



## **UTHUKELA DISTRICT MUNICIPALITY TERMS OF REFERENCE FOR LED STRATEGY REVIEW.**

### **1. INTRODUCTION**

The local economic development (LED) strategy for the uThukela District Municipality is a sector plan that forms part of the municipal IDP and aims to help local government and their partners address the challenges facing the local economy. In other words, the LED strategy aims to build up the economic capacity of a local area to improve its economic future and the quality of life for all its residents. The LED plan is a strategic yet meaningful guideline to the local municipality in terms of where it should focus its economic development initiatives.

The objective of the uThukela District Municipality LED Strategy is to provide a strategic framework to integrate and coordinate activities and decisions made by public and private development partners within the municipality. It aims to clarify the roles, functions and responsibilities of the various role players in promoting and creating economic development, as well as the procedures to be followed. It also aims to get the necessary buy-in from local partners into the importance of local economic development.

### **2. BACKGROUND**

The Local Government Municipal Systems Act (2000) as amended required municipalities to prepare Integrated Development Plans that includes a economic development section. The uThukela District Municipality consists of three Local Municipalities, namely: Alfred Duma, Inkosi Langalibalele and Okhahlamba of which a large part is rural in nature and underdeveloped. Several disadvantages have been identified that causes a hindrances in the development of municipalities. The most prevalent are the lack of financial capacity and the lack of an effective institutional framework to implement sustainable economic development strategies.

The paradigm shift from the Apartheid state to a Democratic state has awarded people the right to equality in all opportunities which can improve their levels of living. Although foreign direct investment is important, the short and long term goals of development should always integrate the use of local skills. Furthermore skills development should be a pre-requisite towards developing communities in order to ensure that the indigenous people are well-equipped for the task at hand.

The uThukela District Municipality LED Strategy is to undergo a thorough review to address the needs of the Municipality and to deal with the priority issues in alignment with the Municipal IDP. The LED Strategy should include a matrix to assist with the selection and prioritisation of projects within the various sectors to enable strategic and focussed decision making; a communication strategy to ensure a system of coordinated decision making and a list of projects or investment opportunities to undergo fully-fledged feasibility studies and possible implementation in the next financial year, together with a list of potential private investors for each opportunity. The fully-fledge feasibility studies of the identified projects will be undertaken once the LED strategy has been approved and adopted by Council.

### **3. OBJECTIVES**

The main objective of the project is to review and update the uThukela District Municipality LED Strategy (2013) which will address the development challenges currently affecting the economy while concurrently focusing on the comparative advantage sectors such as tourism, agriculture, manufacturing, the services sector and the SMME sector (including micro and informal enterprises). The following are the objectives which emanate directly from the terms of reference:

- A co-ordinated economic development approach that ensures that the municipality retains a systematic competitive advantage.
- An optimisation of the LED resources within the municipality in order to retain and attract investment.
- A single differentiated LED strategy that reflects the unique nature of the uThukela District Municipality and its constituent local municipalities.
- The above intentions and their subsequent execution should ensure that a solid ground is prepared for the development of industry and SMMEs which aspects are congruent with the national government's priorities in terms of development objectives

## 4. COMMUNICATION PLAN

### 4.1 Project Technical Committee

The following team members consists of the LED and technical planning members within the uThukela District Municipality with additional representatives from COGTA and EDTEA. The following team will be responsible for project management.

Initial & Surname	Organization	Role/ Position	Email	Contact no.
N Z Khuzwayo	uThukela DM	GM: Social & Economic Services	zama@uthukeladm.co.za	082 880 7003
W Viljoen	uThukela DM	Senior Manager: Social & Economic Services	wynand@uthukeldm.co.za	082 496 3004
M Sithole	uThukela DM	Specialist: LED & Tourism	maphitha@uthukeladm.co.za	082 422 6300
X Hadebe	uThukela DM	Officer: LED	xolani@uthukeladm.co.za	82 640 5376
P Cebekhulu	uThukela DM	Officer: Rural Development	bongokuhle@uthukeladm.co.za	063 694 6713
Z Ntshingela	uThukela DM	Officer: Tourism	zanelen@uthukeladm.co.za	063 694 6702
N Maseko	uThukela DM	Technical Support: LED Initiatives	Nmaseko85@gmail.com	071 872 5208
Z Manyanga	COGTA		zanele.manyanga@kzncogta.gov.za	082 519 0402
L Mokoena	EDTEA		lucy.mokoena@kznedtea.gov.za	082 460 7972

### 4.2 Project Steering Committee

The Project Steering Committee is composed of the members in the Technical Team and key LED, Tourism and Rural Development stakeholders within uThukela District Municipality such as local municipalities, LED organizations and individuals such as Business Chambers, Informal Traders Association, Sectorial Associations, EDTEA (LED & Tourism Component), DARD, DRDLR, DAC, DSR, CTOs, SEDA, Stats SA and Influential Community Members, etc. It should be noted that other stakeholders will be incorporated as and when required.

Initial & Surname	Organization	Role/ Position	Email	Contact no.
T Ndlovu	Alfred Duma LM	Manager: LED	TENDLOVU@lafredduma.gov.za	076 995 3688
R Thomas	Alfred Duma LM	Assistant Manager: Tourism	RTHOMAS@alfredduma.gov.za	083 633 7462
H Monareng	Alfred Duma LM	LED Officer	HSMANARENG@alfredduma.gov.za	084 075 0743
K Goba	Inkosi Langalibalele LM	Manager: LED & Tourism	khaya2015@gmail.com	082 921 5336
S Sikhakhane	Inkosi Langalibalele LM	LED Officer	cymphiwe@gmail.com	079 511 9599
S Dubazane	Inkosi Langalibalele LM	Tourism Officer	smangasurprisedubazane@gmail.com	079 371 3505
Hlengiwe Ndaba	Okhahlamba LM	LED Manager	Hlengiwe.Ndaba@okhahlamba.gov.za	036 352 6253
L Motaung	Okhahlamba LM	LED Officer	Londi.Mazibuko@okhahlamba.gov.za	076 077 6804
Sphelele Mabaso	Okhahlamba LM	Senior Tourism Officer	sphe.mabaso@hotmail.com	083 518 0420
Nic Dlangalala	Ladysmith Tourism Association (CTO)	Chairperson	nic.dlangalala4213@gmail.com	082 575 0898
Nicky Krugel	Ladysmith Tourism Association (CTO)	Former Chairperson	nickykrugel@telkomsa.net	082 570 0413
Belinda Spence	Drakensberg Experience (CTO)	Chairperson	little.acres@live.co.za	082 305 3387
Chris Hearne	Drakensberg Experience (CTO)	Former Chairperson	twendesafari26@gmail.com	083 301 8412
L Radebe	SEDA	Officer	lradebe@seda.org.za	078 466 6701
T Khathi	SEDA	Regional Manager	tkhathi@seda.org.za	082 4229677
TT Mbongwa	uThukela District EDTEA	SMME Support Unit	Thulani.Mbongwa@kznedtea.gov.za	071 677 9555
N Dlamini	Provincial EDTEA	Tourism Unit	Nkululeko.Dlamin@kznedtea.gov.za	072 764 8364
J Wallace	Business Chamber of Commerce & Industry	Manager: LCCI	manager@lcci.co.za	083 631 1625

Thandi Hadebe	KZN Provincial Association for Traders	District representative	thandiehad@gmail.com	083 944 6123
S Tshona	Department of Arts and Culture	Regional Manager	tshonas@kzndac.gov.za	036 637 7978
E Meyer	Department of Sport and Recreation	District DSR Office	Eneil.meyer@kzndsr.gov.za	082 718 5959
B Mthiyane	TKZN	Manager: Tourism Marketing	bongani@zulu.org.za	031 366 7500
I Potgieter	N 3 Gateway Tourism Association	Membership	isabelp@n3tc.co.za	058 623 0860
Lori Ross	N 3 Gateway Tourism Association	Marketing	loriv@n3gateway.co.za	082 824 1868
P Mc Fadden	KZN Battlefields Route	Chairperson	info@talana.co.za	079 490 5933
M Kubheka	Department of Agriculture and Rural Development	District Office	Musa.kubheka@kzndard.gov.za	078 211 4177
L Hlapho	Department of Rural Development and Land Reform	Land Reform	lindokuhle.nhlapho@drdlr.gov.za	086 563 2884
M Khathi	Department of Rural Development and Land Reform	Rural Infrastructure Development	Musa.khathi@drdlr.gov.za	079 519 9315
G Magagula	Department of Rural Development and Land Reform	Rural Enterprise & Industrial Development	gcinani.magagula.gov.za	083 383 3747
S Ntombela	Sabalala Consulting	Director	senzo@sabalala.co.za	072 960 4044

### 4.3 Channels of Communication

Four channels of communication and participation are required in this LED Strategy Review process, namely:

Channel 1: Direct communication between the uThukela District Municipality Project Champion and identified officials responsible for writing and editing of the document.	The uThukela District Municipality Project Champion will need to communicate directly with officials responsible for writing and editing of the document. Technical committee will be responsible for providing required information as and when required.
Channel 2: Direct communication between the uThukela District Municipality Project Champion and the various officials responsible for elements within this process.	<p>The uThukela District Municipality Project Champion will need to communicate directly with key personnel during the execution of the project. For direct communication between the Project Champion and the various officials, it is essential that a dedicated official be assigned in respect of each identified development sector, who will act as contact person and coordinator on behalf of the respective department or service sector.</p> <p>The responsibilities of this official / coordinator will be to provide required information and decisions. The uThukela District Municipality Project Champion will therefore communicate directly with these nominated persons, who will have the task of relaying the information, and to take responsibility of providing the uThukela District Municipality Project Champion with information / decisions as and when required.</p>
Channel 3: Steering Committee Workshop	Before any information or outcomes are presented to the public, it is essential that general agreement and buy-in be reached between the uThukela District Municipality Project Champion and the Steering Committee on the relevant issues and proposed outcomes or solutions.
Channel 4:	The Public Participation Process as envisaged

<p>Workshop and communication with stakeholders, role players and affected or interested parties.</p>	<p>for the review of the LED Strategy, is based on the following assumptions:</p> <ul style="list-style-type: none"> <li>• That there was extensive public participation undertaken in the formulation of existing / IDPs / Development Frameworks / adopted policy documents, and</li> <li>• That the communities were generally organised into civic organisations, interest groups, ward committees, etc. and that the majority of these participated in the previous processes.</li> </ul> <p>Functional workshop:</p> <ul style="list-style-type: none"> <li>• Organised structures and ward committee representatives (apart from the councillors which are obliged to attend as representative of their wards and communities) will be invited to attend a workshop</li> </ul> <p>Written comments :</p> <p>The Draft LED Strategy will be made available at public places, i.e. libraries, for insight and scrutiny for a period of (2) two weeks, or such other period agreed upon, asking stakeholders or any other person to comment in writing</p> <p>Feedback Workshop:</p> <p>The integrated comments received will be work-shopped, with the view to report back on the draft document and take cognisance of the issues discussed in the previous workshops.</p>
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## 5. LOGISTICAL ARRANGEMENT

The following logistical arrangements will apply:

- **Notification of meetings and workshops:**

The municipality will give general notice of the series of meetings and will invite identified attendees.

- **Chairing of meetings:**

The municipality will chair and facilitate meetings.

- **Record of proceedings:**

The municipality will record all salient points at public meetings and circulate draft records of proceedings within one week after the meeting.

- **Broader Consultation workshops**

Broader Consultation will take place at key milestones and it is anticipated that the following workshops will be held:

- a) **District Municipality Based Workshops:** Single meetings held with Ward Councillors and Amakhosi for each local municipality within the uThukela District to verify base findings and obtain localized inputs.
- b) **Sector Based Workshops:** Single meetings held with economic sector for each local municipality within the uThukela District to verify base findings and obtain localized inputs.
- c) **Presentation to Council:** To adopt in concept the Draft LED Strategy before public distribution.
- d) **IDP Representative Forum Meeting:** To workshop the LED Strategy and obtain final inputs from role-players.

The specific dates of the above broader consultation meetings will be determined by the cycle of meetings of the specific structures.



## 6. METHODOLOGY AND APPROACH

The phased methodology briefly described below should be read in conjunction with the attached Time and Activity Schedule attached hereto as Annexure A.

### PHASE 1: INCEPTION

Project Initiation and Work Plan Development	
<b>Purpose</b>	To meet with the Project Steering Committee to discuss and agree on the project objectives and approach, and ensure that all project management and communication processes are clear from the onset.
<b>Activity</b>	<ul style="list-style-type: none"><li>• Meeting with Project Steering Committee</li><li>• Confirmation of approach to project management and administration:<ul style="list-style-type: none"><li>– Confirm scope of the project, priorities within this scope, methodology, timings, milestones</li><li>– Agree on communication modes</li><li>– Clarify public &amp; stakeholder participation</li><li>– Finalise project methodology</li></ul></li><li>• Development of detailed work plan detailing approach, methodology, detailed activities, time frames, associated resources allocations, and skills transfer plan</li><li>• Gathering of data and gaining input from the Project Steering Committee on research planning:<ul style="list-style-type: none"><li>– Refine data to be gathered across all areas of the project</li><li>– Prioritise a list of stakeholders &amp; enterprises to interview</li><li>– Sharing of available documents and information sources</li></ul></li><li>• Drafting and presentation of inception report</li></ul>

## PHASE 2: SITUATIONAL ANALYSIS

Credible Status Quo Description	
<b>Purpose</b>	To ensure the project is well grounded in the current context and municipal realities on the ground
<b>Activities</b>	<p>Mobilize key stakeholders and the Project Steering Committee for implementation of the strategy development programme</p> <ul style="list-style-type: none"><li>• Identify and scope all developments plans, programmes, projects and interventions in the area of all government institutions and public entities</li><li>• Understand the current economic climate taking into consideration the internal and external factors identifying the strengths and the weaknesses of the district.</li><li>• Reflect on the broader national and regional factors and benchmark factors shaping local competitiveness, needs and challenges</li><li>• Review existing economic sectors and with reference to micro and macroeconomic conditions and identify interventions that will lead to the growth of the main sectors and assist in the eradication of poverty in the Municipality.</li><li>• Identify poverty trends and formulate implementable interventions to support the growth of the main sectors</li><li>• Conduct a detailed analysis of the local economy and property sector to identify and rank opportunities for new investment, enterprise development, business expansion, and value adding.</li><li>• Undertake a high level prefeasibility assessment of prioritised economic opportunities based on the analysis</li><li>• Consult with relevant stakeholders on the private and public and civil society sectors around identified opportunities and outcomes of prefeasibility assessments</li><li>• Draft situational analysis report based on collated information</li></ul>

### PHASE 3: STRATEGY DEVELOPMENT

Strategy Development & Spatial Mapping	
Purpose	Development of a draft LED Review Strategy
Activities	<p>Draft report informed by issues emerging from a credible status quo analysis and aligned to the strategies and plans of Local Municipalities.</p> <ul style="list-style-type: none"> <li>• Develop a range of proposals to address the need to create optimal institutional capacity and a conducive local environment to support the LED Strategy and win support of stakeholders</li> <li>• Integrate and consolidate all proposals for economic interventions, public sector programmes, and institutional capacity into the development strategy</li> <li>• Undertake a GIS mapping of the proposed and existing projects and economic opportunities culminating in a comprehensive priority list of and projects earmarked for implementation over the next five year period. The GIS mapping will include plotting spatial infrastructural, environmental, economic and social data; base map production.</li> <li>• The Draft will place emphasis on the context of the municipality.</li> <li>• Identify relevant sectors, trends and patterns and key challenges facing this segment of the economy.</li> <li>• Identify the strengths and potentials for development of different spaces within the district municipality e.g. towns, rural areas, and to ensure that there is alignment of initiatives emanating from this analysis to enhance strategic alignment with KZN PGDP and NDP as overarching development frameworks.</li> <li>• Manage process to ensure alignment of the LED strategy with the SDF and relevant Growth &amp; Development Strategy</li> <li>• Facilitate alignment to LED strategies with the municipality and facilitate alignment with the GDS.</li> <li>• Develop an SMME, Emerging Contractors and Informal policy setting the municipal roles for its 3 main Departments (Water Services/PMU, IED and Supply Chain Management).</li> <li>• Identify and manage gaps in the process, content and timing of the formulation and alignment to the GDS and SDF.</li> <li>• Develop Draft LED strategy and present to Project Steering Committee for feedback.</li> </ul>

	<ul style="list-style-type: none"> <li>• Presentation of Final Revised Draft LED Strategy Review to the PSC and to other Stakeholders affected in the Municipality, Civil Society and all other relevant formations as advised.</li> <li>• Integrate inputs/comments from Project Steering Committee</li> </ul>
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#### PHASE 4: IMPLEMENTATION STRATEGY

Implementation Strategy	
<b>Purpose</b>	To develop an Implementation Plan for the LED Strategy
<b>Activities</b>	<p>Develop an implementation plan based on a prioritization matrix that categorises projects in terms of short, medium and long term implementation timeframes and resource requirements.</p> <ul style="list-style-type: none"> <li>• Identify key programmes and projects; and priorities</li> <li>• Develop high-level action plans for the IDP documentation</li> <li>• Develop interventions, timeframes and resource allocations</li> <li>• Mobilize for implementing, recommendations/ programmes addressing the institutional requirements that would have to be in place for the successful implementation of the project</li> <li>• Recommendations on supportive institutional arrangements</li> <li>• Develop guidelines on how to accommodate interested SMMEs into the proposed interventions</li> <li>• Draft implementation strategy and present to the PSC for approval</li> </ul>

#### PHASE 5: MONITORING AND EVALUATION FRAMEWORK

Monitoring & Evaluation Framework	
<b>Purpose</b>	To develop and monitoring and evaluation framework to assess the effectiveness of the implementation of the LED Strategy
<b>Activities</b>	<p>Develop a holistic and effective Monitoring &amp; Evaluation Framework for the Strategy</p> <ul style="list-style-type: none"> <li>• Evaluate impact that will be created by implementation of the proposed projects</li> <li>• Incorporate lessons learnt into the decision-making process of implementing further development programmes</li> </ul>

## PHASE 6: REVIEW AND FINALIZATION OF STRATEGY

Finalization of Strategy	
<b>Purpose</b>	To conduct sufficient stakeholder engagement and approval of the final revised LED Strategy Review
<b>Activities</b>	<p>Presentation of Final Revised Draft LED Strategy Review to the PSC and to other Stakeholders affected in the Municipality, Civil Society and all other relevant formations as advised.</p> <ul style="list-style-type: none"><li>• Integrate inputs/comments from Project Steering Committee and stakeholder engagement process</li><li>• Approval of final LED Strategy review</li></ul>

## PHASE 7: LED BUSINESS PLAN FORMULATION

As mentioned above, it should be noted that the business plans for the identified projects will be done as part of the implementation process after the strategy has been formulated, approved and adopted by the Council.

LED Business Plans	
<b>Purpose</b>	To develop and package business plans and funding applications for priority projects in the LED Strategy
<b>Activities</b>	<p>Develop business plans and financial appraisals of interventions, projects, and programmes</p> <ul style="list-style-type: none"><li>• Secure investor on projects that have been identified and recommended by the technical steering committee</li><li>• Prepare funding applications on the above projects on behalf of the municipality</li><li>• Consolidate and submit all relevant report and business plans to the Project Steering Committee</li></ul>

## 7 PROGRAMME OF WORK

The project is expected to take a total of four months.

Phases	Time frame		Deliverable
	Start	End	
Project Inception	09/05/2017	16/06/2017	Meetings steering committee members, with LMs, EDTEA and COGTA Approved process plan by the Council
Situational Analysis	19/06/2017	07/07/2017	Situational Analysis Report
Strategy Framework	10/07/2017	04/08/2017	Draft LED Strategy with projects and programmes
Implementation Strategy	07/08/2017	21/08/2017	Implementation Strategy
Monitoring and Evaluation Framework	22/08/2017	05/09/2017	Monitoring & Evaluation Framework (Logical Framework)
Review and Finalisation of Strategy	06/09/2017	20/09/2017	Approved LED Strategy Review
Close Out	21/09/2017	30/09/2016	Close Out Report
*LED Business Plans Formulation	Ongoing		Packaged business plans and funding applications *

*\* (to be compiled once the strategy is in place)*

## 8. CONTACT PERSON AND ENQUIRIES

Initial & Surname: N Z Khuzwayo

Designation: General Manager: Social and Economic Services

Tel: 036 638 5100/2400

Cell: 082 880 7003

Email: [zama@uthukeladm.co.za](mailto:zama@uthukeladm.co.za)/ [wynand@uthukeladm.co.za](mailto:wynand@uthukeladm.co.za)