerships between businesses, cooperatives, Non-government organizations as well as community representatives as holding the possibility for sustainable and inclusive LED

People are the single greatest resource and including all citizens in development and increasing their skills leads to increased opportunities for stimulating local economies.	This principle is relevant for Nongoma especially considering the out-migration of the population. Expansion of the skills base in Nongoma, supporting new skills for entrepreneurship will be a noble effort.
Local initiative, energy, creativity, assertive leadership and skills will ultimately unlock the latent potential in local economies and will shape local spaces.	Over and above auditing and supporting innovation and creativity in Nongoma municipality, there should be political will to roll out development in an aggressive manner.

3.1.4. The Comprehensive Rural Development Programme.

The Comprehensive Rural Development Programme (CRDP) is relevant for Nongoma Municipality, considering that over two thirds of the Nongoma municipal area is rural. The CRDP is a key priority in the government's Medium Term Strategic Framework, considering that well over a third (37.5%) of the country's population live in rural areas. Although this is a decline from approximately 41% in 2004, this trend is largely influenced by rural to urban migration-in the main because rural zones in South Africa do not present meaningful and sustainable economic activities. In this light, the CRDP seeks to respond effectively to rural underdevelopment through decongestion of former homelands, food security programmes, and sustainable management of natural resources. Summarily, the CRDP revolves around three focus areas as follows:

Table 5: Focus Areas for the Comprehensive Rural Development Programme

Focus area	Activities
Agrarian Transformation	It mainly seeks to transform human relations to land, livestock and cropping. This should be achieved through activities such as: <ul style="list-style-type: none"> • Establishment of rural business initiatives • Establishment of agro-industries • Establishment of cooperatives • Setting up of cultural initiatives • Establishment of rural market centres • Implementing skills development among rural communities • Revitalization of all types of infrastructure and public assets
Rural Development	The objective is to provide enablement of rural population to develop their own livelihoods. This is to be done through: <ul style="list-style-type: none"> • Optimal use of natural resources • Adaption of indigenous livelihood techniques to changing environment
Land Reform	This focus area considers fast tracking of land settlement claims.

The CRDP is essential for Nongoma Municipal area's development. First, as already noted, the municipality continues to experience outward migration due to its limited economic opportunities and second, the municipal area is mainly rural and therefore in need of strategic and coordinated efforts such as suggested by the CRDP. All the activities under agrarian transformation are relevant for Nongoma municipality, as are the activities under the rural development apex.

Nongoma municipality is especially endowed with beautiful landscapes, mine zones as well as grassland and Savanna biomes with adequate water resources, all of which are critical to the agrarian transformation and rural development priorities. Management of these resources specifically means sustainable management of veld, rotational grazing, addressing soil erosion through reforestation, etc.

Although attention should be given to the speed of land claims settlements as suggested by the land reform CRDP priority, even more urgent for rural communities such as in Nongoma, are support mechanisms to optimise agricultural production. This proposition is based on the general character of agriculture as subsistence in rural areas.

3.2. PROVINCIAL, DISTRICT AND LOCAL LEGISLATIONS AND POLICIES

3.2.1. The Provincial Growth and Development Strategy

Like its National counterpart, the Provincial Growth and Development Strategy (PGDS) relates to the provincial domain and by so doing presents broad objectives. Under the adjudication of the Provincial Planning Commission the PGDS identifies seven strategic goals, easily applicable to local contexts. These are:

- Job creation
- Human resource Development
- Human and community Development
- Strategic Infrastructure
- Response to climate change
- Governance and policy and
- Spatial equity

The PGDS notes that the goal of a sustainable economy is only achievable through commitment to:

- (a) Implementation of catalytic projects and interventions
- (b) Effective participation in the institutional implementation framework
- (c) The incorporation of the strategic goals and objectives in their priorities and programmes
- (d) The reporting of progress, and

(e) The provision and allocation of the required support and resources.

The PGDS further laments the poor quality of municipal services –as it does on wide inequality gap- which maintain poverty cycle and discentivise businesses. The need to integrate poverty alleviation interventions is also raised in the provincial development blueprint. This of course underscores the importance of LED strategies, which are multi-sectoral. Just like the ubiquitous growth of technology globally, provides opportunities for a global village, the PGDS envisages a regionalised village on the same technology basis. It might be added, the need to create a municipal village for places such as Nongoma have not been greater. Like many other policies, the PGDS cautions against environmental management tendencies, and rather recommends sustainable development models. This includes the clustering of scattered settlements, which place enormous pressure on services delivery, in addition to being extremely expensive to service. As it concerns rural areas, the PGDS discusses the following.

- a) Waste management –The need to ensure efficient waste management in rural regions is important, mainly for the sake of tourism and health –especially hygienic conditions for informal traders.
- b) Irrigation infrastructure –This is also critical especially for expansion of agricultural productivity in rural areas.
- c) Institutional development –This mainly concerns traditional leadership, which according to the PGDS is ‘maturing’. Traditional leadership, however requires institutional building for it to function effectively.
- d) Land ownership- This point relates to the ownership of the bulk of the land in KwaZulu Natal by the Ingonyama Trust. The issue here is to ensure alignment of the available land with development, which is achievable through rigorous stakeholder engagement.
- e) Nodal development –The PGDS encourages corridor development in rural regions, on the basis of settlement patterns. This includes small towns’ regeneration.
- f) Human Development –This should take the form of skills development through establishment of educational facilities. Part of human development proposals in rural areas includes affirmative action or innovative incentives to attract professionals.
- g) Polycentric approaches to development-Here the PGDS recommends that land allocation, establishment of social facilities and designing of settlement patterns should take a polycentric approach-that is to say, they all need to recognize different economic activities and markets.
- h) Renewable energy development- Rural communities such as Nongoma thrive on non-renewable energy sources such as firewood and bio-fuel. The PGDS proposes the importance of renewable sources such as solar water heaters and wind generation will be critical.
- i) Rural farming capacity building- On this, the PGDS suggests the need to provide training to rural farmers, especially on latest farming techniques which maximise production and reduce land degradation.

In light of the above, Nongoma municipality would do well to initiate catalytic projects which would terminate the grants dependency cycle, but also absorb majority of the unemployed youth. Catalytic projects essentially promote private investments in a given area, effectively addressing poverty and unemployment. These and other issues will be pointed out in a later section.

3.2.2. Zululand District Integrated Development Plan and LED Strategy

The Zululand 2013/14 Integrated Development Plan (IDP) identifies Nongoma as a quaternary node (in national categorizations of priority, secondary, tertiary and quaternary nodes) together with 30 other towns across the country. Quaternary nodes according to the IDP require the following seven broad investment areas.

- Promotion of Integration (Green Agenda)
- Integration in terms of Mixed Densities & Uses
- Improvement of transportation linkages to Nodes
- Promotion of Social-economic Integration
- Eradication of backlogs & Promote Basic Service Infrastructure & Delivery
- Promotion of Socio-Economic Upliftment
- Promotion provision of sufficient Bulk Infrastructure Services (Demand & Supply)

Although generic, the above investment proposals are relevant to Nongoma municipality, considering its fragmented settlement patterns, relatively poor accessibility to these areas and services backlogs.

On its part, the 2012 Zululand District LED strategy underscores the importance of SMMEs in all the Zululand based municipalities. It goes on to report on the three DEDT initiatives intended at promoting entrepreneurship. These initiatives are as follows:

Table 6: DEDT initiatives in Zululand District

Initiative	Focus
Access to finance	The Department has entered into an agreement with three banking institutions (Standard Bank, ABSA and Ithala Bank) to establish a joint SMME fund to assist with finance for small businesses. Contribution to this fund is on a 50 / 50 basis. The Department contributes 50% and the banking institution the remaining 50% - and it is left to the banking institution to handle all finance arrangements with the beneficiaries of this programme.
Access to Markets	By being visible through the attendance of the Department at SMME fairs and Business fairs, the opportunity is created for small enterprises to have their products marketed to a large potential customer base. Municipalities are invited to partner with the Department in the establishment of a presence at these fairs and, while promoting the SMME sector also have the opportunity of promoting the unique features of its municipal area.
Training and Capacity Building	The Department provides opportunity to members of the SMME sector to attend training courses offered by FET Colleges at no cost. Courses offered include financial management, business management and courses relating to specific technical disciplines

According to the 2012 LED strategy agricultural cooperatives are supported by the department of agriculture while non-agricultural cooperatives are supported by Ithala Bank. The strategy rightly points to the challenges which face cooperatives and SMMEs as they seek to apply for Ithala bank funding. The business plan requirement especially, is a major challenge.

3.2.3. Nongoma Municipality Integrated Development Plan and Local Economic Development Strategy

The latest Integrated Development Plan points to tourism and agriculture as the mainstream economic activities in Nongoma Municipality. Although the IDP does not conduct an expose of these two sectors, it highlights the Zulu Kingdom headquarters as an important tourism attraction, together with the easy access to Ithala Game reserve as well as the heritage park from Nongoma. Agricultural activities according to the IDP, are subsistence, mainly goat and cattle keeping.

On the socio-economics of Nongoma municipality, the IDP draws attention to the challenges faced by communities in accessing community facilities, considering that of the 363 settlements; only 24 are located within 0.5km radius of a pension pay point. Another 69 are within 5-10km radius of a pension pay point, while the rest are located further than 10km.

On its part, the 2010 LED strategy underscores the importance of Nongoma municipality in the region, especially if the only Further Education and Training (FET) college in the district as well as a District Hospital with a nursing college. The strategy identified critical initiatives, which should be prioritized as LED drivers. They include the following:

- Substantial new mining activities in the municipality with the upgrading of roads for this purpose;
- The tarring of the road between Nongoma and Pongola which would link Nongoma with major private game reserves to the north of Nongoma and future developments around the Emakhosini Heritage Park to the south in the Ulundi Municipality;
- Investment in tourism developments linked to the palaces of the King and the rich cultural heritage of the area including events such as the annual Reed Dance;
- The upgrading of the Mona Market and the marketing thereof as a potential tourism attraction that can be accessed from both the north and the east; and
- The improved linkage provided by the P700 and the Hlabisa Road to the major economic investments in the Richard Bay / Empangeni area.

The LED strategy rightly observes that sector based information is alarmingly limited. In particular, information in the agricultural sector is hardly available in the main policy documents such as the IDPs. Clearly, there is a long way to go if the 2006 LED vision is to be achieved. Although it did not provide any timeline, the 2006 document envisioned "To create an economically developed Municipality that ensures a sustainable livelihood for its people

through economic efforts that focus on the development of tourism, agriculture and small businesses by providing economic infrastructure and improving the skills of its people in a sustainable manner ". Within this framework, the 2012 exercise identified six strategies as follows:

- a) Institutional Development and Support
- b) SMME Development, Promotion and Support
- c) Development and Strengthening of physical infrastructure
- d) Community Economic Development
- e) Marketing of Nongoma and Investment Promotion
- f) Business Retention and Expansion

The 2012 strategy points to the weaknesses of the 2006 strategy as too focused on institutional make up of LED, and, the proposals were rather generic than context based. These gaps, according to the 2010 LED exercise, in part formed the challenges faced in implementation.

The 2012 strategy sought to cover the aforementioned gaps by identifying five approaches as follows:

- 1: Obtaining information that will add to the practical nature of the LED Review
- 2: Attempting to be strategic in the approach instead of comprehensive
- 3: Working towards reducing the focus on projects located in Nongoma town
- 4: Focussing on detailing specific projects
- 5: Placing less emphasis on institutional development, but working towards the development of a system supporting local economic development throughout the Municipality

The above approaches are important in realising Nongoma Municipality's potential except that they too, possess some loop holes. First, how information is to be obtained, remains unclear as far as the 2010 strategy is concerned. Second, the 2010 study utilises an otherwise redundant dichotomy of formal versus informal economy. In so doing, it loses an opportunity to effectively address the question of informal trade, not in regards to formalization, but in terms of creating better conditions for the growth and expansion of informal trade.

The strategy under discussion then goes on to map out tourism, agriculture, mining, and what it refers to as economic investment. The potentials of each of the above sectors are enlisted in each ward, in the 2010 report. This of course poses difficulties considering that wards such as 1, 11, 12, 13 and 14 do not seem to have any potential for any of the listed sectors, according to the 2010 report. A number of other wards do are allocated only one small scale project, with very few 'robust' wards. On the positive, however, the strategy draws attention to nine nodes, (a) Majomela (b) Nongoma (c) Lindizwe (d) Esiphambeneni (e) Kwelibomvu (f) Kwamusi (g) Buxedene (h) Mvulazi and (i) Vulamlomo

The 2010 study being reviewed presents six strategic clusters as follows.

(a) Facilitate and monitor the implementation of infrastructure projects. The priorities under this strategy are noted as:

- The section of the R66 between Nongoma and UPhongolo;
- The section of the R618 between Nongoma and Vryheid;
- The bypass road for Nongoma Town; and
- Potential linkages from Nongoma to the south to link with the P700 Corridor.

(b) Identify and Promote The Nongoma Tourism Product Through Cooperation With The Private Sector:

(c) Prepare and implement an agricultural strategy

(d) Implement the CBD revitalisation programme of the Nongoma municipality

(e) Assess and support the informal (manufacturing) sector

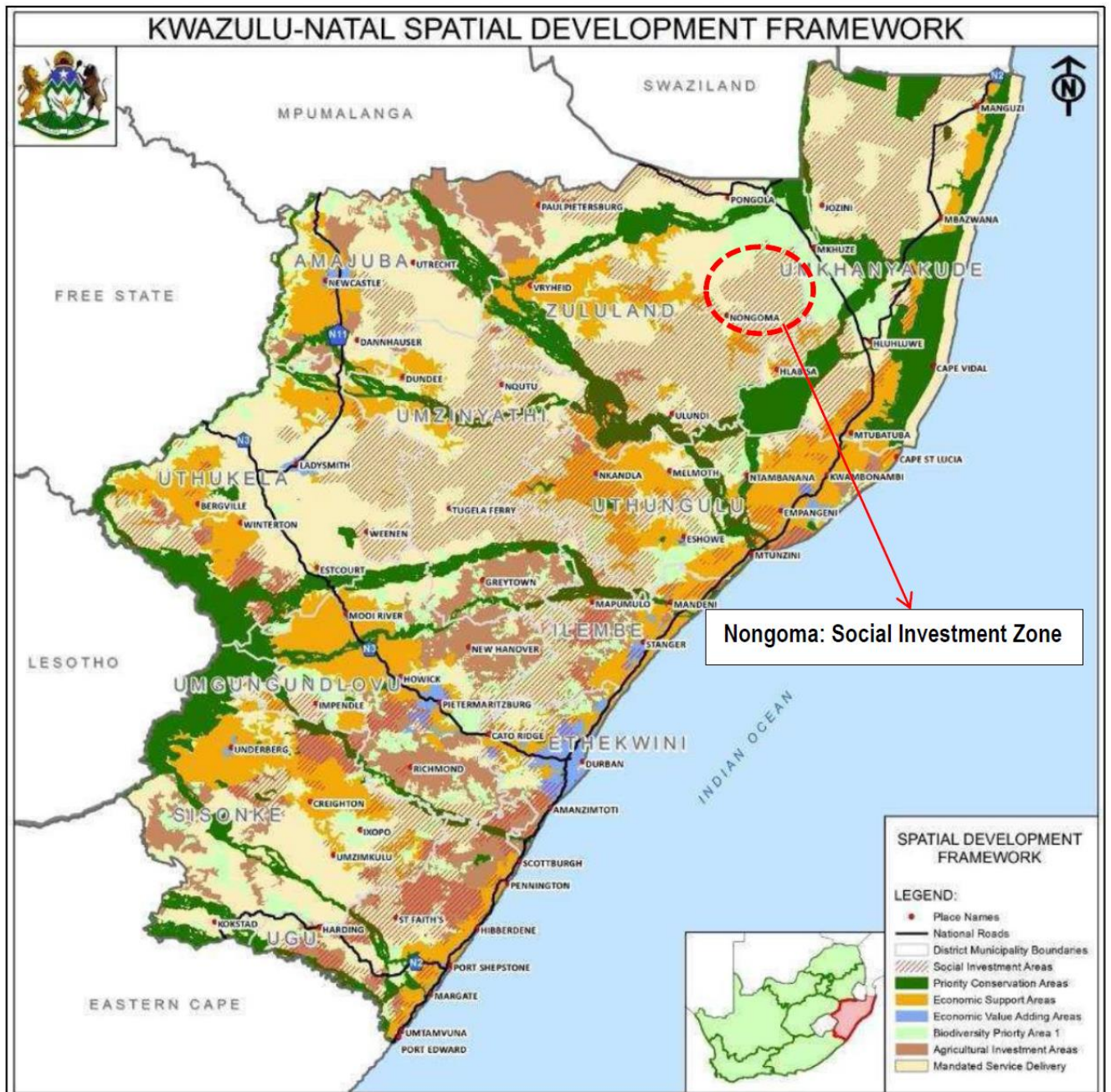
(f) Develop and implement a comprehensive settlement service system

In general, the 2010 strategy does not prioritize tourism, it rather argues that the tourism sector will require long term planning and investment. It however notes the potential of the informal trade, especially informal manufacturing as well as the potential of agriculture. We however propose consideration of the tourism sector, in view of the fact that there are both long term as well as short term goals as far as tourism is concerned.

SECTION FOUR: NONGOMA LOCAL ECONOMIC ASSESSMENT

4.1. GEOGRAPHY AND DEMOGRAPHICS

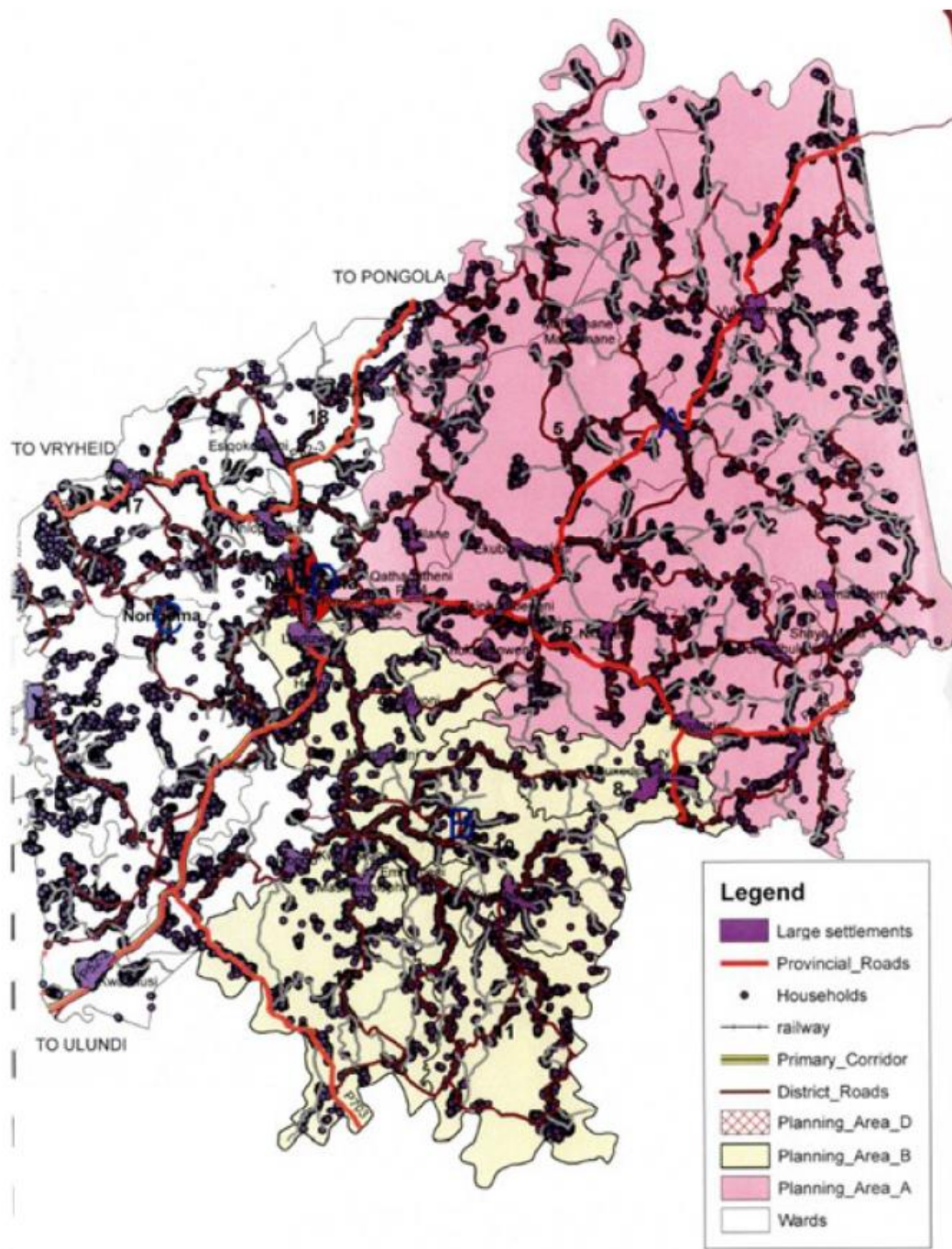
Nongoma Local municipality is the second largest municipality out of the five which constitute the Zulu land District. The KwaZulu Natal Spatial Development Framework which categorises various regions into (a) agricultural investment areas (b) Bio diversity priority areas (c) Economic Support areas (d) Economic Value Adding areas (e) Economic support areas (f) priority conservation areas and (g) social investment areas; considers Nongoma as a social investment area. Social investment areas consist of high levels of social needs yielded by high population density, high dependency ratio and the accompanying index of multiple deprivations. These sorts of areas require intensive social interventions. Where high social need is identified such as in Nongoma, graduation into conservation corridors or economic support categories requires a rigorous transformation of the social environment. Social investment areas essentially have little if any economic potential, and therefore they require social spending with the objective of creating sufficient demand for productive industries. This strategy will consider LED proposals and recommendations from within this social investment framework. The following map presents the KZN spatial classification.



Source: KZN Spatial Development Framework

The municipality is located north east of Zululand District. Covering an expansive 2184 square kilometres, Nongoma municipal area is made up of 363 settlements, only one of which reflects urban traits. The settlement patterns are illustrated below.

Figure 4: Nongoma Municipality Settlements



Source: Nongoma Integrated Development Plan

The current population is estimated at 194, 908, making Nongoma the 47th most populated municipality in South Africa. An overwhelming majority of the population in Nongoma (191,789, or 98.4%) live in rural areas, while the remaining 3,119 (0.16%) reside in Nongoma town.

Similar to other rural municipalities in the country, the Nongoma municipality has experienced fairly significant outward migration from 194,532 residents in 1996 to 191,348 in 2011. Thus, a total of 3184 residents have

migrated from the municipality in fifteen years. The average household sizes have also declined from 7.2 individuals in 1996 to 5.7 individuals in 2011, according to Statistics South Africa Census (1996 and 2011).

Nongoma municipality consists of predominantly black population, who form well over 90% of the entire municipal population. The Indian population forms the second largest population, although contributing less than 1% to the total municipal population. Whites and coloureds form negligible minorities as shown below.

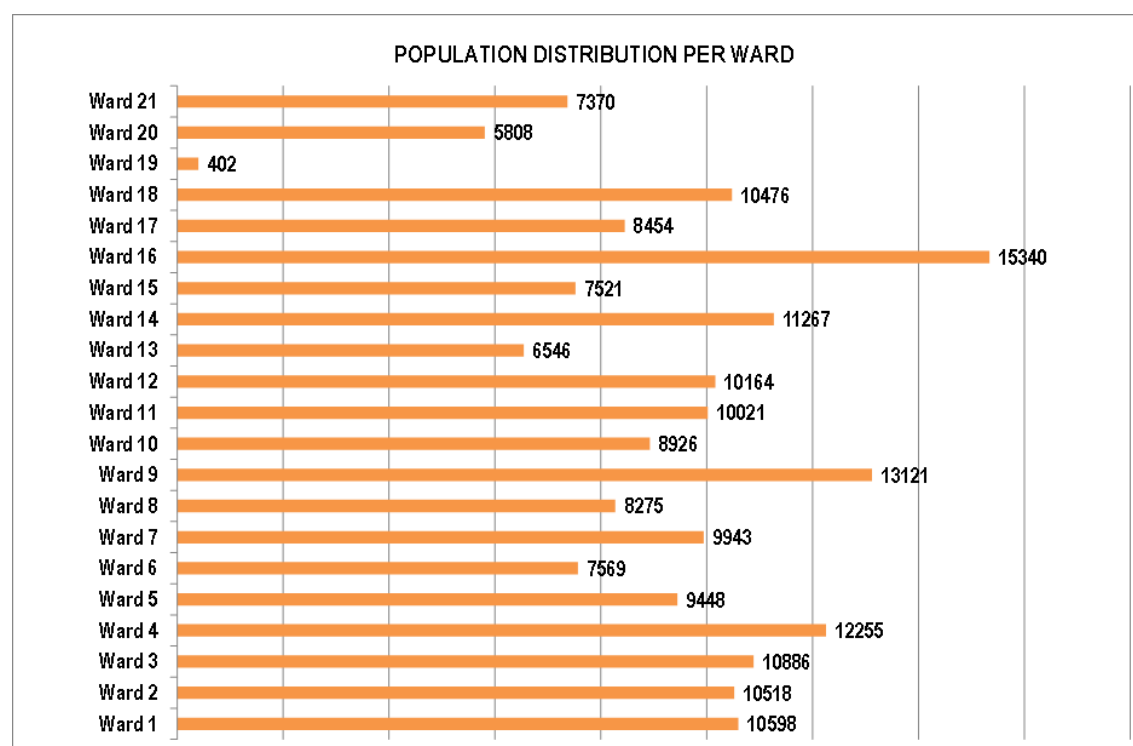
Table 7: Population Group Distribution in Nongoma

	Black African	Coloured	Indian or Asian	White	Other
Ward 1	10551	29	15	1	1
Ward 2	10492	16	3	6	1
Ward 3	10861	10	11	2	2
Ward 4	12228	2	5	11	9
Ward 5	9424	8	11	1	4
Ward 6	7531	6	16	13	4
Ward 7	9904	10	20	6	2
Ward 8	8258	0	11	3	2
Ward 9	13001	45	41	18	16
Ward 10	8894	12	18	0	3
Ward 11	9983	13	5	9	11
Ward 12	10146	4	1	7	6
Ward 13	6536	2	5	4	0
Ward 14	11221	1	20	20	5
Ward 15	7497	5	14	3	1
Ward 16	15141	59	40	63	37
Ward 17	8442	1	7	2	1
Ward 18	10422	20	18	7	9
Ward 19	352	7	22	9	12
Ward 20	5778	6	15	5	3
Ward 21	7344	11	9	4	1
Total	194007	270	306	194	131

Source: Calculations from Stats SA Census (2011) by Cwaninga Development Consulting

The municipality consists of 31 wards, of which Ward 16 is the most populous, followed by Ward 9 then Ward 4. The least populated wards are 19, 20 and 21. The distribution is illustrated below.

Figure 5: Nongoma Population Group by Ward

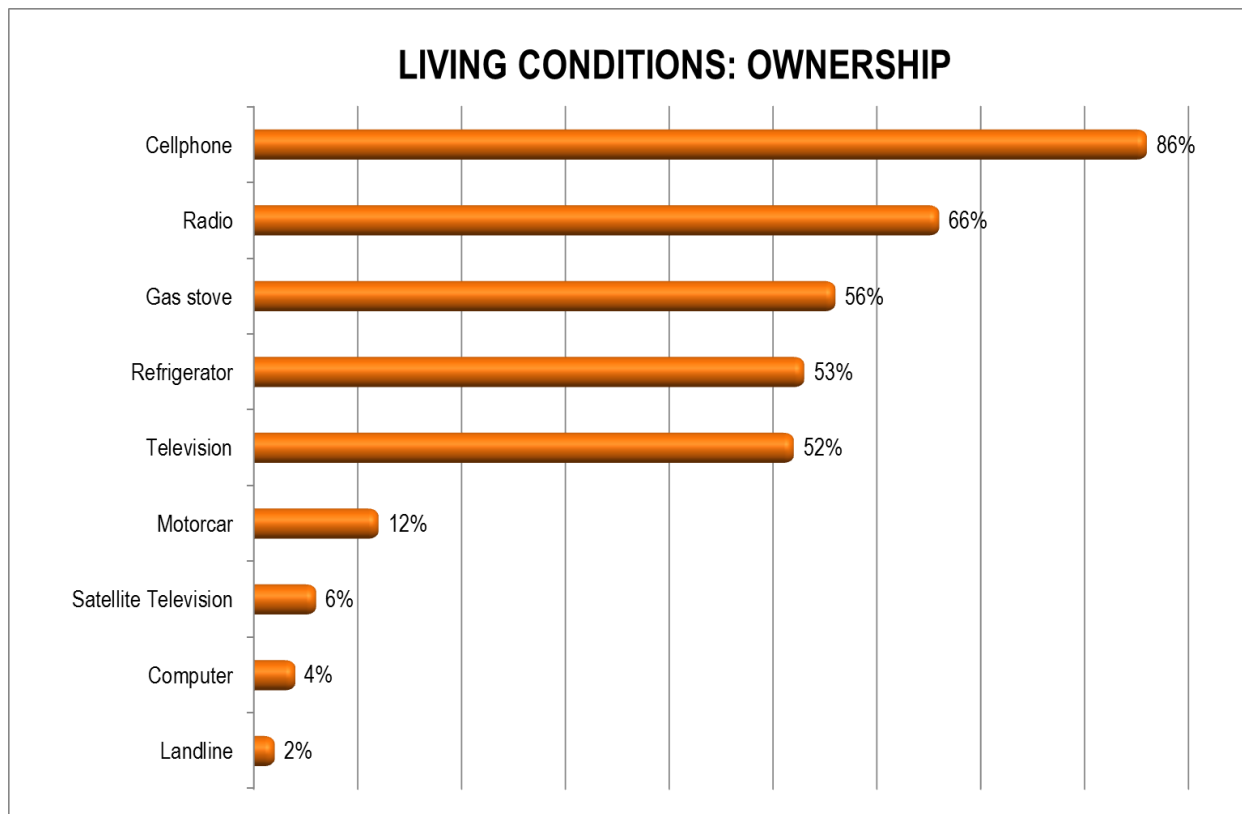


Source: Calculations from Stats SA Census (2011) by Cwaninga Development Consulting

Two thirds (60%) of the youth in Nongoma municipality are unemployed, and those who are over 20 years of age, and are non-schooled are 20.5%. A paltry 4.8% of the population aged over 20 years, have tertiary education. There are 34,341 households in Nongoma, two thirds of which are headed by women (20,605).

On services, only 5% of all households have flush toilets, roughly the same number have waste collection services administered to them, a tenth have piped water and over two thirds (63%) are connected to electricity.

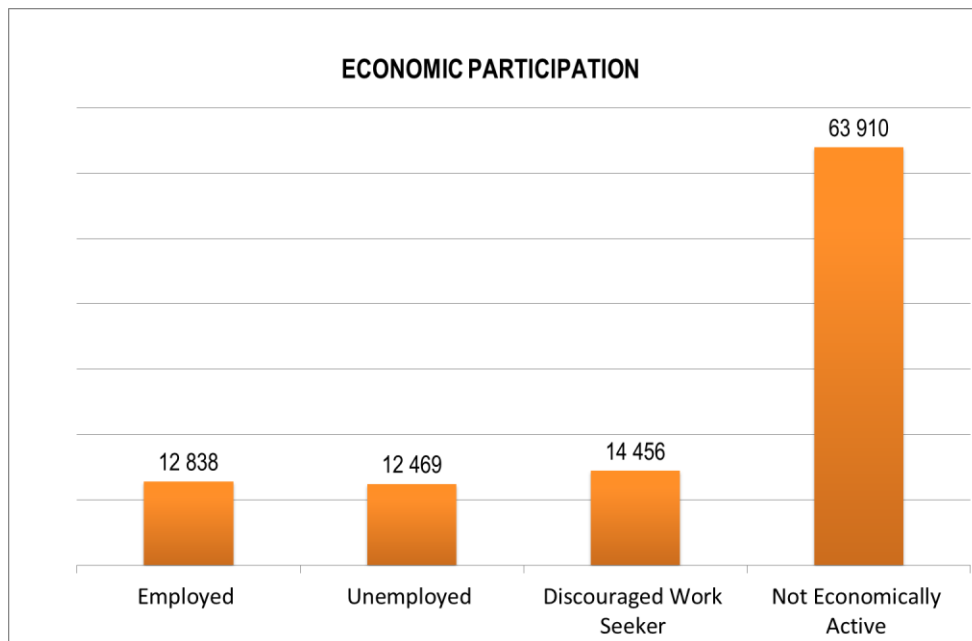
Figure 6: Ownership of Assets



Source: Calculations from Stats SA Census (2011) by Cwaninga Development Consulting

In terms of employment, roughly half (49.3%) of the working age population is unemployed. This exerts enormous pressure on available services in Nongoma Municipality. The implication is that, outcome based LED programme (and not a process based programme) is required to absorb the high numbers of unemployed population.

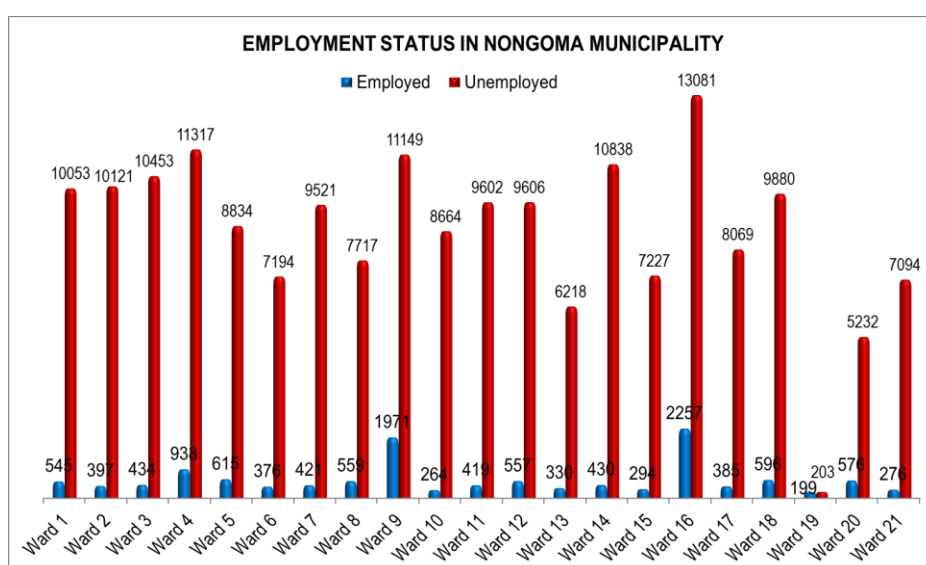
Figure 7: Economic Participation



Source: Calculations from Stats SA Census (2011) by Cwaninga Development Consulting

A breakdown of unemployment to ward level reveals that Ward 16 has the highest unemployment, followed by Ward 4 then Ward 9. Ironically, while Ward 16 has the highest unemployment rate, it also has the highest numbers of employed population. Similarly, Ward 9 and ward 4 have the second and third highest employment respectively.

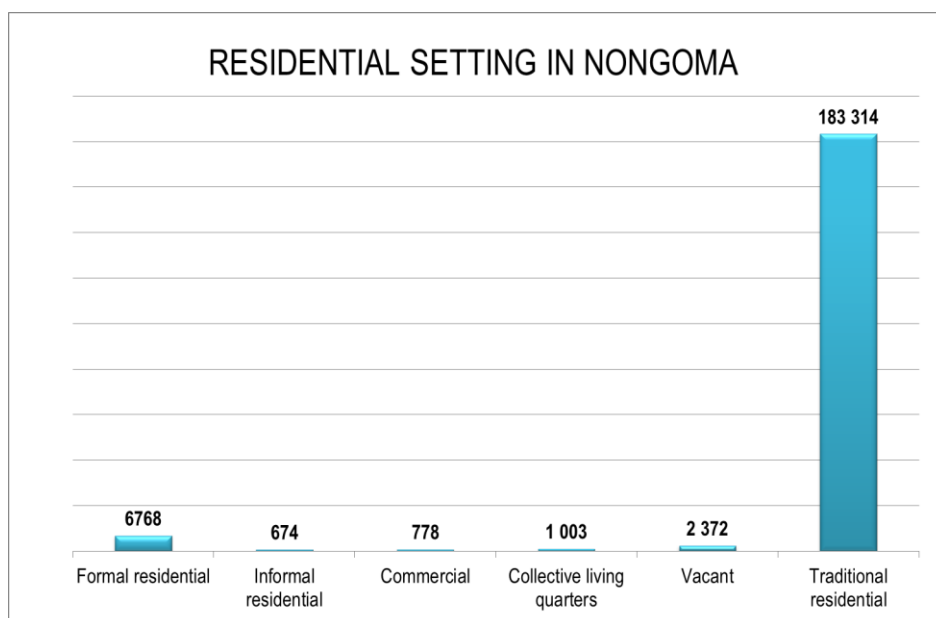
Figure 8: Employment Status



Source: Calculations from Stats SA Census (2011) by Cwaninga Development Consulting

When the land use patterns are considered, the bulk of the municipal land is used for residential, essentially traditional housing. Majority of the traditional residential zones practice subsistence farming. Second in the list of land use is formal residential, although significantly small compared to traditional residential. The size of commercial and vacant land is highly negligible as visible in the following graph.

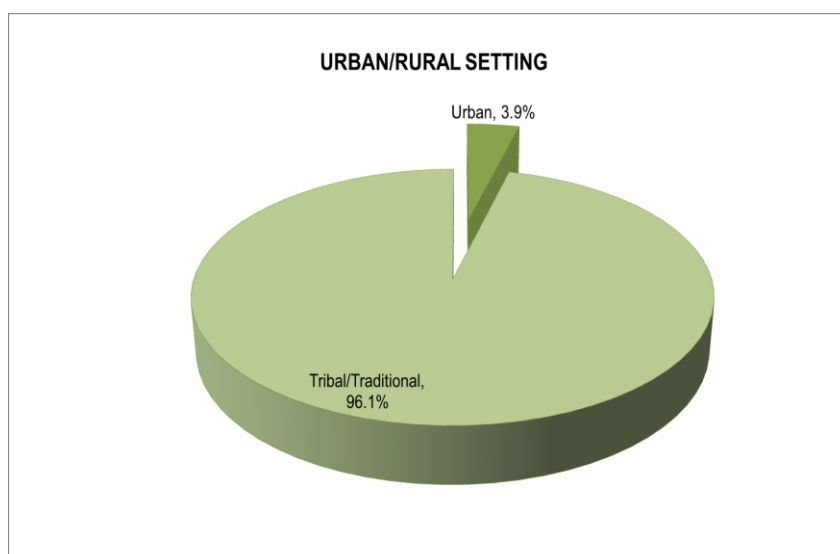
Figure 9: Residential Setting



Source: Calculations from Stats SA Census (2011) by Cwaninga Development Consulting

The above land use pattern is consistent with the rural/urban setting. This is to say, the urban zone, (Nongoma town) forms a paltry 3.9% of the municipal land, while the remaining 96.1% is tribal or traditional land. In this regard, traditional based activities should be considered in LED interventions, although efforts should be made to expand the urban zone.

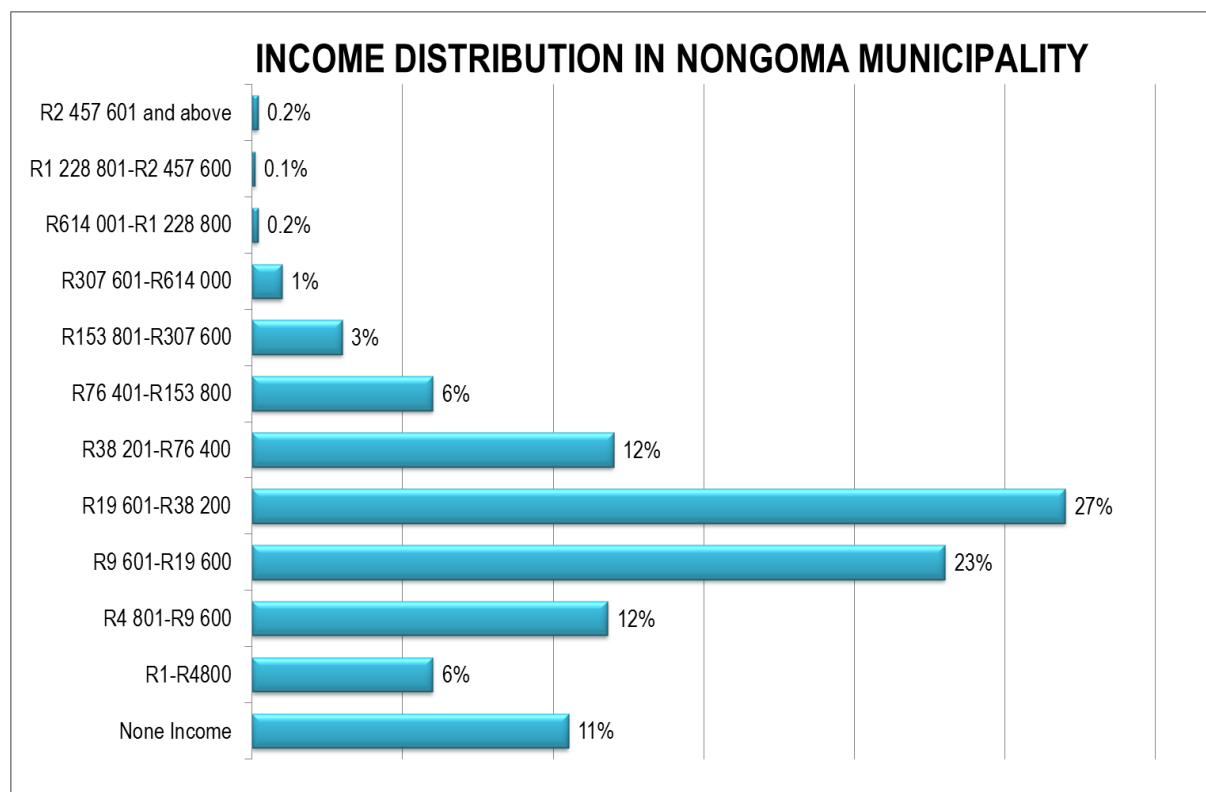
Figure 10: Rural-urban Setting



Source: Calculations from Stats SA Census (2011) by Cwaninga Development Consulting

On average household income, according to census 2011, over half of the households in Nongoma earn less than R19 600 combined income. About a third earn between R19601 and R38,000 a month. Worth noting is that one in every ten households claim to have no income. Although this is unlikely (households must have a form of income to survive), these claims most probably make reference to lack of economic activities, or alternatively, a sense of desperation where households consider themselves as being on the extreme end of the survival spectrum. The average household income distribution is shown below.

Figure 11: Income Distribution



Source: Calculations from Stats SA Census (2011) by Cwaninga Development Consulting

The above in view, the bulk of income is obtained from community services, thus majority of the active labor force is employed in the formal sector. The informal sector employs about a quarter of the laborforce employed by the formal sector. There is roughly 626 household based labor force as illustrated below.

Table 8: Sector Employment

Sector	No. of People
In the formal sector	10 283
In the informal sector	2 103
Private household	626
Do not know	170
Not applicable	181 726

Source: Calculations from Stats SA Census (2011) by Cwaninga Development Consulting

On assessing the percentage of residents who use various sources of energy, notwithstanding the rural nature of the Nongoma municipality, electricity is the main source of cooking and lighting. Wood is the most common

source of heating energy, and second most commonly used as a cooking energy source. Of interest is that slightly over a third of the population still use candle for lighting.

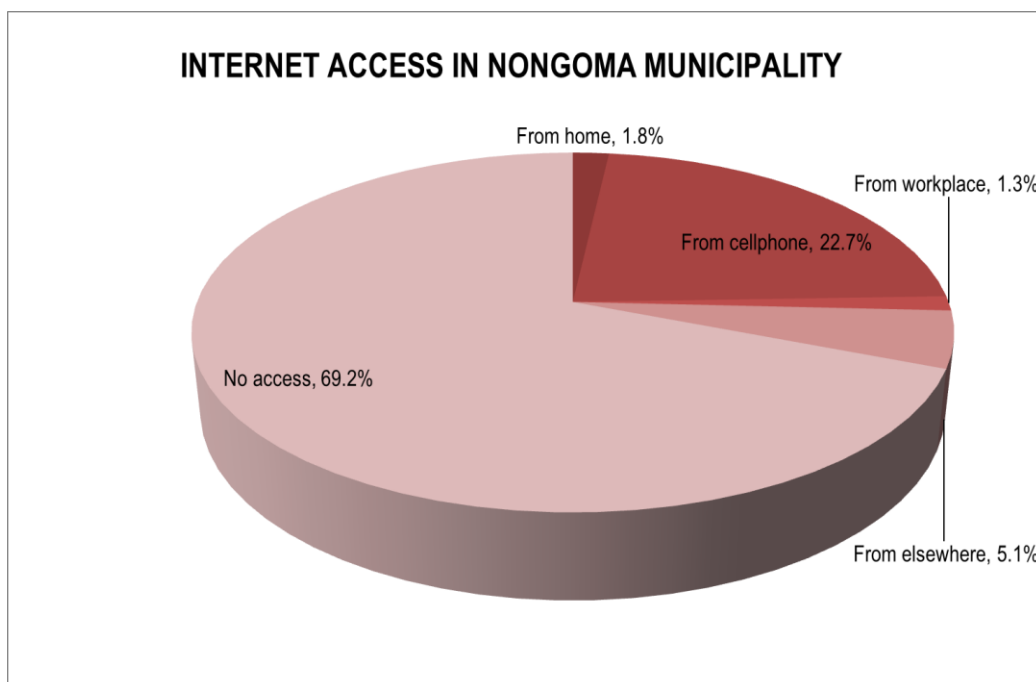
Table 9: Energy Sources

Energy Source	Cooking	Heating	Lighting
Electricity	46,3%	31,3%	63,6%
Gas	7,8%	2,4%	0,4%
Paraffin	4,1%	1,5%	0,5%
Solar	0,2%	0,2%	0,7%
Candles	0%	0%	34,1%
Wood	39,1%	51,4%	0%
Coal	1,9%	3%	0%
Animal Dung	0,2%	0,4%	0%
Other	0,2%	0%	0%
None	0,2%	9,9%	0,6%

Source: Calculations from Stats SA Census (2011) by Cwaninga Development Consulting

When internet connectivity among Nongoma residents is examined, as illustrated below, close to three quarters of the population has no internet access. Roughly two in every ten are able to access internet from their mobile phones, while an insignificant number access the internet either from work or from their homes.

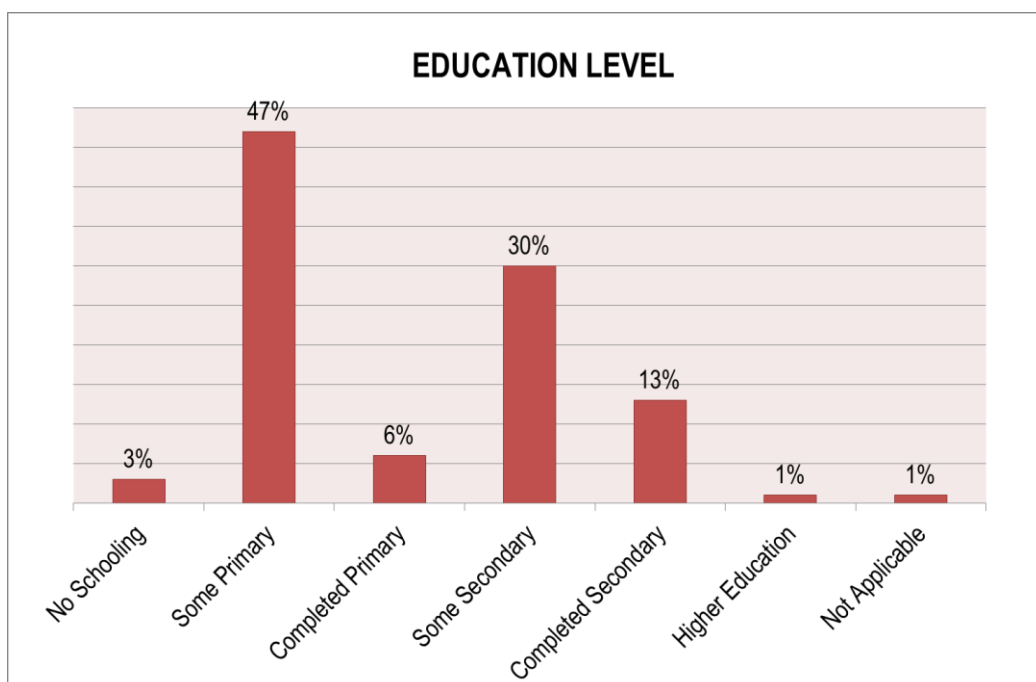
Figure 12: Internet Access



Source: Calculations from Stats SA Census (2011) by Cwaninga Development Consulting

Worryingly, about half of the population who have reached school going age either have never gone to school, or have only attained *some* primary level education. Even of more concern, almost the entire school age population (98%) have less than tertiary education. This state of affairs points to the need for expanded tertiary education opportunities.

Figure 13: Education Level



Source: Calculations from Stats SA Census (2011) by Cwaninga Development Consulting

4.2. BIO-DIVERSITY AND LAND OWNERSHIP IN NONGOMA

The term bio-diversity is used to describe the varieties of plants and animals in a given area. This subsection will look at land based protected areas, terrestrial eco-systems, and fresh water eco systems found in Nongoma Municipality. These are explored below.

4.2.1. Land Based Protected Areas -The only land based protected zone is the Imfolozi Game Reserve, which falls under the provincial nature reserve. The expanse of the reserve is 153.1ha or roughly 0.1% of the municipal area.

4.2.2. Terrestrial Eco-systems-On terrestrial eco-systems, Nongoma municipality fares as follows.

(a) Biomes –There are two biomes in Nongoma municipality (Grassland and Savanna), covering a total of 218210 hectares. The grassland Biome covers paltry 0.29% of the municipal land area. Importantly, this is the second largest biome in South Africa, covering an area of 339 237 km² and occurring in eight of South Africa's nine provinces. The grasslands biome is one of the most threatened biomes in South Africa, with 30% irreversibly transformed and only 1.9% of the biodiversity target for the biome formally conserved.

On importance in economic development, Grasslands contain the economic heartland of South Africa and produces the bulk of water needed to sustain human life and economic growth. The grasslands biome provides essential ecosystems services, such as water production and soil retention necessary for economic development.

The largest Biome in South Africa (Savanna) covers 99.71% of the Nongoma municipal land area. The biome is characterized by warm climatic plains with coarse grass and margins are with scattered trees. Common trees include Acacia, Phoenix and Eucalyptus. Grasslands are a major component of the natural vegetation in South Africa, with the biome comprising some 295 233 km² of the central regions of the country, and adjoining and extending into most of the major biomes (forest, savannah, thicket, Nama-karoo) in the region. This interface between grasslands and other biomes contributes substantially to their floristic and faunal diversity and to the important role they play in the agricultural economy. The grasslands of South Africa are also the home to most of the human population, with mining activities taking place in the same. This proximity to large human populations and their associated markets, as well the climatic environment, which favours commercial, rain-based agriculture, has had a large impact on the natural grasslands. Millions of hectares have been ploughed and converted into dryland cultivation for the production of maize, oilseed, millet and other commercial rain-based crops

(b) Vegetation types –There are four vegetation types in Nongoma, namely, the Ithala quartzite Sourveld, the Northern Zululand Sourveld, the Scarp forest and the Zululand low veld. The spatial sizes of each of these vegetation types are presented below.

Table 10: Vegetation types in Nongoma

Name	Size	% of Municipal land area
Ithala Quartzite Sourveld	624.2ha	0.29%
Northern Zululand Sourveld	86248.3ha	39.53%
Scarp Forest	268.9ha	0.12%
Zululand Lowveld	131068.9ha	60.07%

Source: The National Biodiversity Institute (2014)

While there are no critically endangered (or endangered) terrestrial Eco systems, there are at least three vulnerable terrestrial eco-systems. These are the black rhino range (10,138 hectares, or 4.65% of the municipal land area); the Eastern Scarp forest (267 hectares or 0.12% of the municipal land area and Imfolosi Savanna and Sourvelt (3851.8 hectares or 6.5% of the municipal land area).

4.2.3. Freshwater Eco systems -There is only one water management area in Nongoma municipality. There is also, a single wetland area which covers 3246.9ha (1.5%) of the municipal land area. Nongoma municipality hosts a total of 11 rivers as listed below.

Table 11: Rivers in Nongoma Area

Rivers in Nongoma Municipal area	
1. Black Mfolozi	7. Msebe
2. Manzimakulu	8. Msunduzi
3. Mapopoma	9. Sikwebezi
4. Mbhekamuzi	10. Vuna
5. Mkuze	11. Wela
6. Mona	

Source: The National Biodiversity Institute (2014)

The availability of the aforementioned bio-diversity on Nongoma Municipality's eco-system is important especially for the agricultural as well as the tourism sector. The presence of 11 rivers for example, suggests the irrigation potential of the municipal area. The Savanna character on its part points to wildlife potential, which would go a long way to boost the tourism sector. The biodiversity make up also shapes settlement patterns.

4.2.4. Land Ownership

Majority of the land in Nongoma, including in Nongoma town is owned by Traditional Authorities. This is a critical challenge as far as land use is concerned. An interview with stakeholders revealed that although there are numerous investors who have shown interest in Nongoma municipal area, the availing of land to investors is a slow and tedious process which often discourages potential investors. Adding to the open land limitation, due to the rural nature of the municipality, the bulk of land has no basic services. Inevitably this is a disincentive to LED.

4.3. TRENDS IN NONGOMA MUNICIPALITY'S ECONOMIC AND SECTORAL PERFORMANCE

This section will examine the performance of the Nongoma municipal economy overtime. This is useful in determining the challenges, the comparative advantage, opportunities as well as vulnerabilities of the economy. In this section we cluster Nongoma municipality's economy into nine sectors, effectively analysing their performance in both comparative as well as proportional frameworks. The adopted definition of each of the sectors is as follows:

4.3.1. Definitions of Sector Clusters

(a). Agriculture

The agriculture sector incorporates establishments and activities that are primarily engaged in farming activities, but also includes establishments focusing on commercial hunting and game propagation and forestry, logging and fishing.

(b). Mining

This sector includes the extracting, beneficiating of minerals occurring naturally, including solids, liquids and crude petroleum and gases. It also includes underground and surface mines, quarries and the operation of oil and gas wells and all supplemental activities for dressing and beneficiating for ores and other crude materials.

(c) Manufacturing

This sector is broadly defined as the physical or chemical transformation of materials or compounds into new products and can be classified into 10 sub-groups of which the most relevant are :

- Fuel, petroleum, chemical and rubber products;
- Other non-metallic mineral products, e.g. glass;
- Metal products, machinery and household appliances;
- Electrical machinery and apparatus;

(d) Electricity

This sector includes the supply of electricity, gas and hot water, the production, collection and distribution of electricity, the manufacture of gas and distribution of gaseous fuels through mains, supply of steam and hot water, and the collection, purification and distribution of water.

(e) Construction

This sector includes the site preparation, building of complete constructions or parts thereof, civil engineering, building installation, building completion and the renting of construction or demolition equipment with operators.

(f) Trade

The trade sector entails wholesale and commission trade; retail trade; repair of personal household goods; sale, maintenance and repair of motor vehicles and motor cycles; hotels, restaurants, bars, canteens, camping sites and other provision of short-stay accommodation.

(g) Transport

Transport as an economic sector refers to activities concerned with land transport, railway transport, water transport, and transport via pipelines, air transport, activities of travel agencies, post and telecommunications, courier activities, as well as storage and warehousing activities.

(h) Financial services

This sector includes inter alia financial intermediation; insurance and pension funding; real estate activities; renting or transport equipment; computer and related activities; research and development; legal; accounting; bookkeeping and auditing activities; architectural, engineering and other technical activities; and business activities not classified elsewhere.

(i) Government/ Social and community services

This sector includes public administration and defence activities, activities of government, government departments and agencies; education, public and private; health and social work; sewage and refuse disposal, sanitation and similar activities; activities of membership organisations; recreational, cultural and sporting activities; washing and dry-cleaning of textiles and fur products, hairdressing and other beauty treatment, funeral and related activities.

4.3.2. Nongoma Overall Economic Performance

4.3.2.1. Municipal Vulnerability Index

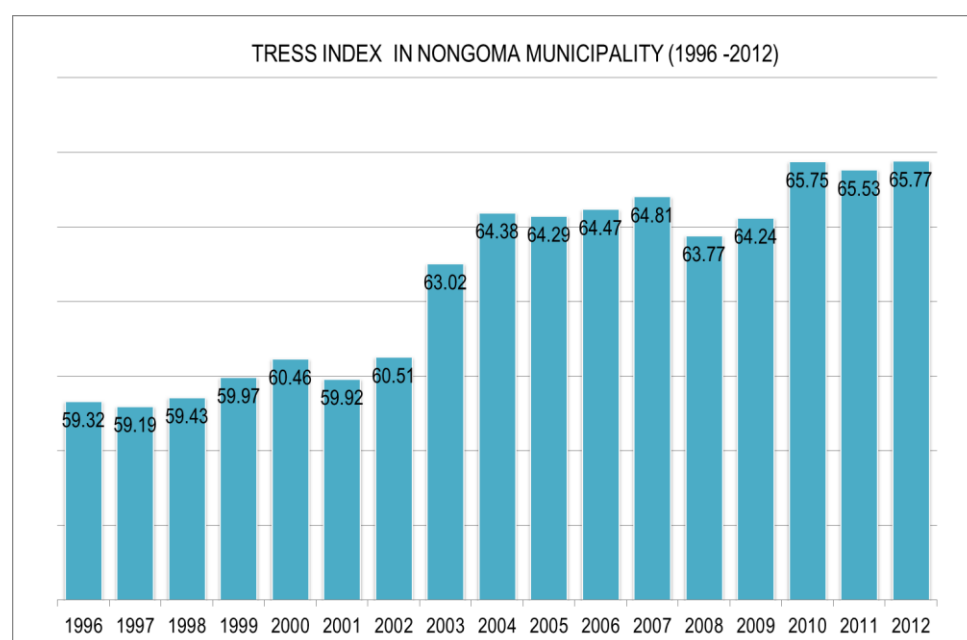
Going by the Municipal Productivity Index, (which gauges the most productive areas or regions to work, live and invest), in 2008, Nongoma ranked the worst in the country, in terms of productivity of areas, and suitability to work, live and invest. Other poor KZN performers include Msinga, Vulamehlo, Ndwendwe, Umhlabuyalingana and Nkandla. By 2013, Nongoma municipality's position on the same index had not improved, and therefore to date it remains among the least productive municipalities in the country. The municipality has also been ranked among the ten most vulnerable municipalities in the country, by CoGTA's 2008/9 report, in terms of functionality, socio-economic profile and backlog status. None of the other local municipalities in the District feature in the top 20 most vulnerable, in the 2008/9 report.

4.3.2.2. Nongoma Tress Index

An examination of the municipality's tress index confirms CoGTA's findings. Tress index indicates the level of concentration or diversification in an economy. It is computed by ranking sectors according to their contributions to GVA or employment, adding the values cumulatively and indexing them. A tress index of zero represents a totally diversified economy, while a number closer to 100 indicates a high level of concentration or vulnerability.

In this light, the following table illustrates an increasing concentration of the sectors. That is to say, reliance on government services, finance, and trade has progressively become dense overtime, making the municipality's economy highly vulnerable. As at 2012, this vulnerability was highest in a decade. The implication is that, diversification of the municipal economy to decrease vulnerability is required.

Figure 14: Tress Index



Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

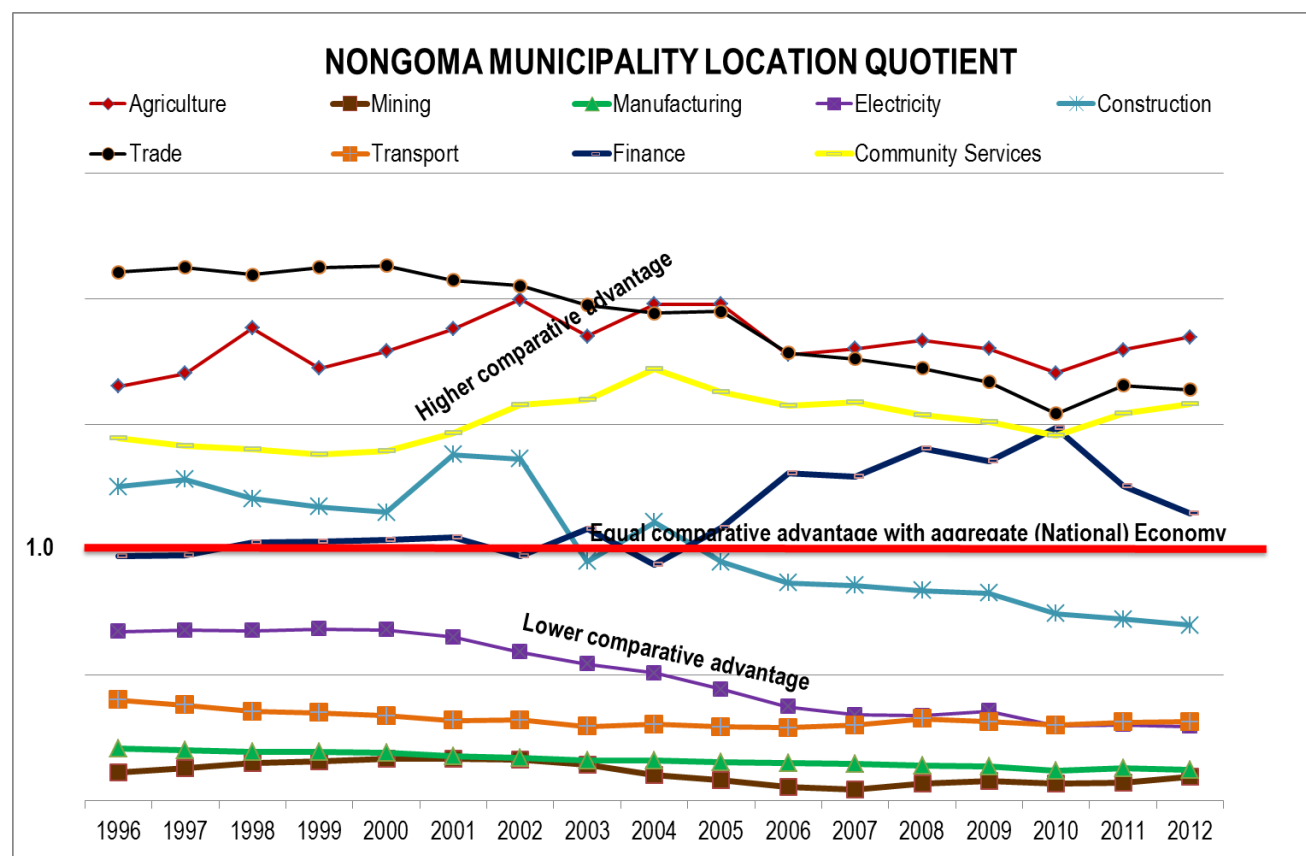
4.3.2.3. Nongoma Location Quotient

It is also important to determine the *comparative advantage* of Nongoma Municipality's economy. Comparative advantage is concerned with the efficiency of a given economy. The difference with competitive advantage is that, competitive advantage considers the availability of unique resources in a given locality and not (or in less quantities) in other localities. Location quotient is the most popular index used to measure comparative advantage. If a given economic sector in a given economy (in this case Nongoma municipality) has a location quotient smaller than 1, then its share of the local economy is lower than the share of the sector on a national scale. The reverse is also true. Sectors with location quotient higher than one tend to be export oriented, and often employ high numbers of the population. The location quotient is computed by taking the percentage share of the sector in the regional (in this case municipal) economy divided by the percentage share of that same sector in the national economy.

Thus said, as shown in the following graph, as at 2012, at least four sectors contribute a larger share of Nongoma municipality's economy, than they do on the aggregate National economy. These are trade, agriculture, community services and finance. What this means is that, these sectors reveal a comparative

advantage of Nongoma's economy (except for government services) and therefore interventions into these sectors would be a noble and productive option. This is not to say that the sectors with less than one location quotient should be ignored. There are possibilities that these sectors possess latent potential which has not been exploited yet.

Figure 15: Location Quotient



Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

4.3.2.4. Nongoma Sector Distribution and Economic Contribution

The question of economic vulnerability is not whether there are any economic activities in Nongoma municipality. In fact, there are *at least* 27 detailed subsectors in Nongoma Municipality, all of which make an important contribution to the municipal economy. The question is whether these subsectors are performing optimally. Below we show the distribution of the subsectors, which are in turn categorised into nine main sectors. We also present the total output of each subsector. Evidently, other than community services subsectors, the best performing subsector in 2012 was the retail and trade subsector, contributing more than 10% of the total municipal output. Worth noting is the contribution of the mining sector, which is significantly below its potential.

Table 12: Sub-Sector Contribution to Nongoma Municipal Economy

BROAD SECTORS	DETAILED SECTORS	ECONOMIC CONTRIBUTION (IN RANDS) IN 2012
Agriculture	Agriculture and hunting	14 369 000
	Forestry and logging	2 724 000
Mining	Mining of coal and lignite	1 685 000
Manufacturing	Food, beverages and tobacco products	1 526 000
	Textiles, clothing and leather goods	90 000
	Wood and wood products	1 626 000
	Fuel, petroleum, chemical and rubber products	6 000
	Other non-metallic mineral products	1 000
	Metal products, machinery and household appliances	15 000
	Transport equipment	1 000
	Furniture, and recycling	5 458 000
Electricity	Electricity, gas, steam and hot water supply	3 620 000
	Collection, purification and distribution of water	3000
Construction	Construction	13 710 000
Trade	Wholesale and commission trade	924 000
	Retail trade and repairs of goods	56 762 000
	Other business activities	7 545 000
Transport	Sale and repairs of motor vehicles, sale of fuel	5 450 000
	Land and Water transport	16 257 000
	Air transport and transport supporting activities	34 000
Finance	Finance and Insurance	13 474 000
	Real estate activities	7 927 000
Government and Community services	Public administration	88 791 000
	Education	224 548 000
	Health and social work	78 033 000
	Hotels and restaurants	1 739 000
	Post and telecommunication	18 000
	Other service activities	4 332 000
Total Industries		550 666 000

Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

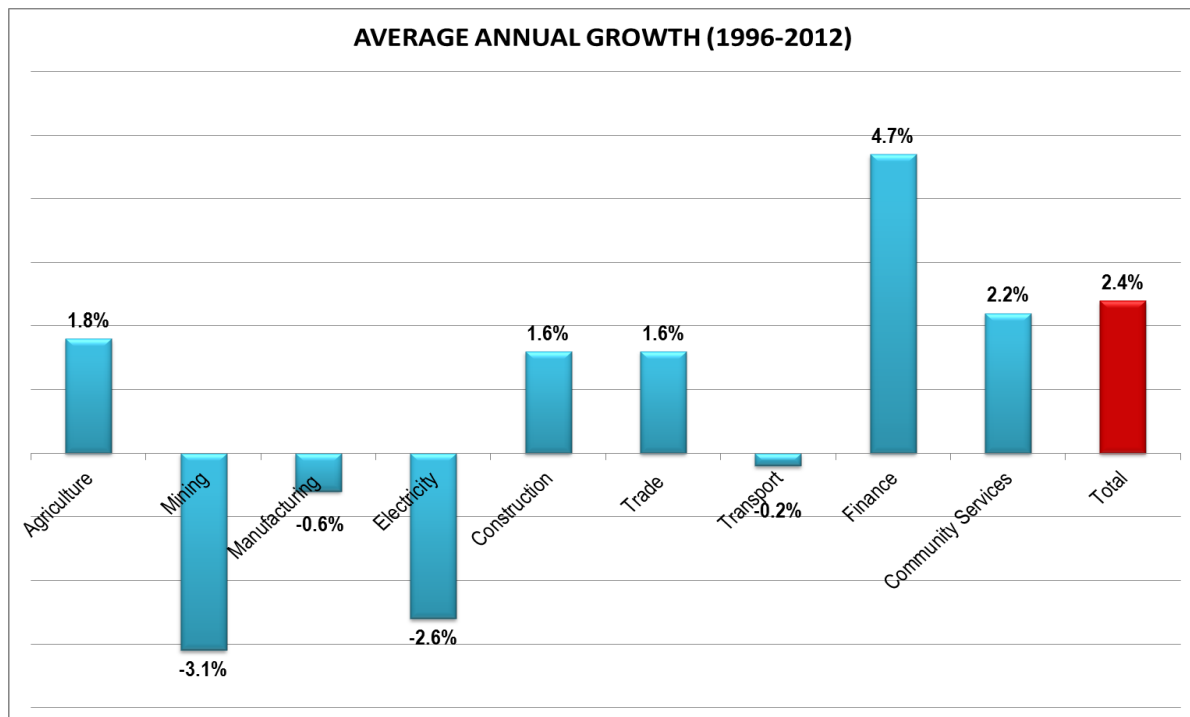
4.3.2.5. Nongoma Average Sector Growth

On the broad sector category, between 1996 and 2012, reveals that finance recorded the highest growth in Nongoma Municipality. Rural finance mainly reveals a higher growth than urban, due to the presence of micro facilities, mainly informal. The presence of Ithala bank and Capitec in Nongoma adds to the informal financial lending, as do all the commercial banks which are based in Nongoma town. The conditions for credit access from commercial banks are not suitable for majority of otherwise informal rural communities such as Nongoma.

Consultation with community representative stakeholders concludes that awareness of Ithala bank as a micro credit facility is extremely poor, and therefore underutilised. And, those who are aware are sceptical of the possibilities for Ithala bank to provide credit to the ordinary informal trader. As a result of poor awareness and limited services, informal trade is heavily reliant on the municipality for support in terms of trading structures and in part, market access. The market access here means that the majority of buyers of informal traders goods are recipients of government grants and pensioners.

The presence and efficient functioning of commercial banks lowers transaction costs, and therefore provides opportunities for economic growth. Second to finance are community services, which are almost exclusively government funded. In Nongoma's context, this involves government grants, of which the overwhelming majority of the population are dependent on them. Between 1996 and 2012, the average annual growth of the community services sector was 2.2%, slightly below the overall economic performance of 2.4%. Agriculture, construction and trade grew at an annual average of 1.7% over the same period. Roughly half of the nine main sectors -mining, manufacturing, transport and electricity- recorded negative growth between 1996 and 2012. This in part suggests declining employment in the negative growth sectors. The sectors which register positive growth are essentially sustained by grants and remittances. Thus, finance, trade and agriculture thrive under support of family members who have moved out of the area, while construction is attributable mainly to government infrastructure spending.

Figure 16: Average Annual Growth (1996-2012)

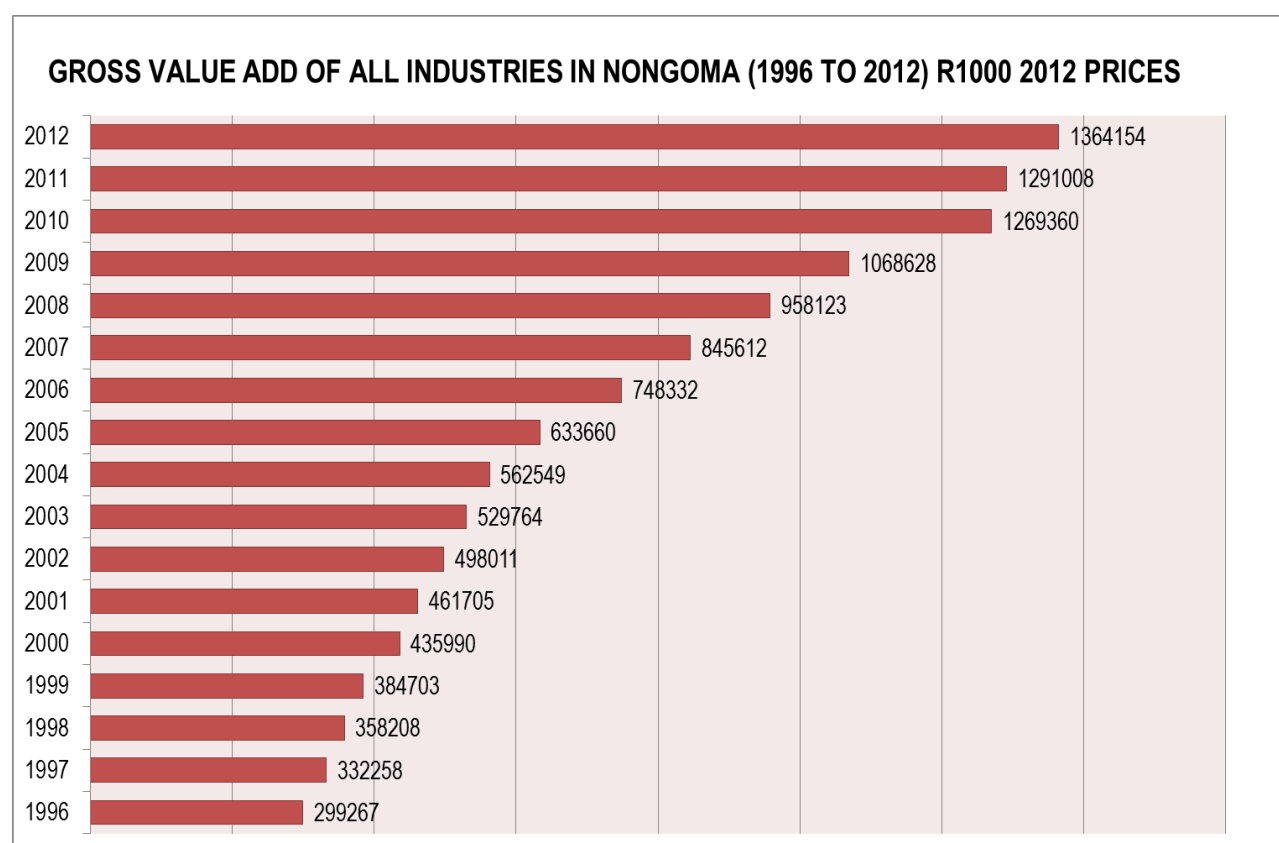


Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

4.3.2.6. Nongoma Gross Value Add

Considering the total value of goods and services (Gross Value Add or GVA) produced in Nongoma, the GVA more than quadrupled from R299 million in 1996 to R1.3 billion in 2012. This is in spite of an outward migration of 3184 residents between 2001 and 2011. What this means is that, per capita production has increased significantly. The informal trade has most likely contributed to this production in a significant way. It is important, however, to keep in mind the performance of the Zululand District GVA, which according to CoGTA's 2010 report ranks among the poorest performers in the country. Even more important, Nongoma municipality's total Gross value Add (GVA) is extremely low, when expressed as a percentage of the province and National government, considering that the municipality's GVA is mere 0.4% of the KZN economy; the GDP per capita measure, is 6 times lower than the national average, and 5 times lower than that of KZN; and Nongoma has a low working age population, made up mostly of people younger than 20, supported by retired grandparents, who rely on remittances and public grants for income.

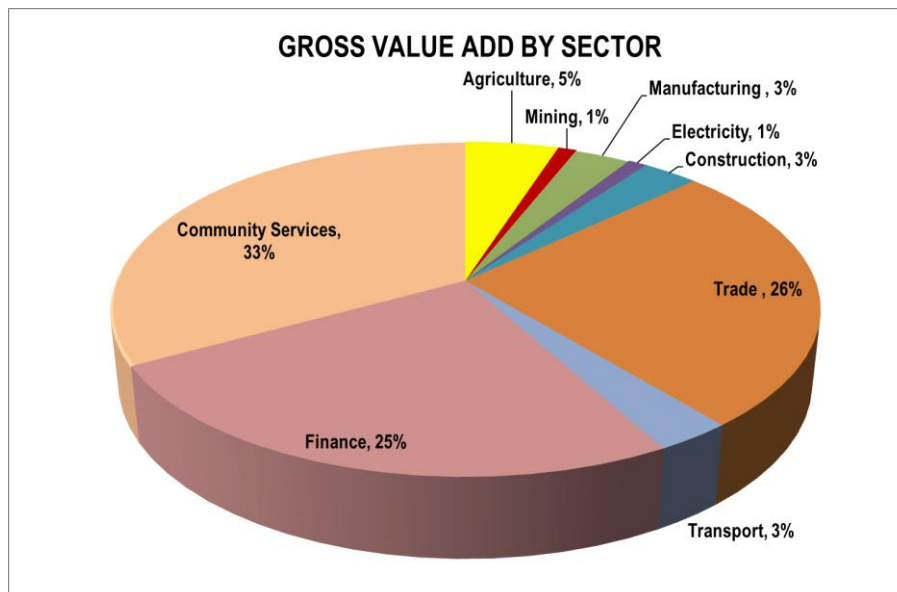
Figure 17: Value Addition



Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

On sector contribution to the municipal gross Value Add, community services performed the highest in the period between 1996 and 2012, at 33%, with trade (26%) and finance (25%) trailing closely behind. Regardless of the potential for agriculture, this sector contributed paltry 5% over the period under attention. Yet value addition in agriculture has the potential to boost employment. The percentage contribution of each sector is illustrated below.

Figure 18: Gross value Add by Sector

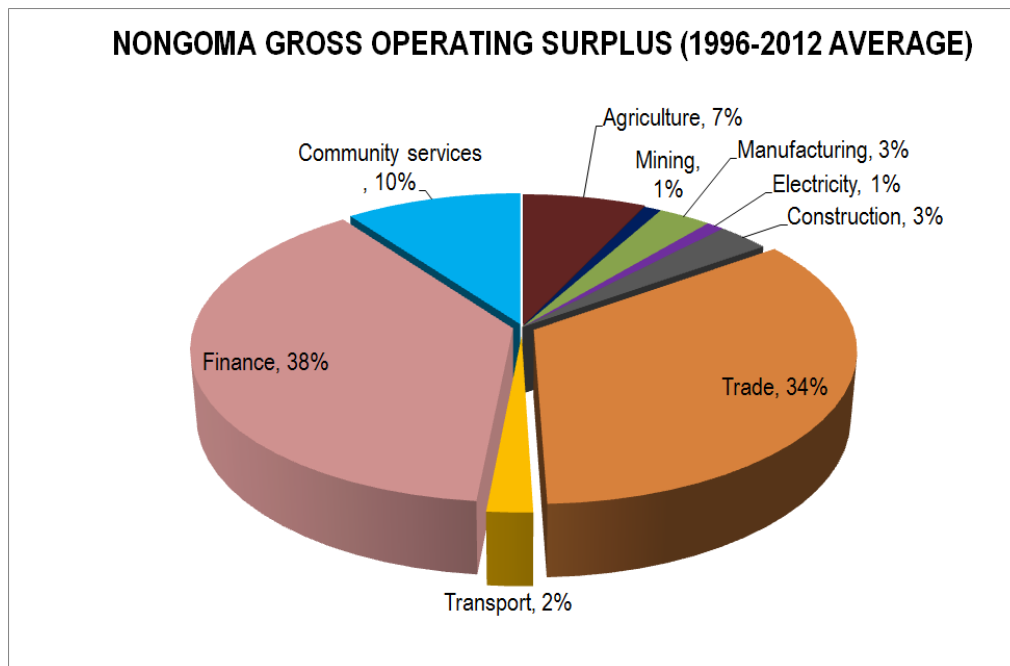


Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

4.3.2.7. Nongoma Gross Operating Surplus

The annual average of Nongoma Municipality's Gross Operating Surplus between 1996 and 2012 was R 424 585 000, while the total over the same period was roughly 7.2 billion. Gross Operating Surplus (GOS) is an indicator used to measure general profits which are calculated as the total outputs minus labor costs. Stated differently, this is the surplus liquid capital available after deducting labor wages. Over the 1996-2012 period, the financial sector recorded the highest GOS in Nongoma municipality, followed closely by Trade. Community services occupied third position with agriculture trailing closely behind. The sectors which made negligible contribution to the municipal GOS were mining (1%) manufacturing (3%) Electricity (1%) and Construction (3%). This is illustrated below.

Figure 19: Gross Operating Surplus

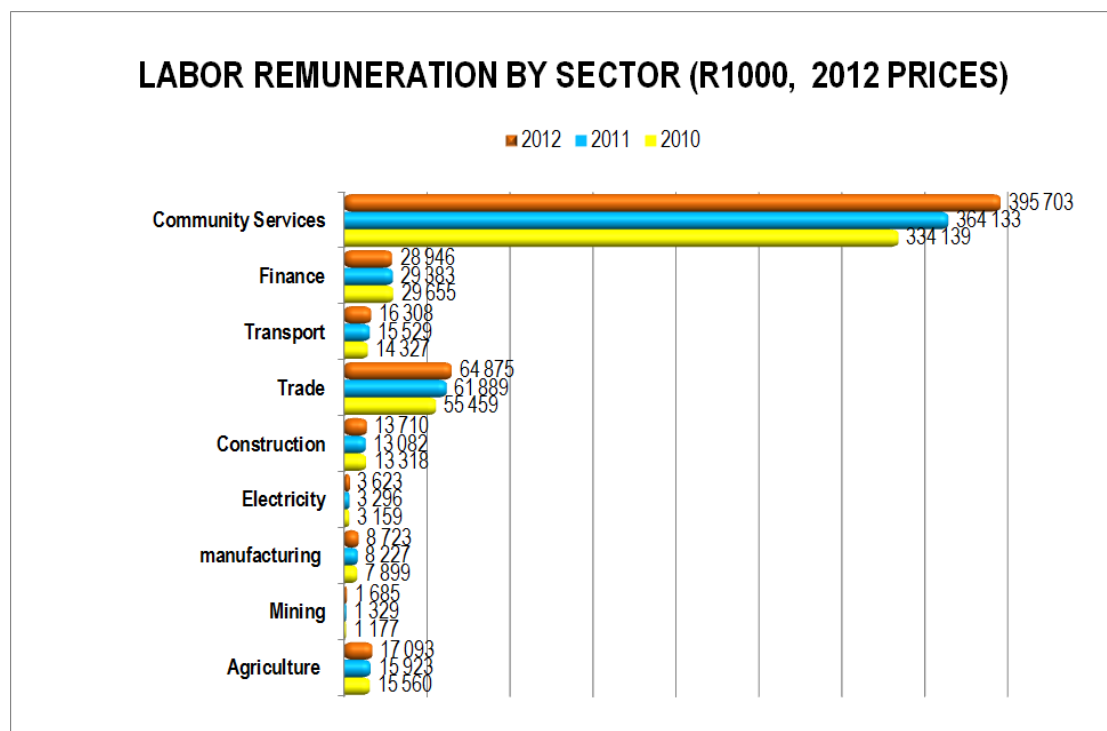


Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

4.3.2.8. Nongoma Labor Remuneration by Sector

On labor remuneration, community services remain the leading sector in terms of the total amount spent in wages. Infact, in 2012 the community services sector spent more than double of all other sectors combined, on labor remuneration. This conclusion is consistent with Nongoma's vulnerability, location quotient and tress index discussed elsewhere in this report.

Figure 20: Labor Remuneration by Sector



Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

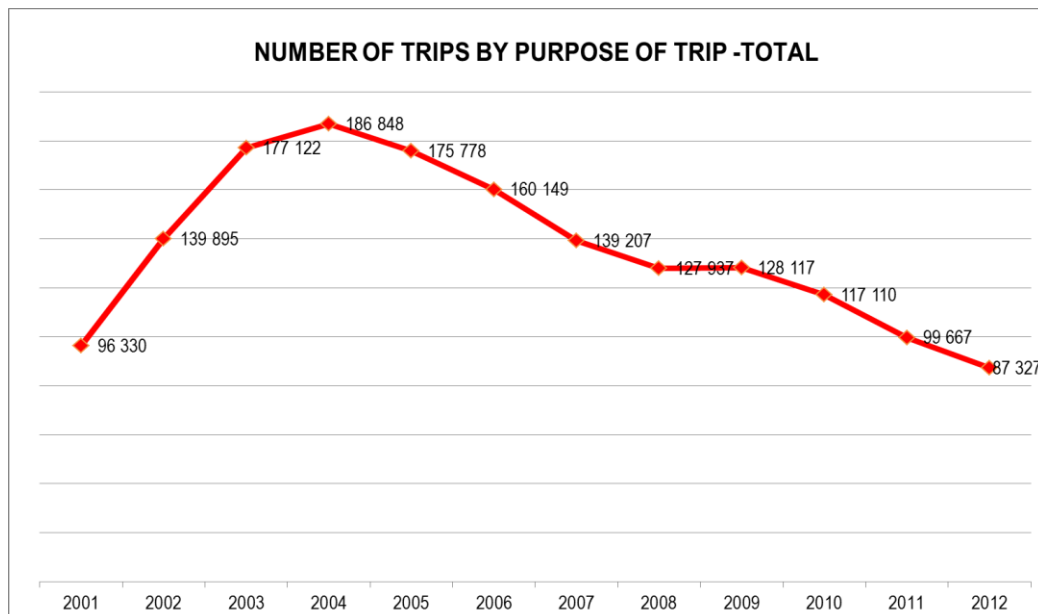
4.3.3. Tourism Performance in Nongoma Municipality

Nongoma municipal area is a critical tourism zone, with numerous products available. An important beginning point, however, is an examination of the demand and supply issues of tourists in the municipality. This is our task in this subsection. In the next we examine the existing livelihood assets in all main sectors.

4.3.3.1. Number of Trips by purpose of Trip

Data on the number of trips by purpose of trip suggests that 87,327 were made in 2012, the lowest in a decade. The highest peak in regards to number of trips was in 2004. Nongoma municipality records an annual average of 136 291 trips between 2001 and 2012. Although at this point the data does not explain why these numbers have declined since 2004, it is clear that the potential for tourism in Nongoma exists, and, this potential has not been fully exploited.

Figure 21: Number of Trips by Purpose of Trip



Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

Breakdown of the number of trips by purpose of trip shows that leisure or holiday visits in Nongoma municipality are the lowest in all 'purpose of visit' categories. Less than 500 tourists visited Nongoma municipality in 2012, with the express purpose for leisure. This is less than during the economic crisis which span from 2008 through 2011. Worth noting is that the numbers of leisure tourists in Nongoma gradually but steadily increased from 2001 through 2005, before a steady decline. The annual average of leisure tourists between 2001 and 2012 was 805. The trend is illustrated below.

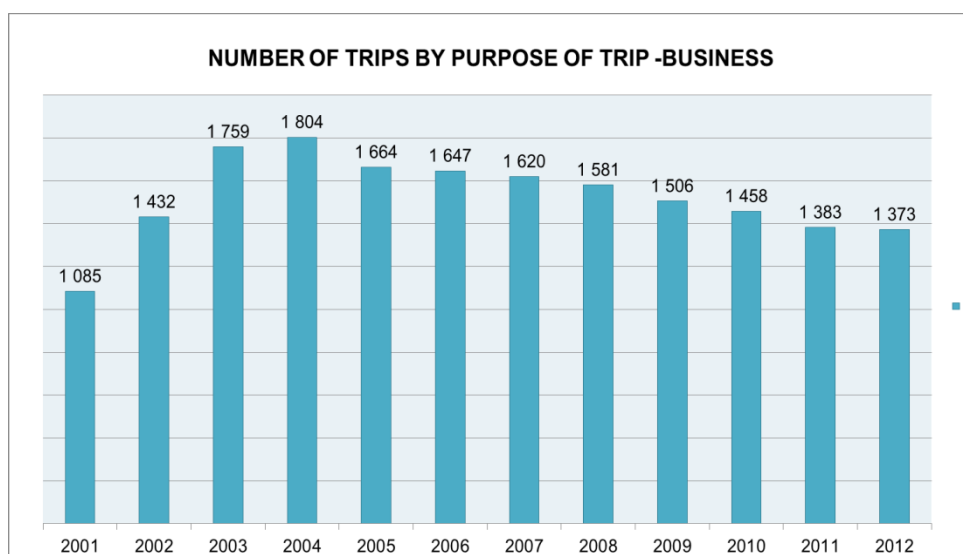
Figure 22: Number of Trips: Leisure



Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

Those who visited Nongoma for businesses purposes were roughly double the number of leisure tourists. In 2001, a total of 1085 business tourists were reported in Nongoma municipality. Since then, business tourists progressively increased before stabilising in 2004, where a gentle decline is visible. Although there is an on-going decline on the number of business tourists, commendably, the 2012 numbers have not declined below the 2001 level. The annual average numbers in this category were 1526 between 2001 and 2012. The following graph illustrates the foregoing.

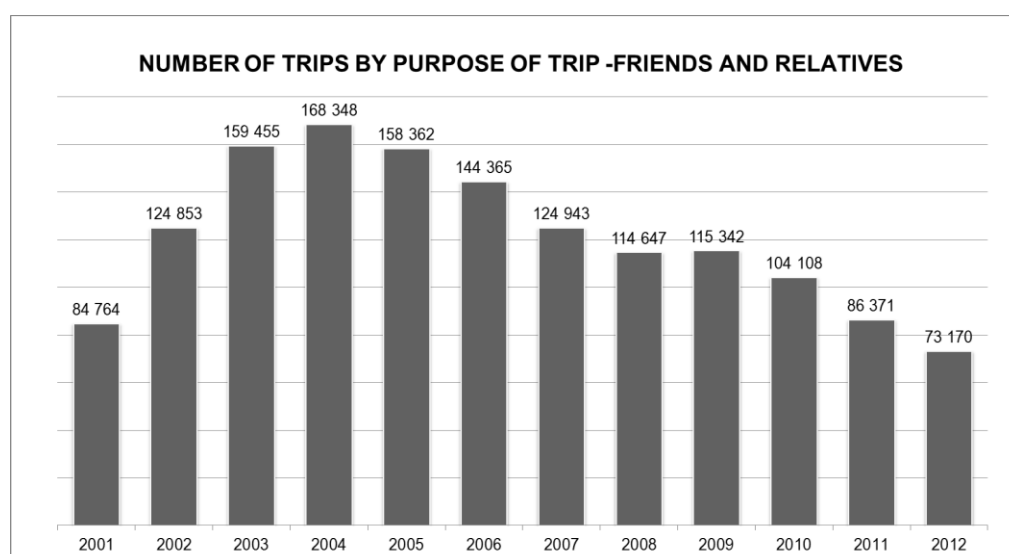
Figure 23: Number of Trips: Business



Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

The highest numbers of tourists in any category are those who visit friends and relatives. This category accounts for relatives who have immigrated out of Nongoma municipal area, as well as friends who come from outside the area. Between 2001 and 2012, a total of 1 458 728 friends and relatives of Nongoma residents visited Nongoma Municipality. This averages 121,561 a year. Similar to the leisure category, 2004 marked the highest peak, while 2012 had the lowest levels of friends and relatives tourists (73 170).

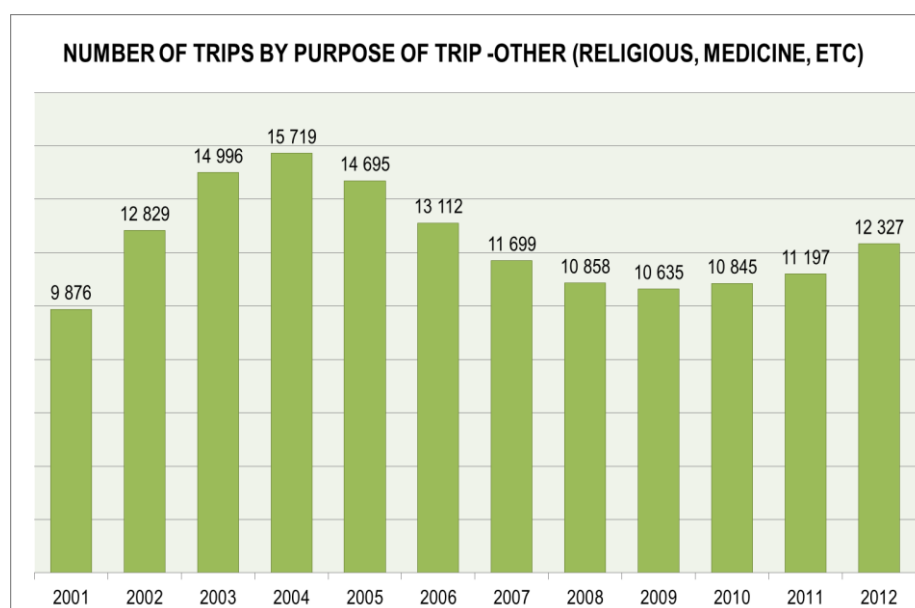
Figure 24: Number of Trips: Friends and Relatives



Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

Being the home of the Zulu King, Nongoma municipality has attracted relatively high numbers of religious as well as medicine¹ tourists. The numbers of religious and medical tourists have fluctuated over the past decade, from 9,876 in 2001, to 15,719 in 2005 before settling in at 12,327 in 2012. A total of 148,790 religious/medical tourists visited Nongoma municipality over the 2001-2012 decade. This averaged to 12,399 visitors annually in this category. Importantly, this is the only category which shows a gradual increase from 2009 to date. This is to say that the number of religious tourists is on an upward trend, currently –as per the graph below.

Figure 25: Number of Trips: Religious and Medicine



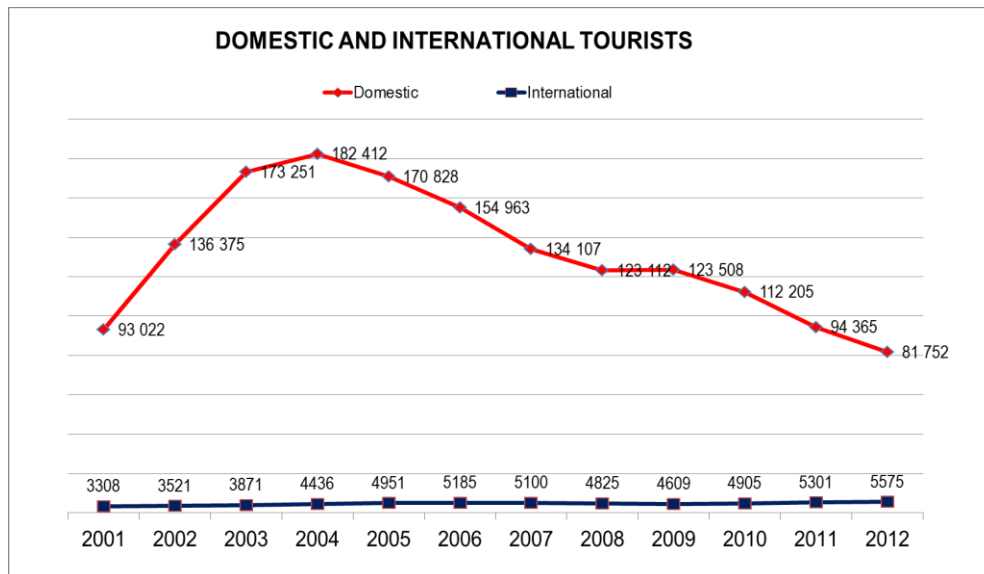
Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

¹ Medicine tourists are those who visited Nongoma in search of traditional medicine.

4.3.3.2. Tourists Origin

On tourists' origin, as expected, there are more domestic tourists than international. Except that the levels of domestic tourists has declined consistently since 2004, levelling between 2008 and 2009 before another steady decline between 2009 and 2012. There were 1,579,900 domestic tourists in Nongoma municipality over the past decade, an average of 131 658 tourists annually, or 10,972 tourists per month –or even more detailed, roughly 366 domestic tourists per day. This is more than double the number of international tourists, which amounted to 55, 588 between 2001 and 2012 –or an average of 4632 per year. This translates to 386 monthly visits, or about 13 international tourists per day. This is 1/28 of domestic tourists in Nongoma municipality over the same period. The number of international tourists has been fairly constant –neither increasing nor decreasing throughout the decade.

Figure 26: Domestic and International Tourists

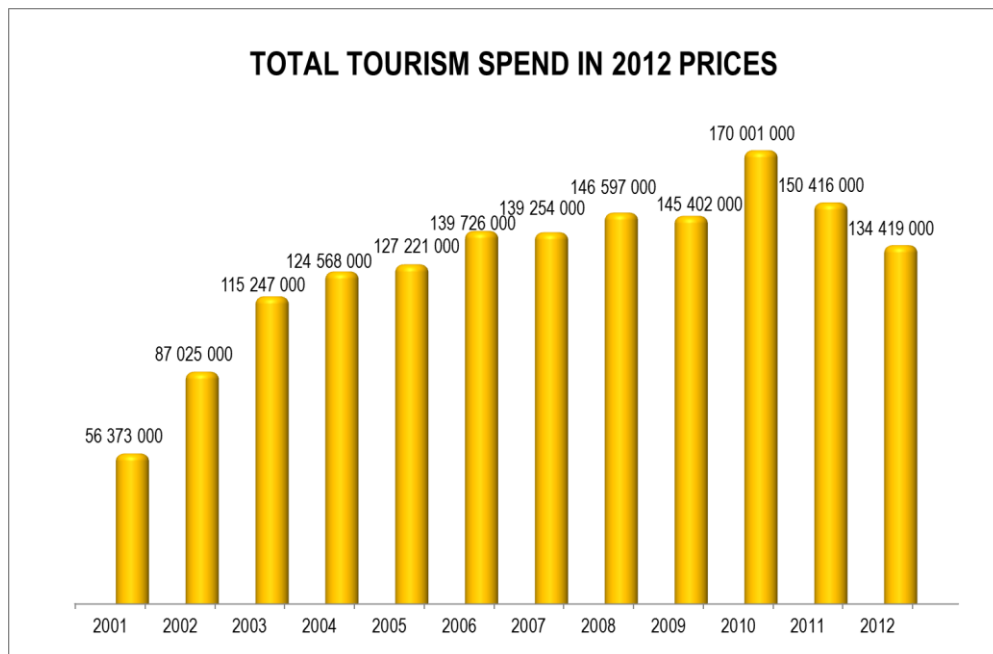


Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

4.3.3.3. Tourism Expenditure

Considering the expenditure on tourism, as demonstrated below, tourism expenditure in 2001 (measured in terms of how much tourists expended in Nongoma Municipality) R56.3 million. In 2012, a total of R134.4 million in 2012. This is 2.8 times more than the expenditure recorded in 2001. Predictably, 2010 recorded the highest expenditure in the decade, at R170 million. Although the expenditure has been on a downward trend since 2010, the levels of total tourists has not declined to the 2005 levels.

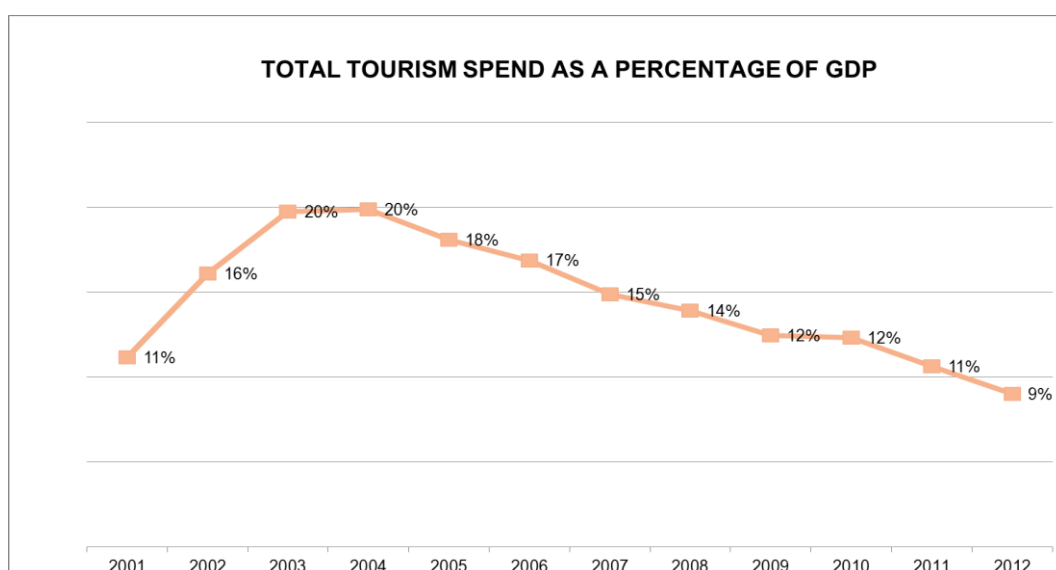
Figure 27: Total Tourism Spend



Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

Calculated as a percentage of the municipal GDP, 2012 recorded 9%, down from 20% in 2004. This suggests that in terms of GDP contribution, tourism has been underperforming since 2004, allowing other sectors such as community services, trade and finance to dominate GDP. What this also suggests is that more could be done to improve the tourism proportion of GDP.

Figure 28: Total Tourism Spend as % of GDP



Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

4.3.3.4. Tourism Products

(a) Route 66

Route 66 takes one along a parallel route, slightly further north east, that links Nongoma with Gingindlovu, Eshowe, Melmoth, Ulundi, and Pongola. The route traces one of the oldest trade routes through Zululand, once ridden by horse and ox wagons by early settlers to the then Port Natal. **Zululand's Route 66**, traces the path of transport riders, missionaries, soldiers, settlers and farmers as they made their way inland. It also explores the incredible clashes that took place here - the tribal wars of the early 1800s, the Voortrekker-Zulu War of 1838, the Anglo-Zulu War of 1878 and the Bhambatha Rebellion of 1906.

(b) History of the Town and Zulu King Palace

Derived from the Zulu word, Ngome - the mother of songs - Nongoma was originally established in 1888 as a buffer between two warring Zulu factions to try to establish peace in the area. Today, the hereditary leader of Zululand has his royal palaces here and has opened these to the public. The area has four royal palaces belonging to the current Zulu King Goodwill Zwelithini:

- Khethomthandayo Royal Palace — One of his wives lives here.
- Kwakhangelamankengane Royal Palace — His third wife, Princess Queen Mantfombi Dlamini-Zulu lives here.
- Linduzulu Royal Palace — His first wife, Queen MaNdlovu, lives here.
- Enyokeni Royal Palace — Queen MaMchiza lives here, and it is the King's only 'traditional' palace.

(c) Royal Reed dance Festival

Nongoma hosts the four days long Royal Reed dance every September, where young Zulu Maidens participate in a cultural festival (referred to as Umkhosi woMhlanga in Zulu). This occasion combines cultural festival with the beautiful landscape as well as the Royal leadership. It also provides an experience of the Zulu Nation, as the King presides over the Reed dance. The festival takes is named after riverbed reeds, which explains why the maidens carry reed-sticks in a procession. It is estimated that over 10 000 maidens, from various communities throughout the Zulu region participate in the event.

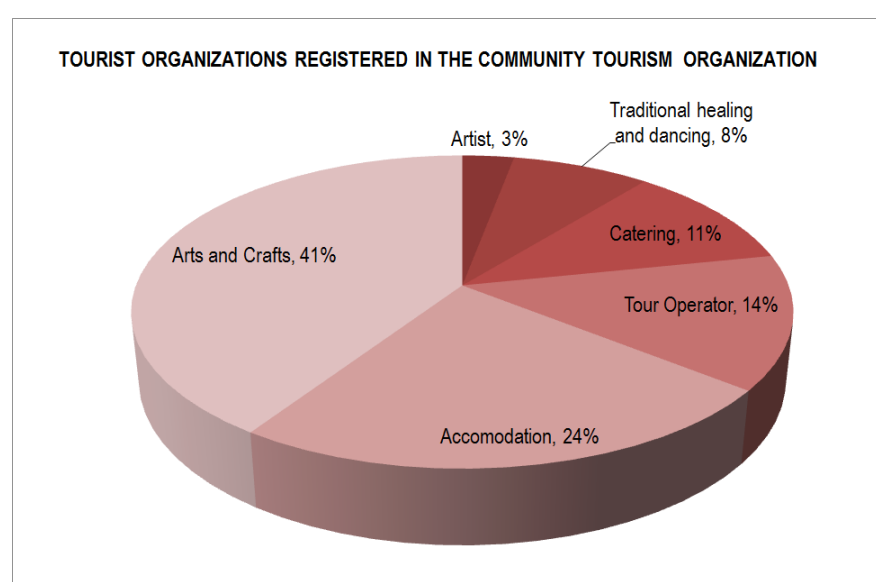
(d) Proximity to Ntendeka Wilderness

Proximity to the Ntendeka Wilderness, just outside of town and about 70km east of Vryheid. This 'place of precipitous heights' is 5 250 ha of wilderness within the indigenous Ngome forest and, although South Africa's smallest wilderness area, perhaps one of its most beautiful. It is easily explored on foot and has over 45 km of footpaths, most of them deep beneath the forest canopy. The Zulu Highway, one of these footpaths, was originally a traditional route established by some of the earliest inhabitants of the area and still in existence. The

wilderness has been protected since 1905, after initial woodcutters' saw pits ravaged the area with uncontrolled logging and today is a rare combination of coastal and inland tropical forest not found in any other conservation area in KwaZulu Natal. Ntendeka is home to nearly 200 species of bird, 180 species of trees and shrubs, including terrestrial and tree orchids, some magnificent waterfalls, precipitous cliffs and a variety of animals including: baboon, samango monkey, vervet monkey, duiker, bushbuck, bushpig and porcupine.

In addition to the above tourism products, the Nongoma Municipality has a strong Community Tourism Organization, which represents over 30 organizations. Of the total registered tourism organizations, majority (41%) are arts and crafts, followed by accommodation (24%). Tour operators and catering form 14% and 11% respectively, while traditional healing and dancing as well as Artists are the minorities in the CTO. This distribution is shown below.

Figure 29: Tourism Organizations Registered in the Community Tourism Organization



Source: Calculations from Nongoma Community Tourism Organization by Cwaninga Development Consulting

The list of organizations in each category is mapped out below.

Table 13: List of Organizations in Various Tourism Categories

Organization	Tourism Category
Khula Guest House	Accommodation
Kwamdolo Sewing	Accommodation
Nongoma Tourism Association	Accommodation
Nomzamo Club	Accommodation
Isidwaba Sabafazi	Accommodation

Ekubuseni Horn made	Accommodation
Ngenangesihle	Accommodation
Khulani	Accommodation
Uzimele	Accommodation
Fundukuphila	Artist
Nongoma Inn	Arts and Crafts
Zimisele	Arts and Crafts
Nongoma Lodge	Arts and Crafts
Nkosimbeke Coop	Arts and Crafts
Sivusamasiko	Arts and Crafts
Hlalakahle B&B	Arts and Crafts
Umcebokazulu Lodge	Arts and Crafts
Qabuleka B&B	Arts and Crafts
Nhlophenkulu Lodge	Arts and Crafts
Glovers B&B	Arts and Crafts
Thengamehlo Tours	Arts and Crafts
Chico Tours	Arts and Crafts
Madudula Tours	Arts and Crafts
Ncwane Travel and Tours	Arts and Crafts
Imbokodo Catering	Catering
Nongoma metre taxi	Catering
Senzakabusha	Catering and Décor
Matoswana	Catering and Décor
Udlukula Coop	Craft and Sewing
Sunrise Guest House	Tour Operator
S.J. Sibisi	Tour Operator
Lindizwe Healing Organization	Tour Operator
Sobho Zulu Dance	Tour Operator
Hlanganisa	Tour Operator
Ivuna Arts and Crafts	Traditional Dance
Kinos	Traditional Healer
Mankulu	Traditional Healer

Source: Nongoma Community Tourism Organization

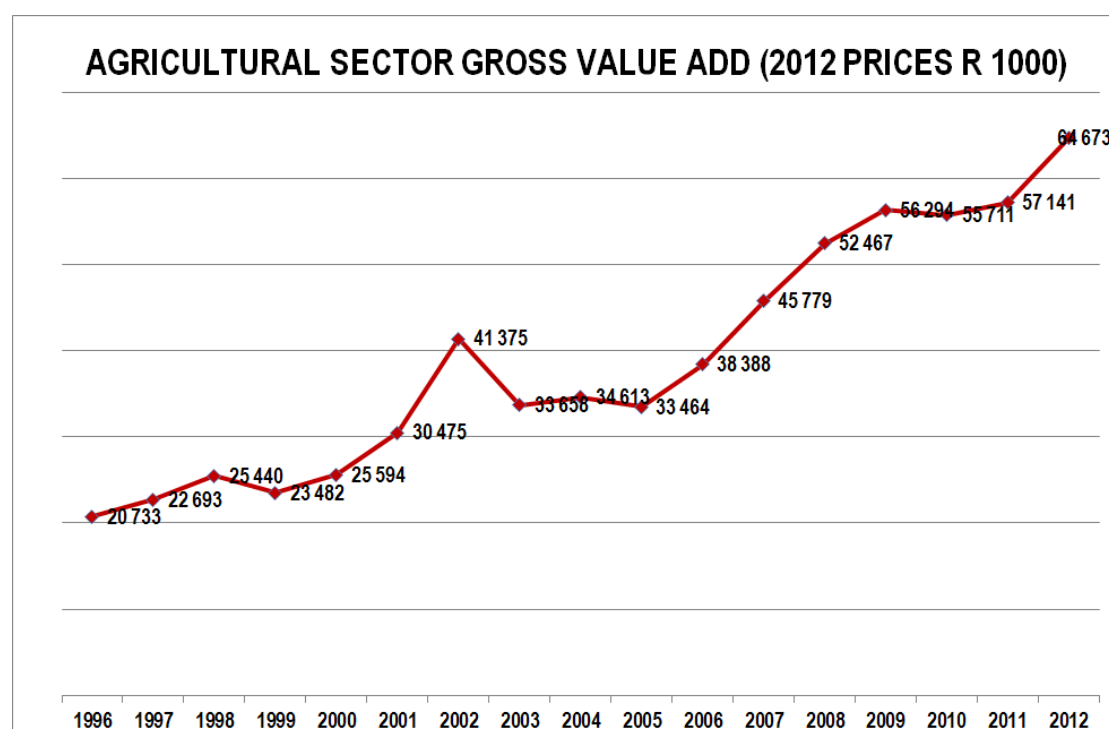
4.3.4. The Performance of the Agricultural Sector

Although various policy documents have recorded the importance of the agricultural sector in Nongoma Municipality, there is hardly any available detailed information on the sector. This constrains the extent of interventions which could be recommended for the municipality's agricultural sector. On its part, CoGTA notes agriculture as the main economic base, further advising the need to develop the sector through establishing small-scale agricultural projects in the municipal area. Below we assess the performance of the sector.

4.3.4.1. Gross Value Add

The Gross Value Add (GVA) of the agricultural sector in Nongoma municipality has grown steadily since 1996, apart from a short dip between 2003 and 2004. The highest recorded GVA over the period under discussion was in 2012. The annual GVA average for this sector between 1996 and 2012 was 38.9billion, while the overall total of GVA between 1996 and 2012 was roughly R661 billion.

Figure 30: Agricultural Sector Gross Value Add



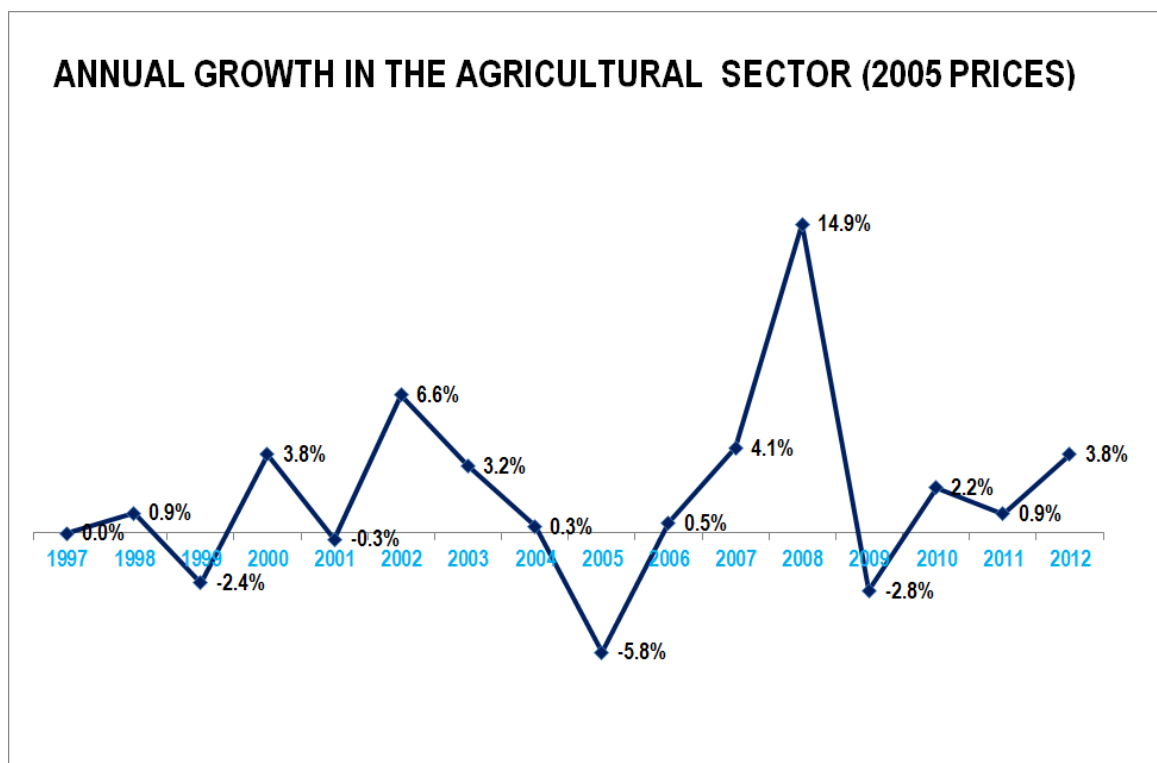
Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

4.3.4.2. Sector Growth Trend

The growth of the sector has not been as steady as the Gross Value Add. Infact, as visible in the following graph, it has been anything but stable in terms of the annual growth. Ironically, the highest growth between 1997 and

2012 was during the start of the global crisis, at 14.9%. Three out of the 17 years record a negative growth. As at 2012, the sector was growing at 3.8%. The average growth over the years under scrutiny was 1.9%.

Figure 31: Annual Growth in the Agricultural Sector

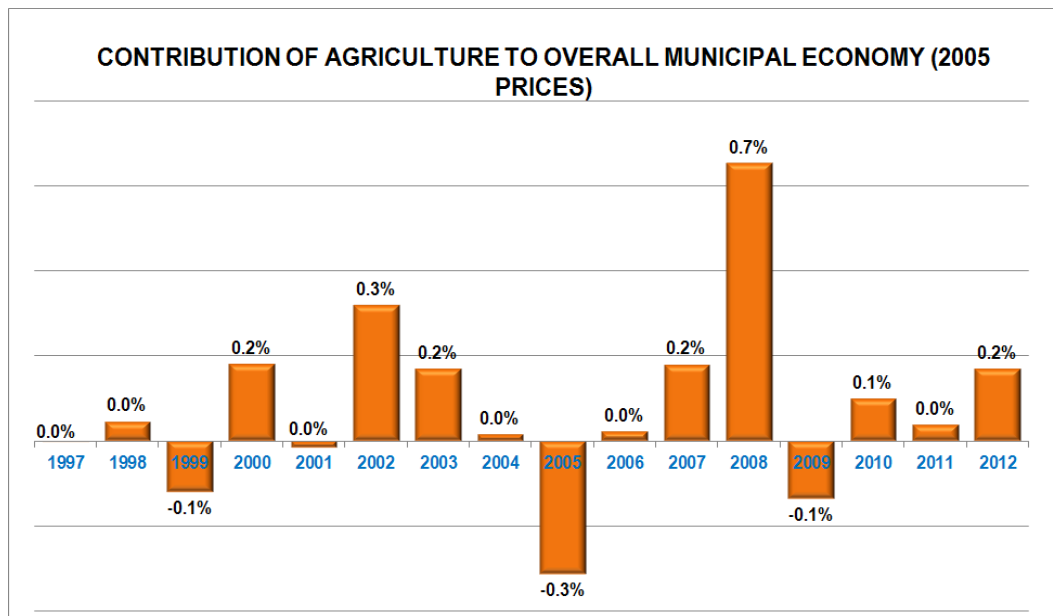


Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

4.3.4.3. Sector Contribution to Municipal Economy

In proportional terms, data suggests that the sector contributes negligible percentage to the overall municipal economy, as shown below. Between 1997 and 2012, the average contribution of the sector to the overall economy was paltry 0.1%, suggesting the underutilization of its potential. Much effort needs to be made to enhance the contribution of the sector to the overall economy.

Figure 32: Agricultural Contribution to Municipal Economy

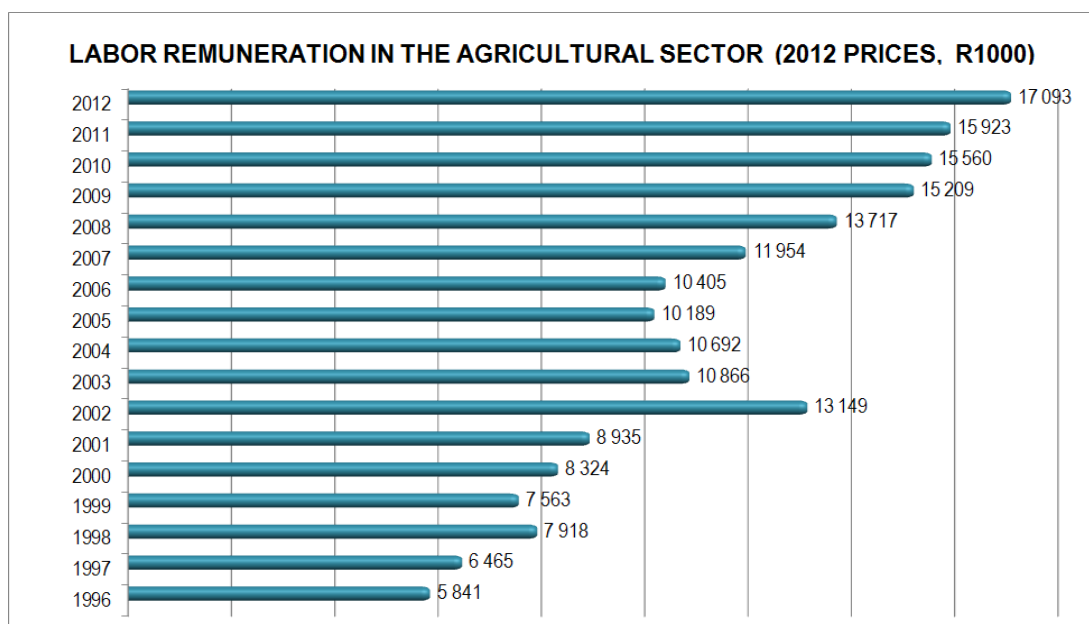


Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

4.3.4.4. Labor Remuneration in the Agricultural Sector

The sector has however made useful contribution to labor remuneration. In 2012, the sector contributed approximately R17billion towards labor remuneration. This in part suggests an important aspect of LED.

Figure 33: Labor Remuneration in the Agricultural Sector

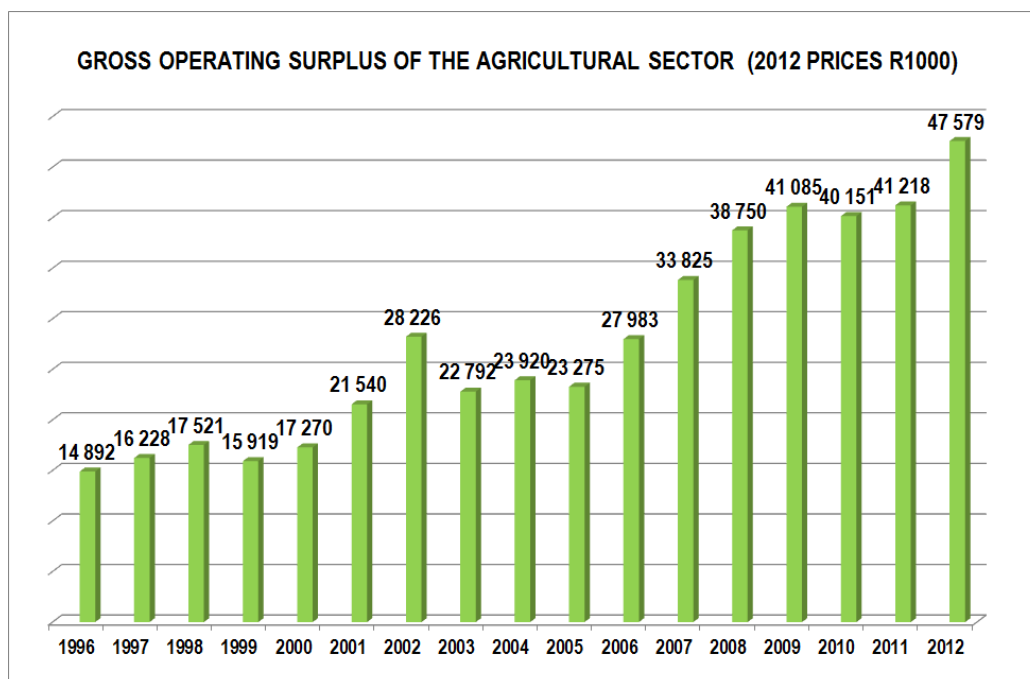


Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

4.3.4.5. Gross operating Surplus in Agriculture

The Gross Operating Surplus of the agricultural sector is also commendable, having grown steadily from 1996 to 2012. The highest GOS was in 2012, capping at R47 billion. The profits of the sector are therefore a good indication that the potential for further development of the sector exists.

Agricultural Sector **Figure 34: Gross Operating Surplus: Agricultural Sector**

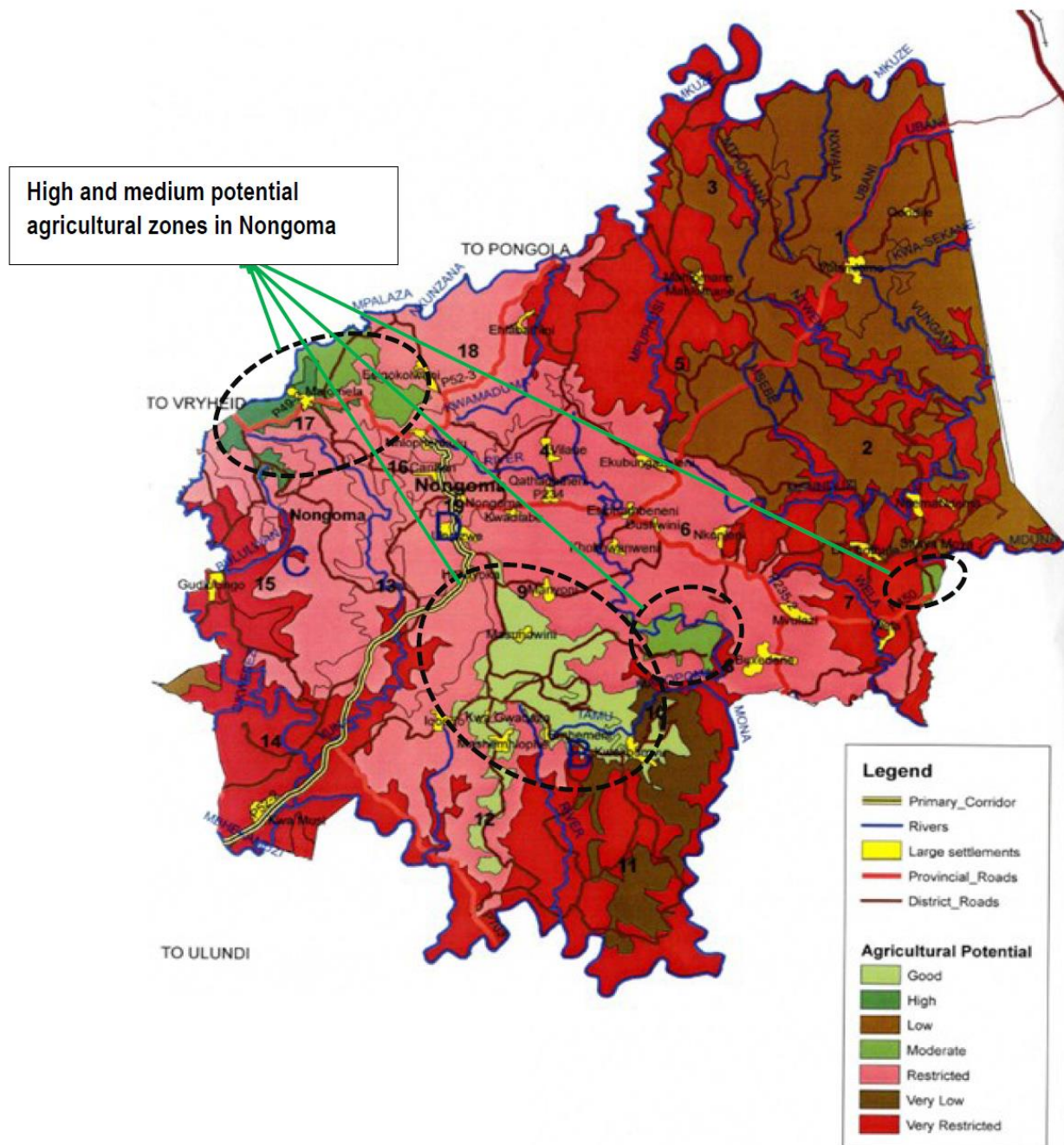


Source: Calculations from Global Insight (2012) by Cwaninga Development Consulting

4.3.4.6. Agricultural Potential Areas

Although in general the above trends are not satisfactory as far as the agricultural sector in Nongoma is concerned, worth noting is that agriculture is concentrated around South West and North Western parts of Nongoma Municipality. The specific areas are Thokazi, Mahashini, Maphophoma, Inhampela, Kwaquma and Nqongco. These are also the most productive areas as far as agriculture in Nongoma is concerned-although they have not been optimised. They are highlighted in red in the following map. The cultivated land is fragmented and scattered across the municipality, consistent to the fragmented settlements in Nongoma.

Figure 35: Agricultural Potential Areas in Nongoma



Source: Cwaninga Development Consulting (2014)

4.3.4.7. Household based Agricultural Activities

There are numerous pockets of subsistence farming especially in the settlement areas. There are small scale brick making activities, crop farming as well as livestock (small scale) production based in households. The following image taken along the stretch between Mona Market and Buxeden is an example of small scale agricultural activities.



4.3.4.8. The Buxeden Development Cluster

Still on agriculture, the Department of Trade and Industry in partnership with the department of rural development, department of agriculture, Zululand District and Nongoma Municipality is in the process of completing the infrastructure for a poultry project in Buxedene, roughly 30km from Nongoma town. The DTI has already contributed 6.42 million as part of this project. The initial conceptualization of the project started in 2006 and although slow in progress, it is now in the final stages of commissioning. The project is located in a 6 Ha site. The project has been adopted by the KZN office of the Premier, but will be managed by the Ibhodwe and Inyosi central secondary cooperative. The project consists of 20 poultry houses, with a capacity of 50,000 broiler chicken. Each of the poultry house in turn will be managed by a cooperative, and therefore 20 cooperatives will be involved in the project. The project is expected to provide a needed boost of the Nongoma Economic base.

In terms of the state of the surrounding infrastructure, access roads to the site still need to be constructed. The grass in the site is also overgrown, and, water infrastructure and electricity reticulation still needs to be done. yet. There are also no signages to the area, and, the facility still needs office furniture and fittings.

Linked to the above, there are plans to construct a meat processing plant near Buxedene, which would process approximately 4000 chickens per hour. This plant is intended to service the Buxedene poultry production. Discussions on this initiative are under way.



4.3.5. The Informal Trade and Small & Medium Enterprises

4.3.5.1. Informal Trade in Nongoma Town

Although community services employs the largest number of Nongoma municipality residents, informal trade is a thriving industry especially in Nongoma town and Mona Market. The informal trade market in Nongoma town is supported by commercial Banks, of which all the main ones are located in town. Ithala Bank as well as Capitec, both of which provide micro finance services are also available in Nongoma town. As at 2014, there are estimated 950 informal traders in Nongoma town, discounting those operating in the nearby Mona market. Interviews with informal traders in Nongoma town suggest that lack of capital is the greatest challenge for growth and expansion. That is to say, majority of them are locked into a subsistence cycle with little if any surplus profit margins, which can hardly be used for further investment. Informal traders in Nongoma market are involved in trading of fruits, clothing, electronics, etc. Below is an example of an informal trader based at the stalls in the taxi rank area.



Evidently, the traders in the 'old' concrete stalls in the taxi rank complex do not have trading licenses, and, they rely on the municipality to maintain these stalls. Importantly though, majority of them (such as the above example) are neat, relatively clean and well utilised.

The municipality has made progress in regulating the informal trade, through establishment of a trade policy, as well as constructing at least 86 stores (see below) in the CBD. This has not, however, fully congested the CBD. Current development of a Taxi and Bus Rank (see below) provides a major market for informal traders, as well as a chance to further decongest the CBD.

Newly constructed informal trade stalls

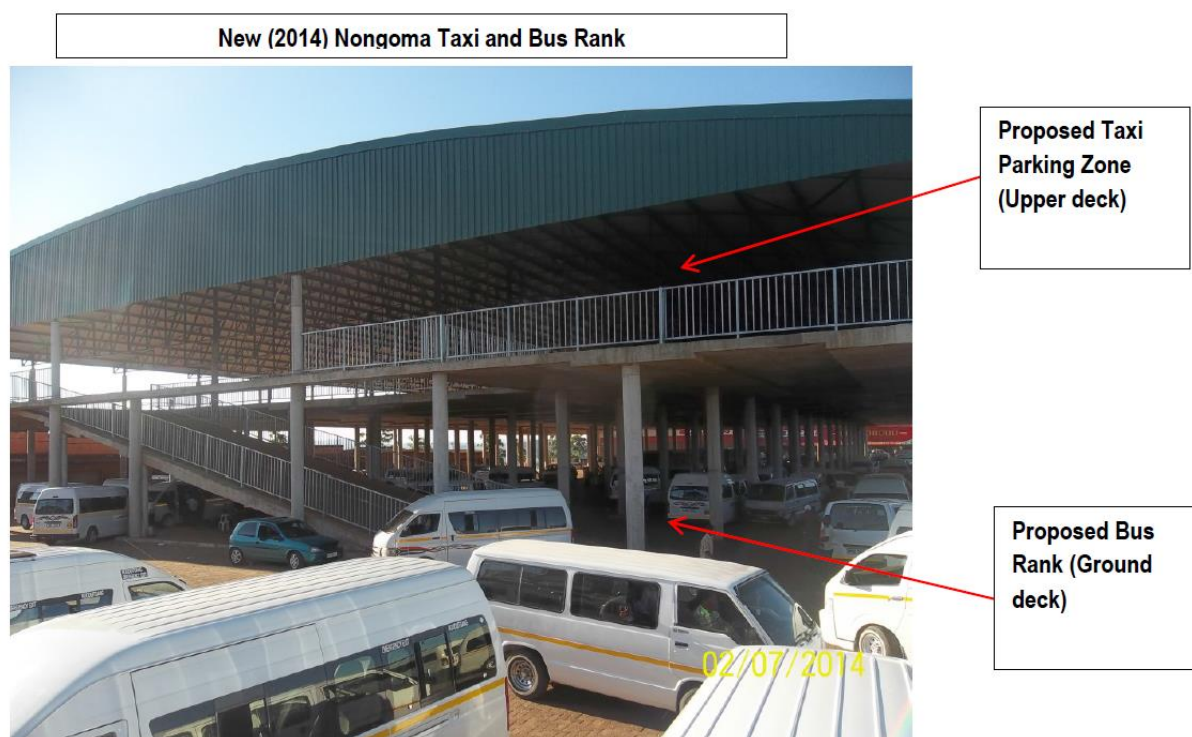


It needs to be noted that the current stalls located in the Taxi/bus rank complex have served to cluster informal trade in one area, reducing the complexity of their regulation. There are plans to construct another 96 stalls in the following (open) space. There pillars (see below) are preserved for Taxi loading zone, while the corridor between P66 route and the pillars will accommodate the informal trader stalls. The municipality recognises that this will not fully resolve all informal trade challenges in Nongoma, but will go a long way in creating better trading conditions.

Existing informal trade Stalls



The Taxis are expected to park in the upper deck of the complex while the buses will ferry passengers from the ground deck. This complex is expected to be fully operational by the end of March 2014.



4.3.5.2. Informal Trade in Mona Market

As already indicated, a second thriving cluster of informal trade is based in Mona Market. A business plan for development of this market has already been completed. Importantly, this is a self-regulating initiative, which started over 50 years ago, and continues to date. The market is located roughly 20km from Nongoma town, with a number of settlements living in close proximity, and operates optimally every third week of the month-although there are daily trade activities, seven days a week. Some traders have constructed temporary shelters within the market zone, where the spend over and continue trading the following day. The municipality has provided some masts for lighting, although other basic services such as water and sanitation do not exist. These of course pose a major challenge to traders in the market. Activities within the market are separated, so that on one corner specialises on medicinal products, another on food, the third on hand made mats while the fourth corner mainly trades carvings. The market also has Nguni cattle auctioning facility with a capacity of holding more than 500 cattle. This facility has been proposed as a tourism activity, although in our view any tourism potential requires bundling with all the other activities in the market, as well as the surrounding geographic landscape.





There is also a large piece of land opposite the Mona market, owned by the department of social development. Department, within which an arts and crafts centre is planned. There are no activities in this site, and, vandalised offices are visible close to the road. The site is presented below.



4.3.6. Other Local Economic Development Initiatives in Nongoma

4.3.6.1. Njoko Trading Centre

This is an initiative by the KwaZulu Natal DEDT, aimed at providing trade opportunities to local communities, considering the high level of congestion in Nongoma Town. The trade centre project will be established in Ingonyama Trust owned Njoko area, roughly 30 kilometres from Nongoma town. The area is considered as central to the otherwise fragmented settlements. Other services around the proposed centre include educational institutions, clinics, places of worship as well as a taxi rank. The project is expected to service residents within 10km radius.

4.3.6.2. The Usuthu Traditional Council Development Trust Initiatives

These Usuthu Traditional Council Development trust has made available a piece of land for node development of a number of LED projects aimed at supporting small businesses and job creation. The bundle of projects to be initiated in the availed land are expected to create at least 3000 jobs, empower farmers, provide food security, as well as mentor cooperatives. The location of the planned centre is in Bululwane, and, the projects to be initiated in this place are the following.

(a) SME Training mainly in woodwork, brick laying, painting and plumbing. There is also a Bululwane business centre, which will provide support services of businesses within and outside the area.

(b) A Shopping complex which will be referred to as Enyokeni Shopping Centre –discussions with an investor are at an advanced stage.

(c) Agricultural hub –which will consist of aquaponics and hydroponic projects. An irrigation scheme is also planned in this area, as is fortification of animal pasture. The fortification of pastures is part of broader livestock production initiative which will include dairy cattle farming, chicken, goat, pig as well as sheep farming.

4.3.6.3. The Maphophoma Milling Project

The Agri-Processing Development Agency (ADA) has purchased a milling facility (worth R8 million) for processing of Millies, Soya and Beans, and is currently constructing a structure which would house the facility. ADA plans to avail the project management budget in the first half of 2014. The project is located in Ward 11. The purchase of the facility as well as the on-going construction of the mentioned structure is based on a feasibility exercise (also commissioned by ADA, and undertaken by Adamopix) which determined the following:

(a) there are already two cooperatives in Maphophona (Ibhodwe and Maphophoma) both of which could be trained and equipped to manage the project.

(b) Zululand District has a ready market for processed maize, soya and beans

(c) the project will develop SMMEs, especially in terms of suppliers of raw materials for processing, transportation as well as branding. These opportunities will potentially yield jobs for the local and regional community.

If implemented effectively, this project has the potential to address food security, as well as incentivise other enterprises (mainly informal) to move into the centre. The proposed structure for the milling facility is illustrated below.



4.3.6.4. The Aloe Processing Plant

The department of Economic Development has identified agro-processing as a critical economic boost for Nongoma municipality. In this regard, the department is in the process of commissioning a feasibility exercise to determine the potential of such a facility.

4.3.6.5. Community Works and Expanded Works Programmes

There are 11 Expanded Public Works Programme projects in Nongoma municipality, employing over 110 workers. All of these projects, however, are expected to complete in June 2014. LIMA has also initiated a Community Works Programme (funded by CoGTA) in Ward 2 section 1. The project targets 22 villages, and employs upwards of 1050 people. Each of the participants is paid R500 a day, and the project cycle is expected to end in 2020. The second LIMA initiative under the Community works Programme supports farming cooperatives in terms of training.

4.3.6.6. Kwamjomela Manufacturing and Services Centre

Located in Ward 17, the Kwamjomela area (Mahashini) which is a high agricultural zone, has been identified as a site for a small scale manufacturing and value add services. The Kwamjomela community approached DEDT to support this initiative in 2013. In response, the DEDT has noted the need, and plans to commission feasibility exercise which will seek to understand the potential of such an initiative in Kwamjomela. If successful, this project is expected to provide support to cooperatives and SMMEs in Kwamjomela.

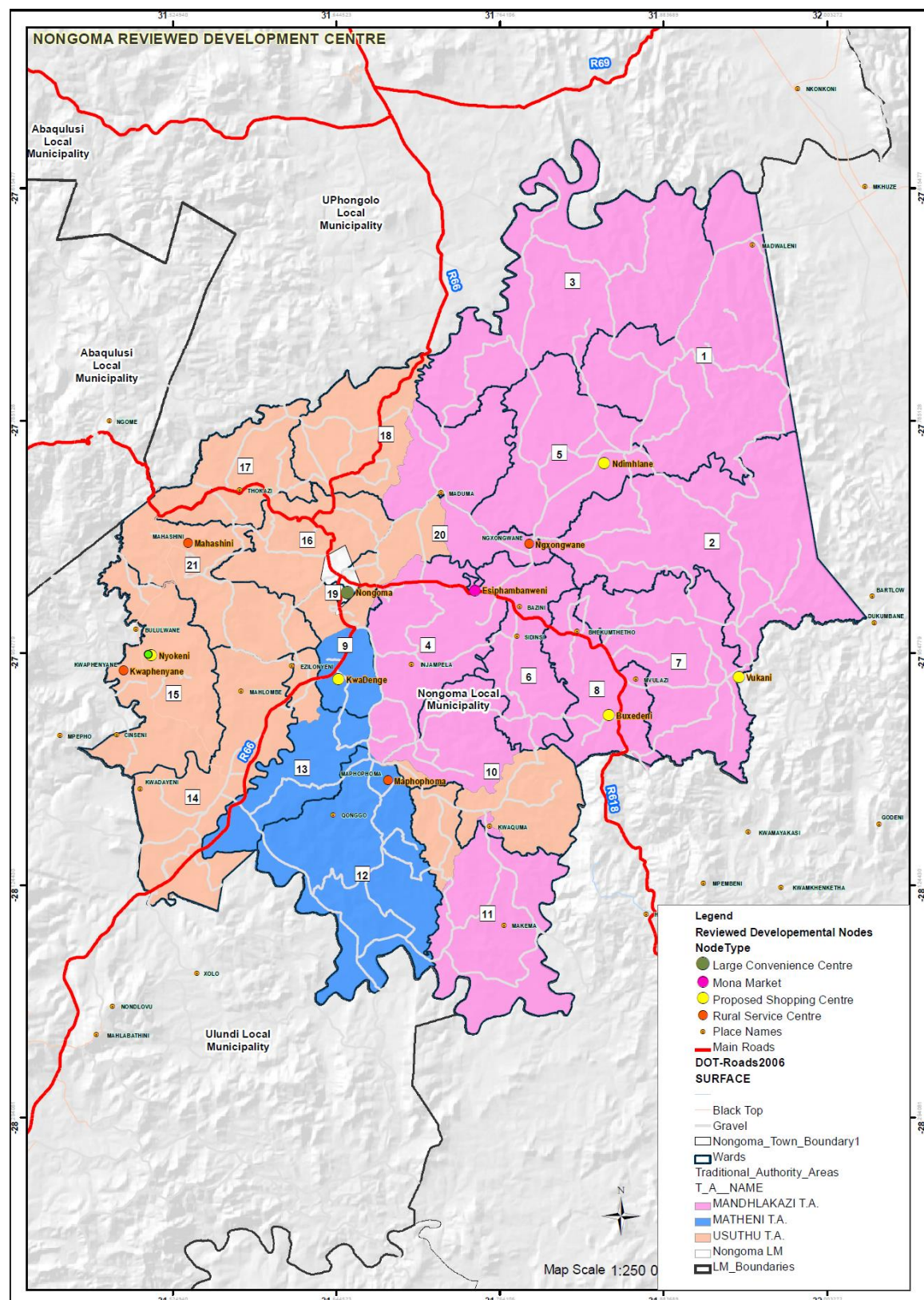
4.3.6.7. The Ehlalankosis Sowing Project

This is a training project, targeting sowing skills. There is a facility located across the valley from the municipality, which already has 14 Industrial sowing machines. Unfortunately the facility is located away from main economic centres, making it market access a major challenge.

4.6.6.8. Future Development Plans

Additional to the above interventions, and summarising some of the previously noted future plans, the Nongoma municipality seeks to establish at least four shopping centres –in Buxedene, Vukani, Ndimhlane, and Kwadenge. These would provide an incentive for expansive development in each of the noted nodes. There are already five service centres across the municipality, of which will go a long way in administering government services to Nongoma settlements. These as well as the proposed shopping centre nodes are shown below.

Figure 36: Development Areas in Nongoma



Source: Nongoma Municipality GIS Office (2014)

SECTION FIVE: LOCAL ECONOMIC MATURITY ASSESSMENT, GAP ANALYSIS AND SWOT ANALYSIS

On the basis of the reviewed literature, stakeholder consultation and site observation, we now move forward to identify LED maturity, the gaps as well as the Strengths, Weaknesses, Opportunities and Threats within LED in Nongoma Municipality operates. The stakeholder consultation was especially extensive, involving community representatives such as informal traders, Taxi associations and tourism associations, while other stakeholders included municipal officials, as well as interviews with businesses in Nongoma town. The following images were taken in a workshop conducted among stakeholders.



5.1. LOCAL ECONOMIC DEVELOPMENT MATURITY ASSESSMENT

The LED maturity assessment tool was developed by RED -X, (supported by GTZ) and has been used in various municipalities in South Africa. The tool was first used in a municipal survey conducted in Mpumalanga and Eastern Cape in 2009. In our understanding, the tool has not been used in KwaZulu Natal municipalities, yet. The tool is structure to determine two key performance indicators as summarised below.

(a) Insight and strategy –That is, the extent of the municipal ability to understand the local economy and effectively make practical initiatives. The factors which measure the extent of insight and strategy are:

- Shared vision and focus
- Understanding the local economy
- Strategic decision making

(b) Ability to execute LED-This indicator seeks to determine the capacity of the municipality to implement LED initiatives, from conceptualization to completion. There are six factors upon which this indicator constructs. They are:

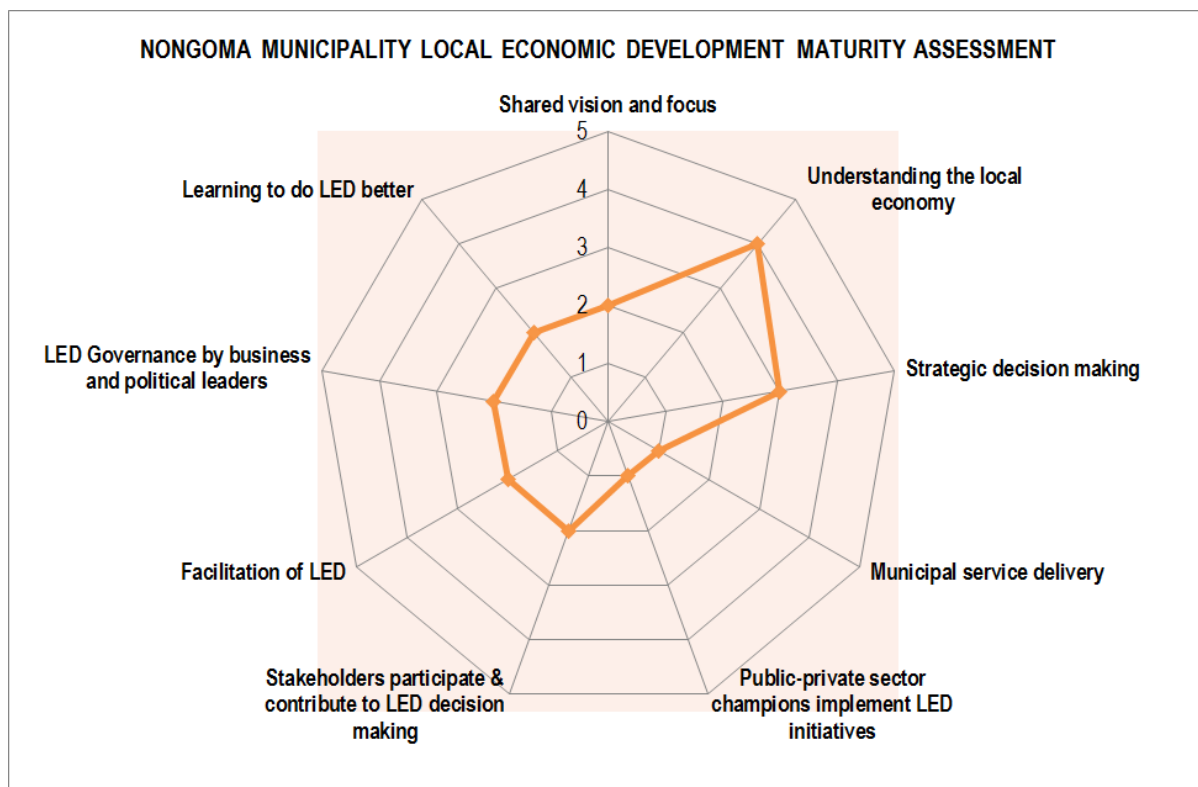
- Municipal service delivery
- Public-private sector champions implement LED initiatives
- Stakeholders participate & contribute to LED decision making
- Facilitation of LED
- LED Governance by business and political leaders
- Learning to do LED better

The standard methodology of the LED maturity is qualitative interviews with senior LED officials. We however modify this methodology to include our own assessment through site visits and literature analysis. We however use the standard indicators as suggested by RED-X. The tool examines maturity from scoring each of the nine factors above, with scores close to 0 indicating low LED maturity while scores close to 5 indicate high LED maturity level. We thus assessed Nongoma municipality's LED maturity on this basis.

We found Nongoma performing fairly satisfactory in the understanding of the local economy. The interviewed municipal officials are well aware not just of the LED policy framework, but also current LED initiatives within Nongoma. We also conclude that on average, the municipality is capable of strategic decision making, considering the capacity of the planning department. If the competence of the entire LED unit is accounted for, we submit that while the LED officer is well capable, the lack of sufficient human resources adversely impacts on the competence of the unit to adequately plan and strategize on LED. On this basis, the municipality scored 3 in strategic decision making and 2 in facilitation of LED.

An assessment of the inter -departmental relationships on LED initiatives, as well as private sector relations, reveals a poorly functional partnership process. Worth noting is the challenging relationship between Traditional Authorities bureaucracies and various municipal departments. The use of land for LED is constrained by sometimes this apprehensive interaction between municipal officials and Traditional Leaders. This is not a unique characteristic in Nongoma Municipality. The traditional authorities' perspective on LED report (found on Gijima KZN website) points to tense relations between Traditional leaders, Traditional Council and Councillors as a major LED challenge. On this, the Nongoma municipality scores 2 in LED governance by business and political leaders. Although LED implementation has not been done in a significant way, there are some useful initiatives such as the poultry project in Buxeden and the planned crafts centre opposite Mona market. The important note here is that these are exclusively government based initiatives, rather than public-private partnerships. On this account, Nongoma scored poorly (1) in public- private sector champions' implementation of LED initiatives.. The following Radar illustrates Nongoma Municipality's LED maturity score.

Figure 37: Nongoma LED Maturity Assessment



Source: Cwaninga Development Consulting (2014)

Comparatively, on average Nongoma scored higher on insight and strategy (3) and lower on ability to execute LED (1.6). The overall score on both indicators combined is 2.1. This is shown below.

Table 14: Nongoma Municipality LED Maturity Scores

Indicator	Average Score	Interpretation
Insight and Strategy	3	Slightly above average
Ability to execute LED	2	Poor
Total Municipal average	2.1	Poor

Source: Cwaninga Development Consulting (2014)

5.2. GAP ANALYSIS

The gap analysis in the case of this report would be the factors which sustain low level performance of Nongoma Municipal economy, which if addressed, they would enhance performance. This subsection utilises information from the reviewed literature, primary data gathered from consultation of stakeholders, mainly municipal officials, and informal traders, and; site visits. The following are the identified gaps in Nongoma Municipality.

5.2.1. Inadequate skills

The municipality has a fundamental deficit of skills, considering that there is no tertiary institution in Nongoma, and consequent outmigration of the population. Nongoma is thus considered as a labor 'sending' region. Although labor immigrants from Nongoma do send remittances to relatives in the area, what this also suggests is that the bulk of expenditures by the immigrants take place outside the municipality.

5.2.2. Underutilised Livelihood Assets

Evidently, although Nongoma municipality has numerous assets such as a beautiful topography and expansive land, unfortunately these are underutilised. As already mentioned the ownership of land by the Traditional Authorities sometimes (not always) poses a major development challenge. This is considering that authorization of the use of land whether for short term or major investments, is a critical challenge. This is an issue underlined by majority of the interviewed stakeholders, but also identified in literature.

5.2.3. Sub-Optimal Performance of Real Sectors

Although the location quotient revealed a comparative advantage of agriculture, finance, trade and community services sectors, all of these sectors have performed sub-optimally. The Real sectors –agriculture and manufacturing play an insignificant role as it concerns the overall municipal economy. Notwithstanding, these sectors are strongly represented in household based economic activities. It is important to commercialise them for improved economic performance of the municipal economy.

5.2.4. High Levels of Economic Vulnerability

In examining Nongoma's Tress Index, this report has already argued that the municipality is heavily reliant on community services, and to a le and finance sector. The municipal Tress Index noted that as at 2012, this vulnerability was highest in a decade. Analysis of various literature sources suggest that the municipality is classified among the most vulnerable municipalities in the country. In the CoGTA's vulnerability context, Nongoma ranks among the bottom ten performers while the Municipal Vulnerability Index which measures the most productive areas or regions to work, live and invest, ranked Nongoma as the worst in 2008. By the Municipal Vulnerability Index classification, Nongoma remains among the least productive municipalities in the country.

5.2.5. Poor Stakeholder Partnerships

A workshop conducted among LED stakeholders suggests a poor working relationship between the private and the public sector. Informal traders on their part are suspicious of municipal intentions, while Traditional leaders are hardly accessible by the public or the government. What is more, departments within the municipality do not interact meaningfully, except only on formality levels and remotely. As a result, activities and initiatives by one department are hardly visible to another, even when there is a convergence in regards to objectives of the initiatives.

5.3. SWOT ANALYSIS

Similar to information used to assess current gaps in Nongoma's economy, the SWOT analysis also results from site visits, consultation of stakeholders and reviewed documentation.

5.3.1. Strengths

- Productive agricultural regions especially in the South and North West part of the municipality
- Thriving informal trade in Nongoma town as well as Mona Market
- Decent tourism accommodation facilities
- Thriving Trade and Financial sectors
- Highly resilient population

5.3.2. Weaknesses

- Fragmented Settlement patterns
- Limited access to capital
- Lack of manufacturing industries
- Constraint access to productive land
- Poor marketing of the tourism sector
- Limited information on Nongoma economic sectors

5.3.3. Opportunities

- Nongoma being the seat of the Zulu Kingdom
- Big push investment market
- Reasonably strong infrastructure linkages with Pongola and Richards bay
- Subsistence farming which could be expanded to commercial
- Relatively young population
- Many residential settlement which provide opportunities for nodal development

5.3.4. Threats

- Changing climatic conditions
- High poverty and unemployment levels
- Overdependence on Government grants
- High services backlog
- Rural road infrastructure deficits
- Environmental degradation

SECTION SIX: STRATEGIC CLUSTERS

Based on all the previous sections, this section now presents critical themes which will address current development challenges and threats within Nongoma Municipality. These strategic clusters are broad thematic areas within which programmes and projects are identified and implemented. The three guiding principles in Nongoma's Local Economic Development are; (i) investments in roads, electricity, telecommunications; (ii) investments in education and the community (people) and (iii) facilitation of the access to credit, capital and land markets. Before the strategic clusters are outlined, it is important to present the objective of the strategies. This vision is presented below.

The current municipal vision is "a growing Municipality that provides best and sustainable services" while the mission is "creation of a conducive organizational and institutional environment capable of providing sustainable services". Both the current Vision and Mission focus on delivery of services, in accordance with the social investment categorization of the municipality, by the provincial Spatial Development Strategy. Given that LED focuses on job creation and poverty reduction, it is important that over and above the delivery of services, LED vision needs to account for the job-creation issues raised in this report. In this light, this study proposes the following.

Table 15: Nongoma LED Vision and Mission

Nongoma Local Economic Development Vision	By 2030, Nongoma Municipality will be a diversified and thriving economy, with the express objective of creating sustainable livelihoods.
Nongoma Local Economic Development Mission	To accelerate local economic development through innovative and environmentally friendly approaches.

Within this vision and Mission framework, the report recommends the following six clusters.

6.1. ACCELERATED NODAL DEVELOPMENT

Nodal development initiatives are essentially intended to ensure more efficient delivery of services and enhancement of Local Economic Development. The concept of Nodal Development Patterns concentrates development (e.g., creates concentrated and planned activity centers) to encourage higher density development around planned roadway and intersection improvements so that land between nodes can be used for lower density, lower traffic land uses. The advantages of Nodal Development are:

- (a) The avoidance of scattered Sprawl
- (b) Concentration of uses allows the community to focus on development investments in one or two areas at a time.
- (c) Unified development is easily achieved including:
 - Consistent design themes
 - Greater focus for mixed use development
 - Better control of 'development' traffic
- (d) Development nodes present less regulatory challenges
- (e) Nodal development acknowledges that rural areas have the potential to thrive, if they are given the necessary boost.

With the above in view, we use the 'accelerated' prefix to mean rapid and effective development initiatives, which should contain outmigration and incentivise larger investments. In other words, the proposed nodal development strategy should not be sub-standard; neither should it be caught up in bureaucratic processes. It should be outcome based, and should be established within a broader (future) municipal development.

As far as Nongoma is concerned, the nodal approach will resolve the question of demand and supply and by so doing create a circular motion of the municipal economy. Also, the importance of nodal development in Nongoma is that clustered social and economic activities would reduce transportation cost, increase competition, reduce marketing margins, and in this way directly improve incomes and private investment opportunities. Investment in nodal based infrastructure will be essential to increase access to farm input and output markets, to stimulate the Nongoma municipality non-farm economy and vitalise the identified trade centres, to increase consumer demand in areas outside Nongoma town and to facilitate the integration of far flung rural regions into Nongoma Town's economy as well as the broader District and even provincial economy. This, in the end will achieve sustainable livelihoods in the area.

Nodal Development in Nongoma municipality should not take a sector based approach, rather, a mixed use approach. The mixed use method recognizes the current vulnerability of the municipal economy, and therefore the need to expand reliance. This diversification issue will be covered more comprehensively in the economic diversification strategic theme. Part of the objectives of this strategy is to move away from ward based interventions, considering that settlement patterns are rather more effective premise as far as LED is concerned. This argument accounts for the fact that Wards often change, but residential settlements are more permanent. Thus, stimulating settlement based economic activities is a more meaningful approach. In this same light, Nongoma municipality should consider trans-municipal nodes, which are likely to be sustained by cross border settlements. Municipal boundaries should not be exclusively considered as LED boundaries. Elsewhere in this report we have demonstrated the development value of remittances, especially considering the performance of the financial sector in Nongoma. The programmes under this strategy are as follows:

6.1.1. Programme One: Mixed use Nodal Centres – As already noted, this programme would guide all nodal development initiatives, especially ensuring that they operate as mixed use, and, they focus on settlements clustering rather than municipal demarcations.

6.1.2. Programme Two: Business Support – This programme would involve supporting businesses in the nodal centres. As already suggested, this support would include nodal based training, as well as other locational incentives such as rental rebates and nodal based credit facility.

6.1.3. Programme Three: Infrastructure Development –Infrastructure development in this strategy refers to access road construction, but also more importantly, the infrastructure within the specific nodal zones. These would include business complexes, and related facilities. Worth noting here is that, the municipality needs to ensure that utilities are set up in each of the nodal zones, even before packaging the nodal areas and marketing them to investors.

6.1.4. Programme Four: Nodal Marketing Programme –Under this programme, the municipality needs to conduct extensive marketing of the nodal development areas to investors, in and out of the country. The mere identification of the nodal areas should be considered as a beginning point, rather than an ultimate objective.

6.2. ECONOMIC DIVERSIFICATION

Diversification takes two shapes. It might mean multiplicity; that is to say, multiple livelihoods (jobs, incomes etc.) requiring several part-time, concurrent activities. It might also suggest change, transformation or adaptation; usually from an essentially subsistence agricultural sector to non-subsistence, non- agricultural sectors, part of which could be referred to as non-farm economy. To achieve diversified growth, Nongoma needs productive activities which produce rural exports- goods and services that can be traded outside the area, and not just for subsistence. The following four resource categories underlie the basis of Nongoma's advantage:

(a) Availability of natural resources: The most important are agricultural products, particularly land, water; the potential for allied agricultural activities (stall-fed livestock, bees, silk) and rural tourism.

(b) Processing: Processing of natural resources close to production point reduces transport (by reducing bulk and weight) and reduces value chain leakages and risks.

(c) Skilled Labour: As already pointed out in the tourism sector performance sub-section, rural skills in craft making (pottery, basketwork) are often unique and in varying demand from city dwellers.

(d) Cheap Labour: Rural, off-season labour can be some of the cheapest available labor which can give labour intensive enterprises advantage. Sometimes the work can come to the labour but more often the labour will move to the work in a temporary or circular manner.

On diversification, we examined (a) Tress Index which determines sector concentration and (b) Location quotient which reveals the extent of comparative advantage. We found Nongoma Municipality as heavily reliant on few sectors namely, government services, finance, and trade. A trend assessment of the sector concentration is even more worrying, considering that in more than a decade, concentration was most in 2012, suggesting that Nongoma's vulnerability has increased overtime. Reliance on community services is especially worrying, considering that the majority of the population are dependent on the otherwise unsustainable government grants. This is inspite of the availability of multi-sectoral growth possibilities in Nongoma municipality, beyond the current economic concentration around finance, community services and trade.

On the Location quotient, this report concluded that agriculture, trade and community services contribute higher percentage of the municipal economy, than they do nationally. This suggests that Nongoma municipality has advantage over the national economy in these sectors. The financial sector also joins the cluster of these 'advantage' sectors although it is on a steep decline, almost levelling with the national performance of the sector. The implication, as already argued, is that interventions in the advantage sectors (trade, agriculture and finance) should be prioritised. This however, does not suggest neglecting the other sectors. In this regard we propose a sequencing order, where interventions in the advantage sectors are prioritised, yet not excluding the other sectors. The mixed use nodal development approach noted in strategy 7.1 would ensure that the 'big push' move on the advantage sectors is bundled with progressive intervention on the currently less advantage sectors. Here

we suggest the need for a big push programme which would focus on the 'big three' sectors, namely, Trade, finance and agriculture. This should entail sector based strategies, and thus agricultural development strategy, financial sector development strategy and business development strategy. The 2010 LED strategy already noted the importance of an agricultural strategy. This in our view is long overdue. The on-going SMME strategy development will also be critical towards implementation of the diversification strategy. An understanding of the financial sector is also required as a priority issue. Following these studies, we recommend massive investments through public-private partnerships, facilitated by the municipality. The specific programmes are as follows:

6.2.1. Agro-processing –This programme would involve strong partnerships between the Nongoma Municipality and the Department of Economic Development and Tourism. It should involve initiatives such as skin processing (especially of Nguni cattle), the processing plants already under discussion (Aloe as well as Poultry plants) as well as beef and Chicken abattoirs. These and other projects will be listed in the project implementation framework.

6.2.2. Labor Skilling – The labour skilling programme should target the agricultural sector, but also, the less advantage sectors such as manufacturing. Both sectors reveal small scale (household based) activities, suggesting that training current entrepreneurs in upgrading of their agricultural or manufacturing activities, to semi commercial or full commercial scales.

6.3. MARKET RESEARCH

Data and information are critical for any effective development intervention. An understanding of the dynamics which function in given locality and how this functioning influences development outcomes is especially critical. Rural areas, however have often been considered from a generic point of view, with assumptions that interventions in all rural areas are similar. South Africa's rural areas are especially dynamic. Some such as Nongoma are strongly linked with urban regions (through infrastructure) while others are structurally disconnected from urban areas. All in all, research especially on semi-rural and rural municipalities in South Africa is alarmingly limited. This document has already noted the references found in literature, that Nongoma has a strong agricultural base-yet this is as far as the information goes. There is hardly any empirical evidence, or comprehensive presentation of the potentials, opportunities and challenges of the sector.

Thus said, this report recommends prioritization of market research, which would extensively identify Nongoma Municipality's long term economic trends. Such studies need to consider contextual issues such as the self-sustaining logic of the Mona Market, the thriving Nongoma town, and importantly, the impact of development initiatives such as (among others) the Buxedene project, or even the Bulawane development initiative. Research on the informal economy will especially provide a useful insight on future interventions, as a means of shifting the economic base away from community services. Other useful research data should include tourism trends, remittances and their use in Nongoma as well as micro lending activities. Extensive documentation of tourism, especially, required. This will in turn form a basis for marketing of the area. Very importantly, research into Nongoma's LED should not take an exclusive sectoral approach. Consistent with the other strategic clusters, a settlement based approach will need to be mainstreamed. The municipality should take a facilitative role in the research strategy, which will include facilitating co-funding initiatives with government and non-government departments. If implemented successfully and sustainably, this strategy is likely to create an information repository, which is at the core of Nongoma's local development. On this strategy, we propose the following programmes.

6.3.1. Programme One: LED Research –Research specifically on LED initiatives in Nongoma Municipality will be a useful development tool. Understanding the initiatives, as well as the challenges they face, will in turn provide critical information on the kinds of support which could unlock more effective initiatives. Business research is of priority importance for Nongoma's LED. Regular surveys should be conducted, on both the formal and informal traders not just in Nongoma town, but also in Mona Market. Their perceptions and experiences, as well as challenges should be well documented, and utilised for policy development.

6.3.2. Programme Two: Critical Sectors Research – By critical sectors research, this report simply means agriculture, trade and the financial sector. Additionally, as already pointed out in the 2010 LED strategy, the manufacturing sector which holds much potential could be included –although it has not been noted as part of

the comparative advantage sectors. More data and information should be gathered on these sectors –their trends, how they operate, their challenges and opportunities.

6.4. INSTITUTIONAL DEVELOPMENT

Institutional development is one of the most popular challenges to Local Economic Development. This is especially considering that local spaces (such as Nongoma Municipality) easily reflect competing interests, whether from government or from the private sector. Community groups on their part tend to exert pressure on both government and big businesses, while big businesses tend to treat community groups and informal traders with suspicions. The task of local government is to ensure that these interests are balanced, and ultimately development possibilities are the end result of these balances.

The institutional challenge does not only constitute of competing interests. As far as Nongoma is concerned, building capacity among community groups, government stakeholders as well as creating meaningful and effective forums will go a long way in delivering development in the area. The Nongoma Business Forum, the informal trade chamber, the Community Tourism Association, Traditional Councils as well as the Zululand Business Chamber –all these require re-construction and empowerment. Specific details will be presented in the implementation framework.

We have already noted the concerns raised by a wide range of stakeholders, on the challenges facing land based economic activities, which according to stakeholders' results from often inaccessible Traditional Authorities. An effective method to address this issue is for the municipal officials to engage Traditional leaders more often, but also more importantly, create a Monthly Traditional Council & Municipal forum. The mayor should chair the meetings.

The need to ensure inter-departmental and inter-governmental interaction is important, to avoid unnecessary duplication of projects. On this we recommend a monthly forum of all Nongoma municipal departments, where they report on job creation related initiatives. On a quarterly basis, this forum should include District stakeholders, and provincial stakeholders. The monthly forum could be chaired by the Municipal manager, while the quarterly forum should be chaired by the mayor, and should essentially report on-going initiatives, but equally important, identify the challenges facing on-going projects. The provincial stakeholders will be critical especially on nodal development initiatives such as the Buxedene project, the Mona market, Njoko trade area, as well as Bulawane development centre projects. This will also be an opportunity for engaging financial sponsorship of large projects.

In the green economy mainstreaming strategy (see 7.5 below), a steering committee consisting of municipal officials, Traditional council and environmental groups' representatives should be set up. With a monthly meeting, this committee's agenda would be leasing out of land for conservation purposes. The committee would

then package the green economy lease plan, and the municipality would market on their behalf to interested stakeholders. The following programmes should be considered under this strategy.

6.4.1. Programme One: Capacity Building –Capacity building among municipal officials and Traditional leaders, should be an on-going exercise. Regular interactions among government departments, as well as interactions with Traditional Leaders will diffuse current suspicions and tensions, which inevitably impact on LED. As part of this programme, the various forums should be guided by clear LED agenda, even as they address issues which face the various stakeholders.

6.4.2. Programme Two: Resource Mobilization –The resource mobilization programme would exclusively attend to raising funds for all the LED projects. The sources of sponsorships would be from other spheres of government as well as the private sector. This programme pre-supposes clear business plans for each of the projects which need to be considered for funding.

6.4.3. Programme Three: Land for Development – This report considers the ‘land for development’ programme as one of the most critical, especially given the current land access challenges. The forum which would host Traditional Leaders and Municipal officials should focus almost exclusively on land development, so as to unlock potential land based investments.

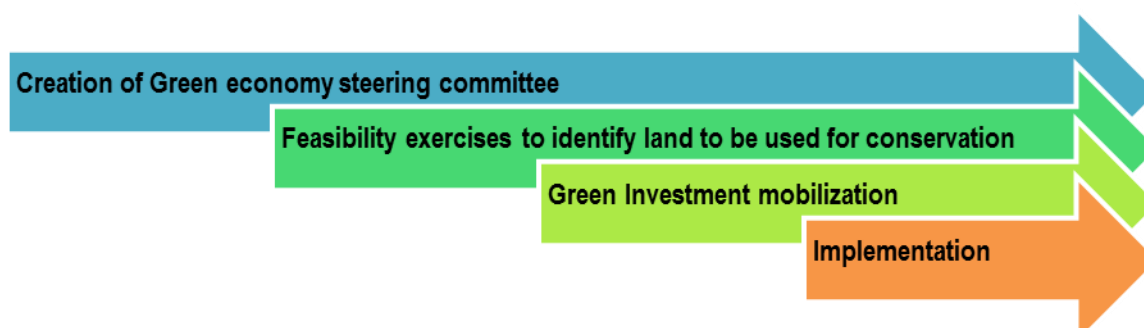
6.5. GREEN ECONOMY MAINSTREAMING

'Greening economy' means reconfiguring Conservation areas, business and infrastructure to deliver better returns on natural, human, and economic capital investments, while using fewer resource inputs, reducing waste outputs, and improving watershed resilience and social well-being either directly, through Conservation operations and watershed management, or indirectly, through collaborations with other private and public organizations.

Traditionally, conservation initiatives have not had an explicit role in local economic development. However, as the green economy grows and economic development evolves, the role of conservation activities in economic development is expanding. Re-thinking programs and business activities within an economic development frame may lead to opportunities that wouldn't have previously been explored.

Adopting an innovative green economy approach poses a number of financial, capacity, and cultural challenges, including financing to purchase and implement new technologies or infrastructure, new technologies may require new expertise to implement and, influencing behavioural change in cases where environmental conservation needs to take place. To address the above challenges, we propose the following approach.

Table 16: Proposed Approach to Nongoma Green Economy



Source: Cwaninga Development Consulting (2014)

The composition of the steering committee has been addressed in the institutional development strategy. The programmes under this strategy are as follows:

6.5.1. Programme One: Land Greening – As already indicated in strategy 6.4, a strategic advantage which Nongoma Municipality has, is the large piece of land, although owned by Ingonyama Trust and managed by Traditional Authorities. Under this programme we propose a greening programme, which would include recreational parks, re-forestation among other similar initiatives.

6.5.2. Programme Two: Renewable Energy – As a result of significant land holdings, under this programme, the municipality could facilitate renewable energy opportunities such as negotiating land leases for green energy production such as wind turbines, construction of dams for irrigation, or producing energy from waste materials. Recycling zones could also be included as part of the mentioned lease agreements. Solar geysers should also form part of this programme.

6.5.3. Programme Three: Forest Management – Also related to land ownership, forest related opportunities include using forest resources to support local wood products energy production and demonstrating state of the art locally-based forest management techniques. This programme is not so much on re-forestation, than ensuring that existing forests are managed sustainably. Potential opportunities include biomass energy production. The green economy also presents a number of potential opportunities to better manage wastewater outputs such as reducing/re-using wastewater, storm water, and water harvesting.

6.6. BUSINESSES RETENTION, ATTRACTION AND DEVELOPMENT.

Central to Nongoma Municipality's Local Economic development initiatives is business retention, attraction and development. This strategy relates closely to the nodal development strategy as well as the green economy strategy. The municipality has already commissioned SME strategy, which will outline the roadmap for SME development. It is however important to recognise the importance of SMEs in Local Economic Development. Retaining businesses in Nongoma will require creation of a conducive environment for their operations. It is important here to note the role played by informal businesses. These should not be viewed and dismissed as 'law breakers' or nuisance. Neither should they be considered as simply, illegal, rather, they play a fundamental role in the local economy, as sources of livelihoods for the local population. The Municipality has made progress in this area, on constructing informal trade stalls in Nongoma town. This initiative is however, only focused on Nongoma town. Although there are plans for development of Mona market, we recommend a consideration not just of services, but also of informal stalls in the Mona market area complex. Such consideration should also be extended in Buxeden, in Njoko trade centre as well as in Bulawane development initiative.

Further, it will be critical for informal trade interventions to cover all nodal areas, as part of nodal development. In other words, informal traders should not be considered as an afterthought in local development initiatives. By the same token, it will be important to conduct bi-annual census of informal traders, as well as surveys on issues which impact on their trading activities. These should then form part of on-going local economic development initiatives.

As part of business retention and development, support in credit access will be an important intervention. While Ithala bank and Capitec are present in Nongoma Town, interviews with traders in Nongoma town suggest that the provision of credit is a major constraint, whether this is based on credit access conditions, or lack of skills in accessing available credit.

As already proposed in the green economy strategy, investors in recycling and renewable energy initiatives could provide training and skills to local residents interested in conservation. Small businesses have a major role to play in the green energy strategy. The following programmes are proposed under this strategy.

6.6.1. Programme One: Informal Trade Mainstreaming in Nodal developments –This programme seeks to ensure that informal traders are considered at the planning stages of nodal developments. In other words, the programme proposes a developmental (and proactive) rather than a responsive approach to informal trade. This approach accounts for the fact that informal trade is a major job creation engine, as it is in poverty alleviation.

6.6.2. Programme Two: Mentorship and Skills Training –The mentorship and Skills Training programme should focus on activities such as business incubation and regular trainings. The notion ‘adopt a business’ should also be considered, mainly with larger businesses adopting small businesses over a given period of time.

6.7. SUMMARISED STRATEGIC CLUSTERS AND PROGRAMMES.

Table 17: Summary of Strategic Clusters and Programmes

STRATEGIC CLUSTERS	PROGRAMMES
Strategic Cluster One: Accelerated Nodal Development	1.1. Mixed Use Nodal centres
	1.2. Business Support
	1.3. Infrastructure Development
	1.4. Nodal Marketing
Strategic Cluster Two: Economic Diversification	2.1. Agri-Processing
	2.2. Labor skilling
Strategic Cluster Three: Marketing and Market Research	3.1. LED Research
	3.2..Critical sectors research
	3.3. Local Area marketing
Strategic Cluster Four: Institutional Development	4.1. Capacity Building
	4.2. Resource Mobilization
	4.3. Land for Development
Strategic Cluster Five: Green Economy Mainstreaming	5.1. Land Greening
	5.2. Renewable Economy
	5.3. Forest Management
Strategic Cluster Six: Business Retention, Attraction and Development	6.1. Informal Trade mainstreaming in nodal development
	6.2. Mentorship and Skills Training

Source: Cwaninga Development Consulting (2014)

SECTION SEVEN: IMPLEMENTATION PLAN

Table 18: Implementation Plan

Strategic Clusters	Programmes	Projects	Estimated Budget	Responsible Party	Timelines				
					2014	2015	2016	2017	2018
Strategic Cluster One: Accelerated Nodal Development	1.1. Mixed Use Nodal centres	Buxeden Node: Acceleration of the Buxedene Poultry project	R1 Million	NLM; ZDM; DTI; DAEA					
		Buxedene Node: Establishment of a shopping mall next to the Buxeden Poultry project	R 5 Million	NLM; Private investors; ZDM; TIKZN					
		Buxeden Node: Establishh an Hydroponic project within the Buxeden Node	R 400,000	NLM; ZDM; DAEA					
		Buxeden Node: Commission a feasibility study for an ICT Centre	R 300,000	NLM; ZDM; DEDT; TIKZN					
		Mona Node: Resolve the land ownership issue in the Mona Market area	Municipal and DRDLR function	NLM; TA; ZDM					
		Mona Node: Provide basic services (water, adequate lighting, toilets, waste removal as well as grass cutting) in Mona Market	R 600,000	NLM;ZDM					
		Mona Node: Construct market stalls in Mona Market	R 2 million (100 Stalls)	NLM; CoGTA					
		Mona Node: Commission feasibility for a fresh produce market in Mona market complex	R 300,000	DEDT; NLM; ZDM					
		Njoko Node: Accelerate the development of the shopping	R 5 million	Private investors; NLM;					

		mall		ZDM; TIKZN					
		Njoko Node: Establish informal trade stalls	R 2 million (100 Stalls)	NLM; CoGTA					
		Bululwane Node: Set up a business incubation centre	R 4 million	NLM; CoGTA; DEDT					
		Bululwane Node: Establish a shopping complex	R 5 million	Private Investors; TIKZN; NLM; ZDM					
		Bululwane Node: Set up an Aquaponic Project	R 500,000	NLM; ZDM; Private Investors; CoGTA; DAEA					
		Bululwane Node: Initiate an Hydroponic Project	R 400,000	NLM; ZDM; Private Investors; CoGTA; DAEA					
		Bululwane Node: Establish a Livestock production cluster with each enterprise managed by a cooperative	R 200,000 per enterprise	NLM; ZDM; Private Investors; CoGTA; DAEA					
		Bululwane Node; Commission an ICT centre feasibility study	R 300,000	NLM; CoGTA; ZDM; DEDT; TIKZN					
		Conduct a Grain Value chain assessment in the agricultural areas (Thokazi, Mahashini, Maphophoma, Inhampela, Kwaquma and Nqongco) and recommend interventions	R 250,000	NLM; ZDM; ADA; DAEA; CoGTA					
		Establish household based irrigation scheme in settlements based in Thokazi, Mahashini, Maphophoma, Inhampela, Kwaquma and Nqongco.	R 2 million	NLM; ZDM; ADA; DAEA; CoGTA					
		Establish a livestock impounding facility around the Mona Market Area	R 400,000	NLM; ZDM; DAEA; CoGTA					
	1.2. Business	Conduct a bi-annual SMME exhibition in each Node	Internal	NLM; SEDA; ZDM,					

	Support		municipal function						
		Set up an SMME Desk in each Nodal area	R 150,000	NLM; SEDA; ZDM					
		Establish a Business Service Centre in Nongoma Town	R 200,000	NLM; SEDA; ZDM; CoGTA					
	1.3. Infrastructure Development	Establish an Arts and Craft centre opposite Mona Market	R 3 million	NLM; DEDT; CoGTA; TIKZN					
		Commission a precinct plan for Nongoma CBD regeneration prior to their development	R 400,000	NLM; DPW; CoGTA					
		The municipality should prioritize utilities roll out in all Nodal areas	Municipal function	NLM; ZDM					
		Relocate the Elhalankosis sowing project to Nongoma Town	R 800,000	NLM; ZDM; DoL					
	1.4. Nodal Marketing	Facilitate the acquisition or use of an old building in Nongoma town, to be used as a storage facility by informal traders	R 300,000	NLM; Informal Trade Chamber					
		Renovation of the old market stalls in Nongoma Town, at the New Taxi/Bus Rank	R 1.2 million	NLM; ZDM; CoGTA					
		Negotiate for municipal acquisition of the land within Nongoma town CBD, and at least within 1.5km radius	Municipal function	NLM; TA					
		Initiate aggressive marketing of Mona Market	R 200,000 a year	NLM; ZDM					
Strategic Cluster Two: Economic Diversification	2.1. Agro-Processing	Start a skin processing project in Mona Market	R 800,000	NLM; ZDM; DEDT; DoL					
		Facilitate establishment of an Aloe Processing Plant (feasibility study to determine location)	R 6 million	NLM; ZDM; CoGTA; DEDT					
		Facilitate establishment of white and Red meat abattoirs in	R 1.2 million per	NLM; ZDM; CoGTA; DEDT					

		Mona Market	abattoir						
		Establish a Milling and packaging project in Maphophona	R 4 million	NLM; ZDM; CoGTA; DEDT					
	2.3. Labor skilling	Organize household based businesses into three cooperatives: Crop production, Livestock production and Manufacturing.	Municipal function	NLM; ZDM; CoGTA					
		Provide Training for the household based economic activity dealers (after organizing them into coops)	R 250,000	NLM; ZDM; CoGTA					
Strategic Cluster Three: Research and Marketing	3.1. LED Research	Conduct quarterly customer satisfaction surveys in Nongoma	R 350,000 per quarter	NLM; ZDM; CoGTA					
		Conduct a bi-annual census of informal traders in Nongoma	R 300,000 per census	NLM; ZDM; CoGTA					
		Prepare an SMME Development Plan	Under process	NLM					
	3.2..Critical sectors research	Commission an annual study on the performance of the financial sector (remittances, banking and micro financing)	R 300,000	NLM; ZDM; TIKZN;					
		Commission an Agricultural Development Strategy for the municipality	R 300,000	NLM; ZDM; CoGTA					
		Commission a Marketing and Investment Strategy for Nongoma Municipality	R 400,000	NLM; ZDM; TIKZN; CoGTA					
		Commission a manufacturing growth strategy	R 300,000	NLM; ZDM; CoGTA					
	3.3. Local Area Marketing	Put up signages along Route 66 advertising the Royal Reed Dance	R 10,000 per signage	NLM; ZDM; CoGTA					
		Establish a one stop Tourism Desk in Nongoma Town	R 60,000	NLM; ZDM					
		Develop a Tourism guide book for Nongoma	R 200,000	NLM; DEDT; TIKZN					

		Commission a Mona Market guide documenting the tourism products as well as the over 50 year history of the market	R 50,000	NLM; ZDM; DEDT; TIKZN; CoGTA					
Strategic Cluster Four: Institutional Development	4.1. Capacity Building	Establish a monthly forum made up Traditional Leaders and the Municipality with focus on land access	R 5,000 monthly refreshments costs	NLM; ZDM; TA					
		Establish a monthly inter-departmental forum	R 5,000 monthly refreshments costs	NLM					
		Establish a quarterly inter-governmental forum	R 5,000 monthly refreshments costs	NLM; ZDM; DEDT; DAEA; CoGTA; TIKZN					
	4.2. Resource Mobilization	The planning department to embark on resource mobilization for LED projects through PPP models	Municipal function	NLM; ZDM					
	4.3. Land for Development	Facilitate training on agricultural land use	R 200,000 per set of training	NLM; ZDM; CoGTA; DAEA					
		Facilitate mentorship arrangements between commercial farmers and small scale farmers	Municipal function	NLM; ZDM; DAEA					
Strategic Cluster Five: Green Economy Mainstreaming	5.1. Land Greening	Establish a Tree Planting week in Nongoma Municipality	Municipal function	NLM; ZDM; DAEA					
		Create flower gardens in Nongoma Town	R 100,000	NLM; ZDM; DAEA					
	5.2. Renewable Energy	Lease out land for recycling activities	Municipal facilitative function	NLM; TA; ZDM					

	5.2. Renewable Energy	Lease out land for Wind energy generation	Municipal facilitative function	NLM; TA; ZDM					
		Facilitate a roll out Solar Water Heaters in all formal and semi-formal residential.	Municipal facilitative function	NLM; ZDM; DAEA					
		Initiate a Biomass energy production project in every ward	R 200,000 per ward	NLM; ZDM; DAEA					
	5.3. Forest Management	Facilitate regular awareness campaigns on the need for biomass energy production	R 150,000	NLM; ZDM; DAEA					
	6.1. Informal Trade mainstreaming in nodal development	Establish location and stalls for informal traders in all nodal areas	Municipal function (already quantified)	NLM; ZDM; Private investors					
	Strategic Cluster Six: Business Retention, Attraction and Development	6.2. Mentorship and Skills Training	Initiate a quarterly cooperatives Training Programme	R 200,000 per training	NLM; ZDM; SEDA; CoGTA				
		Start a quarterly SMME summit, which would bring together investors, Banks and SMMEs.	R 30,000 for refreshment costs	NLM; ZDM; SEDA					
		Recruit and train cooperatives and SMMEs on waste recycling	R 200,000 per training	NLM; ZDM; SEDA; CoGTA					