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Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA

the dlq

Department of Local
Government
Western Cape Province
Republic of South
Africa



IDP HEARINGS 2005

PANEL REPORT

EDEN DISTRICT (DC4) WESTERN CAPE

Panel Members	Organisation
Mr Elroy Africa (Chairperson)	dplg
Ms Shanaaz Majiet (Co-Chairperson)	HOD, Department of Local Government, Western Cape
Mr. Ashraf Adam	Independent (MCA)
Ms. Judy Beaumont	DEAT
Ms. Nozipho Jezile	DEAT
Mr. Johann Kellerman	DBSA
Dr. Sihle Moon	Provincial SALGA
Dr. Laurine Platsky	Office of Premier
Mr. Albert Van Zyl	Provincial Treasury

VENUE: Municipal Council Chambers, Stellenbosch

DATE: 19 May 2005 (Morning session)

1. BACKGROUND TO THE HEARINGS

The Local Government MINMEC meeting held on the 12th November 2004 mandated government to hold nation-wide Hearings on Development Planning. These are scheduled for every district and metropolitan municipality between April and June 2005.

The IDP Hearings take the form of an inter-governmental dialogue around the issues in the Districts/Metros and are aimed at assessing how the whole of government is prioritizing development, allocating resources and implementing in the district and metropolitan areas. It is therefore aimed not only at assessing the municipalities but also provincial and national input and support.

The IDP hearings for the Western Cape Province took place from the 18th - 20th May in Stellenbosch.

This Panel Response report highlights the most critical issues emerging from the Eden District Municipality Hearings. It acknowledges the context and capacity of the District and provides a panel response to development challenges raised. It also proposes actions, which may need to be taken up by District, national, and/or provincial spheres, ensuring a collective responsibility for service delivery.

2. THE PANEL VIEWED THE MAIN DEVELOPMENT CHALLENGES FOR THE DISTRICT AS BEING:

Many analogies have been used to describe this particular district municipality: some referred to it as a 'melting pot', a 'pressure cooker', and a 'cooking pot' – yet for those who reside in it, it is 'Eden', a place they all call 'home' (a paraphrase of a statement made by one of the panellists in the IDP Hearings 2005).

The above statement is reflective of not only the different sentiments and/or perceptions about this particular DM; it also reflects the pressures and challenges faced by this DM (and most municipalities in the country) when it comes to meeting its developmental mandate.

- a) Like in most municipalities in South Africa, Eden DM is faced with the challenge of addressing issues around unemployment and poverty. So far, the DM is marred with uncoordinated economic strategies, leading to the further marginalisation of those in the so-called second economy.
- b) Linked to the issue of unemployment, is the lack of a workable poverty eradication and job creation strategy. With the poverty rate soaring at 25% in Eden, there is a need for a more pragmatic approach in dealing with the issue. As it is, the lack of employment opportunities in the DM is driving people away from the area, and this impacts negatively on the province as a whole.
- c) The increase in wealth inequalities is another challenge that faces Eden DM. This is precipitated by the lack of a sound approach that could integrate the first and the second economies.
- d) Furthermore, for a DM like Eden which has relatively high backlogs (particularly in housing, sanitation and electricity), the influx of low-income migrants from the Eastern Cape as well as wealthy retired migrants from the Northern Cape, creates problems for the DM which is expected to provide basic services and housing to these migrants.
- e) Within the DM, there is a lack of skilled personnel, particularly in the area of management. This results in uneven and/or uncoordinated planning and development in the area, with the less well-managed municipalities lagging behind.
- f) Insofar as intergovernmental relations are concerned, there seems to be lack of a 'shared focus' between the DM and other spheres of government. The DM and the sectors at provincial level, are still working in isolation.
- g) In Eden DM, local municipalities are finding it difficult to provide bulk infrastructure. This is due to a lack of financial resources at local level as well as a lack of strategic and meaningful support from the provincial and national government.
- h) There is no holistic and/or clear-cut approach to environmental issues. Given the sensitivity of the environment, one would expect the DM to have a strategic approach to the environment.
- i) The Eden DM acknowledged that there is no sustainable water management in the area. In a water-stressed area like Eden, the lack of coherent and

sustainable water management might affect the socio-economic wellbeing of the area.

3. THE PANEL VIEWED THE KEY DRIVING FORCES FOR ECONOMIC DEVELOPMENT AS BEING:

- a) Most economic activities in the EDM are centred on the agricultural sector (i.e. fruit growing, agro-processing and sheep farming). This sector employs about 65% of the DM's population.
- b) Being located in one of the most aesthetically beautiful regions in the country, the DM is bound to be an economically viable tourist destination. Thus, municipalities such as George, Knysna and Plettenburg are benefiting from tourism. There is a general feeling, however, that the DM is not fully capitalising and/or fully optimising on its geographical advantage. The coastal areas for instance, have a potential of being the DM's economic drivers. Due to a lack of a viable economic (as well as environmental) strategy, however, the DM is finding it difficult to fully tap into that economic potential.
- c) Insofar as LED is concerned, the DM is still struggling to come up with a strategic and sustainable approach that could lead to economic growth and subsequent job creation.
- d) There are, however, few secondary economic activities in the DM, and these include financial and trade services concentrated particularly in larger municipalities.
- e) There has been a bid by the DM to try to involve the community in some economic development activities.

4. PROPOSED INTERGOVERNMENTAL ACTIONS

4.1 WATER, SANITATION, INFRASTRUCTURE

The panel notes that:

- a) Infrastructure investment and development should be used as an instrument for change. Such investment must strive to integrate the community, at the same time meeting the immediate needs of the poor. Having said that, the DM's engagement with infrastructure investment and development is not only 'urban-biased', it also does not clearly address issues around spatial integration as well as the promotion of sustainable settlements.
- b) The provision of infrastructure and services to farm workers (and in rural areas at large) has been ad-hoc. For the DM, a lack of delivery is due to the distance between the urban nodes and the rural areas, and the lack of access to private land as well as the unavailability of water for sanitation in most rural areas.
- c) The DM has not put in place a sustainable water management strategy.

The panel acknowledges that:

- a) When compared to other DMs in the country, the Eden DM has done well insofar as the delivery of basic services is concerned. To use a report compiled by the Eden DM, about 95% of the population has access to water, 81% sanitation, 81.4% refuse removal and 84.5% have access to electricity

(Eden DM 2005:16). The above figures however, should be viewed in the light of the DM's comparatively low population.

- b) The Eden DM has spent about R2million of its 2005/2006 budget on the provision of VIP Toilets on farms, with approximately R9million set aside for infrastructure and the provision of bulk services.
- c) As part of its strategic infrastructure plan, Eden DM has shown its commitment by employing labor-intensive strategies in its Extended Public Works Programme (EPWP), creating more employment opportunities for the community. The panel was cognisant of the fact that the DM tried to implement the EPWP, focusing on skills development, learnership as well as job creation.

The panel is concerned with/about:

- a) The DM's failure to promote sustainable settlements in the area. Although much of the DM's budget is spent on infrastructure investment (about 60%), there is no clear strategy as to how that kind of investment might integrate the communities. Infrastructure investment can be used as a tool that might redress the physical fragmentation as well as the socio-economic disparities within and/or between the communities.
- b) The slow delivery of basic services in rural areas needs to be taken more seriously by the DM.
- d) The DM's reluctance to engage 'holistically' with issues around water and environmental sustainability. Instead of employing or engaging with issues around sustainable development, the DM was said to be taking a more conservationist approach, which, in the panel's view, is shortsighted and detrimental for the environment. The DM's presentation did not dwell much on issues around sustainable development.
- c) In terms of water management as well as the promotion of sustainable environment, neither the DM's presentation nor the IDP itself stressed the importance of formulating strategies that could lead to sustainable development.

The panel recommends that:

- a) The DM needs to promote sustainable settlements in its area. The province DLG and dplg could be asked for assistance.
- b) The DM needs to consider how it can speed up service delivery in the more rural areas.
- c) The DM needs to urgently formulate a sustainable water management strategy. DWAF could be approached for assistance on this matter.

4.2 LAND USE MANAGEMENT AND HOUSING

The panel notes that:

- a) The issue of land redistribution and management as well as housing, is a sensitive one in this DM. Although the need for an integrated sustainable land reform strategy is acknowledged by the DM, there has not been a coherent and progressive strategy put in place to deal with land issues.
- b) Whites own most of the land in the DM. This raises issues around the security of tenure among farm workers. Agriculture is one of the most economically viable (and thriving) sectors in this DM and therefore land tenure and ownership becomes a socio-economic as well as a political issue. Those who have no access to land might feel deprived, both economically and politically.

- c) The growth of informal settlements in the area is a result of a lack of housing delivery as well as a lack of suitable land for development. The DM does not have the financial muscle or capacity to purchase what is usually referred to as prime land from private landowners (i.e. land close to amenities such as well serviced schools, hospitals, etc).
- d) The lack of financial capacity is compounded by weak intergovernmental relations between the DM and other spheres of government. If different spheres of government work in isolation (as is the case in Eden), the delivery of land and housing is bound to be agonisingly slow and uncoordinated.

The panel acknowledges:

- a) The challenges faced by the DM in dealing with issues around ownership of private land. The DM is expected to tackle the land issue in a strategic manner, as there is legislation on land ownership that must be adhered to. Seizing or grabbing privately owned land for instance, is not an option for the DM.
- b) In the case of land owned by the municipalities, the lack of management of that land is hindering or slowing down the housing delivery process. [As it is, there have been protests and demonstrations by members of the community who are frustrated by the slow delivery of housing in the province].
- c) Municipalities such as George have tried to engage on the housing issue by coming up with a housing master plan. This master plan seeks to roll out or deliver low income housing to those who need it most, namely the poor. What becomes an issue, however, is how the master plan deals with land ownership as well as the promotion of sustainable settlements.
- d) The DM together with the Department of Land Affairs, are engaged in a land auditing process. The objective of this process is to try and assess the land use pattern in the area with the hope of locating and using available land in a sustainable manner. The District Assessment Committee (DAC) is also involved in the process.

The panel is concerned about:

- a) The manner in which the DM is addressing the issues around property development in the area. The presence of golf estates in an area where there is a growing number of informal settlements is a cause for concern. Although the panel acknowledges the necessity of having golf courses in the DM, it strongly believes that the DM should reconsider its priorities. There must be a way of curbing the growth of informal settlements in the area while at the same time catering for the needs of the wealthy. Thus, meeting the basic needs of the vulnerable and poor people should inform the DM's decisions especially where land redistribution is concerned.
- b) The DM does not have a finalised spatial development framework. This did raise concern among the panellists who believed that planning without a clear-cut strategy is bound to lead to inconsistencies and the lack of strategic prioritisation.
- c) The environmental, economic as well as social imperatives in the DM are not adequately linked.

The panel recommended that:

- a) The DM liaises with the Department of Land Affairs and tries to come up with a holistic, equitable and sustainable approach to land redistribution.
- b) The Department of Housing participates not only in the delivery of housing, but also in the promotion of spatial integration leading to the creation of sustainable settlements.

- c) The DM needs to better understand strategic prioritisation. In short, the needs of the poor communities must be considered a top priority. Dealing categorically or decisively with the issue of informal settlements in the DM is essential as it leads to social justice.
- d) Having a well-structured and pragmatic SDF that would impact positively on the spatial as well as socio-economic fabric of society must be the DM's priority. Issues of land ownership, spatial integration as well as the delivery of housing cannot be discussed in isolation, as they are intertwined. It would therefore be in the interest of the DM to approach these issues in a strategic, innovative and pragmatic manner.
- e) Engaging other role-players (i.e. the private sector and NGOs) in issues pertaining to land redistribution and housing is likely to yield results.

4.3 ECONOMIC DEVELOPMENT

The panel notes that:

- a) The DM does not have a sustainable economic strategy that could actually lead to the integration of the so-called first and second economies. The unavailability or the weakness of the DM's economic strategy has resulted in the growth of the inequality gap between rich and poor. The poor find themselves trapped in a vicious cycle, characterized by poverty, squalor, high levels of illiteracy and unemployment. Although the presentation highlighted these socio-economic challenges faced by the province, it did not come up with progressive interventions that could reverse the situation.
- b) Migration or the influx of economically active people from other areas to this DM has resulted in the growth of unemployment. In the coastal municipalities such as George and Mossel Bay, the increase in population due to migration has further strained the municipalities' capacities to deliver services. It is unfortunate that the migration and/or urbanisation trends are not accompanied by rapid economic growth and job creation.
- c) In order to attract investment to the area, the DM is in the process of revitalising CBDs as well as ensuring that economic nodes within the area are conducive for attracting local and foreign investment. The revamping of the CBDs is closely linked to the implementation of new infrastructure in the area as well as repairing old infrastructure.

The panel acknowledges that:

- a) Although the agricultural sector is the most viable economic activity, the DM has tried to expand its economic potential into other sectors, particularly tourism and trade. Insofar as tourism is concerned, there have been small-scale projects that primarily run from Uniondale. The aim of having such projects is to create employment in the DM.
- b) With regard to Local Economic Development (LED), a new strategy of promoting tourism and foreign investment is underway. There has been a call for municipalities in the area to create conducive environments that might attract and retain businesses in the district.
- c) Plans to promote LED in rural areas are also being considered.

The panel recommends that:

- a) The DM works in tandem with other spheres of government as well as other stakeholders in order to come up with a clear-cut economic strategy that would address unemployment and poverty in the area.

- b) It is the onus of the provincial government to ensure that the DM is fully capacitated (i.e. financially as well as in terms of skills development) to harness and promote the tourism industry.
- c) The LED strategy be in line with the IDP as well as the budgeting process of the DM. Again, the provincial government and the treasury must play a part in ensuring that this synergy becomes a reality. As one of the municipal managers pointed out during the hearings, economic growth and social stability in the DM can only be achieved if all spheres of government work together. The failure of one municipality to deliver basic services tends to tarnish the reputation of all spheres of government.
- d) In order to benefit from intergovernmental relations, the DM should specify and/or spell out the kind of support it might need from other spheres of government. For instance, the DM is in dire need of skilled personnel who will not only deal with the management of finances, but also identify (and thus unleash) the DM's economic potential.

4.4 GOVERNANCE and INSTITUTIONAL CAPACITY

The panel notes and acknowledges that:

- a) The DM is aware of the importance of fostering or forging relations with other spheres of government. Furthermore, the DM is working closely with other role-players, particularly the DBSA, the Stellenbosch University and other academic institutions, to ensure that institutional capacity is being strengthened.
- b) The DM has developed a Capacity Development Framework for each municipality as well as for the region as a whole. The rationale behind this initiative is to strengthen the skills base within the municipalities, thus ensuring that those who work within the government spheres understand how the system works.
- c) The importance and the vibrancy of the DM's PIMMS centre. It is through PIMMS that the district has tried to forge links with other governmental spheres and the private business sector.
- d) Insofar as promoting good governance is concerned, the DM has embarked on a project of moving administrative offices to nodes or areas that are closer to the people. Such a move could encourage public participation in government issues/agendas.

The panel is concerned and recommends that:

- a) Although the district highlighted that it had a thorough knowledge of issues/debates around governance and intergovernmental relations, it has not been able to establish sound relationships with the provincial and national government.
- b) The financial management in the DM needs to be revisited. One way of achieving financial viability in the DM is to strengthen the skills base within the municipalities as well as employing financial experts.
- c) With good governance as one of the DM's objectives, the involvement of relevant role-players in the process of planning and decision-making be a priority. Academic institutions such as the Nelson Mandela Metropolitan University in George as well as the University of the Western Cape have a lot to contribute to the province as a whole in terms of information and knowledge sharing.

4.5 INTERGOVERNMENTAL COORDINATION

The panel acknowledges and commends:

- a) The DM is aware of the need to align planning instruments within and between spheres of government. Gauging from the presentation, there was a sense of determination and zest from the municipal representatives, who displayed a theoretical understanding of the alignment and harmonization process.
- b) The DM has tried to involve the community in the IDP process. Furthermore, there has been an attempt to link the IDP with the PGDS (Ikapa Elihlumayo). Insofar as the NSDP is concerned, the region as a whole is cognizant of the underlying principles and it tries to consider them when implementing projects in the area.
- c) The regional strategies such as LED, poverty eradication and environmental sustainability, are set in the context of PGDS and NSDP.

The panel is concerned:

- a) About the lack of communication between different levels of government, which results in uncoordinated planning.
- b) About the lack of clarity insofar as the role of the DM is concerned. The DM called for a 're-invention' and/or a 'redefinition' of the role of districts particularly in planning.
- c) About the integration of category B and C municipalities being difficult if not impossible, according to the DM. There is a need therefore, for the provincial government to be strategic and innovative when dealing with municipalities.

The panel recommends that:

- a) The DM engages with other spheres of government, to come up with working relationship that is beneficial for all parties concerned. For such a relationship to be forged, the DM should specify/clarify the kind of support it expects or wishes to get from other spheres of government.
- b) The dplg and SALGA be given the responsibility of ensuring that healthy and profitable relationships are forged in the district.
- c) The DM tries to be creative and innovative when dealing with socio-economic issues. Although other sphere spheres of government can assist where possible, the onus is on the DM to formulate strategies that are relevant to its locality. In terms of economic growth, drawing from local experiences has proven to be beneficial.
- a) In order to benefit from the intervention from other spheres of government, the DM should formulate or strengthen the existing Spatial Development Framework. Having a sound and pragmatic framework will result in a more focussed and equitable planning process.

4.6 COMMUNITY PARTICIPATION

The panel notes and acknowledges that:

- a) The DM has established vibrant ward committees that are seen as public spheres where the community can engage in and effectively communicate with government officials.
- b) From a presentation made by ward committee representatives, the DM has taken initiatives to train and equip the community with skills that enables them to engage strategically and meaningfully with the IDP process. Thus, participation in the IDP process has opened up new possibilities for the

community who now identify with the planning process as well as the workings of the government system.

- c) Apart from ward committees, there are IDP representative forums as well as the IDP Steering Committee. These structures facilitate community participation in the district.

The panel is concerned with:

- a) The distance that exists between the community and the municipalities. Although an effort has been made to encourage public participation in the area, some members of the community feel alienated or sidelined from the planning process. One community representative from George pointed out that government officials are not fully aware of the challenges faced by the people on the ground.
- b) The community finds it difficult to comprehend the contents of the IDP document and other government documents. It is a challenge of all spheres of government to address the issue of illiteracy in the region as well as making government documents more accessible to the greater part of the population.
- c) Issues around gender equity as well as the involvement of the vulnerable groups in the planning process, which are not emphasised. If these groups are not given a chance to participate in the IDP process (or in the decision-making process), it would be difficult for the DM to fully integrate them into the socio-economic mainstream.

The panel recommends that:

- a) Ward committees should be strengthened, as they are a vehicle and/or fora where the community can make its grievances and concerns known to the government. Community representatives should be fully trained and capacitated if they are to engage meaningfully in planning debates.

6. POLICY/ ISSUES AND CONSIDERATIONS FOR NATIONAL GOVERNMENT

- a) It became clear during the proceedings that most municipalities in the district do not have adequate skills or the financial means to deal effectively with the responsibilities entrusted to them. Although these municipalities might have clear-cut strategies and visions for the development of their area, turning those visions into action and/or reality has proven to be a major challenge. It would take commitment and determination from all three spheres of government to transform the municipalities' developmental goals into reality.
- b) Issues around land redistribution, the delivery of housing and related infrastructure, sound financial management and resource allocation as well as poverty alleviation. The Department of Land Affairs, for instance, needs to formulate a national land redistribution policy/strategy that can be implemented at local level. The implementation of such a policy will require the involvement of the provinces as well as those parties that own the land. It is clear that the DM is failing to address the land issue in a strategic manner and instead of pointing fingers or blaming the DM, the provincial and national spheres should intervene appropriately.
- c) All spheres of government should play their role in accordance to the constitution. The Western Cape Province for instance, should draft its Provincial Development Strategy as well as the Provincial Spatial Development Framework in time so that the municipal IDPs as well as the

budgeting process can draw from the provincial guidelines. If that can be achieved, then the province will be on its way towards a harmonized and well-aligned planning process that is so needed in this country.

6. CONCLUSION

'Integrated governance [and planning] requires a perpetuation of the matrix mindset across the different spheres of government' (Eden DM 2005: 43).

The success of planning as well as the integration of the fragmented spatial fabric of post apartheid communities depends on the ability of all spheres of government to forge working synergies. The provinces have a greater role to play in channeling and/or guiding municipalities' developmental strategies.

In this era of globalization, regions/provinces are seen as strategically positioned to engage with both the national and local spheres of government, resulting in a seamless formulation of policies (at national and regional level) and the subsequent execution or implementation of strategies or plans.

The dplg then, should make sure that DMs such as Eden are able to move beyond the level of simply grasping the planning jargon of the day, to actually implementing pragmatic strategies on the ground. This DM is aware of *what* needs to be done. The challenge is *how* to go about implementing those strategies on the ground.

The DM was thanked for its participation and inputs in the hearings.

SIGNED

Signature of Chair:

Name: Mr Elroy Africa

National Department of Provincial and Local Government

Date:

Signature of Co-Chair:

Name: Ms Shanaaz Majiet

HOD, Department of Local Government, Western Cape

Date: