



the dplg

Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA

the DHLGTA
Department of Housing,
Local Government and
Traditional Affairs
Eastern Cape Province
**REPUBLIC OF SOUTH
AFRICA**



IDP HEARINGS 2005

PANEL REPORT

BUFFALO CITY LOCAL MUNICIPALITY EASTERN CAPE

Panel Members	Organisation
Mr. Derek Powell (Chairperson)	dplg
Ms Bea Hackula (Co-Chairperson)	HOD, Department of Local Government and Housing
Mr Ashraf Adam	Independent (MCA)
Ms Nellie Agingu	Independent (Planact)
Ms Judy Beaumont	DEAT
Mr Andrew Boraine	SACN - Chairperson
Mr Oupa Mokoena	DBSA
Mr Graham Richards	SALGA (National Office)
Ms Sizazo Sibisi	Independent (Deloitte Touche)

VENUE: Kempton Park Civic Centre Council Chambers, Ekurhuleni

DATE: 30 May 2005

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 and metros and are aimed at assessing how the whole of government is prioritising 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 SACN member metros and cities took place from the 30th of May to the 2nd of June 2005 in Kempton Park.

This Panel Response report highlights the most critical issues emerging from the Eastern Cape SACN Member Hearings (Buffalo City Local Municipality). It acknowledges the context and capacity of the cities and provides the panel's response to development challenges raised.

2. KEY ASPECTS OF INPUT BY THE OFFICE OF THE PREMIER, EASTERN CAPE

The Office of the Premier gave a brief input on the general findings of their assessment of the extent of alignment between the IDPs (of all the DMs, Buffalo City LM (BCM) and the Nelson Mandela Metropolitan Municipality) and the Eastern Cape PGDS. These general findings were:

Prioritisation:

- a) There was no coherent and structured process that informs prioritisation by province and by IDP.
- b) Where joint planning takes place there is no systematic process of feeding information into the strategic planning at provincial and local level.
- c) There is a need for the provincial SDF to be aligned with NSDP and PGDP.

Resource allocation and management:

- a) Most departments are unable to disaggregate their financial allocations according to DMs and metros.
- b) There is generally little correlation between financial allocation by the province and the needs of people.
- c) There is little evidence of a partnership between province and Nelson Mandela Metro and Buffalo City around financial and other resources.

Implementation

- a) There is a scarcity of resources.
- b) No routine data collection and analysis processes are being undertaken.

In excess of 70 % of the IDP budget in Buffalo City is allocated to fighting poverty.

PGDP Presentation

An overview was also provided on the Eastern Cape PGDP. It identified challenges that the province was facing and outlined the PGDP targets. The strategy aims for transformation of the agrarian economy and establishment of food security; systematic poverty eradication and incremental creation of fiscally sustainable social security system; consolidation, development and diversification of the manufacturing base and tourism potential. It highlights the packaging of 27 PGDP Programmes in six strategic focus areas and points to the fact that the PGDP is being spatially referenced in order to concentrate development efforts in areas of high economic potential (in line with the NSDP). The following corridors were indicated that have an impact on Buffalo City: Fish River SDI between East London and Port Elizabeth (Coega, East London IDZ, Automotive, Logistics, Engineering, Transport, Clothing & Textiles, Fishing, Plastics, Rubber, Tourism, Infrastructure (rail, port development)); Kei Economic Development Corridor from East London to Kokstad through OR Tambo (Kei Rail, Forestry, Agriculture (Maize), Agro-Processing, Paper, Timber, Tourism, Umzimvubu, Hydro-Electric Dam); Wild Coast Agro-Tourism Corridor from East London along the coast through Port St Johns (Nelson Mandela Footprint, Tourism, Agriculture (Maize, Citrus, Sub-Tropical Fruit), Agro-Processing, Fishing, Timber, Toll Road, Wild Coast Meander, Revitalisation of Reserves).

3. MAIN FOCUS-AREAS OF DISCUSSION

3.1 Institutional Readiness, Strategic Planning and Financial Management Capacity

- a) The panel was impressed with Buffalo City's presentation. They were seen to be clear about the challenges facing the municipality and were clear on the manner in which they are going to address these challenges.
- b) The panel found that Buffalo City have a good grasp in their current IDP of some of the difficult choices and they show evidence of thinking strategically in making the choices.
- c) The panel found the team representing the municipality to be good and an impression was created that the municipality was well organised.
- d) Buffalo City was found to be doing well in terms of financial management and the panel noted that they had received unqualified audit reports.
- e) The panel raised concerns around the fact that Buffalo City were employing an external collection agency.
- f) The panel noted that information management and anti-corruption were being dealt with internally.
- g) The panel commented that the Buffalo City seems to be implementing the NSDP principles in their local context and they were commended for this. The Buffalo City SDF starts to grapple with some of these issues.
- h) The panel also noted that Buffalo City has one of the most important integration challenges, having a spatial structure resembling a long string with beads along the way.
- i) The panel recommended, bearing in mind the difficult challenge that this spatial structure poses for Buffalo City, that they would need support in devising strategies to address it. SACN, DHLGTA, Premier's Office (ECSECC), and dplg (URP) should be considered in providing this support.

Panel Question/Issue/Comment	Buffalo City Response
Key problem is that BCM is compliance-driven (blind). There is not a comprehensive institutional capacity plan. Strategic information is a problem area, critical information appears to be missing even though the BCM has a GIS. Actual impact is not coming through, just plans for addressing problems. The Premier's Office also needs to take note of the challenges the municipality is facing. Is Organisational re-engineering taking place?	These skills for organisational re-engineering are not always present in the BCM. They are undertaking a first phase of organisational re-engineering. GIS Task Team is addressing the information issues. See potential of GIS but don't always have access to other information. They lack resources and capacity to make the shift to a new focus. The skills challenge is to be able to integrate and synthesise information and to adjust plans in line with this.
There is not Programme-Based budgeting. Challenges in getting there. Need to reflect where Capital and Operations & Maintenance money is going?	BCM has made progress on Programme-Based Budgets. Budget has activity-based costing. BCM is a pilot site for National Treasury on this programme.
In terms of optimising fiscal capacity, what is the current fiscal capacity of BCM? Are they billing everyone? Gap between billing and collection? Application of credit control? Financial sustainability of the Municipality and also the issue of City sustainability.	BCM still needs to apply debt control. It does not bill residents in rural areas. BCM has credit rating for the municipality and IFC rating for guarantees regarding loans.

Panel Question/Issue/Comment	Buffalo City Response
Staff costs over 30% of income but some posts are still not filled.	Necessary skills cannot be attracted to smaller cities/centres such as East London. The organisational re-engineering should address this problem.
Optimising human capital - Why is optimising the Workplace Skills Plan a challenge? Why do they only have an Interim EE Plan?	-
Performance Targets – are they set up and reviewed?	-
What progress has been made with Land Use Management Systems?	A GIS and State of Environment Report is in place. BCM has good data to suburb level of land uses. Currently integrating the State of Environment report into the IDP. Know where sensitive areas are; Know what can be released for development; Future land uses are defined.

3.2 City Development Strategy, Long-Term Strategic Planning and Striving for a Productive City

- a) The panel were concerned about the lack of long-term planning beyond the current crisis management and short-term planning. BCM seem to pin their hopes on the city development strategy to achieve this, they see this as the next phase of the IDP. It was hoped that BCM would be able to develop their institutions around the city development strategy.
- b) The panel raised a concern that there had been no significant progress on a CDS after two years of this being on the agenda and being 'in the making'.
- c) The panel recommended that assistance be given to BCM by DEAET and DTi to maximise the potential of the IDZ.
- d) The panel recommended that energy and resources should be invested in the CDS process of BCM by the municipality with assistance from DHLGTA, Premier's Office (ECSECC), dplg and SACN.
- e) BCM should engage in knowledge sharing with other municipalities such as Nelson Mandela Metro, Msunduzi LM and Mangaung LM.

Panel Question/Issue/Comment	Buffalo City Response
What about future-looking plans?	City Development Strategy is being developed
What is BCM doing about addressing the disparity between 1st and 2nd economies?	-
Has thought been given to where BCM will be in 20 years time with respect to the economy, where people will be living? BCM shows the tough choices it is grappling with (p27-29 of submissions), tensions around development path, basis for economic future. Trying to apply NSDP principles. Productive City issue coming up in	BCM has been overwhelmed by all the things they need to comply with, such as establishment on an institutional level. Now they need to look at growth of the city as a whole. PGDP-IDP alignment is recognised as a problem. Long-term strategy of city will move them beyond issues of establishment and of consolidating and meeting legislative requirements. They are moving beyond their inward-looking institutional focus. They have recognised the need for a CDS. The CDS Process Plan is developed now. Product

Panel Question/Issue/Comment	Buffalo City Response
<p>economic plans. Transport and jobs ranked highly by wards also. Role of SDF in bringing together areas of opportunity and need. What does not come out very strongly is the formal economy, what are their long-term comparative/ competitive advantages? Provide hints about where economy is going but must be developed more strongly.</p>	<p>niches will come out of this CDS process. They need more analysis as a basis for the CDS. Assembly of Mercedes Benz – must match this with the municipality's capacities, e.g. on ICT, etc. The SDF is being reviewed. They need a creative approach to the rural portion of the municipality. The PGDP may address this more with its agrarian focus. BCM must be viewed as the economic hub.</p>
<p>Effectiveness of Buffalo City? Development Agency? Effectiveness of IDZ?</p>	<p>The BCM are holding bilateral meetings with the MEC for Economic Development as the IDZ has not been very effective. Bottlenecks are not caused by the municipality. BCM has put in the infrastructure and offered incentives. They need to market it more but have not attracted investors yet. Assistance from national and provincial is required to achieve this.</p>
<p>Other instruments available to make the city more productive? Partnerships with private sector (old and emerging)? Effectiveness of partnerships with state-owned enterprises?</p>	<p>Partnership with Daimler Chrysler funding training of electrical engineers in the local university. The Mayor's Business Forum needs to be reorganised in order to improve on linkages with businesses. They will invite eThekweni to assist with good practice in this regard. PPPs are seen as a way of funding a regional waste management site, for example.</p>

3.3 Infrastructure Development, Service Delivery, Appropriate Service Levels and O&M

The Panel noted that:

- a) Greater attention needs to be paid to water, sanitation and refuse removal because of the huge backlogs in the BCM area.
- b) The issue of bucket eradication needs to be managed and funds devoted to it.
- c) With the expansion of the city, greater attention needs to be paid to the sewer systems, which are currently overloaded.
- d) There are significant losses on water and electricity due to lack of upkeep of infrastructure/poor condition of network, poor monitoring of electricity usage, incorrect billing.
- e) A study was being done to determine the profile of backlogs, which it was hoped, would help them with their planning.
- f) BCM needs to provide a basic service commensurate with the affordability levels, which will mean not having water-borne sewerage in all rural areas. Levels of services must be commensurate with the economic capabilities of the Eastern Cape.
- g) There was an attitude of helplessness in terms of addressing backlogs and deferred maintenance. No plans had been made for addressing the estimated deferred maintenance and repair cost of R1.3b for water and sanitation infrastructure. BCM's response was merely that they do not have sufficient resources and do not know where to get the resources to tackle these challenges and therefore cannot deal with this in their planning.
- h) The plea of BCM for funding support for operations and maintenance of infrastructure.

Panel Question/Issue/Comment	Buffalo City Response
<p>Sustaining levels of infrastructure services, urban and rural? How far have services been extended?</p> <p>The indigent policy is positive.</p>	<p>Maintenance of infrastructure is important. As regards sustainability and progress in new infrastructure they cannot achieve long-term plans because of lack of funding.</p> <p>DBSA is their partner in infrastructure investment. Have a partnership with Department of Science and Technology to investigate and use different types of sanitation infrastructure.</p>
<p>Backlog to deal with basic services (for example, 29 000 pit latrines). How is it being managed? Basic Infrastructure Plan - is there monitoring?</p> <p>P4 of submission – no additional households getting water and sanitation – none for 4 years.</p>	<p>Talking to DWAF re rural water.</p> <p>Sanitation: Water-borne sewerage in urban and urban edge areas, alternative sanitation in rural areas. Are engaged in an exercise in rural areas to confirm backlog figures, households having access to infrastructure and the number of pit latrines.</p> <p>Sewerage infrastructure in urban area, East London and King Williams Town, is overloaded. To support housing roll out, need R200m upgrading of this infrastructure. If this issue is not dealt with it will impact negatively on housing roll out.</p> <p>An Integrated Task Team (Engineering, Finance, Environment Unit) has been set up in BCM to deal with these challenges.</p> <p>All Equitable Share is directed to servicing the rural areas. There is a different strategy to sanitation in these rural areas.</p> <p>Electrification is not the municipality's mandate in rural areas. They have facilitated meetings with ESKOM to ensure they discharge their function. Alternative forms of energy are being explored for urban and rural areas.</p> <p>Telephone lines in rural areas with TELKOM.</p>
<p>Water and sanitation: Can people afford full services? Is this not overburdening the municipality by establishing this level of service? How is the city going to carry these costs?</p> <p>Sustainable service delivery: Are services levels sustainable? How to minimise existing services footprint.</p>	<p>Costs for deferred maintenance amount to R1.3b. This is historical but there is limited financial capacity to deal with it. The BCM is trying to make provision for it in the operating budget. In the IDP strategy, 41% goes to redeeming infrastructure. National problem –needs to be addressed here. MIG funding for basic infrastructure but need formula to address deferred maintenance. Re-look at MIG, introduce a better balance towards maintenance.</p> <p>In terms of over-burdening the municipality the dilemma is that of wanting to adhere to RDP standards but providing water-borne sanitation in all areas is a problem. Technical efficiency of dry sanitation as a means of providing sanitation is being explored. Pilots are being set up to educate communities that dry sanitation does not involve a lowering of standards. There is a low affordability with 70% of the population earning less than R1500pm.</p> <p>BCM is developing an economic strategy to increase their rates base. They will work with DTi and DEAET to ensure IDZ becomes workable, increase affordability levels. BC Development Agency has been initiated to speed up economic development initiatives and ensure greater employment and affordability for services. Vast rural areas reduce tax base but must address these areas.</p>

Panel Question/Issue/Comment	Buffalo City Response
	The Millennium Development Goals include halving unemployment to create 7000 jobs per year. BCM is loosing jobs in the agricultural sector and in old industries mainly, but there is growth in new industries (services, estate agents, etc). They aim to leverage off new economies to sustain service delivery levels. Current levels of services are not sustainable if the economy is not grown.
Community involvement in maintenance of infrastructure?	Community Liaison Officers and Public Participation Unit. Are looking into the possibility of using community members in maintenance.

3.4 Access to Land, Land Availability and Land Use Management

The Panel recognized that:

- Access to land is an issue in this municipality (as it is in many other municipalities nationally).
- Availability of well-located land for housing is a problem.
- The municipality requires help from national and provincial government in accessing TRANSNET and DPW land. SACN should assist in this regard.

Panel Question/Issue/Comment	Buffalo City Response
What progress has been made with Land Use Management Systems?	BCM is finalising Land Use Plans. Much of the land is in rural areas and involves traditional leaders. Problems encountered include the fact that much land is in the hands of TRANSNET or Public Works. The municipality requires help from national and provincial government in accessing this land. Currently surveying land in rural villages.
Access well-located land	Land availability for housing close to the city is a problem. There has been past sale of land by BCM, which has been problematic. It is difficult to negotiate regarding private land. Ownership details sometimes unclear and some sectors believe that they own land, which actually belongs to another party.
Criteria of municipality to provide its own land for development, are they market-orientated or socially driven criteria?	Must comply with Property Rates Act and Finance Management Act. The BCM adopts an objective approach, which assesses the benefits to the city of disposing of land. Take into account BEE issues. Ensure that land is not sold to only those with money. Highlighted the need for participation in the process.
Acquiring land from other spheres – difficulty in accessing this?	The BCM are establishing a Development Agency as one means of addressing this problem. Most land for development is owned by TRANSNET and DPW, not much is owned by BCM. In some cases there is confusion over the rightful owner of land, for example, the same pocket of land is seen to be owned by BCM and TRANSNET. Referred this issue to SACN to come up with a joint way of dealing with TRANSNET. Need other spheres to help with gaining access to land.

3.5 Environmental and Waste Management Issues

The Panel notes that:

- a) Pressure on the biophysical environment such as increased development pressure along the coastline and rivers has serious impact on the state of the natural environment.
- b) The BCM area has important environmental assets (coastal areas, fresh water resources, inland forests and thicket biomes).
- c) The BCM has in place strategies and plans aimed at management and protection of the natural environment. These include: an Integrated Environmental Management Plan (IEMP); Integrated Coastal Zone Management Plan (ICZMP). They have also put in place an Integrated Environment & Sustainable Development Unit (IE&SD Unit).
- d) BCM experiences funding constraints for the preparation of Waste Management Plans and is making attempts to link up with other support programmes.
- e) A site for a regional waste site has been identified by BCM without seemingly having engaged with the Amatole DM.
- f) BCM doesn't have a plan for hazardous waste management.

The Panel recommended that:

- a) BCM pursue the EPWP to get maximum benefit from this programme. Engage with DPW (provincial and national) to explore possibilities.
- b) BCM ensure that overloading of sewerage treatment works and development pressure on ecologically sensitive areas be addressed as a matter of urgency. The possibility of accessing extraordinary additional sources of funding to ensure that permanent environmental damage is not done in the short-term should be explored.
- c) The strategic information and knowledge management skills that are lacking in addressing these environmental issues should be sought and service providers or provincial or national support should be used if the BCM is unable to attract these skills onto its staff.
- d) BCM should consult with the DM and the Province around a regional waste site.
- e) Province should play a more active role in the development of a hazardous waste management strategy.

Panel Question/Issue/Comment	Buffalo City Response
Lessons from eThekweni regarding refuse removal and links with EPWP?	BCM are collecting refuse once a week in the suburbs. The plan in rural areas will take some time. Refuse removal in rural areas – mainly recycling and community collection in these areas. Are developing strategies, were originally privatising but are now taking it back to create jobs. BCM has made refuse collection part of EPWP. They are running Ward Competitions. Thus job creation opportunities around recycling are being explored. Pilot Buy-Back Centres have been set up. First small steps have been taken in EPWP. They have 30 learnerships: 10 for contractors and 20 for supervisors.
Waste management – Does BCM have an IWMP? Media reports that hazardous waste is buried near major urban areas – is there a plan and sites for this? Waste Management Plan - is there monitoring?	Budget for IWMP, capacity to implement the plan. They have a waste management site in Berlin (between East London and King Williams Town) they are looking for partners, BCM alone cannot get site to where it should be. R50m for new waste management site and R30m for future to deal with this.
In BCM there is a tangible link between the	BCM is aware of overloading of sewerage treatment

Panel Question/Issue/Comment	Buffalo City Response
<p>natural resource base and economic development – tourism sector. BCM has an impressive array of plans for managing development in the area. Yet there is evidence that sustainable development is being undermined: industrial effluent into rivers; sewage spills; blue flag beach e. coli count threat; development encroaching around estuaries and rivers in catchment areas; Indications of development pressure impacting on natural resource base. The planning framework is not adhered to, strategic choices are not being made. Given array of plans and SDF, what other institutional support and capacity is needed to define and make strategic choices? Is there a lack of budget? Is planning capacity limited? Is there a need for information? What support would enable them to operationalise and integrate plans?</p>	<p>works and 'land washing' from informal settlements and are addressing effective sewer systems. They are committed to not continuing to damage the environment and ensuring that sensitive areas are preserved. Plan eco-tourism in sensitive areas. There is a lack of intelligent information, they are identifying information and integrating it but are lacking strategic information management skills. BCM needs more capacity with respect to knowledge management skills.</p>

3.6 Transportation and Roads Infrastructure

The Panel notes that:

- a) Infrastructure has deteriorated and is poorly maintained in BCM.
- b) The maintenance of gravel roads in rural areas is very costly and needs to be done regularly.
- c) Rural mobility and links to rural roads are crucial.
- d) The transport network needs to be upgraded to attract outside investors to the area. The current poor state of roads is a deterrent to investors.
- e) Maintenance and restoration of infrastructure is still less costly than constructing new infrastructure.
- f) There is an estimated deferred maintenance cost of R230m.
- g) The transport system is not adequately meeting the needs of the community and that the 2004 ward committee survey prioritised roads and transport as the top issue on the list of key priority issues.

The Panel recommended that:

- a) BCM seek ways of getting external investors to assist with funding road maintenance.
- b) The provincial department of Roads and Transport, and national DoT, assist in addressing this issue with BCM. That they speedily address the re-classification of roads, communicate the results of this re-classification clearly, and then provide the requisite support and funding to enable municipalities to discharge their new road maintenance responsibilities.

Panel Question/Issue/Comment	Buffalo City Response
<p>Backlog to deal with basic services. How is it being managed? Basic Infrastructure Plan - is there monitoring?</p>	<p>Problems with roads into rural areas. These are mainly a provincial competency. BCM only maintains roads on the urban edge. Province is not looking after these rural roads, impacts in the BCM area. With the re-classification of roads by mid-June province will indicate to the BCM what their responsibilities will be. In the meantime the roads</p>

Panel Question/Issue/Comment	Buffalo City Response
	<p>have deteriorated and money is required to rehabilitate them but BCM needs clarity on extent of the maintenance required. Even if BCM wants to pilot agricultural projects in rural areas it cannot access some villages. BCM needs assistance from National Dept of Agriculture and Provincial Department of Transport and Road to resolve this issue.</p> <p>The BCM estimates that it will cost R230m for roads maintenance. The bad state of the roads affects attraction of investment to the municipal area.</p>
<p>Wards raised the issue of access, roads, and public transport. The BCM's planning does not seem to be addressing public transport, restructuring existing city centre, and getting better efficiencies for public transport. How will BCM deal with this going forward?</p>	<p>There is engagement with the National Department of Transport. City Centre improvements and better transport linkages to link waterfront development and the CBD are being engaged in.</p> <p>MUNIMEC facilitates the forming of joint strategy with Province but bilateral meetings are also necessary.</p> <p>There are proposals for corridors of development with linkages between settlements e.g. Mdantsane – Melda Corridor in the SDF.</p>
<p>What is the province's long-term plan to assist BCM with transport issues?</p>	<p>-</p>
<p>Mdantsane URP. Transport is the most important sector in providing linkages, need to strengthen integration.</p>	<p>-</p>

3.7 Housing and Tourism Development - Potential Economic Drivers

Housing

- a) The panel recognized that BCM are conducting a Housing Needs Assessment.
- b) They concurred with BCM in their assertion that Housing, if different types are pursued, can be used as an economic driver in BCM. Social housing and company housing were mentioned as good examples in this regard.
- c) The panel recommended that the municipality use opportunities provided to engage with the provincial housing department (DHLGTA) to obtain additional support in pursuing this goal and in addressing housing backlogs.
- d) BCM should engage with the Department of Labour around funding for Training Centres in their area, which offer appropriate learnerships.

Tourism:

The Panel recognized that:

- e) The coastline has potential for the development of tourism and is an important asset that requires protection and management.
- f) A Tourism Master Plan exists although it had not been made available to the panel.
- g) The panel recommended that tourism growth should not only happen in existing areas but that benefits should be spread beyond the coastal areas and beyond the city of East London.

Panel Question/Issue/Comment	Buffalo City Response
Use of land and housing policy to integrate city to give poor people access to the formal economy?	Social Housing strategy to integrate society (for wealthy and poor), land is allocated for social housing closer to city and in the City Centre.
Housing – accommodation as future economic driver. Types other than social housing? Future plans regarding commercial land and private housing.	Company housing is a big issue in BCM. The Integrated Housing Task Team is looking at land use, sustainable housing settlements, and job creation. BCM alone can't address housing backlog, maybe too internally focussed, need to engage Provincial Housing. Infrastructure backlogs and under-capacity, especially with respect to sanitation hamper housing provision. On Friday 2 June there is a meeting with province at which all municipalities will discuss their 5-year housing plans.
Are there learnerships for housing related issues? Is BCM linking with institutions of Higher Learning, FETs, etc. to address the needs of the city?	BCM met with University of Fort Hare, linking up with students as interns. Asked them to introduce Housing into the curriculum. Also encouraging the University to introduce Town and Regional Planning. Skills in the province to attract them to East London. Partnership with them, employ them for learnerships/internships. Also with GIS, partnership with Swedish on these programmes (Street Survey), include Fort Hare in this partnership. BCM sees this as a way of attracting and retaining skills. Training Centres in the city are already training emerging contractors. Border Training Centres don't have sufficient funding. This should be addressed with the Department of Labour. A challenge for sector departments is that the formula for funding higher education does not help with establishing partnerships. The National Department of Education must address this.
Tourism Strategy – effectiveness of Tourism Buffalo City?	BCM does have a Tourism Master Plan, assisted by USAID to implement. Did not have a copy available.
Tourism growth sector – what is being done to ensure that tourism growth does not happen only in existing areas but benefits are spread beyond the coastal areas and beyond East London?	Addressing this in disadvantaged areas. Involve all communities –rural tourism part of Master Plan, heritage and cultural issues addressed

3.8 Relationship Issues and IGR

Role of the Big City within a DM:

- a) The panel recognised an uneasiness with respect to respective roles of BCM and Amatole DM. There was a feeling that BCM operate as if they are a metropolitan municipality, although they are part of the District Municipality. BCM believe that they have not been taken into account in the DM's IDP process.

With Province and Sector Departments

- b) The panel observed that the PGDP is not aligned to the needs of the urban economy of BCM and Nelson Mandela Metro. It was characterised as an 'anti-urban' strategy

which did not reflect BCM's key economic drivers. The Panel attributed the lack of synthesis between the BCM IDP and the PGDP to this.

- c) The panel also noted that there were many delays in getting projects off the ground because of slow processing of issues in provincial and national spheres. For example, the fact that state land takes two years to release.
- d) The panel also took note of responses from the Premier's Office that asserted that their analysis of the BCM 2003/2004 IDP found that there is significant strategic alignment but that there is dislocation around programme implementation alignment between the province and municipalities. There was an indication that stakeholders in the PGDP process included mainly the DMs Working Reference Groups and Technical Teams (note not individual LMs such as BCM). The Premier's Office conceded that the Province needs to align better with NSDP and that the provincial Infrastructure Demand Plan needs in turn to be aligned with the PGDP.
- e) The panel agreed with the Premier's Office statement that IGR structures (in line with the IGR Act) alone are not the solution. It was asserted that the Premier's Coordinating Forum needs to address real substantive issues and must have technocrats informing them of the real issues.
- f) The panel also asserted with the Premier's Office that the devolution of powers and functions to local government must be accompanied with appropriate resources (human and financial).

With Nelson Mandela Metropolitan Municipality

- a) The panel was told that BCM and Nelson Mandela Metro have created a working relationship on paper but have not concretised it all.
- b) The panel recommended that there should be closer working relationships of these two cities within the province. There should be knowledge sharing and joint strategising on issues, where appropriate.

Panel Question/Issue/Comment	Buffalo City Response
Is there a joint strategy between province and municipality around transportation and roads?	There is no joint strategy between province and BCM around roads. The provincial Department of Public Works, Roads and Transport, National DoT need to play a role. The categorisation of roads is a blockage for development in BCM. It must be addressed by DoT nationally. The fact that provincial public works and transport is one department and nationally is two departments causes problems.
In terms of partnerships with province and PGDP there seems to be great dislocation. Not sure about relevance of comparing budgetary allocations with PGDP when city's budget focuses on their own powers and functions. BCM and NMMM make up 80% of the provincial economy but don't feature at all in PGDP. There seems to be a shocking lack of alignment.	PGDP took into account the District IDPs. Province did also meet in the BCM IDP Representative Forum. BCM strategic issues did not necessarily come through from the Amatole DM. The next review must address this issue of alignment between PGDP and IDP. BCM focussed on being compliant MFMA, MSA but lost focus on what they could do. So busy trying to integrate that they miss the bigger picture. Now that they are compliant they realise what they have missed. Alignment with DM is also a challenge. Not helpful to check alignment of municipal budget with PGDP. DG convened team under facilitation of ECSECC, does come at the tail end of the PGDP process. <i>The Premier's Office noted that in their assessment of alignment between IDPs and PGDP, the allocation of budgets was used to indicate the level of commitment of sector departments and municipalities. It was a first attempt to see how budgets align around the PGDP.</i>
Interaction and alignment with NMMM	They have started to work together. Chief Financial Officers

Panel Question/Issue/Comment	Buffalo City Response
and together with the PGDP?	set up a framework but this has not gone forward.
Relationship management between the DM and LM, concrete measures to optimise the relationship and support other LMs? Service level agreements with Amatole DM are outstanding – why? Delegations framework? Amatole DM considered the need to legislate against LMs that are not cooperating.	BCM questions the value of interacting with province via the Amatole DM. For example with respect to the PGDP. BCM does sit on the Amatole Mayor's Forum. There is inconsistency of sometimes calling BCM and on other occasions calling ADM. The status of BCM needs to be clarified. BCM has relationships with 3 of the LMs in the district and are assisting them by sending teams e.g. for financial management.
	BCM are discussing service-level agreements with the Department of Health, there are negotiations and difficulties. It is a time-consuming process. Province and municipalities agree that IDPs must inform PGDP. The level of the sector officials that attend IDP Rep Forums is problematic.

4. Conclusion

BCM were thanked for their participation in this intergovernmental dialogue and were commended for the way in which they are addressing the challenges they face. The panel did, however, recognise that BCM need support in becoming a productive city, in achieving spatial integration, in addressing service delivery and land access challenges and in ensuring that they implement their Integrated Environmental and Coastal Zone Management Plans. Housing delivery as a potential economic driver should receive significant attention from BCM and other role players.

SIGNED

Signature of Chair:

Name: Mr Derek Powell

**National Department of Provincial and Local
Government**

Date:

Signature of Co-Chair:

Name: Ms Bea Hackula

**HOD, Department of Local Government and Housing,
Eastern Cape**

Date: