

44/52

ALFRED NZO

DISTRICT MUNICIPALITY EC

As the smallest district in the province, ALFRED NZO, boasts with huge potential in tourism and diversification of agriculture in the shadow of the Drakensberg.

PROFILE AND ANALYSIS
DISTRICT DEVELOPMENT MODEL



cooperative governance
& traditional affairs
Department:
Cooperative Governance and Traditional Affairs
REPUBLIC OF SOUTH AFRICA



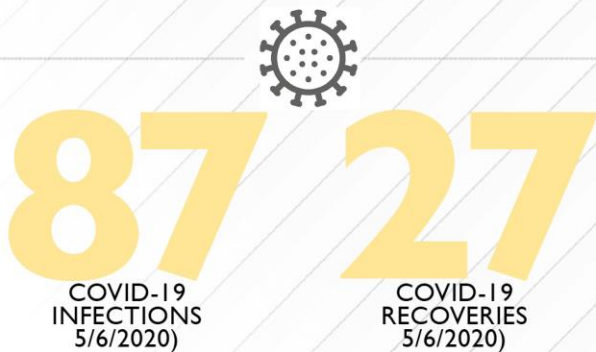
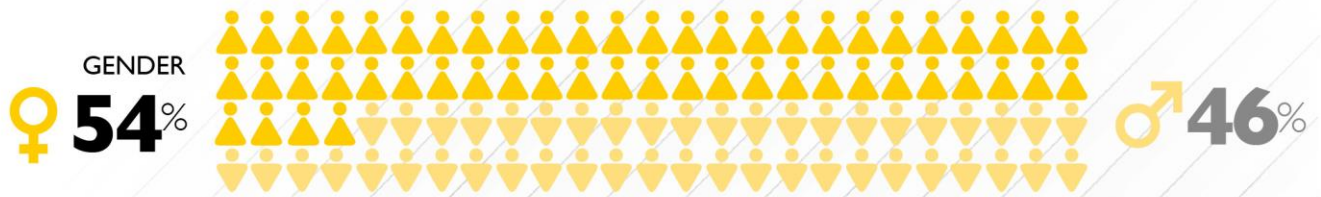
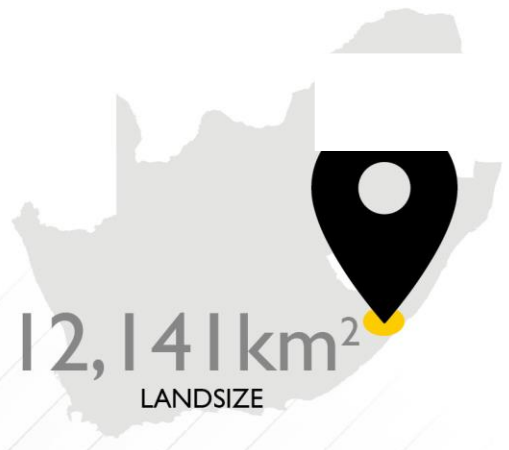
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ALFRED NZO BY NUMBERS

878635

POPULATION

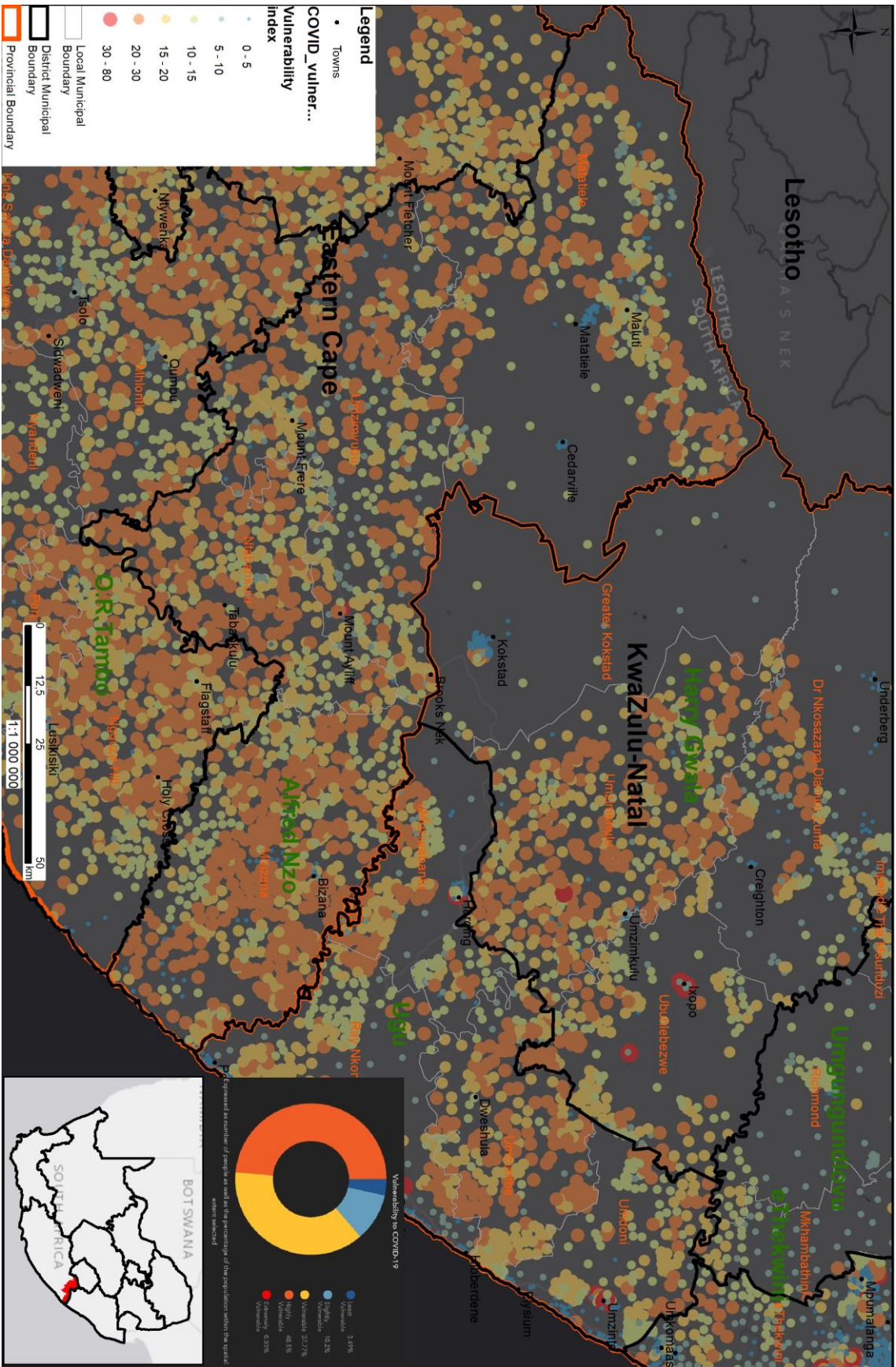


THE RICH, DIVERSE, CULTURAL HERITAGE

OF THE REMOTE, MOUNTAINOUS AREAS ARE BECOMING POPULAR TOURIST ATTRACTIONS

NEXT BIG THING

Large-scale maize and sorghum agro-processing



1. Executive Summary

The Alfred Nzo District Municipality is a Category C municipality located in the north-eastern corner of the Eastern Cape Province. It stretches from the Drakensberg Mountains, sharing boundaries with Harry Gwala District to the north, OR Tambo District in the south and east, and a boarder with Lesotho in the west. Alfred Nzo is the smallest district in the province, covering only 6% of the geographical area. The municipality is comprised of the Matatiele, Ntabankulu, Mbizana and Umzimvubu Local Municipalities. The district is geographically located along the border of Eastern Cape and KwaZulu-Natal Provinces establishing the district as a gateway between the two provinces.

The Alfred Nzo District accounts for a total population of 878 635 or 12.1% of the total population in the Eastern Cape Province with an average annual growth rate of 0.9% between 2009 and 2019. This is projected to increase to 909 000 in 2023. The Alfred Nzo District has significantly more females (54%) than males (46%) when compared to the provincial female population at 52.45% of the total population. There were 195 975 households in 2016, the average household size remaining at 4.8 persons per household from 2006 to 2016. Households headed by children under 18 years old are 4 829 with women heading 57% of households.

As at 05 June 2020, Alfred Nzo District had 87 positive cases with 27 recoveries, 60 active cases and 0 deaths. A total of 376 049 people has been screened and 4 078 tests conducted across the District. One facility in Matatiele has been activated which has a total bed capacity of 53.

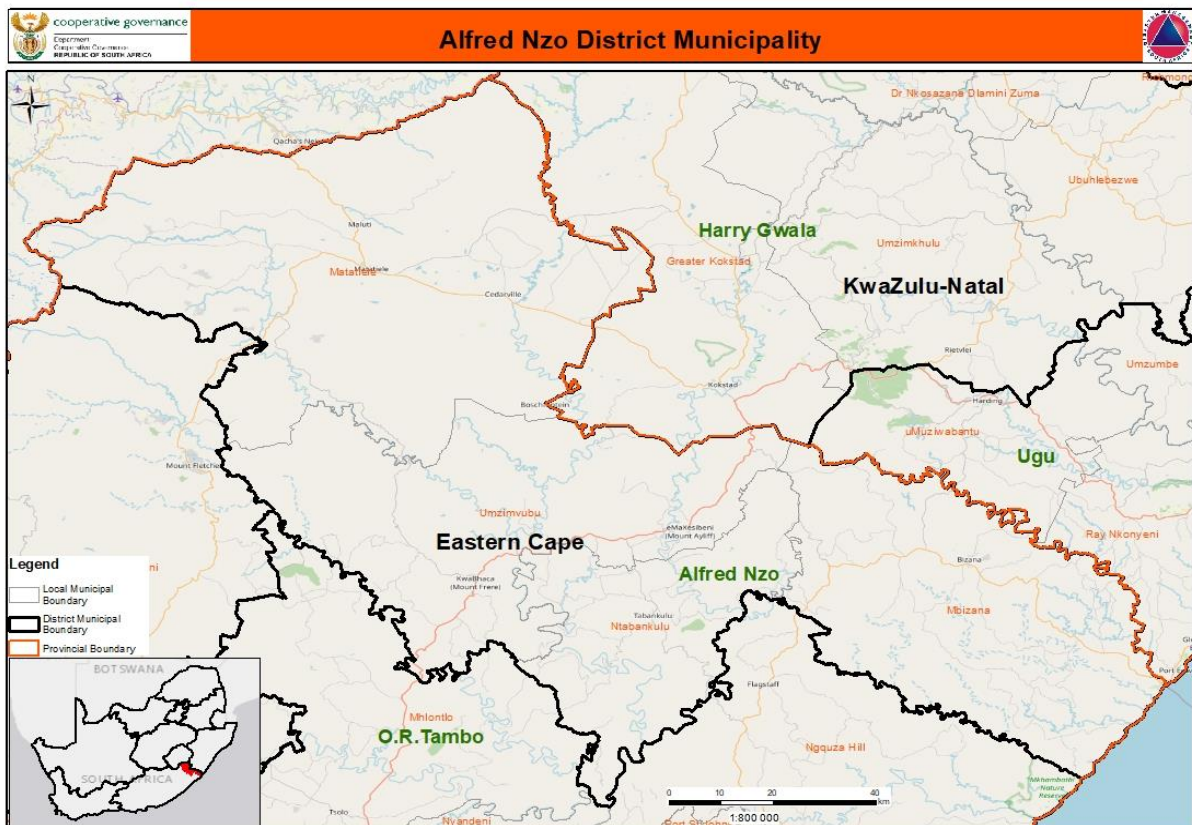
The community services sector is the largest within Alfred Nzo District Municipality accounting for R 5.52 billion or 39.6% of the total GVA in the district municipality's economy. The sector that contributes the second most to the GVA of the District is the trade sector at 30.4%, followed by the finance sector with 12.5%. The sector that contributes the least to the economy of Alfred Nzo District Municipality is the mining sector with a contribution of R 30.1 million or 0.22% of the total GVA.

There is a need to diversify the economy of the district and include sectors such as agriculture and tourism that will have a direct impact on decreasing the poverty levels. Currently, the agricultural sector is limited in terms of economic expansion as majority of the farming activities in the district are subsistence in nature. Commercial farming is limited to the Cedarville area in the north east of the district.

2. Introduction: Brief Overview

2.1 Location

Alfred Nzo District Municipality (ANDM) is one of the six districts of Eastern Cape Province of South Africa. The District is located in the north-eastern corner of the Eastern Cape Province. It stretches from the Drakensberg Mountains, bordering Harry Gwala District Municipality to the north, OR Tambo District Municipality in the south and east, and Lesotho in the west. Alfred Nzo District Municipality is the smallest district in the province, covering only 6% of the geographical area.



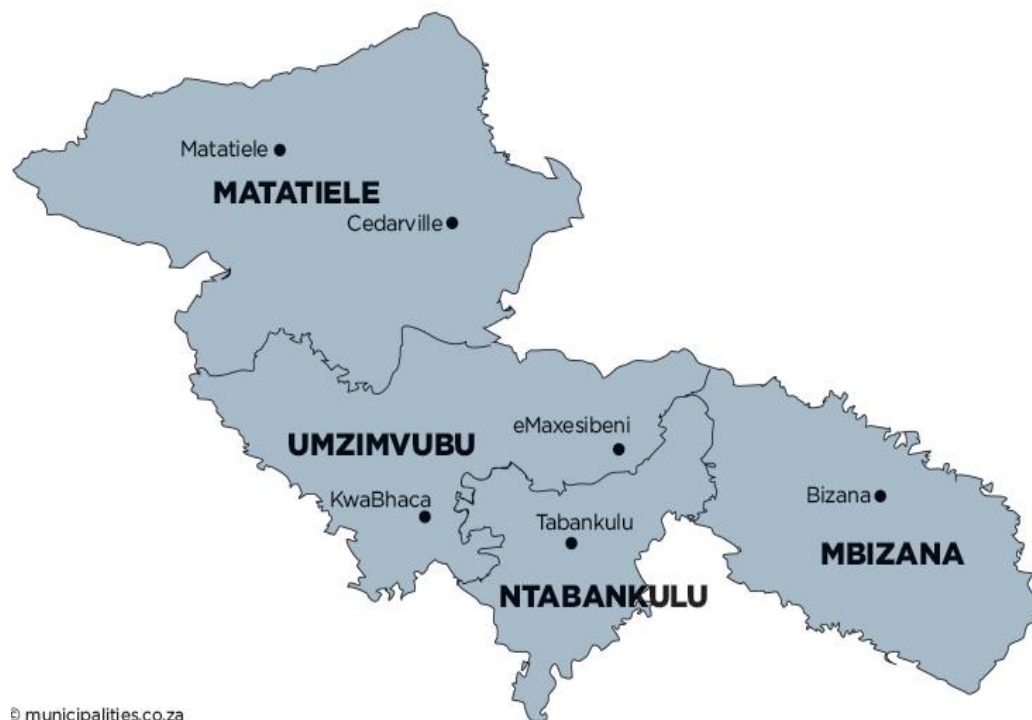
Following the 2011 Local Government Elections, two local municipalities from the O.R. Tambo District Municipality, Mbizana and Ntabankulu were incorporated under Alfred Nzo District Municipality. This increased the Alfred Nzo's surface area from 6 858 to 10 731 km², and is now sub-divided into four local municipalities: Matatiele, Umzimvubu, Mbizana and Ntabankulu. The seat of Alfred Nzo is Mount Ayliff. The majority of the people speak isiXhosa.

2.2 Historical Perspective

The District is named after Alfred Baphethuxolo Nzo, the former secretary-general of the African National Congress and Minister of Foreign Affairs in the late former President Nelson Mandela's cabinet from 1994 to 1999.

Alfred Baphethuxolo Nzo (19 June 1925 – 13 January 2000) was also the longest-standing secretary-general of the African National Congress (ANC). He occupied this position between 1969 and 1991. He was also the first black health inspector in the country. The Alfred Nzo Awards are awarded to deserving health practitioners in South Africa in his honour.

2.3 Spatial Patterns



Alfred Nzo District Municipality was historically part of the Transkei homelands. The district is largely rural in nature, with village settlements defined by the district's geographical footprint through mountain ranges and river systems. Agriculture and tourism make up core components of the local economy. The local municipalities under Alfred District can be summarized as follows:

- **The Matatiele municipality** is close to the Lesotho/South Africa national border and has two urban nodes – the towns of Matatiele and Cedarville. Matatiele acts as a service node to the agrarian based economy of the area, while Cedarville serves as a secondary service centre.

- **Umzimvubu municipality** hosts the district's administrative capital in Mt Ayliff and the district's largest economic node in Mt Frere. The N2 traverses the course of this local municipality, and can be seen as its most prominent defining trait.
- **Ntabankulu municipality** has small urban settlements at Ntabankulu town and Cacadu village. This local municipality has a strong rural presence and is geographically defined by several mountain ranges.
- **Mbizana municipality** is the district's gateway to the Wild Coast and has a medium sized town in Bizana.

In terms of the of the Alfred Nzo District Spatial Development Framework, Mt Ayliff is the only primary node, while Matatiele, Mt Frere and Ntabankulu and Mbizana all serve as secondary nodes. Tertiary nodes include Maluti, Cedarville, Mzamba and others. This recognizes the role of these towns as service centres and commercial hubs for a large part of the district, and a strategic link with towns outside the district. The N2 which runs in a north-south direction linking the Eastern Cape and KwaZulu- Natal provinces serves as the primary corridor and main access route to the district while R56 and R61 are identified as secondary corridor.

2.4 Land ownership

Land ownership within Alfred Nzo District Municipality is dominated by state land which functions as the rural villages and accommodates the majority of the population. There are few privately owned farms within Matatiele and Umzimvubu Municipal Areas.

Alfred Nzo District has identified the issue of land tenure as one of its major challenges in terms of spatial planning. Most of the land within its jurisdiction is either under a land claim, communal ownership or under the custody of the House of Traditional Leaders. The Spatial Development Framework (SDF) for Alfred Nzo District has therefore proposed the development of settlement plans throughout the district area as a remedial action to the current spatial planning challenges.

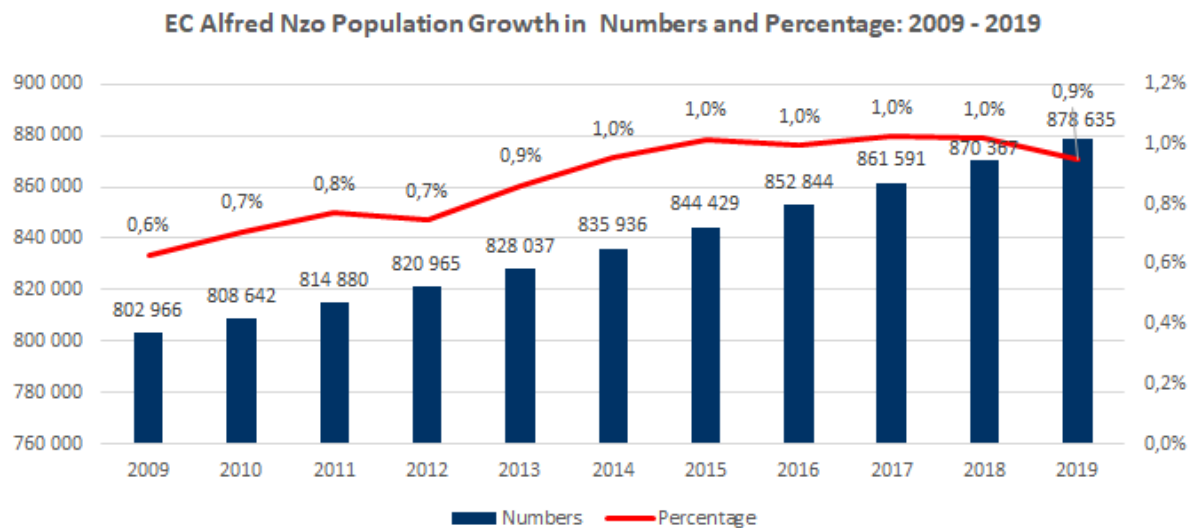
“THE ALFRED NZO DISTRICT HAS SIGNIFICANTLY MORE FEMALES (54%) THAN MALES (46%) WHEN COMPARED TO THE PROVINCE FEMALE POPULATION CONSTITUTING 52.45% OF THE TOTAL POPULATION.”

3. Social Development Profile

3.1 Key Social Demographics

3.1.1. Population

The population of Alfred Nzo District Municipality increased from 802 966 in 2009 to 878 635 in 2019 and accounts for 12.1% of the total population in the Eastern Cape Province. When looking at the average annual growth rate, compared to other districts in the province, Alfred Nzo ranked fifth with an average annual growth rate of 0.9% between 2009 and 2019.



Source: IHS Markit Regional Explorer version 1946

Based on the present age-gender structure and the present fertility, mortality and migration rates, Alfred Nzo's population is projected to grow at an average annual rate of 0.9% to 909 000 in 2023.

3.1.2 Gender, Age and Race

The Alfred Nzo District has significantly more females (54%) than males (46%) when compared to the province female population constituting 52.45% of the total population. This can be attributed to the high male out migration to look for work elsewhere. The median age is 18 years (according to 2016 Community Survey) which is lower than the provincial figure of 21 years and South Africa at 25 years. This indicates a significantly youthful population.

Age

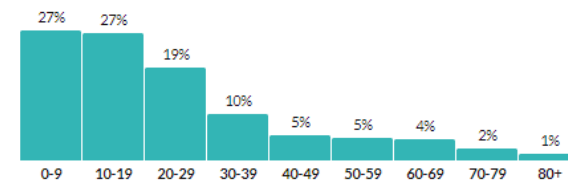
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Median age

about 90 percent of the figure in Eastern Cape: 21

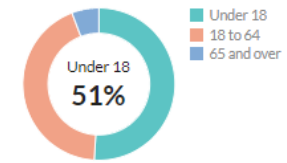
about three-quarters of the figure in South Africa: 25

Population by age range



Source: Community Survey 2016

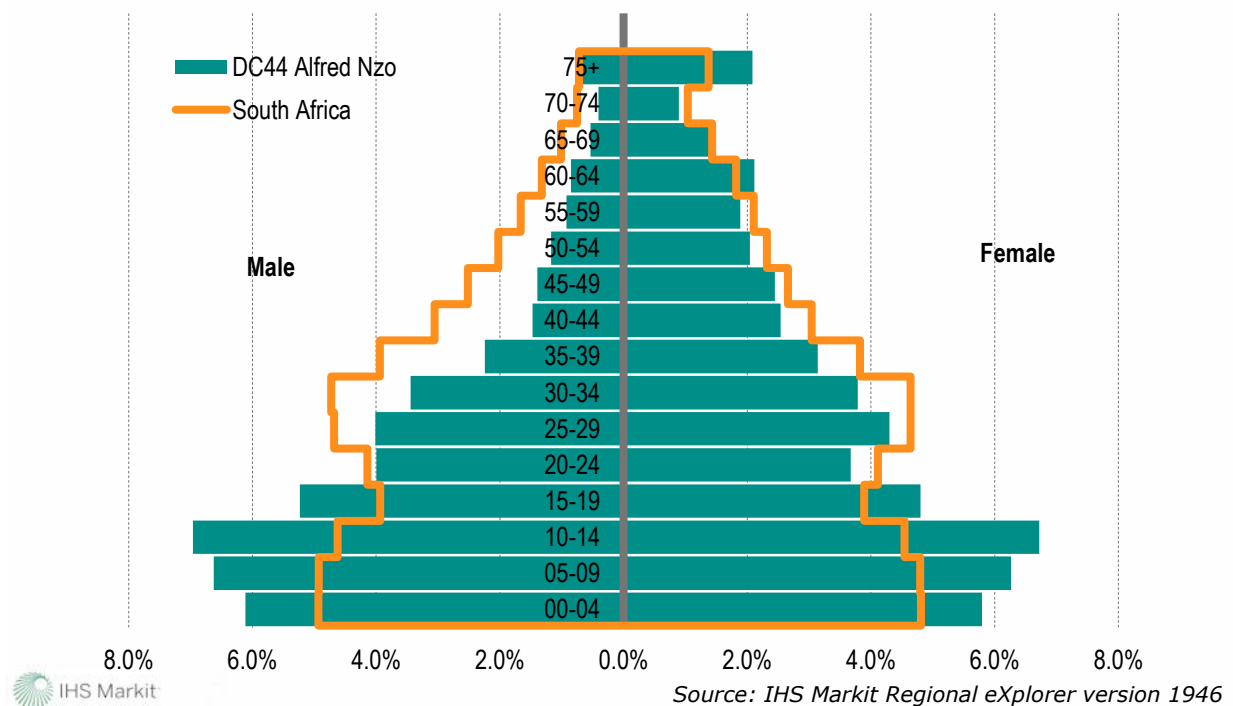
Population by age category



Source: Community Survey 2016

The largest share of population is within the younger (0-19 years) age categories representing about 54% of the total population. The age categories with the second largest number of people is the young working age (20-49 years) age categories with a total share of 34%, followed by the older working age (50-59 years) age category with 5%.

Population structure, 2019
DC44 Alfred Nzo vs. National



The population of Alfred Nzo District consisted of 99.14% African (863 000), 0.24% White (2 110), 0.42% Coloured (3 700) and 0.19% Asian (1 690) people.

3.1.3 Households

In 2016, there were 195,975 households in the Alfred Nzo District Municipality. The average household size remained at 4.8 persons per household from 2006 to 2016.

Households

195 975

Households

about 10 percent of the figure in Eastern Cape: 1,773,396L

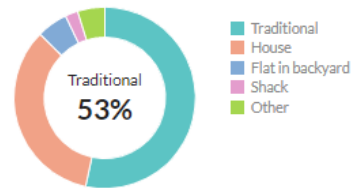
less than 10 percent of the figure in South Africa: 16,923,307L

2.3%

Households that are informal dwellings (shacks)

about one-third of the rate in Eastern Cape: 7.38%
about one-fifth of the rate in South Africa: 12.96%

Households by type of dwelling Chart Options



Source: Community Survey 2016

In Alfred Nzo District, 2.3% of the households are informal dwellings which is lower than the provincial figure of 7.3% and 34% are formal dwellings which is significantly lower than the provincial number of 56%. A significant 53% of the dwellings are traditional dwellings. Furthermore, 81.9% of the houses are fully owned or paid off which is higher than the provincial figure of 69.1%. There are 6% of the dwellings where people are renting.

Head of household

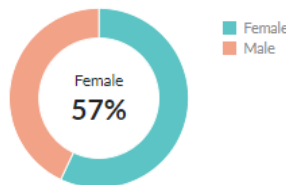
57%

Households with women as their head

about 20 percent higher than the rate in Eastern Cape: 49.1%

about 1.4 times the rate in South Africa: 41.32%

Head of household by gender Chart Options



Source: Community Survey 2016

4 829

Households with heads under 18 years old

about one-fifth of the figure in Eastern Cape: 23,143

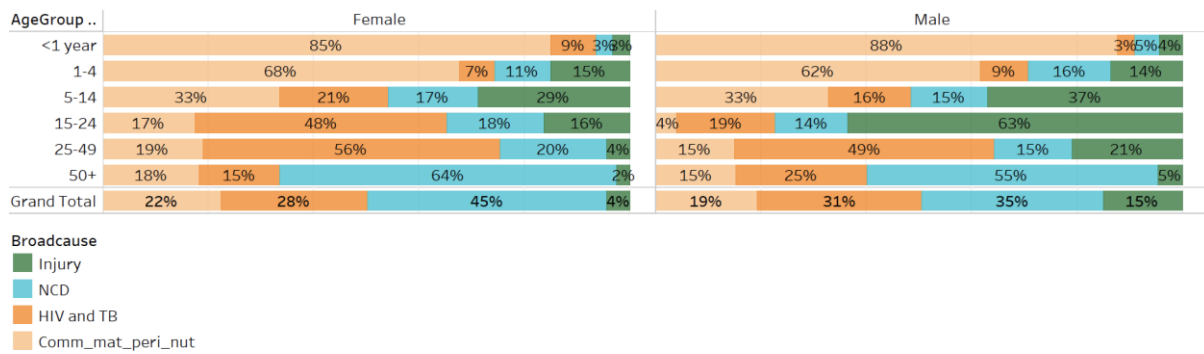
less than 10 percent of the figure in South Africa: 111,471

Households headed by children under 18 years old are 4 829, this is co-dependent with other issues such as education, basic living conditions, health care and life expectancy. Women head 57% of households in the Alfred Nzo District.

“81.9% OF THE HOUSES ARE FULLY OWNED OR PAID OFF WHICH IS HIGHER THAN THE PROVINCIAL FIGURE OF 69.1%.”

3.2 Health Profile

The leading cause of death for children below the age of 5 years and the 5-14 age group is diarrheal diseases at 28% and 19.4% respectively. HIV/AIDS is the leading cause of death for the both the 15-24 and the 25-64 age groups at 18.6% and 24.0% respectively. The leading cause of death for those above 65 is cerebrovascular disease, which accounts for 15.6% of the deaths. In terms of maternal conditions, the top three causes of death included other maternal conditions, which accounted for 34.6% of deaths followed by indirect maternal diseases at 24.2% and maternal sepsis at 17.1% respectively.



Source: Stats SA.

In 2018, 103 000 people in the Alfred Nzo District Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.58% since 2008, and in 2018 represented 11.83% of the district municipality's total population. The Eastern Cape Province had an average annual growth rate of 1.87% from 2008 to 2018 in the number of people infected with HIV, which is higher than that of the Alfred Nzo District Municipality.

The Alfred Nzo District Municipality has 72 clinics, 8 hospitals and 2 community health centers. The district has the most improvised health facilities with problems such as severe staff shortages, lax security measures, leaking roofs, "unreliable" ablution facilities, dilapidated infrastructure, poor filing system and inconsistent delivery of medication, among others.

Local municipality	Clinics	CHC/CDC	Hospitals
Matatiele	19	1	3
Umzimvubu	21	0	2
Mbizana	22	0	2
Ntabankulu	10	1	1
Total for Alfred Nzo	72	2	8

Source: Alfred Nzo 2019/20 District Health Plan (Department of Health)

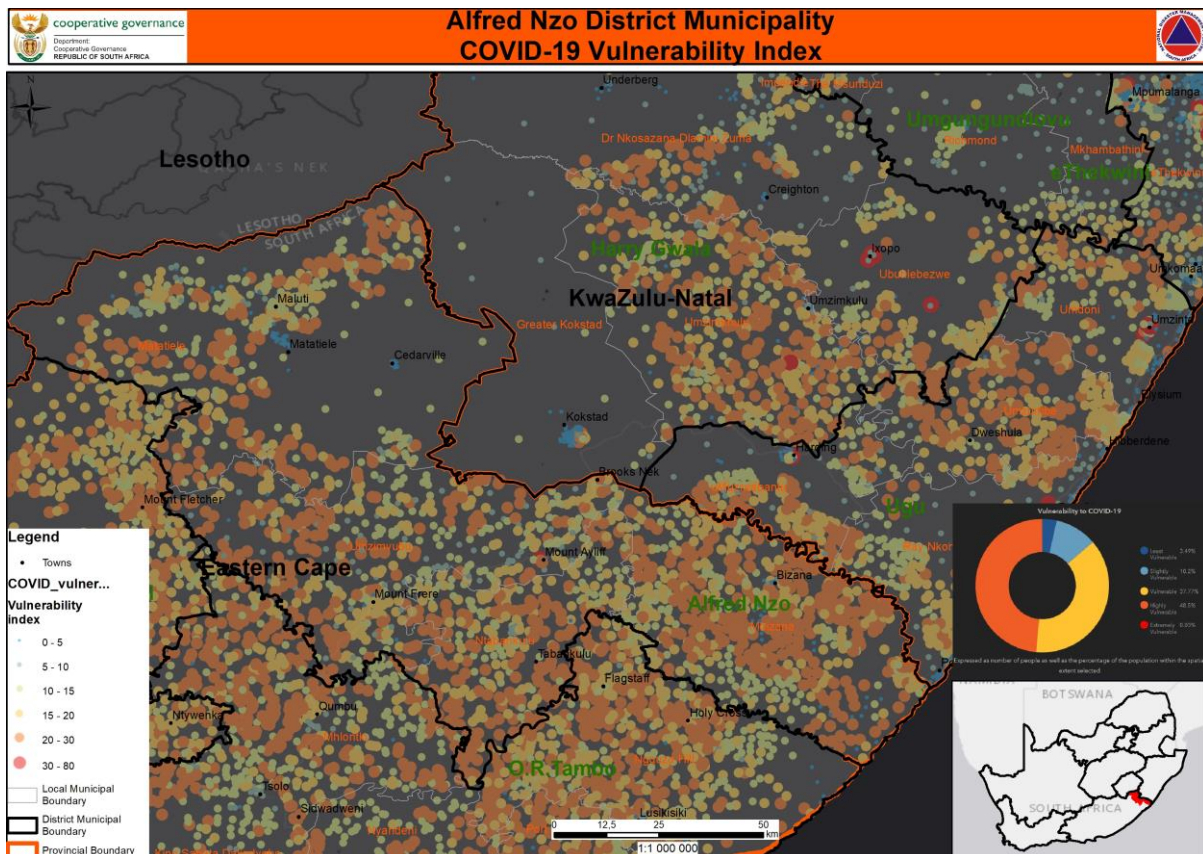
3.3. COVID-19

Alfred Nzo is national hotspot for COVID-19. As at 05 June 2020, Alfred Nzo District had 87 positive cases with 27 recoveries, 60 active cases and 0 deaths. A total of 376 049 people has been screened and 4 078 tests conducted across the District.

The Council for Scientific and Industrial Research (CSIR) in collaboration with Albert Luthuli Centre for Responsible leadership have developed a set of COVID-19 Vulnerability Indicators using available data and knowledge. It identifies vulnerabilities present in communities and identifying areas in need of targeted coordinated

interventions and early response. The purpose of the indicators is intended to support the early prevention/mitigation and preparedness phase of the disaster management cycle and informing disaster management decision making. It is not based on epidemiological modelling but a response to highlighting intervention areas due to underlying situation. The composition of the index follows two main factors, namely: transmission potential and health susceptibility.

Transmission potential areas identify areas that prevent social distancing to be practiced and where limitations of practicing good basic hygiene. The health susceptibility index denotes areas where large number of people are potential more susceptible to being adversely affected by COVID-10 due to factors such as age and underlying health conditions. The Alfred Nzo vulnerability profile is presented below. The map shows low vulnerability areas (blue dotted areas) versus areas with higher vulnerability (red dotted areas).



Because Alfred Nzo is a labour sending and impoverished area with limited access to basic services it displays high vulnerability to COVID-19. The areas around Mount Ayliff display particularly extreme vulnerability. Whilst the villages around Matatiele (near Masimangweni) and Umzimvubu (near Kwa Dungu), also show high vulnerability. Area specific GIS vulnerability maps are available courtesy of CSIR at: <https://pta-gis-2-web1.csir.co.za/portal2/apps/opstdashboard/#/390a74fb10844c7a85396e60555a866d>

There is a total of 10 assessed and approved quarantine facilities in the District with a total bed capacity of 165 and one facility has been activated which has 53 beds. Out of the 10 facilities, five are in the Matatiele local municipality, 3 in the Umzimvubu local municipality, 1 in the Mbizana local municipality and 1 in the Ntabankulu Municipality.

LOCAL MUNICIPALITY	NAME OF FACILITY	STATE-OWNED OR PRIVATE	AVAILABLE BEDS	STATUS
Matatiele	The Royal Courtyard	Private	53	Activated
Matatiele	Rest Haven Guest House	Private	8	Pending activation
Matatiele	Beverly Corner Lodge	Private	10	Pending activation
Matatiele	Gateway House Lodge	State-Owned	6	Pending activation
Matatiele	Laphola Guest house	Private	9	Pending activation
Umzimvubu	Madzikane ka Zulu Hospital	State-Owned	6	Pending activation
Umzimvubu	Lisomma Guest House	Private	12	Pending activation
Umzimvubu	Tapi River Lodge (Mt Frere)	Private	24	Pending activation
Ntabankulu	Imvovo Country Lodge	Private	29	Pending activation
Mbizana	Hluma B&B	Private	8	Pending activation
TOTAL FOR ALFRED NZO			165	

3.4 Poverty Dimensions

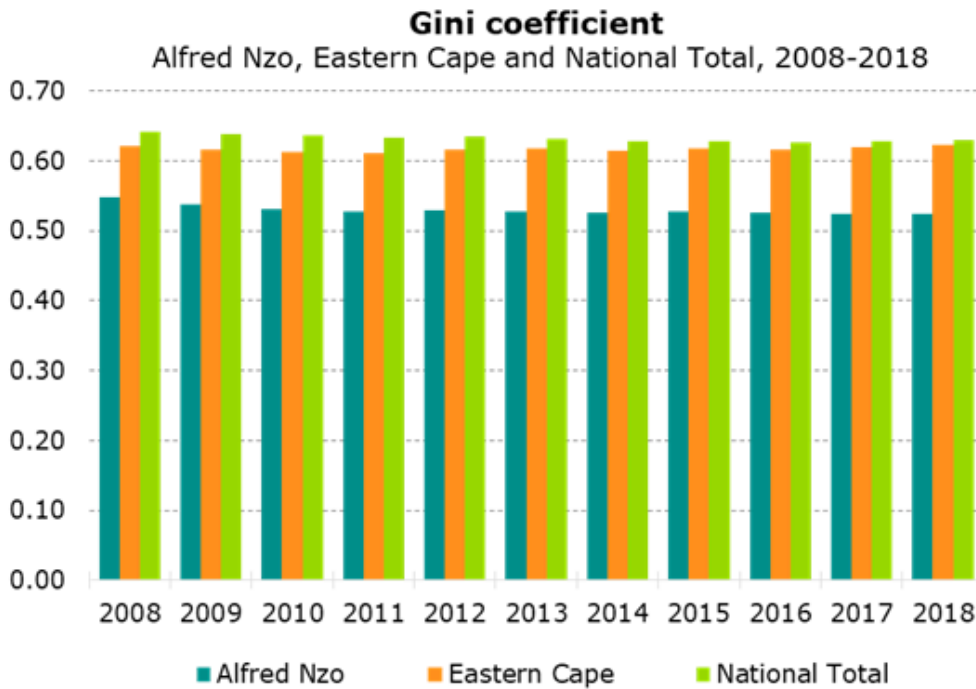
3.4.1 Distribution

Alfred Nzo District is considered the poorest district in the province and in the country. In 2019, there were 628 224 people living in poverty, using the lower poverty line definition, across the Alfred Nzo District which accounts for 71.5% of the total population. This is significantly higher percentage of the population when compared to the Eastern Cape provincial figure which was at 54.3%. Ntabankulu and Mbizana local municipalities are ranked first and second most poor local municipalities in the country with 78% and 77.3% of the total population living in poverty. Umzimvubu and Matatiele local municipalities are at 67% and 63.8% of the population living in poverty respectively. As a consequence of the poverty levels in the district, there is a cumulative total of 364 205 grant dependents in the district. The number of beneficiaries per grant type is indicated in the table below:

GRANT TYPE	TOTAL BENEFICIARIES
Care Dependency Grant	2661
Child Support Grant	252315
Combination	607
Disability Grant	18440
Foster Care Grant	11628
Grant-In-Aid	4493
Old Age Grant	54395
TOTAL FOR ALFRED NZO	344539

3.4.2. Inequality

Alfred Nzo District has a Gini coefficient of 0.52, which is the lowest, compared to the other districts in the province and is below the provincial index value of 0.62.



Source: IHS Markit Regional eXplorer version 1803

Alfred Nzo District has over 90% of its residence earning less than R1600 per month. The average annual household income was R14 600, which is significantly lower than the national average at R29 400. In relation to household goods, 91% of households have access to a cell phone and 52% to a television. Only about 10% of households have access to a car.

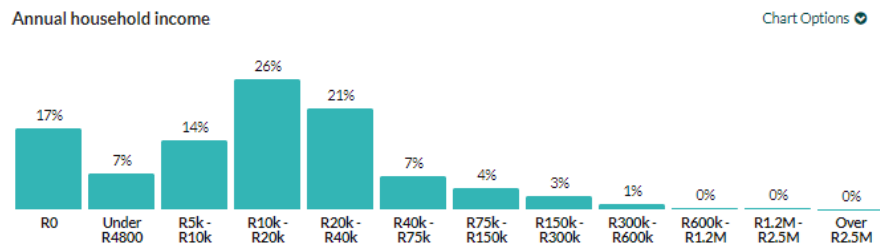
Annual household income

R14 600

Average annual household income

about the same as the amount in Eastern Cape: R14 600

about half the amount in South Africa: R29 400

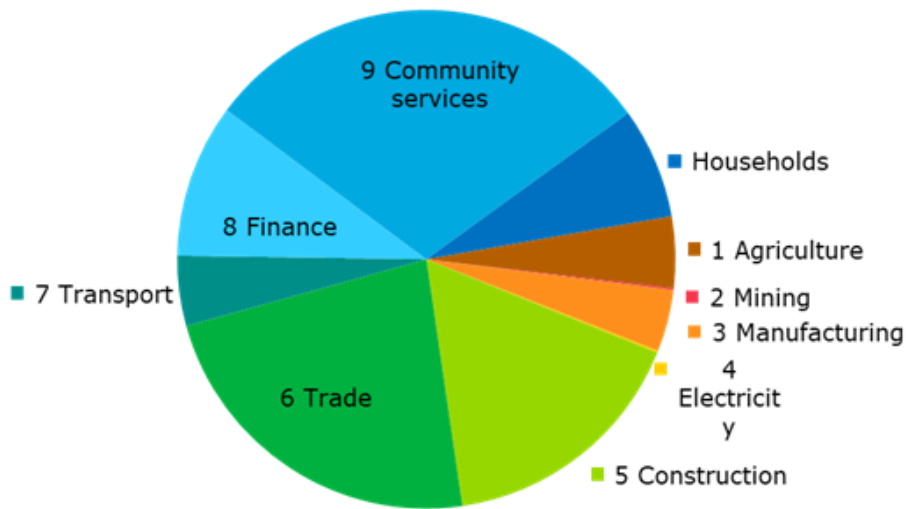


Source: Census 2011

3.4.3. Unemployment and Employment

In 2018, there were 107 000 people employed in the District which is 7.29% of the total employment in Eastern Cape Province, 0.66% of total employment in South Africa. Employment within Alfred Nzo decreased annually at an average rate of -0.16% from 2008 to 2018.

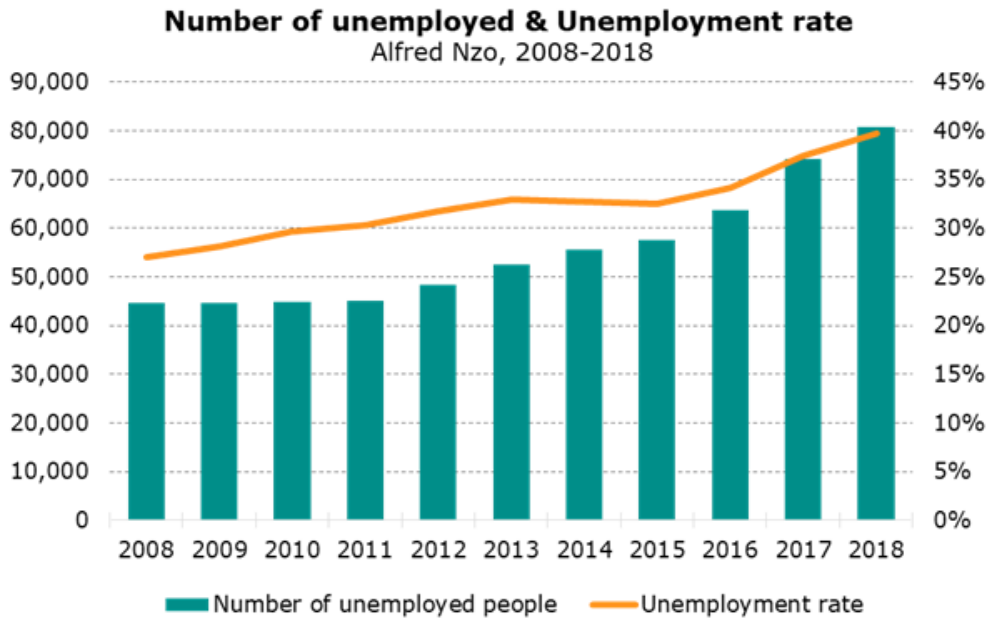
Total Employment Composition Alfred Nzo, 2018



Source: IHS Markit Regional eXplorer version 1803

The economic sectors that recorded the largest number of employment in 2018 were the community services sector with a total of 31 900 employed people or 29.8% of total employment in the district municipality. The trade sector with a total of 24 700 (23.0%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 126 (0.1%) is the sector that employs the least number of people in Alfred Nzo District Municipality, followed by the electricity sector with 145 (0.1%) people employed.

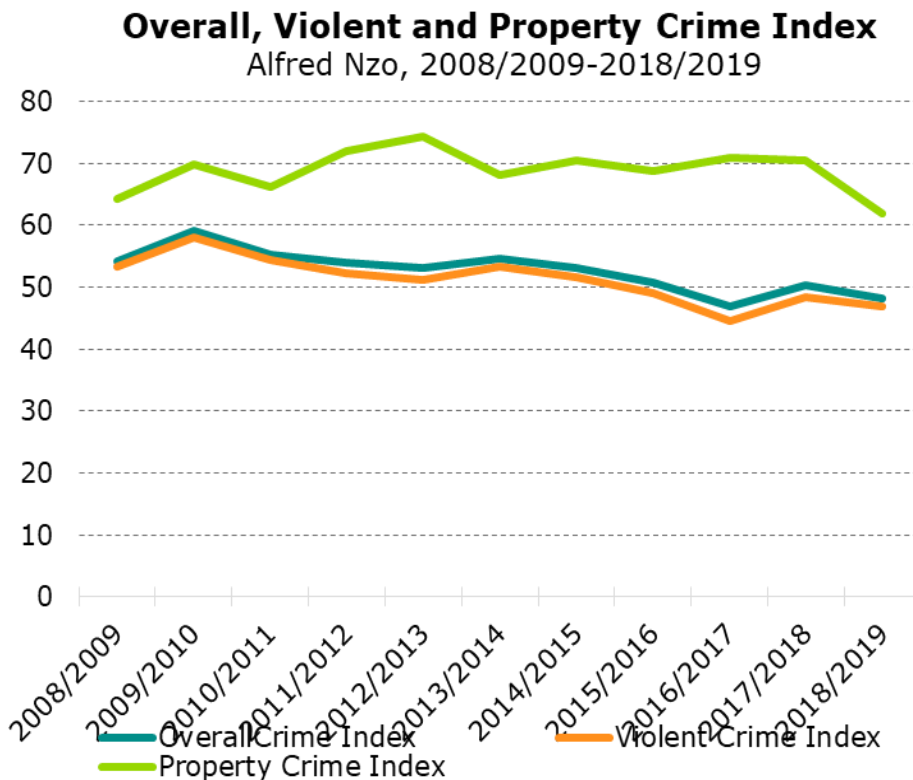
In 2018, the unemployment rate in Alfred Nzo District Municipality was 39.73%, which is an increase of 12.7%, higher than that of Eastern Cape.



Source: IHS Markit Regional eXplorer version 1803

3.4.4 Crime

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes.



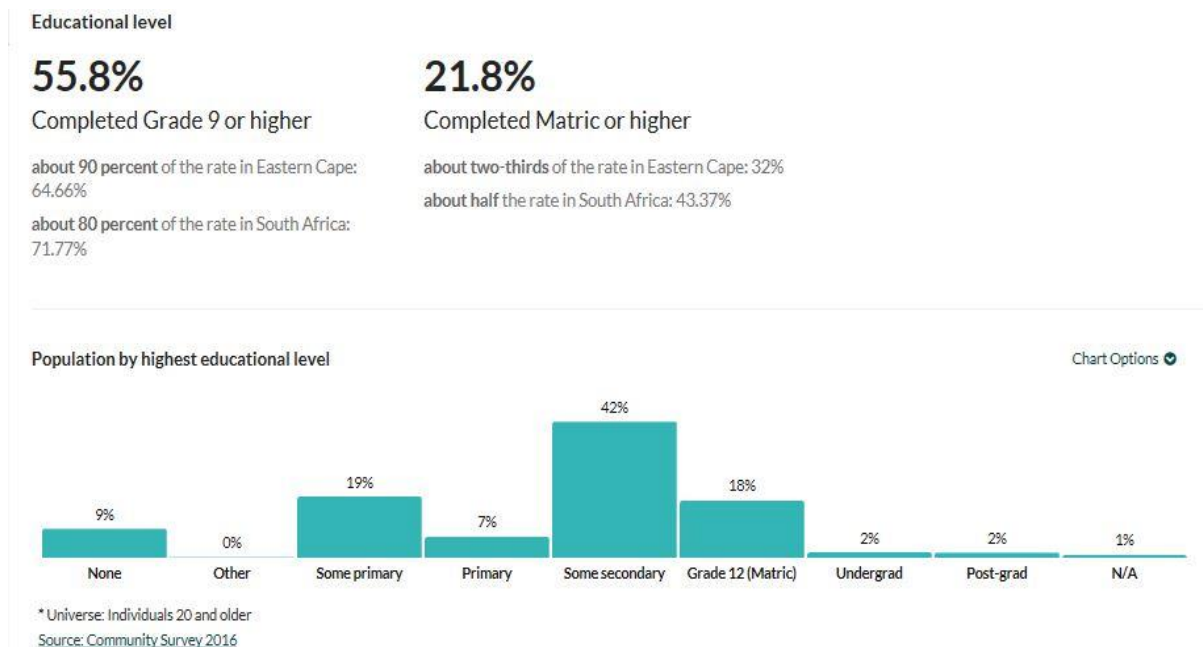
Source: IHS Markit Regional eXplorer version 1803

Under the category of serious crimes reported by the community, there were 17 sub-crimes which for Alfred Nzo district include drug related crimes (2 341), robbery at non-residential premises (198), robbery at residential premises (182), illegal possession of firearms and ammunition (124), carjacking (109), truck jacking (3), robbery of cash-in-transit (3),

3.5 Education and Skills Profile

Within Alfred Nzo District Municipality, the number of people without any schooling decreased from 2008 to 2018 with an average annual rate of -4.92%, while the number of people within the 'matric only' category, increased from 39,300 to 61,600. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 4.95%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 5.86%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

The number of people without any schooling in Alfred Nzo District Municipality accounts for 12.14% of the number of people without schooling in the province and a total share of 1.68% of the national. In 2018, the number of people in Alfred Nzo District Municipality with a matric only was 61,600 which is a share of 6.54% of the province's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 6.47% of the province and 0.52% of the national.



In terms of education facilities, Alfred Nzo District has 274 primary schools, 482 combined schools and 77 secondary schools (823 schools in total). The district also

has 1 TVET college with 2 campuses located in Mount Free and Mbizana towns. In total there are 6 514 students enrolled in the college. Courses offered include Engineering studies, Business Management, Financial Management and Public management.

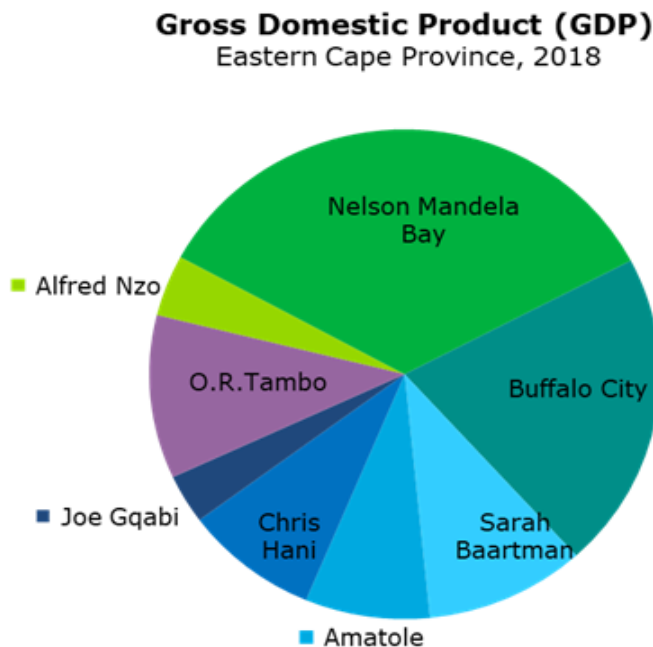
*“IN TERMS OF EDUCATION FACILITIES, ALFRED
NZO DISTRICT HAS 274 PRIMARY SCHOOLS,
482 COMBINED SCHOOLS AND 77 SECONDARY
SCHOOLS (823 SCHOOLS IN TOTAL).”*



4. Economic Drivers

4.1 Economic Overview

The Alfred Nzo District Municipality had a total GDP of R 15.3 billion and in terms of total contribution towards Eastern Cape Province ranked seventh relative to other districts in the province. In terms of its share, it was in 2018 (4.1%) slightly smaller compared to what it was in 2008 (4.4%). For the period 2008 to 2018, the average annual growth rate of -0.1% of Alfred Nzo was the lowest relative to its peers in terms of growth.



Source: IHS Markit Regional eXplorer version 1803

In 2018, the Alfred Nzo District Municipality achieved an annual growth rate of -0.12%, which is a significant lower GDP growth than the Eastern Cape Province's 0.78%, and is lower than that of South Africa, where the 2018 GDP growth rate was 0.79%. The economic growth in Alfred Nzo peaked in 2008 at 5.37%.

In 2023, Alfred Nzo's forecasted GDP will be an estimated R 10.2 billion (constant 2010 prices) or 4.0% of the total GDP of Eastern Cape Province. At a 1.49% average annual GDP growth rate between 2018 and 2023, Alfred Nzo ranked the third compared to the other regional economies.

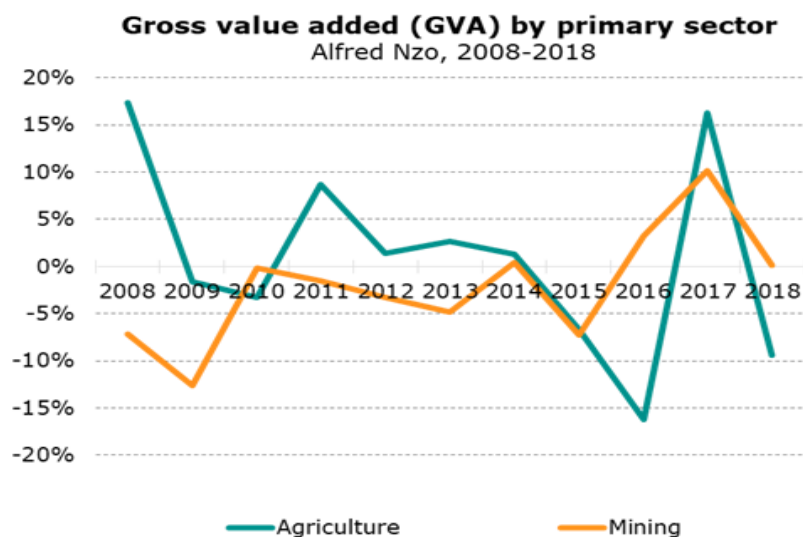
	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
Agriculture	0.2	6.7	106.1	3.5%	0.22%
Mining	0.0	0.4	350.9	6.8%	0.01%
Manufacturing	0.6	43.6	572.9	1.3%	0.10%
Electricity	0.2	9.0	166.0	2.1%	0.11%
Construction	0.5	13.3	170.3	3.7%	0.29%
Trade	4.2	67.9	652.7	6.2%	0.65%
Transport	0.9	30.3	426.7	3.1%	0.22%
Finance	1.7	61.4	854.4	2.8%	0.20%
Community services	5.5	102.7	1,041.3	5.4%	0.53%
Total Industries	13.9	335.3	4,341.3	4.2%	0.32%

Source: IHS Markit Regional eXplorer version 1803

In 2018, the community services sector was the largest within Alfred Nzo District Municipality accounting for R 5.52 billion or 39.6% of the total GVA in the district municipality's economy. This was followed by the trade sector at 30.4%, and the finance sector with 12.5% respectively. The sector that contributes the least to the economy of the District is the mining sector with a contribution of R 30.1 million or 0.22% of the total GVA.

4.2 Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector.



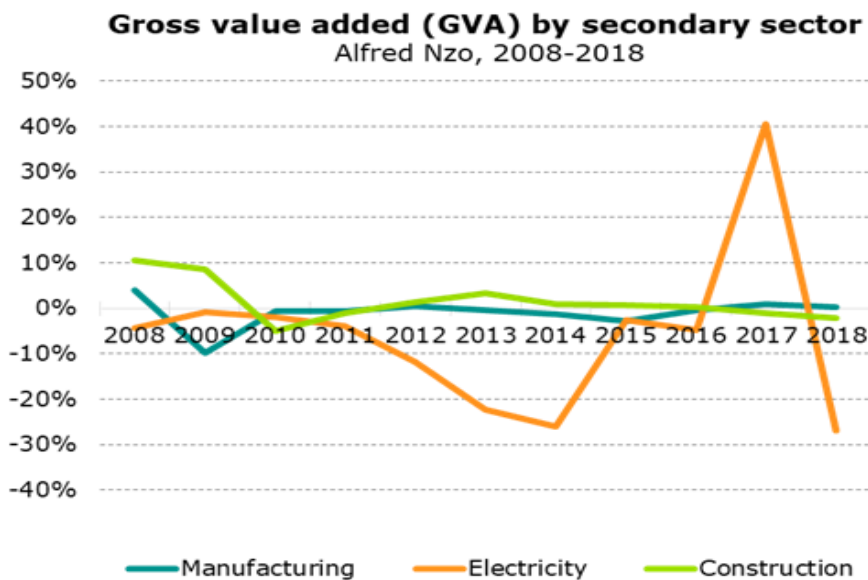
Source: IHS Markit Regional eXplorer version 1803

Between 2008 and 2018, the agriculture sector experienced the highest positive growth in 2008 with an average of 17.4%. The mining sector reached its highest point of growth of 10.1% in 2017. However, the agricultural sector experienced the lowest growth for the period during 2016 at -16.2%, while the mining sector reaching its

lowest point of growth in 2009 at -12.6%. The primary sector is expected to grow at an average annual rate of 1.19% between 2018 and 2023.

4.3 Secondary Sector

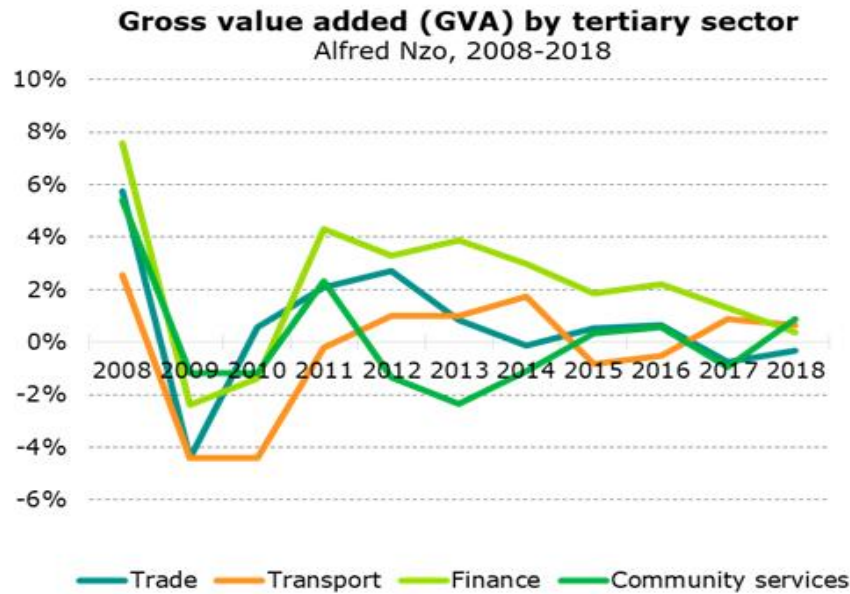
The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and construction sector. Between 2008 and 2018, the manufacturing sector experienced the highest positive growth in 2008 with a growth rate of 4.0%. It is evident for the construction sector that the highest positive growth rate also existed in 2008 and it experienced a growth rate of 10.6% which is higher than that of the manufacturing sector.



The manufacturing sector experienced its lowest growth in 2010 of -9.9%, while construction sector reached its lowest point of growth in 2010 with -5.0% growth rate. The electricity sector experienced the highest growth in 2017 at 40.6%, while it recorded the lowest growth of -26.8% in 2018. The secondary sector is expected to grow at an average annual rate of 1.04% between 2018 and 2023.

4.4 Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector.

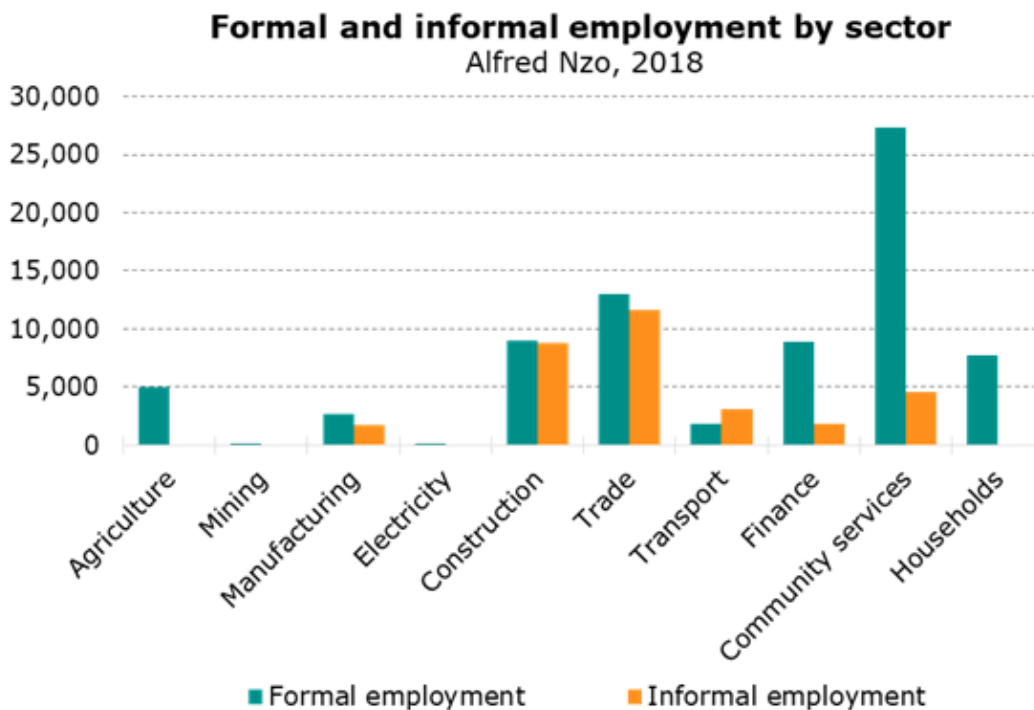


The trade sector experienced the highest positive growth in 2008 with a growth rate of 5.7%. It is evident for the transport sector that the highest positive growth rate also existed in 2008 at 2.6% which is lower than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2008 when it grew by 7.6% and recorded the lowest growth rate in 2009 at -2.4%. The Trade sector also had the lowest growth rate in 2009 at -4.4%. The community services sector, which largely consists of government, experienced its highest positive growth in 2008 with 5.4% and the lowest growth rate in 2013 with -2.3%. The Tertiary sector is expected to grow at an average annual rate of 1.51% between 2018 and 2023.

“THE SECONDARY SECTOR CONSISTS
OF THREE BROAD ECONOMIC SECTORS NAMELY
THE MANUFACTURING, ELECTRICITY AND
CONSTRUCTION SECTOR.”

4.5 Informal economy

The number of people employed in the informal sector in the Alfred Nzo District counted 31 600 or 29.51% of the total employment. Informal employment in Alfred Nzo decreased from 32 600 in 2008 to an estimated 31 600 in 2018.



Source: IHS Markit Regional eXplorer version 1803

In 2018 the Trade sector recorded the highest number of informally employed, with a total of 11 600 employees or 36.83% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 1 670 and only contributes 5.28% to total informal employment.

5.5. Service Delivery

5.1. Water and Sanitation

Alfred Nzo District Municipality had 10 800 (or 5.72%) households with piped water inside the dwelling, 19 600 (10.35%) households had piped water inside the yard and 116 000 (61.20%) households had no formal piped water.

“THE DISTRICT HAD 76 400
(40.31% OF TOTAL HOUSEHOLDS)
FORMAL DWELLING UNITS”

	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling	Communal piped water: more than 200m from dwelling	No formal piped water	Total
Matatiele	4,570	10,800	13,700	5,660	20,500	55,200
Umzimvubu	4,010	4,910	10,900	3,190	27,900	50,900
Mbizana	1,830	2,730	2,310	1,290	49,300	57,400
Ntabankulu	427	1,190	4,460	1,630	18,300	26,000
Total Alfred Nzo	10,841	19,619	31,355	11,764	116,064	189,644

Source: IHS Markit Regional eXplorer version 1803

Alfred Nzo District Municipality had 17 700 flush toilets (9.32% of total households), 130 000 Ventilation Improved Pit (VIP) (68.74% of total households) and 31 100 (16.39%) of total households pit toilets.

	Flush toilet	Ventilation Improved (VIP)	Pit	Pit toilet	Bucket system	No toilet	Total
Matatiele	8,060	32,400		11,400	104	3,270	55,200
Umzimvubu	6,240	34,100		8,420	72	2,150	50,900
Mbizana	1,310	45,400		7,780	271	2,670	57,400
Ntabankulu	2,070	18,500		3,440	90	1,890	26,000
Total Alfred Nzo	17,671	130,369		31,086	537	9,982	189,644

Source: IHS Markit Regional eXplorer version 1803

5.2 Human settlements

Alfred Nzo District Municipality had 4 650 (2.45% of total households) very formal dwelling units, 76 400 (40.31% of total households) formal dwelling units and 33 700 (17.79% of total households) informal dwelling units.

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Matatiele	3,130	23,500	8,890	17,600	2,090	55,200
Umzimvubu	919	20,300	8,440	20,800	414	50,900
Mbizana	338	25,400	11,100	20,300	272	57,400
Ntabankulu	255	7,210	5,280	13,200	110	26,000
Total Alfred Nzo	4,646	76,453	33,731	71,924	2,890	189,644

Source: IHS Markit Regional eXplorer version 1803

5.3 Waste Management

Alfred Nzo District Municipality had 14 600 (7.70%) households which had their refuse removed weekly by the authority, 1 680 (0.89%) households had their refuse removed less often than weekly by the authority and 156 000 (82.39%) households which had to remove their refuse personally (own dump).

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Matatiele	8,540	835	1,260	41,700	2,930	55,200
Umzimvubu	3,710	458	991	43,200	2,600	50,900
Mbizana	1,290	207	916	51,800	3,190	57,400
Ntabankulu	1,060	180	377	19,600	4,840	26,000
Total Alfred Nzo	14,606	1,681	3,544	156,255	13,558	189,644

Source: IHS Markit Regional eXplorer version 1803

5.4 Roads and Transport

The rail network in the district is limited to the Matatiele and Cedarville towns where the rail runs through these towns in a north east to west direction connecting these towns to the KwaZulu-Natal Province.

The main roads in the Alfred Nzo District include:

- The N2 – This is a national road which runs in a north-south direction linking the Eastern Cape and KwaZulu- Natal provinces.
- The R56 – This is a regional road which runs along the northern and western boundaries linking Matatiele with Kokstad to the east and Mt Fletcher to the south respectively.
- The R61- This is a regional road linking Mbizana and Port Edward

Other roads include:

- Three gravel roads from N2 to R56 (ending at Cedarville and Ematolweni, the (405)
- Gravel back road from Mount Ayliff to Mount Frere passing through Sphambukeni and Cancele junctions
- R626 from N2 (Phakade junction) to R61 (Kubha junction), and on to Flagstaff
- Matatiele to Qacha’s Nek (Lesotho)
- Matatiele to Queen’s Mercy, Malekgonyane (Ongeluksnek) and Thaba Chicha.

The new Wild Coast N2 is being planned from Mzamba to the new Mtentu Bridge 30 km to the south.

5.5 Electricity

Alfred Nzo District Municipality had 39 800 (20.96%) households with electricity for lighting only, 87 000 (45.85%) households had electricity for lighting and other purposes and 62 900 (33.19%) households did not use electricity.

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Matatiele	10,700	24,400	20,100	55,200
Umzimvubu	8,510	25,600	16,800	50,900
Mbizana	16,900	27,700	12,800	57,400
Ntabankulu	3,600	9,160	13,300	26,000
Total Alfred Nzo	39,756	86,954	62,934	189,644

Source: IHS Markit Regional eXplorer version 1803

6. Governance and Management

6.1. Municipal performance

The Alfred Nzo District has a functional Audit Committee which in order to enhance its effectiveness, has developed and adopted an Audit Committee Charter to guide the functionality of the Committee. This has played a role in improving its audit opinion. In the last two financial years, it has obtained a qualified audit opinion. The summary overview of the Audit Outcome is as follows:

Municipality	Financial Year	Audit Report
Alfred Nzo DM	2010/2011	Disclaimer
	2011/2012	Disclaimer
	2012/2013	Disclaimer
	2013/2014	Qualified
	2014/2015	Qualified
	2015/2016	Qualified
	2016/2017	Qualified audit
	2017/2018	Unqualified - Emphasis of Matter items

6.2 Municipal Capacity

The organogram of the Alfred Nzo District provides for 790 employee positions. 318 (40.25%) of these positions are vacant. One Section 57 post is not filled (88% occupied). The management echelon of the District Municipality has 39 post of which 2 are vacant (5%).

The following levels of vacancy rates are challenging:

- Community and Social Service Positions - vacancy rate 26%;
- Finance and Administration Positions - vacancy rate 21%;
- Public Safety Positions - vacancy rate 28%;
- Wastewater Management Positions - vacancy rate 78%; and
- Water Positions - vacancy rate 60%.

The ANDM Organogram makes no provision for Environmental Protection Positions or Health Positions.

The table below indicates the reported occupancy and vacancy levels for Municipal Managers:

Municipality	No. of times reported on MM position	No. of times - MM filled	No. of times – MM vacant
Alfred Nzo	-	-	-
Matatiele	10	10	-
Umzimvubu	5	5	-
Mbizana	9	9	-
Ntabankulu	9	7	2
Total	33	31	2

(Source: M&E: LGSIM DCoG)

The table below indicates the reported occupancy and vacancy levels for Chief Financial Officers:

Municipality	No. of times reported on CFO position	No. of times - CFO filled	No. of times – CFO vacant
Alfred Nzo	-	-	-
Matatiele	10	8	2
Umzimvubu	5	5	-
Mbizana	9	9	-
Ntabankulu	9	7	2
Total	33	29	4

(Source: M&E: LGSIM DCoG)

The table below indicates the reported occupancy and vacancy levels for Section 56 Managers:

Municipality	No. of times reported on S56 positions	Average No. of S56 positions across reporting months	Average No. of S56 positions filled	Average % of positions filled
Alfred Nzo DM	-	-	-	-
Matatiele LM	10	4	4	88
Umzimvubu L M	15	5	5	100
Mbizana LM	9	4	4	88
Ntabankulu LM	9	4	3	86
Total	33	4	4	89

(Source: M&E: LGSIM DCoG)

The following table shows the staff establishment (July 18–June19):

Municipality	Submission rate (July 18 – June 19)	Average per month of Permanent employees	Average per month of Temporary employees
Alfred Nzo	-	-	-
Matatiele	12	2	1
Umzimvubu	5	149	282
Mbizana	9	204	35
Ntabankulu	9	161	13
Total	35	144	56

(Source: M&E: LGSIM DCoG)

The information provided shows that there was an average number of 144 permanent employees and 56 temporary employees across the reporting municipalities during the reporting period. Mbizana (204) and Ntabankulu (161) reported the highest average numbers of permanent employees. Umzimvubu has the highest number of temporary employees of 282 which exceeds the number of its permanent employees (149). Matatiele reported to have an average of 2 permanent employees and 1 temporary employee.

6.3 Traditional Affairs Governance: Traditional leaders

The following table illustrates the total number of traditional councils reported by the municipalities and the participation rate of these in Council meetings.

Municipality	Submission rate (Jul 18- Jun 19)	Jul 18- Jun 19	
		# of traditional leaders	# traditional leaders participated
Alfred Nzo DM	0	-	-
Matatiele LM	12	12	6
Umzimvubu LM	5	11	10
Mbizana LM	9	11	10

Ntabankulu LM	9	7	5
Total	35	41	31

(Source: M&E: LGSIM DCoG)

There is a total of 41 traditional councils within the Alfred Nzo District. 31 of these traditional councils participated in municipal council meetings. Matatiele reported consistently on both the number of traditional councils and their participation rate in council meetings. The participation rate for traditional leaders in council meetings was 76%, and this is an indication of a good participation in council meetings for all the reporting municipalities in the district.

7. Projects to Diversify and Grow the Economy

7.1 Spatial Development

The Draft National Spatial Development Framework, has identified Alfred Nzo as one of the national rural nodes.

A portion of Alfred Nzo District forms part of the *Coastal Transformation Corridor* which is part of the National Transformation Corridors as identified in the National Spatial Development Framework (NSDF, 2019). The Bizana and Mount Ayliff towns have been identified in the national system of Nodes and Corridors as *National Rural Services Centres* meaning that these towns play a critical role in servicing a significant amount of the rural population. The Mbizana, Ntabankulu and Umzimvubu Local Municipalities will be affected by the Coastal Transformation Corridor, which means that these municipalities have a significant role in ensuring the success of the National Coastal Corridor.



Source: Draft NSDF April 2019

7.2 Environmental Features

The Alfred Nzo District has the Environmental Management Plan in place which was prepared as a means to promote sound environmental management and promote sustainable land use practices within the district. The plan adopts a long-term vision, but also identifies short to medium term actions that need to be addressed as part of the IDP process. These include capacity building and training, catchment management, protected areas, climate change and vulnerability mapping, and waste management. The plan also identifies priority environmental areas (PEAs) which include the following areas:

- Mount Fletcher-Maluti Drakensburg Escarpment.
- Ongeluksnek-Matatiele Ridge Corridor.
- Western Tswereke Catchment
- Semongkong ridgeline
- Matatiele - Cedarville Ridge Corridor

7.3 Infrastructure and Economic Projects

SECTOR & SUB-SECTORS	CATALYTIC PROJECTS	DETAILS	SPATIAL LOCATION	INVESTMENT	BY WHOM
ECONOMIC INFRASTRUCTURE DRIVEN INITIATIVES	Umzimvubu Multi-purpose Development	Construction of a dam at Lalini will generate hydroelectricity	Lalini Village (Umzimvubu LM – Alfred Nzo District)		DEDEAT
		Construction of Ntabelanga Dam on the Tsitsa River to supply domestic and	Ntabelanga Village (Umzimvubu LM – Alfred Nzo District)		DEDEAT

SECTOR & SUB-SECTORS	CATALYTIC PROJECTS	DETAILS	SPATIAL LOCATION	INVESTMENT	BY WHOM
		industrial water requirements and irrigated agriculture			
TRANSPORT	Mthatha Airport	Terminal building and run-away upgrade	Umthatha	R55m	DRPW
	Wild Coast N2 highway	560km route between Gonubie (East London) and Isiphingo (Durban), including "Greenfields" sections totalling approximately 96 km between Port Saint Johns and Port Edward	East London – Durban N2	-	DRPW
	Access road	96 km	Port Saint Johns to Port Edward		
	Rural Roads	Farm Access Roads and Farm Produce Access Routes	-	R850m	SANRAL/DRPW/DRDAR/COGTA
BASIC SERVICE DELIVERY INFRASTRUCTURE	Siphethu Hospital Road Construction	Construction, maintenance and repair of a number of Provincial and Municipal Roads	Siphethu	R1.3b	DRPW
	Madwaleni Hospital Road Construction		Madwaleni		DRPW
	Mzamba to Magusheni Road Construction		Mzamba		DRPW
	Nkantolo Road Construction		Mbizana Local Municipality		DRPW
ICT	Broad band	1400 sites of public facilities in the OR Tambo District.	Umthatha	-	Broadband Infracore, SITA and SENTECH ECDC and CSIR
TOURSIM	Mkambathi Nature Reserve.	Concession agreement reached	Mkambathi	R65m	DEDEAT
AGRO-PROCESSING	RED hub at Mqanduli	Support maize and sorghum production through provision of inputs, mechanisation, finance, technical support, storage, milling and markets.	Mqanduli	R150m	DRDAR
	RED hub at Mbizana		Mbizana		

8. Key Recommendations

Under the Strategic Infrastructure Project (SIP) 3, the South-Eastern node & corridor development of the Province include plans for uMzimvubu dam with irrigation systems. There is also the N2-Wild Coast Highway which is aimed at improving access into KwaZulu-Natal and access to Port Elizabeth. However, this project is faced with social mobilisation deficit and poor coordination of stakeholder

engagement. This is require an all of government approach and resolving these challenges.

Agriculture is the main economic activity in the District. Currently, it has a limited base for economic expansion due to the fact that the majority of farming is traditional subsistence farming. Commercial farming is limited to the Cedarville area in the north east of the District. The District has favourable conditions for the development of the agricultural sector and it is therefore critical to assess the potential of this industry and devise methods of exploiting this untapped potential. The District has also been selected as one of the regions to undertake the implementation of AgriParks initiative.

